Initiation Report

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Seef Properties

Fully built, cash-rich rental portfolio, at a steep discount to NAV. Initiate with BUY rating.

- **Seef is Bahrain's flagship rental-led real estate owner-operator of Seef Malls since 1999, with a fully built c.130k sqm GLA portfolio across three destination malls at c.95% occupancy, two Frasers serviced-apartment towers (153 keys), and the Kingdom's largest organized family-entertainment platform.**
- **The company's business model is 100% recurring, with c.69% of revenues from malls and properties, c.21% from leisure and c.10% from serviced apartments, supported by a net-cash balance sheet (net cash/EBITDA 2.4x) and minimal CapEx at c.1.5% of revenue.**
- **Resident and tourist-driven demand growing against limited new organized supply, with Bahrain's population up c.2% to c.1.64mn and visitor arrivals at a nine year high of c.16mn in 2025, while organized malls hold c.66% of retail GLA, favoring destination operators like Seef (c.18% of major-mall GLA). That said, footfall will likely remain under pressure in 2026e given geopolitical uncertainties, but recovery should be rapidly underpinned by strong local demand.**
- **We initiate on Seef with a Buy rating and a TP of BD 0.15, derived from a blended valuation (70% FCFE-DCF, 30% peer DY), implying c.25% upside. The FCFE-DCF (11.1% cost of equity, 2.5% terminal growth) yields BD 0.17/share and the dividend-yield approach BD 0.13/share. The stock trades at 10.5x P/E 26e and 6.9x EV/EBITDA 26e (large discount to direct regional peers) and 0.37x P/NAV vs. a 0.73x peer median (c.49% discount), offering a c.7.0% DY 26e.**

Seef is Bahrain's flagship mall owner-operator since 1999 and one of the Kingdom's largest organized landlords by destination-mall GLA: the company runs a fully built c.130k sqm GLA platform at c.95% occupancy, spanning Seef Mall Seef District (78k sqm, fully owned, freehold), Seef Mall Isa Town (22k sqm, fully owned, freehold), and Seef Mall Muharraq (30k sqm, 72.5%-owned via Muharraq Mall Co., leasehold to 2054), and Al Liwan Mall (33k sqm), a 50% JV with Lama Real Estate, alongside two Frasers-managed serviced-apartment towers (153 keys) and the largest organized family-entertainment arm in the country. The portfolio holds c.18% of Bahrain's major-mall GLA, behind only the newer mega-format entrants Marassi Galleria and City Centre Bahrain, anchored by prime, fully built locations in the Capital and Muharraq governorates that new entrants cannot readily replicate given the scarcity of centrally located land.

The company runs an almost entirely recurring-income model that underpins a consistent dividend payout. Malls drive c.69% of revenue and c.71% of EPS, generating BD 8.9mn of rental income and service charges, running at a c.95% occupancy and a c.BD 72/sqm lease rate, with larger development-led assets held through JV structures. Leisure contributes c.21% of revenue and the Fraser Suites serviced-apartment tower c.10%, the latter at a c.59% gross margin. The mix supports a high consolidated margin, anchored by the malls segment's c.84% gross margin, with the consolidated gross margin at c.73% in FY 25A and the asset-light, fully built base keeping operating costs contained as rents step up. Anchored by recurring rental income and a low fixed-cost base, the model supports DPS rising from c.9 fils to c.11 fils by FY 30e, at a c.65% payout.

Fully organic growth drives a c.3.3% revenue and c.5.4% EPS CAGR through FY 30e, translating into a c.7.7% FCF CAGR on minimal reinvestment. Malls' growth comes from higher occupancy and rising lease rates off the c.BD 72/sqm base rather than new GLA, while the two Fraser Suites towers expand at a c.1.7% CAGR on higher ADRs as Bahrain's hospitality sector recovers, and the recently opened Yabeela, Bahrain's largest indoor family-entertainment center, nears stabilization. We expect net income to drop by c.6% in FY 26e to BD 5.4mn on the back of lower footfall due to weaker travel, while we expect FCF yield to grow from 9.7% in FY 26e to 12.0% in FY 28e. With CapEx at c.2% of revenue fully covered by operating cash flow, the balance sheet stays structurally net cash, with net cash to EBITDA building from c.2.4x in FY 25A toward c.3.4x by FY 30e on an LTV of c.2.9% and a D/E of c.3.1%, leaving ample capacity to fund the pipeline alongside the dividend.

Resident and tourist demand is deepening against scarce organized supply, keeping pricing power with established operators: Bahrain's population grew c.2.2% to c.1.64mn in 2025A at a high density of c.2.2k people per km², with c.78% of working age and over 90% urban and concentrated around Manama and Muharraq, placing a large share of residents within a short drive of the Seef District, while near-flat inflation has preserved real spending power feeding mall footfall. Visitor arrivals reached a nine-year high of c.16mn non-Bahraini travelers in 2025A, up from c.14.1mn in 2023A and ranking Bahrain third in the Middle East for visitor growth at c.11% y/y, with average daily spend of c.BD 75 flowing directly into the retail and family-entertainment formats Seef operates. On the supply side, regional and super-regional malls hold c.66% of retail GLA and prime mall rents are broadly flat at c.BD 12.3/sqm/month, well above strip-retail formats, and with no material new organized capacity entering Seef's catchment and occupancy across the 21 major shopping centers easing only c.1.9ppt in H1 2025, incumbents retain the pricing advantage on prime, fully let space.

We initiate on Seef with a Buy rating and a BD 0.15 TP, implying a 25% upside, and offering 7.0% DY 26e. Our target price is derived from a blended valuation, weighing our DCF at 70% (BD 0.17 per share at an 11.1% cost of equity and a 2.5% TGR, implying 0.49x P/NAV) and peer DY at 30% (BD 0.13 per share). The stock trades at 10.5x P/E 26e (c.9.4x 27e) and 6.9x EV/EBITDA 26e vs. a 9.4x direct peer median, a c.27% discount that is unwarranted given the company's strong net cash position. We expect Seef's DPS to expand from c.9 fils/share in FY 25A to c.11 fils by FY 30e (c.1.5x covered by FCF), offering a 7.0% DY 26e (vs. 5.6% direct peer average and 6.4% for the wider peer average).

BUY | **BD 0.15**

Real Estate / Bahrain

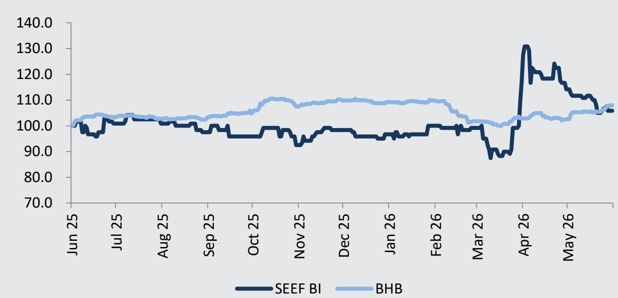
Bloomberg code	SEEF BI
Market index	BHB
Target Price	0.15
Upside (%)	25.2

Market data 8/30/2026

Last closing price	0.12
52 Week range	0.1-0.2
Market cap (BHD m)	56
Market cap (USD m)	148
Average Daily Traded Value (BHD '000)	0.00
Average Daily Traded Value (USD '000)	0.05
Free float (%)	44%

Year-end (local m)	2025	2026e	2027e	2028e
Revenues	12.5	11.7	12.7	13.5
EBITDA	6.3	6.0	6.5	7.0
EPS	-	-	-	-
P/E (current price)	10.3	10.9	9.7	8.9
Net debt	(15.2)	(17.0)	(19.1)	(21.3)
BVPS	0.4	0.4	0.4	0.4
P/B (current price)	0.4	0.4	0.3	0.3
EV/EBITDA (current price)	6.9	7.0	6.1	5.4
Div. yield (%)	7.0	6.7	7.4	8.0
FCF margin (%)	49.0	48.0	47.9	48.3
Net debt/EBITDA (x)	(2.4)	(2.8)	(2.9)	(3.1)
Net debt/Capital (%)	(8.8)	(9.8)	(10.9)	(12.1)
Interest cover (x)	9.5	8.8	9.8	10.6
RoAA (%)	3.2	3.0	3.4	3.6
RoAE (%)	3.4	3.2	3.6	3.9
RoIC (%)	3.4	3.2	3.5	3.8

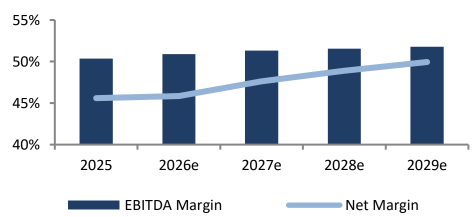
Price Performance



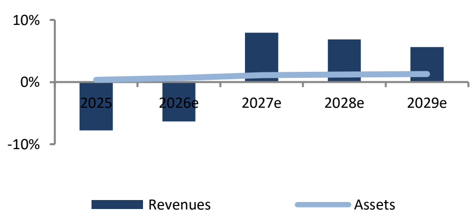
Abacus

Arqaam Capital Fundamental Data

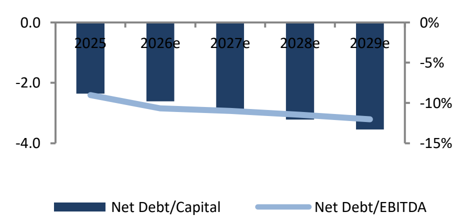
Revenues



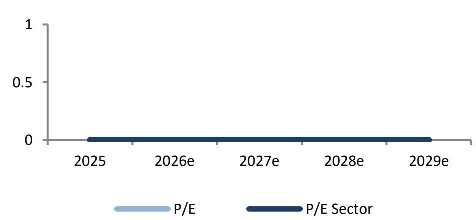
Margins



P/E vs. peers



DY vs. peers



Seef Properties

Year-end	2024	2025	2026e	2027e	2028e	2029e
Financial summary						
Reported EPS	0.01	0.01	0.01	0.01	0.01	0.02
Diluted EPS	0.01	0.01	0.01	0.01	0.01	0.02
DPS	0.01	0.01	0.01	0.01	0.01	0.01
BVPS	0.36	0.36	0.37	0.37	0.37	0.38
Weighted average shares	460.00	460.00	460.00	460.00	460.00	460.00
Average market cap	-	-	-	-	-	-

Year-end	2024	2025	2026e	2027e	2028e	2029e
Valuation metrics						
P/E (x) (current price)	10.8	10.3	10.9	9.7	8.9	8.2
P/E (x) (target price)	13.0	12.4	13.1	11.7	10.7	9.9
P/BV (x) (target price)	0.4	0.4	0.4	0.4	0.4	0.4
EV/EBITDA (x)	9.8	10.2	10.8	9.9	9.2	8.7
EV/FCF (x)	10.6	10.5	11.4	10.6	9.8	9.2
EV/Invested capital (x)	0.4	0.4	0.4	0.4	0.4	0.4
Dividend yield (%)	7.1	7.0	6.7	7.4	8.0	8.5

Year-end	2024	2025	2026e	2027e	2028e	2029e
Growth (%)						
Revenues	(10.0)	(7.8)	(6.3)	8.0	6.8	5.6
EBITDA	(21.7)	(4.2)	(5.4)	8.8	7.3	6.1
EBIT	(24.4)	(3.5)	(7.4)	11.0	8.9	7.3
Net income	(13.4)	4.9	(5.8)	12.1	9.7	7.9

Year-end	2024	2025	2026e	2027e	2028e	2029e
Margins (%)						
EBITDA	48.5	50.4	50.9	51.3	51.5	51.8
EBIT	43.6	45.6	45.1	46.4	47.2	48.0
Net	40.1	45.6	45.9	47.6	48.9	49.9

Year-end	2024	2025	2026e	2027e	2028e	2029e
Returns (%)						
RoAA	3.1	3.2	3.0	3.4	3.6	3.9
RoAE	3.3	3.4	3.2	3.6	3.9	4.1
RoIC	3.2	3.4	3.2	3.5	3.8	4.0
FCF margin	44.4	49.0	48.0	47.9	48.3	48.7

Year-end	2024	2025	2026e	2027e	2028e	2029e
Gearing (%)						
Net debt/Capital	(9.0)	(8.8)	(9.8)	(10.9)	(12.1)	(13.3)
Net debt/Equity	(9.3)	(9.1)	(10.1)	(11.2)	(12.4)	(13.7)
Interest cover (x)	7.3	9.5	8.8	9.8	10.6	11.4
Net debt/EBITDA (x)	(2.3)	(2.4)	(2.8)	(2.9)	(3.1)	(3.2)

Abacus *Arqaam Capital Fundamental Data*

Company Profile

Seef Properties (SEEF BI), listed on the Bahrain Bourse, is one of the Kingdom of Bahrain's leading owners, developers, and operators of integrated retail, hospitality, and leisure destinations, anchored by its flagship Seef Mall, Seef District. Seef's business spans four segments: malls and properties (c.69% of FY 25A revenue, anchored by Seef Mall Seef District, Isa Town Mall, and Muharraq), leisure and entertainment (c.21%, operating Magic Island, Jumpoline, Yabeela, and Hawa brands), serviced apartments (c.10%, via Fraser Suites Seef and Al Liwan), and others (term-deposit income), with 100% of revenue concentrated in Bahrain alongside a newly launched regional expansion into the Kingdom of Saudi Arabia.

Shareholders and Board of Directors

Shareholders	
GFH Financial Group B.S.C.	28.0%
Social Insurance Organisation (SIO/GOSI)	26.7%
Public / Other	45.3%

Source: Company data

Board of Directors

Name	Position
Mr. Essa Mohamed Najibi	Chairman
Mr. Sattam Sulaiman Al Gosaibi	Vice-Chairman
Mr. Mohamed Ebrahim Al Bastaki	Board Member
Mr. Anwar Mohammed Murad	Board Member
Ms. Sahar Rashid Al Mannai	Board Member
Mr. Zayed Ali Al-Amin	Board Member
Mr. Majed Abdulla Al Khan	Board Member
Ms. Sarah Khalil Nooruddin	Board Member
Mr. Ahmed Fouad Al Mutawa	Board Member
Mr. Ahmed Habib Kassim	Board Member

Source: Company data

Management

Name	Position
Mr. Ahmed Yusuf	Chief Executive Officer
Mr. Mohamed Baqi	Chief Financial Officer
Mr. Yusuf Ahmed	Chief Technical Officer
Mr. Duaij Al Rumaihi	Chief Commercial Officer
Mr. Fahad Abdulaziz Al Abbasi	Senior Manager – Internal Audit

Source: Company data

Seef Properties

Year-end	2024	2025	2026e	2027e	2028e	2029e
Income statement (BD m)						
Sales revenue	13.6	12.5	11.7	12.7	13.5	14.3
Gross profit	**9.7**	**9.1**	**8.6**	**9.3**	**9.9**	**10.5**
SG&A	(1.9)	(1.8)	(1.7)	(1.8)	(1.9)	(2.0)
EBITDA	**6.6**	**6.3**	**6.0**	**6.5**	**7.0**	**7.4**
Depreciation & Amortisation	0.7	0.6	0.7	0.6	0.6	0.5
EBIT	**5.9**	**5.7**	**5.3**	**5.9**	**6.4**	**6.9**
Net interest income(expense)	(0.8)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Profit before tax	5.5	5.7	5.4	6.0	6.6	7.1
Net profit	5.5	5.7	5.4	6.0	6.6	7.1
Arqaam adjustments (including dilution)	-	-	-	-	-	-
Arqaam Net profit	**5.5**	**5.7**	**5.4**	**6.0**	**6.6**	**7.1**

Year-end	2024	2025	2026e	2027e	2028e	2029e
Balance sheet (BD m)						
Cash and equivalents	20.9	20.4	22.1	24.2	26.5	28.9
Receivables	4.1	3.2	3.0	3.2	3.4	3.6
Tangible fixed assets	4.9	5.7	5.2	4.8	4.5	4.3
Investment properties	8.5	10.0	10.0	10.0	10.0	10.0
Other assets including goodwill	138.8	138.6	138.6	138.6	138.6	138.6
Total assets	**177.1**	**177.8**	**178.9**	**180.9**	**183.0**	**185.4**
Payables	3.1	2.7	2.5	2.7	2.8	2.9
Interest bearing debt	5.5	5.2	5.2	5.2	5.2	5.2
Other liabilities	3.4	3.4	3.4	3.4	3.4	3.4
Total liabilities	**12.0**	**11.2**	**11.0**	**11.2**	**11.3**	**11.5**
Shareholders equity	165.2	166.6	168.0	169.7	171.7	173.8
Minorities	-	-	-	-	-	-
Total liabilities & shareholders equity	**177.1**	**177.8**	**179.0**	**180.9**	**183.0**	**185.3**

Year-end	2024	2025	2026e	2027e	2028e	2029e
Cash flow (BD m)						
Cashflow from operations	**6.4**	**6.3**	**5.9**	**6.3**	**6.8**	**7.3**
Net capex	(0.4)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Free cash flow	**6.0**	**6.1**	**5.6**	**6.1**	**6.5**	**7.0**
Equity raised/(bought back)	-	-	-	-	-	-
Dividends paid	(4.2)	(4.1)	(3.9)	(4.3)	(4.7)	(5.0)
Net inc/(dec) in borrowings	(2.3)	(0.4)	-	-	-	-
Other investing/financing cash flows	-	-	-	-	-	-
Net cash flow	**(3.6)**	**1.8**	**2.0**	**2.1**	**2.3**	**2.4**
Change in working capital	(0.5)	-	-	(0.1)	(0.1)	(0.1)

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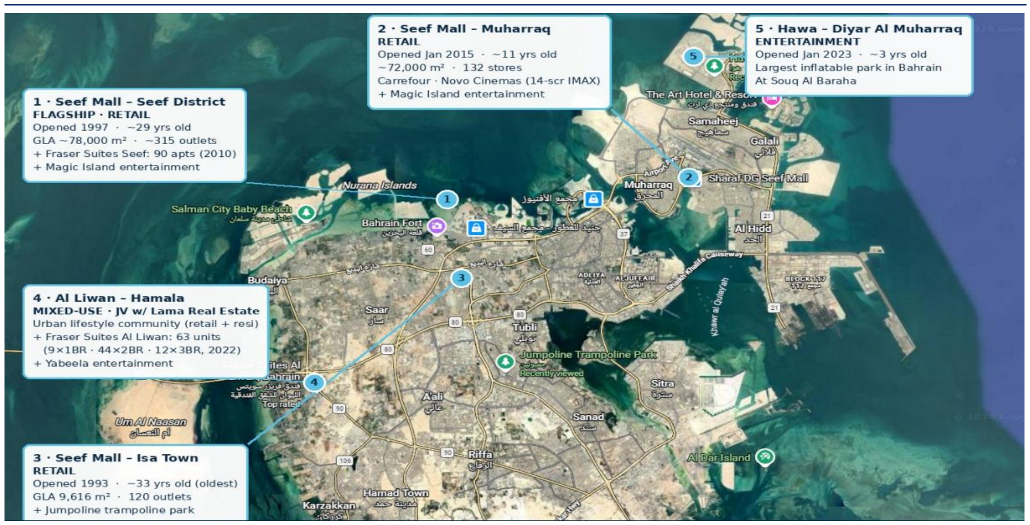
Company Overview – Legacy mall operator with a 100% Recurring portfolio, strong net-cash position, and growing DPS

- **Bahrain's flagship mall owner-operator since 1999, Seef runs a fully built c.130k sqm GLA (18% market share) portfolio across three malls at c.95% occupancy, two serviced-apartment towers (153 keys), and the Kingdom's largest family entertainment platform.**
- **Seef is well placed to capture Bahrain's recovering consumer spending, with a population of c.1.64mn and visitor arrivals at a nine-year high of c.16mn, together with record 2025 retail and property activity.**
- **We model a c.8% EPS CAGR over FY26-30e, driven by improved occupancy, RevPAR, and slight margin expansion in the mall portfolio (69% of revenue), supplemented by leisure (c.21%) and serviced apartments (c.10%), driving FCF yield from 10.3% in FY26e to 13.6% in FY30e.**
- **Investment properties are carried at fair value and independently revalued once a year. The company operates an unlevered balance sheet with a net-cash position (net cash to EBITDA of c.2.4x), supporting a c.9 fils DPS, implying a c.7.0% yield.**

Seef Properties is the owner and developer of Bahrain's flagship Seef Malls, established in 1999 with the mandate to develop and operate an integrated retail destination in Manama's Seef District (GLA 78k sqm - freehold). The portfolio has since expanded from a single shopping center operator into a diversified real estate group, adding Seef Mall Isa Town (22k sqm - freehold), Seef Mall Muharraq (30k sqm - leasehold maturing in 2054), and Al Liwan Mall (33k sqm). Beyond malls, Seef has moved into serviced apartments through two towers, Fraser Suites Seef (90 keys) and Fraser Suites Al Liwan (63 keys), and into a leisure and entertainment portfolio spanning c.15k sqm. The assets are operated through two subsidiaries, namely Fraser Suites Seef Bahrain (100%) and The Muharraq Mall Co. (72.5%), alongside a 50% joint venture, Lama Real Estate W.L.L., which owns the Al Liwan mixed-use community. Ownership is anchored by GFH Financial Group (28.0%) and the Social Insurance Organization (26.7%).

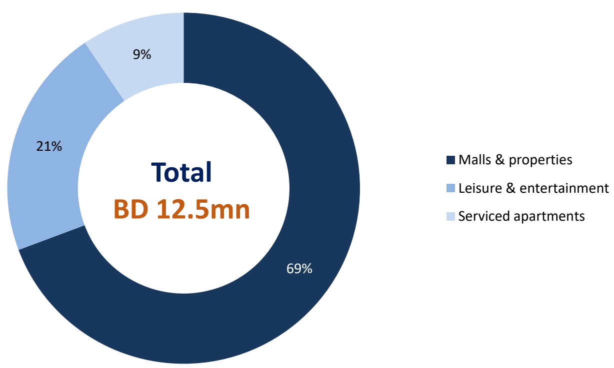
Exhibit 1: A Bahrain-wide portfolio anchored by three malls, a serviced-apartment towers, and a multi-brand leisure platform



Source: Company Data, Arqaam Capital Research

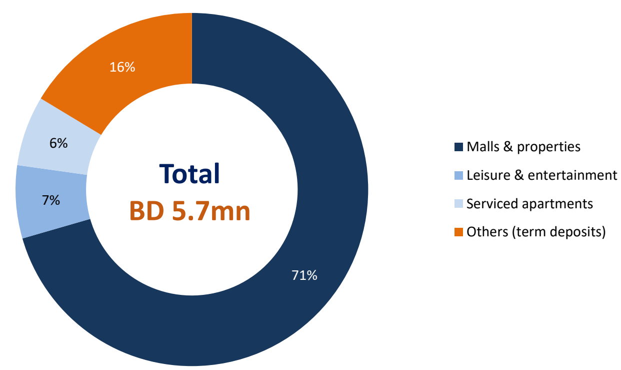
Malls anchor a diversified, rental-led earnings base: the core malls portfolio drives c.69% of revenue and c.71% of EPS and holds BD 146.4mn of the company's BD 177.8mn in total assets. Leisure and entertainment, run under the Magic Island, Jumpoline, Yabeela, and Hawa brands, contributes c.21% of revenue (c.7% of EPS) and serves as the main growth engine, while serviced apartments, the two Fraser Suites towers (153 units), add c.10% of the top line (c.6% of EPS) at a c.59% gross margin.

Exhibit 2: Malls and properties drive c.69% of revenue…



Source: Company Data, Arqaam Capital Research

Exhibit 3: … and c.71% of profit, with term deposits lifting the earnings mix



Source: Company Data, Arqaam Capital Research

Recurring rents enhance FCF visibility: Seef owns and operates its core assets for rental income, supplemented by an asset-light property-management franchise and selective JV structures. Recurring rental income and service charges of BD 8.9mn (c.69% of the BD 12.5mn top line) are earned on operating leases across the three malls. Capital-intensive or newer assets are held through partnerships that limit balance-sheet intensity, with Seef Mall Muharraq operated via the 72.5%-owned Muharraq Mall Co. and Al Liwan developed through a 50% JV.

Exhibit 4: Asset portfolio at a glance: three malls, two serviced-apartment properties, a leisure platform and a mixed-use JV

Asset	Sector	Location	Size / scale	Ownership
Seef Mall - Seef District	Retail	Seef District	135k sqm in BUA and (78k sqm in GLA)	100%
Seef Mall - Muharraq	Retail	Muharraq	30k sqm in GLA	72.5%
Seef Mall - Isa Town	Retail	Isa Town	22k sqm in GLA 80 outlets (3 sections)	100%
Al Liwan	Mixed-use	Hamala	33k sqm in GLA	50%
Fraser Suites Seef	Hospitality	Seef District	90 keys (19 stories)	100%
Fraser Suites Al Liwan	Hospitality	Hamala	63 keys (3 floors)	50%
Seef Entertainment	Entertainment	Multi-site	4 brands / 5 venues	100%
Managed properties	Retail / services	Kingdom-wide	40+ facilities	Managed
Dammam project	Development	Dammam, KSA	Pipeline	JV

Source: Company Data, Arqaam Capital Research

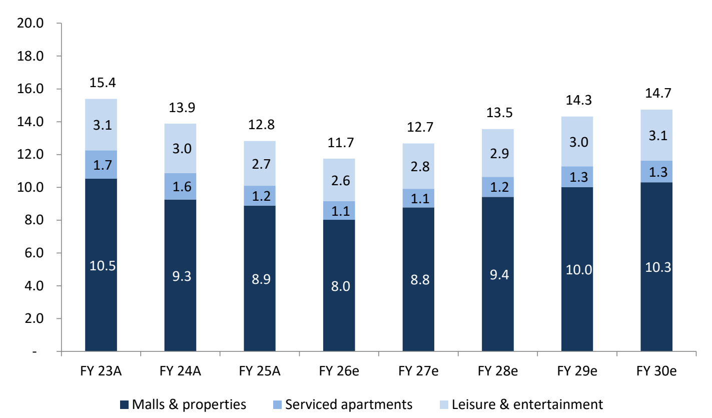
The three malls form the core of the portfolio and provide nationwide retail coverage: Seef Mall Seef District, Bahrain's first mall, is the flagship super-regional destination; Seef Mall Muharraq adds a modern waterfront center in the northern governorate; and Seef Mall Isa Town, among the oldest in the Kingdom, anchors the southern community catchment. Each pairs retail with an in-house entertainment anchor to support footfall and dwell time, with c.130k sqm of GLA at c.95% occupancy and a c.BD 72/sqm average lease rate in FY 25A. With no near-term capacity additions, rate increases are the main growth lever.

Exhibit 5: The three mall network: a flagship destination plus two established community centers

Mall	Profile	Ownership	Size	Outlets	Anchors & entertainment
Seef Mall - Seef District	Flagship	100%	135k sqm (78k GLA)	315	M&S, H&M, Marina Home; Magic Island; 10-screen Megaplex; redevelopment 2025
Seef Mall - Muharraq	Waterfront	72.5%	30k sqm	80+	Alhelli Supermarket; Magic Island; cinema; waterfront/Arad Fort views
Seef Mall - Isa Town	Community	100%	22k sqm; 3 sections (est. 1993)	80	Max, Red Tag, Batelco, Zain, STC; Jumpoline

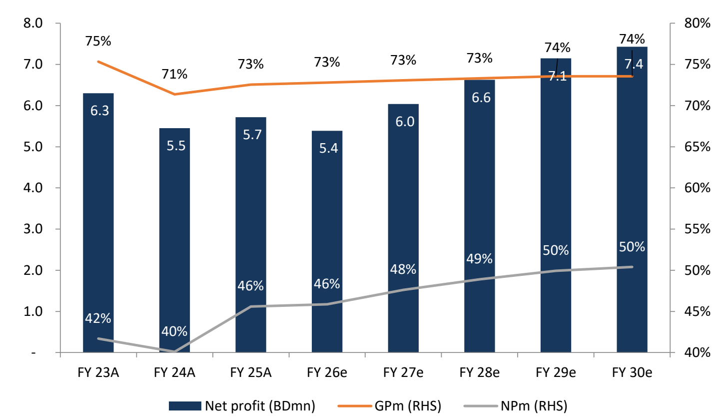
Source: Company Data, Arqaam Capital Research

Exhibit 6: Revenue scales to c.BD 14.7mn by FY 30e, mall & properties led…



Source: Company Data, Arqaam Capital Research

Exhibit 7: …driving net profit to c.BD 7.4mn with margins expanding



Source: Company Data, Arqaam Capital Research

The serviced apartment business comprises two Frasers-managed towers totaling 153 keys, each with direct access to a Seef mall and aimed at corporate and longer-stay visitors. Fraser Suites Seef is a 19-story, 90-unit tower connected to Seef Mall Seef District, ranging from studios to penthouses and positioned as the only international-class accommodation linked to Bahrain's premier shopping destination. Fraser Suites Al Liwan adds 63 units across three floors in the Hamala community, with direct access to Al Liwan Mall. Both run under management agreements with Frasers Hospitality, with RevPAR at c.BD 22 in FY 25A.

Exhibit 8: Two Frasers managed serviced apartment properties totaling 153 keys, both mall connected

Property	Keys	Location	Detail
Fraser Suites Seef	90	Seef District	19-storey tower; direct Seef Mall access; studios to penthouses
Fraser Suites Al Liwan	63	Hamala	3 floors; direct Al Liwan Mall access; 1-3-bedroom suites
Total / portfolio	**153**		

Source: Company Data, Arqaam Capital Research

Seef Entertainment, launched as the company's dedicated entertainment arm, and is set to become the Kingdom's largest operator of entertainment projects, spanning four brands across five venues. Operating the Magic Island, Yabeela, Jumpoline, and Hawa brands, the arm transforms indoor family entertainment centers with state-of-the-art technology and globally benchmarked attractions. Its venues span the full age spectrum, from children's soft-play to teen and adult formats and are deliberately co-located within Seef's malls and the Al Liwan community to reinforce footfall and dwell time.

Exhibit 9: Seef Entertainment: four brands spanning soft play to teen and adult formats

Brand	Format	Location	Detail
Magic Island	Indoor theme park	Seef District & Muharraq malls (since 1998)	Two branches; 6 zones, 100+ attractions; soft-play, simulators, LED bowling
Yabeela	Family entertainment center	Al Liwan, Hamala (opened mid-2022)	Bahrain's largest indoor FEC; broadened reach to teens/adults; key leisure growth driver
Jumpoline	Trampoline Park	Seef Mall - Isa Town	Bahrain's largest trampoline park; 650 sqm, 100 capacity
Hawa	Inflatable Park	Souq Al Baraha, Muharraq (newest)	Indoor inflatable park; 100% soft play, all ages; on-site F&B

Source: Company Data, Arqaam Capital Research

Al Liwan, held through the 50% Lama Real Estate JV, is Seef's flagship mixed-use development and a template for its partnership-led growth model: located in Hamala, the 122k sqm outdoor village blends restaurants, cafes, and retail with 117 three-story residential units, a cinema, the Yabeela family-entertainment center, and landscaped boulevards. Designed as an urban lifestyle community rather than a conventional mall, it embodies the Live, Work, Play concept and is aligned with Bahrain Economic Vision 2030. The same JV-led model now underpins the company's first regional expansion, a mixed-use project in Dammam with Majd Investment Company, in its design phase as of 2025.

Beyond its flagship assets, Seef operates an asset-light property-management franchise spanning more than 40 commercial facilities across the Kingdom, including shops, community centers, cafes, laundries, garages, and workshops leased to retail and services businesses. This generates recurring fee income without balance sheet intensity and completes a diversified, Bahrain-wide platform built around recurring, rental led cash flows.

Financial Projections: moderate revenue growth, backed by established assets and an unlevered balance sheet

Revenues are predominantly driven by the malls portfolio (69% of total in FY 25A), with rate and occupancy increases the main source of growth given a fully built base. The segment comprises a c.130k sqm GLA base at c.95% occupancy and a c.BD 72/sqm average lease rate in FY 25A, leaving higher rents and incremental occupancy as the growth path absent new space. Serviced apartments are driven by RevPAR of c.BD 22 in FY 25A across the 153-key Fraser Suites base, while leisure is driven by revenue intensity of c.BD 182/sqm across c.15k sqm of entertainment space, where the Yabeela ramp is the main medium-term variable.

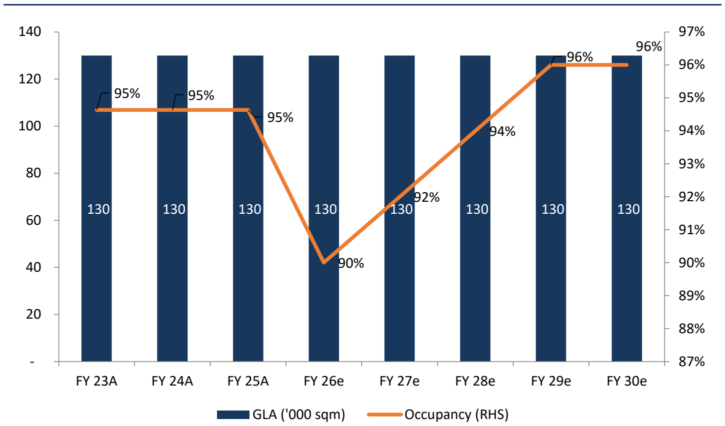
Exhibit 10: With the portfolio fully built, pricing and occupancy are the main levers behind a c.3.3% revenue CAGR25-30e

Segment	Key driver	FY 25A	FY 30e	CAGR FY 25A-30e
Malls & properties	Occupancy x lease rate (130k sqm GLA)	95% / BD 72/sqm	96% / BD 83/sqm	+3.0%
Serviced apartments	RevPAR (153 keys)	BD 21.7	BD 23.6	+1.7%
Leisure & entertainment	Revenue per sqm (15k sqm)	BD 182	BD 208	+2.7%
Total revenue	**Blended**	**BD 12.5mn**	**BD 14.7mn**	**+3.3%**

Source: Company Data, Arqaam Capital Research

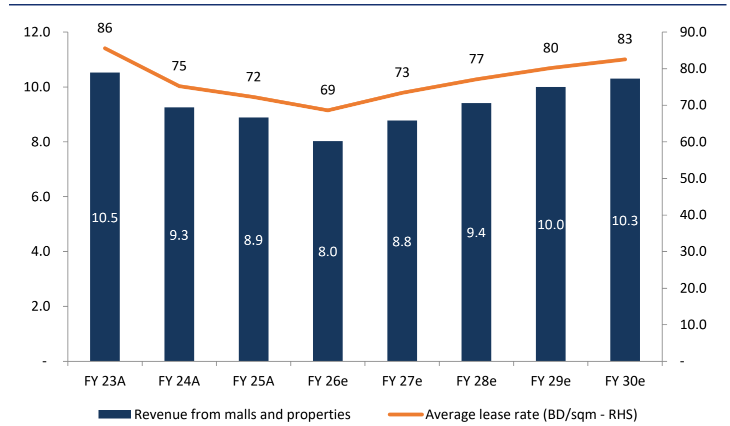
We expect topline to grow at a c.5.8% CAGR over FY 26-30e to BD 14.7mn, with EPS outpacing at c.8.4% on margin expansion. Growth is predominantly organic, driven by improved occupancy and RevPAR across malls and hospitality assets. We model a slowdown in FY 26e on the heightened regional conflict in H1 2026, recovering thereafter toward a c.96% occupancy run rate and a c.4% RevPAR CAGR through FY 30e, with serviced apartments at c.4% and leisure revenues growing at c.5%. Net profit reaches BD 7.4mn by FY 30e, driven by c.100bps of GPm expansion to c.74% and c.5ppt of NPm expansion to c.50%.

Exhibit 11: Malls grow through occupancy, on a flat c.130k sqm GLA recovering to c.96%…



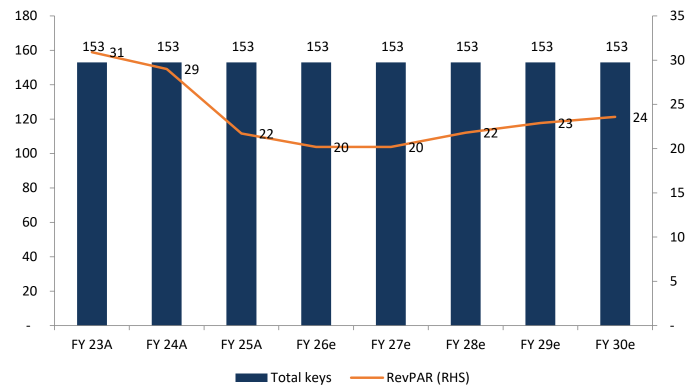
Source: Company Data, Arqaam Capital Research

Exhibit 12: … lifting revenue to c.BD 10.3mn as lease rates recover to c.BD 83/sqm by FY 30e



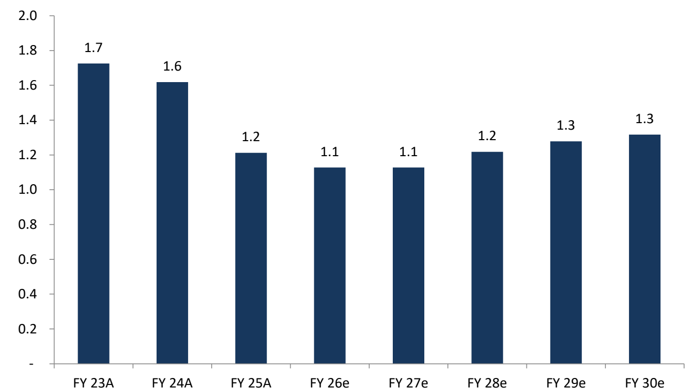
Source: Company Data, Arqaam Capital Research

Exhibit 13: Serviced apartments hold a fixed 153 keys as RevPAR recovers to c.BD 24 by FY 30e…



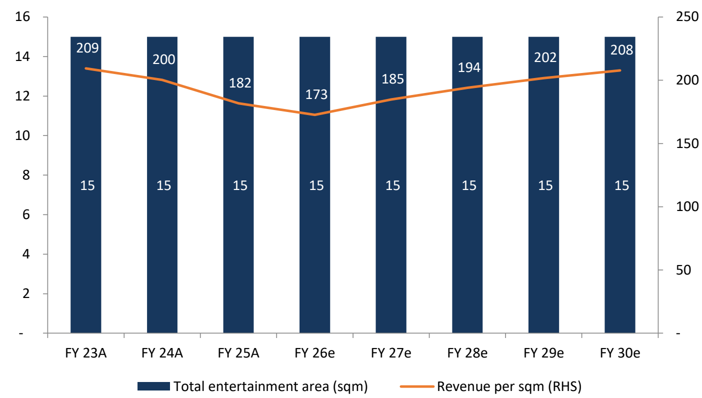
Source: Company Data, Arqaam Capital Research

Exhibit 14: …lifting segment revenue to c.BD 1.3mn off its FY 26e low, with no new supply



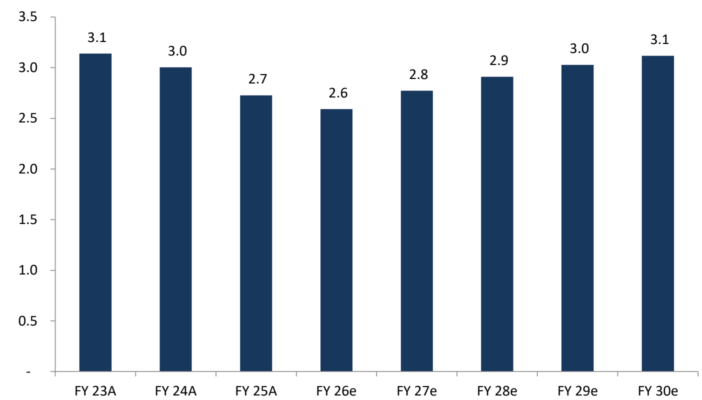
Source: Company Data, Arqaam Capital Research

Exhibit 15: Entertainment drives higher revenue per sqm off a fixed 15k sqm, rising to c.BD 208…



Source: Company Data, Arqaam Capital Research

Exhibit 16: … lifting segment revenue to c.BD 3.1mn by FY 30e as demand normalizes

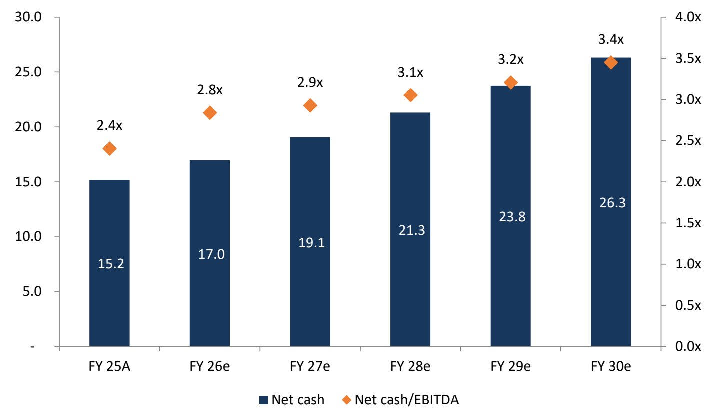


Source: Company Data, Arqaam Capital Research

Seef runs a structurally under-levered, net-cash balance sheet that leaves ample headroom for self-fund growth: total debt of BD 5.2mn implies a D/E ratio of c.3.1% and an LTV of c.2.9%, while a c.BD 15mn net-cash position puts net cash to EBITDA at 2.4x. With net cash building to c.BD 26mn by FY 30e and CapEx of c.2% of revenue fully covered by operating cash flow, the minimal debt load leaves substantial borrowing capacity to fund the redevelopment pipeline. Low finance costs leave free cash flow to comfortably support a dividend rising from c.9 fils per share in FY 25A to c.11 fils by FY 30e (a flat c.65% DPO) while net cash compounds.

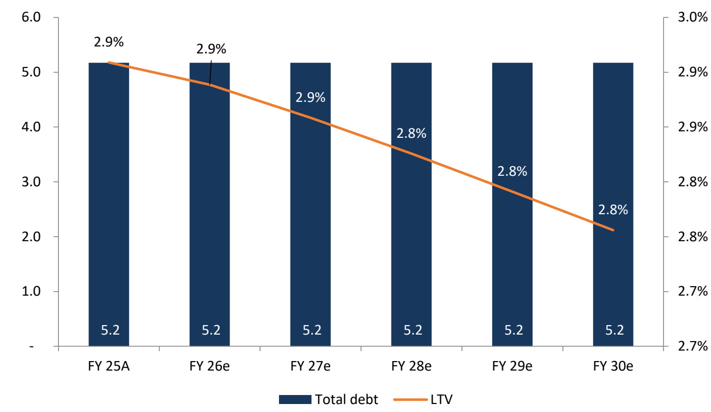
Seef runs a structurally unlevered, net cash balance sheet that leaves ample headroom to self-fund future growth and expansions. Total debt sits at BD 5.2mn implying a D/E ratio of c.3.1% and LTV of 2.9%, while a c.BD 15mn net cash position puts net cash/EBITDA at 2.4x. With net cash growing to c.BD 26mn by FY 30e and CapEx fully covered by operating cash flow, the minimal debt leaves substantial borrowing capacity to fund the redevelopment pipeline and future expansions such as the KSA expansion alongside the c.9 fils FY 26e dividend. We model CapEx of c.2% of revenue and low finance costs, leaving free cash flow to comfortably fund a dividend rising from c.9 fils per share in FY 25A to c.11 fils by FY 30e (a flat c.65% DPO) while net cash compounds.

Exhibit 17: Net cash/EBITDA improves to c.3.4x as net cash builds (BDm)…



Source: Company Data, Arqaam Capital Research

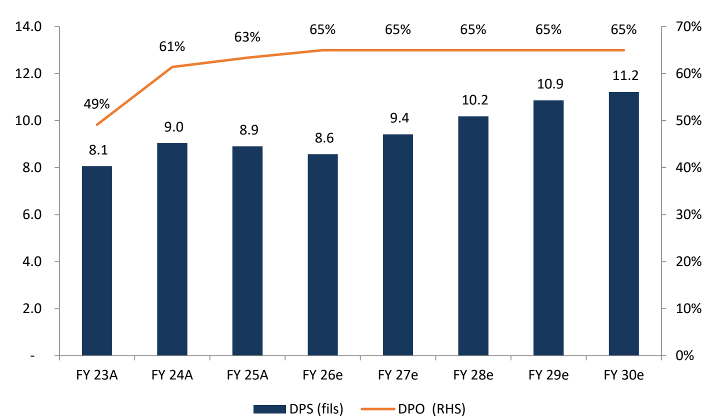
Exhibit 18: … as total debt stays minimal and LTV falls to c.2.8% (BDm)



Source: Company Data, Arqaam Capital Research

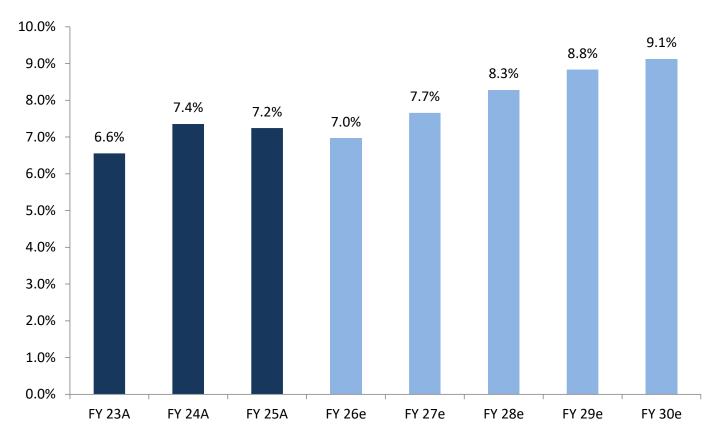
Seef offers a c.7.0% dividend yield on a c.9 fils payout, comfortably covered by FCF. DPS has built from c.6 fils in FY 22A to c.9 fils in FY 24-25A, with the payout rising from c.49% to c.63% of FFO. The dividend is funded almost entirely by recurring rental cash flows: with CapEx of just c.2% of revenue, finance costs held at c.BD 0.6mn on a net-cash balance sheet, and no reliance on debt, free cash flow covers the payout c.1.5x. We hold the payout at c.65% through FY 30e, taking DPS to c.11 fils and the yield to c.9%, with net cash compounding from c.BD 15mn to c.BD 26mn over the forecast.

Exhibit 19: DPS builds to a c.11 fils by FY 30e on a payout held at 65% of FFO…



Source: Company Data, Arqaam Capital Research

Exhibit 20: …lifting the dividend yield from c.7% toward c.9%



Source: Company Data, Arqaam Capital Research

The company's assets are carried out at fair value and independently appraised annually: the BD 138.6mn investment property portfolio comprises three malls and other commercial properties, stated at fair value using the income yield capitalization method for the malls and a DCF approach for Fraser Suites. The FY 25A valuation applied an equivalent yield of 8%-9% on the mall properties (at 80 to 90% occupancy) and a 9.5% discount rate with a 7.5% exit yield on Fraser Suites, leaving carrying value broadly stable y/y with only a marginal BD 0.2mn unrealized fair value loss.

Exhibit 21: Investment property FV rests on an 8-9% mall yield and a 9.5% DCF discount rate for Fraser Suites

Investment Properties	Valuation technique	Key input	FY 24A	FY 25A
Mall properties Seef District, Isa Town, Muharraq & other commercial	Income yield capitalization	Estimated rental value p.a.	BD 8.70mn	BD 8.41mn
		Occupancy rate	85% - 95%	80% - 90%
		Equivalent yield	8% - 9%	8% - 9%
Fraser Suites - Seef Serviced apartments	Discounted cash flow	Estimated rental value p.a.	BD 1.58mn	BD 1.95mn
		Occupancy rate (stabilizing)	65%	75% → 80%
		Discount rate	10.50%	9.50%
		Exit yield	8.00%	7.50%
Total investment properties (carried at FV)			**BD 138.8mn**	**BD 138.6mn**

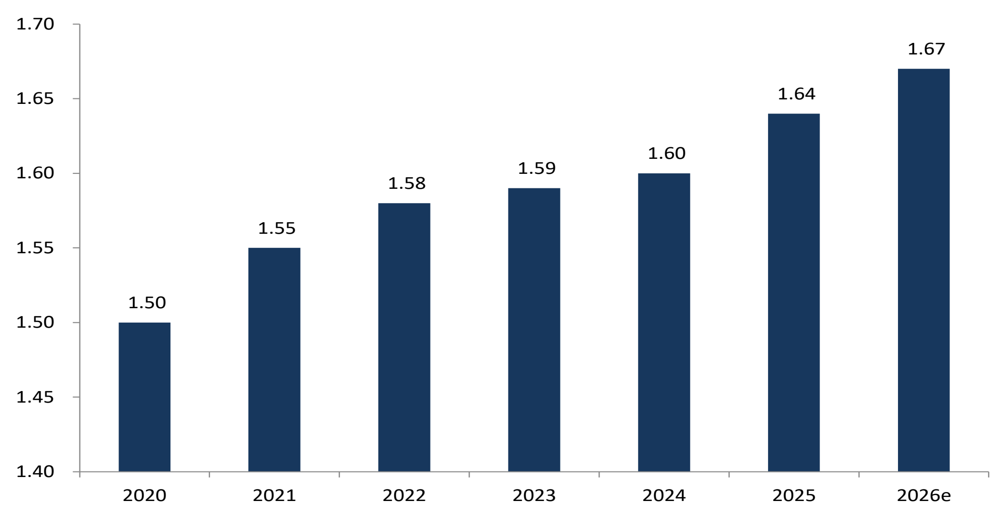
Source: Company Data, Arqaam Capital Research

Industry Overview – Strong demographic demand and a policy-backed tourism recovery set to drive medium-term growth

Bahrain's real estate market enters 2026e supported by non-oil-led GDP growth, low inflation, and record transaction activity across asset classes. The economy grew c.3.5% in real terms in 2025A, driven by the non-oil sector at c.86% of real GDP and led by financial services (c.17%) and manufacturing (c.15 to 16%), while inflation ran near flat and population grew c.2.2% to c.1.64mn. This combination of demographic growth and stable prices has supported consumer spending, feeding the retail and leisure demand that anchors Seef's portfolio. Real estate activity reached record levels in 2025A, with transaction volumes up c.19.8% y/y to c.30k and value up c.51.6% to c.BD 1.6bn, and momentum carried into Q1 2026 as sales value rose c.25.6% y/y to c.BD 283.9mn, led by the Capital and Muharraq governorates where Seef's flagship assets sit.

Bahrain's small but dense, heavily urban and migrant-driven population provides a structurally supportive consumption base for mall-centric retail, F&B, and family entertainment: Bahrain's population grew c.2.2% in 2025, reaching c.1.64mn and is expected to reach c.1.67mn in 2026e, at a high density of c.2.2k people per km² that favors organized indoor leisure formats. With c.78% of the population of working age, a median age of c.33 years, and over 90% urban and concentrated around Manama and Muharraq, a large share of residents sits within a short travel time of the Seef district, deepening the catchment for its malls and entertainment centers.

Exhibit 22: Bahrain's population to grow steadily toward c.1.67mn by 2026e



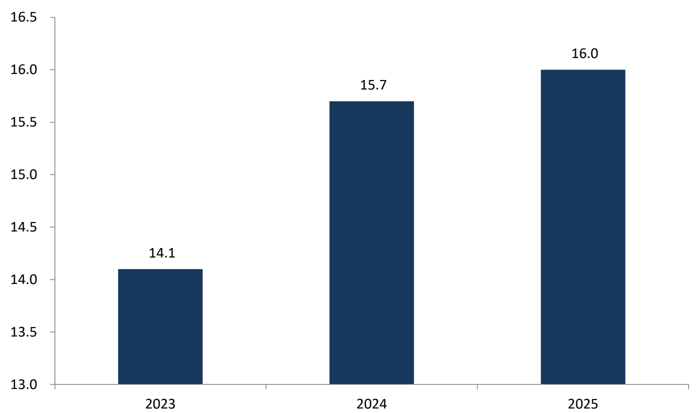
Source: Arqaam Capital Research

A steadily expanding, highly urban resident base widens the structural demand catchment for Seef's malls, entertainment, and serviced apartments. Bahrain's population has grown from c.1.50mn in 2020A to c.1.64mn in 2025A and is projected near c.1.67mn in 2026e, feeding directly into the resident-driven footfall that anchors Seef's retail and leisure platform, while a fast-recovering inbound-visitor pool adds a second, structurally growing layer of demand.

Bahrain's tourism sector is a fast-recovering, policy-backed source of incremental demand for mall-anchored retail, entertainment, and leisure: visitor arrivals climbed to c.16.0mn non-

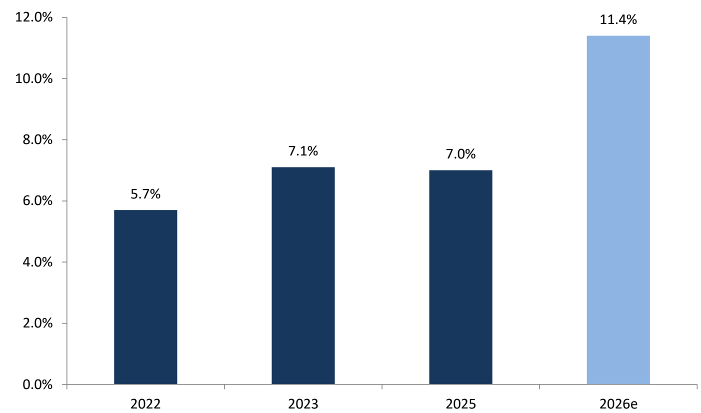
Bahraini travelers in 2025A, the highest in nine years, from c.15.7mn in 2024A and c.14.1mn in 2023A, with Bahrain having ranked third in the Middle East for visitor-growth rate at c.11% y/y in 2024A. Tourism contributes c.7% of GDP directly, with the Kingdom's 2022-2026 strategy targeting 14.1mn tourists and an 11.4% GDP contribution, supported by Saudi causeway traffic, expanded air connectivity, 23 new four- and five-star hotels, and a growing events calendar. Average daily visitor spend of c.BD 75, spanning accommodation, F&B, shopping, and entertainment, flows into the retail and family-entertainment formats Seef operates.

Exhibit 23: Visitor arrivals (in mn) hit a 9-year high in 2025…



Source: News of Bahrain, Arqaam Capital Research

Exhibit 24: … with tourism contribution to 11.4% of GDP by 2026e



Source: Zawya, Statbase, Tourism strategy targets, Arqaam Capital Research

Bahrain's retail market, Seef's core operating environment, remained resilient through 2025A, with improving footfall and stable rents supporting established destination malls. Consumer spending was supported by population growth and minimal inflation, lifting mall footfall, with luxury brands such as Rolex and Giorgio Armani opening stores at Marassi Galleria. Prime mall rents held broadly flat at c.BD 12.3/sqm/month, well above strip-retail and mixed-use formats, reflecting the pricing power of organized, well-located centers. Supply remains concentrated in larger formats, with regional and super-regional malls making up c.66% of retail GLA, while occupancy across the 21 major shopping centers eased only c.1.9ppt in H1 2025.

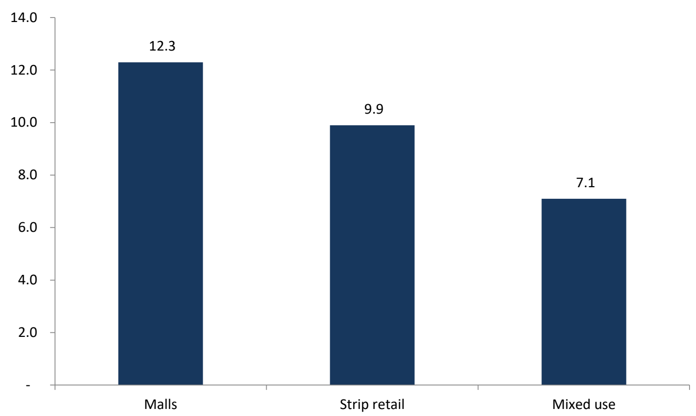
Seef operates three of Bahrain's established destination malls and captures an estimated c.18% market share of major-mall GLA, third among Bahrain's major-mall landlords by GLA. The Kingdom's regional and super-regional mall stock stood at c.927k sqm of GLA, within which Seef's three malls total c.130k sqm. Against the named set of major destination malls below, Seef's share is c.18%, while measured against the full regional and super-regional universe it is c.14%, in both cases placing Seef among the largest organized landlords, behind only Marassi Galleria, opened in 2023, and City Centre Bahrain.

Exhibit 25: Bahrain major-mall GLA: Seef operates three of the Kingdom's established destination centers

Mall	Location	GLA (k sqm)	% of share	Operator / note
Marassi Galleria	Diyar Al Muharraq	200	27.4%	Largest in Bahrain; opened 2023
City Centre Bahrain	Manama (Seef)	115	15.8%	Majid Al Futtaim; super-regional
The Avenues (Ph 1+2)	Bahrain Bay	80	11.0%	Waterfront; Phase 2 opened H1 2024
Seef Mall – Seef District	**Seef District**	**78**	**10.7%**	**Seef Properties, flagship**
Bahrain Mall	Sanabis	70	9.6%	Established community-regional
Al Aali Mall	Seef	52	7.1%	Upscale / luxury positioning
Dragon City	Diyar Al Muharraq	50	6.8%	Chinese-themed wholesale/retail
Dana Mall	Seef District	35	4.8%	Established community center
Seef Mall – Muharraq	**Muharraq**	**30**	**4.1%**	**Seef Properties**
Seef Mall - Isa Town	**Isa Town**	**22**	**3.0%**	**Seef Properties, community**
Major-mall universe		**732**		**Named major destination malls**
Seef Properties (3 malls)		**130**	**17.8%**	

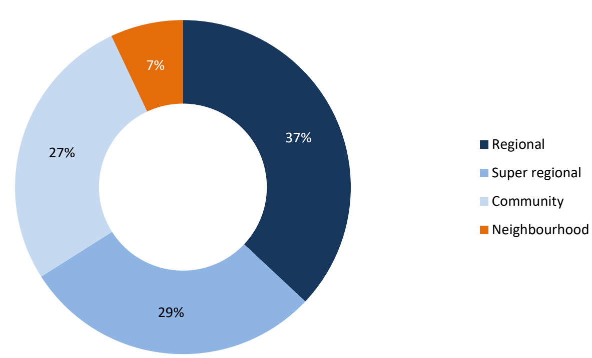
Source: CBRE, KPMG, Savills, Arqaam Capital Research

Exhibit 26: Organized malls earn a clear rent (BD/sqm/month) premium over strip and mixed-use spaces…



Source: Savills, Arqaam Capital Research

Exhibit 27: … and dominate supply at c.66% of GLA, favoring destination operators.

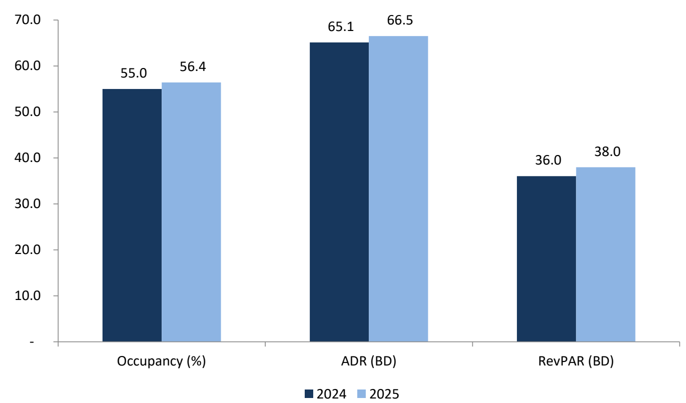


Source: CBRE, Arqaam Capital Research

Bahrain's family entertainment and leisure market has regained strong momentum post-pandemic, and Seef sits at its center as one of the Kingdom's leading organized operators. Indoor family entertainment centers in prime mall locations have surpassed pre-COVID revenue levels, supported by longer dwell times and rising per-capita spend on VR/AR and IP-led attractions. Seef Entertainment anchors the segment through Magic Island (Seef District and Muharraq), Yabeela, Bahrain's largest indoor FEC, the Jumpoline trampoline park, and Hawa, the Kingdom's largest inflatable park, with the Ministry of Industry & Commerce noting that Seef's expansion will make it "the largest operator of entertainment projects in the Kingdom". This is now a core revenue pillar rather than ancillary income, generating BD 2.7mn (c.21% of FY 25A revenue) and identified by management as the company's primary growth engine following the opening of Yabeela.

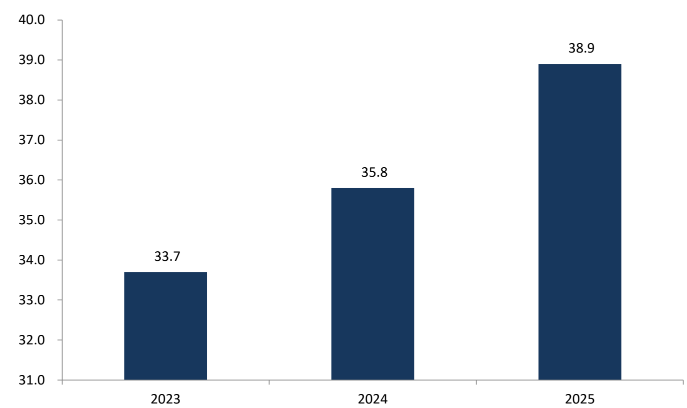
Bahrain's hospitality market extended its recovery in 2025, with all three core KPIs advancing and supporting the economics of Seef's Fraser Suites serviced-apartment towers. Market-wide occupancy rose c.1.4ppt to c.56.4%, ADR gained c.2.1% to c.BD 66.5, and RevPAR advanced c.5.3% to c.BD 38.0, capping a multi-year climb from an average c.BD 33.7 in 2023. RevPAR outgrew ADR, indicating the improvement was occupancy-led rather than rate-led, a healthier mix for operators carrying fixed room inventory. Fraser Suites generated BD 1.2mn of revenue at a c.59% gross margin in FY 25A and is carried at fair value on a discounted cash flow basis at a 9.5% discount rate and 7.5% exit yield, with appraised occupancy assumed to ramp from 75% to a stabilized 80%, benchmarks the recovering market is now moving toward.

Exhibit 28: Bahrain's occupancy, ADR, and RevPAR all witnessed growth in 2025…



Source: ASK RE, Arqaam Capital Research

Exhibit 29: … extending a steady multi-year RevPAR recovery.



Source: ASK RE, Arqaam Capital Research

In hospitality, Bahrain's c.140 hotels and 24,000+ rooms are concentrated in the four- and five-star tiers, where Seef's two Frasers-managed serviced-apartment properties (153 keys) occupy a small but differentiated, upper-tier niche. The Kingdom now hosts c.39 five-star hotels and resorts (with 12 more in the pipeline), with branded international operators running much of the upscale capacity. Within this base, Seef's Fraser Suites Seef (90 keys) and Fraser Suites Al Liwan (63 keys) sit in the serviced-apartment segment, a longer-stay, mall-connected format distinct from conventional hotels, representing well under 1% of national room stock but a focused presence in the premium extended-stay niche.

Exhibit 30: Bahrain hotel inventory skews to the upper tiers, Seef holds a focused serviced-apartment niche

Category	Indicative scale	Note
Total hotels & resorts	c.140	Up from c.135 in Oct 2023
Total hotel rooms	24k+	Passed 24k in 2025/26
Five-star hotels	c.39	+12 more in the pipeline; upper tier dominates capacity
Four-star hotels	Large share	4- & 5-star together carry most room capacity
Three-star & below	Smaller share	Limited; market skews upscale
Seef-serviced apartments	**153 keys**	**Fraser Suites Seef (90) + Al Liwan (63); <1% of national rooms**

Source: Arqaam Capital Research

Valuation: healthy FCF generation backs strong DY; Initiate with Buy and BD 0.15 TP

We initiate coverage on Seef Properties with a Buy rating and a BD 0.15 TP, implying c.25% upside: Seef is a net-cash, rental-led landlord that pairs defensive, recurring cash flows with a recovering Bahraini retail, leisure, and tourism backdrop, supporting c.3.3% revenue and c.5.4% net-profit CAGRs through FY30e. Our BD 0.15 target blends two approaches, an FCFE-DCF (70%) and a dividend-yield approach (30%). The FCFE-DCF derives an equity value of BD 76.4mn (BD 0.17 per share) at an 11.1% cost of equity and a 2.5% terminal growth rate, implying an 8.6% cap rate. The stock currently trades at 10.5x P/E 26e and 10.3% FCFY 26e, while offering a c.7.0% DY 26e on a c.9 fils payout that is comfortably covered by FCF. Underpinning this is a BD 138.6mn property portfolio carrying a c.73% gross and c.46% net margin with minimal development risk, alongside a net-cash balance sheet (net cash to EBITDA of 2.4x, building to c.3.4x by FY 30e).

Seef trades on 10.5x P/E 26e (c.9.4x 27e), a c.54% discount to the 22.6x direct-peer median, against integrated landlords such as Mabanee (22.6x) and Cenomi Centers (6.9x) and diversified names like Salhia (36.2x) and Barwa (7.1x), all carrying c.6-11x net debt/EBITDA versus Seef's c.2.4x net cash. Seef offers a 7.0% dividend yield in FY 26e, on a c.9 fils payout comfortably covered by free cash flow, versus a 6.1% direct peer median.

Exhibit 31: DCF Summary (BDm)

BDm	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e
Net Income	**5.4**	**6.0**	**6.6**	**7.1**	**7.4**
Depreciation	0.7	0.6	0.6	0.5	0.5
Change in NWC	(0.0)	0.1	0.1	0.1	0.0
CapEx	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
Net Borrowings	-	-	-	-	-
FCFE	**5.8**	**6.5**	**7.0**	**7.5**	**7.7**
Discount factor	*0.90*	*0.81*	*0.73*	*0.66*	*0.59*
PV of FCFE	**5.2**	**5.3**	**5.1**	**4.9**	**4.5**
Terminal value					91.9
PV of TV					54.4
Equity Value - pre-minority interest					**79.5**
Minority interest					*(3.1)*
Equity Value					**76.4**
NOSH					460.0
TP					**0.17**
CMP					0.123
Upside/(Downside)					*35.0%*
Forward Multiples:					
FCFE Yield	10.3%	11.4%	12.4%	13.2%	13.6%
P/E	10.5x	9.4x	8.5x	7.9x	7.6x
P/FFO	9.3x	8.5x	7.9x	7.4x	7.1x

Source: Company Data, Arqaam Capital Research

Exhibit 32: Blended Valuation Summary (BDm)

BDm	BD/share	Weight
DCF-FCFE	0.17	70%
DY	0.13	30%
Average Target Price		**0.15**
CMP		0.12
Upside/(Downside)		*25.2%*

Source: Company Data, Arqaam Capital Research

The GCC retail, hospitality, and diversified real estate universe comprises 31 comparable names across five markets, split into seven direct peers, mall and retail anchored landlords and REITs most comparable to Seef by asset structure, and 24 indirect peers spanning diversified, residential, office, and hospitality REITs and developers, differentiated by geographic exposure, asset structure, and scale, with Seef (c.USD 150m) among the smaller names and the only pure Bahrain retail name in the set. Among the direct peers, Kuwait's Mabanee (c.USD 5.0bn) is the closest comparable by asset structure, operating the dominant Avenues malls on a 26e EV/EBITDA of c.23.6x, while KSA's Cenomi Centers (c.USD 2.3bn) runs the largest listed Saudi mall portfolio at c.13.0x but on c.46% LTV. The broader set adds diversified real estate exposure through Qatar's Ezdan (c.USD 6.6bn, c.23.4x) and Barwa (c.USD 2.5bn, c.10.8x) and Kuwait's Salhia (c.USD 0.8bn, c.18.1x), alongside hospitality-led names such as Bahrain's Gulf Hotels Group (c.USD 215m, c.4.1x) and the UAE's Abu Dhabi National Hotels (c.USD 1.4bn, c.3.6x), both pure hotel owners screening on low-single-digit multiples. Against this set Seef stands apart less on scale than on balance sheet quality, one of the few net-cash names and the deepest at c.2.4x net cash to EBITDA, and on a c.7.0% dividend yield above the direct peer median (6.1%).

Peer Analysis

Exhibit 33: Peers Universe

Ticker	Market Cap (USDm)	P/E			P/FFO			P/Revenue			EV/EBITDA			DY	P/NAV	GPm	NPm	D/E	LTV	Net debt /EBITDA
		FY 25A	FY 26e	FY 27e	FY 25A	FY 26e	FY 27e	FY 25A	FY 26e	FY 27e	FY 25A	FY 26e	FY 27e							
SEEF BI	150	9.9x	10.5x	9.4x	8.8x	9.3x	8.5x	4.5x	4.8x	4.5x	6.6x	6.9x	6.4x	7.0%	0.4x	72.6%	45.6%	3.4%	2.9%	-2.4x
Direct peers:																				
MABANEE KK	5,003	18.2x	22.6x	23.9x	14.0x	18.8x	18.4x	11.1x	10.6x	10.3x	23.9x	23.6x	22.6x	1.9%	1.8x	59.2%	61.0%	99.2%	42.8%	7.9x
CENOMICE AB	2,269	6.7x	6.9x	6.4x	11.1x	11.4x	10.0x	3.7x	3.4x	2.8x	14.0x	13.0x	10.6x	4.3%	0.5x	84.5%	55.8%	109.0%	46.0%	8.4x
CENOMI AB	435	nm	nm	nm	nm	nm	nm	0.3x	0.3x	0.3x	26.9x	25.7x	24.4x	na	nm	11.4%	nm	nm	72.9%	16.9x
ALINMAHO AB	226	18.2x	20.0x	19.4x	12.8x	19.8x	19.4x	11.4x	11.2x	11.0x	nm	nm	nm	7.9%	0.8x	91.2%	62.8%	0.0%	0.0%	-0.3x
ALKHABEE AB	216	20.9x	59.6x	43.3x	13.4x	30.4x	26.0x	5.9x	5.6x	5.5x	3.4x	3.4x	3.4x	7.3%	0.8x	86.4%	28.5%	57.4%	34.8%	3.4x
MULKIA AB	127	nm	91.0x	42.1x	14.6x	nm	178.6x	3.8x	3.7x	3.6x	5.6x	5.9x	5.8x	7.0%	0.7x	87.6%	nm	101.7%	48.7%	5.6x
MUSHREIT AB	94	nm	nm	48.1x	26.4x	nm	33.9x	4.0x	3.5x	3.0x	6.4x	5.8x	5.2x	5.2%	0.6x	83.4%	nm	109.8%	47.0%	6.4x
Median - Direct peers		**18.2x**	**22.6x**	**33.0x**	**13.7x**	**19.3x**	**22.7x**	**4.0x**	**3.7x**	**3.6x**	**10.2x**	**9.4x**	**8.2x**	**6.1%**	**0.7x**	**84.5%**	**58.4%**	**100.5%**	**46.0%**	**6.4x**
Regional Peers:																				
GHG BI	215	8.3x	7.9x	7.5x	5.5x	5.2x	5.0x	1.9x	1.8x	1.7x	4.3x	4.1x	3.9x	6.9%	0.7x	49.5%	22.7%	0.0%	0.0%	-1.1x
SRE KK	765	38.0x	36.2x	34.5x	38.0x	36.2x	34.5x	5.1x	4.8x	4.6x	19.0x	18.1x	17.2x	3.4%	1.3x	72.4%	13.3%	174.3%	58.8%	10.8x
ADNH UH	1,386	4.4x	4.2x	4.0x	3.5x	3.4x	3.2x	1.5x	1.4x	1.3x	3.8x	3.6x	3.4x	7.4%	0.4x	24.3%	32.9%	15.2%	12.0%	0.4x
BRES QD	2,544	7.5x	7.1x	6.8x	7.3x	6.9x	6.6x	5.0x	4.7x	4.5x	11.3x	10.8x	10.3x	7.7%	0.4x	69.1%	66.8%	56.4%	34.7%	6.2x
ERES QD	6,596	nm	nm	nm	nm	nm	nm	12.7x	12.1x	11.5x	24.6x	23.4x	22.3x	na	0.7x	81.8%	6.0%	35.0%	25.7%	7.8x
TECOM UH	4,860	12.4x	10.8x	10.2x	9.3x	8.3x	7.8x	6.2x	5.6x	5.4x	2.0x	1.8x	1.8x	5.0%	2.3x	66.3%	50.4%	62.5%	28.7%	2.0x
DUBARES UH	4,500	5.5x	6.6x	7.3x	12.9x	11.4x	10.9x	8.5x	7.7x	7.1x	0.5x	0.4x	0.4x	6.6%	0.7x	78.1%	154.7%	7.2%	6.5%	0.5x
ALRAJHI AB	601	15.5x	22.4x	20.6x	15.4x	24.8x	22.9x	9.6x	9.4x	9.2x	3.2x	3.1x	3.1x	6.3%	1.0x	86.4%	62.0%	39.8%	28.1%	3.2x
JADWAREI AB	554	32.5x	23.6x	21.4x	18.1x	27.7x	25.0x	11.1x	10.7x	10.3x	4.6x	3.7x	3.4x	7.4%	1.3x	91.3%	34.1%	32.8%	24.4%	4.6x
BONYAN AB	438	10.1x	9.8x	8.6x	8.4x	9.1x	8.1x	4.9x	4.5x	4.2x	2.0x	1.9x	1.8x	7.9%	1.2x	73.2%	48.3%	47.6%	30.3%	2.0x
SEDCO AB	394	18.8x	47.2x	36.0x	19.1x	nm	65.5x	6.8x	6.9x	6.8x	13.2x	21.3x	18.9x	6.8%	1.0x	92.5%	36.3%	124.7%	51.5%	13.2x
ALAHLI AB	236	14.3x	23.0x	19.9x	15.6x	31.2x	26.3x	4.5x	4.4x	4.3x	4.4x	4.3x	4.3x	6.6%	0.8x	89.0%	31.5%	64.5%	37.3%	4.4x
RYDREIT AB	229	nm	nm	nm	nm	nm	nm	3.1x	3.1x	3.0x	66.9x	96.7x	53.5x	6.5%	0.7x	76.3%	nm	118.6%	50.6%	66.9x
REIT DU	193	0.9x	0.9x	0.8x	0.9x	0.9x	0.8x	2.5x	2.3x	2.2x	4.8x	4.6x	4.4x	3.2%	0.2x	68.2%	274.9%	27.1%	19.5%	4.8x
DERAYAH AB	161	69.4x	44.3x	30.2x	21.3x	99.1x	50.8x	6.0x	5.8x	5.6x	5.4x	5.2x	5.1x	7.3%	0.7x	86.8%	8.7%	72.5%	72.5%	5.4x
ALINMARE AB	153	nm	43.8x	17.0x	16.2x	25.8x	13.5x	5.6x	4.7x	4.0x	5.4x	4.7x	4.2x	7.7%	0.7x	96.2%	nm	84.6%	44.8%	5.4x
MAATHER AB	148	23.8x	22.6x	20.8x	13.7x	19.6x	18.4x	8.8x	8.6x	8.4x	2.0x	2.0x	1.9x	7.5%	1.1x	84.2%	36.8%	38.8%	27.0%	2.0x
TALEEM UH	148	16.5x	16.8x	16.3x	13.7x	27.0x	26.2x	9.0x	8.8x	8.7x	4.2x	4.2x	4.1x	6.7%	1.0x	59.4%	54.8%	54.1%	34.8%	4.2x
ENBDREIT DU	128	2.8x	2.7x	2.5x	2.8x	2.7x	2.5x	3.4x	3.2x	3.1x	6.5x	6.2x	5.9x	7.9%	0.5x	79.6%	121.3%	72.8%	39.5%	6.5x
ALISADRF AB	113	nm	nm	nm	29.1x	26.4x	18.7x	3.8x	3.6x	3.4x	5.6x	4.9x	4.7x	10.8%	0.8x	91.7%	nm	116.9%	51.5%	5.6x
JADWA AB	88	10.7x	26.2x	16.9x	16.0x	30.7x	18.9x	7.9x	6.8x	5.9x	3.5x	3.3x	2.9x	6.1%	0.6x	91.9%	73.4%	41.8%	29.1%	3.5x
SICOSAUD AB	77	nm	nm	nm	61.8x	nm	nm	14.0x	13.7x	13.5x	4.9x	4.7x	4.6x	7.0%	1.2x	95.0%	nm	61.9%	37.8%	4.9x
MEFIC AB	66	nm	72.0x	41.9x	10.2x	17.8x	15.4x	4.1x	4.0x	3.9x	4.5x	4.4x	4.4x	na	0.5x	97.0%	0.6%	57.0%	32.4%	4.5x
ALJAZIRA AB	34	17.3x	27.0x	26.4x	23.2x	33.1x	32.5x	18.1x	17.7x	17.4x	nm	nm	nm	3.8%	1.4x	85.0%	104.3%	0.0%	0.0%	-0.3x
Median - Indirect peers		**13.3x**	**22.5x**	**16.9x**	**14.6x**	**22.2x**	**18.4x**	**5.8x**	**5.2x**	**5.0x**	**4.6x**	**4.4x**	**4.3x**	**6.8%**	**0.8x**	**83.0%**	**42.6%**	**55.2%**	**31.4%**	**4.5x**
Median - Peers Universe		**14.9x**	**22.6x**	**19.7x**	**13.9x**	**19.7x**	**18.7x**	**5.6x**	**4.8x**	**4.6x**	**4.9x**	**4.7x**	**4.4x**	**6.8%**	**0.8x**	**84.2%**	**49.4%**	**57.2%**	**34.8%**	**4.8x**

Source: Bloomberg, Company Data, Arqaam Capital Research

Scenario Analysis

We stress the segment revenue drivers while holding valuation inputs constant: cost of equity stays at 11.1%, terminal growth at 2.5%, and margin, CapEx and payout assumptions are unchanged across all three cases, with GLA, keys and entertainment area held flat given the fully built base.

Our bear case assumes the FY 26e slowdown does not fully reverse. Mall occupancy stalls at c.94% by FY 30e, below the c.95% achieved in FY 25A, and lease rates recover only to c.BD 74/sqm, broadly flat vs. c.BD 72/sqm in FY 25A and c.14% below the c.BD 86/sqm achieved in FY 23A. Serviced apartment RevPAR ends at c.BD 21, below its FY 25A level. Revenue grows at a c.3.8% CAGR over FY 26-30e (vs. c.5.8% in our base case) and EPS at c.6.1% (vs. c.8.4%).

Exhibit 34: Bear leaves mall rents flat in nominal terms while bull takes them above the FY 23A peak

FY 30e	Bear	Base	Bull
Mall occupancy	94.0%	96.0%	98.0%
Mall lease rate (BD/sqm)	74.1	82.6	89.2
vs. FY 25A of BD 72.2	*2.5%*	*14.3%*	*23.5%*
Serviced apts RevPAR (BD)	20.9	23.6	25.8
vs. FY 25A of BD 21.7	*-3.7%*	*8.6%*	*18.7%*
Leisure revenue/sqm	tracks mall lease rates	tracks mall lease rates	tracks mall lease rates
GLA, keys, leisure area	unchanged	unchanged	unchanged
Cost of equity	11.1%	11.1%	11.1%
Terminal growth	2.5%	2.5%	2.5%

Source: Company Data, Arqaam Capital Research

Exhibit 35: All three cases screen Buy, with total returns above 18%

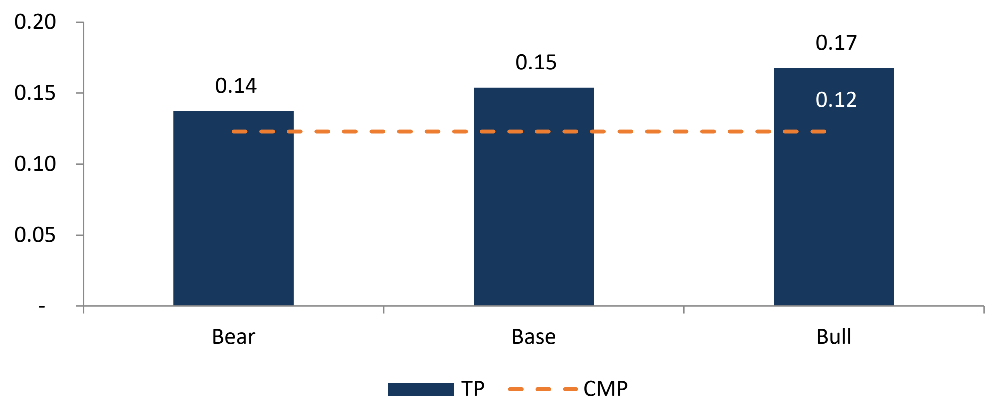
	Bear	Base	Bull
Revenue FY 30e (BDmn)	13.0	14.7	16.2
Revenue CAGR FY 26-30e	3.8%	5.8%	7.4%
Net profit FY 30e (BDmn)	6.4	7.4	8.3
EPS FY 30e (fils)	13.9	16.1	18.0
EPS CAGR FY 26-30e	6.1%	8.4%	10.0%
DPS FY 30e (fils)	9.8	11.2	12.4
Target price (BD)	0.14	0.15	0.17
Price upside	11.7%	25.2%	36.2%
Dividend yield	6.6%	7.0%	7.3%
Total return	18.3%	32.2%	43.5%

Source: Company Data, Arqaam Capital Research

Our bull case delivers a BD 0.17 TP and a c.44% total return. Occupancy reaches c.98% and lease rates c.BD 89/sqm, above the FY 23A peak. The range is narrower than the driver moves implying net cash of c.BD 15mn sits at c.27% of market cap and is invariant to operating assumptions, while the dividend yield leg, at 30% of the blended TP, moves only from BD 0.12 to BD 0.13 across the full spread.

The bear case still delivers a c.18% total return. Our BD 0.14 bear TP implies c.12% upside, with a c.6.6% dividend yield taking total return to c.18%. At a c.65% DPO of FFO and c.1.5x covered by free cash flow, the dividend holds even where occupancy and pricing disappoint, leaving the rating underwritten by the payout rather than the growth outlook.

Exhibit 36: Blended TP of BD 0.14 to BD 0.17 against a BD 0.12 current price



Source: Company Data, Arqaam Capital Research

Q2 and H1 26A Earnings review

- **Net profit fell 39.8% y/y in Q2 26A to BD 0.9mn and revenue 19.3% y/y to BD 2.7mn (-7.1% q/q), as the regional conflict weighed on entertainment and hospitality alongside softer consumer spending.**
- **H1 26A revenue fell 13.7% y/y to BD 5.5mn and net profit 31.9% y/y to BD 1.8mn, with the steeper Q2 decline reflecting the conflict's escalation through the period. We pencil in a 6.3% topline contraction in FY 26e on the back of H1 26A disruption, recovering to a 3.3%/5.4% topline and EPS CAGR through 2030e.**
- **Mall revenue remained resilient in Q2, down only 8.0% y/y while delivering an 85% GPm, but revenues from serviced apartments dropped (-24.1% y/y) and leisure (c.16% of topline) was the main drag, down 47.2% y/y. The balance sheet remains in a net cash position at BD 12.0mn.**

Seef's earnings were pressured by the regional conflict in Q2 26A, with recovery penciled in from FY 27e: Seef reported Q2 26A net profit of BD 0.9mn, down 39.8% y/y vs BD 1.5mn in Q2 25A, with revenue down 19.3% y/y to BD 2.7mn (-7.1% q/q) as the conflict weighed on the entertainment and hospitality segments alongside a slowdown in consumer spending. Gross profit fell 21.2% y/y (-11.5% q/q) to BD 1.9mn, compressing the company's gross margin to 70.6% (vs. 72.4% in Q2 25A) and net margin to 33.0% (vs. 44.3% in Q2 25A). We pencil in a 6.3% revenue decline in FY 26e to BD 11.7mn on the H1 drag, with net income rebounding 12.1% in FY 27e and compounding at a 5.4% CAGR over FY 25A-30e (c.8.4% over FY 26-30e) as footfall normalizes and rents step up. Revenues fell 13.7% y/y in H1 26A to BD 5.5mn and net profit 31.9% y/y to BD 1.8mn, with gross margin holding firmer at 72.4% (vs. 73.9% in H1 25A) and net margin at 32.5% (vs. 41.2%).

Exhibit 37: Seef Properties Q2 and H1 26A earnings review

BDm	Q2 26A	Q2 25A	y/y	Q1 26A	q/q	H1 26A	H1 25A	y/y
Revenues	2.7	3.3	(19.3%)	2.9	(7.1%)	5.5	6.4	(13.7%)
Gross profit	1.9	2.4	(21.2%)	2.1	(11.5%)	4.0	4.7	(15.3%)
Operating profit	0.9	1.5	(38.9%)	1.0	(0.7%)	1.9	2.7	(30.8%)
Net Income	0.9	1.5	(39.8%)	0.9	(4.0%)	1.8	2.6	(31.9%)
GPM	*70.6%*	*72.4%*	*-1.7pp*	*74.1%*	*-3.5pp*	*72.4%*	*73.9%*	*-1.4pp*
EBIT margin	*35.3%*	*46.6%*	*-11.3pp*	*33.1%*	*2.3pp*	*34.2%*	*42.6%*	*-8.5pp*
Net margin	*33.0%*	*44.3%*	*-11.3pp*	*31.9%*	*1.1pp*	*32.5%*	*41.2%*	*-8.7pp*
Segmented revenue:								
Malls and properties	2.1	2.3	(8.0%)	2.1	(3.5%)	4.2	4.5	(7.2%)
Serviced apartments	0.2	0.3	(24.1%)	0.4	(30.8%)	0.6	0.6	(2.9%)
Leisure and entertainment	0.4	0.8	(47.2%)	0.4	(4.3%)	0.9	1.4	(37.9%)
Margins:								
GPm - Malls and properties	*85.2%*	*84.2%*	*1.0pp*	*87.8%*	*-2.6pp*	*86.5%*	*86.5%*	*0.0pp*
GPm - Serviced apartments	*42.3%*	*58.7%*	*-16.4pp*	*61.8%*	*-19.6pp*	*53.8%*	*61.3%*	*-7.5pp*
GPm - Leisure and entertainment	*1.3%*	*36.9%*	*-35.6pp*	*3.2%*	*-1.9pp*	*2.2%*	*29.2%*	*-27.0pp*

Source: Company Data, Arqaam Capital Research

Rental led malls and properties dominated Seef's revenue during the quarter: malls and properties (c.78% of revenue) generated BD 2.1mn of rental income and service charges, down only 8.0% y/y at an 85.2% gross margin (vs. 84.2% in Q2 25A) and BD 0.84mn of segment profit, underpinning the recurring rental income. Serviced apartments fell 24.1% y/y to BD 0.2mn (c.9% of total revenue), swinging to c.BD 0.05mn segment loss, with gross margin compressing to 42.3% (vs. 58.7%). Leisure (c.16% of revenue) was the clear drag, down 47.2% y/y to BD 0.4mn at a 1.3% gross margin (vs. 36.9%) and a BD 0.09mn segment loss. Malls proved the most resilient in H1 26A, down just 7.2% y/y to BD 4.2mn at an 86.5% gross margin and BD 1.5mn of segment profit. Leisure was the weakest, down 37.9% to BD 0.9mn for a BD 0.16mn segment loss, while serviced apartments eased 2.9% to BD 0.6mn yet stayed marginally profitable at BD 0.05mn despite its Q2 loss.

Structurally net-cash balance sheet leaves ample headroom for inorganic expansions: total assets stood at BD 174.5mn, c.80% of which is the BD 138.3mn investment property portfolio, carried broadly flat after a BD 0.3mn unrealized FV loss. Cash, bank balances and term deposits eased to BD 16.8mn against BD 4.8mn of term loans, leaving a BD 12.0mn net cash position (2.9% D/E, 2.8% LTV, c.2.6x annualized net cash/EBITDA). H1 operating cash flow fell 10.3% y/y to BD 1.9mn, covering BD 0.5mn of capex for c.BD 1.4mn of FCF, while total equity eased to BD 163.8mn following the BD 4.1mn FY 2025 dividend declared (c.9 fils DPS).

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