



Eshraq Investments reports Q1 2023 financial results

- Eshraq records steady progress on financial strategy of successful diversification and land monetization programme
- Gross profit of AED 8.3 million for period ending 31 March 2023
- Cash position of c. AED 81 million for deployment in new opportunities
- Net loss of AED 34 million largely from mark-to-market movement in investments

Abu Dhabi, UAE; 10 May 2023: Eshraq Investments PJSC ("Eshraq" or "Company"), listed on the Abu Dhabi Securities Exchange ("ADX"), has announced its Q1 2023 financial results. The Company recorded a gross profit of AED 8.3 million for the first quarter of 2023 as compared to a gross profit of AED 7.9 million for the same period last year, and a net loss of AED 34 million in the first quarter of 2023 on account of mark-to-market movement in financial and real estate investments.

Leasing and hospitality businesses:

The Company's residential apartments in Marina Rise and Nuran Marina hotel apartments registered record YTD occupancy rates of 93% and 97% respectively, demonstrating their premium standing in the market. The commercial operations generated AED 8.3mn profit in the first quarter.

Asset monetization progress:

Eshraq continued to make rapid progress on its land bank and low profitability asset monetization strategy. To date, the Company has concluded sale of seven land plots representing 27% of its existing land bank by book value with total sale consideration of AED 208 million.

In Q1 2023, the Company finalised the sale of 57 apartment units in Burj Daman at a total selling price of AED 158.8 million. Although the transaction led to a AED 26.5 million realized loss in Q1 2023, the transaction helped the Company reduce its debt by AED 55 million and monetize assets that were generating less than 3% net equity return. The Company plans to deploy the proceeds in profitable and accretive long-term investments and share buybacks.



Share Buyback Programme

In line with the Board's continued commitment to enhance shareholder returns, and as part of the Company's current buyback program, to date Eshraq has bought back c. 70.5 million shares at an average price of AED 0.4977. The share buyback has resulted in a gain to shareholders of AED 40.6 million on account of share buyback at discount to Eshraq's book value. The Company currently holds 93.06 million treasury shares. The Company intends to resume its buyback program after the expiry of 3-day blackout period following the announcement of Q1 2023 results.

“Our results this quarter demonstrate our continued progress of our focused strategy to strengthen our long term shareholder return,” said **Mr. Jassim Alseddiqi, Eshraq's Chairman**. “Eshraq remains in a transitory phase where we are divesting our land bank and other suboptimal investments. In the next three years, we are planning to monetize all our non-income generating assets and reinvest the proceeds towards profitable investments, such that our entire AED 2.8bn of share capital generates stable profits for Eshraq's shareholders.”

Added Mr. Alseddiqi, “This is a pivotal time for Eshraq and we aim to strengthen our market presence through imminent senior leadership appointments. Looking ahead, we will continue to navigate market conditions and seek new investment opportunities at attractive return potential to deliver value to our shareholders. We remain confident that these efforts will help us strengthen our asset portfolio and enhance investor appetite.”

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About Eshraq Investments:

Eshraq Investments is an investment Company based in Abu Dhabi, UAE, with assets of more than AED3 billion in real estate, public equities, fixed income, private equity and debt products. For further information, please visit www.eshraquae.com.



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