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ESHRAQ

Q2 2024 Business Review

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Q2 2024: FINANCIAL AND OPERATIONAL HIGHLIGHTS

A return to profitability alongside good momentum on refreshed strategy



Operational



Good progress on new strategy, having identified several direct Private Equity opportunities and income-generating assets



Strategic exits of investment positions within the Goldilocks Fund alongside AED c. 400 million reduction in liabilities



Healthy occupancy in Real Estate assets, with average occupancy of c.98% in Q2 2024



Financial



Total Goldilocks Fund net investment value of AED 1.038 billion at end June 2024



Gross Profit from commercial operations totaled AED 3.0 million



Profit for the period of AED 3.5 million vs. net loss reported in Q1 2024

RECAP: FUTURE ESHRAQ

Under its refreshed strategy, Eshraq will have control of its destiny by focusing on directly-held private equity investments complemented by cash generation from minority stakes, real estate and prudent liquidity management

Status Quo Eshraq

Real estate, private equity and public equities

Indirect holdings

Limited control

Less focus on cash generation



Future Eshraq

Focused regional private equity strategy

Direct holdings

Significant control

Cash generating assets

RECAP: SPOTLIGHT ON STRATEGIC PILLARS

1 Core Business
Direct private
equity exposure

1

Sourcing & Screening	Transaction Structuring	Value Realization
<ul style="list-style-type: none">• Ensure quality deal flow• Optimize screening process• Strategic capital deployment	<ul style="list-style-type: none">• Attractive valuation• Value lever identification• Aligned incentives	<ul style="list-style-type: none">• Lever activation• Capable management• Exit planning

2 Complementary
yield-generating assets

2

Minority Equity Stakes	Real Estate
<ul style="list-style-type: none">• Stable dividend paying stocks• Protected minority stakes	<ul style="list-style-type: none">• Positive net operating yields after leverage

3 Treasury management

3

Capital Preservation

- Low risk approach
- Effective cash management generating stable returns

Key operational enablers

People	Processes	Systems
<ul style="list-style-type: none">• Investing in skilled investment professionals• Optimized organizational structure	<ul style="list-style-type: none">• Robust due diligence and investment committee processes• Governance and oversight	<ul style="list-style-type: none">• Enabling platforms (IR CRM, best-in-class market intelligence, secure datarooms, etc.)

STRATEGIC SHIFT TO LONG-TERM GROWTH THROUGH PRIVATE EQUITY

Eshraq targets investing into 1-2 high-growth businesses per-year, with a medium-term objective of yielding attractive cash flows as assets mature and become ready to exit

Targeted activity

Intended deal size range	Geographical focus	Execution target
USD 50-100m	 <p>Focusing on UAE and GCC</p>	<p>1-2 deals/year In line with transaction profile criteria</p>

Targeted outcomes

Value creation	Investment period	Ownership
<p>20-30% asset growth Ambitious growth targets set to justify targeted investments</p>	<p>5-7 years Holding period for investments, driving value in target company</p>	<p>50-70% direct equity stakes (control)</p>

Targeting 50-70% direct equity stake in fast-growing businesses

 Real Estate Investments
  Energy and Energy Services
  Consumer
  Islamic Finance

 Infrastructure & Logistics
  Technology
  Healthcare
  Food & Agriculture

Good progress in building Private Equity capabilities in Q2 2024, including:

- ✓ Eshraq has identified several opportunities in Q2 2024 and is actively evaluating them, focusing on attractive and strategic sectors.
- ✓ Although still in the early stages of screening, Eshraq is actively evaluating opportunities in a number of attractive and strategic sectors, on which it will make further announcements to the market should these materialize.
- ✓ Eshraq is prioritizing direct Private Equity investments, targeting high-growth potential companies to create long-term value.
- ✓ The company is committed to efficient sourcing and screening of potential deals, ensuring high-quality, steady deal flow for strategic capital deployment.



PORTFOLIO GROWTH TO BE COMPLEMENTED BY INCOME-GENERATING ASSETS

In support of liquidity management to enable growth of the core Private Equity portfolio, Eshraq will selectively invest in assets that offer reliable cash flows that stabilise earnings and support its operations

Supplementary

Eshraq will **continue to selectively invest in income generating minority equity stakes, fixed income assets and Real Estate** to generate reliable cash flows and balance its investment portfolio.

Supplementary

This will be **complementary to the core Private Equity portfolio**, with a focus on **stable dividend paying stocks and leveraging the existing Real Estate portfolio** to deliver consistent returns through market cycles.

Supplementary

Management intends to maintain a more selective portfolio of income generating commercial and residential Real Estate assets, with a focus on stable, cash-generating properties that offer an attractive counterbalance to the dynamic nature of the core Private Equity portfolio.

Good progress in investing in Income Generating Assets in Q2 2024, including:

- ✓ Eshraq is one of four **investors in the Ocean House luxury residential project on Palm Jumeirah, Dubai**
- ✓ **Awarded a construction contract worth AED c. 380 million**, which is expected to complete in H1 2026, having obtained all necessary approvals.
- ✓ **>90% of units sold, with sales value reaching AED c. 1.2 billion as of July 2024**, and an average selling price > AED 5,000 per square foot.



TRANSITION PLANS FOR LEGACY ASSETS: REAL ESTATE

Eshraq will plan and execute a transition plan for its existing Real Estate portfolio and is in the process of creating a Real Estate Development Fund to generate stable rental revenue and develop future real estate assets

Eshraq will execute a detailed multi-step plan to ensure optimal value creation and extraction from the Real Estate portfolio

Eshraq's current portfolio of residential, commercial and tourism developments:

Marina Rise



- Developed, income-generating asset
- Prime location on Abu Dhabi's Reem Island
- Includes residential and commercial properties

Real Estate assets may offer stable revenue and cash generation. The future of each asset will be evaluated accordingly.

Plot-specific feasibility studies are underway to inform the go-forward real estate strategy. Decisions will be made under the guiding principle of maximizing value from non-performing real estate assets

4 strategic options for Real Estate assets

1

Develop plots for subsequent lease
(long-term income generation)

2

Develop plots for subsequent sale

3

Develop strategic plots, sell, swap or exit others

4

Sell, swap or exit plots
(immediate monetization)

Good progress in transitioning legacy assets in Q2 2024, including:

- ✓ Plans to establish a **Real Estate Development Fund** to generate stable rental revenue and develop future real estate assets, evolving from Eshraq's previous land monetization program.
- ✓ **The fund is set to act as a one-stop-shop**, offering local and global landowners end-to-end real estate development solutions.
- ✓ Anticipated structure aims to generate recurring fees from **real estate advisory, fund management, project development, asset management, and structuring services**. The fund also explores new revenue streams through plot acquisitions funded by future returns.
- ✓ **The Real Estate Development Fund is currently in legal due-diligence and design phase**, with the conceptual structure in place, comprising of an advisory firm and real estate funds.



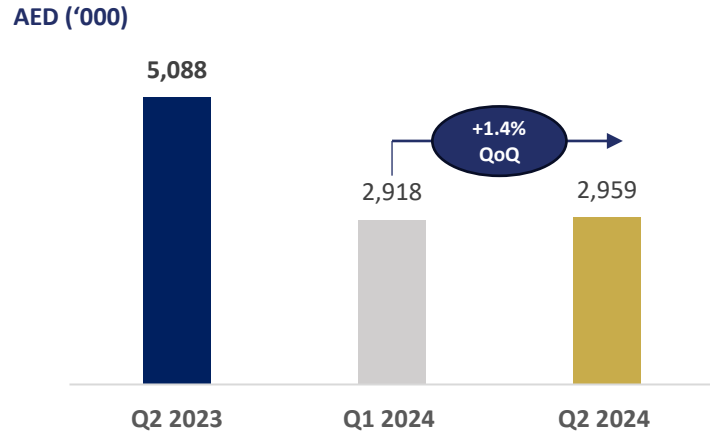
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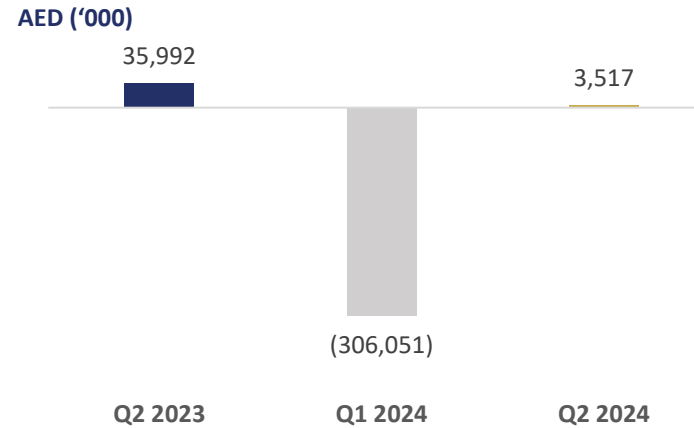
Q2 2024 Financial Review

Q2 2024: GOOD PROGRESS ON REFRESHED CORPORATE STRATEGY

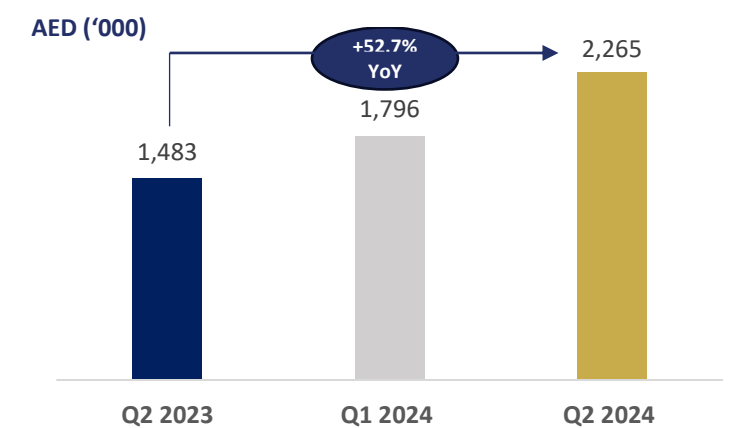
Q2 2024 gross profit from commercial operations of AED 3.0 million



Q2 2024 profit for the period of AED 3.5 million



Q2 2024 finance income up 53% year-on-year



Q2 2024 financial highlights

- **Commercial Real Estate operations generated AED 4.1 million** of revenue in Q2 2024, up 1% versus Q1 2024
- **Gross Profit from commercial operations totaled AED 3.0 million** in Q2 2024, up 1% versus Q1 2024
- **Total liabilities reduced by 8% in the first half**, driven by a continued reduction in bank borrowings, with Goldilocks reducing its liabilities by AED c. 400 million in the half year period.
- **Profit for the period of AED 3.5 million**, primarily due to the strategic exits and revaluation of assets within the Goldilocks Fund which took place in Q1 2024.

Q2 2024: REAL ESTATE ASSETS PERFORMANCE

Real Estate assets Q2 2024 financial performance (AED '000)

Marina Rise	Q2 2023	Q2 2024
Revenue	3,473	3,782
Profit/(loss)	2,483	2,858




Q2 2024 Real Estate financial and strategic highlights

Commercial Real Estate operations generated AED 4.1 million of revenue in Q2 2024



Gross profit from commercial operations reached AED 3.0 million

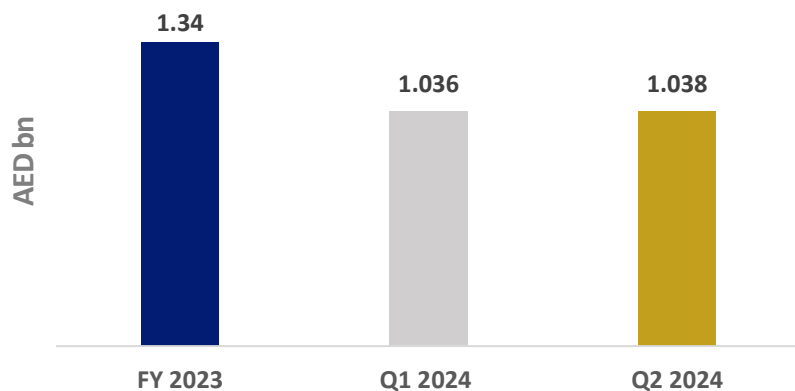


Healthy occupancy, with average Real Estate occupancy increasing to c.98% in Q2 2024 (vs. c.95% in Q2 2023)



Q2 2024: GOLDILOCKS FUND PERFORMANCE

Fund's performance¹ in Q2 2024 improved following strategic exit from certain investment positions in prior quarter



Q2 2024 Goldilocks investment breakdown - top three holdings

Investment	% of portfolio Q2 2024**	% of portfolio Q1 2024*	QoQ Change
Thalassa Investments	50.3%	51.6%	-1.3%
NCM Investment Company ²	36.5%	35.0%	+1.5%
Islamic Arabic Insurance Co (Salama)	7.6%	7.5%	+0.1%

* Holdings as at 31 July 2024*. ** Holdings as at 30 June 2024.

Goldilocks Q2 2024 financial and strategic highlights

Goldilocks Fund underlying net investment value of AED 1.038 billion in Q2 2024

Liabilities reduced by AED c. 400 million in the first half to AED c. 110 million

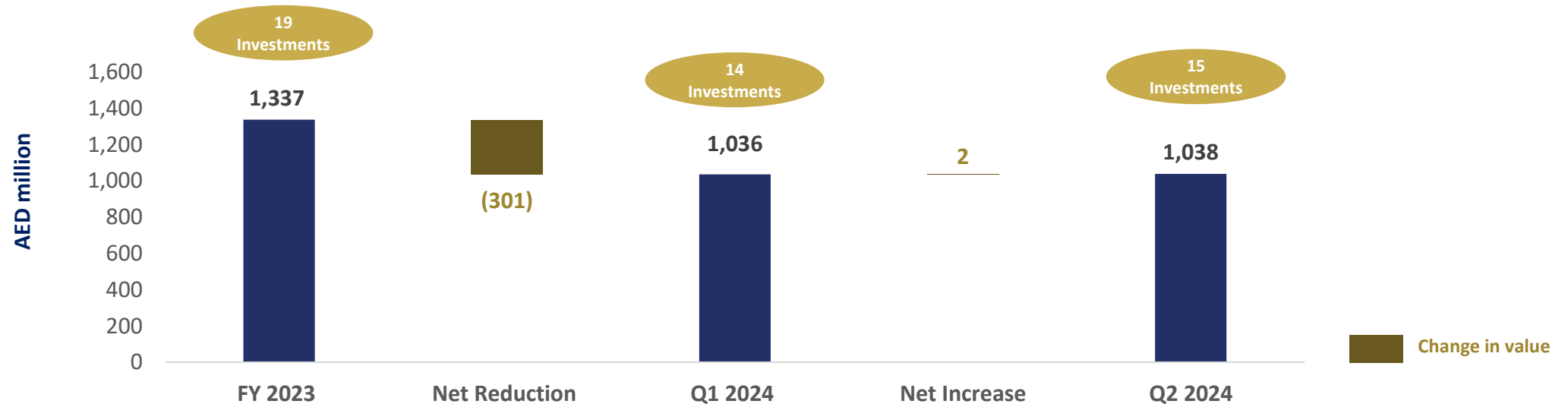
15 investments in the portfolio as at 30 June 2024

1. Fund net performance as of 30 June 2024
2. NCM Investment Company holdings includes NCM Financial UK Ltd

IMPROVED VALUE OF GOLDILOCKS FUND IN Q2 2024

Reduction in the number of investments within the Goldilocks Fund from 19 in FY 2023 to 15 in Q2 2024

Goldilocks Valuation Movement from FY2023 to Q1 2024 and Q2 2024



Overview

- **Total underlying net investment value was AED 1.038 billion at the end of Q2 2024**, having stood at AED 1.036 billion at the end of Q1 2024.
- **Goldilocks reduced liabilities by AED c. 400 million in the period** from AED c. 510 million to AED c. 110 million at the end of Q2 2024.
- **Improvement in investment value was the result of either a partial or full exit from certain investment positions within the fund**, which took place in Q1 2024, with Goldilocks having 15 investments within its portfolio in Q2 2024 (vs. 14 in Q1 2024 and 19 at year-end FY2023).

SUMMARY OF HISTORICAL FINANCIAL PERFORMANCE

	FY2023 AED '000	FY2022 AED '000	FY2021 AED '000	FY2020 AED '000
Revenue from commercial operations	31,612	41,015	26,216	18,082
Direct Costs	(11,163)	(15,861)	(12,825)	(11,033)
Gross profit from commercial operations	20,449	25,154	13,391	7,049
Net finance income	(9,593)	(907)	7,862	8,322
Dividend income	416	4,294	11,712	8,143
Change in investment FVTPL	(543,751)	541,760	33,496	(9,487)
(Loss)/ income from investments	(543,335)	546,436	46,089	(1,065)
Total operating income	(532,479)	570,683	67,342	14,306
G&A and S&M expenses	(24,086)	(31,930)	(20,011)	(15,878)
Gain / Loss on valuation of IP	958	50,510	(9,110)	(79,155)
Gain / Loss on sale of Assets held for sale	10,459	-	-	-
Profit / (Loss) for the period	(545,101)	589,790	38,429	(80,032)
Total Assets	2,276,674	3,019,773	1,688,819	1,585,705
Total Equity	2,112,781	2,703,665	1,363,255	1,305,472
Book value per share (fils)	74.91	95.86	58.63	56.15
Diluted earnings / (loss) per share (fils)	(20.08)	30.11	1.68	(3.50)

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Thank you

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