

EEC Investor Presentation Q4-2017



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



KAEC - Facts & Vision

Vision:

- Be the enabler of socio economic development
- Provide smart infrastructure
- Facilitate businesses
- Create jobs,
- Provide education and vocational training
- Offer leisure & entertainment facilities
- Offer value lifestyle to increase residency

We are developing a City which currently has:

- International sea port,
 - Industrial valley
 - Train connecting makkah and madinah
 - Residential units from high end to affordable
 - Long sea coast,
 - Professional college,
 - International school,
 - Vocational training centers,
 - Leisure and entertainment facilities
 - Golf course
 - Mall, mosques & clinics
 - Sports complex
 - 4&5 star hotels
 - Yacht and marina club
 - Entertainment & arts club
 - Exhibition center
 - 4D movie theater
-and many more under development

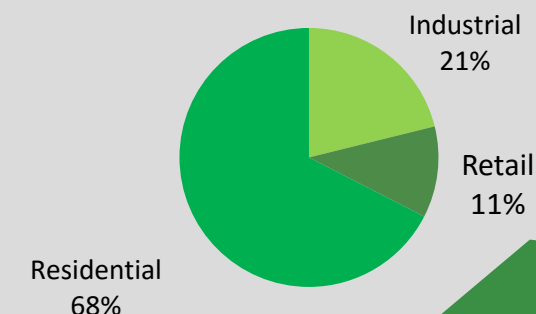


Project Overview

KAEC is a greenfield city development roughly the size of Washington DC. Its objective is to help with Saudi Arabia's acute housing demand and support economic diversification. KAEC's strategic location on the Red Sea puts it close to international maritime routes and provides instant access to key cities within Saudi Arabia. KAEC is comprised of the Coastal Communities, The Industrial Valley, King Abdullah Port(KAP), and The Hejaz District.

Category	Current Plan
Industrial	23,625,000
Commercial/Hospitality	12,736,000
Residential	75,373,000
Other	19,847,000
BUA Total	131,581,000
Employment	890,000
Population	1,750,000

Segment Breakdown %



Introduction

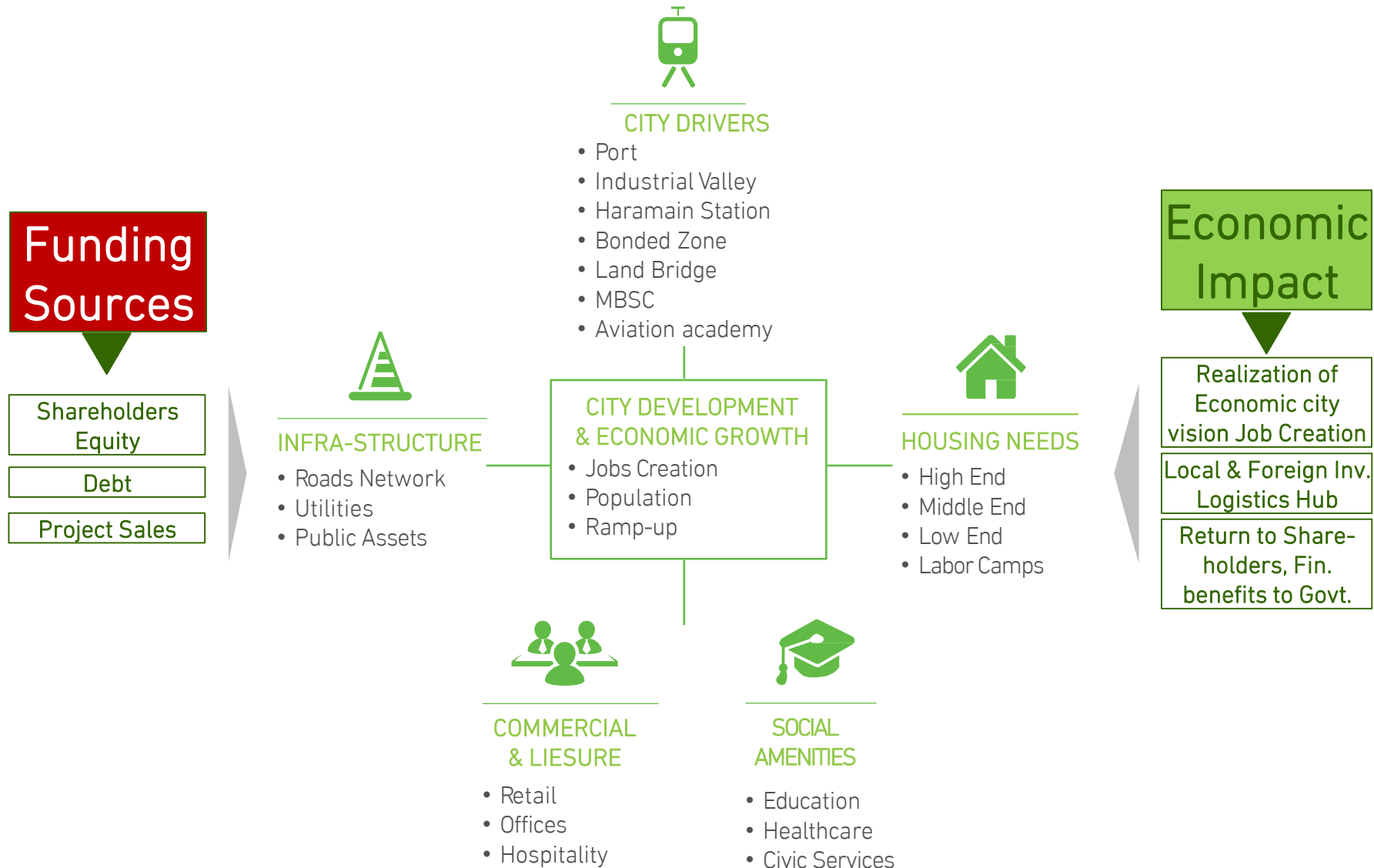
King Abdullah Economic City (“KAEC”) has a land area of 168 million sqm and is destined to become a mega economic city in the Kingdom of Saudi Arabia

KAEC benefits from the following key strengths :

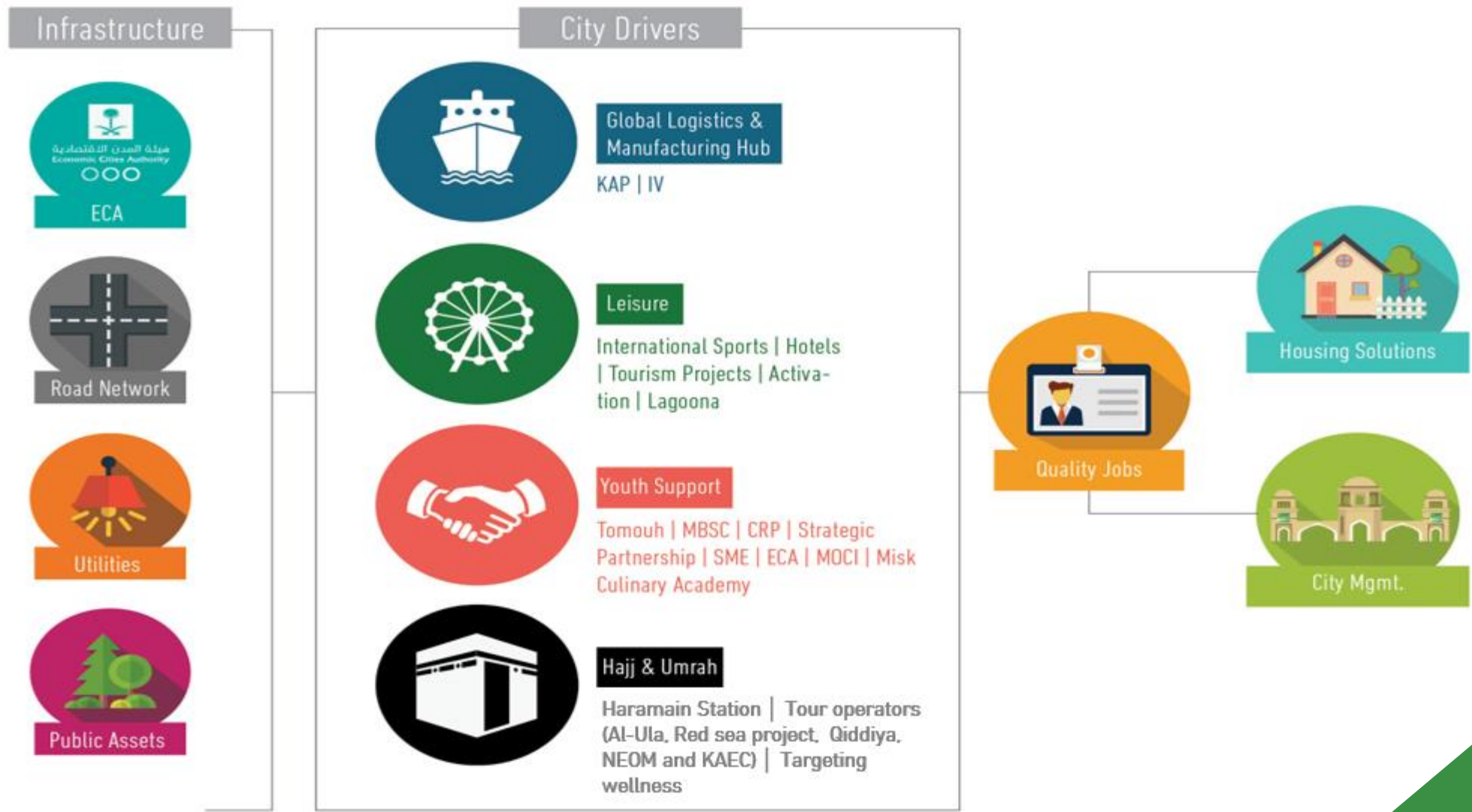
- ✓ Strong Government support, proven track record and renowned/committed sponsors
- ✓ Significant contribution towards NTP 2020 and Vision 2030
- ✓ Successful strategic partnerships for the port and industrial valley
- ✓ Strategic location between two holy cities
- ✓ Local connectivity through rail, road and global connectivity through the port
- ✓ Pro-business sole regulator
- ✓ 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
- ✓ Solid infrastructure already in-place while significant value creation is in progress



Business Model



Infrastructure Development & City Drivers

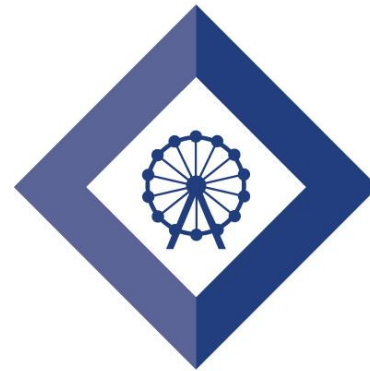


KAEC Strategic Sectors – Alignment to VISION 2030



Global Logistics of Manufacturing

KAP | IV



Leisure

International Sports |
Hotels | Tourism Projects
| Activation | Lagoon



Entrepreneurship & Youth Support

Tomouh | MBSC | CRP
Strategic Partnership
SME | ECA | MOCI | Misk
Culinary Academy



Housing

Waha | BLS | Shorooq
Al-Talah | Morooj | The
Village

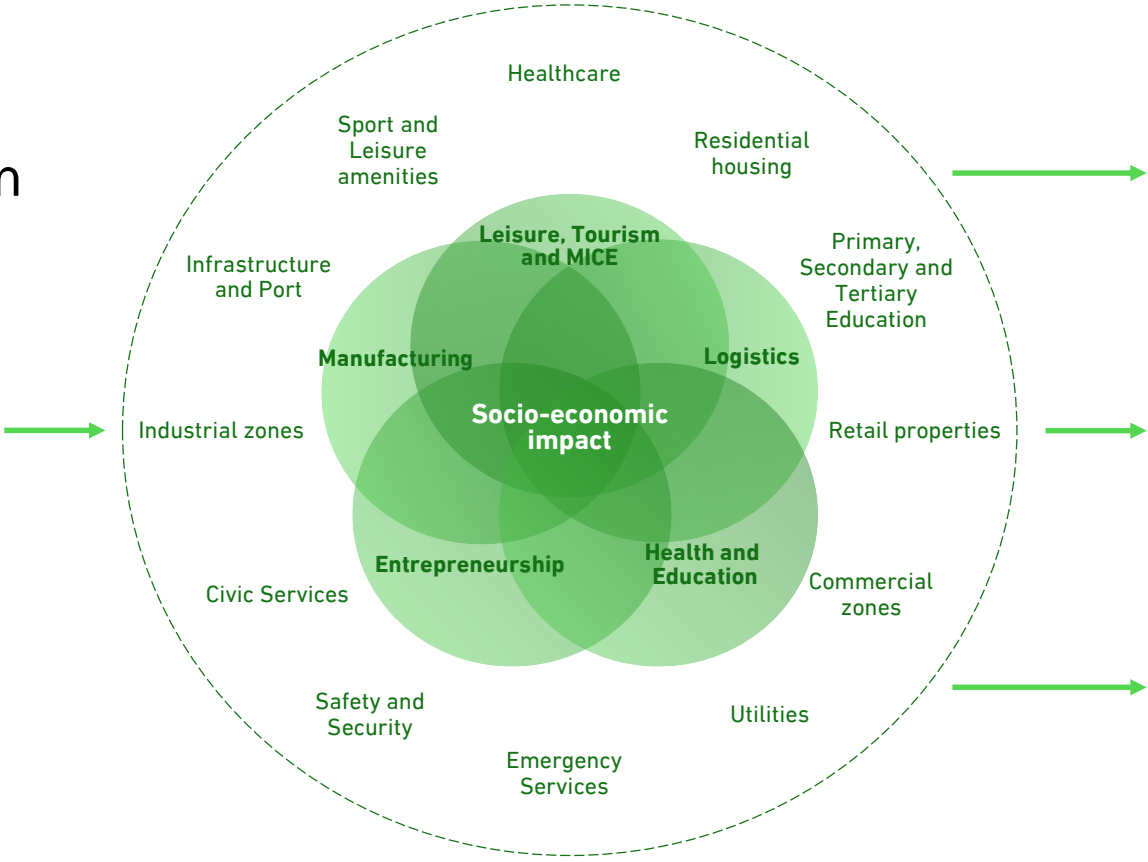
The PPP model

Private Sector contribution EEC – The Master Developer

Public Sector contribution ECA – The Regulator

Regulatively Competitive

- Regulatory framework
- Public services
- Connectivity



Quality of Life Competitive

- Health and Wellness
- Jobs and Opportunities
- Affordable Premium Housing

Economically Competitive

- Clear value proposition
- Competitive differentiators
- Awareness and visibility

Operationally Competitive

- Network and Telecom
- Waste Management
- Maintenance and Landscaping

Benefits to Saudi



Jobs Creation

2017 | 10K Jobs
2025 | 55K Jobs



Attract Global & Local Investments

109 Companies
10B Total Investments



Investment Opportunities to Local Companies

20B | 80% to Saudi
Companies



Housing Solutions for all Levels

10K | 2017
100K | 2025

KAEC – A city of opportunities and enabler of socio-economic development

KAEC is realizing its vision to become a great enabler of social-economic development in the KSA.



- 1 Hard infrastructure**
Completed in developed and planned zone
- 2 Global and local businesses**
Solid infrastructure attracts both global and local businesses
- 3 Connectivity**
The city will be connected by King Abdullah Port, Haramain High Speed Railway and the Saudi Land Bridge
- 4 Pro-business regulator**
Economic Cities Authority as the sole regulator offering KAEC pro-business regulations
- 5 Living solutions**
A wide range of living solutions are provided surrounded by leisure and public facilities

Developed area ⁽¹⁾
23,074,458 sqm

Under development area ⁽¹⁾
31,600,425 sqm

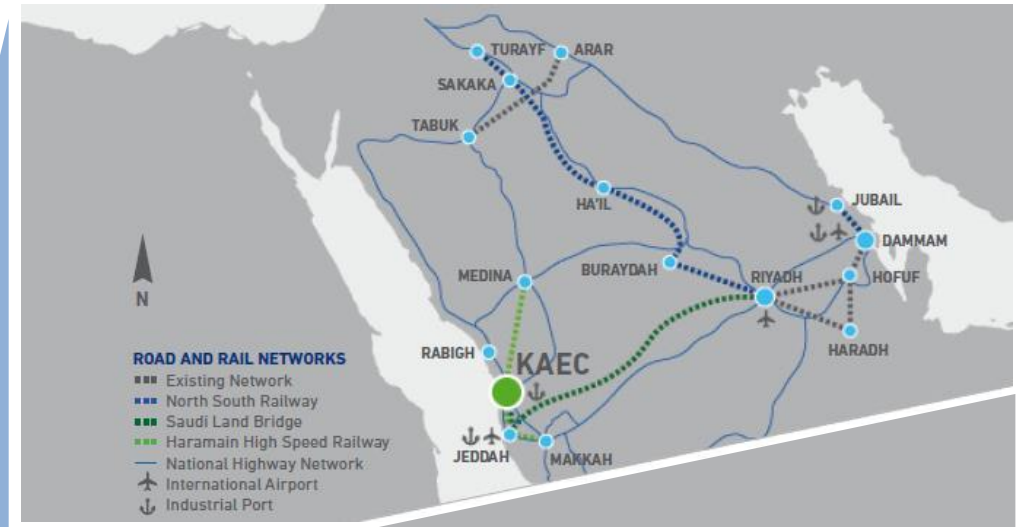
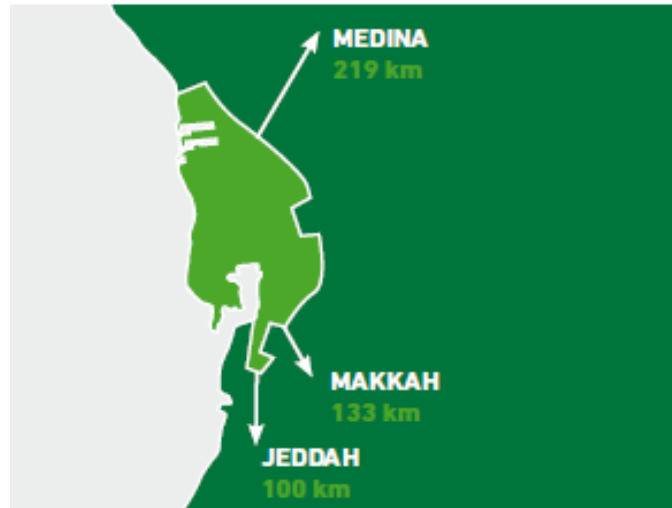
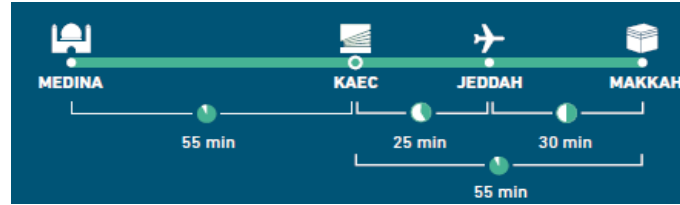
Under planning and design area ⁽¹⁾
31,714,673 sqm

(1)

* Developed areas include developed Infrastructure or developed vertical

** Under development areas include areas under grading, graded area, infrastructure development, or vertical development

Strategic location and connectivity – Rail connection with key cities






















- 1 **450 km High Speed train** connects Jeddah, Makkah and Madinah with KAEC
- 2 The High Speed train will have the **capacity to service 8.5 million people**
- 3 The High Speed train is expected to **be operational by Q2 2018**
- 4 The area around the Haramain High Speed railway will be **the new downtown at the gates of the KAEC**
- 5 **Future rail connection to Riyadh** through Land Bridge

KAEC is strategically located **between the two holy cities of Makkah and Madinah**. The High Speed Railway will reduce the travel times significantly making **KAEC an ideal housing and leisure location for general population as well as pilgrims**.

The recently completed huge and wonderfully constructed KAEC station will be the centerpiece of an extensive retail and commercial development that will include a modern souk, new retail malls, cultural centers as well as office space.

Hard infrastructure and social facilities

 <p>83.1 km Primary roads</p>	 <p>102.3 km Water network</p>	 <p>347.8 km Electricity network</p>	 <p>1 station Gas stations</p>	 <p>2 renowned institutions Education</p>
 <p>84.5 km Secondary roads</p>	 <p>79.2 km Sewage network</p>	 <p>13 tenants Shops and Retail</p>	 <p>5 Mosques</p>	 <p>Prince Mohammad Bin Salman College, with international partnership with Babson Global. Under graduate and MBA First Semester September 2017 Capacity of 300 students 8,000 sqm area</p>
 <p>11.0 km Bicycle Ways</p>	 <p>121.2 km Irrigation network</p>	 <p>22 tenants Cafes and Restaurants</p>	 <p>2 clinics Healthcare</p>	 <p>The World Academy KING ABDULLAH ECONOMIC CITY</p> <p>The World Academy is a GEMS-affiliated center for academic excellence. Capacity of 600 students Nursery to Grade 12 10,500 sqm area</p>
 <p>3.1 km Water Ways</p>	 <p>208 km Telecom network</p>	 <p>25 tenants Office space</p>	 <p>1 fire, 3 security Safety Stations</p>	

KAEC – 2017 Highlights

KAEC signed series of agreements during 2017

- between the General Customs Authority and the Economic Cities Authority (ECA) to establish a re-export zone in KAEC
- to establish an auto racing circuit at lagoon and marina
- to establish gas station within the industrial valley
- with the Global Wind Energy Council
- to operate higher institute for vocational and technical training
- to establish aviation academy in KAEC
- facility management deal with EFS

KAEC – 2017 Other highlights

- Successful test runs of **Haramain** high speed train conducted between KAEC-Madinah. Expected to run in Q2, 2018
- **EEC IV** to invest SAR 132 million to develop Phase 3
- KAEC launches the off-plan sales of residential land at **Miram Al Hejaz** next to Haramain high- speed railway
- KAEC hosted a number of quality **entertainment and recreational** activities, welcoming a total of 400,000 visitors in 2017
- Landmark events include a concerts by **Yanni, Michel Fadel, Rahbaniyat** WATAR and other
- **Rove hotels** expands to Saudi Arabia with First Hotel in KAEC
- **Binzagr company** makes further investments in industrial valley

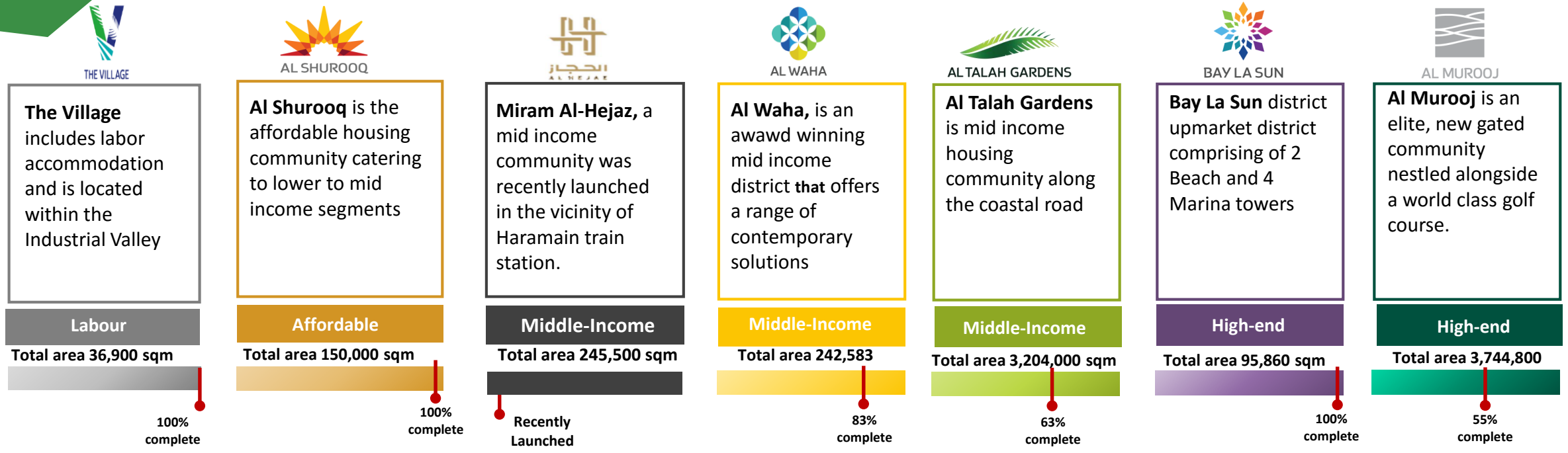


Clean, Serene Living ➡ *KAEC Residential*

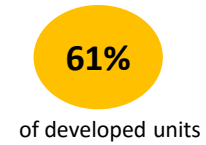


Evolve the
'Perfect Home'
concept to
reality...

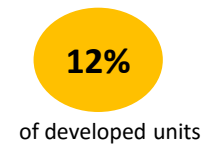
Wide ranging living solutions – Catering to all Income Segments



Vertical units sales



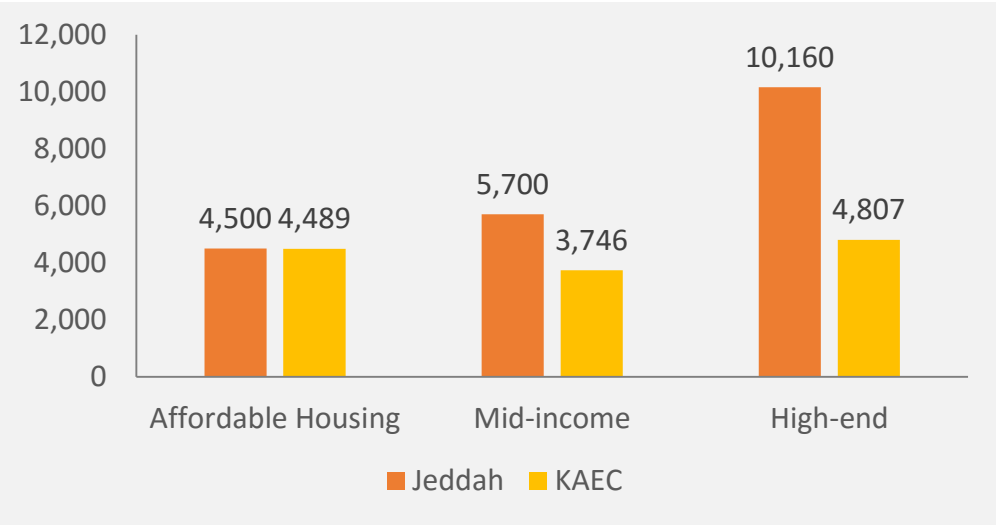
Vertical units leases



Residential Land sales



Residential choices – Proven value



KAEC is a more affordable city compared to Jeddah when it comes to Mid-income and High-end housing while maintaining the location advantage

Price of a high end in KAEC is lower than that of a mid income in Jeddah

Source: Jeddah prices taken from Collier’s International market study done in 2014, KAEC prices taken from Company and includes vertical as well as land sales

Prime Land in Jeddah	Value Range (SAR/sqm)
Corniche	18,000-23,000
King Abdulaziz road	14,000-18,000
Prince Sultan Madina Road	13,000-15,000
Tahliya Street	18,000-22,000

Secondary Land in Jeddah	Value Range (SAR/sqm)
Away from Corniche	6,000-8,000
Madina Road South	5,000-8,000
Falasteen Street	6,000-8,000

Beach Community land/apartments in KAEC	Valuation - 2016 (SAR/sqm)
Beach Community 3 – Land	6,410
Beach Community 1 – Apartment	8,000

The prime coastal location land in KAEC is valued at similar levels as the secondary land in Jeddah. **KAEC provides attractive price points with better lifestyle**

KAEC Industrial Valley - Progressing rapidly



A NEW LOGISTICS AND MANUFACTURING HUB

KAEC Master Plan Industrial Valley

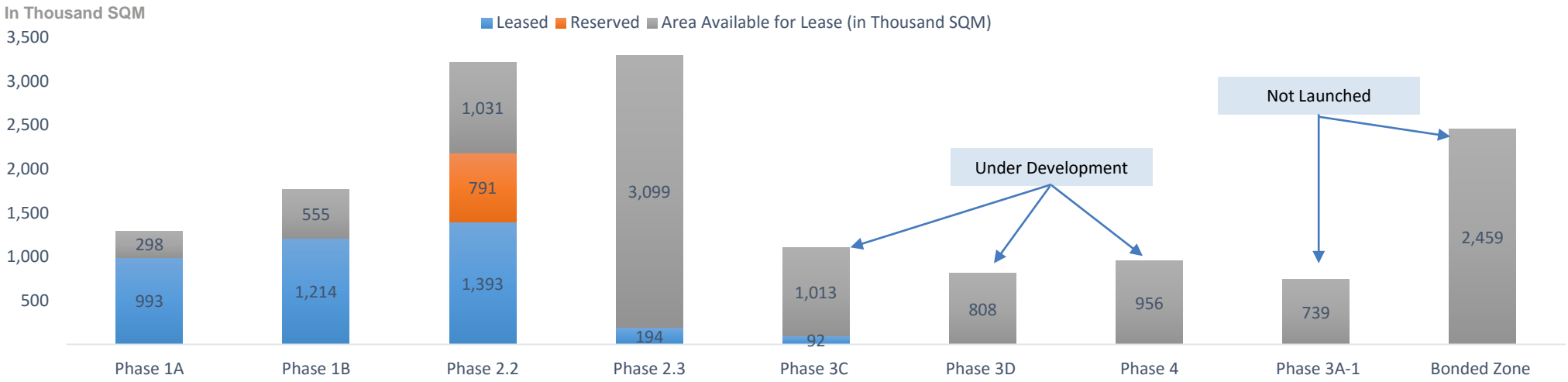
At the forefront of KAEC's master planned development is Industrial Valley, a new pro-business hub in one of the fastest growing regions and economies in the world.

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.



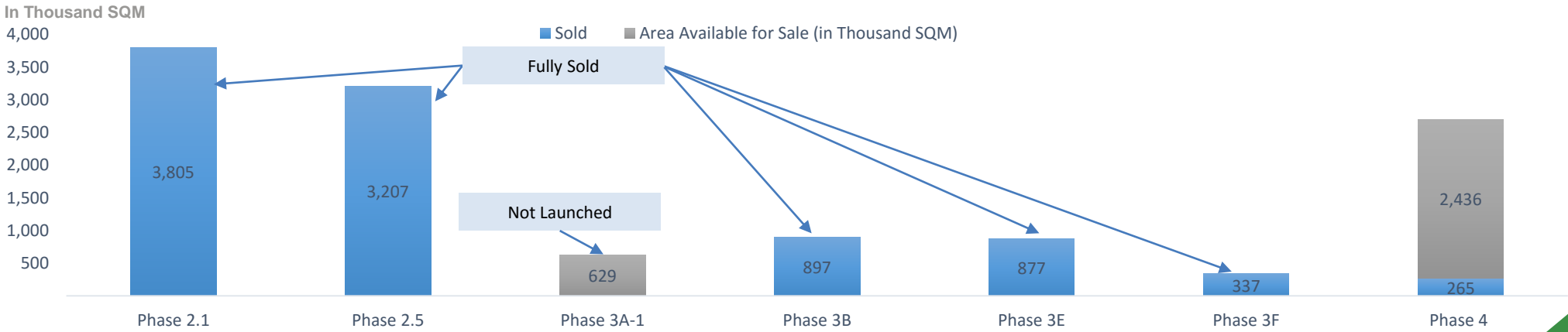
IV as a key driver – Picture below tells it all

Industrial Valley Lease Breakdown



IV areas earmarked for lease to support businesses willing to rent the facility / land

Industrial Valley Sales Breakdown

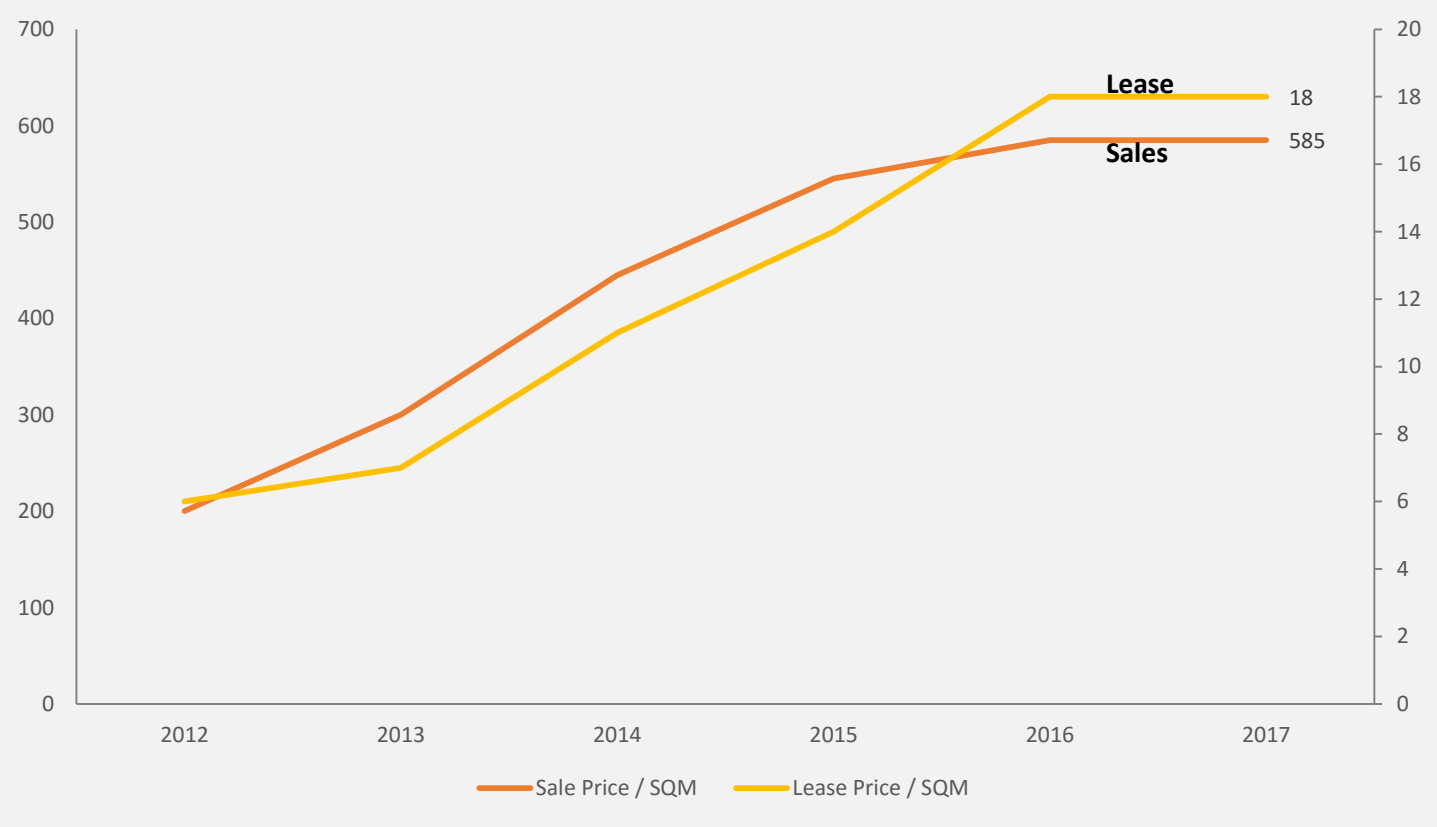


IV areas earmarked for Sale

Almost all launched phases sold

Improvement in market dynamics – IV Proven value creation

The value addition in the city is reflected in the **increasing Industrial Valley land value**



More Than 120 Global & Local Firms in KAEC

FMCG



Pharma



Logistics



Building Materials



Automotive



Others



King Abdullah Port - Strong growth potential and handling capacity

Total area
17,296,512 sqm

Current Capacity

RoRo capacity is 1.5 million CEU (Cars) - 6 water berths
Handling Capacity is 1.6 million TEU

On Completion by 2025

Upon completion, King Abdullah Port will become the most advanced seaports in the region and among top 10 ports in the world

- 18 meters depth
- 30 deep water berths
- Capacity of 20 million TEU
- 15 million tons of break bulk capacity
- Capable to handle 1.5-2.0 million CEU
- Multi-purpose terminals
- Total Jobs: 65,000
- Direct access to National Highway

YoY Growth

- 2017 YOY growth is 21% (1,695,322 TEU) making King Abdullah Port the second largest port in Saudi Arabia
- Cumulative throughput reached 4,898,016 TEU

Numbers Achieved in 2017

- 28% increase in transshipment volume compared to 2016
- Number of vessels received by the port increased to 820 vessels, with a 14% increase compared to 716 vessels received in 2016



Strategic location and connectivity – Amongst the best ports in the world



ميناء الملك عبدالله
King Abdullah Port

SHIPPING ROUTES TO MAJOR
INTERNATIONAL CITIES



- 1 Growing Port**
 The Saudi Coast Guard, Saudi Customs, Saudi Food and Drug Administration with its labs and sampling facilities and other relevant Government Agencies are all duly established inside the Port.
- 2 Strategic location**
 King Abdullah Port is the gateway to Middle Eastern markets and a point of entry to the region's biggest market, Saudi Arabia. and the Saudi Land Bridge.
- 3 Efficiency**
 King Abdullah Port has created the Port Community System which cuts down on paperwork, saves time and provides real time information throughout the entire process guaranteeing transparent, fast clearance times.
- 4 Capability**
 King Abdullah Port has 18 meters deep-water berth capable of handling the largest cargo vessels in the world. It also boasts the world's largest and most advanced cranes and multi-purpose terminals for RO/RO, bulk and general cargo.

Enjoys strategic
connectivity

Value Enhancers

MBSC – Empowering Education & Development



- 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**) and Lockheed Martin under the umbrella of the Economic Offset Program in the Kingdom of Saudi Arabia/MISK foundation



Programs Offered: Graduate **MBA degree**: First semester started in September 2017, focusing on Leadership and Entrepreneurship programs through full time and part time courses.

For more info, please visit MBSC's website: <http://mbsc.edu.sa/>

MBSC - Entrepreneurship & Youth Support

Launch MBA Program

Funnel As of end of August 2017

Applications Begun	2325
Applications Submitted	328
Applications Accepted	139
Registered Students	88



25% FEMALE RATIO

Babson College: 27%
Global Average: ~37% (Insead, LBS, Harvard, MIT)



20% INTERNATIONAL STUDENTS

Babson College: 62%
Global Average: ~51% (Insead, LBS, Harvard, MIT)

Entrepreneurship & Youth Support – Culinary Academy



Socio-economic initiative aimed at graduating culinary specialists and supporting the localization of the Kingdom's restaurants and hospitality industry

MISK Foundation will work on providing scholarships and training for 500 students who meet the conditions to complete their education and train at the academy.

Students who complete the program successfully will get an internationally acclaimed professional certification in food preparation and culinary arts, in addition to receiving support through training and assistance programs to get jobs in restaurants and the hospitality sector.



Entrepreneurship & Youth Support – Tomouh Program



Tomouh is one of the city's most significant sustainability initiatives, providing 1,000 young Saudi men and women, living in the vicinity, the skills and training required to compete for quality jobs or to start their own businesses.

KAEC is committed to developing the national talent pool by training and qualifying young Saudis to guarantee the prosperity of our nation and contribute to the national economy.



The World Academy- Outstanding Educational Opportunities



The World Academy
KING ABDULLAH ECONOMIC CITY
A GEMS Global Network School

Total Development Area of (10,500 sqm) with a capacity of (600) Students, currently over (500) Students are enrolled. Fully operational since Q3 – 2014.

Our City is built with learning at the heart, providing the highest quality education at all levels. The world academy at KAEC offers an international K-12 education tailored to local needs.



Family Medical Center- Health & Wellness center for KAEC



Total Development Area of 1,400 sqm with(10) Clinics and a capacity of (15) hospital beds. Fully operated since September 2016.

Your peace of mind and your family's wellbeing are assured by a full range of medical facilities and specialist care, supported by 24-hour emergency services.

FMC offers clinics such OB/GYN, Ophthalmology, Orthopedic, and Dental Services; as well as Laboratory.



KAEC Tourism strategy relies heavily on state of the art infrastructure, leisure and entertainment facilities



Bay La Sun Hotel and Marina



Total Built-Up area of 21,000 sqm. The hotel in operation since 2013.

The Hotel is the first hotel in KAEC, with 195 rooms, a conference room, meeting rooms, a theater, restaurants, a gym and a mosque.



The views

THE VIEWS

RESIDENCES

The views is a 4 stars serviced apartments for short stay rentals overlooking the red sea



Royal Greens



The Royal Greens Golf and Country Club is an exclusive, first-class golfing experience.

Royal Greens Golf clubhouse consists of health clubs, BBQ grills, juice bars, and conference rooms.

Winner of two Best Leisure Development accolades from the International Property Awards and one accolade from City Scape



KAEC has been selected to host the **European PGA Tour Championship** in 2019 at its championship Golf Course – Royal Greens

Bay X Exhibition Center

Bay X offer 2,800 sqm of hall space, 13 meeting rooms and an outdoor events zone capable of hosting multiple independent events concurrently.



Juman Park- the idea place to relax with the family



70,000 sqm of open space
that includes walkways,
running tracks, cycling
tracks, a mini golf course
and games



Juman Karting



Saudi Arabia's longest amateur karting track, Juman Karting provides adrenaline-fueled excitement for everyone.



Tourism & Entertainment Projects



30+ Projects under
development



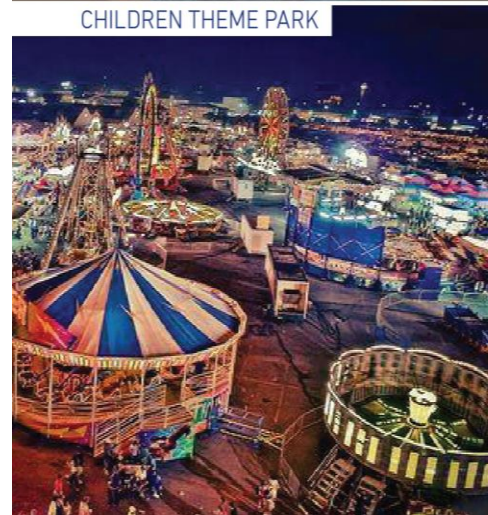
CORPORATE ENTERTAINMENT CENTER



LUXURY DESERT CAMPING



CARNAVAL



CHILDREN THEME PARK



FLOATING WATER PARK



Leisure



Leisure



Activation Events

2016 | 160K visitors
2017 | 400K visitors
2018 | 1M visitors





A destination focused on the Leisure & Domestic Tourists- Saudi families and youth.

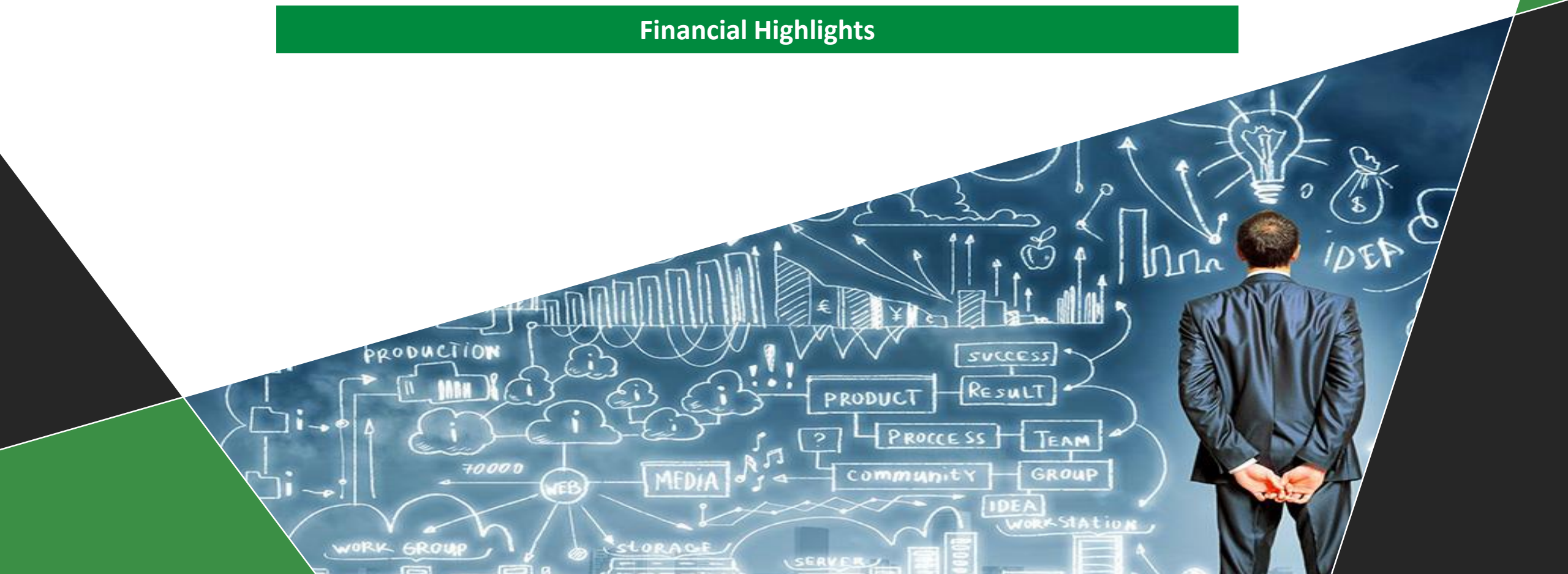
Creating active programs that engage a natural lagoon and waterfront, integrates wildlife & parks, resorts and attractions.

Brining to life immersive experiences with theme parks, shopping, dining and entertainment united around a waterfront “LAGOONA BOARDWALK”

Leisure



Financial Highlights



Existing bilateral debt profile and MoF Facility

EEC has secured a total debt of SAR 10 bn. comprising of (i) **SAR 5.0bn loan from Ministry of Finance** for development of KAEC; and (ii) **SAR 5.0bn from Commercial banks**. Current outstanding debt is **SAR 8.0bn**

Ministry of Finance Loan

- EEC received a loan of SR 5,000 million, 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

Commercial Bank - 1

- In 2014, EEC availed an Islamic facility from a commercial bank for SR 2,000 million
- The loan is secured against part of KAEC's greenfield land and an order note for SR 2,500 million

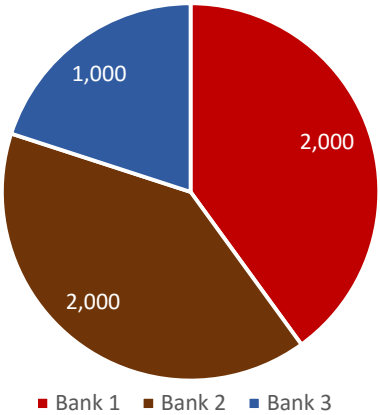
Commercial Bank – 2

- During 2014 and 2015, EEC availed two Islamic facilities with a commercial bank for SR 1,000 million each
- The loan facilities are secured against part of KAEC's greenfield land and an order note of SR 1,250 million each.

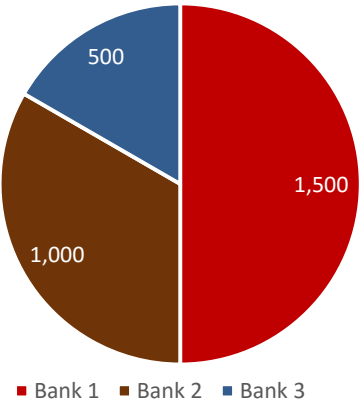
Commercial Bank – 3

- In 2015, EEC availed an Islamic facility from a commercial bank for SR 1,000 million
- The loan is secured against part of KAEC's greenfield land and an order note of SR 1,200 million.

Current Commercial Facilities (SAR'Mn)

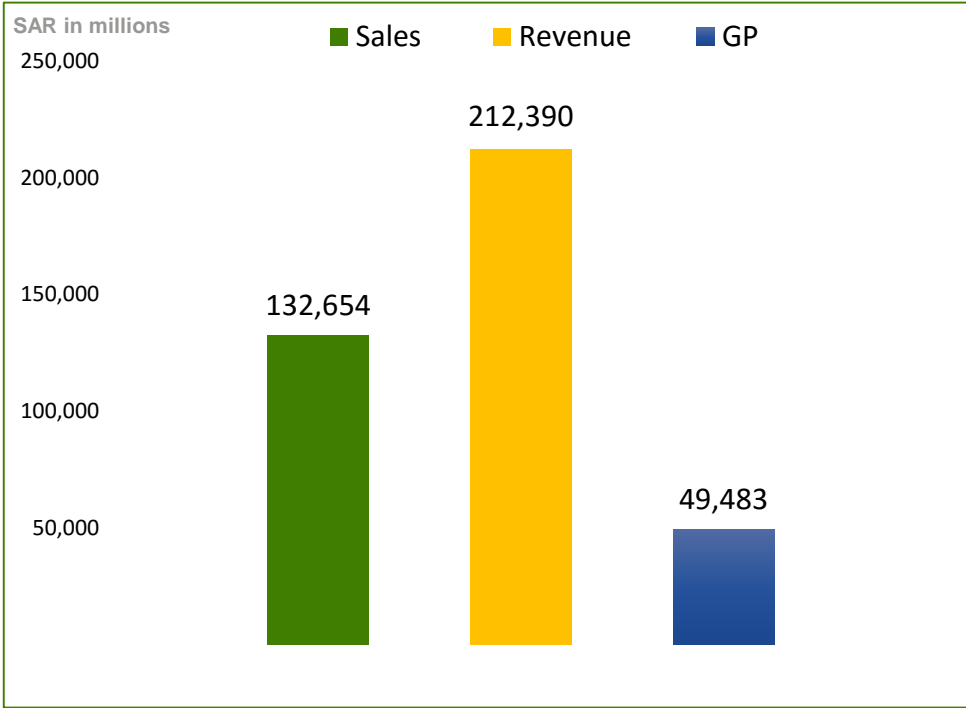


Outstanding Commercial Facilities (SAR'Mn)



Residential Sales Development Breakdown for YTD December 2017

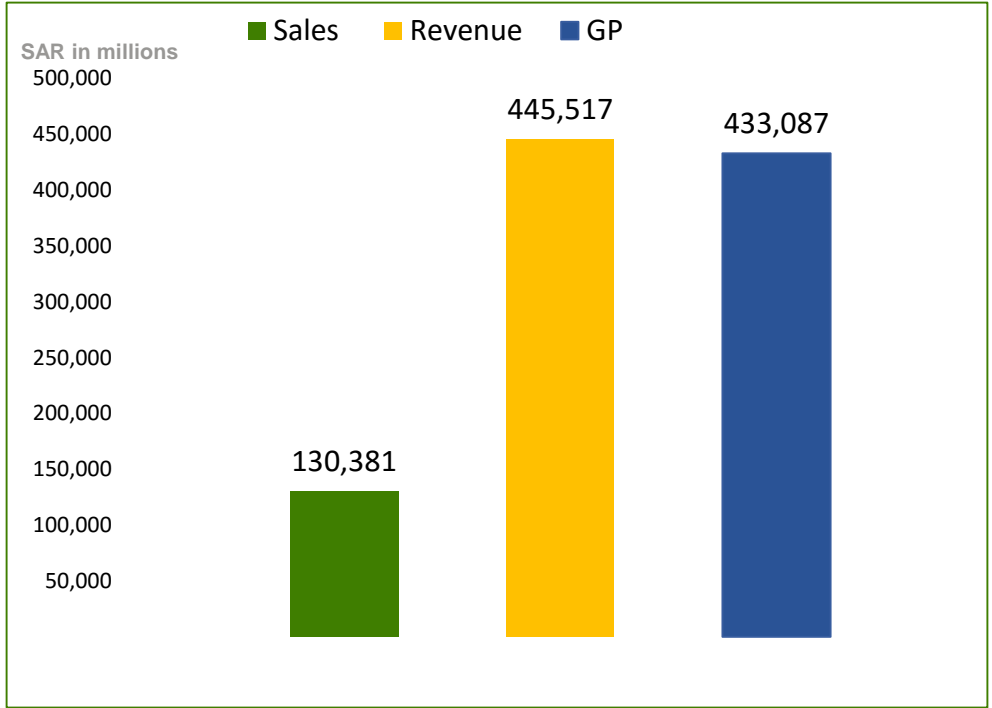
Residential Vertical Units



Total Sales Unit

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

Residential Land

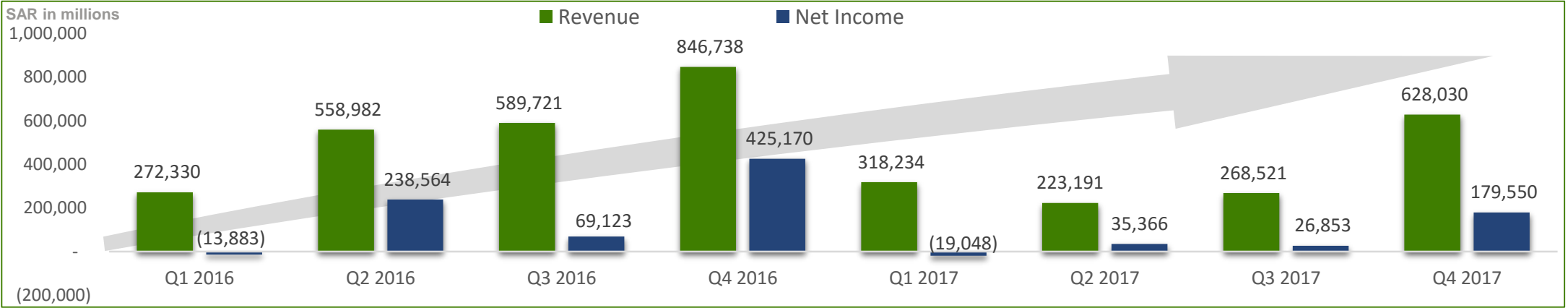


Total Sales Unit

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

Financial Performance –FY 2017 Profitability

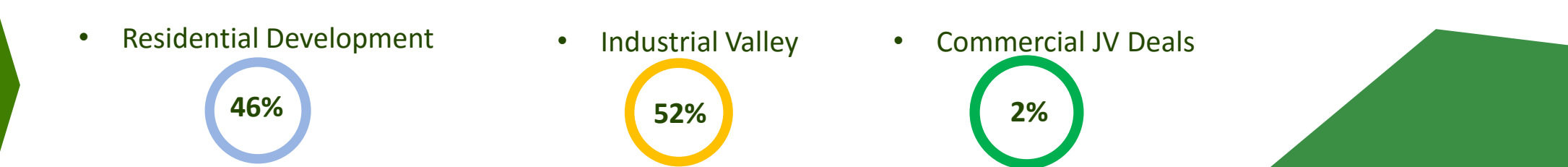
Historical Quarterly Revenues and Net Income (SAR mn)



% Breakdown of Revenues for FY 2017



% Breakdown of Order Intake for FY 2017



Total Revenue
1,438M SAR

Total Order Intake
568M SAR

Proven financial track record – Value that the financials do not reflect (land market value)

Land Market Value of 93 million sqm of Investment property is
SAR 53 Billion

based on fair value assessment survey conducted by Valustrat as of Dec 31, 2107

Development and Investment Properties on the books in 2017 are only
SAR 6,870 million

INVEST IN THE LEADING ECONOMY

You would agree

....KAEC is a city that offers the world to you!



IR Website: [Click here](#)
IR App: [Click here](#)

Contact us:

EEC Investor Relations Team

IR@kaec.net

Tel Direct: +966 12 510 6955

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