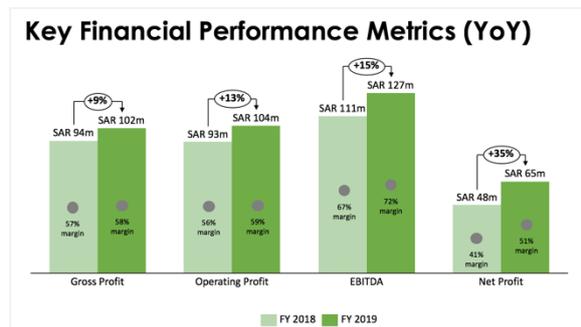
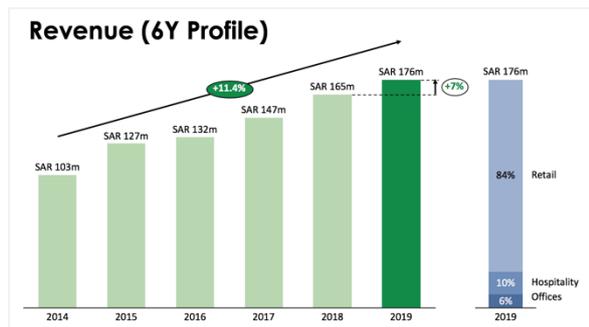


## Alandalus Property reports 35% growth in net profit for FY 2019

### Key highlights

- FY 2019 revenue increased by 6.9% to SAR 176.1 million compared to SAR 164.7 million in FY 2018
- Company expands office leasing business as it further diversifies portfolio
- Inauguration of Al Marwa Centre in March 2019 further strengthens retail offering



**Riyadh, Saudi Arabia – 01 March 2020:** Alandalus Property (the “Company”) (Tadawul: 4320) - a pioneering real estate company involved in the investment, development and operation of income-generating properties across the Kingdom of Saudi Arabia - today announced its financial results for the full year ending 31 December 2019 (FY 2019).

### Operations Update

Alandalus Property’s retail segment continued to benefit from high footfall and occupancy rates, with its unique retail destinations welcoming over 30 million visitors during FY 2019. The Company’s regional malls portfolio enjoyed significant demand from the retail community, recording an average occupancy of 98%.

Leveraging the acquisition of Salama Tower, Alandalus Property expanded its offices segment, generating revenues exceeding SAR 10 million for the year.

**Mr. Hathal Al Utaibi, Chief Executive Officer,** said: “Alandalus Property faced a pivotal year in 2019. Our strategy of positioning the Company towards growth while diversifying the portfolio to better manage risk has allowed us to maintain steady, healthy returns. Over the past year, we made the decision to diversify further through the addition of our offices business segment by launching Salama Tower in Jeddah. We also deepened our commitment to expanding our retail business with the introduction of Al Marwa Centre and the ongoing development of Al Jawhara Mall. Our first investment in the healthcare sector - through a joint

*venture with the Dr. Sulaiman Al-Habib Medical Group - is showing progress and will play a key role in supporting our growth for years to come.*

*Our efforts in 2020 and beyond will continue to focus on reimagining the retail experience in Saudi Arabia. This will be supported by the opening of the cinema complex at Alandalus Mall and further upgrades to the F&B and entertainment spaces at our super regional malls.”*

### **Financial Update**

Despite the impact of applying IFRS16 - represented by interest expenses on lease liabilities - FY 2019 net profit attributable to shareholders increased by 35% to SAR 64.8 million compared to SAR 48 million in FY 2018. The rise was due to higher gross profit and an increase in the share of income from associates. The sharp fall in impairment losses of investment in associate and a lower Zakat provision for 2019 also supported the growth in net profit.

FY 2019 revenue increased by 6.91% to SAR 176 million compared to SAR 164.7 million in FY 2018. The increase was driven by the Company’s retail and office segments. In 2019, the Company expanded its office leasing and retail businesses with the acquisition of Salama Tower and the inauguration of Al Marwa Centre. This helped offset the challenging environment faced by the Company’s hospitality segment.

Alandalus Property’s gross profit grew by 9.3% to SAR 102.4 million, from SAR 93.7 million in FY 2018, led by the uptick in revenue from the retail and office segments.

Alandalus Property’s operating profit increased by 12.6% to SAR 104.2 million, compared to SAR 92.6 million in FY 2018, led by a higher share of income from associates, and increase in other revenues.

**Commenting on the results, Mr. Fawaz bin Huwail, Chief Financial Officer,** said: *“Alandalus Property’s latest financial results reassert the company’s ability to deliver resilient returns despite sector-specific challenges and the impact of IFRS16 (leases).*

*The unique enhancements we have introduced to our retail destinations continue to give us an important edge in the Saudi retail market, as evidenced by the 7% increase in revenues for the segment. Despite witnessing a sizeable drop in revenues compared to 2018, our hospitality portfolio continues to perform in-line with our expectations and the headwinds facing the wider industry. Looking ahead, we will continue to optimize costs throughout the business and step-up growth and diversification efforts to ensure we continue to benefit from a well-rounded revenue mix.”*

**- Ends -**

**About Alandalus Property:**

Established in 2006, Alandalus Property (TADAWUL: 4320), is a Saudi Arabian real estate company involved in the investment, development and operation of income-generating commercial properties across the Kingdom of Saudi Arabia.

In late 2015, Alandalus became the first mall investor, developer, and operator in Saudi Arabia to be listed on Tadawul and today the Company's business portfolio spans shopping malls, offices, hospitality, healthcare and other complementary mixed-use developments. The company's property portfolio extends across major Saudi Arabian cities, covering a significant amount of commercial space generating high occupancy rates.

Alandalus looks to develop diversified, high-quality properties that foster loyalty, visit frequency and long-term economic value, whilst establishing the company as the preferred third place destination, after home and work.

For more details on Alandalus Property, please visit <http://www.alandalus.com.sa>

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