



Corporate Presentation

September 2024

SOBHA
REALTY

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SOBHA
REALTY

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Dubai Real Estate Market

Strong Growth Drivers for Dubai’s Residential Market (1/2)

Close proximity to 2.5 billion people⁽¹⁾...



...cities of the future...		
#1	Singapore	
#2	London	
#3	Dubai	
#4	Amsterdam	
#5	Dublin	

...and cities to work in		
#1	London	
#2	Amsterdam	
#3	Dubai	
#4	Abu Dhabi	
#5	New York	

... With significant investment in infrastructure and social economy to promote a resident-driven economy with a less transient population



Cutting-Edge Infrastructure

Boasts state-of-the-art roads, ports and airports serving as **one of the world’s busiest gateways** into the region for business, commerce, and tourism.



High Rental Yield

With tax free rental income in excess of 7% and 5% for apartments and villas respectively



Ultra High Net Worth Hub

Largest influx of high net worth individuals expected in 2024 globally



Ensuring Safety

Ranked **6th in the world’s best cities (2024)** for citizens, residents and visitors



New Work Week

Work week Monday to Friday, has increased **attractiveness to international businesses**



Unemployment Insurance

UAE has introduced unemployment insurance, **to retain talent even when they have lost their current employment**

Sources: World’s Best Cities report 2024, BCG Report, FDI Intelligence
Notes: (1) World population provided by United Nations;1/3 & 2/3 addressable population provided by Dubai Airports

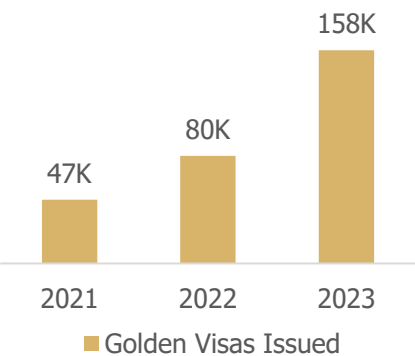
Strong Growth Drivers for Dubai's Residential Market (2/2)

Introduction of investor-friendly visa schemes

Golden Visa

10-year golden residence visa program for :

- 1. Top achievers with specialized talent like doctors, scientists, executives, etc.
- 2. Real estate investors who purchase property of more than AED 2 mn in UAE
- 3. Investors investing more than AED 2 mn in UAE based investment funds



Green Visa

5-year green residence visa to **attract further pools of talent**, including skilled professionals, freelancers, investors and entrepreneurs

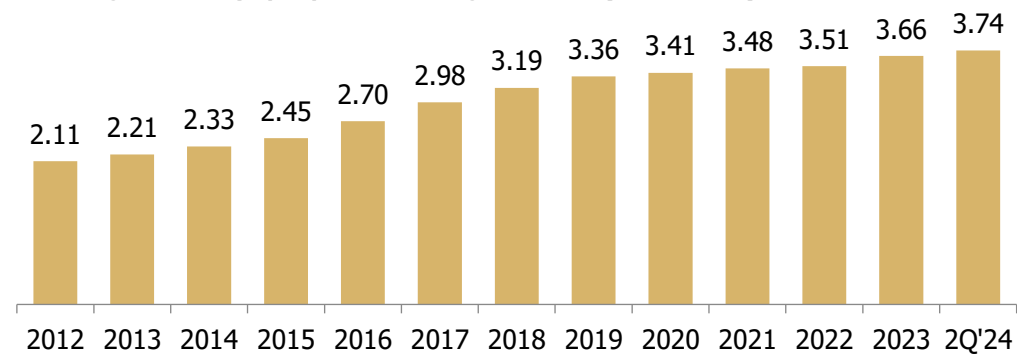
Job Exploration

Allows **jobseekers to live in the UAE without the need for a sponsor**, whilst they look to secure long-term employment

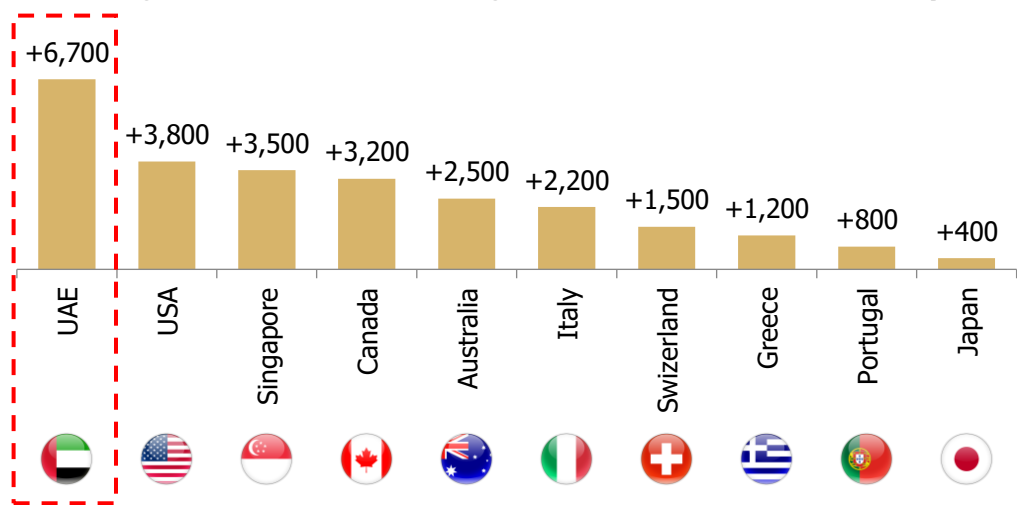
Remote Workers

Allows for **work visas** to be issued to those looking to relocate to Dubai but **continue to work remotely for an existing employer**

Driving steady population growth (millions)

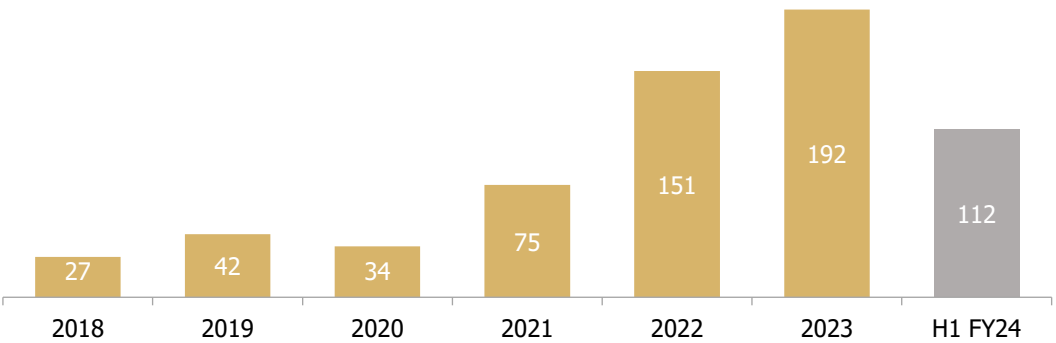


With Significant influx of high net worth individuals (2024E)

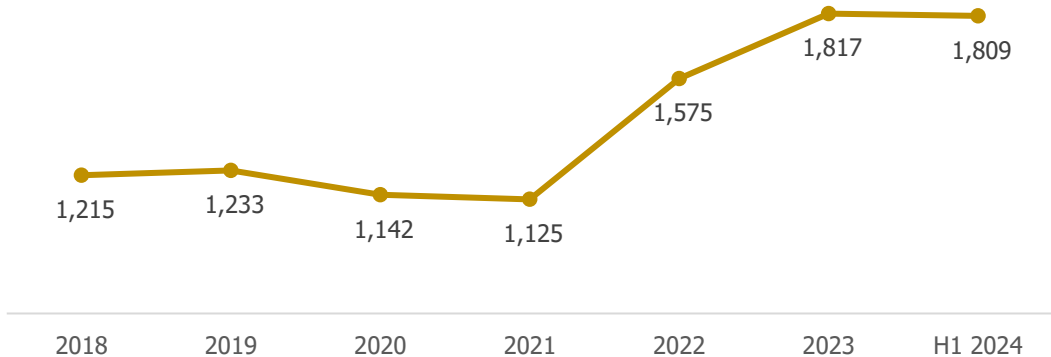


Residential Market Continues to Witness Robust Growth Momentum, with Stabilizing Prices

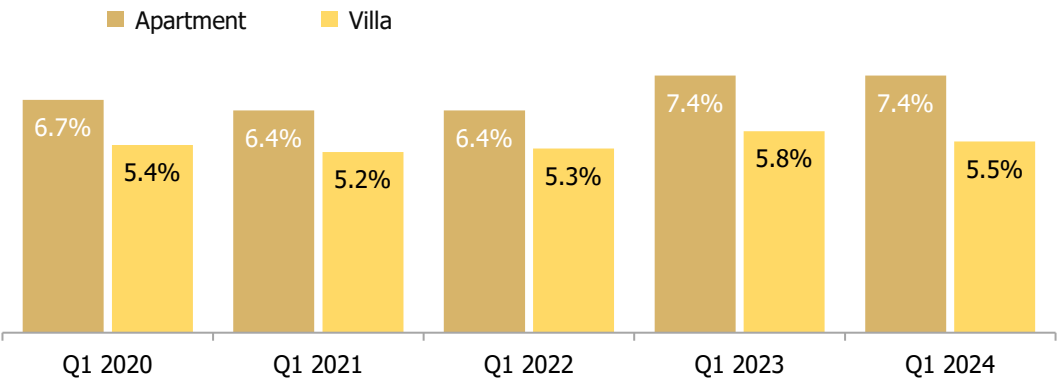
Significant growth in Primary Market Sales (AED Bn) since FY2021



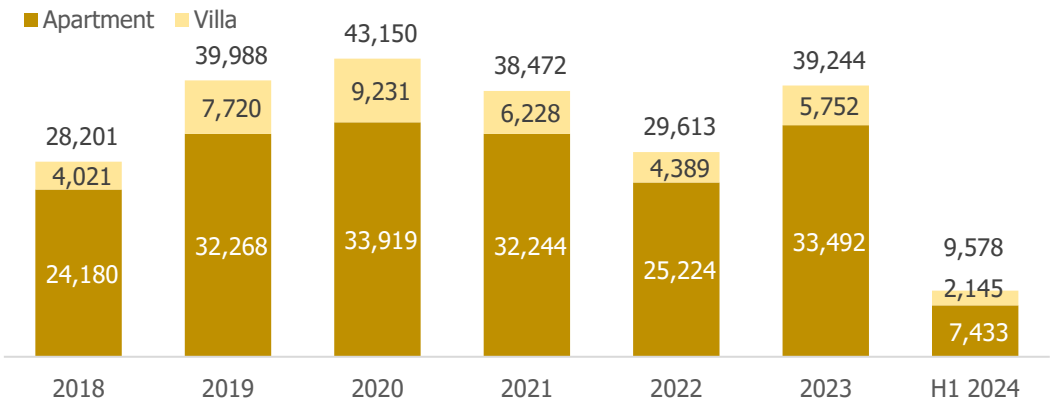
Average Property Price (AED Per Sqft) maintaining a strong trend



Rental yields continue to remain amongst the highest globally..



...Due to limited supply coming to the market



Sobha Overview



About the Promoter



PNC Menon

Founder & Chairman, Sobha Group

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 29 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 15 billion and currently boast a workforce of over 30,000 dedicated professionals across Sobha's diverse business lines.

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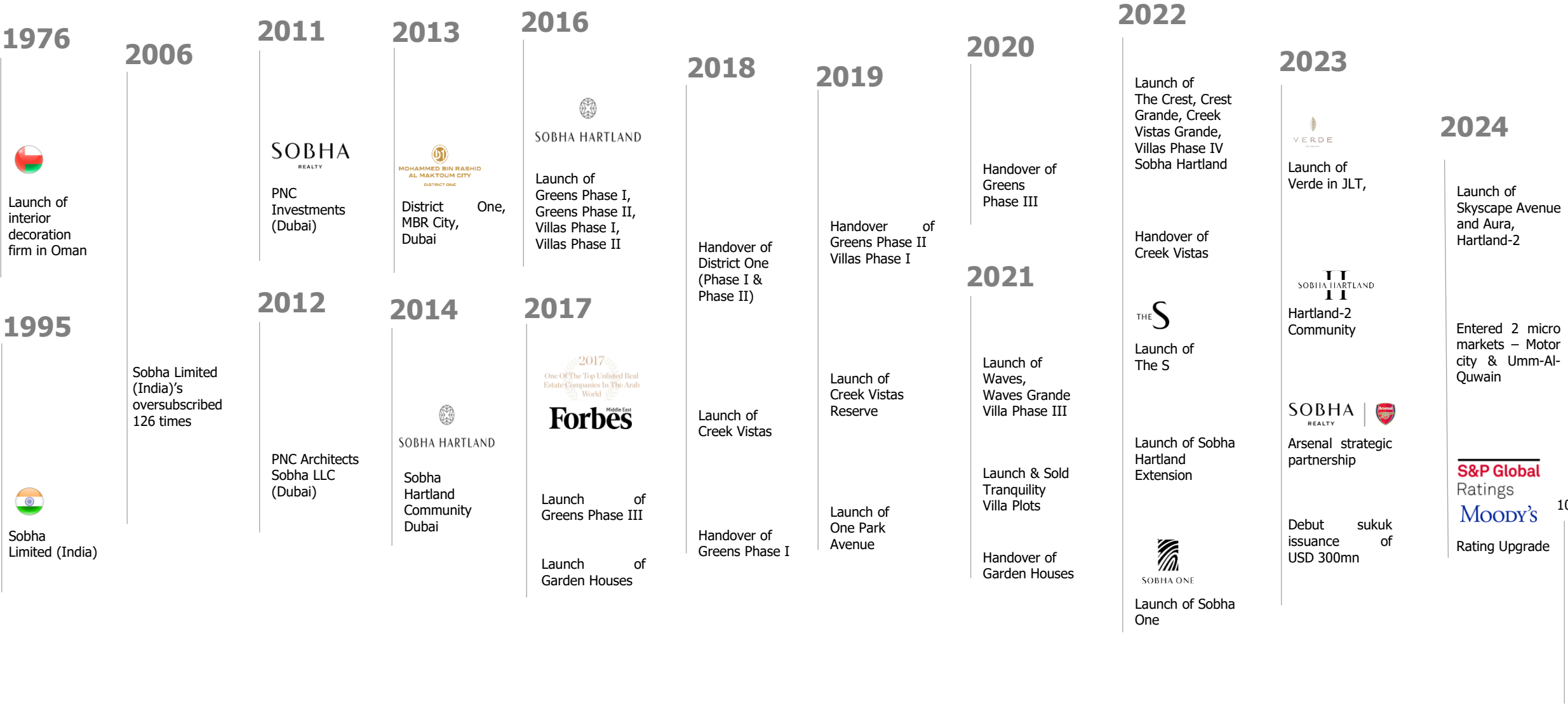
Mr. PNC Menon, Founder & Chairman, Sobha Group has been ranked 6th in the Top 10 Developers list and 32nd in the Power 100 list this year in GCC.

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



Backward Integrated Operating Model

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



Real Estate

Residential
Commercial

Experienced development team



Design & Engineering

Architectural
Structural
Infrastructure
Electrical & Plumbing
Landscaping & Environment

Coordinated design and engineering approach



Contracting

Civil contracts
Mechanical, Electrical & Plumbing contracts
Landscaping

Aligned contractors driving superior quality



Manufacturing

Glazing & Metal Works
Furniture & Interiors
Concrete Products
Modular Manufacturing

Cost-effective sourcing of high-quality materials



Services

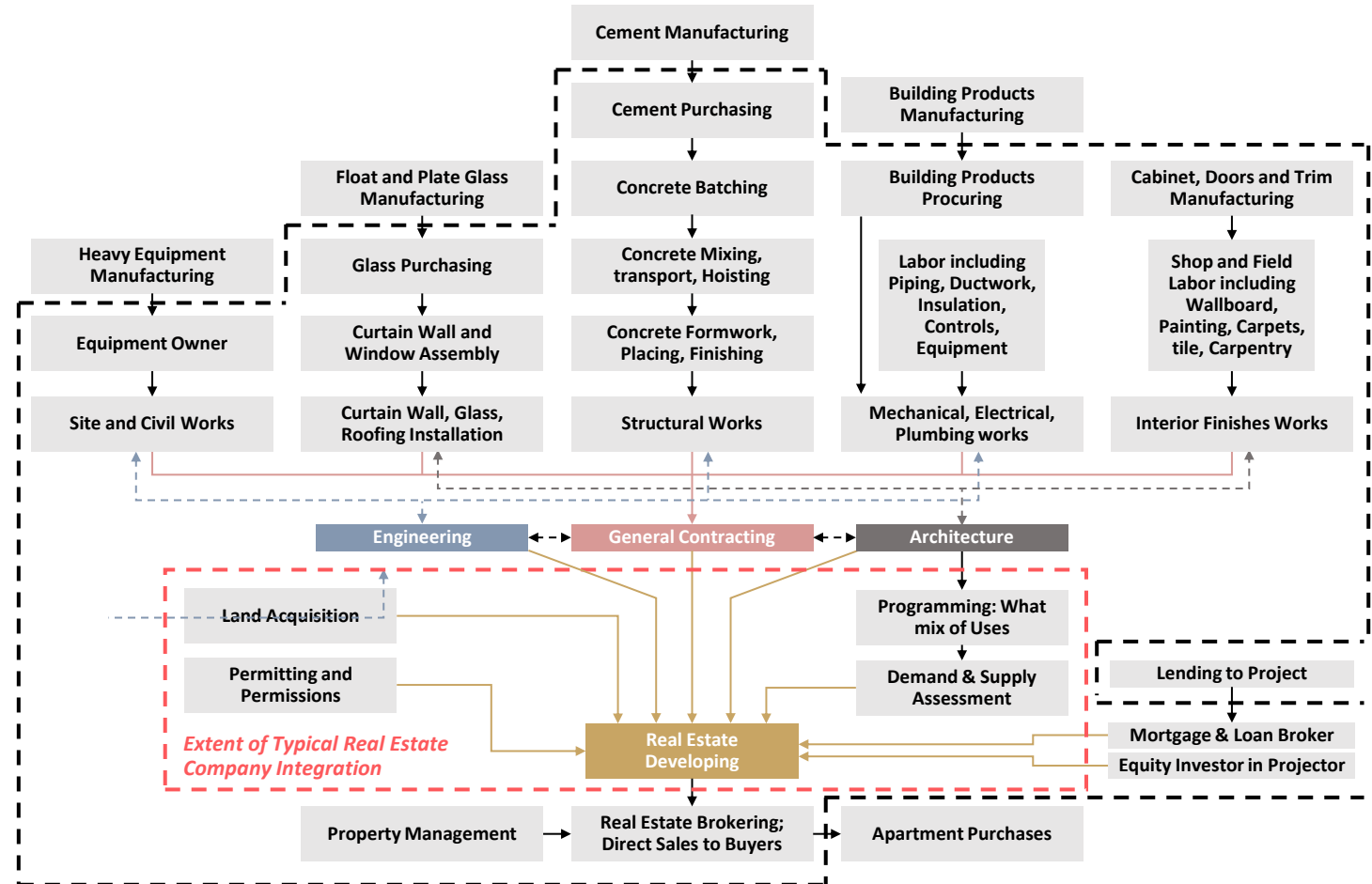
Facilities Management
Security Services
Holiday Homes

Post handover services ensuring 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.
- In 2000, he began backward integrating Sobha India's operations, so it could self-perform all required activities from ideation to completion.
- The backward integration phased out outsourced vendors 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)



The model was successfully tested and implemented in India; later adopted for the UAE business to benefit from the same experience and synergies



Business Overview

Leading Private Real Estate Developer with Strong Market Presence

- Sobha Realty ("**the Group**", "**Sobha**") is a leading private real estate developer in the UAE. The Group is involved in the development of luxury and ultra-luxury residential communities and projects
- Sobha has secured an 8% market share (H1FY24) in less than a decade, thanks to its rising portfolio of iconic projects in key markets in Dubai



23,000+

Total number of units launched since inception

18,500+

Total units sold

5,000+

Total units delivered

34mn+

Total saleable area (sqft.) of communities launched

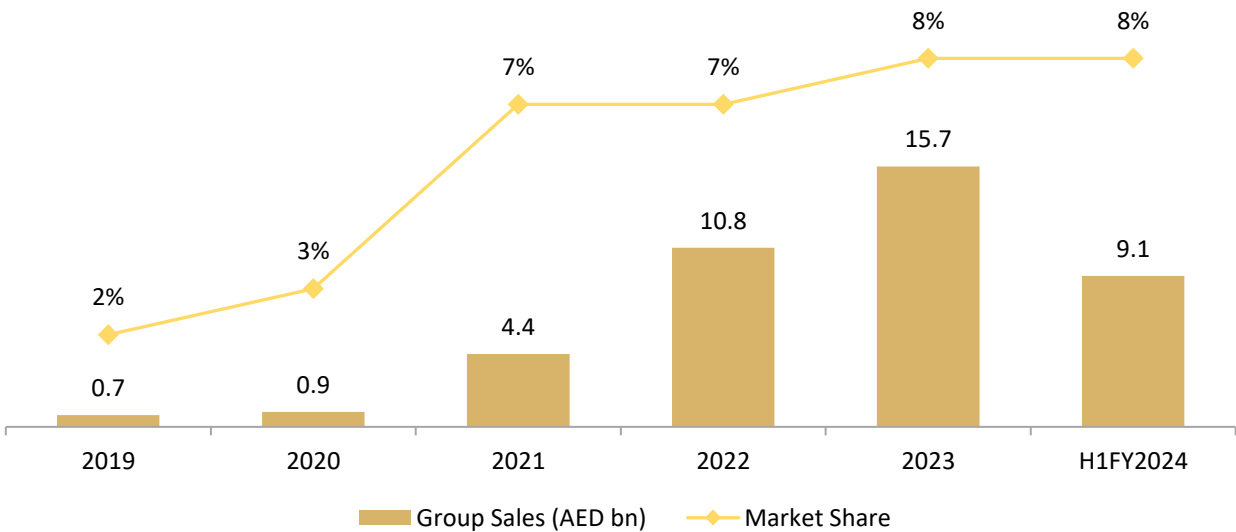
11mn+

Total saleable area (sqft.) of projects delivered

AED 20bn+

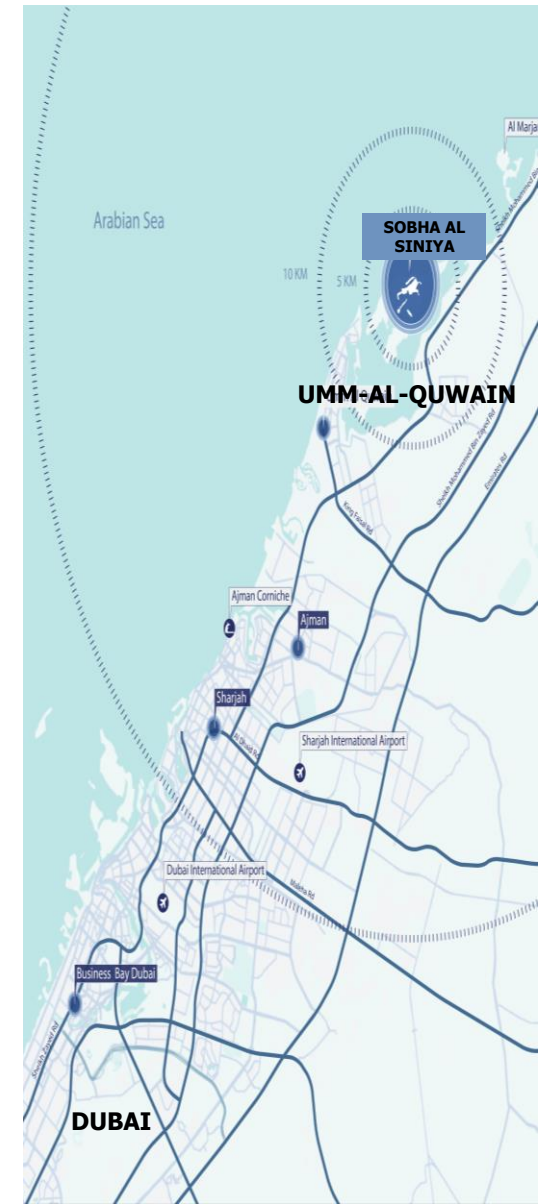
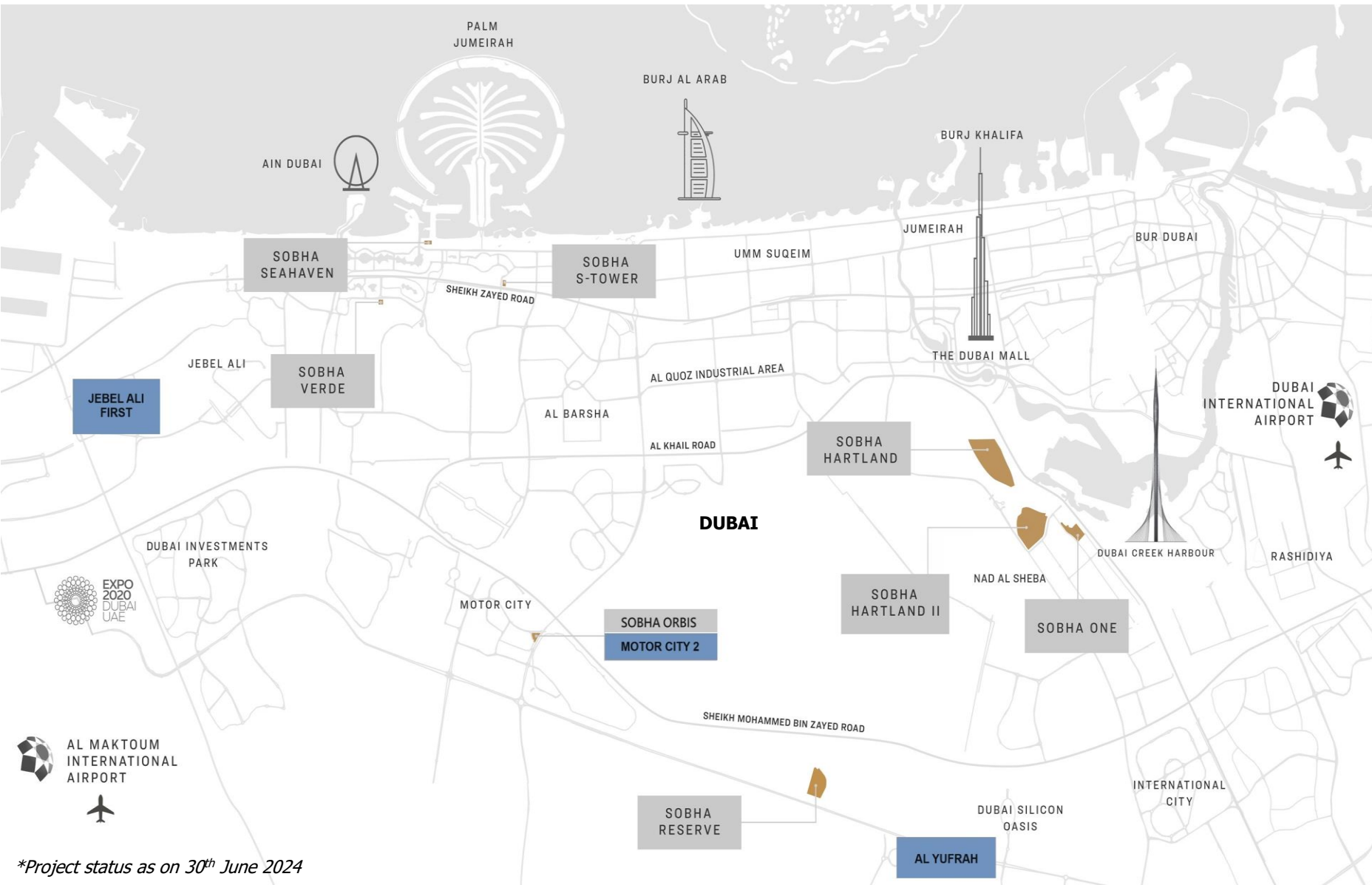
Backlog as of June 2024

Expanding Market Share



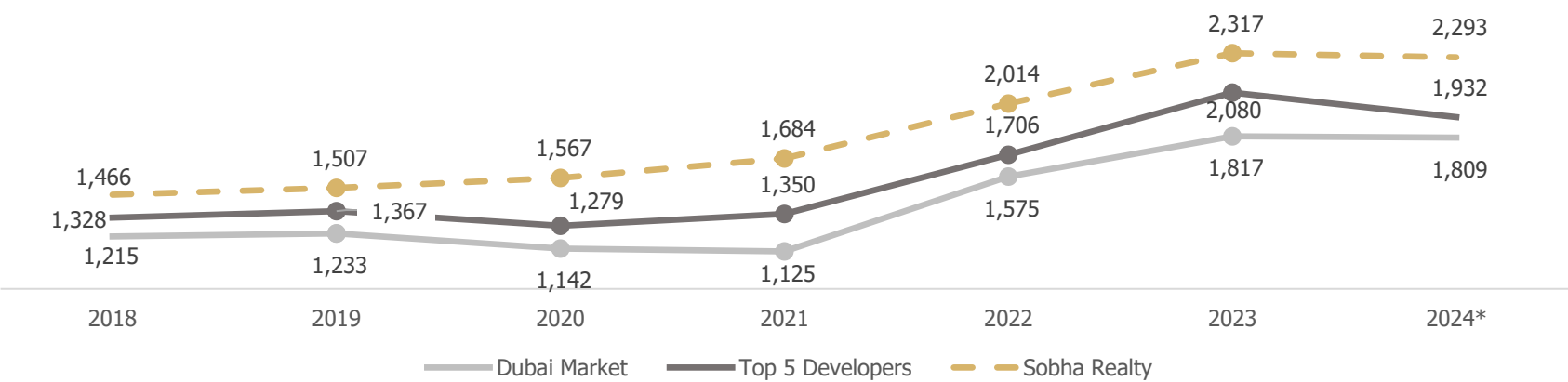
Note: Above data points are till 30th June 2024

Growing Footprint Across Key Markets in and around Dubai

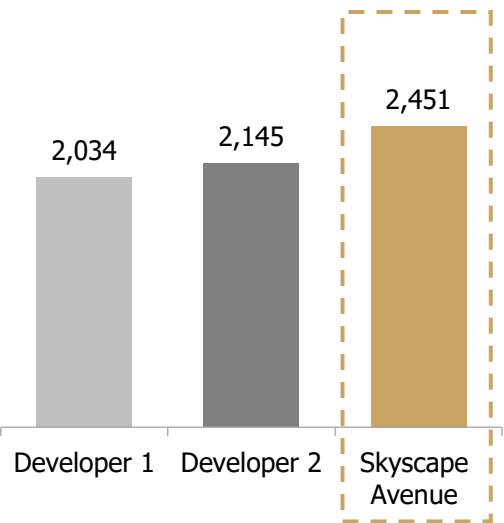


Superior Competitive Positioning Demonstrated Through Sizable Premium vis-à-vis Market

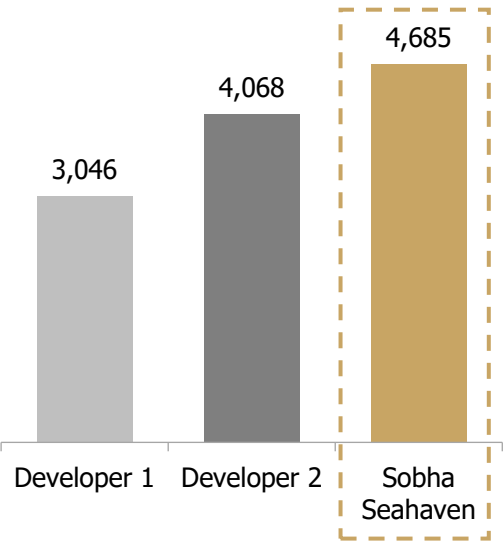
Consistent Pricing Premium of over 25% vs. Market



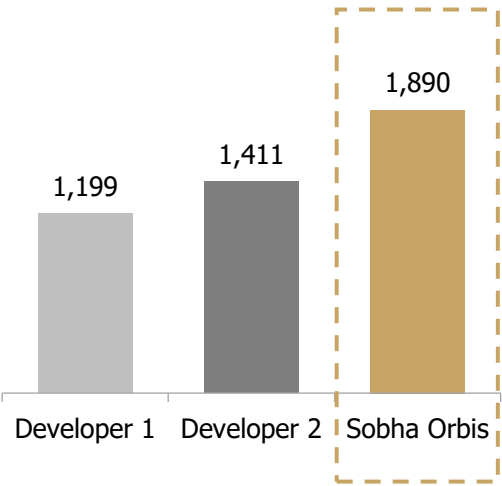
Hartland II Apartments
AED Per Sq ft.



Marina Apartments
AED Per Sq ft.



Motor city Apartments
AED Per Sq ft.



Key Differentiators

Established Brand Name

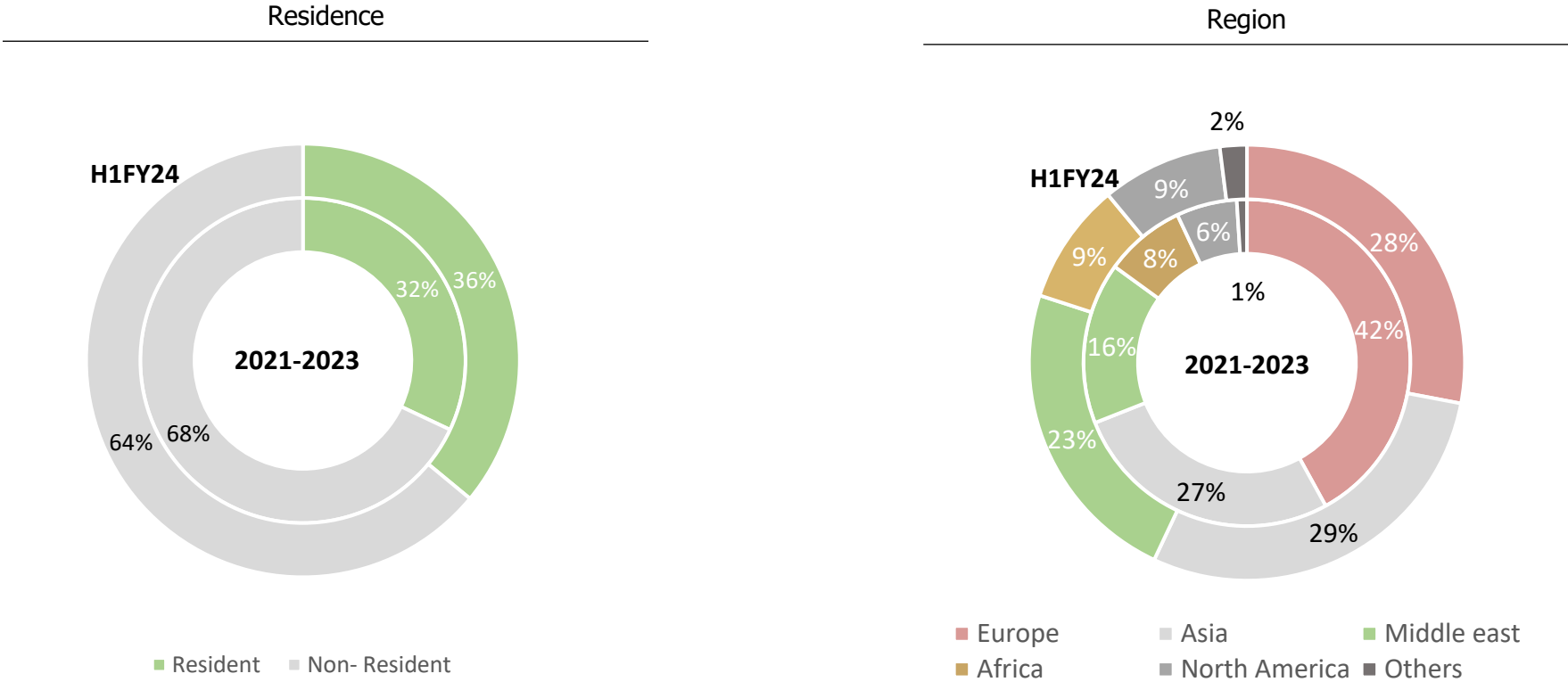
Superior Product Quality

Ahead of Time Deliveries

Strategic Project Locations

Increasingly Diverse Customer Base Reflecting Resilient Buyer Profile

Bifurcation of Customers
(H1FY24 & Cumulative 3 Year Period from 2021 to 2023)



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 to support near-term growth

Focus on land parcels in desirable locations on deferred long-term payment plans

Inventory



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

Fast tracking of identified project launches to cater to increased demand

Agile strategy to review launch schedule based on market trends

Sales Strategy



Target to sell 50% of the project within first 6 months of launch

Ensure projects are materially sold prior to incurring significant construction costs

Payment Plans



Tightening payment plans reducing funding gaps

No reliance on post-handover payment plans for new sales

Current projects are being sold on basis of ~70% during construction and balance on completion



Financial Profile

Well Defined Financial Parameters to Manage Leverage and Liquidity Levels



Leverage

- Net Debt / Equity to not exceed 1.25x
- Net Debt / EBITDA to not exceed 2.75x throughout development cycles
- EBITDA / finance cost to be maintained at greater than 1.5x



Cash / Liquidity Management

- Maintain cash balance of at least 4 – 6 months of operating expenses
- Shift from project linked debt to corporate level debt



Investment Criteria

- Target payback period for a project typically between 3 – 5 years
- Target IRR of minimum 12%

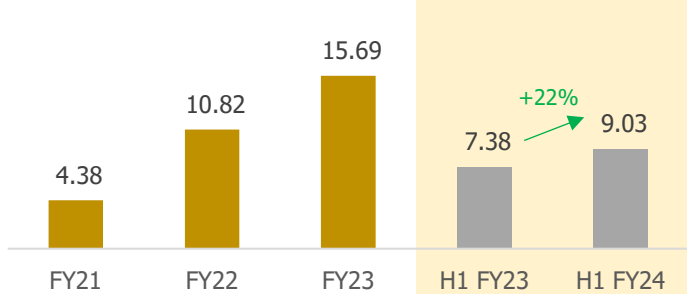


Dividend Policy

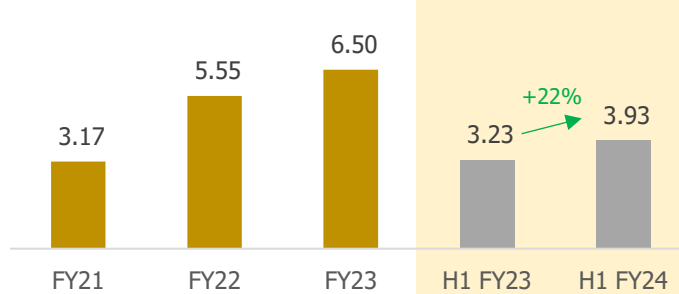
- Dividends up to 30% of net profit
- Flexible dividend policy – tied to project completion and cash requirement of the business

Healthy Business Performance and Superior Financial Risk Profile*

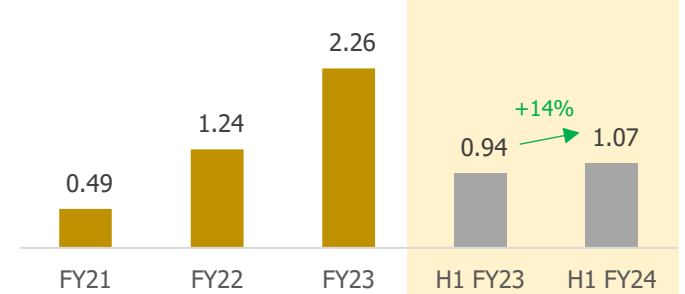
Robust Sales Momentum Continues



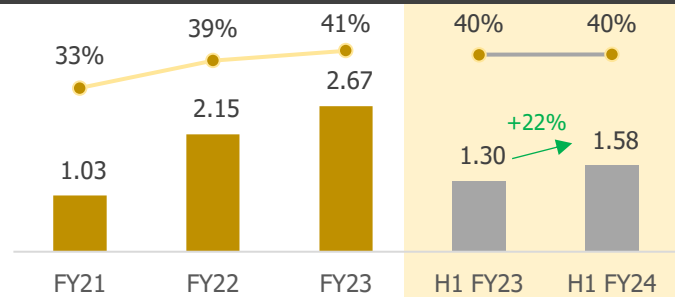
Healthy Revenue Growth



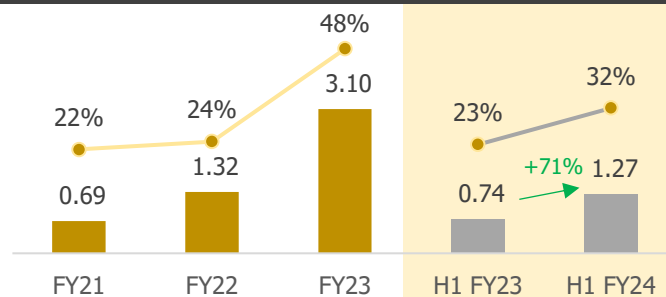
Sizeable Free Cash Flow# Generation



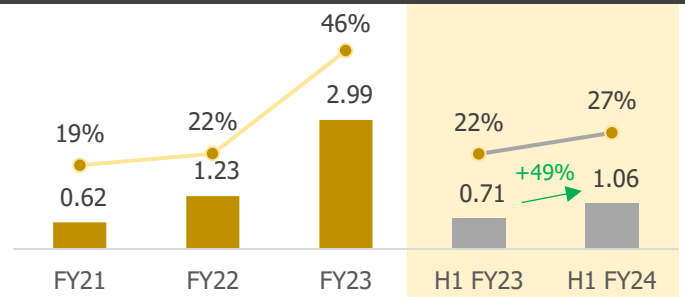
Gross Profit & Margin – Remains Healthy



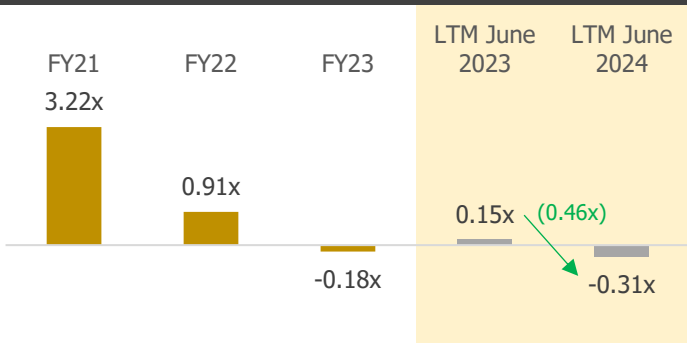
EBITDA & Margin – Strong YoY Improvement



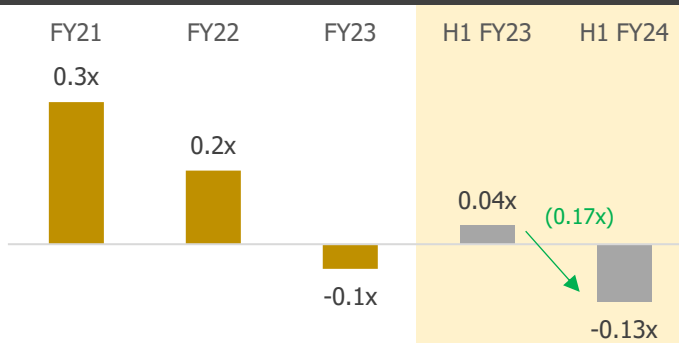
Net Profit & Margin – Significant Growth



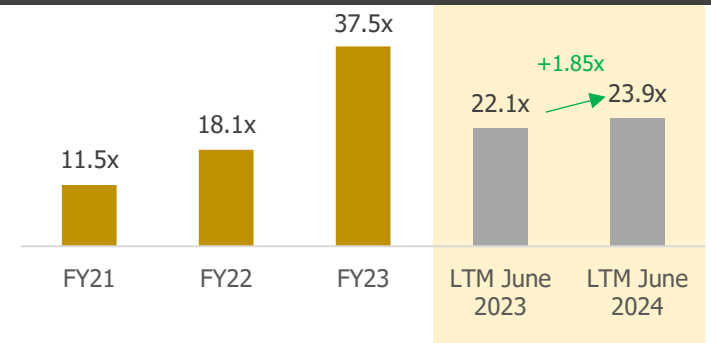
Negative Net Debt/EBITDA (x)



Improved Net Debt/Equity (x)

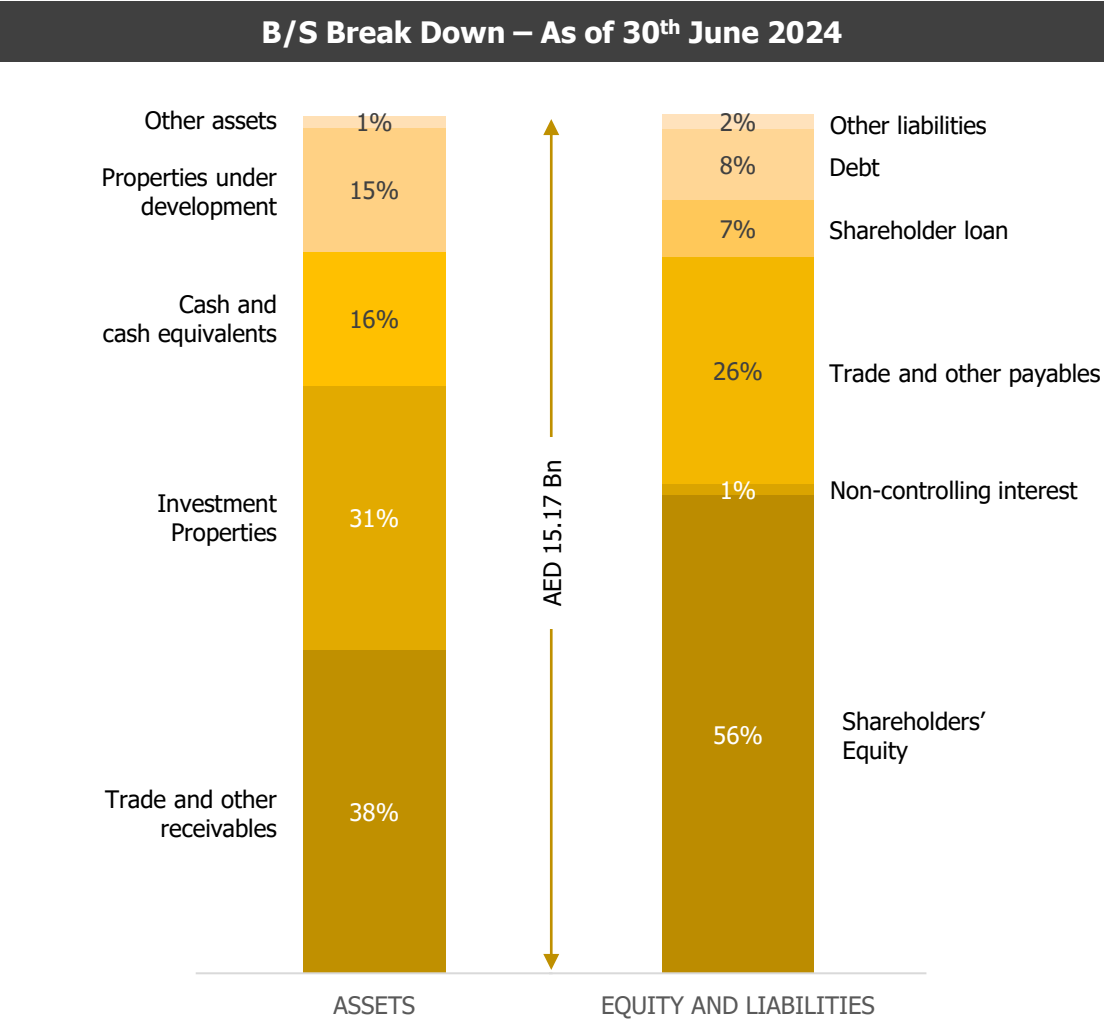
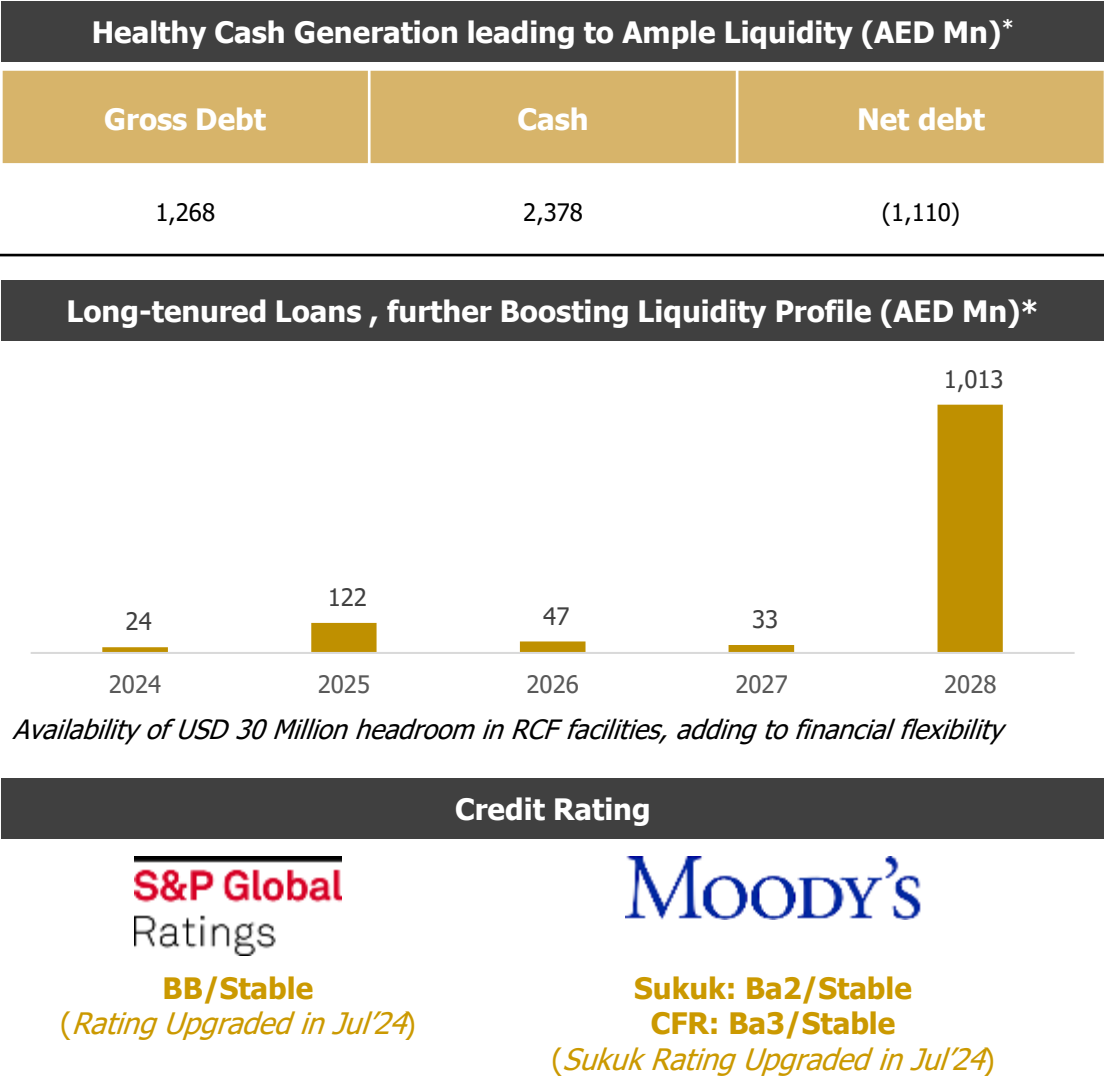


Higher EBITDA/Interest (x) coverage



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

Healthy Liquidity Underpinned by Sizeable Cash Balances, and Spaced-out Debt Maturity



* As of 30th June 2024



**Environmental,
Social &
Governance**

Sobha's Approach to Sustainability

Sustainability remains a core philosophy

- Sobha has pledged to support the UAE Ministry of Climate Change and Environment in its Net Zero by 2050 strategic initiative, and has established an internal Net Zero strategy to align with overall UAE's strategy
- It has implemented robust tracking methodology and constant feedback reporting to ensure it is constantly making progress in its climate actions
- A clear strategy for sustainability is in place to achieve Sobha's vision to accelerate the global transition to a sustainable environment. It has partnered with Synesgy to enhance sustainability and improve its ESG rating across its supply chain

Alignment to Global Sustainability Standards



- Sobha has aligned with ten Sustainable Development Goals (SDGs) most relevant for its business and intends to benchmark its strategy against the UNSDGs



- 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



- Voluntarily participated in the annual GRESB benchmarking under the "GRESB Development Benchmark"
- Achieved score of 94 in 2024 – a significant jump from the score of 72 achieved in 2023 as a first-time participant, well ahead of the global average
- In the peer group benchmarking (Predefined by GRESB), Sobha is the 5th amongst the 13 entities (within 2 years of participation)

Sustainability Governance

- ESG working committee created to provide an oversight and review of policies, programs, practices, strategies, and approach to ESG topics
- Key policies formed to drive sustainability across the organization



- Setting ESG goals and targets
- ESG benchmarking / Annual performance review against each benchmark to ensure progress is being made on each key initiative

Key Initiatives for Sustainability Reporting

GREENHOUSE GAS (GHG) Assessment & Reporting

- Sobha undertook its first baseline Greenhouse Gas (GHG) Emissions for the year 2022 comprising Scope-1, Scope-2 and a limited Scope-3
- Sobha has established an internal Net Zero strategy to align with overall UAE's strategy
- Comprehensive GHG report for 2023 is under final review

TCFD Reporting

- Reporting of the Task Force on Climate-Related Disclosures ("TCFD") to increase visibility on key sustainability metrics
- Voluntarily supported TCFD
- Released its first report for 2022
- 2023 Report under final review

ESG Reporting

- Voluntarily published ESG Reports for 2021 and 2022
- 2023 ESG Report under final review

Strong Focus on ensuring Sustainable Operations

Vertical Integration Model Facilitating Efficient Operations



Energy Savings



Water Savings



Reduction of
Materials



Lesser Loading of
the Landfills



Circularity



Higher Quality /Consistency
/ Greater Efficiency

Driving Sustainability in Built Environment

- All new developments of Sobha are aiming for globally acclaimed Green Building certifications such as LEED USA and Green Mark Singapore
- Targeted ratings vary across Certified, Silver, Gold, Platinum and Super Low Energy
- "Sobha One" project to be aligned to the BCA Green Mark Platinum standard, the leading sustainability accreditation in Singapore



Awards, Recognitions & Certifications



- Exemplary Circular Economy Program award from DEWA Dubai Supreme council
- Best Overall Sustainable Performance, Middle East Sustainability Leadership Awards 2024



Sobha's Facilities Management arm has bagged this prestigious certification for enhancing the energy efficiency within its operations and advancing its decarbonization efforts in the journey toward Net Zero

Integrating Renewable Energy / Green Fuels

- 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
- It has already embarked on bio diesel to reduce transport related emissions and construction emissions
- It has installed solar PVs in its site offices to decarbonize site emissions
- It 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



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

United Arab Emirates (UAE)

Al Jalila Foundation - Dubai

The Al Jalila Foundation, which is supported by the Dubai Government, undertakes medical education and research initiatives in the UAE. Mr. PNC Menon, and others have helped raise AED 220 mn (\$60m) for the cancer hospital, out of which Sobha Realty has committed AED 10 mn (\$4m)

Noor Dubai

Mr. PNC Menon, has committed to contribute AED 10 mn (\$4m) 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 mn (\$14m) was made by 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

Endowment University in Dubai

MBRGI and Sobha Realty signed a charitable grant agreement for the establishment of an endowment university in Dubai



India

Sobha Care

Under the Sobha Care Program, technicians and their families are eligible to obtain monetary benefits of various kinds to improve their quality of life and motivate them to grow along with the company

Programs under Sobha Care include: **Sobha Edu Care** (scholarships to children), **Sobha New-born Care**, **Sobha Women Empowerment**, **Sobha Marriage Blessings** and **Sobha Housing Scheme**

1,000 Homes by Sobha Community Home Project

'**GRIHA SOBHA**' achieved the milestone of hand over of first 100 homes (out of the 1,000 promised homes) for free, to women from underprivileged families in March 2024, with the foundation stone being laid for another 120 homes

Sobha Rural Women Empowerment Programme

Sobha covers the expenses of 50 widowed mothers of the Kizhakkenchery Panchayat, including their child education

Sobha Vocational Training Centre & Sobha Academy

Sobha Vocational Training Centre 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 provides 1,200 students getting a quality education at no cost and aims to educate the less fortunate and break the vicious cycle of poverty their families face

Oman

SAS Housing Initiative

Mr. PNC Menon, signed an MoU with Al Rahma Association of Motherhood and Childhood in Muscat to contribute OMR 9.6 mn (\$25m) over the next 10 years, beginning in 2023, to build 300 homes for orphans and needy families

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*

Construction and real estate professional with over 21 years of experience. Prior to being appointed Co-Chairman of the Group in April 2023, he served as chairman of Sobha India



Mr. Mahmoud AlBurai
Independent Director

17+ 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 23 years of experience to his role, Mr. Alfred is responsible for the overall management and monitoring of master planning, project lifecycle, design and delivery of all the Group's real estate projects under development



Mr. Jyoti Kumar Agarwal
Group CFO

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

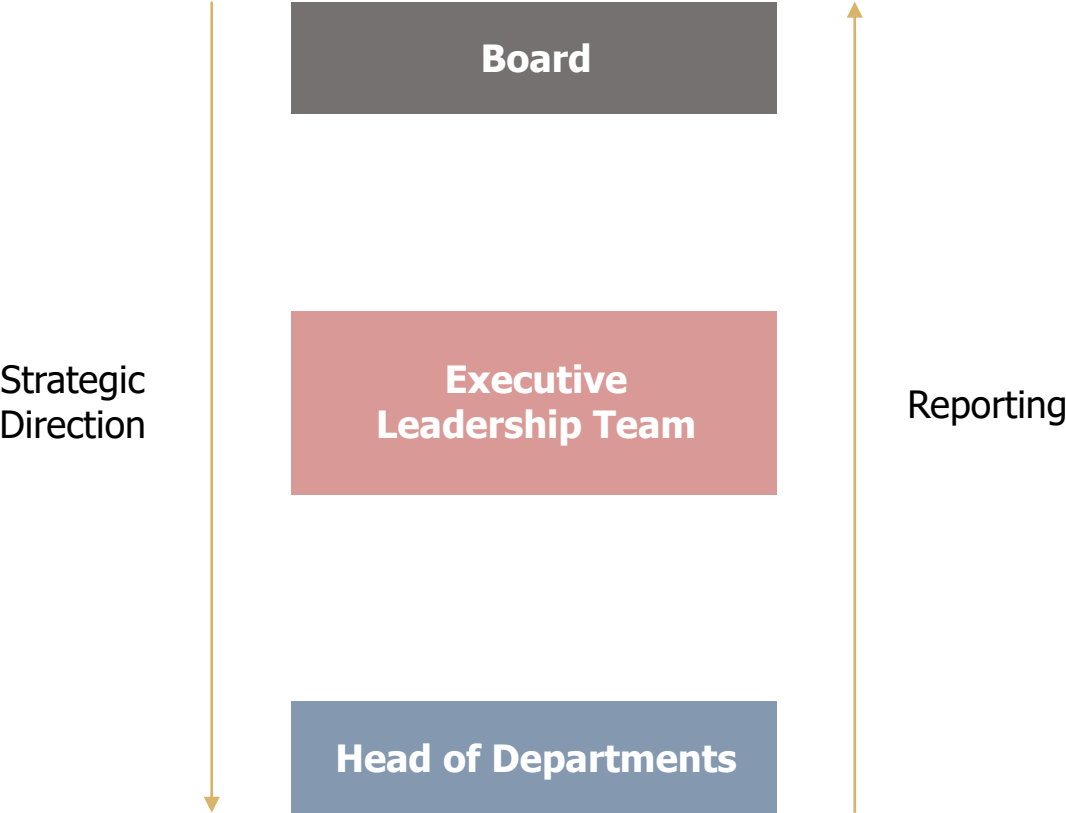
Previously worked for BCG, Deutsche Bank, SCB, JSW Group, and Tata Power Renewables

**Effective November 18th 2024, Mr. PNC Menon will retire from his active role as Chairman and Mr. Ravi Menon (who currently serves as Co-Chairman) will assume the role of Chairman of the Group*

Robust Corporate Governance Throughout all Levels of the Company

Corporate Governance Structure

Prudent Corporate Structure to Ensure Highest Levels of Governance Across the Business



Key Governance Committees

Investment Committee	<ul style="list-style-type: none"> Oversee contemplated investments and report findings back to the Board Ensure diversity and risk of opportunities are aligned with the Group's strategy
Risk Management Committee	<ul style="list-style-type: none"> Advise the Board in respect of overall risk appetite, tolerance and risk strategy Review capital raising, liquidity management and expansions / investments
Nomination/Remuneration Committee	<ul style="list-style-type: none"> Make recommendations on all aspects relating to compensation
Audit Committee	<ul style="list-style-type: none"> Assist in monitoring integrity and effectiveness of internal control systems Review performance and objectivity of internal and external auditors



Summary

Established Private Developer in the UAE with Key Competitive Advantages



Growing Presence in UAE market

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



Established Track Record

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



Market-Leading Quality

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



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



Established Marketing Channels

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



Strategic Land Bank

Sufficient land bank to facilitate medium term-pipeline and visibility for future developments



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

SOBHA
REALTY