



# EEC Q3 2017 Investor Presentation



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<http://www.kaec.net/>



## Our purpose

KAEC was conceived as a new PPP city development model with the aim to drive socio-economic development for Saudi Arabia by:



- A** Developing a logistics gateway to capitalize on our strategic location on the Red Sea Coast
- B** Establishing a light manufacturing hub that focuses on non-oil industries that tap latent demand in the Kingdom
- C** Creating a tourism and leisure destination to meet demand from domestic and business tourism as well as Umrah visitors
- D** Supporting the development and activities of SMEs and entrepreneurs



## Introduction

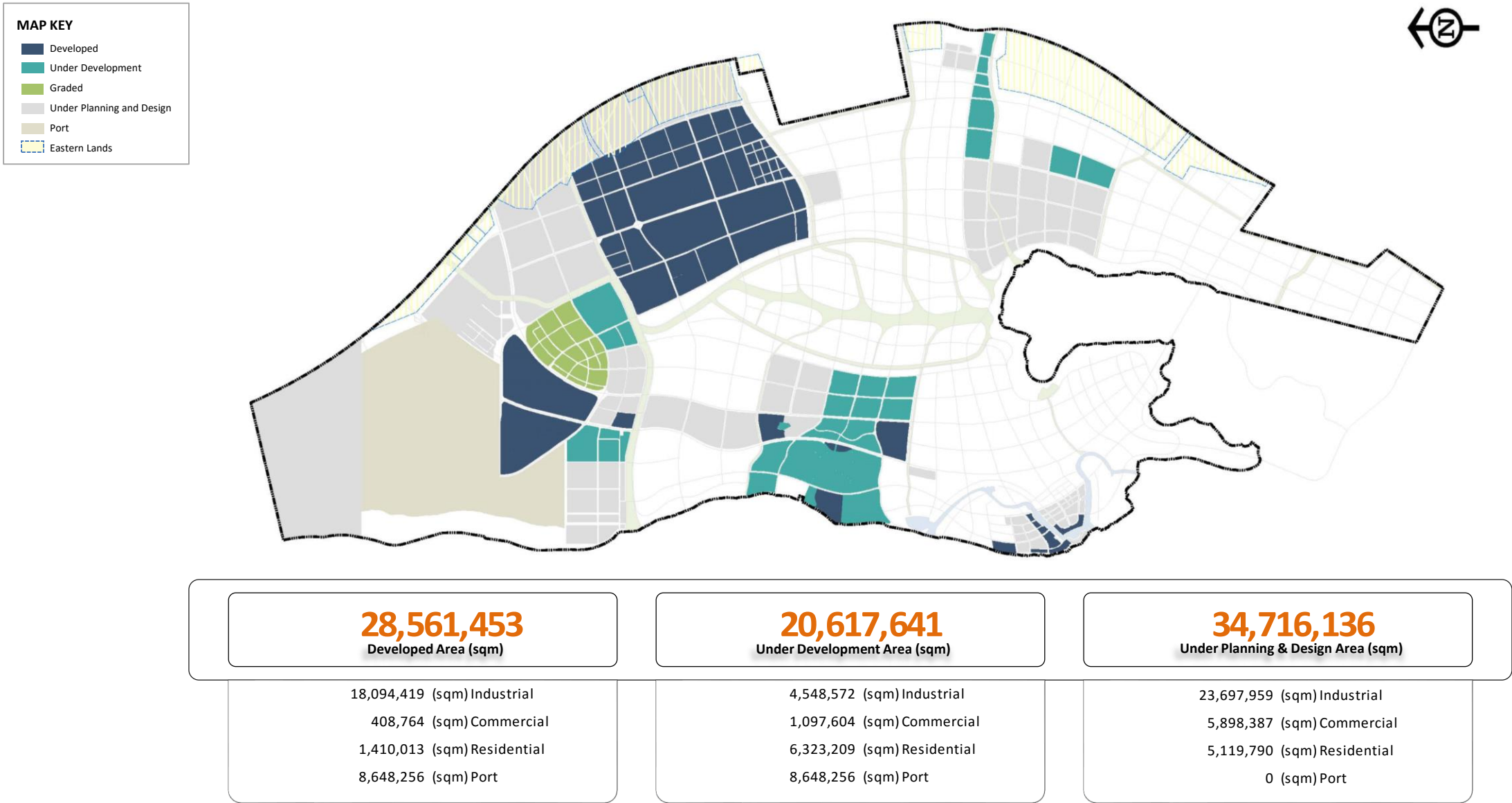
EEC is developing King Abdullah Economic City (“KAEC”) which boasts a land area of 181 million sqm and is destined to become a mega economic city in the Kingdom of Saudi Arabia:

### KAEC benefits from the following key credit strengths :

- ✓ Strong Government support, proven track record and renowned/committed sponsors
- ✓ Significant contribution towards NTP 2020 and Vision 2030;
- ✓ Successful strategic partnerships for the port and industrial valley
- ✓ Strategic location between two holy cities with local connectivity through rail, road and global connectivity through port
- ✓ Pro-business sole regulator with one window solution
- ✓ Proven industrial progress creating job opportunities and attracting population
- ✓ Wide ranging living solutions for all classes surrounded by leisure facilities and availability of public services
- ✓ Hits the right price points for housing while offering a premium lifestyle when compared to other major cities
- ✓ Solid infrastructure already in-place while significant value creation expected by upcoming projects



City Development



## City Infrastructure- Roads and Utilities

### Roads



**83.1**

Primary Roads\* (km)

- 83.1 (km) PI Roads Completed
- 62.0 (km) PI Roads Under Const.
- 8.6 (km) PI Roads Under Design



**84.5**

Secondary Roads (km)

- 84.5 (km) SI Roads Completed
- 107.0 (km) SI Roads Under Const. & Design



**11.0**

Bicycle Ways (km)

- 11.0 (km) Bicycle Ways Completed
- From BLS to Shurooq



**3.1**

Water Ways (km)

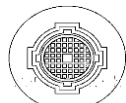
- (3.1 km) of Constructed Canals
- (14.1 km) of Graded Wadi

### Development



**102.3**  
Water Network (km)

- (102.3) km of Water Network is Completed, and (191.5) km is Under Construction
- Water Sources: Huta (Port), Temporary Water Plant (RO Plant)
- Permanent Water Plant is under Tendering/Awarding
- (4) Existing Pump Stations, and (568) Existing Fire Hydrants



**79.2**  
Sewage Network (km)

- (79.2) km of Sewage Network is Completed, and (103.7) km is Under Construction
- Operational Sewage network in BLS, IV-1A, IV-1B and IV-2
- Underground sewage Tanks in other communities with total capacity of (300 m3 each)



**121.2**  
Irrigation Network (km)

- (121.2) km of Irrigation Network is Completed, and (166.7) km is Under Construction
- STP covers %37 of Irrigation consumption



**347.8**  
Electricity Network (km)

- (347.8) km of Electricity Network is Completed, and (662.0) km is Under Construction
- (1) Existing Permanent Substations operated by SEC
- (3) Existing Temporary Substations operated by KAEC
- (6,700) Existing Street lights
- (6,024) Existing Landscaping lights



**208.0**  
Telecom Network (km)

- (208.0) km of Telecom Network is Completed, and (154.2) km is Under Construction
- (39) Existing Mobile Towers by Mobily
- 2,545 Residential Units with fiber availability
- 64 Business units with fiber availability

### Operations



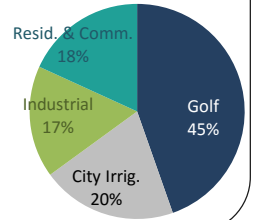
**11,800**

Av. Water demand (m3/day)

- HUTA plant available capacity = 10,000 m3/day
- EEC Containerized plant capacity = 2,700 m3/day.
- Rental Containerized plant = 4,000 m3/day

#### Avrg. Daily Water Consumption

- 5,300 (m3/Day) Golf Course
- 2,420 (m3/Day) City Irrigation
- 2,000 (m3/Day) Industrial
- 2,160 (m3/Day) Resid. & Comm.



**1,850**

Av. Sewage demand (m3/day)

- STP Plant in BLS Capacity = 1,000 m3/day
- STP Plant in IV capacity (under construction) = 1,000 m3/day.
- 80% of BLS Irrigation demand is from treated sewage



**24**  
Residential Power (SEC)  
(MVA)

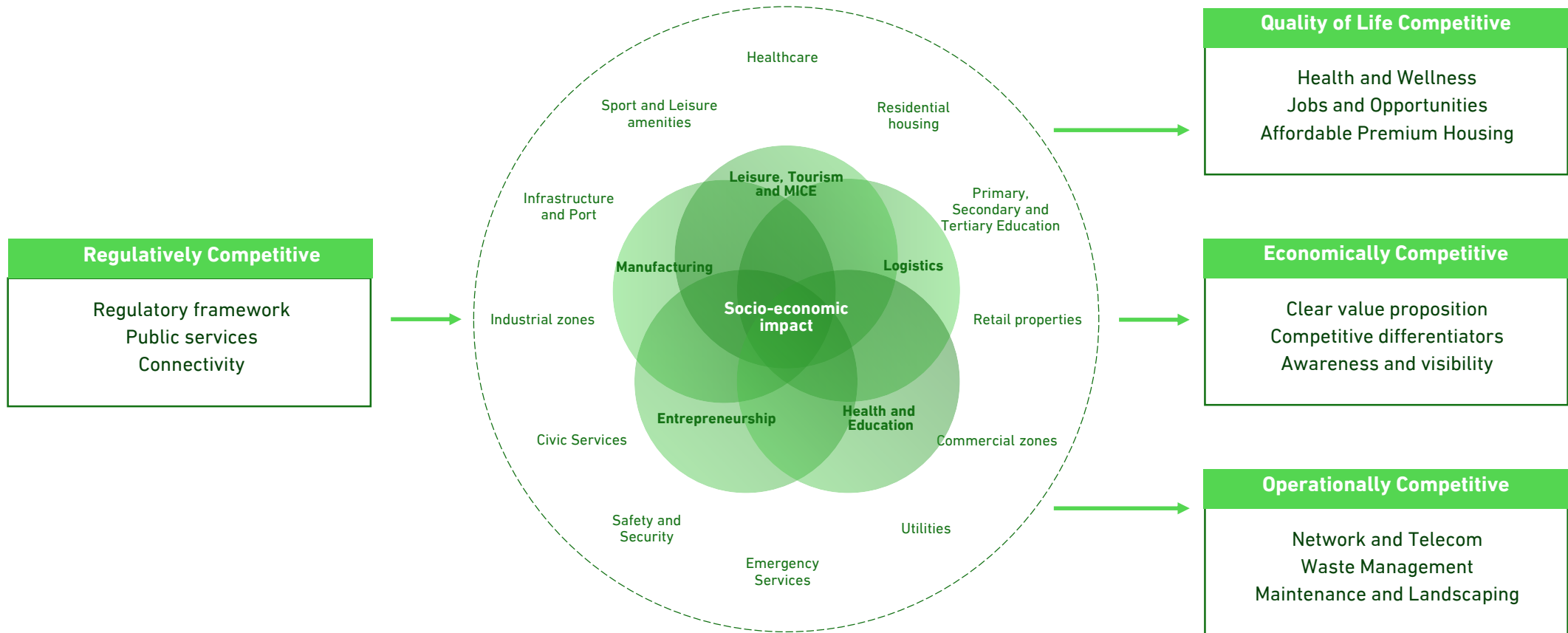
**42**  
Industrial Power (SEC)  
(MVA)

- SEC Substation capacity in IV= 134 MVA
- 3 distributed Generation farms are currently = 24 MVA
- SEC substation loading= 42 MVA
- Central Generation farm at Talah is in process

## The PPP model

Public sector  
Contribution – ECA

Private sector  
Contribution – Master Developer



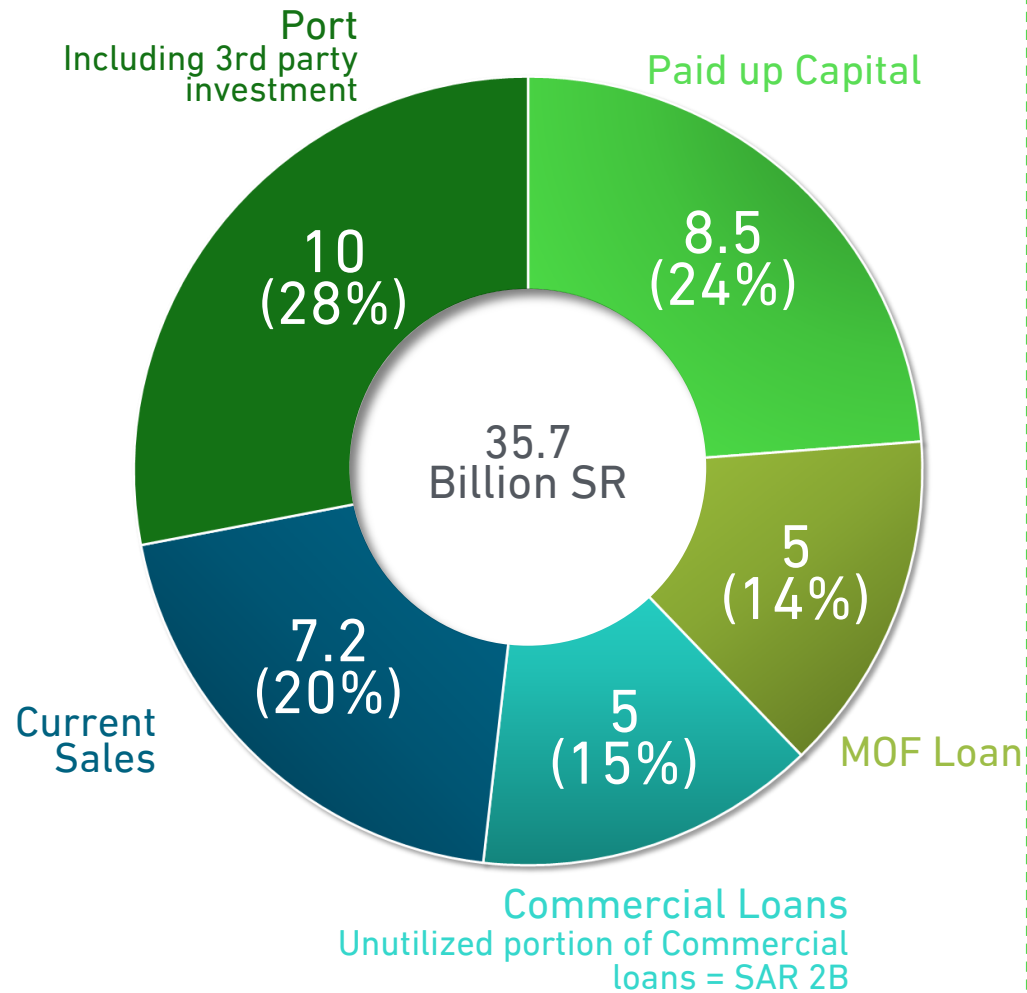
## KAEC Business Model



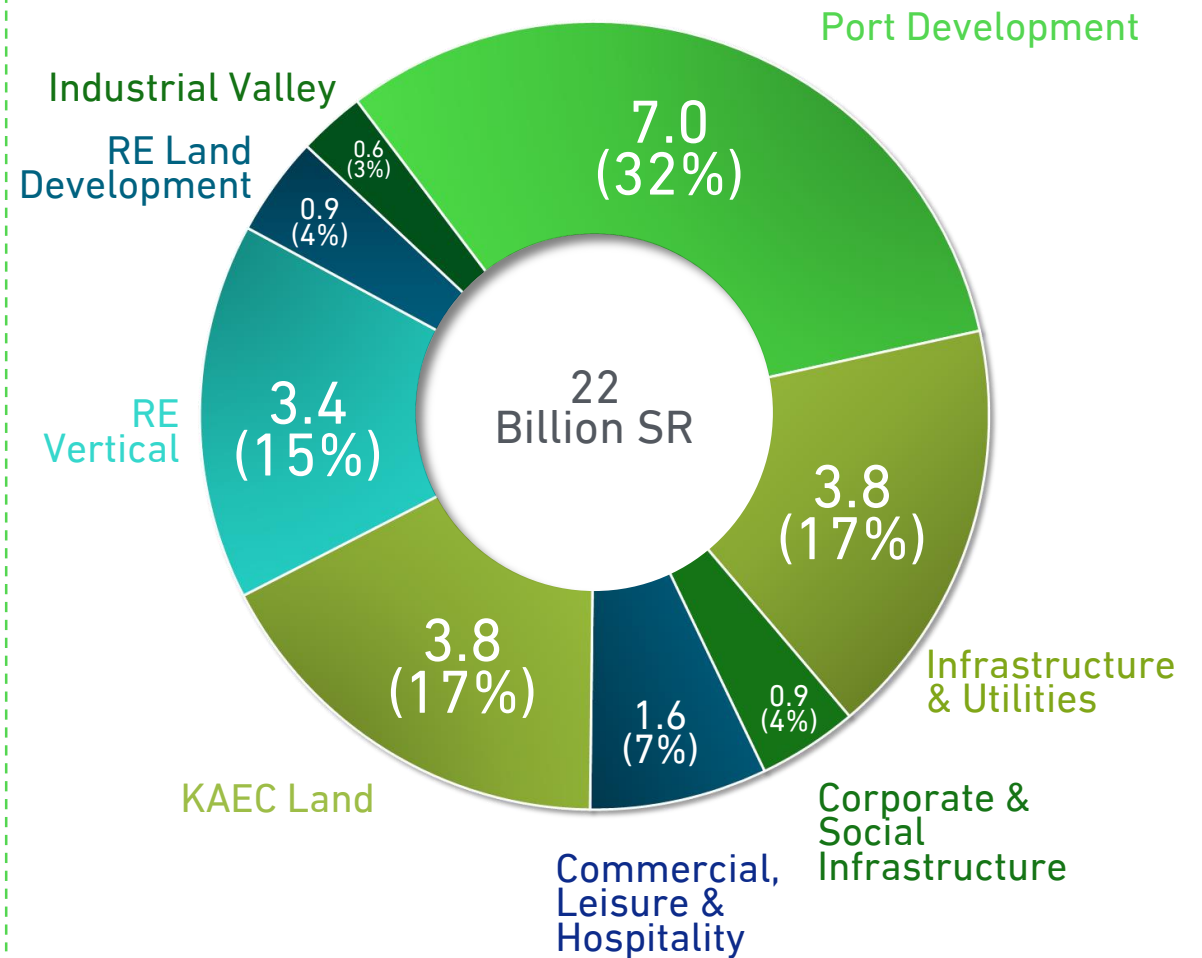
Business model generates regular income and drives portfolio value

## Funding & Investing

### Diverse sources of funding



### We have invested





## Pivotal Role in achieving Kingdom's Vision 2030 – How KAEC adds value



- ✓ The viability of the public-private partnership model in Saudi Arabia
- ✓ The ability of the private sector to support large-scale government initiatives
- ✓ The potential of Vision 2030 and the non-oil economy



National Industrial Development and Logistics Program

- KAEC's Industrial Valley is the new hub for industrial lines and services including logistics, pharmaceuticals, FMCG, and automotive
- It is the first Industrial zone in KSA to be fully integrated with a port
- It improves local, regional and international connectivity of trade and transport networks
- Industrial progress in KAEC is creating job opportunities



The Housing Program

- It is facilitating home ownership among Saudi families
- It is providing a wide variety of housing and living solutions to meet the price point needs of a diverse residential population in the Kingdom



Enriching the Hajj and Umrah experience

- KAEC is well connected with Jeddah and Madinah and will facilitate hosting more pilgrim to access the holy mosques
- KAEC's state of the art hospitality facilities will raise the quality of services provided to the pilgrims



Lifestyle Improvement Program

- KAEC aims to provide residents, workers and visitors with a variety of real estate facilities and leisure activities that address the needs and aspirations of their lifestyles



National Companies Promotion Program

- KAEC's ease of access, bonded zones, connectivity, integrated city, proximity to port will allow local companies to thrive and develop into regional and global leaders



Vision Realization Programs



Privatization Program



National Industrial Development and Logistics Program



The Housing Program



Enriching the Hajj and Umrah experience



Lifestyle Improvement Program



Saudi Character Enrichment Program



Strategic Partnerships Program



National Companies Promotion Program



Financial Sector Program



Fiscal Balance Program



PIF Program



National Transformation Program

## Measuring our Success



## KAEC Master Plan Residential Development - Catering to all Income Segments

### Total housing solutions:

Each of the districts within the coastal communities have been master planned to ensure KAEC provides a housing solution for everyone.

**Living in KAEC:** Management is constantly working to create the right living and working environment in our city. KAEC is built upon the strengths and skills of our people and our unique business-friendly environment. We're a confident, innovative and ambitious city – a great place to live and work.





## Residential Portfolio

### High-End Communities



- Total Development Area of (95,870 sqm)
- (2) Beach Towers, and (4) Marina Towers
- Total of (732) Developed Apartments



- Total Development Area of (4,511,892 sqm)
- (3) Beach Communities, (7) Golf Communities, and (3) Townhouses Communities
- (2,355) Individual Plots, (159) Villas , and (270) Townhouses, are Under Development. (1,210) Plots are Completed in Q2'17



## Residential Portfolio

### Middle Income Communities



- Total Development Area of (2,987,001 sqm)
- (3,756) Individual Plots and (238) Villas, are Under Development



- 200,000 sqm is Completely Developed from the total Development Area of (242,583 sqm)
- (389) Apartments, (144) Townhouses, (46) Paired Homes, and (30) Villas, are Completely Developed
- (342) Apartments and (30) Paired Homes, are Under Development

## Residential Portfolio

### Affordable Community



- Total Development Area of (150,000 sqm)
- (98) Buildings with (1,440) Apartments, are Completely Developed

### Labor Accommodations



- Total Development Area of (36,900 sqm)
- (16) Buildings with a capacity of (2,784) units, are Completely Developed



## KAEC Master Plan Industrial Valley

### A NEW LOGISTICS AND MANUFACTURING HUB

**At the forefront of KAEC's master planned development is Industrial Valley, a new pro-business hub in one of the fastest growing regions and economies in the world.**

The Industrial Valley's vision is to become the preferred regional hub for manufacturing industries and value-added global logistics, contributing to job creation and economic development for Saudi Arabia.



## IV Strategically Located

### PRO-BUSINESS ECONOMY



#### A LEADING ECONOMY

Saudi Arabia is one of the fastest growing countries in the world, with a vision of diversity and prosperity through job creation and economic welfare for all Saudi citizens.

#### STRATEGICALLY LOCATED

King Abdullah Economic City's unique business friendly infrastructure combined with its ability to serve global trade through its strategic location, makes it one of the most important cities in the Middle East now and in the years to come.





## Pro Business Environment & Strategic Choice

### A NEW LOGISTICS AND MANUFACTURING HUB

CREATING VALUE AND DELIVERING GROWTH

#### SECTOR FOCUS PLUS CUSTOMER-CENTRIC APPROACH

- Builds synergies
- Reduces raw material cost
- Shortens lead time

### TOP 5 REASONS TO CHOOSE INDUSTRIAL VALLEY

01

#### A PRIME LOCATION

Strategically located to serve the local, regional and international markets.

02

#### A SINGLE REGULATOR

The Economic Cities Authority (ECA) as single regulator for key governments requirements

03

#### BUSINESS READY CONNECTIVITY

Through King Abdullah Port, Haramain Railway and the cargo Land Bridge – access to the region's largest market and the entire GCC countries and beyond.

04

#### VERSATILE SOLUTIONS

Ready serviced plots on freehold or leasehold basis with flexible terms.

05

#### A FULLY INTEGRATED CITY

People working at KAEC can enjoy a relaxed lifestyle – a great live-work-play environment.

01 FMCG

02 PHARMACEUTICALS

03 LOGISTICS

04 PACKAGING

05 BUILDING MATERIALS

06 AUTOMOTIVE



### A PRO-BUSINESS REGULATORY ENVIRONMENT

### A SINGLE REGULATOR



The Economic Cities Authority (ECA) has been established by Royal Decree as the sole regulator for Economic Cities, with a comprehensive scope to offer a pro-business regulatory environment for KAEC including:

- 100% foreign ownership
- Issuing licenses and permits
- Smart service center for investors and residents
- Efficient employment through secondment services
- Availability of mixed gender skilled labor force

## Strong Connectivity

**KAEC IS CONNECTED THROUGH  
AN EFFICIENT AND INTEGRATED  
TRANSPORTATION SYSTEM**

### BROAD CONNECTIVITY



#### SEAPORT

- King Abdullah Port: Started import/export operations in January 2014



#### RAILWAY

- The planned Land Bridge connecting the Eastern and Western regions of KSA
- Haramain High-speed Railway



#### AIRPORT

- 90 km distance to Jeddah International Airport (JED)
- 25 minutes by train



#### ROADWAY

- Direct access to KSA National road network

### ABSOLUTE ADVANTAGE

### BROAD CONNECTIVITY

- The first privately owned and operated port in MENA
- Accommodates mega vessels in 18m depth berths
- Set to be one of the 10 largest ports in the world
- Area: 15,000,000 sqm

- Capacity: 20,000,000 TEU at completion
- Bulk + General Cargo 20,000,000 Ton
- Terminal yard 11,000,000 m<sup>2</sup>
- RoRo 2,000,000 cars



## More Than 120 Global & Local Tenants in KAEC

### KAEC IV Tenants

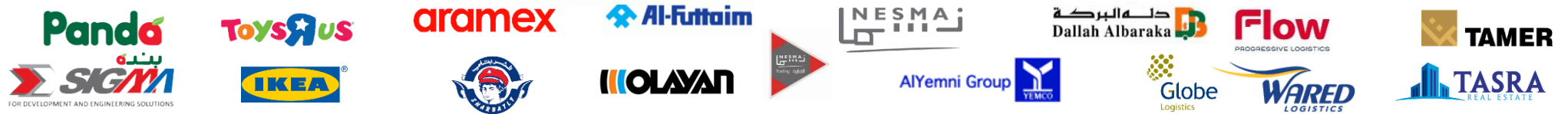
#### FMCG



#### Pharmaceutical



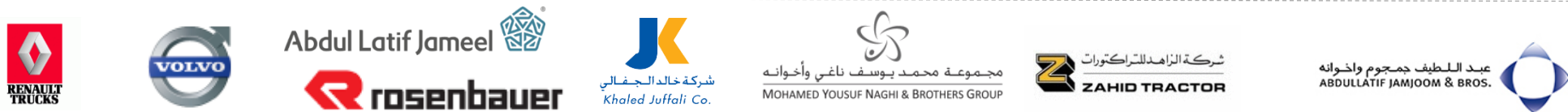
#### Logistics



#### Building Materials



#### Automotive



#### Others



## Industrial Valley: Traction Continues

**IV secured three deals worth SAR 262 million in 2017 with:**

- Cement Product Industry
- Mohamed Said Fakhary Company and Partners
- Binzagr group

**IV has signed deals at record lease and sale rates**

- Current lease is SAR 16-18 / sqm
- Current sale is SAR 585 / sqm

**IV continues to work on its offerings and its business strategy with the main focus on:**

- Special zones within IV : Bonded Zone, Gas Zone and Warehousing
- Broader connectivity through the operational King Abdullah Port along with the Haramain High Speed Railway and the planned Saudi Land Bridge



## IV & Residential Offering

**Corporate Relocation Program has been launched aimed at entrepreneurs, SMEs, and established businesses to relocate to KAEC:**

- 10 year interest-free payment plan for Saudis
- 20% discount on annual rent
- Free premium education for a total of two children
- Rent-free for the first 5 years on office space
- Transportation

### **Advantages:**

- Competitive pricing offering investment upside
- Good infrastructure relative to other major cities regionally
- Payment plan: 60 months of installments for land and vertical with a down payment of 10% for land and 20% for vertical

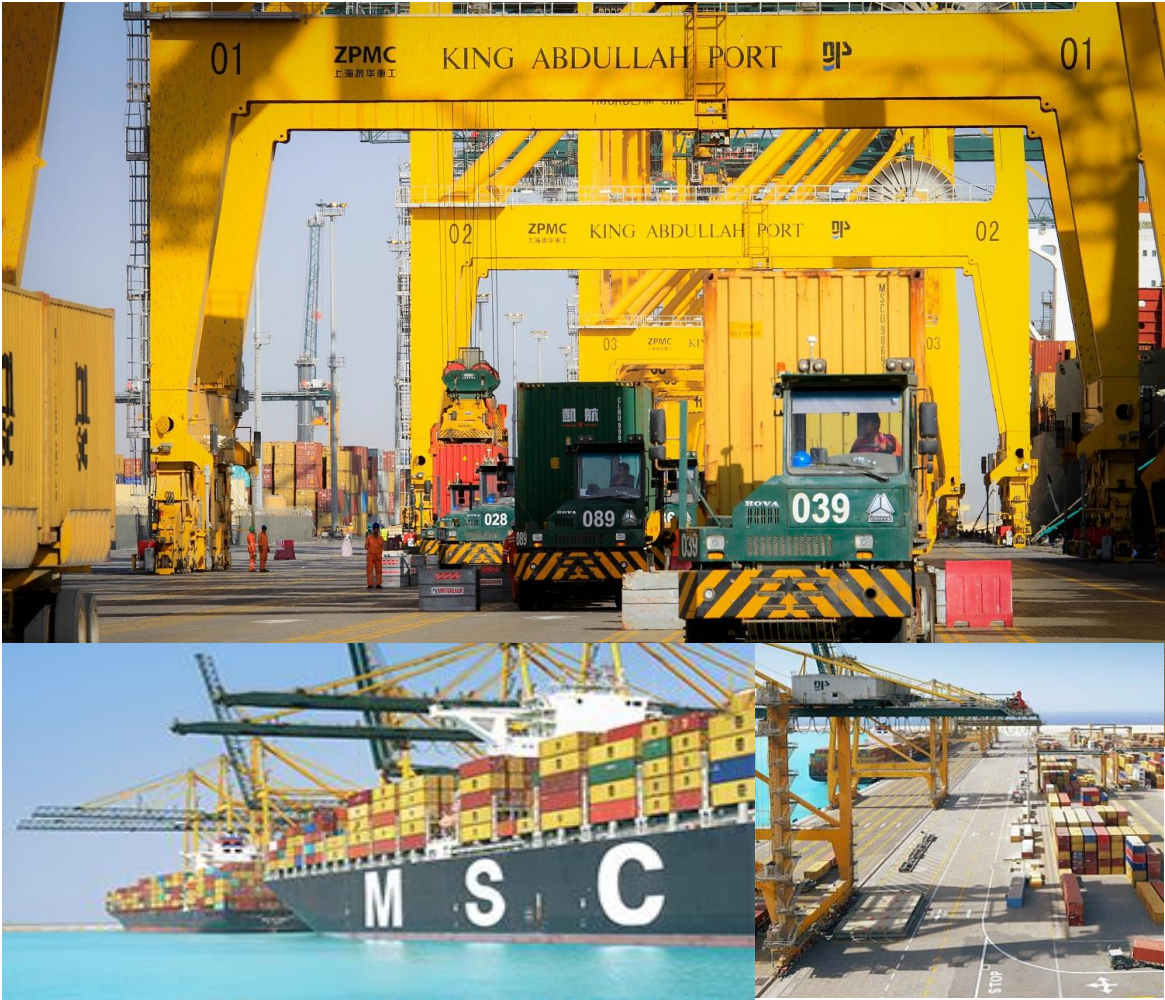


# Value Creation Projects

## King Abdullah Port



Current	
Berths:	6 by 2018
Handling Capacity:	4.5 Million TEUs by 2018
Utilization (Q2 '17)	~60.14%
YoY Growth (2016):	8%
Underdevelopment	By end 2017: 1 berth for RORO; 1 berth for bulk area



On Completion	
Berth:	30
TEUS Capacity / Annum	20 Million
Total Jobs : (direct & indirect)	65,000
By 2025	Among top 10 ports in the world
Break Bulk Capacity	15 million Tons
Depth	18 m
Area	15-17 Million sqm
RoRo capacity	1.5-2.0 million CEU



## Prince Mohammad Bin Salman College (MBSC)



## Babson College USA

*First mixed batch rolled out in Sep 2017*

*International faculty and staff, trained at Babson*

- MBSC is the first Business and Entrepreneurship College in Saudi Arabia. The College is inspired by Vision 2030 and aims to increase entrepreneurial activities and ecosystems in the Kingdom
- It has been established through an International partnership between Emaar The Economic City, Babson Global (a wholly-owned subsidiary of **Babson College, USA**), Lockheed Martin under the umbrella of the Economic Offset Program in the Kingdom of Saudi Arabia and the MISK foundation
- Programs Offered:  
Graduate **MBA degree**: First semester already started in September 2017, focusing on Leadership and Entrepreneurship programs through full time and part time courses.





## Value Creation Projects

### The World Academy



- Total Development Area of (10,500 sqm) with a capacity of (600) Students, currently over (500) Students are enrolled
- Fully operational since Q3 – 2014. Grades Offered: Nursery up to Grade 12

### Family Medical Center



- Total Development Area of 1,400 sqm with (10) Clinics and a capacity of (15) hospital beds
- Fully operated since September 2016
- FMC offers clinics such OB/GYN, Ophthalmology, Orthopedic, and Dental Services; as well as Laboratory

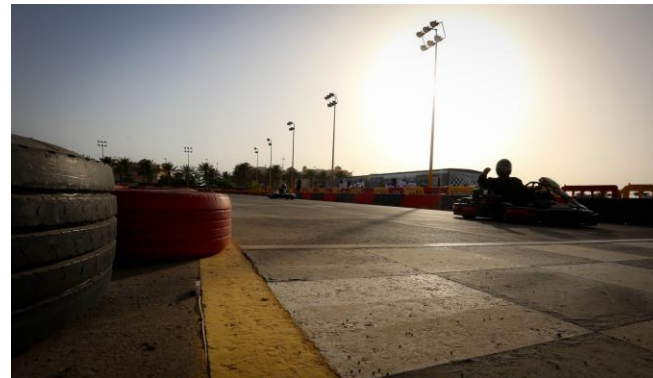
## Value Creation Projects

### Juman Park



- 70,000 sqm of open space that includes walkways, running tracks, cycling tracks, a mini golf course and games
- The park is populated with art sculptures, refreshment stops and adventure playgrounds for children

### Juman Karting



- Our newly laid track is 700m long and 7 to 10 meter wide
- The track consists of a variety of fast straights, long fast corners and a good mixture of slower corners (9 in total)



## Value Creation Projects

### Bay La Sun Hotel



- Bay La Sun Hotel is Premium 5-star Business & Leisure hotel , In operation since 2013
- (195) rooms/suites in a Built-Up area of (21,000 sqm.)

### The Views



- The Views is a 4-stars Serviced Apartments Currently Under Development
- (174) units in a Built-Up Area of (23,871 sqm)
- Official launch in Q4-2017

## Value Creation Projects

### Royal Greens



- Royal Greens Golf Course and clubhouse is (841,168 sqm.) with Built-Up Area of (10,000 sqm.) in Al-Murooj District
- The Golf clubhouse consists of health clubs, BBQ grills, juice bars, and conference rooms (Official launch in Q4-2017)

### Esmeralda Sports Complex

ESMERALDA  
نادي إزمردا



- Esmeralda Sport Complex is (51,000 sqm) with Built-Up Area of (14,850 sqm), Currently Under Development
- The Sports Club will include Indoor Youth Soccer, Cricket, and multipurpose courts for Basketball, Badminton, Tennis, Squash and Volleyball, men and women pools, Gymnasium and Fitness rooms (Official launch in Q4-2017)



## Value Creation Projects

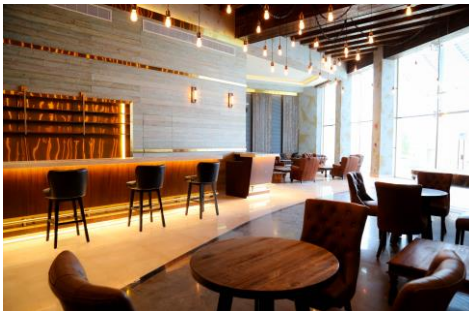
### Bay La Sun Club

BAY LA SUN CLUB



- Located at the mezzanine floor of the Bay La Sun Hotel with connectivity to MBSC building;
- The new facility offers 6-lane bowling alley, various simulators and board games with Starbucks coffee

### Marina & Yacht Club



- Located in the Bay La Sun waterfront area of the city
- The new facility will offer vessel berthing capacity for up to 124 vessels



## Projects Envisioned For Coming Future -Tourism Strategy

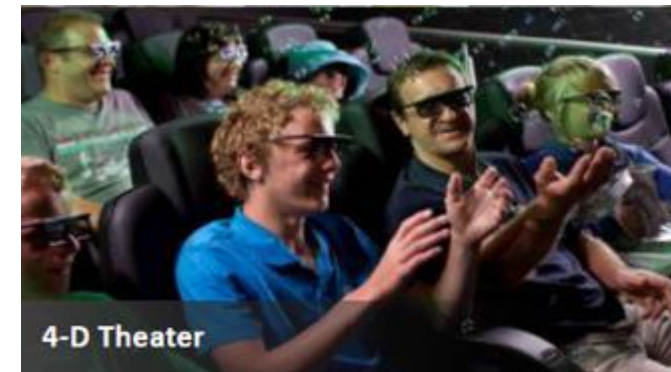
- Exclusive Desert Camps
- 4-D Theater
- Conference and Exhibition Center
- Floating Water Park
- Juman Carnival
- Hot Air Balloon (tethered)
- Beachside Hotel apartments
- Culinary Arts Academy Project
- The Play District
- Hejaz District
- Private and Public Beaches



Corporate Entertainment Center



Desert Camping



4-D Theater

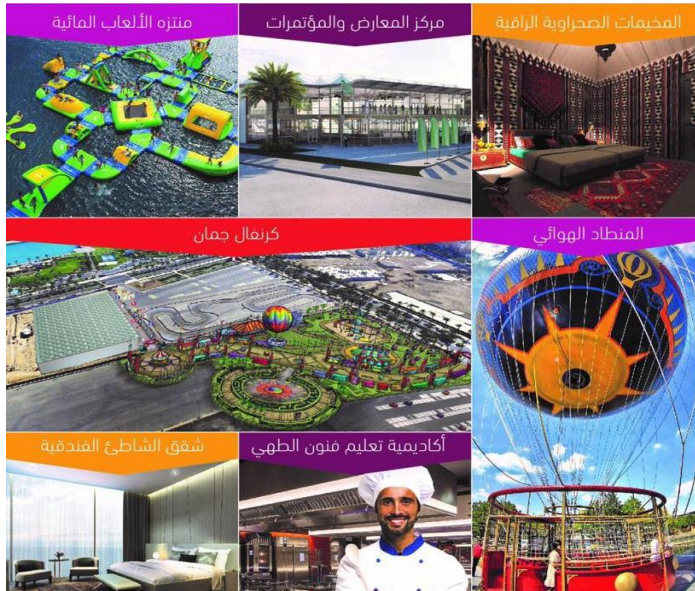


Floating Waterpark



## Leisure & Entertainment Focus

### Projects Under Development



From top left to bottom right:

- Floating Water Park
- Conference and Exhibition Center
- Exclusive Desert Camps
- Juman Carnival
- Hot Air Balloon (tethered)
- Beachside Hotel apartments
- Culinary Arts Academy Project



The Play District  
(F1 Track, Safari, Theme Park and Zoo)



Hejaz District  
(Commercial, Residential, Hospitality and Leisure)





## Train Connectivity – Key Driver

### HEJAZ DISTRICT & HIGH SPEED TRAIN



- Strategically located within the Western Region
- Located between the two holy cities, Makkah and Madinah
- Connecting 8.5 million inhabitants
- **Operation date\*: Q1 2018**
- Al-Haramain train successfully tested Jeddah route on July 19<sup>th</sup> from King Abdullah Economic City





## Existing bilateral debt profile and MoF Facility

As of the date of this document, EEC has a **total outstanding debt of SAR 8.0bn** comprising (i) **SAR 5.0bn loan from Ministry of Finance** for the development of KAEC; and (ii) **SAR 3.0bn from Commercial banks** (SAR 2.0bn unutilized).

### Ministry of Finance Loan

- EEC received a loan of SR 5,000 million, with a three year grace period, from the Ministry of Finance in 2011 for the development of KAEC
- Loan is secured against pledge of greenfield land
- During 2015, MoF loan has been rescheduled by extending the grace period for an additional period of five years
- The principal amount is now repayable in seven annual instalments commencing from June 2020

### Commercial Bank - 1

- In 2014, EEC availed an Islamic facility from a commercial bank for SR 2,000 million
- The loan is repayable in eight semi-annual instalments from 30 June 2018 to 31 December 2021
- The loan is secured against part of KAEC's greenfield land and an order note for SR 2,500 million

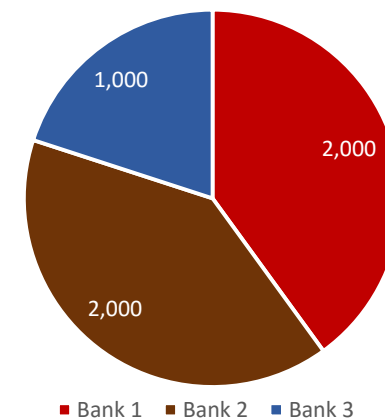
### Commercial Bank – 2

- During 2014 and 2015, EEC availed two Islamic facilities with a commercial bank for SR 1,000 million each
- The loan terms are door to door 8 years with 3 years grace period starting from respective dates of the facility agreements
- The loan facilities are secured against part of KAEC's greenfield land and an order note of SR 1,250 million each.

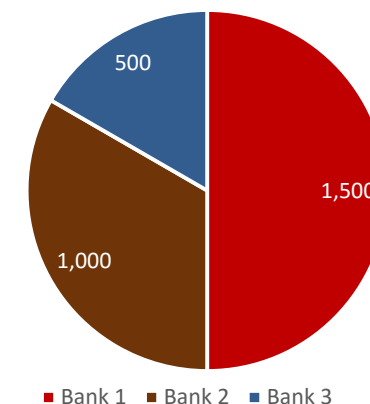
### Commercial Bank – 3

- In 2015, EEC availed an Islamic facility from a commercial bank for SR 1,000 million
- the facility is repayable in eight semi-annual instalments from 20 October 2019 to 20 April 2023
- The loan is secured against part of KAEC's greenfield land and an order note of SR 1,200 million.

Current Commercial Facilities (SAR'Mn)



Outstanding Commercial Facilities (SAR'Mn)

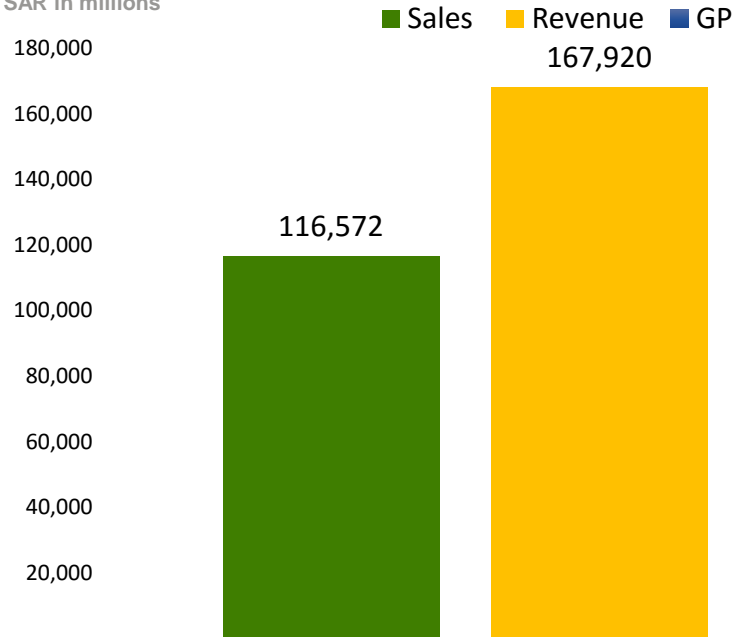




## Residential Sales Development Breakdown for YTD September 2017

### Residential Vertical

SAR in millions



- (as a % of sales) SAR 117 mn, up 78 % compared to Q2, 2017 (SAR (65 mn)
- Gross profit up 253% compared to Q2, 2017

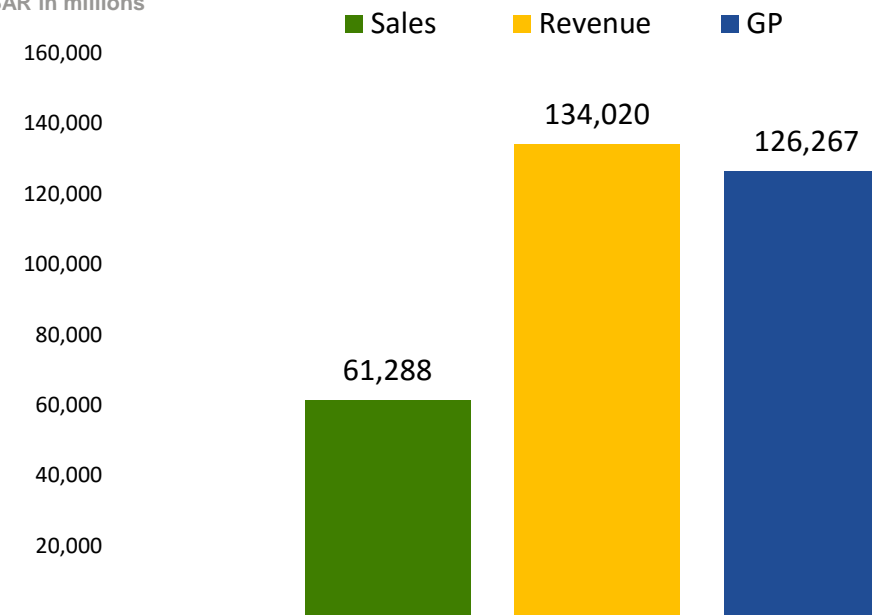
#### Total Sales Unit

- 212 units

Revenue on land and vertical is recognized based on POC method on old and new sales (IFRS based)

### Residential Land

SAR in millions



- (as a % of sales) SAR 61 mn, up 16% compared to Q2, 2017 (SAR (53 mn)

#### Total Sales Unit

- 39 plots
- Increase GP in land also has an impact from changes in infrastructure cost estimates

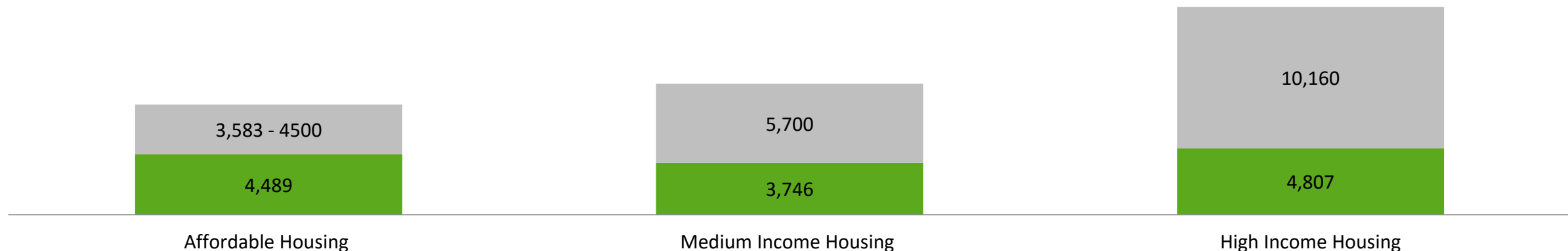
## Residential Sales Product Statistics 2012 – Q3 2017

### Historical year Net order intake (SAR mn) and total number of units

Product		2012	2013	2014	2015	2016	YTD Q3 2017
Vertical	Net Order Intake <i>(in million, SAR)</i>	21	9	272	369	367	117
	Units	12	6	178	641	418	212
Land	Net Order Intake <i>(in million, SAR)</i>	167	673	655	776	148	61
	Units	136	403	819	912	132	39
Totals	Net Order Intake <i>(in million, SAR)</i>	188	682	927	1,145	515	178
	Units	148	409	997	1553	550	251

### Bench Mark Analysis Jeddah vs. KAEC\*

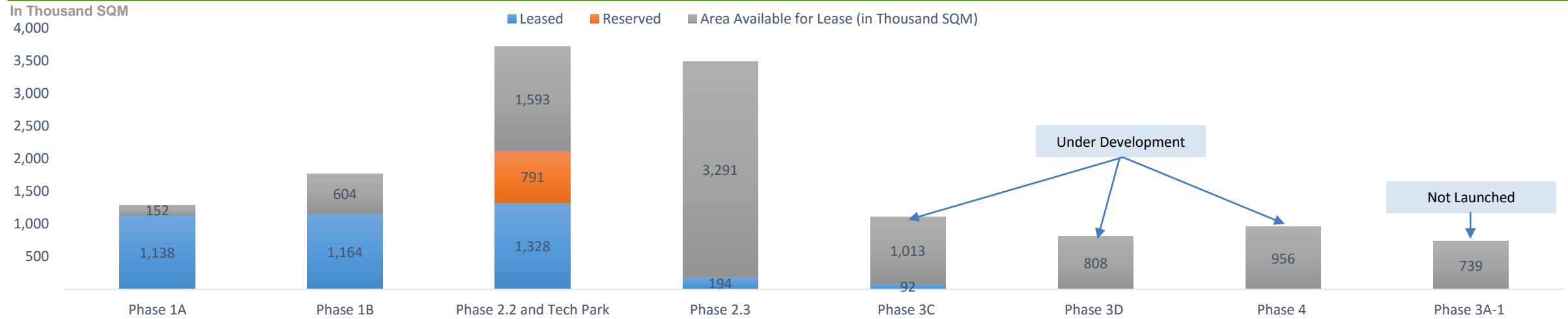
■ KAEC ■ Jeddah



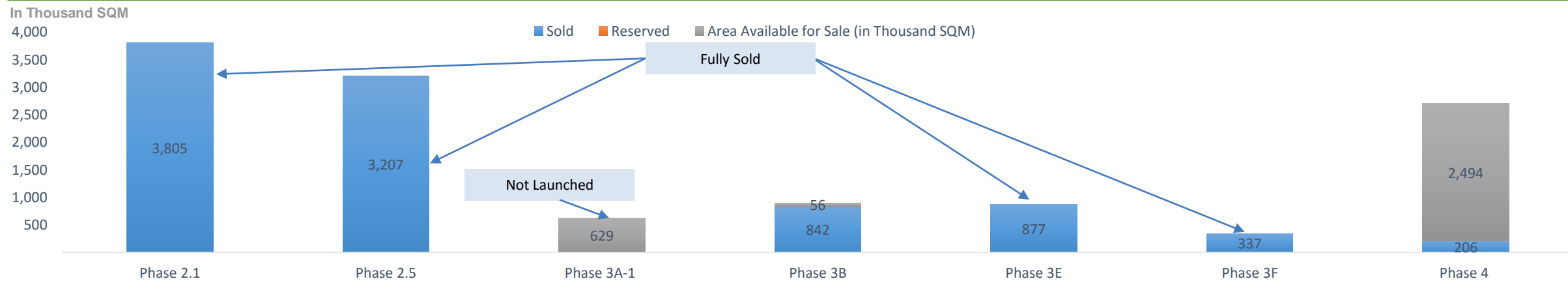
- Jeddah Real Estate Prices - Colliers International Market Study; input from persons knowledgeable about the subject matter
- KAEC's MI and HI Housing categories include vertical sales as well as land sales

## Industrial Valley Lease and Sales Segment Breakdown up to Sep 2017

### Industrial Valley Lease Breakdown



### Industrial Valley Sales Breakdown

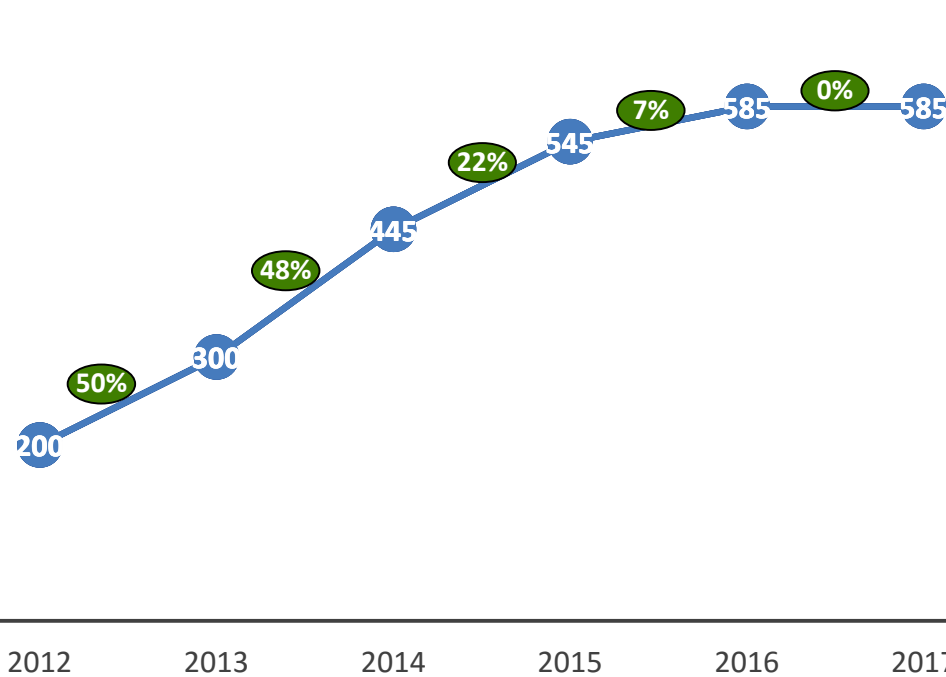




## Sales and Lease Revenue & Price Trend

### Industrial Valley Year on Year Performance

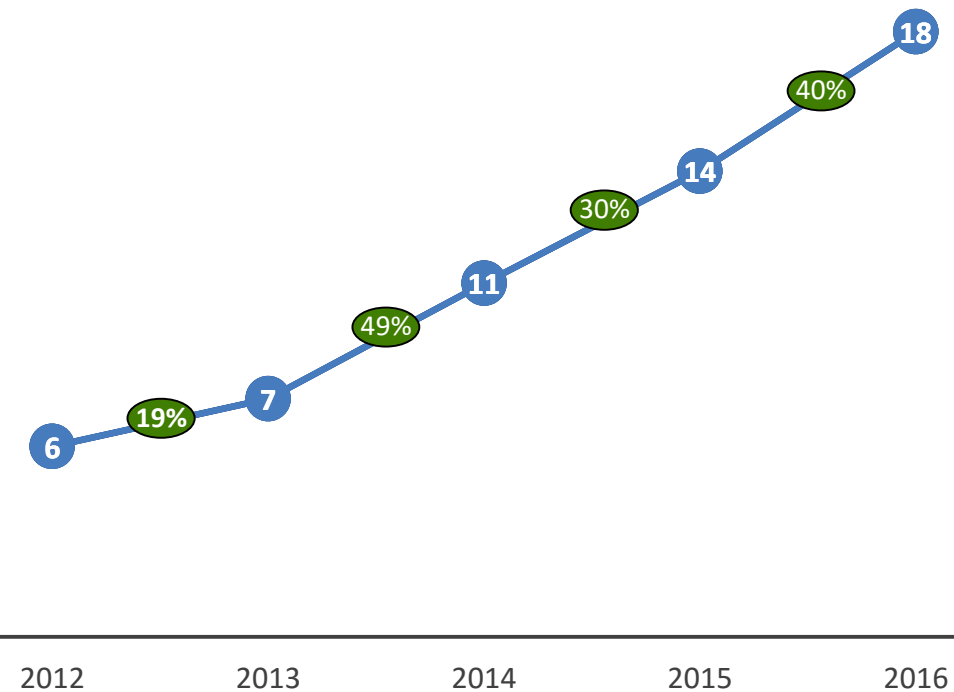
Actual Sale Price/SQM (YoY)



Product	2013	2014	2015	2016	YTD Q3 2017
Sales Revenue	480	219	105	256	262

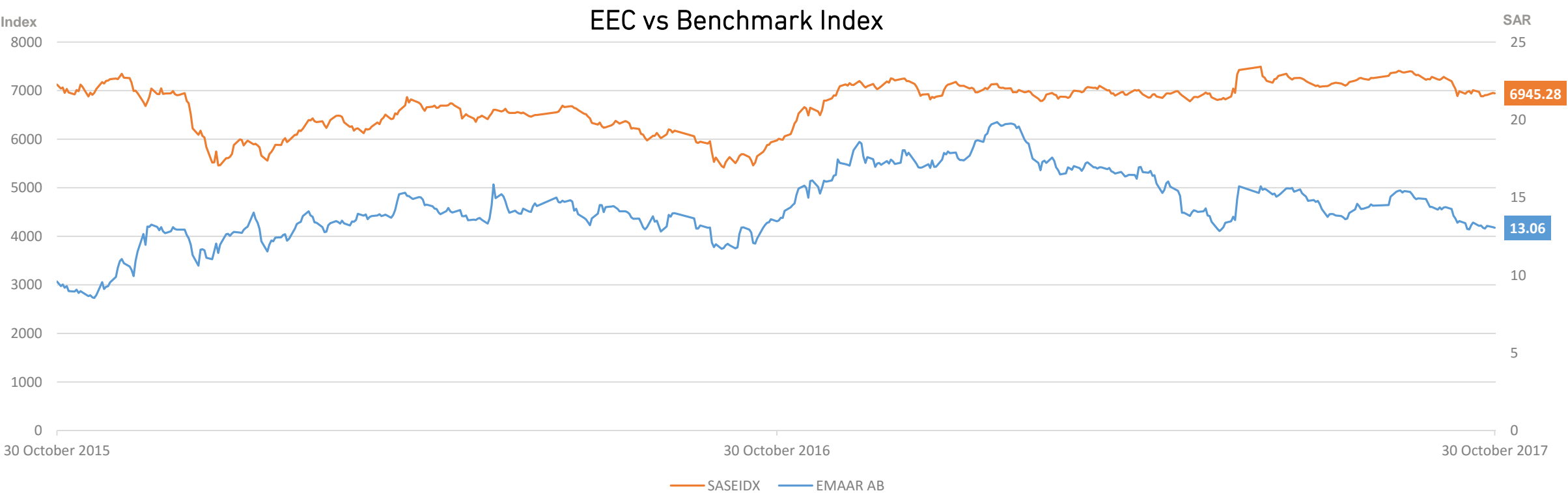
\*Revenue and Sales figures are in millions

Actual Lease Price/SQM (YoY)



Product	2013	2014	2015	2016	YTD Q3 2017
Operating Revenue	28	33	47	59.2	37

# Share Price Performance



## UNIT PRICE PERFORMANCE

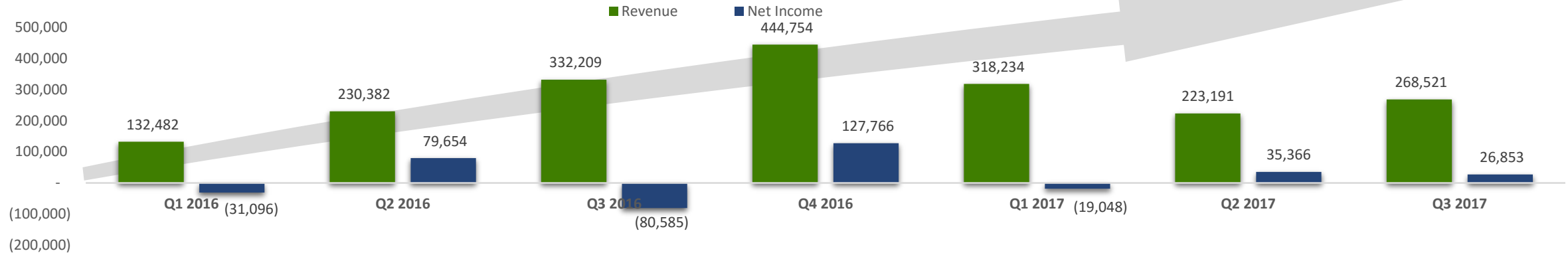
As of October 31, 2017	SAR 13.06
Highest (2017)	SAR 19.86
Lowest (2017)	SAR 12.86
Trading Volume (million units)	1.101

**Ticker Description:**  
 SASEIDX Index: Tadawul all share index  
 EMAAR AB Equity: Emaar Economic City’s stock on Tadawul

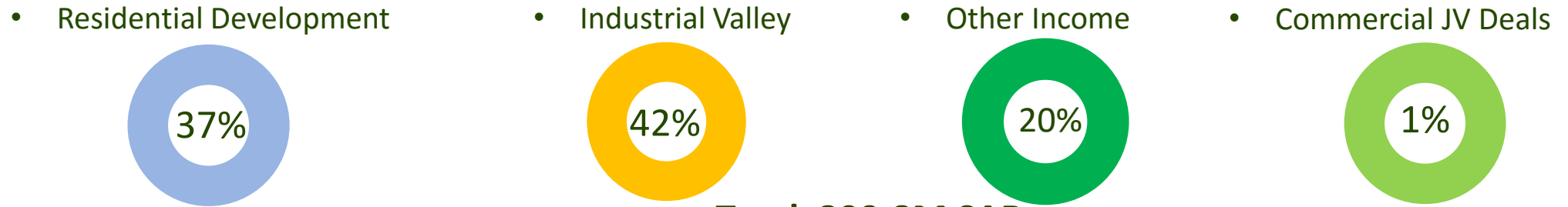
AS on 31 <sup>st</sup> October 2017	
Number of Units in Issue	850,000,000
Market Capitalisation	SAR 11,101 million

## Financial Performance – Q3, 2017 Profitability

### Historical Quarter Revenue and Net Income (SAR mn)



### % Breakdown of Revenue for YTD Q3 2017



**Total 809.8M SAR**

\*Other Income: Constitutes value added services, service charges, Hotel, healthcare, DMO, RLO and income from education

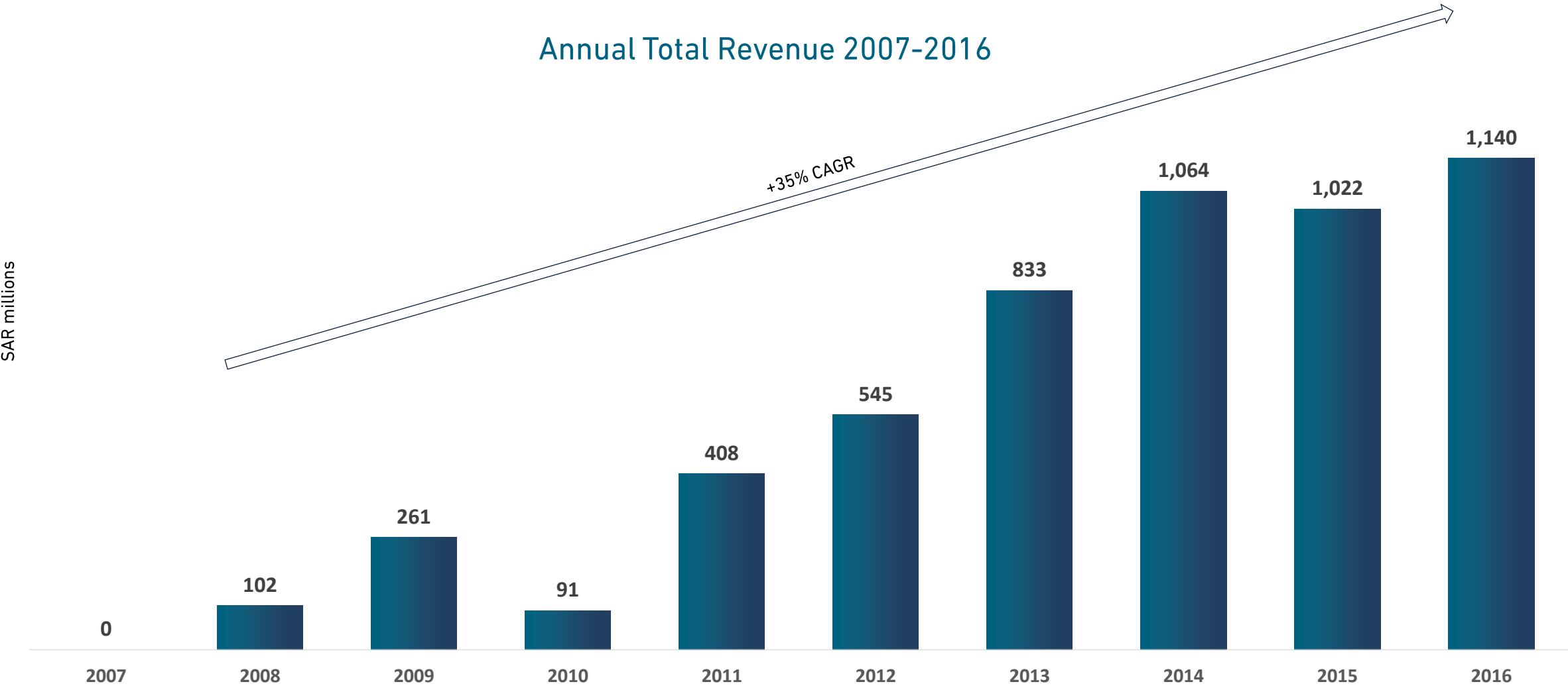
### % Breakdown of Order Intake for YTD Q3 2017



**Total 448M SAR**



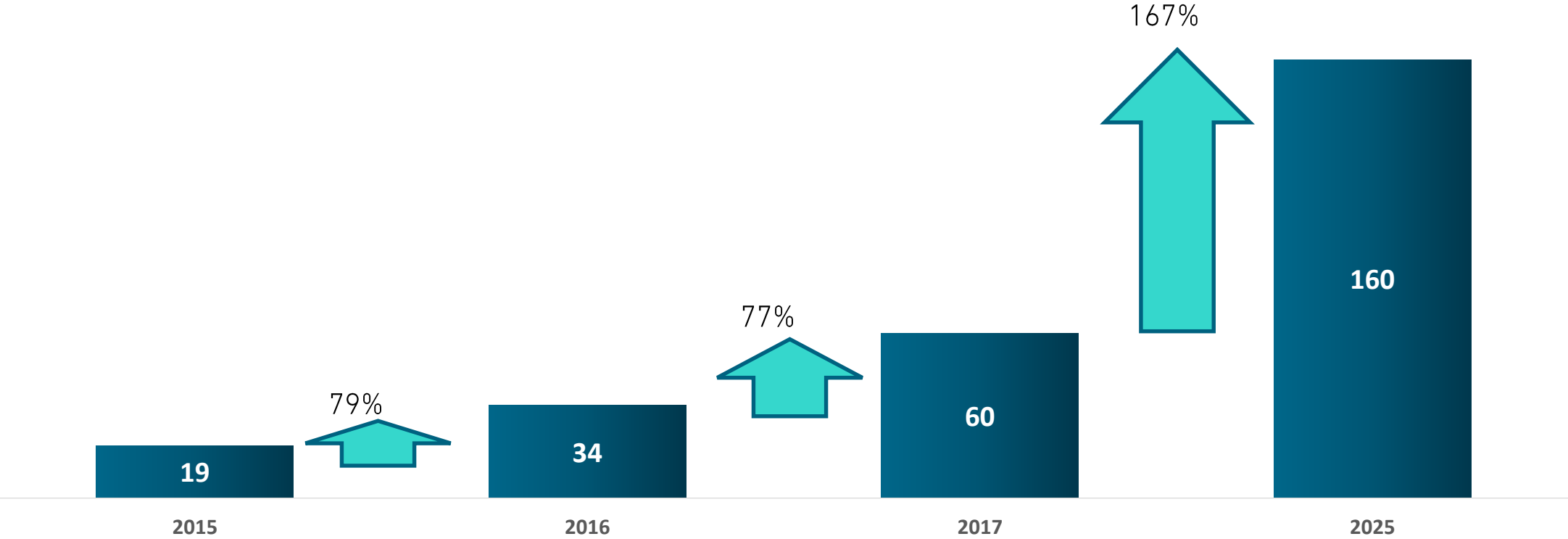
# A Hyper-growth Company



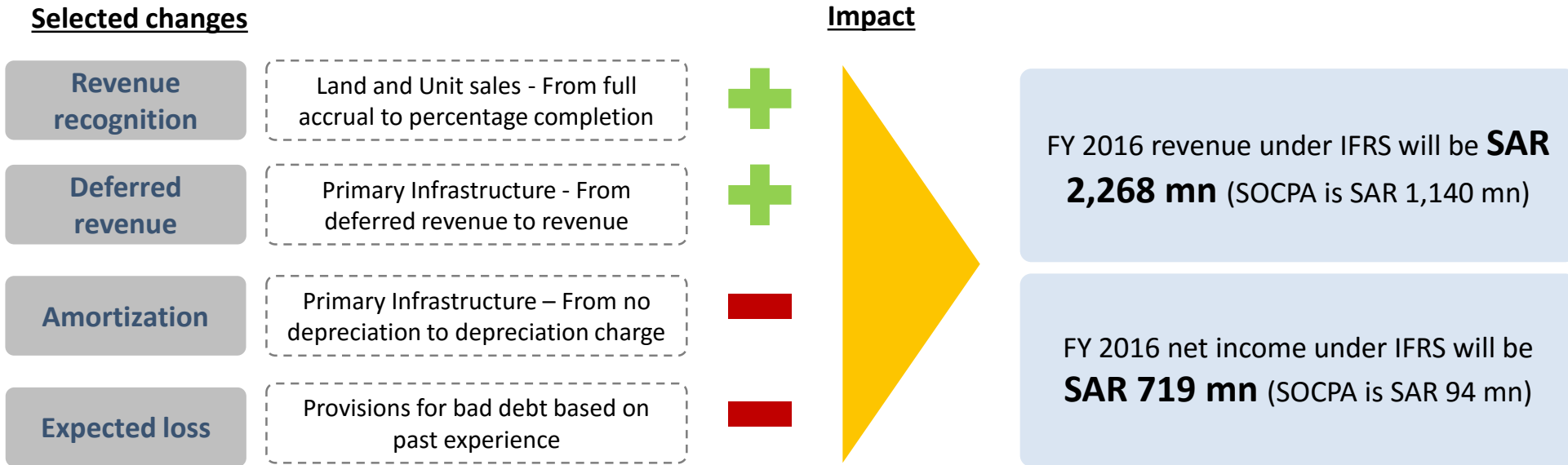


# Operational Projects Expanding

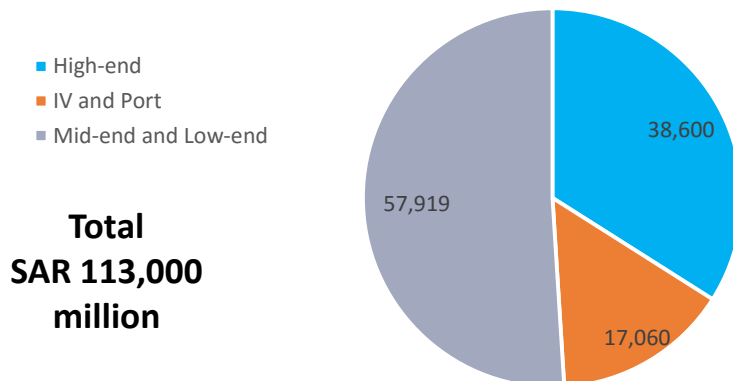
Projects Under Operation



## Proven financial track record – Value that the financials do not reflect



Land Market Value in SAR'mn as of June 2016 of **128 million sqm** of land



A total real estate value of more than SAR 105 billion is not reflected on the books

Even the discounted value of this real estate is expected to be higher than SAR 50 billion

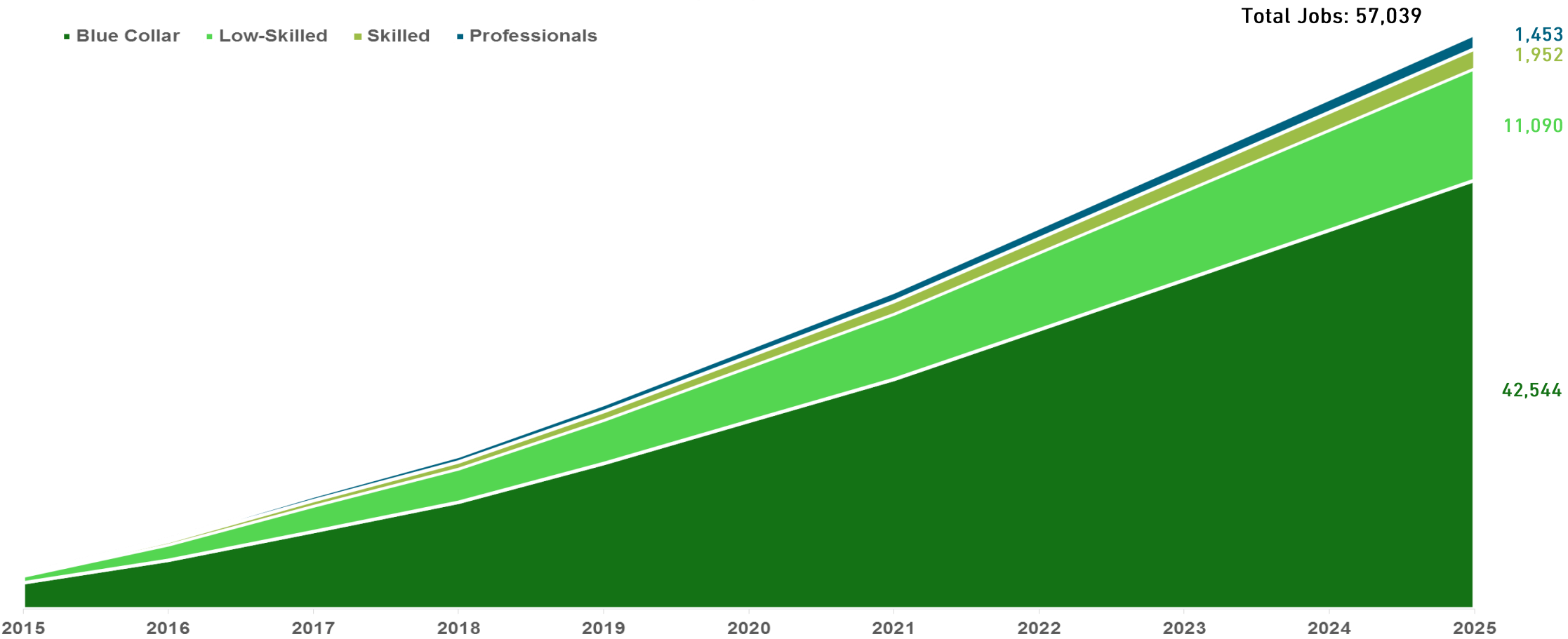
Development and Investment Properties on the books in 2016 are only **SAR 6,547 million**

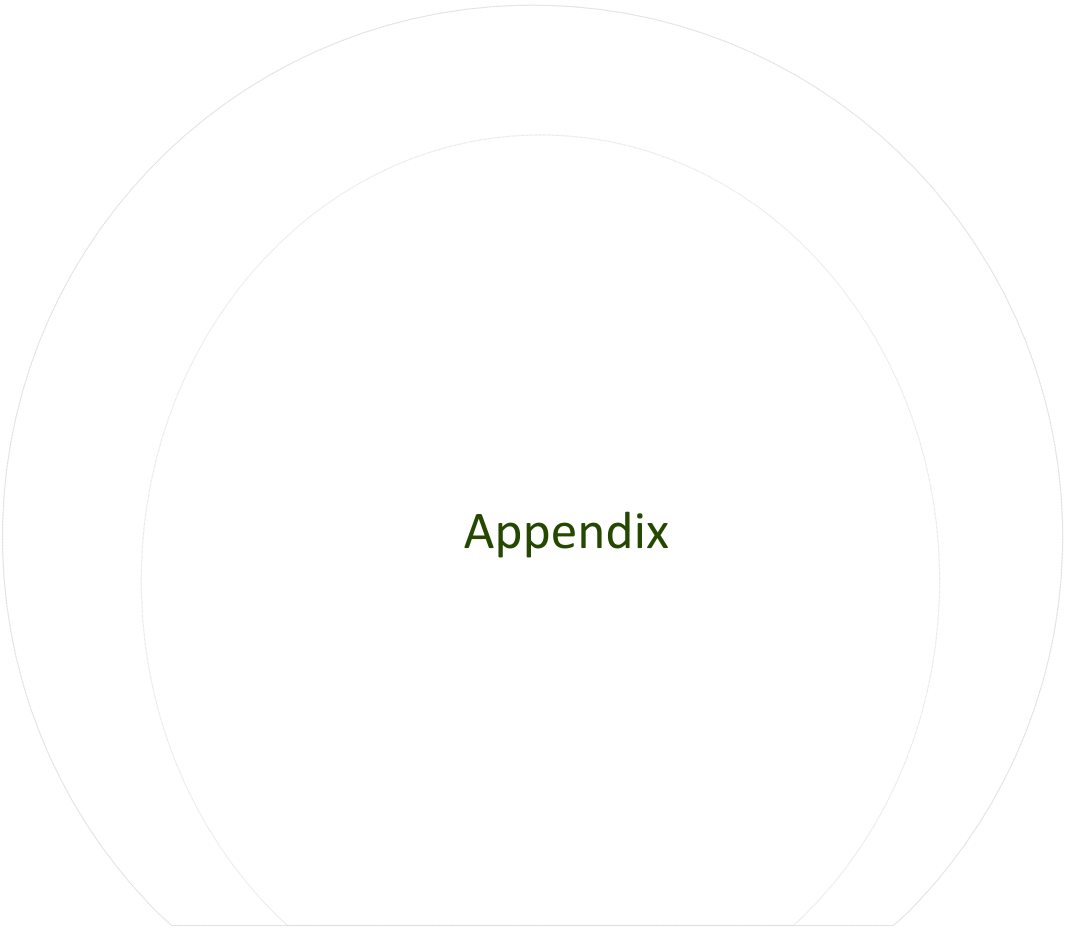


# Benefits for Saudi Arabia

KAEC will create around 57,000 jobs by 2025

Jobs Ramp-Up 2015-2025

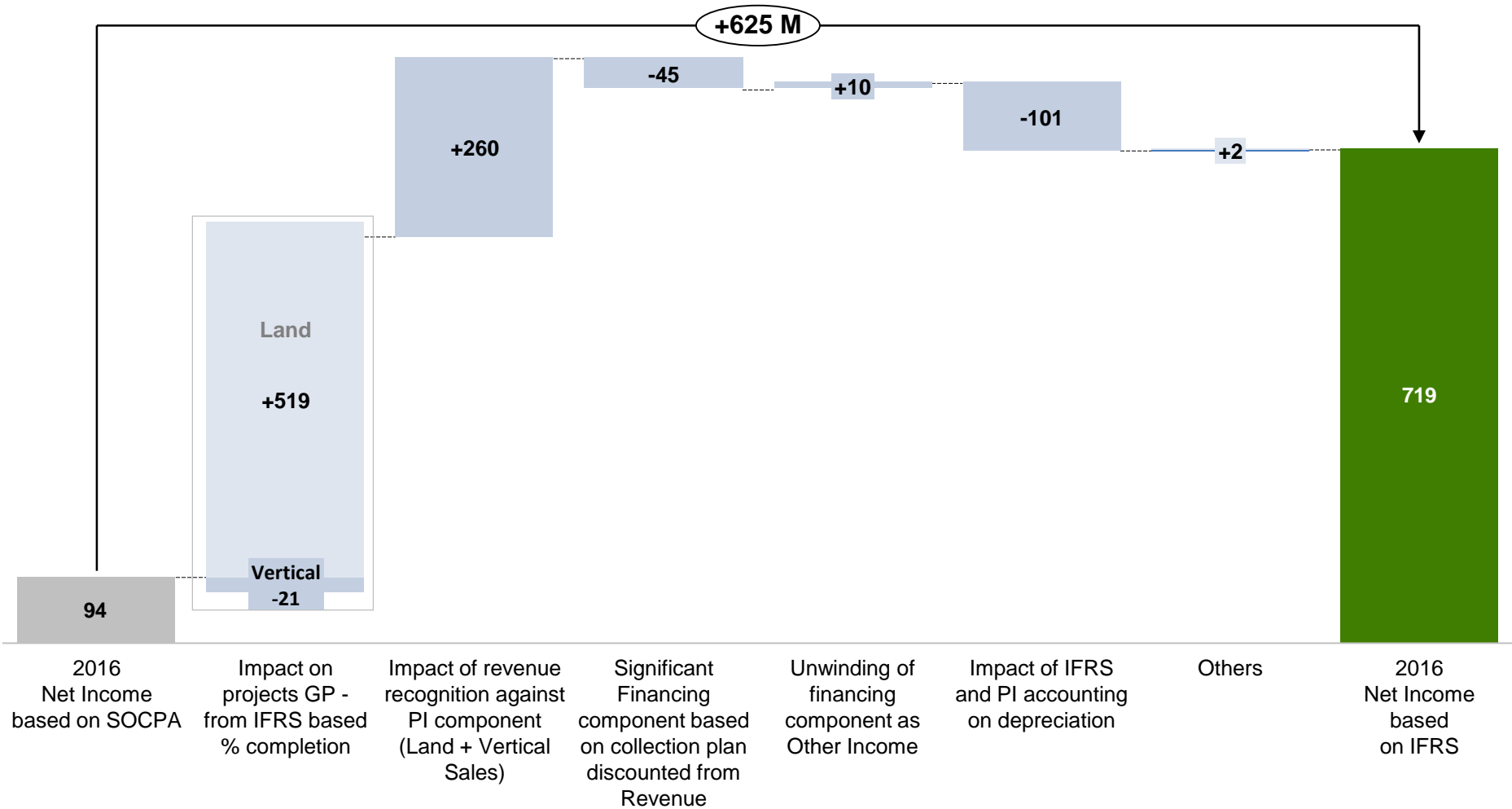




**2016 Net Income** was increased by SR +625 M vs. SOCPA Net Income mainly due to:
 

- + 498 M of Projects' Gross Profit from IFRS based POC on residential and IV land projects
- + 159 M IFRS impact on the recognition of revenue and depreciation on PI assets
- + 2 M Provision against RCC settlement and V08 project; offset by
- 35 M Significant financing component on long term collection plans

Implications of IFRS on SOCPA Net Income (Full Year 2016)





## Major changes in accounting treatment SOCPA VS IFRS

**Revenue Recognition:** Under SOCPA, revenue on land sale was recognized based on FULL ACCRUAL METHOD. However, under IFRS we are using POC method to recognize revenue for both Land and Vertical sales.

**Deferred Revenue:** Under SOCPA, revenue amount collected against Primary Infrastructure (PI) was deducted from revenue and was deferred. Under IFRS, PI amount is not deferred and become part of revenue.

**Deferred Revenue Amortization:** Revenue deferred against PI was then amortized against the depreciation pertaining to PI assets, resulting in zero depreciation against PI assets. As under IFRS, PI revenue is not deferred therefore, depreciation is not netted off with the PI revenue and depreciation is charged to P/L.

**Significant Financing Component (SFC):** Under IFRS, SFC is carved out from the long term receivables and revenue is recognized netted off with SFC. Amount recognized as SFC is then amortized over the period of debt and recorded as other income in P/L.

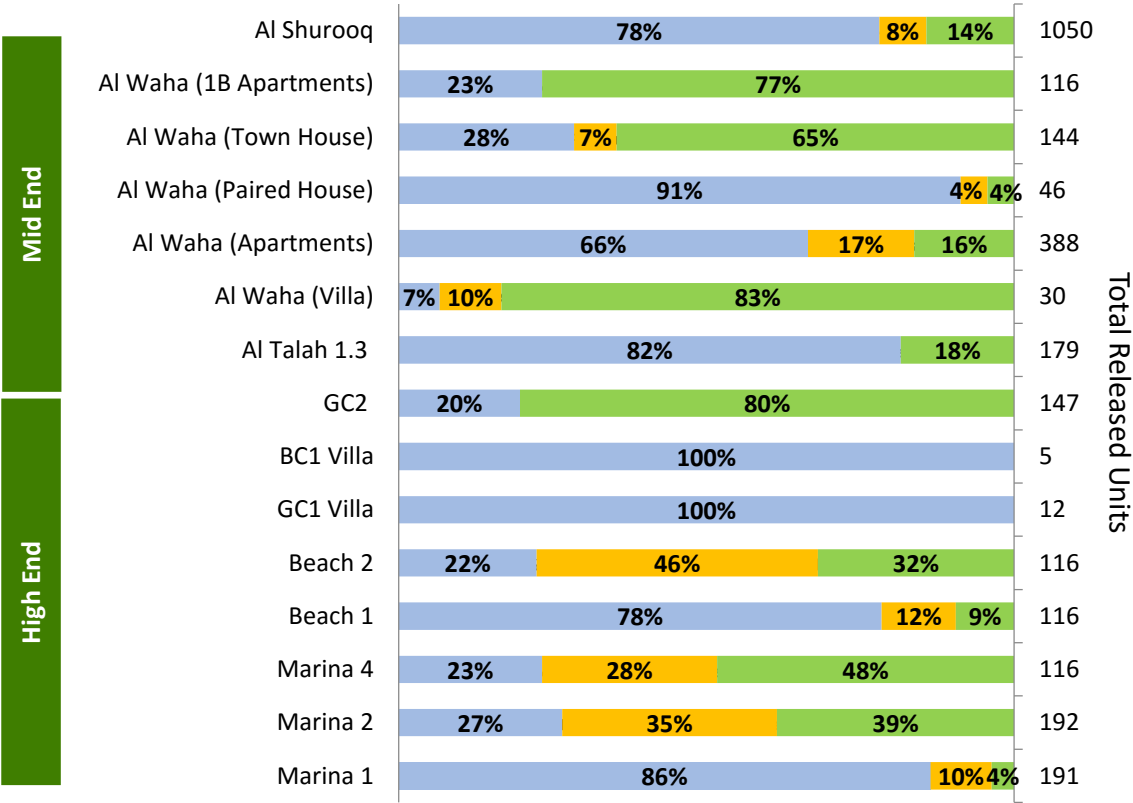
**Impairment:** Under SOCPA, impairment was recognized if gross cash flows of the project are negative however, under IFRS, impairment to be recorded if discounted Cash flows of the project using WACC are negative

**Componentization of Fixed Assets:** IFRS requires to componentize fixed assets based on the different useful life of the components, this requirement wasn't there under SOCPA.

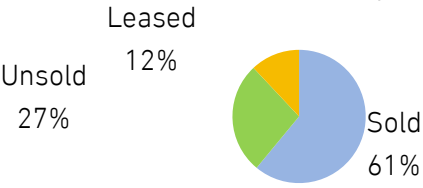
**Expected Credit loss:** Under SOCPA, provision against doubtful debts was required to be provided if debts become doubtful. However, under IFRS, an expected credit loss is required to be booked at the day one even if debt is not yet due, based on the past expectation of debt becoming as bad debt.

# Residential Sales Summary

## Residential Vertical Sales Summary



%Sold Vertical Development Sales

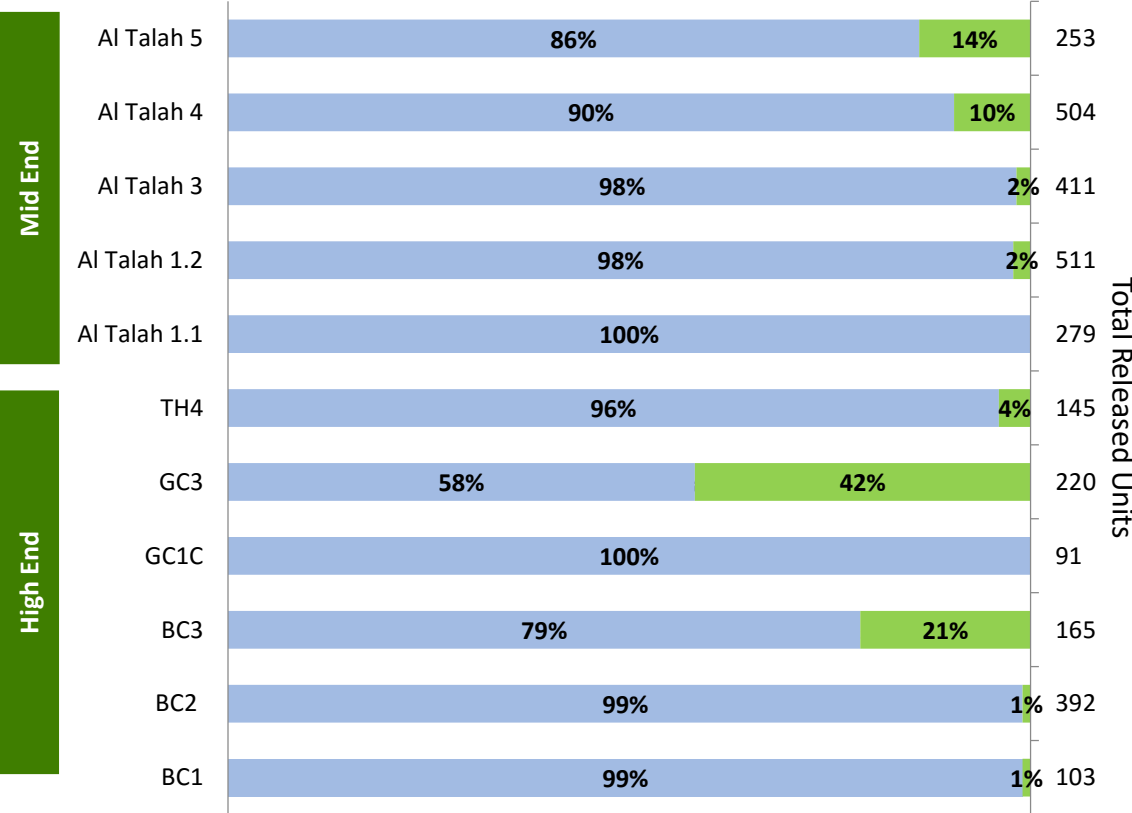


% Presales  
(Sold and Reserved)

% Leased

% Unsold

## Residential Land Sales Summary



%Sold Land Sales



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