

## **Chairman's Message**

Greeting,

I am pleased to welcome you to the annual meeting of the company, and we affirm that you are an integral part of the Deyaar. I also assure to you that 2022 was an exceptional year for Deyaar, as we achieved significant achievements in terms of operations as well as our financial position.

The Company recorded a remarkable increase in revenues and net profit, as the Company recorded revenues of AED 803.4 million in 2022, an increase of 62% compared to last year, while the net profit witnessed an increase of 184% compared to last year to reach AED 144.2 million. Furthermore, the total assets of the company increased to reach AED 6.2 billion.

In 2022, The Company successfully written off all accumulated losses through capital reduction using the legal reserve and cancelation of shares equal to the remaining amount, as the Company's capital was reduced from AED 5.78 billion to AED 4.38 billion, a reduction of AED 1.4 billion. This action was carried out without affecting Company's liquidity, which will improve Company's attractiveness to investors and the possibility of obtaining financing for future projects. The reduction was activated on the Dubai Financial Market in June, 2022.

Moreover, the Company was able to reach an amicable cash settlement with Limitless for an amount of AED 500 million in cash to be received in two installments, where the first payment of AED 200 million was received in cash immediately after signing the agreement, provided that the second payment amount of AED 300 million shall be paid within a period not exceeding 18 months from the date on which the agreement between the two companies is signed. This agreement

came after long negotiations in which the Board of Directors was keen to reach to an agreement that achieves the best value and contributes to enhancing Company's financial position.

Through this settlement, Deyaar has been able to close a chapter of an issue that has been going on for many years, and it seeks to utilize the resulting liquidity to finance its expansion plans through launching new projects and continuing its strategy of diversifying the Company's sources revenue stream, noting that the settlement will result in approximately AED 88 million in net profit upon receipt of the full amount.

The year 2022 has also witnessed the launch of distinctive projects for Deyaar, including Tria Project, which is the first luxury project for Deyaar in Dubai Silicon Oasis, consisting of 32 floors with a total value of AED 650 million, with the latest smart home technology.

The Company has also announced investments of AED 300 million in Al Furjan area through three projects, ranging from residential to hotel apartments, comprising around 400 units. The first projects "Amalia Residences" was already launched in the Al Furjan , while the rest of the projects will be announced during (2023).

The construction in the existing projects witnessed remarkable progress, as the Company completed the construction of "Mesk" District in its integrated residential project "Midtown" and started to handover the units to customers, while the construction work in "Noor" District exceeded (80%). With the completion of "Noor" and "Mesk" Districts, the number of buildings in the "Midtown" will reach 24 residential buildings comprising around 2000 units.

Work is also underway as planned on the luxury Regalia Project in Business Bay, which was successfully soled out in record time with total sales of AED 1 billion. The construction of the project exceeded 20%.

The Hospitality Portfolio continued to grow, achieving 39.3% increase in revenue, in addition to the revenues increase in our leasing Portfolio by 21.9%.

Deyaar continues to enhance its services within Property Management, Community Management and Facilities Management by investing in modern technologies and digital transformation to provide our services to the customers around the clock.

The company also focuses on the development of its digital infrastructure as part of a digital transformation strategic plan to increase the efficiency of the resources, enhance operations and achieve better and faster services at a low cost, while adopting sustainable solutions to reduce energy consumption and improve the efficiency.

In 2023, the Company intends to continue to launch new quality projects and seeks to strengthen its portfolio of income-generating assets, with the aim of improve profits and shareholders' equity.

The Company would not have achieved these accomplishments without the support of the shareholders, to whom we extend our appreciation for their continued support.