



AQRAT

عقارات

Date: 10/05/2021
KREC/FIN/2021/ 189

التاريخ: 2021/05/10
KREC/FIN/2021/189

To: Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين

Subject: Kuwait Real Estate Company Analyst / Investor Conference minutes for Q1 - 2021

الموضوع: محضر مؤتمر المحللين / المستثمرين لشركة عقارات الكويت عن الربع الأول لعام 2021

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 09/05/2021.

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 2021/05/09.

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, 2021.

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 2021.

Best Regards

وتفضلوا بقبول فائق الاحترام والتقدير،،،



طلال جاسم البحر
نائب رئيس مجلس الإدارة
والرئيس التنفيذي

*CC:

CMA – Disclosure Dept.

* نسخة الى:

السادة / هيئة أسواق المال – إدارة الإفصاح

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

تأسست عام 1972 Established in

صندوق بريد 1257، الصفاة 13013، الكويت، مبنى سوق الكويت، الدور الثامن

P.O. Box 1257, Safat 13013, Kuwait, Souk Al Kuwait Building, 8th Floor T. +965 1 828 999 F. +965 2241 8154

رأس المال المدفوع والمصدر Paid up Capital K.D. 94,736,505.900 مقدار رأس المال المصرح به Authorized Capital K.D. 94,736,505.900

www.aqarat.com.kw info@aqarat.com.kw

سجل تجاري CR No. 64



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AQARAT'S

Investors Presentation

Sunday, 09 May 2021
At 1:00pm (Kuwait Time)

2021

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

Greetings and welcome to AQARAT's First Quarter 2021 Investor & Analyst conference Call to present and discuss the Company's performance for the period. I would like to take this opportunity to introduce the speakers in Today's call :

Mr. Talal Al Bahar – Vice Chairman & CEO

Mr. Maher Khalaf – Assistant Vice President of the Finance Department

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 half of Q1 2021 witnessed slight improvement in the overall business environment. This improvement was mainly driven by the worldwide vaccine breakthrough and the relative containment of the virus spread in Kuwait. Most businesses were allowed to reopen and restrictions were eased significantly.

However, with the spike in recorded cases late February and early March, restrictions on certain businesses and partial curfew were re-imposed.

In aggregate, the rental revenue recorded in the first quarter of 2021 was KD 5.3 million compared to KD5.8 million achieved in Q1 2020. As for the Net Income, KD2.1 million was achieved for the period compared to KD1.9million recorded for the same period in 2020. This is just a snapshot of AQARAT's performance and we will go into more details later in the call.

Income Generating Portfolio

Since the last call the income generating portfolio did not witness any significant development other than one property; namely Riggea Plot A, was moved from the income generating portfolio to Projects under development. The occupancy remains at comfortable levels and most waivers granted in 2020 are no longer offered due to the improvement in the business environment.

Projects Under Development

In Kuwait, Arabella Hotel development is experiencing slight delay due to the government closure and scaling down of working force.

As mentioned in the last call, the Company had a plan to refurbish and partially develop an existing property in Riqqea during 2020 however due to the unforeseen COVID-19 spread and subsequent measures and effects, AQARAT made the decision not to proceed with the full development, rather refurbish the existing properties. The project is expected to be completed end of Q3 2021.

Moving to the MENA Region, both projects highlighted in the last call, Domus and House of Originals , are moving as planned with no major developments to be reported.

Financial Performance Overview

AQARAT recorded a rental income of KD 5.3 million for Q1, representing a decrease of 9% from the figures recorded in pre-Covid-19 Q1 2020. The Operating Expense for the period increased by 29%. Accordingly The Net Rental Income for the period was KD 4.6 million, KD680,379 lower than Q1 2020 figures. Net Income for the period was KD2.1 million, an increase of 17% from the Net Income achieved in Q1 2020.

The Total Liabilities increased by 2.5% from March 2020 level reaching KD200,739,410 whereas the Total Assets were almost unchanged at KD325,199,912. Assets to Liabilities ratio stands at 1.62.

The ROE and ROA for the period were 1.53% and 0.57% respectively compared to 1.35% and 0.53% for the same period in 2020.

The EPS recorded is 2.10 fils vs 2.02 fils recorded in Q1 2020.

In Conclusion, 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.