



## **Eshraq Investments records Q2 2020 net profit of AED 20.45 million; announces comprehensive investment strategy and targets major share buyback**

- Implementing a comprehensive investment strategy to diversify in financial and technology investments
- Working on regaining sharia compliant status for its shares listed on ADX
- To resume the share buyback program
- Marina Rise project on schedule for completion in Q4

**Abu Dhabi, UAE; 13 August 2020:** Eshraq Investments PJSC (“Eshraq” or “Company”), the Abu Dhabi-based investment company listed on the Abu Dhabi Securities Exchange (“ADX”), announced its preliminary financial results for the first six months of the year. The Company reported a net profit of AED 20.45 million for Q2 2020, and a net loss of AED 26.70 million for the six-months period ending June 30, 2020. As part of its aggressive cost optimization drive, Eshraq decreased general & administrative (G&A) expenses by 16.3% during this period.

### **Comprehensive Investment Strategy, Buyback and Sharia Compliance**

Eshraq also announced a comprehensive investment strategy to rebalance its investment portfolio between real estate, fixed income, equities, and technology investments.

The Company intends to resume a major share buyback program.



The Company is engaged with sharia boards of major banks to regain sharia compliant status for its shares traded on ADX.

## Highlights of H1 2020

Benefitting from the board's diversification strategy implemented last year, Eshraq's real estate and finance operations generated positive operational income for the six-month period. The investment portfolio generated strong income from investments and deposits, with finance income and dividend income growing at 13.1% and 59.2% YoY respectively. The Company's equity portfolio suffered non-cash losses on account of the COVID-19 related market downturn.

While the rental and hospitality market have been among the hardest hit by COVID-19, Eshraq's leasing and hospitality businesses, including its DIFC residential apartments and Nuran Marina hotel apartments, continue to outperform the market through their premium offering and quality. The two segments achieved occupancy rates of 97% and 70% respectively on account of the Company's proactive and agile leasing strategy.

On the development front, Eshraq achieved conditional approval from the Department of Urban Planning and Municipalities (DPM) for the concept master plan of its Gateway project, a mixed-use community development located between Maqtaa Bridge and Sheikh Zayed Bridge.

The Company's Marina Rise mixed-use project on Reem Island is on schedule for completion by Q4 2020. Once completed, Marina Rise will be the first development to contribute to Eshraq's future bottom line.

Jassim Alseddiqi, Eshraq's Chairman, said: "Our investment diversification implemented last year has further proven Eshraq's resilience as we record operating income despite the negative impact of COVID-19 that brought vital sectors of our real estate and tourism economy to a near standstill. We will also take advantage of the





low share price of Eshraq and start immediately a major buyback program. Furthermore, we are aiming on regaining sharia compliant status for Eshraq shares listed on ADX.”

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#### **About Eshraq Investments:**

Eshraq Investments is an investment company with an extensive portfolio of residential, hospitality and other real estate projects. Eshraq also has a diversified investment portfolio across equities, fixed income, private equity and debt products. For further information, please visit [www.eshraquae.com](http://www.eshraquae.com).

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