

Investor Presentation

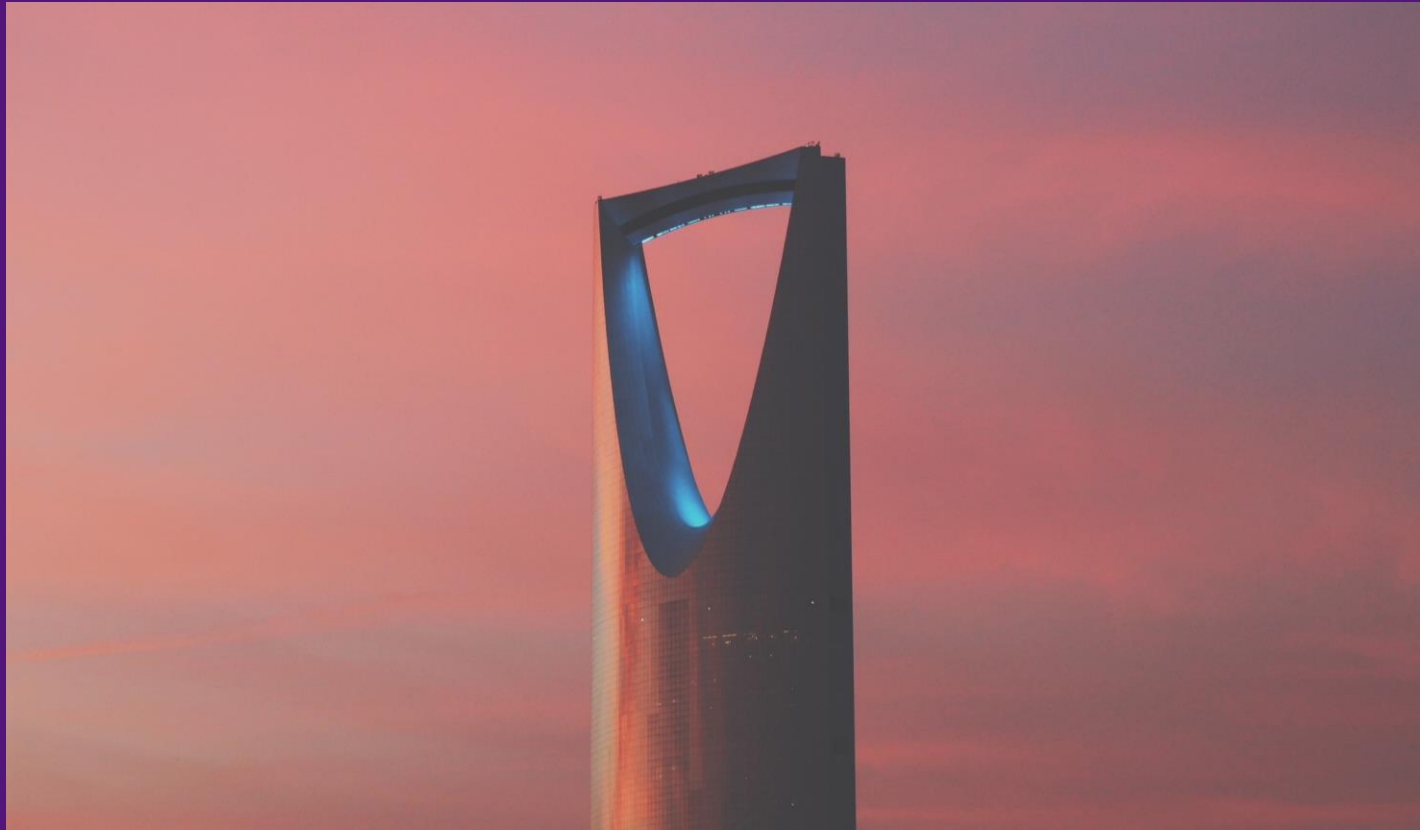
Q4 2020

Table of Contents

Page No.

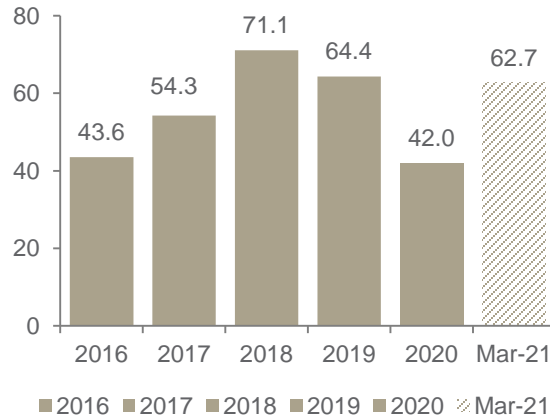
1. Macro Economic Overview & KSA Real Estate Market	3
2. Key Business Indicators Overview	8
3. Financial Performance Overview	11
4. Overview of Assets Portfolio	16
5. Appendix	21

1 | Macro Economic Overview & KSA Real Estate Market



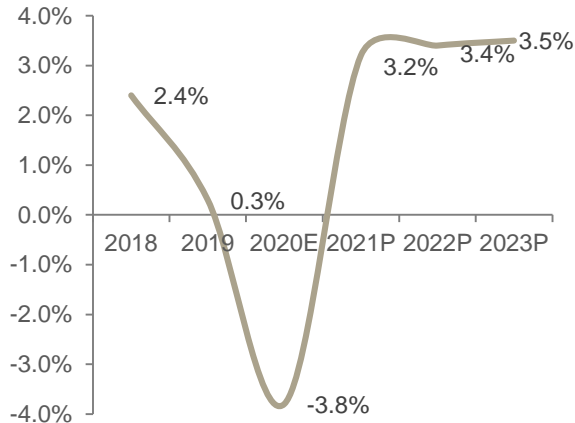
The economic outlook is clouded by massive uncertainty!

Average Brent Oil Prices



- Brent price on Dec 31st 2020 stood at \$51.22.
- Brent oil prices are down 35% on average in 2020.
- Further supply curbs by OPEC and in particular Saudi Arabia supported the oil price towards the end of the year.
- Drops in inventory levels especially in the US have driven Brent prices above \$60 Q1 2021, bringing optimism back to the market.

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



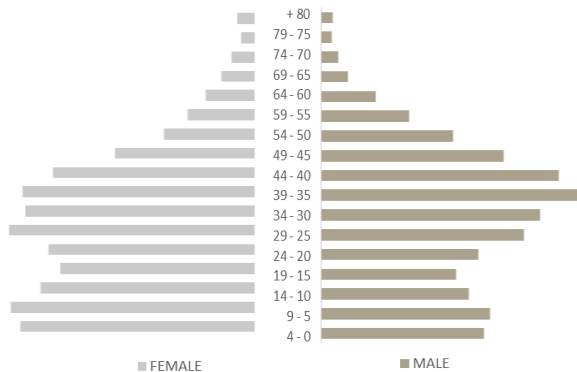
Source: Jadwa Investment

- 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



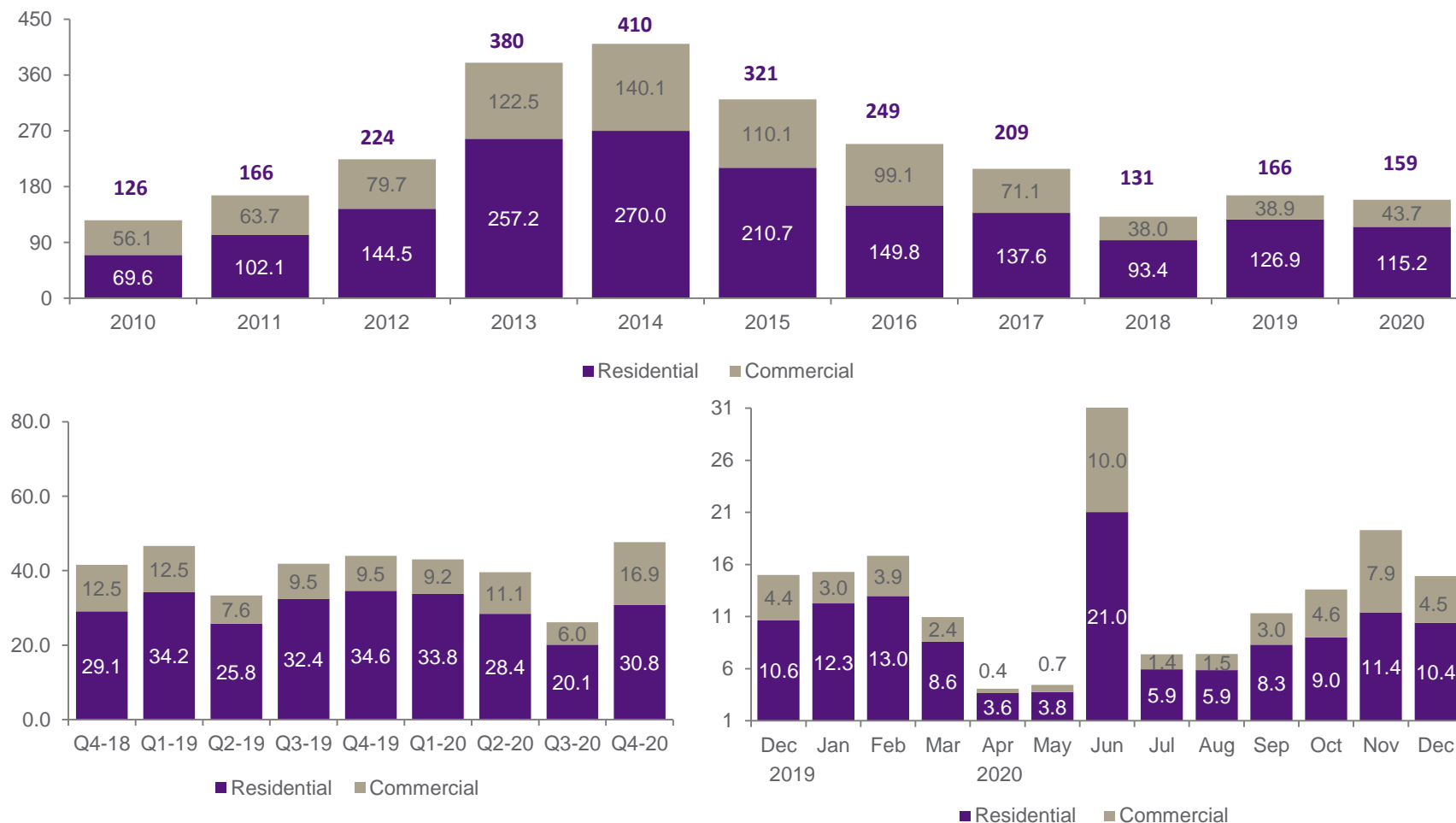
- Chronic under supply of residential housing.
- MOH estimates suggest that the residential market is under supplied by as many as 1.45 million units.
- Low home ownership penetration among Saudis, expected to be 60% in 2020.

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.

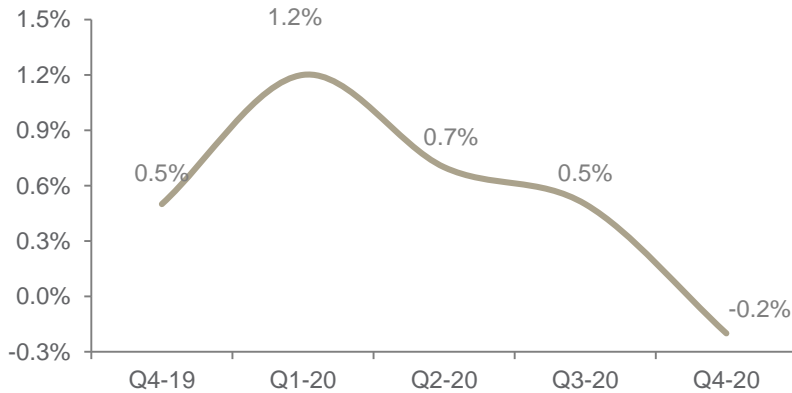
A Strong rebound in 4Q 20 ended 2020 a respectable 4% below 2019 and still 21% ahead of 2018



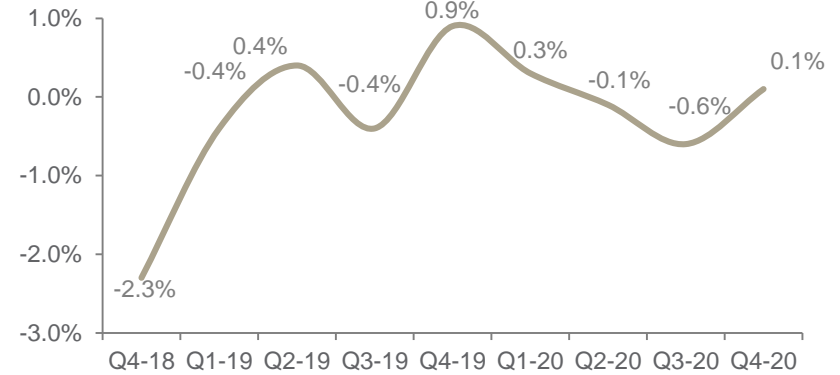
Value of Real Estate Transactions in KSA (SAR bn)

The Real Estate Price Index was +0.5% for 2020 and sequentially 4Q 20 returned into positive territory

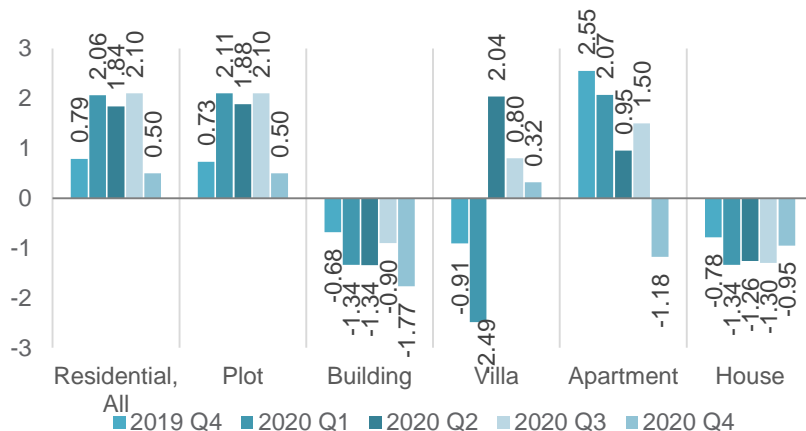
KSA Real Estate Price Index (YoY)



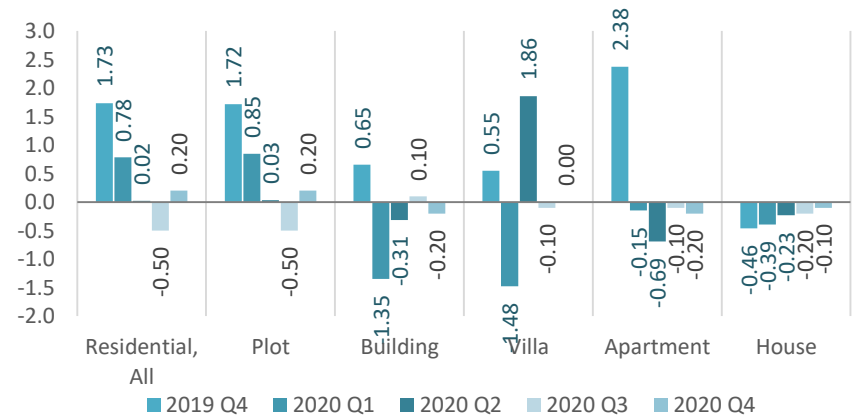
KSA Real Estate Price Index (QoQ)



Residential Real Estate Price Index by Type (YoY %)



Residential Real Estate Price Index by Type QoQ %



2 | Key Business Indicators Overview



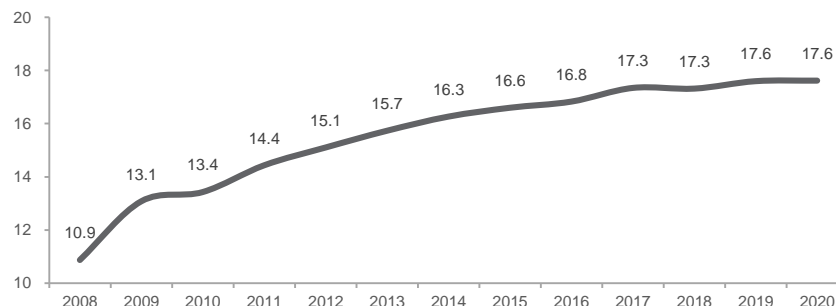
Revenues -44%	EBITDA -15%	Investment In Development Properties -53%
SAR 1,945 mn	SAR 720 mn	SAR 2,495 mn
(2019 : SAR 3,492 mn)	(2019 : SAR 845 mn)	(2019 : SAR 5,355 m)
Cash And Bank	Gross Debt/ Capitalization	Book Value Per Share
SAR 4,932 mn	35%	SAR 17.6
(2019 : SAR 3,950 mn)	(2019 : 29%)	(2019 : SAR 17.6)

Strong Financial Position

DAAR maintains a strong balance sheet with SAR 8.6 bn in cash and receivables against gross debt of SAR 10.3 bn. Cash balance is sufficient to meet all operating expenses and debt maturities for the next two years.

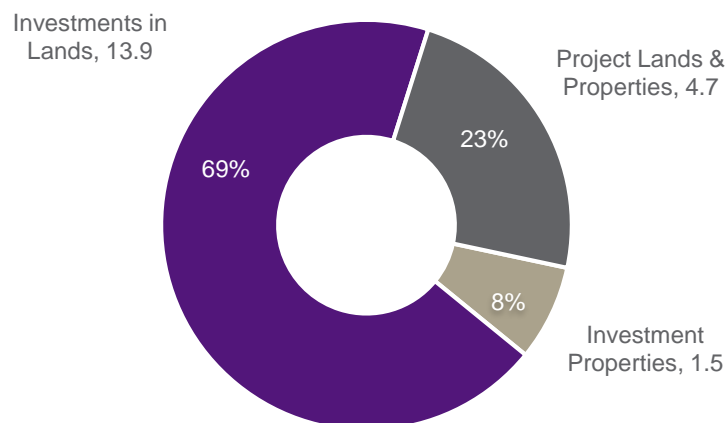
Despite carrying assets at cost, the 62% rise in book value of shares over last 12 years is reflective of the company's rising financial strength.

Book Value per share (SAR)



- DAAR's Real Estate assets portfolio at cost is SAR 20.1 bn.

Real Estate Properties Break up - SAR bn

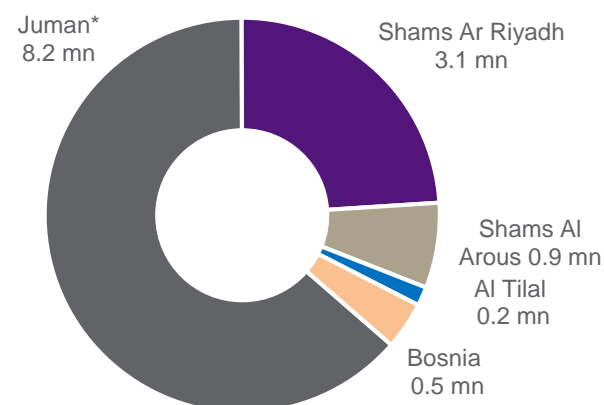


- Investment Properties
- Investments in Lands
- Project Lands & Properties

**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.



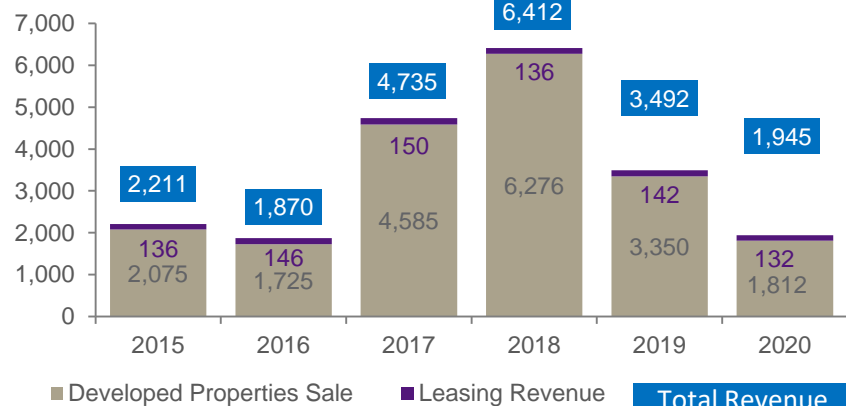
**DAAR holds 18% share in Juman*

- 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 ILFT are offered under off-plan sales program for which no revenues were recognized for the year 2020.

3 | Financial Performance Overview

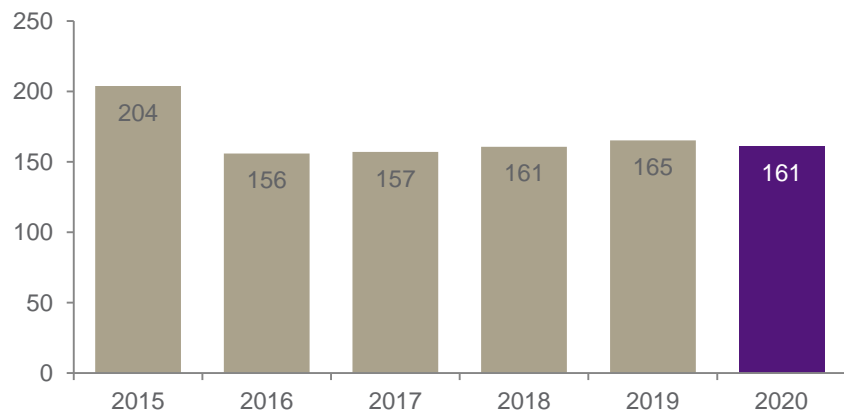


Yearly Revenues (SAR mn)



- 2020 revenues decreased by 44% over 2019.
- In 2020 Covid lockdown discount in commercial leasing was SAR 16 mn. Including this, the underlying revenue increased by 5% compared to 2019.

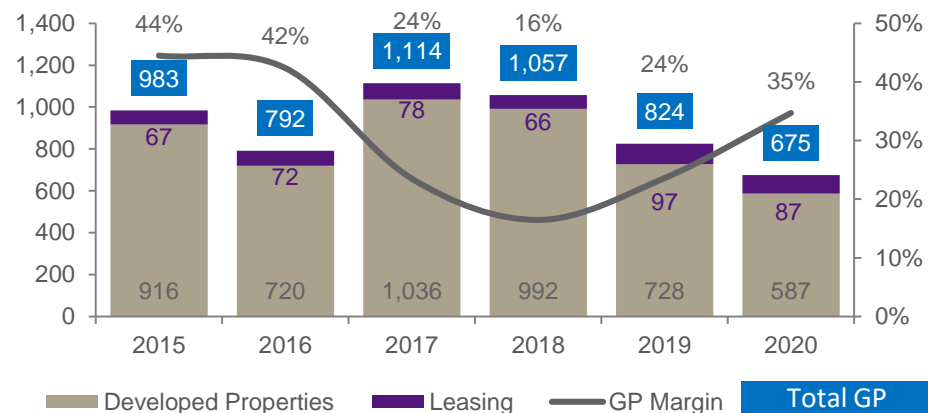
SG&A (SAR mn)



- 2020 SG&A marginally decreased by 2%.

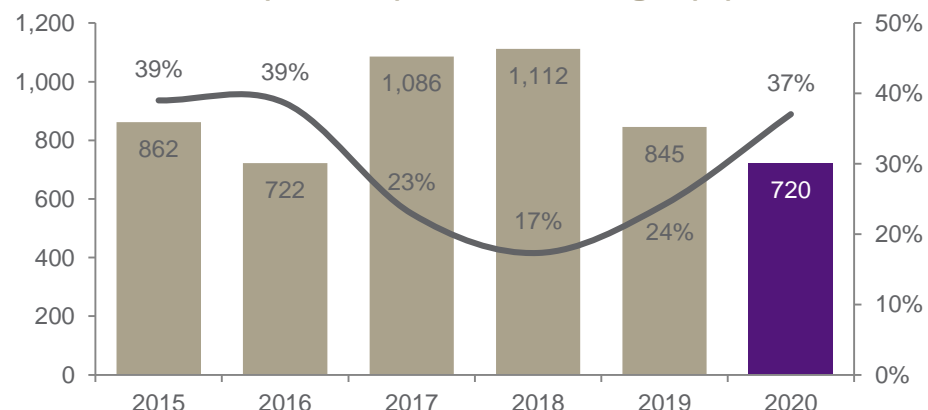
Financial Performance – 2020 Profitability

Gross Profit (SAR mn) & Margin (%)



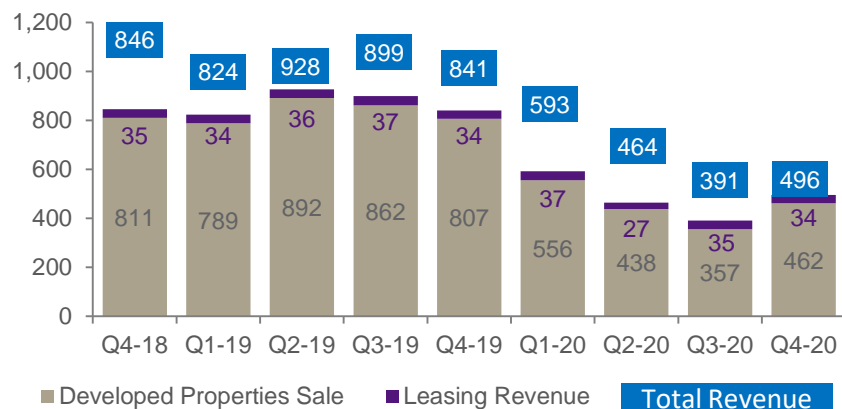
- 2020 GP margins improved by 11 % but decreased in absolute terms compared to 2019 mainly due to lower property sales.

EBITDA (SAR mn) & EBITDA Margin (%)



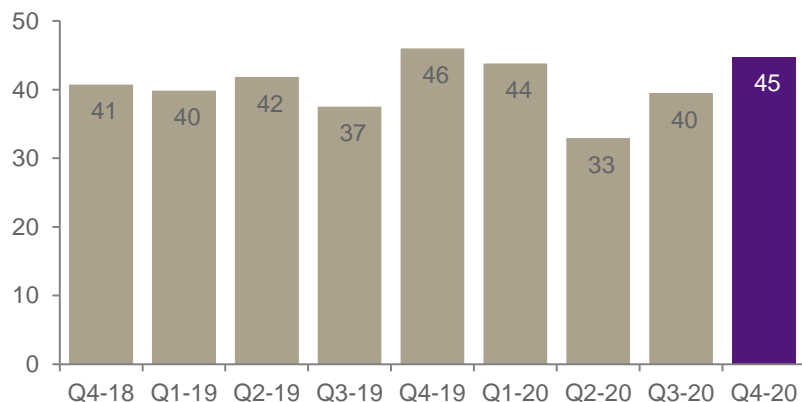
- 2020 EBITDA margins increased by 13% but decreased in absolute terms due to lower property sales volume.

Quarterly Revenues (SAR mn)



- Q4 2020 revenues increased by 27% QoQ and decreased by 41% YoY.
- Contribution of lease revenue remain stable around 5% to the total revenue.

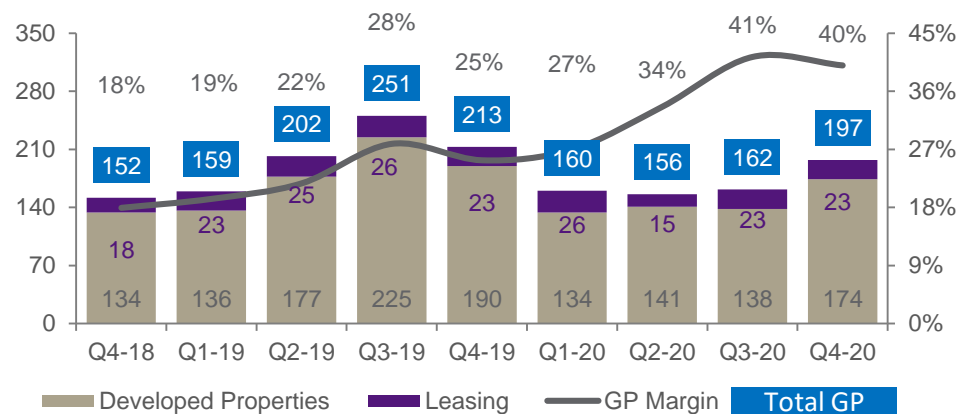
SG&A (SAR mn)



- Q4 2020 SG&A increased by 13% QoQ and decreased by 2% YoY.

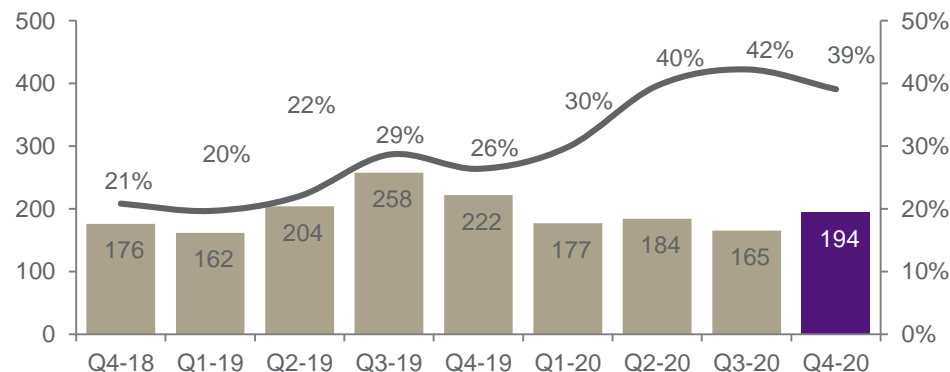
Financial Performance – Q4 2020 Profitability

Gross Profit (SAR mn) & Margin (%)

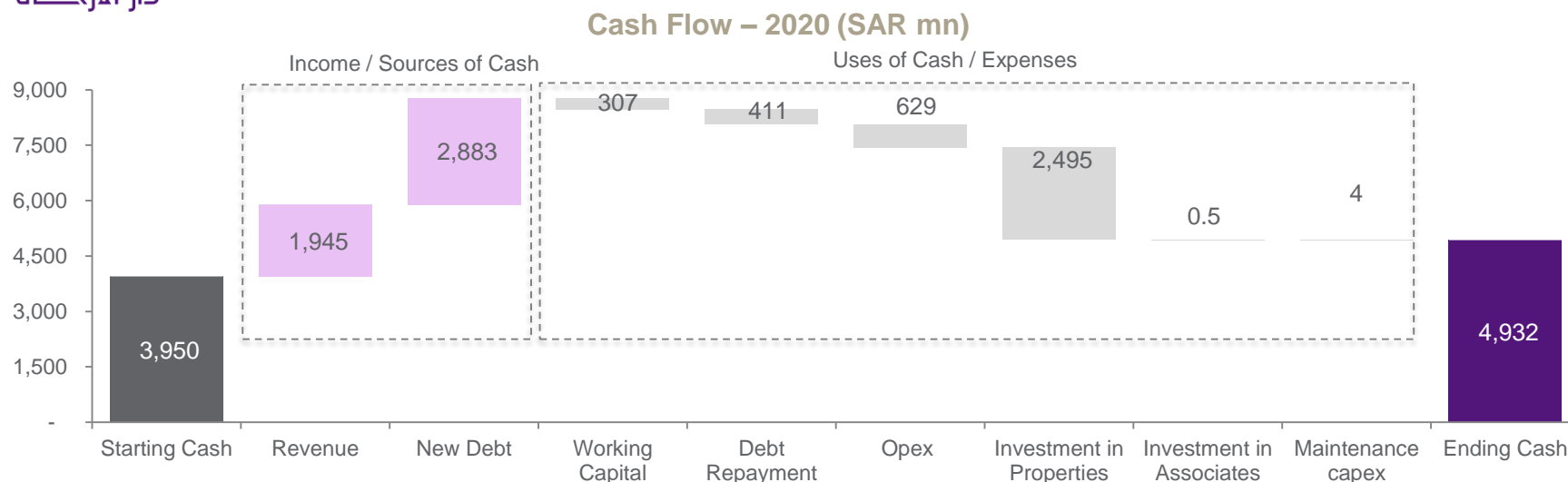


- Q4 2020 gross profit increased by 22% QoQ and decreased by 7% YoY.
- GP margins were 1% lower QoQ & improved by 15% YoY.

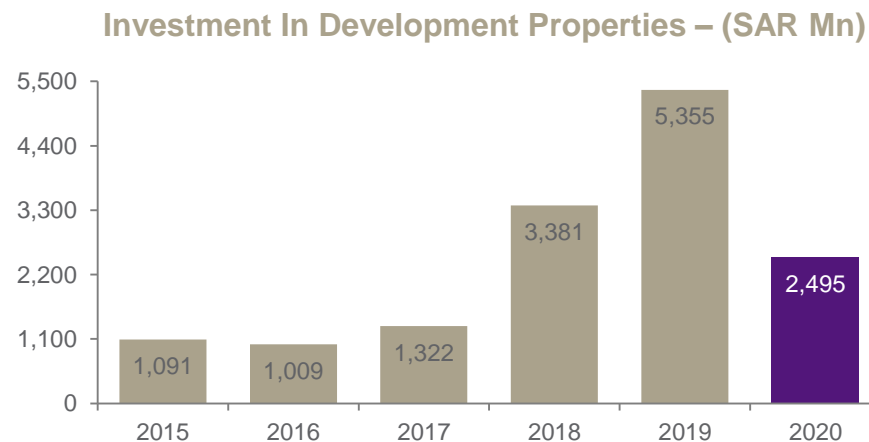
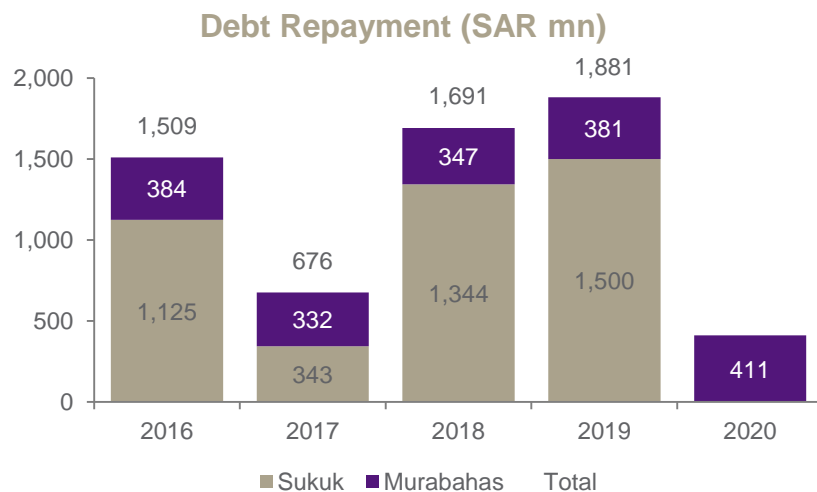
EBITDA (SAR mn) & EBITDA Margin (%)



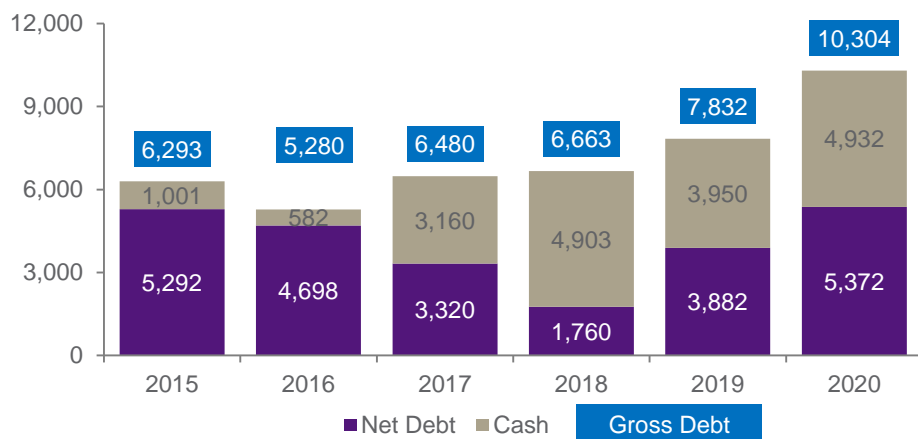
- Q4 2020 EBITDA increased by 17% QoQ and decreased by 13% YoY. EBITDA margin continues to improve YoY.



- DAAR's liquidity position remains robust with an ending cash balance of SAR 4.9 bn.
- Strong cash position and revenues allowed DAAR to invest SAR 2.5 bn in properties.

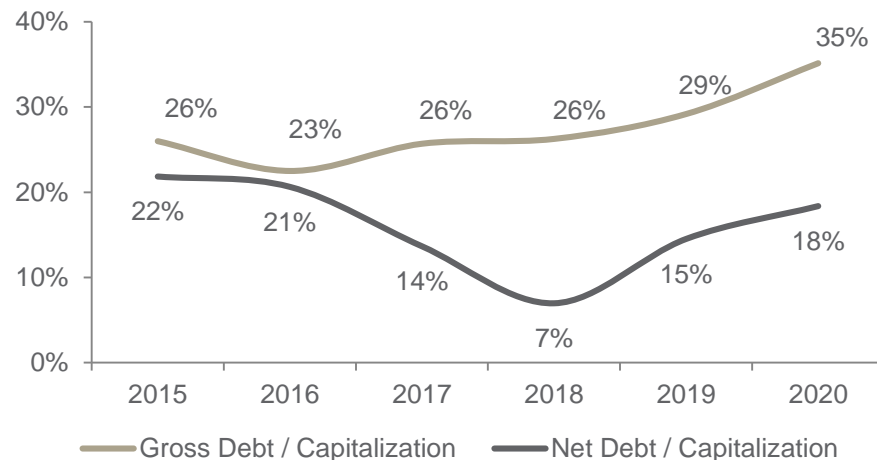


Gross Debt Vs Net Debt (SAR mn)



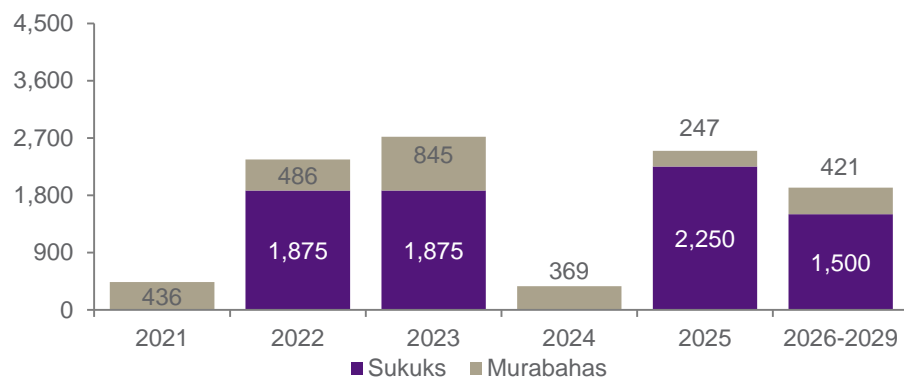
- In 2020, gross debt moved up by SAR 2.5 bn on account of new Sukuk and Murabaha facilities.

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 4.9 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	510	270	502	257	383	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	614	405	377	196	149	1,741
Booked Sales	SAR mn	715	372	595	377	132	2,190
Revenue Recognized	SAR mn	Nill	Nill	Nill	Nill	Nill	Nill

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

I Love Florence, Dubai



- The 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 and is fully designed by Roberto Cavalli's heritage and love for Florence.
- 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 2020 100% leased to King Abdullah Medical City (Government).



5 | Appendix



SAR in 000s	FY 2018	FY 2019	Q4 2019	Q4 2020	2020
Revenue	6,412,265	3,491,856	840,922	496,255	1,944,854
Cost of revenue	(5,355,114)	(2,667,416)	(628,050)	(299,323)	(1,270,204)
Gross profit	1,057,151	824,440	212,872	196,932	674,650
%	16.5%	23.6%	25.3%	39.7%	34.7%
Operating expenses	(160,754)	(165,174)	(45,981)	(44,834)	(161,109)
Operating profit	896,397	659,266	166,891	152,098	513,541
%	14.0%	18.9%	19.8%	30.6%	26.4%
Income from Associates	15,432	7,885	5,363	5,655	18,583
Depreciation & amortization	(8,188)	(9,613)	(3,508)	(2,436)	(10,223)
EBIT	903,641	657,538	168,746	155,317	521,901
%	14.1%	18.8%	20.1%	31.3%	26.8%
Other income	129,866	133,269	38,245	25,095	143,361
Finance cost	(511,652)	(478,418)	(135,971)	(165,810)	(645,883)
PBT	521,855	312,389	71,020	14,603	19,379
%	8.1%	8.9%	8.4%	2.9%	1.0%
Zakat	(13,046)	(7,799)	(1,765)	0	(585)
Net Income	508,809	304,590	69,255	14,603	18,794
%	7.9%	8.7%	8.2%	2.9%	1.0%
EBITDA	1,111,862	845,450	221,771	194,003	720,489
%	17.3%	24.2%	26.4%	39.1%	37.0%

SAR in 000s	FY 2018	FY 2019	FY 2020
Investment properties, net	1,693,141	1,651,357	1,519,116
Long-term development properties	14,148,262	16,895,604	18,246,583
Property and equipment, net	83,085	79,765	72,180
Investment in associates and joint ventures	826,621	1,154,506	1,173,547
Other assets	2,511	1,501	492
Total non-current assets	16,753,620	19,782,733	21,011,918
Short-term development properties	349,329	334,950	341,860
Trade receivables and others	4,740,877	3,981,526	4,649,178
Cash and cash equivalents	4,903,491	3,950,020	4,931,660
Total current assets	9,993,697	8,266,496	9,922,698
TOTAL ASSETS	26,747,317	28,049,229	30,934,616
Borrowing-long-term maturity portion	4,731,167	7,326,740	9,781,391
End of service indemnities	19,011	21,614	21,323
Total non-current liabilities	4,750,178	7,348,354	9,802,714
Borrowing-Short-term maturity portion	1,849,623	405,943	436,062
Trade payables and others	885,355	798,779	1,232,466
Zakat provision	556,828	486,665	437,194
Total current liabilities	3,291,806	1,691,387	2,105,722
Total liabilities	8,041,984	9,039,741	11,908,436
Share capital	10,800,000	10,800,000	10,800,000
Statutory reserve	1,109,601	1,140,016	1,141,895
Retained earnings	6,795,732	7,069,472	7,084,285
Total shareholders' equity	18,705,333	19,009,488	19,026,180
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	26,747,317	28,049,229	30,934,616

SAR in 000s	FY 2018	FY 2019	FY 2020
Profit before Zakat	521,855	312,389	19,379
Adjustments for:			
Depreciation & Amortization	78,355	55,653	56,237
Provision for expected credit losses	0	2,000	2,516
End of service indemnities	4,122	4,313	3,884
Finance costs	511,652	478,418	645,883
Share of net profit from associates and joint ventures	(15,432)	(7,885)	(18,583)
Operating cash flow before WC movements	1,100,552	844,888	709,316
Development properties - net	1,903,999	(2,732,963)	(1,269,370)
Trade receivables and others	(707,552)	757,351	(670,168)
Other assets	(561)	0	0
Trade payables and others	347,330	(86,576)	433,687
Cash from operations	2,643,768	(1,217,300)	(796,535)
Finance costs	(474,207)	(445,309)	(608,809)
Zakat paid	(5,888)	(77,962)	(50,056)
End of service indemnities paid	(4,098)	(2,145)	(6,277)
Cash flow from operating activities	2,159,575	(1,742,716)	(1,461,677)
Investment in associates	0	(320,000)	(458)
Investment properties	(648)	(3,246)	(1,282)
Purchase of property and equipment (net)	(19,465)	(6,293)	(2,639)
Net cash flow from investing activities	(20,113)	(329,539)	(4,379)
Long term borrowings	144,363	1,118,784	2,447,696
Dividend	(540,000)	0	0
Net cash flow from financing activities	(395,637)	1,118,784	2,447,696
Increase / (decrease) in cash and cash equivalents	1,743,825	(953,471)	981,640
Cash and cash equivalents, beginning of the period	3,159,666	4,903,491	3,950,020
Cash and cash equivalents, end of the period	4,903,491	3,950,020	4,931,660

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