

Alandalus Property announces its financial results for Q 2 and 1st half of 2020

Riyadh, Saudi Arabia; August 20, 2020: Alandalus Property (the “Company”) (listed on the Saudi Stock Exchange, “Tadawul”, with Code No. 4320), the leading Saudi real estate company in income generating real estate investment, development and operation in Saudi Arabia, today announced its consolidated interim financial results. for the three and six months period ending June 30, 2020.

The Company’s financial results reflected losses in the 2nd quarter, 2020 in the amount of SR 6.48 million compared to a net profit of SR 15.13 million for the 2nd quarter, 2019. This is mainly driven by the fact that the Company recognized provisions for losses due to impairment of the book value of some of its properties in the amount of SR 20 million, in addition to a provision for discounts given to tenants of the Company’s malls and commercial centers in line with the circumstances resulting from the spread of the novel Coronavirus (COVID 19) and the total and partial lockdown of malls and commercial centers during the first and second quarters of this year. In addition, the net profit during the first half of 2020 decreased by 84% to SR 5.76 million, compared to SR 35.4 million on YOY basis.

The Company’s total revenues were down by 11% during the first half of this year due to a decrease in retail sector revenues which were down by 24% due to making a provision for discounts provided to tenants as a result of the temporary lockdown of the Company’s malls and commercial centers due to the precautionary measures taken to combat COVID 19 pandemic. In addition, the hospitality sector’s revenues were down by 37% due to lower hotel occupancy rates on YOY basis. However, revenues decreased in general despite higher revenues of the office sector, represented by the office tower in Jeddah which was acquired in August 2019.

The Company incurred an operating loss of SR 3.26 million during the 2nd quarter of the year, compared to SR 25.42 million in the same quarter of the previous year. The operating profit for the first half decreased by 64.52% to SR 19.34 million, compared to SR 54.51 million in the same period of the previous year. This is mainly driven by the decrease in revenues, especially in the retail and hospitality sectors, and losses in the book value of some of the Company's real estate assets, in addition to the decrease in the Company's share in the profits made by its real estate associates, which were affected by the lockdown of malls, as well as the decrease in other revenues.

Commenting on the financial results, **Mr. Hathal Al-Otaibi, CEO of Alandalus Property Company**, said that the repercussions of COVID 19 pandemic have had many economic impacts and challenges to the retail sector as a result of closing commercial centers, total and partial lockdown, and a number of the precautionary measures to combat the spread of the pandemic, which the Company applied in all its malls to protect the safety of tenants and visitors. Moreover, the Company introduced a number of initiatives to support its tenant clients in order to implement the Company's principal approach to build a strategic relationship with its clients and to help resume their business at full operational capacity.

The Company, thanks God, have a strong and stable financial position that enables it to fulfill its obligations and continue its announced future projects."

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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, 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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