CRESCENT ENTERPRISES

ANNUAL REPORT 2016/17

PEOPLE. PURPOSE. PERFORMANCE.

CONTENTS

Published in 2017 by Crescent Enterprises

The report documents Crescent Enterprises' work and that of its subsidiaries and affiliates through 2016. Figures and references to a year are representative of the calendar and financial year ended 31 December 2016 unless otherwise indicated.

CEO'S MESSAGE

In 2016, Crescent Enterprises has reaffirmed its status as a purpose-driven organisation with strong fundamentals. To us, it was a year of steady progress focused on achieving new efficiencies, embedding digital transformation within our operating businesses, and continuing to explore new opportunities for growth.

As a diversified, global business, we were able to maintain an effective balance between seizing opportunities and addressing challenges during the year, while pursuing inclusive growth and creating shared value for all our stakeholders. In 2016, we also renewed our commitment to people, purpose, and performance. We believe we are prepared for what is called 'the new normal'.

With changing political environments in the US and UK, ongoing conflicts around the world, and a deepening refugee crisis in our own region, 2016 was a challenging year in many ways. Despite this uncertainty, we continued to achieve steady progress across our operations, and reinforced the governance-led approach that has had a positive impact on our bottom line and expanded our ability to generate shared value.

Maximising performance

The diversity of our operations contributed significantly to the robust outcomes we achieved in 2016. However, the most significant achievement of the year was our success in advancing our capabilities through the consolidation, restructuring, and digital transformation of those operations.

One of our anchor businesses, Gulftainer—the world's largest privately owned terminal operator—was affected by a challenging period for the global maritime industry. Despite this, it outperformed the global market, achieving a compound annual growth rate (CAGR) of around 14 per cent in container throughput during the five-year period 2012-2017, compared to global CAGR of just 2.8 per cent over the same period. The company significantly improved its customer experience with major technology upgrades including the implementation of the Marine and Container Handling (MACH) Terminal Operating System (TOS). Earlier in the year, Gulftainer launched interim operations at the port of Tripoli in Lebanon. The achievement of these milestones in a challenging market has reinforced Gulftainer's ability to adapt to economic volatilities and to continue to deliver exceptional service and value to its clients.

Momentum Logistics, our integrated third-party logistics (3PL) company that complements Gulftainer's port management business recorded a positive performance in 2016. The year marked a new phase of development for the company, which included expanding its market coverage and enhancing efficiencies through major technology upgrades.

London-listed Gama Aviation, meanwhile, generated record revenue in 2016, clocking a 12.6 per cent increase in total group revenue over the previous year. Gama Aviation's growing strategic presence in the US aviation market contributed to its strong performance with the US ground and air businesses, growing 15 per cent and 30 per cent, respectively. At the start of 2017, Gama Aviation announced a merger between its US Air division and that of BBA Aviation Plc, creating the US's largest aircraft management company and a market-leading platform in the US that is expected to be transformational for Gama Aviation's US business.

Despite adverse economic and political circumstances in Iraq, Uruk Engineering & Contracting has continued its efforts to pursue business opportunities there. It broadened its scope beyond power plants to include engineering, procurement, and construction projects in the oil and gas sector, and has entered the running for several multimillion dollar projects slated for 2017.

In 2016, we also executed a strategic exit from our medical diagnostics business Clinical Pathology Services (CPS). We concluded the sale of 100 per cent of our shares in CPS to MenaLabs, a UAE-based medical laboratory business that is majority owned by CERBA, a leading French diagnostics company. The sale, after a 12-year development period that brought world-class diagnostic services to the UAE, has underlined our ability to create long-term value and generate positive impact in local markets.

Crescent Investments, our strategic investments division, continued to diversify its investment portfolio and generate robust long-term investment returns this year. It saw several growth spikes in its private equity (PE) portfolio, reflecting strong fundamentals and consumption driven growth in the Middle East and Africa. Encouragingly, Crescent Investments' partner funds registered a significant overall increase in fund valuations and returns in 2016.

With entrepreneurship a key priority for policymakers across the MENA region and growth in regional venture capital funding, the investment landscape is being transformed, as demonstrated by Amazon's recent acquisition of Souq and the unicorn valuation of ride-hailing app Careem. Crescent Investments has been actively investing in late stage technology companies around the world. To bolster these efforts and gain greater exposure to new and disruptive technologies in 2016, Crescent Investments established a corporate venture capital programme aimed at investing in early and growth stage disruptive technology businesses around the world.

Innovation for sustainability is another theme that defined our efforts in 2016. Our internal incubation division, Crescent Enterprises Ventures (CE-Ventures), launched its first start-up in 2017: Kava & Chai, a food and beverage concept that embraces Arab café heritage through an omni-channel platform. CE-Ventures has also developed an industrial workwear venture that has the potential to significantly impact the region's construction and manufacturing sectors and improve their health and safety outcomes. The product is now in the final development stages, where the cooling impact of the final prototype is being measured and quantified using controlled testing technologies.

Creating shared value

To the credit of our people and partners, we have succeeded in preserving the core values that form the bedrock of our operations. All of us at Crescent Enterprises remain committed to good corporate citizenship, strong governance, and sustainability-driven practices.

Our work through the Pearl Initiative, of which Crescent Enterprises is a founding and lead partner, and our involvement with platforms as the United Nations Global Compact, the World Economic Forum's (WEF) Partnering Against Corruption Initiative, the United Nations' Women's Empowerment initiative, the Business 20 (B20) and the WEF's Global Future Councils has allowed us to become a strong voice advocating for better, more ethical and meaningful business practices both in the MENA region and around the world. We have reaffirmed our commitment to these objectives through various activities in 2016 that have been positive for our company and welcomed by our external stakeholders.

Furthermore, we stepped up our sustainability efforts in the pursuit of our three-year roadmap to enact meaningful change through our businesses for the benefit of youth, society at large, and the environment. Our achievements in 2016 included the creation of over 400 jobs, the establishment of an internal anti-corruption working group, and significant reductions in resource depletion across our businesses.

In line with our corporate citizenship targets, we have continued to deliver on our pledge to equip 1,000 Arab young people with highly-valuable soft skills by the end of 2017. This is part of our contribution to a collective effort aimed at reducing the unacceptably high unemployment rates afflicting Arab youth in many countries.

Looking ahead

In 2017, I believe that our sound diversification strategy and our focus on growth markets in the Middle East, Africa, and developing Asia—markets that are growing at a faster pace than more advanced economies—will continue to strengthen the ground beneath our feet in the face of global economic and geopolitical challenges. The year ahead will see us focus ever more acutely on empowering our people, on advancing our purpose-driven expansion, and on maximising our performance across the board.

Badr

Badr Jafar
Chief Executive Officer

COMPANY PROFILE

Our management philosophy is guided by core principles centred on integrity, responsibility, and sustainability and is characterised by our adoption of a long-term and inclusive approach emphasising growth, innovation, and operational excellence.

Crescent Enterprises is a multinational company headquartered in the UAE. The company boasts diversified global operations in various market sectors through its operating businesses, strategic investments, and business incubation activities. Its operations encompass such sectors as ports and logistics, power and engineering, business aviation, and healthcare. Crescent Enterprises employs 4,585 people in 20 countries across 22 subsidiaries and affiliates on five continents.

BUSINESS SECTORS

- PORTS AND LOGISTICS
- BUSINESS AVIATION
- POWER AND ENGINEERING
- HEALTHCARE
- Private Equity

Crescent Enterprises is a wholly owned subsidiary of the Crescent Group, a progressive, family-owned business group that has contributed to the economic landscape of the Middle East and North Africa (MENA) region for 46 years. The Crescent Group's other subsidiary, Crescent Petroleum, is the first and the largest indigenous, privately owned upstream oil and gas company in the Middle East.

22
subsidiaries and affiliates

20
countries of operation

4,585
employees, including at our subsidiaries and affiliates

We work to create long-term growth and shared value on a global scale through our diverse operating businesses, strategic investments, and business incubation activities.

VALUES

DIVERSITY & INCLUSION
Respect cultural diversity and work effectively and inclusively with every individual

ENTREPRENEURSHIP
Foster a culture of impact innovation by supporting the exchange of knowledge

RESPONSIBILITY
Serve the community and protect the environments in which we work

INTEGRITY
Conduct business ethically and adhere to the highest governance standards at every level of our operations

OPERATING BUSINESSES

Our operating businesses span subsidiaries and affiliates and reveal a balance between infrastructure-related industries and other sectors of the economy, including the broad fields of ports and logistics, power and engineering, business aviation, and healthcare.

STRATEGIC INVESTMENTS

Crescent Investments, the strategic investments division at Crescent Enterprises, maintains a balanced portfolio of strategic investments comprising alternative assets, mainly private equity, venture capital, and other structured investments.

BUSINESS INCUBATION

Crescent Enterprises Ventures (CE-Ventures), is an internal business incubator that conceives and develops early-stage concepts into viable businesses in diverse sectors, with a focus on positive social impact.

SENIOR MANAGEMENT

Badr Jafar
Chief Executive Officer

KEY LEADERSHIP POSITIONS

- President, Crescent Petroleum
- Chairman, Pearl Petroleum
- Chairman, Executive Board, Gulftainer

Badr is CEO of Crescent Enterprises and President of Crescent Petroleum. He is the Managing Director of Crescent Group, which has been operating from the UAE as a family business group for 44 years and is the parent company of Crescent Enterprises and Crescent Petroleum.

In addition, Badr serves as Chairman of Gas Cities LLC, a joint venture between Crescent Petroleum and Dana Gas PJSC, and as Chairman of Pearl Petroleum, a partnership between Crescent Petroleum, Dana Gas, OMV of Austria, MOL of Hungary and RWEST of Germany.

Badr is also active in a variety of other industries including ports and logistics, serving as Chair of the Executive Board of Gulftainer, the world's largest privately owned container port operator. He plays an active role in private equity initiatives, serving as a member of the boards of The Abraaj Group (UAE) and Growthgate Capital (Bahrain).

In 2010, Badr founded the Pearl Initiative, a non-profit venture in cooperation with the United Nations Office for Partnerships, to promote a corporate culture of transparency and accountability across the Gulf region of the Middle East. He is also an appointed member of the United Nations Secretary General's High-Level Panel on Humanitarian Financing to address and examine the growing humanitarian finance crisis.

Through his advocacy for social entrepreneurship, he sits on the Global Board of Education for Employment (EFE); is a member of the Synergos Arab World Social Innovators (AWSI) Program Board of Governors; is a member on the Board of Advisors of Gaza Sky Geeks; and is a Founding Board Member and Chairman of Endeavor UAE, an initiative encouraging high-impact entrepreneurship.

Badr is active with higher education institutions, serving on advisory boards for Cambridge University's Cambridge Judge Business School, the American University of Beirut, and the American University of Sharjah. He is also a member of the Research and Innovation Advisory Council for The Centre of Excellence for Applied Research & Training (CERT) at the Higher Colleges of Technology in Abu Dhabi.

As a keen advocate of the arts, he is an appointed member of the Guggenheim Middle Eastern Circle, the Artistic Director's Circle of The Old Vic Theatre Trust, and the Kennedy Center's Centennial Circle and a co-founder of the Middle East Theatre Academy. In 2014, Badr was awarded the Gold Medal in the Arts by the Kennedy Center International Committee on the Arts for his work to bridge cultures through music and theatre.

Badr is a member of the Young Presidents' Organisation (YPO) and is the Ex-Officio Chair of the YPO Emirates Chapter. In 2011, Badr was honoured as a Young Global Leader by the World Economic Forum, for which he is the Co-Chair of the Family Business Community, a Global Agenda Trustee for Economic Growth and Social Inclusion, and a member of the Global Future Council on the Humanitarian System.

Neeraj Agrawal
Executive Director

KEY LEADERSHIP POSITIONS

- Investment Committee Member, Crescent Enterprises
- CFO and Board Member, Crescent Group
- Executive Board Member, Gulftainer
- Board Member, Gulf Stevedoring Contracting Company
- Board Member, Uruk Engineering & Contracting
- Executive Committee Member, Crescent Petroleum

Neeraj Agrawal is the Executive Director in charge of overseeing Crescent Enterprises' operations and investments. He has been instrumental in the Company's transformation throughout the years, fostering its investments and nurturing its various sectors. Neeraj plays a particularly key role in the global expansion, diversification, and financing activities related to Crescent Enterprises' ports and logistics interests.

In his capacities as a board member and as the Chief Financial Officer of the Crescent Group, Neeraj is responsible for the Group's finance functions. He is also responsible for building the Group's relationships with the investment and banking community.

Neeraj's numerous achievements during his 27 years with the Crescent Group include securing several joint ventures within the international energy industry and leading the development of the Group's energy operations across the Middle East and North Africa (MENA) region. Neeraj was also instrumental in the formation and capitalisation of Dana Gas; in the US$1.2 billion acquisition and financing of Centurion Energy International Inc.; and in the Middle East's first forward-looking, accelerated US$1 billion sukuk issued by an associate company in 2007, which was hailed a 'Restructuring Deal of the Year' in 2013.

Neeraj joined the Crescent Group as a member of Crescent Petroleum. Prior to that, Neeraj worked as a management consultant for PwC. And before that he worked in the audit and management consultancy division of EY.

Neeraj holds a Bachelor of Commerce (Honours) degree from the University of Delhi. He is a Chartered Accountant, a fellow member of the Institute of Chartered Accountants of India, and a member of the Indian Business & Professionals Council and of TIE Dubai. He contributes significantly to the communities in the UAE and India through volunteer service.

Ravi Kumar
Executive Director

KEY LEADERSHIP POSITIONS

- Board Member, Crescent Group
- Investment Committee Member, Crescent Enterprises
- Chair of Sustainability Committee, Crescent Enterprises
- Executive Director, Corporate Affairs & Business Services, Crescent Petroleum
- Executive Committee Member, Crescent Petroleum
- Chair of Executive Committee, Crescent Aviation

Ravi Kumar is the Executive Director responsible for managing Crescent Enterprises' global office operations with innovative and effective shared business services including accounts, human resources and organisational development, information and communication technology, insurance, and supply chain management. He is also in charge of providing strategic direction and management oversight for the company's operations and investments and is equally involved in business development activities.

Ravi initiated the development of the framework for defining Crescent Enterprises' sustainability strategy and objectives. He did so with a view to drive change and ensure that environmental health, social well-being, and responsible economic performance become embedded in the organisation's strategy, operations, and reporting.

As a board member of the Crescent Group, Ravi is responsible for overseeing the group's business services functions. He has played a key role in establishing a corporate governance framework for the Group and its principal subsidiaries and affiliates.

Prior to joining Crescent Petroleum in 1991, Ravi worked in the audit divisions of EY in the UAE and of A. F. Ferguson & Co. in India.

Ravi holds a Business of Commerce (Honours) degree from the University of Delhi. He is a Chartered Accountant and a member of the Chartered Institute of Management Accountants, London, and of the Institute of Cost Accountants, India.

Tushar Singhvi
Vice President, Corporate Development & Investments

KEY LEADERSHIP POSITIONS

- Investment Committee Member, Crescent Enterprises
- Investment Committee Member, Gulftainer Group
- Fund Advisory Board Member, TVM Capital Healthcare Partners
- Limited Partners' Board Member, Siraj Palestine Fund
- Limited Partners' Advisory Committee Member, Wamda MENA Ventures

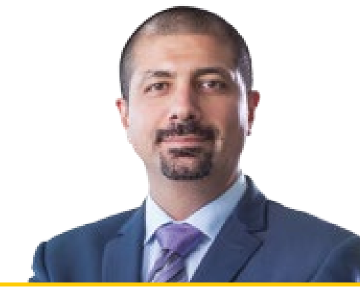
Tushar Singhvi heads the Corporate Development and Investments division and is responsible for evaluating and executing new investment opportunities on behalf of Crescent Enterprises. He also manages the portfolio companies through strategy and corporate development. He has been instrumental in cultivating corporate prospects and in contributing to the development of Crescent Enterprises' strategic and operational plans within the ports and logistics, business aviation, healthcare, and private equity verticals.

Tushar has more than 14 years of global experience in investment management, corporate development, strategy development and project management in sectors including power, logistics, oil and gas, healthcare and infrastructure development. He has worked on a range of transactions including mergers and aquisitions, capital raising, divestitures and debt restructuring.

Before joining Crescent Enterprises, Tushar worked with KPMG Corporate Finance in Dubai and, earlier, with an investment banking firm in London. Prior to that, he spent five years working in the power and infrastructure industries in Asia and Africa.

Tushar holds a Bachelor of Engineering degree from the University of Pune, India. He also holds a Master of Business Administration degree with distinction from the University of Oxford, where he was selected for the Dean's list.

Tushar is a member of the World Economic Forum's Global Future Council for Economic Growth and Social Inclusion, and is part of several other industry networks.



Samer Choucair
Vice President, CE-Ventures

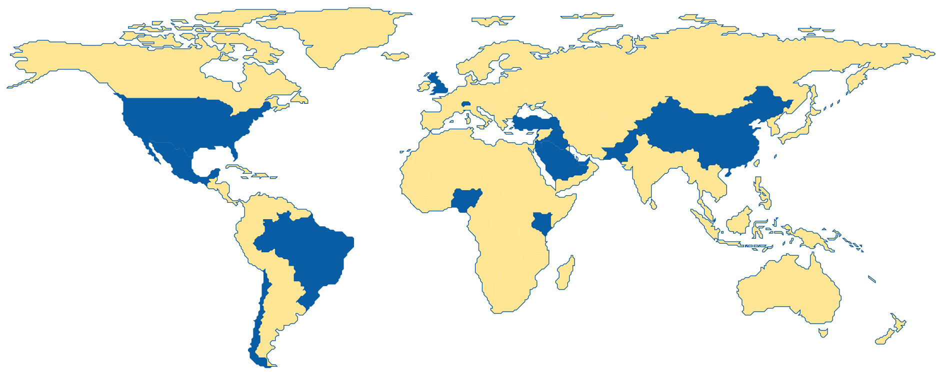
Samer Choucair is responsible for identifying, assessing, and incubating innovative and sustainable start-up opportunities, including the launch of several projects focused on food and beverages (F&B), industrial clothing, energy efficiency, and e-commerce. Samer also oversees Crescent Enterprises' entertainment subsidiary, the Global Gumbo Group.

Samer has more than 17 years of experience in start-ups across diverse industries and countries, from entertainment to F&B, e-commerce, media, and healthcare in Canada, the UAE, Saudi Arabia, Oman, and Singapore. He began his career in 1998, working on his own entrepreneurial ventures with a focus on identifying and developing opportunities into businesses. In 2010, he joined the financial services and private equity practice of Booz & Company's Dubai office. Prior to joining Crescent Enterprises in 2014, Samer was the Chief Operating Officer of Groupon Middle East, where he was instrumental in building that company to its market-leading position.

Samer holds a Masters of Business Administration from INSEAD and a Bachelor of Commerce degree with a concentration in Finance and Entrepreneurship from McGill University, Canada.

Samer is a member of the Young Arab Leaders (YAL) organisation and provides mentorship for start-ups on a personal level and through competitions and universities.

PERFORMANCE



Complementing Crescent Enterprises' long-term focus is its commitment to diversification, which has encouraged a shift in emphasis from opportunistic investment to country-and industry-specific business development and expansion.

Crescent Enterprises approaches its business with a long-term focus on capital generation, sustainability, and social impact and an investment and operating philosophy that embraces corporate governance, inclusive growth, and responsible business practices. This disciplined approach permeates every facet of our organisation, from new investment deals and operational agreements to start-up development initiatives.

OPPORTUNITY ASSESSMENT

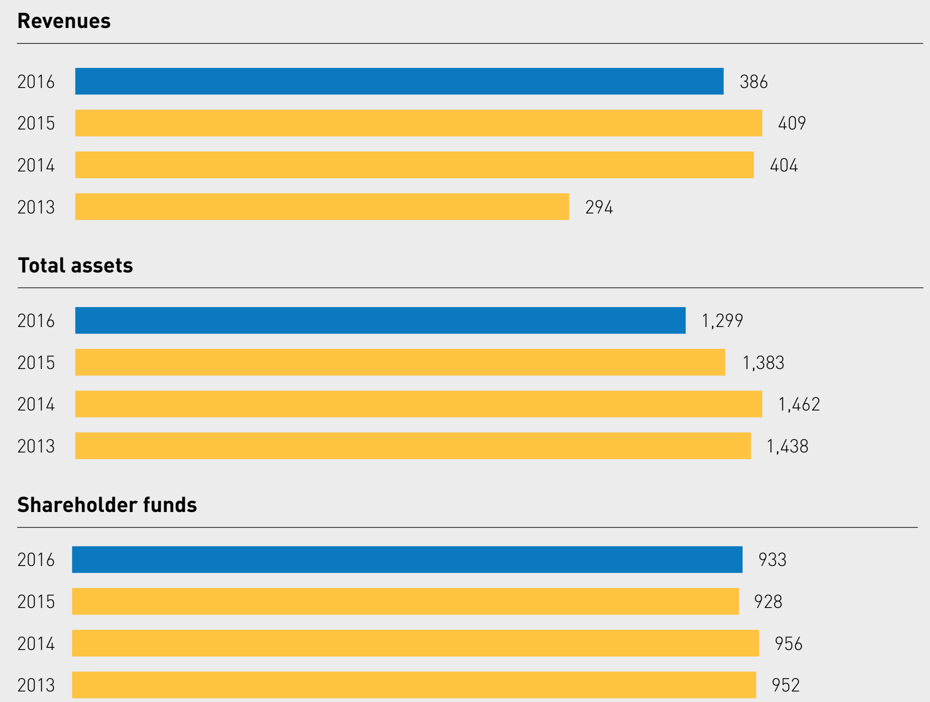
When evaluating industry opportunities and how our expertise can best be leveraged to create lasting success for all stakeholders, we use a clearly defined, five-step process that helps identify potential benefits, risks, and underlying uncertainties. Each opportunity is assessed and presented to the Crescent Enterprises Investment Committee for final consideration.

OPERATIONAL MANAGEMENT

Our interests lie in long-term partnerships that foster mutual growth and sustainability. As such, we set ourselves apart by having an active role within the companies we have strategic investments in. Through board representation and membership on relevant committees, we monitor progress and performance, offer strategic oversight, and enforce best-in-class corporate governance standards. A principal criterion for any opportunity that we assess is how we can generate value for the partnership beyond financing. Crescent Enterprises is committed to engaging with its partner companies and ventures to drive value creation for all stakeholders by providing strategic and operational guidance and market and financial intelligence.

FINANCIAL PERFORMANCE

Economic value generated and distributed (US$ million)



Our financial performance remained steady in 2016. Despite a marginal decrease in revenues, we managed to enhance our equity base through a more efficient use of our assets, leading to a significant increase in our return on assets.

OUTLOOK

Our diversification strategy and disciplined approach to growth has enabled us to withstand the global economic and geopolitical headwinds of 2016 and positioned us well for what lies ahead in 2017. We have sowed the seeds of long-term growth by cultivating sustainable projects, partnerships, and investments, and we expect to continue delivering results and creating shared value. In 2017, we will continue to invest in growth markets in the Middle East, Africa, and developing Asia.

OPERATING BUSINESSES

Crescent Enterprises' operating businesses include subsidiaries and affiliates that maintain a balance between infrastructure-related industries and other sectors of the economy. Our businesses operate broadly across the fields of ports and logistics, power and engineering, business aviation, and healthcare.

PORTS AND LOGISTICS

Gulftainer is the largest privately owned, independent port management company in the world and has delivered world-class performance to its customers for over 40 years.

Momentum Logistics is a fully integrated, third-party logistics provider offering a complete suite of supply chain management solutions.

BUSINESS AVIATION

Gama Aviation is a global aviation services company listed on the AIM sub-market of the London Stock Exchange.

POWER AND ENGINEERING

Uruk Engineering & Contracting offers turnkey solutions in engineering, procurement, and construction wih a focus on the power sector.

HEALTHCARE

Clinical Pathology Services (CPS) was sold by Crescent Enterprises in December 2016 to MenaLabs, a UAE company that specialises in medical diagnostic and clinical laboratory management. MenaLabs is 51 per cent owned by CERBA, a leading player in diagnostics headquartered in France and operating in 16 European countries. The sale, after a 12-year development period that brought world-class diagnostic services to the UAE, demonstrated our ability to add long-term value to our businesses as we continue to diversify our portfolio.

GULFTAINER | www.gulftainer.com

Gulftainer is the world's largest privately owned, independent port management company. With over 40 years of experience, the company has established a strong presence in various parts of the world and consistently met its customer' growing needs.

Gulftainer's operations in the UAE include Khorfakkan Port, Port Khalid, and Hamriyah Port. Outside the UAE, the company's portfolio encompasses operations in Lebanon, at the Port of Tripoli; in Iraq, at Umm Qasr Port; and in Saudi Arabia, at Jeddah Islamic Port and at Jubail Commercial Port. Gulftainer also operates in Brazil, at Recife Port, and in the United States, where it manages the Canaveral Cargo Terminal at Port Canaveral, Florida.

Crescent Enterprises' ownership:
50%, with management control

Crescent Enterprises' relationship with Gulftainer began in 1976, when parent company, the Crescent Group, established Gulftainer to manage the Sharjah Container Terminal (SCT) at Port Khalid in Sharjah, the first dedicated container terminal in the UAE. Crescent Enterprises continues to provide Gulftainer with strategic guidance on expansion and other opportunities through its representation on Gulftainer's Executive Board and Investment Committee.

Strong performance in Saudi Arabia:

50%
market share of container volume in the Jeddah Islamic Port

10%+
in container volume in Jeddah Islamic Port and Jubail Commercial Port over 2015

28%+
in container volume in Jubail Commercial Port alone

21%+
in bulk and general cargo over 2015

Gulftainer was named **Port Terminal Operator of the Year** at Seatrade Maritime Awards 2016.

GULFTAINER | www.gulftainer.com

2016 HIGHLIGHTS

2016 was a challenging year for the global shipping industry due to a range of factors, including overcapacity, political instability, and a slowdown in the Chinese and European economies. The specific regions in which Gulftainer operates were also impacted by depressed oil prices and slower economic growth.

Nonetheless, the company's portfolio performed better than the global market, meaning Gulftainer's compound annual growth rate (CAGR) of around 14 per cent in container throughput during the five-year period from 2012 to 2017 continues to outperform the global throughput growth levels of 2.8 per cent over the same period.

Gulftainer's strong performance in challenging conditions is an indication of the company's resilience in adapting to market fluctuations and economic uncertainties. In recognition of its performance, Gulftainer was named Port Terminal Operator of the Year at the Seatrade Maritime Awards Middle East, Indian Subcontinent & Africa Awards 2016.

Khorfakkan Port & Port Khalid, UAE

Khorfakkan Port is one of the most productive ports in the world. Khorfakkan Container Terminal (KCT), which regularly achieves 240 moves per hour, can accommodate the world's largest container ships at its naturally deep water berths. In 2016, Gulftainer maintained volumes at its Khorfakkan Port and at its Port Khalid facilities despite the global downturn in the shipping industry.

An additional US$60 million was also invested in KCT for cranes with a greater outreach to manage 18,000-plus TEU vessels and provide greater flexibility in operations.

In March 2016, KCT set a terminal record of 5,146 container moves in a 12-hour shift. This surpasses the previous record of 4,904 container moves and is especially notable given that the global industry benchmark for container handling established by shipping lines is 6,000 moves in a 24-hour period.

At Port Khalid, the Sharjah Container Terminal (SCT) continued to be a highly flexible and productive facility, handling up to 70 vessel calls per month.

The year's success at the SCT owes itself to Gulftainer's operational upgrades that were focused on efficiency, including the relocation of two gantry cranes to the terminal and the introduction of a new terminal operating system that has improved effeciency and enhanced terminal productivity. To bolster further growth, Gulftainer engaged consultants CH2M Hill in 2016 to explore expansion possibilities for Port Khalid.

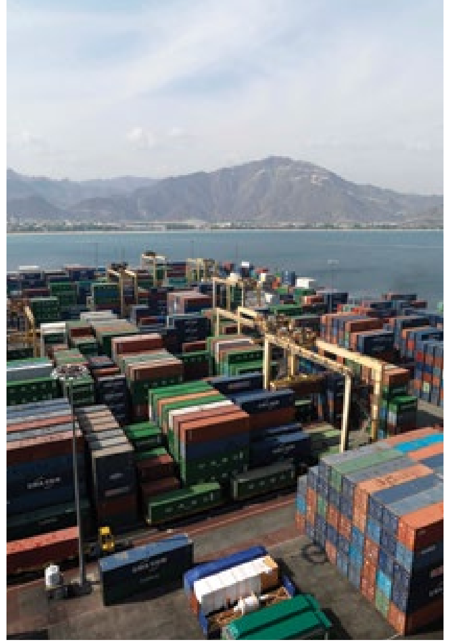
Jeddah Islamic Port and Jubail Commercial Port, Saudi Arabia

Gulf Stevedoring, a member of the Gulftainer group of companies, continued to deliver strong performance in Saudi Arabia through the year, celebrating the handling of a record 20 million TEUs since inception at the Northern Container Terminal (NCT) at the Jeddah Islamic Port in 2016.

With a market share of almost 50 per cent of container volume, Gulf Stevedoring's NCT is the busiest container terminal in the Jeddah Islamic Port and with its operation in Jubail Commercial Port (JCP), Gulf Stevedoring is the largest terminal operator within Saudi Arabia in terms of throughput and the only private operator to operate more than one terminal in the country.

Collectively, NCT and JCP achieved an impressive 10 per cent spike in container volume. Of this volume, JCP handled 539,000 TEU, registering the strongest growth across the company's portfolio with a 28 per cent increase over 2015. For its part, NCT handled 1.88 million TEU, recording a six per cent increase over 2015.

In bulk and general cargoes, primarily at Jubail Industry Port, Gulftainer handled 4.4 million tonnes, representing a 21 per cent increase over 2015.



Gulftainer operations at Jeddah Islamic Port achieved healthy throughput growth of 22 per cent in 2016, while exceptional productivity and customer service at NCT and at JCP helped secure long-term contract renewals there for Gulftainer with three global shipping lines.

Port Canaveral, USA

In January 2016, Gulftainer began its operations in the US, at Port Canaveral. The Blue Stream Service—a weekly container cargo service connecting Port Canaveral to Europe, the French West Indies and Central America— provides refrigerated and dry container service to and from Canaveral Cargo Terminal operated by Gulftainer's US arm GT USA, with a focus on fresh produce and perishable cargo.

NOTABLE ACTIVITY

- Gulftainer implemented the state-of-the-art Marine and Container Handling (MACH) Terminal Operating System (TOS), marking a major technology upgrade for the company.
- Gulftainer deployed the SAP S/4HANA real-time enterprise resource planning (ERP) business suite. This ERP suite covers sales and distribution, enterprise asset and materials management, finance, human resources and employee self-services, and travel management.
- Gulftainer launched interim operations at the Port of Tripoli, Lebanon, in 2016.

LEADERSHIP

Gulftainer underwent changes in leadership during the year. Flemming Dalgaard was appointed CEO for the Sharjah-headquartered Gulftainer Group. The group's outgoing chief executive officer, Peter Richards, was named the CEO of Gulftainer USA, responsible for leading the group's expansion in the United States, and appointed to Gulftainer's Executive Board. Under new stewardship, Gulftainer is charting a course of strategic growth and planned investments in terminals and ports globally to further its capacity-handling capabilities, enhance its productivity, and build its client base.

OUTLOOK

Despite its expectation for 2017 to remain a challenging year for the shipping industry, Gulftainer will continue to invest to expand capacities, increase efficiencies and to enhance the operations of its terminals. At the same time, it will pursue growth opportunities in the MENA region and elsewhere around the world. Gulftainer aims to become one of the world's top ten container terminal operators over the next decade, as it seeks a global footprint on five continents handling up to 18 million TEUs a year.

MOMENTUM LOGISTICS

www.momentumlogistics.com

Momentum Logistics (Momentum) is an integrated third-party logistics (3PL) services provider that offers a complete suite of supply chain management solutions including transportation with inter-connectivity across the GCC, freight forwarding, warehousing, logistics cities, and container services in addition to specialised capabilities such as oil field services.

To facilitate its business globally, Momentum is a member of several leading international forwarding agent networks, including the Atlas Network, WCA, SCLG and the National Association of Freight and Logistics. The focus of these networks—to provide global services of exceptional quality—aligns with Momentum's desire to meet and exceed client expectations.

Crescent Enterprises' Ownership
50% with management control

Momentum Logistics was established in 2008 to enhance Gulftainer's service offering. Today, Momentum is headquartered at the Sharjah Inland Container Depot (SICD) and has operations spanning the Middle East.

Momentum's container services business recorded an impressive

315%
increase in reefer revenue,

22%
increase in inspection volumes, and

28%
increase in sales.

The Marine and Cargo Handling (MACH) terminal operating system (TOS) was fully implemented.

MOMENTUM LOGISTICS | www.momentumlogistics.com

2016 HIGHLIGHTS

In July 2016, Tom Nauwelaerts joined Momentum Logistics as its new managing director. With over 25 years of experience in supply chain management across various logistics markets including the Middle East, Europe, and Asia, Tom is responsible for steering the expansion of Momentum Logistics in the 3PL industry. In line with Momentum's strategy to diversify its business offering, the company aims to develop a distinct identity as one of the premier logistics services providers in existing and new high-potential markets.

This year, Momentum's container services business, which consists of activities like inspections, cleaning, repairing, modification and trading of containers, recorded an impressive 315 per cent increase in reefer revenue, a 22 per cent increase in inspection volumes, and a 28 per cent increase in sales.

Momentum operates a 24-hour, seven-day-a-week repair service for steel, aluminium, and open-top containers, as well as flat racks and refrigerated containers transiting Sharjah and Khorfakkan terminals, combining competitive rates, an online tracking system, and rapid turn-around time. In addition, pre-trip inspections, pre-cooling of reefers, and minor ship repair are offered as services.

The company has also launched a unique product, Land Bridge, which seamlessly integrates ports and logistic services, linking seaports with inland container depots that provide onward transportation and other services, such as customs clearance. This product is fully integrated from a commercial, operational, and technological perspective and offers the customer a seamless supply chain from port to door and back.

Geographical presence

In addition to its Sharjah headquarters, Momentum has a UAE presence in Jebel Ali, Khorfakkan Container Terminal, Sharjah Container Terminal, Sharjah Airport Industrial Free zone, Fujairah, and Ras Al Khor.

Momentum Logistics is a major player in Iraq with active business operations in Erbil and Um Qasr. It also operates in Pakistan under the MTI brand with transportation fleets operating from Lahore.

Innovative milestones

- 2016 was the year of process excellence and IT automation at Momentum, where it implemented the SAP S/4HANA real-time enterprise resource planning (ERP) business suite. Momentum has implemented the finance module of the SAP ERP software to facilitate better real-time reporting and information access for customers.
- Momentum also launched the Marine and Cargo Handling (MACH) terminal operation system (TOS), with the roll out praised as the best of its kind by the group's global technology partner. MACH is now in operation at the SICD and available through a dedicated online portal for Momentum's customers. The new TOS is set to significantly upgrade the company's operating processes and customer service functions by optimising job orders, vehicle routing for container pick-up and delivery, and the management of un-laden travel within terminals.
- Momentum implemented a new state-of-the-art solution for freight forwarding named CargoWise One that offers the latest technology-enabled logistics services to customers.
- A new customs building opened at the SICD in 2016, designed specifically to ease customs clearance for Momentum customers. Momentum worked closely with Sharjah Customs to integrate custom clearance in an online clearance portal, facilitating smoother ease of business for its customers.
- Momentum was recertified for ISO 2001. It was the first SQAS (Safety and Quality Assessment System) attested 3PL company in Sharjah and is one of the few logistics providers in the UAE with this certification.
- In 2016, the transport division at Momentum increased the distance its land transport vehicles travelled without an accident by 34.8 per cent compared with the 2015 distance. The division anticipates further gains with its focus towards enhanced health and safety procedures.

Service highlights

- Freight forwarding – A one-stop freight solution offering a diverse range of services including air freight, ocean freight, customs clearance, and land transport.
- Transportation – One of the largest asset based carriers with a large active fleet across the GCC.
- Cross-border transportation in the GCC – Includes transportation of containers and reefers.
- Open and covered storage – Warehousing including cold stores and open yards for break-bulk, project cargo, and containers.
- Container services – Includes activities such as inspections, cleaning, repair, modification, and trading of containers.

OUTLOOK

Momentum aims to develop a distinct identity as a premier logistics services provider in growth markets across the Middle East and Africa. The company has strengthened its management and operational capabilities to expand business in the UAE, and at the Umm Qasr Logistics Centre, in Iraq. Momentum has set up a base in Saudi where it is looking to expand operations and will also focus on broadening its coverage in Iraq. Over the next few years, Momentum will continue to work to exceed customer expectations by expanding both its suite of service offerings and geographic coverage, strategically focusing on delivering innovative, technology-driven logistics solutions in the MENA region.

GAMA AVIATION

www.gamaaviation.com

Gama Aviation is a global aviation services business that offers extensive support to large multinational corporations, the military, police forces, healthcare providers, and high net worth individuals. Its service offerings include business aircraft charters, aircraft management, fixed-base operations (FBO), engineering, design and maintenance, and operational software.

Gama Aviation's network spans 44 locations on five continents and includes a fleet of more than 165 aircraft. The company's global headquarters are at Farnborough Airport in the United Kingdom, with regional headquarters in Connecticut, USA; Sharjah, UAE; and Hong Kong, China.

Crescent Enterprises' ownership:
Significant minority

Crescent Enterprises offers insight and support to Gama Aviation's operations in the Middle East based on its long-standing history in and understanding of the region.

12.6%
record increase in total group revenue over 2015 revenues.

Gama merged its US Air division with that of BBA Aviation.

GAMA AVIATION

www.gamaaviation.com

Gama Aviation

2016 HIGHLIGHTS

For Gama Aviation, 2016 was a busy and productive year. It reported record total group revenue and delivered organic growth and operational efficiencies despite challenging markets in some regions. In the process, it reinfornced its strategic capabilities across all of its operating regions through a mix of acquisitions, capital expenditure, and partnerships. The company also simplified its corporate structure and strengthened its management team.

The company also simplified its corporate structure and strengthened its management team.

On a constant currency basis, Gama Aviation's total group revenue for the year increased 12.6 per cent over 2015 revenue, reaching US$432.4 million. Underlying profit before tax (PBT) was US$13.7 million, up 3.8 per cent (2015: US$13.2 million). This growth was primarily organic and based on a strong overall performance, including improved business in Europe, especially in the second half of the year. Cash generation from operations improved to an inflow of US$2.2 million, compared with an outflow of US$14.1 million in 2015. Dividends per share went up 4 per cent to 2.6 Pence Sterling (p) per share, compared with 2.5p in 2015.

United States

Gama Aviation's US aircraft management business remained robust in 2016. Air operations delivered strong organic revenue growth of 30 per cent compared with 2015, driven by contract wins.

Gama Aviation's US ground services operations also performed well in 2016, with organic revenue growth increasing by 15 per cent. The company added three new ground services bases during the year, reaching a total of nine bases.

The transformative merger of Gama Aviation's aircraft management and charter businesses with those of BBA Aviation, agreed on 1 January 2017, will further strengthen the development of Gama Aviation's US air and ground activities. Subsequently, aircraft under management at Gama Aviation rose 12.2 per cent, to 165, compared with 147 in 2015.

Europe

The European air services of Gama Aviation continued their steady recovery in 2016 despite challenging market conditions, in large part due to management's decisive actions in late 2015. This process continued in 2016, with management exiting a number of underperforming contracts. This was one of the key drivers behind a five per cent drop in European air divisions revenues in 2016.

Although Gama Aviation's European ground services delivered a 20 per cent operating margin despite challenging market conditions, ground revenue was also down 20 per cent largely due to lower levels of discretionary spending.

The 2016 acquisitions by Gama Aviation of Aviation Beauport and Flyer Tech bolster its ground and air services, respectively, in Europe. Both newly acquired firms are already fully integrated with Gama Aviation's operations and have begun to deliver on the anticipated benefits.

New multi-year contract wins further offset a generally subdued market environment. Gama Aviation was awarded two significant contracts in 2016 following competitive tenders.

The first is a three-year contract for its European ground business to maintain the fixed-wing fleet of the UK's National Police Air Service, and the second is a five-year contract renewal to manage and pilot a UK aerial survey platform.

In addition, in April 2017, Gama Aviation and Atkins were awarded new Military Airworthiness contracts by the Joint Helicopter Command and Headquarters Air Command to continue providing Air Worthiness Review services for aircraft on the UK Military Aircraft Register, after completing airworthiness reviews of more than 1,400 aircraft.

Middle East

The Middle Eastern air services operations of Gama Aviation continued to grow in 2016. Two aircraft were added during the year's final quarter, bringing the total aircraft under management to nine.

Another aircraft is contracted and will enter service in early 2017. These additional aircraft bring much-needed charter capacity into the low-inventory, midsize category within the region.

On the ground, Gama Aviation's Sharjah Airport FBO continues to attract customers, compelling the FBO to increase its line and base maintenance coverage.

Asia

During 2016, Gama Aviation reorganised and consolidated the infrastructure and operational capabilities of its regional aircraft management business based in Hong Kong. With minimal aircraft sale and purchase activity in the region over the period, Gama Aviation's opportunities to grow its managed fleet were limited. There are, however, some encouraging signs of renewed activity in the market, and this is reflected in an improving pipeline for Gama Aviation's air services business in Asia.

Gama Aviation's plans to launch line maintenance operations in Asia remain on track. And the company expects to be generating revenues from these ground operations in 2017.

Total group revenue

US$432.4mn

Underlying EBITDA

US$17.3mn

Underlying total operating profit

US$15.1mn

OUTLOOK

Gama Aviation has the potential for high growth through consolidation in a fragmented market. Consolidating provides Gama Aviation a solid platform from which to achieve its aggressive growth goal—of doubling the scale of its business over the next two years. Ongoing business optimisation and right sizing, meanwhile, will continue to enhance the performance of Gama Aviation's ground and air services businesses in 2017.

In the US, Gama Aviation is expected to continue its strong trading performance, owing to the landmark merger. It plans further new bases in 2017 to complement the expanding national coverage of its enlarged aircraft management business.

In the European market, Gama Aviation anticipates a return to modest growth in 2017, with a focus on special missions.

The late-2016 fleet growth in the Middle East left revenues for the year under review flat, but revenue is expected to grow in 2017, alongside continuing improvements in margins. Gama Aviation's Middle East operations are generating sufficient cash to meet its operating expenditures.

Preparations for the development of Gama Aviation's 100,000-square-foot business aviation facility at Sharjah International Airport are progressing well. The facility will provide much-needed hangar and maintenance infrastructure for the region. It will also attract increased FBO traffic, and line and base maintenance activity.

Underlying PBT

US$13.7mn

2016 dividend up

4% to:2.6p

URUK ENGINEERING & CONTRACTING

www.urukgroup.com

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URUK

Uruk Engineering & Contracting (Uruk) offers turnkey solutions in engineering, procurement, and construction (EPC). The company engages in projects ranging from power, oil and gas, and petrochemical projects to waste water and infrastructure projects, using its own assets and resources.

Since its inception in 2003, the company has consistently demonstrated leadership in the field and has worked with a variety of global companies, including Bechtel International, GE, Alstom, and ABB, in addition to several Iraqi ministries. Uruk is headquartered in Dubai, UAE, and has an office in Baghdad, Iraq.

Crescent Enterprises' ownership:

Significant minority

Crescent Enterprises provides strategic support to Uruk through representation on its Board.

Uruk submitted proposals for the

US$ 197 mn
Daura rehabilitation project,

US$ 371 mn
Al Mansuriya independent power plant project, and

US$ 330 mn
Al Diwaniya independent power plant project.

URUK ENGINEERING & CONTRACTING

www.urukgroup.com

2016 HIGHLIGHTS

Uruk faced several challenges throughout the year because of the unstable political climate in Iraq, and low oil prices globally. Activity in 2016 centred on business development. Uruk engaged in rehabilitation projects for existing power plants, increased its involvement in the oil and gas sector, and extended its services to projects commissioned by the government.

New development prospects

As part of its extension of services, Uruk pursued tenders with entities such as the South Oil Company, the South Gas Company, and the Basrah Gas Company. In line with its strategy to diversify its portfolio of projects, Uruk broadened its interests beyond power plant construction projects, establishing an international consortium of companies to pursue oil and gas EPC projects.

Uruk also began exploring an opportunity to build an independent power plant in Iraq, as well as exploring opportunities for alternative energy production in the solar energy field within the region.

Rehabilitation projects

Uruk attended to the repair of power plants damaged during recent military activity amidst ongoing unrest in Iraq. Amongst those damaged was Al Mansuriya power plant, Uruk's 724 MW project completed in partnership with the Iraqi Ministry of Electricity.

With its understanding of local norms and relationships, Uruk secured the Al Mansuriya plant site and performed a visual assessment of assets before beginning repairs. Uruk and Alstom are in the final stages of negotiation with Iraq's Ministry of Economy for a variation order to repair all damage to the plant.

Uruk now seeks to extend its expertise in rebuilding and rehabilitating plants to damaged facilities that it did not originally build.

To this end, Uruk submitted proposals for the US$197 million Daura rehabilitation project, in addition to independent power plant projects such as Mansuriya for US$371 million and Diwaniya for US$330 million.

Thought leadership

Uruk participated in a number of high-profile industry events in 2016. The company offered a wealth of advice based on its experience and knowledge to government-led forums, conferences, and discussions aimed at identifying solutions for Iraq's current and future energy needs.

At the '2nd International Conference and Fair of Missan for Energy, Construction and Investment', held in Amara, Iraq, Uruk presented on its contributions to the reconstruction of Iraq's energy sector.

The company showcased its successes in the region, which it achieved through regional expertise and long-term commitments to its project partners. Uruk also participated in the '2nd Qualitative Fair of Electricity' in Baghdad and the '5th Annual Basra Oil & Gas Exhibition and Conference', two of the most significant industry events bringing together global companies and local experts to discuss strategies and future solutions for the electricity and oil and gas sectors of Iraq.

OUTLOOK

Uruk will continue in 2017 to engage in various green field and rehabilitation projects in Iraq, many involving significant maintenance or expansion. As a leading EPC firm, Uruk seeks to diversify its portfolio and increase its involvement in the oil and gas sector through government projects. In addition, it is exploring the opportunity to build an independent power plant through its long-standing experience and expertise. Uruk, moreover, will continue to lead and support discussions and activities in the energy sector to identify needs and create economic and social opportunities through projects across the region.

STRATEGIC INVESTMENTS

Crescent Investments is the strategic division that holds all the private equity and other alternative investments of Crescent Enterprises. With a long-term view, its strategy is geared towards maintaining a balanced portfolio of alternative asset class investments, including private equity, venture capital, and real estate. The division's active investments include The Abraaj Group, Growthgate Capital, TVM Capital Healthcare Partners, Siraj Palestine Fund I, Samena Capital, Duet IBC Real Estate Opportunities Fund, Wamda MENA Ventures I, and Hedosophia MENA.

THE ABRAAJ GROUP | www.abraaj.com

The Abraaj Group (Abraaj) is a global institution investing in growth markets across Africa, Asia, Latin America, the Middle East, and Turkey. Abraaj employs over 300 people and has over 17 offices spread across five regions, with hubs in Dubai, Istanbul, Mexico City, Nairobi, and Singapore.

Abraaj manages US$10 billion in assets and is focused on investment strategies across private equity, private credit, impact investing, and real estate. By combining deep local reach, a global platform, and underwriting standards with extensive operating capabilities, Abraaj generates industry-leading returns and creates value in market-leading companies.

Investment interest:

Founding shareholder and limited partner

As a founding shareholder and limited partner, Crescent Enterprises monitors the performance of all invested funds and takes a keen interest in the strategic rationale employed by Abraaj. Crescent Enterprises reviews select co-investment opportunities and provides strategic guidance by means of representation on Abraaj's Board of Directors.

THE ABRAAJ GROUP | www.abraaj.com

THE ABRAAJ GROUP

2016 HIGHLIGHTS

2016 was an active year for Abraaj. The group made 13 new investments across six sectors and achieved 19 full exits across eight sectors.

From a fundraising perspective, Abraaj raised about US$2.4 billion for its regional funds focused on North Africa, Sub-Saharan Africa, Latin America, Turkey, and Pakistan.

These funds target well-managed, mid-sized businesses operating primarily in sectors poised to benefit from growing domestic consumption. The firm also has commitments of US$1 billion for its Global Healthcare Fund, a fund focused on impact investing in growth markets.

Select new investments

Indorama Fertilizers: Indorama Fertilizers is the largest urea fertiliser manufacturer in Sub-Saharan Africa, operating a world-class, 1.4 million metric tonnes per annum urea manufacturing facility based in Port Harcourt, Nigeria. It plays a key role in supporting the agricultural sector in the country by providing a reliable supply of fertilisers for local farmers, thereby enabling import substitution and supporting the diversification of the Nigerian economy. Abraaj invested in Indorama Fertilizers and will use its expertise and networks to support Indorama Fertilizer's market penetration and future expansion plans, and to help ensure best-in-class corporate governance.

Capa de Ozono: Capa de Ozono, a leading fashion footwear designer, distributor, and retailer in Mexico, was established in 1992 in the state of Guanajuato. As of 2016, the company has 235 stores in more than 50 cities, as well as more than 300 wholesale clients and an online retail presence. The family-owned company caters to teenagers and young adults with men's and women's footwear fashion. Through its funds, Abraaj acquired a significant minority stake in Capa de Ozono. Abraaj and Capa de Ozono's management team will focus on capturing new revenue opportunities by expanding the number of stores and diversifying product categories and business lines.

CARE Hospitals: Quality Care India Limited (CARE) was founded in 1997 by leading Indian cardiologists Dr B Soma Raju and Dr Krishna Reddy. Headquartered in Hyderabad, CARE has expanded to become India's fifth-largest healthcare player by number of beds. Through its funds, Abraaj acquired a majority stake in CARE Hospitals. Following completion of the transaction in March 2016, Abraaj began its implementation of strategic initiatives and associated execution plans geared toward long-term growth and profitability. This includes improvement in operational efficiencies through the enhancement of super-specialty capabilities and strengthening CARE as a regional centre of excellence.

Additional investments

- Abraaj acquired a minority stake in Fibabanka A.S. (Fibabanka), one of the most prominent banks in Turkey, with a highly experienced management team. The investment from Abraaj will be used by Fibabanka to expand its franchise network and support further growth.
- Abraaj led a US$30 million round of fundraising for Ninja Van in April 2016. Ninja Van is a leading, technology-enabled, e-commerce-focused, last-mile logistics provider in Southeast Asia with operations in Singapore, Malaysia, Indonesia, Vietnam, the Philippines, and Thailand. Ninja Van takes an innovative approach to last-mile logistics, using sophisticated algorithms to solve complex logistics issues and optimise delivery routes.
- Abraaj led a US$150 million round of fundraising for BigBasket, India's foremost online grocery business. Founded in 2011, BigBasket is headquartered in Bangalore and serves customers across India. As of 2016, BigBasket operates in eight metro cities and ten Tier II cities.
- Through its second-generation North Africa Fund (ANAF II), Abraaj acquired a significant minority stake in CEPRO, a leading fast-moving consumer goods company engaged in the manufacturing, sales, and distribution of baby diapers and sanitary pads in Algeria. Abraaj partnered with the founders to strengthen CEPRO's market position, increase its production, and diversify its product portfolio.
- Abraaj also acquired a stake in Société d'Articles Hygiéniques (SAH), a leading producer of disposable household and personal care products for babies and adults in Tunisia. SAH is listed on the Tunisian Stock Exchange. The partnership will focus on expanding SAH's footprint across Sub-Saharan Africa by enhancing its distribution models, improving its production efficiency, and focusing on its product innovation.

Select exits

Koba: Abraaj exited its investment in Koba International Group S.A. (Koba), one of the most dynamic players in the Colombian retail space. During its partnership with Koba, Abraaj introduced significant corporate governance and organisational enhancements, bringing in other institutional investors to help fund the accelerated growth of the company. At the time of the exit, Koba had almost 500 stores, and over 5,000 employees and served close to 10 million customers per month.

Unimed: Abraaj exited its investment in leading Tunisian pharmaceutical company Unité de fabrication de médicaments (Unimed) through an initial public offering (IPO) on the Tunis Stock Exchange. Unimed's IPO was the first in 2016 on the Tunis Stock Exchange, and the first in the pharmaceutical sector since 2007. The IPO was priced at 11.8 Tunisian Dinars (TND) per share, implying a market capitalisation of TND 300 million (approximately US$150 million). The IPO was oversubscribed 32.6 times—the highest ever recorded on the Tunis Stock Exchange.

OUTLOOK

In 2017, Abraaj will continue to focus on emerging consumers and the fast-growing cities where they live. Its mid-market private equity strategies focus on consumer-facing businesses capitalising on increasing disposable incomes, lifestyle changes and supply-demand gaps in cities throughout its key markets. Whilst Abraaj targets markets with compelling fundamental drivers at the macro level, its core view is that strong returns are generated by its ability to find, build, and exit exceptional companies and assets. Similarly, in the impact investing space, it will focus on healthcare and clean energy platforms, as it believes these are best delivered through an approach of doing good and doing well.

≈US$7.7bn
deployed

190+
investments

GROWTHGATE CAPITAL | www.growthgate.com

Growthgate Capital (Growthgate) is an investment firm that engages in direct equity investments. The firm focuses on midsize companies in the Gulf Cooperation Council (GCC) region and on select markets in the wider MENA region. The firm was incorporated as a closed joint stock company in Bahrain in 2007 with a capital base of US$200 million and today holds a portfolio of six companies.

Through its 'buy-and-build' strategy, Growthgate has succeeded in investing in and expanding the reach of its portfolio companies within their core businesses and internationally. In 2015, Forbes listed Growthgate as one of the top companies making an impact in the Arab world.

Investment interest:

Limited partner

Crescent Enterprises provides strategic guidance to Growthgate by means of representation on the firm's Board of Directors. It also takes a keen interest in the strategic rationale employed by the firm on select investment decisions and co-investment opportunities.

2016 HIGHLIGHTS

Beyond its commitment to its current portfolio of companies, Growthgate continued to target investments in additional midsize companies in the GCC and in key markets in the MENA region. It welcomed one new investment in 2016.

Portfolio updates

Averda International: Averda International (Averda) is the largest environmental solutions provider in the MENA region. Averda specialises in integrated resource management in more than 14 countries in the GCC, Africa, and Europe. In 2016, Averda commenced operations in the Republic of Congo, where it is set to build the country's first municipal solid waste landfill. Averda also expanded its waste collection services in the UAE during the year, with two new contracts in Dubai and Al Ain, and an additional two contracts in the Sultanate of Oman for waste collection and landfill services in the Al Dhakhiliya and Dhodar regions.

International Food Services: International Food Services (IFS) is a food conglomerate covering distribution, food processing, catering, retail, and franchise retail services in the Middle East, with additional operations in China, Yemen, Jordan, Libya, Sudan, and Mauritius through channel partners. IFS owns eight manufacturing facilities in Saudi Arabia, Egypt, Syria, and Lebanon and through its manufacturing division has secured major private label agreements and other engagements with Panda, the KSA Supermarket chain, Goody, and IKEA. During Hajj and Umrah, IFS delivers 22 million meals per year to labourers and pilgrims. The IFS workforce exceeds 2,100 employees across various operating units in the MENA region.

IrisGuard, Inc.: IrisGuard, Inc. (IG), is a leading provider of iris recognition solutions. It designs and manufactures patented custom iris cameras that provide a unique identifier for every person in the world and can be used for border security, in banking, and, most recently, for refugee support services.

IrisGuard EyeBank technology has enrolled over 1.6 million Syrian refugees in the UNHCR data bank, the world's largest database of refugees, enabling those refugees to receive cash aid through IrisGuard-equipped ATMs.

In 2016, IrisGuard released its innovative EyePay Point-of-Sale Terminal (POS), the world's first retail store payment system to utilise iris recognition as the single payment modality for all purchases.

Rubicon Group Holding: Rubicon Group Holding (RGH) is a diversified global entertainment and animation production company that develops innovative entertainment experiences and interactive educational content across all media platforms. RGH has established a reputation for innovation in entertainment, including themed entertainment, and in digital media, patent technology, virtual training, and intellectual property licensing and merchandising. Some of its most popular and award-winning projects include the *Pink Panther* television series and the feature film *Postman Pat*. In 2016, RGH received the Thea Award for Outstanding Achievement for its LA Science/Discovery Museum project.

Roots Group Arabia: Roots Group Arabia (RGA) is a Saudi Arabia–based building materials provider that offers manufacturing, wholesale, retail, and specialist services in construction materials, equipment, furniture, fixtures, and fit-outs. RGA distributes 60,000 products, including 3,000 RGA-branded products, through its 26 warehouses, 31 subsidiaries, and 40 retail outlets in 12 global markets.

Retail Holding: Growthgate closed its acquisition of a non-controlling stake in Retail Holding S.A., a privately held company based in Morocco. Retail Holding is the majority owner and operator of Label'Vie, Morocco's leading hypermarket and supermarket chain, which operates the Carrefour franchise. Retail Holding is also the owner and operator of international franchises specialised in fast food, leisure, entertainment, and casual wear products and a stakeholder in Côte d'Ivoire's Compagnie de Distribution de Côte d'Ivoire (CDCI), the second-largest modern food retailer in that country. Since its inception in 2005, Retail Holding has evolved from a midsize player in the food distribution sector in Morocco to a powerhouse in retailing for consumables and other fast-moving goods in North Africa and beyond.

Performance review

Growthgate has grown its assets under monitoring to nearly US$2 billion (December 2016) and its equity capital by 143 per cent (since inception) to approximately US$486 million (December 2016). Growthgate's investments generated a multiple of invested capital (MoIC) of 1.80 and a net internal rate of return (IRR) of 10.92 per cent (as of 31 December 2016). Exits to date have generated median returns of 2.4 times, while cash returns amount to 36 per cent of initial capital.

OUTLOOK

Growthgate is expecting liquidity events for Averda and IFS by the fourth quarter of 2016 and the first quarter of 2017 through IPOs or direct sale to strategic buyers. Two other portfolio companies, namely IG and RGA are slated for sale by the end of 2018, whilst Rubicon's exit is expected in 2019. Growthgate's holding in Gama Aviation is being sold off gradually to realise maximum return.

The company is seeking new investment opportunities in small and medium-sized enterprises throughout key markets in the GCC and the wider MENA region, especially in the fields of logistics and transport, food processing and modern food retailing, design and light manufacturing, technology, and payment systems.

In addition, Growthgate is actively seeking to partner with global players in co-investment opportunities in the MENA region. It is also reviewing opportunities offered through different asset classes, such as private debt and senior capital securities.

TVM CAPITAL HEALTHCARE

www.tvmcapitalhealthcare.com

TVM Capital Healthcare is the umbrella brand for a group of companies: TVM Capital Healthcare Partners Ltd., TVM Operations Group DMCC, and TVM Healthcare Advisory SARL. These companies focus on meeting gaps in healthcare provision in emerging markets, including the Middle East, North Africa, India, and Southeast Asia. TVM Capital Healthcare is headquartered in Dubai and has offices in Munich, Boston, and Singapore.

The fund manager and fund advisor TVM Capital Healthcare Partners Ltd. started operations in Dubai in 2007. The company is part of TVM Capital International, an affiliation of global venture capital and private equity firms with an operating track record of over 30 years.

Investment interest:

Limited partner

Crescent Enterprises actively monitors the portfolio of TVM Capital Healthcare Partners and its resulting yields. It also provides strategic support through representation on TVM Capital Healthcare Partners' Fund I Advisory Board.

US$73 mn

assets under management

US$250 mn

is what TVM targets through TVM Healthcare III

TVM CAPITAL HEALTHCARE | www.tvmcapitalhealthcare.com

TVM | Capital HEALTHCARE

2016 HIGHLIGHTS

Whilst TVM Capital Healthcare continued to explore opportunities across the MENA region, it largely focused on supporting the growth and development of its portfolio of companies. In 2016, TVM Capital Healthcare Partners Ltd. was awarded with coveted titles: The Banker Middle East Industry Award 2016 in the 'Best Private Equity Firm' category; the 2016 Alternative Investments Awards for 'Best Healthcare PE Fund Manager—MENA'; and 'Best MENA Healthcare Fund'. This underpins TVM Capital Healthcare's position as a leader in advancing healthcare for a better future in the region.

TVM Capital Healthcare Partner's team of investment professionals operate from the Dubai International Financial Centre (DIFC) and are licensed and regulated by the Dubai Financial Services Authority. The investment portfolio includes a long-term care and rehabilitation centre and the largest homecare company in the UAE, a medical devices manufacturer in Egypt, and IVF centres operating in the Middle East and India.

Its investment in ProVita International Medical Center was exited in 2015, demonstrating how a specialist private equity investor can create value in emerging market healthcare while contributing to the development of important healthcare infrastructure.

TVM Operations Group Dubai Multi Commodities Centre (DMCC) has assembled a talented group of healthcare specialists, advisors, and consultants who act as Operating Partners and Executives-in-Residence and other functional specialists to work in an accelerator environment that supports the development of portfolio companies.

TVM Healthcare Advisors SARL, Beirut, provides research and advisory services, including screening and comparing new investment opportunities, conducting market assessment and market feasibility studies, delivering financial planning and due diligence, identifying strategic companies for acquisitions of alliances, analysing market dynamics, and building business plans.

Funds

The first two funds, TVM Healthcare MENA I and MENA II, invest in the same portfolio of companies, with MENA II being an annex fund to MENA I. Fundraising for a third fund has started.

Portfolio updates

Ameco Medical Industries (Ameco): TVM Capital Healthcare acquired in 2014 a majority stake in Ameco Medical Industries. This Nile Stock Exchange-listed medical device manufacturer in Egypt leads in the design and production of a comprehensive range of products across dialysis, urology, and central venous catheters and has a new product range of percutaneous sheath introducers and diagnostic catheters.

In 2016, Ameco Medical Industries formed a joint venture with UK-based medical supplier Kimal Group Plc. to manufacture catheters to meet fast-growing global demand. The joint venture firm, MT Catheter Technologies, is building a new facility in Nasr City, Cairo, which will produce Kimal's "Altius" brand catheters—a range of central venous catheters and other specialist catheters and devices that were co-developed by Ameco and Kimal and can be inserted into major veins to allow the administration of medication or fluids. Operations are expected to start in May 2017.

TVM Capital Healthcare launched a total of three mandatory takeover offers (MTO) since the initial investment with the objective of a company delisting and a complete corporate restructuring. The third MTO was completed with a free float of shares below 1 per cent. A delisting from Nilex stock exchange is in progress, and Ameco Medical should be a private company with a holding company structure in Cyprus in the second quarter of 2017.

Bourn Hall International: In 2010, TVM Capital Healthcare co-developed the concept for Bourn Hall International (BHI) with Bourn Hall Clinic, Bourn, UK, one of the world's leading centres for infertility treatment. The founders of the clinic developed the IVF technology and received the Nobel Prize in Medicine in 2010.

Today, BHI operates two reference clinics, one in Dubai, UAE, and the other in Gurgaon, India, just south of the National Capital Region of Delhi. The company builds robust qualitative clinical, operational, and financial systems and processes to support accelerated growth. In 2016, BHI Dubai received accreditation from Joint Commission International (JCI), the world's largest and most recognised healthcare accreditor. BHI remains the only standalone JCI-accredited fertility centre in the Middle East.

Manzil Health Care Services: At the end of 2012, TVM Capital Healthcare acquired Emirates Outreach Healthcare Services, a small provider of high-quality at-home care and rehabilitation for patients in the MENA region. The company, now called Manzil Health Care Services, is the largest home care service provider in the UAE, with more than 350 clinicians, including nurses, therapists, and physicians at its clinics in Abu Dhabi, Al Ain, Ras Al Khaimah, and Dubai. In 2016, Manzil established a presence in Qatar and Egypt, enhancing the company's footprint and positioning it as the first pan-regional home healthcare provider and disease management company in the MENA region.

Cambridge Medical & Rehabilitation Center: In 2012, TVM Capital Healthcare conceptualised and invested in Cambridge Medical & Rehabilitation Center (CMRC), an Abu Dhabi–based medical care company providing individualised, non-acute, long-term care and rehabilitation to patients. CMRC recently initiated an outpatient therapy programme in Abu Dhabi and Al Ain. Discharged patients can now continue to follow an extensive rehabilitation programme while living in the comfort of their own homes.

Outpatient therapy services are also available for the general community. Patients can attend a consultation and receive rehabilitative treatments, such as physiotherapy, occupational therapy, speech-language therapy, and respiratory therapy, as per the physician's recommendation. CMRC is planning to expand into Saudi Arabia and other GCC countries, and is continuing to explore additional service line opportunities that complement its core clinical services.

Global network

TVM Capital Healthcare has developed long-standing partnerships with strong international healthcare institutions, such as the Spaulding Rehabilitation Network (a Harvard Medical School teaching hospital), and Bourn Hall Clinic, Cambridge, UK (the world's first IVF clinic).

Moreover, what has also proven valuable to the organisation has been the extensive international healthcare networks—whether with healthcare regulators, operators, payors, and key opinion leaders—that all senior partners bring to the team from their previous positions and activities.

OUTLOOK

TVM Capital Healthcare continues to raise funds and drive the growth and expansion of its portfolio companies, laying the strategic foundation to extend its growth as a healthcare investor. In 2017, the firm expects to make its first moves to expand its activities into Southeast Asia, where its team is now looking at several healthcare verticals such as fertility/IVF, medical device manufacturing, long-term care and rehabilitation, and home care and disease management, all verticals in which it already has operational experience. New verticals the firm is looking into include cancer care, dentistry, and ophthalmology.

SIRAJ PALESTINE FUND

www.siraj.ps Siraj سراج

The Siraj Fund Management Company (SFMC) was founded by Palestine-based Massar International to manage and oversee investment funds in Palestine that spur industrial development, economic growth, and sustainable development. SFMC launched the Siraj Palestine Fund I (SPF I), a US$90 million private equity fund comprising US$60 million in equity funding and US$30 million in financing from the Overseas Private Investment Corporation (OPIC), for those purposes.

SPF I specialises in investments in start-ups, growth prospects, distressed businesses, buyouts, and small, medium, and large enterprises across various economic sectors in Palestine. It ultimately aims to revitalise the domestic corporate platform. SFMC has assessed more than 200 potential deals across 11 sectors, including start-ups and small and midsize enterprises requiring growth capital, and has concluded 14 investments in eight sectors.

Investment interest:

Limited partner

Crescent Enterprises provides strategic guidance to the Siraj Palestine Fund I through its representation on the Siraj Limited Partners' Advisory Board.

SIRAJ PALESTINE FUND

www.siraj.ps Siraj سراج

2016 HIGHLIGHTS

February 2016 marked SPF I's fifth anniversary and the conclusion of its investment period. During 2016, SFMC remained focused on further developing its portfolio companies to mature levels of growth to prepare for exits in the targeted time frames. Throughout the year, the SFMC Investment Committee approved follow-on investments that brought the total committed investment in portfolio companies to 91.4 per cent of the fund's size.

By the conclusion of SPF I's final year of investment, SFMC had invested in 14 companies and called 95 per cent of the equity contribution funded by the limited partners. By year end, SFMC had invested US$74 million in its portfolio companies and received a total of US$2.2 million in cash dividends from The National Bank (TNB), Ziadah Architects & Engineers, and Palestine Development and Investment Company (PADICO).

New investments

After the legal and financial due diligence was completed for the last and final investment, AppMahal was added to the portfolio, following the Investment Committee's approval in late 2015. AppMahal is a technology company trying to resolve the mobile application discovery problem by providing users with valuable and relevant suggestions of apps that meet their demands based on their interests. An investment of US$1 million was injected into the company.

Portfolio updates

The National Bank (TNB): SFMC invested in TNB, the fastest growing bank in Palestine, in 2014. The bank provides a wide variety of financial solutions to the corporate and retail sectors, including investment banking and microfinance lending. TNB was established following a merger between Al Rafah Microfinance Bank and the Arab Palestinian Investment Bank and is one of the leading banks in Palestine. It has paid-in capital of US$75 million and the largest shareholder base in the Palestinian banking sector, with over 13,000 shareholders.

For the sixth year in a row, TNB was recognised as the fastest growing bank in Palestine in 2016 by CPI Financial's The Banker Middle East.

TNB maintained a positive performance throughout the year. Earnings before tax increased 36 per cent, to reach US$10 million, and the bank recorded growth of 29 per cent and 24 per cent in credit facilities and customer deposits, respectively. By year end, TNB held total assets of US$975 million.

Magical Arabia Batuta: Batuta is a leading Arabic website for comprehensive travel information that offers a guide to over 250 destinations in the Middle East and around the globe. It also hosts a card-less booking service and provides user-generated content related to major attractions, restaurants, and hotels. To increase traffic and convert leads and transactions, Batuta made a big, cross-channel marketing investment in 2016 to test tactics for maximum conversion rates. By the end of 2016, Batuta.com was seeing traffic of over 11 million users, of which 874,000 were converted into leads.

WebTeb: WebTeb is an online platform that provides healthcare products, services, and information to the Arabic-speaking population. It includes two medical mobile applications that in 2016 were downloaded 620,000 times and attracted more than 5.5 million monthly unique users, mostly as a result of organic traffic that is not directed by paid advertising.

In 2016, a new, highly experienced professional team joined WebTeb with a focus on rebranding and improving the overall user experience. The changes made throughout the year have noticeably improved the overall traffic levels of the website, especially the non-paid and organic traffic. In addition to the website enhancements, the company unlisted one of the two apps and developed a brand new one that will be launched in 2017.

WebTeb's proven quality of product has led Fortune 100 and Fortune 500 companies to increase their spending on its advertising channels compared with 2015, which enabled the company to double its revenue level compared with prior year from US$583K to over US$1 million.

Wassel Group: SFMC invested in Palestine's Wassel Group in 2011. This public shareholding company specialises in logistics and through its subsidiaries offers leasing and security services, and event and exhibition organisation services, and sells Xerox printing and copying machines.

SFMC's investment strategy is focused on growing each of Wassel's subsidiaries and spinning them off as separate companies, while improving and expanding the services offering of each subsidiary and introducing new and enhanced technological solutions that can grow operations and decrease costs. After years of restructuring and development, SFMC was able to drive the Wassel Group to profitability in 2016.

Nakheel Palestine for Agriculture Investments (Nakheel Palestine): In 2011, SFMC invested in Nakheel Palestine, the largest date producer in Palestine. The company grows, packs, and exports the finest Palestinian Medjool and Berhi dates locally, regionally, and internationally.

The company's operations are in full compliance with a wide range of local and international standards. Nakheel Palestine implements Global Gap, British Retail Consortium (BRC), ISO 22000, halal, and Palestinian quality standards.

In 2016, the company was mainly focused on commencing a long-term expansion strategy aimed at becoming the Palestinian market leader in date production. Nakheel Palestine has reached an agreement to acquire the second largest Medjool farm in Palestine with over 15,000 trees. This acquisition should increase its share of total Palestinian produce to over 30 per cent. Nakheel Palestine has also expanded its production facility's capacity from 6.5 tonnes per day to 20 tonnes per day in anticipation of increased production.

Nakheel Palestine has opened and secured local and international markets for all of the date grades it produces, demonstrating impressive export potential for a five-year-old company.

PalGaz for Gas Distribution Services (PalGaz): SFMC invested in PalGaz in 2010. PalGaz is the fastest-growing gas distribution company in Palestine, where it serves all market sectors.

PalGaz increased its tonnage sales to 7,960 tonnes in 2016, growing its market share to 10 per cent and positioning the company amongst industry leaders.

PalGaz increased its focus on active residential meters, which in 2016 increased by 38 per cent compared with 2015. Moreover, tonnage growth of direct distribution, mainly commercial and industrial, increased 16 per cent compared with 2015.

PalGaz has leased its cylinder sales operation because of low growth margins and will focus on the more profitable liquid petroleum gas (LPG) distribution operations. This is expected to reflect positively on the company's growth potential for central LPG distribution. Additionally, PalGaz has enhanced its customer service and geographical coverage by increasing its fleet size around the West Bank.

HD Vision: In 2013, SFMC invested in HD Vision, a production company establishing a new standard of quality in the local media market through the introduction of products and techniques previously unavailable in Palestine.

In 2016, HD Vision's revenue increased by 16.7 per cent. Its major sources of revenue were TV programmes, visual marketing materials, sports production, and podcasting event services. It completed 115 projects in 2016, up 31 per cent compared with 2015. The company focused on its high profit margin operations by gaining local broadcasting agencies' attention and signing contracts to produce drama and documentary series.

Palestine Development and Investment Company (PADICO): PADICO is amongst Palestine's largest companies. It has a total paid-in capital of US$250 million and is publicly traded on the Palestinian Exchange (PEX). PADICO's mission is to develop and strengthen the Palestinian economy by investing in its vital sectors, including but not limited to agriculture, industry, financial services, and infrastructure.

In 2016, PADICO's focus remained on the two key sectors: real estate and telecommunications. SFMC and PADICO are working towards focusing on its key sectors and exiting low-profit sectors.

During the year, PADICO's Executive Committee approved the restructuring of companies and projects in the tourism sector under its subsidiary Jerusalem Development & Investment Company (JEDICO). Furthermore, the Executive Committee will focus on investments in the real estate sector to improve returns by exiting the construction business, emphasising development and operation in industrial zones, and expanding efforts to support large-scale projects.

AppMahal: AppMahal is a technology company that specialises in the development of social media applications targeting Arabic-speaking markets. The company initially launched the app AppMahal aiming to resolve the app discovery problem by providing users with valuable and relevant suggestions of applications that meet their demands and desires without the hassle of searching amongst millions of mobile apps.

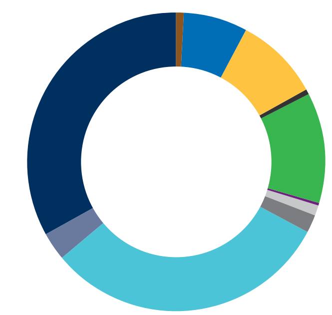
AppMahal was listed on Google Play Store in late 2014 and since then has accumulated over 2.7 million downloads and over 150,000 monthly active users. Amongst the several recognitions AppMahal has received are the 2014 Red Herring Top 100 Global Award and the Google Editors' Choice listing in 2015. The company also demonstrated great traction in 2016 and was featured by Facebook as a success story that grew its user base with minimal marketing spending.

By the end of 2016, in response to the success of AppMahal's chat feature, the company created a spin-off: Sila, a new localised Arabic chat application.

Exits

As of year-end 2016, SFMC has completed two exits. The first occurred in 2015 with Call U and resulted in a 40 per cent IRR. In 2016, SFMC exited the Palestinian Hospitality Company at cost because of the competitive nature of the sector and its dependence on informal activities. Most recently, SMFC is in the process of exiting Ziadah Consultant Architects & Engineers. SFMC believes that Ziadah has reached maturity and is working on closing a deal with its original founders to purchase SFMC's shares.

Diversification of investment commitments



OUTLOOK

February 2016 marked SPF I's fifth anniversary and the end of the investment period. SFMC continues to focus on developing its portfolio companies to mature levels of growth to prepare for exits in the targeted time frames. SFMC is raising funds for Siraj Palestine Fund II, targeting US$100 million with the intention of initial closing by year end 2017.

DUET-IBC MENA REAL ESTATE OPPORTUNITIES FUND

www.duetgroup.net

The Duet-IBC MENA Real Estate Opportunities Fund (Duet-IBC) was formed through a partnership between the Duet Group – Frontier Investment Management Partners Ltd. (FIM Partners), and Investbridge Capital (IBC). It is the first real estate credit fund focused on the MENA region since the financial crisis of 2008.

The Duet-IBC Fund deploys capital through structured debt and equity arrangements in real estate investments within the MENA region. Its primary interests are in the residential, retail, hospitality, and office classes and include three transaction types: completion funding, development funding, and build to suit.

IBC is an investment firm that provides corporate advisory and asset management services to principals and private clients in the MENA region. The firm has US$529 million of assets under management in operating and developing real estate projects. FIM Partners, a Duet Group company, is based in Dubai and has approximately US$1.5 billion of assets under management through public fund vehicles. The Duet Group is a global alternative asset manager founded in 2002. It manages over US$5.6 billion of equity across three business areas: hedge and long-only funds, private equity, and real estate.

Investment interest:

Limited partner

Crescent Enterprises monitors the performance of all invested funds and takes a keen interest in the strategic rationale employed by the Duet-IBC MENA Real Estate Opportunities Fund.

2016 HIGHLIGHTS

Duet-IBC takes a long-term view of the market and selectively undertakes investments in which short-term market fluctuations are understood and protected against. To date, the fund has made four investments, one of which was fully realised, and continues to yield positive results despite a soft real estate market and political and economic uncertainty in the GCC region. The fund's primary investment focus remains the United Arab Emirates.

Portfolio updates

Villa Community: Duet-IBC invested in a high-end residential villa community under development in Dubai by a well regarded Dubai-based developer. In 2016, the developer hired a new contractor and all the necessary permits from the master developer and the relevant authorities have been issued in the name of the new contractor, which is now mobilising to undertake the project.

Culture Village: In 2015, Duet-IBC invested in a completion funding opportunity for a residential building in Dubai's Culture Village. The project is approximately 95 per cent complete, with handovers expected to take place in the second quarter of 2017. The master community saw delivery of the D1 Tower and the Palazzo Versace Hotel, and development is ongoing at Manazel Al Khor, Dubai Wharf, and Culture Village Souq.

OUTLOOK

Duet-IBC expects to finalise one new investment within the second quarter of 2017 and despite volatile market conditions has developed a robust pipeline of potential investments. The fund continues to invest cautiously, with a strict emphasis on a disciplined and thorough underwriting process and extremely active asset management. The market slowdown has yielded very attractive risk-adjusted returns, and as a result Duet-IBC is well positioned to exploit the dislocation of capital.

SAMENA LIMESTONE HOLDINGS

www.samenacapital.com

Samena Limestone Holdings (Samena) is a special-purpose finance vehicle managed by Samena Capital, a principal investment group with investments in multiple asset classes in the Indian subcontinent and in Asia, the Middle East, and North Africa. The group's total assets under management are in excess of US$650 million and span three primary investment strategies: private equity, direct investments, and credit.

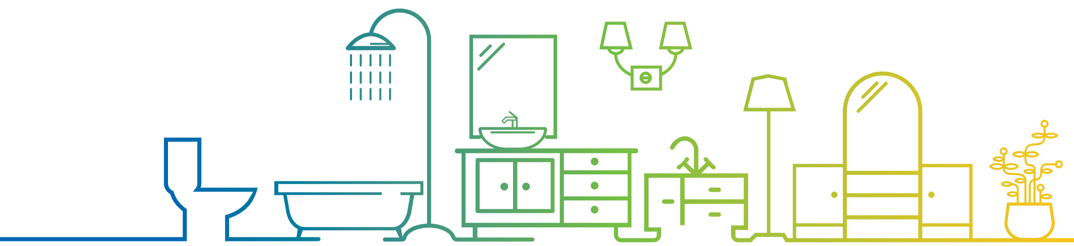
Samena is amongst a consortium of investors that owns a 30.6 per cent stake in RAK Ceramics, one of the world's largest ceramic tile manufacturers. RAK Ceramics is listed on the Abu Dhabi Stock Exchange (ADX); has production facilities in the UAE, India, Bangladesh, and Iran; and sells to 160 countries worldwide. Its comprehensive product portfolio features more than 8,000 ceramic tile designs, grès porcellanato stoneware ceramic, and sanitary ware products.

RAK Ceramics was established in 1991 by His Highness Sheikh Saud Bin Saqr Al Qasimi, the Ruler of the Emirate of Ras Al Khaimah and a UAE Supreme Council Member, and by His Highness Sheikh Mohammed Bin Saud Al Qasimi, the Crown Prince of Ras Al Khaimah.

Investment interest:

Limited partner

Crescent Enterprises provides strategic guidance to Samena through representation on its Advisory Board.



AED215 mn
invested in 2016 to expand production capacity

42%
increase in tile production capacity in Bangladesh

20%
increase in sanitary ware production capacity in the UAE

SAMENA LIMESTONE HOLDINGS | www.samenacapital.com

SAMENA CAPITAL

2016 HIGHLIGHTS

2016 was difficult owing to various macro-economic headwinds, including Brexit uncertainty in Europe, demonetisation in India, and a slowdown in the MENA region on the back of falling oil prices. Regional budget deficits coupled with geopolitical uncertainty led to significant government budget cuts in the GCC countries, and that, in turn, had an adverse impact on the construction and building materials industry.

Despite challenging market conditions globally, Samena continued to implement its value creation plan for RAK Ceramics. That plan focuses on operational improvements and strategic initiatives to unlock shareholder value.

RAK Ceramics, meanwhile, continued to invest in its core operations to ensure its long-term profitability and to prepare for an eventual upturn in its business cycle. These investments included expanding its tile production capacity in Bangladesh and its sanitary ware production capacity in the UAE. The company also completed its rebranding initiative with the relaunch of a new brand globally that positions RAK Ceramics as a provider of ceramic lifestyle solutions.

On a like-for-like basis, RAK Ceramics' net profit for 2016, excluding provisions and write-offs, was AED 216 million, a 37.1 per cent decline from the prior year.

Capacity expansion in growth segments

In the second quarter of 2016, RAK Ceramics completed a 42 per cent tile production capacity increase in Bangladesh. As a result, the company's tile revenues in Bangladesh increased 10.5 per cent year on year (YoY) based on higher sales volumes. The company also restarted its production of tiles in Iran in the third quarter of 2016, where it is has a total installed capacity of six million square metres. In the UAE, RAK Ceramics increased its sanitary ware production capacity by 20 per cent.

Integration of European distribution

Amongst RAK Ceramics' major initiatives in 2016 was the integration of its European distribution joint ventures. It acquired its partners' stakes in joint ventures in the United Kingdom, Germany, and Italy and made these entities wholly owned subsidiaries.

By year end, RAK Ceramics had reorganised its European sales and distribution infrastructure and made its Italian operations its main distribution hub. Consequently, RAK Ceramics' European sales for the year rose by double digits, or about 10 per cent on a like-for-like basis, despite logistical issues that arose in the last two quarters of 2016.

Relaunch of the brand and investment

In 2016, RAK Ceramics boldly proceeded with the global relaunch of its brand. This involved a new logo and upgraded marketing and packaging materials to strengthen and unify the brand through a common look and feel, both online, with a new website, and in brick-and-mortar outlets. It also involved reducing the number of tile collections from 160 in 2015 to 53 in 2016 and introducing a sanitary ware collection at the ISH trade show to further enhance the brand image.

The brand relaunch has been rolled out in the UAE, Europe, and Australia. An Indian rebranding and marketing campaign will commence in the first quarter of 2017, with a Bangladeshi campaign targeted for the second quarter.

2016 FINANCIAL HIGHLIGHTS

- Total revenue decreased 9.3 per cent YoY, to AED 2.8 billion.
- Tile sales declined 10 per cent YoY; however, tile sales in Europe rose 30.2 per cent, and sales in the company's largest market, the UAE, achieved a 1.3 per cent increase YoY. Sales in Saudi Arabia, which in 2015 was RAK Ceramics' second-largest market for tiles and sanitary ware, declined 41 per cent YoY, to AED 235 million. As a percentage of total tile revenues, Saudi Arabia represents 11.9 per cent, versus 18.5 per cent in 2015.

- Sanitary ware sales rose 2.7 per cent YoY, with the strongest markets being Europe (15.5 per cent increase YoY) and Bangladesh (10.5 per cent increase YoY). Sales in Saudi Arabia, India, and the GCC countries declined 31.6 per cent, 22.7 per cent, and 11.1 per cent, respectively, owing to difficult market conditions.
- Tableware sales grew 20.1 per cent YoY, to AED 175 million, and like-for-like growth, excluding the impact of the consolidation of the European operation, was 8.3 per cent.
- Total gross margins increased 230 basis points, to 30.5 per cent, with core margins increasing 120 basis points, to 30.5 per cent, and non-core margins increasing 770 basis points, to 30.3 per cent.
- Savings in raw materials, packaging, and shipping were AED 30 million in the UAE for 2016, while total savings, including energy-efficiency optimisation, amounted to AED 50 million.
- Core capital expenditure decreased to AED 215 million, versus AED 267 million in 2015.
- EBITDA declined 17.8 per cent YoY, to AED 486 million.
- Net debt to EBITDA increased to 3.42 times, versus 2.71 times in 2015.

WAMDA MENA VENTURES I | www.wamdacapital.com

wamda capital

Wamda Capital was established in 2014 as a multistage, sector-agnostic venture capital firm investing in tech start-ups throughout the MENA region. The firm's first fund, Wamda MENA Ventures I, is a US$70 million venture capital fund with investments focused in early- and growth-stage technology companies based on highly scalable and capital-efficient business models operating in the MENA region, including Turkey.

The fund focuses on taking minority positions in companies and providing ongoing and in-depth strategic support; access to lucrative markets in the GCC through unique partnership programmes; and in-depth subject matter expertise in key segments such as shared economy, e-commerce, digital content, fintech, and B2B e-offerings.

Wamda MENA Ventures I operates in conjunction with the Wamda Platform, a self-sufficient ecosystem enabler with programmes and networks aimed at accelerating entrepreneurship ecosystems in the MENA region.

The fund's team previously launched and operated a seed stage investment vehicle, MENA Venture Investments (MVI).

Investment interest:
Limited partner

Crescent Enterprises monitors the portfolio of Wamda Capital and provides strategic support through representation on Wamda MENA Ventures' Advisory Board.

US$70 mn
venture capital fund

Start-ups as drivers of economic growth:
Careem is the largest job creator for Saudis, with chauffeur-driven vehicles manned by almost 100% Saudi nationals.

WAMDA MENA VENTURES I | www.wamdacapital.com

2016 HIGHLIGHTS

Wamda MENA Ventures I's core strategy is to target investments in high-growth tech start-ups led by exceptional entrepreneurs and leaders in the MENA region. In 2016, the fund's activity included 22 new or follow-on investments in 20 start-ups. The ride-hailing start-up Careem, valued at US$1 billion, became a 'unicorn'. The Luxury Closet closed a US$7.8 million Series B funding round led by Wamda Capital. Additionally, Compareit4me, which reached 2.5 million unique users in 2016, launched the UAE's first car insurance comparison portal for comparing and buying policies from leading providers online. In 2016, Wamda Capital was recognised by CB Insights as the top UAE-based Venture Capital (VC) investor in the MENA region.

New investments

Careem: Careem was formed in March 2012 and is the definition of the kind of fast-growth technology start-up venture capitalists look for. The ride-hailing app service operates in 60 cities from Turkey through MENA to Pakistan, has over 250,000 active captains and four million users registered on its app, and competes with global industry leader Uber. Saudi Telecom Company (STC), which bought a 10 per cent stake in Careem for US$100 million in 2016, is already a shareholder in Careem through its venture arm STC Ventures. It joins a roster of shareholders that includes Wamda Capital, Saudi Arabia's Al Tayyar Travel Group, and Japan's e-commerce giant Rakuten Inc.

The Luxury Closet: Dubai-based, online, pre-owned luxury marketplace TheLuxuryCloset.com closed a Series B funding of US$7.8 million led by Wamda Capital that was amongst the highest-value investments in the MENA region in 2016. Driven by a desire to make luxury items more affordable, the company's founder and former head of sales at Louis Vuitton, Kunal Kapoor, began with a team of three in 2012. Today, that team spans more than 15 nationalities, and TheLuxuryCloset.com has over 300,000 members and nearly half a million monthly visitors from around 60 countries.

Mumzworld: Mumzworld.com is an award-winning, bilingual, online marketplace and retailer featuring products for mothers, infants, and children, mainly in the GCC region and in Jordan and Lebanon but with worldwide shipping capability. Wamda led a multimillion dollar Series B funding alongside twofour54 and Endeavour Catalyst, followed by additional funding by other strategic investors. The smart capital injection that Mumzworld received from Wamda Capital and other investors from the region and internationally aims to facilitate the company's aggressive growth plans in the GCC region.

Geeks: Geeks.ae is an on-demand tech services platform that helps connect consumers and businesses with geeky resources to support their IT needs. The company raised seed funding of US$600,000 led by Wamda Capital in 2016. Geeks operates in the UAE and plans to use the funds to build on its technology and infrastructure to support its expansion to several other GCC countries in 2017.

BitOasis: BitOasis was founded in early 2015 and has been building the infrastructure for digital payment products using bitcoin technology. BitOasis's bitcoin exchange platform, wallet, and cross-border payment integrations provide consumers and businesses the tools for a digital payment system. BitOasis is available to users in five countries: the UAE, Saudia Arabia, Qatar, Kuwait, and Bahrain, with more countries to be added soon. The start-up closed its first round of funding, led by Wamda Capital, in 2016.

OfficeRock: Officerock.com is an e-commerce stationery and office supplies platform that wants to change the way businesses procure in the region. When it was founded in 2011, the company sold office supplies for hotels, hospitals, and banks. A partnership with Xerox Emirates in 2012 allowed the company to become an authorised Xerox reseller, and this opened doors to other partnerships with other global suppliers. In 2016, OfficeRock.com secured US$800,000 in seed funding from Jabbar Internet Group, Wamda Capital, and other regional and international investors.

Boxit: Boxit is an easy storage solution that allows users to order a storage box through a mobile app or website, schedule a pickup time, and then have the box shipped to a safe storage facility. The start-up was launched in 2015 and received an investment of US$600,000 a year later in seed funding led by Wamda Capital. Boxit's eight-person business is growing 25 per cent to 30 per cent month-on-month.

Kapgel: Turkey-based on-demand logistics platform Kapgel, founded in 2014 by Turkish entrepreneur Cetin Oztoprak, functions as a digital personal assistant. It can purchase goods from nearby merchants and deliver them in under an hour. It has merchant programmes and partnerships with over 200 leading local and international brands in Turkey and made more than 40,000 deliveries in the first half of 2016. Kapgel closed a US$1 million round of financing from Wamda Capital and other investors in 2016.

Kharabeesh: Kharabeesh is a creative, multi-platform network that combines media and technology to produce original, high-quality Arabic online videos and shows. Its content has 82 million monthly views from the top four traffic-generating countries in the GCC region and 12.5 million subscribers across the company's seven different platforms. Wamda Capital led a US$5 million investment in Kharabeesh in 2016 together with two other VC firms. This investment is helping Kharabeesh expand in Dubai, Jeddah, and Riyadh and focus on monetising its inventory with strong, ongoing technology development.

Volt: Istanbul, Turkey's Volt and thevoltapp.com offer real-time, peer-to-peer ride sharing that connects car drivers in the city with passengers going in the same direction at the same time. Volt completed funding in 2016 that Wamda Capital participated in alongside other VC firms and angel investors.

Insider: Home-grown Turkish company Insider, a digital experience delivery platform that enables marketers to laverage real-time technologies to boost digital growth, is now a global company in reach and portfolio. It serves international clients from 14 different countries, such as CNN, Toyota, GNC, and AVIS, from offices in nine cities: London, Moscow, Singapore, Dubai, Warsaw, Istanbul, Kuala Lumpur, Jakarta, and Milan. Wamda Capital closed a US$2.2 million Series A investment in the company with other investors in 2016.

Lunch:On: Lunch:On is a Dubai-based start-up reformulating the workplace lunch experience by pairing people with lunch options. The company partners with popular gourmet restaurants to deliver lunches to office workers. Users order lunches by text or e-mail, and their food is delivered no later than 1pm. Wamda Capital led seed funding of US$500,000 in 2016 with participation from other VC firms and angel investors in support of the start-up's efforts to scale up its offerings in Dubai and eventually the wider GCC region.

STEP Group: The STEP Group (STEP) is a tech and new media company that targets Arab millennials and expats in the MENA region. STEP began as the host of the annual STEP Conference of technology, digitisation, and entertainment, to which it later added the STEP Music festival to complement the annual conference. Step also acquired Arab Vines, a video content platform, and has been working on a custom-made back-end that uses interactive formats for Stepfeed.com and Yallafeed.com. In 2017, the STEP Group closed a round of Series A funding with a US$2 million investment from regional investors, including Wamda Capital.

Modanisa: Turkey-based Modenisa.com is the world's largest e-commerce website for conservative and modest fashion. Known for its excellent customer service, this online-only company has as its mission to provide the latest fashion in modest style to thereby help Muslim women look stylish without compromising their dress codes. Since its establishment in 2012, Modanisa serves more than 100 million customers a year in 105 countries with 35,000 items from different designers. In 2016, the company closed a fourth round of funding led by Wamda Capital.

OUTLOOK

Wamda Capital will continue to invest across the MENA region with a specific emphasis on marketplaces and fintech. It believes that with the tech sector being fuelled by rising demand, it has the potential to drive development, employment, and innovation in the region in the medium and long terms. Wamda Capital expects small and medium-sized companies, particularly in e-commerce, to perform well despite the economic slowdown in the region.

HEDOSOPHIA MENA

Hedosophia MENA is a co-investment platform launched in 2015. It provides opportunities to selective family offices, institutional investors, and high net worth individuals in the MENA region to invest in the most competitive and closed financing rounds of best-in-class technology companies around the world.

The platform targets companies with a strong track record that are de-risked through multiple financing rounds backed by blue-chip venture capital funds, clear valuation benchmarks, and good visibility on potential liquidity events. Hedosophia MENA also serves as a valuable conduit between advanced technology ecosystems, similar to that of Silicon Valley, and growing innovation in the MENA region. It connects leading global technology players and fosters knowledge creation.

Investment interest:

General partner and a limited partner in the platform

As a general partner, Crescent Enterprises provides strategic support to Hedosophia MENA.

2016 HIGHLIGHTS

Hedosophia MENA typically focuses on operating short- to medium-term investment vehicles with a holding period of one to three years. In 2016, Hedosophia MENA completed its second investment, in Uber Technologies, Inc. Hedosophia MENA made its first investment, in Uber China, following several rounds of opportunity assessments and just months after its launch in 2015.

In 2016, Hedosophia MENA invested in San Francisco–based Uber Technologies, Inc.

China's ride-hailing giant Didi Chuxing closed a record US$5.5 billion funding round in 2017.

New investment

Hedosophia MENA invested in Uber Technologies, Inc., in 2016. The company which was founded in 2009 and is based in San Francisco, California, provides a smartphone application that connects drivers with people who need a ride. Uber Technologies, Inc., serves customers in over 586 cities throughout North, Central, and South Americas; as well as Europe; the Middle East; Africa; and the Asia-Pacific.

During 2016, Uber Technologies, Inc. also received a US$3.5 billion investment from a Saudi sovereign wealth fund, maintaining its private valuation of US$62.5 billion, the tech industry's biggest.

Also in 2016, Uber Technologies, Inc., acquired self-driving tech company Otto to lead its self-driving car effort, launched a new rider app, introduced driverless cars, and initiated its Uber Eats food delivery service.

Portfolio update

Uber China: Hedosophia MENA's inaugural investment was in Uber China, which launched in 2014, and by the end of 2015 it was offering services in 22 of China's cities.

In 2016, Uber China merged with Didi Chuxing, the world's largest ride-sharing company. Post the merger, Hedosophia MENA's holding in Uber China was converted into Series B-1 Preferred shares in Didi Chuxing. Didi Chuxing continues to grow at a fast pace, and since the merger has rationalised its growth. Soon after Didi Chuxing's merger with Uber China, the Chinese government introduced new ride-sharing regulations.

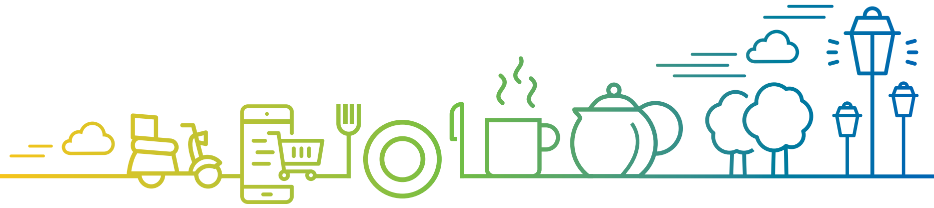
In April 2017, Didi Chuxing confirmed the close of a record US$5.5 billion funding round, valuing China's ride-hailing giant at an estimated US$50 billion. The company will use the funds to continue its global expansion and to invest further into emerging areas such as artificial intelligence to bring more advanced systems to its transportation service.

OUTLOOK

Hedosophia MENA has a number of high-potential opportunities in the pipeline that align with its core strategy. It will offer these opportunities—in e-commerce, digital media, financial technology, online travel, social networking, and messaging—to its co-investors in the coming years.

CE-VENTURES

As an internal incubator for start-ups spanning a wide range of sectors and industries, CE-Ventures conceives and develops businesses that generate a sustainable social impact.



FOOD AND BEVERAGES

INDUSTRIAL CLOTHING

EFFICIENT LIGHTING

E-COMMERCE

SUSTAINABLE TRANSPORT

BUSINESS INCUBATION

PHASE DEVELOPMENT

Through a precise and coordinated process, each venture is led through four phases of development and predefined milestones. This ensures their long-term success as viable and sustainable businesses.

SCOPE

- Early-stage businesses
- Innovation projects

ROLE

- Identify and evaluate innovative start-up opportunities
- Develop companies and projects to maturity

PHASE 1:

Concept Development

- Product and service definition
- Market size and potential
- High-level financial summary
- Business plan and action plan

PHASE 2:

Business Plan Development

- Market research
- Product and service design
- Financial modelling
- Go-to-market roadmap

PHASE 3:

Incubation

- Seed funding
- Management team
- Product and service development
- Pilot or prototype
- Legal setup

PHASE 4:

Growth

- Series A–C financing
- Expansion (franchising, acquisitions, greenfield)
- Strategic partnerships

2016/17 HIGHLIGHTS

CE-Ventures developed two pilots in the energy-efficient street-lighting space in Sharjah, UAE, and in Amman, Jordan, during 2016. It also launched its first venture, Kava & Chai, in the food and beverage (F&B) space in early 2017. In addition, it is now nearing the launch and formal public announcement of its second venture, Shamal, which will provide innovative industrial clothing suited to the MENA region's climate. CE-Ventures, meanwhile, is pursuing several other concepts in its capacity as Crescent Enterprises' internal business incubator.

A laboratory for social entrepreneurship

CE-Ventures operates with a conscious ambition to address complex niche problems that exist in our communities whilst aiming for potential scale, profitability, and measurable impact.

OUTLOOK

With its inaugural projects launched or about to launch, CE-Ventures is exploring further businesses that address specific challenges, needs, and wants. CE-Ventures seeks to build internal business opportunities that close gaps and address the needs of all stakeholders. Opportunities under assessment by CE-Ventures include a technology platform that improves global freight efficiency, a low-cost incubation platform for F&B concepts, a sustainable public transport solution, and a platform that supports the international growth of regional brands.

Kava & Chai

Kava & Chai

Concept

Kava & Chai is a homegrown, global standard coffeehouse brand that projects Arab culture and traditions surrounding tea and coffee in a positive and intimate way.

Coffeehouses have historically been associated with great ideas and shared experiences. In Constantinople, Cairo, and Mecca, the world's original coffeehouses hosted preachers and poets, politicians and storytellers.

Kava & Chai is a coffeehouse that brings people together in an intimate setting to socialise, exchange ideas, and experience a cultural treat.

Development

In 2016, Kava & Chai completed its market research and concept, brand guidelines, architectural design, menu, brand execution, and technology platforms.

Store launches

Crescent House: Kava & Chai soft launched its first store, a kiosk, in Crescent House in February 2017. The kiosk is placed in the employee lounge, where employees and guests can take a break and unwind to the sounds of a customised Kava & Chai playlist while enjoying a relaxing view of Sharjah Buhairah Corniche. The kiosk also serves an important function as a training academy for Kava & Chai's baristas.

American University of Sharjah: Kava & Chai will launch its first flagship store at the American University of Sharjah (AUS) in the first half of 2017. This will be a large outlet with a full offering, including cold drip display, seating area, grab-and-go section, and retail and entertainment section.

This flagship outlet will serve the AUS community and will be a hub of cultural and social activities, such as hakawati storytelling, open mic events, and chess and backgammon game nights, all of which will be held on a regular basis.

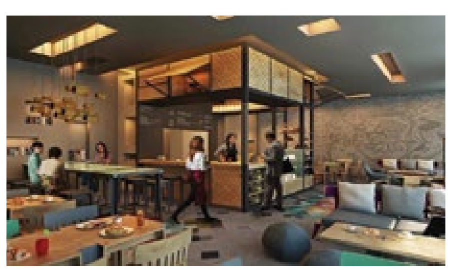
Marsa Al Seef: Kava & Chai plans to open its third store in the heart of old Dubai, on the Marsa Al Seef development along the creek. With its proximity to historical attractions, the Marsa Al Seef store will add to the cultural projects in this locale.

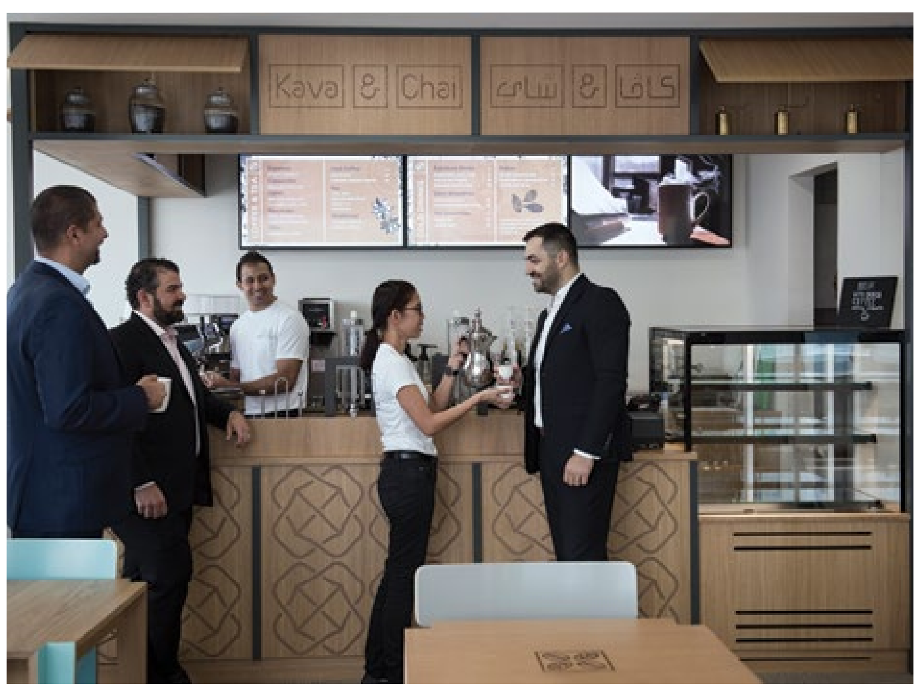
Habtoor City: Kava & Chai plans to open a fourth store in Al Habtoor City by the end of 2017. Having a store in this prestigious location will place Kava & Chai centrally in Dubai along Sheikh Zayed Road.

Mobile Unit: Kava & Chai is also planning for a mobile unit to facilitate its presence at the many events and conferences that take place in Dubai, Abu Dhabi, and Sharjah throughout the year.

Further expansion plans

Kava & Chai has plans to open another flagship store, four kiosks, and two mobile units in the UAE in 2018. This is in addition to launching two franchise units. Beyond that, Kava & Chai is eyeing expansion in several cities outside the Middle East with the aim of sharing with the world a distinct brand that genuinely represents Arab culture, creativity, and talent.





SHAMAL

Shamal

Concept

Shamal is a venture focused on developing the next generation of specialised industrial clothing. Its products will represent an innovation carefully designed to cater to construction workers in the GCC region and potentially other similarly hot and humid climates around the world.

A huge number of construction projects are taking place in the GCC region. However, much of the workwear available is unsuited to the climate. The need to develop clothing specially designed for the challenging weather conditions of the region was imperative.

Shamal is adopting and adapting innovations in textile technology and developing workwear specifically suited to the needs of workers in the GCC region's construction industry. In doing so, Shamal aims to enhance both safety and productivity.

Progress

After a thorough assessment of workwear requirements, extensive research into fabric and textile innovations, and several intense rounds of prototyping and field testing, Shamal is in the final stages of product development. It has developed its latest prototypes based on feedback from its field tests and will assess the effectiveness of the various fabrics used in those prototypes in the lab.

Next steps

The latest prototypes will be evaluated through standard testing methods in controlled laboratory environments simulating the targeted climate. Tests will be conducted by laboratories specialised in textiles and in clothing intended to offer protection and thermal comfort. The functionality of optimal prototypes will be scientifically verified, looking at, amongst other things, their improved impact on physiological parameters related to the thermal comfort of the wearer. Final garments will then be ready for production. The end-product launch is expected in 2017.

CORPORATE CULTURE

To achieve our goals of inclusive growth and shared value for all our stakeholders, we have implemented a solid corporate governance framework and strategically integrated corporate citizenship and sustainability initiatives throughout our activities.

LEADER IN BEST BUSINESS PRACTICES

By integrating corporate accountability practices throughout our operations, we have established integrity in our employees, built a spirit of trust in our stakeholders, and fostered a competitive advantage in our operations and those of our partnering companies.

PARTNERSHIPS AND MEMBERSHIPS

Crescent Enterprises has aligned its corporate governance agenda with numerous international organisations and initiatives.

Pearl Initiative

Crescent Enterprises is a founding partner of the Pearl Initiative, the leading Gulf business-led organisation fostering a corporate culture of accountability and transparency. We work alongside the Pearl Initiative's management team and engage with the Pearl Initiative's other partner companies through the initiative's Integration Board and with the wider community via research programmes and activities. We seek to play a vital role in engaging with and encouraging the private sector and other stakeholders to adopt and advance the principles promoted by the Pearl Initiative throughout the region.

United Nations Global Compact

Crescent Enterprises is a member of the United Nations Global Compact, a strategic policy initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment, and anti-corruption. We are dedicated to working towards the United Nations Global Compact's vision of a sustainable and inclusive global economy in an aim to positively impact society by improving our company's performance.

United Nations Women's Empowerment Principles

Crescent Enterprises is a signatory to the United Nations' Women's Empowerment Principles: Equality Means Business. We join a membership of over 1,000 global corporate participants in working towards implementing seven women's empowerment principles to further women in the workplace, the marketplace, and the community. We also advocate for women's empowerment through our own internal and external programmes.

World Economic Forum's Global Future Councils

Crescent Enterprises is a member of two of the World Economic Forum's Global Future Councils that bring together some 700 thought leaders in business, government, academia, and civil society to develop ideas and strategies to prepare the world for the Fourth Industrial Revolution. Crescent Enterprises' CEO, Badr Jafar, is a member of the think tank, The Future of the Humanitarian System Council, and Crescent Enterprises' Vice President – Corporate Development and Investments, Tushar Singhvi, is a member of The Future of Economic Growth and Social Inclusion Council.

World Economic Forum's Partnering Against Corruption Initiative

Crescent Enterprises is a member of the World Economic Forum's Partnering Against Corruption Initiative. This is one of the strongest cross-industry collaborative efforts addressing corruption, transparency, and emerging market risks. The initiative aims for a global anti-corruption agenda.

World Economic Forum's MENA Regional Business Council

Crescent Enterprises is involved as a member of the World Economic Forum's MENA Regional Business Council in the Actionable Policy Reforms Initiative aimed at increasing competitiveness and improving the business climate in the MENA region. Under this initiative, Crescent Enterprises worked with the Pearl Initiative in leading efforts to develop a key pillar for a white paper issued by the MENA Regional Business Council. The result of that work was the report *Corporate Governance for Competitiveness in the Middle East and North Africa* published in January 2016. An updated report was presented in January 2017.

'ENGAGING WITH PURPOSE'

During 2016, we closely monitored our progress against the sustainability roadmap we set for ourselves. In our fourth annual sustainability report: '*Engaging with Purpose*', *the 2016/17 Sustainability Report*, we report on our progress in detail and in accordance with the Global Reporting Initiative (GRI) sustainability reporting standards.

Transforming our world

We are committed to the sustainable development goals (SDGs), officially known as **Transforming Our World: The 2030 Agenda For Sustainable Development**. This comprehensive set of 17 global goals and 169 targets is spearheaded by the United Nations (UN). Throughout our sustainability report, we illustrate our contributions to achieving the global goals aligned to our own sustainability road map.

Crescent Enterprises
Sustainability Report 2016/17

'Engaging with Purpose'

is available for download at

www.crescententerprises.com

At Crescent Enterprises, we seek partnerships that enable us to merge 'doing good' and 'doing well'. Our work practices and core values are aligned to benefit all of our stakeholders, providing our people with a stronger sense of purpose.

A four-pillared sustainability vision

Our vision, 'Enabling Sustainable Growth', is based on four pillars. These pillars serve as guiding principles that Crescent Enterprises adheres to and advocates for: enabling ethical business, enabling a stronger society, enabling talent, and enabling stewardship of the planet.

Enabling ethical business

Throughout our global operations, we have a great regard for ethical business practices and the role they play in fostering integrity. We enable ethical business through a strong commitment to pursuing and promoting best practices in corporate governance, accountability, and compliance. We aim, moreover, to be recognised as a change leader and to inspire others in the GCC region to pursue ethical business practices. Our goal is to establish common systems and policies and to implement these best practices across all of our operations.

Enabling a stronger society

To raise standards of living in the countries we serve, we endeavour to tackle the widespread challenges of unemployment, social inequality, and economic instability. By investing in education and entrepreneurship across the Middle East, we empower youth and local businesses to grow and prosper. Through every activity of our operating businesses, strategic investments, and new ventures, we aspire to create tangible social and economic value and a measurable positive impact in the communities we serve.

Enabling talent

Investing in the success of our people is crucial to our success and growth and to help generate value for thousands of stakeholders around the world in the communities we serve. We do so by promoting positive and inclusive policies, nurturing leadership, and supporting learning and development. We also invest in our people's health and well-being and provide every opportunity for them to reach their full potential. Our goal is to be recognised as an employer of choice.

Enabling stewardship of the planet

The Middle East faces the challenge of balancing economic growth with the agreed reductions in greenhouse gas emissions to avoid dangerous climate change by limiting global warming to well below 2°C as per the 2015 Paris Agreement. At Crescent Enterprises, we recognise the importance of measuring our impact on the environment and identifying opportunities to improve our operational efficiencies, engage more actively with stakeholders, and expand collaboration with our partners to protect the environment. Our goals are to refine measurements of our environmental performance and to set targets for our resource efficiency (energy, water, waste).

A better approach for partnerships

Since its beginning, Crescent Enterprises has engaged in and supported numerous initiatives and campaigns and distinguished itself by responding with support and solutions for community concerns ranging from social entrepreneurship, education, and the environment to arts and culture and corporate governance.

As we aspire to play a leading role in the area of good corporate citizenship, we have further enhanced our approach to corporate citizenship in 2016.

We have identified three focus areas for our corporate citizenship programme as relevant to our business and to local community challenges:

- Supporting entrepreneurship and employability
- Enabling talent in the arts and culture
- Preserving the environment

When evaluating new opportunities, we apply a set of selection criteria that considers a potential partner's efficiency, impact, and technical strength and the sustainability aspects of the proposed initiative.

Our approach aims to foster a culture of empowerment, excellence, and respect throughout our workforce, and to go beyond charity and financial contributions. We aim to achieve this by advocating for, and providing mechanisms that address, the root causes of a community's challenges with a focus on generating long-term impact.

Supporting entrepreneurship and employability

Fostering the next generation of social entrepreneurs in Middle East

In 2017, Crescent Enterprises has entered an exclusive strategic partnership with Sheraa, as the founding partner for Sheraa's social entrepreneurship track. Sheraa and Crescent Enterprises will kick off the collaboration with a two-year pilot programme consisting of 10 mentoring events for young entrepreneurs and three social enterprise challenges that encourage students to collaborate on developing innovative applications for social good.

Providing expertise to American University of Sharjah students

To support future entrepreneurs at the American University of Sharjah (AUS), Crescent Enterprises' managers shared their expertise and knowledge with over 120 students through the AUS Enterprising Youth initiative. For the third consecutive year, our managers provided expert advice and encouragement in a series of workshops and talks on topics related to entrepreneurship and starting up a business in the UAE. Crescent Enterprises also officiated a start-up pitch competition that offered a seed funding prize to the winning student.

Nurturing young girls in entrepreneurship

We partnered with the Sharjah Ladies Club to deliver a series of entrepreneurship workshops targeting 8–13-year-old girls to encourage social entrepreneurship from an early age. Over the course of three days, 11 girls participated in a series of workshops aimed at introducing entrepreneurial skills. The girls were provided with the tools to conjure business ideas and build them into a business model, and then pitched their model to a panel of investors. The second camp is planned for summer 2017.

Empowering female entrepreneurs

As part of our commitment to support the development of female entrepreneurs and to foster young talent in the region, we partnered with the Sharjah Ladies Club to support its Collage Talent Centre and the Ebriez Exhibition. We sought to help the latter reach 11,000 community members and to equip women and children with the entrepreneurial skills to set up businesses. We aimed to provide a space for members to pursue their ideas, hone their talents, and contribute to the economy.

A glimpse of our corporate citizenship activities:

5% minimum of our projected annual net cash is pledged to our **corporate citizenship programmes.**

34,476 individuals reached in **2016**

1,000 youth will have received soft skills training by 2017 as part of our pledge to the **World Economic Forum** to drive Arab employment.

More details in *Crescent Enterprises Sustainability Report 2016/17*

Enabling talent in the arts and culture

Raising a new generation of filmmakers

For the third consecutive year, Crescent Enterprises supported the Sharjah International Children's Film Festival. This event emphasises the influence that the arts can play in changing perceptions and in positively shaping the lives of young people through exposure to other cultures and traditions.

Promoting cultural understanding through art

To increase cultural awareness and showcase Arab talent, Crescent Enterprises sponsored the Arabian Sights Film Festival, presented by the Washington, DC, International Film Festival. The ArabianSights Film Festival highlights quality cinema directed by young talent from a region often overlooked by mainstream American theatres. It is a dynamic event, with select directors present at their screenings to share insights on their filmmaking process.

Preserving the environment

Emirates Wildlife Society World Wide Fund

Crescent Enterprises is an annual platinum corporate sponsor of the Emirates Wildlife Society – World Wide Fund (EWS-WWF). Our support has helped the EWS-WWF to pursue many environmental projects, such as observing Earth Hour, conserving marine and terrestrial habitat, and combatting the illegal wildlife trade

Crescent Enterprises' recycling project

Crescent Enterprises launched a pilot recycling project on its premises. The project enables employees to make a direct contribution to protecting the environment by reducing waste through recycling. This project is implemented in partnership with Bee'ah, the UAE's leading integrated environmental and waste management company.

Forward-looking statements

This annual report contains forward-looking statements, which reflect the current views and predictions of management. The forward-looking statements address matters that we expect, anticipate, or plan for in the future but that are, by their nature, uncertain. These statements are subject to change based on uncontrollable factors, such as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, and regulatory developments.

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Photographs

All photographs contained in this report have been provided by their original source of representation.

Crescent Enterprises

Crescent House
Buhairah Corniche
PO Box 2222, Sharjah
United Arab Emirates
T +971 6 554 7222
F +971 6 544 7888
ce@crescent.ae
www.crescententerprises.com

CRESCENT ENTERPRISES

www.crescententerprises.com