

ESHRAQ INVESTMENTS PJSC

Report of the Board of Directors for the year ended 31 December 2024

The Directors present their annual report together with the audited consolidated financial statements of Eshraq Investments PJSC and its subsidiaries (the “Group”) for the year ended 31 December 2024.

Principal activities

The Group is principally engaged in commercial enterprise investments and real estate business, which includes development, sale, investment, construction, management and associated services.

Results for the year

During the year, the Group earned revenues of AED 16,331 thousand (2023: AED 31,612 thousand) and incurred loss for the year amounted to AED 679,373 thousand (2023: loss of AED 545,101 thousand).

The Board of Eshraq expresses its concerns regarding the valuation of Goldilocks Fund (Fund) as stated in the year-end 2024 financial statements. The Board is of the opinion that the Fund Manager has failed to maintain consistency in the methodology applied for the valuation of certain underlying investments under management, which resulted in significant unexplainable discrepancies in the reported Net Asset Value (“NAV”) of the Fund. During the last quarter of the year, the Fund Manager has changed its valuation methodology towards certain underlying investments approximating AED 497 Million, which forced Eshraq to accept the fair value of these investments given the Company’s inherent limitation over the valuation methodology adopted by the Fund Manager. Given the Group relies wholly on the valuation prepared by the Fund Manager, the Group consequently reported a sharp decline in the value of the Fund as of 31 December 2024 compared to the most recent valuation carried out by the Fund Manager on 30 September 2024. The Board, in its commitment to safeguarding Shareholder interests and addressing the unexplainable discrepancies with transparency and diligence, has therefore commissioned an independent team to be led by third-party legal and financial advisors to conduct a forensic review of the management and valuation practices of the Goldilocks Fund, on which it will announce the findings and required corrective actions in due course. In addition, the Group’s legal counsel, Gibson, Dunn & Crutcher LLP, has issued a letter to the Fund Manager in a further effort to accelerate the redemption of the underlying investments and to secure termination of the Investment Management Agreement (“IMA”) which exists between the Group and SHUAA. The Board will take all necessary corrective actions to protect and enhance shareholder value following conclusion of the forensic review.

Directors

The Directors who served during the year and as of the reporting date is as follows:

Mr. Fahad Abdul Qader Al Qassim	Chairman
Mr. Matar Hamdan Sultan Al Ameri	Vice Chairman
Mrs. Maha Abdulmajeed Alfahim	Director
Mr. Jacques E. Fakhoury	Director
Mr. Wafik Ben Mansour (<i>Elected with effect from 19 January 2024</i>)	Director
Mr. Ajit Vijay Joshi (<i>Resigned with effect from 15 January 2024</i>)	Director

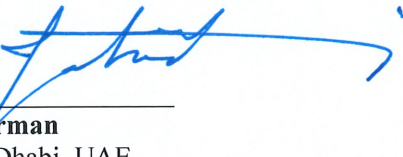
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Report of the Board of Directors for the year ended 31 December 2024 (continued)

Release

The Directors release from liabilities management and the external auditor in connection with their duties for the year ended 31 December 2024.

On behalf of the Board of Directors


A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke, positioned above a horizontal line.

Chairman
Abu Dhabi, UAE