

Arabian Centres Company Releases Results for the Second Quarter Ended 30 September 2021

(Riyadh, 11 November 2021) Arabian Centres Company (“ACC” or the “Company”), the leading owner, developer and operator of lifestyle shopping centres in Saudi Arabia, announces its financial results for the second quarter ended 30 September 2021 (Q2-FY2022), reporting a net profit of SAR 90.8 million on total revenues of SAR 497.0 million. On a year-to-date (YTD) basis, ACC booked a net profit of SAR 217.1 million on a top line of SAR 1,007.7 million for the six-month period ended 30 September 2021 (H1-FY2022).

Summary Income Statement (SAR Mn)	Q2-FY2022	Q2-FY2021	% Change	H1-FY2022	H1-FY2021	% Change
Total Revenue	497.0	464.8	6.9%	1,007.7	940.7	7.1%
Gross Profit	266.9	254.8	4.7%	552.6	553.4	-0.2%
<i>Gross Profit Margin</i>	53.7%	54.8%	-1.1 pts	54.8%	58.8%	-4.0 pts
Net Profit	90.8	111.1	-18.2%	217.1	264.2	-17.8%
<i>Net Profit Margin</i>	18.3%	23.9%	-5.6 pts	21.5%	28.1%	-6.5 pts
Key Profitability Metrics						
Recurring EBITDA¹	405.8	398.8	1.8%	835.6	808.8	3.3%
<i>Recurring EBITDA Margin</i>	81.6%	85.8%	-4.1 pts	82.9%	86.0%	-3.1 pts
Recurring Net Profit²	189.3	159.2	18.9%	395.6	328.6	20.4%
<i>Recurring Net Profit Margin</i>	38.1%	34.2%	3.8 pts	39.3%	34.9%	4.3 pts
EBITDA	327.2	350.7	-6.7%	676.9	744.4	-9.1%
<i>EBITDA Margin</i>	65.8%	75.4%	-9.6 pts	67.2%	79.1%	-12.0 pts
FFO³	179.3	193.1	-7.1%	392.2	427.3	-8.2%
<i>FFO margin</i>	36.1%	41.5%	-5.5 pts	38.9%	45.4%	-6.5 pts
Key Operational Metrics						
Total GLA (Mn SQM)	1.311	1.253	4.6%	1.311	1.253	4.6%
Period-end Occupancy Rate LFL (19 Malls Only)	91.9%	90.5%	1.4 pts	91.9%	90.5%	1.4 pts
Footfall (Mn)	21.5	17.2	24.9%	40.2	24.3	65.5%

Key Period Highlights

- Arabian Centres recorded **total revenues** of SAR 497.0 million in Q2-FY22, an increase of 6.9% y-o-y. Top-line growth came on the back of lower rental discounts, an increase in occupancy rates, and recovering footfall. On a YTD basis, revenues were up by 7.1% y-o-y, booking SAR 1,007.7 million for H1-FY22 against SAR 940.7 million for H1-FY21 as the Company leverages the ongoing recovery in commercial conditions, an increase in occupancy rates and ramps up operations at newly launched shopping centres.
- Recurring EBITDA¹** which normalizes for the effects of nonrecurring items, booked SAR 405.8 million during Q2-FY22, up by 1.8% y-o-y, reflecting the Company’s operational strength and its ability to drive core profitability despite the rapid normalization of its operating and G&A costs. The recurring EBITDA margin of 81.6% recorded

¹ Recurring EBITDA normalizes for the effects nonrecurring items and all one-off transactions. Nonrecurring items include one-time landlord discounts classified as other income, COVID-related discounts granted to tenants, COVID-related impairments on accounts receivable, one-time provisions for doubtful debts, and income from the disposal of noncore investments

² Recurring net profit normalizes for the effects nonrecurring items and all one-off transactions. See footnote 1 for more information on nonrecurring items.

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

in Q2-FY22 exceeds the EBITDA margin of 76.3% recorded during the same quarter of FY20 (prior to the onset of the COVID-19 pandemic). Recurring EBITDA rose by 3.3% y-o-y to book SAR 835.6 million for H1-FY22, with the recurring EBITDA margin booking 82.9% for the six-month period as the Company leverages the accelerating economic and commercial recovery. Despite the normalization of operating costs, the recurring EBITDA margin of 82.9% recorded in H1-FY22 exceeds the EBITDA margin of 77.1% recorded during the first six months of FY20 (prior to the COVID-19 pandemic), marking a strong improvement to EBITDA-level profitability once one-off transactions are excluded.

- Arabian Centres booked a **recurring net profit** of SAR 189.3 million in Q2-FY22, an increase of 18.9% y-o-y, with the recurring net profit margin (NPM) recording 38.1% against the 34.2% booked for Q2-FY21. ACC's recurring NPM of 38.1% in H1-FY22 exceeds the NPM of 37.2% recorded for the same quarter of FY20, prior to the onset of the COVID-19 pandemic, marking a recovery to historical levels of bottom-line profitability once nonrecurring items are adjusted for. On a YTD basis, recurring net profit reached SAR 395.6 million for H1-FY22, up by 20.4% y-o-y and yielding an increase of 4.3 percentage points in the net profit margin to 39.3%, surpassing the pre-COVID NPM of 38.5% booked for H1-FY20.
- **Visitor footfall** registered 21.5 million during Q2-FY22, up by 24.9% y-o-y from the 17.2 million visitors recorded for Q2-FY21 and by 14.6% q-o-q from 18.7 million in Q1-FY22. Footfall in Q2-FY22 attained 76% of the level recorded in the corresponding quarter of FY20, prior to the onset of the COVID-19 pandemic. Arabian Centres recorded visitor footfall of 40.2 million for H1-FY22, an increase of 65.5% y-o-y against the 24.3 million booked one year previously. A major recovery in footfall is anticipated from Q3-FY22, reflecting the complete removal of government-mandated capacity limitations at centre facilities.

CEO's Note

Halfway through FY2022, management at Arabian Centres retains strong confidence in the Company's near- and long-term growth prospects. The Company's strong revenue growth of 6.9% y-o-y in Q2-FY22 is one sign among many that our recovery from the developments of FY2021 is both sustainable and accelerating. We have seen strong enhancements in core profitability despite large increases in operating and G&A costs for the period, a result of rapidly normalizing business conditions and our ongoing ramp-up of operations. Factoring out nonrecurring items, Arabian Centres records a bottom-line of SAR 189.3 million for the quarter, up by 18.9% y-o-y and yielding an increase of 3.8 percentage points in the net profit margin to 38.1%. Impressively, our recurring net profitability for Q2-FY22 exceeds by 0.9 percentage points the margin booked for Q2-FY20, prior to the onset of the COVID-19 pandemic.

We see further strength in the broader market. In like-for-like terms, occupancy rates across our portfolio have risen to 91.9% from the 90.5% recorded one year previously. This significant increase reflects the strong recovery in Saudi Arabia's non-oil economy and the ongoing commercial normalization. We are one step closer to our goal of 94-95% occupancy by FY2023. Meanwhile, footfall at our centres has grown by 24.9% y-o-y to reach 21.5 million visitors for Q2-FY22. More impressively, footfall rose by 14.6% from the previous quarter – a major indication of strength, given that the first quarter of the year tends to be the period of peak annual footfall.

The Company continues to focus on driving long-term sustainable growth, including by expanding its presence across the Kingdom's geography. In September, we inaugurated our latest location at Jeddah Park, with more than 121 thousand sqm in new GLA and 350 commercial units housing the finest global and Saudi Arabian brands. Operated by ACC under the Kingdom's first-ever Management & Operation Agreement, Jeddah Park offers a glimpse of our future as an asset-light platform with the financial flexibility to scale our operations and quickly launch new centres, ensuring a broad geographic footprint.

Faisal Al Jedaie Chief Executive Officer

Income Statement Analysis

- Total revenues grew by 6.9% y-o-y in Q2-FY22, booking SAR 497.0 million for the quarter.** Healthy top-line growth was driven by an increase of 9.2% in net rental revenues, which booked SAR 457.7 million in Q2-FY22 versus SAR 419.0 million one year previously. The increase in net rental revenue for the period was supported by a decline in ACC's weighted average rental discount rate and a climb in occupancy rates at the Company's centres. Total revenue growth for Q2-FY22 was further boosted by an increase of 30.6% y-o-y in media sales. It should be noted that figures from the comparable period of the previous year (Q2-FY21) reflect significant restrictions placed on activity at the Company's centres as part of government-mandated efforts to contain the spread of COVID-19. On a YTD basis, ACC's top line grew by 7.1% to book SAR 1,007.7 million in H1-FY22 against SAR 940.7 million in H1-FY21. Net rental revenue was up by 7.5% y-o-y during the six-month period. **On a like-for-like (LFL) basis**, ACC's revenues were up by 2.2% y-o-y for Q2-FY22, mainly driven by the climb in occupancy rates and a decline in the weighted average rental discount rates. LFL revenues rose by 2.0% y-o-y during H1-FY22.
- ACC registered a weighted average discount rate of 9.3% (SAR 47.0 million) in Q2-FY22, a significant reduction y-o-y from the 14.4% (SAR 71.5 million) booked for Q2-FY21.** On a YTD basis, the Company's weighted average discount rate fell to 9.6% (SAR 97.9 million) in H1-FY22 from 13.4% (SAR 134.5 million) in H1-FY21. Nonrecurring, COVID-related discounts accounted for 94.0% and 95.8%, respectively, of total discounts recognized by the Company during Q2-FY22 and H1-FY22. The y-o-y decrease in ACC's weighted average discount rate maintains the downward trend observed since the Company's rationalization of discount policies in FY2018. Arabian Centres amortized SAR 44.3 million in nonrecurring, COVID-19-related discounts during Q2-FY22, down by 35.5% y-o-y from the SAR 68.7 million amortized in Q2-FY21 and by 10.8% q-o-q from SAR 49.6 million in Q1-FY22. On a six-month basis, ACC amortized SAR 93.9 million in nonrecurring COVID-related discounts in H1-FY22, following on the amortization of SAR 241.2 million in such discounts during FY2021 and of SAR 20.4 million during FY2020. **The Company had fully recognized the cash impact from all COVID-19-related discounts by the close of FY2021** and is pursuing several initiatives for generating strong top-line growth. These include ramping up operations at newly launched locations, controlling prices on lease renewals, pursuing new tenants, and expanding income from turnover rent as commercial conditions continue to normalize.
- Gross profit came in at SAR 266.9 million for Q2-FY22, up by 4.7% y-o-y** to yield a gross profit margin (GPM) of 53.7% for the quarter against the 54.8% booked one year previously. The solid increase in gross profit for Q2-FY22 comes despite the normalization of the Company's operating costs compared to the same quarter of FY2021, during which ACC recorded large, non-recurring savings on variable costs due to COVID-related centre shutdowns and mobility restrictions. With business activity normalizing as COVID-related restrictions are eased, ACC recorded an increase of 10.7% y-o-y in the cost of revenue, which booked SAR 90.3 million for Q2-FY22. Growth in the cost of revenue was driven by an increase of 22.7% and 10.0% y-o-y in cleaning and security outlays, respectively. Further, gross profit expanded in Q2-FY22 despite an increase in depreciation expenses on investment properties and right-of-use assets. Depreciation of investment properties climbed by 12.0% y-o-y as ACC continued to ramp up operations at the recently launched extension to its flagship Nakheel Mall in Riyadh. Depreciation of right-of-use assets rose by 4.4% y-o-y, driven mainly by the ramp-up at ACC's Nakheel Mall extension, which was launched in Q3-FY21. On a six-month basis, the Company booked a gross profit of SAR 552.6 million in H1-FY22, steady versus the SAR 553.4 million recorded one year previously despite an increase of 31.5% y-o-y in ACC's cost of revenue as the Company's operating conditions normalized over the period. Arabian Centres booked a gross profit margin of 54.8% in H1-FY22, down from 58.8% for H1-FY21.
- Arabian Centres generated an EBITDA of SAR 327.2 million for Q2-FY22, down by 6.7% y-o-y** and representing an EBITDA margin of 65.8% versus the 75.4% recorded for Q2-FY21. The Company's EBITDA was affected by the normalization of general and administrative (G&A) expenses over the period. G&A outlays rose by 51.5% y-o-y to

book SAR 66.6 million in Q2-FY22, with most of the increase accounted for by growth in salaries and wages, noting that the comparable period of FY21 saw the government extend salary support to employees registered with the SANED insurance program. EBITDA for the quarter was further impacted by a high base effect in other income: ACC recorded SAR 3.2 million in other income for Q2-FY22, a decrease of 93.5% y-o-y from the SAR 49.5 million registered for Q2-FY21, a figure composed mostly of nonrecurring discounts secured from the Company's landlords to mitigate the impact of COVID-related centre closures during the period. On a YTD basis, ACC saw a contraction of 9.1% y-o-y in EBITDA to SAR 676.9 million in H1-FY22, with the EBITDA margin decreasing to 67.2% from 79.1% in H1-FY21. The YTD decline in EBITDA was similarly driven by the normalization of G&A outlays and a high base effect in other income.

- **The Company booked SAR 16.3 million in impairment losses on accounts receivable for Q2-FY22, a decrease of 61.1% y-o-y** from the SAR 41.8 million recorded one year previously. This decrease comes as ACC has seen an improvement in total collections and reflects the ongoing operational recovery. Impairment losses on accounts receivable booked SAR 31.5 million for H1-FY22, down by 53.0% y-o-y from SAR 67.0 million in H1-FY21.
- **ACC's recurring EBITDA, which normalizes for the impacts of nonrecurring items, climbed by 1.8% y-o-y to record SAR 405.8 million for Q2-FY22 versus SAR 398.8 million in Q2-FY21.** Solid growth in recurring EBITDA indicates the Company's ability to drive profitability from its core operations despite the rapid expansion in operational and other costs as the Company's operations have recovered and commercial conditions have normalized over the period. The Company booked a recurring EBITDA margin of 81.6% in Q2-FY22 versus 85.8% one year previously and against the 76.3% booked prior to the onset of the pandemic in Q2-FY20. Arabian Centres registered a recurring EBITDA of SAR 835.6 million for H1-FY22, up by 3.3% y-o-y to yield a margin of 82.9% against the 86.0% booked in H1-FY21. The recurring EBITDA margin of 82.9% booked in H1-FY22 exceeds the pre-COVID-19 margin of 77.1% booked in H1-FY20.
- **Arabian Centres reported a net profit of SAR 90.8 million in Q2-FY22, a decrease of 18.2% y-o-y from the SAR 111.1 million booked one year previously.** The Company booked a net profit margin (NPM) of 18.3% for Q2-FY22, down by 5.6 percentage points from the margin booked in Q2-FY21. The decline in ACC's bottom line comes as the cost of revenue and G&A outlays have normalized rapidly during the period. Bottom-line performance was further affected by base effects stemming from the recognition of landlord discounts and the receipt of support under the SANED insurance program during the comparable period of FY21. On a YTD basis, ACC saw a contraction of 17.8% y-o-y in net profit to SAR 217.1 million in H1-FY22, with the NPM falling by 6.5 percentage points to record 21.5%. The YTD decline in net profitability was similarly driven by ACC's normalizing cost profile and a high base effect in other income.
- **Recurring net profit, which normalizes for the effects of nonrecurring items, booked SAR 189.3 million for Q2-FY22, up by 18.9% y-o-y from SAR 159.2 million in Q2-FY21. The Company booked a recurring NPM of 38.1% for the quarter, an increase of 3.8 percentage points** from 34.2% in Q2-FY21. ACC's recurring NPM of 38.1% for Q2-FY22 exceeds the NPM of 37.2% recorded for the same quarter of FY20, prior to the onset of the COVID-19 pandemic, marking a recovery to historical levels of bottom-line profitability once nonrecurring items are adjusted for. Strength in ACC's recurring bottom line indicates the health of the Company's core operations and its ability to leverage the ongoing market recovery in driving financial performance. ACC reported a recurring net profit of SAR 395.6 million for H1-FY22, up by 20.4% y-o-y to yield a recurring NPM of 39.3% against 34.9% in H1-FY21 and 38.5% in H1-FY20.
- **Funds from operations (FFO)³ decreased by 7.1% y-o-y to SAR 179.3 million** in Q2-FY22. ACC's FFO margin contracted by 5.5 percentage points to record 36.1% for Q2-FY22. On a YTD basis, FFO fell by 8.2% y-o-y to SAR 392.2 million for H1-FY22, with the FFO margin decreasing by 6.5 percentage points to 38.9% for the period.

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

Balance Sheet Analysis

- **Total CAPEX outlays came in at SAR 228.7 million for Q2-FY22 and SAR 463.2 million for H1-FY22.** Investments during the period included outlays on shopping centres in ACC's project pipeline and maintenance CAPEX and refurbishment outlays at existing shopping centres. ACC continues to phase its geographic expansion to reflect prevailing market conditions, while maintaining solid progress on its investment plan. Total maintenance CAPEX booked on existing shopping centres recorded SAR 33.1 million for Q2-FY22 and SAR 83.2 million for H1-FY22, with the associated works occurring largely at Salaam Mall in Jeddah, Al Ahsa Mall, and Yasmeen Mall, where a new cineplex is under construction.
- **ACC recorded net debt⁴ of SAR 6,833.8 million as at 30 September 2021,** up from SAR 6,345.0 million at year-end FY2021. **The Company held SAR 814.4 million in cash and cash equivalents⁵ as at 30 September 2021,** up from the SAR 635.7 million booked at the close of FY2021 on 31 March 2021.
- **The increase in cash balances reflects ACC's issuance of USD 875 million in Sukuk during H1-FY22.** The Company completed two Sukuk issuances during the six-month period, the first falling in Q1-FY22 and yielding USD 650 million in proceeds, with a second, re-tap issuance finalized in Q2-FY22 and yielding proceeds of USD 225 million.
- **Funds from ACC's first USD 650-million issuance were used to optimize the Company's capital structure** in a manner which allows it to flexibly invest in geographic expansion while maintaining the efficiency of its operations as conditions continue to normalize. The Sukuk hold a maturity of 5.5 years, and proceeds from the issuance were used during Q1-FY22 to settle an amount of USD 200 million (SAR 750 million) on the Company's revolving credit facility and an amount of USD 272 million (SAR 1,020 million) on its existing Murabaha/Ijara facility. A further USD 28 million (SAR 105 million) on the Murabaha/Ijara facility will be settled using Sukuk proceeds, in accordance with the facility repayment plan. The issuance received ratings of Ba2 and BB+ (EXP) from Moody's and Fitch, respectively, and was two times oversubscribed, with non-GCC international investors accounting for 65% of the total transaction allocation.
- **In Q2-FY22, issued USD 225 million in international Sukuk, consolidating this latter offering under the outstanding USD 650 million issued in Q1-FY22.** Pricing on these bonds provided savings of approximately 1 percent over the Q1-FY22 issuance. The re-tap issuance was three times oversubscribed, with the initial issuance size growing from USD 150 million to USD 225 million as a result. The Sukuk hold a maturity of 5.5 years, and in accordance with ACC's financial strategy of transitioning from a fully secured capital structure towards unsecured financing.
- **Amounts due from related parties recorded SAR 480.4 million as at 30 September 2021,** up from the SAR 379.4 million booked at year-end FY21. This amount includes SAR 250.8 million in rental receivables, up from SAR 151.5 million booked for FY2021, reflecting H1-FY22 billings. Meanwhile, for the balance of SAR 229.6 million related to non-trading receivables, ACC's Board of Directors has approved the full receipt of all dues from FAS Hotels, amounting to SAR 350.3 million. The dues will be settled during the remainder of FY22 partly in cash and partly in-kind, with the Company receiving four strategically located plots of land and a building in the cities of Jeddah, Dammam, Al Ahsa, and Al Kharj. The assets concerned are strategically situated, with two of the plots being adjacent to the Company's centres, complementing ACC's strategic efforts at introducing differentiated lifestyle destinations. As agreed by the parties, ACC will consolidate these assets at a 9% discount from the valuation median. FAS Hotels settled an amount of SAR 131.3 million in Q4-FY21. As of 30 September 2021, title to the transferred lands remained in the name of the ultimate parent company and the transfer of title deeds was in progress.

⁴ Net debt: financial debts minus cash and cash equivalents (including short-term bank deposits).

⁵ Cash and cash equivalents include short-term bank deposits.

Operational Developments

- **Like-for-like period-end occupancy (across 19 malls only) recorded 91.9% as at 30 September 2021**, an increase on the rate of 90.5% registered for the same period of the previous year. Growth in occupancy rates indicates a strong recovery in commercial activity during the period and marks notable progress towards management's strategic objective of attaining 94-95% occupancy by FY2023.
- **Visitor footfall reached 21.5 million in Q2-FY22, an increase of 24.9% y-o-y from 17.2 million visitors in Q2-FY21.** It should be noted that the comparable period (Q2-FY21) saw the application of restrictions and limitations on activity at the Company's shopping centres in compliance with efforts to arrest the spread of COVID-19 in the Kingdom of Saudi Arabia. Footfall recorded 40.2 million visitors for H1-FY22, up by 65.5% y-o-y from 24.3 million one year previously and reflecting the continuous normalization of continuous activity following the COVID-related closures of ACC's shopping centres during Q1-FY21.
- **Footfall for Q2-FY22 was up by 14.6% q-o-q from the figure recorded in Q1-FY22**, a highly encouraging development given historical footfall patterns: Arabian Centres' peak annual footfall tends to coincide with the months from April to June (Q1), with the holy month of Ramadan occurring during this period in FY2022. Consequently, footfall for the second quarter has historically been lower than the figure registered for Q1. In FY22, by contrast, the force of the economic recovery and the normalization of commercial conditions has offset the effects of seasonality and driven an increase in visitor footfall from Q1-FY22 to Q2-FY22. Saudi Arabia's non-oil economy is expected to grow at a rapid rate of between 4.7% and 5.0% for 2021, with 5.0% growth forecast for 2022.
- **ACC inaugurated Jeddah Park in Q2-FY22, introducing an additional 121.6 thousand square meters (sqm) of GLA to the Company's portfolio.** Consolidating the Company's already deep presence in Saudi Arabia's Western Region, Jeddah Park houses over 350 commercial units and a wide range of international and local brands in fields ranging from fashion and cosmetics to food and beverage. The launch marks important progress in Arabian Centres' efforts to develop an asset-light model that enhances the Company's financial flexibility, allowing it to rapidly scale operations while strengthening efficiency and profitability. Under the terms of ACC's agreement with the holders of the Jeddah Park property, the Company has undertaken to lease, manage, operate, and carry out maintenance works at the centre in exchange for a share of the net annual revenues generated by the facility.
- **With the launch of Jeddah Park, Arabian Centres now holds a portfolio of 22 shopping centres with a total gross leasable area (GLA) of 1.311 million sqm, up by 4.6% y-o-y from 1.253 million sqm in Q2-FY21.** Arabian Centres expects to launch c.52.2 thousand sqm of additional GLA during the remainder of FY2022 with the launch of The View in Riyadh⁶, the remaining project in the Company's near-term pipeline.
- **As at Q2-FY22, ACC had integrated 44 of the brands in its existing portfolio onto VogaCloset**, an online fashion platform acquired by the Company in Q4-FY21. Operating through www.vogacloset.com, VogaCloset offers the latest women's, men's, and children's fashions to millions of consumers in Saudi Arabia and the broader Middle East. ACC will leverage VogaCloset's presence to offer end-consumers a host of value-added services, with a full-fledged loyalty program currently under development and slated for soft launch by Q3-FY22 and for the official launch by Q4-FY2022.
- **ACC has completed a preliminary phase of rolling out several brands managed by Alshaya Group**, one of the world's leading brand franchise operators. Alshaya brands introduced at ACC centres during Q2-FY22 include the Starbucks café chain, Jo Malone, and M.A.C. Cosmetics. The following phase is scheduled to conclude by H1-FY23 and will include expanded launches of the abovementioned brands. The final phase, set to conclude by H1-FY24, will see the Company introduce several big-box labels, including but not limited to H&M, American Eagle, West Elm, and Victoria's Secret. The additions will complement ACC's existing offerings in the F&B and fashion retail

⁶ Arabian Centres' Khaleej Mall pipeline project has been renamed The View as it overlooks King Salman Park in the city of Riyadh.

areas, cementing the Company's leading position as the go-to destination for both Saudi consumers and international brands seeking to penetrate or deepen their presence in Saudi Arabia's growing retail market.

- **Arabian Centres had inaugurated cineplexes at 11 of its 22 portfolio locations by the close of Q2-FY22**, including the Kingdom's largest such facility, located at the Company's Mall of Dhahran property. ACC expects to launch cineplexes at a further seven centres over the coming 12 months.
- **ACC renewed 304 leases during Q2-FY22 (H1-FY22: 481), sustaining its momentum on the leasing front.** However, slight pressure on rental rates resulted in a decrease in the rental rates applied to contracts renewed during the period, particularly at C- category shopping centres.

Complete financial statements are available for download on ir.arabiancentres.com.

Recent Corporate Developments

ACC Inaugurates Jeddah Park Shopping Centre

ACC inaugurated Jeddah Park in Q2-FY22, introducing an additional 121.6 thousand square meters of GLA to the Company's portfolio. Consolidating the Company's already deep presence in Saudi Arabia's Western Region, Jeddah Park houses over 350 commercial units and a wide range of international and local brands in fields ranging from fashion and cosmetics to food and beverage. The launch marks important progress in Arabian Centres' efforts to develop an asset-light model that enhances the Company's financial flexibility, allowing it to rapidly scale operations while strengthening efficiency and profitability. Under the terms of ACC's agreement with the holders of the Jeddah Park property, the Company has undertaken to lease, manage, operate, and carry out maintenance works at the centre in exchange for a share of the net annual revenues generated by the facility.

ACC Issues USD 225 Million in Sukuk Re-Tap

Arabian Centres completed the issuance of USD 225 million (SAR 844 million) in international Sukuk during Q2-FY22. The Sukuk were consolidated and form part of the same series as the USD 650 million issuance completed in Q1-FY22. The re-offered Sukuk were three times oversubscribed and hold a maturity of 5.5 years. Proceeds were used to settle the Company's existing debt and optimize its capital structure. The re-offer price was approximately one percentage point below the pricing on ACC's Q1-FY22 Sukuk offering. Total current outstanding Sukuk stood at USD 1.375 billion at the close of the re-offer transaction on 28 July 2021.

About Arabian Centres Company

Arabian Centres is the leading owner, operator and developer of contemporary lifestyle centres in Saudi Arabia. For over a decade, the Company has provided customers with a complete range of high-quality lifestyle centres up to international standards, located in the most attractive areas of the country to satisfy all shopping needs and market requirements. As of 30 September 2021, Arabian Centres operates a portfolio of 22 assets strategically located in 11 major Saudi cities. The Company's developments include several iconic lifestyle centres, such as Mall of Arabia Jeddah, Mall of Dhahran, and Nakheel Mall Riyadh – which was recognized at the Arab Luxury World Forum in 2017 as being consumers' favourite shopping mall in Riyadh. The Company's lifestyle centres have more than 4,300 stores and hosted approximately 63.2 million and 111 million visitors in FY2021 and FY2020, respectively. For more information about Arabian Centres Company, please visit www.arabiancentres.com

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Analyst Call and Earnings Presentation

ACC will be hosting an analyst call on the Company's Q2-FY2022 results on 15 November 2021 at 16:00 KSA time. For conference call details, please email ir@arabiancentres.com. The Company's full Earnings Presentation is available for download at ir.arabiancentres.com

Forward-Looking Statements

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