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**Executives:**

Tamer Elsayed – Group Chief Financial Officer

Tariq Al Jaber – Investment Management Director

Dr. Abdulla Al-Kaabi – Director of Development

Mohamad Daakour – Budget & Planning Controller

Abdulla Khalfan – Financial Controller

**Operator:** Hello, and welcome to the Barwa Real Estate Conference Call. I would like to advise all participants that this call is being recorded. Thank you.

I would now like to welcome Roy Thomas to begin the conference. Roy, over to you.

**Roy Thomas:** Thanks, Gavin. Hello everyone. This is Roy Thomas from QNB Financial Services. I want to welcome everyone to Barwa Real Estate Company’s First Quarter 2023 Financial Results Conference Call.

On this call from Barwa Real Estate, we have Tamer Elsayed, the group's chief financial officer, Tariq Al Jaber, the investment management director, Dr. Abdulla Al-Kaabi, director of development, Mohamad Daakour, the budget & planning controller, and Abdulla Khalfan, the financial controller. We will conduct this conference call with management first reviewing the company's results followed by Q&A.

I will turn the call now over to Tamer Elsayed. Go ahead, Tamer.

**Tamer Elsayed:** Thank you. [Foreign Language] Welcome everybody. On behalf of myself, and all other speakers today, we wish you all a very warm welcome to Barwa Real Estate Q1 Post-Results Conference Call.

I am Tamer Elsayed, the group Chief Financial Officer of Barwa Real Estate. At the beginning, I would like to thank QNB Financial Services to host this call on behalf of Barwa Real Estates. Please note that except for the historical facts statements made by the management may contain a projection or other forward-looking statements regarding future events or future financial performance of Barwa Real Estate. These forward-looking statements are not guarantees or promises of future performance. Barwa undertakes no obligation to update or revise any forward-looking statements contained herein, whether as a result of a new information, future events, or otherwise. Barwa Real Estate declared the Q1 2023 financial statements on 12th of April 2023, and the Investor Presentation is available on Qatar Stock Exchange website, as well as on Barwa Real Estate website in the Investor Relations section.

Please let me start by giving you a brief introduction on Barwa Real Estate. We are one of the leading real estate developers in Qatar with expertise in developing, leasing, and managing real

estate assets. In total, we have about 5.5 million sqm built-up area under operation, which consists of residential projects, labor rooms, warehouses, retail showrooms and offices.

As of end of March 2023, we have operating units of 14,069 residential units and around 55,000 labor rooms in addition to commercial offices, hospitality, and other operating portfolio components, which are detailed in our Investor Relations presentation. Approximately 86% of our total operating revenue and about 97% of our operating profits are generated through these assets. Furthermore, Barwa has a land bank approximately 5.5 million sqm of which 5.4 million sqm within Qatar. Of this, we own approximately 4.4 million sqm, while the rest is leased. Looking forward, Barwa plans to selectively monetize these land banks by selling or developing properties based on prevailing market demand.

Now, I would like to highlight some key points on the performance of the company for the first quarter 2023. To begin with, our total operating profit stood at QR 533 million as against QR 503 million for Q1 2022. Our total operating profit came in at QR 392 million against QR 336 million in Q1 2022. Our profit at reputable to the equity holders of the parent for Q1 2023 stood at QR 235 million as against QR 229 million in Q1 2022. On the balance sheet side, our financial position remains strong with the net debt balance of QR 15.9 billion and the net debt to equity at .76. We have adequate liquidity and balance sheet strength to pursue our growth agenda. Also, we keep working on refinancing part of our facilities to enhance our liquidity ratios and the cash flow projection.

With this, we can start the question-and-answer session. Again, thank you for joining the call and we will be happy to answer any question that you may have. I now hand over to the moderator at QNB Financial Service to field any question. Thank you.

**Operator:** If you wish to ask a question, please press star followed by one on your telephone and wait for your name to be announced. That is star one if you wish to ask the question.

Once again, that is star one to ask a question. And your first question comes to line of Zohaib Pervez of Al Ryan Investment. Your line is open.

**Zohaib Pervez:** Thank you, gentlemen, for the presentation. I've got two questions. Firstly, could you tell me about the rationale for the decline in operating expenses? They've significantly declined year-over-year, so if you could let me know that first.

And secondly, how is the leasing progression going on for your two projects? The two Wakrah projects, because I think this would be the quarter when you have to go into the market and lease them. So, if you could tell us, give some updates on those two projects. Thank you.

**Tariq Al-Jaber:** Hi. Regarding the decrease in operating expenses in Q1 2022, we still had the quarantine projects with the Qatar Discovery where we were providing many services and in addition to the lease of villas. So, the operating expense was high at that time.

For 2023, you don't have any more the quarantine, and we still we started we had the operation of the new two new projects, Wakrah projects with the Supreme Committee, the leasing was finished in February 2023. So, we had the higher same revenue almost, but the operating

expense was much less because the profit margin for these projects is much higher than the labor accumulation or the Qatar Discovery deal.

**Mohamad Daakour:** On the other question, we just took over the two assets in March and we are actually now in contact with various companies for corporate leasing. And we are also actively marketing the two properties for the public. So, it's speaking up, but it's still you were just one month after the handover from the Supreme Committee.

**Zohaib Pervez:** Okay. Thank you.

**Operator:** Once again, if you would like to ask a question, please press star followed by one on your telephone and wait for your name to be announced. And your next question comes from the line of Mohamed Adelfrom AFII Group. Your line is open.

**Mohamed Adel:** Hi, thank you for taking my question. So, I have a question on the receivables, is there like a timeline agreed on the government or for the receivables payment? Thank you.

**Tariq Al-Jaber:** What do you mean by government? But our receivers for this market… What do you mean by receivables from government? Can you give me more information?

**Mohamed Adel:** I mean, you have 1.5 billion receivables in last quarter, I was asking about it. So, there was some of it related to I think the World Cup. So, I'm assuming that the receiver is still the same, so this is my question.

**Tariq Al-Jaber:** Big portion, around 50% of the receivables. It's mainly coming from the accounting treatment for the school PPP Package 1, which we want with Ashghal. So, around 800 million. So that's the big portion of the amount. It's only accounting treatment being recorded as contract assets under receivable. The other portion is due to different tenants from the market, not necessarily the government. And we are working all the time and we are working to improve the collections and to find to improve our collection status.

**Mohamed Adel:** Okay, got it. Okay, thank you. Thank you for that. Thank you.

**Operator:** Again, if you would like to ask a question, please press star followed by one on your telephone and wait for your name to be announced. That is star one to ask question.

And there are no further questions at this time. So, I'd like to head back to Roy Thomas.

**Roy Thomas:** All right. If there are no further questions, we would like to thank Barwa Real Estate company’s management for the results update and answering all the queries and look forward to speaking to you all for the next quarter results. Thank you.

**Tamer Elsayed:** Thanks everybody for that. Thank you.

**Operator:** That does conclude our conference for today. Thank you for participating. You may now all disconnect.