

Investor Presentation

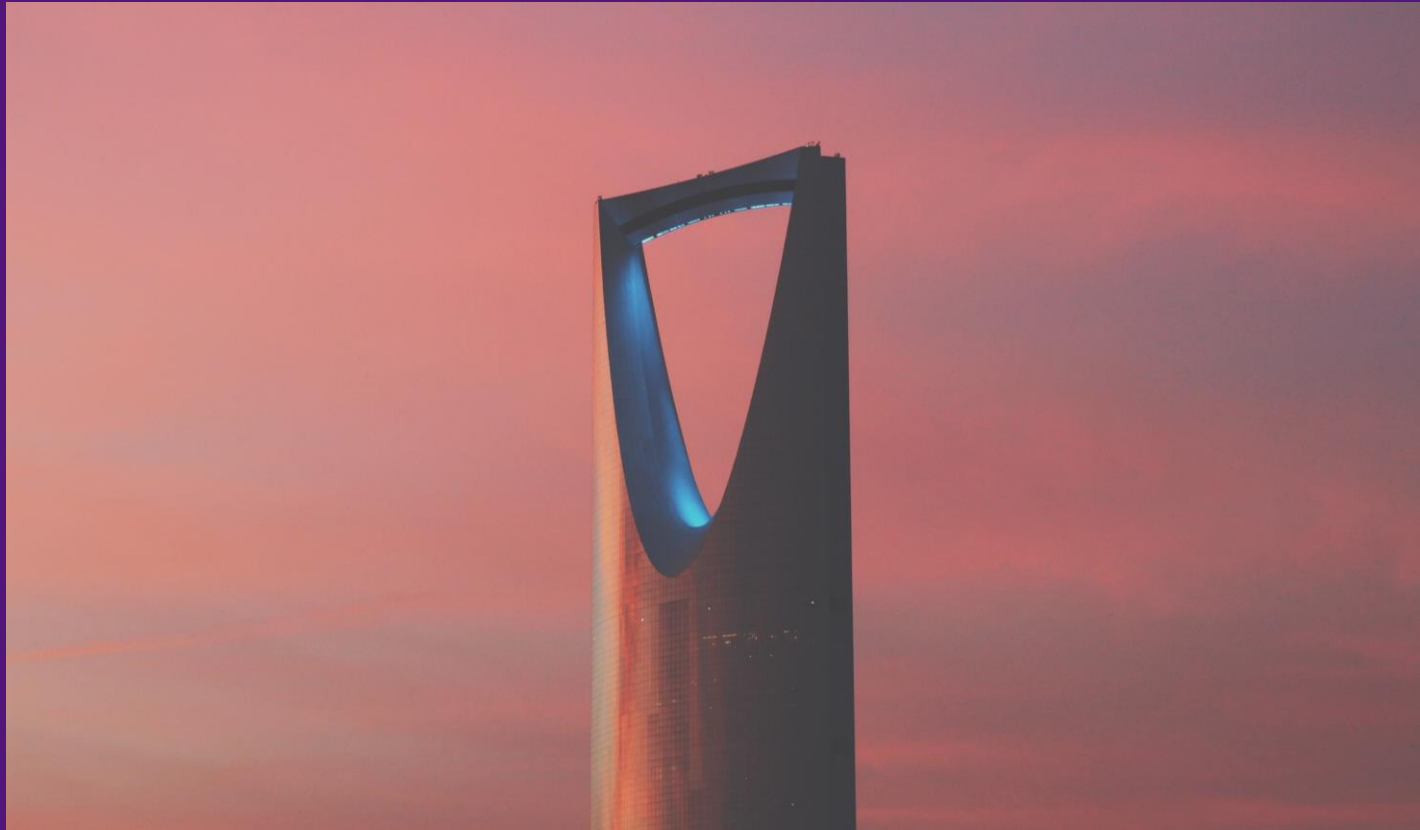
Q2 2021

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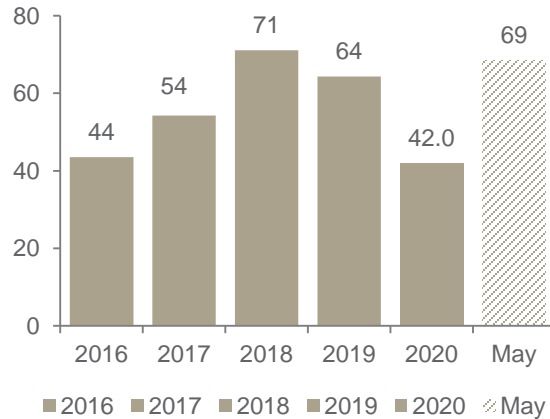
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1 | Macro Economic Overview & KSA Real Estate Market



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

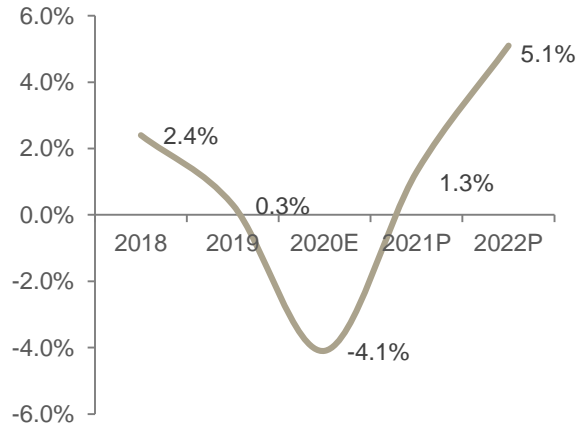
Average Brent Oil Prices



Source: Statistics

- Brent oil price stood at \$74.78 as of 28 Jun 2021
- Higher oil prices were driven by optimism over the global vaccine roll-out seems to be the main reason behind the improved demand outlook.
- OPEC+ continues to actively manage global oil supply. Recent divergence between its members has added to market tightness.

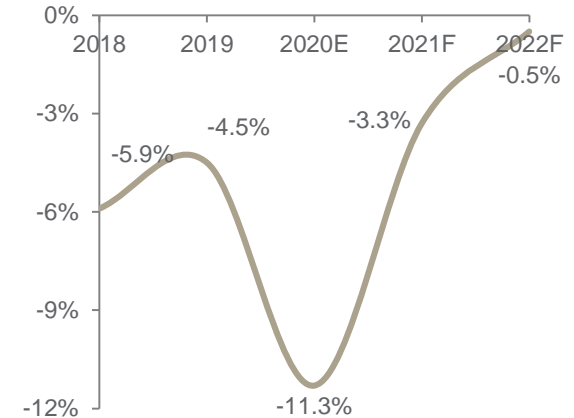
GDP to Recover in 2021



Source: Jadwa Investment

- 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.
- 2020 GDP collapsed to -4.1% due to the pandemic.
- 2022 will witness an acceleration in GDP growth to 5.1%.

Deficit to Expand in 2020

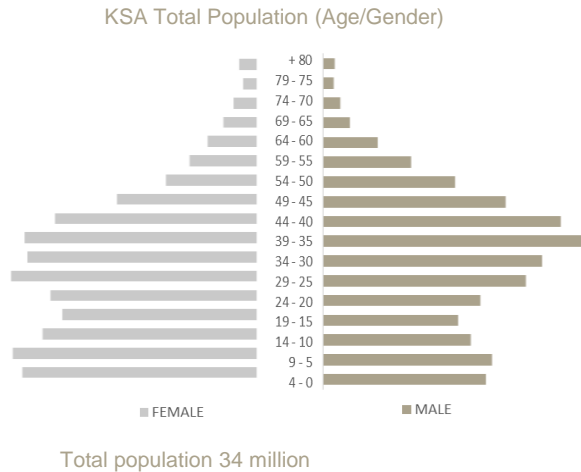


Source: Jadwa Investment

- The budget deficit for 2020 improved from earlier forecasts to finish the year at -11.3%.
- Gross public debt is expected to reach SAR 854 billion or 31.4% of GDP.
- Saudi Arabia registered a current account surplus of \$8.7 billion or 5.1 percent of GDP in Q1 2021 (vs. a deficit of \$2 billion in Q1 2020 or -1.1 percent of GDP). The surplus was due to a positive trade balance as exports recovered by 78 percent year-on-year.
- With the rebound in economic activity and Oil prices 2021 is expected to deliver a -3.3% deficit.
- The Saudi budget is forecast to balance by 2023.

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

Positive Demographic Trends



- 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



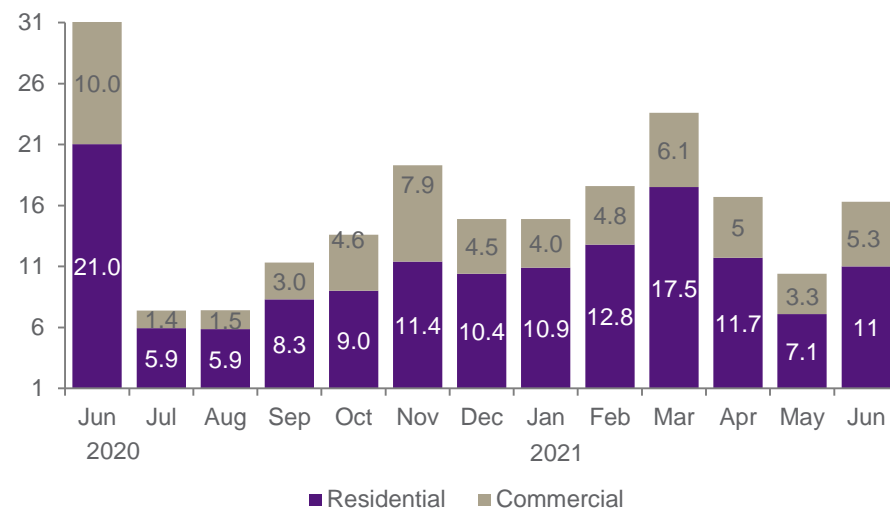
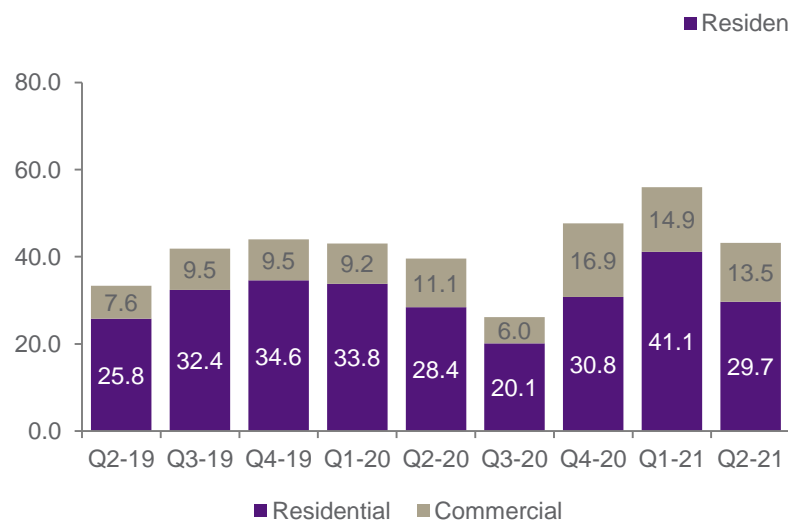
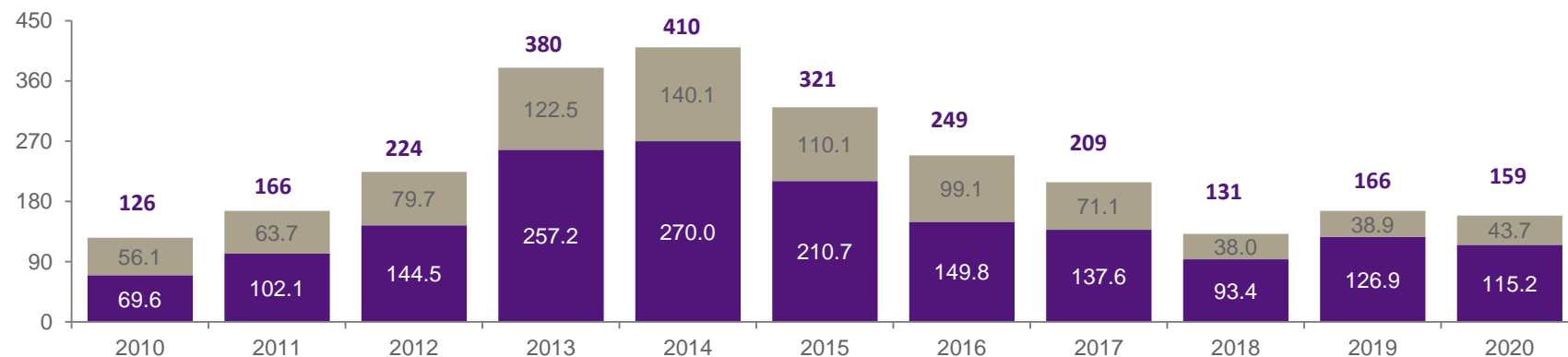
- Chronic under supply of residential housing.
- MOH estimates suggest that the residential market is under supplied by as many as 1.45 million units.
- Low home ownership penetration among Saudis, was reported at 60% for 2020.
- His Royal Highness, The Crown Prince, announced recently that the demand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

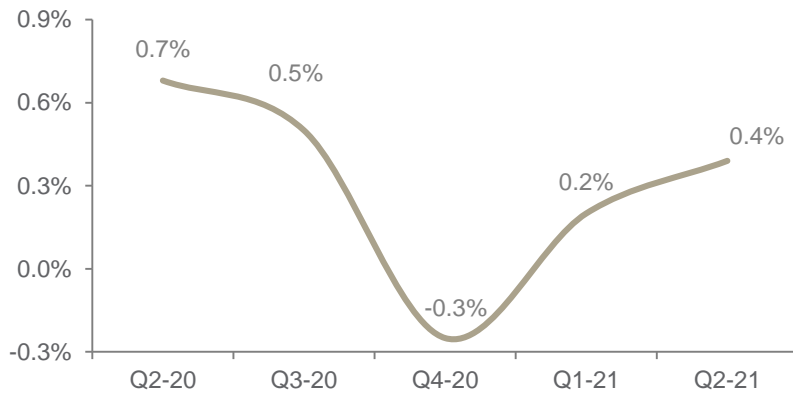
A strong start to 2021 delivering over SAR 99 billion in transaction values



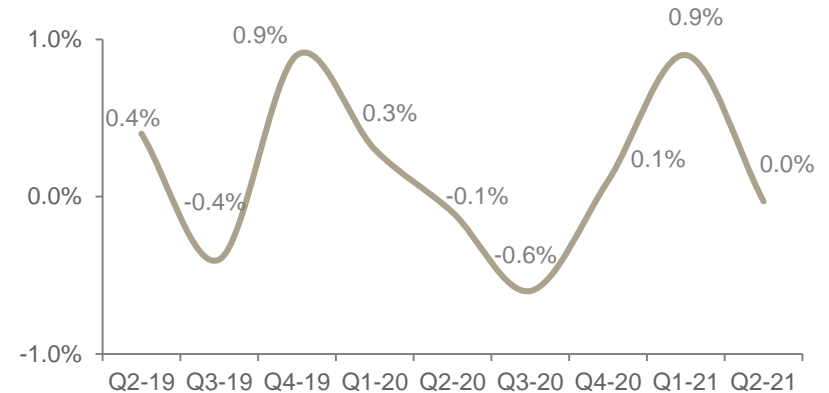
Value of Real Estate Transactions in KSA (SAR bn)

The Real Estate Price Index continues its positive momentum year over year in Q2 2021

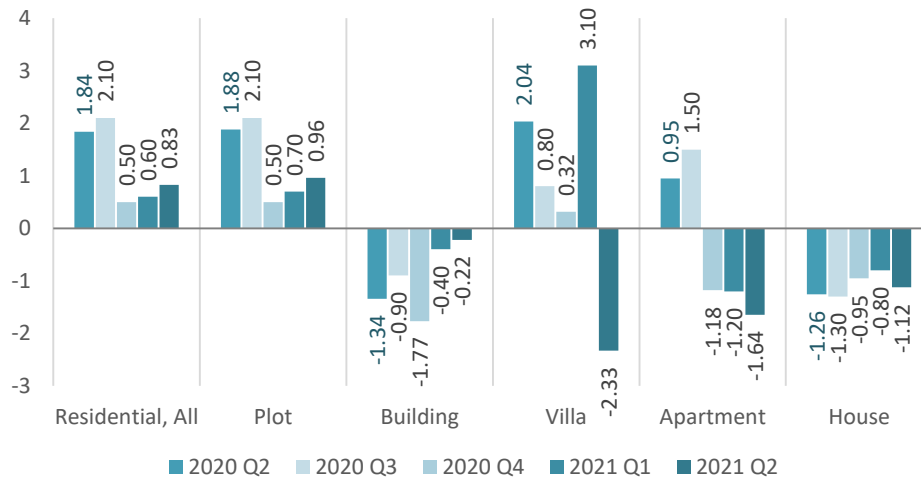
KSA Real Estate Price Index (YoY)



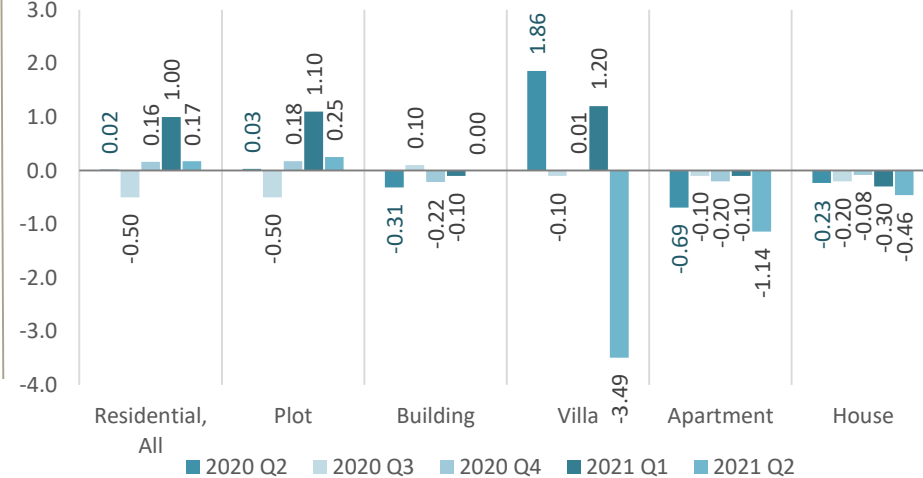
KSA Real Estate Price Index (QoQ)



Residential Real Estate Price Index by Type (YoY%)



Residential Real Estate Price Index by Type (QoQ%)



2 | Key Business Indicators Overview



Revenues (LTM) -28.2%

SAR 2,010 mn

(Q2 2020 : SAR 2,798 mn)

EBITDA (LTM) -8.3%

SAR 771 mn

(Q2 2020 : SAR 841 mn)

**Investment In
Development Properties
(LTM) -34%**

SAR 2,695 mn

(Q2 2020 : SAR 4,069 m)

Cash And Bank

SAR 4,299 mn

(Q2 2020 : SAR 5,486 mn)

**Gross Debt/
Capitalization**

35%

(Q2 2020 : 34%)

Book Value Per Share

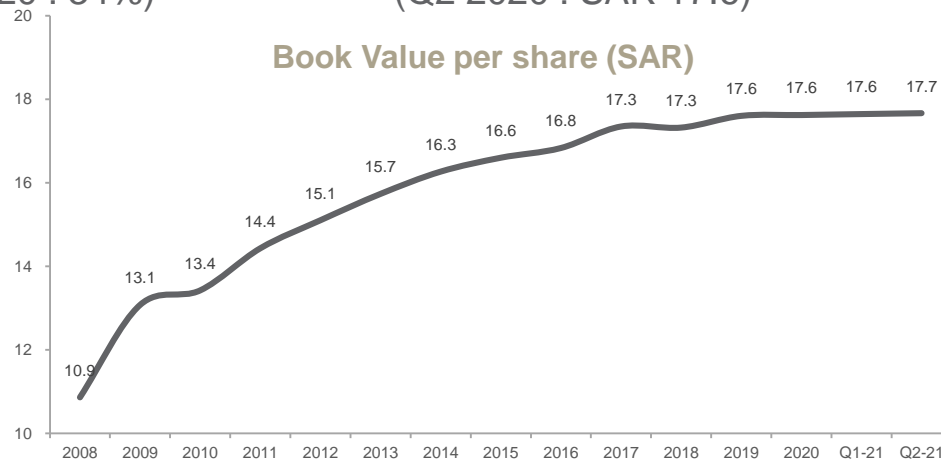
SAR 17.7

(Q2 2020 : SAR 17.6)

Strong Financial Position

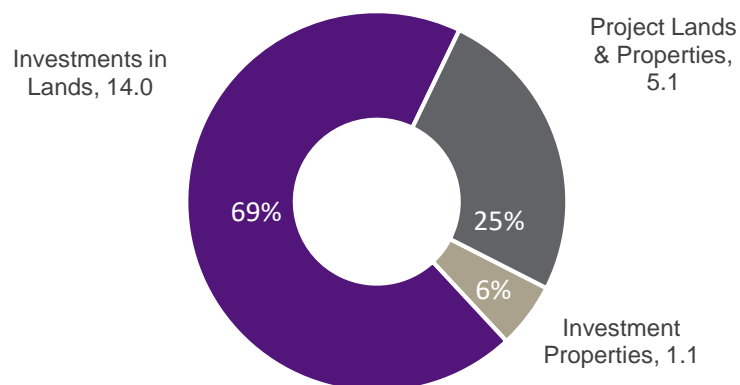
DAAR maintains a strong balance sheet with SAR 8.4 bn in cash and receivables against gross debt of SAR 10.1bn. Cash balance is sufficient to meet all operating expenses and debt maturities for the next year.

Despite carrying assets at cost, the 63% rise in book value of shares over last 12 years is reflective of the company's rising financial strength.



- DAAR's Real Estate assets portfolio at cost is SAR 20.2 bn.

Real Estate Properties Break up - SAR bn

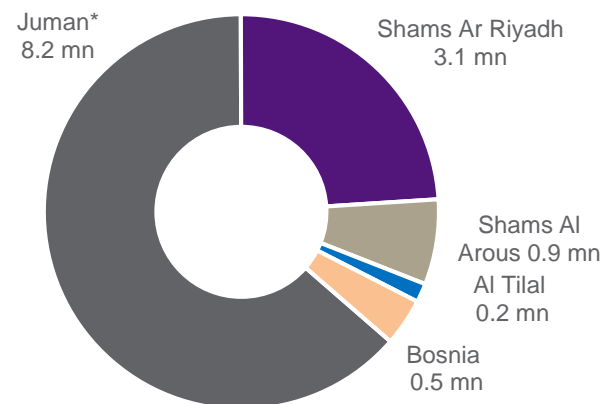


- Investment Properties ■ Investments in Lands ■ Project Lands & Properties

**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.



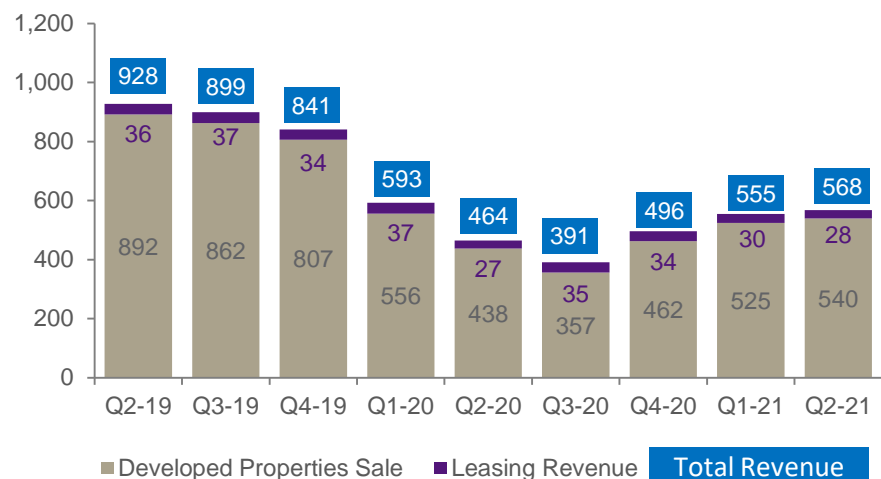
**DAAR holds 18% share in Juman*

- 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 Q2 2021.

3 | Financial Performance Overview

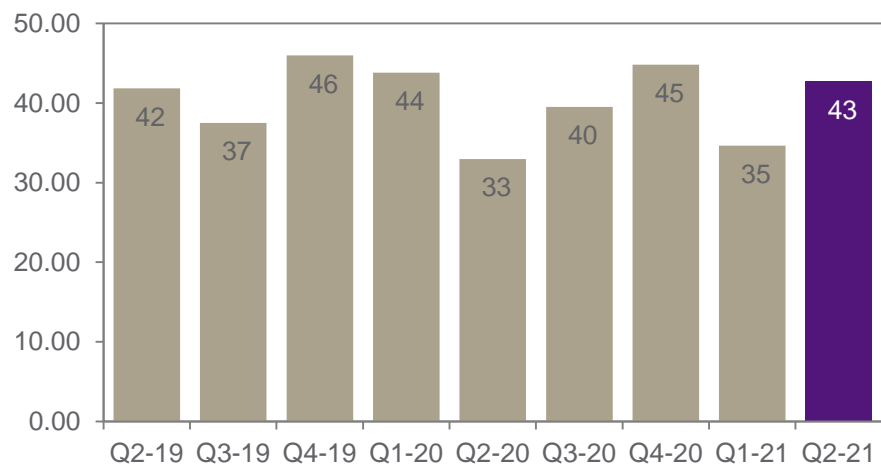


Quarterly Revenues (SAR mn)



- Q2 2021 revenues increased by 2% QoQ and by 22% YoY
- Contribution of lease revenue remained stable around 5% of total revenue

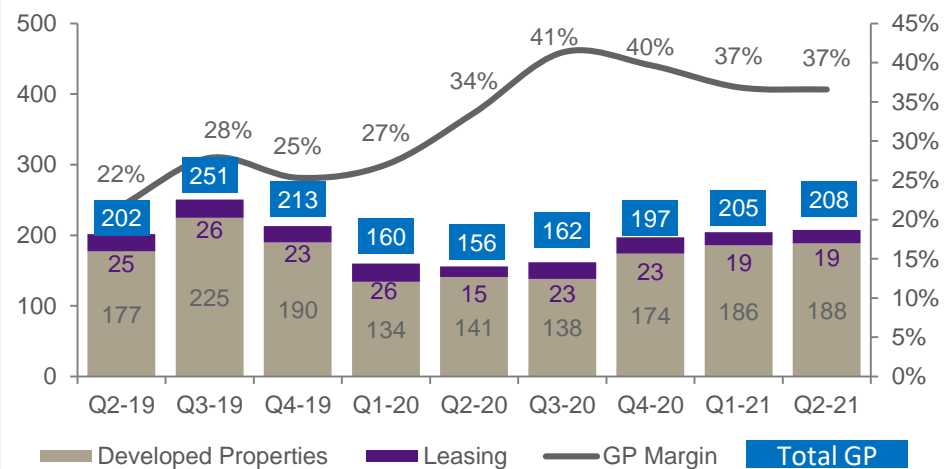
SG&A (SAR mn)



- YTD 2021 SG&A remained stable though Q2 2021 SG&A increased by 23% QoQ and by 30% YoY. The increase mainly attributable to marketing expenses and ECL provisions.

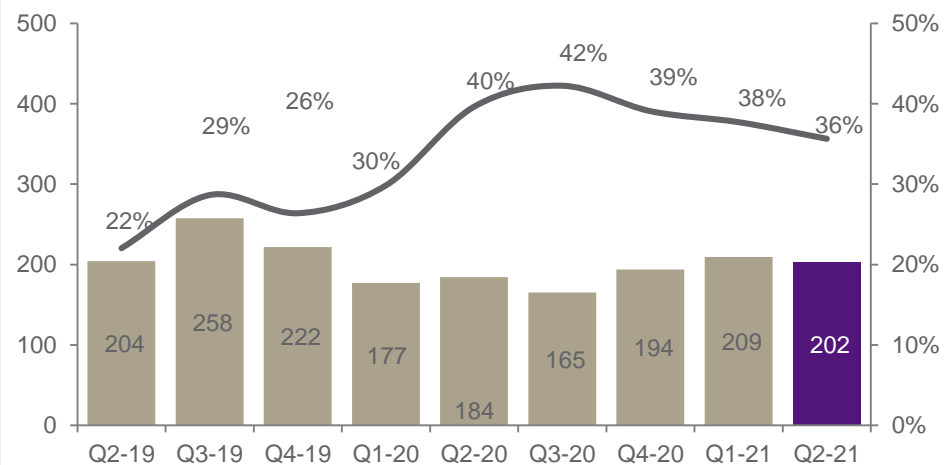
Financial Performance – Q2 2021 Profitability

Gross Profit (SAR mn) & Margin (%)



- Q2 2021 gross profit increased by 2% QoQ and by 33% YoY
- GP margins remained stable QoQ though improved by 3% YoY

EBITDA (SAR mn) & EBITDA Margin (%)

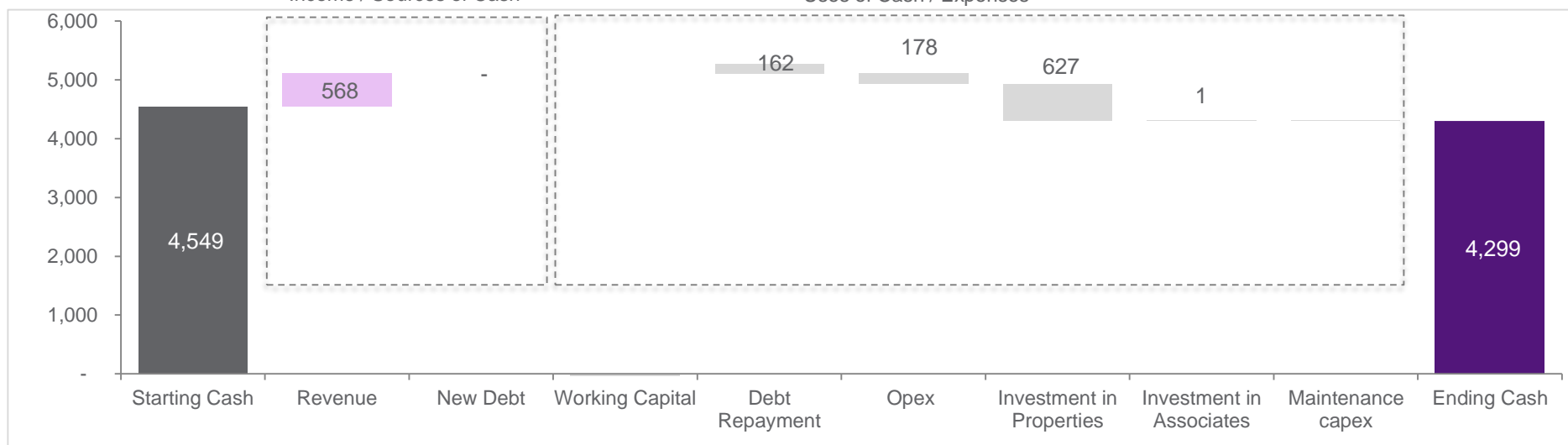


- Q2 2021 EBITDA decreased by 3% QoQ and increased by 10% YoY
- EBITDA margin declined by 2% QoQ and by 4% YoY

Cash Flow – Q2 2021 (SAR mn)

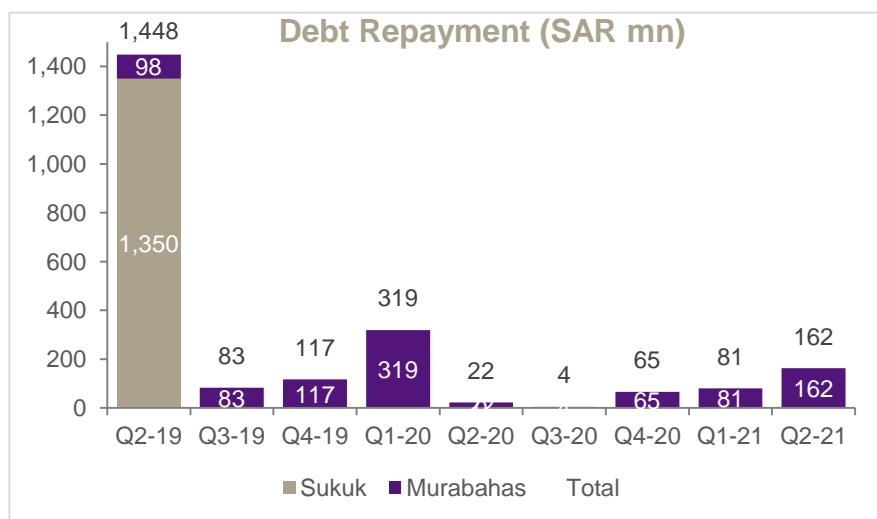
Income / Sources of Cash

Uses of Cash / Expenses

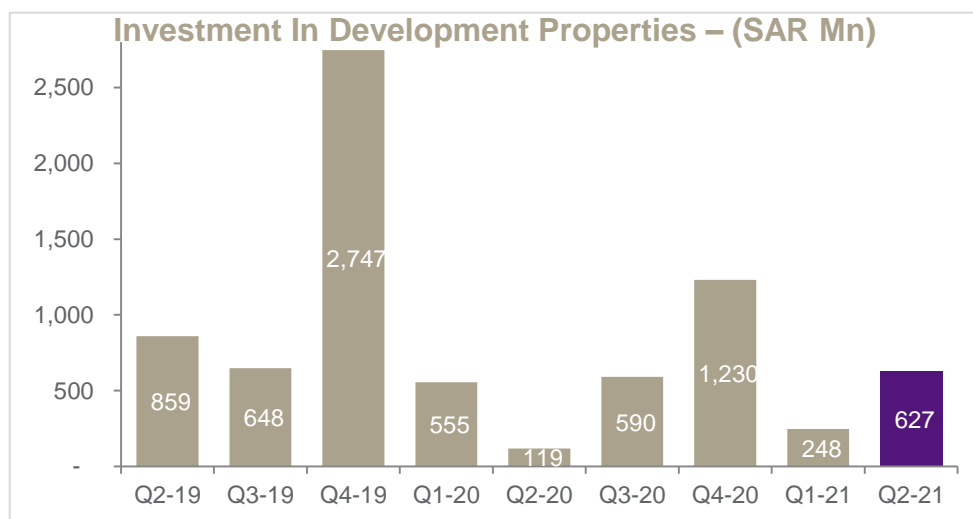


- DAAR's liquidity position remains robust with an ending cash balance of SAR 4.3 bn.
- Strong cash position and revenue allows DAAR to continue opportunistic and discretionary investment in properties.

Debt Repayment (SAR mn)

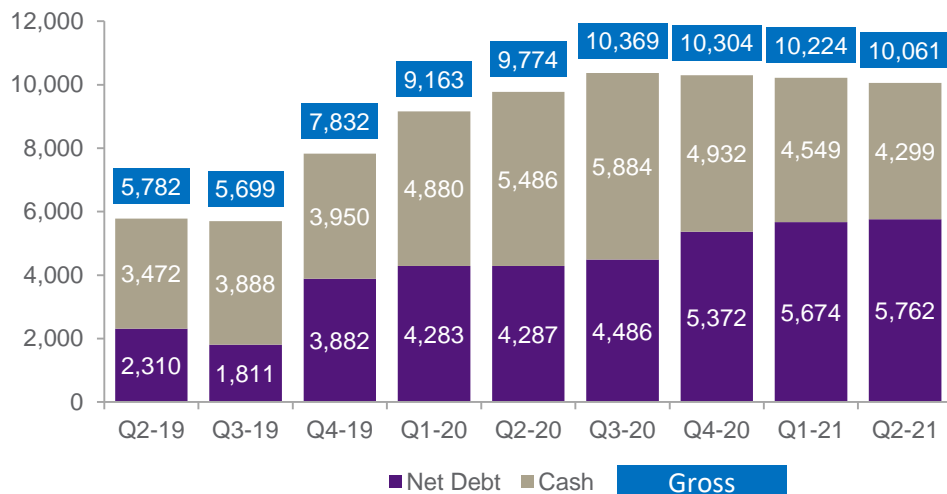


Investment In Development Properties – (SAR Mn)



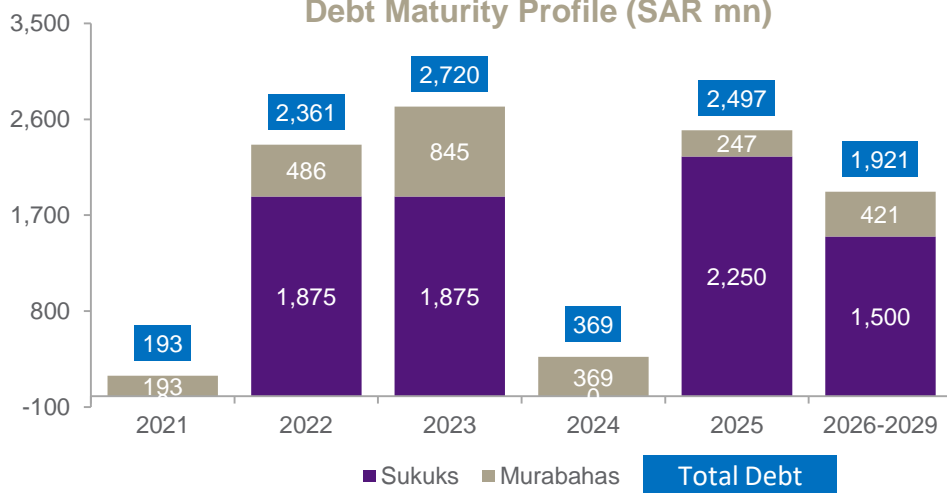
- Invested SAR 2.7 bn over last 12 months to replenish the Development Properties.

Gross Debt Vs Net Debt (SAR mn)



- Reduction in gross debt due to scheduled repayments of Murabaha facilities.

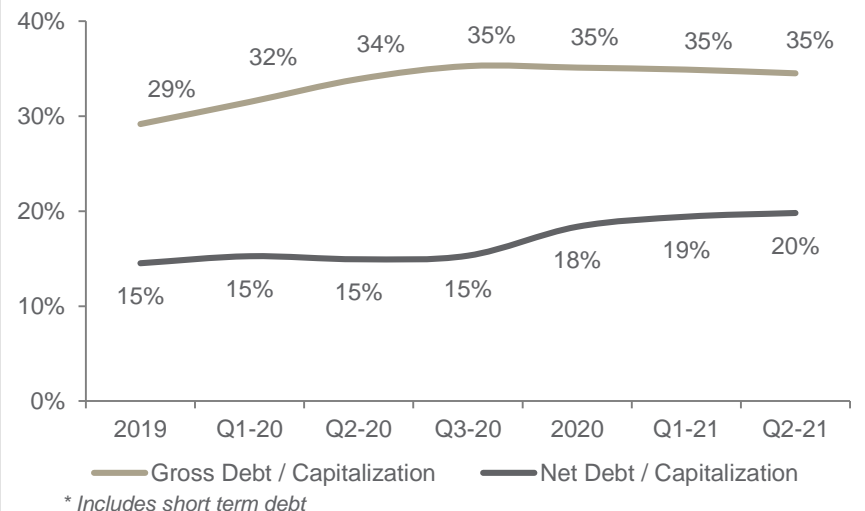
Debt Maturity Profile (SAR mn)



- Maturities are well spread over the next nine years and will allow for prudent investment & cash management.
- Cash balance of SAR 4.3 bn largely covers repayments till end 2023.

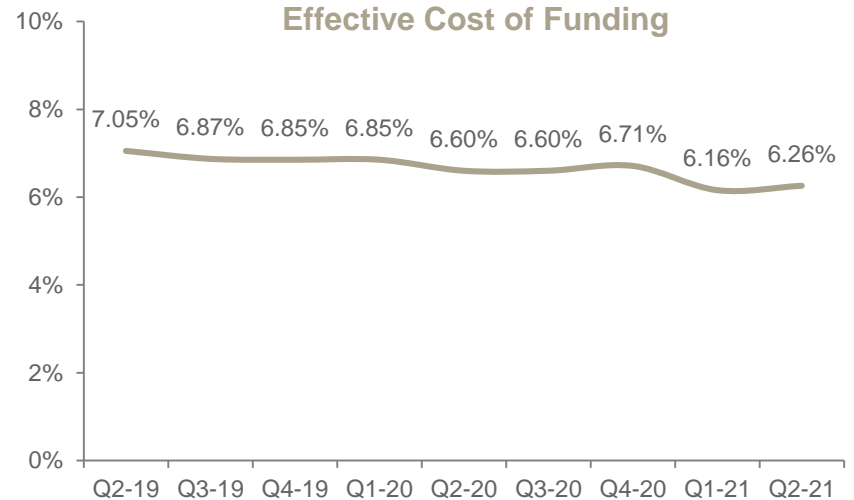
Financial Performance – 2021 Debt

Debt* / Capitalization



- Net debt ratio remained up to 20%.

Effective Cost of Funding



- Cost of funding remained 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	510	270	502	257	383	1,921
Launch Date		Q3 2020	Q2 2020	Q1 2020	Q2 2018	-	
Total Number of Plots	Number	771	491	406	208	189	2,065
Number of Plots Sold	Number	654	430	364	195	151	1794
Booked Sales	SAR mn	924	521	594	376	169	2,584
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.

YTD Off-plan Sales Status:

Gross Land	539k sqm
Saleable Plots	443
Plots Sold/Booked	35
Booked Sales	SAR 15 mn

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.

YTD Off-plan Sales Status:

Gross Land	862k sqm
Released Plots	484
Plots Sold/Booked	57
Booked Sales	SAR 85 mn

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 930 mn.
- It is a 34 storied tower and currently co-branded with Missoni.
- Launch of sales of the project started in Q4 2017 in Dubai, followed by January launch in KSA.
- 82% of the units have been launched, 67% of which have been sold on off plan
- Vertical construction on site is going as per the development time schedule and overall project completion is around 30%.

YTD Off-plan Sales Status:

Saleable (GFA)	44,000 sqm
Total Units	457
Units Released for Sale	375
Units Sold	252
Booked Sales	SAR 358 mn

Parisiana South



- Located in Riyadh city and easily accessed through King Fahad Road and major highways.
- Refurbished apartments with luscious 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.
- In 2021, project is now fully completed and the units available for sale are fully sold out.

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, project is now fully completed and the units available for sale are fully sold out.

Dar Al Mashaer



- Located in Mecca city conveniently on the Al Aziziyah Road, a mere 8 minutes drive from Al Haram; Comprised of 7 towers housing 314 elegant apartments and 6 penthouses.
- Project offers 24 hours security, a children's play area and separate gym for men and women.
- Array of shopping experiences, from supermarkets to exclusive stores to cafes.
- Refurbishment is being carried out after the building is vacated by King Abdullah Medical City at the end of March 2021.
- Apartments has already been launched for booking and have seen good traction from varied customers.

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:

- 85% occupancy achieved
- Cinema multiplex with 15 screens opened in 2019
- Bowling activity fully operational now.



Al-Qasr Apartments, Riyadh

GLA	128,419 m ²
Apartments	811

Latest Activity:

- 92% leased.



5 | Appendix



SAR in 000s	FY 2019	FY 2020	H1 2020	H1 2021	Q2 2020	Q2 2021
Revenue	3,491,856	1,944,854	1,057,364	1,122,600	464,343	567,764
Cost of revenue	(2,667,416)	(1,270,204)	(741,285)	(710,332)	(308,296)	(360,035)
Gross profit	824,440	674,650	316,079	412,268	156,047	207,729
%	23.6%	34.7%	29.9%	36.7%	33.6%	36.6%
Operating expenses	(165,174)	(161,109)	(76,753)	(77,376)	(32,957)	(42,716)
Operating profit	659,266	513,541	239,326	334,892	123,090	165,013
%	18.9%	26.4%	22.6%	29.8%	26.5%	29.1%
Income from Associates	7,885	18,583	10,266	7,434	5,241	3,908
Depreciation & amortization	(9,613)	(10,223)	(5,011)	(4,865)	(2,503)	(2,157)
EBIT	657,538	521,901	244,581	337,461	125,828	166,764
%	18.8%	26.8%	23.1%	30.1%	27.1%	29.4%
Other income	133,269	143,361	88,980	49,574	44,524	24,890
Finance cost	(478,418)	(645,883)	(310,192)	(334,769)	(159,718)	(168,636)
PBT	312,389	19,379	23,369	52,267	10,634	23,018
%	8.9%	1.0%	2.2%	4.7%	2.3%	4.1%
Zakat	(7,799)	(585)	(585)	(1,307)	(266)	(576)
Net Income	304,590	18,794	22,784	50,959	10,368	22,442
%	8.7%	1.0%	2.2%	4.5%	2.2%	4.0%
EBITDA	845,450	720,489	361,139	411,726	184,137	202,423
%	24.2%	37.0%	34.2%	36.7%	39.7%	35.7%

SAR in 000s	FY 2019	FY 2020	Q2 – 2020	Q2 - 2021
Investment properties, net	1,651,357	1,519,116	1,630,050	1,131,123
Long-term development properties	16,895,604	18,246,583	16,849,299	18,787,130
Property and equipment, net	79,765	72,180	76,280	78,204
Investment in associates and joint ventures	1,154,506	1,173,547	1,164,772	1,182,164
Other assets	1,501	492	997	0
Total non-current assets	19,782,733	21,011,918	19,721,398	21,178,621
Short-term development properties	334,950	341,860	336,557	354,183
Trade receivables and others	3,981,526	4,649,178	4,758,128	5,260,840
Cash and cash equivalents	3,950,020	4,931,660	5,486,311	4,298,748
Total current assets	8,266,496	9,922,698	10,580,996	9,913,771
TOTAL ASSETS	28,049,229	30,934,616	30,302,394	31,092,392
Borrowing-long-term maturity portion	7,326,740	9,781,391	9,382,529	7,705,346
End of service indemnities	21,614	21,323	22,561	21,560
Total non-current liabilities	7,348,354	9,802,714	9,405,090	7,726,906
Borrowing-Short-term maturity portion	405,943	436,062	288,771	2,285,242
Trade payables and others	798,779	1,232,466	1,139,067	1,668,086
Zakat provision	486,665	437,194	437,194	335,018
Total current liabilities	1,691,387	2,105,722	1,865,032	4,288,347
Total liabilities	9,039,741	11,908,436	11,270,122	12,015,253
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	7,092,256	7,135,244
Total shareholders' equity	19,009,488	19,026,180	19,032,272	19,077,140
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	28,049,229	30,934,616	30,302,394	31,092,392

SAR in 000s	FY 2019	FY 2020	H1-2020	H1-2021
Profit before Zakat	312,389	19,379	23,369	52,266
Adjustments for:				
Depreciation & Amortization	55,653	56,237	28,082	25,183
Provision for expected credit losses	2,000	2,516	0	1,939
End of service indemnities	4,313	3,884	2,253	2,095
Finance costs	478,418	645,883	310,192	334,769
Share of net profit from associates and joint ventures	(7,885)	(18,583)	(10,266)	(7,434)
Operating cash flow before WC movements	844,888	709,316	353,630	408,818
Development properties - net	(2,732,963)	(1,269,370)	44,698	(184,240)
Trade receivables and others	757,351	(670,168)	(776,602)	(613,601)
Other assets	0	0	0	0
Trade payables and others	(86,576)	433,687	340,288	425,348
Cash from operations	(1,217,300)	(796,535)	(37,986)	36,325
Finance costs	(445,309)	(608,809)	(289,132)	(318,752)
Zakat paid	(77,962)	(50,056)	(50,056)	(103,483)
End of service indemnities paid	(2,145)	(6,277)	(1,306)	(1,858)
Cash flow from operating activities	(1,742,716)	(1,461,677)	(378,480)	(387,768)
Investment in associates	(320,000)	(458)	0	(1,183)
Investment properties	(3,246)	(1,282)	(1,260)	(463)
Purchase of property and equipment (net)	(6,293)	(2,639)	(1,526)	(617)
Net cash flow from investing activities	(329,539)	(4,379)	(2,786)	(2,263)
Long term borrowings	1,118,784	2,447,696	1,917,557	(242,882)
Dividend	0	0	0	0
Net cash flow from financing activities	1,118,784	2,447,696	1,917,557	(242,882)
Increase / (decrease) in cash and cash equivalents	(953,471)	981,640	1,536,291	(632,913)
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	5,486,311	4,298,747

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