



2022 IN REVIEW



Sudhir Maheshwari
Founder and Managing Partner

Value-Oriented Investment Strategy in Industrials, Metals & Infrastructure

- * **Active Investor**
- * **Global Mandate**
- * **Investment Flexibility**

>\$1BN
Capital Deployed
(including co-investors)

\$241MM
Capital Returned

Season's Greetings from Synergy Capital.

2022 marks the fifth anniversary of the launch of our first fund! My aim when founding Synergy was to create a solid and enduring firm, a place that would grow from the contributions of each stakeholder into something larger than I could envision.

Synergy Capital's logo embodies our symbiotic relationship with our investee companies, limited partners, employees and the communities in which we operate. The traditional gift to commemorate the 5th anniversary is "wood". It is a symbol of strong roots and stability, as well as nurture, in the case of fruit-bearing trees.

During our 5th year as a private equity fund manager, Synergy Capital achieved two major milestones that suit the wood analogy.

First, Synergy successfully launched its second fund with the full support of its existing limited partners. As a sign of their confidence, the \$315 million first close of the new fund doubled the capital entrusted to us, giving us deeper roots to carry out our investment strategy.

Second, Synergy Capital completed five profitable exits from the Fund I portfolio totaling over \$240mm of proceeds. Such profitable exits validate our origination, operating value creation and execution capabilities. This is the fruit-bearing part of the analogy, helping our investee companies achieve their full potential and providing attractive returns for our limited partners.

We live in times of great volatility and uncertainty. War, price shocks and trade dislocation are destroying lives, devastating industries, and disrupting supply chains.

In the next 5-year cycle, we are committed to being as flexible as bamboo and adaptable as mangroves. We will continue to seek out and cherry-pick value in decarbonization, sustainable infrastructure and resilient supply chains and turn the current challenges into opportunities.



Synergy Capital provides tailored private capital solutions across the debt / equity spectrum

Our Disciplined Value Opportunity combines Income and Capital Appreciation

Our investor-operator team has cross-functional industrial experience in over 100 countries

Synergy Capital's fund management company, Synergy Management (DIFC) Limited, is regulated by the Dubai Financial Services Authority (DFSA).

PRIVATE EQUITY

2022 was a year of two distinct halves.

The first half had many positive elements, as most of the world transitioned to a post-covid era. During this period, we made two infrastructure investments in Fund II and completed four exits from Fund I, where significant hands-on value creation during our investment period translated into substantial returns.

Just like in the yin-yang symbol, the benign business environment of the first half carried the seeds of chaos that characterized the second half of the year. The world became more risk-averse, as central banks finally decided to tackle inflation aggressively, the sad realization of a prolonged war in Ukraine sank in, and more severe lockdowns in key regions of China were clamped.

This challenging environment resulted in many investment opportunities for Synergy Capital. We closed the year with \$230 million of capital deployed or committed, nearly twice that of 2021. These investments were in favored sectors, including lithium, renewables and nearshoring of supply chains. Moreover, as prudent managers, these investments have defensive characteristics that provide strong visibility to our performance for the upcoming years. This is Synergy Capital's "island of order" within the sea of chaos, which is also represented in our yin-yang symbol.

On this note, we are pleased to report another year of return outperformance compared to our peer group, and with lower volatility.

ESG

Synergy Capital participated in the World Climate Summit event at COP27, the annual UN Climate Change Conference, where we presented our institutional investor perspective on "environmental and social sustainability in EV battery materials".

I am pleased to share that the scope of our community outreach activities expanded in 2022 from workers to refugees and children with special needs.

LOOKING FORWARD

In a few months, we will move to a new larger office in DIFC, which will accelerate our next phase of growth. But growth will never come at the expense of prudence, deep thought, and thoroughness.

We are excited that COP28 will be held in Dubai during November 2023, which will allow us to showcase investee companies that are driving energy transition profitably.

We look forward to finding opportunities to work with you. For inquiries and more information, please visit us at www.synergycapital.co.uk