



# AQARAT

## عقارات

Date: 31 March 2021  
KREC/FIN/2021/170

التاريخ: 31 مارس 2021  
KREC/FIN/2021/170

To: Bursa Kuwait Company

السادة/ بورصة الكويت المحترمين

**Subject: Analyst / Investor Conference**  
**Presentation of Kuwait Real Estate Company**  
**(K.P.S.C) for Q4 / 2020**

**الموضوع: العرض التقديمي لمؤتمر المحللين / المستثمرين**  
**لشركة عقارات الكويت (ش.م.ك.ع) للربع الرابع للعام**  
**2020**

Reference to the aforementioned subject and as per article No. (8-4-2) "continuing Obligations in the Premier Market" of Bursa – Kuwait Rule Book issued as per decision No. (1) for year 2018, and since Kuwait Real Estate Company has been classified in the Premier Market.

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

Kindly be informed that the Analyst / Investor Conference was held on Wednesday 31/03/2021 at 01:30 PM through (Live Webcast).

يرجى العلم بأن مؤتمر المحللين / المستثمرين قد انعقد في يوم الأربعاء الموافق 2021/03/31 في تمام الساعة 01:30 ظهرا عن طريق بث مباشر على (Live Webcast)

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

علما بأنه أثناء المؤتمر لم يتم الإفصاح عن أية معلومات جوهرية.

Furthermore, attached is the Analyst/ Investor's conference presentations for Q4 2020.

كما نرفق لكم طيه عرض مؤتمر المحللين / المستثمرين للربع الرابع من العام 2020.

This is for your information and notice.  
Best Regards

هذا للعلم والإحاطة  
وتفضلوا بقبول فائق الاحترام والتقدير،،،



\*CC:

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

طلال جاسم البحر

نائب رئيس مجلس الإدارة  
والرئيس التنفيذي

\* نسخة إلى:

السادة / هيئة أسواق المال – إدارة الإفصاح

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

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

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

CR No. 64 سجل تجاري

نموذج الإفصاح عن المعلومات الجوهرية	
التاريخ	2021/03/31
اسم الشركة المدرجة	شركة عقارات الكويت (ش.م.ك.ع).
المعلومة الجوهرية	قامت شركة عقارات الكويت بعقد مؤتمر المحللين / المستثمرين في يوم الأربعاء الموافق 2021/03/31 في تمام الساعة 01:30 ظهرا للربع الرابع للعام 2020 عن طريق بث مباشر على (Live Webcast) علما بأنه أثناء المؤتمر لم يتم الإفصاح عن أية معلومات جوهرية. مرفق طيه عرض مؤتمر المحللين / المستثمرين للربع الرابع من العام 2020.
أثر المعلومة الجوهرية على المركز المالي للشركة	لا يمكن تحديد الأثر على المركز المالي للشركة حاليا.

يتم ذكر الأثر على المركز المالي في حال كانت المعلومة الجوهرية قابلة لقياس ذلك الأثر، ويستثنى الأثر المالي الناتج عن المناقصات والممارسات وما يشبهها من عقود.

إذا قامت شركة مدرجة من ضمن مجموعة بالإفصاح عن معلومة جوهرية تخصها ولها انعكاس مؤثر على باقي الشركات المدرجة من ضمن المجموعة، فإن واجب الإفصاح على باقي الشركات المدرجة ذات العلاقة يقتصر على ذكر المعلومة والأثر المالي المترتب على تلك الشركة بعينها.

طلال جاسم البحر  
نائب رئيس مجلس الإدارة  
والرئيس التنفيذي

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



## Disclosure of Material Information Form

Date	31 March 2021
Name of the Listed Company	Kuwait Real Estate Company – KPSC
Material information	Kuwait Real Estate held the Analyst / Investor Conference on Wednesday 31/03/2021 at 01:30 PM for Q4 2020 through (Live Webcast), Moreover, no material information has been disclosed during the conference.  attached is the Analyst/ Investor's conference presentations for Q4 2020
Significant Effect of the Material information on the financial position of the Company	The Effect of material information on the Company's financial position cannot be determined currently

Significant Effect on the financial position shall be mentioned if the material information can measure that Effect, excluding the financial Effect resulting from tenders or similar contracts.

If a Listed Company, which is a member of a Group, disclosed some material information related to it and has Significant Effect on other listed companies which are members of the same Group, the other companies' disclosure obligations are limited to disclosing the information and the financial Effect occurring to that Company itself.



**Talal Jassim Al- Bahar**  
**Vice Chairman**  
**& CEO**







# INVESTORS & ANALYST PRESENTATION 2020 FINANCIAL RESULTS

MARCH 2021

---

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. This presentation has been prepared by, and is the sole responsibility of, Kuwait Real Estate Co. (AQARAT). The information herein may be amended and supplemented and may not as such be relied upon for the purpose of entering into any transaction.

## DISCLAIMER

This presentation may not be reproduced, distributed or transmitted without the Company's prior written consent. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and therefore should not be relied upon as an accurate prediction of future performance. AQARAT is under no obligation to update the information contained herein. No person shall have any right of action against the Company or any other person in relation to the accuracy or completeness of the information contained in this presentation. No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation, and if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Company.

Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Company's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The company does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.



Overview

01



Strategy

02



Business Overview

03



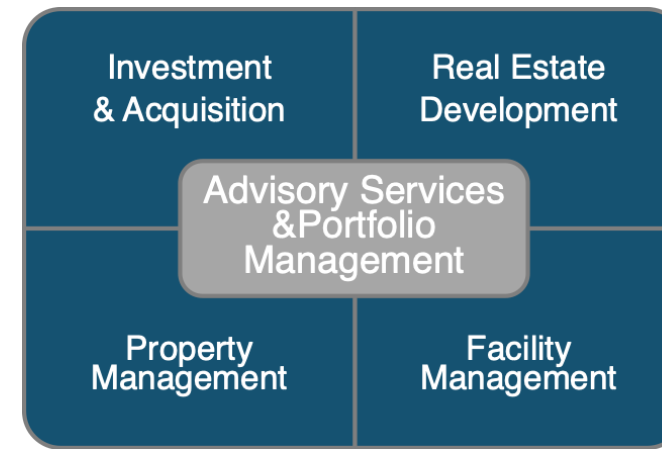
Financial  
Performance

04

SECTION 1

---

# OVERVIEW



## Strength

- KWD 230 million in real estate assets
- Market Cap over KWD 100 million



## Employees

- Over 110 dedication professional employees with varied, diversified backgrounds



## Diversified

- Core asset base in Kuwait but well diversified in the region and globally



## Agile

Effectively weathered the COVID 19 pandemic through quick action to minimize impacts

- 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.

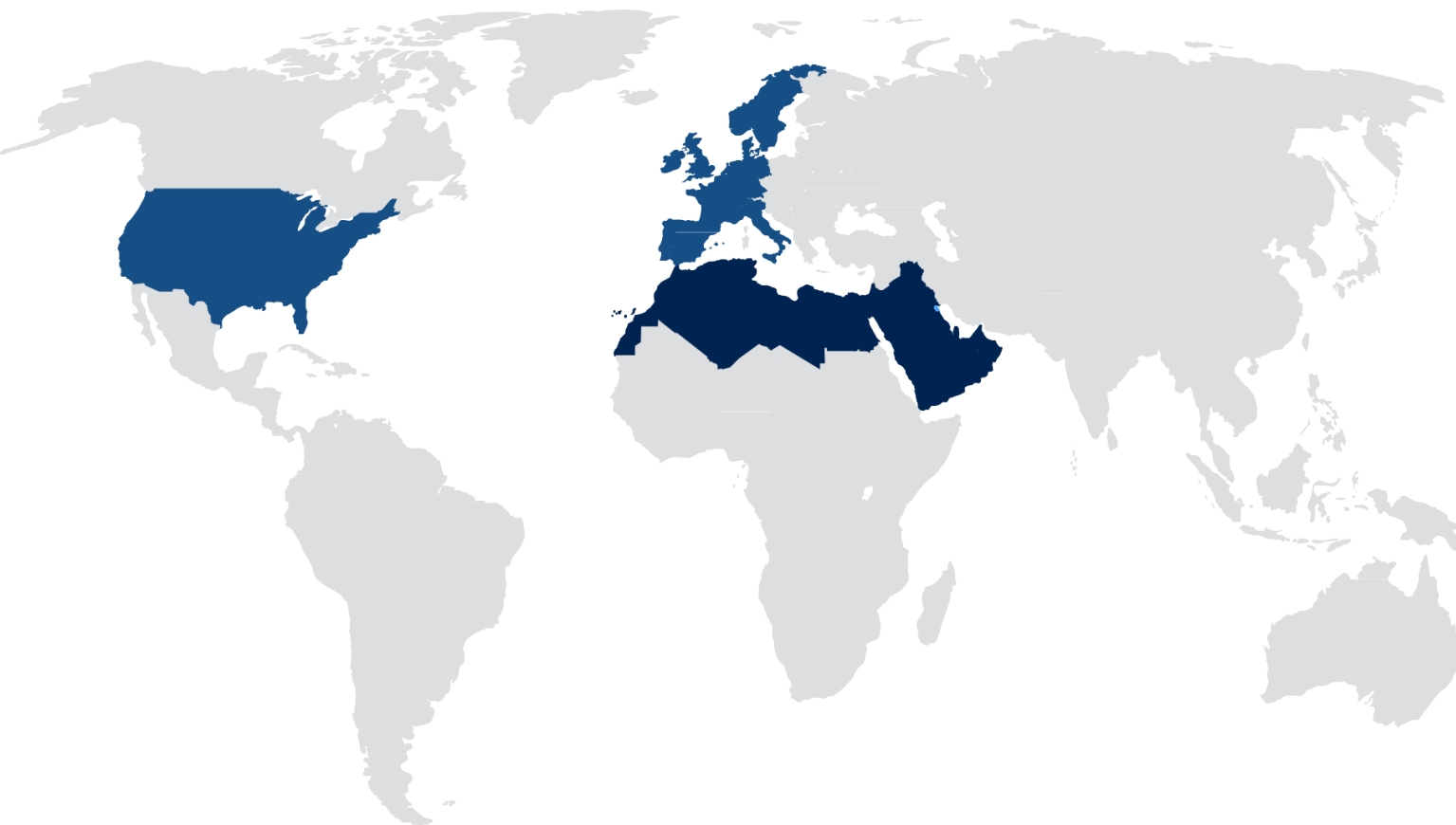
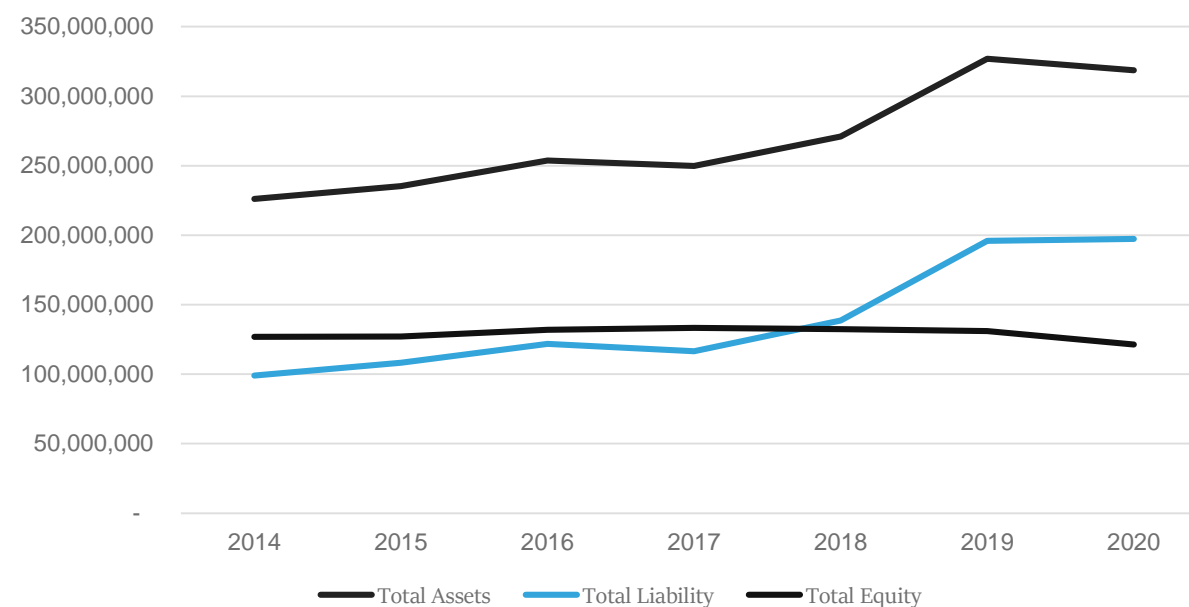
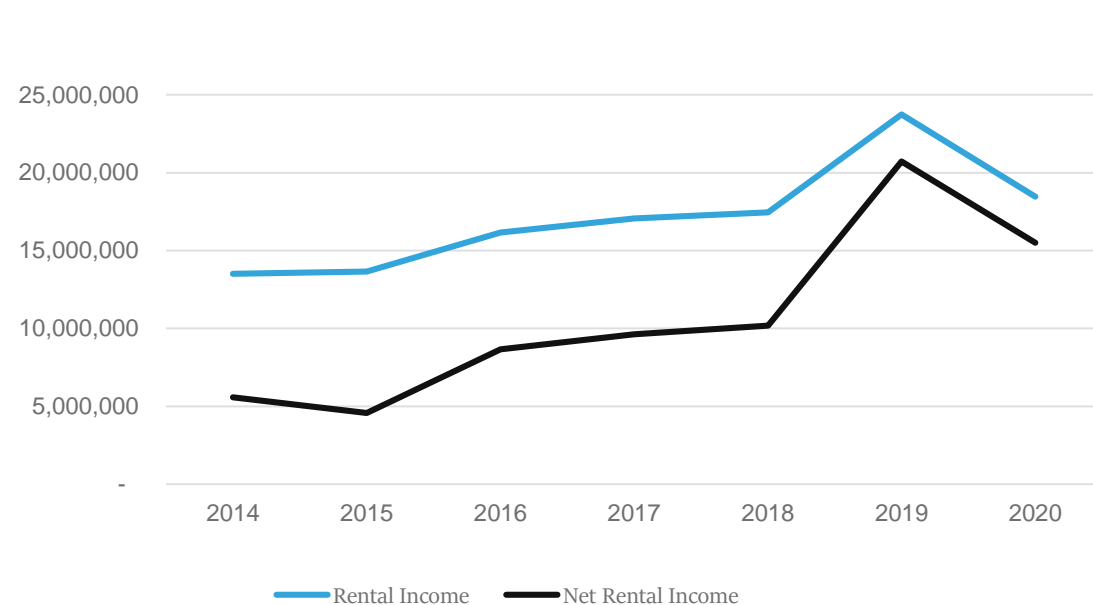


- Real Estate assets of KD 230 million
- AQARAT's Capital is KD 94.7 million.
- AQARAT's Market Capitalization as of December 31<sup>st</sup> 2020 was KD 101,168,061
- Although its asset base is concentrated in Kuwait, AQARAT has core assets in the UAE and the US and is seeking to increase its international exposure.
- AQARAT effectively weathered the financial crises and emerged as a stronger entity.
- The major shareholders of the company add to its reach and strength.
- The cornerstone of AQARAT's success are the 111 professional employees based in Kuwait.

# AQARAT- OVERVIEW

Kuwaiti Dinars	2018	2019	2020
Rental Income	17.5 Million	23.7 Million	18.5 Million
Net Rental Income	10.1 Million	20.7 Million	15.5 Million
Net Income	6.7 Million	7.0 Million	3.6 Million
Total Assets	270.9 Million	326.9 Million	318.5 Million
Total Liabilities	138.6 Million	195.9 Million	197.2 Million
Total Equity	132.3 Million	131.0 Million	121.2 Million
EPS	7.4	8.26	4.10
ROE	5.10%	5.38%	2.94%
ROA	2.49%	2.16%	1.12%

# AQARAT- OVERVIEW



REGION	VALUE KD
KUWAIT	220.1 Million
MENA	38 Million
USA	21 Million
Europe	6.1 Million



SECTION 2

---

STRATEGY

## Consistent Operational Income

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

## Opportunistic Development & Acquisitions

- 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



# AQARAT- BUSINESS OVERVIEW

## Income Yielding Portfolio

	Q4 2020	Q3 2020	2020	2019
Rental Income	3,303,694	5,193,701	18,466,440	23,735,949
Operating Expense	(1,292,506)	(335,870)	(2,952,279)	(3,020,742)
Net Rental Income	2,011,188	4,857,831	15,514,161	20,715,207
Aggregate Occupancy	88.86%	89.52%	89.75%	91.58%

- In 2020, AQARAT total income producing portfolio generating an income of KD18.5 million compared to KD23.7 million in 2019 representing a decrease of 22%.
- In comparison to Q3 2020, Q4 2020 Rental Income marked a decrease of 36.9%.
- Kuwait Portfolio Occupancy for the year 2020 averaged 89.75%
- Non-hospitality International Portfolio Occupancy for the year 2020 averaged 96%

# AQARAT- BUSINESS OVERVIEW

---

## Kuwait Portfolio

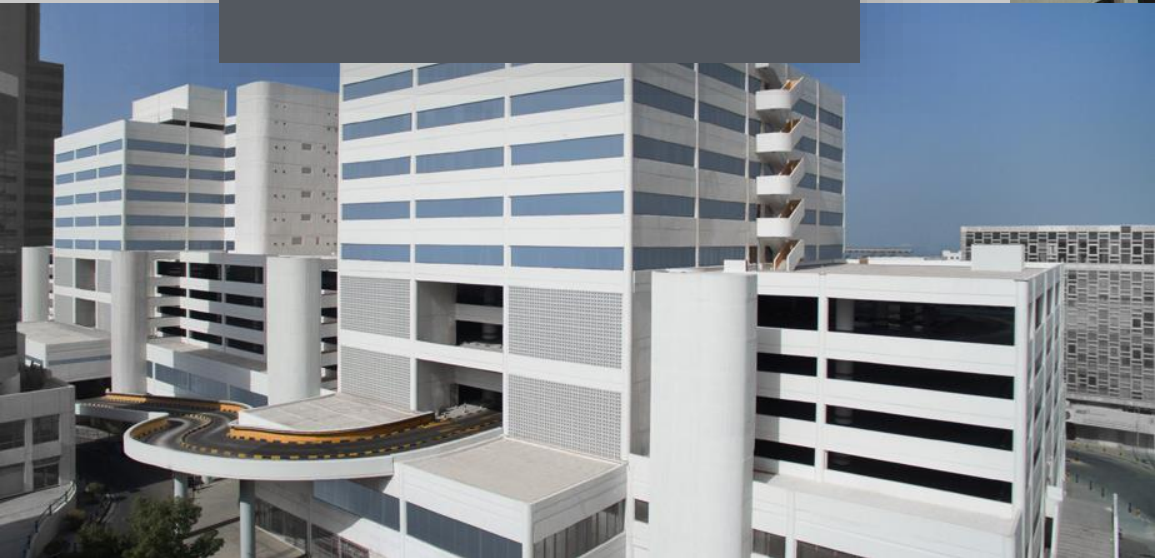
- The real estate market in general was impacted negatively as with others sectors by the wide and rapid spread of COVID-19.
- The Government forced the closure of many businesses and commercial centers starting from March 2020 with some sectors still closed which had an adverse effect on business.
- In response to the State imposed restrictions and in an aim to partially relief tenants from the growing burdens associated with the closure, discounts and waivers were given to commercial and office properties tenants.
- The residential properties in AQARAT Portfolio were resilient to COVID-19 measures.
- Financially, the discounts and waivers offered to tenants is partially offset by the government waiver of fees on BOT Properties, which constitute the majority of AQARAT's Commercial Properties.

# 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.



**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



**Key Figures**

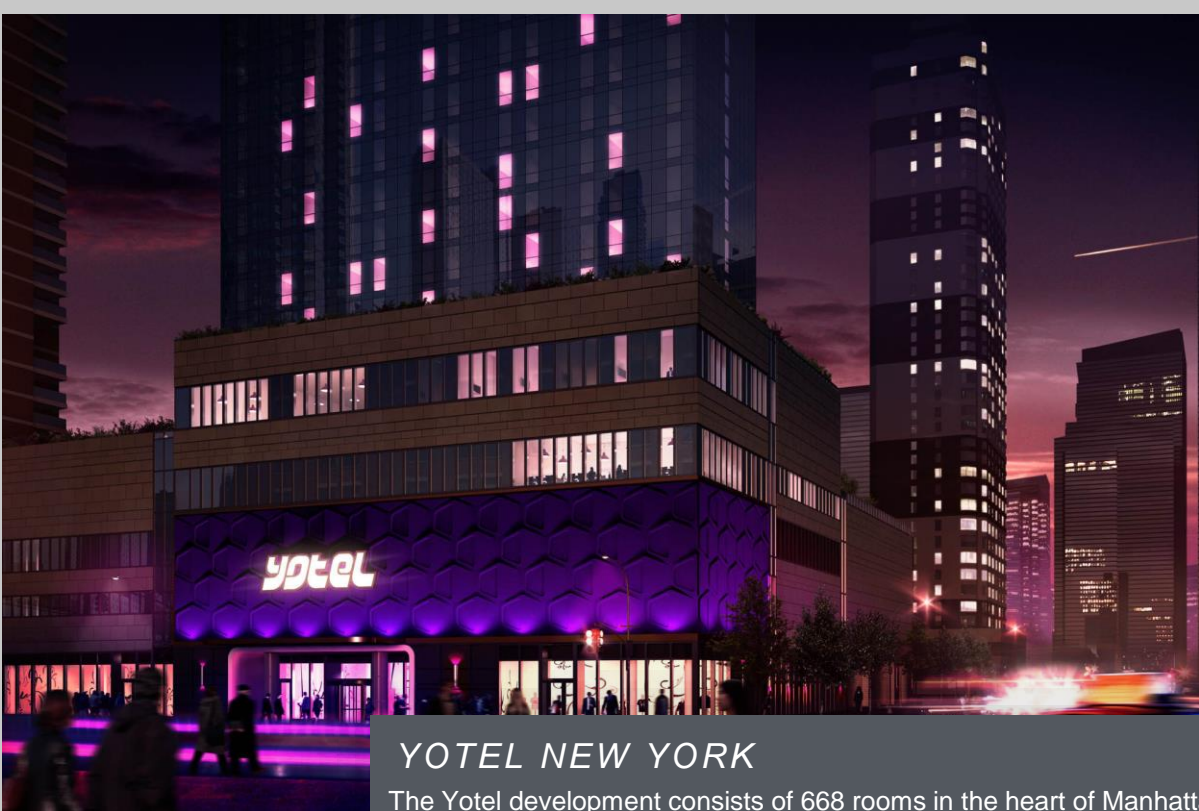
Units	35
Floors	3
Total Rentable	8,676
Total Built Up Area	13,988

**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.



# 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 Figures

Hotel Keys	721
Floors	27
Completion	June 2011



## 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 Figures

Hotel Keys	203
Floors	8
Built	1904
Renovation	February 2019



## 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 Figures

Square Feet	47,000
Office SQF	39,000
Retail SQF	8,000
Completion	1907
Renovated	2012

### Key Figures

Units	86
Beds	281

## 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.





## YOTEL SAN FRANCISCO

- Due to the ongoing global pandemic, the asset closed in March of 2020 in line with its competitive set in the immediate surrounding area.
- Fixed costs were reduced by 75% as staffing was cut to essential staff only at the beginning of the closure.
- Current restrictions in the San Francisco area remain in place with regard to hotel stays, severely limiting the ability of the hotel to operate in a profitable manner.
- We anticipate a full reopening of the hotel, depending on conditions at the time, towards the end of the 2nd quarter of this year



## YOTEL NEW YORK

- Due to the pandemic, the hotel was closed to the public from March 2020 until the end of the year
- The hotel was able to lease out a portion of its inventory, approximately 200 rooms, for a period of three months to first responders dealing with the pandemic in NYC
- Staffing was immediately reduced to essential personnel only, and fixed costs were slashed a bare minimum
- The hotel was able to reopen in January and is currently beginning to see pick up in bookings towards the middle of the year

## HELLYER

- The 160,000 square foot office property located in San Jose, CA was unaffected by the pandemic
- The building tenant, Cobham Inc, a British defense manufacturer has remained current on all lease payments





## *THE FLATS ATLANTIC STATION*

- The 281-bed student housing property, located in Atlanta, Ga. experienced some adverse affects due to the pandemic
- While historically occupancy rates hovered around 97%, the pandemic saw occupancy drop to 70% due to university closures in the surrounding area
- A number of measures were taken to stabilize the property including providing non-cash incentives for students to renew leases as well as opening up the rental pool to non university students.
- As of December, the occupancy level had reached 88% and leasing for the upcoming school year remains strong



## *944 MARKET STREET*

- The San Francisco office market has been severely affected by the ongoing effects of COVID 19
- While the current tenants have caught up on rent payments, some flexibility was provided by the company during the year to allow one major tenant to differ rental payments by three months. On the other hand, the two vacate floors failed to find tenants during the year due to the complete lock down that was enforced in the San Francisco area
- Signs are pointing to renewed interest from potential tenants recently as a long awaited IKEA super store is set to open immediately across the street from the property,, allowing the property to Gardner interest from corporate retail tenants that covet the proximity.

## *LA FRONTERA*

- The 97,311 square foot office property located in Austin, TX was unaffected by the pandemic
- The building tenants remained current on all lease payments and did not seek rent relief





## ARABELLA HOTEL

Aqarat's development team is currently in the planning stages of the development of a new hotel located within the company's Arabella complex. The hotel is set to include 194 hotel keys and a state-of-the-art gym and beach club.

### Key Figures

Floors	5
Rooms	192
Total Built Up Area	15,692
Completion	14 months



### Key Figures

Hotel Keys	213
YotelPAD Condos	233
Total Development Cost	USD 132 million
Total Condo Sell Out	USD 81 million
Anticipated Stabilized Hotel Value	USD 75 million

## YOTEL MIAMI

The project consists of a 49-story LEED Silver building containing 213 Yotel Miami hotel rooms and approximately 233 YotelPAD condominium residences. Both the YOTEL Miami Hotel and the YotelPAD Condominium Residences 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 2 service elevators.







## BLOCK 107 EXPANSION- RIGGAE

In addition to the above mentioned tower, the development team is also in the initial stages of planning a residential development adjacent to Building 107, in Riggae. The tower will consist of approximately 68 units, and encompass approximately 7,800 square meters of rentable area. The tower has been completed as of end of 2020

### Key Figures

Units	68
Floors	17
Typical Floor	650 SQM
Total Rentable Area	7,800
Total Built Up Area	14,000 SQM
Total Construction Cost	KD4.22 million



## 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 Figures

Type	Hospitality Staffing
Units	102 units per building
BUA	394,000 Square Feet
Net Rentable Area	233,000 Square Feet
Construction Cost	AED 300,000,000

## SECTION 1

---

# FINANCIAL HIGHLIGHTS

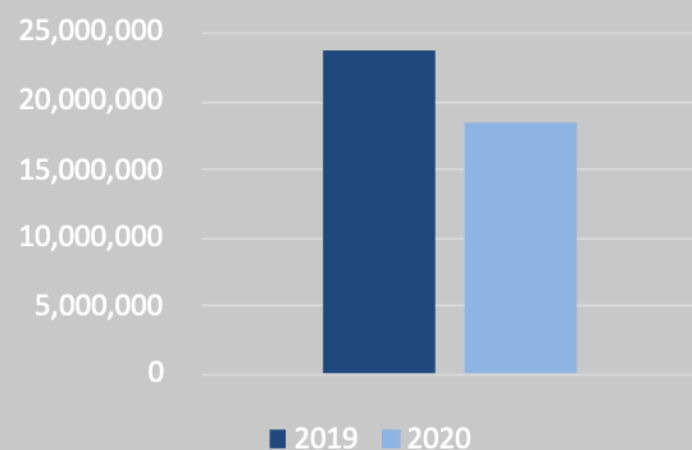
# AQARAT- FINANCIAL PERFORMANCE

Financial Data		2019	2020	% change
Real Estate Rental Income		23,735,949	18,466,440	-22%
Net Rental Income		20,715,207	15,514,161	-25%
Income before KFAS		7,590,117	4,062,429	-46%
Finance cost		(8,071,661)	(6,167,514)	-24%
Net Income		7,045,605	3,567,703	-49%
EPS		8.26	4.10	-50%
CURRENT ASSETS		59,337,353	47,077,782	-21%
Total Assets		326,923,134	318,552,856	-3%
CURRENT LIABILITIES		31,285,973	31,795,237	2%
Total Liabilities		195,914,332	197,295,186	1%
Debt	Borrowings	133,361,217	141,594,328	6%
	Borrowings (short term)	5,768,622	3,346,231	-42%
	Due to bank	4,343,793	4,448,934	2%
Total Debt		143,473,632	149,389,493	4%
Share Capital		94,736,506	94,736,506	0%
Total Equity		131,008,802	121,257,670	-7%
BV per fils		0.138	0.128	-7%

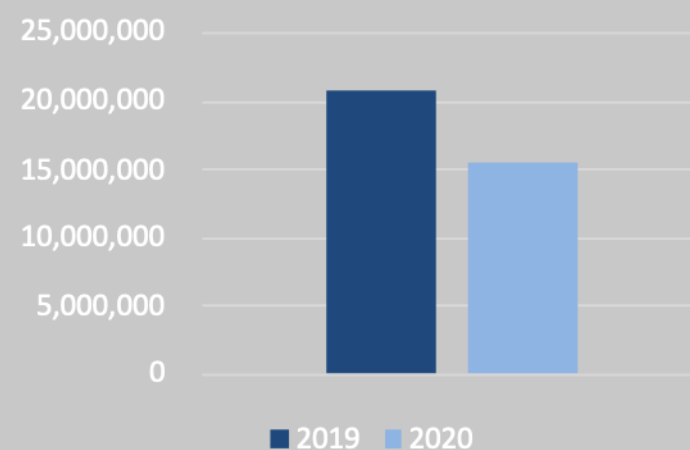
# AQARAT FINANCIAL PERFORMANCE

## Income

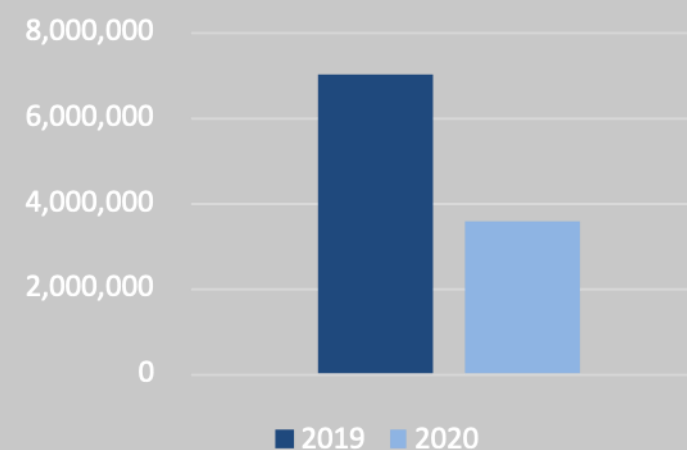
Rental Income



Net Rental Income

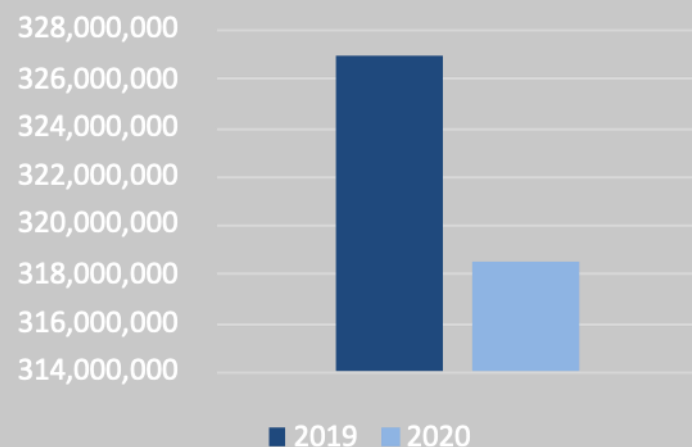


Net Income

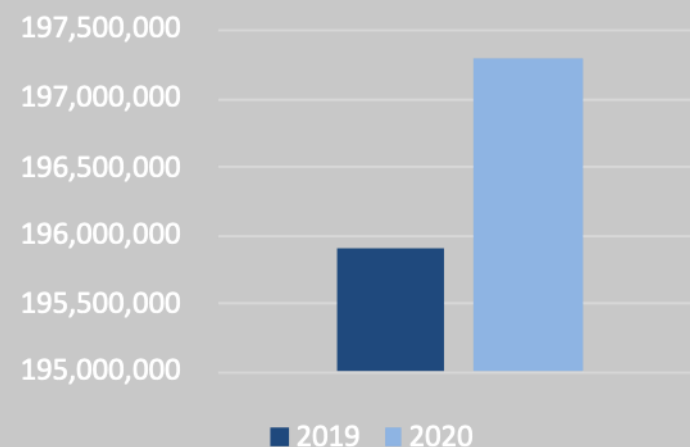


## Assets & Liabilities

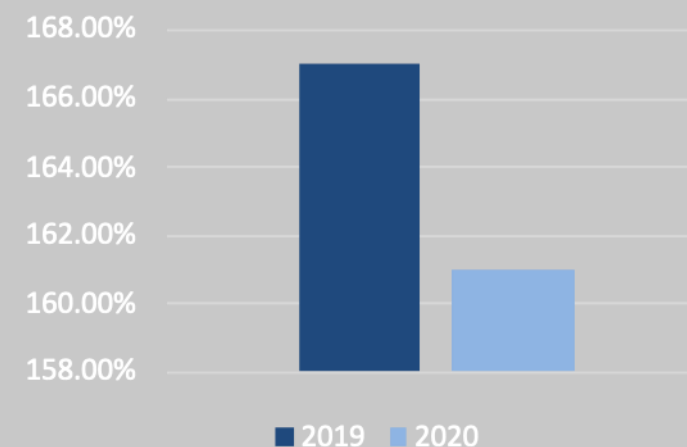
Total Assets



Total Liabilities

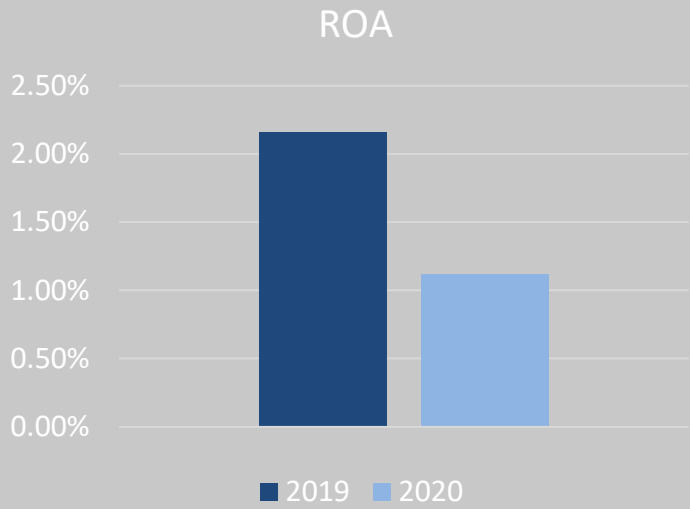
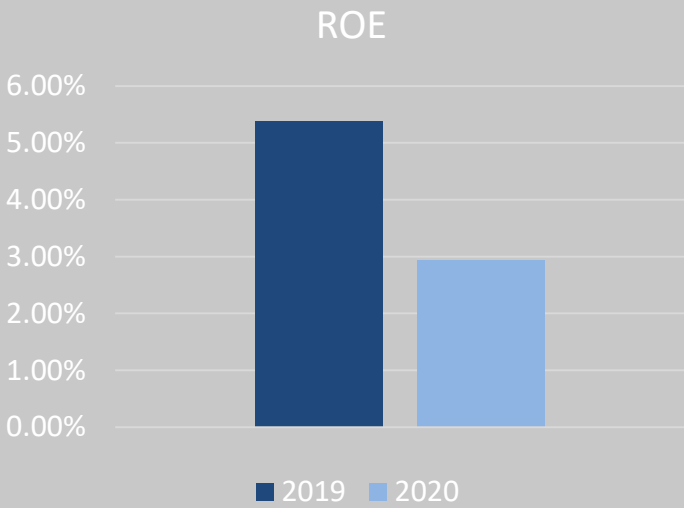
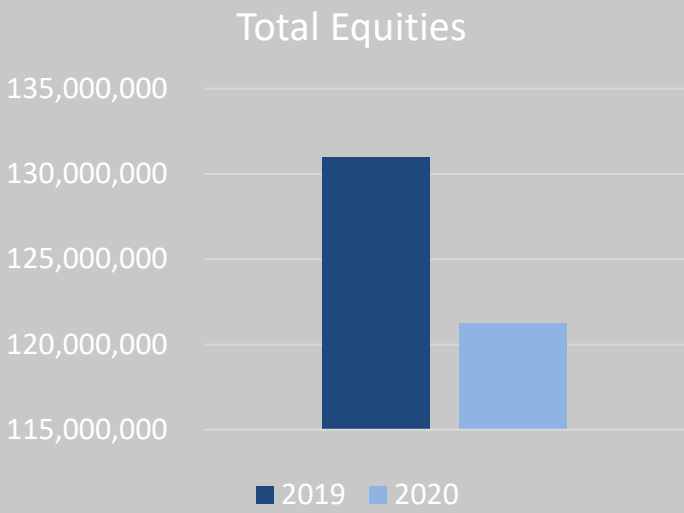


Asset to Liabilities %

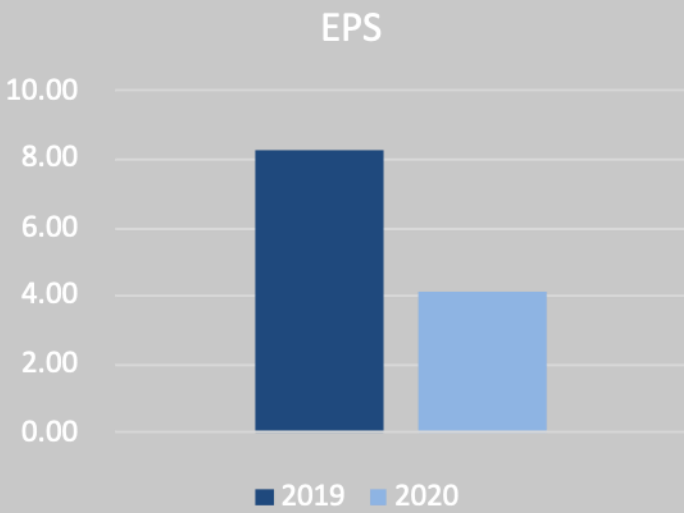




## Equity



## Earnings Per Share



# QUESTIONS

---



For Further Information Please Contact

[Investor.Relations@aqarat.com.kw](mailto:Investor.Relations@aqarat.com.kw)

1828999



### **Kuwait Real Estate Company K.P.S.C. (AQARAT)**

Darwazat Abdul Raza`k Street  
Souk Al Kuwait Building  
Block B, 8<sup>th</sup> Floor

Kuwait

Tel :+965 1828 999

Fax:+965 2241 8154

Website : [www.aqarat.com.kw](http://www.aqarat.com.kw)

Email [info@aqarat.com.kw](mailto:info@aqarat.com.kw)