

Arada Developments LLC ("Arada")

H1'22 – Credit Update

 **ARADA**

H1 2022 update



Key Strategic Updates

H1 2022 has seen a number of positive announcements at our communities:

- We completed our first ever public financing deal, concluding a \$350 million sukuk issuance, which was listed on the London Stock Exchange. This is a significant show of confidence in Arada, and the money raised will help us to build our communities faster and more efficiently
- We announced the completion of the sixth and final phase at Nasma Residences, our very first community
- Sales were launched for Robinia, the third phase at Masaar
- We signed an agreement with Sharjah Private Education Authority to help design Sharjah's future schools
- Our Home for a Home campaign in partnership with The Big Heart Foundation and UNHCR continues after we sold over 100 homes in Masaar during Ramadan. That means 100 new homes will be built for vulnerable families in Kenya
- A major contract to build Sharjah's largest fitness hub was awarded at Aljada. Wellfit Aljada will be completed by the end of the second half of 2023

H1 2022 vs H1 2021

(USD Mn)		
Particulars	H1 2022	H1 2021
Sales	406	296
Revenue	217	149
EBITDA	45	23
EBITDA %	21%	15%

Key Highlights

- **Achieved 30% growth in sales**
- **Achieved 45% growth in revenue**
- **First corporate \$ Sukuk issuer globally in 2022**
- **Settled all bilateral debts**
- **Construction started for first phase of Masaar forested community**
- **Completed construction and fully delivered first community, Nasma Residences**
- **Recognised as a Great Place to Work®**
- **Acquired exclusive franchise for the UAE for Australian brand Boost**

New Project To be Launched: Dubai Palm Jumeirah Project

This project in one of Dubai's most popular locations marks Arada's first move outside Sharjah

- 59 branded residences
- Sales launch in Q1 2023

400,000

Sqft of
built up area

USD 326.8Mn

total sales
value

59

Luxury Branded
Wellness Apartments



Market Fundamentals Remain Strong

Sharjah

Demand for real estate in Sharjah remains resilient, with property valued at USD 3.1 billion sold in the first six months of the year.

The most active district in terms of transactions was Muwaileh Commercial, which is where the Aljada megaproject, currently being developed by Arada, is based.

First quarter research from Bayut/Dubizzle has ranked Al Tay/Al Rigaibah – where both Nasma Residences and Masaar are based – as **one of the most popular districts in Sharjah to rent and buy villas**.

Dubai

In Dubai, where Arada will launch its first project outside Sharjah at the beginning of 2023, the real estate market continues to go from strength to strength.

Data from Dubai Land Department showed that property sales in the Emirate rose by **45% year on year in April and by 51% year on year in May**.

The strong interest in Dubai property both locally and around the world comes from the Emirate's strong handling of the pandemic, new residency opportunities and a more liberalized social and employment environment.

Strong Development Momentum Across Projects

Nasma Residences

Construction

All homes at Nasma Residences have now been completed, and we are focused on handing over the remaining homes in Phase 6.

- All 968 homes in **Phases 1-5** of Nasma Residences have been completed and handed over
- Construction of 149 units in **Phase 6** has been completed and the handover process is under way

Community

- **British Orchard Nursery** opened its doors at Nasma Central during the last quarter
- All units in Nasma Central are now leased and operating, with anchor tenants including **Spinneys and Starbucks**
- **The Manbat Date Festival** was held during Ramadan, and farmers’ markets will continue to be held at Nasma Central when the cooler weather returns
- The **‘Summer of Fitness’** campaign has begun and will last until the end of August. Register on the Arada website to take part in free activities at our communities



Homes completed

1,117

Homes under construction

0

Strong Development Momentum Across Projects

Aljada

Aljada is Sharjah’s largest ever mixed-use development, spread over a 24 million square foot area in the heart of the city. We have so far launched a number of phases in Aljada for sale, with more than 6,000 units currently under construction at several locations around the project site.

The first part of Aljada to be completed, family entertainment complex Madar, has now welcoming 120,000 visitors a month.

Construction

- All buildings in the first residential phase have now been completed, with the handover process under way. This includes the three Rehan buildings, the seven Areej buildings, the four Misk buildings and the first Sarab villa community
- 6,004 apartments and 114 villas and townhouses are under construction and are near completion.

Community

- Aljada’s first retail destination, **East Boulevard**, opened during the quarter. Stores that have opened so far include a Spinneys supermarket, as well as a Starbucks coffee shop, Hoof Café, Origami Sushi and Moon Slice pizzeria
- The final phase of the **SABIS International School – Aljada** has been completed and the school opened in time for the 2022-2023 academic year with a total capacity of 4,000 students
- The second phase of the **Aljada Skate Park** was also completed and is now open to the public



Number of homes at Aljada

25,000

Number of homes sold at Aljada

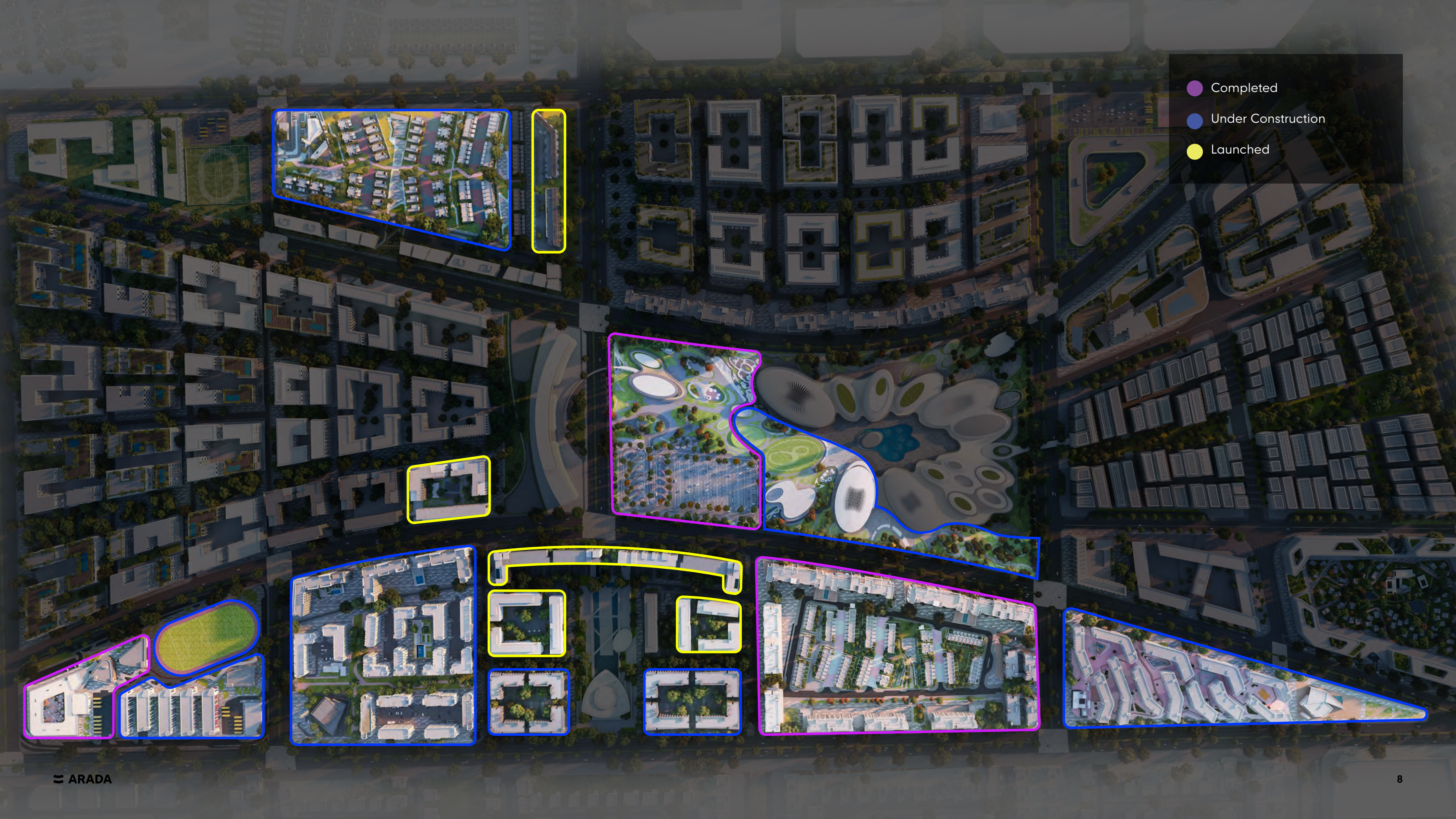
8,200

Number of homes under construction at Aljada

6,118

Number of homes completed

1,482



- Completed
- Under Construction
- Launched

Strong Development Momentum Across Projects

Masaar

Construction

Arada's third project, Masaar is a forested villa and townhouse community with an impressive list of facilities that aims to set a new benchmark for living across the UAE.

- The **Masaar Discovery Center** and **Show Villa**, together with precinct infrastructure and landscaping are now complete and will be publicly opened in September
- The woodland buffer zone and cycling/running tracks around the border of Masaar are now 35% complete
- The **Sendian** district in Masaar is 5% complete
- Design work for the **Kaya** and **Robinia** districts in Masaar is ongoing and the construction contracts for both districts will be awarded in the second half of 2022

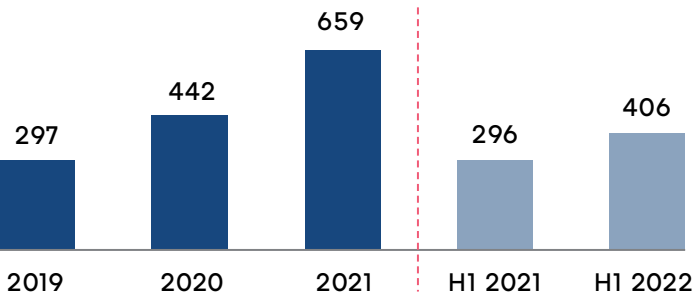


Strong sales velocity and development progress driving improved financial metrics

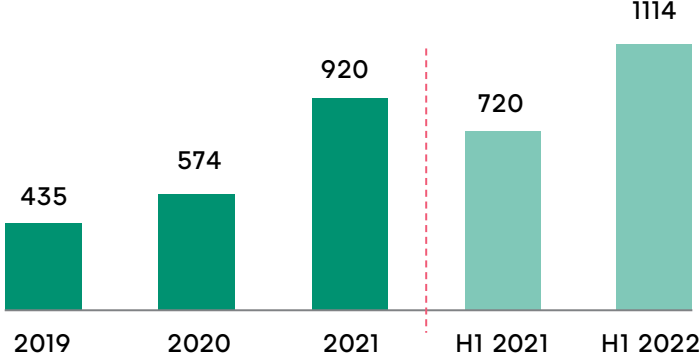
Arada negotiated Covid-19 restrictions to deliver an outstanding financial and operational performance

Sales (USD mn)

CAGR: 40%



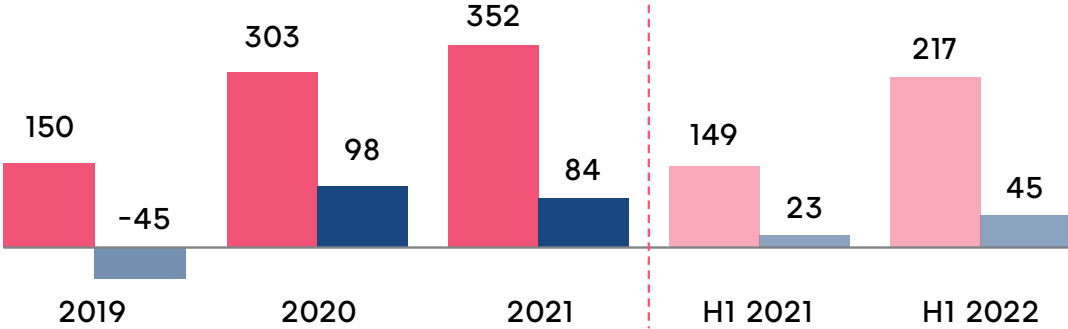
Sales Backlog (USD mn)



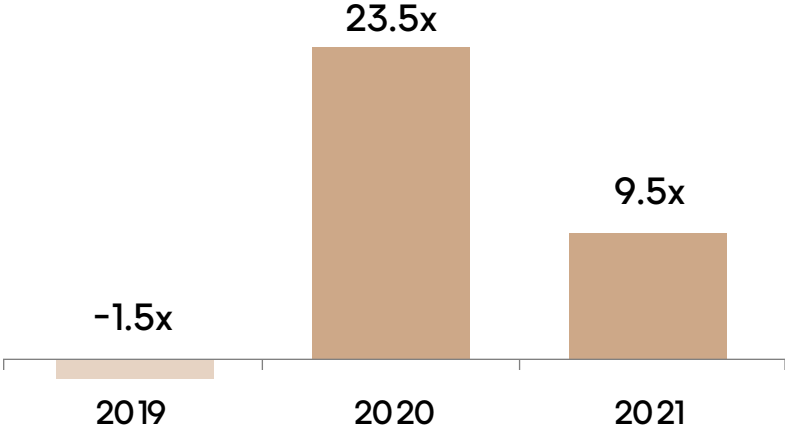
Sales backlog = opening sales backlog + sales for the year - revenue recognised for the year

Revenue and EBITDA (USD mn)

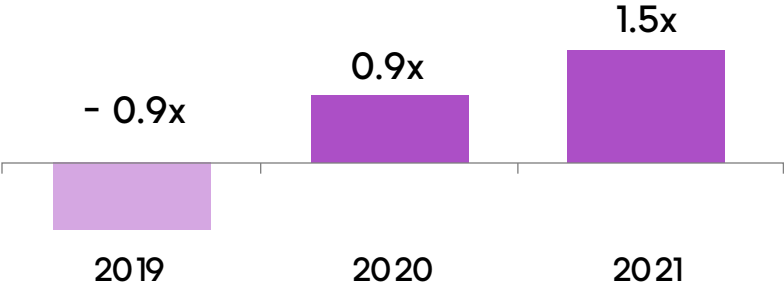
Revenue
EBITDA



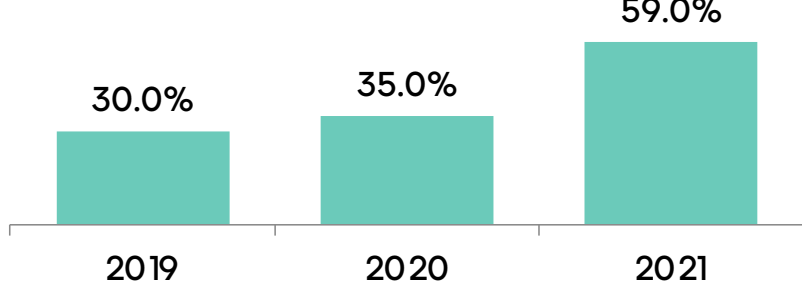
EBITDA/Interest



Net Debt/EBITDA



Debt/Total Capital

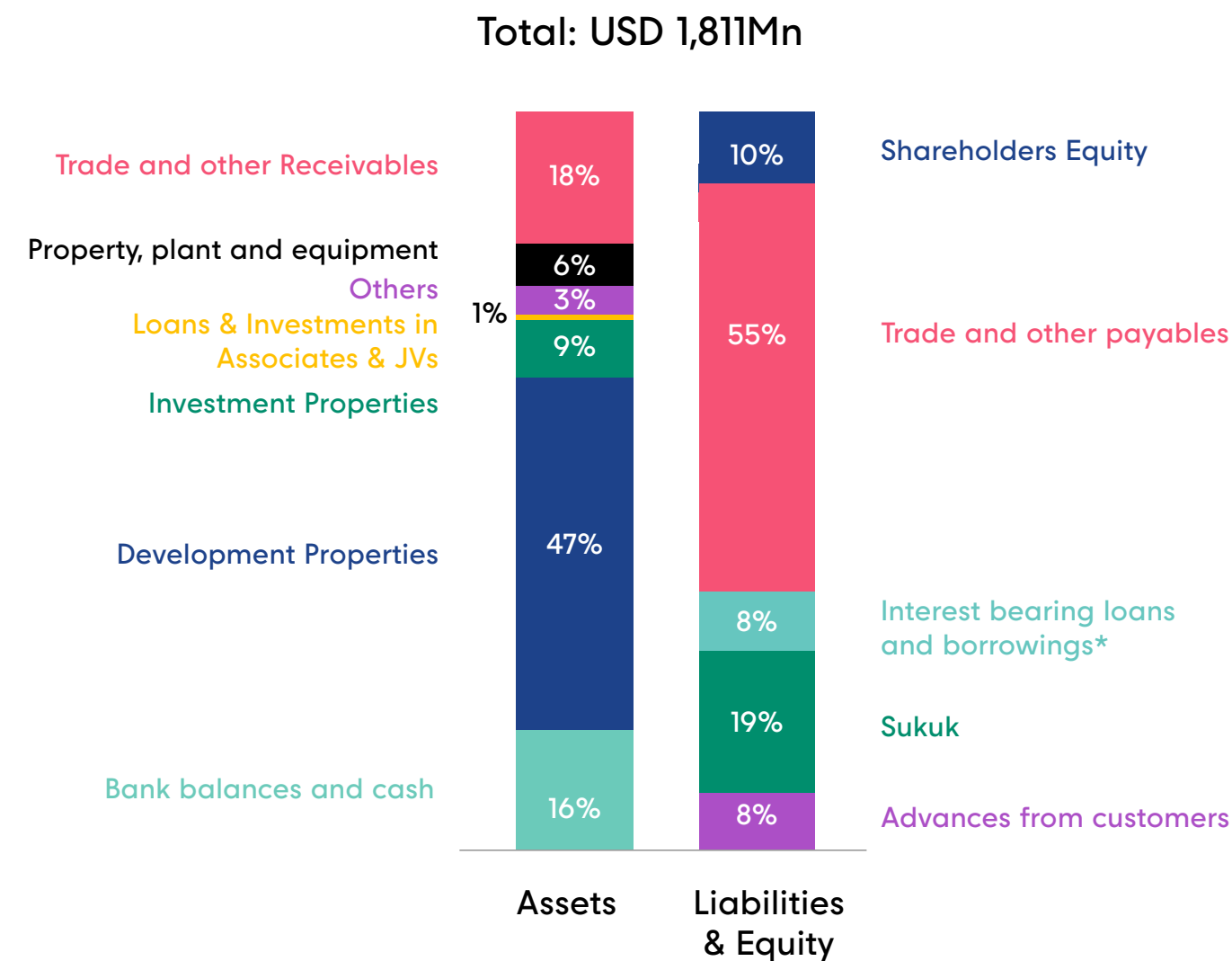


Proven track-record of delivering outstanding financial and operational performance, even during the recent pandemic. In last 3 years, 35% of units were purchased by repeat customers.

6. Strong Balance Sheet with Robust Liquidity Position

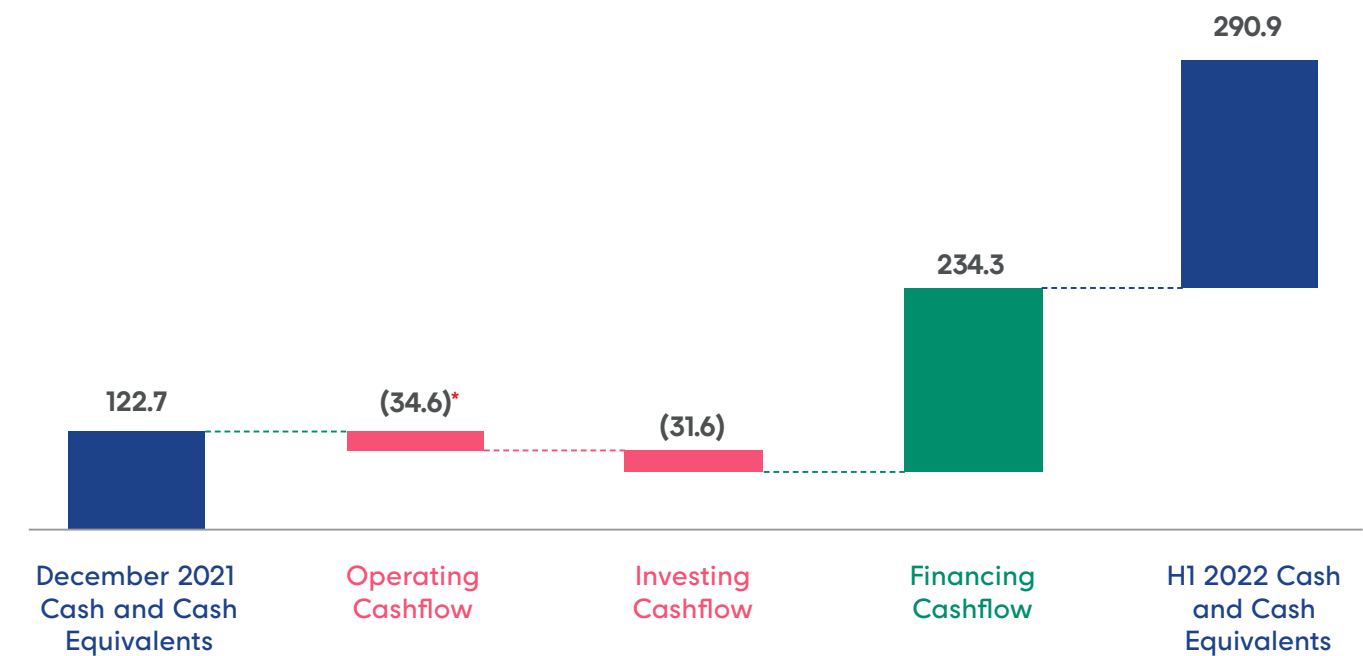
Our business model ensures healthy cash flow through the development cycle

Balance Sheet overview - H1 2022



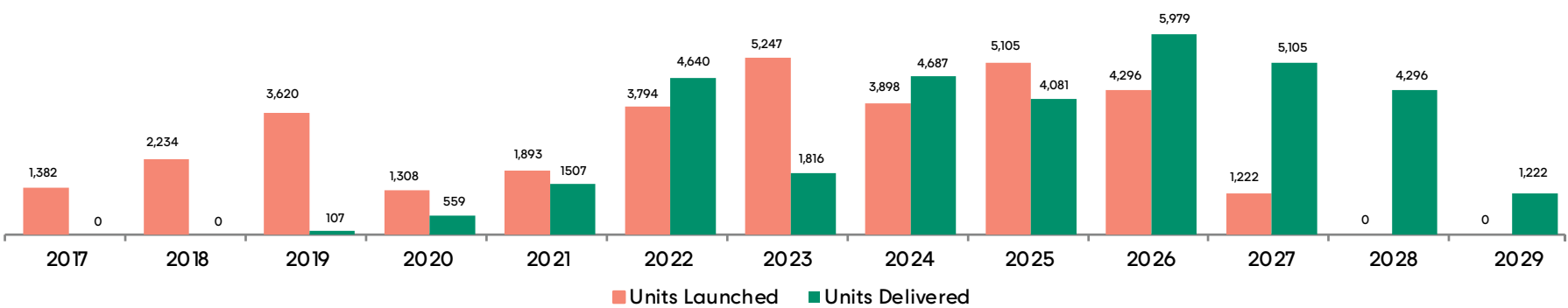
*All Interest bearing loans and borrowings were repaid on 4th July 2022

Cashflow overview - H1 2022 (USD mn)



*Operating cashflow is negative because there were no handover collections in H1 2022.

Launch and Delivery Schedule



Thank You!