

Alandalus Property reports SAR 20.3 million Net Profit for Q1 2019

Riyadh, Saudi Arabia – 09 May 2019: Alandalus Property (the “Company”) (Tadawul: 4320) - a pioneering Saudi Arabian real estate company involved in the investment, development and operation of income-generating properties across the country - today announced its interim financial results for the period ended 31 March 2019.

The Company’s revenue was relatively flat at SAR 40 million in Q1 2019 as compared to SAR 40.8 million in Q1 2018. The minor dip in revenue was primarily due to a slight drop in occupancy at the Staybridge Hotel in Jeddah, an asset within the company’s hospitality segment.

Gross profit was SAR 23.6 million, a 4.8% decrease from SAR 24.8 million the same period last year, as a result of one-off higher operating fees and utility costs associated with the food court of Alandalus Mall.

The Company reported marginal growth in operating profit to SAR 29.1 million from SAR 28.9 million in Q1 2018. This was driven by the Company’s prudent approach to expense management and from increases in other revenue.

Net profit attributable to shareholders was flat at SAR 20.3 million as compared to SAR 20.5 million.

Commenting on the Q1 2019 financial results, Mr. Fawaz bin Huwail, Chief Financial Officer, said: *“We are pleased that we have been able to maintain our operating profit at the same level as that of last year. It is worth noting that the slight drop in net profit attributable to shareholders is mainly driven by the initial impact we made in adherence with IFRS 16 on Leasing Contracts. It is commonly understood that, in relative terms, implementation of this new standard adversely impacts a Company’s stated income - particularly in the earlier periods of lease contract represented in interest expenses on lease liabilities.”*

Operationally, in March 2019 Al Marwa Center - the Company’s newest community mall in Jeddah - opened its doors to the public. With almost 10,000 sqm of gross leasable area (GLA) and a 65% occupancy rate, the retail property consists of a hypermarket and 31 strategically selected line shops. Al Marwa Center is a joint venture between Alandalus Property and Al-Rajhi & Sons Investment Company.

Mr. Hathal Al Utaibi, Chief Executive Officer, said: *“Given the enhancements we are making to our properties, especially in the retail sector, I am pleased with our financial performance.”*

Al Marwa Center coming online will further boost our top line and reflects our commitment to create compelling consumer destinations differentiated by highly engaged visitors.”

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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 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.

As a national developer, 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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