



AQARAT

عقارات

Date: 24/05/2022
KREC/FIN/2022/ 230

التاريخ: 2022/05/24
KREC/FIN/2022/ 230

To: Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين

Subject: Kuwait Real Estate Company Analyst / Investor Conference minutes for Q1 - 2022

الموضوع: محضر مؤتمر المحللين / المستثمرين لشركة عقارات الكويت عن الربع الأول لعام 2022

Reference to the above mentioned subject, and the requirements of article No. (2-4-8) "Continuing Obligations in the Premier Market" of Boursa Kuwait rule book issued via resolution No. (1) of year 2018, and since Kuwait Real Estate Co. has been classified in the premier market, kindly note that the analyst/investor conference was conducted through (Live Webcast) at 01:00 PM on Sunday 22/05/2022.

بالإشارة إلى الموضوع أعلاه، وإلى متطلبات المادة (2-4-8) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن شركة عقارات الكويت تم تصنيفها ضمن مجموعة " السوق الأول"، نود أن نحيطكم علما بأن مؤتمر المحللين / المستثمرين قد انعقد عبر طريق بث مباشر على (Live Webcast) في تمام الساعة 01:00 من ظهر يوم الأحد 2022/05/22.

Kindly note that no material information has been discussed during the conference. Please find attached the minutes of the conference in (Arabic & English) and the investors presentation for Q1, 2022.

كما يرجى العلم بأنه لم يتم تداول أي معلومة جوهرية خلال المؤتمر، وتجدون مرفق طيه محضر المؤتمر باللغتين العربية والإنجليزية والعرض التقديمي للمستثمرين عن الربع الأول لعام 2022.

Best Regards

وتفضلوا بقبول فائق الاحترام والتقدير،،،



طلال جاسم البحر

نائب رئيس مجلس الإدارة
والرئيس التنفيذي

*CC:

CMA – Disclosure Dept.

AQARAT
عقارات

* نسخة الي:

السادة / هيئة أسواق المال – إدارة الإفصاح

أ.ع.

شركة عقارات الكويت ش.م.ك.ع. Kuwait Real Estate Company K.P.S.C.

تأسست عام 1972

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سجل تجاري 64 CR No.



AQARAT
عقارات



AQARAT'S

Investors Presentation

Sunday, 22 May 2022
At 1:00pm (Kuwait Time)

2022

SPEAKERS

Mr. Talal Jassem Al Bahar

Vice Chairman & CEO

Mr. Maher Khalaf

Assistant Vice President – Finance Department

Mr. Saad Al Muneefi

Vice President – Asset Management & Investor Relations

Saad Al Muneefi

Greetings and welcome to AQARAT's First Quarter 2022 Investor & Analyst conference Call to present and discuss the Company's performance for the period. Please allow me to introduce the speakers in Today's call :

Mr. Talal Al Bahar – Vice Chairman & CEO

Mr. Maher Khalaf – AVP - Finance

And myself Saad AlMuneefi, Vice President of the Asset Management & Investor Relation Departments.

Before we start, I would like to bring to your attention that today's presentation and discussion may contain forward looking statements based on the Company's expectations and estimates. These expectations, estimates and predictions herein are subject to certain risks and uncertainties that may cause actual results to differ materially. In this matter, I would like to refer you to the full disclosure contained in the presentation for today's call.

The first quarter of the year 2022 witnessed the continued recovery and growth in AQARAT operations which is reflected in its financial results. It is safe to say that we have weathered the COVID-19 pandemic effects successfully and resiliently; however now as with most other sectors we have to face the new challenges of the hindering global economy.

In aggregate, AQARAT recorded KD7.3 million in rental revenue for the first quarter of 2022 compared to KD5.2 million achieved in Q1 2021, an increase of 40%. This increase is mainly attributed to the consolidation of income generated from Th8 Hotel and Domus 1&2. As for the Net Profit for the First quarter, KD2 million was achieved compared to KD1.8 million recorded for the same period in

2021 translating to an increase of 9%. This is just a snapshot of AQARAT's performance and we will go into more details later in the call.

During the quarter, the stabilized income generating portfolio continued its healthy growth QoQ. However, it is worth noting that the significant increase in the rental income is mainly attributed to the inclusion of Domus 1&2 and Th8 Hotel revenues. Locally there are no major events to report for the portfolio. With reference to the US properties, Yotel New York continued its recovery during the quarter fueled by the enhancement in the travel industry. As for Flats Atlantic Station, the property is 100% leased for the next school year. Moving to Dubai, Domus 1 & 2, the hospitality staff accommodation properties within the 4 buildings project achieved 100% occupancy in the quarter. Finally, Th8 Hotel which was open to groups in July 2021 and to the public in November 2021 is achieving satisfactory occupancy levels due to the strength in Dubai Market.

As for the projects under development, all projects under development locally are on schedule; namely Arabella Hotel development which is moving as scheduled and is expected to be completed in Q4 2022. In the US Yotel Miami was completed during the 4th quarter and the TCO was received during the first quarter of 2022 and is expected to receive guests in June of this year. Moreover the quarter marked the start of the residential units hand over to the tenants. Moving to Dubai, as stated in the last conference call AQARAT is proceeding with the development of Domus 3 and 4 and the construction mobilization commenced during the period.

Moving to the Financial Performance Overview

AQARAT recorded a rental income of KD 7.3 million in the first quarter, representing an increase of 40% from the figures recorded in Q1 2021. The Net

Rental Income for the period was KD 5.7 million, an increase of 23% compared to same period last year. As mentioned earlier this significant increase in the rental income and subsequently the net rental income is mainly attributed to the inclusion of Domus 1&2 and Th8 Hotel to the portfolio.

Net Profit achieved in the first quarter is KD2 million, an increase of 9% from the Net Income achieved in Q1 2021.

The Total Liabilities at the end of the first quarter of 2022 stood at KD222.4 million whereas the Total Assets reached KD355.8 million. Assets to Liabilities ratio stands at 1.60.

The ROE for the period was 1.56% compared to 1.53% achieved in Q1 2021, and ROA for the first quarter was unchanged from the Q1 2021 level of 0.57%.

The EPS recorded in the First quarter of 2022 is 2.21 fils vs 2.1 fils recorded in Q1 2021.

In Conclusion, The Board and Executive Management are pleased with the results achieved and reiterate their committed to continue the growth and enhance the value for our shareholders and investors.

We would like to take this opportunity to thank you all for attending this session and we will open the call for any questions you may have.

Shaza Shaker Thank you, Saad. If anyone have a question, please type your question in the chat box.

Mr. Raghad is telling you: “thank you for the call. Can you, please, update us on the new projects in UAE and Kuwait?”

Saad Al Muneefi As for Kuwait... sorry as for Dubai, we have Domus 3 and 4 the construction mobilization has commenced. in Kuwait, we have Arabella hotel which is under construction and scheduled to be completed Q4 of this year.

Shaza Shaker Thank you, Saad. Are there any other questions? Raja is asking: “can you, please, remind us what would be the impact from the 1% rise of interest rates on your finance costs?”

Saad Al Muneefi [inaudible background voices] well, for every 100 basis points increase it’s 1.5 million KD annually.

Shaza Shaker Thank you. Are there any other questions?

Okay, thank you so much, Saad. I think we can conclude the call.

Saad Al Muneefi Thank you very much.



INVESTORS & ANALYST PRESENTATION

Q1 2022 Financial Results

May 2022

Disclaimer

The information set out in this presentation and provided in the discussion subsequent thereto does not constitute an offer, an agreement, or a solicitation of an offer to buy or sell securities. It is solely for use at an investor presentation and is provided as information only.

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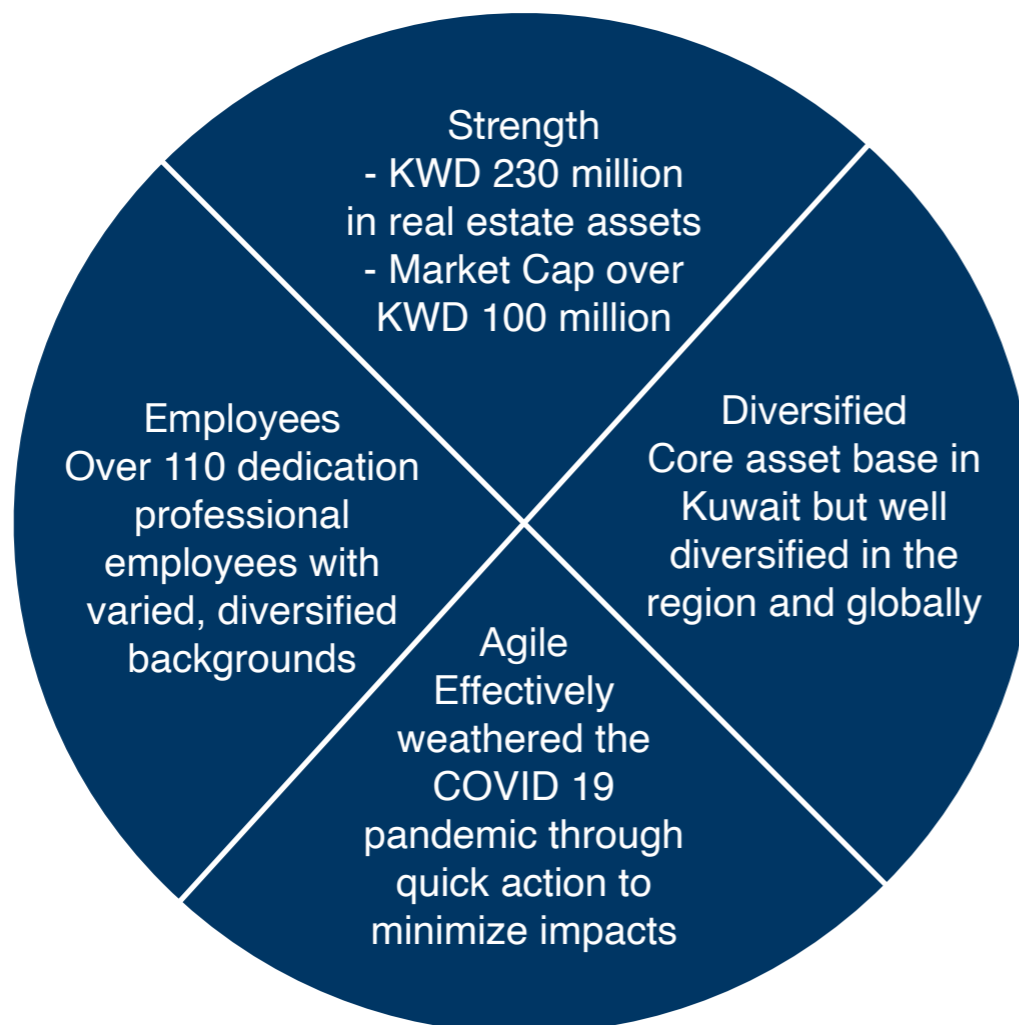
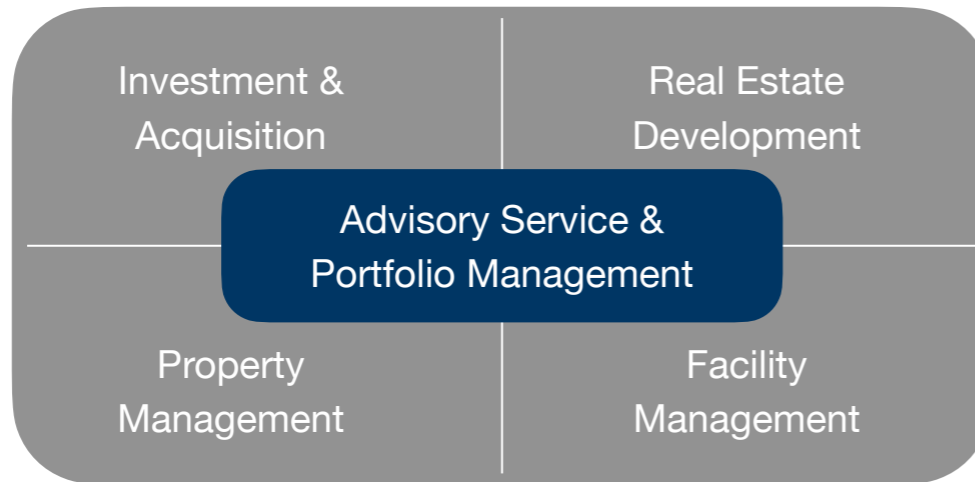
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AQARAT OVERVIEW	AQARAT STRATEGY	BUSINESS OVERVIEW	FINANCIAL PERFORMANCE
01	02	03	04



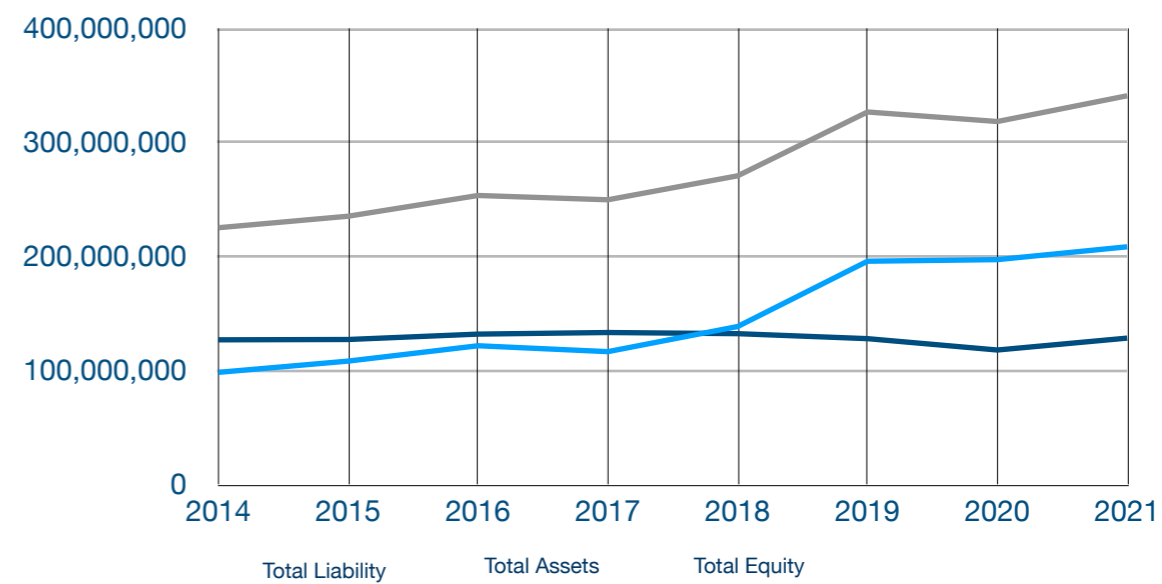
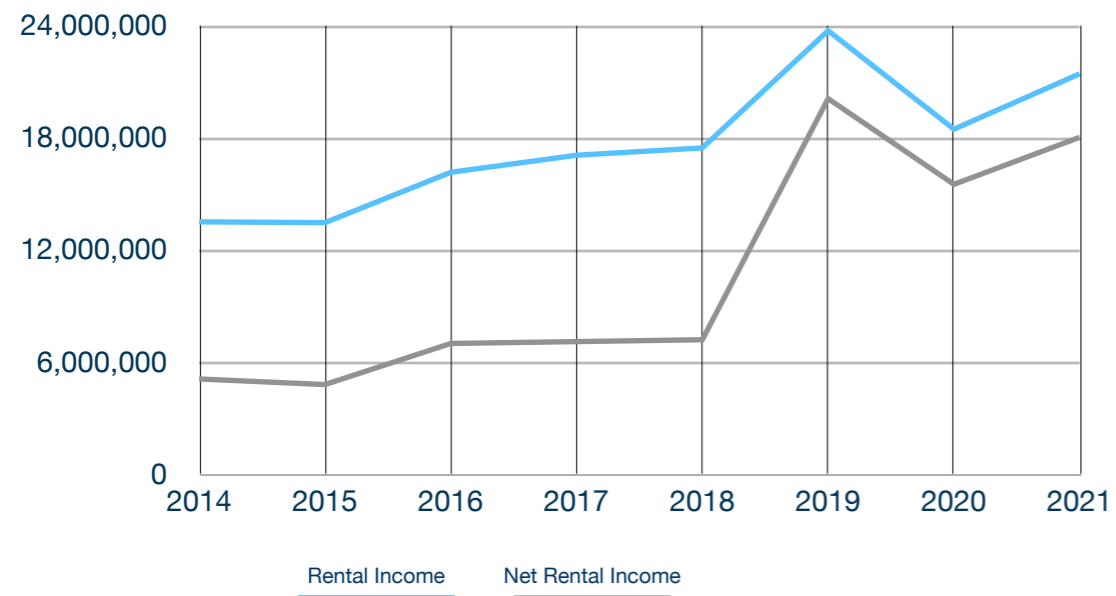
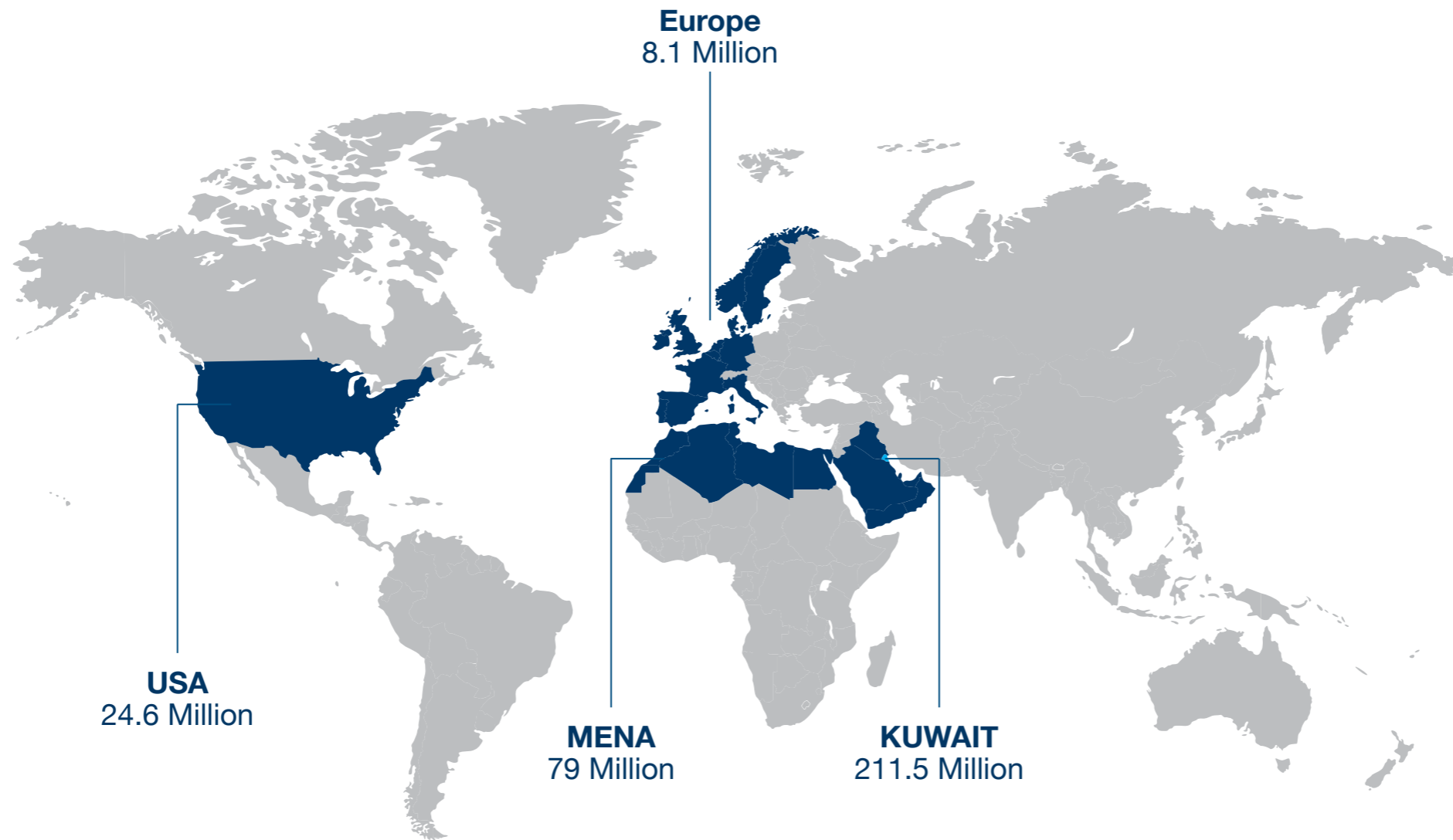
Section 1

Overview



- AQARAT (Kuwait Real Estate Company K.P.S.C), a leading Real Estate development and investment company.
- Established in 1972 and is the first real estate company to be listed on the Kuwait Stock Exchange (Boursa Kuwait) in 1984.
- Over 49 years in the field of Real Estate investment and development locally and internationally.
- As a leading integrated real estate services provider, AQARAT offers its clients a comprehensive range of high quality professional real estate services in the residential, retail, commercial and hospitality services sectors.
- AQARAT provides in depth local expertise along with a truly global presence and a proven reputation for delivering results.

Financial Data	Q1 2022	Q1 2021	% change	YTD 2022	YTD 2021	% change
Real Estate Rental Income	7,346,331	5,259,574	40%	7,346,331	5,259,574	40%
Net Rental Income	5,700,743	4,643,849	23%	5,700,743	4,643,849	23%
Income before NLST	2,223,267	2,192,541	1%	2,233,267	2,192,541	1%
Finance cost	-1,417,234	-1,434,756	-1%	-1,417,234	-1,434,756	-1%
Net Income	2,008,825	1,848,964	9%	2,008,825	1,848,964	9%
EPS	2.21	2.10	5%	2.21	2.10	5%
CURRENT ASSETS	44,837,611	52,306,378	-14%	44,837,611	52,306,378	-14%
Total Assets	355,831,412	325,199,913	9%	355,831,412	325,199,913	9%
CURRENT LIABILITIES	43,046,452	49,835,193	-14%	43,046,452	49,835,193	-14%
Total Liabilities	222,417,153	200,739,408	11%	222,417,153	200,739,408	11%
Debt Borrowings	163,681,548	131,548,144	24%	163,681,548	131,548,144	24%
Debt Borrowings (short term)	5,720,470	13,415,398	-57%	5,720,470	13,415,398	-57
Share Capital	94,736,506	94,736,506	0%	94,736,506	94,736,506	0%
Total Equity	129,114,720	120,897,153	7%	129,114,720	120,897,153	7%
BV per fils	0.136	0.128	7%	0.136	0.128	7%





Section 2

Strategy



Consistent Operational Income

- Enhance current rental & operational income and profitability through maintaining and enhancing the quality of assets.

Opportunistic Development & Acquisitions

- Enhance the existing portfolio by maximizing the development of each asset and repositioning assets as and when value can be added.
- Capitalize on development expertise to benefit from opportunities.
- Acquisition of strategic land parcels/ properties.

Joint Ventures & Partnerships

- Form Strategic Partnerships and JV's to enhance efficiency and mitigate risks.



Section 3

Business Overview

INCOME YIELDING PORTFOLIO

Kuwaiti Dinars	Q1 2022	Q1 2021	YTD 2021	YTD 2020
Rental Income	7,346,331	5,259,574	7,346,331	5,259,574
Operating Expense	(1,645,588)	(615,725)	(1,645,588)	(615,725)
Net Rental Income	5,700,743	4,643,849	5,700,743	4,643,849
Average Occupancy	89.4%	89.2%	89.4%	89.2%

- In Q1 2022, AQARAT Rental Income generated KD7.3 million compared to KD 5.3 million for the same period in 2021 representing an increase of 40 %.
- In comparison to Q1 2022, Q1 2021 Net Rental Income marked an increase of 23%.
- Kuwait Portfolio Occupancy in Q1 2022 averaged 89.4%.
- Non-hospitality International Portfolio Occupancy for Q1 2022 averaged 94%.

INCOME GENERATING PORTFOLIO

- Healthy stabilized income generating portfolio growth in Q1
- The significant increase in rental income is mainly attributed to the inclusion of Domus 1 & 2 and Th8 Hotel to the portfolio
- Yotel New York continued the recovery path
- Domus 1 & 2 achieved 100% occupancy
- Satisfactory results from Th8 Hotel

PROJECTS UNDER DEVELOPMENT

- Arabella Hotel construction on schedule
- Yotel Miami TCO received with expected soft opening in June 2022
- Yotel Miami Residential Units hand over started
- Construction mobilization commenced for Domus 3 &4

AQARAT KEY PROPERTIES - KUWAIT



Souk Al-Kuwait & Souk Al-Kabir

Since its inception in 1972, AQARAT has been a pioneer in developing and advancing public-private partnerships. In fact, the first BOT ever in existence in Kuwait, Souk Al-Kuwait, was conceived of and developed by AQARAT more than four decades ago.

The two properties feature commercial and car parking building located in the busy area of the Kuwait Stock Exchange and the banking center of Kuwait City. The buildings have three main components - a multi level car park, offices as well as a retail area.

Key Figure

Units	873 & 570
Floors	12 & 13
Total Built Up Area	36,422 & 48,475



Pearl Marzouq

Located along the green lawn and promenade of the Scientific Center overlooking the sea. The property enjoys a serene location, secluded from the noise of the city. The luxurious apartments are designed to maximize natural daylight and offer ample opportunities to enhance your lifestyle. Wide, sweeping spaces offer a sense of freedom and sanctuary from the world outside. Three apartment types, each uniquely laid out to cater to your needs and desires in modern living.

Key Figure

Units	122
Floors	5
Total Built Up Area	28,000



Arabella

Located adjacent to The Palms and SAS hotels on the Al-Bidaa coast strip, Arabella features over 13,000 square meters of dining and entertainment options, with 36 indoor/outdoor units to serve as restaurants, cafes and more. Currently the property is being partially redeveloped to include a 192 key hotel.

Key Figure

Units	35
Floors	5
Total Rentable	8,676
Total Built Up Area	13,988

AQARAT KEY PROPERTIES - INTERNATIONAL

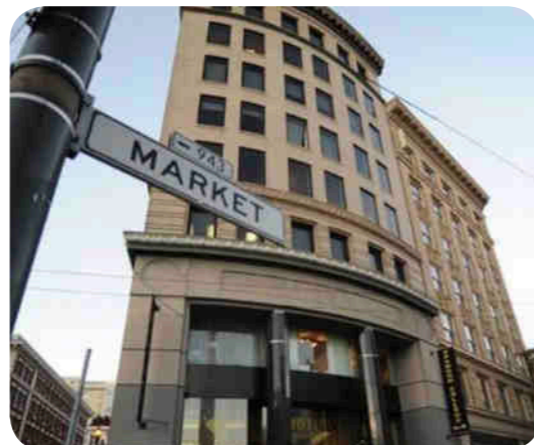


Yotel New York

The Yotel development consists of 668 rooms in the heart of Manhattan, New York City. The flagship property is designed features 12,000 sqft of dynamic and flexible space known as the Sky Lobby, and the largest outside terrace space featuring a restaurant, lounges, a terrace, exercise room etc. The hotel's 668 rooms offer a beautifully designed space in which to relax, refresh, connect and sleep.

Key Figure

Hotel Keys	721
Floors	27

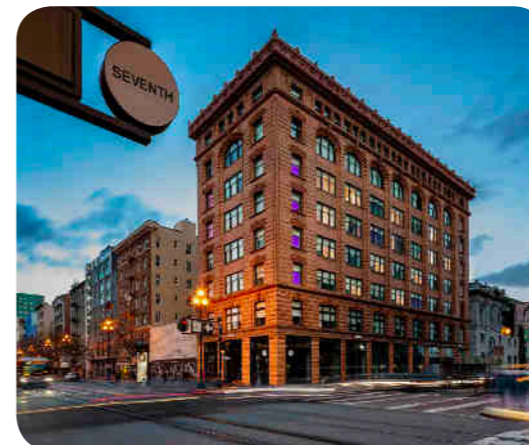


944 Market Street- San Francisco

This office space is located at 944 Market St., San Francisco, CA. Originally built in 1907, this magnificent building features approximately 45,000 square feet of space on eight stories. This is an ideal opportunity for tenants looking to rent in San Francisco's emerging Mid-Market district.

Key Figure

Square Feet	47,000
Office SQF	39,000
Retail SQF	8,000



Yotel San Francisco

YOTEL San Francisco is the brand's first adaptive re-use office conversion project. Constructed in 1905, the Grant Building is one of three that survived both the 1906 and 1989 earthquakes in San Francisco. Blending the old and new, YOTEL incorporated tech-forward amenities such as self-check-in kiosks, whilst also maintaining the building's historic charm, incorporating many original features into the hotel design, from exposed brick walls to arched windows and its original marble staircase. The property has 203 rooms (or cabins as they are known at YOTEL), each with distinct floor plans to accommodate the building's original layout and frame.

Key Figure

Hotel Keys	203
Floors	8



Flats Atlantic Station

The Flats Atlantic Station is a 86 unit, 281 bed multifamily rental apartment located close to several major universities as well as Atlanta's 138 acre mixed use development – Atlantic Station. All of the apartments at The Flats come fully furnished. The building offers two, three & four bedroom student apartments with a variety of layouts and floor plans to choose from.

Key Figure

Units	86
Beds	281

AQARAT KEY DEVELOPMENTS - INTERNATIONAL



Yotel Miami

The Project consists of a 48- story LEED Silver building containing 213 Yotel Miami hotel rooms and approximately 233 YotelPAD condominium residence. Both the YOTEL Miami Hotel and the YotelPAD Condominium Residence are accessed at ground level through separate lobbies and elevator banks. The building will include three passenger elevators serving the hotel, two passenger elevators serving the condominium residences , and two service elevators

Key Figure

Hotel Keys	213
YotelPAD Condos	233



Th8

Inspired by cool chic Miami style living. The 8 design is sophisticated and clean with a contemporary touch. Lightweight architecture and spacious are carried throughout the design, from the exterior focus on wide-open balconies to the airy and sleek interior where space is adorned with modern finishes, More art gallery than apartment, Th8 will be one of the Palm Jumeirah's most distinguished addresses. The Hotel is part of Th8 - a luxurious mixed-use development that comprises 190 residential apartments and a 162 key House of Originals hotel apartment complex.

Key Figure

Units	300
Floors	8
Hotel Keys	162



Domus

A state -of- the art , staff housing accommodation located within close proximity to several of Dubai's major tourism hubs. The intent is to court a variety of hospitality companies with staff housing needs located within a 25 minute radius of the site. The overall project will eventually consist of over 392,000 square feet of built up area of which 233,000 square feet of rentable area, eventually housing over 2,000 hospitality staff of varying employment levels. The project seeks to create a sense of community where hospitality professionals within several disciplines from various hotel flags and other hospitality related companies

Key Figure

Units	102 units per building
Net Rentable Area	233,000
Total Built Up Area	394,000



Section 4

Financial Highlights

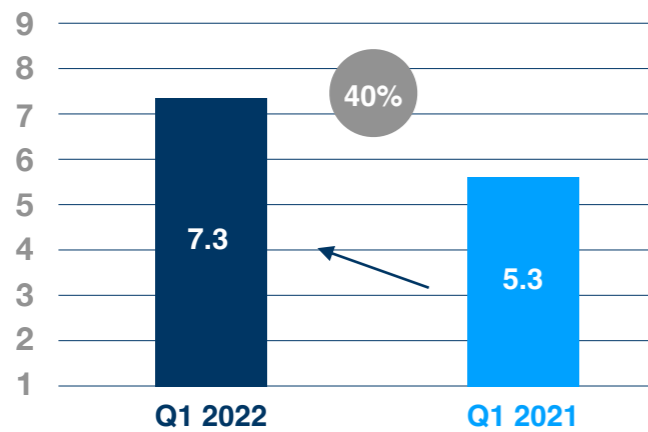
AQARAT- FINANCIAL PERFORMANCE

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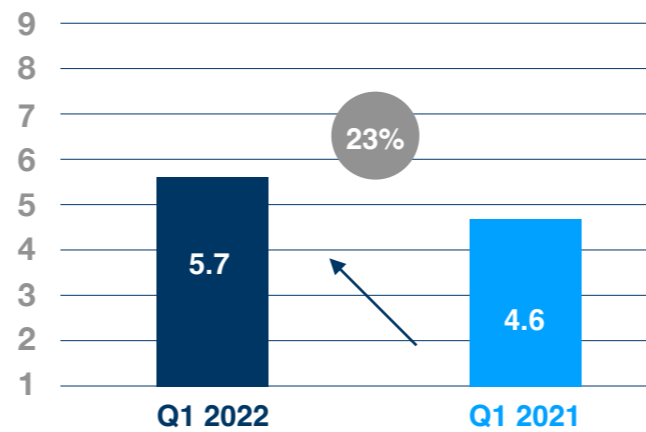
AQARAT- FINANCIAL PERFORMANCE

INCOME

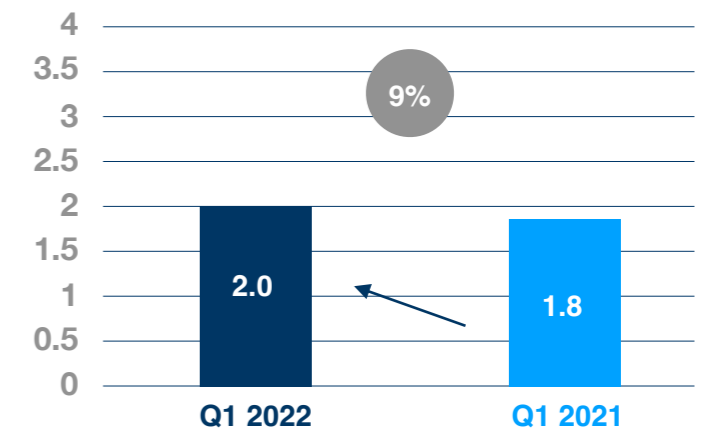
REAL ESTATE INCOME- KD Millions



NET RENTAL INCOME- KD Millions

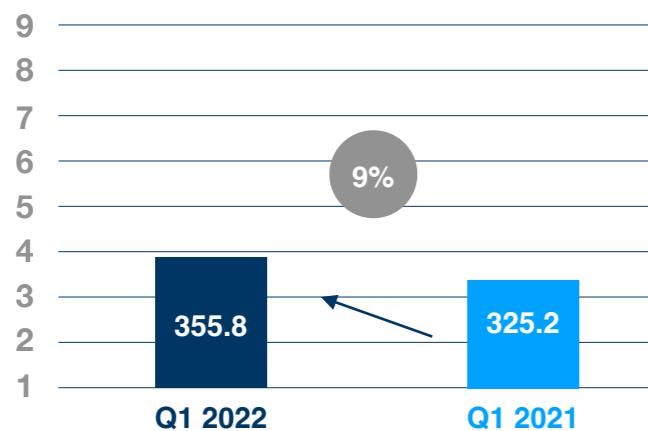


NET PROFIT- KD Millions

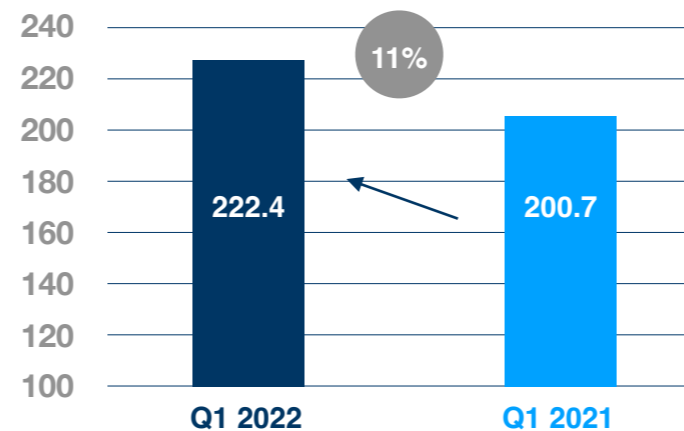


ASSETS & LIABILITIES

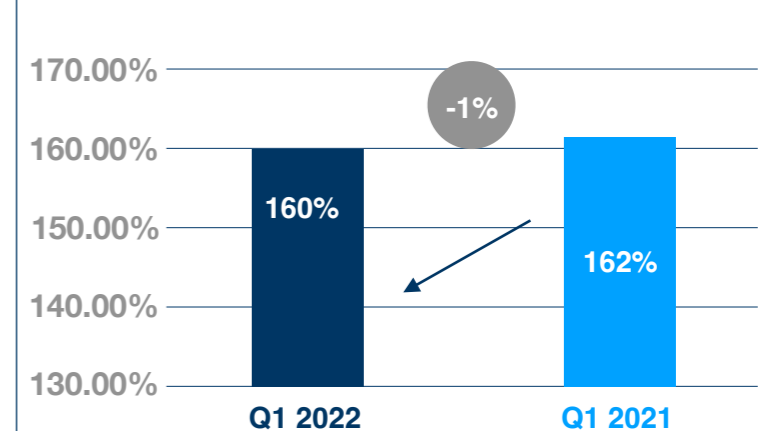
TOTAL ASSETS - KD Millions



TOTAL LIABILITIES - KD Millions



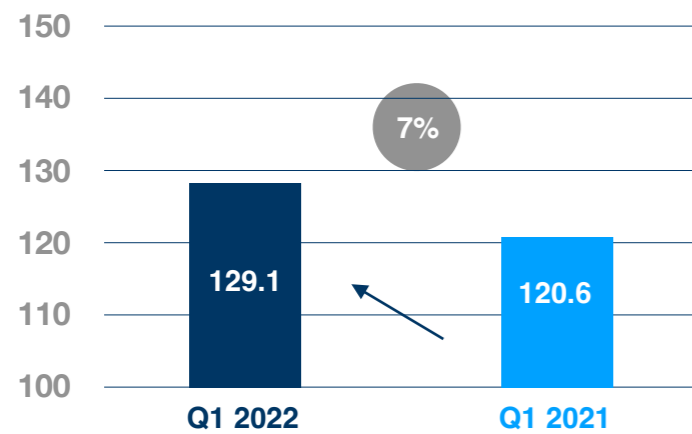
ASSET TO LIABILITIES



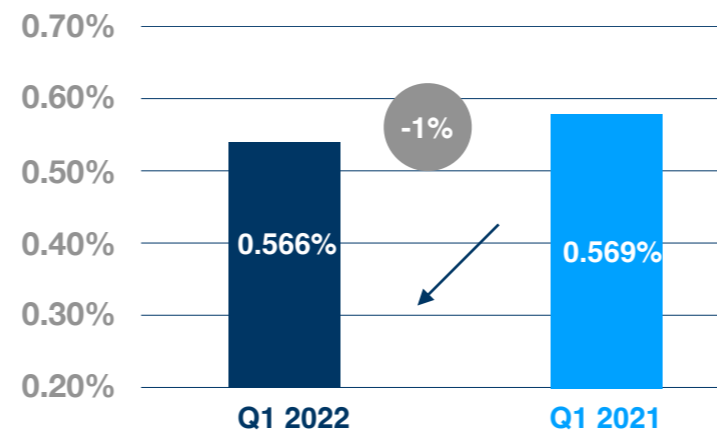
AQARAT- FINANCIAL PERFORMANCE

EQUITY

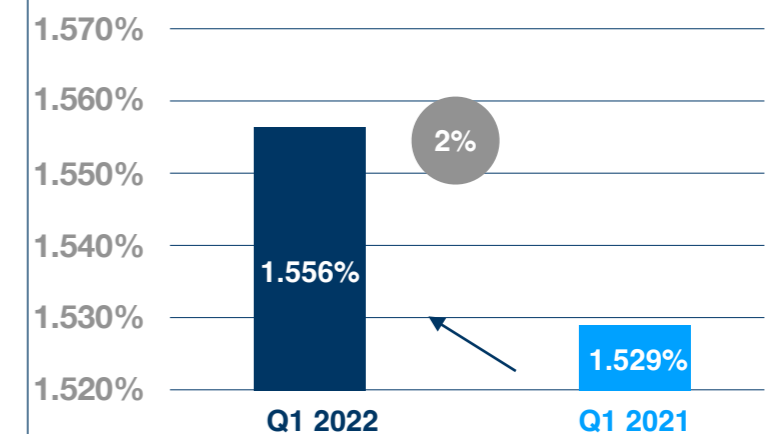
SHAREHOLDER EQUITY- KD Millions



RETURN ON ASSETS

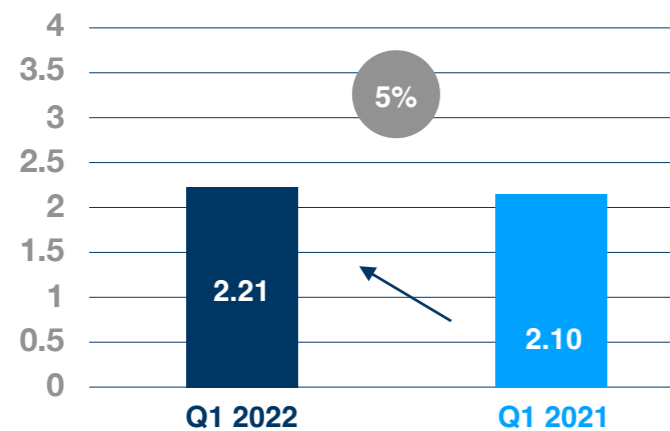


RETURN ON EQUITY



EARNINGS PER SHARE

EPS



Section 4

Questions



FOR FURTHER INFORMATION PLEASE CONTACT
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