



Al Akaria Q1 2023 Earnings Presentation

31st May 2023

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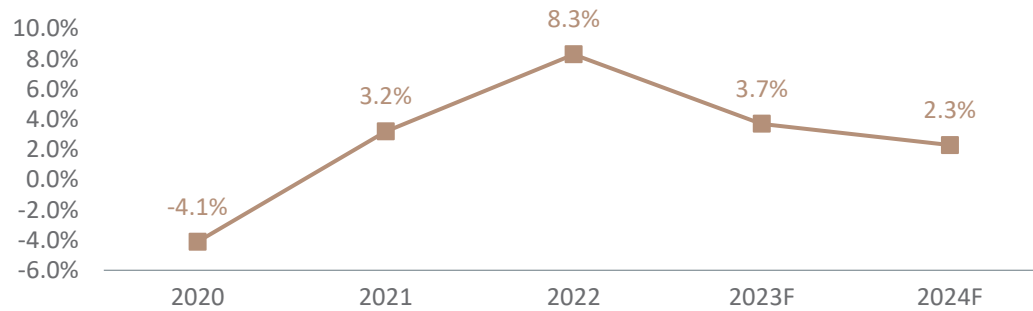
Macroeconomic & Market Overview



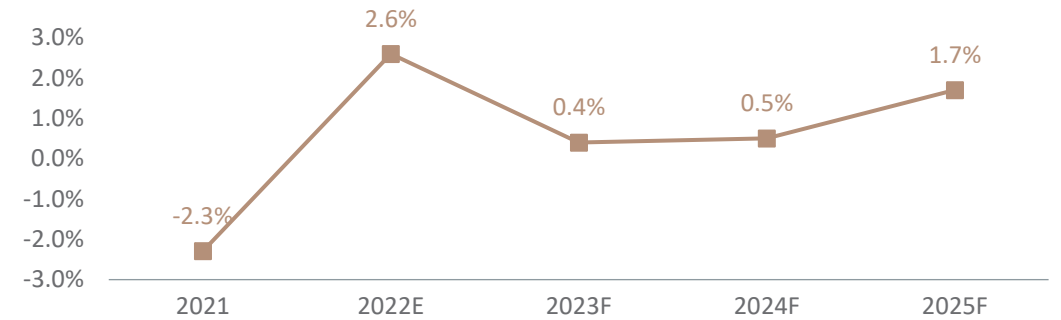
KSA Macroeconomic overview

2022 Was an exceptional year as a result of the higher oil prices

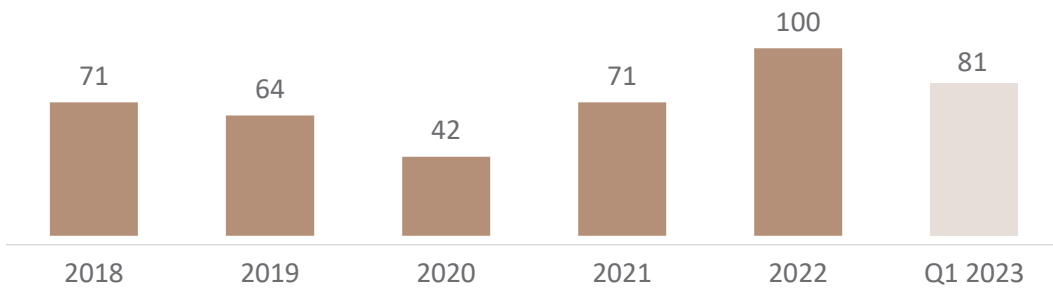
GDP Growth (%)



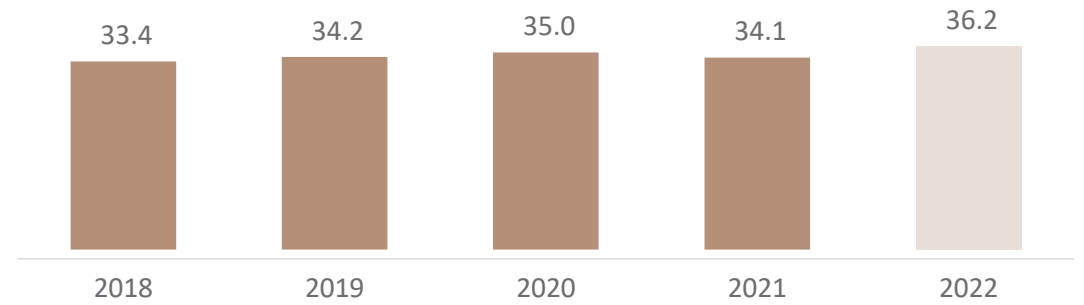
Ksa Budget Surplus / Deficit (%)



Average Brent Oil Prices



KSA Total Population

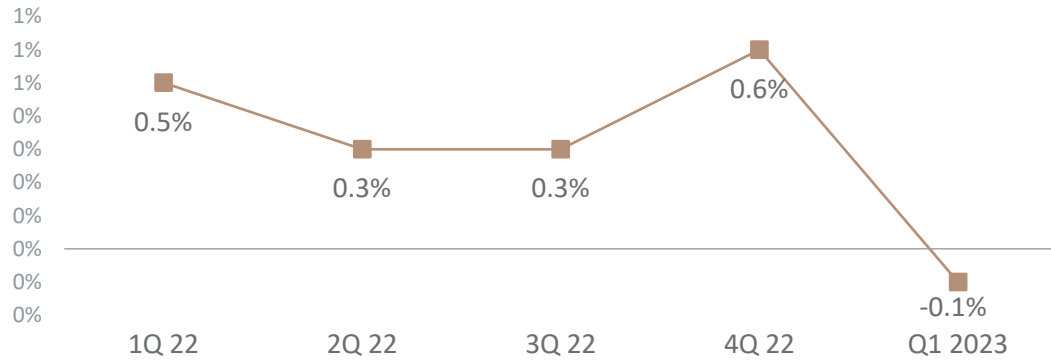




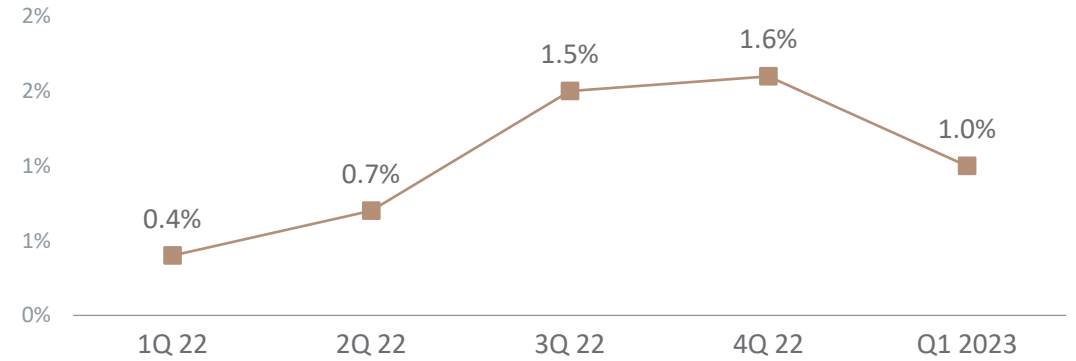
Market overview

The Real estate price index in Q1 2023 started to slow down YoY And decreased QoQ

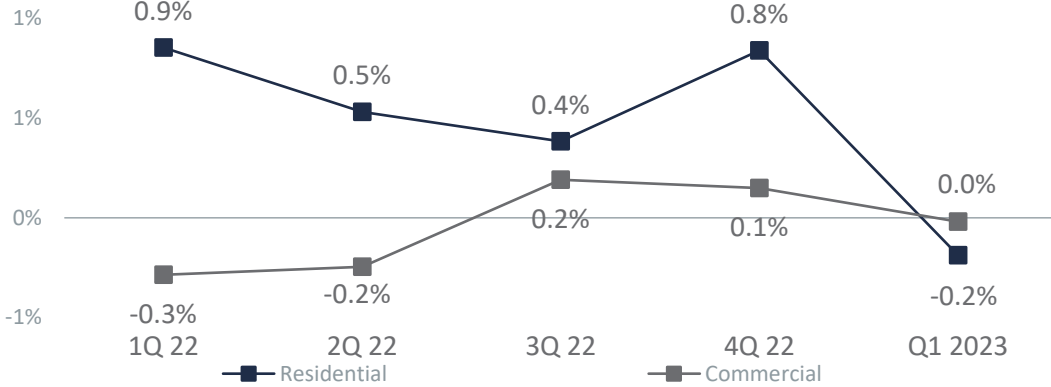
Real Estate Price Index Change QoQ (%)



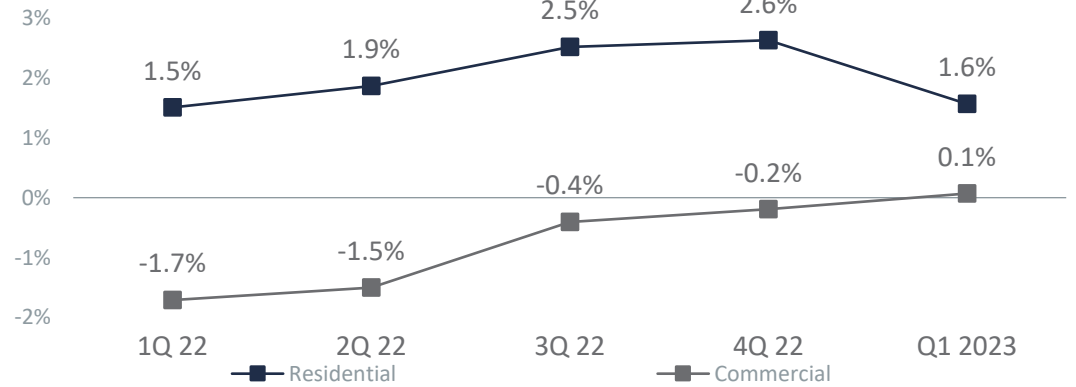
Real Estate Price Index Change YoY (%)



Real Estate Price Index Change by Type QoQ (%)



Real Estate Price Index Change by Type YoY (%)





About Al Akaria



About Al Akaria – Why Al Akaria

“With Our **extensive** experience, **strategic** land bank locations, **diversified** revenue stream, **strong** ownership structure, and a **comprehensive** range of subsidiaries that help us cover the entire real estate value chain, we are well-positioned for significant growth. Our ability to leverage these resources provides a unique and compelling investment opportunity in KSA real estate industry.”

1

Our **Extensive** experience of being a pioneer in the market for 40 years, enables us to identify and capitalize on investment opportunities

2

Our **Strategic** land bank locations are carefully selected to ensure maximum growth and value creation potential

3

Our **Diversified** revenue stream between rental, sales and subsidiaries activities provides the company with a solid foundation and opportunities for growth

4

Our **Strong** ownership structure, with a majority owned by the public investment fund (PIF) the promoter of the 2030 Vision

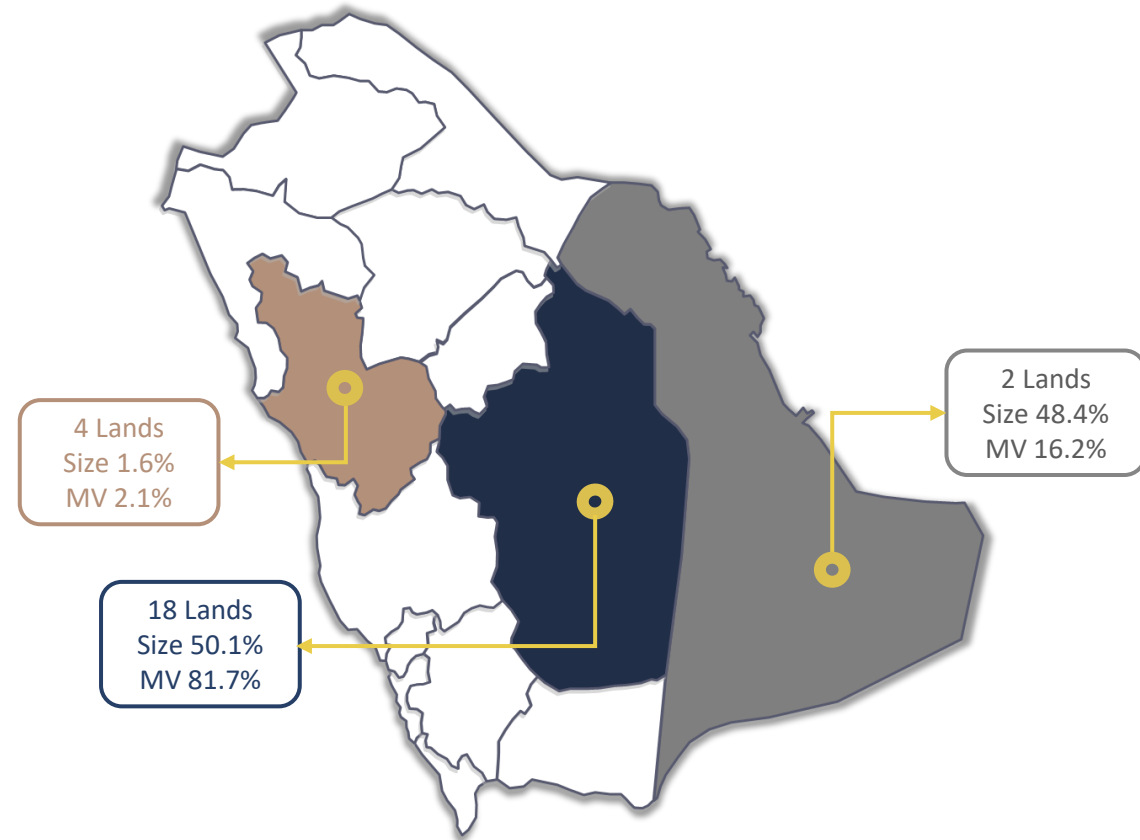
5

Our **Comprehensive** range of subsidiaries helps us cover the entire real estate value chain, allowing us to benefit from the entire chain.



About Al Akaria - Land Bank Locations

Strategic landbank portfolio comprising 24 landholdings covering a total land of 19.9mn sqm

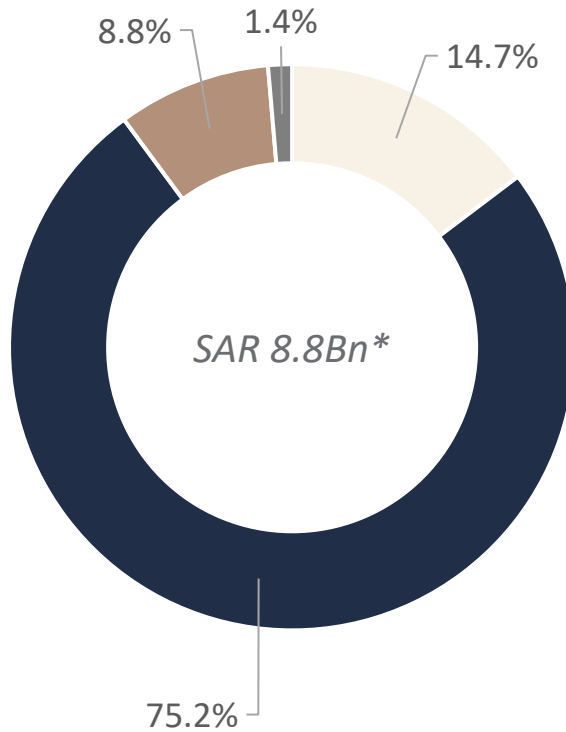




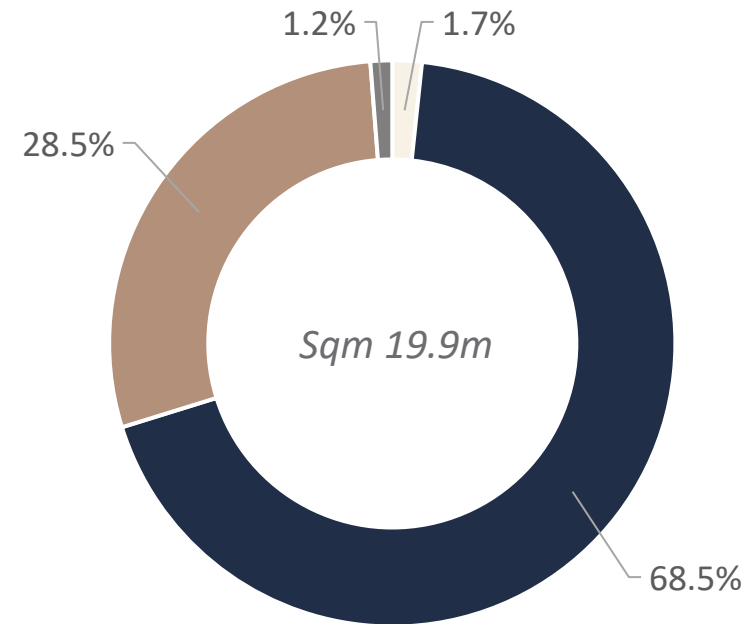
About Al Akaria – Land Use Mix

... of which Raw lands represent the majority

Landbank Distribution by Land Use - Market Value



Landbank Distribution by Land Use - Land Size



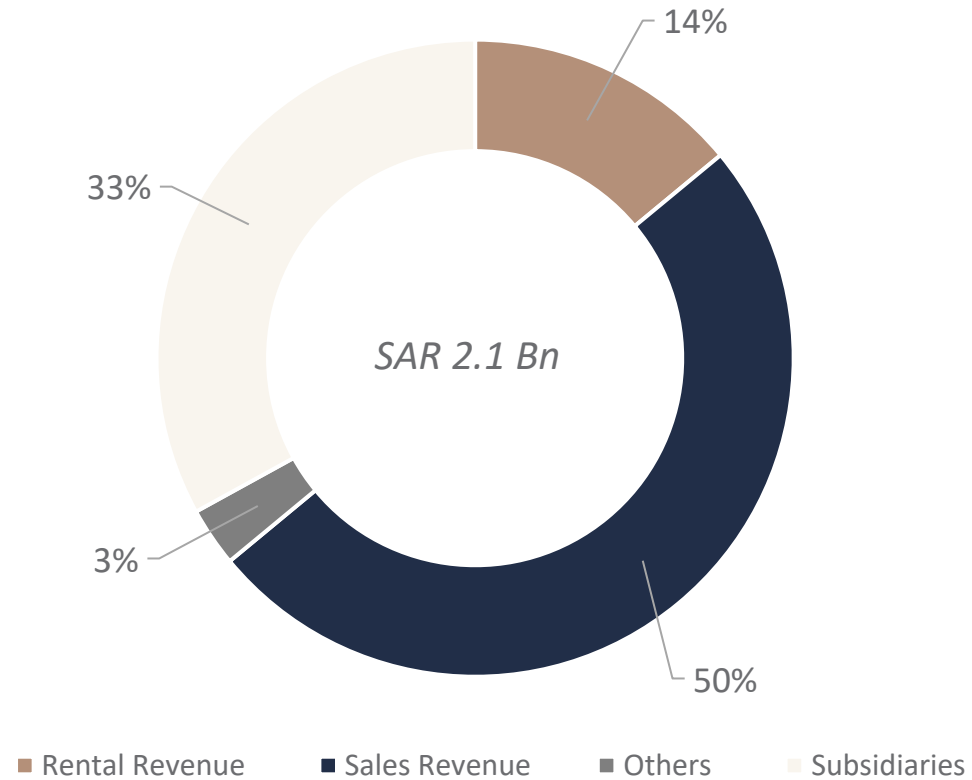
■ Served
 ■ Raw Land
 ■ Industrial
 ■ Agriculture

9 * Market value As of Dec 2022

The landholdings currently under development are excluded from the above.

About Al Akaria – FY 2022 Revenue Streams

Diversified revenue streams, between rental, sales and subsidiaries activities

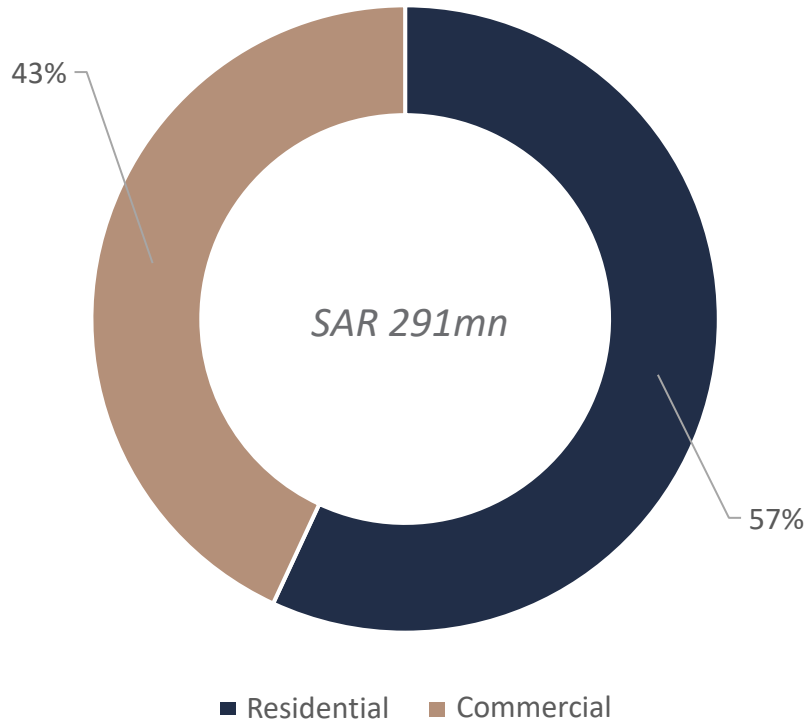




About Al Akaria– Rental Revenue

Stable revenues from a balanced combination of commercial and residential rental properties

FY 2022 Rental Revenue Breakdown



Commercial (247k Sqm)

AL Akaria 3 Centers (1,2&3)

- Office GLA 102,173 sqm
- Retail GLA 30,649 sqm

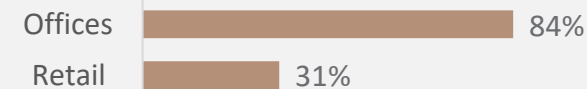
Akaria Plaza

- Office GLA 74,789 sqm
- Retail GLA 4,667 sqm

Akaria Sitteen Centre

- Office: GLA 33,467 sqm
- Retail: GLA 1,039 sqm

Commercial Occupancy Rate



Residential (1,816 units)

Olaya Residential Compound

Apartment 971 units

Diplomatic Quarter Residence

- Villas & duplex 493 units
- Apartment 190 units

La Casa Residential Compound

- Villas 31 units
- Apartment 131 units

Residential Occupancy Rate

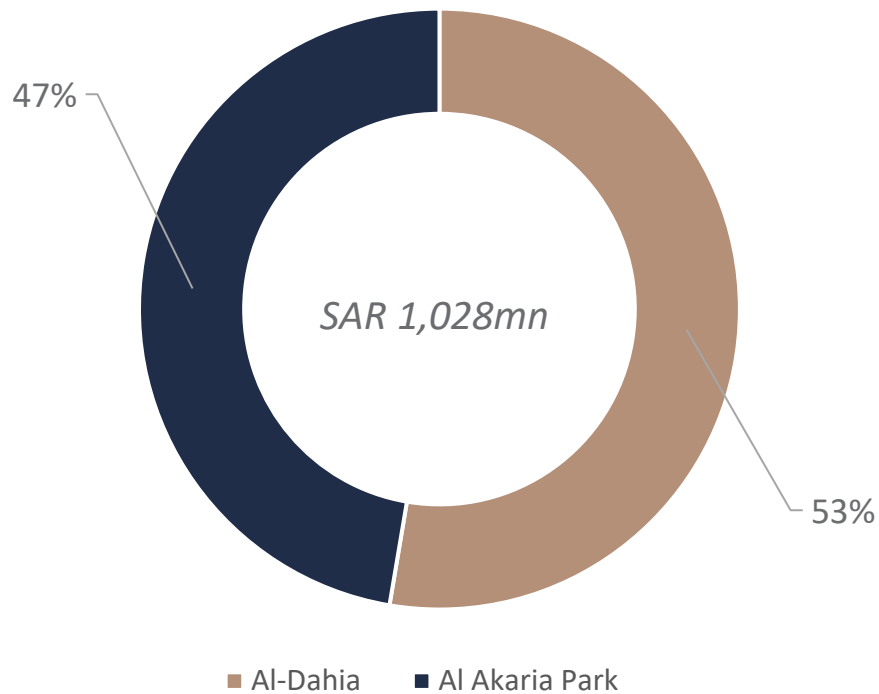




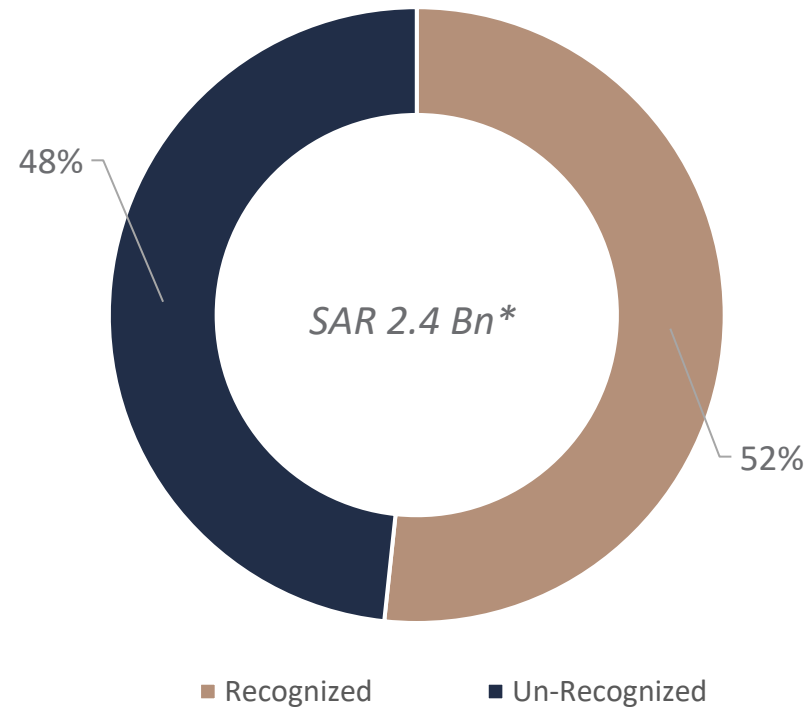
About Al Akaria– Developed Projects Sales Revenue

Sales of developed projects (lands and units) fueled our growth in 2022, and it will continue to play a crucial role moving forward

FY 2022 Developed Projects Sales Breakdown



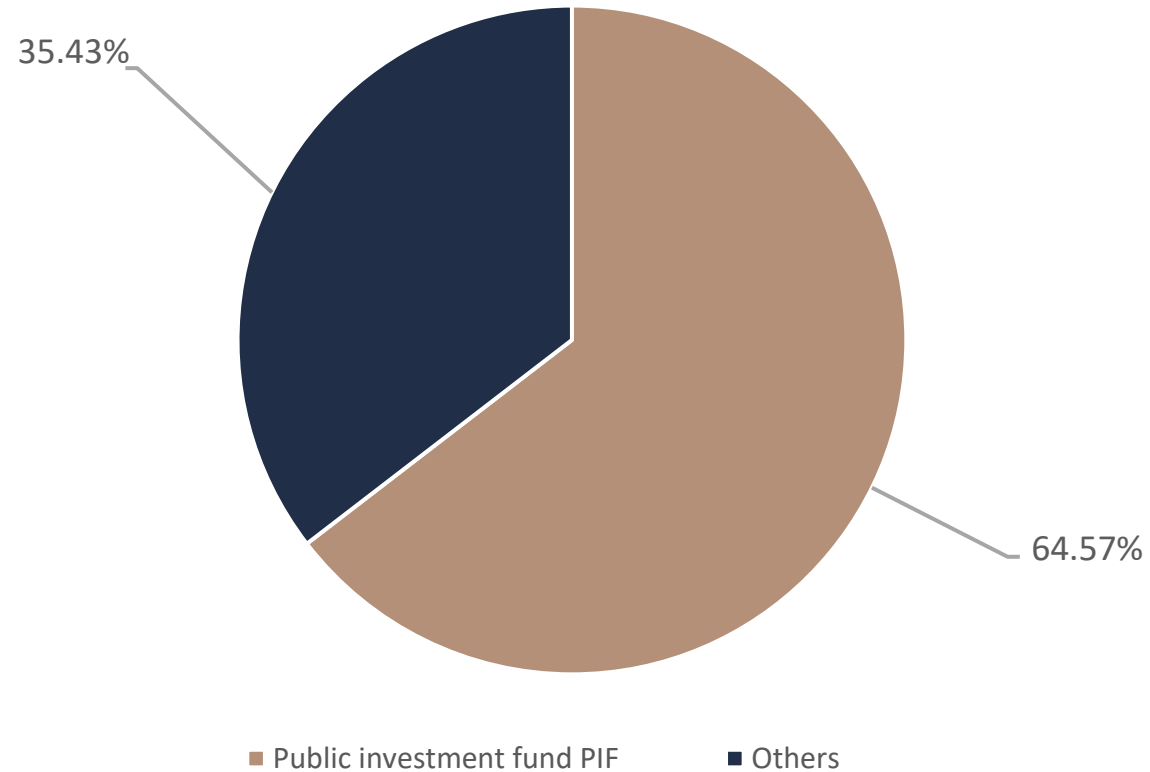
Recognized vs Unrecognized Revenue





About Al Akaria– Ownership Structure

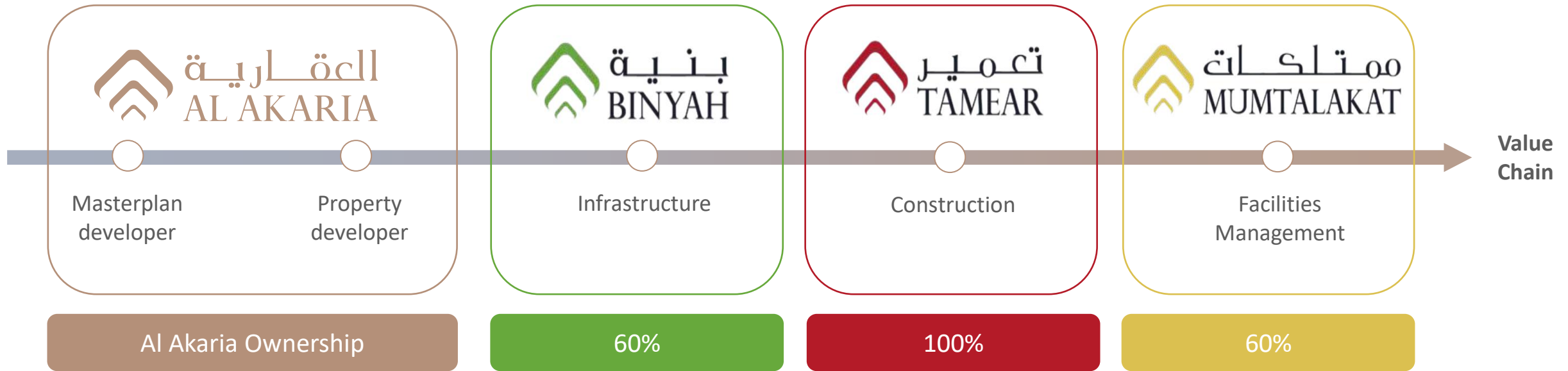
The Public Investment Fund (PIF) is the main shareholder of Al Akaria





About Al Akaria – Subsidiaries

Al Akaria and its subsidiaries cover the entire real estate value chain





Our Strategy

Al-Akaria Corporate Strategy Overarching

1 Our Vision

To build the finest living experience in the Kingdom of Saudi Arabia ...

2 Our Mission

Redefining real estate experiences to be human-oriented, by adopting modern & innovative concepts ...

3 Target Market

- Saudi Arabia with particular focus on Riyadh City, the Capital of KSA
- PIF Newly Established Destinations

4 Sector Focus / Pipeline Projects



Residential Communities



Mixed-Use (+ Hospitality) Destinations



Business Office Parks



Lifestyle Commercial Centers



Masterplan (Land) Development

5 Targeted Segments



Mid & upper middle-income households seeking reasonably priced/contemporary housing units or serviced lands in master-planned communities...



Corporates and office occupiers seeking different sized office units within office park format supported with wide range of facilities/amenities & ample car parking ...



Business & leisure travelers seeking upper upscale hospitality offering integrated with F&B, retail and office space facilities



Households & individuals seeking retail & leisure dwelling experience that offers varied retail, food & beverage, and entertainment offerings ...

6 Operating Model Synopses

A Real Estate Investment



We invest in real estate projects to sustain and grow the Company's assets & income generating portfolio, whilst recycling projects returns (from development properties) into future investments ...

B Property Development



We develop our real estate projects through our specialized development management, and work closely with top-tier architectural and engineering firms to deliver our projects within budget, time-schedule and targeted positioning ...

C Property Management



We manage our income-generating portfolio through our property management arm including all leasing & property administration activities, CRM, rent collection & reconciliation, etc.), and we contract with 3rd-party service providers for facility management and security services ...

D Property Sales & Marketing







We launch our residential lands/units' sales through our in-house sales & marketing executives, whilst utilizing different sales & market platforms and channels with our marketing & branding agencies ...

Our 5 years Strategy – Track pillars and progress made (2021-2025)

Significant progress has been made since the launch of the strategy.

The Legacy Akaria

The New Akaria

	 Fix The Basics	 Recharge Engine 1	 Restructure Corporate Portfolio	 Grow Engine 2
Track Pillars	<ul style="list-style-type: none"> • Debt restructuring & Capital raising • Improve lands composition • Improve profitably • Improve liquidity • Upgrade Operating Model 	<ul style="list-style-type: none"> • Regain our leadership position in Riyadh • Exit select underperforming assets 	<ul style="list-style-type: none"> • Optimize corporate portfolio by the divestment of subsidiaries which are underperforming 	<ul style="list-style-type: none"> • Focus on Residential developments • Develop medium-scale mixed-use projects • Opportunistically undertake PPP/ BOT with Giga/Mega projects
Progress since 2021	<ul style="list-style-type: none"> ✓ The SAR 1.6 billion capital raise and SNB/PIF loans restructuring have been successfully completed in 2022 ✓ Aljazeera and alRiyad bank loans were settled ✓ Two non-core lands were sold ✓ Revenue doubled in 2022 ✓ Current ratio increased to 2.18 in 2022 from 0.53 in 2021 ✓ By the end of 2022, the issuance of policies, procedures, organizational structure, and authority matrix were completed 	<ul style="list-style-type: none"> ✓ There are currently three ongoing projects and three approved projects undergoing development in Riyadh. And all upcoming new projects are also located in Riyadh. ✓ Alakaria exited Jadwa Healthcare Fund 	<ul style="list-style-type: none"> ✓ Divestment from Edarrah 	<ul style="list-style-type: none"> ✓ Notable expansion in residential development, with three ongoing projects, two already approved, and two more in the planning stage. ✓ Three new projects have been introduced to help enhance focus in mixed-use projects ✓ Al Akaria and its subsidiaries have been involved in partnerships for large-scale projects such as Roshn and Diriyah Gate.



Financial Performance



Financial Performance – Summary

Overall improvement in profitability driven by higher revenues

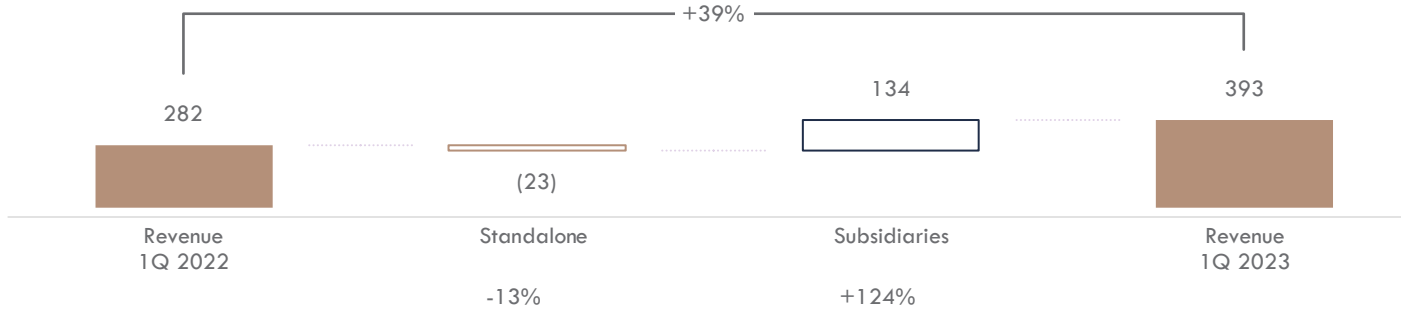




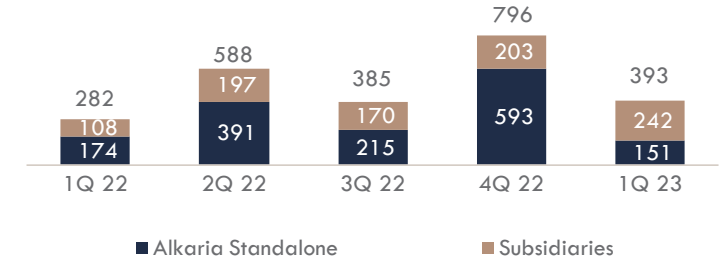
Financial Performance – Revenue

Revenue experienced a healthy 39% YoY growth, driven by the strong performance of our subsidiaries.

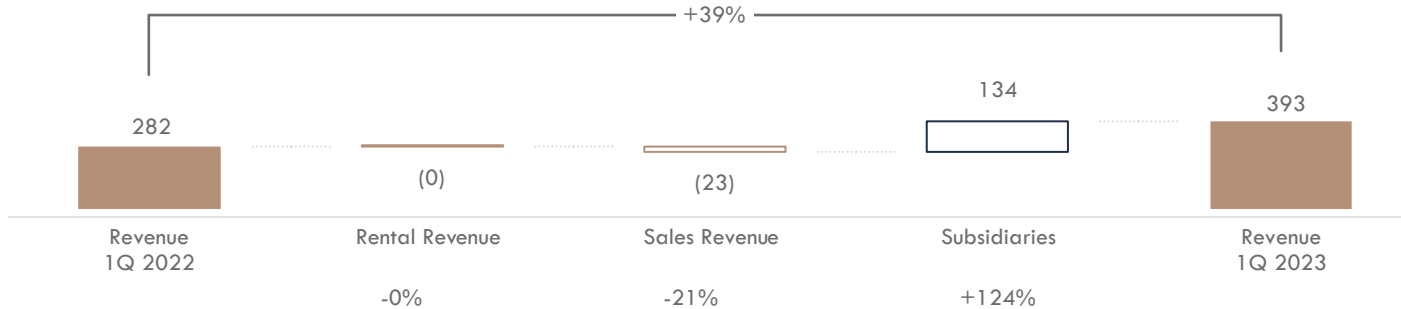
Revenue Movement YoY (SARmn)



Revenue Trend (SARmn)



Revenue Movement YoY by Segments (SARmn)

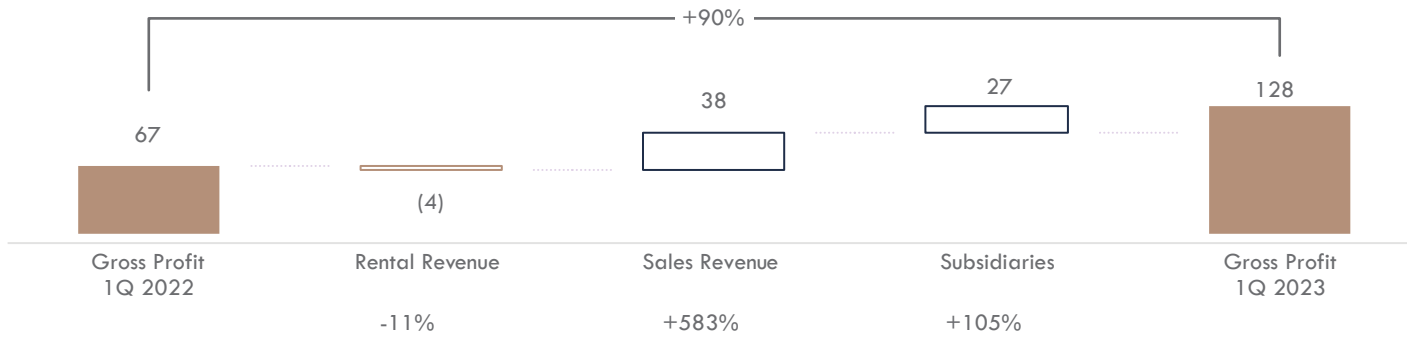


- 1Q 2023 saw a 39% YoY revenue increase driven by subsidiaries' performance +124% YoY, partially offset by a drop in Al Akaria stand-alone revenue by 13% YoY
- The decrease in standalone performance is attributed to Al-Dahia project, where a significant portion of the revenue was recognized in 2022, partially offset by increased revenue from Alakaria Park in 1Q 2023
- Rental revenue remain flat YoY

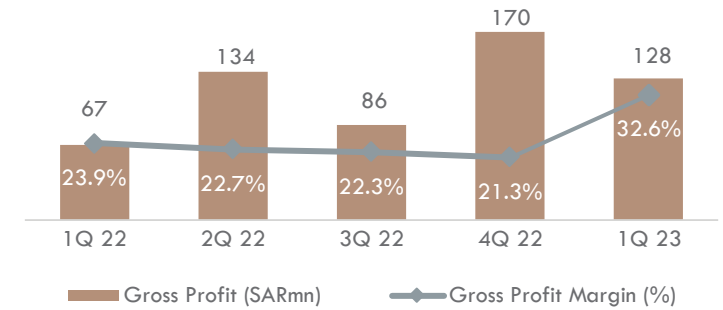
Financial Performance – Gross Profit and EBITDA

Higher revenue led to an improvement in its GP and EBITDA margins in 1Q 2023.

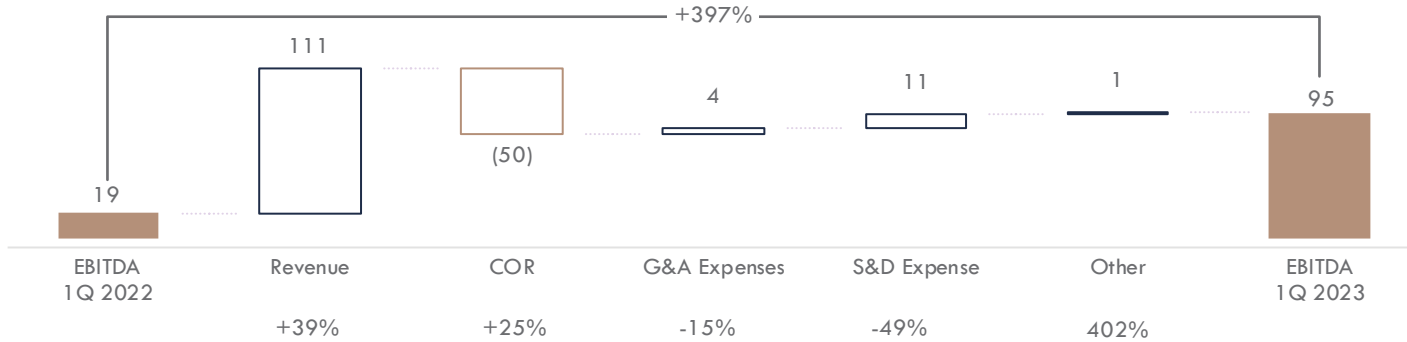
Gross Profit Movement YoY by Segments (SARmn)



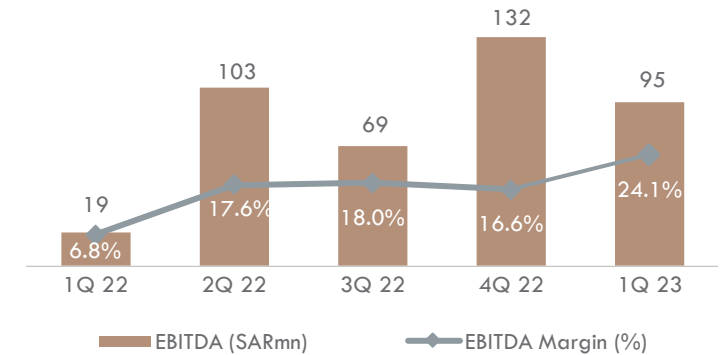
Gross Profit Trend (SARmn)



EBITDA Movement YoY (SARmn)



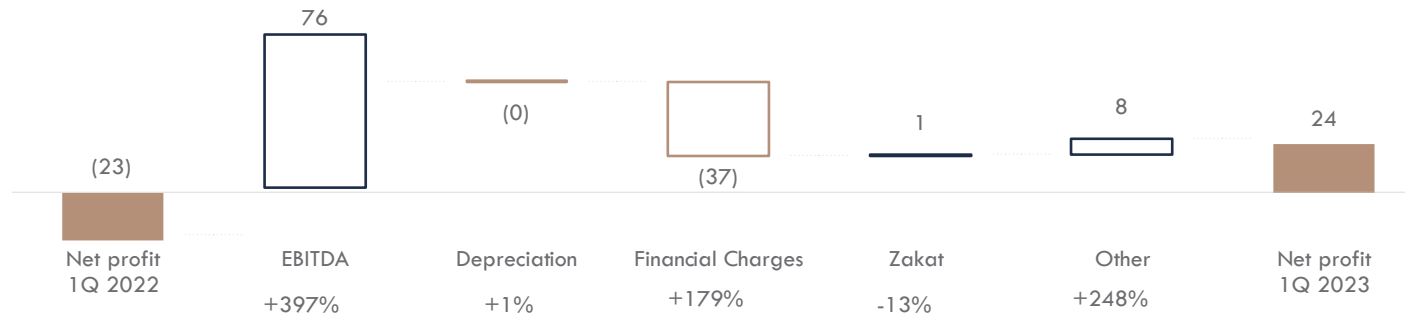
EBITDA Trend (SARmn)



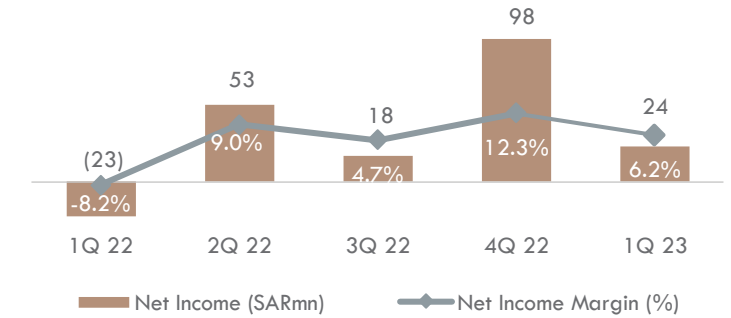
Financial Performance – Net Income

Improvement in net income and net income margin driven by the higher EBITDA

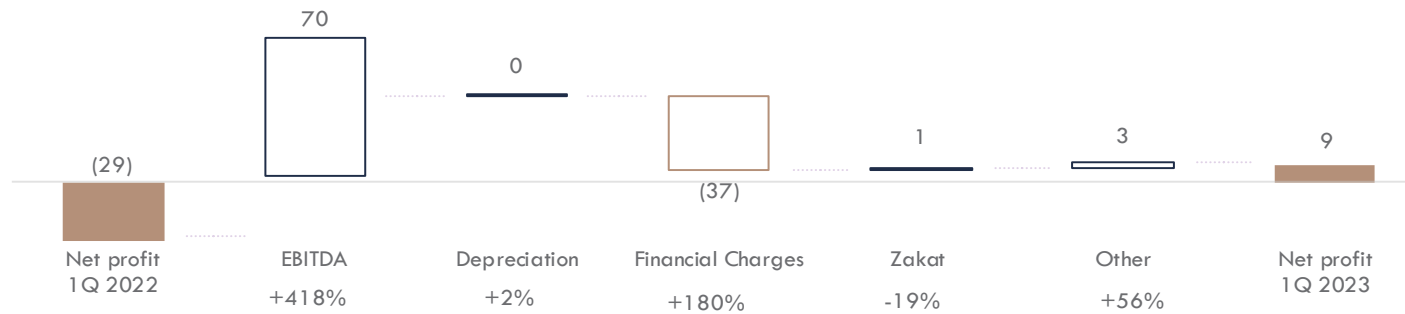
Total Net Profit Movement YoY (SARmn)



Net Income Trend (SARmn)



Net Profit Allocated To Parent Company Movement YoY (SARmn)



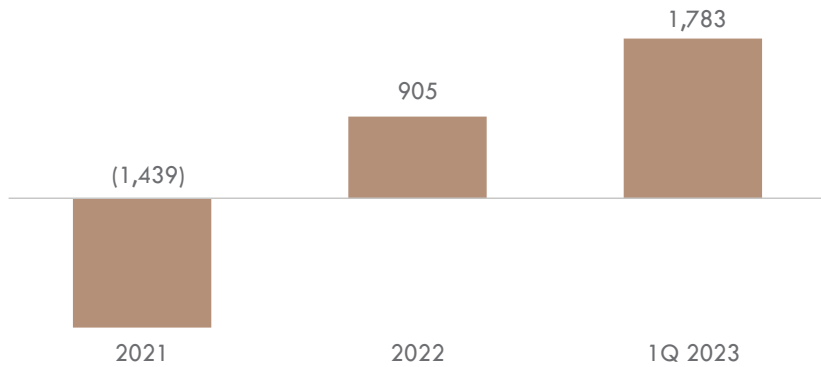
- Total net income increased to SAR 24mn, Driven by the higher revenue partially offset by higher Financial Charges
- Net income allocated to the parent increased to SAR 9mn
- The increase in Financial charges is driven by the increase in interest rates in 1Q 2023
- Other income increased by 248% YoY, mainly due to time deposits income



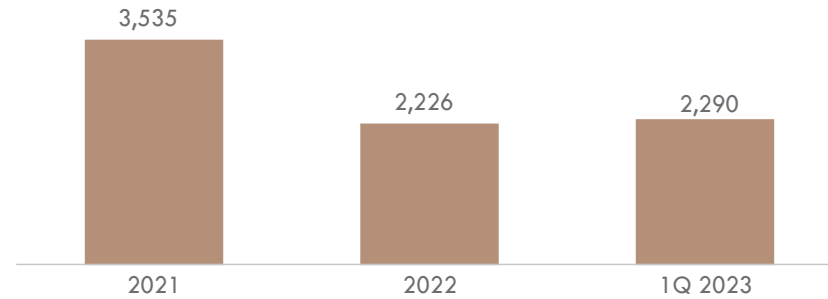
Financial Performance –liquidity & leverage

Al Akraia has made significant progress in 2022, and this improvement has continued in 1Q 2023

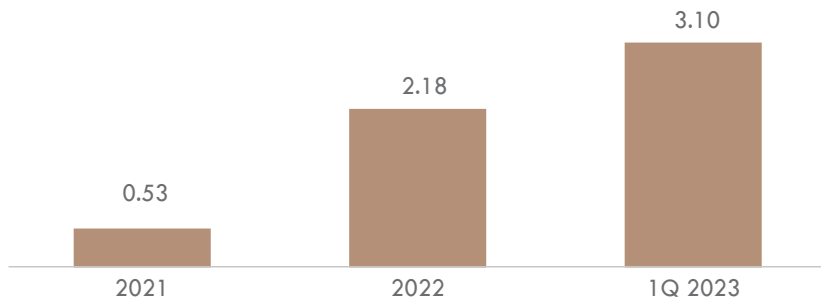
Working Capital (SARmn)



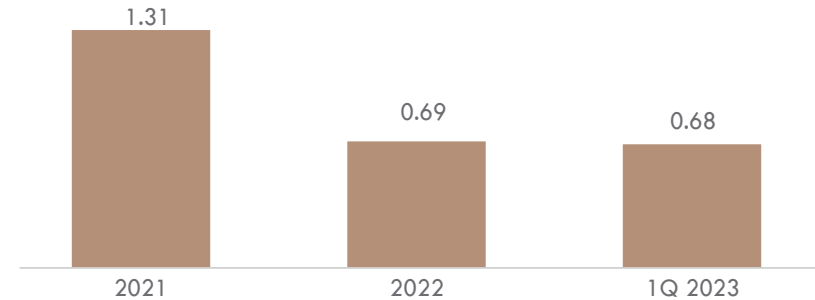
Net Debt (SARmn)



Current Ratio



Debt / Equity





Restricted lands



Restricted land– Al Widyan

About Al Widyan
Land

Total Land Area

Sqm 7.0mn

Carrying Value

SAR 2.2bn

Market Value

SAR >4.0bn

As of Dec 2022

Land Summary

- Al Akaria invested in the land for Al Widyan project.
- Al Akaria was informed by the government that the land is located in an area currently under study by relevant government agencies for development
- This may cause a fundamental change in the original project (Al Widyan).
- *The impact is still uncertain and depends on the development plan by the relevant government agencies*

Update as of today

Al Akaria management is discussing how this land will be treated with related government agencies.



Not available for use lands

About the lands

Total Land Area

Sqm 10.2m

Carrying Value

SAR 417mn

Market Value

SAR 2.1bn

As of Dec 2022

Lands Summary

- Al Akaria lands, which are located in Benban, Al Aarid and AlDammam industrial are currently not available for use or development
- *The land restriction is mainly due to their location*
- *The impact is still uncertain and depends on the results of the discussion*

Update as of today

Al Akaria management is currently in discussion with related government agencies and committees to enable lands use.



Projects overview



Projects Under Development (PUDs)



PUDs - Al-Akaria Park (Freehold) – Riyadh



Project Summary

Alkaria Park Masterplan is located in East of Riyadh. featuring 3,222 villa plots, 33 apartment plots and 46 commercial plots. The project is under construction and expected to be completed by Q2/2024

1.9mn Sqm

Land Area

1.1mn Sqm

Gross Sellable Area

Landmarks Pioneer

Masterplan Urban Designer

Status

Under Construction

1,829

No. of Sold Contract*

SAR 776MN

Value of sold Contract*

Sellable Land Area Mix



■ Villa ■ Commercial ■ Apartment

PUDs - Al-Reef Residential Community (Leasehold) – Riyadh



Project Summary

Al-Reef project is the first self-integrated residential community in the Diplomatic Quarter offering various housing solutions, including 64 villas and duplexes and 167 apartments supported with state-of-art communal facilities.

39,010 Sqm

Land Area

53,577 Sqm

Gross Floor Area

Chapman Taylor

Architectural/Engineering:

Status

Tendering & Excavation

GFA Mix



■ Villas ■ Apartments ■ Retail



PUDs - Porta Jeddah Mixed-use Destination (Leasehold) – Jeddah



Project Summary

Porta Jeddah leisure & work destination will feature 238 keys lifestyle hotel & serviced apartments in addition to retail/dinning/entertainment components with GFA of 22,091 sqm & Grade B+ office space occupying 26,928 sqm

47,971 Sqm

Land Area

75,964 Sqm

Gross Floor Area

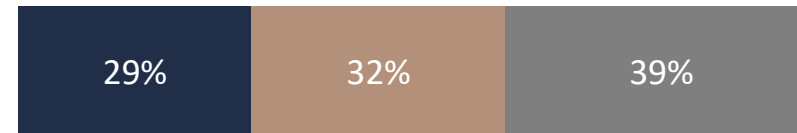
Chapman Taylor

Architectural/Engineering:

Status

Tendering & Excavation

GFA Mix



■ Hotel ■ Retail ■ Office



PUDs - Fai Sedra (1) Residential Project (Freehold) - Riyadh



Project Summary

Fai Sedra (1) is a residential scheme located within Sedra Masterplan Phase 1 offering 155 villa units with a design inspired by the Salmani Architecture

44,368 Sqm

Land Area

44,368 Sqm

Gross Floor Area

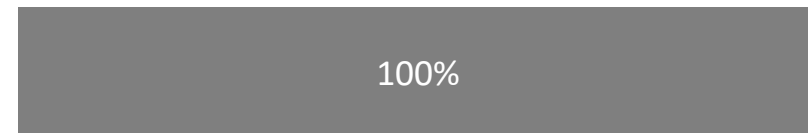
Bandar AlMansoor

Architectural/Engineering:

Status

Design Stage

GFA Mix



■ Villa



Approved Pipeline Projects



Approved projects - L'Avenir Mixed-use Destination (Leasehold) – Riyadh



Project Summary

L'Avenir is a leisure and work destination that will feature lifestyle hotel offering 252 keys in addition to retail/ dining/ entertainment with GFA of 13,478 sqm and co-working space occupying 1,755 sqm

25,500 Sqm

Land Area

38,567 Sqm

Gross Floor Area

Chapman Taylor

Architectural/Engineering:

Status

Design Stage

GFA Mix



■ Hotel ■ Business Center ■ Retail



Approved projects - Fai Sedra (2) Residential Project (Freehold) - Riyadh



Project Summary

Fai Sedra (2) is a residential scheme located within Sedra Masterplan Phase 2 offering 290 villa units with a design inspired by the Salmani Architecture

92,450 Sqm

Land Area

110,940 Sqm

Gross Floor Area

AHB

Architectural/Engineering:

Status

Design Stage

GFA Mix

100%

■ Villa



Approved projects - Vyda Residential Project (Freehold) Riyadh



Project Summary

Vyda is a residential scheme located within Akaria Park Masterplan offering 280 villa units. The project is a joint venture (JV) between Al-Akaria and Al-Tahaluf

89,129 Sqm

Land Area

119,849 Sqm

Gross Floor Area

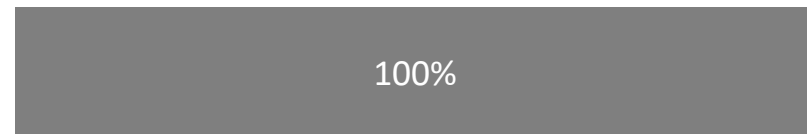
A4 Architects

Architectural/Engineering:

Status

Design Stage

GFA Mix



■ Villa



Upcoming Pipeline Projects



Upcoming Projects- Tilal Commercial Centre (Leasehold) - Riyadh



Project Summary

Flamingo Lifestyle Centre is an Outdoor Lifestyle Center features a cluster of F&B and retail shops offering 12,922 sqm of GFA and office space occupying 6,439 sqm

21,561 Sqm

Land Area

19,360 Sqm

Gross Floor Area

Benoy

Architectural/Engineering:

Status

Design Stage

GFA Mix



■ Retail ■ Office



Upcoming Projects- Narjes Business Park (Freehold) - Riyadh



Project Summary

Narjes business park will feature low-rise office buildings with GFA of 39,197 sqm and a cluster of F&B and retail shops offering 4,352 sqm of GFA

40,000 Sqm

Land Area

43,549 Sqm

Gross Floor Area

KEO

Architectural/Engineering:

Status

Design Stage

GFA Mix



■ Office ■ Retail



Upcoming Projects- Al-Akaria (1) Mixed-Use (Leasehold) –Riyadh



Project Summary

Al-Akaria (1) is a transit-oriented development (TOD) offering 214 keys internationally branded hotel and a promenade featuring 17,350 sqm of F&B and retail GFA alongside 35,000 sqm of collaborative office space and 243 apartment units

30,215 Sqm

Land Area

86,350 Sqm

Gross Floor Area

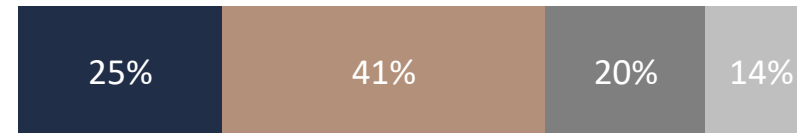
10Design

Architectural/Engineering:

Status

Design Stage

GFA Mix



■ Apartment ■ Office ■ Retail ■ Hotel

Upcoming Projects - Sitteen Vertical Residential (Freehold) - Riyadh



Project Summary

Sitteen project is the vertical residential community offering various size of apartment unit including 320 apartments supported with state-of-art communal facilities and retail shops occupying 1,548 sqm on the ground floor

9,857 Sqm

Land Area

32,827 Sqm

Gross Floor Area

IDC

Architectural/Engineering:

Status

Design Stage

GFA Mix



■ Apartment ■ Retail



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