

PRESS RELEASE

ESHRAQ INVESTMENTS ANNOUNCES Q1 2024 RESULTS, WITH ONGOING PORTFOLIO OPTIMIZATION AND SIGNIFICANT REDUCTION IN DEBT WITHIN GOLDBLOCKS FUND

- Total Goldilocks Fund net investment value of AED 1.04 billion in Q1 2024
- Goldilocks Fund liabilities decrease by c. AED 400 million
- Gross profit from Commercial Operations totaled AED 2.9 million
- Finance income grew 38% year-on-year, with a 42% year-on-year improvement in finance costs
- Re-election of Board of Directors to lead Eshraq's next phase of portfolio growth
- Eshraq plans to announce its refreshed corporate strategy in the coming weeks

Abu Dhabi, UAE, 15 May 2024: Eshraq Investments PJSC ("Eshraq" or "Company"), listed on the Abu Dhabi Securities Exchange ("ADX"), has announced its financial results for the three-month period ended 31 March 2024.

Eshraq continued to make progress on portfolio optimization, despite weaker financial performance driven by the change in the value of the Goldilocks Fund following partial or full exits from investment positions during the period. Finance income was up 38% year-on-year, with finance costs also decreasing 42% year-on-year. Eshraq reported a net loss of AED 306.1 million in Q1 2024, largely due to the change in the value of the Goldilocks Fund. Meanwhile, total liabilities reduced 2% year-on-year to AED 160.9 million, as the Company continued to deleverage its balance sheet, mainly driven by reduced borrowings.

Mr. Fahad Abdul Qader Al Qassim, Chairman of Eshraq, commented: "Our focus this quarter was on the continued optimization of our investment portfolio to deliver greater future value to shareholders as promised at the end of 2023. The significant write-downs and exits undertaken in the Goldilocks Fund both in 2023 and during this quarter have helped to greatly reduce liabilities and now reflect a more accurate value of the fund. We are optimistic for the year ahead, with the announcement of our refreshed corporate strategy in the coming weeks, which we believe will create a new direction for our business and see us return to a position from which to create long-term and competitive shareholder value."

Mr. Mohamed Al Hashimi, Chief Executive Officer of Eshraq, said: "We remain focused on optimizing our portfolio and are pleased with performance in the first quarter. Average occupancy of our Real Estate assets remains high, having increased to 98% in Q1 2024, as compared to 95% in the prior year. While ongoing portfolio optimization in the Goldilocks Fund weighed on financial performance for the period, we are pleased that liabilities within the fund have now reduced by c. AED 400 million through settlement and we expect to see further improvements in the second quarter as the now-rationalized holdings within the fund continue to mature and diversify."

Real Estate

Eshraq's commercial real estate operations generated AED 4.1 million of revenue in Q1 2024, down 65% year-on-year, as a result of a decline in rental income following the sale of assets in Dubai in 2023. Gross profit from commercial operations stood at AED 2.9 million for the period, while Eshraq's residential apartments in Marina Rise registered strong occupancy rates in Q1 2024, reaching average occupancy of c.98% in the quarter compared to c.95% a year previously.

Goldilocks Fund

The Goldilocks Fund's net investment value stood at AED 1.04 billion in Q1 2024, having reached AED 1.34 billion at the end of 2023. The reduction in value in the first quarter was the result of either a partial or full exit from investment positions within the fund, with Goldilocks now having 14 investments within its portfolio at the end of Q1 2024 compared to 19 investments at the end of 2023. The strategically selected exits have significantly strengthened the Group's balance sheet position, with Goldilocks reducing its liabilities by AED c.400 million in the period, from AED c.510 million to AED c.130 million at the end of Q1 2024.

The majority of the Goldilocks Fund's holdings are in international and domestic blue-chip companies operating across sectors including Oil & Gas, Shipping, Insurance, Real Estate and Financial Services. The strategically selected exits have significantly strengthened the balance sheet position of both Goldilocks and Eshraq through the reduction of debt, and the fund generated dividend income of AED 20.7 million in Q1 2024. The Fund remains focused on pursuing the generation of superior and consistent returns via direct investment in undervalued and intrinsically mispriced assets, mostly in the Middle East.

Board and Management

In April 2024, Eshraq shareholders voted to re-elect all members of the Board of Directors, reflecting their confidence in the current Board's investment experience, leadership and strategic counsel.

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