

Investor Presentation

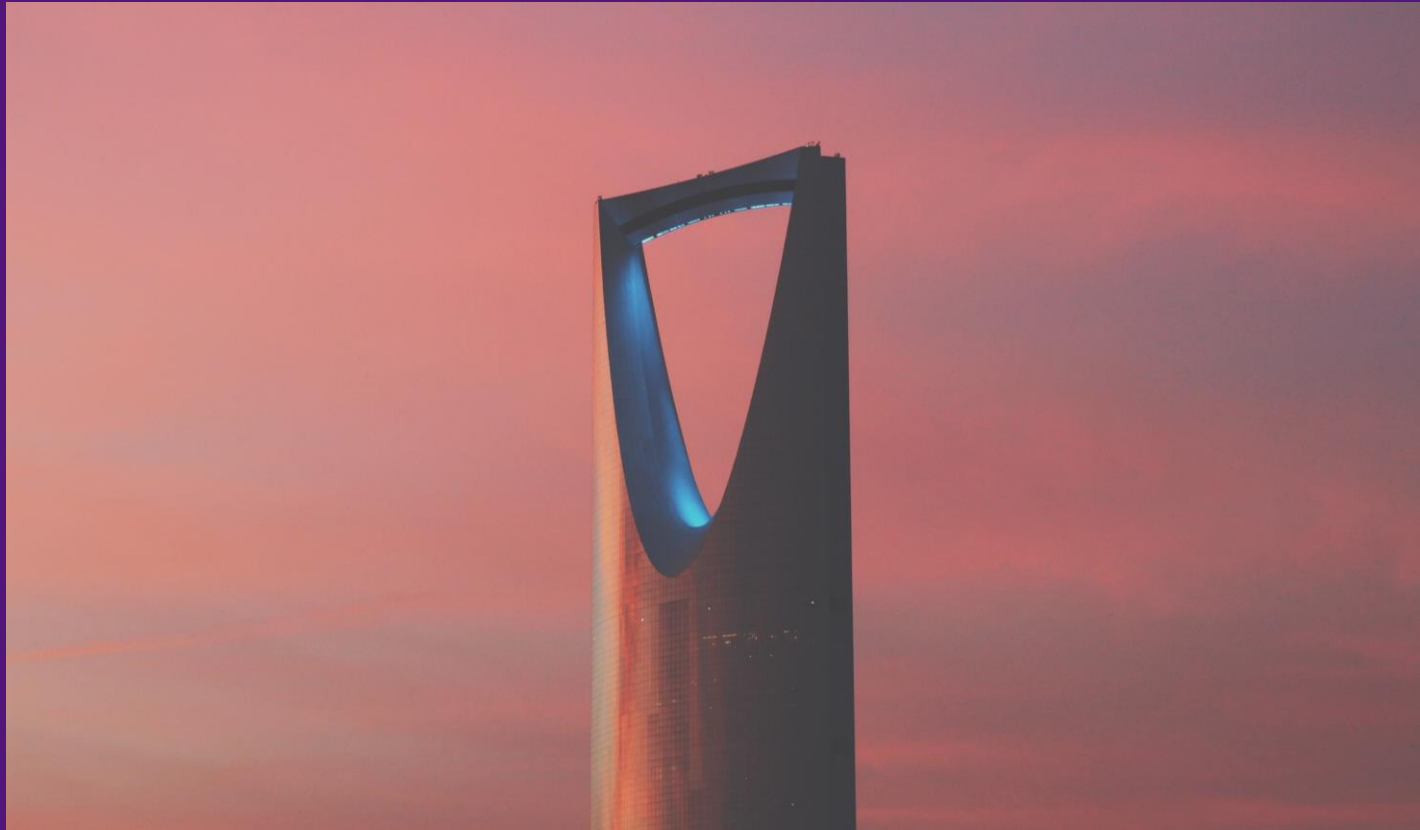
Q1 2021

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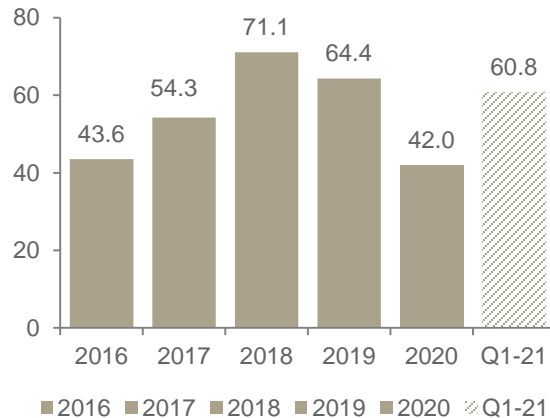
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1 | Macro Economic Overview & KSA Real Estate Market



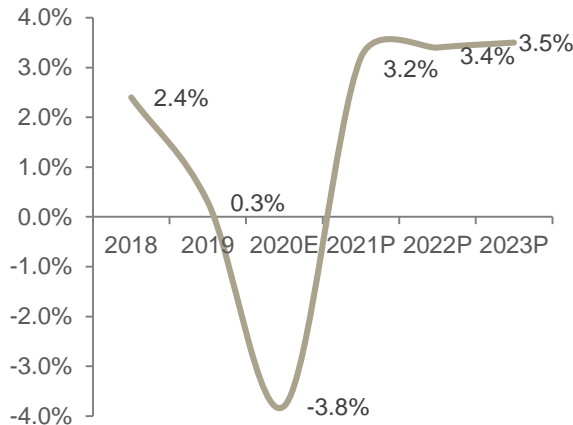
The Increase in Oil demand and pricing supports a return of economic growth and reduction in the budget deficit

Average Brent Oil Prices



- Brent oil averaged \$65.41 for Mar 2021
- Brent oil price stood at \$67.27 as of 28 Apr 2021
- OPEC + added 2 million barrels of daily production to meet surging demand to hit the market between May and July.
- Expectations remain for a jump in Oil demand for the remainder of the year, potentially as high as 5.2 million barrels a day over the next 6 months as forecast by Goldman Sachs.
- Observers continue to monitor the Covid-19 surge in India and any potential progress on the Iran negotiations.

GDP to Recover in 2021



- 2020 GDP collapsed to -3.8% due to the pandemic.
- The Saudi economy is expected to rebound sharply in 2021 through a combination of better oil prices and a return to growth in the non-oil economy.

Deficit to Expand in 2020



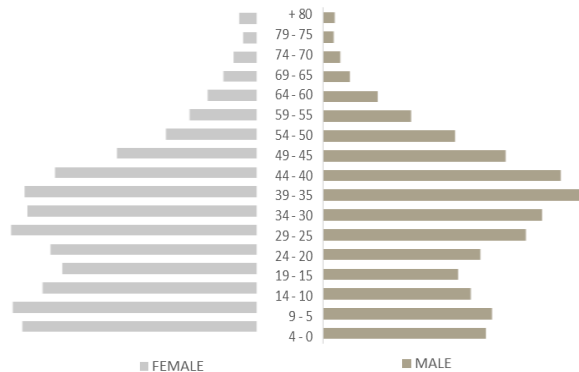
Source: Jadwa Investment

- The budget deficit for 2020 improved from earlier forecasts to finish the year at 12%.
- Gross public debt is expected to reach SAR 854 billion or 31.4% of GDP.
- With the rebound in economic activity and Oil prices 2021 is expected to deliver a 5.1% deficit.
- The Saudi budget is forecast to balance by 2023.

However, the long-term fundamentals of the market remain intact

Positive Demographic Trends

KSA Total Population (Age/Gender)



Total population 34 million

- Population growth of 2.5% per year.
- C.60% of the population below the age of 30, entering their home making years.
- High per capita individuals per household, over 7.
- Social evolution leading younger generation to seek more independent living arrangements.

Supply Shortages



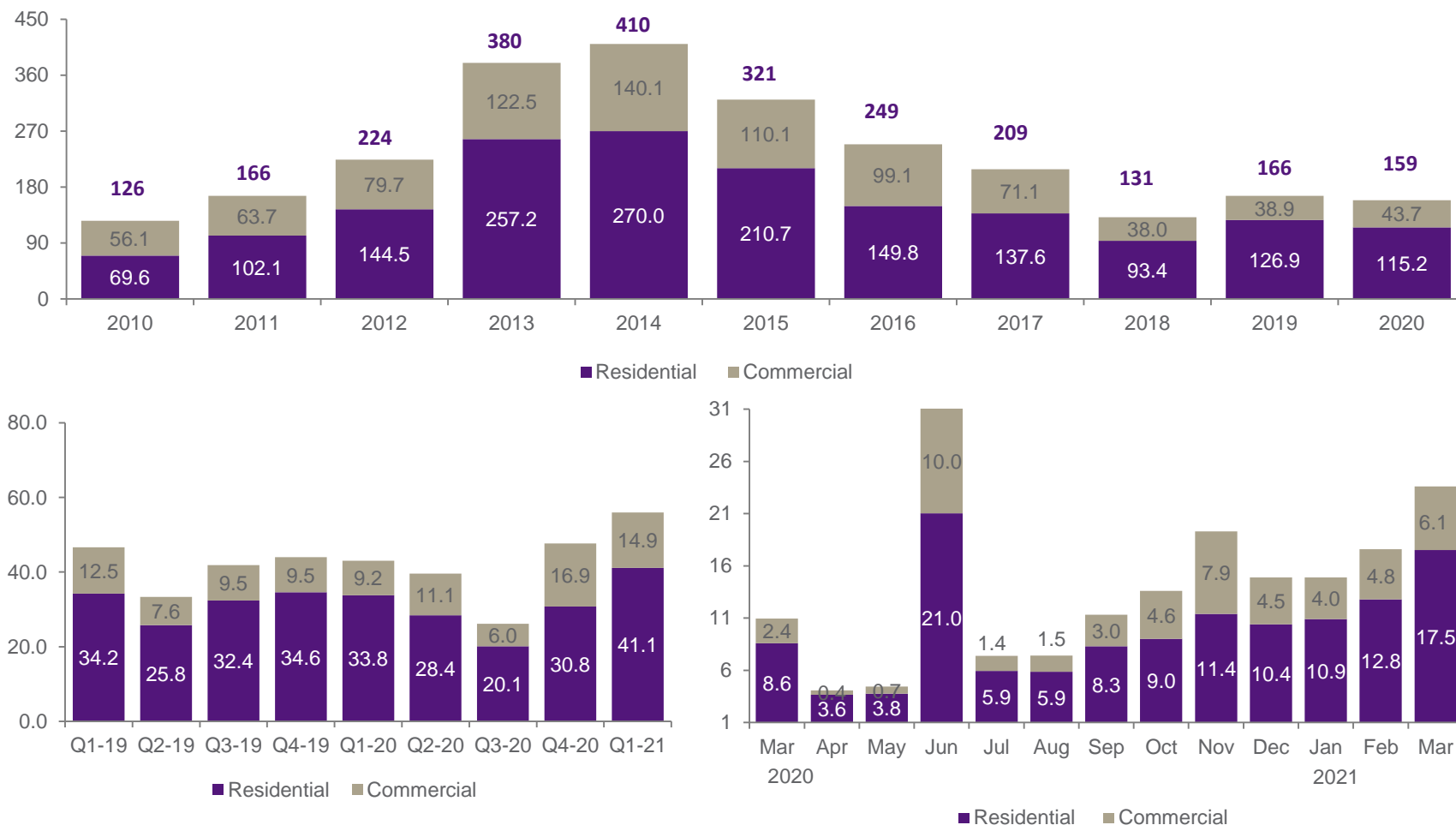
- Chronic under supply of residential housing.
- MOH estimates suggest that the residential market is under supplied by as many as 1.45 million units.
- Low home ownership penetration among Saudis, was reported at 60% for 2020.
- His Royal Highness, The Crown Prince, announced recently that the demand expectations for housing over the next 10 years to exceed 4 million units.

Government Support



- 15% VAT has been scrapped for the sector and replaced by a 5% Transaction tax.
- On-going MOH Sakani program for low income households continues to honor existing participants, while new participation is suspended.
- REDF support through interest free mortgages.
- SRC adding liquidity to the mortgage market.
- Banks continue the support of mortgage provision.
- 70% target as part of Vision 2030 for home ownership penetration.

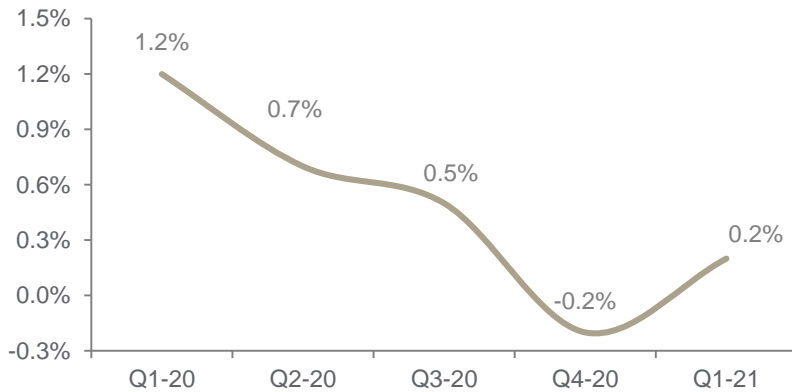
A very strong first quarter confirming expectations for a return to growth in 2021



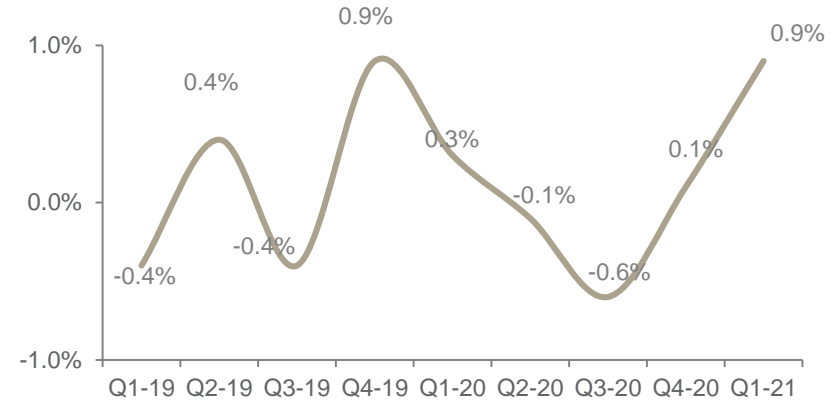
Value of Real Estate Transactions in KSA (SAR bn)

The Real Estate Price Index continues its positive momentum into Q1 2021

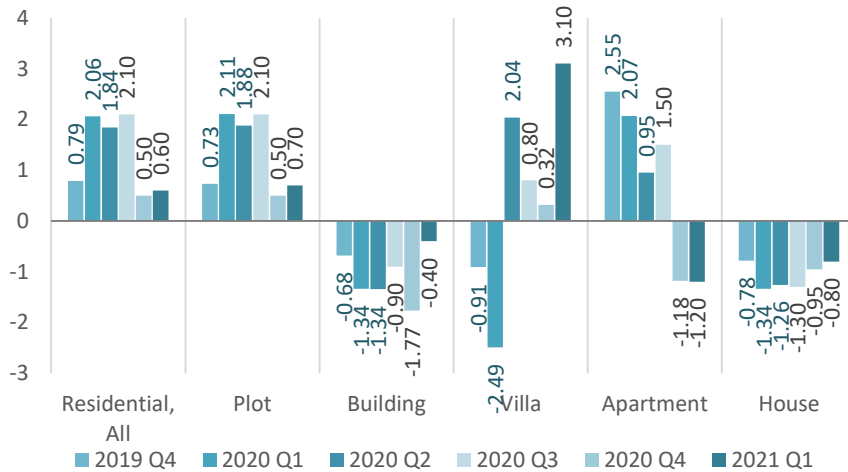
KSA Real Estate Price Index (YoY)



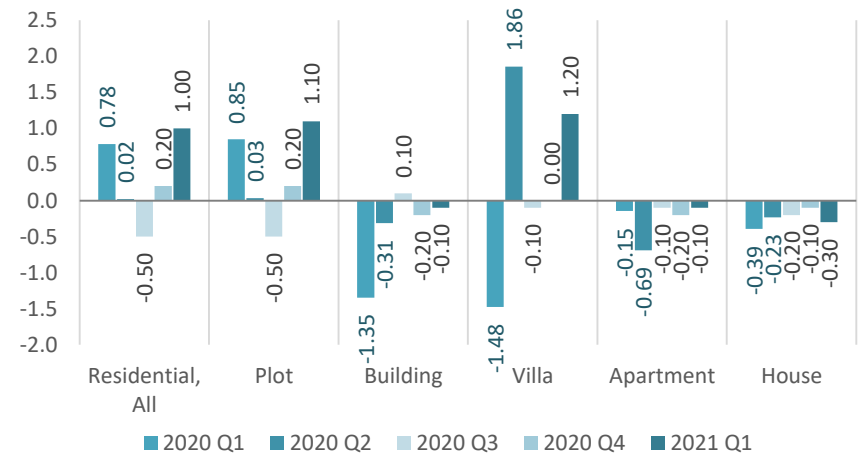
KSA Real Estate Price Index (QoQ)



Residential Real Estate Price Index by Type (YoY %)



Residential Real Estate Price Index by Type QoQ %



2 | Key Business Indicators Overview



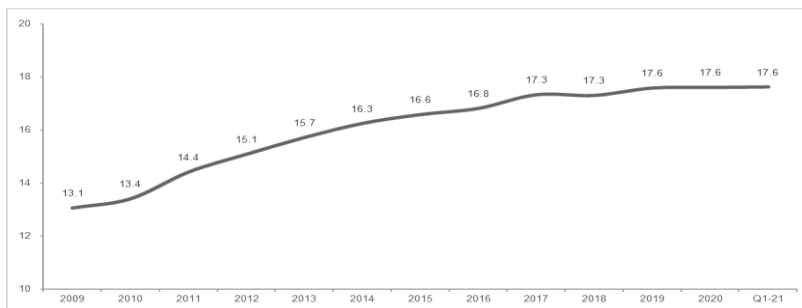
Revenues (LTM) -41%	EBITDA (LTM) -12%	Investment In Development Properties (LTM)-55%
SAR 1,907 mn	SAR 753 mn	SAR 2,187 mn
(Q1 2020 : SAR 3,261 mn)	(Q1 2020 : SAR 861 mn)	(Q1 2020 : SAR 4,809 m)
Cash And Bank	Gross Debt/ Capitalization	Book Value Per Share
SAR 4,549 mn	35%	SAR 17.64
(Q1 2020 : SAR 4,880 mn)	(Q1 2020 : 32%)	(Q1 2020 : SAR 17.61)

Strong Financial Position

DAAR maintains a strong balance sheet with SAR 8.4 bn in cash and receivables against gross debt of SAR 10.2 bn. Cash balance is sufficient to meet all operating expenses and debt maturities for the next two years.

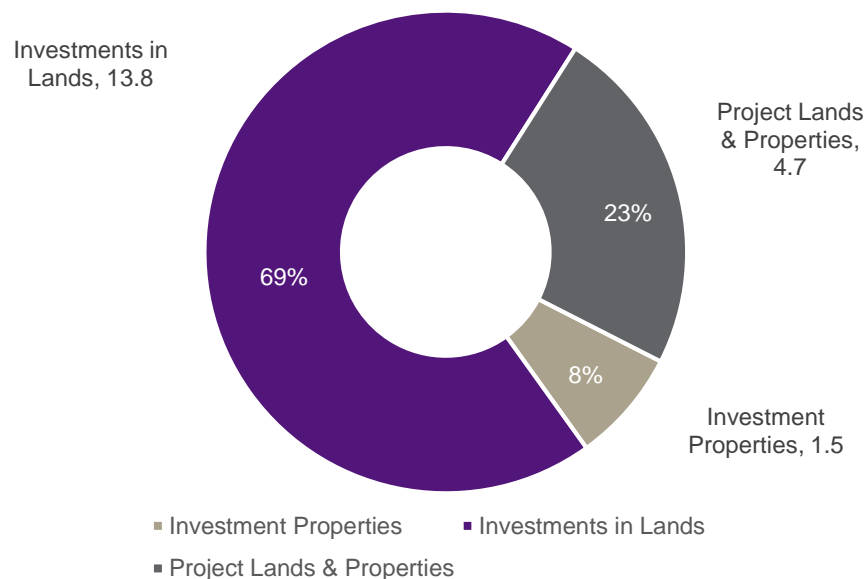
Despite carrying assets at cost, the 62% rise in book value of shares over last 12 years is reflective of the company's rising financial strength.

Book Value per share (SAR)



- DAAR's Real Estate assets portfolio at cost is SAR 20.0 bn.

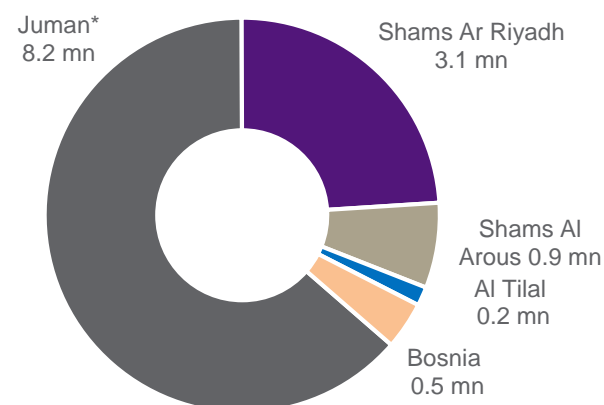
Real Estate Properties Break up - SAR bn



**Project Lands & Properties along with Investments in Lands are clubbed together as "Development Properties" in financial statements.*

- Real Estate Properties are carried at historical cost.

- DAAR has a strong pipeline of projects across the Kingdom and Europe totaling 12.9 mn sqm.



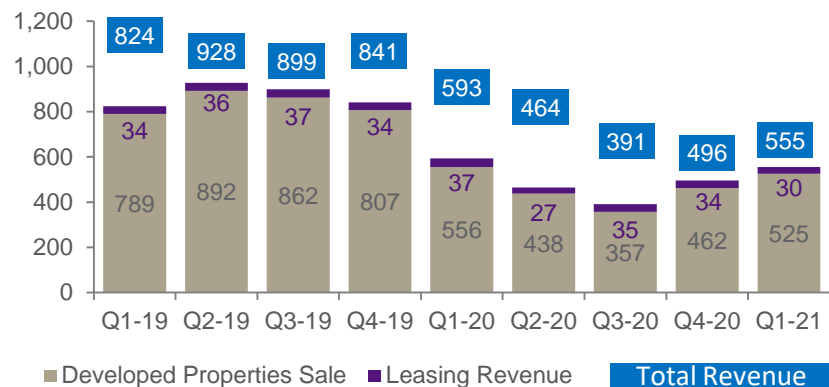
**DAAR holds 18% share in Juman*

- DAAR's strategy is to increase retail sales with the objective of generating superior margins.
- DAAR is developing residential plots, villas, apartments and commercial mix-use properties and offered for sale.
- Shams Ar Riyadh and Urban Oasis (previously known as ILFT) are offered under off-plan sales program for which no revenues were recognized in Q1-2021.

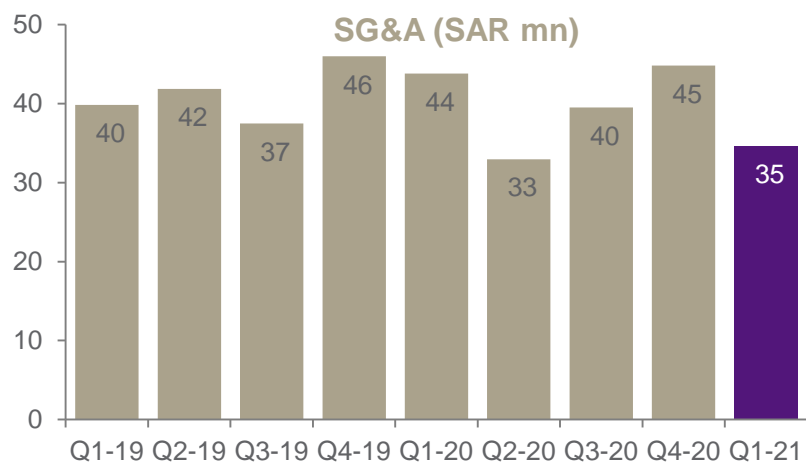
3 | Financial Performance Overview



Quarterly Revenues (SAR mn)



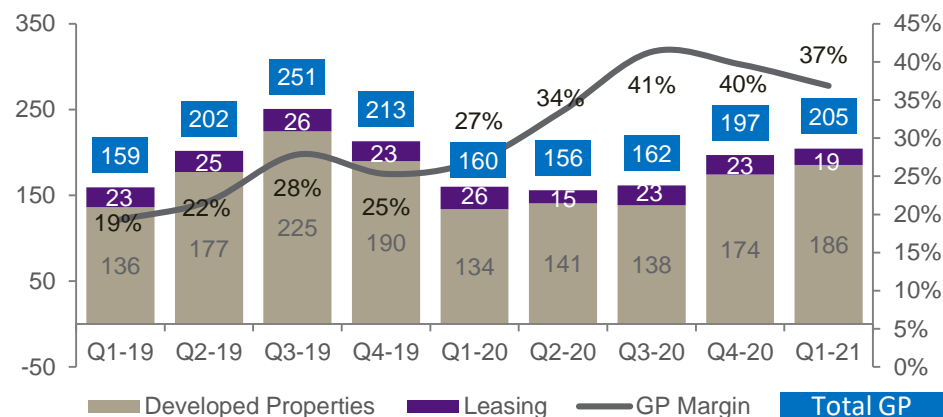
- Q1 2021 revenues increased by 12% QoQ and decreased by 6% YoY.
- Contribution of lease revenue remain stable around 5% to the total revenue.



- Q1 2021 SG&A decreased by 23% QoQ and 21% on YoY.

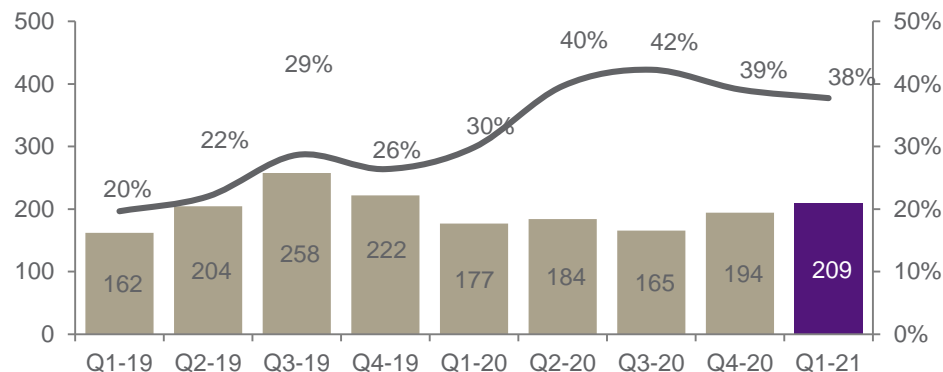
Financial Performance – Q1 2021 Profitability

Gross Profit (SAR mn) & Margin (%)



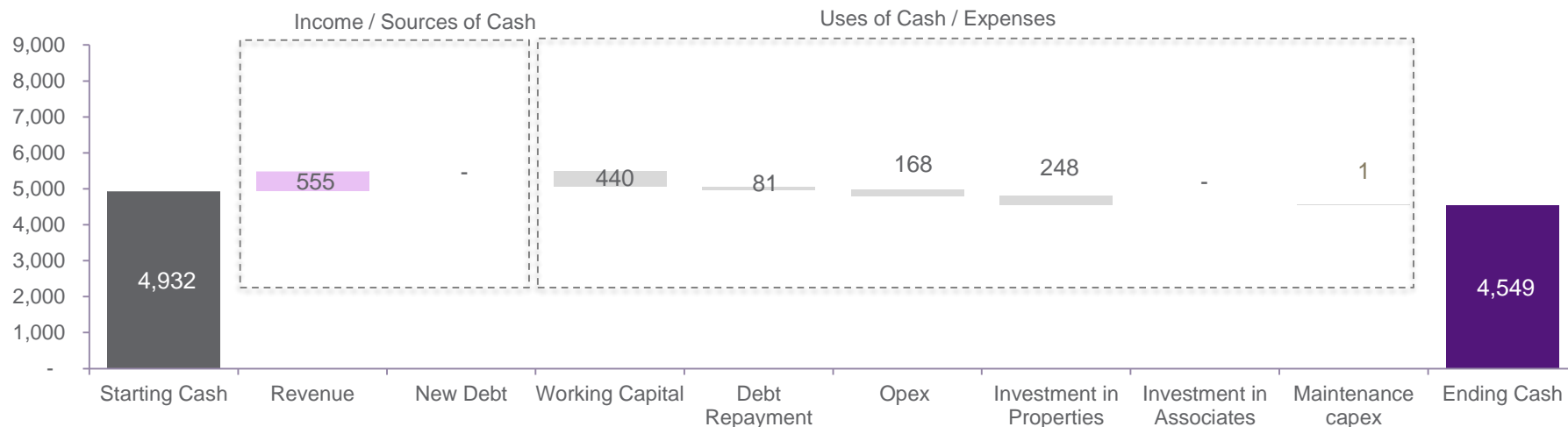
- Q1 2021 gross profit increased by 4% on QoQ and by 28% on YoY.
- GP margins were 3% lower QoQ & improved by 10% YoY.

EBITDA (SAR mn) & EBITDA Margin (%)



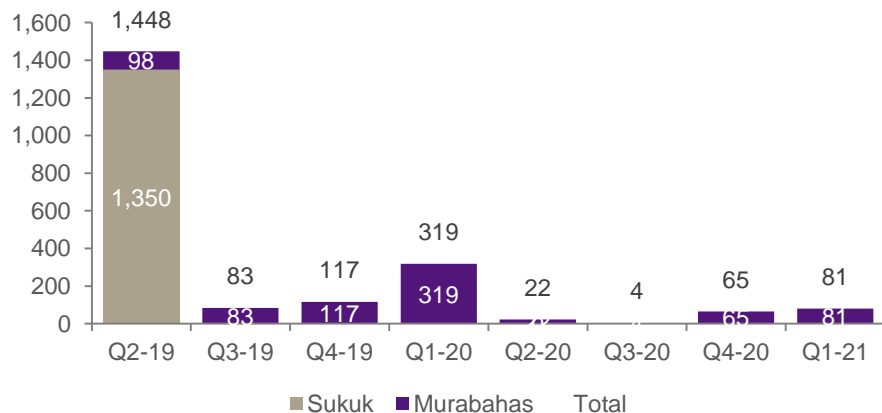
- Q1 2021 EBITDA increased by 8% QoQ and by 18% YoY. EBITDA margin continues to improve YoY.

Cash Flow – Q1 2021 (SAR mn)

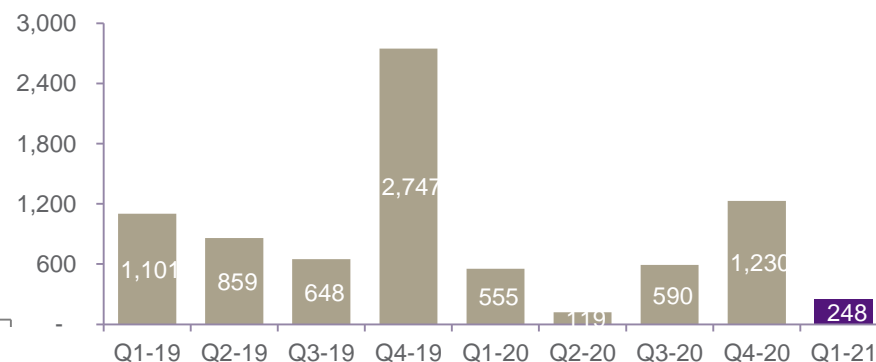


- DAAR's liquidity position remains robust with an ending cash balance of SAR 4.5 bn.
- Strong cash position and revenues allows DAAR to continue opportunistic and discretionary investments in properties.

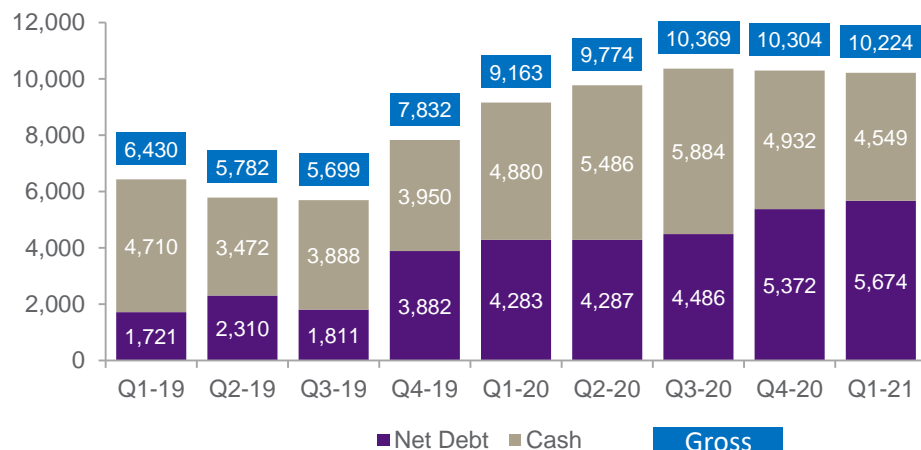
Debt Repayment (SAR mn)



Investment In Development Properties – (SAR Mn)

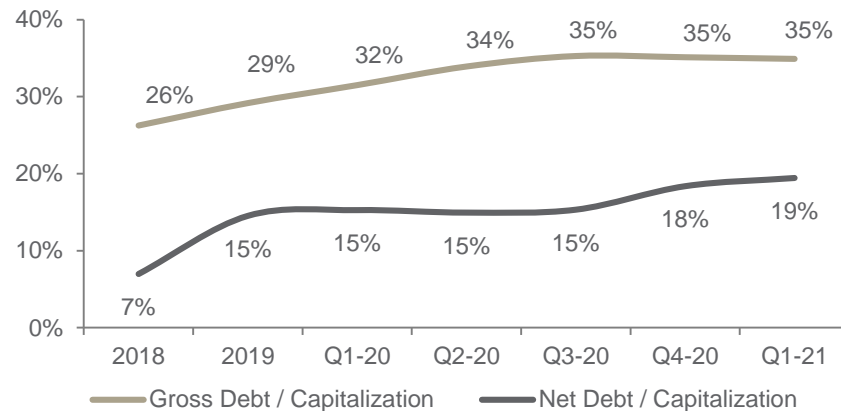


Gross Debt Vs Net Debt (SAR mn)



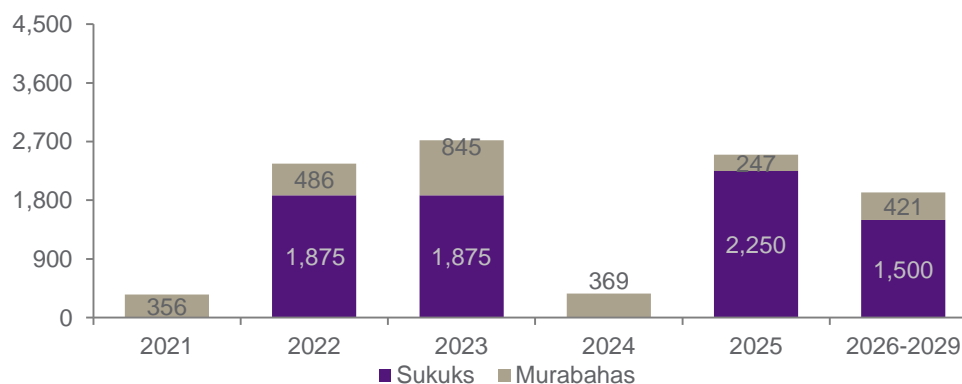
The change in gross debt in Q1 2021 is due to Murabaha repayments

Debt* / Capitalization



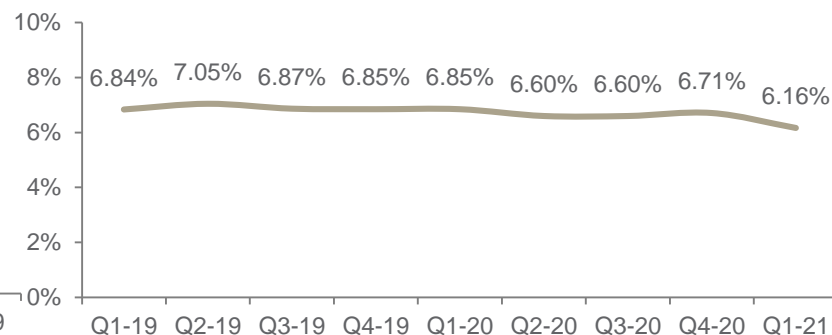
- Net debt ratio remains below 20%.

Debt Maturity Profile (SAR mn)



- Maturities are well spread over the next nine years and will allow for prudent investment & cash management.
- Cash balance of SAR 4.5 bn largely covers repayments till 2023.

Effective Cost of Funding



- Cost of funding continues to trend downwards and remains below 7%.

4 | Overview of Assets Portfolio



Shams Ar Riyadh – Key Facts



Location

- Situated in the Al-Ammariyah district (King Khalid Road), part of the growing northwest corridor of Riyadh, Shams Ar Riyadh is close to the heart of the city and is located just 19 km from KKI Airport and 9 km from King Abdullah Financial Center.

Project Progress

- Total project land area is 5.0 mn sqm (out of which 1.8 mn sqm was sold to SABIC who have since developed housing for their staff).
- Upon receiving approval from WAFI for off-plan sales, DAAR started launching various zones from Q2 2018. Currently all zones are approved and DAAR successfully launched sales for four zones.
- Infra works on all launched zones are progressing steadily and are expected to complete as per commitments.

YTD Off-plan Sales Status

Particulars	Unit	Zone 1	Zone 3	Zone 4A	Zone 4B	Zone 5	Total
Salable Area	Sqm '000	509.5	269.5	501.5	257.08	383.2	1,921
Launch Date		Q3 2020	Q2 2020	Q1 2020	Q2 2018	Q4-2020	
Total Number of Plots	Number	771	491	406	208	189	2,065
Number of Plots Sold	Number	657	427	378	196	147	1,805
Booked Sales	SAR mn	922	474	595	377	130	2,499
Revenue Recognized	SAR mn	NIL	NIL	NIL	NIL	NIL	NIL

Bosnia Projects



- The site is situated located in Ravne, Vareš, 38 km outside Sarajevo, Capital of Bosnia & Herzegovina.
- The largest single real estate development project in the country
- The project aims to provide low-Rise residential holiday villas, commercial area, hotel and recreational facilities
- Total project land area is 500k sqm
- Municipal and federal approval for the development have been obtained.

Key Facts

Gross Land	539k sqm
Sellable Plots	443
DAAR Role	Master Developer

Jeddah Projects



- The site is situated 12 kms from CBD directly off the 6 lane Palestine Road which connects Arous with the Jeddah city center (CBD).
- The site can be accessed via this road from CBD, Central Jeddah, the North and southern parts of the city and the airport.
- Development of the road network around the site is in discussion with authorities.
- Options of the land development and sales strategies in light of the above discussion with the authorities are on going.

Key Facts:

Land Plots for Sale (Gross Land)	862k sqm
Retail Strip Development:	
Lot Size	55,000 sqm
GLA	31,000 sqm

Residential & Commercial Development Projects

Eastern Province Projects



- The project is located in the Eastern Province overlooking Tarout Bay.
- The project aims to be the new hub for this fast growing area, becoming a waterfront luxury residential, leisure and MICE destination with hospitality projects catering for the upper middle to the upper-upper luxury segments. Juman will also include other commercial components.
- Phase 1 consisting of very shallow reclamation development for a resort is planned to start in 2022.
- High & Best Use (HBU) study from external consultants has been completed and review is under progress.

Key Facts:

Land Area	8.2 mn mixed use land
DAAR Role	Master Developer
DAAR Holding	18% in JV

Urban Oasis (I Love Florence), Dubai



- The Urban Oasis (previously known as I Love Florence Tower) project is located in the Business Bay area of Dubai, with a development value of SAR 800 mn.
- It is a 34 storied tower currently co-branded with Missoni.
- Launch of sales of the project started in Q4 2017 in Dubai, followed by January launch in KSA.
- 37% of the units have been launched, 81% of which have been sold on off plan.
- Vertical construction on site commenced during Q2-19 and going as per the development time schedule

Key Facts:

Saleable (GFA)	42,000 sqm
Project value	US\$ 215 mn
Number of Units	452
Number of Stories	34

Parisiana South



- Located in Riyadh city and easily accessed through King Fahad Road and major highways.
 - Refurbished apartments with lush landscape.
 - Water feature installation surrounded by cafes, restaurants and shops.
 - Private gym for men and women.
 - Hand over of MOH Apartments initiated.

Parisiana Living



- Located in Riyadh city and easily accessed through King Fahad Road, Parisiana Living is a focal investment location with access to all destinations; government departments, schools, big hospitals, and major shopping centers.
 - Refurbishment of community street lights in progress.
 - Renovation of villas and the surroundings has been completed.
 - Supply & installation of access gates has been done.

Naeem Eljiwar



- Located within the boundary of the Prophet's Mosque featuring vast ambiances and first-class services that offer comfort and luxury life to the residents.
 - Villas of multiple design featuring variety of styles, interior designs and exclusive vanguard gardens.
 - In 2020, the project is now completed and the units available for sale are fully sold out.

Al-Qasr Mall, Riyadh

Land Area	61,949 m ²
Built up Area	220,202m ²
Gross Leasable Area	78,958 m ²
No. of floors	3 Leasable Floors plus two parking
Parking	1,579 Parking Spaces

Latest Activity:

- 91% occupancy achieved
- Cinema multiplex with 15 screens opened in 2019.
- Bowling activity fully operational now.



Al-Qasr Apartments, Riyadh

GLA	200,000 m ²
Apartments	815

Latest Activity:

- 93% leased.



Azizia Towers, Makkah

GLA	41,720 m ²
# Leasable Units	285
# Leasable Floors	12

Latest Activity:

- In Q1 2021 the lease to King Abdullah Medical City completed and we taken back the vacant property for refurbishment.



5 | Appendix



SAR in 000s	FY 2018	FY 2019	FY 2020	Q1 2020	Q1 2021
Revenue	6,412,265	3,491,856	1,944,854	593,021	554,836
Cost of revenue	(5,355,114)	(2,667,416)	(1,270,204)	(432,989)	(350,297)
Gross profit	1,057,151	824,440	674,650	160,032	204,539
%	16.5%	23.6%	34.7%	27.0%	36.9%
Operating expenses	(160,754)	(165,174)	(161,109)	(43,796)	(34,660)
Operating profit	896,397	659,266	513,541	116,236	169,879
%	14.0%	18.9%	26.4%	19.6%	30.6%
Income from Associates	15,432	7,885	18,583	5,025	3,526
Depreciation & amortization	(8,188)	(9,613)	(10,223)	(2,508)	(2,708)
EBIT	903,641	657,538	521,901	118,753	170,697
%	14.1%	18.8%	26.8%	20.0%	30.8%
Other income	129,866	133,269	143,361	44,456	24,684
Finance cost	(511,652)	(478,418)	(645,883)	(150,474)	(166,133)
PBT	521,855	312,389	19,379	12,735	29,248
%	8.1%	8.9%	1.0%	2.1%	5.3%
Zakat	(13,046)	(7,799)	(585)	(319)	(731)
Net Income	508,809	304,590	18,794	12,416	28,517
%	7.9%	8.7%	1.0%	2.1%	5.1%
EBITDA	1,111,862	845,450	720,489	177,002	209,303
%	17.3%	24.2%	37.0%	29.8%	37.7%

SAR in 000s	FY 2019	FY 2020	Q1- 2020	Q1-2021
Investment properties, net	1,651,357	1,519,116	1,641,028	1,507,412
Long-term development properties	16,895,604	18,246,583	17,029,275	18,152,542
Property and equipment, net	79,765	72,180	77,654	80,350
Investment in associates and joint ventures	1,154,506	1,173,547	1,159,531	1,177,073
Other assets	1,501	492	1,249	241
Total non-current assets	19,782,733	21,011,918	19,908,737	20,917,618
Short-term development properties	334,950	341,860	334,231	345,094
Trade receivables and others	3,981,526	4,649,178	4,277,529	5,000,797
Cash and cash equivalents	3,950,020	4,931,660	4,879,647	4,549,107
Total current assets	8,266,496	9,922,698	9,491,407	9,894,998
TOTAL ASSETS	28,049,229	30,934,616	29,400,144	30,812,616
Borrowing-long-term maturity portion	7,326,740	9,781,391	8,956,320	9,708,559
End of service indemnities	21,614	21,323	22,743	21,191
Total non-current liabilities	7,348,354	9,802,714	8,979,063	9,729,750
Borrowing-Short-term maturity portion	405,943	436,062	96,400	436,362
Trade payables and others	798,779	1,232,466	858,236	1,256,103
Zakat provision	486,665	437,194	444,541	335,704
Total current liabilities	1,691,387	2,105,722	1,399,177	2,028,169
Total liabilities	9,039,741	11,908,436	10,378,240	11,757,919
Share capital	10,800,000	10,800,000	10,800,000	10,800,000
Statutory reserve	1,140,016	1,141,895	1,140,016	1,141,895
Retained earnings	7,069,472	7,084,285	7,081,888	7,112,802
Total shareholders' equity	19,009,488	19,026,180	19,021,904	19,054,697
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	28,049,229	30,934,616	29,400,144	30,812,616

SAR in 000s	FY 2019	FY 2020	Q1- 2020	Q1- 2021
Profit before Zakat	312,389	19,379	12,735	29,248
Adjustments for:				
Depreciation & Amortization	55,653	56,237	14,045	14,173
Provision for expected credit losses	2,000	2,516	0	0
End of service indemnities	4,313	3,884	1,392	1,026
Finance costs	478,418	645,883	150,474	166,133
Share of net profit from associates and joint ventures	(7,885)	(18,583)	(5,025)	(3,526)
Operating cash flow before WC movements	844,888	709,316	173,621	207,054
Development properties - net	(2,732,963)	(1,269,370)	(132,952)	91,510
Trade receivables and others	757,351	(670,168)	(296,003)	(351,619)
Trade payables and others	(86,576)	433,687	59,457	13,365
Cash from operations	(1,217,300)	(796,535)	(195,877)	(39,690)
Finance costs	(445,309)	(608,809)	(137,412)	(158,125)
Zakat paid	(77,962)	(50,056)	(42,443)	(102,221)
End of service indemnities paid	(2,145)	(6,277)	(263)	(1,158)
Cash flow from operating activities	(1,742,716)	(1,461,677)	(375,995)	(301,194)
Investment in associates	(320,000)	(458)	0	0
Investment properties	(3,246)	(1,282)	(956)	(213)
Purchase of property and equipment (net)	(6,293)	(2,639)	(397)	(606)
Net cash flow from investing activities	(329,539)	(4,379)	(1,353)	(819)
Long term borrowings	1,118,784	2,447,696	1,306,975	(80,540)
Net cash flow from financing activities	1,118,784	2,447,696	1,306,975	(80,540)
Increase / (decrease) in cash and cash equivalents	(953,471)	981,640	929,627	(382,553)
Cash and cash equivalents, beginning of the period	4,903,491	3,950,020	3,950,020	4,931,660
Cash and cash equivalents, end of the period	3,950,020	4,931,660	4,879,647	4,549,107

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