



Investor Update H1 FY23

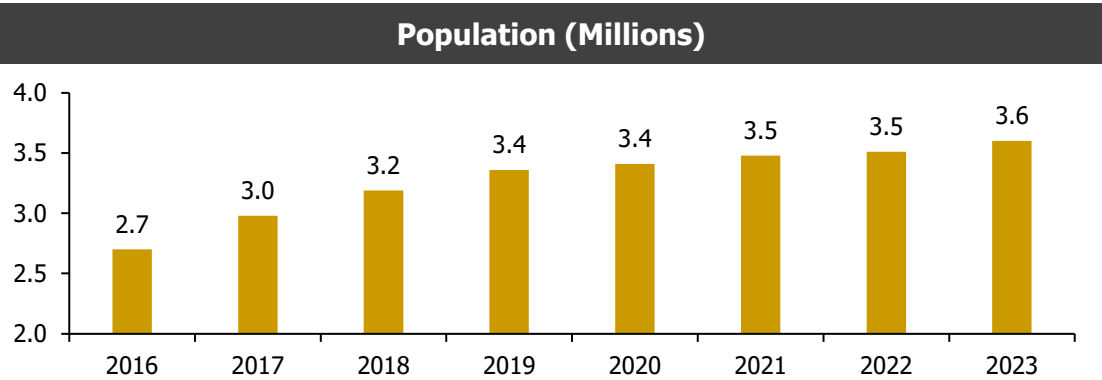
SOBHA
REALTY

Continued Outperformance in H1 FY23 backed by Strong Industry Tailwinds & Prudent Business Policies

- ✓ Dubai off-plan primary **market grew by 70%** YoY in H1'23, supported by strong demand from local and international buyers as well as government initiatives
- ✓ **Sobha Realty** achieved robust **sales growth of 129%** YoY in H1'23 to AED 7.4bn, outpacing overall market growth
- ✓ Launched Hartland-II Villas & 330 Riverside Crescent in Hartland-II, Verde in JLT and Sobha Reserve in Wadi Al Safa during H1'23
- ✓ H1'23 **Revenues and EBITDA rose by 20%/19% YoY to AED 3.2bn/0.7bn**, with a strong revenue backlog **of AED 11bn+**
- ✓ An extensive **pipeline of 9,650+ units** and **32 million+ square feet saleable area** support medium term growth
- ✓ **Net Debt/EBITDA at 0.2x and Net Debt/Equity at 0.04x exceptionally low** due to rapid deleveraging demonstrating prudent financial management
- ✓ Inaugural Corporate Credit Rating at **Ba3/Stable & BB-/Positive** by Moody's and S&P
- ✓ Successfully completed debut **Sukuk** issuance in July of **\$300 Million** listed on London Stock Exchange / Nasdaq Dubai

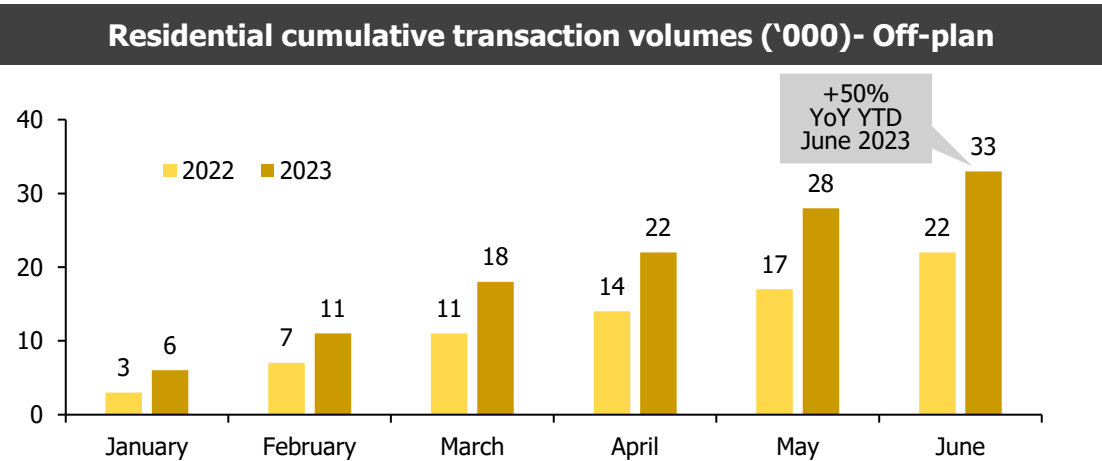
Dubai's Residential Market Continues to Show Steady Growth

Steady Population Growth ~ 5% CAGR



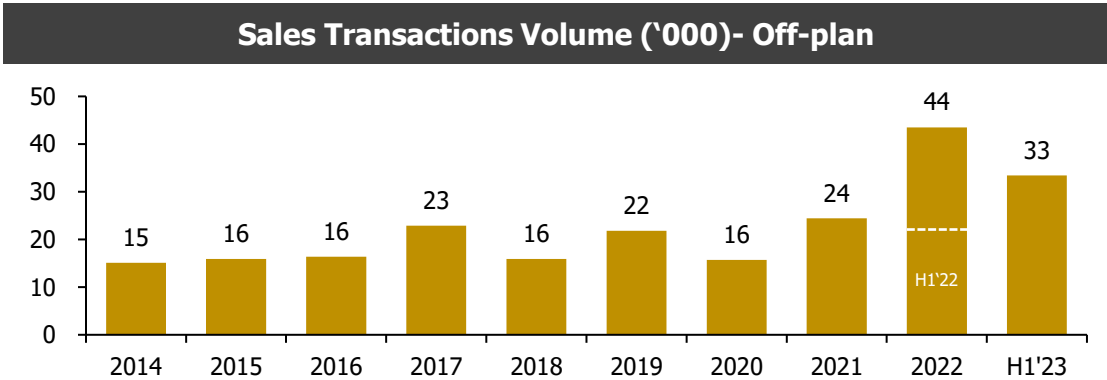
Source: World population provided by United Nations

Momentum Maintaining into 2023



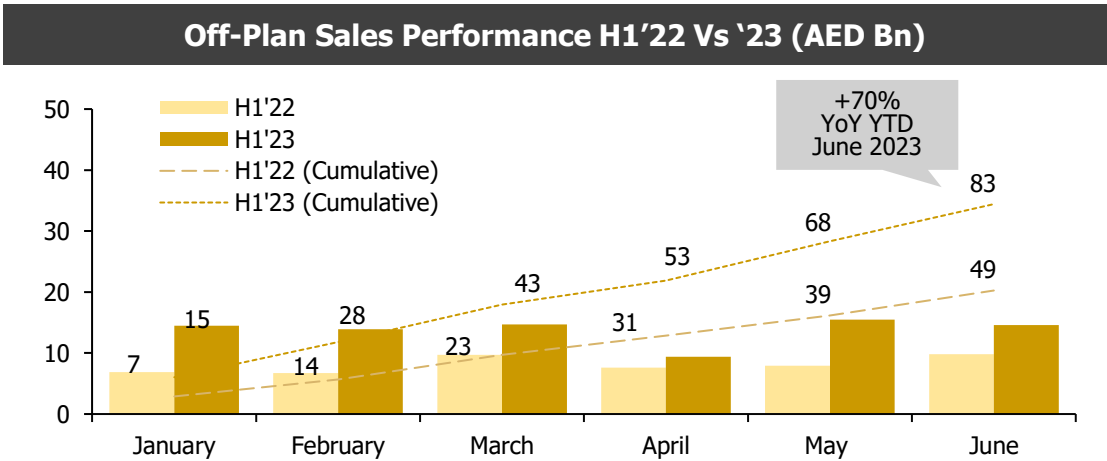
Source: Dubai Land Department

Significant transaction velocity since 2020



Source: Dubai Land Department

Continued outperformance in off-plan sales



Source: Dubai Land Department

Slew of Sobha Launches in H1'23 Across Diverse Locations

330 River Side Crescent

Launch Date	May 2023
Handover Year	2027
GFA	665,248
Units	772
% Sold	61%



Sobha Reserve

Launch Date	April 2023
Handover Year	2026
GFA	592,208
Units	145
% Sold	49%



Verde

Launch Date	March 2023
Handover Year	2026
GFA	801,747
Units	610
% Sold	41%

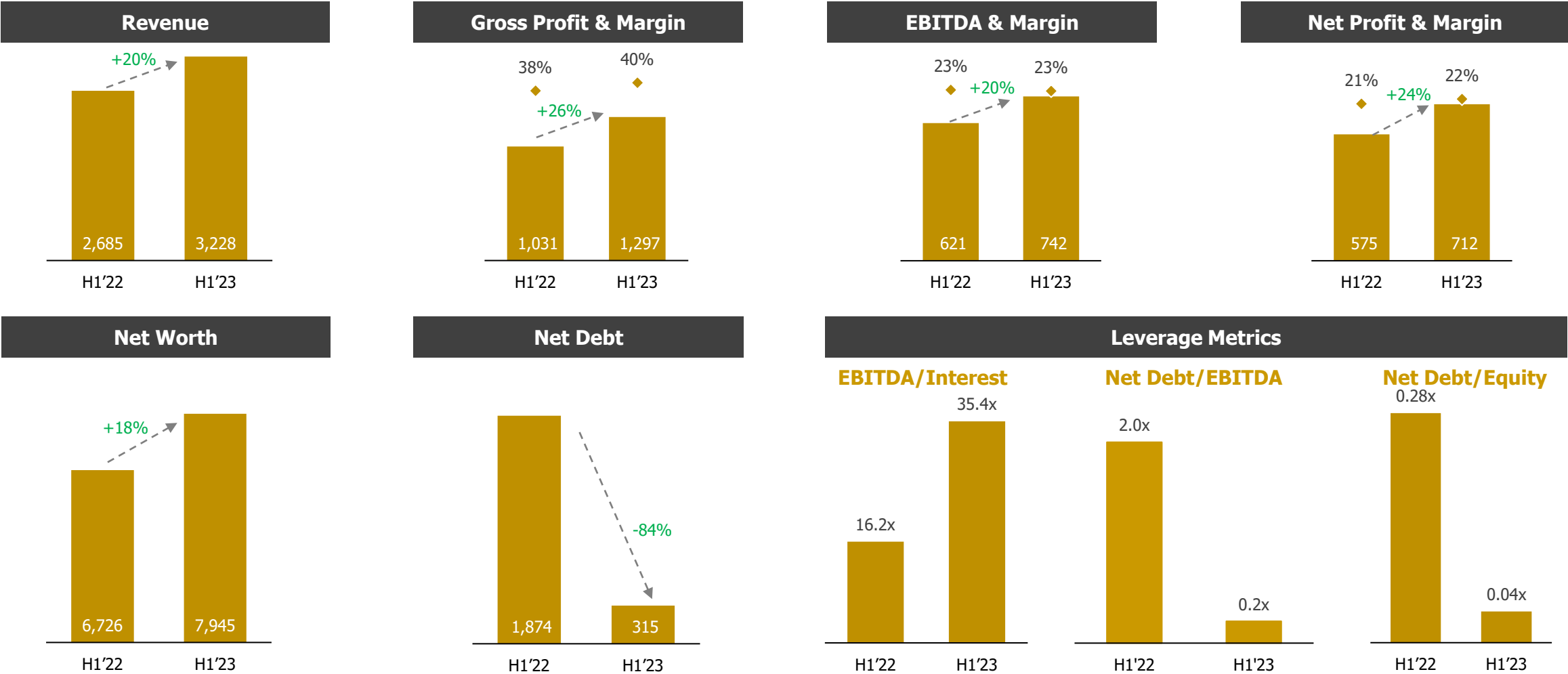


Hartland II Villas I

Launch Date	March 2023
Handover Year	2026
GFA	360,788
Units	43
% Sold	53%

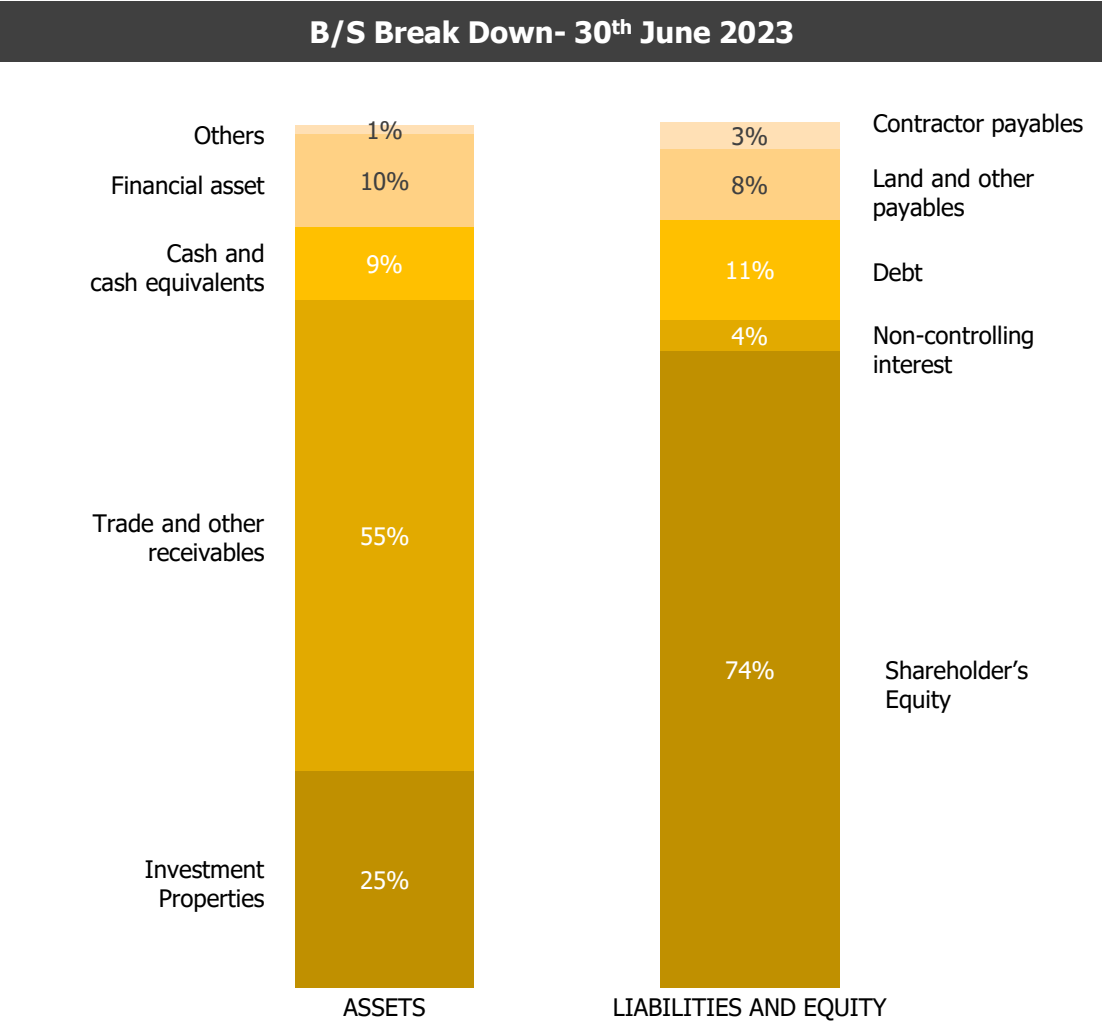
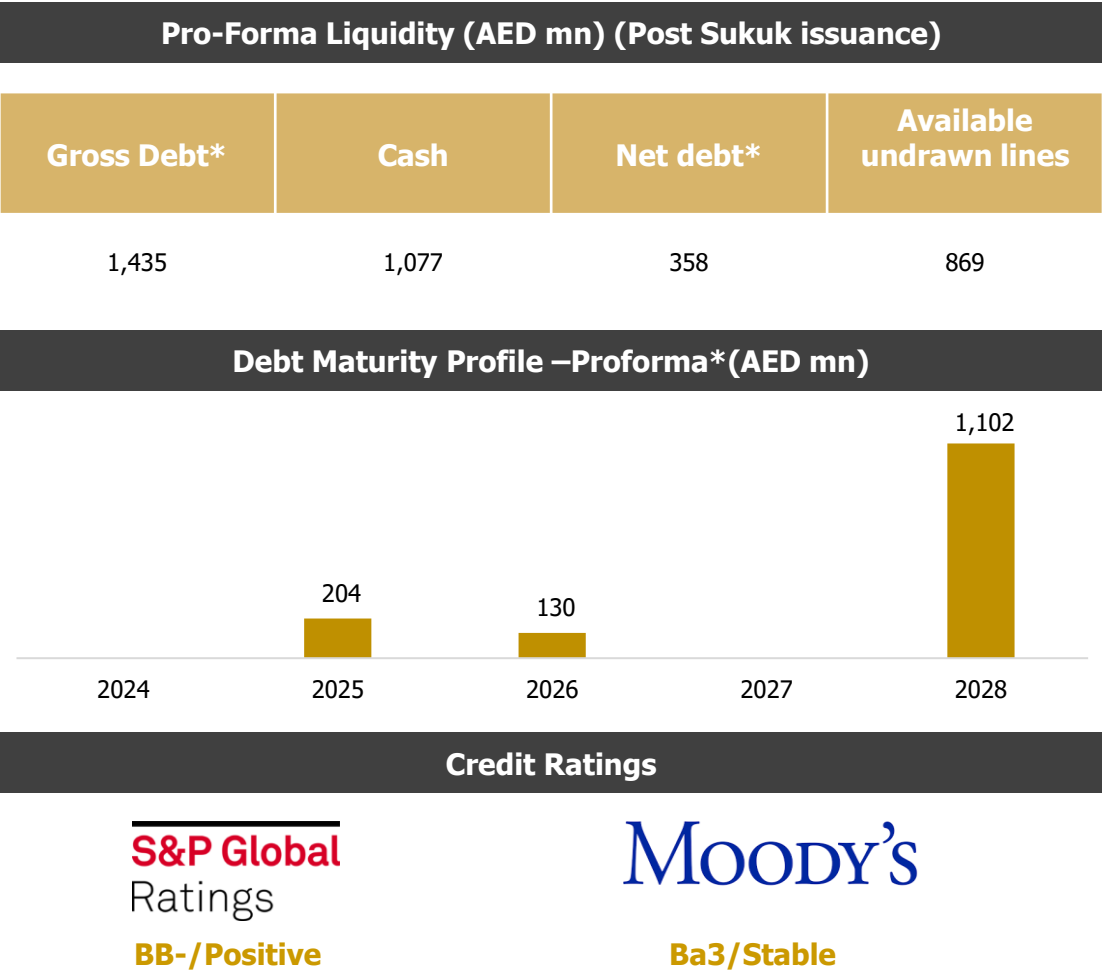


Strong Positive Momentum Across all Key Financial Metrics



All numbers in AED Mn except ratios

Liquidity Further Strengthened by Successful \$300mn Sukuk Transaction



*Proforma as of 31st July 2023 post refinancing from Sukuk proceeds



Sobha Overview



PNC Menon

Founder & Chairman, Sobha Group

About the Promoter

Mr. PNC Menon, the Founder & Chairman of Sobha Group, is a self-made, first generation serial entrepreneur. In 1976, at the age of 27, he founded an interior decoration firm. Within eight years, this business secured its market leadership position, handling the most prestigious and high profile projects for the rulers of UAE, Bahrain, Qatar and Brunei. By 1984, he had demonstrated his ability to consistently deliver world-class quality standards, which most international competitors were unable to match.

In the nineties, India's real estate market was in dire need of quality construction. Mr. Menon recognized this grim reality and founded Sobha India in 1995 to address this gap in development and construction. Over the past 22 years, Sobha has consistently been able to deliver high quality residential real estate developments in a market that had not previously been tested at this level of quality.

As the India business continued to mature and expand, Mr. Menon began exploring international opportunities to fuel further growth. In 2013, he launched two major real estate developments in Dubai: Sobha Hartland and Mohammed Bin Rashid Al Maktoum City - District One.

With a career spanning over four and half decades, Mr. Menon's visionary pursuits have led to the successful completion of over 140 million square feet across 600+ projects and yielding a cumulative sales exceeding USD 11 billion and currently boast a workforce of over 30,000 dedicated professionals across Sobha's diverse business lines.

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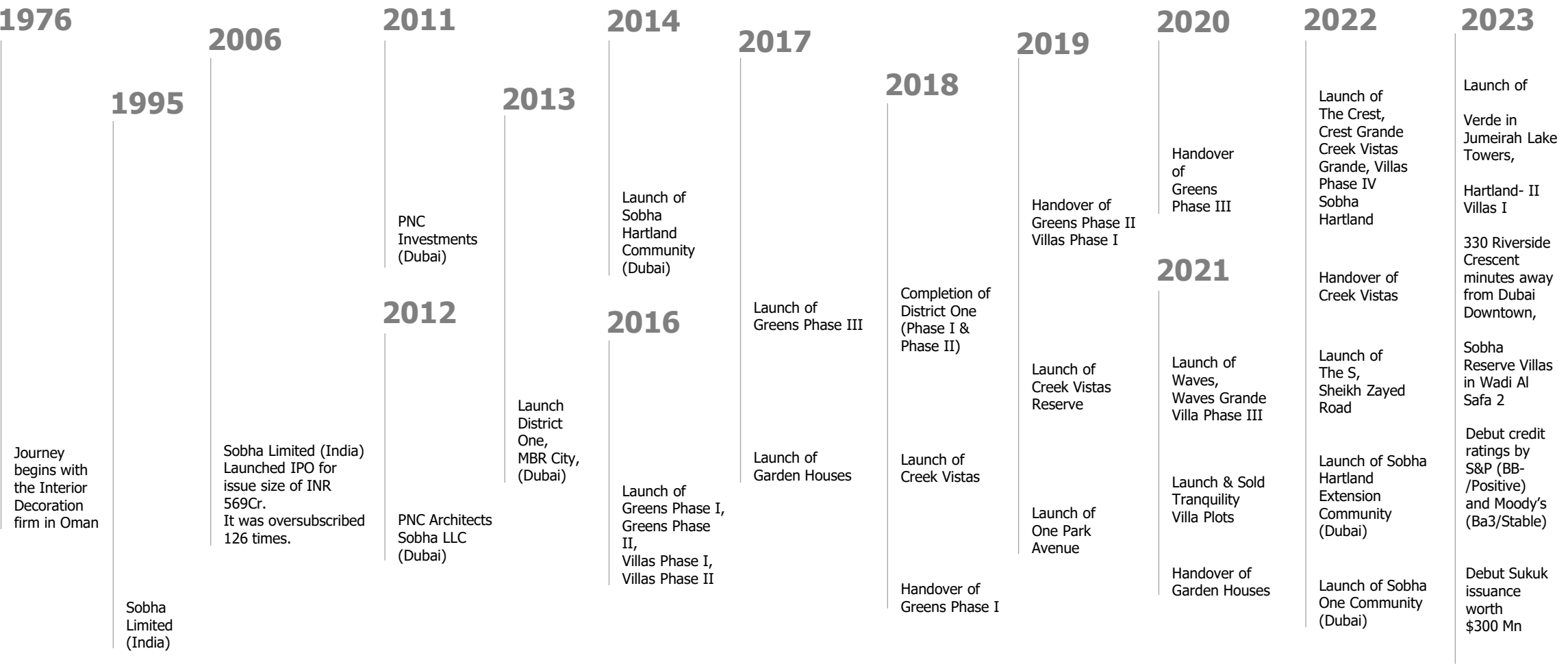
Mr. PNC Menon, Founder & Chairman, Sobha Group has been ranked 6th in the Top 10 Developers list and 32nd in the Power 100 list this year in GCC.

Construction Week Magazine

“Mr. PNC Menon is probably the finest builder that India has seen in the last 100 years...”

Mr. Narayana Murthy, Infosys Founder

Evolution and Milestones



Growing Footprint Across Key Markets within Dubai



Backward Integrated Operating Model

Group of associates operating independently providing complementary synergies across the development value chain



Real Estate

Residential
Commercial

**Experienced real estate
development team**



Design & Engineering

Architectural
Structural
Infrastructure
Electrical & Plumbing
Landscaping & Environment

**Collaboration between design
and engineering team**



Contracting

Civil contracts
Mechanical, Electrical &
Plumbing contracts
Landscaping

**Aligned contractor to ensure
quality of product**



Manufacturing

Glazing & Metal Works
Furniture & Interiors
Concrete Products
Modular Manufacturing

**Cost-effective sourcing of
high-quality materials**



Services

Facilities Management
Security Services
Holiday Homes

**Post-hand over services to
ensure owner and tenant
satisfaction**

Well Defined Operational Parameters to Ensure Long Term Sustainability

Land Bank



Maintain sufficient land bank to serve next 2-3 years demand

Current land bank sufficient for the identified projects and near-term growth strategy

Focus on parcels in prime locations on favorable, deferred, long-term payment plans

Inventory



Ensure there is no more than 6-9 months inventory prior to new launches

Fast tracking some of the project launches to cater to the increased demand and maintain sufficient inventory

Agile strategy to review launch schedule based on market trends

Sales Strategy



Target to sell 50% of projects within first 6 months and 100% within year of launch

Ensure projects are materially sold prior to committing to significant construction costs

Payment Plans



Tightening payment plans reducing funding gaps

No reliance on post-handover payment plans for new sales, as investors have become increasingly comfortable with Sobha's reputation

Current projects are being sold on basis of 80% during construction and balance on completion

Well Defined Financial Policies to Manage Leverage and Liquidity Levels

Leverage



Net Debt / Equity to not exceed 1.25:1

Net Debt / EBITDA to be maintained less than 2.75x throughout development cycles

EBITDA / finance cost to be not less than 1.5x

Cash / Liquidity Management



Maintain cash balance of at least 4 – 6 months of operating expenses

Shift debt structure from short term to long term and keep majority of total debt as long-term debt at corporate level, not tied to projects

Investment Criteria



Target payback period for a project typically between 3 – 5 years

Target ROI is minimum 12%

Dividend Policy



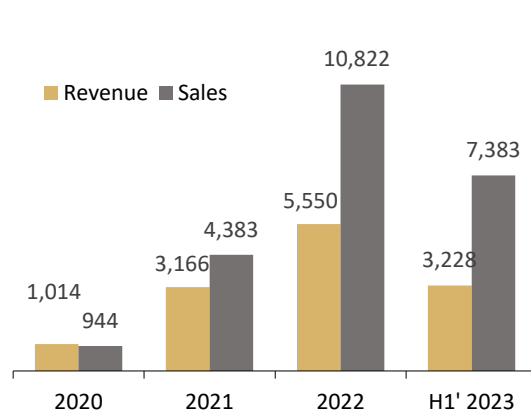
Dividends restricted maximum to 30% of net profit in any given year

Flexible dividend policy – tied to project completions and cash requirements of the business

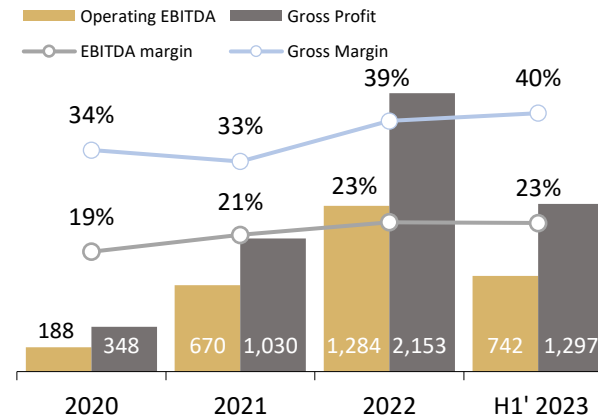
Historical Performance Trend

Significant improvement in financial performance and leverage metrics, on the back of improved outlook for Dubai's residential market and strong sales velocity for new launches

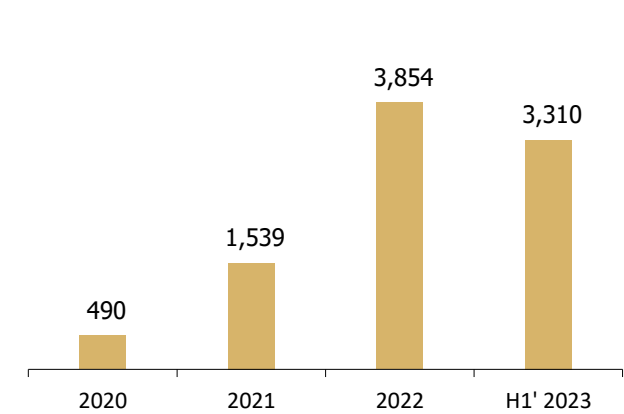
Revenue & Sales (AED Mn)



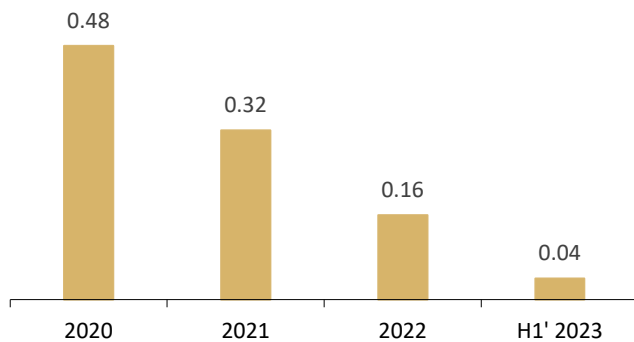
Operating EBITDA* (AED Mn) and Gross Profit (% Revenue)



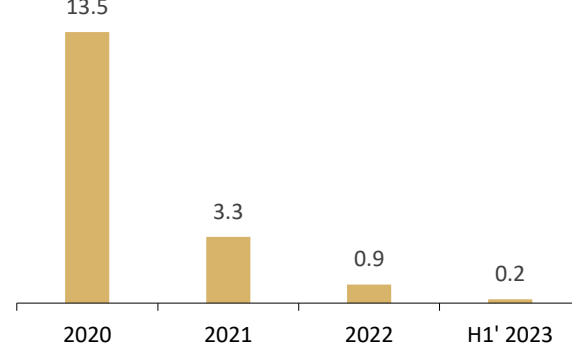
Sales Collections (AED Mn)



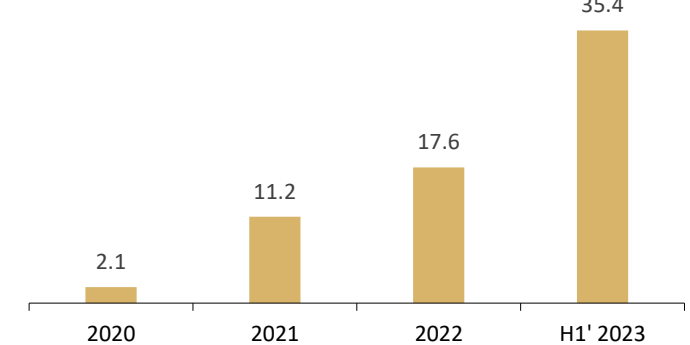
Net Debt to Equity (%)



Net Debt/Operating EBITDA (x)



Operating EBITDA Interest Coverage (x)



*Operating EBITDA calculated as EBITDA excluding non-recurring other income

Strong Focus on Ensuring Developments and Operations are Sustainable

ESG remains a core focus

- We voluntarily published our first ESG report for the year 2021 clearly stating our sustainability achievements and climate aspirations.
- We are currently in the midst the following key reporting exercises
 - Environmental, Social, and Governance(ESG) report for 2022
 - A comprehensive Greenhouse gas (GHG) assessment for Sobha Group
 - Company's first Task force on Climate related financial disclosures (TCFD) report
- We are in the process of benchmarking our ESG through disclosure to Global real Estate benchmarking (GRESB)
- Sobha has pledged to UAE's Ministry of climate change and Environment to support it with its Net Zero strategic initiative
- We would soon be preparing our Sustainability roadmap with climate action / NZ strategy as an essential part of it
- We're working on obtaining an ESG rating from a top agency to showcase our commitment to sustainable and responsible practices. This underscores our dedication to positive societal and environmental contributions.

Alignment to Global Sustainability Standards



- We have aligned ourselves with ten of the Sustainable Development Goals that are most relevant for our business
- We also intend to benchmark our strategy against the United Nation's Sustainable Development Goals., a voluntary initiative based on CEO's commitments to implement relevant universal sustainability principles and take steps to support UN goals



- Reporting of the Task Force on Climate-Related Disclosures ("TCFD") to increase visibility on key sustainability metrics
- Annual performance review against each benchmark to ensure progress is being made on each key initiative



- Partnered with Synesgy an ESG platform for companies, to engage with its supply chain from the point of view of sustainability and ESG
- Through this initiative, Sobha is trying to address the sustainability across its supply chain and improve its overall ESG rating
- Adoption of the Global Reporting Initiative ("GRI") Standards for ESG benchmarking



- Annual performance review against each benchmark to ensure progress is being made on each key initiative



- Strategy to ensure that all new launches are aligned with a Global Green Building framework to improve environmental impact and meet demand for efficient homes from buyers
- Sobha One to be aligned to the BCA Green Mark Platinum standard, the leading sustainability accreditation in Singapore

Committed to serving the people within Sobha and the communities we operate in

Foundations for Social Benefits and Community Engagement



Creates Jobs and new Opportunities



Improve City Infrastructure



Exemplars for Economic Growth



Promote Sustainable Communities

Positive Working Environment



>30

Nationalities work at Sobha



Zero

Cases of discrimination reported

Al Jalila Foundation - Dubai

The Al Jalila Foundation, which is supported by the Dubai Government, undertakes medical education and research initiatives in the UAE. Philanthropists across the UAE, including Mr. PNC Menon, have helped raise Dh220 million (\$60m) for the cancer hospital, with 30,000 cancer patients a year. Sobha Realty has committed to contribute AED 10 million to establish the Hamdan Bin Rashid Cancer Charity Hospital.

SAS Housing Initiative – Oman

Mr PNC Menon, Founder and Chairman of Sobha Group, signed a Memorandum of Understanding (MoU) with Al Rahma Association of Motherhood and Childhood in Muscat to contribute OMR 9.6 million (USD 25 MN) over the next 10 years, beginning in 2023, to build 300 homes for orphans and needy families. The association seeks to provide a better life for orphans and underprivileged families registered with it, by implementing the SAS project which aims to provide suitable housing for them.



Noor Dubai

Mr. PNC Menon, has committed to contribute AED 10 million to Noor Dubai, which conducts free eye operations for the visually challenged in various developing countries across the world.

Billion Meals Endowment fund - UAE

A personal donation of AED 50 million was made by the chairman of Sobha Realty, Mr. PNC Menon, to benefit the cause of the '1 Billion Meals Endowment' campaign launched by Mohammed Bin Rashid Global Initiatives (MBRGI) to provide food to disadvantaged and underprivileged individuals in over 50 different countries, with special emphasis on vulnerable groups such as children, refugees, and people displaced by disasters and crises.

Current Social Programs to Support the Society

Sobha Care

Under the Sobha Care Program, technicians and their families are eligible to monetary benefits of various kinds which will in turn improve their quality of life and motivate them to grow along with the company. Sobha Care Program consists of five categories- **Sobha Edu Care** providing scholarships to children of **17,824** beneficiaries with a pay out of **INR 172.9 million (2023)**, **Sobha New-born Care** providing fixed deposit in the name of the new-born baby to **576** technicians with a pay out of **INR 57.6 million (2023)**, **Sobha Women Empowerment** providing a monthly fixed sum to the spouses of **11,522** beneficiaries with a pay out of **INR 276.5 million (2023)**, **Sobha Marriage Blessings** providing a fixed sum to **576** technicians during the marriage of two of their children with a pay out of **INR 115.2 million (2023)** and Sobha Housing Scheme where 12 tenured employees are given a fixed sum for the establishment of their homes with a projected pay out of **INR 600 million in 2025**.

Sobha Rural Women Empowerment Programme

As a part of this program, Sobha covers the expenses of 50 widowed mothers of the Kizhakkenchery Panchayat, including their allowance, clothing, medical, and other personal accessories. In addition, the educational expenses of their children are also taken care of to provide them with sufficient opportunities.

1000 Homes by Sobha Community Home Project

In line with its commitment to support needy families, Sobha Group recently organized a foundation stone laying ceremony for 100 homes in Kizhakkenchery Panchayath, Palakkad district, Kerala. The first phase of the "SOBHA Community Home Project" will build and deliver 100 houses, each costing about INR 1.5 million, and is aligned with the Group's commitment to construct 1000 houses over the next four years for underprivileged families in the district.

Sobha Vocational Training Centre

This program allows the less privileged to pursue a vocation of their choice with access to training centres for computers and music, paid apprenticeships, and employment opportunities.

Sobha Academy

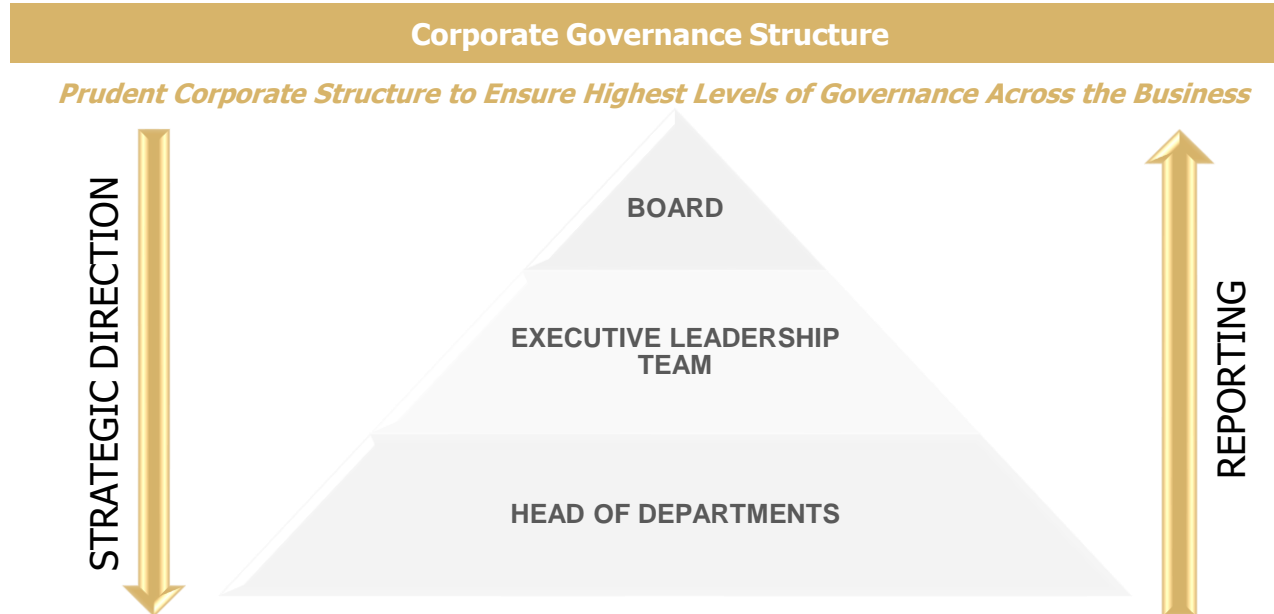
With 900 students getting a quality education at no cost, Sobha Academy is truly helping India grow from its grassroots. It aims to educate the less fortunate and break the vicious cycle of poverty their families face. The rigorous selection process picks eligible candidates that come from less privileged backgrounds but have the potential to do more.

Sobha Hermitage


A home for the elderly, Sobha Hermitage sprawls over 27 acres of green estates in the heart of Kerala. It is a place of warmth and affection, a true haven for the less fortunate. Further, our social rehabilitation scheme for young mothers ensures their safety and security with no costs incurred.




Robust corporate governance throughout all levels of the company




Board of Directors




Mr. PNC Menon
Founder & Chairman




Mr. Ravi Menon
Co-Chairman



Mr. Mahmoud Al Burai
Independent Director



Mr. Francis Alfred
Managing Director



Mr. Jyoti Kumar Agarwal
Group CFO

Key Governance Committees

Investment Committee

- Oversee contemplated investments and report findings back to the board
- Ensure diversity and risk of opportunities are aligned to the Group's strategy

Risk Management Committee

- Advise the board in respect of overall risk appetite, tolerance and risk strategy
- Review capital raising, liquidity management and expansions / investments

Nomination/ Remuneration Committee

- Make recommendations on all aspects relating to compensation

Audit Committee

- Assist in monitoring integrity and effectiveness of internal control systems
- Review performance and objectivity of internal and external auditors

Established Private Developer in the UAE with Key Competitive Advantages



Backward Integration

Only fully backward integrated real estate player in the UAE which allows for full control of development cycle.



Agile and Efficient Operations

Flexibility to allow for adjustments to market trends, to either accelerate or slow developments and launches.



Market-Leading Quality

Demonstrated premium vis-à-vis peers, in recognition of high-quality offering.



Strategic Land Bank

Sufficient land bank to facilitate medium term-pipeline and visibility on additional plots for future developments.



Established Marketing Channels

Growing brand recognition, with access to an increasingly diverse buyer universe.



Established Track Record

45+ years of experience in real estate development, with a growing number of successful projects in Dubai.



Strong Balance Sheet

Significant liquidity to fund existing and pipeline projects, with highly conservative leverage levels.



Advanced ESG Implementation

Sophisticated sustainability monitoring in-place with key initiatives currently being implemented across the E,S and G.



Presence in Strong UAE market

Strategic location of the country with a focus on infrastructure driving healthy growth of the economy

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