

Samena Capital exits its investment in RAK Ceramics PJSC; a leading global manufacturer of premium quality ceramic tiles, tableware and sanitary ware

Dear Shareholders and Investors,

We are pleased to announce that on May 19, 2021 Samena Limestone Holdings successfully exited its investment in RAK Ceramics (“RAKC”), one of the world’s largest manufacturer of premium quality ceramic tiles, tableware and sanitary ware. Samena sold 199.7 million shares of RAK Ceramics at a price of AED 1.90 per share for a total transaction value of approximately US\$103 million.

In June 2014, Samena Capital led a consortium of sovereign wealth funds, institutional investors, family conglomerates and high net worth individuals from across the GCC to acquire 31% of RAK Ceramics, one of the world’s largest manufacturers of premium quality ceramic tiles, tableware and sanitary ware. RAKC is listed on the Abu Dhabi Stock Exchange, and operates production facilities in the UAE, India, and Bangladesh; supplying to over 160 countries. Our exit has only included our direct ownership of approximately 20% of RAK Ceramics.

Our investment in RAK Ceramics constitutes our largest endeavour, both in terms of investment size and the scale of our portfolio management activities to date. This was the first deal in a direct investment strategy, where balance sheet capital and fund capital deployments were combined with LP co-investments, targeting a sizeable single-asset opportunity.

Since the time of the investment in 2014 we have executed a transformational Value Creation Plan (“VCP”), transforming the business into a world class, global ceramics operation. Our post-acquisition plan was built upon the three pillars of i) exiting non-core investments, ii) investing in the core ceramics operations and iii) strengthening the company’s controls and management infrastructure. The execution of our VCP initiatives has both strengthened the company’s performance, as well as its resilience to the macroeconomic headwinds that it has faced during our investment period. These have included the challenges posed by the building materials industry, the dramatic increase in energy costs, and the current global economic crisis stemming from the effects of the COVID-19 pandemic.

During the first five years of our investment, we exited 12 non-core entities generating proceeds in excess of US\$130 million, which were reinvested in the core operations of the company. This in turn has supported the payment of dividends to shareholders, whereby RAKC has distributed US\$328 million (AED 1.425 per share) in cash dividends and four 5% stock dividends since our investment. RAKC has outperformed its closest peer, Saudi Ceramics, on a total return basis (including dividends) by 19.8% from June 15, 2014 (the date of our investment) to May 19, 2021.

We would like to thank our shareholders and Samena Limestone Holdings’ investors for their trust and support over the last seven years of this investment.

Regards

Shirish Saraf

Founder & Vice Chairman

Wassim Moukahhal

Managing Director