



Investor Update FY23

SOBHA
REALTY

Company's Improved Market Position and a Resilient Economy Led to Strong Growth in FY23

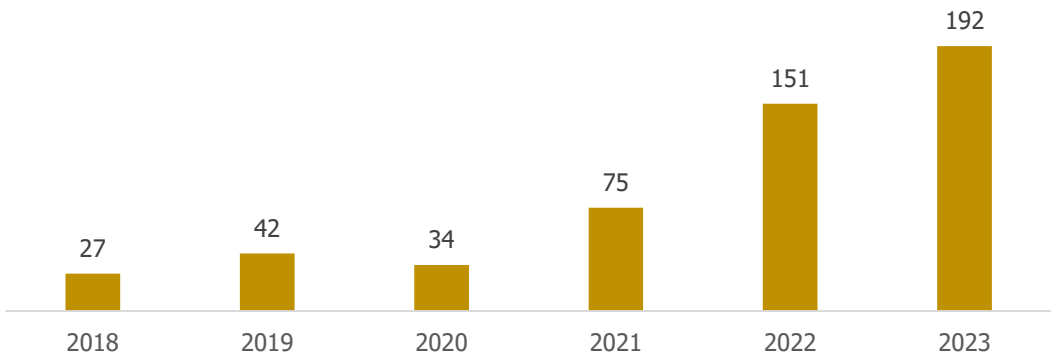
- ✓ Dubai's off-plan primary real estate market witnessed a remarkable 27% YoY growth, propelled by continued interest from both local and international buyers, alongside Government-driven initiatives
- ✓ The Company continued to remain the 3rd largest player in terms of number of units transacted in FY23 launching multiple projects including Riverside Crescent in Hartland-II , Sea Haven Tower-B/C in Marina, Verde in JLT, Sobha Reserve in Wadi Al Safa & Sobha One in Ras Al Khor
- ✓ The Company achieved robust sales of AED 15.7bn in FY23, growing at 45% YoY to significantly outpace the broader market
 - FY23 Revenues rose by 17% YoY to AED 6.5bn backed by strong demand, ahead of schedule construction, and resilient pricing while EBITDA rose by 135% YoY to AED 3.1bn and Net Profit rose 144% YoY to AED 3.0bn
- ✓ Strong revenue backlog of AED 15.5bn+ ensuring sustainable cash flows
 - Extensive pipeline of 14,000+ units and ~15 million Sqft. saleable area support medium term growth
 - The Company acquired additional 2.5 million Sqft. GFA for Sobha One and 2 million Sqft. GFA in Hartland II to support inventory for future growth
- ✓ Negative Net Debt/EBITDA at (0.2x) due to healthy cash accruals & rapid deleveraging, demonstrating prudent financial management
- ✓ Sukuk proceeds used largely towards refinancing project loans apart from funding working capital and general corporate purposes

Industry & Business Update

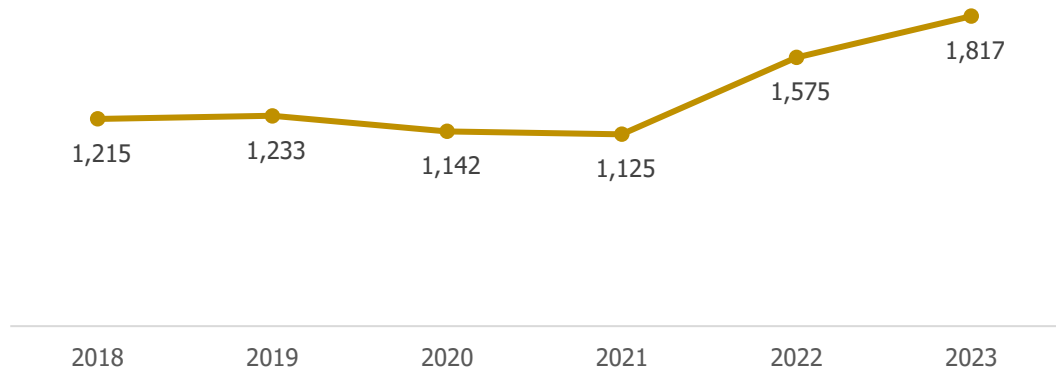
Dubai's Residential Market Continues to Witness Robust Growth Momentum

Sales at all time High; Pricing continues to be Resilient

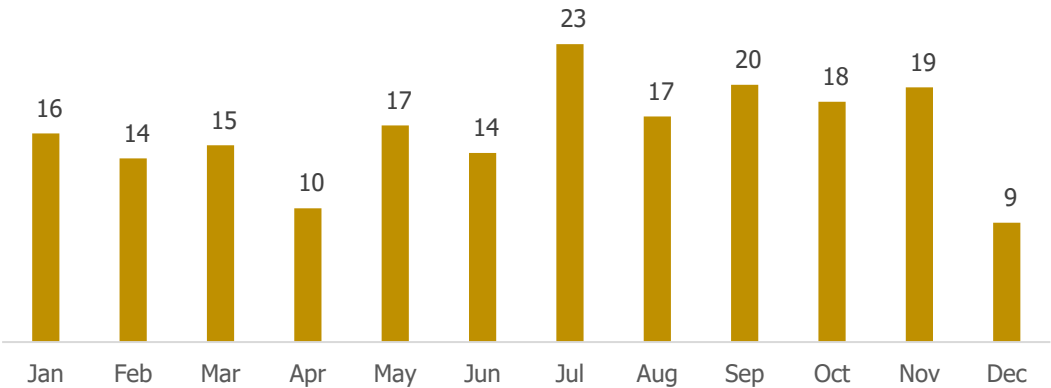
~6x Growth in Primary Market Sales (AED Bn) over last 4 years



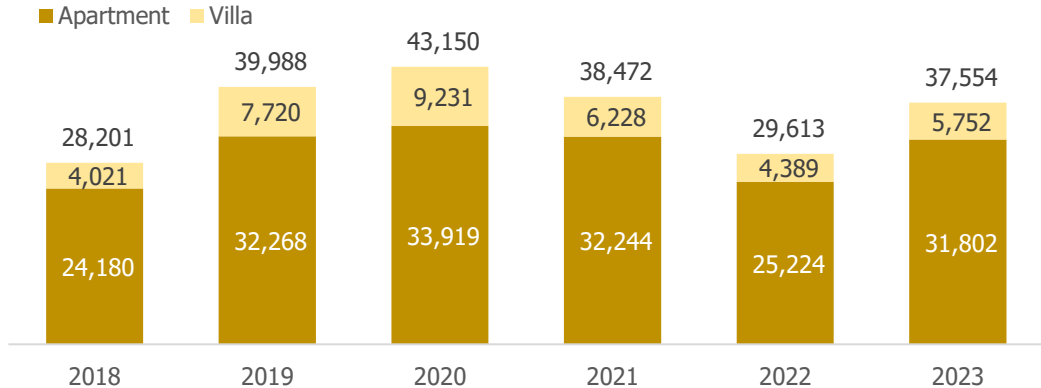
Average Property Price (AED Per Sqft) on an Increasing Trend



2023 Monthly Sales Transactions Value (AED Bn)- Primary Market



Supply Mix- Dubai Market (# Units)



Source: Dubai Land Department, REIDIN

Slew of Sobha Launches in FY23 Across Diverse Locations

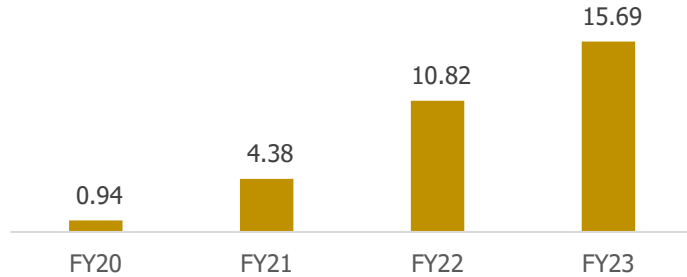
Hartland-II continues to see traction; Premium category continues to witness tremendous demand

Project	Launch Date	Location	Handover Year	GFA	Units	% Sold
Verde	Mar-23	JLT	2026	772,828	610	51%
Sobha One	Mar-23	Ras Al Khor	2027	3,889,352	3,062	60%
Hartland II Villas I	Mar-23	Hartland II	2026	383,338	52	78%
Sobha Reserve	Apr-23	Wadi Al Safa	2026	1,479,270	340	69%
330 Riverside Crescent	May-23	Hartland II	2027	665,248	766	87%
320 Riverside Crescent	Jul-23	Hartland II	2026	760,139	638	53%
Sea Haven Tower-B	Aug-23	Marina	2027	460,798	245	42%
340 Riverside Crescent	Sep-23	Hartland II	2027	667,811	768	68%
Sea Haven Tower-C	Sep-23	Marina	2027	539,202	198	6%
350 Riverside Crescent	Oct-23	Hartland II	2027	726,518	750	46%
310 Riverside Crescent	Nov-23	Hartland II	2027	867,930	892	19%
360 Riverside Crescent	Dec-23	Hartland II	2027	867,930	892	10%

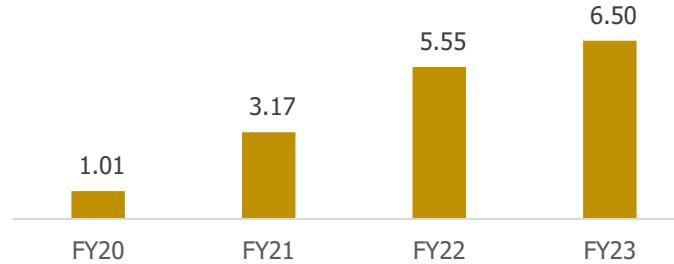
Financial Update

Superior Financial Profile with Continued Improvement over the Years

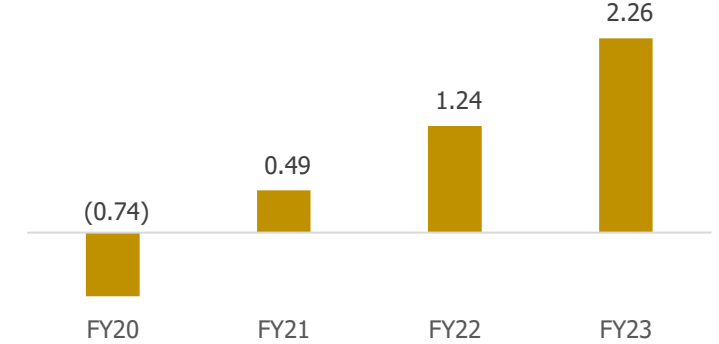
~17x Growth in Sales over Past 4 years



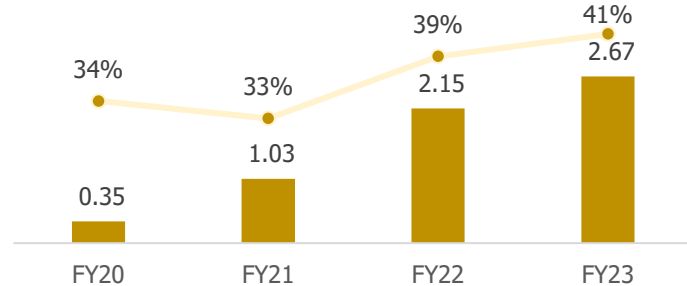
~6.5x Growth in Revenues over Past 4 years



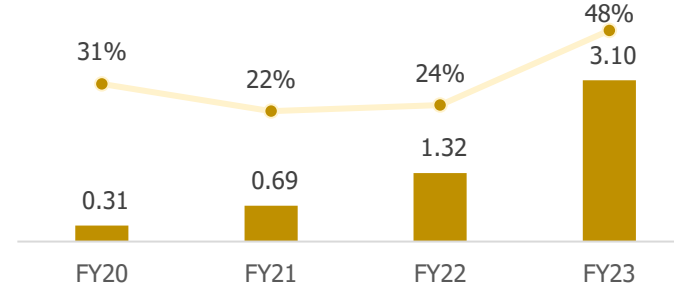
Sizeable Free Cash Flows



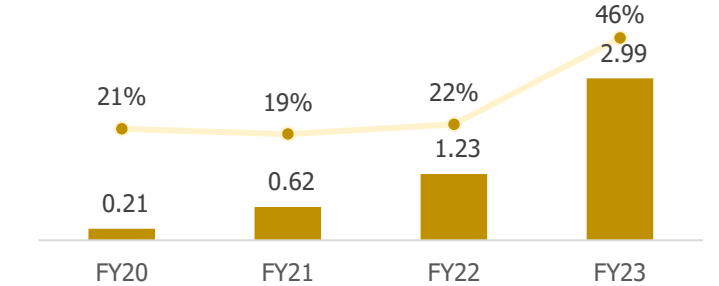
Gross Profit & Margin (%) – On an improving Trend



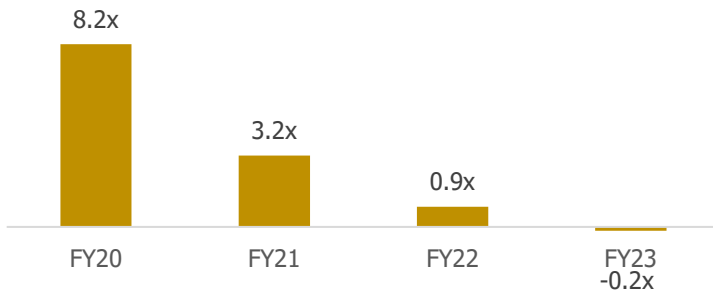
EBITDA grew by 10x vis-à-vis FY20; Margins on an Improving Trend



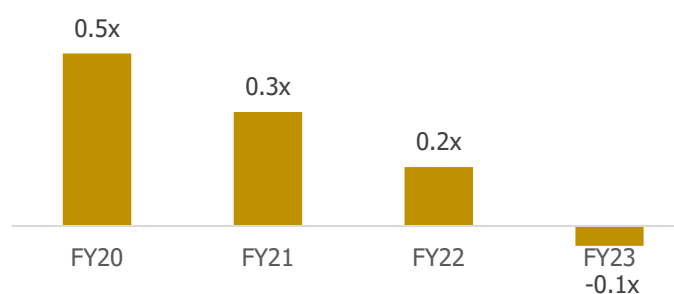
Net Profit & Margin (%)



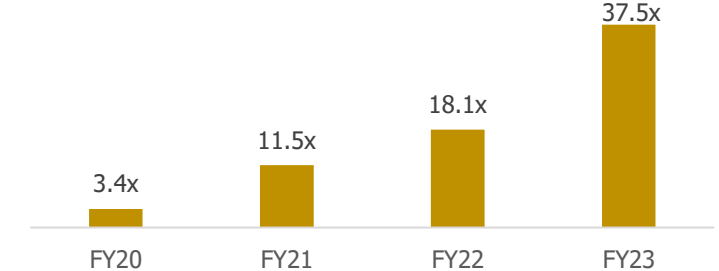
Prudent Financial Management & Profitability leading to Negative Net Debt/EBITDA (x)



Net Debt/Equity (x)



EBITDA/Interest (x), remains Healthy



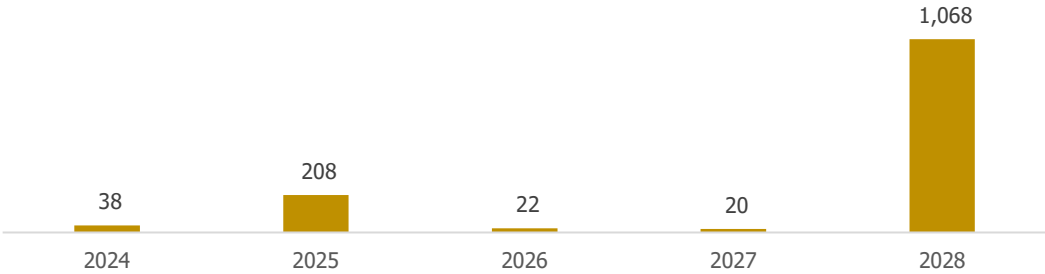
*All numbers in AED Bn except ratios
FCF computed as CFO less Capex

Robust Liquidity underpinned by Sizeable Cash Balances and spaced-out Debt Maturity

Liquidity (AED Mn) [#]		
Gross Debt	Cash	Net debt

1,357
2,199
(842)

Debt Maturity Profile (AED Mn) [#]				
---	--	--	--	--



Credit Ratings	
----------------	--

S&P Global
Ratings

BB-/Positive
(Jul'23)

MOODY'S

Ba3/Stable
(Jul'23)

B/S Break Down- FY23		
----------------------	--	--



#As of 31st Jan, 2024



Unique Sobha Proposition

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

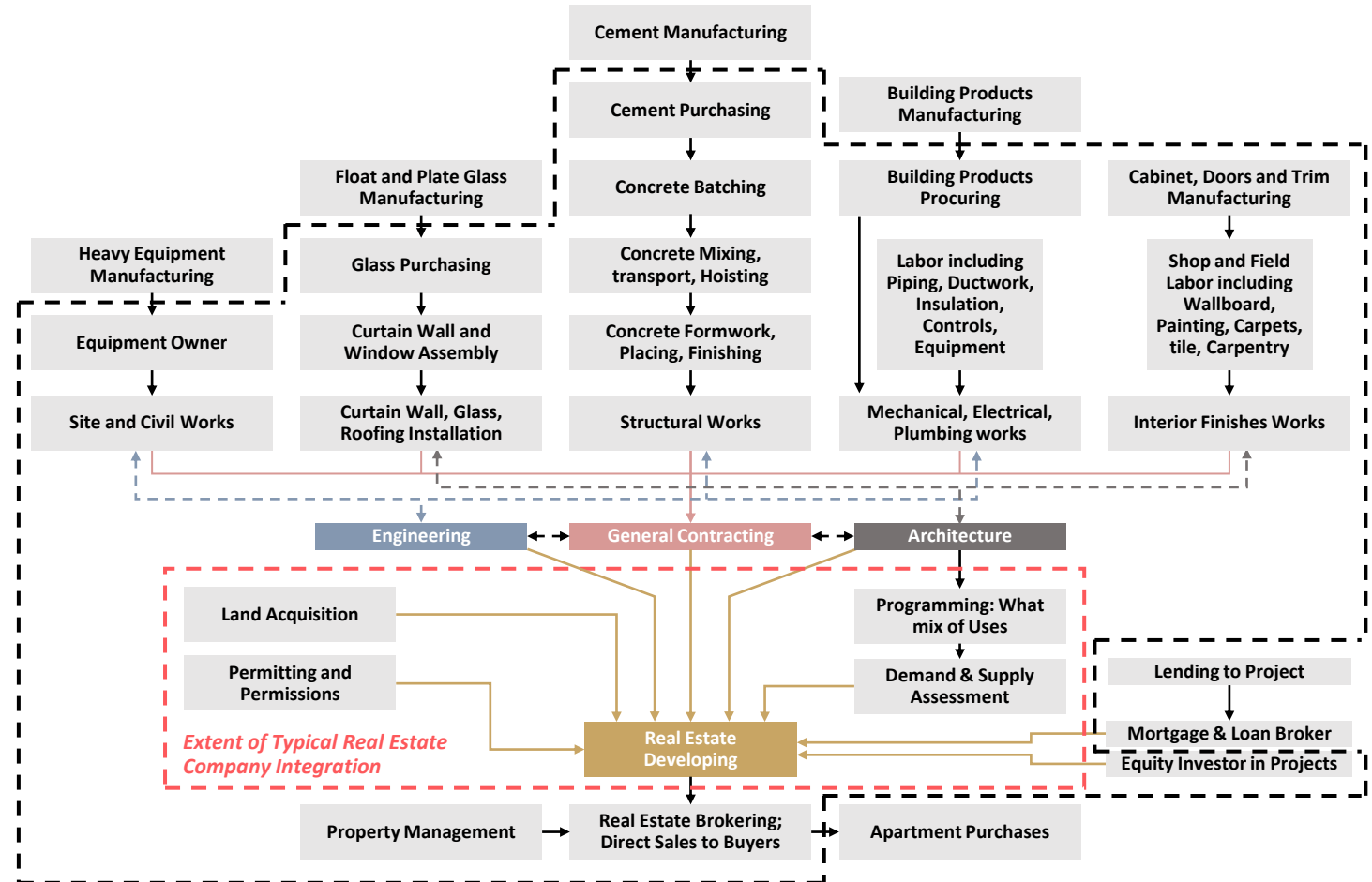
Facilities Management
Security Services
Holiday Homes

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

Harvard Case Study - Backward Integration for Quality

- In January 2019, Harvard Business School published a case study titled "Sobha Group Real Estate: Backward Integration for Quality"
- After a successful venture in the Gulf, Mr. Menon returned to India in the mid 90s to tap the underdeveloped real estate market. However, he struggled to find suitable suppliers and building contractors to achieve his vision of quality real estate
- Therefore, in 2000, he began backward integrating Sobha India's operations, so it could self-perform all the required activities from ideation to completion
- The backward integration phased out outsourced vendors, which are typical for real estate developers, and began to build inhouse infrastructure to ensure quality and timely finishing
- Sobha India created inhouse services of the Design Team, Engineering Team, Cost Consultants, Manufacturing Unit, and Main Contractor to name a few
- The same model was replicated in the Dubai Business :
 - There are over 300 inhouse architects and designers based in Dubai (PNC Architects)
 - Inhouse main contractor
 - Inhouse manufacturing unit (interiors & facades material)
 - Inhouse facility management services

Below is a typical real estate developer model (red box) vs. Sobha's Backward Integrated Model (within black dotted line)





Business Overview

Well Defined Operational Parameters to Ensure Long Term Sustainability

Land Bank



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

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 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 70%-80% during construction and balance on completion



Environmental

Social

Governance

Strong focus on ensuring Sustainable Operations (1)

Sustainability remains a core focus

- We recognize the need to have a strong understanding of the climate change and the risks that it poses to the planet
- It is important to address and mitigate the risks through a strong risk management process and further set relevant metrics and targets to progress in those attempts
- Sobha has pledged to UAE's Ministry of climate change and Environment to support it with its Net Zero strategic initiative
- We have implemented robust tracking methodology and constant reporting feedback to ensure we are constantly making progress

Vertical Integration Model Facilitating Efficient Operations



Energy Savings



Water Savings



Reduction of
Materials



Lesser Loading of
the Landfills



Circularity



Higher Quality /
Consistency / Greater
Efficiency

Strong focus on ensuring Sustainable Operations (2)

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 **our** commitments to implement relevant universal sustainability principles and take steps to support UN goals



- 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



- 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



- Strategy to ensure that all new launches are aligned with a 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



- 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



- Sobha's Facilities Management arm has bagged this prestigious certification in order to enhance the energy efficiency within its operations and achieve decarbonization in its net zero journey

Strong focus on ensuring Sustainable Operations (3)

Alignment to Global Sustainability Best Practices



Environmental, Social & Governance Report

- The group publishes its ESG report on a voluntary basis to highlight its ESG credentials, its specific achievements and aspirations
- The 2nd ESG report was published in the year 2023 bringing to light several initiatives and its milestones in the ESG domain



- All NEW developments of Sobha are aiming for LEED Green Building certification of varying ratings from Silver to Platinum



- Sobha undertook its first baseline Greenhouse Gas (GHG) Emissions for the year 2022 comprising Scope-1, Scope-2 and a limited Scope-3
- Based on the above preliminary assessment, Sobha has established an internal Net Zero road map strategy to align with overall UAE's strategy
- The 2023 emission estimation has begun and is a comprehensive exercise that includes ALL scopes



- The group participated in the annual GRESB benchmarking under the "GRESB Development Benchmark" and achieved impressive as a first time participant much ahead of the global average (72 against the global average of 61)
- Sobha is included in GRESB's Expert Services Group to provide real estate and infrastructure expertise and to continue to help guide the evolution of GRESB



- Sobha is currently installing Roof top solar PVs in several projects in order to promote use of renewable energy, reduce reliance on fossil fuel and decarbonize its operations



- Sobha is working on different strategies including EV, Bio Diesel, Solar PV / Renewable energy, Green construction materials, Green procurement policy etc to gain momentum in the decarbonization and net zero drive



- 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



- Sobha plays an active role in the industry by sharing its experiences and expertise in climate / Net Zero themed conferences i.e. MASDAR Round table, COP 28, ESG Conclave etc

Committed to serving the people within Sobha and the communities we operate in (1)

Foundations for Social Benefits and Community Engagement

The four ways in which our real estate projects benefit overall economic development:



Creates Jobs and new Opportunities



Promote Sustainable Communities



Improve City Infrastructure



Exemplars for Economic Growth

Positive Working Environment



>30

Nationalities work at Sobha



Zero

Cases of discrimination reported



- 1 Wellbeing addressing the ways of working and healthy work environment
- 2 Diversity, Equity, and Inclusion looking at the skills for the future
- 3 Employee Excellence in terms of achieving great work results in a thriving environment
- 4 Operational Excellence focusing on tools, technologies and processes to optimize the work

Committed to serving the people within Sobha and the communities we operate in (2)

Committed to Giving Back to the Community

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.

Numbers above may include forward looking statements



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

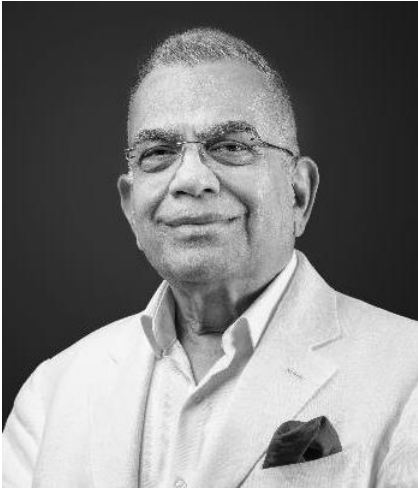
With 900 students getting a quality education at no cost, Sobha Academy is truly helping India grow from its grassroots. It aims to educate the less fortunate and break the vicious cycle of poverty their families face. The rigorous selection process picks eligible candidates that come from less privileged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



Diverse & Accomplished Board



Mr. PNC Menon
Founder & Chairman

Mr. PNC Menon is the Founder and Chairman of Sobha Group. He began his career in the Middle East in 1976 and established himself as one of the largest turnkey interiors and contracting solutions providers in the GCC region



Mr. Ravi Menon
Co-Chairman

Experienced construction and real estate professional, with ~20 years of experience, prior to being appointed as Co-Chairman of the Group

Previously chairman of Sobha India, moving to the UAE business in April 2023



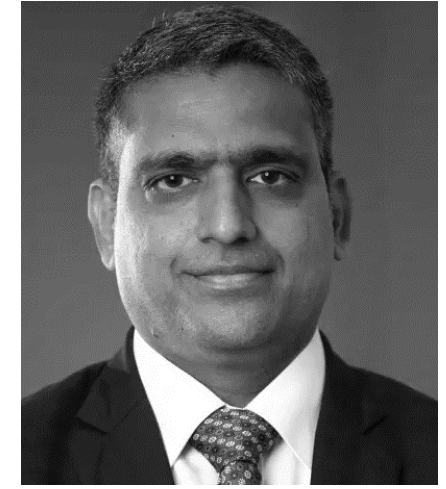
Mr. Mahmoud AlBurai
Independent Director

16+ years of experience in the real estate sector. Currently holds the position of President at FIABCI Emirates and serves as a senior advisor in the Dubai Government. Served as the CEO of the Dubai Real Estate Institute, RERA and Dubai Holding



Mr. Francis Alfred
Managing Director

Bringing over 22 years of experience to his role, Alfred is responsible for the overall management and monitoring of master planning, project lifecycle, design and delivery of all the Realty's real estate projects under development



Mr. Jyoti Kumar Agarwal
Group CFO

22+ years of experience in senior management, across a variety of roles including corporate, strategy, accounting, treasury and investment banking

Previously worked for BCG, Deutsche Bank, SCB, JSW Group, and Tata Power Renewables

SOBHA
REALTY