

NBK Capital Partners successfully exits pioneering \$157m private debt fund

Alternative investments firm exits portfolio of eight mezzanine investments across the UAE, Saudi Arabia, Kuwait and Turkey

Dubai, UAE – 31 January 2018: NBK Capital Partners – an alternative investments firm that advises on providing flexible capital to mid-sized companies in the Middle East and North Africa (MENA) – has successfully exited its inaugural US\$157 million private debt vehicle.

Returning a 17% gross Internal Rate of Return (IRR) on investments in the UAE, Saudi Arabia, Kuwait and Turkey, NBK Capital Mezzanine Fund I ranks among the top performing private debt funds in its vintage year.

Raised in 2009, the region's first mezzanine fund – a hybrid of debt and equity financing – was a pioneer for flexible long-term direct lending launched in the wake of the global financial crisis to meet the financing needs of mid-sized firms unable to secure attractive terms with banks constrained by regulatory and structural changes. The closure of NBK Capital Mezzanine Fund I represents the successful exit of eight investments in the portfolio for NBK Capital Partners, the alternative investments arm of NBK Capital.

Yaser Moustafa, Senior Managing Director at NBK Capital Partners, said: "I am delighted with this milestone, which demonstrates the superior returns that we continue to generate for investors and validates the tremendous opportunity for private debt strategies in the region. It builds on our track record that now totals 17 realizations from 29 investments, the highest number of profitable exits by an alternative investments firm in the region over the past decade. We remain focused on maintaining this level of success for investors across our private equity, private debt and real estate interests."

Headquartered in the Dubai International Financial Centre, UAE - with a presence in in Bahrain, Kuwait and Turkey - NBK Capital Partners secured funding from prominent regional endowments, pension funds, family offices, HNWIs and affiliates of NBK Capital for the NBK Capital Mezzanine Fund I.

NBK Capital Mezzanine Fund I's mezzanine debt portfolio included: UAE-based companies such as Eikon, a university operator that provides academic infrastructure and related services to Heriot Watt University of Scotland; Al Maaref Private School; and Metito Utilities Limited, the largest privately-owned water and wastewater treatment company in the Middle East. In Turkey, the fund invested in: Aras Cargo, a leading courier express and parcel provider; Dem Pharmaceutical, an importer and marketer of niche pharmaceutical products; and Kiliç Deniz, a leading aquaculture company. Its remaining two realized investments were Al Rowad Holding, one of the largest private K-12 educational operators in Saudi Arabia, and a regional bakery business.

In 2017, NBK Capital Partners – which has advised on investments exceeding US\$1billion – raised \$160m for NBK Capital Partners Mezzanine Fund II backed by strong demand from a broad base of regional investors. It will continue to advise on direct lending to firms with a proven track record of profitability, market-leading positions and strong management teams.

PRESS RELEASE

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Photo captions

NBKCP 1-2: Yaser Moustafa, Senior Managing Director at NBK Capital Partners, says the exit demonstrates the superior returns that NBK Capital Partners generates for investors and validates the tremendous opportunity for private debt strategies in the region

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Notes to Editors

About NBK Capital Partners

NBK Capital Partners is the alternative investments arm of Watani Investment Company K.S.C.C. ("NBK Capital"). The firm targets companies in the MENA region presenting significant growth potential and opportunities for value creation. It currently advises investment funds across Private Equity and Private Credit, as well as a newly launched Real Estate platform. Since the launch of NBK Capital's first fund in 2007, NBK Capital Partners has successfully sourced and executed 29 investments across a variety of sectors, with all 17 exits to date successful. The firm is a pioneer in advising on regional private debt investments and their management and exits, having executed 11 mezzanine debt transactions since the inception of its first mezzanine fund in 2009. NBK Capital Partners is headquartered in the Dubai International Financial Centre, UAE, and its parent company, NBK Capital has offices in Kuwait City with a presence in Manama and Istanbul.

For more information, please visit www.nbkcpartners.com