



Dalma  
Capital



# Dalma Capital

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Dalma Investment Banking Services Presentation

February 2019

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## **Dalma Investment Banking Services Overview**

# Dalma Capital Management Limited

**Dalma Capital is a global investment management platform and investment banking boutique with an inherent edge in alternative investment strategies and emerging markets**



## The Parent – Dalma Capital

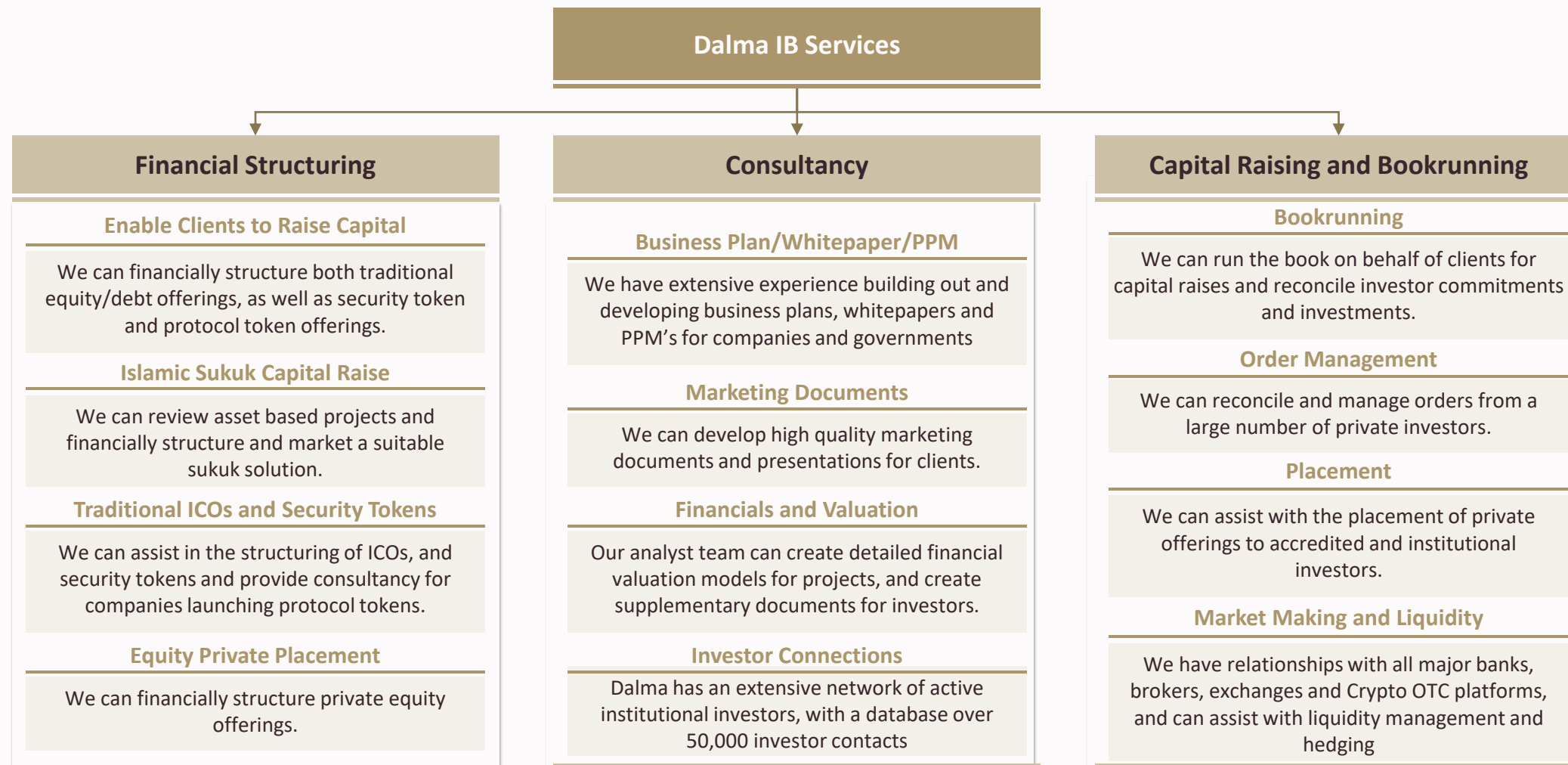
- Dalma Capital Management Limited was founded in 2013, and has found enormous success in the alternative asset management industry. Originally setup as an asset management company and fund platform, the Dalma group has since expanded into investment management services to family offices and bespoke investment banking solutions
- We have over \$700M in notional Assets Under Management and have a highly experienced team with decades of experience in asset management, investment banking, financial engineering, as well as blockchain expertise
- Dalma Capital Management Limited is regulated by the Dubai Financial Services Authority

## Representative Fund Portfolio

Alphabit Digital Currency Fund	MANRRE Fund	Dalma Unified Return Fund	Quencia Saudi Equity Open Ended	IndusAge Global Technology Ventures Fund II, S.L.P	Dalma Dynamic Opportunities Fund
<ul style="list-style-type: none"> <li>• <b>Asset Type:</b> Digital Currency</li> <li>• <b>Domicile:</b> Cayman Islands</li> <li>• <b>Fund Strategy:</b> To deliver consistent capital appreciation over a short - medium term horizon through actively managing a portfolio of Digital Currency</li> <li>• <b>Term:</b> Open Ended</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asset Type:</b> Commercial Real Estate</li> <li>• <b>Domicile:</b> DIFC</li> <li>• <b>Fund Strategy:</b> To provide investors with a regular source of income and capital appreciation by investing in warehouses, logistics, commercial and industrial real estate properties, primarily in the UAE, UK and Europe.</li> <li>• <b>Term:</b> Closed Ended</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asset Type:</b> Liquid Instruments</li> <li>• <b>Domicile:</b> Malta</li> <li>• <b>Fund Strategy:</b> To capture value for institutional investors by investing in forward looking discretionary &amp; high conviction trades, with a high focus on liquid and transparent markets</li> <li>• <b>Term:</b> Open Ended</li> <li>• <b>Target return:</b> 5 - 7%</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asset Type:</b> Saudi Equities</li> <li>• <b>Domicile:</b> Dubai International Financial Centre</li> <li>• <b>Fund Strategy:</b> To generate medium to long term capital appreciation through investing in equities listed on the Saudi Arabian stock exchange (Tadawul)</li> <li>• <b>Benchmark:</b> Tadawul All Shares Index (TASI)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asset Type:</b> Venture Growth</li> <li>• <b>Domicile:</b> Luxembourg</li> <li>• <b>Fund Strategy:</b> To create a balanced portfolio of technology-driven, market-centric companies that span the New Market Economy with the specific interest of helping them scale non-linearly based on the current and upcoming technology diffusion cycles</li> <li>• <b>Maximum Size:</b> USD 150Mn</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asset Type:</b> FX, Commodity Futures, Index Futures</li> <li>• <b>Domicile:</b> Cayman Islands (Feeder), Mauritius (Master)</li> <li>• <b>Fund Strategy:</b> To deliver capital appreciation &amp; risk adjusted returns by investing in a variety of asset classes, strategies &amp; instruments not restricted to a particular geography or asset class</li> <li>• <b>Initial Target Market:</b> India and other countries in South/South-East Asia</li> </ul>

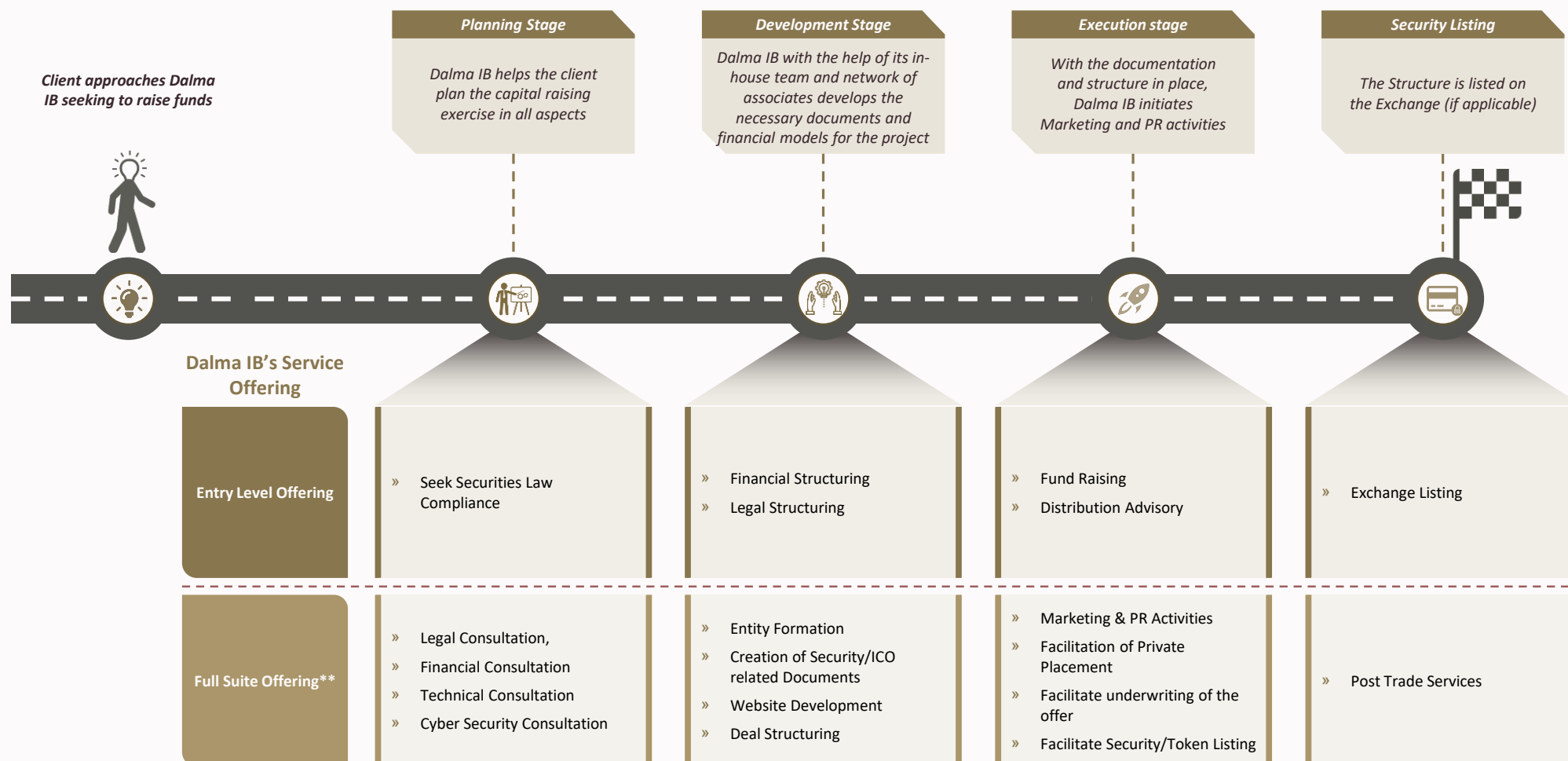
# Dalma Investment Banking Services

Dalma's Investment Banking Services enable clients to raise capital efficiently and in a manner that seeks compliance with securities laws and regulations. We are not only proficient at financial structuring and capital raising for companies and governments, but we also provide extremely high quality consultancy services.



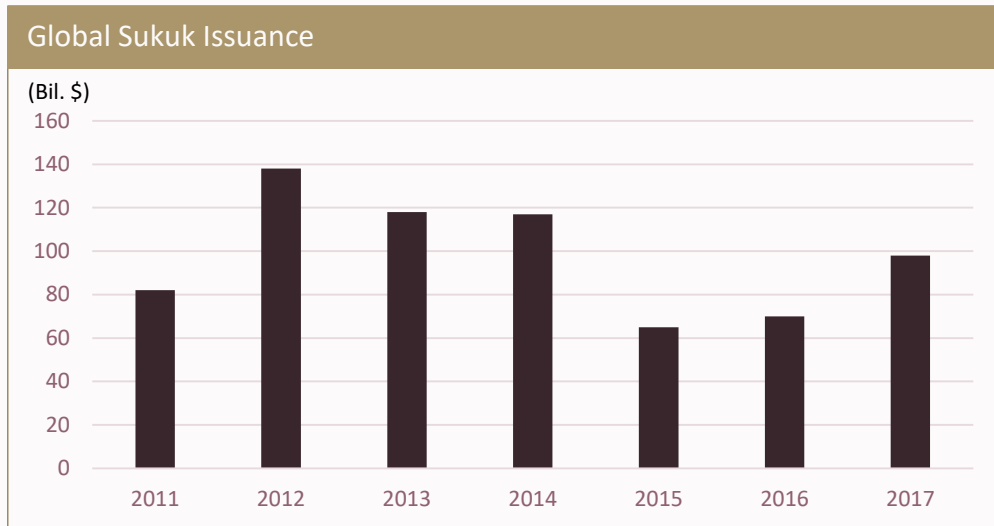
# Our Offerings Are Customizable to Meet the Needs of Our Clients

Our in-house industry expertise and extensive network allows us to provide a wide range of services that ensures that an issuer with an idea can raise capital via a financial structure that is legally compliant

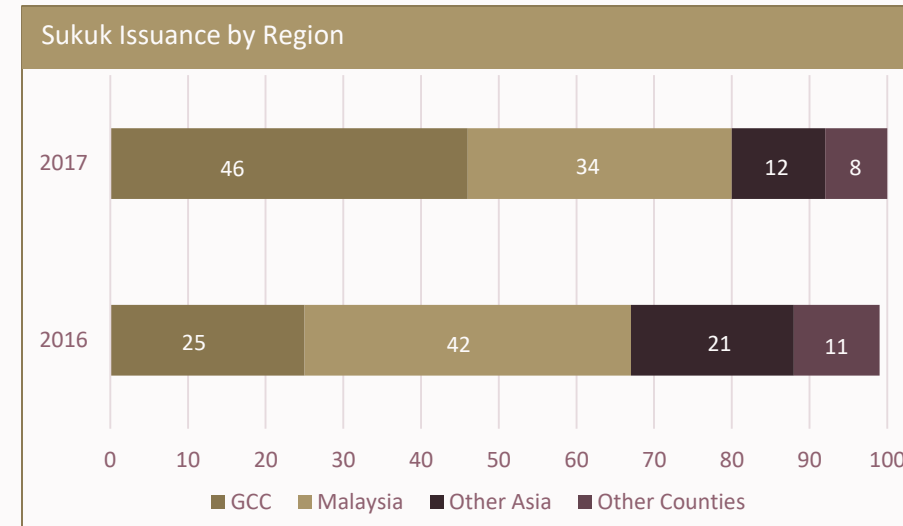


# Sukuk - Attractive Alternative Means of Raising Capital

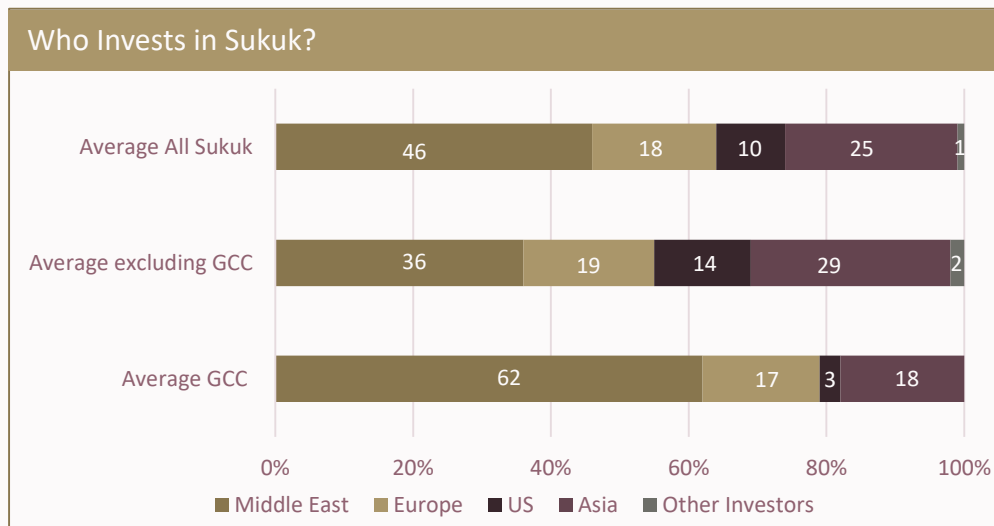
**Sukuk issuance and investments remain strong with appetite from investors globally.**



Source: S&P Global Ratings, Eikon



Source: S&P Global Ratings, Eikon



Source: S&P Global Ratings

### Commentary

Sukuks due to religious sentiments is clearly the preferred debt instrument in the GCC/Middle East and Malaysia. Demand and supply in these regions has remained strong and is growing again. What is also worth highlighting is that Sukuk investors are global with greater participation from Asia, Europe and the US as investors. Who respectively invested in 25%, 18% and 10% in all Sukuk issuances. This clearly shows that global appetite is from a wide pool of investors. However, on the flip side issuance remains thin, with the vast majority of issuers being GCC (46%) and Malaysian (34%) in 2017. Meaning the market has strong appetite for geographic and sectorial diversification.



# Types of Sukuk

Sukuks can come in various formats that aim to align the interest of the borrowers and lenders, based on various types of agreements that seek to provide a fair risk/return for all parties based on their contribution, which can be in capital or in kind:-

## Types of Sukuk

### SUKUK AL MUDARABA (SUKUK BASED ON EQUITY PARTNERSHIP)

In simple *mudaraba* contracts, investors are considered to be silent partners (*rab al mal*), and the party who utilizes the funds is the working partner (*mudarib*). The profit from the investment activity is shared between both parties based on an initial agreement. The same type of contract applies to sukuk. In a *mudaraba sukuk*, the sukuk holders are the silent partners, who don't participate in the management of the underlying asset, business, or project. The working partner is the sukuk obligator. The sukuk obligator, as the working partner, is generally entitled to a fee and/or share of the profit, which is spelled out in the initial contract with investors.

### SUKUK AL MURABAHA (COST PLUS OR DEFERRED PAYMENT SUKUK)

A *murabaha* contract is an agreement between a buyer and seller for the delivery of an asset; the price includes the cost of the asset plus an agreed-upon profit margin for the seller. The buyer can pay the price on the spot or establish deferred payment terms (paying either in installments or in one future lump sum payment).

With sukuk that are based on the murabaha contract, the SPV can use the investors' capital to purchase an asset and sell it to the obligator on a cost-plus-profit-margin basis. The obligator (the buyer) makes deferred payments to the investors (the sellers). This setup is a fixed-income type of sukuk, and the SPV facilitates the transaction between the sukuk holders and the obligator.

The murabaha contract process begins with the obligator (who needs an asset but can't pay for it right now) signing an agreement with the SPV to purchase the asset on a deferred-payment schedule. This agreement describes the cost-plus margin and deferred payments.

### SUKUK AL-SALAM (DEFERRED DELIVERY PURCHASE SUKUK)

In a *salam* contract, an asset is delivered to a buyer on a future date in exchange for full advance spot payment to the seller. Sharia allows only salam and istisna contracts to be used to support advanced payment for a good to be delivered in the future. This same mechanism is used for structuring the salam sukuk.

In *salam sukuk*, the sukuk holders' (investors') funds are used to purchase assets from an obligator in the future. The SPV provides the money to the obligator. This contract requires an agent (which may be a separate underwriter) who will sell the future assets because the investors want money in return for their investment — not the assets themselves.

The proceeds from the sale (typically the cost of the assets plus a profit) are returned to the sukuk holders. Salam sukuk are used to support a company's short-term liquidity requirements.



# Types of Sukuk (cont)

## Types of Sukuk

### SUKUK AL-IJARA (LEASE-BASED SUKUK)

The *ijara* contract is essentially a rental or lease contract: It establishes the right to use an asset for a fee. The basic idea of *ijara sukuk* is that the sukuk holders (investors) are the owners of the asset and are entitled to receive a return when that asset is leased. In this scenario, the SPV receives the sukuk proceeds from the investors; in return, each investor gets a portion of ownership in the asset to be leased. The SPV buys the title of the asset from the same company that is going to lease the asset. In turn, the company pays a rental fee to the SPV. The *ijara* contract process begins when a company that needs an asset but can't afford to purchase it outright contracts with an SPV, which agrees to purchase the asset and rent it to the company for a fixed period of time.

### SUKUK AL MUSHARAKA (JOINT VENTURE SUKUK)

The *musharaka* contract supports a joint venture business activity in which all partners contribute capital, labor, and expertise. The profit and losses are shared among all parties based on agreed-upon ratios. With *musharaka sukuk*, the sukuk holders (investors) are the owners of the joint venture, asset, or business activity and therefore have the right to share its profits. In a *musharaka sukuk*, unlike *sukuk* based on *mudaraba*, a committee of investor representatives participates in the decision-making process. *Musharaka sukuk* can be traded in the secondary market. The *musharaka sukuk* process begins when an obligator signs a *musharaka* contract with the SPV that specifies a profit-sharing ratio and indicates that the obligator will transfer assets (such as cash and property) to the joint venture.

### SUKUK AL ISTISNA (ISLAMIC PROJECT BOND)

*Istisna* is a contract between a buyer and a manufacturer in which the manufacturer agrees to complete a construction project by a future date. The contract requires a fixed price and product specifications that both parties agree to. If the end product doesn't meet contract specifications, the buyer can withdraw from the contract. *Istisna sukuk* are based on this type of contract. The sukuk holders are the buyers of the project, and the obligator is the manufacturer. The obligator agrees to manufacture the project in the future and deliver it to the buyer, who (based on a separate *ijara* contract) will lease the asset to another party for regular payments. The process of issuing *istisna sukuk* begins when the obligator (manufacturer or contractor) and the SPV sign an *istisna* contract.

# Security Tokens: Tokenizing Assets

The Security Token is a revolutionary avenue of financing that utilizes legal, financial and technical frameworks to create an efficient link between cryptographic tokens and assets. We pride ourselves in our expertise of the new market, and the ability to structure offerings to comply with regulations

## Security ICOs

- » The Security ICO is a private placement of a cryptographic token that is linked to an underlying asset like equity or debt
- » The proprietary legal and financial framework used to link a cryptographic token with an underlying asset has been developed in-house



### Shareholder Rights

- » The tokens will be linked to company equity and will confer rights over cash flows and voting rights to token holders



### Private Placement Exchange

- » The tokens will be listed and traded on private exchange open to accredited Investors



### Financial Structuring

- » The Dalma IB utilizes its proprietary financial frameworks to structure the offering and link equity to tokens



### Inherent Underlying Value

- » Unlike Coins, the Tokens derive their value from linked underlying assets such as equity, debt, commodities or fiat currency



### Multiple Jurisdictions

- » Capital can be raised in many different jurisdictions around the world, maximizing the capital base



### Seeks Regulatory Compliance

- » Capital is raised while seeking compliance with securities laws. e.g. Form D is filed in the US and tokens are sold to accredited investors

# Example Offerings and Deals

Below are three offerings we have been involved with: Round 1 of the Telegram Open Network ICO, Amaten – the leading secondary market for gift cards in Japan, and two STOs from ROI Land Investments.



## Telegram Open Network – Round 1 Fundraising

- The Telegram Open Network (TON) ICO is currently the largest private placement coin offering that has ever taken place, raising over \$1.7Bn.
- TON will be the first fifth generation blockchain, with a sophisticated implementation of delegated proof of stake and the first implementation of blockchain sharding.
- Dalma was one of the original 81 institutional investors worldwide that took part in Round 1 of the coin offering.



## Amaten – Consultancy, Equity Raise and Token Raise

- Amaten is the largest secondary market for gift cards in Japan, and has over 70% market share.
- Amaten is launching the worlds first blockchain protocol for gift cards – this new protocol will be a platform upon which merchants can issue tokenized gift cards via smart contracts.
- Amaten is also building a new upgraded secondary market for this new ecosystem that will exclusively list blockchain based gift cards.
- Dalma has helped Amaten create this new intellectual property and build out the new business model for the new ecosystem.
- Dalma is running the book for an equity capital raise for Amaten, assisting with roadshows and financially structuring the offering.
- We are also providing high level advice on legal and corporate governance structuring to Amaten.
- Dalma is aiding Amaten in preparing for a private token sale as well, and we will be taking an active role in the placement and structuring of this offering.



## ROI – Consultancy, STO Structuring and Placement

- ROI Land Investments Ltd has two exclusive properties whose capital stack now includes a STO portion.
- Property 1 is a redevelopment project in a prime location at the heart of Manhattan, New York.
- Property 2 is a one of its kind, ultra high end hotel and branded apartments development by a well known designing company. The STO has been structured to offer up to 40% IRR.
- Dalma (DIFC) was mandated to structure and manage the whole STO, from financials, token economics, corporate structuring, legal, to technology development.

# Team Details



**Zahid Aslam**  
**Managing Director**  
**Investment Banking**

Senior Investment Professional specializing in structuring, marketing and launching Islamic and conventional capital markets instruments, private equity solutions and investment funds.

International Capital Markets Centre, University of Reading  
UK



**Saad Majid**  
**Associate**

Has worked closely on an innovative initiative for introducing a range of Islamic Insurance and Re-Insurance (Takaful) products for the UK. He is also an Assessor for Abu Dhabi Chamber of Commerce and Industry's prestigious Sheikh Khalifa Excellence Award.

University of Birmingham  
UK



**Saber Farooqi**  
**General Counsel**

Senior financial services lawyer specializing in the establishment and operation of investment funds and asset management businesses.

University College of London  
UK



**Amir Anwar**  
**CFO**

Senior finance officer with substantial experience in the financial markets, aviation and audit. Has extensive experience in the public and private sectors.

Institute of Chartered Accountants of Pakistan

## **2** Why Our Services are the Superior Choice

# Regulatory and Legal Framework

Dalma operates out DIFC, a beneficial jurisdiction from a legal and regulatory point of view; Our legal and regulatory infrastructure will allow us to operate in this jurisdiction in a way that is compliant

## DIFC's Legal and Regulatory Infrastructure

### Beneficial Legal and Regulatory Jurisdiction

100% Foreign Ownership

Zero Income Tax and Exchange Controls

Unrestricted Repatriation of Profits

Double Tax Avoidance Treaties with Several Countries

Laws and Regulations in line with international regulations

Independent Regulatory Agency

### World Class Infrastructure

Low transportation, communication and technology costs

International stock exchange (primary and secondary)

Excellent Infrastructure (Data protection facilities etc.)



### Our Existing Legal and Regulatory Infrastructure

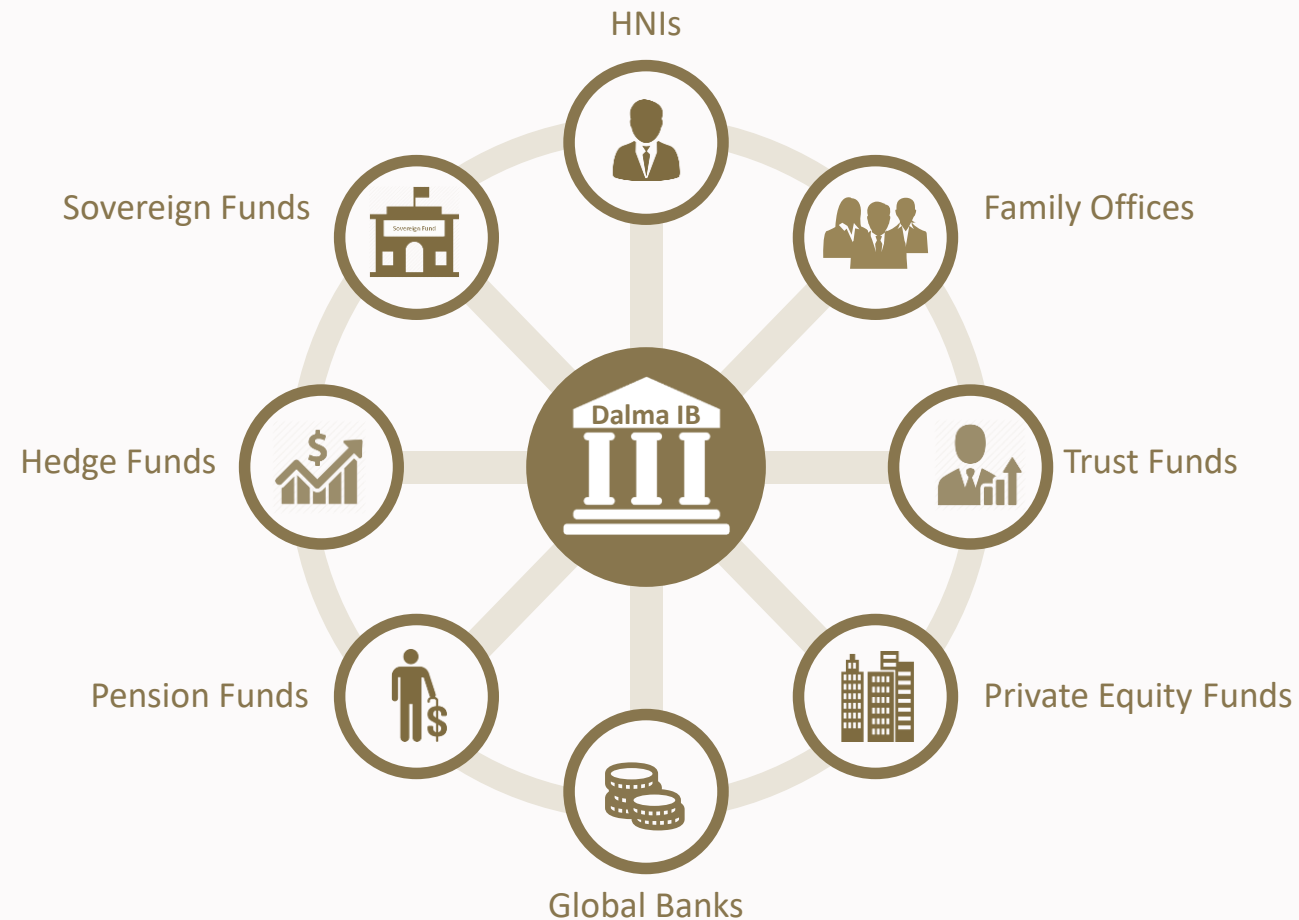
We are regulated by the DFSA in Dubai, and have regulatory licensing allowing us to legally operate as both an investment bank and an asset management company

We have Saber Farooqi, one of the top 5 fund lawyers in the region on our team who has extensive knowledge in all legal areas applicable to our services

# Strategic Investors

Our global network of private investors & contacts allows us to introduce clients to potentials investors

## Dalma's Investor Network



- Via both our private investor networks and contacts obtained through the multiple cryptocurrency funds we work with, we have access to a vast and sophisticated pool of investors.
- We are in a position to introduce strategic investors to our clients, and these investors provide additional value beyond just the amount of money they invest.
- Our global investor network extends into Hong Kong, Singapore, Japan, the USA, Australia, Europe and the Middle East.



# Strategically Located

**Dalma is operated from Dubai, allowing us to take advantage of opportunities in Europe, the Middle East and Asia. Conducive Government regulations combined with an attractive domestic market provides us with a strategic advantage**

## Locational Advantage

- » Leading financial center in the \$7.4tn MEASA region (Middle East, Africa and South Asia)
- » Dubai's geographical location allows it easy access to the capital markets in Europe, Middle East and Asia
- » It's central location also allows it to tap clients in these regions with ease

## Supportive Government Policies

- » Both the Governments of Dubai and Abu Dhabi are supportive of blockchain technology and Islamic Finance initiatives. Nasdaq Dubai is one of the pre-eminent exchanges for Sukuk
- » Dubai has stated in 2013 that it wanted to be the 'Capital of the Islamic Economy' both in the traditional and digital space, and has launched many initiatives to make this happen



# Summary

We're developing a one stop solution that is unparalleled in scope, complemented by our network of institutions and accredited investors and backed by an experienced team

## One Stop Solution

- » Dalma provides all the necessary solutions for fund raising to investors through in-house and out-sourced offerings

## Cost Effective

- » The cost of running and launching a Security Offering independently is expensive, complex and time consuming. Clients that approach Dalma will be provided efficient and cheaper strategy to market

## Securities Law Compliant

- » We are fully regulated, and all client offerings are performed in a manner which seeks compliance with securities laws

## Well Established Network

- » Dalma also helps its clients raise capital via networks of private investors, institutions and accredited investors



## Licensed

- » Dalma Capital is a licensed and regulated asset manager and investment banking boutique

## Highly Experienced Team

- » We have access to expertise for all aspects of the capital raising process with a highly experienced team of technical, legal and financial professionals

## Proprietary Frameworks

- » The Dalma has proprietary legal, technical and financial frameworks to link tokens to assets in a way that seeks securities laws compliance

## Professional Tie-ups

- » Dalma works with major law firms, marketing and PR agencies to ensure that the client's offerings to ensure success

# Directors



**Howard Leedham**  
**Chairman**

DIFC's first Category 3 license Holder and Hedge Fund Manager. Previously, a Sr. Managing Director for the entire group of Argent Companies and McMahan Securities LP.

Camberley Army Command and Staff College, Britannia Royal Naval College



**Zachary Cefaratti**  
**Chief Executive Officer**

CEO and Principal Founder of Dalma Capital Management Limited at the age of 26. Over 12 years of professional experience in the financial services industry.

Franklin University Switzerland, Foster School of Business, London School of Economics



**Mishal Kanoo**  
**Director**

Deputy Chairman of The Kanoo Group, one of the largest and most diverse family owned groups of companies in the Middle East.

University of St. Thomas Houston, Texas



**James Masacorale**  
**Director**

An experienced Corporate Development Director with 19 years of experience across UK, Europe, US and Asia. Specialized in M&A, Strategy, Integrating and Restructuring companies.

Cranfield University School of Management and University of Essex

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