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ESHRAQ

Strategy Refresh: A New Dawn For Eshraq

May 2024

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STRATEGY REFRESH – PURSUING A NEW ERA OF GROWTH

Eshraq is pursuing a new phase of growth, expansion and improved financial performance, but its underlying mission, vision and values do not fundamentally change.

Our mission...



to create long-term and enduring value for our shareholders, clients and the communities we serve.



...is supported by our vision



[to be a leading GCC investment company focused on direct private equity exposure complemented by investments in yield generating assets].

Underpinned by four core values



Integrity

Upholding the highest ethical standards in all business dealings.



Innovation

Embracing innovation to drive sustainable growth and enhance the performance of assets.



Community Engagement

Actively contributing to improving the communities where we operate.



Sustainability

Prioritizing environmental responsibility across development projects and investment decision-making.

STATUS QUO VS. FUTURE ESHRAQ

Under the 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

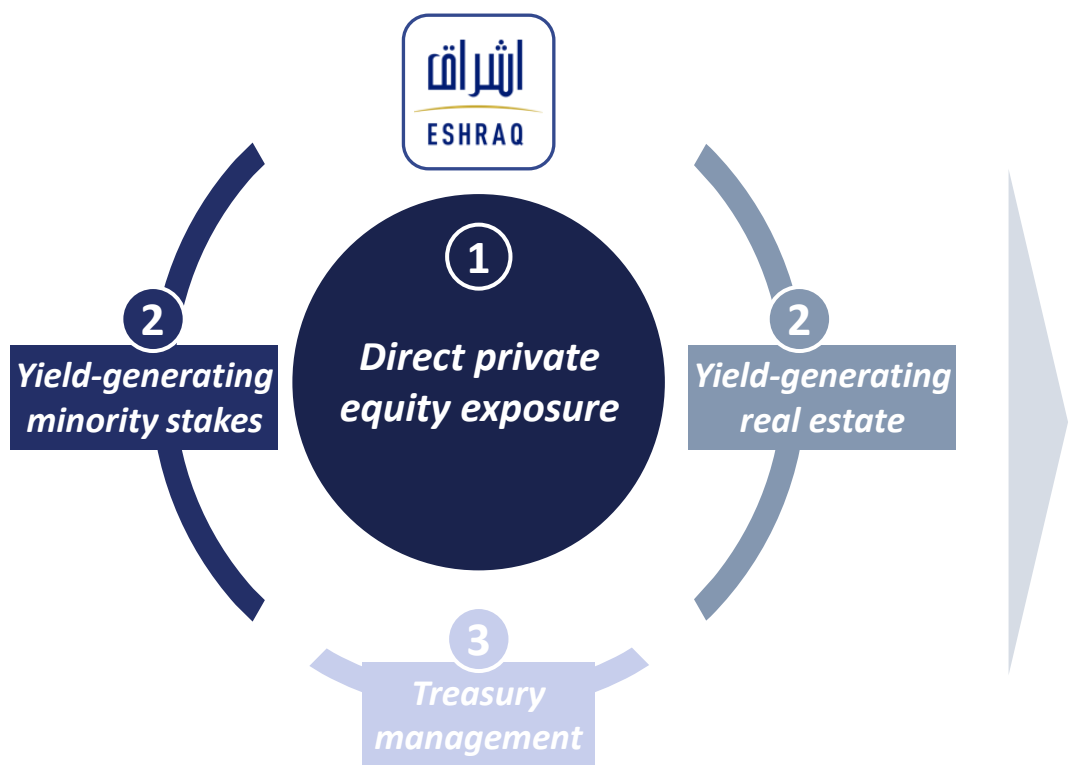
Focused regional private equity strategy

Direct holdings

Significant control

Cash generating assets

Target portfolio segments



Underlying strategic pillars of Eshraq's refreshed strategy

Segment	Asset type	Role in portfolio
1 Core business	Direct private equity	Central driver of shareholder value and long-term growth
2 Complementary yield-generating assets	<ul style="list-style-type: none"> A Real estate B Minority equity stakes 	Cash generation to balance portfolio
3 Tactical liquidity management	Treasury management	Supplementary income stream

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• Optimised 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.)

FUTURE ESHRAQ – INVESTMENT HIGHLIGHTS

The principal objective of the refreshed strategy is to deliver a shareholder value proposition that is characterized by six key investment highlights.

1

A well-diversified investment portfolio in growing sectors across the GCC - a region with strong fundamentals and a favourable macroeconomic outlook

2

Embarking on strategic shift to long-term growth through private equity, Eshraq is entering a new phase and transitioning to a direct investment business model

3

Ongoing portfolio growth from core private equity investments will be complemented by income-generating assets to support attractive and reliable cash flows

4

Strategic focus on building out private equity capabilities and exposure, while preparing and executing transition plans for legacy assets

5

Strong balance sheet position offers significant headroom to invest in new and existing assets across the portfolio

6

Highly experienced Board and Management, ideally suited to sourcing transactions and leading Eshraq's strategic transformation

STRONG FUNDAMENTALS AND FAVOURABLE INVESTMENT INDUSTRY TRENDS

Investment activity has been growing at double-digit rates across nearly all major asset classes in the UAE, all of which Eshraq is participating in and providing indirect exposure for shareholders – with a focus on Private Equity.

Key Trends

Capital Markets

Alternatives

Equity Capital Markets

- **Large # and scale of IPOs** in recent years (e.g., ADNOC Gas, Americana, Dubai Taxi etc.)
- **Competitive brokerages** and ecosystem reforms have **lowered entry barriers** and attracted fresh capital

Debt Capital Markets

- Relatively **flat** over the period
- Driven by **large corporates** issuing **traditional debt** and **Sukuk**

Private Equity & Venture Capital

- **PE activity increasing** after early 2000's boom and bust
- **VC absolute size small** (~\$1bn) but **rapidly growing**

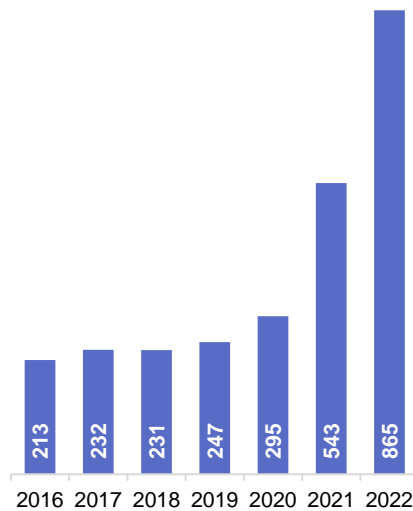
Real Estate

- **Post-Covid boom** in both major Emirates

Public equity¹

Market capitalization of UAE listed companies
USD bn

CAGR: 26%



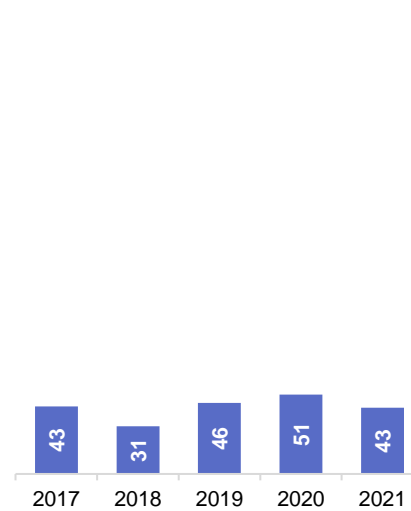
Sample players³



Debt²

Fixed income primary market issuance
USD bn (common scale)

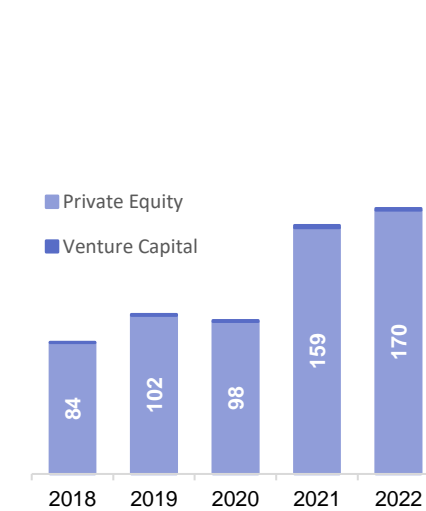
CAGR: 0%



Private Equity & Venture Capital²

Fundraising
USD bn (common scale)

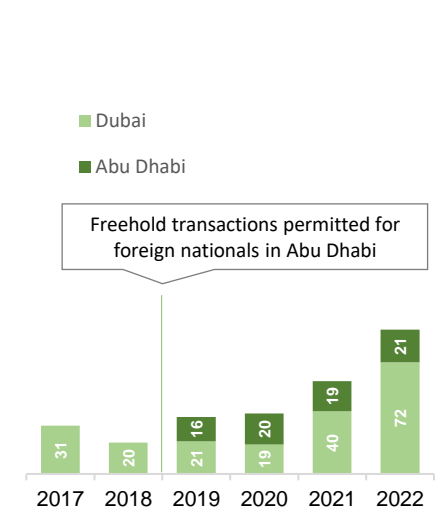
CAGR: 19%



Real Estate²

Total transaction volume
USD bn (common scale)

CAGR: 36%



Source(s): World Bank, Magnitt, Dubai Land Department, Department of Municipalities and Transport, Abu Dhabi Securities Exchange, Dubai Financial Market, Teneo Research & Analysis

Note: 1. Equity market represented by total value metric (market cap) versus other asset classes that use activity metrics; chart presented on standalone scale 2. Charts presented on common scale across asset classes 3. Example players may be active in multiple asset classes *CAGRs calculated over years of data for each asset class

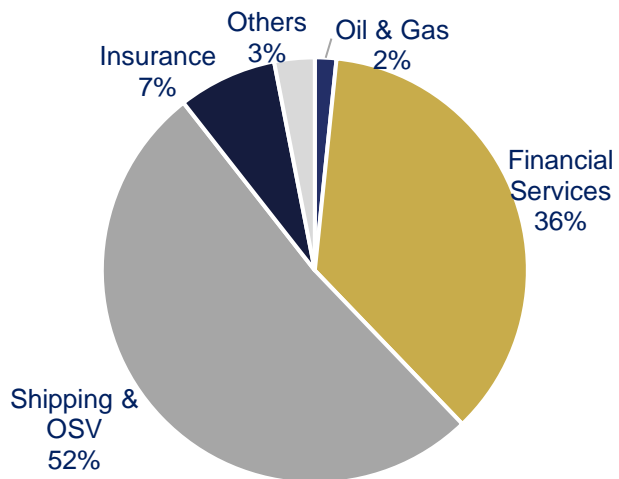
A WELL-DIVERSIFIED INVESTMENT PORTFOLIO IN A GROWING REGION

The GCC is an attractive region with strong structural growth drivers and a favourable macroeconomic outlook.

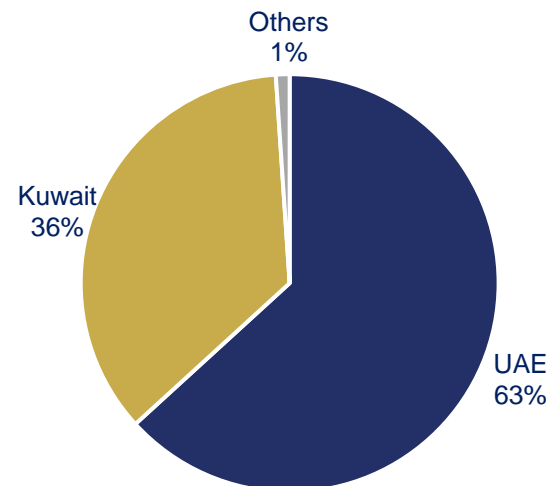
Today, Eshraq operates across a range of sectors across the GCC, through the Goldilocks Fund....

...The future focus of the portfolio will be to acquire and manage direct private equity stakes in the GCC, in sectors including...

Cross-sector exposure¹



Predominantly in the GCC¹



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



- Eshraq's domestic market of the UAE is experiencing strong GDP growth momentum, supported by population growth and tourism, and playing a vital role in Middle Eastern trade flows.
- GDP has surpassed pre-Covid levels, supported by the diversification of the economy into non-oil sectors including investment and infrastructure

Macroeconomic conditions in the GCC are supportive of a substantial pipeline of addressable investment opportunities, of variable sizes and complexity

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

USD 50-100m

Geographical focus



Focusing on UAE and GCC

Execution target

1-2 deals/year

In line with transaction profile criteria



Targeted outcomes

Value creation

**20-30%
asset growth¹**

Ambitious growth targets set to justify targeted investments

Investment period

5-7 years

Holding period for investments, driving value in target company

Ownership

50-70%

direct equity stakes (control)

TRANSITIONING TO A DIRECT INVESTMENT BUSINESS MODEL

The direct investment model is designed to strengthen the core investment portfolio, creating a deeper grounding and focus for Eshraq as an investment player with greater control of its assets, supported by a highly experienced investment team.

With the transition to a direct investment model, Eshraq will benefit from:

Focused investment approach

- A focused investment approach will be fundamental to executing the long-term strategy

Longer potential holding periods

- Longer holding periods will create advantages in holding investments through market cycles, selecting exit timings and maintaining cash generating assets for longer

Full optionality on all exit positions

- Benefit from the flexibility to consider different scenarios for exit options as well as different exit timings

Control over destiny

- Greater flexibility in decision making without pressures from co-investors
- Ability to deploy capital or dispose of assets as needed

Key success factors for a direct investment model

Quality deal flow

Entry valuation

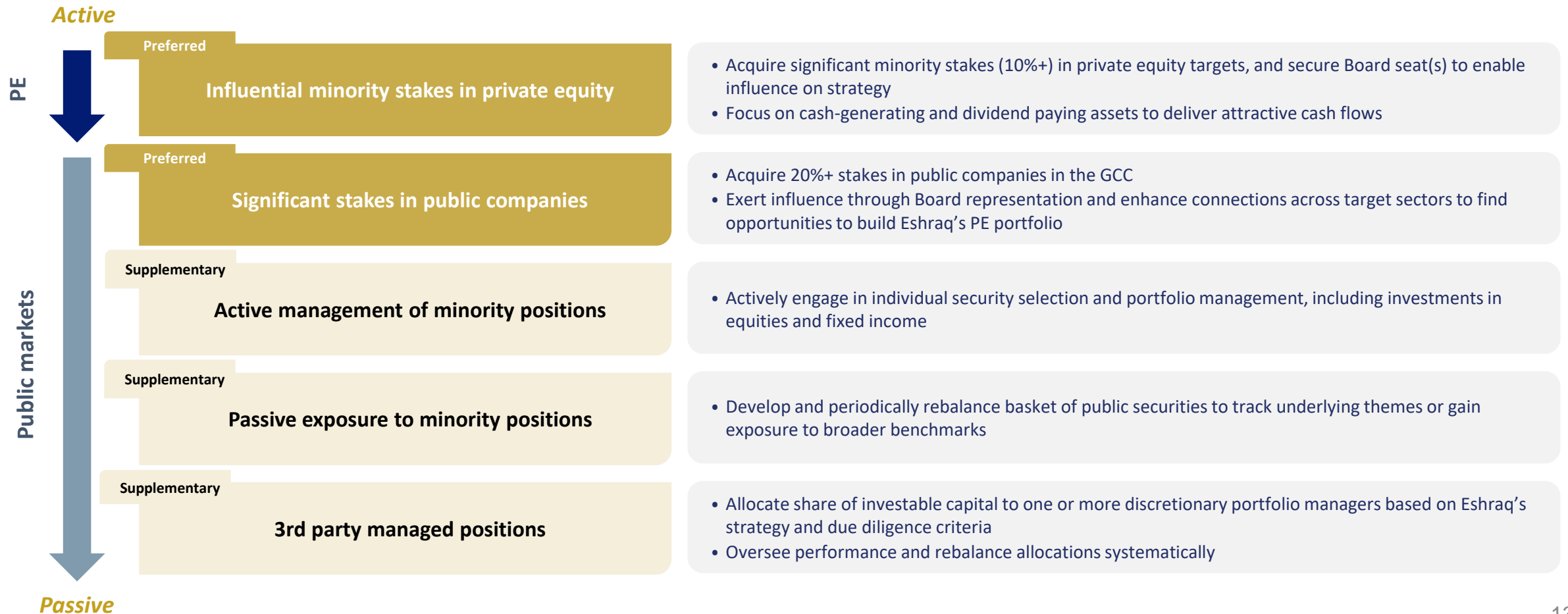
Terms granting sufficient control

Patience to wait for the right deals

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.

Eshraq is considering investments across active and passive management styles, in both private equity and public markets



TRANSITION PLANS FOR LEGACY ASSETS: REAL ESTATE

Eshraq will plan and execute a transition plan for its existing Real Estate portfolio.

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

Eshraq has a track record of developing and managing Real Estate assets.

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

Elitz by Danube (under development)



- Development JV between Eshraq and Danube
- Twin high-rise residential towers in Jumeirah Village Circle (Dubai)

Vista by Reportage (under development)



- Development JV between Eshraq and Reportage
- Reportage is one of the largest private developers in the UAE and MENAT

Reem Island & Sas Al Nakhl Plots (x5) (not developed)

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)

TRANSITION PLANS FOR LEGACY ASSETS: GOLDBLOCKS FUND

To ensure an effective transition, Eshraq is working closely and constructively with the fund manager to secure a mutually advantageous transition plan for the Goldilocks Fund.

Best approach for the Goldilocks portfolio is under assessment - maintaining AUM without oversight is no longer viable

- Best approach for specific assets within the Goldilocks portfolio will be considered individually
- **Maintaining AUM without oversight is not a viable option** – Eshraq and the fund manager are evaluating future options for the fund and/or management structure
- **Potential for highest quality assets in Goldilocks portfolio** to form basis for future private equity portfolio

3 strategic options under consideration for the Goldilocks Fund

1 Full exit

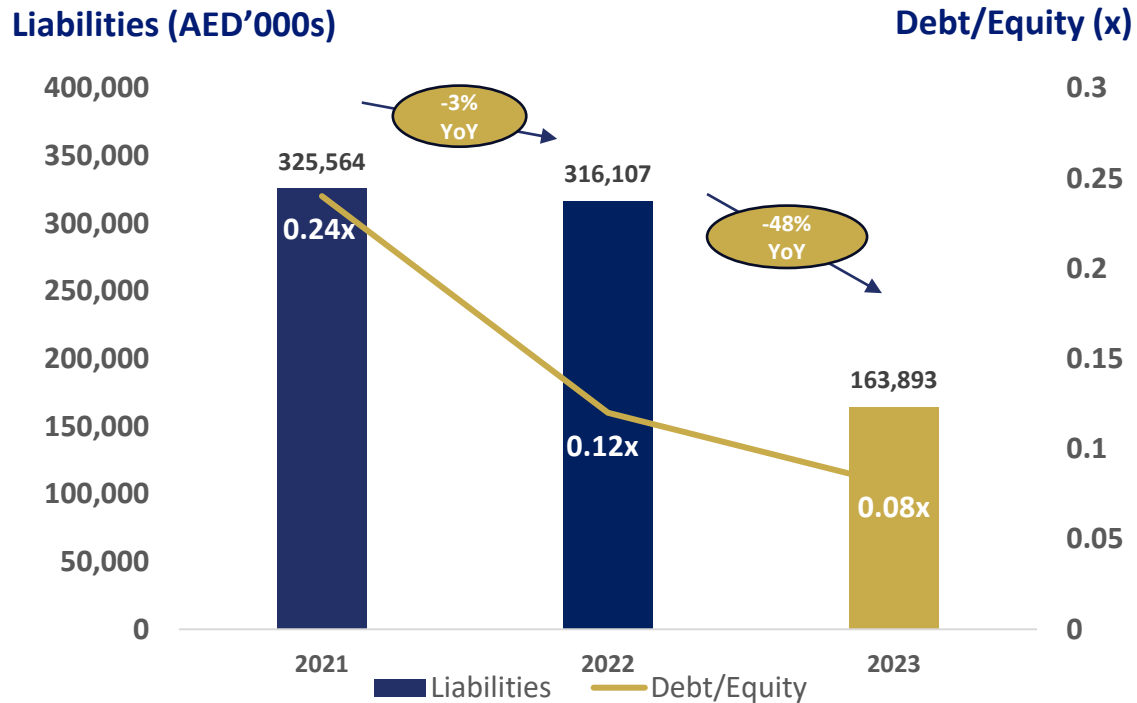
2 Partial exit

3 Maintain AUM with oversight

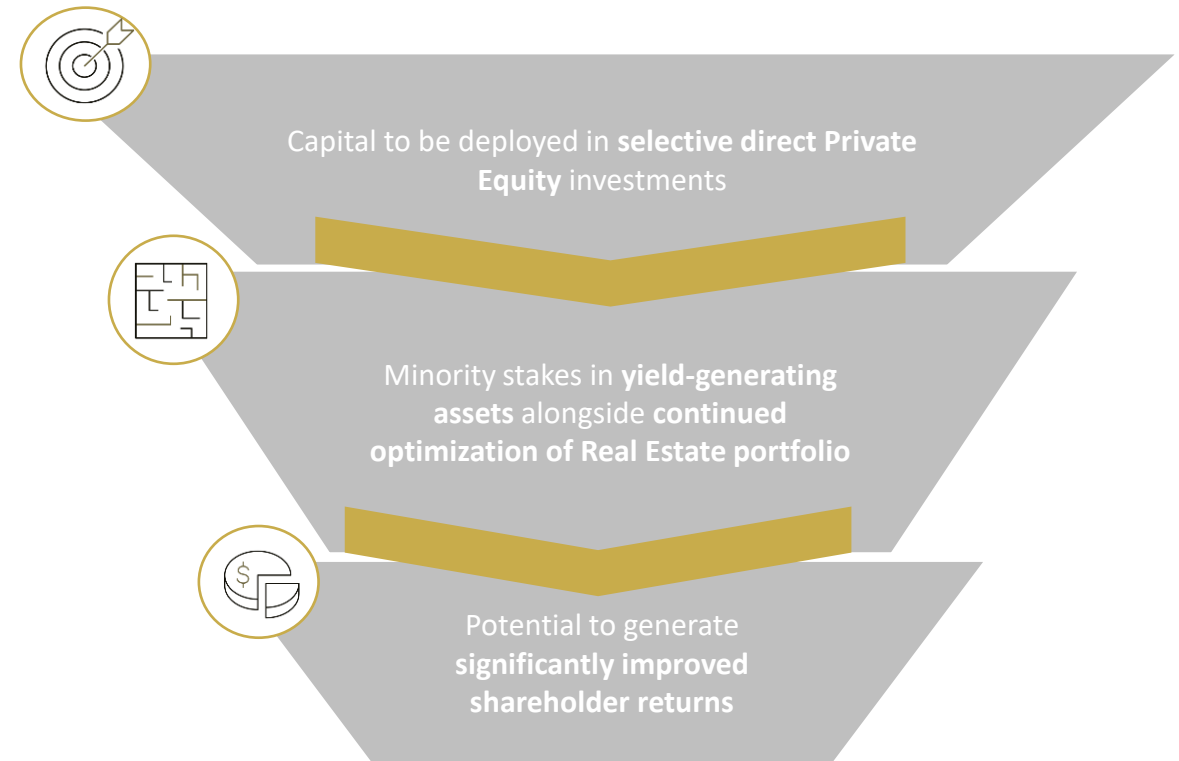
MAINTAINING A STRONG BALANCE SHEET

We remain focused on capitalizing on our very strong balance sheet position to invest in new and existing assets across the portfolio.

Eshraq continues to deleverage its balance sheet.
Total liabilities reduced by 50% over the last two years



Strategic execution will be supported by disciplined capital allocation



Substantial pool of capital available for investment in direct Private Equity, in line with vision to become a leading GCC investment company

REVITALISED BOARD AND EXPERIENCED MANAGEMENT TEAM

Eshraq's leadership bring decades of world-class, front-line investment and transaction experience and are ideally positioned to source and execute deals critical to the evolution of the business.

>50

years experience
in investments and capital
markets



>5

Specialties

- Oil & Gas
- Finance
- Strategy
- Corporate Governance
- Regulatory Affairs
- Compliance



Priority hires

- Chief Investment Officer
- Head of Internal Audit
- General Counsel



**Fahad Al Qassim,
Chairman**

- Appointed as Chairman in November 2023.
- Deep sector experience in Portfolio Management and Investment Banking.



**Matar Hamdan Sultan Al
Ameri, Vice Chairman**

- Extensive experience in top in both public and private enterprises. Over 30 years of experience in the oil & gas, finance and investment functions.



**Maha Abdulmajeed
Alfahim, Board Member**

- Significant capital markets experience, Investment Manager and Economic analyst at Abu Dhabi Investment Authority (ADIA).



**Wafik Ben Mansour,
Board Member**

- Acting CEO at SHUAA Capital since May 2023, with extensive experience in Investment Banking & Capital Markets.



**Jacques Fakhoury,
Board member**

- Significant experience across corporate governance, regulatory affairs & compliance.

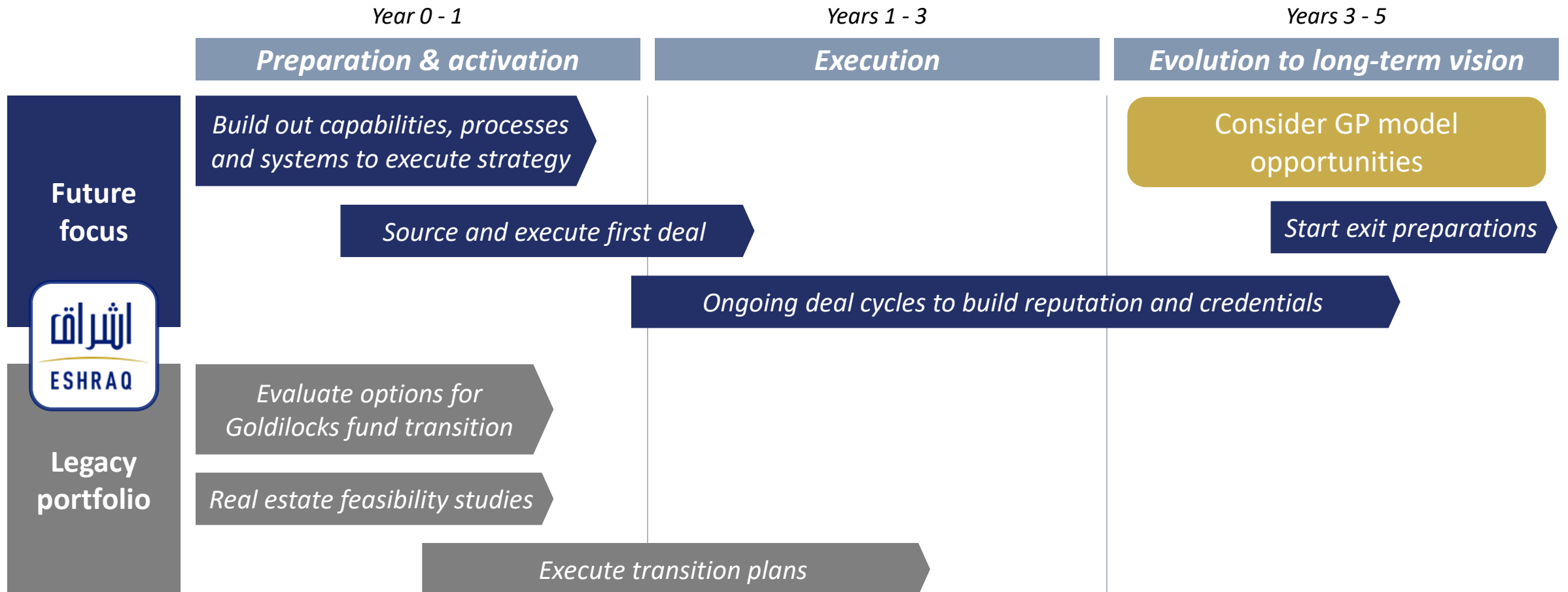


**Mohamed Al Hashimi,
CEO**

- Over 20 years experience in Capital Markets and Financial Strategy.

THE PATH AHEAD

Eshraq intends to move towards its long-term vision over a five-year period by building out private equity capabilities and exposure, while transitioning legacy portfolio assets.



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ESHRAQ

Thank you

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