



Al Akaria Q3 2023 Earnings Presentation

7 November 2023

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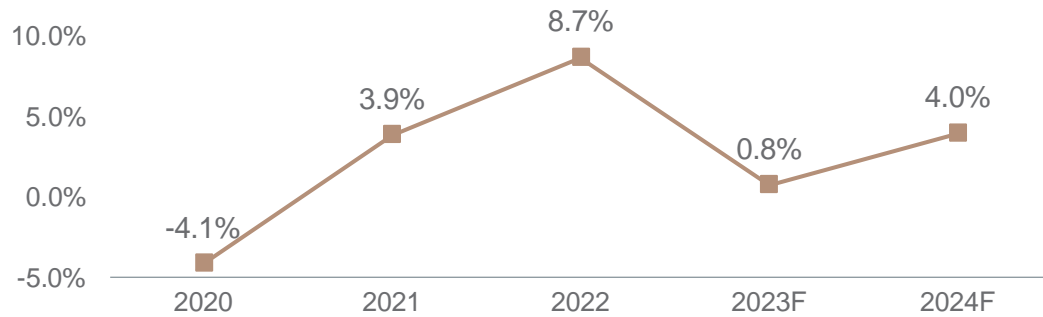
Macroeconomic & Market Overview



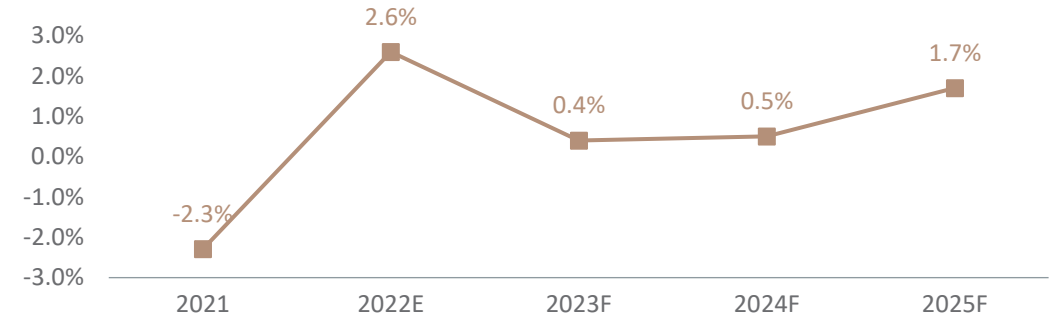
KSA Macroeconomic overview

Overall, Saudi economic growth is expected to slow down in 2023 as a result of the oil production cuts

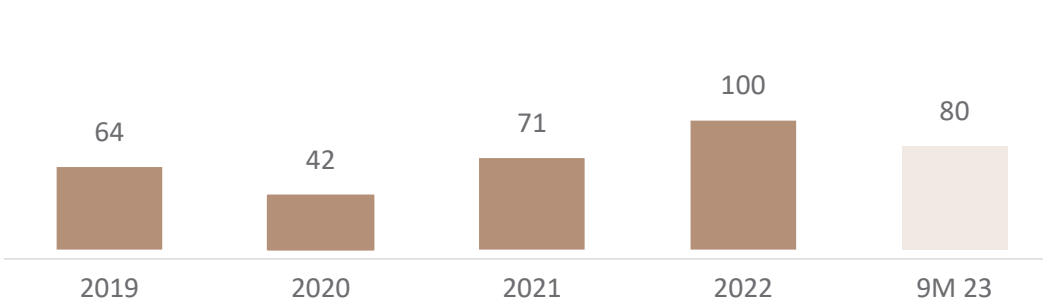
GDP Growth (%)



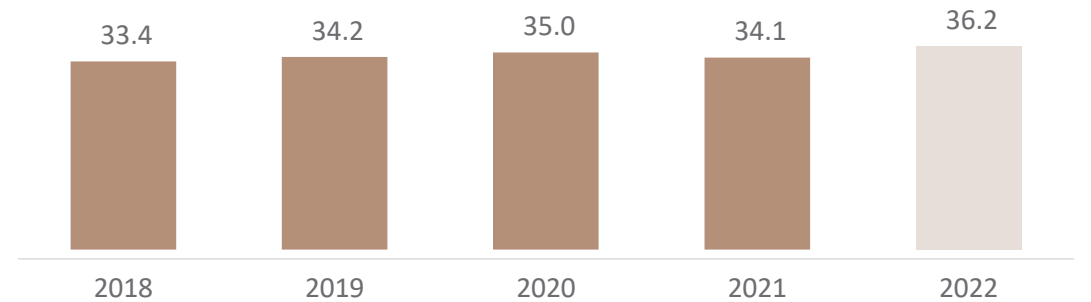
Ksa Budget Surplus / Deficit (%)



Average Brent Oil Price (USD)



KSA Total Population

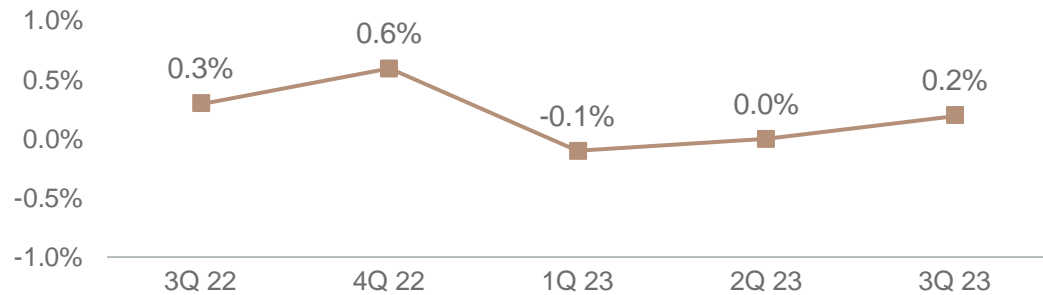




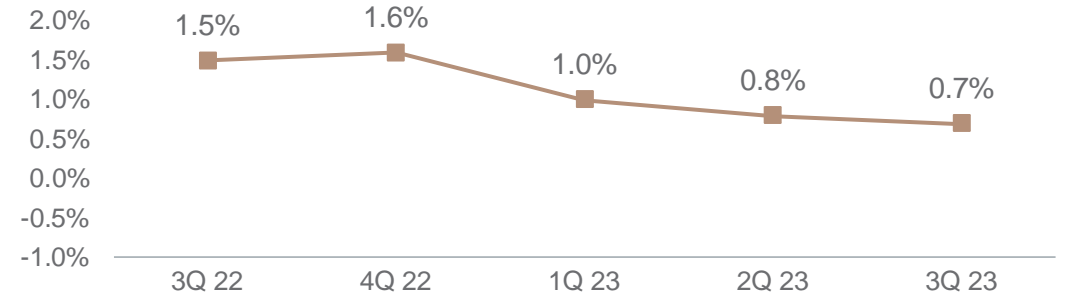
Market overview

Prices increased in 3Q 2023 by 0.7% YoY mainly as a result higher residential properties prices

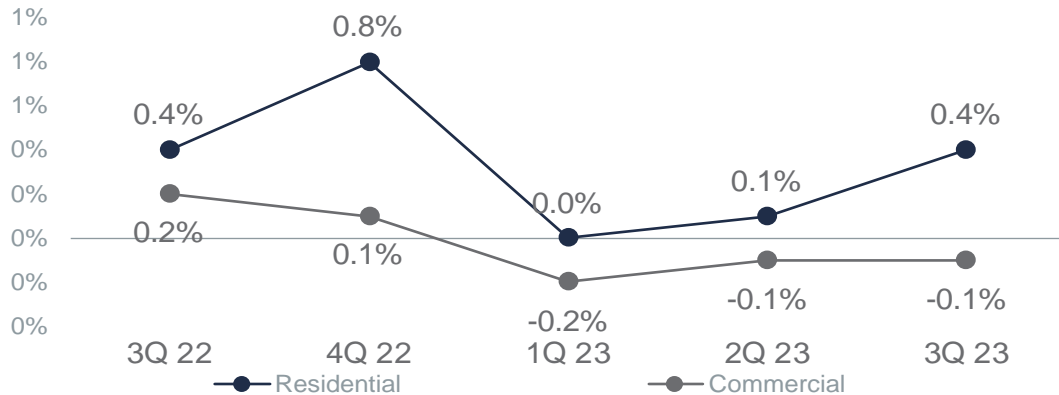
Real Estate Price Index Change QoQ (%)



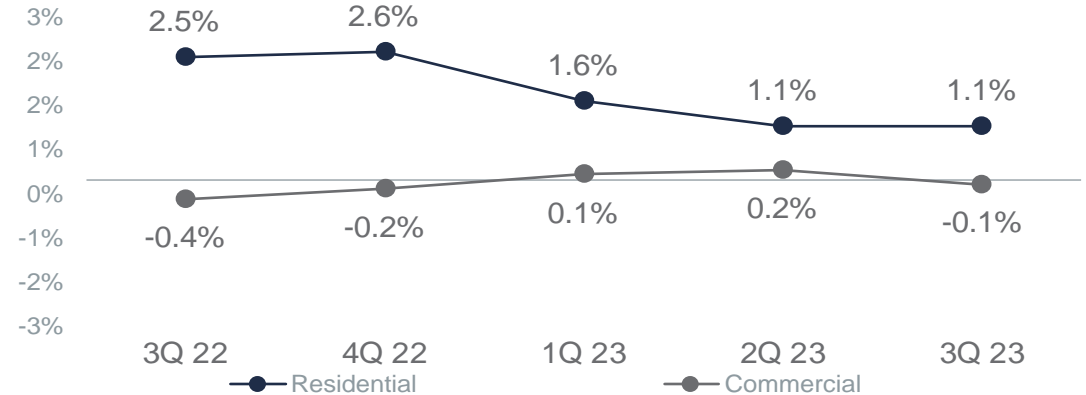
Real Estate Price Index Change YoY (%)



Real Estate Price Index Change by Type QoQ (%)



Real Estate Price Index Change by Type YoY (%)



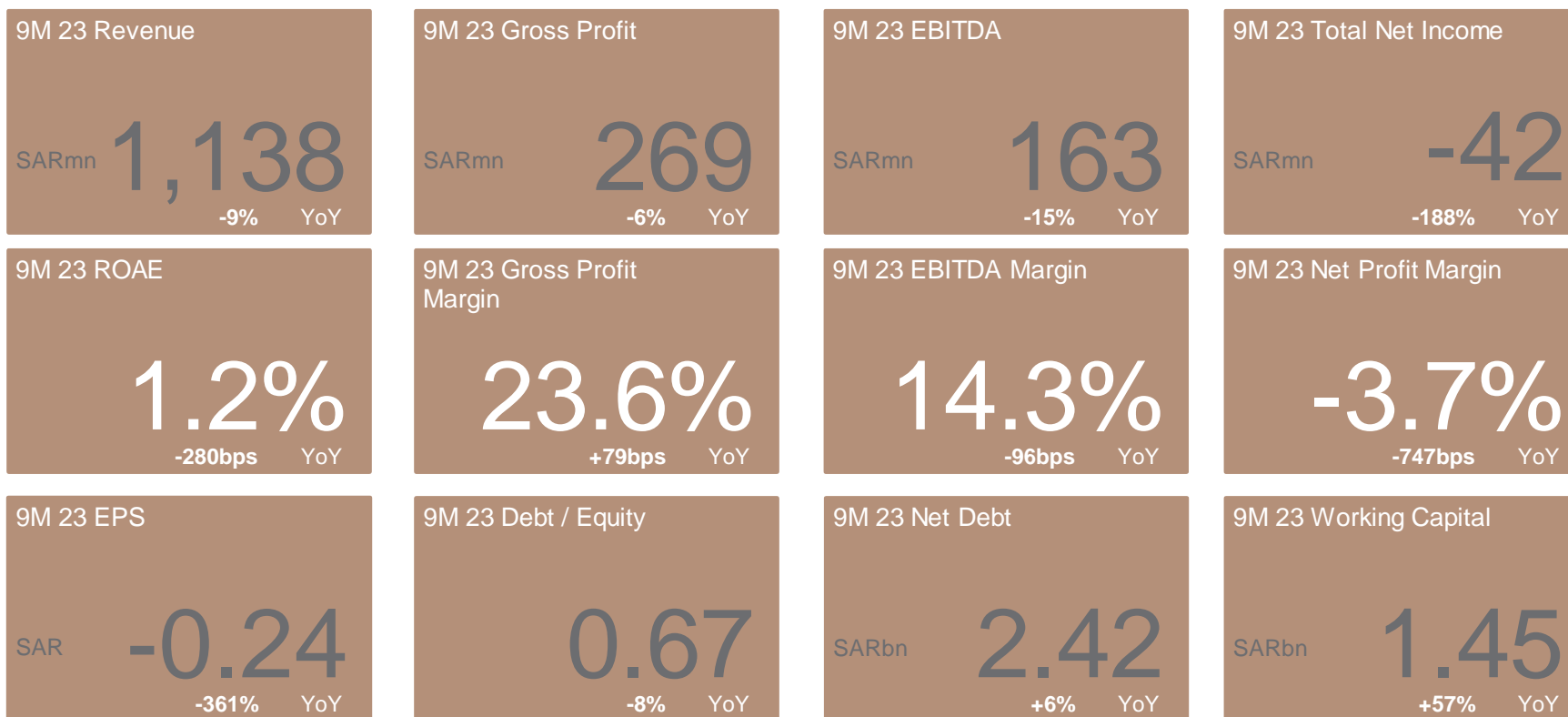


Financial Performance



Financial Performance – Summary

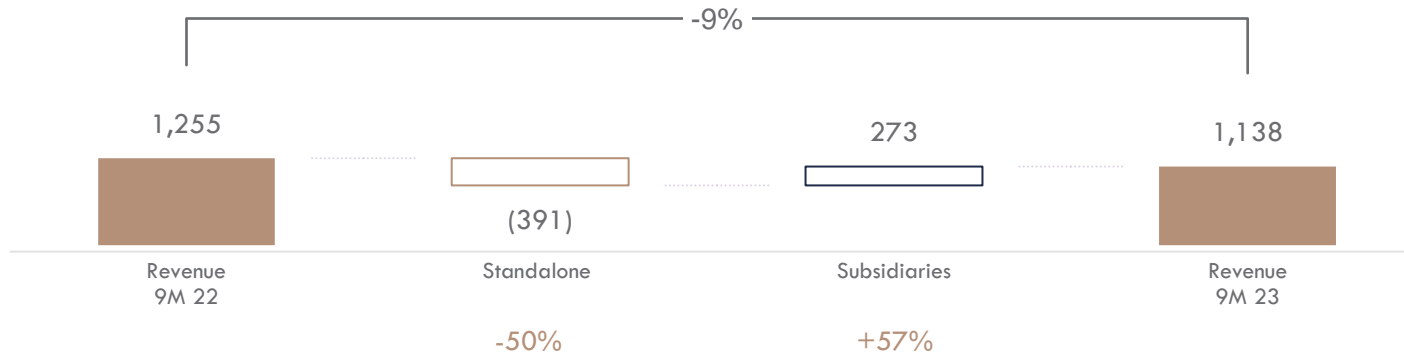
Net income in 9 months of 2023 was impacted by higher financial charges and Tamear losses



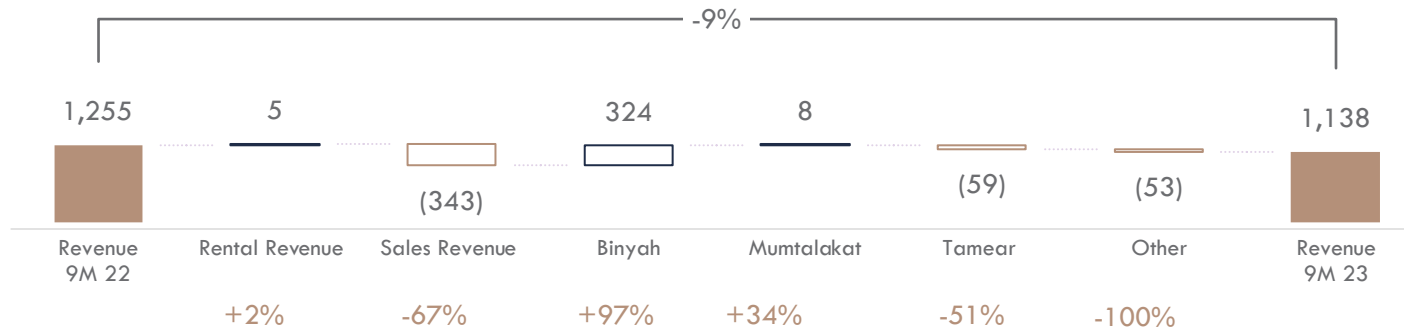
Financial Performance – Revenue

9M 2023 Revenue decreased by 9% YoY, due to a decline in sales revenue and Tamear's performance

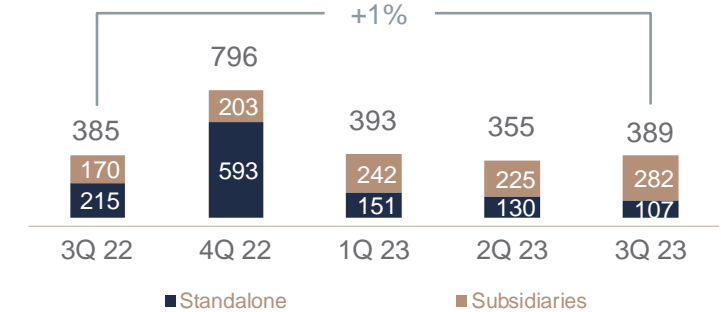
Revenue Movement YoY (SARmn)



Revenue Movement YoY by Segments (SARmn)



Total Revenue (SARmn)

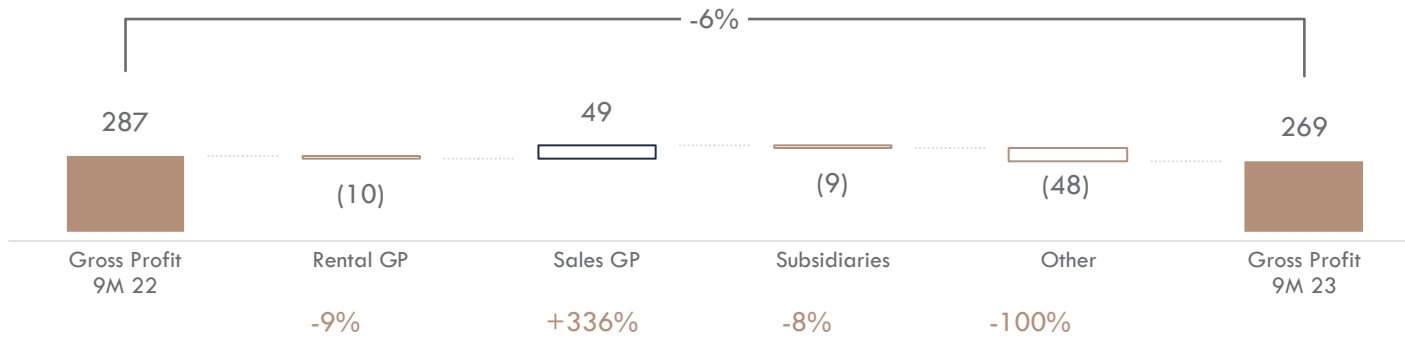


- 3Q 2023 revenue increased by 1% due to Binyah's outstanding performance, which shows an increase of 146% YoY. This was offset by Tamear loss and the decrease in sales revenue.
- 9M 2023 Revenue decreased by 9% YoY. This was mainly due to Al-Dahia project, which was primarily recognized in 2022, and Qurtaba land sale in 2Q 2022 had an impact of SAR 53mn.
- Subsidiary's performance in 9M 2023 increased by 57% YoY. Binyah primarily drove this growth, partially offset by Tamear's underperformance.
- Rental revenue was higher by 2% YoY due to increasing the rental prices during 2023 as contracts are renewed during the year.

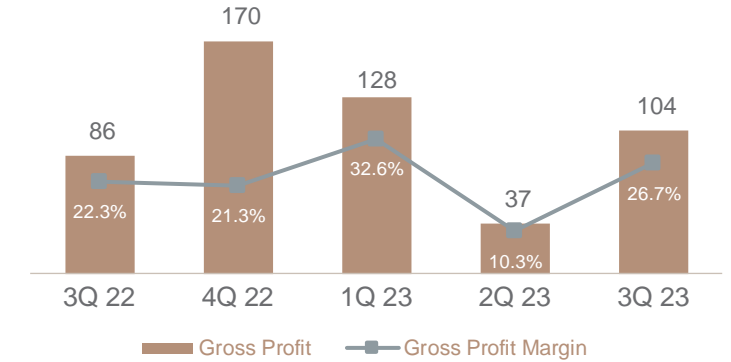
Financial Performance – Gross Profit and EBITDA

In 3Q 2023, margins improved YoY due to Alakaria Park higher margins compared to Al-Dahia in 2022

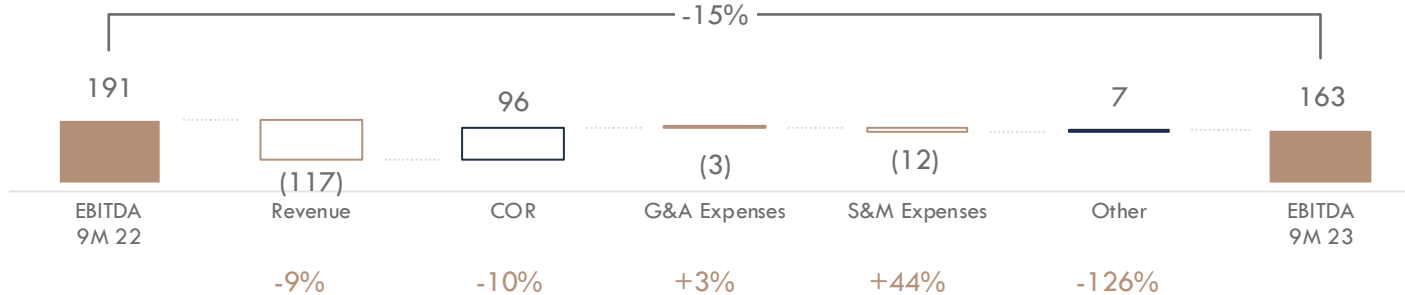
Gross Profit Movement YoY (SARmn)



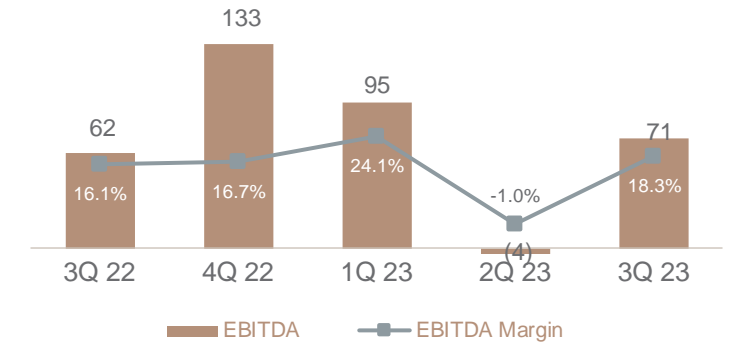
Gross Profit Trend (SARmn)



EBITDA Movement YoY (SARmn)



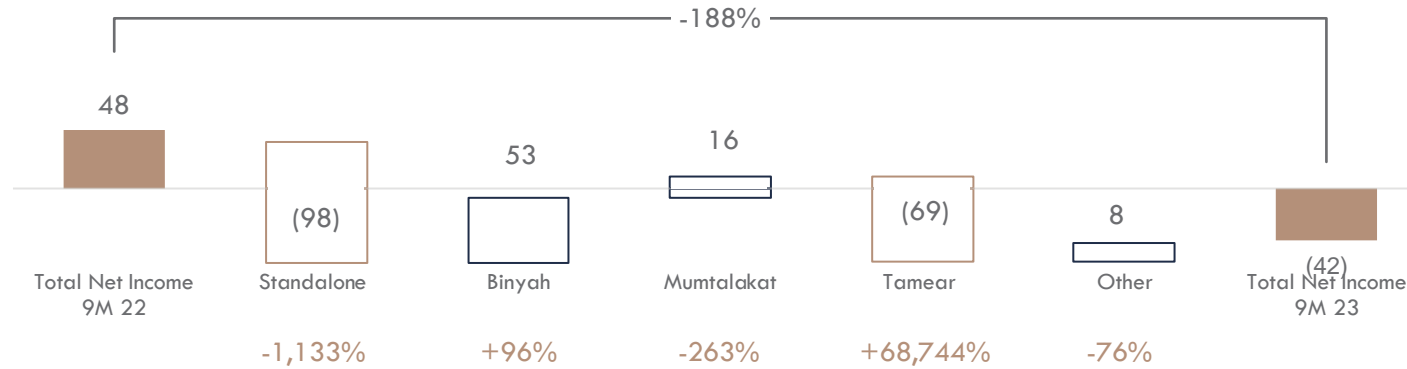
EBITDA Trend (SARmn)



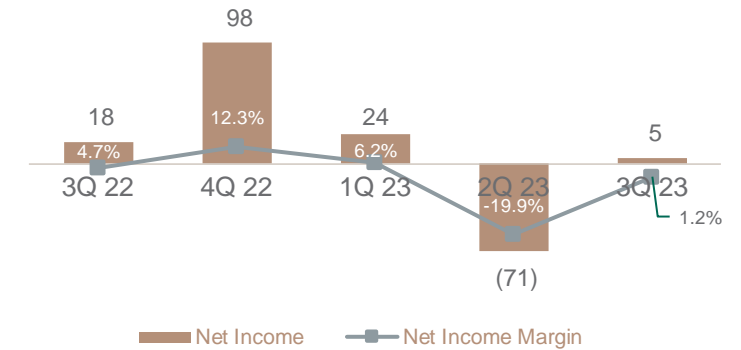
Financial Performance – Net Income

SAR 42mn Net loss in 9M 2023 due to increased financial charges and Tamear losses

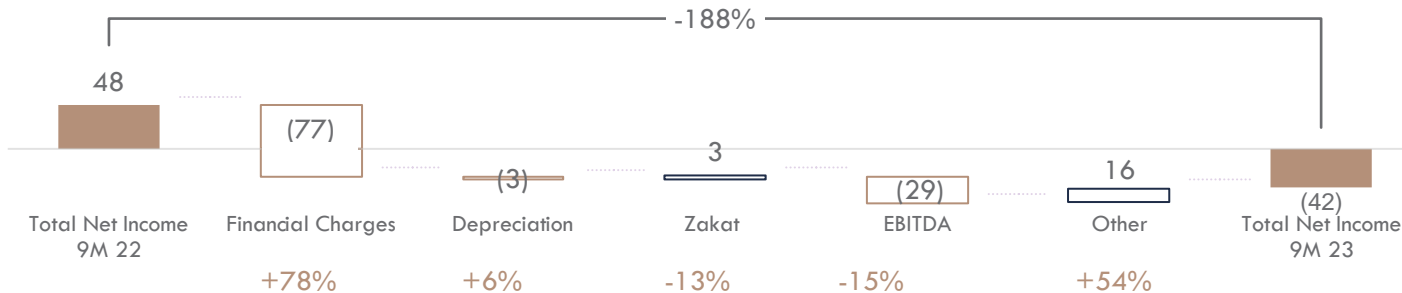
Total Net Income Movement YoY (SARmn)



Net Income Trend (SARmn)



Total Net Income Movement YoY (SARmn)



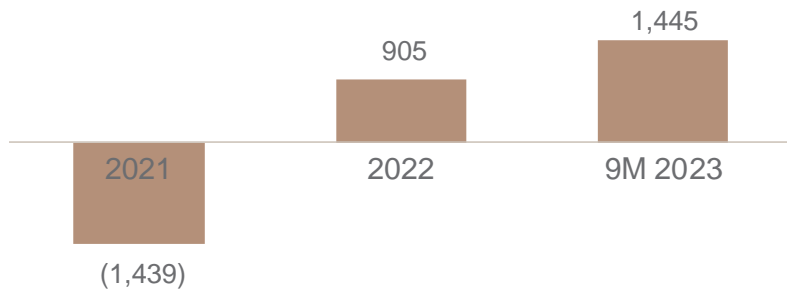
- Alakaria recorded a loss of SAR 42mn in the 9M of 2023, mainly due to higher financial charges and Tamear losses partially offset by Binyah and Mumtalakat performance.
- The increase in Financial charges is driven by the increase in interest rates in 2023 compared to 2022.
- Tamear experienced losses due to the loss in one of its major project in addition to an increase in expected credit loss provision by SAR 7.5mn.
- Other income increased by 54% YoY, mainly due to time deposits income.



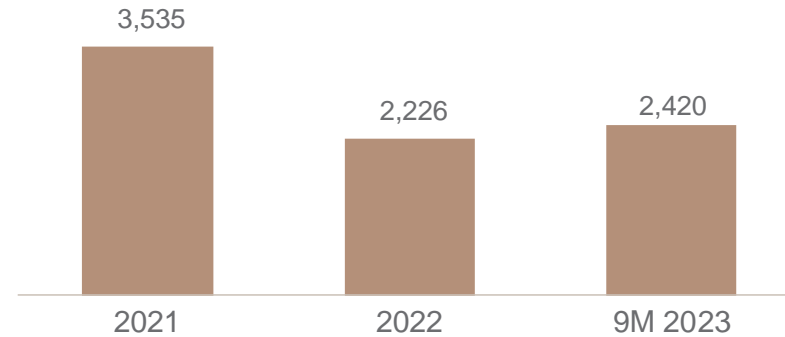
Financial Performance –liquidity & leverage

Alakaria has maintained healthy levels of liquidity and leverage YTD

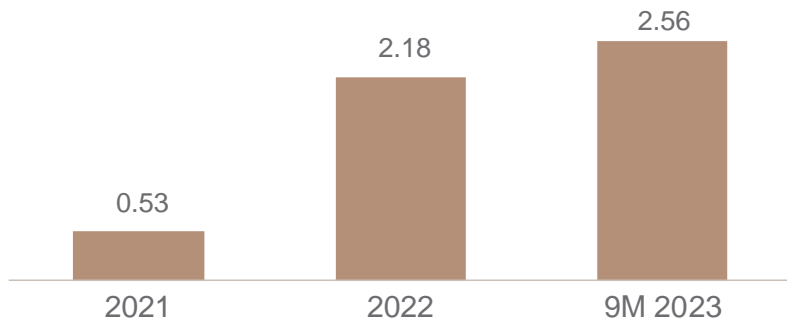
Working Capital (SARmn)



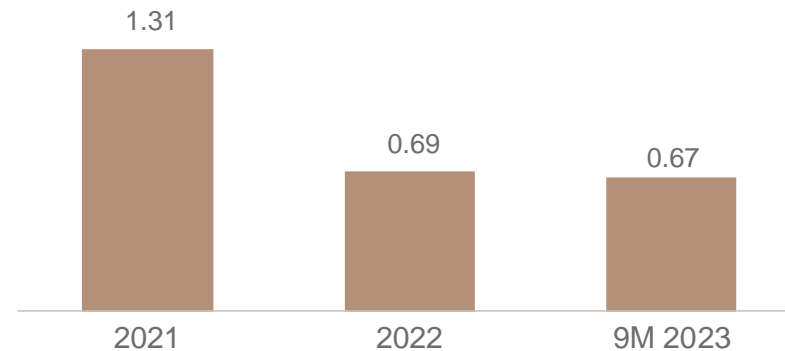
Net Debt (SARmn)



Current Ratio (SARmn)



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.

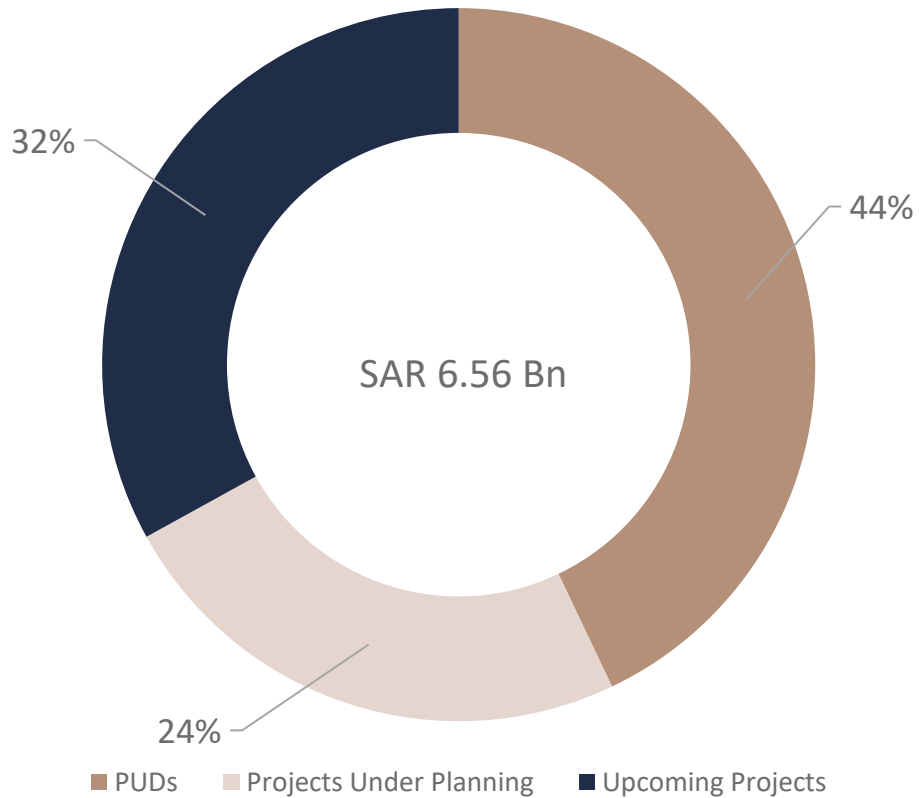
Projects overview



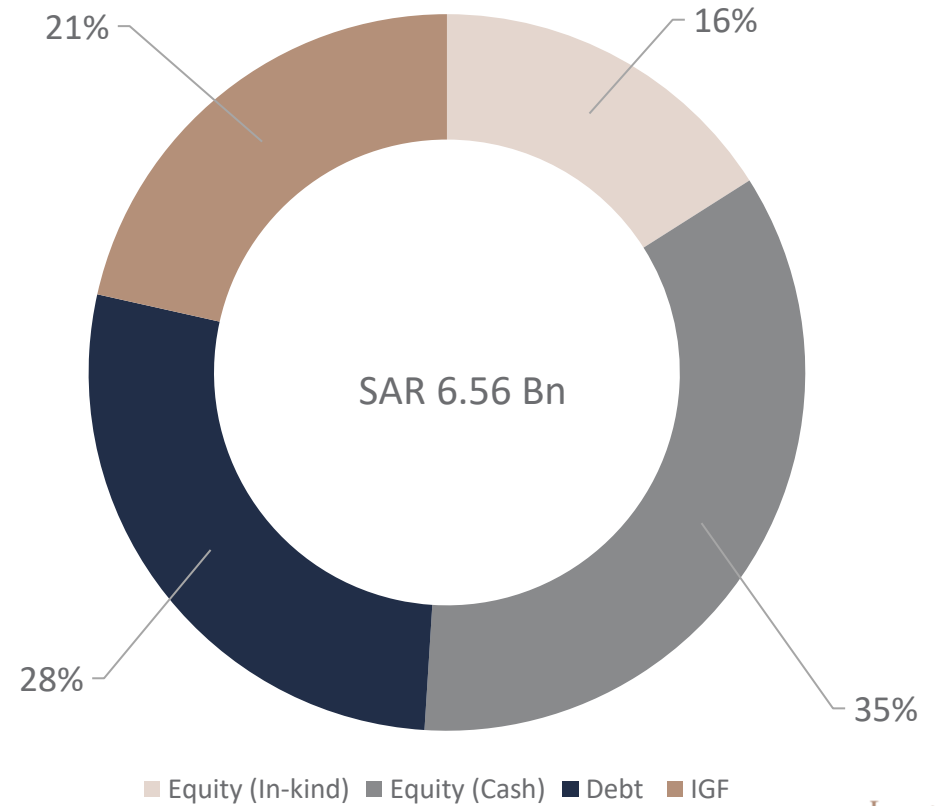
Projects Capex and source of funds

Total Capex of SAR 6.36 bn with a funding mix of Equity, debt and IGF

Capex



Source of funds





Projects Under Development (PUDs)



PUDs - Al-Akaria Park (Freehold) – Riyadh



Project Summary

Alkaria Park Masterplan is located in East of Riyadh. featuring 2,926 villa plots, 33 apartment plots and 46 commercial plots.

1.8mn Sqm

Land Area

1.1mn Sqm

Gross Sellable Area

Project Timeline

2022 → 2024

Status

Under Construction

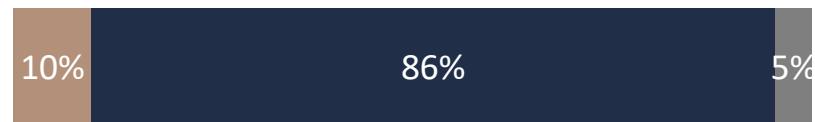
1,879

No. of Sold Contract*

SAR 795MN

Value of sold Contract*

Sellable Land Area Mix



Commercial Villa 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 176 apartments supported with state-of-art communal facilities.

39,010 Sqm

Land Area

47,581 Sqm

Gross Floor Area

Project Timeline

2023 → 2025

Status

Main tendering package is complete & contract to be awarded by Q4/2023

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/ dining/entertainment components with GFA of 22,091 sqm & Grade A office space occupying 26,928 sqm

47,971 Sqm

Land Area

75,964 Sqm

Gross Floor Area

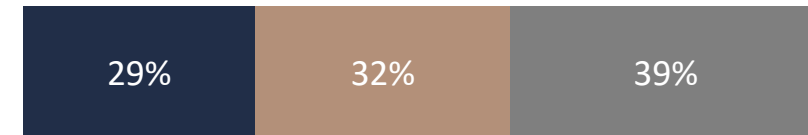
Project Timeline

2023 → 2026

Status

Detailed Design & 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 138 villa units with a design inspired by the Salmani Architecture

44,368 Sqm

Land Area

54,708 Sqm

Gross Floor Area

Project Timeline

2023 → 2025

Status

Main tendering package is complete & contract to be awarded by Q4/2023

GFA Mix

100%

■ Villa



Projects Under Planning (PUPs)



PUPs - 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

Project Timeline

2024 → 2026

Status

Design Stage

GFA Mix



■ Hotel ■ Business Center ■ Retail

PUPs - 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

Project Timeline

2023 → 2025

Status

Design Stage

GFA Mix

100%

■ Villa



PUPs - 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

Project Timeline

2023 → 2025

Status

Design Stage

GFA Mix

100%

■ 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, Retail shops & Wellness center: 9,509 sqm of GFA and office space occupying 8,935 sqm

21,561 Sqm
Land Area

18,791 Sqm
Gross Floor Area

Status
Design Stage

GFA Mix



■ Retail ■ Office



Upcoming Projects- Narjes Business Park (Freehold) - Riyadh



Project Summary

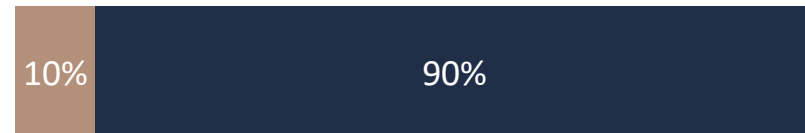
Narjes business park will feature low-rise office buildings with GFA of 39,197 sqm and a cluster of F&B and retail shops offering 4,352 sqm of GFA

40,000 Sqm
Land Area

43,549 Sqm
Gross Floor Area

Status
Design Stage

GFA Mix



■ Retail ■ Office



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



Project Summary

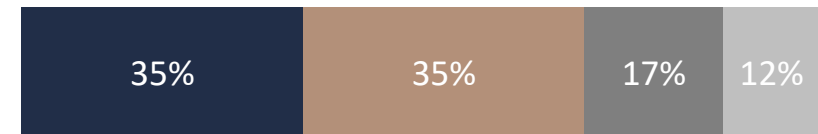
Al-Akaria (1) is a transit-oriented development (TOD) offering 214 keys internationally branded hotel and a promenade featuring 17,350 sqm of F&B and retail GFA alongside 35,000 sqm of collaborative office space and 389 apartment units

30,215 Sqm
Land Area

99,500 Sqm
Gross Floor Area

Status
Design Stage

GFA Mix



■ Apartment ■ Office ■ Retail ■ Hotel

Upcoming Projects - Sitteen Vertical Residential (Freehold) - Riyadh



Project Summary

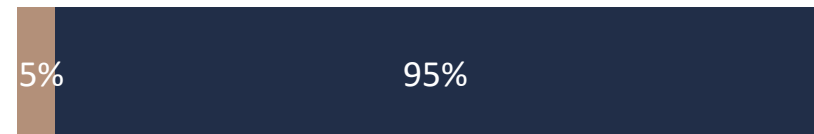
Sitteen project is the vertical residential community offering various size of apartment unit including 320 apartments supported with state-of-art communal facilities and retail shops occupying 1,548 sqm on the ground floor

9,857 Sqm
Land Area

32,827 Sqm
Gross Floor Area

Status
Design Stage

GFA Mix



■ Retail ■ Apartments

Upcoming Projects - Madinah Faraud Land (Freehold) - Riyadh



Project Summary

Al-Akaria owns a sizable land located along King Khalid Road adjacent to Al-Hadra district towards the east of Madinah Munawarah. The company is contemplating to develop the subject site into serviced plots to offer for sale. The masterplan features 68 villa plots, 8 commercial plots, and a kindergarten school plot.

63,495 Sqm
Land Area

44,295 Sqm
Net Sellable Area

Status
Masterplan Design Stage

GFA Mix



■ Villa ■ Commercial ■ School



Appendix



About Alakaria



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

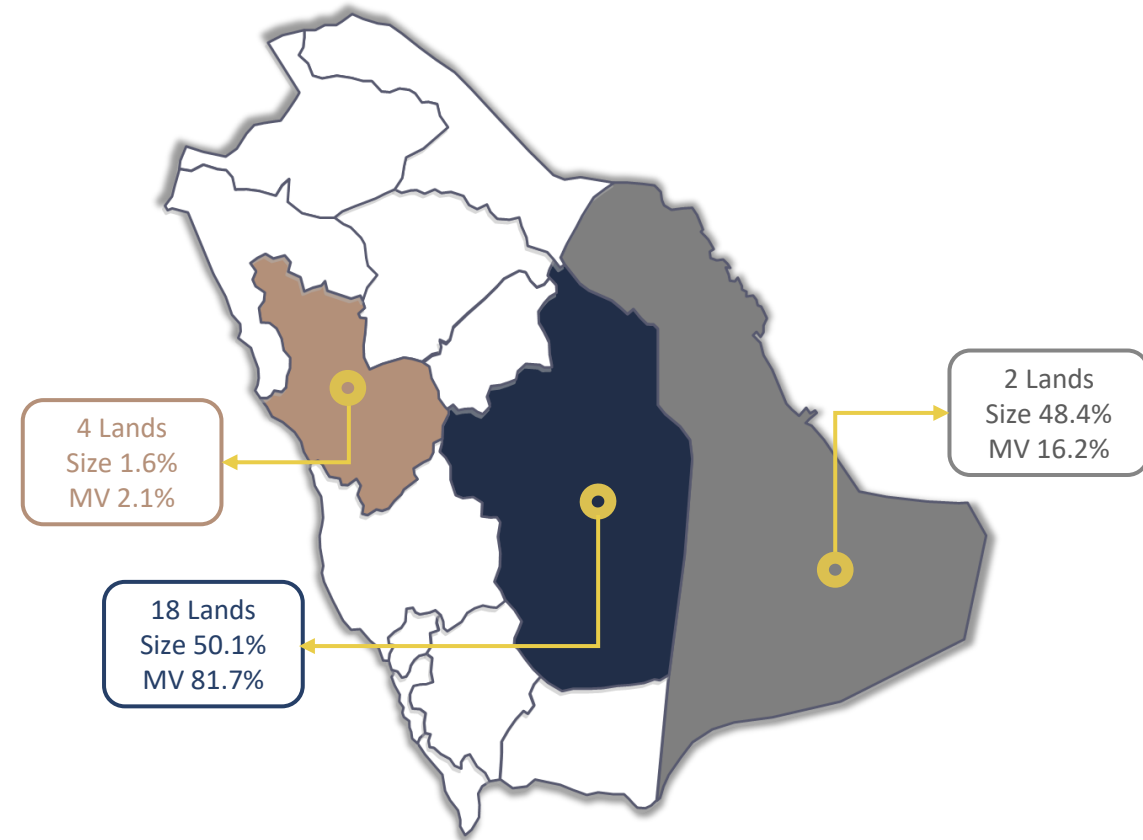
5

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

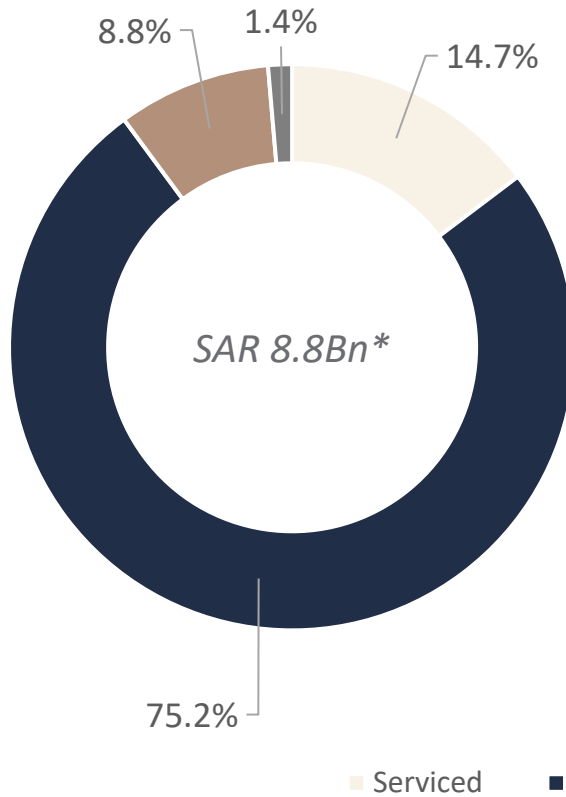
Strategic landbank portfolio comprising 24 landholdings covering a total land of 19.9mn sqm



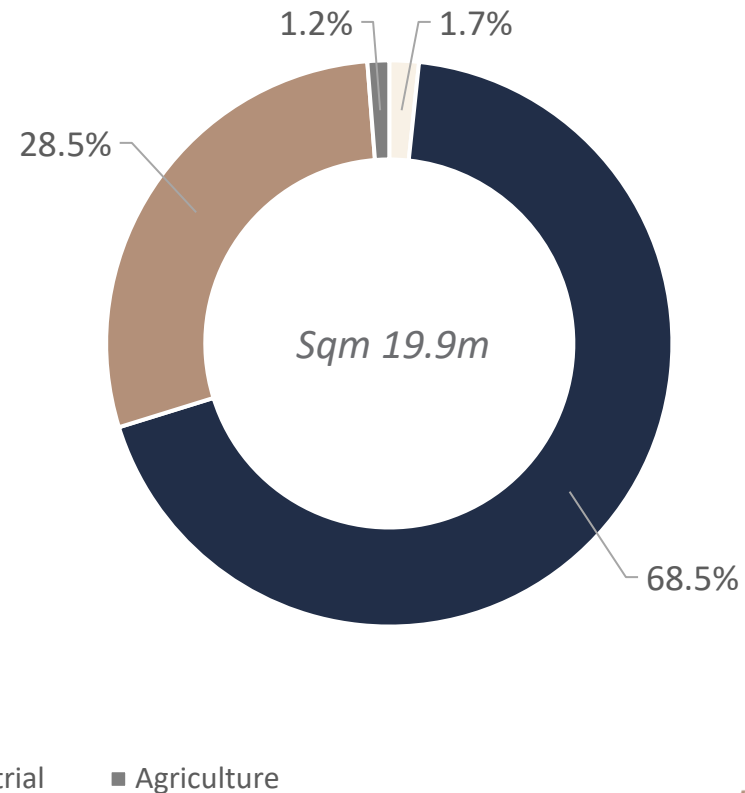
About Al Akaria – Land Use Mix

... of which Raw lands represent the majority

Landbank Distribution by Land Use - Market Value



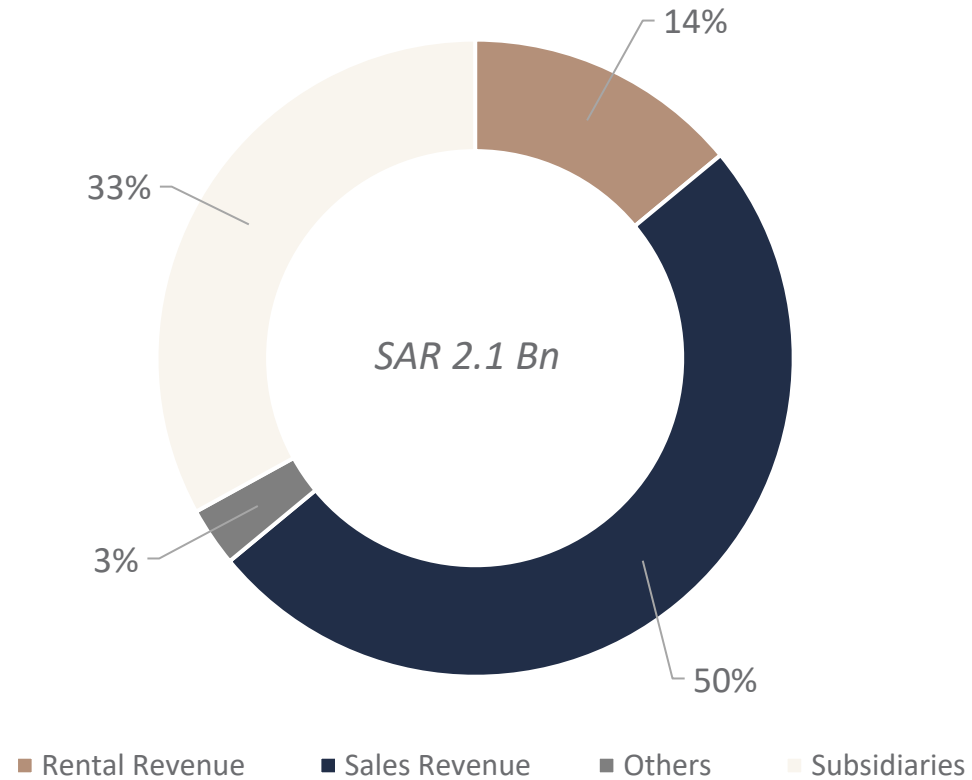
Landbank Distribution by Land Use - Land Size



■ Served
 ■ Raw Land
 ■ Industrial
 ■ Agriculture

About Al Akaria – FY 2022 Revenue Streams

Diversified revenue streams, between rental, sales and subsidiaries activities

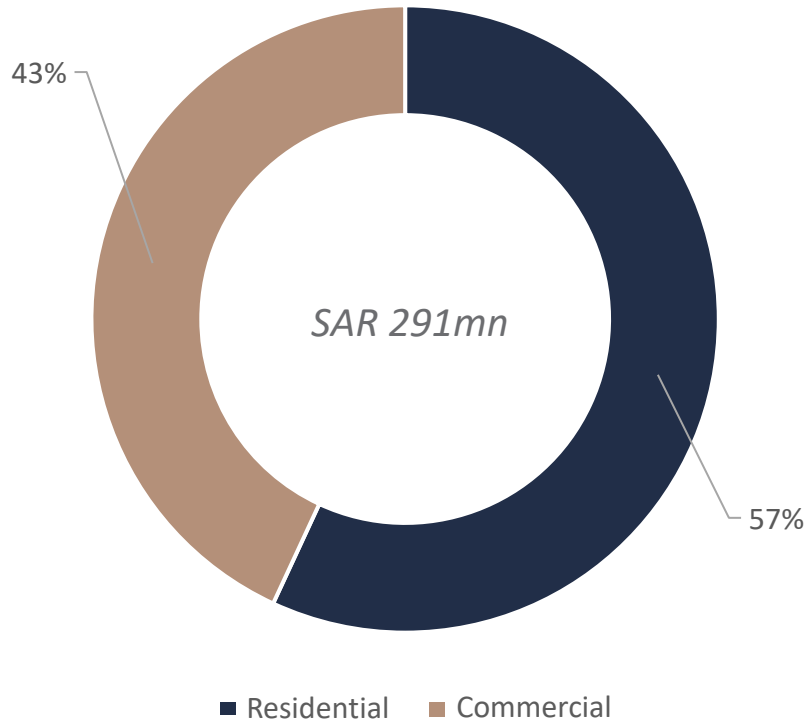




About Al Akaria– Rental Revenue

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

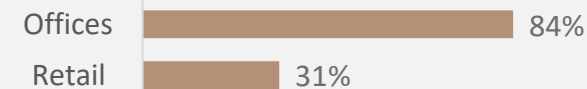
Akaria Plaza

- 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

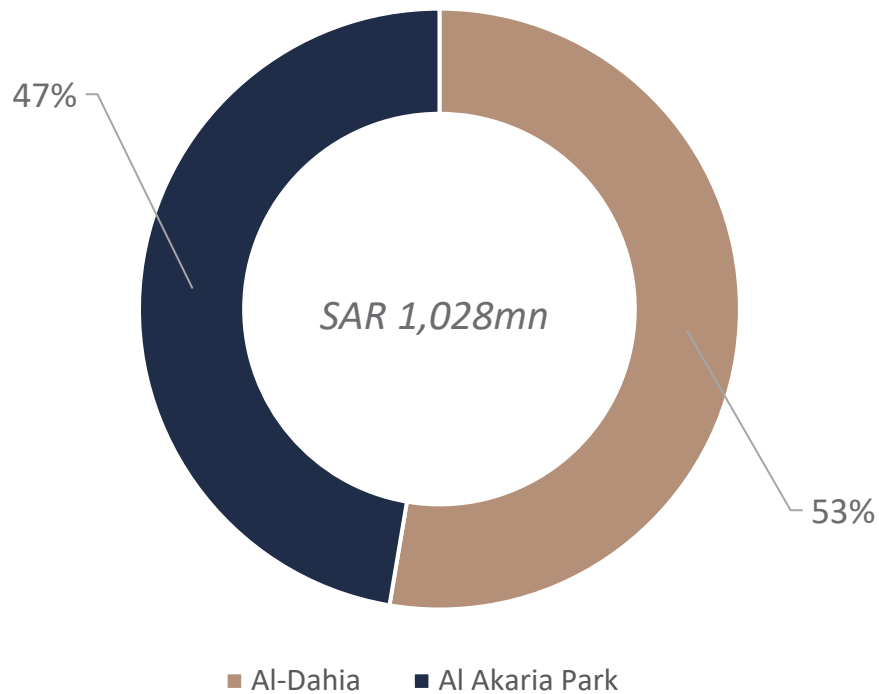




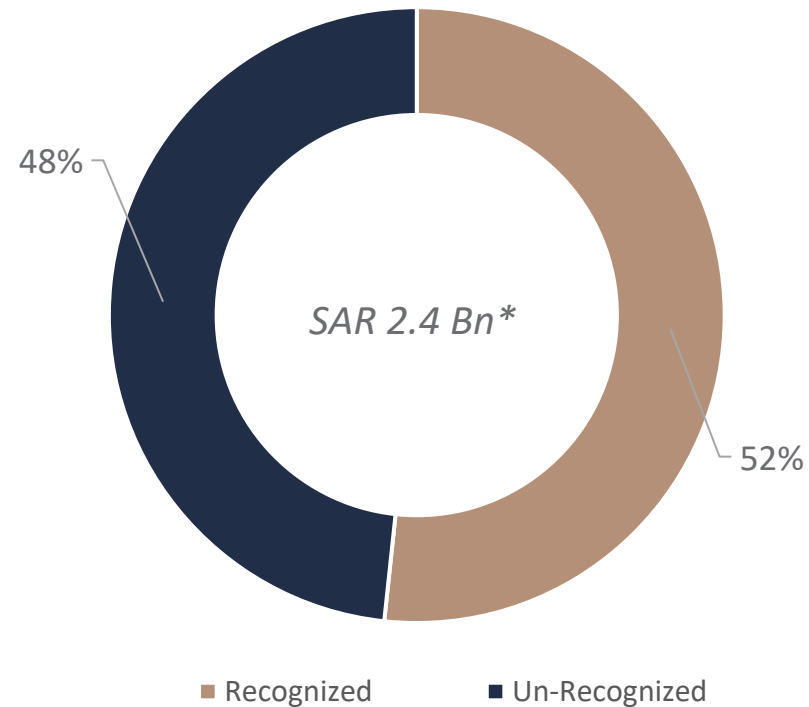
About Al Akaria– Developed Projects Sales Revenue

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



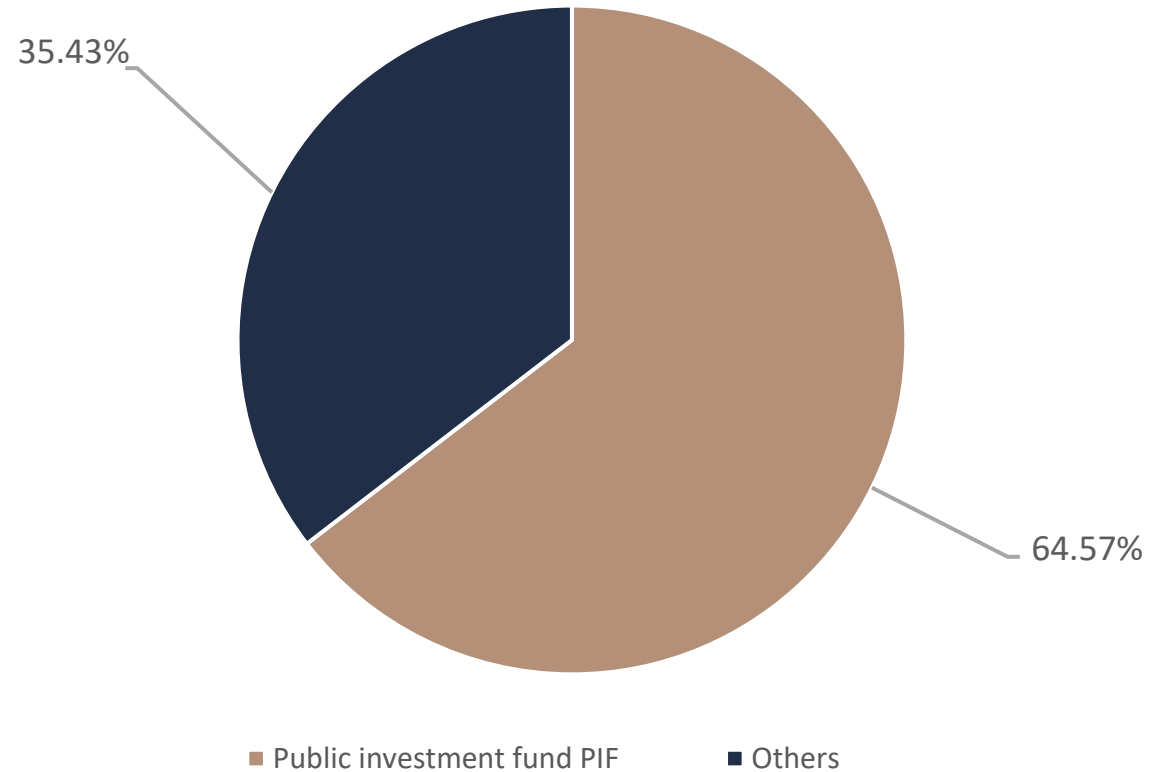
Recognized vs Unrecognized Revenue





About Al Akaria– Ownership Structure

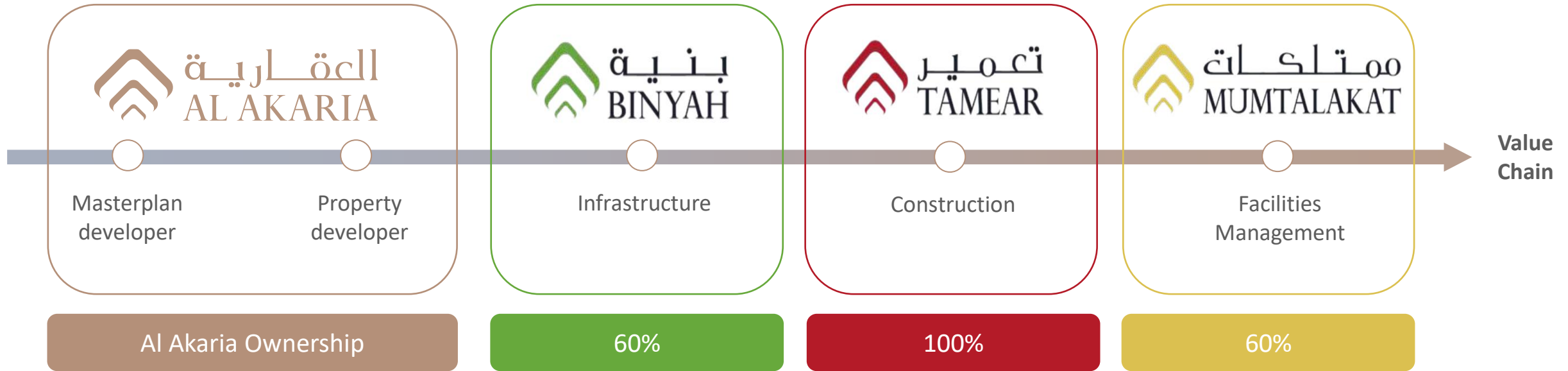
The Public Investment Fund (PIF) is the main shareholder of Al Akaria





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.



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