

LIVE THE LUXURY



9M 2023 Results

December 2023

# **Corporate presentation**



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# 1. DAMAC overview



### **DAMAC** overview



Headquarters in Dubai

70+ mn sq ft

Projects in progress and in planning

Saleable area

55+ mn sq ft

High-end mixed-use community and tower developments

DAMAC revenue 9M 2023

AED3,978 mn (US\$1,082 mn)

9M 2022: AED2,218 mn (US\$604 mn)

DAMAC net profit 9M 2023

AED2,063 mn (US\$561 mn)

9M 2022: AED613 mn (US\$167 mn)

Portfolio overview

Major presence in Dubai and nearby regions

Completed<sup>1</sup> units:

46,288

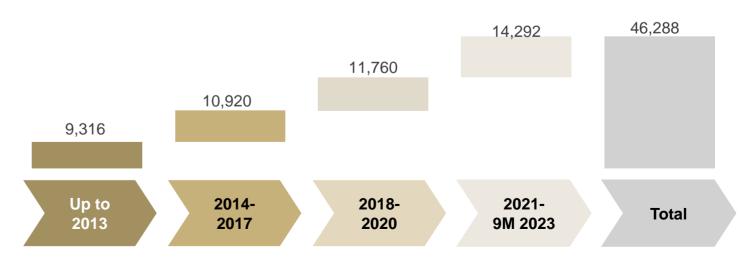
In-progress<sup>2</sup>, In-planning<sup>3</sup> projects

33,000+

Notes: 1. Completed units: units in projects with Building Completion Certificate (BCC) received as at 30 September 2023

- 2. In-progress units: units in projects with enabling works started / consultant appointed as at 30 September 2023
- 3. In-planning units: units in projects with no consultant appointed as at 30 September 2023

### Strong delivery track record across economic cycle, units



### Our business model



A BUY

Sustainable land sourcing focusing on identifying prime opportunities at attractive value

**B** DESIGN

Customer-focused product design positioning, enabling premium pricing

C SELL

A comprehensive multi-faceted marketing approach

D BUILD

Comprehensive in-house capabilities enables efficient project execution



### Land acquisition

Secure prime land in premium locations at competitive prices

- Dedicated business development team.
- Utilizing market intelligence and network of contacts.

**B** DESIGN

### **Project development**

Optimize expected returns

- Returns driven design team.
- Continuous value engineering to manage cost and efficiency.
- Flexible design.

C SELL

### **Marketing / Communications**

### Sales/Admin

Customers are required to pay up to 20% of purchase price on signing of the sale and purchase agreement, and an additional 20% of purchase price within 12 months of signing

- Large advanced sales team with international reach.
- Recognised brand.
- Brand associations driving increased margins.

D BUILD

### **Project management**

### **CRM**

Credit control

Mitigate construction risk by reducing uncertainties prior to project launch

- In-house project management team controlling costs and contractors.
- Proactively engaged in procurement.

## The DAMAC distinction



Quick cash-churn and aim for rapid monetization

High business margins

Residential

developments with

mixed use components

Disciplined land buying

Prudent capital structure with focus on debt management

Brand tie ups (Versace, Paramount, Fendi, Trump,

Cavalli, De Grisogono)

High project IRRs<sup>1</sup>

Customer-focused product design & positioning, enables premium pricing

Comprehensive in-house project management

DAMAC

Luxury serviced apartments, condo hotels and 5 star hotels



Luxury lifestyle master communities



In-house hospitality brand DAMAC Maison

Sizeable internal sales team and extensive global brokers network

c.33 k units under progress and planning

Experienced management team

Note: 1. IRR – Internal rate of return

# Value enhancing product extensions



### Residential focus ... with product line extensions



### **Branded Residential**

 Versace, Fendi, Trump, Cavalli, Just Cavalli, Paramount, de GRISOGONO

### Co-Branded Hotel Apartments and Villas

- Paramount Hotels and Resorts







### **Branded Hotel Rooms**

 Paramount Hotels and Resorts

# DAMAC Hotels and Resorts

- DAMAC Maison





### **Golf / Lifestyle Communities**

- TRUMP Designs







ISO: 9001, ISO: 14001, ISO: 45001 certified LOAMS1

(supporting DAMAC's completed developments)





# Major project portfolio in Dubai





EGEND

DAMAC Suburbia

2 Lake View

1 Lake Terrace

The Waves

Marina Terrace

6 DAMAC Heights

Ocean Heights

8 Executive Heights

9 Smart Heights

10 XL Tower

Business Tower

**12** AYKON City

1 Merano Tower

1 DAMAC Maison Cour Jardin

Bay's Edge

16 Paramount Tower

DAMAC Majestine

18 DAMAC Maison Distinction

19 Park Towers

20 Royal Golf Boutique Villas

21 DAMAC Maison Mall Street

22 Upper Crest

23 DAMAC Voleo

24 Avanti

The Residences at Business Central

26 DAMAC Maison Canal Views

27 DAMAC Towers by Paramount Hotels & Resorts

28 DAMAC Privé

29 DAMAC Breeze

30 Park Central 31 Executive Bay Madison Residences

3 Lincoln Park MAC Hills 2

35 Safa One by de GRISOGONO

36 Emirates Gardens 1 & 2, Tuscan Residences 1 & 2

3 DAMAC Hills 38 DAMAC Lagoons

46 Lakeside

40 Ghalia

42 Tenora

43 Celestia

41 Tower 108

44 The Crescent & Lago Vista 45 Safa Two by de GRISOGONO 47) Green Park

48 Rěva Residences 49 Věra Residences

54 DAMAC Bay by Cavalli

50 Zada Residences

61 Chic Tower

52 Elegance Tower

63 Cavalli Couture

65 Canal Heights by de Grisogono

66 DAMAC Bay2 by Cavalli

67 Canal Crown

58 Harbour Lights by de Grisogono

69 Coral Reef

60 VOLTA

61 DAMAC Casa

# Recent project launches (1/2)





Harbour Lights by De Grisogono in Dubai Maritime City was launched in 1Q 2023

**DAMAC Bay 2** by Cavalli in Dubai Harbour was launched in 2Q 2023





**Canal Crown** by De Grisogono in Business Bay was launched in 2Q 2023

# Recent project launches (2/2)





Coral Reef in Dubai Maritime City was launched in 3Q 2023

**Volta Tower** on Sheikh Zayed Road, Dubai was launched in 3Q 2023





**DAMAC Casa Tower** in Al Sufouh was launched in 4Q 2023

# Key project: DAMAC Hills. Development case study



### **DAMAC Hills**

- 42 mn sq ft development with total saleable area: 20 mn sq ft with estimated project value of c.AED23 bn (US\$6.4 bn).
- Attractive scale with nearly 12 k units comprising villas, apartments, commercial and retail units and Trump International Golf Course.
- Community has supermarkets, pharmacies, Hospital Clinics, Banks along with other facilities such as Malibu Beach water area, skatepark, horse stable, cricket, tennis courts and football ground.



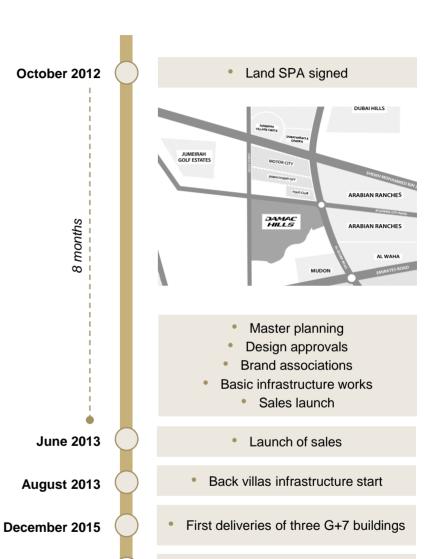






Commercial & Retail

• ~400 k sq ft of commercial space



Opening of Trump International Golf Course

Delivered over 7.7 k units

February 2017

September 2023

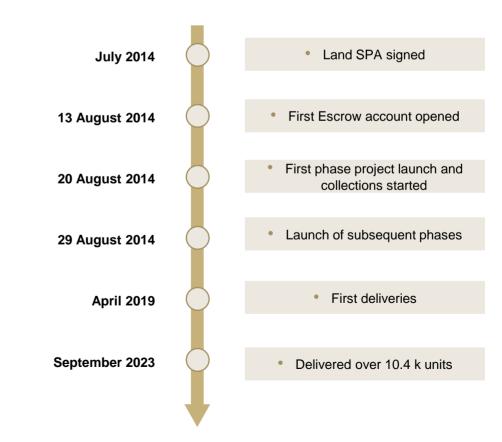
# Key project: DAMAC Hills 2. Development case study



### **DAMAC Hills 2**



- 55 mn sq ft development with c.30 mn sq ft saleable area with estimated project value of c.AED22 bn (US\$6.0 bn).
- DAMAC Hills 2 is the Group's second master community and builds on the successful DAMAC Hills project (30% larger) with expected to have over 17 k units.
- Modeled on escapism and developed to provide a lush green environment with an air of "Escape The City".
- Luxurious modern design will be integrated with retail and hospitality including a five-star Hotel and wellness center, two world class schools.
- Globally-recognized retail brands, leisure and entertainment facilities, including c.350 k sq ft of commercial space.
- Green living and open spaces including parklands and water elements.



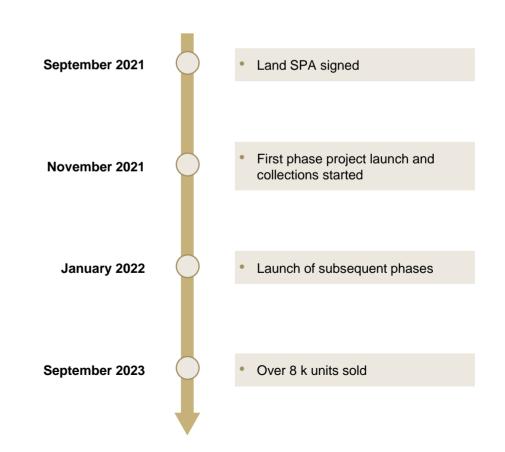
# Key project: DAMAC Lagoons. Development case study



### **DAMAC Lagoons Development**



- 49 mn sq ft high-end lifestyle community development.
- DAMAC Lagoons is the Group's third and latest master community and builds on the successful DAMAC Hills and DAMAC Hills 2 projects.
- DAMAC Lagoons showcases luxury contemporary living inspired by water, with features that include a floating cinema, interactive exhibits, infinity pools, a water park, a wave simulator, snorkelling, kayaking, wall climbing, zip-lining, a skate park, a retail promenade, world-class dining at the community clubhouse and much more.
- DAMAC Lagoons is adjacent to our established community of DAMAC Hills, strategically located on the Hessa Street, Dubai.

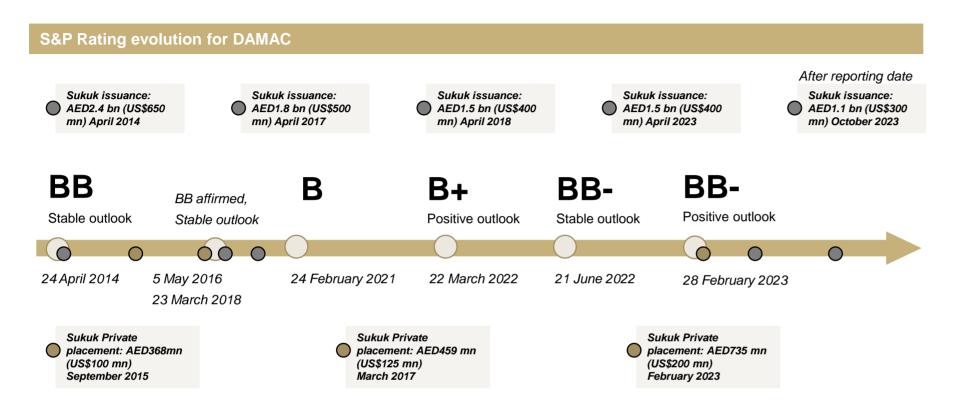


# 2. Rating developments



# **DAMAC** rating developments





### Latest Standard & Poor's Global Ratings (S&P) updates

- Currently, the S&P Global credit rating of DAMAC is BB- with positive outlook
- DAMAC received two rating upgrades in 2022
- On 22 March 2022, S&P updated the credit rating of DAMAC to B+ off the back of returning to growth and deleveraging
- Further, rating was improved to BB- on 21 June 2022 on strong presales traction
- On 28 February 2023, S&P affirmed DAMAC's rating of BB- and revised their outlook to positive

### BB-

### **Current Credit Rating**

Issued by S&P in June 2022

Affirmed by S&P with outlook revised to "positive" in February 2023

The positive outlook reflects the possibility of a one-notch upgrade over the next 12 months

Full rating report available here

# Rating developments after reporting date

3a2

### **Current Credit Rating**

In October 2023, Moody's assigns first time Ba2 rating to Damac Real Estate Development; outlook stable

Full rating report available here

3. Financial highlights, operating environment, and latest key financials



# **Latest financial highlights 9M 2023**



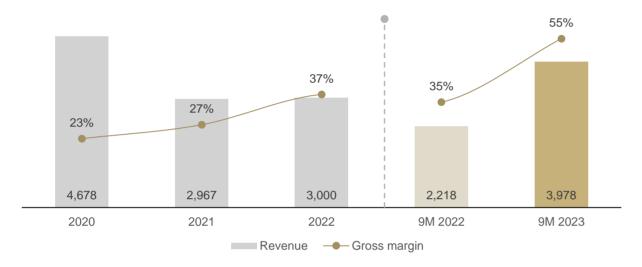
Revenue	Gross profit	Gross margin <sup>1</sup>
AED3,978 mn	AED2,203 mn	55%
(9M 2022: AED2,218 mn)	(9M 2022: AED766 mn)	(9M 2022: 35%)
Operating cashflow <sup>2</sup>	Total assets	Cash and bank balances <sup>3</sup>
AED5,675 mn	AED 31,816 mn	AED14,979 mn
(9M 2022: AED3,386 mn)	(FY 2022: AED 21,569 mn)	(FY 2022: AED8,170 mn)
Gross debt <sup>4</sup>	Debt to total assets <sup>5</sup>	Net profit <sup>6</sup>
AED2,287 mn	7%	AED2,063 mn
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#### Source: 9M 2023 financial statements

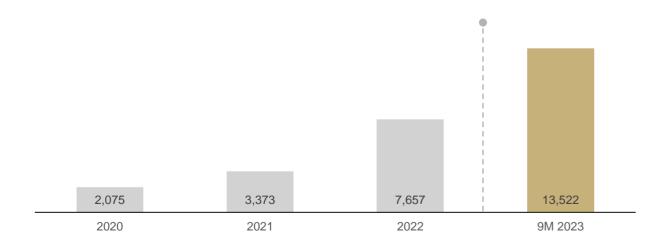
- 1. Gross margin is calculated as gross profit divided by revenue
- 2. Operating cashflow is net cash generated from operating activities
- 3. Cash and bank balances include cash held in escrow and exclude escrow retention accounts
- f. Gross debt is calculated as the sum of Bank borrowings and Sukuk certificates, without taking into account lease liabilities of AED70 mn as of 30 September 2023
- 5. Debt to total assets is calculated as Bank borrowings and Sukuk certificates divided by total assets
- 6. Corresponds to the line item profit for the period after tax in 9M 2023 financial statements

# Financial highlights

### Revenue and margins<sup>1</sup>, AED mn



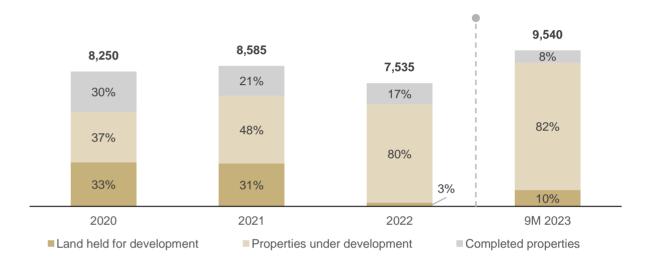
### Advances from customers, AED mn



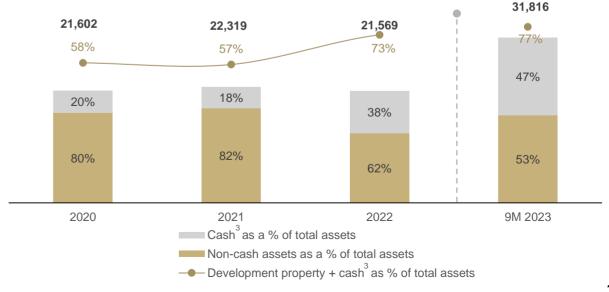
Source: 9M 2023, 2022, 2021 financial statements

- Notes: 1. Gross margin is calculated as gross profit divided by revenue
  - 2. Total assets = cash + non-cash assets
  - 3. Cash and bank balances including cash held in escrow and excluding escrow retention accounts

### Development properties, AED mn



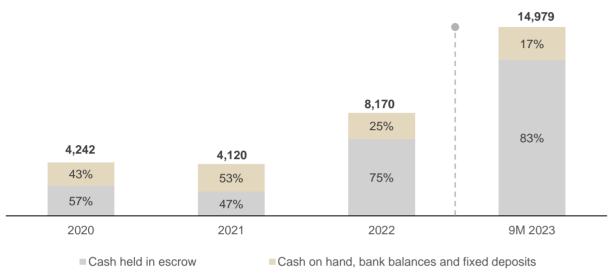
### Total assets<sup>2</sup>, AED mn



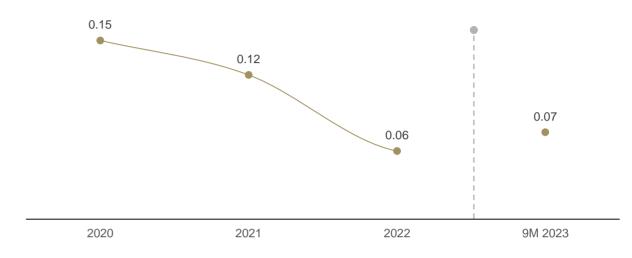
# Financial highlights



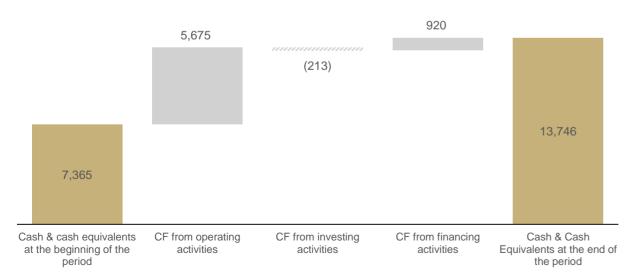




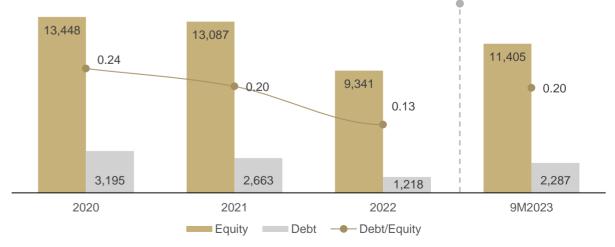
### Debt to assets ratio<sup>1,2</sup>



### 9M 2023 cash flow breakdown, AED mn



### Capital structure<sup>1,3</sup>, AED mn



Notes: 1. Debt is the aggregate of bank borrowings and Sukuk certificates, without taking into account lease liabilities, i.e., AED70 mn as of 30 September 2023, AED65mn as of 31 December 2022, etc.

- 2. Calculated as bank borrowings and Sukuk certificates divided by total assets

14 3. Calculated as bank borrowings and Sukuk certificates divided by total equity

# **Debt profile**



### Debt profile as at 30 September 2023

US\$200 mn

February 2023: 2.25 year, 7.5%, US\$200 mn Private Sukuk Placement, maturing on 7 May 2025

Private Sukuk issued by Alpha Star Holding VI Limited and guaranteed by DAMAC.

US\$400 mn

April 2023: 3 year, 7.75%, US\$400 mn Public Sukuk, maturing on 27 April 2026

Public Sukuk issued by Alpha Star Holding VII Limited and guaranteed by DAMAC.

AED100 mn

May 2023: 2 year, 3M EIBOR + 1.4%, Secured bank term loan facility, payable by 4 May 2025

Secured bank term loan facility amounting to AED100 mn bearing interest at 3 months EIBOR plus 1.4% per annum. This facility has been fully utilised to finance the purchase of a land parcel.

### Issuances after reporting date

**US\$300 mn** 

October 2023: 3.5 year, 8.375%, US\$300 mn Public Sukuk, maturing on 12 April 2027

Public Sukuk issued by Alpha Star Holding VIII Limited and guaranteed by DAMAC.

# **Latest financial statements**



### **Statement of Financial Position**

in mn	9M 2023 AED	9M 2023 US\$ equiv.	FY 2022 AED	FY 2022 US\$ equiv.
Cash and bank balances	14,979	4,076	8,170	2,223
Trade and other receivables	5,975	1,626	5,111	1,391
Development properties	9,540	2,596	7,535	2,050
Other financial assets	579	158	447	122
Right-of-use assets	52	14	54	15
Property and equipment	175	48	111	30
Investment Properties	459	125	63	17
Due from related parties	56	15	77	21
Total assets	31,816	8,657	21,569	5,869
Share capital	3,980	1,083	3,980	1,083
Statutory reserve	152	41	152	41
Retained earnings	7,273	1,979	5,210	1,418
Total equity	11,405	3,103	9,341	2,542
Trade and other payables	4,533	1,233	3,288	895
Advances from customers	13,522	3,679	7,657	2,084
Bank borrowings	100	27	-	-
Sukuk certificates	2,187	595	1,218	331
Lease liabilities	70	19	65	18
Total liabilities	20,412	5,554	12,227	3,327
Total equity and liabilities	31,816	8,657	21,569	5,869

### **Profit and Loss Statement**

in mn	9M 2023 AED	9M 2023 US\$ equiv.	9M 2022 AED	9M 2022 US\$ equiv.	ΥοΥ Δ
Revenue	3,978	1,082	2,218	604	79%
Cost of sales	(1,774)	(483)	(1,452)	(395)	22%
Gross profit	2,203	600	766	209	188%
Gross margin <sup>1</sup>	55.4%	55.4%	34.5%	34.5%	N/A
Other operating income	497	135	817	222	(39%)
General, administrative and selling expenses	(1,346)	(366)	(1,258)	(342)	7%
Amortisation of right-of-use asset	(2)	(0.6)	(2)	(0.7)	(15%)
Depreciation on PPE and investment properties	(25)	(7)	(23)	(6)	9%
Reversal for impairment on development properties - net	-	- -	307	84	(100%)
Loss allowance reversal on trade receivables	81	22	59	16	38%
Loss on financial investments carried at FVTPL	-	-	(130)	(35)	(100%)
Other income	407	111	90	24	352%
Finance income	370	101	44	12	749%
Finance costs	(196)	(53)	(92)	(25)	113%
Gain on net monetary position	-	- -	91	25	(100%)
Foreign exchange loss	-	-    -	(24)	(6)	(100%)
Share of net loss of associates	-	-	(13)	(4)	(100%)
Reversal / (provision) for value added tax	73	20	(16)	(4)	(546%)
Profit before tax	2,063	561	615	167	235%
Income tax expense - overseas	-	-	(2)	(0.6)	(100%)
Net profit	2,063	561	613	167	237%
Net margin <sup>2</sup>	51.9%	51.9%	27.6%	27.6%	N/A

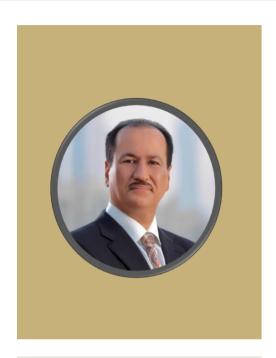
Source: 9M 2023 and 9M 2022 financial statements

Notes: 1. Gross margin is calculated as gross profit divided by revenue

Net margin is calculated as net profit divided by revenue

# **Board of Directors and Committees**





**Mr. Hussain Ali Habib Sajwani**Founder and Chairman of the Board of Directors



Mr. Sofyan Adnan Sami Khatib
Non-Executive Director



Mr. Farooq Mahmood Mohd Mahmood Arjomand Non-Executive Director



Mr. Subramanian Suryanarayan
Non-Executive Director



Mr. Christophe Jacques Marc Cuvillier Non-Executive Director

#### **Nomination and Remuneration Committee**

- The Nomination and Remuneration Committee assists the Board of Directors in discharging its responsibilities relating
  to the composition of the Board of Directors, performance of the Board of Directors members, induction of new
  directors, appointment of committee members and succession planning for senior management.
- It is also responsible for evaluating the balance of skills, knowledge, diversity and experience on the Board of Directors, the size, structure and composition of the Board of Directors, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board of Directors on such matters.
- It prepares a description of the role and capabilities required for a particular appointment.
- The Nomination and Remuneration Committee is comprised of three members, all of whom are independent nonexecutive directors. The Nomination and Remuneration Committee is chaired by Mr. Sofyan Adnan Sami Khatib.

#### Audit and Risk Committee

- The Audit and Risk Committee assists the Board of Directors in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including monitoring the integrity of the Guarantor's financial statements, monitoring and reviewing the extent of the non-audit work undertaken by external auditors, advising on the appointment, re-appointment, removal, remuneration and terms of engagement of external auditors and reviewing the effectiveness of the Guarantor's internal audit activities, and internal controls.
- In addition, the Audit and Risk committee assists the Board of Directors in assessing all areas of corporate risks, conducting a detailed review of changes in risk profile, issues related to the functioning of the risk management framework, including sales, construction, debt financing, and mortgaging.
- The Audit and Risk Committee is comprised of three members, who are all independent non-executive directors. The Audit and Risk Committee is chaired Mr. Subramanian Suryanarayan.

# Senior Management team – strong track record and industry experience





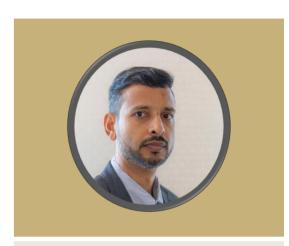
**Mr. Ali Hussain Sajwani** *Managing Director for Operations and Technology* 



Ms. Amira Sajwani Managing Director for Sales and Development



Mr. Mohammed Tahaineh General Manager for Real Estate Development and Construction



**Mr. Hitesh Dhoot** Group Chief Financial Officer



Mr. Mavelitharayil Philip John Chief Human Capital Officer



**Mr. Joseph Berti**Senior Vice President for Legal and Risk
Department



Mr. Francis Arul Chief Information Officer

Results



### **Environment**



In May 2022, DAMAC joined the US Green Building Council, the foremost coalition of leaders working to transform the way buildings are designed, built and operated.

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Since January 2023, DAMAC is a member of the Alliance for Water Stewardship, signifying our commitment to water-related sustainability efforts.





In April 2023, DAMAC joined the Emirates Green Building Council, further reinforcing its dedication to sustainable building practices.

Since August 2023, DAMAC has been a supporter of the Task Force on Climate-related Financial Disclosures.



Based on the fiscal year results of 2022, DAMAC received its first Sustainalytics ESG Risk Rating of 18.3 points. This rating, ranging from 0 (lowest risk) to 100 (highest risk), indicates a low overall ESG risk level for the company. The rating action date is November 13, 2023. Sustainalytics specifically highlighted the strong risk management in crucial areas such as product governance, bribery and corruption, and occupational health and safety. Furthermore, DAMAC achieved negligible risk (0-10, the lowest level of risk) in criteria including emissions, effluents and waste, product governance, bribery and corruption, community relations, and occupational health and safety.

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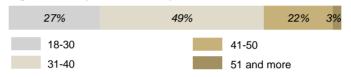


NEGL	LOW	MED	HIGH	SEVERE	
0-10	10-20	20-30	30-40	40+	

### Social

Our diverse workforce fuels innovation, reflecting our commitment to equality and respect. We value unique backgrounds, skills, and viewpoints, with policies that safeguard inclusivity and employee rights. As of June 2023, DAMAC employed 82 nationalities and is continuously working to enhance diversity further.

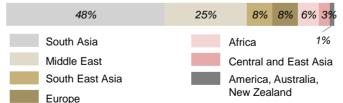
### Age diversity, as at 30 September 2023



### Gender diversity, as at 30 September 2023



### Nationality diversity, as at 30 September 2023



Disclaimer statement: DAMAC Real Estate Development Limited exposure to Environmental, Social and Governance ("ESG") risks and the related management arrangements established to mitigate those risks have been assessed by several agencies, including Sustainalytics ("ESG ratings"). ESG ratings may vary among ESG rating agencies as the methodologies used to determine ESG ratings may differ. DAMAC Real Estate Development Limited ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Readers of this presentation must determine for themselves the relevance of any such ESG ratings information contained in this presentation or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by DAMAC Real Estate Development Limited or any other person to buy, sell or hold any securities. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the assessment methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this presentation)

#### Governance

#### **WE SUPPORT**



Since April 2023, DAMAC has been a member of the United Nations Global Compact initiative — a voluntary leadership platform for the development, implementation and disclosure of responsible business practices.

On June 26, 2023, DAMAC adopted a comprehensive range of policies. This suite includes the Code of Conduct, Anti-bribery and AML, Whistleblower, Environmental policies, ESG Strategy and others. These policies underscore our unwavering dedication to conducting business with the highest ethical standards and utmost transparency.

The senior management of DAMAC draws its knowledge and skills from both local and international experience and is supported by the Board of Directors of DAMAC comprised of five members, four of which are non-executive independent directors.

### **Customer surveys**

At DAMAC, customer feedback is paramount.

In the last 9 months, our dedicated customer experience team successfully handled 511 thousands requests and cases, stressing our dedication to service excellence.

Each customer received a customer experience questionnaire, resulting in an average response rate of 14%.

These efforts have contributed to a remarkable customer satisfaction score of 4.0 out of 5.0 as of 9 months of 2023, highlighting our ongoing pursuit of exceptional experiences.

### **Abbreviations**



**US** US dollars

**Mn** million

**Bn** billion

AED United Arab Emirates dirham

Sq ft square feet

**CRM** credit risk management

**K** thousand

**Q** quarter (eg 3Q)

**G** ground floor (eg G+7 buildings)

**LOAMS** Luxury Owner Association Management Services

Co. L.L.C. It is a facility management company,

100% owned by DRED

**FVTPL** fair value through profit and loss

Exchange rate used throughout the presentation 1 US\$ = 3.675 AED



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