



AQARAT
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AQARAT'S

Investors Presentation

Monday 20 March 2023

At 1:30pm (Kuwait Time)

2023

SPEAKERS

Mr. Talal Jassem Al Bahar

Vice Chairman & CEO

Mr. Maher S. 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 Fourth 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 fourth quarter of the year 2022 was another phenomenal period for the company despite the global economic challenges characterized by aggressive interest rate hikes and soaring inflation. The main drivers for these results are the stable income generating portfolio performance and the operations of the Domus Properties and Th8 Hotel in Dubai.

In aggregate, AQARAT recorded KD7.5million in rental revenue for the fourth quarter of 2022 compared to KD5.7 million achieved in Q4 2021. For the year 2022, the revenue increased by 29% recording KD27.6 million. As for the Net Profit for the fourth quarter, KD1.6 was achieved compared to KD661, 905 recorded for the same period in 2021.

This is just a snapshot of AQARAT's performance and we will go into more details later in the call.

During the quarter, the income-generating portfolio continued its healthy growth recording an increase of 31% and 29% respectively. This growth was fueled mainly by the operations of Domus Hospitality Staff Housing Property and Th8 Hotel in Dubai.

As for the projects under development, most projects under development locally are on schedule with the exception of Arabella Hotel, which is experiencing slight delay due to variation orders relating to the operation of the Hotel. As for Domus 3 & 4, construction is underway and is progressing as planned.

Moving to the Financial Performance Overview

AQARAT recorded a rental income of KD 7.5 million in the fourth quarter, representing an increase of 31% from the figures recorded in Q4 2021. For the year 2022, AQARAT achieved Rental income of KD27.6 million vs KD 21.4 million achieved in 2021. The Net Rental Income for the period was KD 4.4 million, an increase of 6% compared to same period last year. For the year 2022 Net Rental Income recorded is KD19.9 million compared to KD18 million achieved in 2021.

Net Profit achieved in the fourth quarter is KD1.6 million, an increase of 146% from the Net Income achieved in Q4 2021. The Net Profit achieved for the financial year 2022 is KD7.3 million, a 16% increase from the profit achieved in 2021.

The Total Liabilities increased by 10% from December 2021 level reaching KD228.5 million whereas the Total Assets increased by 6% reaching KD360.5 million. Assets to Liabilities ratio stands at 1.58.

For the financial year 2022, the ROE & ROA are 5.7% & 2% respectively compared to 4.9% & 1.8% achieved in 2021.

The EPS recorded in the fourth quarter of 2022 is 1.76 fils vs 0.71 fils recorded in Q4 2021. For the year 2022, the Company recorded an EPS of 7.92 fils compared to 6.92 fils achieved in 2021.

In light of the financial results, the Board of Directors Recommended a 3 fils cash dividend and 3% Treasury share dividend contingent on the General Assembly approval.

In Conclusion, The Board and Executive Management are pleased with the results achieved in 2022 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.