

Qatar Insurance Company

Pressure on underwriting margins and large investment losses in Q1

- Q1 OCI loss spiraled to QAR 942m (losing 11% of NAV during Q1), on a surge in OCR provisioning (QAR 240m), and impairments on both its equity book (QAR 165m) and FI portfolio (QAR 770m), the latter via the OCI income statement.
- Capital remains sound with solvency at 181% at YE 19A (170% post DPS). But near-term outlook remains exposed to potential business interruption (BI) claims, as several US states have introduced bills to force insurers to cover claims, which on their turn will try to enforce recoveries from reinsurers.
- We maintain Hold, trading at P/tNAV 20e of 0.9x, despite low valuation in historical context and relative to peers.

Losses in Q1 20A increased to QAR 942m, a record. Combined ratio increased to 107.8% (+7.2ppts y/y), as OCR provisioning increased to 8.7% of NCI vs. -3.6% in Q1 19A due to the looming threat of legislation to reverse BI exclusions. Further, QATI's equity portfolio (QAR 1.1bn) was down by 14% in Q1 (vs. -20% for DSM), driving losses of QAR 165m, and derailing investment income by -90% y/y. Finally, as credit spreads widened on its fixed income book, resulting in OCI losses of QAR 770m on its fixed income portfolio.

Fixing underwriting profitability to hamper GWP growth. We pencil in a FY 19-24e GWP CAGR of 3.4%, supported by growth in the regional markets (5.9% CAGR), and modest growth in the international markets (3.0% CAGR), primarily as its acquisition driven growth model comes to an end (for now). QATI is challenged by the newly acquired Markerstudy group (QAR 2.7bn of GWPs, c.35% of Qatar Re's GWPs), through repricing, which should reduce its market share by 1ppt to 4% by FY 23e on our forecasts as c.83% of UK motor customer market is price driven (FCA pg.43, [link](#)) – reducing Qatar Re's GWP growth to 1% in FY 20e from 15% last year. However, digital transformation is now paying-off, as B2C portal sales increase by 3x (or to 35% of its MENA portfolio).

US (re)insurers face an existential threat from potential BI claims. Following the SARS outbreak in FY 02-03A, and the damage it had inflicted on insurers' capital, The Insurance Service Office (ISO) updated the Standard BI policies for virus exclusions. Nonetheless, seven US states have filed bills that would require insurers to pay for BI coverage and nullify their exclusion clause. QATI received c.100 claims for BI coverage from its European franchise in Q1, albeit increased its OCR provisioning accordingly to QAR 240m. Nonetheless, Qatar Re has expanded its footprint in the "North American Property" market to 11.1% of GWPs in FY 18A from 3.7% in FY 16A, while an adverse court ruling in the US could set a dangerous precedent for European regulators. As such, we increase our OCR provisioning to 10.5% of NCI from -4.3% in FY 19A, as we expect i) higher frequency (and severity) of BI claims, and ii) a prolonged litigation process.

Lower interest rate environment and higher short tail tilt reduce investment yields. De-risking initiatives have reduced QATI's NATCAT exposure to <5% of GWPs, and redeployed capital into shorter tail motor contracts – Motor share of GWPs increased by 10ppts since FY 16A to 48%. Concomitantly, QATI's asset allocation has changed, resulting in a higher allocation to bonds and funds (56% vs. 44% in FY 15A). As such, we expect yields to fall to 2.6% through FY 21e, but to gradually recover to 3% by FY 24e, as dividend income normalizes. That said, we expect QATI to reverse some of its OCI impairments in Q2, as US corporate bonds have already recovered by c.13% from their March lows, and European bonds have already recovered c.2.1% from their March lows.

Strong de-rating of the stock justified. QATI's premium valuation has now reversed, as market begins to discount the low underwriting profitability over growth. QATI has been trading at a rich premium of 37% and 11% to US and EU peers, based on average P/tNAV 14-19A. Partially explained by its above average RoE (11% vs. 9% for US peers) and higher growth, as QATI was sheltered from recent white swan events: i) the increased Ogden rates in FY 17A (1.6% contribution to NLR) and ii) Japanese typhoons in FY 19A (1.7% contribution to NLR). We maintain our Hold, as we monitor its near-term profitability under the current black swan event, coupled with the impact from the MSCI index downgrade to the Small Cap index this review, having consistently failed the free float market cap cutoff criteria with c.USD 62m in net outflows (c.63 days). MSCI May review changes will be effective as of the open of June 1.

HOLD

QAR 2.2

Insurance / Qatar

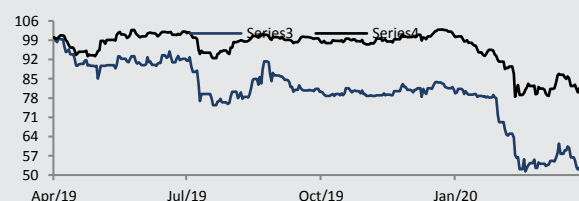
Bloomberg code	QATI QD
Market index	Qatar
Target Price	2.2
Upside (%)	8.2

Market data 5/17/2020

Last closing price	2.0
52 Week range	1.9-3.7
Market cap (QAR m)	6,584
Market cap (USD m)	1,797
Average Daily Traded Value (QAR m)	4.0
Average Daily Traded Value (USD m)	1.1
Free float (%)	95%

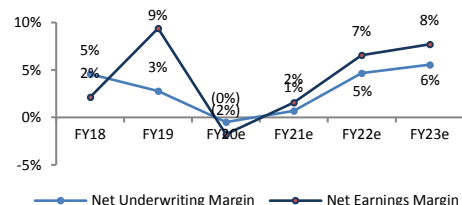
Year-end (local m)	2019	2020e	2021e	2022e
Gross Written Premiums	12,843	13,067	13,451	13,921
Underwriting Profit	355	(57)	101	659
EPS	0.20	(0.01)	0.06	0.28
P/E (x) (market price)	5.5	(28.7)	31.4	7.3
BVPS	2.64	2.58	2.63	2.86
Tangible BVPS	2.64	2.58	2.63	2.86
P/B (x) (market price)	0.8	0.8	0.8	0.7
P/TBVPS (x) (market price)	0.8	0.9	0.8	0.8
DPS	0.2	-	-	0.1
Div. yield (%)	7.4	0.2	1.0	2.5
RoAA (%)	3.1	(0.5)	0.5	2.4
RoAE (%)	14.6	(2.7)	2.5	10.3
Investments/Assets (%)	57.0	48.7	52.9	58.0
Investment Yield (%)	3.7	2.6	2.8	3.0
Net Loss Ratio	70.2	74.7	73.6	69.4
Combined Ratio	103.7	107.1	105.9	101.2
Underwriting Profit Margin	2.8	(0.5)	0.7	4.7
Net Profit Margin	9.4	(1.8)	1.6	6.6
Policy Reserves/Equity	242.5	290.5	268.2	227.1

Price Performance

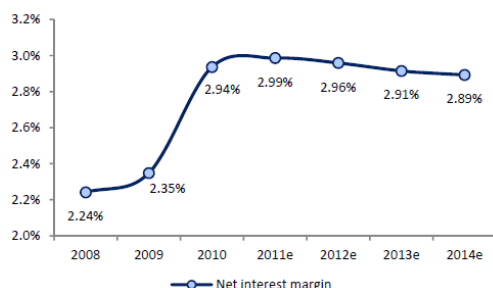


Abacus Arqaam Capital Fundamental Data

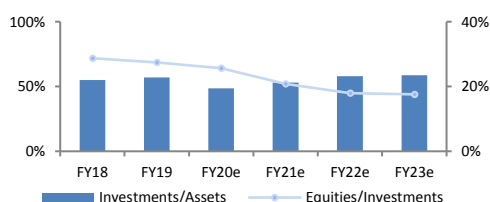
Profitability



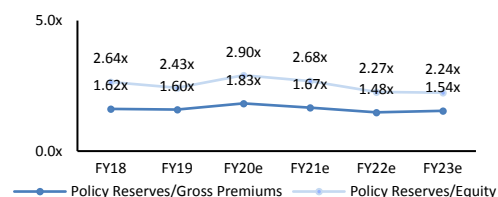
Investment Yield



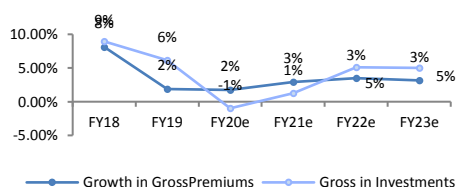
Investment Exposure



Solvency ratios & reserve adequacy



Growth



Qatar Insurance Company

Year-end	2018	2019	2020e	2021e	2022e	2023e
Performance analysis						
Cession Ratio	14.3	13.6	13.1	13.3	13.4	13.4
Net Loss Ratio	69.3	70.2	74.7	73.6	69.4	69.3
Expense Ratio	32.5	33.5	32.3	32.3	31.8	30.9
Combined Ratio	101.8	103.7	107.1	105.9	101.2	100.2
Underwriting Profit Margin	4.6	2.8	(0.5)	0.7	4.7	5.6
Investment Yield	3.0	3.7	2.6	2.8	3.0	3.0
Net Margin	2.1	9.4	(1.8)	1.6	6.6	7.7
RoAE	3.3	14.6	(2.7)	2.5	10.3	11.4
RoAA	0.7	3.1	(0.5)	0.5	2.4	2.7
Net Premiums/Equity	1.5	1.3	1.3	1.4	1.3	1.2
Gross Premiums/Equity	1.6	1.5	1.6	1.6	1.5	1.5
Claims Reserve/NPE	1.2	1.1	1.4	1.2	1.0	1.0
Investment Income/Total Income	62.5	77.3	106.9	90.6	62.8	59.2

Year-end Click here to enter text.	2018	2019	2020e	2021e	2022e	2023e
Investment Exposure						
Investments/Assets	54.9	57.0	48.7	52.9	58.0	58.7
Equities/Investments	28.7	27.4	25.7	20.8	17.9	17.6
Equity/Assets (%)	20.4	21.8	19.7	20.5	24.2	24.8

Year-end Click here to enter text.	2018	2019	2020e	2021e	2022e	2023e
Liquidity/Leverage						
Policy Reserves/Gross Premiums	1.6	1.6	1.8	1.7	1.5	1.5
Policy Reserves/Net Earned Premiums	1.3	1.4	1.4	1.4	1.5	1.5
Policy Reserves/Equity	2.6	2.4	2.9	2.7	2.3	2.2
Debt/Capital	0.5	0.4	0.4	0.4	0.3	0.3
Debt/Equity (x)	0.9	0.7	0.8	0.8	0.5	0.4

Year-end Click here to enter text.	2018	2019	2020e	2021e	2022e	2023e
Growth						
Gross Premiums	8.1	1.9	1.7	2.9	3.5	3.2
Net Earned Premiums	27.1	(4.5)	1.8	2.8	3.4	3.1
Investments	8.9	6.1	(1.0)	1.2	5.1	5.0
Assets	12.8	0.6	7.9	(2.2)	(7.7)	5.9
Total Reserves	15.3	0.4	16.5	(6.0)	(7.9)	6.8
Equity	(3.6)	9.4	(2.7)	1.7	8.8	8.4

Year-end Click here to enter text.	2018	2019	2020e	2021e	2022e	2023e
Valuation						
P/B(x) (current price)	0.8	0.8	0.8	0.8	0.7	0.7
P/B(x) (target price)	0.9	0.8	0.9	0.8	0.8	0.7
P/E(x) (current price)	24.7	5.5	(28.7)	31.4	7.3	6.0
P/E(x) (target price)	26.5	5.9	(30.8)	33.7	7.8	6.4

Abacus *Arqaam Capital Fundamental Data*

Investment thesis

QIC is a diversified insurance company with a two-tier growth strategy across the insurance and reinsurance businesses. We expect the growth of its Antares reinsurance business to continue to parallel Lloyd's growth profile. We expect its Qatar Re label to continue building on its fortress in Energy, Marine and Aviation. QIC's insurance activity is shifting towards motor, Life & Health. We maintain our Hold, despite the attractive valuation in historical context, as we seek better visibility on earnings, and the MSCI downgrade to filter through.

Opportunities

- QIC to introduce new products boosting GWP but also cross-sell new products as reinsuring Fixed Annuities, COLI/BOLI reinsurance and Terrorism, coupled with growth in life & health, with wider margins and boosting AuMs.
- Acquisitive growth
- Antares as its platform to grow in Marine & Energy

Key risks

- Regulatory clause to cancel out BI exclusions in pandemics.
- Focus on profitability will likely come at the expense of market share
- Equity risk (39% of investment portfolio and 73% of NAV), with further de-risking of its portfolio.
- Concentrated reinsurance exposure skewed to London and Bermuda based on reinsurance business.

Holder Name	% Ownership
GEN RETIREMENT & SOC INS	9.9%
VANGUARD GROUP Inc	5.4%
BLACK ROCK	1.3%
VANGUARD GROUP	0.9%
GOV PENSION INVESTMENT	0.3%

Consensus Rating	
Buys	2
Holds	0
Sells	0

Qatar Insurance Company

Year-end Click here to enter text.	2018	2019	2020e	2021e	2022e	2023e
Income statement (mn)						
Gross Written Premiums	12,605.8	12,843.2	13,067.1	13,451.4	13,921.3	14,362.4
Ceded Premiums	1,796.8	1,744.4	1,716.4	1,787.6	1,861.2	1,924.0
Retained Premiums	10,809.0	11,098.8	11,350.7	11,663.8	12,060.1	12,438.4
Movement in Unearned Premiums	(536.9)	266.8	326.7	336.3	348.0	359.1
Net Premiums Earned	11,346.0	10,832.0	11,024.0	11,327.5	11,712.1	12,079.3
Commissions paid	-	-	-	-	-	-
Net commissions	(2,911.4)	(2,879.8)	(2,851.8)	(2,898.3)	(2,933.6)	(2,914.5)
Other underwriting expenses	(7.6)	(8.2)	(7.6)	(7.8)	(8.1)	(8.4)
Changes in technical reserves	(882.6)	324.5	(863.3)	(442.0)	(783.1)	(806.4)
Net Claims	7,865.9	7,605.1	8,236.5	8,336.3	8,127.4	8,366.4
Underwriting Profit	576.3	355.4	(56.7)	100.7	659.2	806.9
Investment Income	895.0	1,152.4	819.9	909.3	1,052.4	1,111.8
Other operating income	66.6	60.9	61.3	61.1	61.0	60.9
Investment & other income	-	-	-	-	-	-
Interest Expense	114.8	142.5	126.4	113.8	78.8	62.9
General & Administrative	774.2	747.8	713.4	758.1	791.4	822.1
Operating Profit	648.9	678.4	(15.4)	199.3	902.4	1,094.6
Distribution of surplus	-	-	-	-	-	-
Other income/(loss)	15.9	13.6	12.9	12.9	12.7	12.5
Tax	0.6	21.1	-	-	-	-
Minority Interest	18.2	20.0	14.7	16.2	17.8	19.6
Net Income	664.2	670.9	(2.5)	212.2	915.1	1,107.2
Reported EPS	0.20	0.20	(0.01)	0.06	0.28	0.33

Year-end Click here to enter text.	2018	2019	2020e	2021e	2022e	2023e
Balance sheet (mn)						
Cash	6,805.4	7,076.2	6,338.5	7,745.7	7,058.7	7,988.5
Intangible Assets	1,866.3	2,105.4	1,643.5	1,562.8	1,555.5	1,549.2
Reinsurance Contract Assets	5,467.2	5,099.8	8,529.8	6,308.4	3,408.7	3,646.2
Investment Properties	606.4	596.0	588.0	580.2	572.4	564.8
Investments	14,876.2	15,788.5	15,634.0	15,827.9	16,638.1	17,476.2
Associates	145.3	149.7	158.7	167.7	176.6	185.4
Insurance Receivables	9,346.0	8,452.9	9,361.8	9,054.3	8,588.6	8,857.6
Fixed Assets	52.0	146.9	279.2	362.9	402.9	402.9
Other Assets	-	-	-	-	-	-
Total Assets	39,164.6	39,415.3	42,533.6	41,610.0	38,401.5	40,670.6
Short-term Insurance Contract Liabilities	20,421.0	20,499.2	23,880.5	22,437.5	20,668.8	22,071.8
Long-term Policyholder Liabilities	-	-	1.0	2.0	3.0	4.0
Debt	6,630.0	6,320.3	6,320.3	6,320.3	4,192.5	4,192.5
Insurance Payables	4,142.0	3,995.2	3,949.3	4,309.2	4,242.6	4,326.9
Other Liabilities	-	-	-	-	-	-
Total Liabilities	31,193.0	30,814.7	34,150.1	33,066.9	29,103.9	30,591.2
Shareholders Equity	7,725.8	8,453.3	8,221.4	8,364.8	9,101.5	9,863.7
Minority Interest	18.2	20.0	14.7	16.2	17.8	19.6
Total Equity	7,971.6	8,600.6	8,383.5	8,543.0	9,297.6	10,079.5
BVPS	2.45	2.64	2.58	2.63	2.86	3.10

Jaap Meijer, MBA, CFA
jaap.meijer@arqaamcapital.com
+971 4 507 1744

Karim Kekhia
Arqaam Capital Research Offshore s.a.l

Exhibit 1: Qatar Insurance Company Valuation Table

	2016A	2017A	2018A	2019A	2020e	2021e	2022e	2023e	2024e	2025e	2026e	perp	subtotal	% of total
1 DCF														
Net profit	1,010	227	270	1,206	(232)	212	915	1,107	1,222	1,297	1,376	1,348		
Other adjustments	--	--	--	--	--	--	--	--	--	--	--	--		
Minus: excess return excess capital	1	(38)	(108)	(94)	(82)	(68)	(43)	(30)	(19)	(7)	7	(8)		
Return on excess capital	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%		
Tax shelter	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Adjusted net profit	1,009	264	378	1,300	(150)	280	958	1,137	1,242	1,304	1,370	1,356		
Capital requirements	7,403	8,035	9,198	9,192	9,077	8,928	8,959	9,387	9,812	10,254	10,714	10,664		
RoEC	13.6%	3.3%	4.1%	14.1%	-1.7%	3.1%	10.7%	12.1%	12.7%	12.7%	12.8%	12.7%		
Cost of capital	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%		
Capital charge		884	1,012	1,011	998	982	985	1,033	1,079	1,128	1,179	1,173		
Economic profit	1,009	(619)	(634)	289	(1,149)	(702)	(28)	105	163	176	191	183		
Discount factor	0.00	0.00	0.00	0.00	1.00	0.90	0.81	0.73	0.66	0.59	0.53	0.53		
NPV of Economic Profit	--	--	--	--	(1,149)	(632)	(23)	76	107	105	102	183		
DCF EVA Forecast period													(1,230)	
Perpetual growth rate (GDP)													4.0%	
Terminal Value													2,616	
Terminal value discounted														1,399
Required Capital														9,192
Value of the insurance operations													9,361	131.1%
2 Capital surplus/deficit														
Available capital:														
Shareholders equity	8,468	8,274	7,972	8,601	8,383	8,543	9,298	10,079	10,813	11,622	12,512			
Less Goodwill & intangibles	1,039	1,317	1,866	2,105	1,644	1,563	1,555	1,549	1,558	1,582	1,610			
Less dividends	--	--	--	--	--	--	--	--	--	--	--			
Tangible equity	7,429	6,957	6,105	6,495	6,740	6,980	7,742	8,530	9,255	10,040	10,903			
Capital needs														
Net Written Premium (NWP)	8,578	9,550	10,809	11,099	11,351	11,664	12,060	12,438	12,803	13,178	13,565			
Claims reserves	6,851	8,571	9,454	9,129	9,992	10,435	11,218	12,024	12,854	13,709	14,590			
Equity investments	5,188	4,924	5,969	5,936	5,082	4,341	3,726	3,909	4,078	4,265	4,469			
Investment properties	576	586	606	596	588	580	572	565	557	550	542			
Associates	139	143	145	150	159	168	177	185	194	202	210			
Equity as % NWP	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%			
Equity as % claims reserves	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%			
Equity as % of investments	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%			
Equity as % of investment properties	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%			
Equity as % of associates	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
Capital Requirements	7,403	8,035	9,198	9,192	9,077	8,928	8,959	9,387	9,812	10,254	10,714			
Surplus capital	26	(1,079)	(3,093)	(2,697)	(2,337)	(1,948)	(1,217)	(857)	(556)	(213)	188		(2,697)	-37.8%
3 Other adjustments														
Investment properties														
Capital increase														
Total adjustments	--	--	--	--	--	--	--	--	--	--	--		--	0.0%
4. Dividends													477	6.7%
Total Fair Value YE 2011													7,141	
Number of shares													3,266	
Fully diluted number of shares													3,266	
Fair value per share													2.2	
Current share price													2.0	
Upside													7.2%	
Implied P/E	6.8x	16.9x	10.8x	10.6x										
Implied P/B	0.8x	0.9x	0.9x	0.8x										
Implied P/tNAV	0.9x	0.9x	1.0x	0.9x										

Source: Company Data, Arqaam Capital Research

Important Notice

1. Author, regulator and responsibility

Arqaam Capital Limited ("Arqaam") is incorporated in the Dubai International Financial Centre ("DIFC") and is authorised and regulated by the Dubai Financial Services Authority ("DFSA") to carry on financial services in and from the DIFC. Arqaam publishes and distributes (i.e. issues) all research.

Arqaam Capital Research Offshore s.a.l. is a specialist research centre in Beirut, Lebanon, which assists in the production of research issued by Arqaam.

2. Purpose

This document is provided for informational purposes only. Nothing contained in this document constitutes investment, legal, tax or other advice or guidance and should be disregarded when considering or making investment decisions. In preparing this document, Arqaam did not take into account the investment objectives, financial situation and particular needs of any particular person. Accordingly, before acting on this document, investors should independently evaluate the investments and strategies referred to herein and make their own determination of whether it is appropriate in light of their own financial circumstances and objectives.

3. Rating system

Arqaam investment research is based on the analysis of regional and country economics, industries and company fundamentals. Arqaam company research reflects a long-term (12-month) fair value target for a company or stock. The ratings bands are:

Buy	Total return >15%
Hold	0-15%
Sell	Total return <0%

In certain circumstances, ratings may differ from those implied by a fair value target using the criteria above. Arqaam policy is to maintain up-to-date fair value targets on the companies under its coverage, reflecting any material changes to the analyst's outlook on a company. Share price volatility may cause a stock to move outside the rating range implied by Arqaam's fair value target. Analysts may not necessarily change their ratings if this happens, but are expected to disclose the rationale behind their view to Arqaam clients.

4. Accuracy of information

The information contained in this document is based on current trade, statistical and other public information we consider reliable. We do not represent or warrant that such information is accurate or complete and it should not be relied upon as such. Any mention of market rumours has been derived from the markets and is not purported to be fact or reflect our opinions. Arqaam has no obligation to update, modify or amend this document or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. In accordance with Regulation AC of the 1934 Exchange Act, the views expressed in this research report accurately reflect the research analysts' personal views about the subject securities or issuers and are subject to change without notice. No part of the research analysts' compensation is related to the specific recommendations or views in the research report.

5. Recipients and sales and marketing restrictions

5.1 Nothing in this document should be construed as a solicitation or offer, or recommendation, to acquire or dispose of any investment or to engage in any other transaction, or to provide any investment advice or service.

5.2 This document is directed at Professional Clients and not Retail Clients within the meaning of DFSA rules. Any investments or financial products referred to herein will only be made available to clients who Arqaam is satisfied qualifies as Professional Clients. Any other persons in receipt of this document must not rely upon or otherwise act upon it.

5.3 This document is only being distributed to investors who meet certain qualifications and to whom an investment or service may be offered or promoted in accordance with relevant country restrictions. This excludes the US except for SEC registered broker-dealers (or banks in permissible "broker" or "dealer" capacity) acting on a principal or agency capacity, and major US institutional investors in accordance with SEC Rules 15a-6(a)(2). Details of other relevant country restrictions are set out on our website at <http://www.arqaamcapital.com/english/system/footer/terms-of-use.aspx>. Persons into whose possession this document comes are required to inform themselves about, and observe, such restrictions and should not rely upon or otherwise act upon this document where it is unlawful to make to such person such an offer or invitation or recommendation without compliance with any authorisation, registration or other legal requirements.

6. Risk warnings

6.1 Any prices, valuations or forecasts are indicative and are not intended to predict actual results, which may differ substantially from those reflected.

6.2 The value of an investment may go up as well as down. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including, without limitation, foreseeable or unforeseeable changes in interest rates, foreign exchange rates, default rates, prepayment rates, political or financial conditions, etc.).

6.3 Past performance is not indicative of future results. Any opinions, estimates, valuations or projections (target prices and ratings in particular) are inherently imprecise and a matter of judgement. They are statements of opinion and not of fact, based on current expectations, estimates and projections, and rely on beliefs and assumptions. Actual outcomes and returns may differ materially from what is expressed or forecasted. There are no guarantees of future performance.

6.4 Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors.

6.5 This document does not propose to identify or to suggest all of the risks (direct or indirect) which may be associated with the investments and strategies referred to herein.

7. Conflict

7.1 Arqaam and its affiliates provide full investment banking services, and they and their directors, officers and employees, may take positions which conflict with the views expressed in this document. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this document. Our asset management area, our proprietary trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this document.

7.2 Arqaam may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this document.

7.3 Facts and views presented in this document have not been reviewed by, and may not reflect information known to, professionals in other Arqaam business areas, including investment banking personnel.

7.4 Emirates NBD PJSC owns 8.32% of Arqaam.

8. No warranty

Arqaam makes no representations or warranties and, to the fullest extent permitted by applicable law, we hereby expressly disclaim any and all express, implied and statutory representations and warranties of any kind, including, without limitation, any warranty as to accuracy, timeliness, completeness, merchantability, fitness for a particular purpose and/or non-infringement.

9. No liability

Arqaam will accept no liability in any event including (without limitation) negligence for any damages or loss of any kind, including (without limitation) direct, indirect, incidental, special or consequential damages, expenses or losses arising out of, or in connection with your use or inability to use this document, or in connection with any error, omission, defect, computer virus or system failure, or loss of any profit, goodwill or reputation, even if expressly advised of the possibility of such loss or damages, arising out of or in connection with your use of this document. We do not exclude our duties or liabilities under binding applicable law.

10. Copyright and Confidentiality

The entire content of this document is subject to copyright with all rights reserved and the information is private and confidential for your own personal use only. This document and the information contained herein may not be reproduced, distributed or transmitted to any other person or incorporated in any way into another document or other material without our prior written consent.

11. Governing law

English law governs this document and these disclaimers and any dispute in relation thereto shall be exclusively referred to the English Courts.