

Date: 06/08/2020

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التاريخ: 2020/08/06

الإشارة: ش.م.أ.ع/170/2020

To: Boursa Kuwait

السادة/ شركة بورصة الكويت المحترمين،،

**Subject: Analyst/Investor Conference Presentation of
Mabaneer's (K.P.S.C) Company for Q1 & Q2/2020**

**الموضوع: العرض التقديمي لمؤتمر المحللين/المستثمرين لشركة
المباني (ش.م.ك.ع) للربع الأول والربع الثاني للعام/ 2020**

With reference to the aforementioned subject, and as per article No. (8-4-2) "Continuing Obligations in the Premier Market" of Boursa - Kuwait Rule Book issued as per decision No. (1) for year 2018, and since Mabaneer Company has been classified in the Premier Market.

بالإشارة إلى الموضوع أعلاه، وعملاً بأحكام المادة رقم (8-4-2) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث تم تصنيف شركة المباني ضمن مجموعة السوق الأول.

Kindly be informed that the Analyst/Investor Conference was held on Thursday 06/08/2020, at 2:00 p.m (Kuwait Local Time) through (Live Webcast).

يرجى العلم بأن مؤتمر المحللين/المستثمرين قد إنعقد في يوم الخميس الموافق 2020/08/06، في تمام الساعة الثانية بعد الظهر (بتوقيت الكويت المحلي) عن طريق بث مباشر على (Live Webcast).

Moreover, please note that no material information has been disclosed during the conference.

علماً، بأنه أثناء المؤتمر لم يتم الإفصاح فيه عن أية معلومات جوهرية.

Furthermore, attached is the Analyst/Investor's Conference presentations for the period ended 31/03/2020 and for the period ended in 30/06/2020.

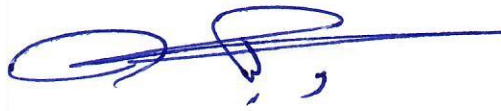
كما نرفق لكم طيه عرض مؤتمر المحللين/المستثمرين عن الفترة المنتهية في 2020/03/31 والفترة المنتهية في 2020/06/30.

This is for your information and notice.

هذا للعلم والإحاطة،،

Best Regards,

وتفضلوا بقبول فائق الاحترام،،



وليد خالد الشريان

الرئيس التنفيذي

Waleed Khaled Al Sharian

Chief Executive Officer

Mabaneer Investors Presentation

Q1 & Q2

Earnings Conference Call



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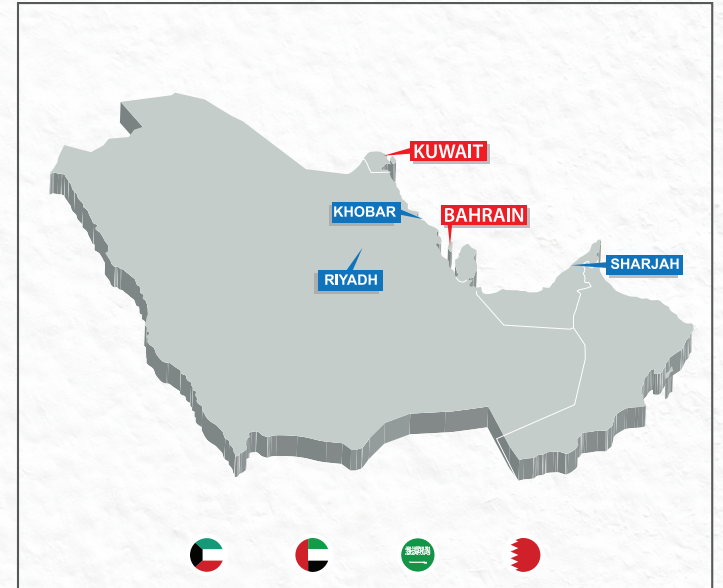
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MABANEE'S INVESTMENT STRATEGY

- Despite the current pandemic, the combined six month results is still positive.
- Due to the mall's closure in March 2020 and the safety measures enforced by the government, Mabanee's **Q1 2020** net profit decreased to **KD 9.3m** (**Q1 2019** was **13.8m**) and **H1 2020** net profit decreased to **KD 1.6m** (**H1 2019** was **KD 27.8m**).
- **Mabanee** is examining the feasibility of all its projects, considering the pandemic's existence and continuing effects and how it affects their values.
- There has not been significant progress on the Company's projects due to the current pandemic situation in **KSA & UAE**.
- The local and regional expansion of **Mabanee** is the result of a strategic investment strategy focused on developing and managing projects in prime cities, as well as ensuring a consistent return on investment.
- **Mabanee** has developed notable destinations and projects which include shopping, entertainment, leisure and hospitality in addition to residential as part of its expansion plans.
- **Mabanee** ensures its success by following a thorough expansion strategy through direct investments or partnerships in cooperation with a group of leading Gulf investors.
- The Company aims to target new sectors such as hotels, residential and medical projects as well as developing sizeable projects that corresponds with the market and region's needs.
- Mabanee will continue to target local **PPP** and **BOT** projects.



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KUWAIT

The Avenues

- Due to **COVID-19**, which began to appear in Kuwait at the end of February, the Government responded with rapid safety procedures including shutting down malls from **March 14th** until reopening them on **June 30th** while maintaining a set of safety measures.
- All entertainment units are closed, and all Food & Beverage outlets are restricted to limit their services to deliveries and takeaways only until further notice.
- As part of Mabanee's support to its Investors, and with the approval of the Board, it had decided to:
 - Waive **25%** of retail tenants basic charges for the period running from **March 1, 2020** till **March 14, 2020**.
 - Consent a full waiver of the same for the period running from **March 15, 2020** till **June 20, 2020**.
 - Fully waive the basic charges for F&B tenants from **March 2020** till the end of **June 2020**.
 - Waive **50%** of basic charges due to the months of **July** and **August** of **2020**.
- The waivers have amounted to **40** million Kuwaiti Dinars until now.
- The occupancy rate is at **93%** with a minor effect on the tenants list.
- Due to the current situation, the number of visitors has naturally declined since the re-opening is only partial at the moment. Footfall, however, is still significant.



KUWAIT - HOTELS

Hilton Garden Inn

- Hilton Garden Inn opened its doors again to guests and visitors on **July 28th 2020**, in line with the proper safety guidelines. The hotel was previously closed from the first week of **March**..
- Despite the pandemic and the hotel's closure, the occupancy rate reached **24%** since the beginning of the year with around **28** thousand visitors.



Hilton Garden Inn



Hilton Garden Inn



Staff Housing

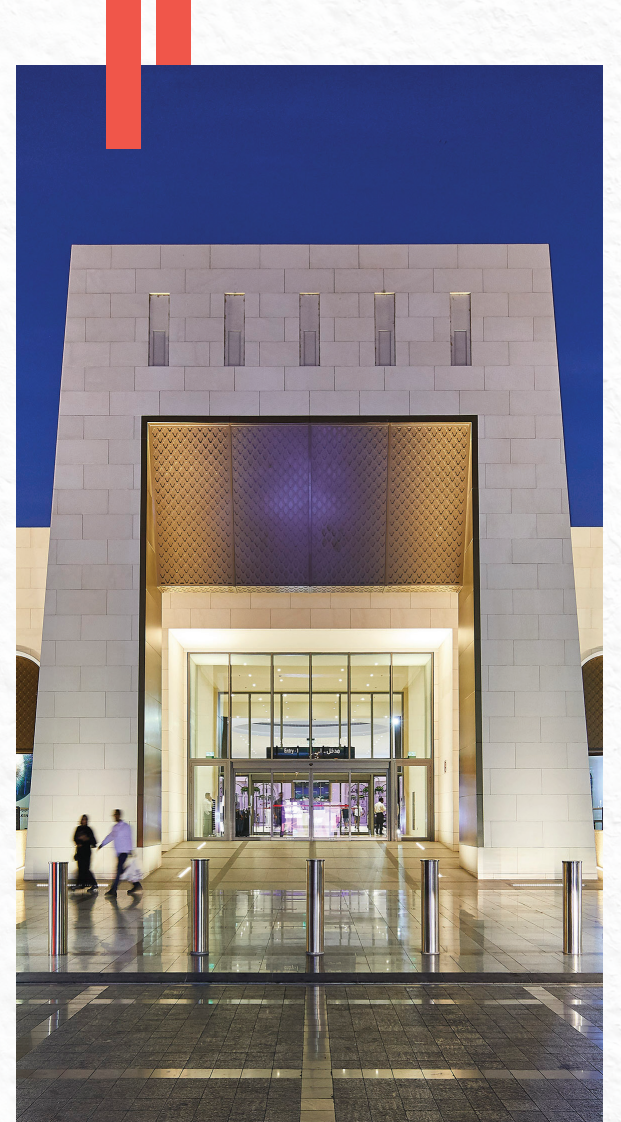


Hilton Garden Inn

BAHRAIN

The Avenues

- The retail sector has been gradually operating, according to governmental set phases.
- Effective **18th March 2020** till further notice, all entertainment units are closed. Food & Beverage outlets are restricted to limit their services to deliveries and takeaways only.
- Retail outlets are fully shut from **26th March** until **9th April** and from **24th April** until **9th May 2020**. Between the two closing periods, retail has been operating normally with no time restrictions.
- The company offered the tenants the following as part of supporting them:
 - **50%** waiver for **March** and a full waiver for **April** and **May** applied on the Base Rent only for all Tenants.
 - All rentals suspended (including Utilities) for Cinema and entertainment effective **18th March** till further notice.
- The footfall has dropped since **March**, however improvement has been noticed in The Avenues' daily footfall starting **July** due to the continuation of the retail business.
- King Fahad Saudi Causeway has opened which will further support footfall and business.
- Reopening the Cinemas and Entertainment as well as the inauguration of the new airport (expected **Sept/Oct 20**) will further impact the business positively.



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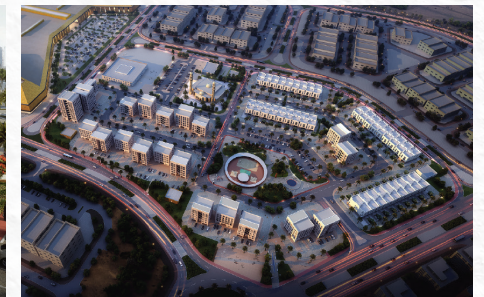
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KUWAIT

Jaber Al-Ahmad

- Mabanee has signed the Agreement Letter with The Public Authority for Housing Welfare.
- Mabanee, the Lead Developer of a Consortium of Companies comprised of National Industries Group and Privatization Holding Company, was selected as the "preferred investor" for the **J3** Jaber Al Ahmad Investment Opportunity from The Public Authority for Housing Welfare.
- Mabanee will disclose the details upon completion of the contracting process with The Public Authority for Housing Welfare.
- Named after one of Kuwait's most beloved leaders, the Jaber Al-Ahmad project is one of the self-sustainable communities currently under development. On completion, the new city will be home to around **65,000** people, including **6,700** Kuwaiti families.
- The project, which costs **KD 156.3 million** will include a retail **GLA** of **104,000 sqm** and **276** residential units.
- The eco-friendly project is to be situated between the central area and the coast, overlooking the western of Kuwait Bay with three distinct neighborhoods. The new city will also encompass several facilities and services to accommodate its residents and visitors including parks, schools, places of worship and local shops.



HOTELS

Waldorf Astoria Kuwait

- The hotel's construction is still ongoing with a progress rate of **70%** and is expected to be completed by **Q1 2021**.
- Mabanee continues the recruitment process of the administration team of the hotel.

Hilton Garden Inn Bahrain

- Construction began **15 June 2019** and is expected to be completed by the end of this year.
- Construction progress of the hotel is at **60%** completion.



The Avenues – Riyadh

- There has been a few delays due to the current situation.
- A memorandum of understanding has been signed with Nesma & Partners to design and construct Phase I of the project, with a budget of **SAR 6.150 Bn**. The final signature will be in the coming months.
- **Phase I** will include the whole mall, parking areas, gardens as well as internal roads. The Avenues - Riyadh, Mabanee's largest project, will be one of the largest malls in the region with a unique architectural design that will include **4** multi-purpose towers.
- The size of the land allocated for the project is **390,000 sqm**, with **400,000 sqm** of **GLA** and **1.9 million sqm** of **BUA**.
- **SAR 5.6 Bn** have been secured through an initial agreement with **9 GCC** banks.

The Avenues - Khobar

- The design of The Avenues – Khobar is approved. It will stretch over **209,000 sqm** of land space and will include commercial and entertainment areas, as well as four towers that will house residential apartments, hotels, offices, medical facilities, exhibitions, ballrooms and conference halls.



KUWAIT & SHARJAH

Salmiya Project

- A key development on the Arabian Gulf Street in Salmiya, a major urban center in Kuwait, on one of the last available sizeable land plots, benefiting of sea access and great connectivity.
- This will be **Mabaneer's** first mixed-use project outside of The Avenues and it will reflect new standards of design and experience.
- The concept and the feasibility of developing the **9,761 sqm** land is under a comprehensive study.

The Avenues - Sharjah

- The project is a strategic partnership with Shurooq; Sharjah Investment and Development Authority in the UAE.
- The Avenues - Sharjah will be strategically located on Sheikh Mohammed Bin Zayed Road, a major transport artery in the city, stretching over a land area of **65,000 sqm**.
- The project will entail the investment and development of **58,000 sqm** as a projected **GLA**.



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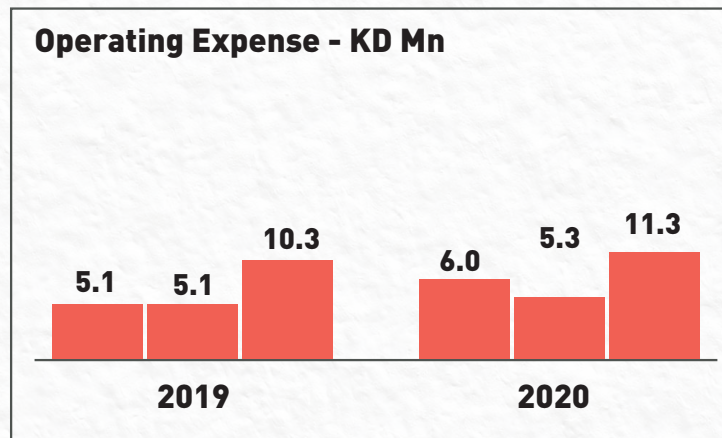
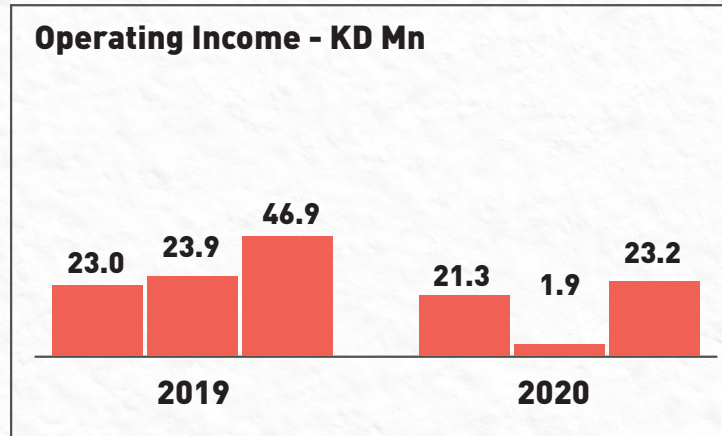
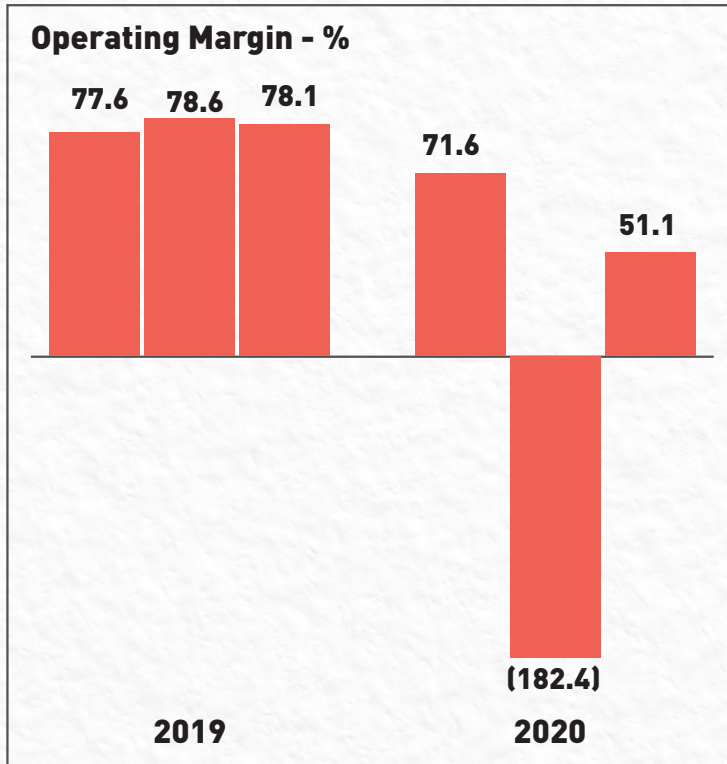
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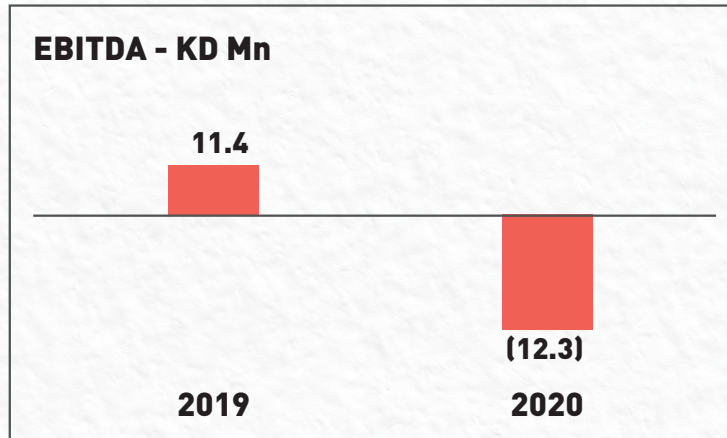
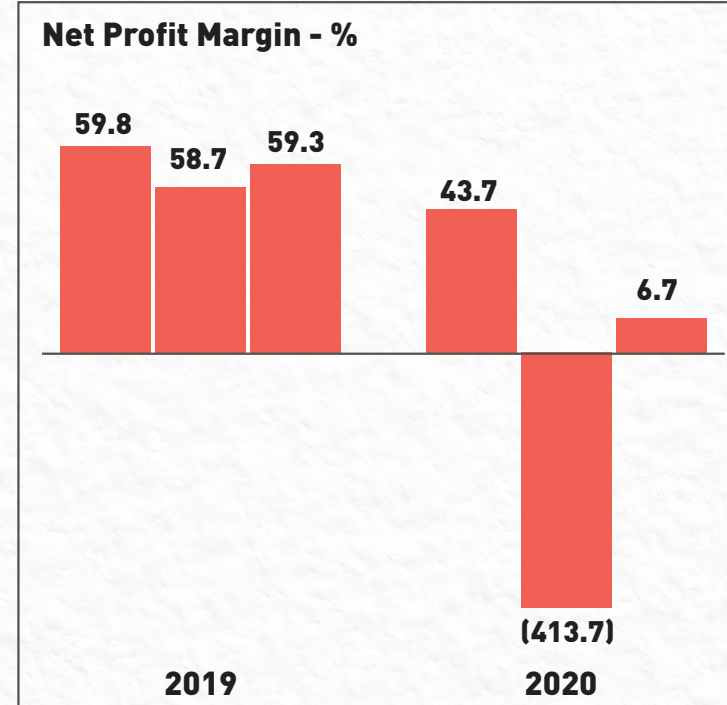
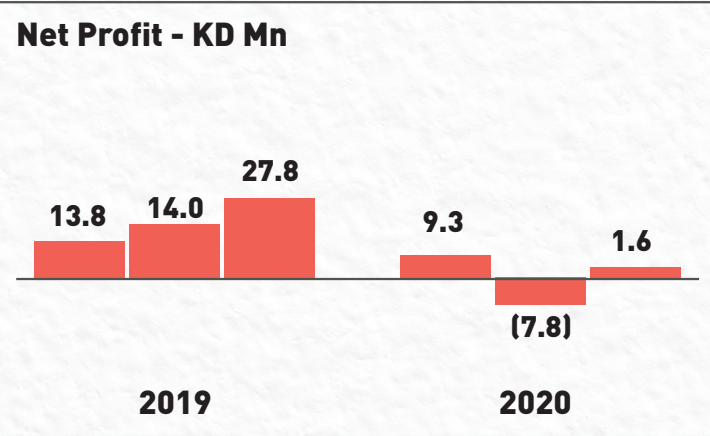
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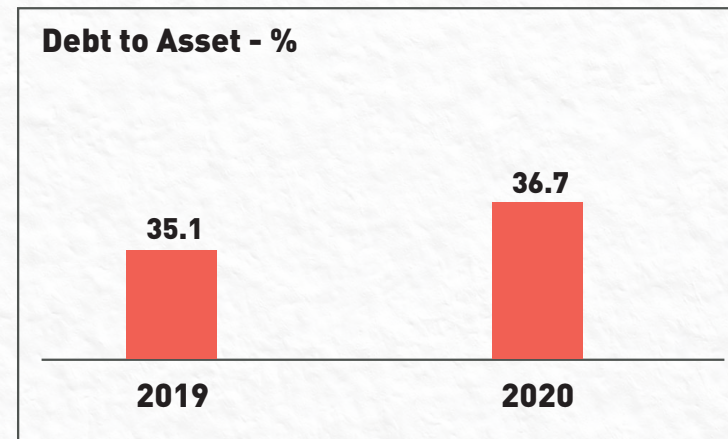
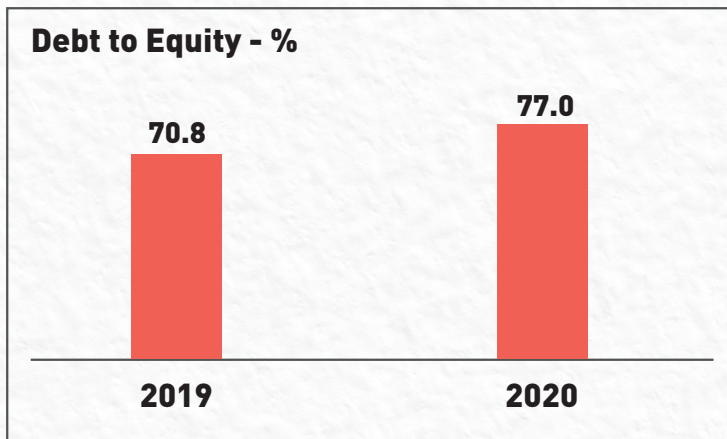
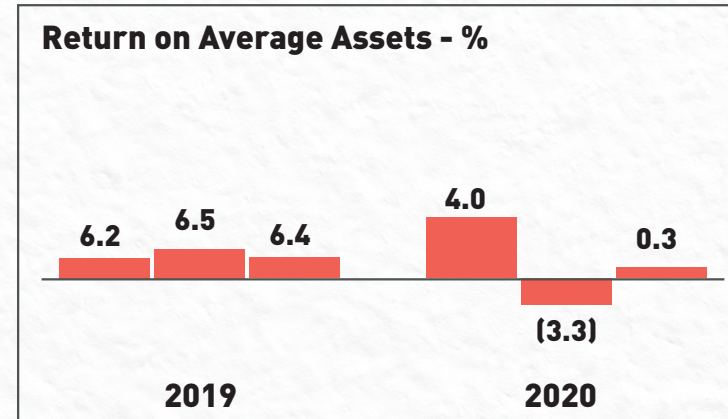
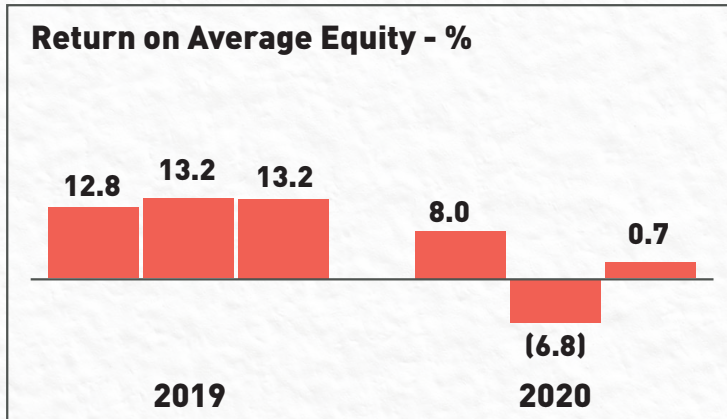
Financial Performance



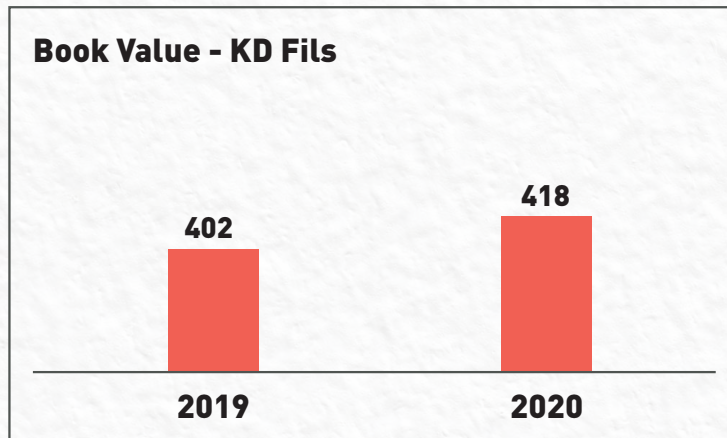
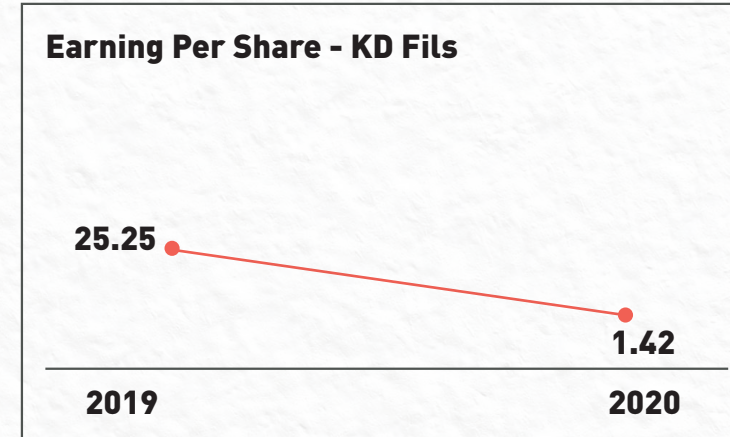
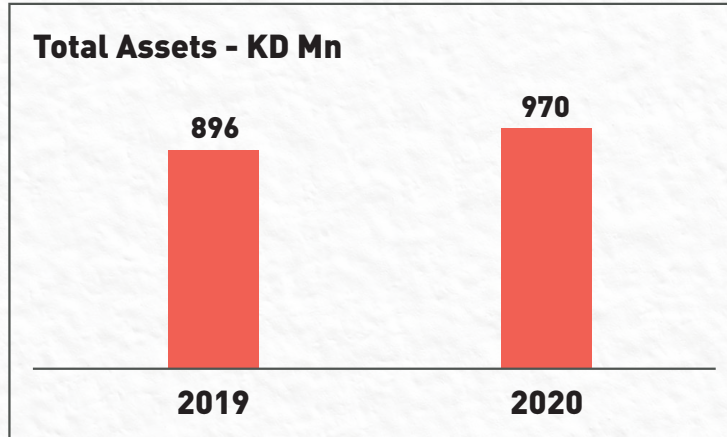
Financial Performance (Continued)



Financial Performance (Continued)



Financial Performance (Continued)



Consolidated Statement of Income

Particulars	(Amount in KD)		(Amount in KD)		(Amount in KD)		Variance	
	Financial Year - 3m 31-Mar-20	Financial Year - 3m 31-Mar-19	Financial Year - 3m 30-Jun-20	Financial Year - 3m 30-Jun-19	Financial Year - 6m 30-Jun-20	Financial Year - 6m 30-Jun-19	Amount	%
Revenue								
Investment properties revenue	20,563,941	22,987,857	1,519,124	23,894,938	22,083,065	46,882,795	(24,799,730)	(52.90)
Revenue from hotel operations	753,959	-	359,134	-	1,113,093	-	1,113,093	-
Total revenue	21,317,900	22,987,857	1,878,258	23,894,938	23,196,158	46,882,795	(23,686,637)	(50.52)
Cost of Revenue								
Investment properties expenses	(5,072,088)	(5,146,194)	(4,932,631)	(5,107,830)	(10,004,719)	(10,254,024)	249,305	(2.43)
Depreciation on investment properties	(2,749,394)	(2,417,824)	(2,749,421)	(2,411,058)	(5,498,815)	(4,828,882)	(669,933)	13.87
Hospitality operation's expenses	(1,307,421)	-	(717,966)	-	(2,025,386)	-	(2,025,386)	-
Total cost of revenue	(9,128,903)	(7,564,018)	(8,400,018)	(7,518,888)	(17,528,920)	(15,082,906)	(2,446,014)	16.22
Gross profit	12,188,997	15,423,839	(6,521,760)	16,376,050	5,667,238	31,799,889	(26,132,651)	(82.18)
Net investment gain	(648,000)	154,000	205,299	59,112	(442,701)	213,112	(655,813)	(307.73)
General and administrative expenses	(705,806)	(568,354)	(890,724)	(937,430)	(1,596,531)	(1,505,784)	(90,747)	(6.03)
Finance Costs	(1,686,538)	(775,885)	(997,241)	(816,301)	(2,683,779)	(1,592,186)	(1,091,593)	(68.56)
Other Income	475,902	85,324	32,437	87,651	508,339	172,975	335,364	193.88
Share of results from associate	88,300	19,917	(48)	(130,885)	88,252	(110,968)	199,220	(179.53)
Profit for the period before contribution to KFAS, NLST & Zakat	9,712,855	14,338,841	(8,172,037)	14,638,197	1,540,818	28,977,038	(27,436,220)	(94.68)
Contribution to KFAS, NLST & Zakat	(438,464)	(646,487)	349,262	(650,548)	(89,202)	(1,297,035)	1,207,833	93.12
Net profit for the period	9,274,391	13,692,354	(7,822,775)	13,987,649	1,451,616	27,680,003	(26,228,387)	(94.76)
Attributable to:								
Non-Controlling Interest	(60,538)	(63,884)	(51,265)	(59,556)	(111,803)	(123,440)	11,637	9.43
Equity holders of the parent company	9,334,929	13,756,238	(7,771,510)	14,047,205	1,563,419	27,803,443	(26,240,024)	(94.38)
Basic and diluted earning per share (KD fils)	8.45	12.50	(7.04)	12.73	1.42	25.25	(24)	(94.38)

Consolidated Statement of Financial Position - Assets

(Amount in KD)

Particulars	Financial Year			Variance	
	30-Jun-19	31-Dec-19	30-Jun-19	Amount	%
Assets					
Non-current assets					
Property, plant and equipment	122,184,885	4,649,241	3,278,457	117,535,644	2,528.06
Investment property	726,698,917	822,343,918	812,295,122	(95,645,001)	(11.63)
Investment in associates	32,579,495	30,658,604	27,663,705	1,920,891	6.27
Right of use of assets	2,698,249	2,234,872	1,084,323	463,377	20.73
Prepayments	8,637,052	8,503,698	-	133,354	1.57
Investments Securities	3,862,092	4,318,792	4,286,739	(456,700)	(10.57)
Total non-current assets	896,660,690	872,709,125	848,608,346	23,951,565	2.74
Current Assets					
Receivable from Associates	96,949	248,433	2,426,252	(151,484)	(60.98)
Accounts receivable and prepayments	20,185,901	19,557,940	21,598,839	627,961	3.21
Cash and bank balances	52,969,110	72,573,073	23,075,699	(19,603,963)	(27.01)
Total current assets	73,251,960	92,379,446	47,100,790	(19,127,486)	(20.71)
Total Assets	969,912,650	965,088,571	895,709,136	4,824,079	0.50

Consolidated Statement of Financial Position - Liabilities and Equity

(Amount in KD)

Particulars	Financial Year		Variance		
	30-Jun-19	31-Dec-19	30-Jun-19	Amount	%
Equity and Liabilities					
Equity					
Share Capital	110,509,397	104,254,148	104,254,148	6,255,249	6.00
Reserves	351,699,274	368,807,706	339,078,366	(17,108,432)	(4.64)
Total equity attributable to equity holders of the parent	462,208,671	473,061,854	443,332,514	(10,853,183)	(2.29)
Non-controlling interest	74,896,654	73,831,413	73,276,259	1,065,241	1.44
Total equity	537,105,325	546,893,267	516,608,773	(9,787,942)	(1.79)
Non-current Liabilities					
Provision for staff indemnity	2,491,078	2,366,432	2,366,621	124,646	5.27
Due to Related Parties	-	-	-	-	-
Other non-current liabilities	23,500,437	23,454,231	21,076,209	46,206	0.20
Lease Liabilities	1,436,160	1,075,617	-	360,543	33.52
Long-term loans	5,000,000	7,000,000	9,000,000	(2,000,000)	(28.57)
Murabaha payables	267,835,112	278,104,920	297,321,813	(10,269,808)	(3.69)
Total non-current Liabilities	300,262,787	312,001,200	329,764,643	(11,738,413)	(3.76)
Current Liabilities					
Short-term loans	7,500,000	4,000,000	4,000,000	3,500,000	87.50
Murabaha payables	75,378,295	51,463,487	3,685,558	23,914,808	46.47
Lease Liabilities	227,819	105,854	-	121,965	115.22
Accounts payable and accruals	49,438,424	50,624,763	41,650,162	(1,186,339)	(2.34)
Total current Liabilities	132,544,538	106,194,104	49,335,720	26,350,434	24.81
Total Liabilities	432,807,325	418,195,304	379,100,363	14,612,021	3.49
Total Liabilities and Equity	969,912,650	965,088,571	895,709,136	4,824,079	0.50

Thank You

