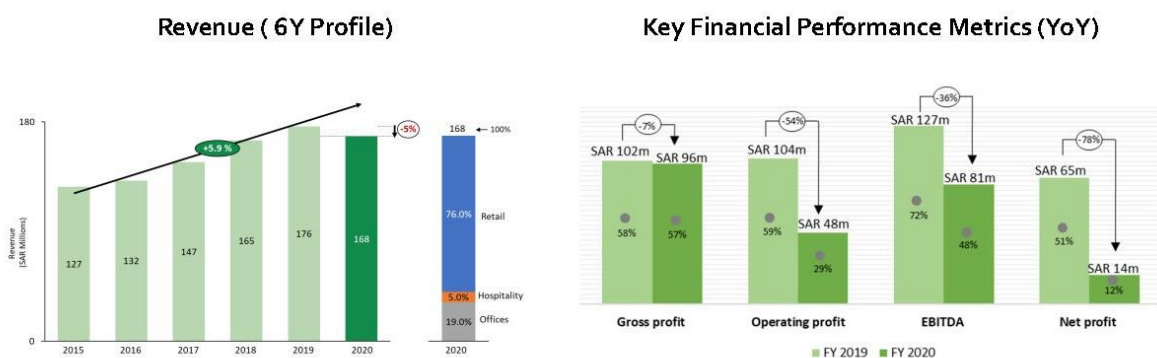


Alandalus Property reports 78% decrease in net profit for year 2020

Highlights

- Retail and hospitality sectors revenues for year 2020 decreased by 14% and 49%, respectively, year-on-year, due to Corona (Covid 19) pandemic.
- Investment Properties and PPE recorded impairment losses of SAR 31.8 million.
- The Company is expanding its office leasing business while continuing to diversify its investment portfolio by acquiring a new office complex in Riyadh.



Riyadh, Saudi Arabia; March 4, 2021: Alandalus Property (“the Company”) (listed on the Saudi Stock Exchange “Tadawul” with code number 4320), the leading Saudi company in income-generating real estate investment, development, and operation, today announced its results for the fiscal year ending December 31, 2020.

Operational activities update

Results of the Company's operational activities were affected by the outbreak of Covid-19, which the World Health Organization declared as a pandemic in March 2020 and caused disruption of many business and economic activities in the Kingdom of Saudi Arabia and around the world, especially retail and hospitality sectors.

Despite Covid-19 pandemic conditions, temporary and total closure of malls, and the decrease in footfall throughout 2020, these malls maintained their occupancy rates, with an average occupancy rate of 96% in super regional malls and 93% in community ones.

By acquiring Quebec Plaza in Riyadh this year and Salama Tower in Jeddah in the third quarter last year, Alandalus Property expanded its office sector business which recorded revenues of more than SAR 31.5 million for the year.

Commenting on the Company's financial results, **Mr. Hathal bin Saad Al-Otaibi, CEO of Alandalus Property**, said: "2020 was indeed an exceptional year for the entire world and the Kingdom due to Corona pandemic (Covid 19) and its severe adverse effects on all aspects of life, including health, social, economic and educational conditions, which imposed a radical transformation in all forms of human activity in general, especially on malls and hospitality sectors, which is the paramount activity of the Company, as this sector suffered total closure in line with the instructions and precautionary measures dictated by our rationale government to mitigate the disastrous effects of this pandemic on the Saudi society. The Company has also undertaken a number of initiatives to support its tenants as part of its commitment to build a strategic relationship with its clients and help them resume their business at full operational capacity.

"The Company's management is hoping that its financial and operational performance will get back to normal levels. Thanks God, the Company has a strong and stable financial position that enables it to meet its obligations and continue its declared future projects." Al-Otaibi added,

Financial update

Due to the effects of Corona virus pandemic (Covid 19) on the results of Alandalus Property, shareholder net profits for fiscal year 2020 decreased by approximately 78% to SAR 14.34 million, compared to SAR 64.82 million for 2019. This was mainly driven a decrease in gross profit and operational profit by 6.59% and 53.61%, respectively, in addition to higher financing costs as a result of financing the acquisition of Quebec Plaza office complex in Riyadh at the end of June 2020.

The Company's revenues for fiscal year 2020 decreased by 4.68% to SAR 167.82 million, compared to SAR 176.1 million for 2019. This was mainly driven by lower revenues of retail and hospitality sectors due to Covid 19 pandemic, as the Company offered discounts to tenants of its malls and commercial centers due to closing sales outlets during the total and temporary lockdowns. Nevertheless, the acquisition of Quebec Plaza in Riyadh helped offsetting the decline in revenues from retail and hospitality sectors.

As a result, total profit decreased by 6.59% to SAR 95.65 million, compared to SAR 102.4 million in 2019. This is was mainly driven by a decrease in the Company's total revenues. However, the Company's cost of revenue decreased by 2.2% YOY due to a decrease in retail sector cost of revenue by 14.4% as a result of the Company's policy to control operational costs in order to mitigate the pandemic effects.

In addition, the Company's operating profit decreased by 53.61% to SAR 48.33 million, compared to SAR 104.2 million in 2019. This was mainly driven by a SAR 31.83 million Impairment loss on investment property and PPE, in addition to lower Company's share of profit from its associates.

- 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, property management, 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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