

## PRESS RELEASE

### Abu Dhabi's Eshraq Unveils New Investment Strategy, Shifts Focus to Private Equity to Spur Growth

- Refreshed strategy to maximize shareholder value, with core business to focus on directly held Private Equity investments in high-growth GCC companies with 5-7 year investment horizons
- Returns from Private Equity portfolio will be complemented by cash generation from minority equity positions, fixed income assets and Real Estate Investments
- Transition options for legacy portfolio, including developed and undeveloped Real Estate assets, and future management of Goldilocks Fund are under active evaluation

**Abu Dhabi, UAE, 29 May 2024:** Eshraq Investments PJSC ("Eshraq" or "Company"), listed on the Abu Dhabi Securities Exchange ("ADX"), today announces the launch of its refreshed corporate strategy. Over a five-year period, with acquisitions expected to be executed as early as 2024, Eshraq will build direct Private Equity capabilities and exposure, while transitioning legacy portfolio assets. Under the refreshed strategy, Eshraq intends to have control of its destiny by focusing on directly held Private Equity investments, complemented by cash generation from minority equity positions, fixed income assets and Real Estate to balance the portfolio and support consistency in earnings. The Board of Directors has mandated Eshraq's management to commence execution of the strategy with immediate effect.

**Mr. Fahad Al Qassim, Chairman of Eshraq,** commented: "We are pleased to unveil Eshraq's long-term strategy for growth and shareholder value creation, through which we intend to become a leading GCC investment company focused on direct Private Equity exposure, with a portfolio that is complemented by investments in income-generating assets. On the successful execution of our strategy, we expect our investment proposition will be characterized by a well-diversified portfolio in growing sectors across the GCC, enabled by a strong balance sheet that offers significant headroom to invest in new and existing assets, driven by a highly experienced Board following the recent appointment of new members in 2023, and a Management team who are ideally suited to sourcing and executing high quality investment opportunities."

**Mr. Mohamed Al Hashimi, Chief Executive Officer of Eshraq,** said: "All at Eshraq are excited to be launching our new strategy, through which we are taking control of our destiny. Today is a first step in a long-term strategic shift, something which both our Board and Management believe is overdue, where we will maintain a clear focus on directly held, regional Private Equity assets. At the same time, we are actively evaluating the best options for transitioning our legacy assets, including certain properties in our Real Estate portfolio and the future holdings and management of the Goldilocks Fund. We plan to make further announcements on both in the near future. I am personally looking forward to embarking on this journey, for which we have a clear mandate from the Board, as we capitalize on our very robust balance sheet position to select and execute fresh and compelling investment opportunities."

### Three strategic pillars

#### Private Equity

Eshraq will prioritize direct Private Equity investments as its core business, seeking opportunities with high growth potential to create long-term value, with a focus on efficient sourcing and screening of potential deals to ensure high quality, steady deal flow and the strategic deployment of capital. Eshraq's geographical focus will remain unchanged, with investments to be focused on the UAE and wider GCC region, a highly attractive market with strong structural growth drivers. Eshraq aims to invest into 1-2 high growth businesses annually, seeking attractive cash flows as assets mature and become ready to exit. The acquisition strategy, while flexible, will focus on opportunities for direct control by holding 50-70% equity stakes, with deal values in the range of USD 50-100 million and an anticipated holding period of 5-7 years. Priority will be given to Private Equity investments that generate strong asset-backed cash flows in sectors such as Real Estate Investments, Infrastructure & Logistics, Energy and energy services, Technology, Healthcare, Consumer, Food & Agriculture and Islamic Finance.

#### Income Generating Assets

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. 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. Eshraq will strategically acquire minority stakes in companies operating in sectors complementary to, or outside of, its core investment areas. Meanwhile, 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.

#### Liquidity Management

A prudent treasury strategy will be employed to maximize returns on liquid assets. This includes utilizing short-term investments, hedging tools and efficient cash management mechanisms to ensure financial resources are readily available to be deployed to compelling investment opportunities.

#### Transitioning legacy assets

In transitioning to a direct investment model by building out its Private Equity capabilities and exposure, Eshraq will prepare and execute transition plans for legacy assets, including properties within its existing Real Estate portfolio, and the Goldilocks Fund, currently managed by SHUAA GMC Limited.

The future of each Real Estate asset will be evaluated on a case-by-case basis to ensure optimal value creation through stable long-term revenue and cash generation from the portfolio. This includes a plot-specific feasibility study to inform the go-forward strategy for each asset, under the guiding principle of maximizing value. The evaluation will consider four potential strategic options, to either: i) Develop plots for subsequent lease; ii) Develop plots for subsequent sale; iii) Develop strategic plots, and sell, swap or exit others; and iv) Sell, swap, or exit plots.

Similarly, Eshraq is working towards an optimal structure for the Goldilocks Fund, with the principal objective of allowing Eshraq control of all holdings and investment decision-making.

### **Key operational enablers**

The execution of Eshraq's refreshed strategy will be made possible by certain key operational enablers. Management will focus on enhancing the Company's human capital, including the hiring of skilled senior investment professionals; on optimizing critical processes, including robust due diligence for identifying and vetting opportunities, as well as establishing a highly qualified Investment Committee; and improving internal systems, including market intelligence and stakeholder relationship management platforms. Eshraq is already making very good progress in the hiring of several talented and experienced professionals who will play a vital role in helping steer the business towards a direct investment model with robust governance in place.

The Company will make updates to the market with respect to the execution of its strategy in all future quarterly earnings announcements and presentations, and will announce other material events, including M&A activity, on an ad hoc basis as required.

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### **Media enquiries**

George Allen

Teneo

[George.Allen@teneo.com](mailto:George.Allen@teneo.com)

+971 5660 96749