

The Leading Lifestyle Centre Platform in Saudi Arabia

Investor Presentation

1Q-FY21

18th August 2020



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Leading Developer, Owner and Operator of Shopping Malls Across Saudi Arabia

Headline Figures*

21 Malls

Arabian Centres Company (ACC) is the **leading developer, owner and operator of shopping malls across Saudi Arabia, with a portfolio of 21 malls.**

14% Market Share

ACC's malls are spread across key urban areas throughout the Kingdom, including the top 10 cities **covering 60% of the population and with a 14%⁽¹⁾ market share** by year-end FY2018.

1.2 mn sqm GLA

ACC operates some of the most iconic malls in the Kingdom, including **Mall of Arabia** (Jeddah) and **Mall of Dhahran**, two of the Company's landmark Super-Regional Malls, and **Nakheel Mall** (Riyadh).

91.4% Occupancy²

Its malls are home to more than **1,100 international, regional and local retail brands**, including Zara, Debenhams, Coach, H&M, Virgin Megastores, Panda and IKEA.

7 mn 1Q-FY21 Footfall

ACC seeks to continuously enhance its overall tenant mix, which includes **dining, entertainment, lifestyle and leisure offerings**, maximizing returns on its mall portfolio.

Fitch - BB+ Moody's – Ba2

ACC made its debut in international debt capital markets, **floating a USD 500 million Sukuk** and securing a new USD 1.2 billion Islamic facility. The company was assigned a **stable rating** by international credit agencies.

Revenue

SAR **475.9** mn
▼ 16.9% y-o-y
LFL ▼ 22.3% y-o-y

EBITDA

SAR **392.6** mn
▼ 11.9% y-o-y

FFO³

SAR **234.4** mn
▼ 21.9% y-o-y

Net Profit

SAR **153.1** mn
▼ 32.5% y-o-y

NAV

SAR **16,900.5** mn
▲ 9.1% vs. FY2019

* Quarter ended 30 June 2020 (1Q-FY21) unless otherwise stated

(1) Source: JLL Market Study (2018)

(2) Represents period-end like-for-like occupancy

(3) Fund from operations: net profit for the year plus depreciation of investment properties and PP&E and write-off of investment properties, if applicable.



Covid-19: Operational Impact

March '20

On 16 March, ACC **temporarily closed all of its shopping centres** in the Kingdom of Saudi Arabia.

Pharmacies and supermarkets on ACC premises continued to operate throughout the period given their classification as essential businesses

April '20

Except for Makkah Mall, ACC's shopping centres began to **reopen on a partial basis** on 26 April, with commercial activities permitted **from 09:00 to 17:00**.

Entertainment facilities, cinemas, beauty salons and fitness, and F&B outlets with no takeout access **closed for the duration of the period**

May '20

On 31 May, **operating time extended by six hours** to 09:00-21:00, with **F&B outlets permitted to receive dine-in orders** while taking precautionary measures. Makkah Mall reopens with limited hours.

After the extension, ACC malls' **operating hours were at 80% compared to the normal, pre-COVID-19 hours** of 09:00 to 24:00

June '20

On June 21, the government **fully removed curfew restrictions** throughout all cities and regions and permitted the **resumption of all commercial activity**.

ACC's centres **operating according to normal, pre-covid opening schedules**, with precautionary measures such limiting visitor capacity, sanitizing stations, and contactless payment.

GLA Impact (% of GLA impacted during month by category)

-90%

-22%

-18%

0%

Revenue Impact (% of total contracts' value under closure)

-98%

-18%

-11%

0%



Covid-19: Key Measures to Mitigate Impact

Health & Safety

Comprehensive safety measures at all centres in cooperation with Ministry of Health.

Additional **social distancing measures** enforced at retail units, hallways and capacity limitations at cinemas and elsewhere.

Work from home policy rapidly and successfully implemented for all administrative staff.

Financial Measures

Strong liquidity position after securing SAR 1.9 billion in November refinancing transaction.

Debt maturity profile significantly extended, with no obligations coming due over the short term, and significantly **enhanced covenant headroom**.

More than SAR 900 million in cash on hand after drawdown of revolving credit facility.

Capital expenditure reduced to **maintenance and committed CAPEX, while dividends cut and based on performance**.

Rent Relief Policy

6-Week Waiver

On all contractual base rent and service charges beginning 16 March

Additional Support

For tenants whose stores were mandatorily closed by government order

Escalations Suspended

Lease escalations suspended for 2020 and 2021

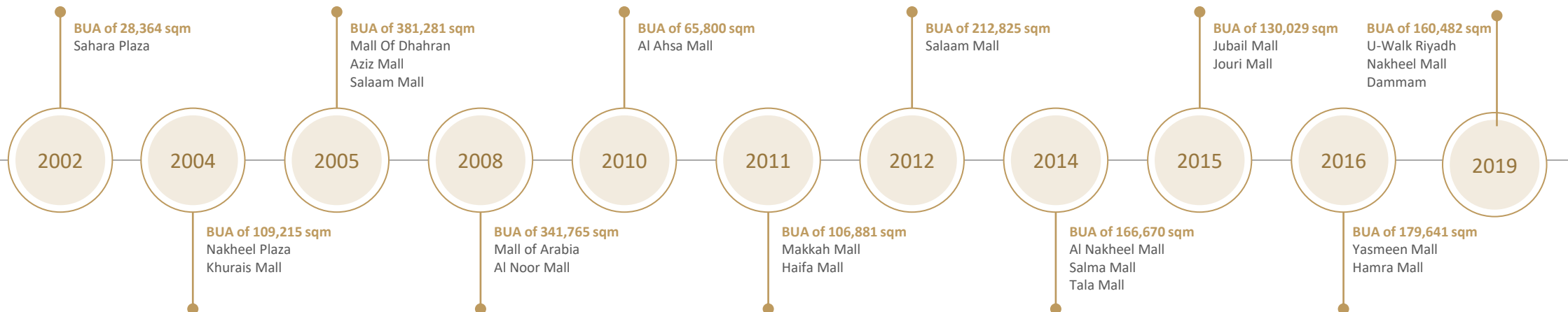
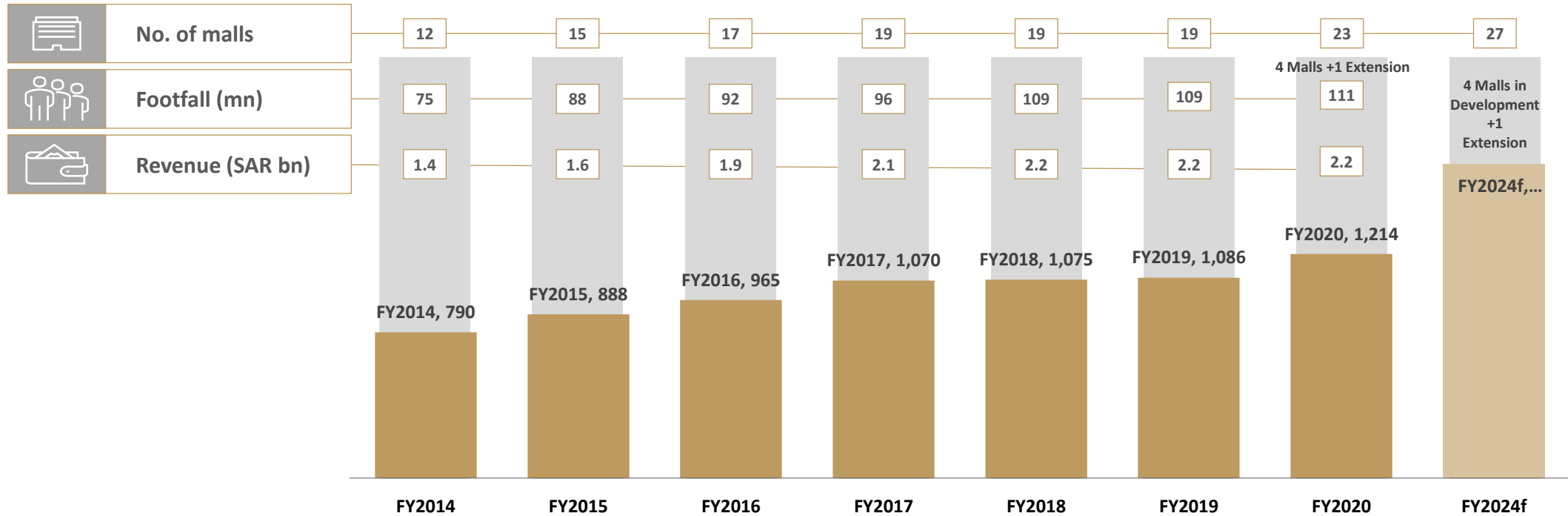
Case-by-Case

Support and further rent-relief to tenants subject to severity of impact on a case-by-case basis



15+ Years Track Record Achieving Leadership Position Through Sustained Growth

GLA Growth FY2014 – FY2024f (000s sqm)





Our Assets are Diversified and Strategically Located across Saudi Arabia

Our Malls

3
Super
Regional
Malls

GLA
≥ 74,000 sqm



36%
Revenue
Contribution⁽¹⁾

12
Regional
Malls

37,000 sqm
≤ GLA
< 74,000 sqm



58%
Revenue
Contribution⁽¹⁾

6
Community
Malls

GLA
< 37, 000 sqm



6%
Revenue
Contribution⁽¹⁾

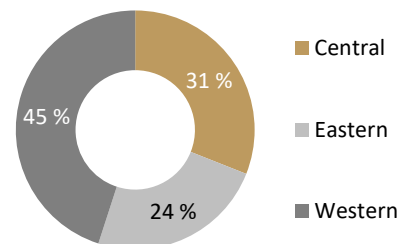
ACC's malls are located in major cities across Saudi Arabia and are anchored by the company's strategic partnerships with major retailers and other tenants.

4,100
stores

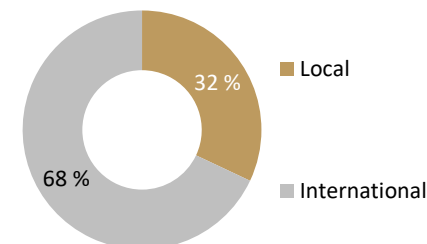
1,100
brands

720
customers

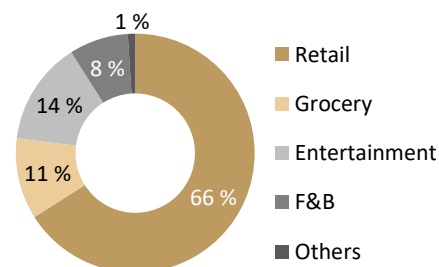
1Q-FY21 Geographical Distribution | GLA



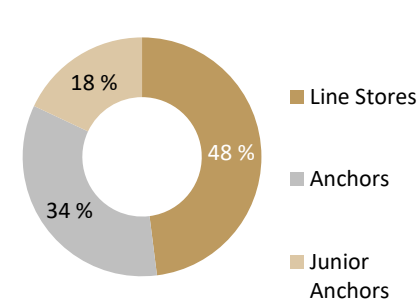
1Q-FY21 Brand Split by Origin | No. of brands



1Q-FY21 Distribution by Category | GLA



1Q-FY21 Distribution by Store (GLA)



(1) As of 1Q-FY21, or the quarter ended 30 June 2020



The Leading Lifestyle Centre Platform in Saudi Arabia



1

Attractive industry backdrop driven by favorable local demographic and lifestyle trends

2

Largest retail platform in Saudi Arabia with leading positions across key metropolitan areas

3

Strong mall development business with superior returns

4

Fully integrated retail ecosystem

5

Experienced management team with clear roadmap to growth

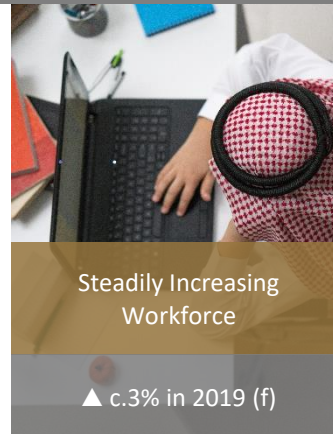
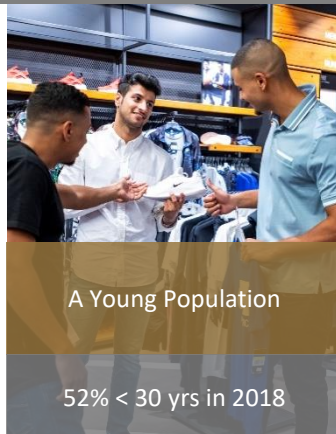
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Best-in-Class Corporate Governance Framework



Attractive Industry Backdrop Driven by Favorable Local Demographic and Lifestyle Trends (I/II)

Favorable Macro-economic Drivers

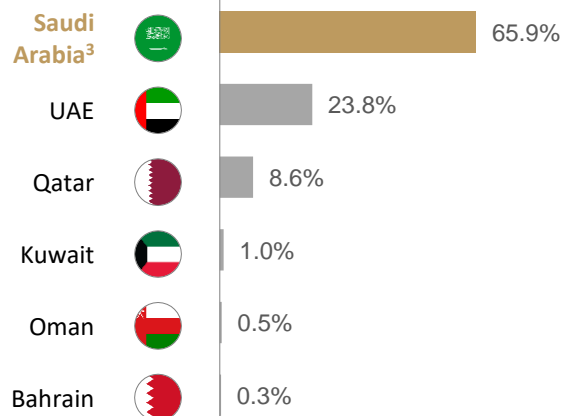


Favorable Demographic & Lifestyle Trends



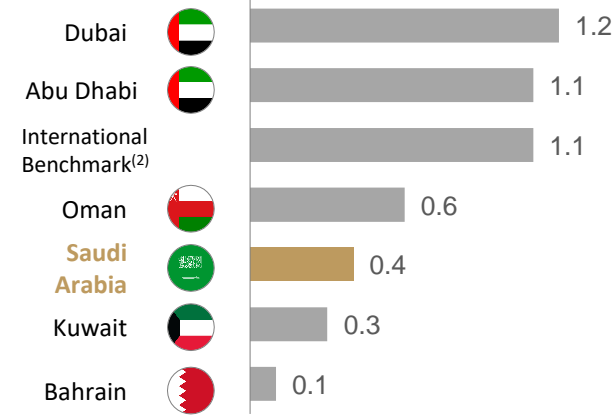
Saudi Arabia's modern retail market remains largely underpenetrated with long-term growth prospects

2017A Market Share of GCC Retail Sales



Saudi Arabia is the largest retail market in the GCC, almost double the size of the retail market in the UAE and is expected to grow by CAGR of 5% between 2019 and 2021

2018A Retail Mall GLA per capita (sqm) ⁽¹⁾



Low organized retail supply relative to the GCC and international markets creates significant untapped potential for quality modern retail spaces

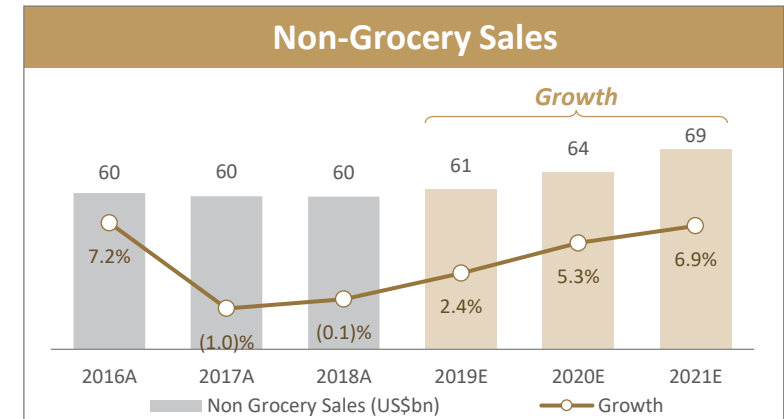
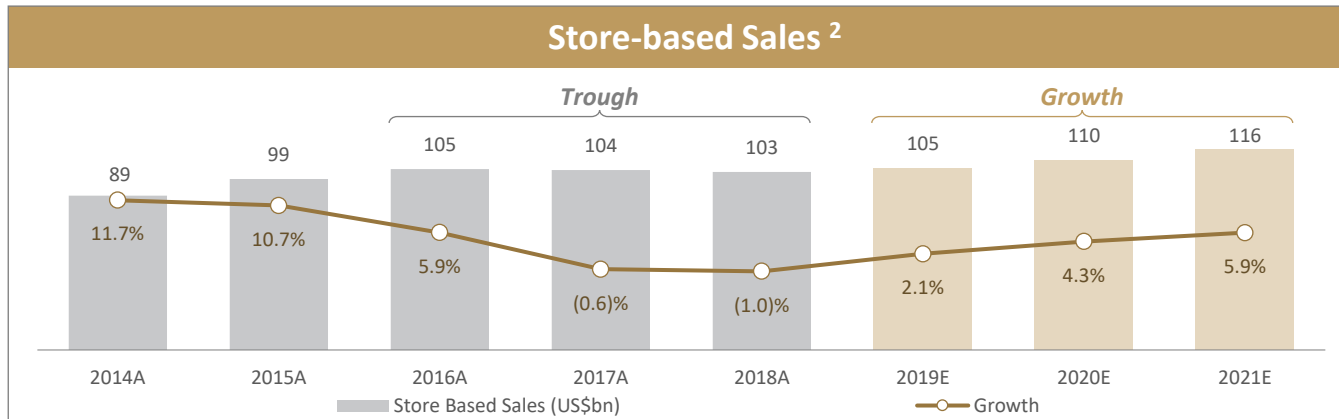
Source: Oxford Economics, JLL Market Study, Middle East Council of Shopping Centres (2018), International Council of Shopping Centres

1) Retail mall GLA includes shopping centres / malls and quality strip malls but excludes independent standalone stores. (2) As identified by the International Council of Shopping Centres. (3) For only the four major cities i.e. Riyadh, Makkah, Jeddah and DMA



Attractive Industry Backdrop Driven by Favorable Local Demographic and Lifestyle Trends (II/II)

Retail market is recovering following two years of slowdown, with significant upside driven by the Vision 2030 reforms



Key Focus Areas of VISION 2030 Reforms

Enriching Quality of Life	Promote Saudi Arabia’s entertainment industry	Enhance Saudi Arabian cities’ positioning among top cities	
Women Enablement	Government drive to increase women mobility	Increase the participation of women in the workforce from 22% to 30% by 2030 → 7% increase per year in discretionary spend ⁽¹⁾	
Boosting Tourism	Focus on tapping the country’s underdeveloped tourism industry	Foster more balanced and sustainable demand	Increase the Umrah visitors from 8 million to 30 million per year by 2030
Infrastructure	Improve public transportation infrastructure / connectivity	Upcoming ~US\$426 billion infrastructure plan	

Expected Impacts for Retail / ACC

Entertainment / leisure including cinemas as incremental footfall generators
Recapture retail spending outside of the Kingdom

Enablement of large part of target catchment

Boost in total purchasing power

Increasing domestic and international tourist flows in Saudi Arabia

Improved accessibility / mobility leading to higher footfall

Source: Vision 2030, Jadwa Investment, Centre for International Communication, Euromonitor 2018, Saudi Railways Organization, Bloomberg, JLL Market Study, IMF

Notes: 1. Additional 770k working women calculated as 8% (30% minus 22%) of current women population in Saudi Arabia between 15-64 years of age. US\$2.6bn discretionary spend calculated as 38% of the total disposable income of additional working women

Notes: 2 Store-based Sales / Source: JLL Market Study, Euromonitor 2018, IMF



Largest Retail Platform in Saudi Arabia with Leading Positions Across Key Metropolitan Areas

Diversified portfolio strategically positioned in large catchment areas

Key Saudi Arabian Cities Retail Mall Market Share by GLA as of 2018⁽¹⁾

Ahsa Mall

Jubail Mall

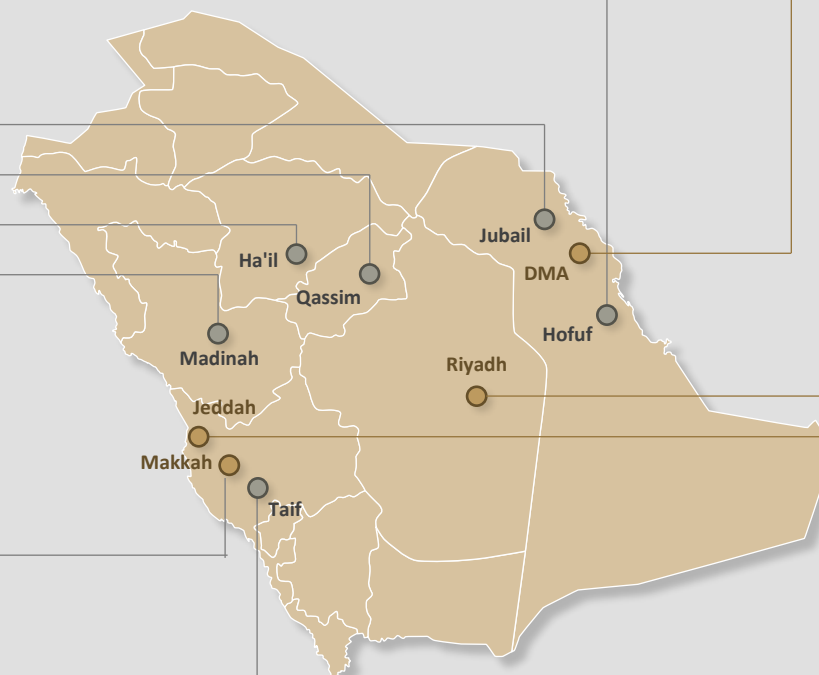
Nakheel Plaza

Salma Mall

Noor Mall

Makkah Mall

Jouri Mall



Other Cities



Top 4 Cities



DMA

17% Market share

- Mall of Dhahran
- Nakheel Mall Dammam

Riyadh

11% Market share

- Sahara Plaza
- Salaam Mall
- Tala Mall
- Khurais Mall
- Nakheel Mall
- Hamra Mall
- U-Walk

Jeddah

28% Market share

- Aziz Mall
- Mall of Arabia
- Haifa Mall
- Salaam Mall
- Yasmin Mall

⁽¹⁾ Source: JLL Market Study (2018), Company information - Based on 4 key cities (Riyadh, Jeddah, DMA and Makkah) and only including organized retail space (>3,000 sqm)



ACC Has Constructed a Strong Mall Development Business with Superior Returns

High Mall Development Capabilities and Expertise

Through its partnership with FARE (member of Fawaz Alhokair & Partners Co.), ACC has successfully developed 18 Malls (with the exception of Tala Mall in Riyadh, Salaam Mall in Jeddah and Salma Mall in Hail).

ACC has demonstrated its ability to accurately assess changing market requirements which are important for identifying and securing attractive sites for its Malls.

1-3 Years

Average total delivery time

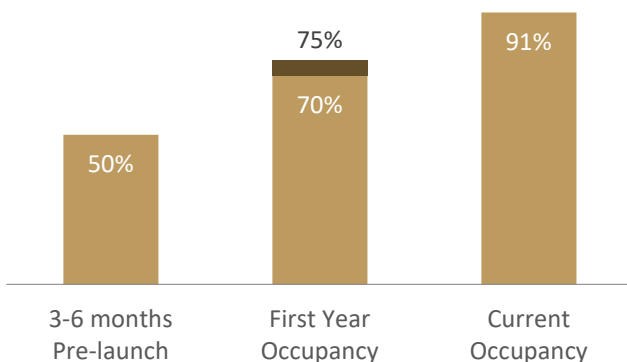
< 5%

Av. deviation

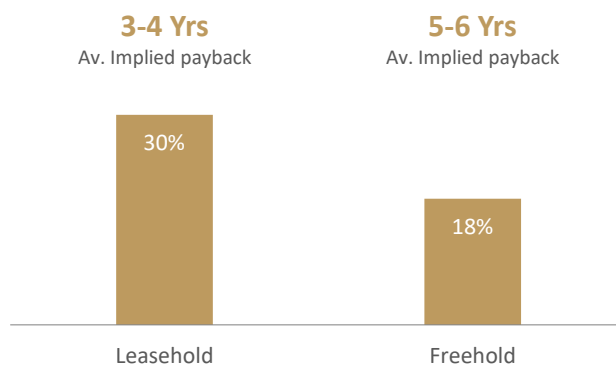
From scheduled budget

Strong Pre-leasing Model

ACC has been able to pre-lease approximately 50% of its recent new malls 3-6 months ahead of their launch



Superior Returns (YTC)



YTC - FY2020 Actual EBITDA (Net of lease expense for leasehold) divided by Total Development Cost (including land for freehold) where Total Development Cost defined as the capital expenditure incurred and the land cost

Favorable Lease Terms

~5%	Escalation Clause for Line Stores
~90%+	With Variable Rent Clause
3-5 Years	Typical Tenure for KSA Line Stores



Fully Integrated Retail Ecosystem

Fashion



Alhokair Fashion Retail



75+ BRANDS

Dezigual

ZARA

Bershka

Monsoon

Massimo Dutti

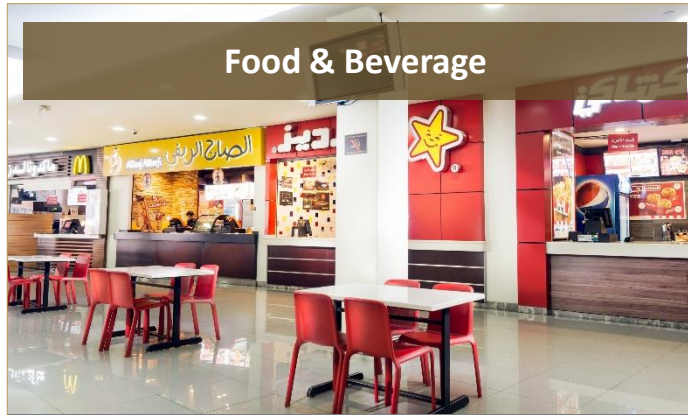
ESTÉE LAUDER

ALDO

La SENZA

MANGO

Food & Beverage



Food & Entertainment Company⁽¹⁾



20+ BRANDS

CINNABON



Molten
Chocolate Cafe

EMIRGAN
Sutis

SEATTLE'S BEST
COFFEE

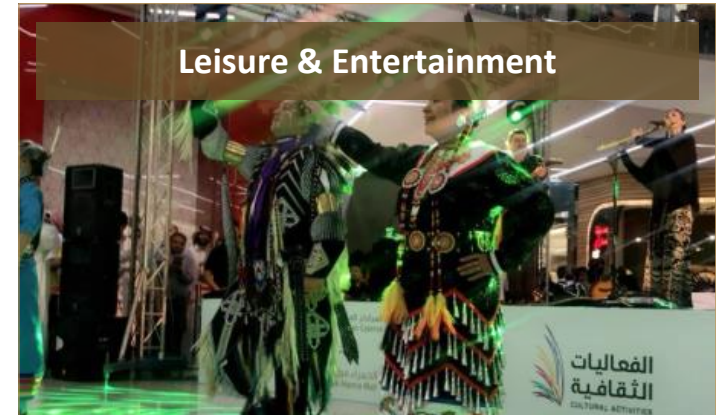
ميامنتو كافيه
Miamanto Coffee

Life with
CACAO

SKINNYPIZZA

Caffè Concerto

Leisure & Entertainment



FAS Entertainment⁽²⁾



3 BRANDS

KidZania



BILLY REED

Large and Attractive Retail Portfolio

95+ BRANDS

(1) Includes Food & Entertainment Co., Food Gate Company Commercial, and Coffee Centres

(2) Trading Includes Billy Games Company Co, Kids Space Company and Next Generation Company Limited



Experienced Management Team with Clear Roadmap to Growth



Salman Abdulaziz Fahad Alhokair
Vice Chairman Managing Director

Responsible for overseeing the day-to-day activities of the Company and directing its management team on its shareholders' behalf. He is also a founding member of Alhokair Fashion Retail.



Faisal Al Jedaie
Chief Executive Officer

Over 30 years of wide-ranging experience in business administration in the retail and fashion industries. Mr. Al Jedaie is currently chairman of Thobe Al Aseel Company and sits on the Board of ANB's Al Mubarak Real Estate Income Fund.



Jabri Maali
Chief Financial Officer

25+ years of experience in finance - held several executive roles including Finance Manager of Planet Group and External Audit Supervisor at BDO .



Ghassan Abu Mutair
Chief Development & Project Management Officer

Previously held position of Manager of the Supply Chain Group at Fawaz Abdulaziz Alhokair Real Estate Company. He also served in other operations positions at General Electric and the Saudi Binladin Group.



Turki Al Zahrani
Chief Shared Services Officer

20+ years of experience in financial management and operations including Faisaliah Group and Boston Consulting Group.



Francois Kanaan
Chief Digital and Marketing Officer

25 years of experience in corporate marketing. His background includes corporate communications, digital transformation, brand development and destinations marketing.



Mubarak Al Enazi
Operations Sector Director

Previously held positions of Tenant Relations Manager, Central Regional Manager, Business Unit Manager (Nakheel Riyadh) and Quality Assurance Manager at Arabian Centres Company.



Khalid Al Janahi
Leasing Sector Director

Prior to joining ACC, was Leasing Director at SHUROOQ (Investment and Development Authority of Sharjah), Manager of Retail Leasing at MERAAS Dubai, and Consultant at Ernst and Young Bahrain.



Naji Fayad
Director of Internal Audit Department

He has over 20 years of experience in audit related functions and holds several academic degrees and professional qualifications including a Chartered Accountant (CA) degree and a Certified Internal Auditor.



Faisal Al Wazzab
Legal Affairs Director and BoD Secretary

Previously held position of Head of Legal Consultancy/AGM for Legal Affairs at Al Rajhi Bank's Governance & Legal Group, with 15+ years of experience.



Abdullah Al Harbi
Information Technology Director

Broad experience in sectors ranging from government and ICT to banking and manufacturing at leading Saudi organizations, including National Information Centre, SMB, Al Rajhi Bank and Advanced Electronics Company.



Faris Al Gahtani
Head of Investor Relations

Prior to joining ACC, held the positions of Investor Relations Manager at Dur Hospitality Company, Investor Relations Team Leader at Zain Saudi Arabia, and several positions at KPMG Saudi Arabia, including Senior Financial Analyst.



Best-in-Class Corporate Governance Framework (I/II)



Fawaz Abdulaziz Alhokair
Chairman

- Co-founder of Al Hokair Group
- Chairman of the board of FAS Saudi Holding Company



Salman Abdulaziz Alhokair
Vice Chairman and MD

- Co-founder of Al Hokair Group
- Director on the board of FAS Saudi Holding Company



Kamel Al Qalam
Remuneration & Compensation Committee Member

- Consultant to Fawaz Abdulaziz Al Hokair Real Estate Company



Omar Almomhamady¹
Board Member

- Group CEO at Fawaz Alhokair Group



Mohamed Al Khorayef
Remuneration & Compensation Committee Chairman

- CEO of Al Khorayef Group

Independent



Omar Al Farisi¹
Corporate Governance Committee Chairman

- Managing member at Diyala Advisors LLC
- Member of the board of the Savola Group

Independent



Bernard Higgins
Audit Committee Chairman
Corp. Gov. Committee Member

- Honorary professor at Edinburgh Business School
- Previously CEO of retail banking at Royal Bank of Scotland

Independent



Abdulrahman Al Tuwaijri
Board Member

- Previously chairman of Capital Market Authority (CMA) in KSA

Independent



Ahmed Demerdash Badrawi
Board Member

- Vice Chairman at Marakez Egypt
- Member of the Board at Arqaam Egypt, Goodsmart
- Co-Founder of Cairo Angels

BOARD COMPOSITION

4

Non-Independent

4

Independent

1

Vacancy

BOARD COMMITTEES

Audit



Remuneration &
Compensation

Corporate
Governance



Best-in-Class Corporate Governance Framework (II/II)

ACC is Committed to Maintaining the Highest Standard of Corporate Governance

	Key Documents	Company Management	Corporate Governance Committee	Audit Committee	Board of Directors	General Assembly (GA)
 Regulatory Requirements	Corporate Governance Manual	None	Required to act as the main resource on governance for the Board	Required to supervise and review related party dealings	Independent members must comprise more than a third of the Board or 3 directors	GA to approve related party transactions; conflicted shareholders to abstain from voting
 Additional Protective Measures	<ul style="list-style-type: none"> ✓ Related Party Transaction Policy (RPTP) 	<ul style="list-style-type: none"> ✓ RPTP requires management to conduct review of related party relationships on a quarterly basis and present report to Audit Committee 	<ul style="list-style-type: none"> ✓ Supports the Board in the adoption of global best practice in governance standards and frameworks ✓ Oversees board committee evaluations 	<ul style="list-style-type: none"> ✓ Determines need for new Framework Agreements ✓ Reviews management report on related party dealings 	<ul style="list-style-type: none"> ✓ 4 of the 8 currently appointed directors are independent ✓ Review Audit Committee report on related party transactions and provide recommendations to GA 	<ul style="list-style-type: none"> ✓ Scope of RPTs which require GA approval
	<ul style="list-style-type: none"> ✓ Framework Agreements 	<ul style="list-style-type: none"> ✓ Framework Agreements lay down key parameters to assist management in its dealings with key related parties 	<ul style="list-style-type: none"> ✓ Ensures adequate succession planning for CEO and senior management 	<ul style="list-style-type: none"> ✓ Provides recommendations to the board, including on compliance with Framework Agreements 		



Financial & Operational Performance



Key Developments

Leasehold Negotiations

The Company secured SAR 35.3 million in landlord discounts during 1Q-FY21, representing 13.5% of the total land lease expenses, following successful leasehold negotiations.

SAR 35.3 mn
discounts

Lease Renewals

Despite the impact of Covid-19 on the retail market, ACC renewed 1,017 leases between 01 January 2020 and 30 June 2020, representing 59.5% of leases due to expire in 2020G.

59.5%
Of expiring leases
in 2020G renewed

Cash Position

With more than SAR 900 million in cash on hand, ACC enjoys a solid liquidity position as the Company successfully controls cash spend in light of the COVID crisis and pursues cost efficiencies.

SAR 900 mn
Cash on hand

Cinemas Reopen

ACC's cinema theaters have resumed operations with enhanced safety and social distancing measures following a temporary hiatus due to COVID-19.

4
Cinemas

Reduced Dividend Payment

Supported by disposal of SAR 122 million noncore investment in Amlak International for Real Estate Finance Co., SAR 35.3 million in leasehold discounts, with net cash use of only SAR 115.5 million.

SAR 237.5 mn
Cash dividend paid
in July

Pipeline Progress

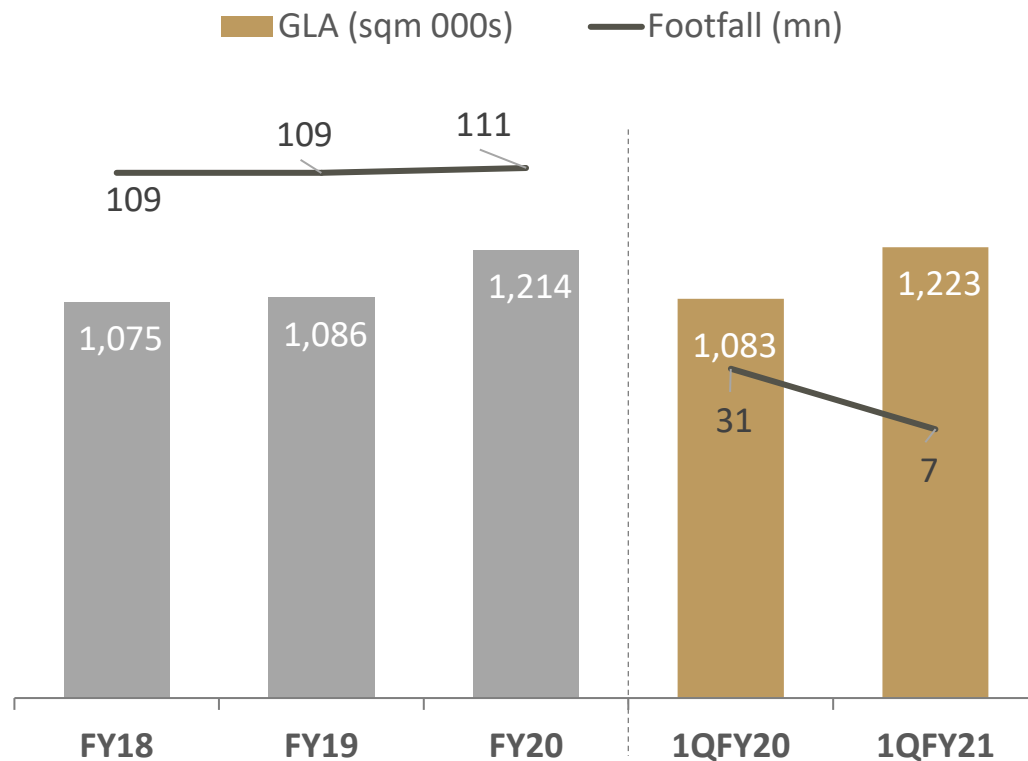
CAPEX and advances of SAR 32.0 million in 1Q-FY21 focused on ACC's near-term pipeline and maintenance CAPEX.

SAR 32.0mn
CAPEX



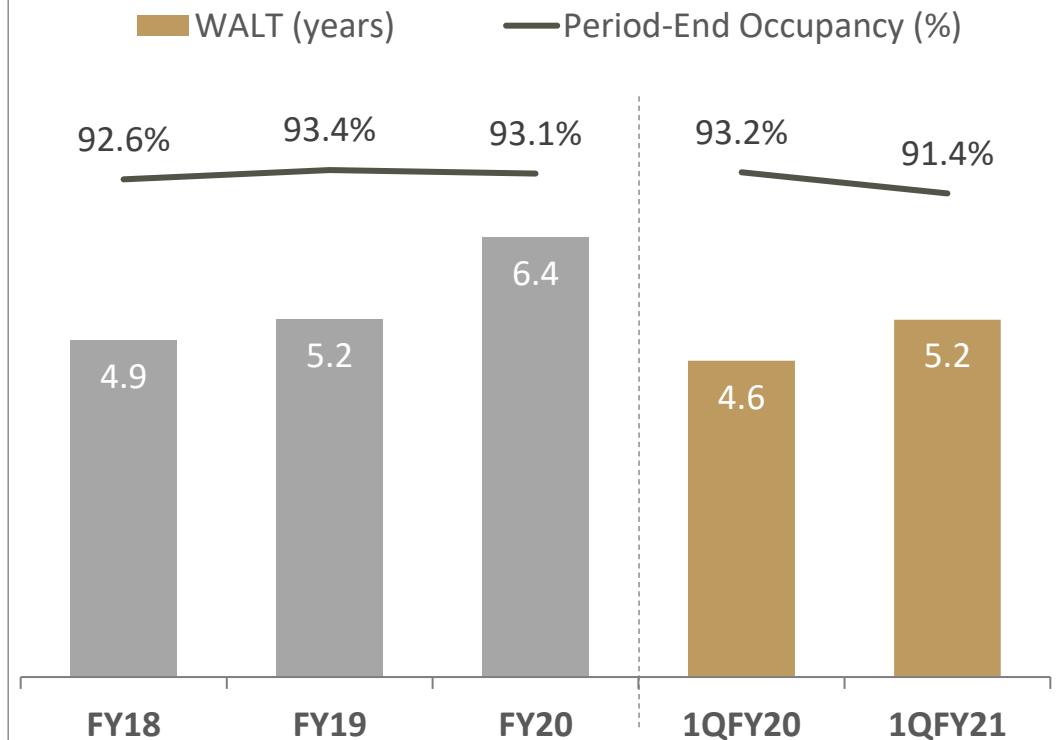
Footfall Impacted by Covid-19, Occupancy Remains Strong

GLA Progression vs. Average Footfall



Total GLA climbed 13% y-o-y to 1.223 million sqm, while average footfall declined from 31.4 million in 1Q-FY20 to 7.1 million in 1Q-FY21 due to the Covid pandemic and the consequent temporary closure of shopping centres during the quarter.

Occupancy Rates vs. WALT

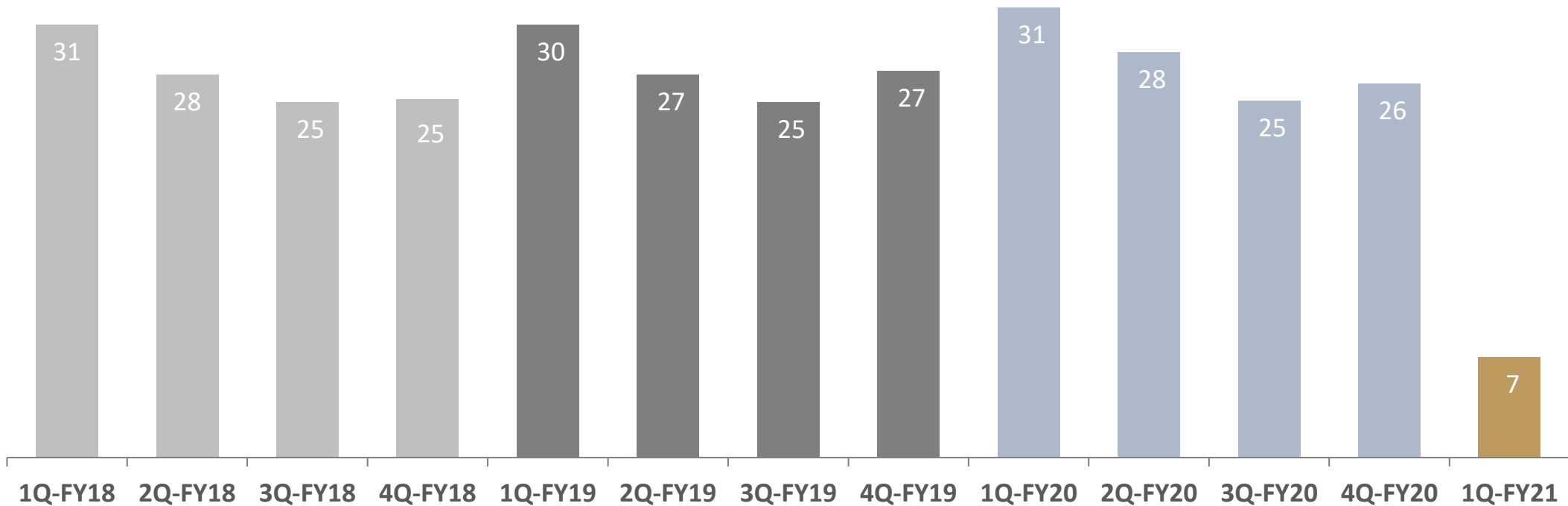


WALT increased 13.7% y-o-y to 5.2 years in 1Q-FY21, with LFL occupancy at the end of the quarter decreasing to 91.4% due to the effects of the Covid crisis on certain lessees and the allocation of greater space to cineplexes at ACC centres.



Three-Year Historical Footfall Seasonality

Quarter-on-Quarter Footfall (mnn)

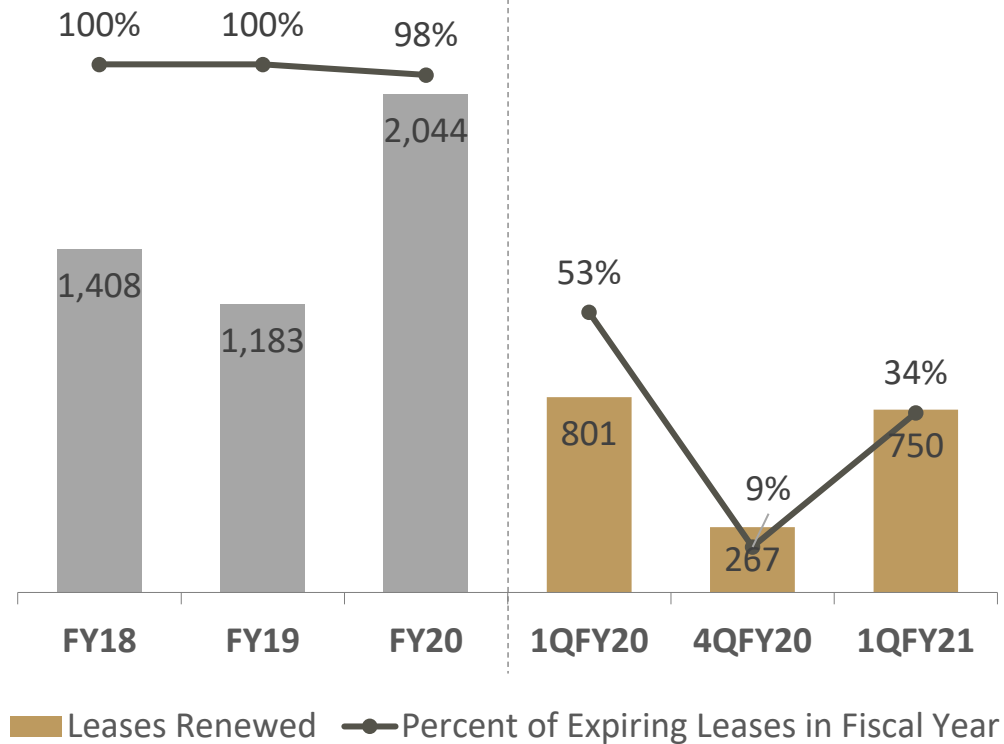


ACC's malls typically witness low seasonality in footfall during the winter months of Jan – Mar (4Q-FY), while peak footfall coincides with the months of Apr-Jun (1Q-FY). With the mall closures during 1Q-FY21, ACC's footfall declined by +70% compared to the season's average.



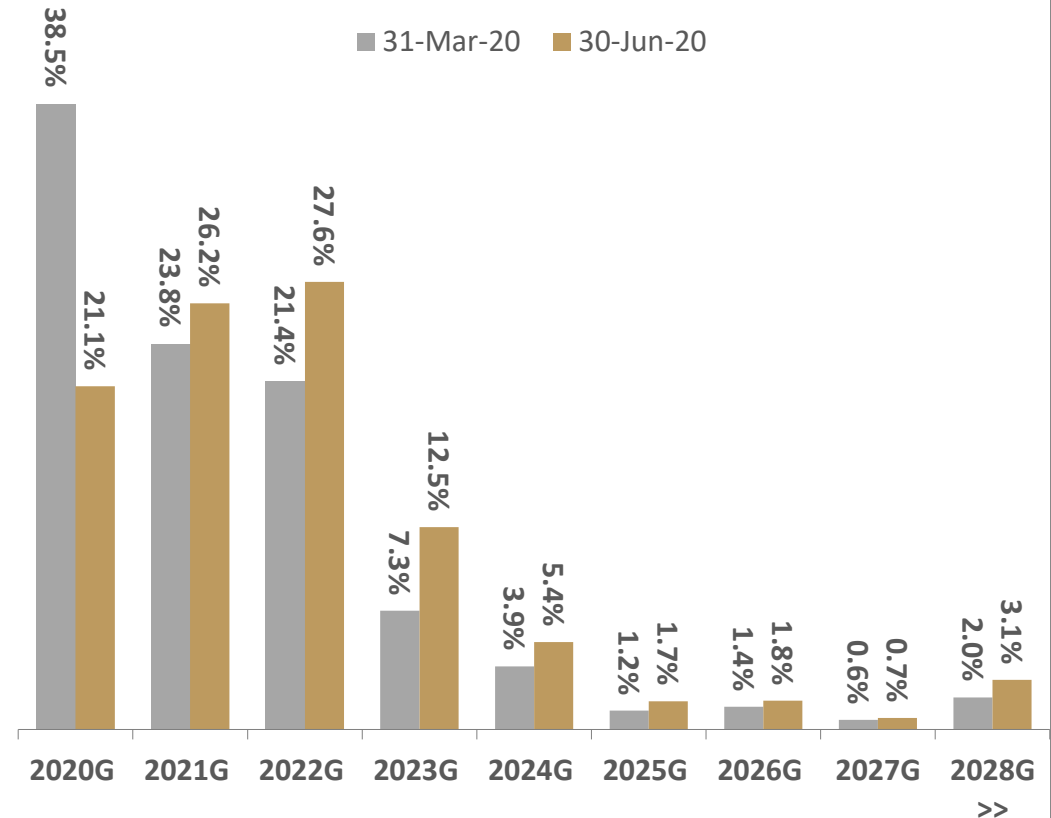
Continued Lease Renewals with a Flat Releasing Spreads

Number of Leases Renewed



The Company renewed a total of 750 leases during 1Q-FY21 (1,017 calendar YTD), with 34% of leases expiring in FY21 successfully renewed with a flat renewal spread.

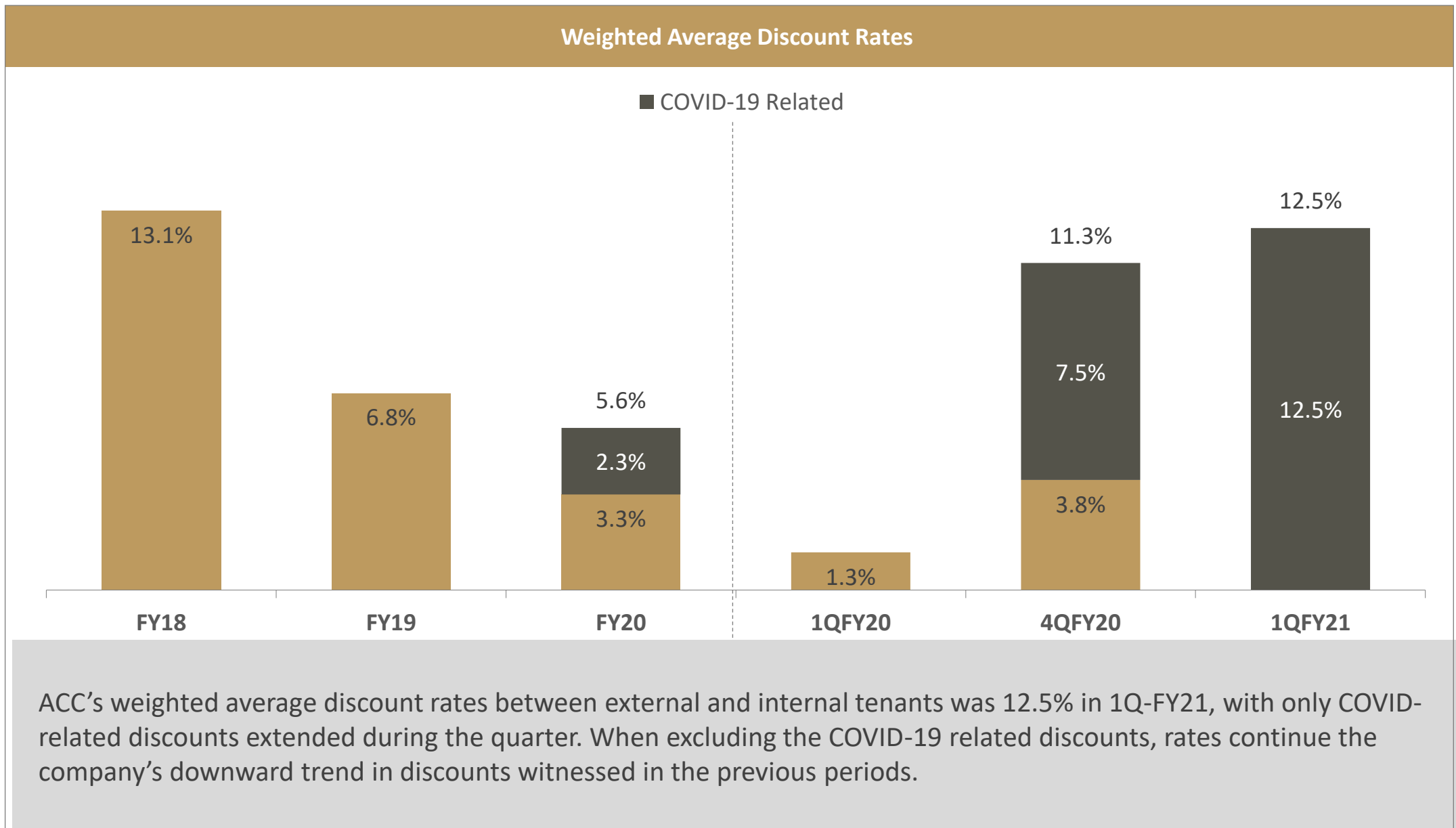
Lease Expiry Schedule



Management is temporarily renewing leases at a short-term basis to avoid locking a long-term contract at less favorable market rates in a recovering market.



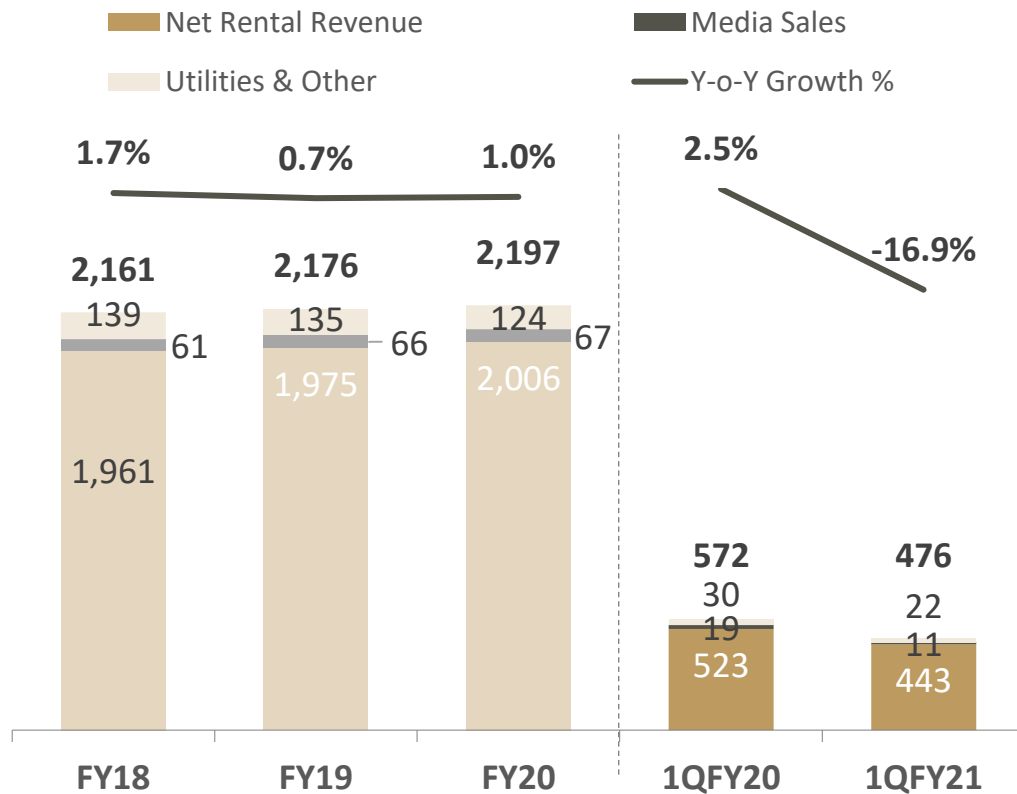
Higher Discounts Granted to Tenants Addressing COVID-19





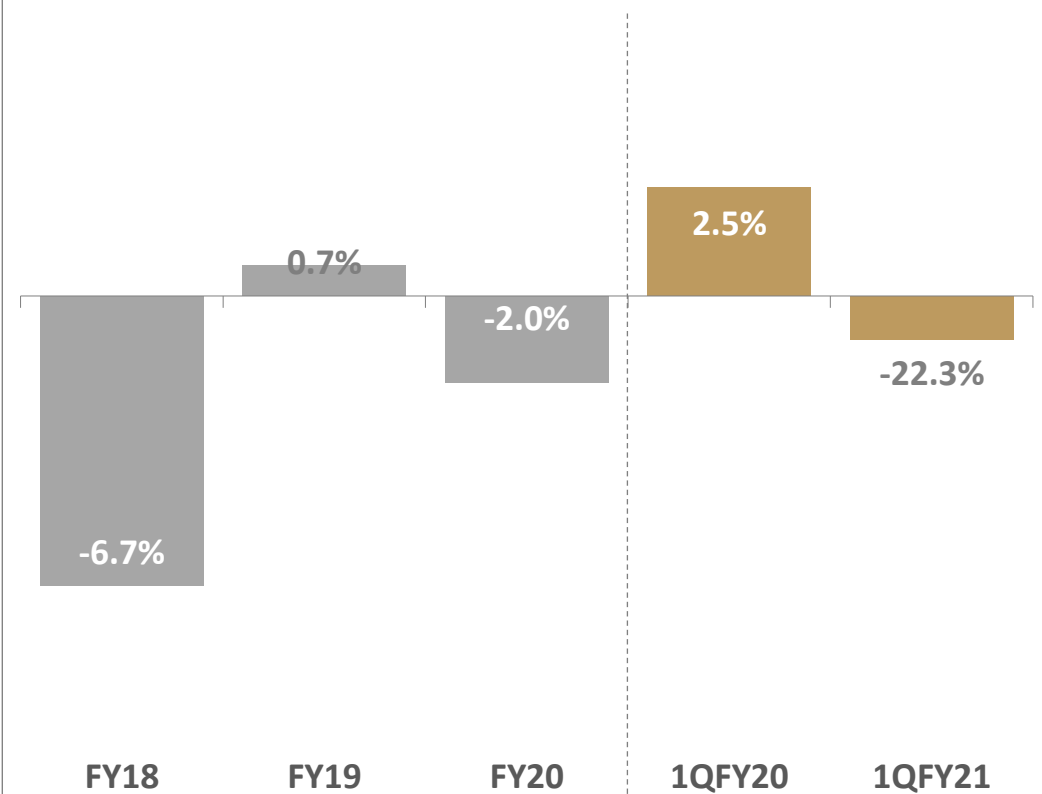
Contained Covid-19 Top-Line Effects

Revenue | SAR MN ⁽¹⁾



Total revenue decreased 16.9% y-o-y to SAR 475.9 million for 1Q-FY21. This decline comes on the back of the restriction of activity at ACC's centres for much of the quarter as a result of the COVID-19 pandemic and efforts to stop the spread of the virus.

Like-for-Like Net Rental Revenue Growth

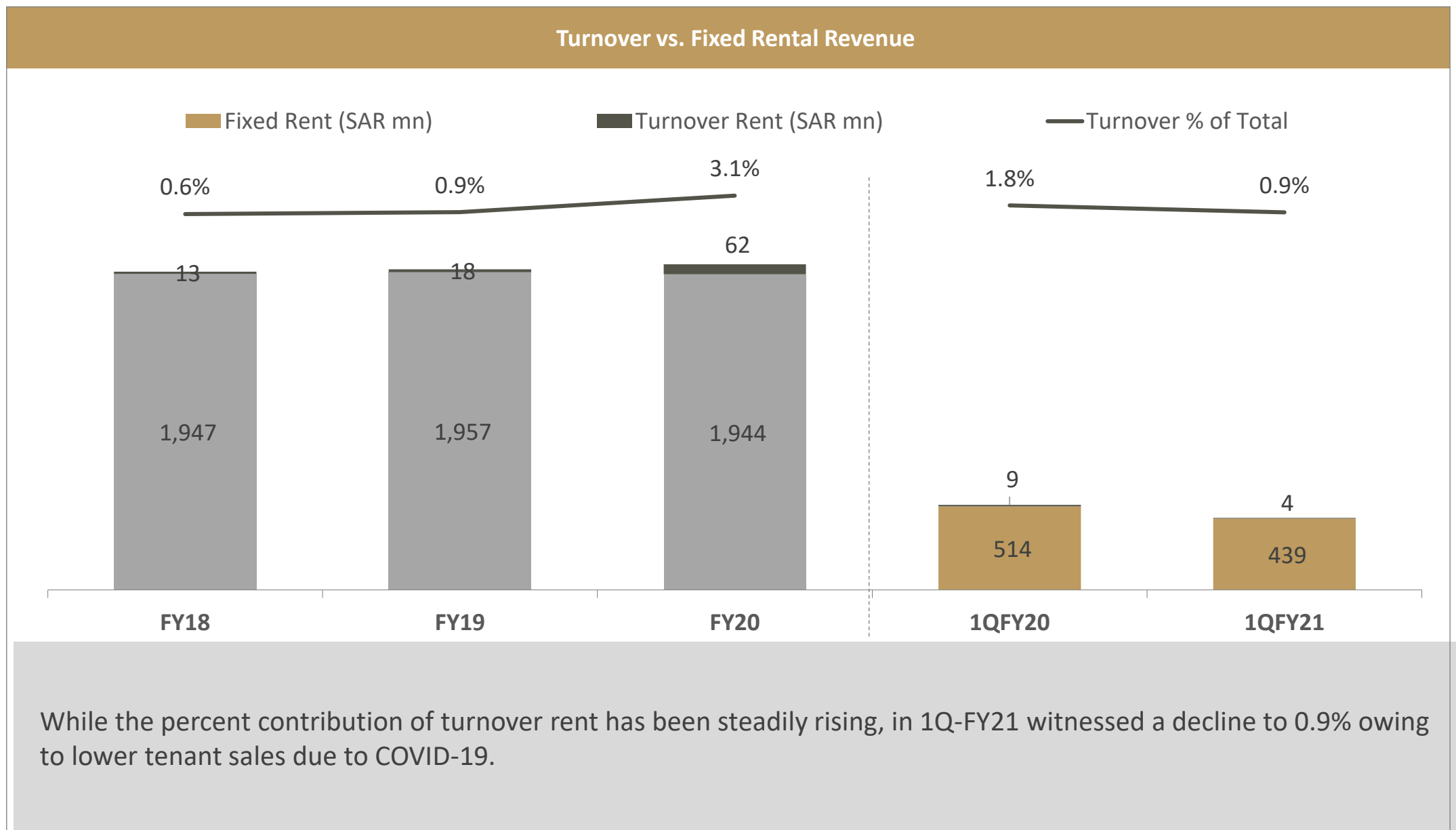


On a like-for-like basis (across 19 malls), net rental revenue was down 22.3% y-o-y in 1Q-FY21, driven by COVID-related disruptions and a temporary decrease in like-for-like occupancy rates on account of space being allocated for cineplexes.

1) This revenue figure for 1QFY21 includes two recently opened malls, U-Walk and Nakheel Mall Dammam, which were launched during 2QFY20 and remain in a ramp-up phase as regards leasing.



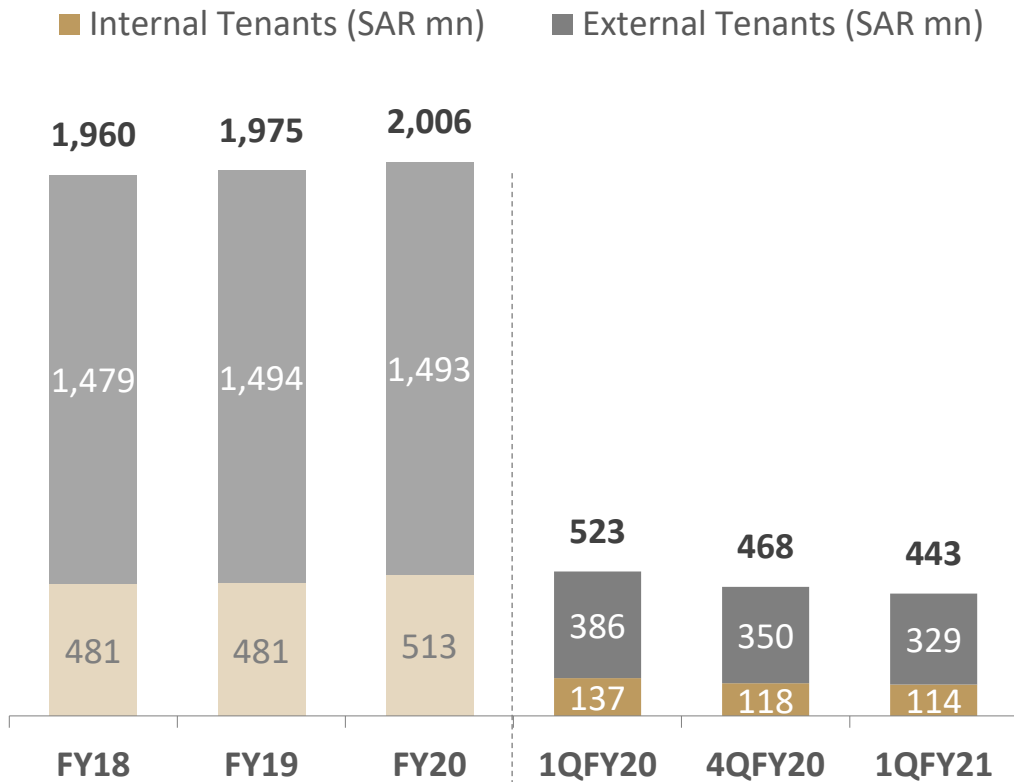
Fixed Versus Turnover Net Rental Revenue





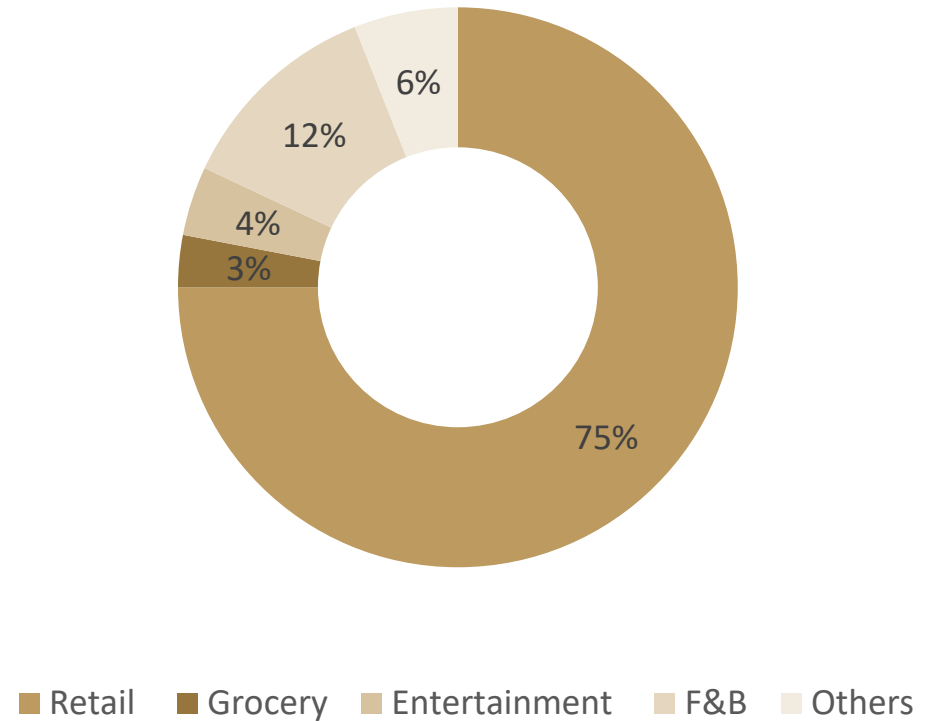
Net Rental Revenue Breakdown

External vs. Internal Split in Net Rental Revenue



ACC maintained a profitable tenant mix, with internal tenants constituting c.26% of net rental revenue in 1Q-FY21

Net Rental Revenue by Category

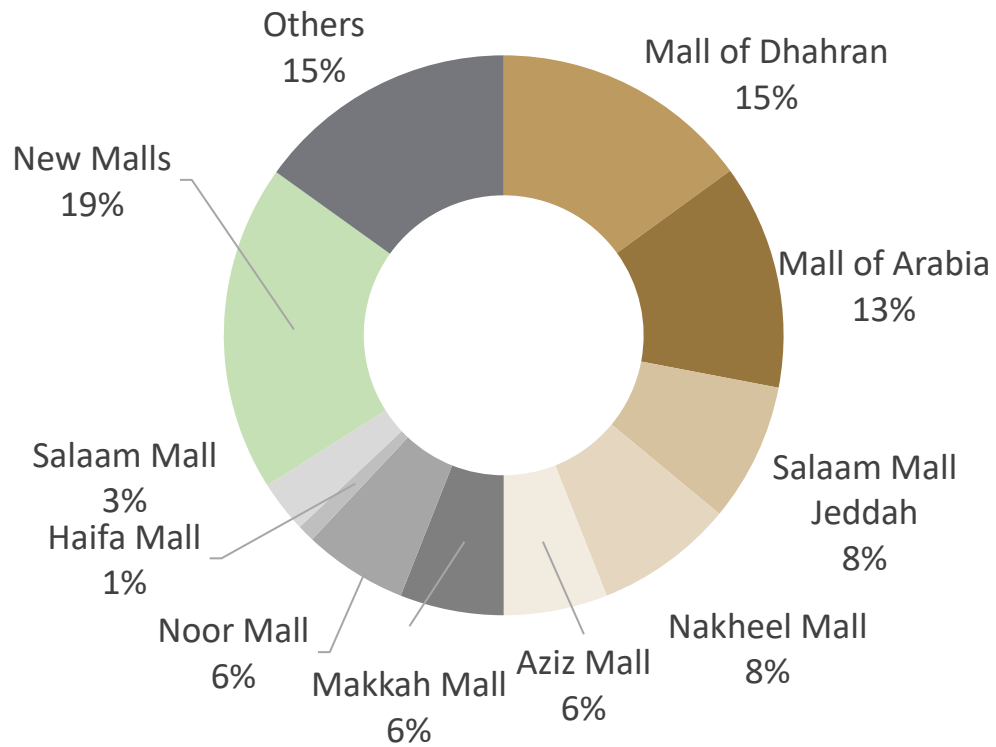


Retail tenants generated the bulk of ACC's top line during the period, with the contribution from entertainment and F&B subdued following the application of capacity limits at such locations



Growing Revenue Contribution by New Malls

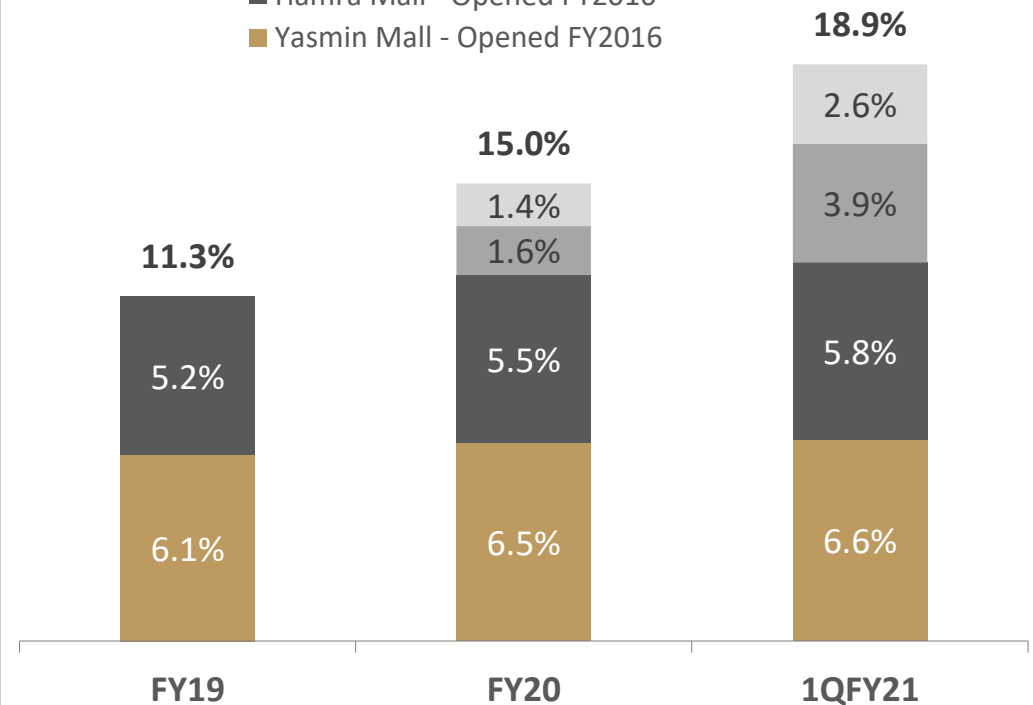
Total Revenue by Mall



At 15%, Mall of Dhahran remained the largest contributor to total revenues in 1QFY21, followed by Mall of Arabia (13%), Salaam Mall Jeddah (8%) and Nakheel Mall (8%).

New Malls Revenue Contribution

- U-Walk - Opened FY2020
- Nakheel Mall Dammam - Opened FY2020
- Hamra Mall - Opened FY2016
- Yasmin Mall - Opened FY2016

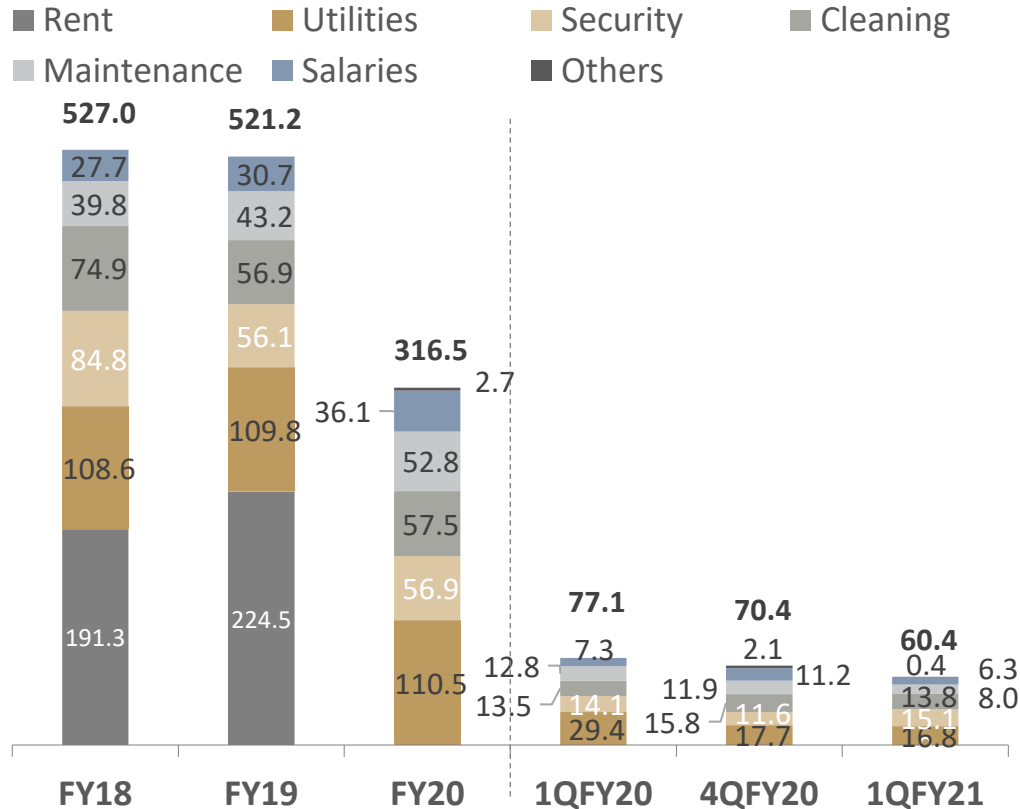


ACC's new malls continue inaugurated since FY2016 and FY2020 are delivering steady growth in revenue contribution.



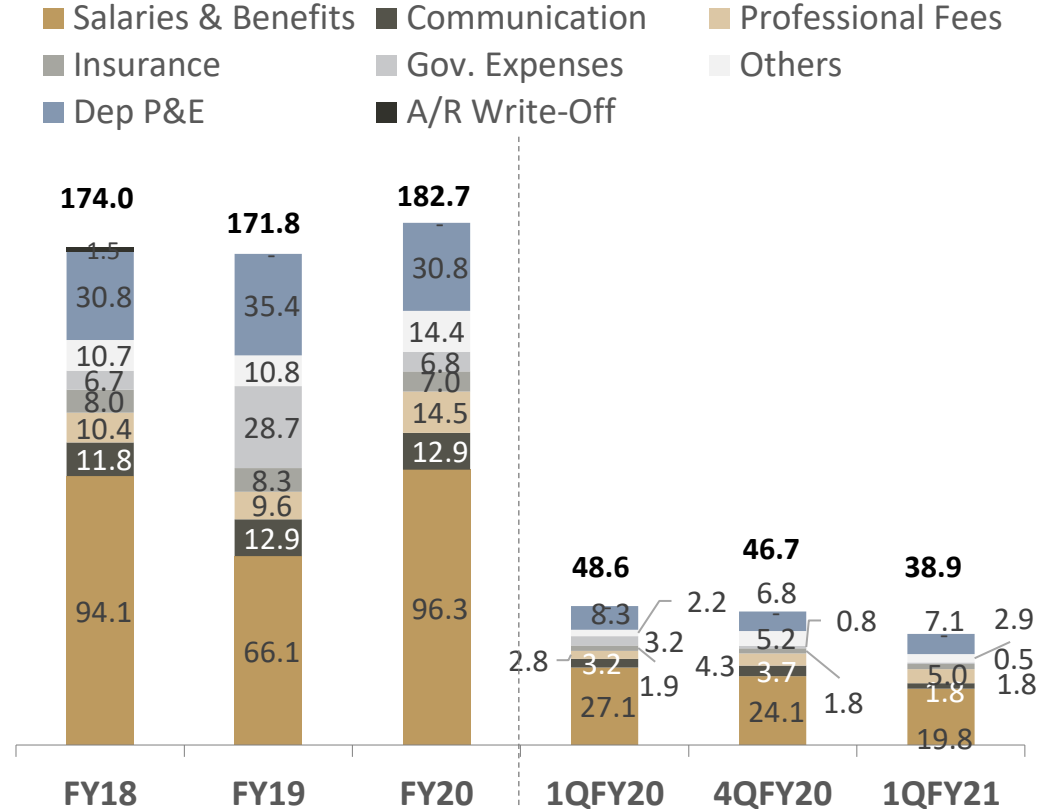
Core Profitability Margins Safeguarded by Cost Efficiency 1/2

Cost of Revenue Breakdown



ACC's cost of revenue declined by 21.6% y-o-y in 1Q-FY21 thanks to savings on utilities, repairs and maintenance, and salaries and other benefits.

G&A Breakdown¹

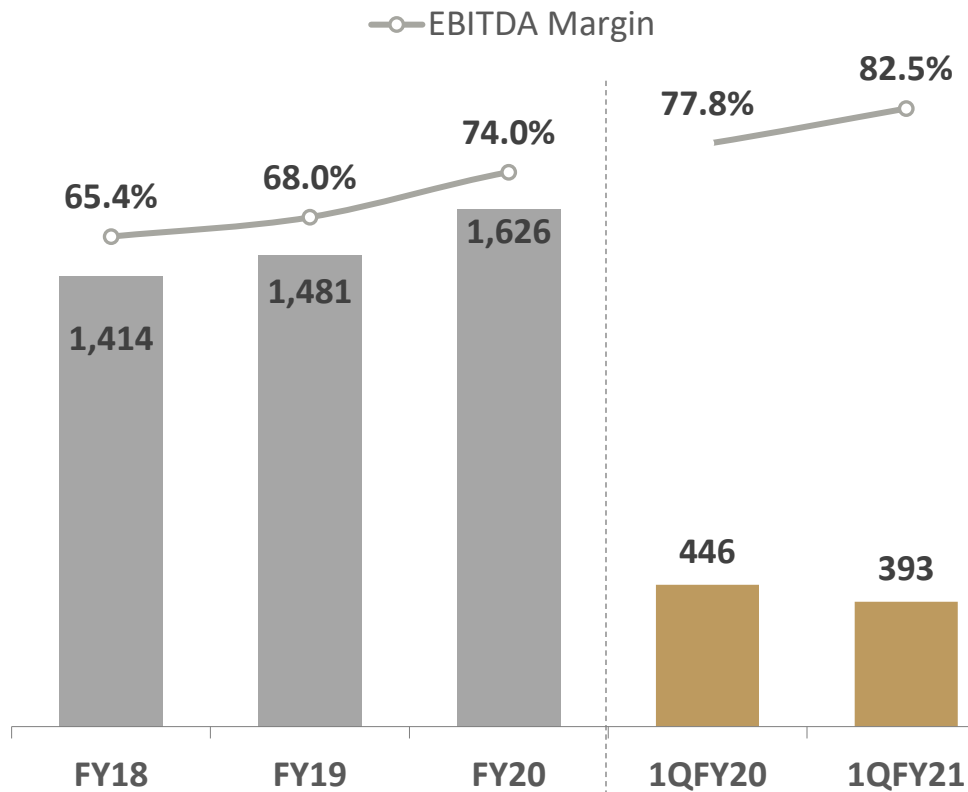


General & Administrative expenses declined by 19.5% y-o-y in 1Q-FY21 primarily driven by lower salaries and benefits.



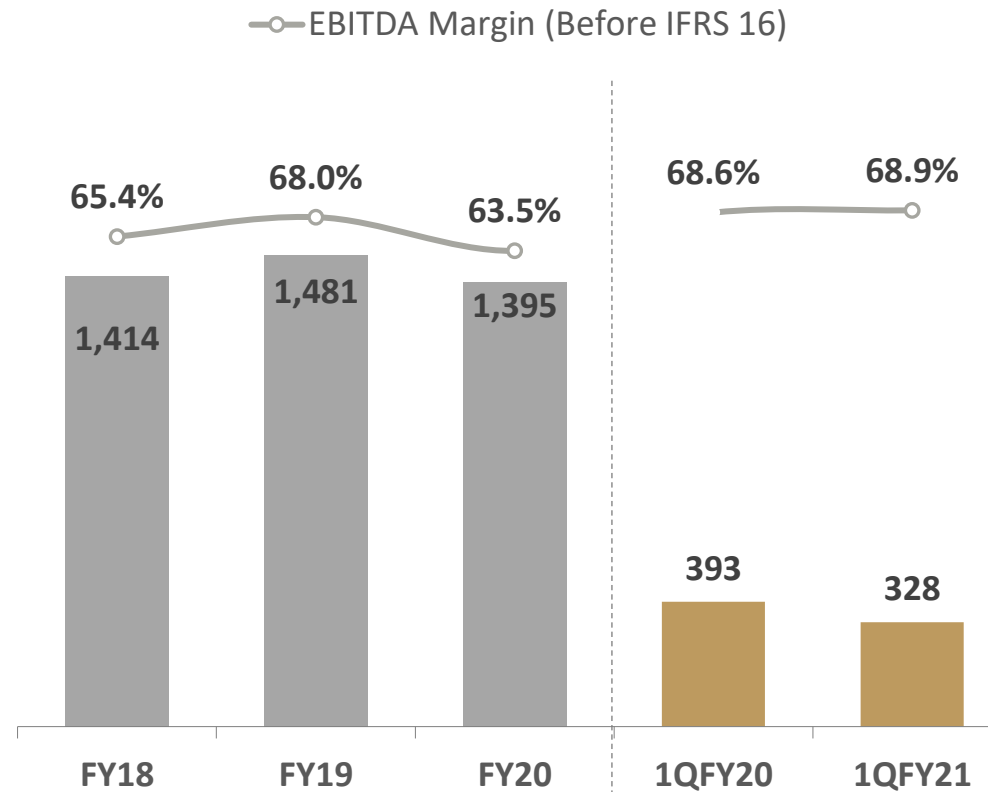
Core Profitability Margins Safeguarded by Cost Efficiency 2/2

EBITDA | SAR MN



EBITDA margin increased in 1Q-FY21 on account of IFRS-16 impact along with cost control measures

EBITDA Before IFRS 16 | SAR MN

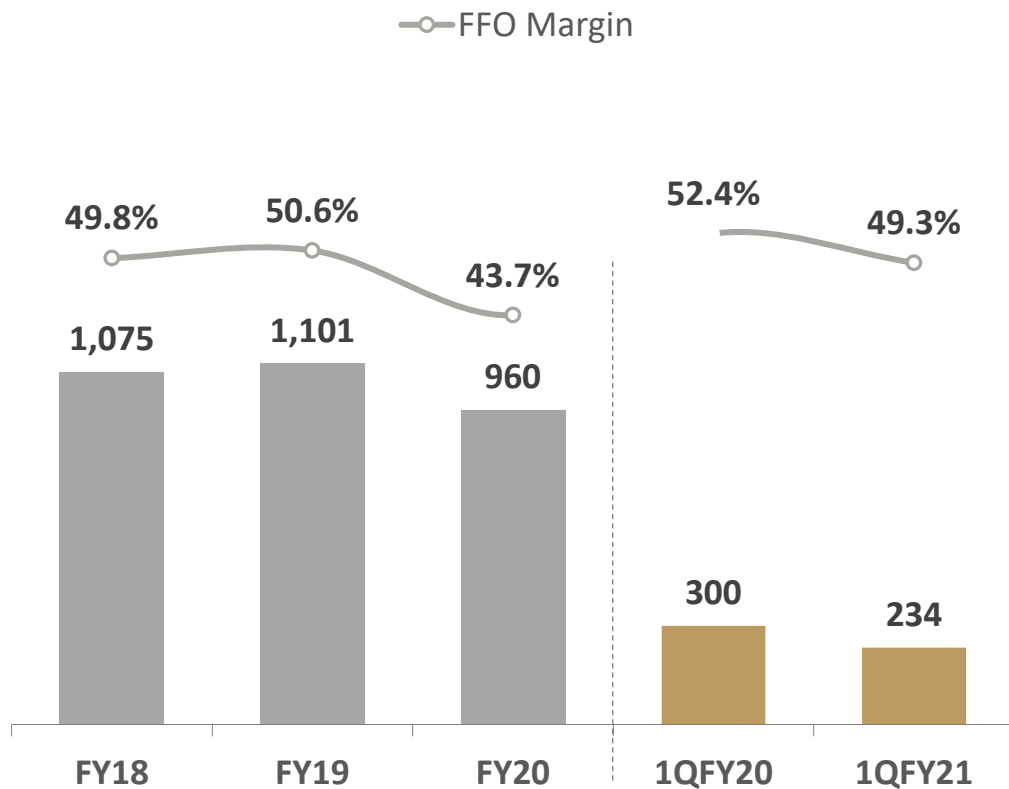


Despite a reduction in adjusted EBITDA following decreases in the top line and gross profitability, broad cost control measures and a reduction in sales, general & administrative expenses saw ACC's adjusted EBITDA margin inch up 30 basis points in 1Q-FY21



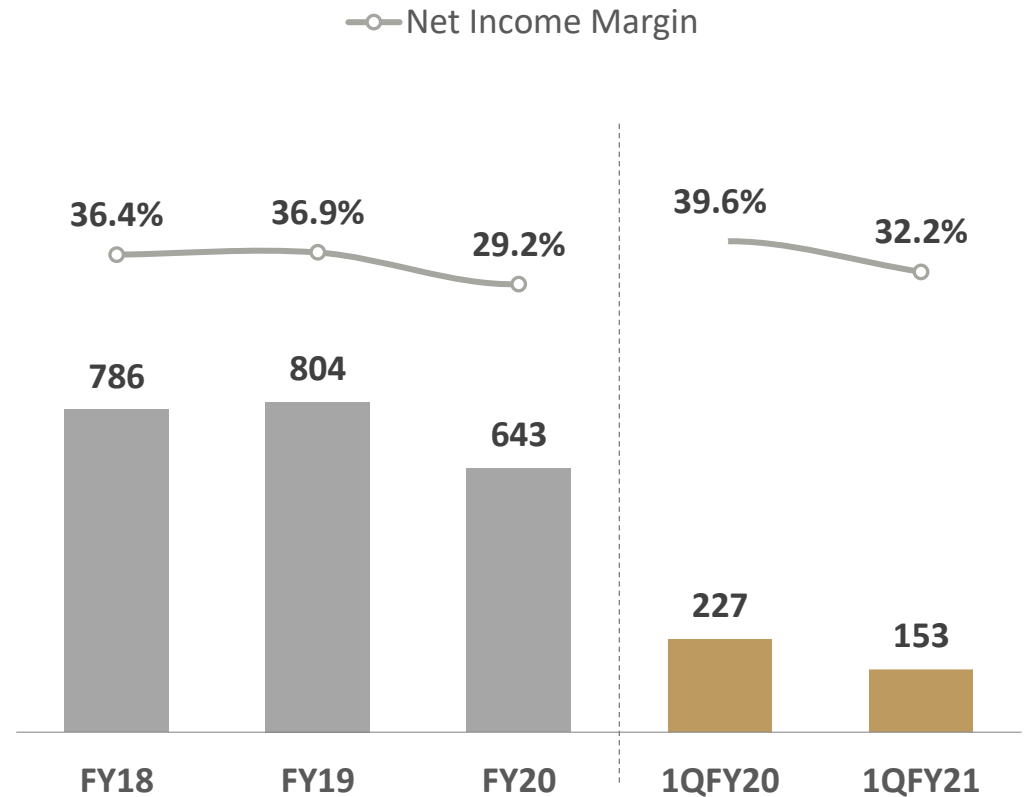
Bottom-Line Pressure From Non-Recurring Items

FFO | SAR MN⁽¹⁾



FFO fell by 21.9% y-o-y to book SAR 234.4 million for 1QFY21, yielding a FFO margin of 49.3% against the 52.4% recorded one year previously.

Net Income | SAR MN



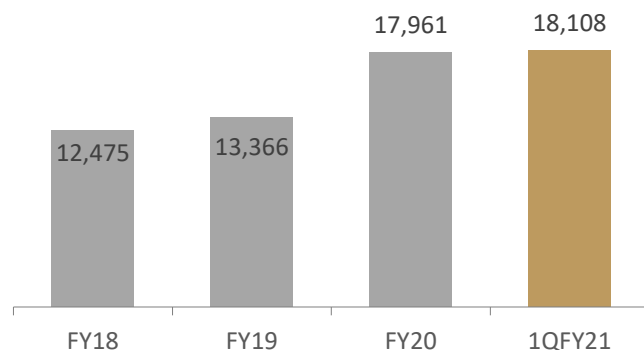
Net profit decreased by 32.5% y-o-y in 1Q-FY21 on account of higher depreciation and interest expense on lease liabilities, increased advertising and promotional expenses and an impairment loss on accounts receivable.

1) Fund from operations: net profit for the year plus depreciation of investment properties and PP&E and write-off of investment properties, if applicable.



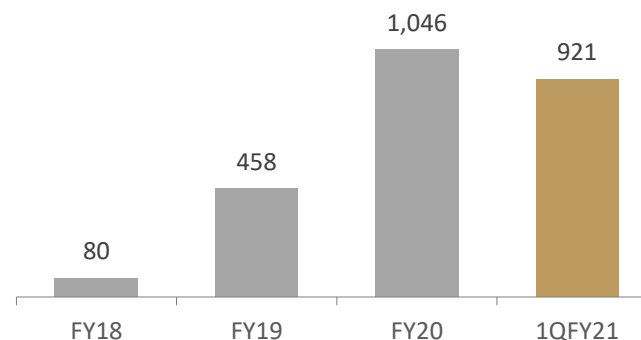
Strong and Liquid Balance Sheet

Total Assets | SAR MN



ACC's book value of total investment properties, representing its investment in 21 operating mall developments, malls under construction and raw lands for future developments, was SAR 18,108.2 million at the close of 1QFY21.

Cash | SAR MN⁽¹⁾



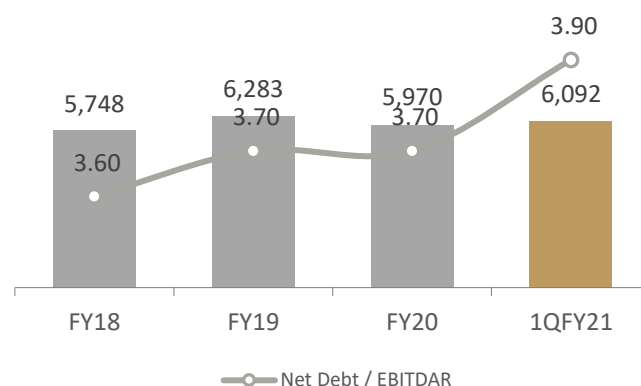
Following ACC's drawdown of its revolving credit facility, cash and cash equivalents on the Company's balance sheet stood at SAR 920.8 million as of 30 June 2020.

Equity | SAR MN



Shareholder equity booked SAR 6,160.4 million for 1QFY21, up from SAR 5,984.3 million at the close of FY2020.

Net Debt | SAR MN¹



Net debt recorded SAR 6,091.6 million, up from 5,970.1 million at the close of the previous quarter. Meanwhile, ACC's net debt to EBITDAR ratio registered 3.9x for 1QFY2021 against 3.7x at the close of FY2020.

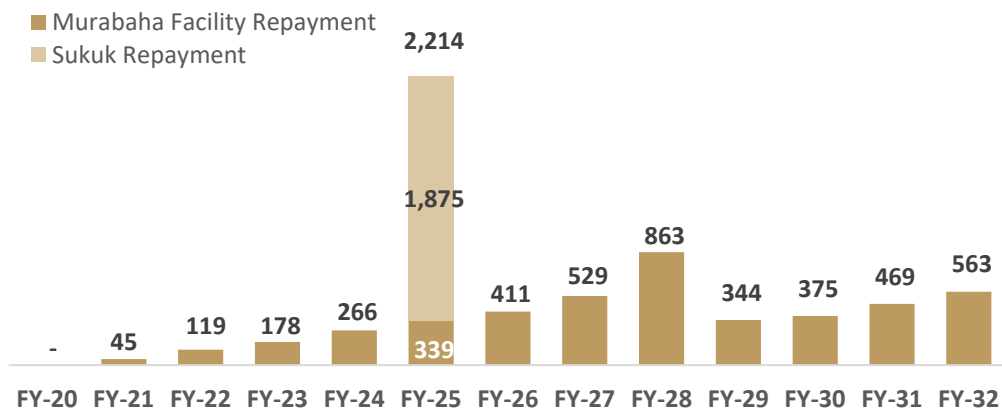
1) The increase in Net Debt + Total Lease Liabilities / Equity ratio in FY20 was driven by the implementation of IFRS-16



Improved Debt Maturity Profile and Stable Outlook

ACC's Sukuk Issuance Affords the Company a Smooth Debt Maturity Profile

Debt Maturity Profile – Amortizing Facility (SAR Mn)

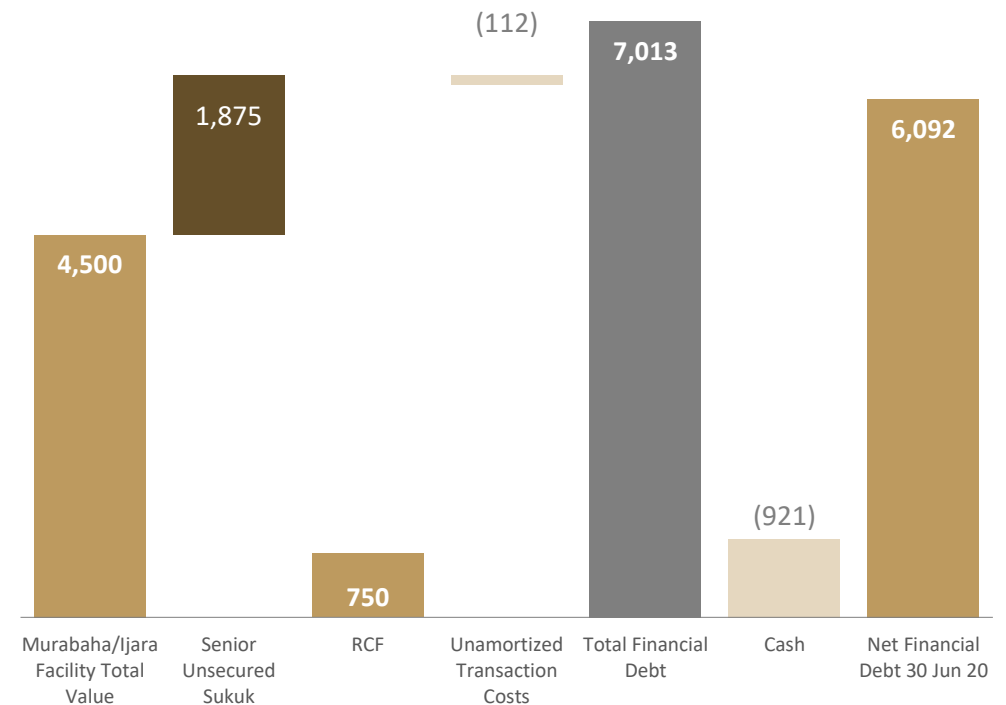


International credit rating agencies both assigned a stable outlook to ACC's Sukuk issuance, with Moody's putting ratings under review...

Ba2
Moody's

BB+
Fitch

Net Debt Breakdown as of 30 June 20 | SAR mn

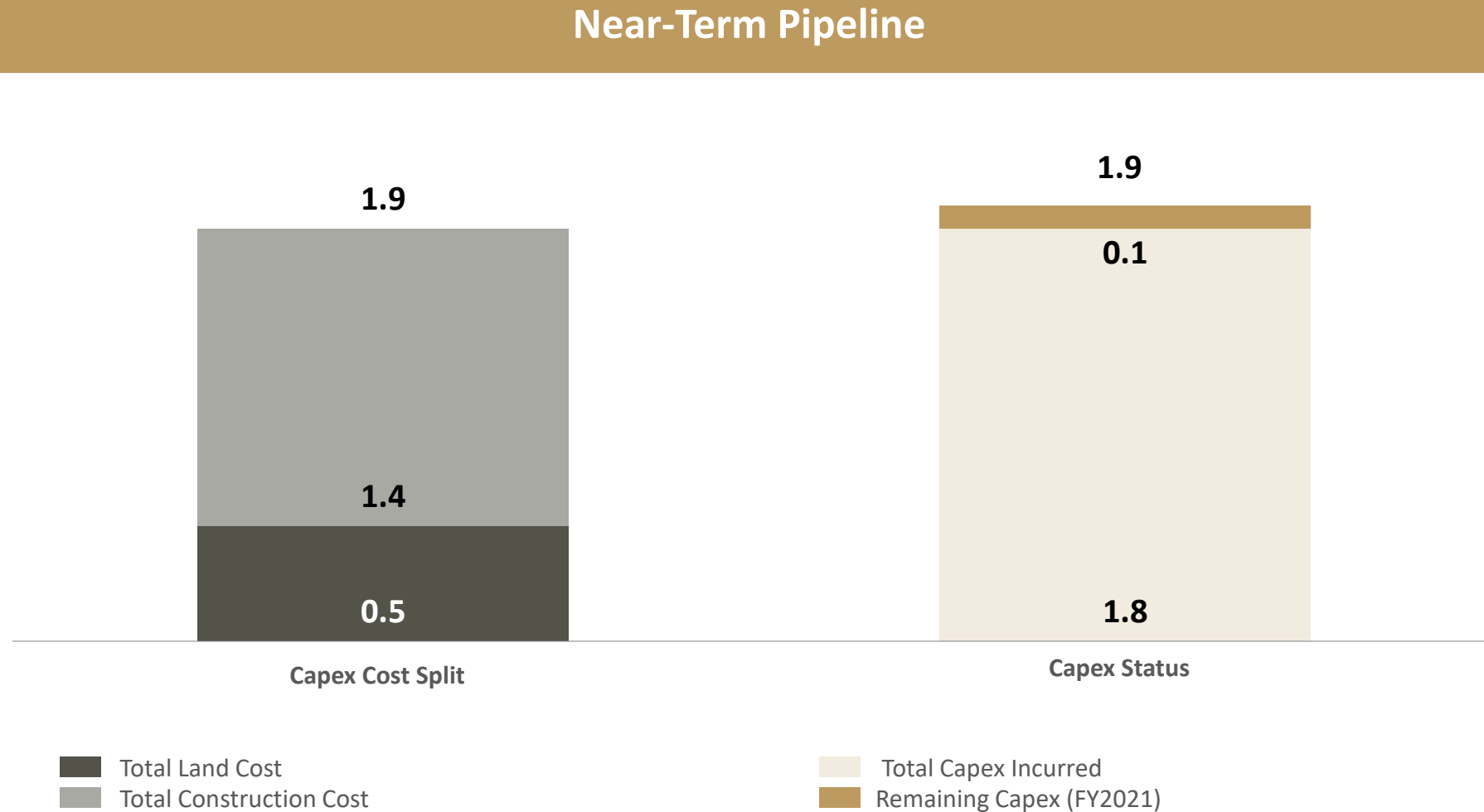


Longer weighted average debt maturity

Reduced share of secured debt in capital structure



Continued Investment in Near-Term Pipeline



- Total Capex for Near-Term pipeline including land cost for Nakheel Mall-Dammam and Khaleej Mall is c.SAR1.9bn
- Of the total capex, c.SAR 0.1 bn is remaining and budgeted for FY2021, with SAR 32.0 million spent in 1Q-FY21.



Focus Areas and Growth Strategy



ACC's Key Focus Areas

Tenants

- Improve tenant relations and communication.
- Focus on engaging with tenants to get relevant feedback and support decision making.
- Improve collections efficiency.
- Activate unified contracts platform (Ejar) for smaller tenants.

Shopping Experience

- Focus on increasing footfall by improving the overall shopping/leisure experience across our Malls.
- Accelerate the tenant mix shift

Pricing

- Optimize pricing for all malls with focus on C malls.

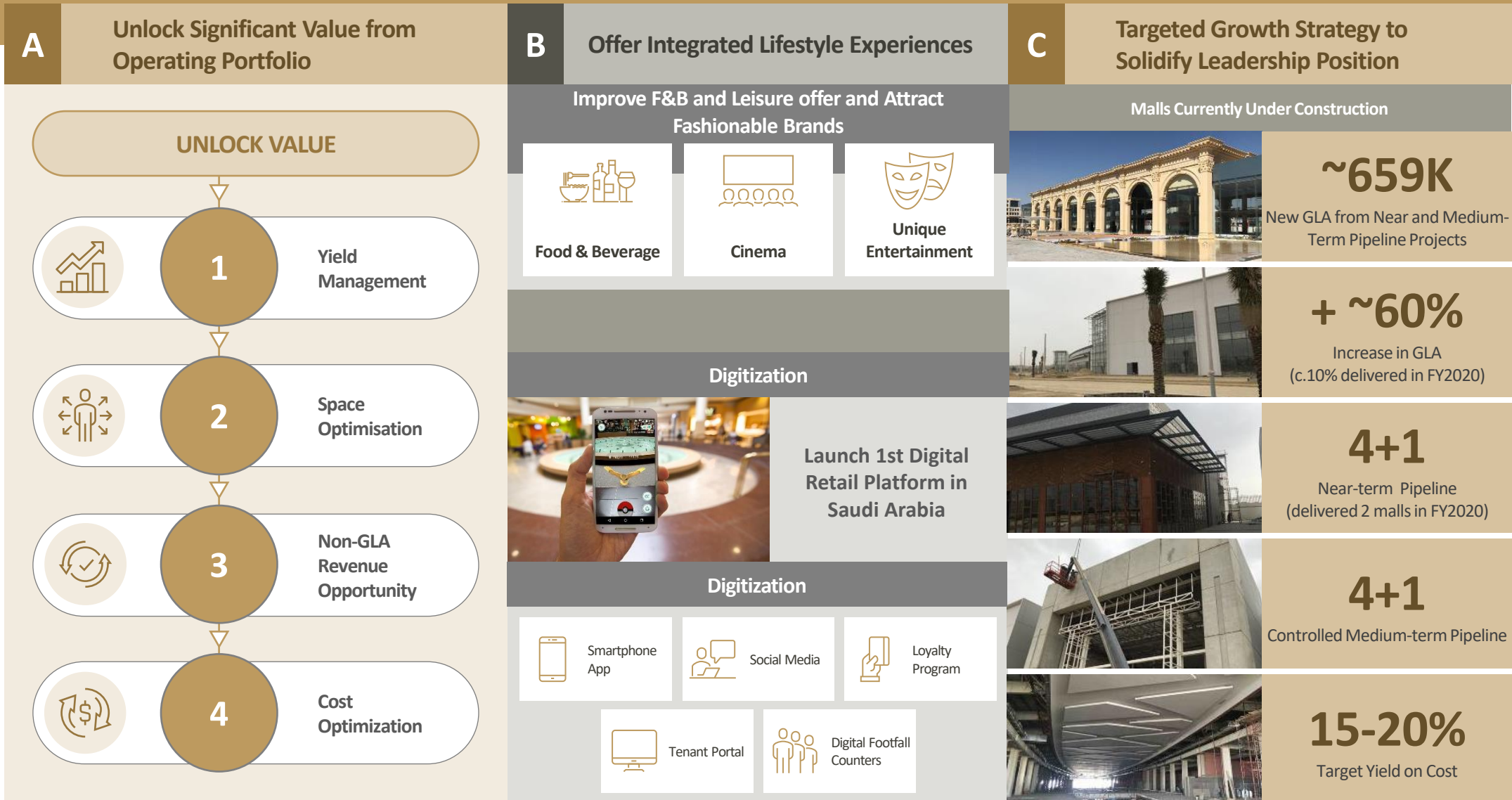
Landlords

- Negotiate discount period with landlords.
- Negotiate new arrangements on expiring properties.



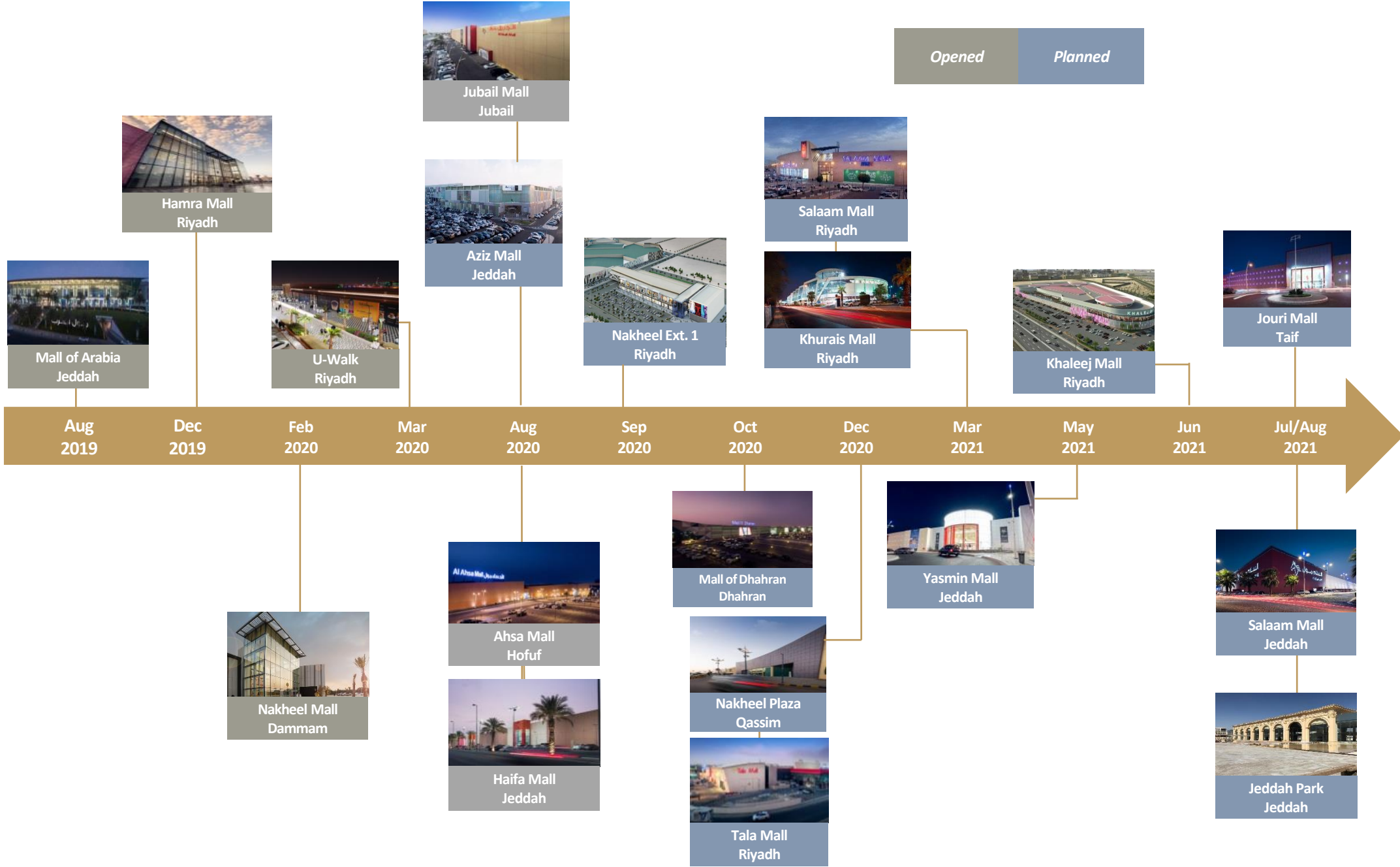
ACC's Growth Initiatives

Key Pillars of ACC's Growth Strategy





Strengthen ACC Malls as Go-To Family Destination Via Cinema Offering





Near-Term Pipeline

Total
c.309k sqm

GLA Addition

c.70%

Pre-let as of June 2020

Jeddah Park



U Walk



Nakheel Mall Dammam



Nakheel Extension 1



Khaleej Mall*



Location	Jeddah	Riyadh	Dammam	Riyadh	Riyadh
Ownership	Leasehold	Leasehold	Freehold	Leasehold	Freehold
GLA (sqm)	128,740	c. 52,000	c. 61,000	c. 52,000 + 16,000 extension	c. 51,000
Pre-lease Status	60%	97% ⁽¹⁾	85% ⁽¹⁾	70%	50%
% Completion(2)	85%	100%	100%	90%	67%*
Target Opening Date	April 2021*	September 2019	September 2019	September 2020*	September 2021*
Expected Yield on Cost(3)	+500% (cash payback < 1 year)	15%-20%			

1) Based on heads of terms agreed with tenants

2) Based on billing as of 10-Apr-2019

3) Expected Yield on Cost is derived on the basis of stabilized expected EBITDA (Net of lease expense for leasehold) divided by Total Development Cost (including land for freehold) where Total Development Cost defined as the capital expenditure incurred and the land cost

4) Percent of completion of construction works at Khaleej Mall has been revised downwards to reflect an increase in the total project value as a result of an additional parking lot, a redesign of the food court to incorporate additional entertainment areas under an integrated concept, the provision of greater visibility through the mall façade, and the construction of additional terraces on the ground and first floors.

* Jeddah Park delayed from April 2020 due to uncompleted construction works from the landlord side, while Nakheel Extension1 delayed from January 2020 due to stoppages associated with covid-19 lockdown measures, and Khaleej Mall delayed from December 2019 due to further re-design of the first floor's façade adjacent to a new megaproject. Khaleej Mall delayed from August 2021 due to reasons discussed in [3].



Appendices





Our Malls

				GLA (sqm)				Company Revenue Contribution (%)			
	Mall	City	Lease Expiry	Year Opened	1QFY21	FY20	BUA (sqm)	Occupancy	FY19	FY20	1QFY21
Super-Regional											
1)	Mall of Dhahran	Dammam	Feb 2025	2005	159,465	159,482	220,550	95.0%	15.80%	15.00%	14.80%
2)	Salam Mall	Jeddah	July 2032	2012	121,642	121,642	212,825	85.7%	8.60%	8.50%	8.15%
3)	Mall of Arabia	Jeddah	Freehold	2008	112,711	113,059	247,848	93.5%	12.70%	12.60%	12.62%
Regional											
4)	Aziz Mall	Jeddah	Nov 2046	2005	73,199	73,237	93,310	93.6%	7.10%	6.20%	6.33%
5)	Noor Mall	Madinah	Freehold	2008	67,017	67,552	93,917	96.8%	6.20%	6.20%	6.40%
6)	Nakheel Mall	Riyadh	July 2034	2014	56,217	56,218	98,000	90.9%	8.7%	9.00%	8.42%
7)	Yasmin Mall	Jeddah	Nov 2034	2016	54,747	54,716	101,672	88.7%	6.1%	6.50%	6.55%
8)	Hamra Mall	Riyadh	Freehold	2016	55,598	55,598	77,969	93.5%	5.20%	5.50%	5.75%
9)	Ahsa Mall	Hofuf	Freehold	2010	49,667	49,987	65,800	63.1%	2.40%	1.70%	1.56%
10)	Salaam Mall	Riyadh	Freehold	2005	52,747	48,423	67,421	97.4%	3.20%	3.20%	3.16%
11)	Jouri Mall	Taif	Mar 2035	2015	52,295	48,077	92,663	96.3%	4.70%	4.90%	5.46%
12)	Khurais Mall	Riyadh	Jan 2022	2004	41,618	41,618	60,230	86.6%	2.60%	2.20%	1.98%
13)	Makkah Mall	Makkah	Freehold	2011	37,473	37,473	56,720	94.5%	7.20%	6.90%	6.32%
14)	Nakheel Mall Dammam*	Dammam	Freehold	2019	62,233	62,452	92,229	85.0%	-	1.60%	3.87%
15)	U-Walk**	Riyadh	July 2046	2019	63,417	63,679	68,254	97.0%	-	1.40%	2.60%
Community											
16)	Nakheel Plaza	Qassim	Dec 2029	2004	52,856	50,306	48,985	77.8%	2.3%	1.90%	1.71%
17)	Haifa Mall	Jeddah	Apr 2032	2011	33,698	33,698	50,161	74.5%	3.00%	2.70%	1.08%
18)	Tala Mall	Riyadh	Apr 2029	2014	22,807	22,636	46,292	83.0%	1.80%	1.70%	1.62%
19)	Jubail Mall	Jubail	Freehold	2015	21,437	22,679	37,366	83.0%	1.40%	1.4%	0.80%
20)	Salma Mall	Hail	Mar 2022	2014	16,959	16,959	22,378	65.0%	0.80%	0.70%	0.51%
21)	Sahara Plaza	Riyadh	Freehold	2002	14,722	14,722	28,364	100.0%	0.00%	0.30%	0.31%
Total***					1,222,524	1,214,213	1,882,954	91.4%	100.0%	100.0%	100.0%

* Occupancy rate at Nakheel Mall Dammam reflects pre-leasing rates. ** Occupancy rate at U-Walk reflects pre-leasing rates. ***Total occupancy rate reflects like-for-like figures.



Income Statement

(SAR)	1Q-FY20 IFRS	1Q-FY21 IFRS	Y-o-Y Growth
Net Rental Revenue	523,291,482	442,553,424	-15.4%
Media Sales	19,326,296	10,781,019	-44.2%
Utilities Revenue	29,885,941	22,518,672	-24.7%
Total Revenue	572,503,719	475,853,115	-16.9%
Cost of revenue	(77,075,424)	(60,432,272)	-21.6%
Depreciation of investment properties	(64,769,328)	(74,196,671)	14.6%
Depreciation of right-of-use of assets	(37,879,343)	(42,572,574)	N/A
Write-off of investment properties	-	-	-
GROSS PROFIT	392,779,624	298,651,598	-24.0%
<i>Gross Profit Margin</i>	<i>68.6%</i>	<i>62.8%</i>	<i>-5.8%</i>
Other income	232,569	35,276,467	N/A
Other expense	-	-	-
Advertisement and promotion	(1,090,024)	(3,691,120)	238.6%
Impairment loss on accounts receivable	(16,195,695)	(25,242,293)	55.9%
General and administration	(48,380,980)	(38,953,373)	-19.5%
INCOME FROM MAIN OPERATIONS	327,345,494	266,041,279	-18.7%
Share in net income of an associate	6,256,114	1,652,443	-73.6%
Financial charges	(73,885,902)	(73,752,129)	-0.2%
Interest expense on lease liabilities	(25,032,751)	(35,929,185)	N/A
INCOME BEFORE ZAKAT	234,682,955	158,012,408	-32.7%
Zakat	(7,719,496)	(4,916,184)	-36.3%
NET INCOME FOR THE YEAR	226,963,459	153,096,224	-32.5%
Profit for the year attributable to:			
Owners of the Company	223,009,201	152,758,372	
Non-controlling interests	3,954,258	337,852	
	226,963,459	153,096,224	
Earnings per share:			
Basic and diluted earnings per share	0.47	0.32	
EBITDA	445,534,133	392,553,379	-11.9%
<i>EBITDA Margin</i>	<i>77.8%</i>	<i>82.5%</i>	<i>4.7%</i>
EBITDAR	445,534,133	392,553,379	-11.9%
<i>EBITDAR Margin</i>	<i>77.8%</i>	<i>82.5%</i>	<i>4.7%</i>
FFO	300,052,639	234,441,546	-21.9%
<i>FFO Margin</i>	<i>52.4%</i>	<i>49.3%</i>	<i>-3.1%</i>



Cost Breakdown

(SAR)	1Q-FY20 IFRS	1Q-FY0 IFRS	Y-o-Y Growth
Rental expense	-	-	N/A
Utilities expense	29,399,586	16,833,064	-42.74%
Security expense	14,082,894	15,071,321	7.02%
Cleaning expense	13,494,987	13,791,892	2.20%
Repairs and maintenance	12,764,317	8,036,436	-37.04%
Employees' salaries and other benefits	7,333,640	6,271,108	-14.49%
Other expenses	-	428,451	N/A
Cost of Revenue	77,075,424	60,432,272	-21.59%
<i>As % of Revenue</i>	<i>13.46%</i>	<i>12.70%</i>	
Depreciation of Inv. Properties	64,769,328	74,196,671	14.56%
Employee salaries and benefits	27,099,017	19,762,154	-27.07%
Communication	3,172,454	1,814,193	-42.81%
Professional fees	2,802,170	5,035,045	79.68%
Insurance	1,883,509	1,781,164	-5.43%
Government expenses	2,860,409	471,162	-83.53%
Lease rent	-	-	N/A
Maintenance	23,341	24,990	N/A
Amortization of right-of-use asset	964,002	941,761	N/A
Board expenses	-	962,500	N/A
Others	1,256,226	1,011,753	-19.46%
G&A(1)	40,061,128	31,804,722	-20.61%
Depreciation – P&E	8,319,852	7,148,651	-14.08%
Impairment loss on accounts receivable	16,195,691	25,242,293	55.86%
Opex	117,136,552	92,236,994	-21.26%
	<i>20.4%</i>	<i>19.43%</i>	<i>-1.0 pts</i>
Total Cost (ex. Depreciation)	133,332,243	117,479,287	-11.89%
<i>As % of Revenue</i>	<i>23.3%</i>	<i>24.7%</i>	<i>1.4 pts</i>
Depreciation (IP and PP&E)	73,089,180	81,345,322	11.30%
<i>As % of Revenue</i>	<i>12.8%</i>	<i>14.4%</i>	<i>4.3 pts</i>

Source: Company Audited Financials, Company Information



Balance Sheet

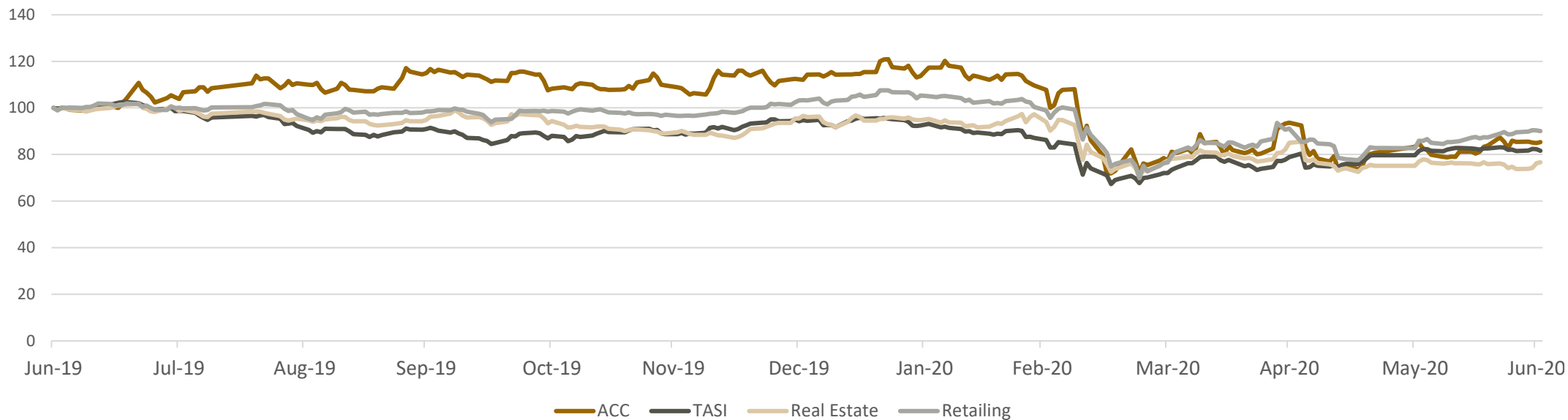
Source: Company Audited Financials, Company Information

(SAR)	FY20 IFRS	1Q-FY21 IFRS
Assets		
Cash and cash equivalents	1,045,680,193	920,980,784
Accounts receivable	234,254,125	260,512,993
Amounts due from related parties	591,222,957	582,787,286
Advances to a contractor, related party	-	-
Prepayments and other current assets	138,790,964	142,201,418
Accrued revenue (rentals)	69,362,957	143,930,135
Total Current Assets	2,079,311,196	2,050,412,616
Amounts due from related parties	--	--
Advances to a contractor, related party – non-current portion	614,438,352	642,013,617
Prepaid rent – non-current portion	--	--
Accrued revenue (rentals) – non-current portion	99,835,361	284,402,836
Investment in an equity-accounted investee	53,079,928	54,732,371
Other investments	104,463,375	128,664,374
Right-of-use assets	3,561,974,788	3,505,261,511
Investment properties	11,356,912,845	11,358,036,071
Property and equipment	91,474,811	84,698,915
Total Non-current Assets	15,882,179,460	16,057,809,695
Total Assets	17,961,490,656	18,108,222,311
Liabilities		
Current portion of long-term loans	45,000,000	90,000,000
Lease liability on right-of-use assets – current portion	338,065,081	343,584,436
Accounts payable	149,442,700	180,413,209
Amounts due to related parties	3,899,682	6,486,583
Unearned revenue	177,225,232	163,057,508
Accrued lease rentals	--	--
Accruals and other current liabilities	232,071,497	175,135,919
Zakat payable	78,524,952	83,441,136
Total Current Liabilities	1,024,229,144	1,042,118,791
Long-term loans	6,970,743,077	6,922,581,447
Liabilities under finance lease	3,899,162,750	3,906,104,863
Accrued lease rentals – non-current portion	--	--
Employees' end-of-service benefits	30,370,714	23,119,807
Other non-current liabilities	52,729,339	53,854,295
Total Non-current Liabilities	10,953,005,880	10,905,660,412
Total Liabilities	11,977,235,024	11,947,779,203
Total Equity	5,984,255,632	6,160,443,108
Total Liabilities and Equity	17,961,490,656	18,108,222,311



Share Performance

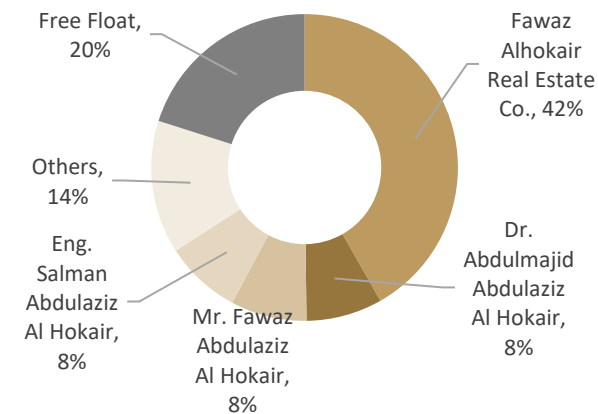
52-Week Share Price Performance – Rebased 100



Trading Summary

	SAR, %
Closing Price	22.10
Market Cap	10.50 BN
30-Day Av. Volume	2,085,456
YTD Change (%)	-25.6%
52 Wk Range	16.78 – 31.95

Shareholder Structure





Thank You

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