المراكز العربية
Arabian Centres

Earnings Presentation

FY2022

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Key Updates

Rapid economic growth boosted by oil price climb and post-COVID normalization

Brent crude remains elevated as IEA forecasts increased demand

Saudi **oil production** has **increased** by c.**500k barrels** per day

Strong economic performance including in non-oil sector

GDP growth of **2.6% q-o-q** in Q1-2022, highest in G20

GDP growth hit **9.6% y-o-y** in Q1-2022, highest in 10 years

Non-oil economy expanded by **3.7% y-o-y** in Q1-2022

IMF anticipates **GDP growth of 7.6% for 2022**, growth of **4.2% in non-oil activities** , supported by oil price and Vision 2030

Saudi **unemployment down** to 11% in 4Q-21 vs. 12.6% in 4Q-20.

Avg. Saudi salary up by 2% in 2021 vs. 2020.

Consumer spending up by 10% in 2021 vs. 2020.

Saudi Arabia is closer than ever to pre-COVID conditions

Most COVID-19 restrictions have been ended, including social distancing and outdoor mask-wearing,

Capacity limitations removed for malls, eased for all indoor activities and entertainment, e.g. cinemas.

All students have returned to in-class attendance at all institutions, including kindergarten.

All travel restrictions removed. No PCR or vaccine certificate required for entry or for **pilgrimages**.

Strong Vaccine Trend

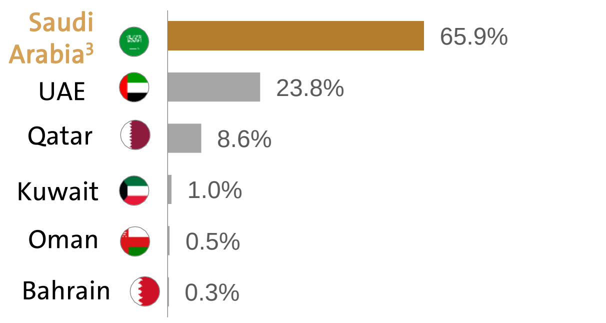
66.9 million doses administered at a rate of **189.4 doses per 100 people**

71% of population has received **two doses**

Attractive Competitive Landscape With Strong Retail Market

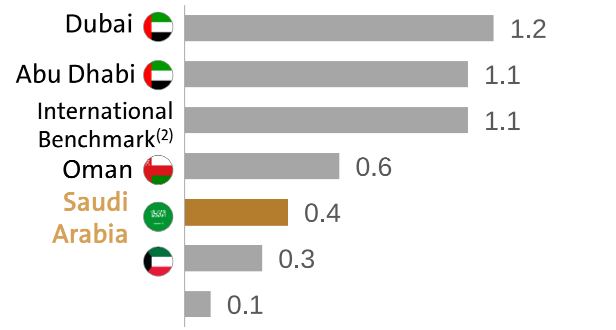
Saudi Arabia's modern retail market retains large room for continued growth compared to peer countries in the GCC

2017A Market Share of GCC Retail Sales



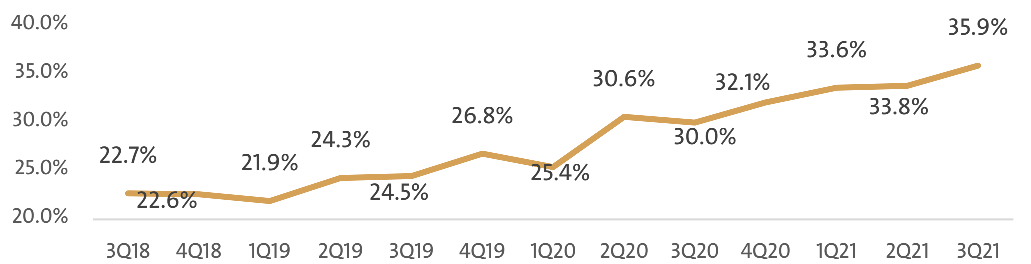
Saudi Arabia is the largest retail market in the GCC, almost double the size of the retail market in the UAE and is expected to grow by CAGR of 5% between 2019 and 2021

2020A 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

Saudi Arabia Female Labour Force Participation



Female Empowerment: A Major Growth Driver

- Female labour force participation has doubled over the last five years
- Increase in female employment driven by private sector
- Increase in discretionary spend and purchasing power
- Females constitute **c.80%** of ACC's target catchment.

Key Vision 2030 Reforms

Key Vision 2030 Reforms				Expected Impacts for Retail / ACC
Enriching Quality of Life	Promote Saudi Arabia's entertainment industry	Enhance Saudi Arabian cities' positioning among top cities		Entertainment / leisure including cinemas as incremental footfall generators Recapture retail spending outside of the Kingdom
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	Increasing domestic and international tourist flows in Saudi Arabia

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

ACC Has Appointed Alison Rehill-Erguven as CEO

Alison Rehill-Erguven
CEO Designate

Previous Experience

Prior to joining ACC, Mrs. Rehil-Erguven was Head of Commercial Real Estate at Brookfield Properties, based in Shanghai, China. In 2016, Brookfield acquired Pradera Retail Asia (PRA), where Mrs. Rehill-Erguven was CEO. She has also served as Managing Director of Pradera Limited, a London-based private equity firm, specializing in retail real estate, with assets and employees across the UK, Europe, and Turkey.

Looking Forward

Ms. Rehill Erguven brings **more than two decades of shopping mall and real estate experience**, having held management roles in dynamic Asian, European and Latin American markets.

She also brings **10+ years of experience in the leading US market**, including with General Growth Properties and Simon Property Group.

Mrs. Rehill-Erguven's appointment is effective from **21 August 2022**.

Qualifications

Mrs. Rehill-Erguven holds a bachelor's degree in International Trade with Honors from the Fashion Institute of Technology, State University of New York, in 1994.

Key Developments During the Year

Key Developments

Revenues	Revenues climbed by 9.8% y-o-y in FY2022, reaching SAR 2,037.5 million. Growth was driven by an increase of 7.4% in net rental revenue , which booked SAR 1,845.4 million in FY2022, supported by a sustained decrease in the Company's weighted average rental discount rate, as well as an increase in occupancy rates. Top-line growth was also driven by an increase in media sales, which rose to SAR 74.0 million in FY2022 from SAR 26.7 million in FY2021.	SAR **2,037.5** mn Revenues in FY2022
Footfall	Footfall recorded at 80.8 million for FY2022, a strong increase of 27.9% y-o-y from FY2021. This rapid recovery in footfall indicates a sharp recovery in activity following the closure of ACC's centres for periods of FY2021 in compliance with efforts to halt the spread of COVID-19.	**27.9%** Y-o-Y Footfall Increase
Occupancy	Like-for-like period-end occupancy* recorded 94.1% for FY2022, up from 92.9% reported for FY2021. Growth in occupancy rates marks a full recovery exceeding pre-COVID levels, with the FY2022 rate surpassing the figure of 93.1% booked for FY2019.	**94.1%** LFL Occupancy Ratio
Lease Renewals	ACC renewed 868 leases during FY2022, representing more than 90% of leases expiring during the year. Renewal rates remain under pressure, particularly at C-category malls.	**>90%** Leases expiring in FY2022 renewed
New Opens	ACC inaugurated Jeddah Park in September 2021 and The View (Riyadh) in November 2021, introducing an additional 176.3 thousand sqm of GLA to the Company's portfolio.	**1.335 mn sqm** Total GLA in FY2022
Project Pipeline	ACC booked CAPEX outlays of SAR 880.9 million during FY2022, including investments in pipeline projects and maintenance and refurbishment outlays on existing shopping centres. ACC continues to phase its geographic expansion to reflect prevailing market conditions, while maintaining solid progress on its investment plan.	**SAR 880.9 mn** FY2022 CAPEX
Qassim Land (Jouri Project)	Following on its receipt of Wafi certification, ACC has broken ground on its mixed-use Jouri Project in Al Qassim, which sits on a total area of 1.2 million square meters adjacent to Qassim Walk. ACC has begun infrastructure development works and aims to subdivide the plot for the off-plan sale of residential and commercial units. Net salable space at the Jouri project is estimated at c.600k square meters. ACC expects a positive impact on its financial results beginning from FY2023.	**600 thousand sqm** Jouri Project Net Saleable Space
Mall of Dhahran	In the early hours of 13 May 2022 prior to official opening time, a fire broke out at Mall of Dhahran. The fire was quickly brought under control. On 7 June 2022, Mall of Dhahran reopened almost 60% of its total GLA. ACC has comprehensive insurance including business interruption.	**SAR 25 mn** Max. Estimated Impact
Sukuk Issuances	ACC issued USD 875 million in international Sukuk during FY2022. The offering was 3x oversubscribed and holds a maturity of 5.5 years. Proceeds were used to settle the Company's existing debt and optimize its capital structure.	USD **1.37** bn Outstanding Sukuk
Jawharat Riyadh	The Judicial Authority has fully reinstated the land title deed to ACC.	**Title Deed Reinstated**

** Like-for-like (LFL) represents figures at 17 malls.*

ACC Strategy

To be the leading provider of lifestyle experiences in the KSA

ACC's Strategic Initiatives

Key Pillars of ACC's Growth Strategy

A Unlock Significant Value from Operating Portfolio

UNLOCK VALUE

1. Yield Management
2. Space Optimization
3. Non-GLA Revenue Opportunity
4. Cost Optimization
5. Exit/Turnaround Nonperforming Assets

B Offer Integrated Lifestyle Experiences

Improve F&B and Leisure offer and Attract Fashionable Brands

- Food & Beverage
- Cinema
- Unique Entertainment

Digitization

Digital Customer Experience

- Omni-Channel
- VOGACLOSET
- Loyalty Program

Digital Infrastructure

- Tenant Financing
- Digital Footfall Counters

Data Analytics & Insights

- Customer E-Profiling
- Data Management Platform

C Targeted Growth Strategy to Solidify Leadership Position

Malls Currently Under Construction

~800K

Near and Medium-Term Pipeline GLA (c.311k sqm delivered / c.176k in FY22 for JP & The View)

+ 76%

Increase in GLA (c. 37.8% delivered as of FY2022)

4+1

Near-term Pipeline 4 malls + 1 extension delivered

7

Controlled Medium-term Pipeline with 5 New Malls by 2025G

15-20%

Target Yield on Cost

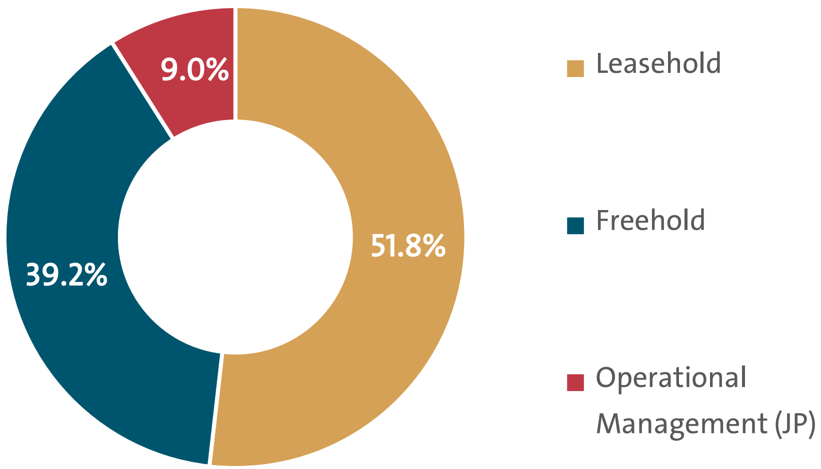
ACC's Key Focus Areas

Portfolio Optimization	• Portfolio optimization by introducing more lifestyle and F&B as we roll out new malls and accelerate rollout of cinemas across portfolio; • Secure additional partnerships with franchise retailers, secure large key accounts expanding brand representation • Negotiate new arrangements on expiring properties and optimize pricing for all malls with focus on C- category. • Develop asset light model with increased focus on partnerships, lease-manage-maintenance • Turnaround underperforming malls, including Haifa, Jubail, Al Ahsa malls.
GLA Optimization	• Accelerate sale of unoccupied GLA • Control pricing on remaining lease renewals. • Targeting short-term GLA occupancy of 94-95%.
Shareholders' Value Optimization	• Engage in additional operational agreements (e.g. Jeddah Park), enter partnerships and establish REITs, other funds. • Megaprojects to be financed through private real estate funds • Partner with Government to support ACC in developing its landbank at cities that meet pre-defined Vision 2030 goals
CAPEX	• Continue delivering near-term, long-term and refurbishment CAPEX commitments on schedule • Phase CAPEX program in accordance with market conditions • Preserve strong liquidity position to support investment
Digitization	• Complete integration of tenant brands' online offerings with VogaCloset e-commerce platform. • Enabling omnichannel strategy by developing digital channels for all Internal and External Stakeholders. • Digital credibility and trust when providing exceptional customer support. • Personalized marketing and high-quality e-services (B2C, B2B & B2B2C). • Digital Infrastructure: digital interactive screens, WiFi, beacons, IoT, footfall counters, 5G and fiber toward smart connected malls.

Pioneering An Asset-Light Model for Value Optimization

10 of 21 ACC centres located on leasehold lands

Asset-light model boosts **cost optimization**



Financial flexibility to **scale operations** and quickly launch new centres, ensure broad **geographic footprint**

ACC Boasts Low Average GLA with Wide Geographic Footprint

63.6K SQM
Average GLA – ACC Portfolio

14%
Largest Revenue Contribution from Single Centre – FY2022

71%
ACC Centres With GLA < 70K SQM

Smaller average GLAs, and a **larger overall number of locations** provide ACC with a highly **nimble and resilient model** compared to peers operating a smaller number of typically larger locations (GLA >300K SQM)…

Integrated Digital Strategy In Place

Arabian Centres is pioneering an omnichannel model that combines digital shopping with the in-store experience

ACC is pursuing **three digital initiatives** under its integrated strategy

e-Commerce	Loyalty	Consumer Finance
Key Initiatives: • Acquisition of VogaCloset	**Key Initiatives:** • Preparing for launch of loyalty program	**Key Initiatives:** • Launched financial services platform to target ACC visitors in partnership with valU
Status: • Vogacloset has onboarded 66 distinct ACC tenant brands	**Status:** • Implementation ongoing • Launch expected by 2H-2022G	**Status:** • SAMA pre-approval granted • Launch expected by 1H-2023G

Full activation of **Click-and-Collect** feature expected by **FY2023**

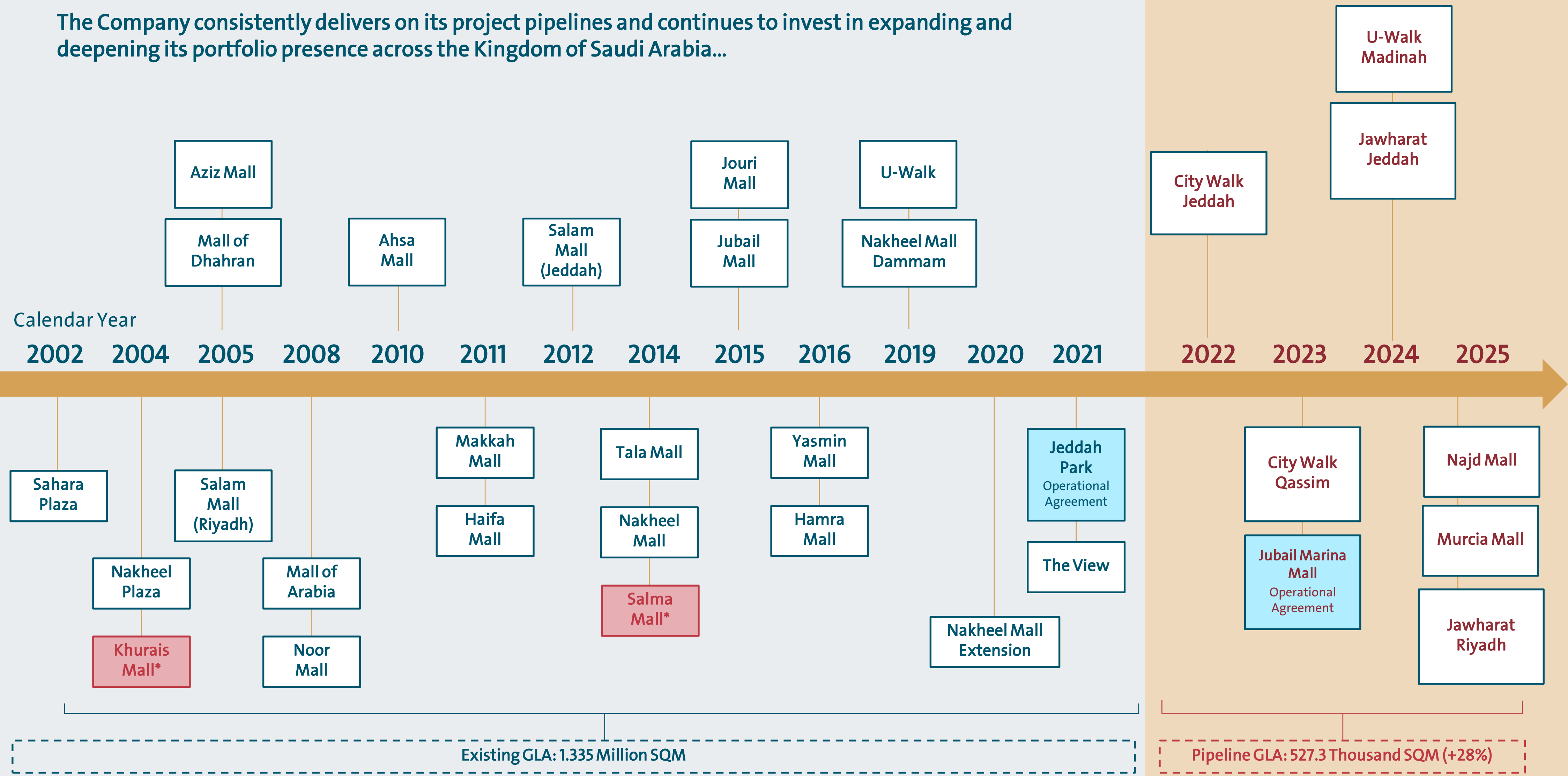
Interactive Screens	WiFi Beacons	IoT	Footfall Counters	5G

ACC is also rolling out **smart mall** infrastructure

Investment Properties & Pipeline

Since 2002, Arabian Centres has been committed to consistent delivery on its mall pipeline

The Company consistently delivers on its project pipelines and continues to invest in expanding and deepening its portfolio presence across the Kingdom of Saudi Arabia...



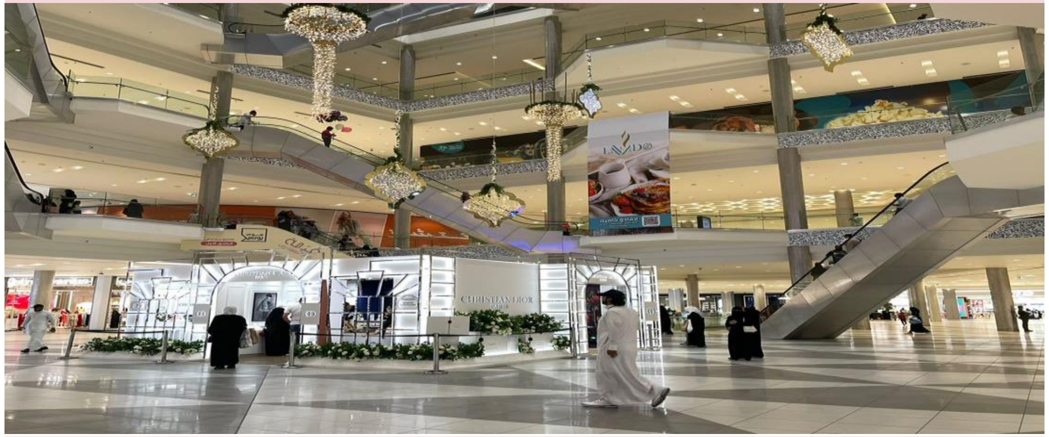
Total targeted GLA by 2025: 1.862 Million SQM

*Salma and Khurais Malls were closed during FY2022

New Opens: Jeddah Park (Sept 2021) + The View (Nov 2021)

Jeddah Park

Jeddah Park marks ACC's first property managed under an operational agreement



Jeddah Location	**Operational Agreement** Self-Managed	**91.1K sqm** Land Area
120.0K sqm Total GLA	**350+** Units	**September '21** Launch
	73% Occupancy	

The View

The latest addition to ACC's world-class portfolio in the Saudi capital

Riyadh Location	**Freehold** Self-Managed	**107.1K sqm** Land Area
56.3K sqm Total GLA	**168+** Units	**November '21** Launch
	85% Occupancy	

ACC has seen strong progress on upcoming deals at both Jeddah Park and The View:

Jubail Marina Mall Agreement Furthers Asset-Light Model

Jubail Marina Mall is part of a world-class integrated marina project

93K sqm
Land Area

c.30K sqm
GLA

H2-FY2023
Est. Launch

ACC has signed a **Management and Operation Agreement** for Alghanim International's Jubail Marina Mall, a part of the Dareen International Marina Project in the City of Jubail.

The project includes 306 yacht berths, residential and commercial plots, hotel facilities, and an extensive marina walk surrounding the marina basin, marking a **major GCC tourist destination**.

Such agreements allow ACC to maintain a lean balance sheet, providing flexibility to **scale operations** and expand the **geographic footprint**.

Murcia Mall (Riyadh): ACC’s First Public-Private Partnership

ACC has joined with the National Housing Company (NHC) to develop and operate a mall at NHC’s Murcia residential project.

Murcia Mall

Riyadh Location	**180K sqm** Land Area	**45K sqm** GLA	**3.5K Slots** Parking
Hybrid Mall Concept	**1H-2025G** Launch	**SAR 260mn** Budget	**150+** Stores

ACC and NHC have established a **JV** for the purpose of developing Murcia Mall, with a paid-in capital of SAR 130 million and a term of 28 years.

NHC will lease the designated plot to the JV for the purpose of development, with the lease valued at c.SAR 340 million and to be paid in annual installments.

ACC Has Established Closed Real Estate Funds to Develop Jawharat Jeddah and Jawharat Riyadh

ACC has joined with Riyad Capital to establish two closed real estate funds valued at SAR 6.2 billion. Both malls are targeted as luxury destinations and have drawn major interest from prospective tenants. Funding for Jawharat Riyadh and Jawharat Jeddah has been secured.

Jawharat Jeddah

- **171K sqm** Land Area
- **87.2K sqm** GLA
- **17.5K sqm** Entertainment Area
- **SAR 270m** Estimated Yearly Revenues
- **2024G** Launch
- **SAR 2.3bn** Construction and Land Cost
- **190+** Stores

Jawharat Riyadh

- **623K sqm** Land Area
- **148.8K sqm** GLA
- **39.8K sqm** Entertainment Area
- **SAR 400m** Estimated Yearly Revenues
- **2025G** Launch
- **SAR 3.9bn** Construction and Land Cost
- **370+** Stores

ACC retains full rights of ownership over Jawharat Jeddah and Jawharat Riyadh. Riyad Capital has been mandated to manage the funds. ACC will manage and operate the properties upon completion.

Moving forward, ACC will consider offering the funds for public subscription in whole or in part, in the form of a real estate investment trust (**REIT**).

Ambitious SAR 3.8 Billion CAPEX Program, With 7 Market-Leading Projects in Pipeline

City Walk Jeddah

Location	Ownership	Land Area	Land Cost
Jeddah	Leasehold	161K sqm	Leasehold

GLA	Shops	Budget	Opening
61K sqm	180+	SAR 455m	Q4-2022G

City Walk Qassim

Location	Ownership	Land Area	Land Cost
Qassim	Freehold	400K sqm	SAR 91.8m

GLA	Shops	Budget	Opening
70K sqm	135+	SAR 537m	2023G

Jawharat Jeddah

Location	Ownership	Land Area	Land Cost
Jeddah	Freehold	170K sqm	SAR 1.1 bn

GLA	Shops	Budget	Opening
87K sqm	190+	SAR 1.1 bn	2024G

U-Walk Madinah

Location	Ownership	Land Area	Land Cost
Madinah	Leasehold	222K sqm	Leasehold

GLA	Shops	Budget	Opening
50K sqm	95+	SAR 230m	2024G

Jawharat Riyadh

Location	Ownership	Land Area	Land Cost
Riyadh	Freehold	524K sqm	SAR 1.5bn

GLA	Shops	Budget	Opening
149K sqm	370+	SAR 1.6 bn	2025G

Najd Mall*

Location	Ownership	Land Area	Land Cost
Riyadh	Leasehold	103k sqm	Leasehold

GLA	Shops	Budget	Opening
35K sqm	80+	SAR 170m	2025G

Murcia Mall

Location	Ownership	Land Area	Land Cost
Riyadh	Leasehold	180K sqm	Leasehold

GLA	Shops	Budget	Opening
45K sqm	150+	SAR 260m	2025G

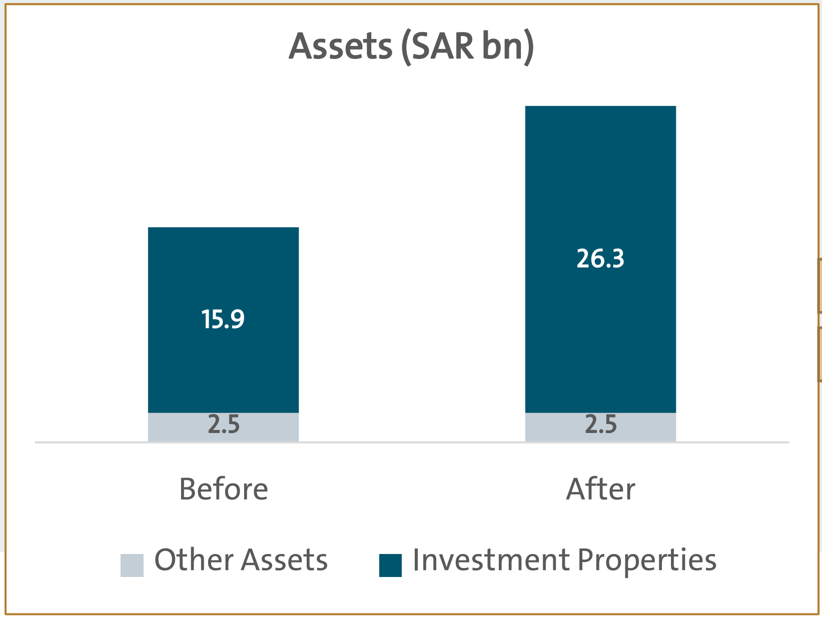
Internally Financed

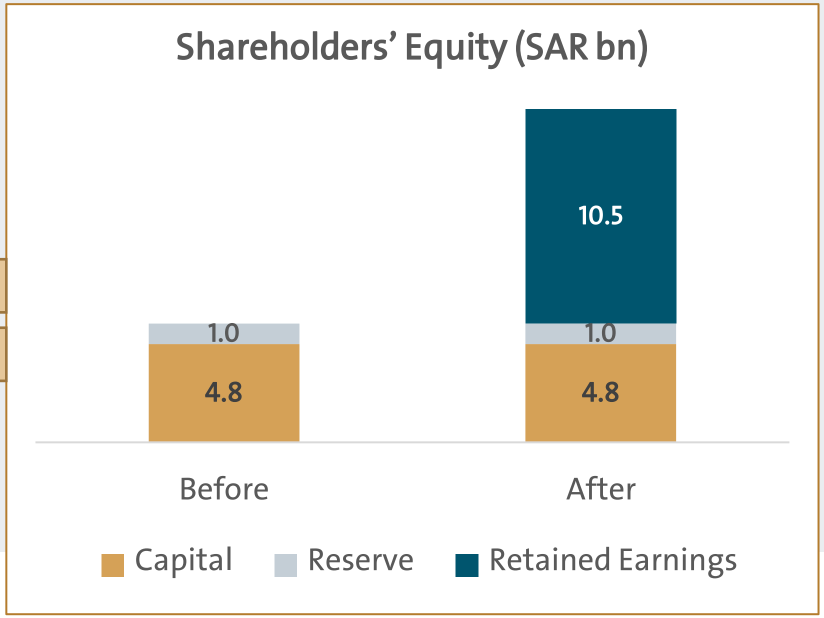
Project Finance/Fund

**Lease negotiations for Najd Mall have still not been finalized, with the opening date likely to be postponed to 2025G.*

Fair Value Model Adoption Will Strengthen ACC's Financial Position

ACC's Board has approved the use of the fair value model (FVM) to value the Company's investment properties…





What?
- Investment properties will be booked at fair value instead of historical cost.

When?
- Effective starting from **Q3-FY2023** (ending 31 December 2022).

Impact?
- c.SAR 10 billion increase to Assets (Investment Properties) and Equity (Retained Earnings).
- Income Statement to be positively affected by removal of Depreciation element.
- Income Statement to reflect fair value revaluation of investment properties.
- No impact on Cash Flow.
- No impact on Zakat cost.

Operational and Financial Performance

ACC attracts premium international tenants while diversifying GLA mix

ACC continues to optimize GLA with new lifestyle categories, including F&B, gyms, spa, clinics and other service providers.

Strong Onboarding Performance

233 brands were onboarded at ACC's centres during FY2022, including:

47	73	19
Health & Personal Care Providers	Food & Beverage Providers	Other Service Providers

Preferred International Partner

15% of brands onboarded in FY2022 were classified as **international**

Notable International Brands Onboarded – Q4FY22

S.T. Dupont Paris

Paris pb Cosmetics

Tom Ford Beauty

benefit San Francisco

GIVENCHY

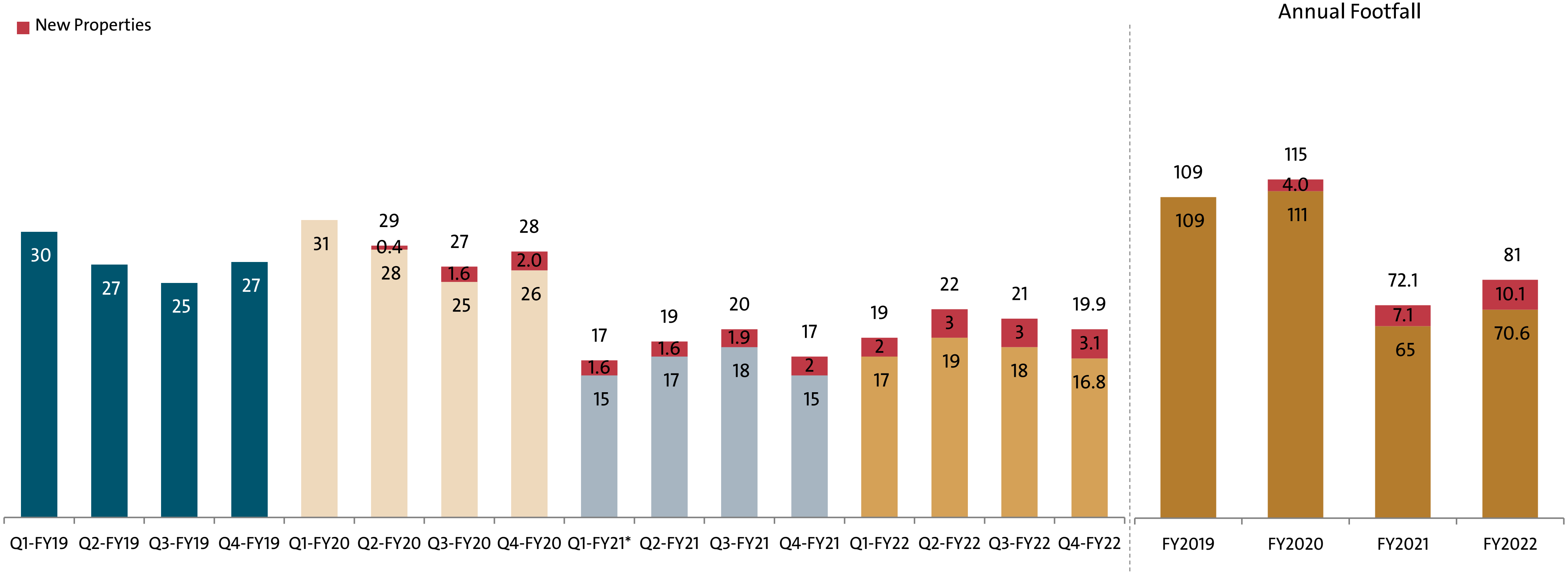
ACC has pursued several innovative means to drive footfall and enhance its value proposition to tenants:

Competitive Prize Raffles

Social Media Campaigns

Ongoing Recovery in Footfall

Quarterly & Annual Footfall Progression (mn)

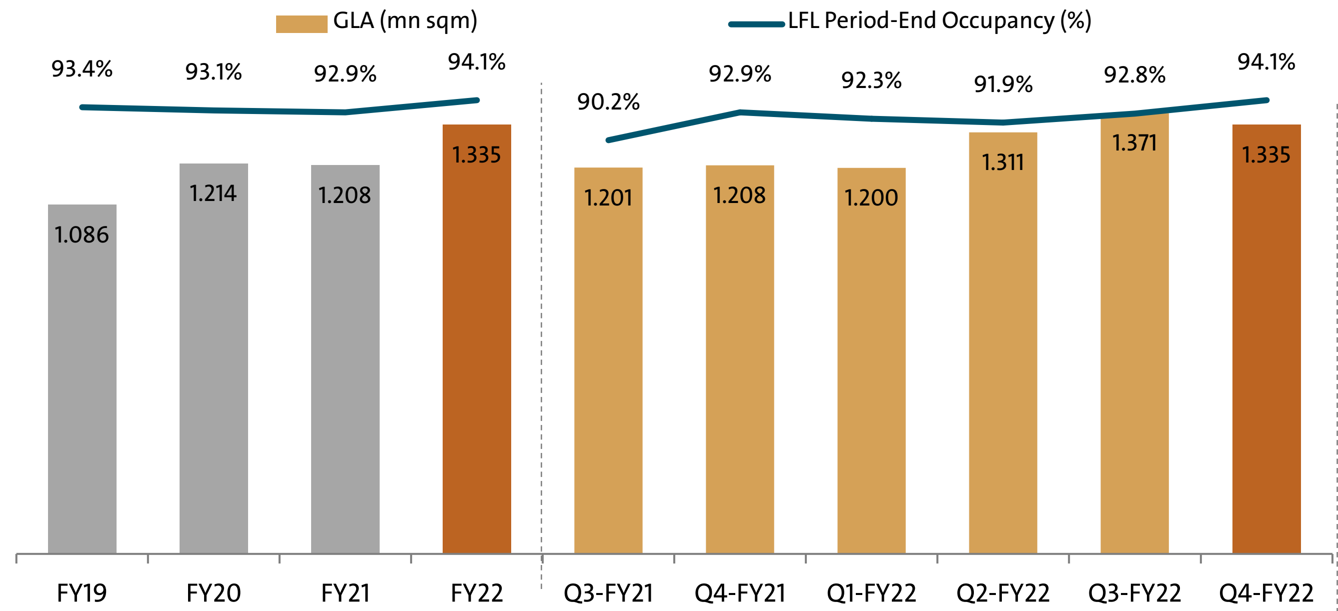


Visitor footfall came in at 80.8 million for FY2022, a strong increase of 27.9% y-o-y from 63.2 million visitors in FY2021. This rapid recovery in footfall indicates a sharp recovery in activity following the closure of ACC's centres for periods of FY2021 in compliance with efforts to halt the spread of COVID-19. Footfall continues to recover towards its pre-COVID trend, with the figure for FY2022 attaining 74% of the FY2019 level. The Western Region accounted for 50.8% of footfall during FY2022, while the Central and Eastern Regions accounted for 34.6% and 14.6%, respectively.

* Q1-FY21 footfall is annualized to normalize for the impact of COVID-19-related centre closures during this period. This is additionally reflected in figures for FY2021.

Footfall Recovery Stable, Occupancy Grows Despite Rate Pressures

GLA Progression vs. Occupancy Rates

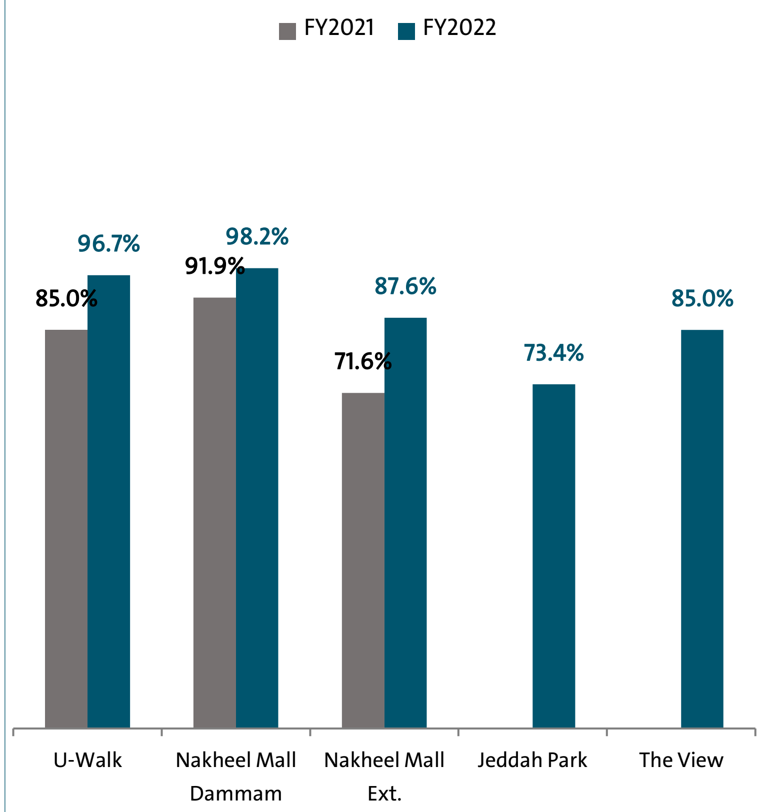


ACC's portfolio holds 21 shopping centres with a total GLA of 1.335 million sqm, up from 1.208 million sqm in FY2021. LFL period-end occupancy recorded 94.1% at year-end FY2022, up from 92.9% for FY2021. Growth in occupancy rates marks a full recovery exceeding pre-COVID levels, with the FY2022 rate of 94.1% surpassing the figure of 93.1% booked for FY2020. Expansion in occupancy rates reflects solid recovery in activity and significant progress towards management's strategic objective of attaining an occupancy rate of 94-95% by FY2023.

GLA Developments in FY2022

- **Q2-FY22**: Jeddah Park launched, adding 120k sqm
- **Q3-FY22**: The View launched, adding 56k sqm
- **Q4-FY22**: Khurais Mall closed, shedding 42k sqm
- **Q4-FY22**: Salma Mall closed, shedding 15k sqm

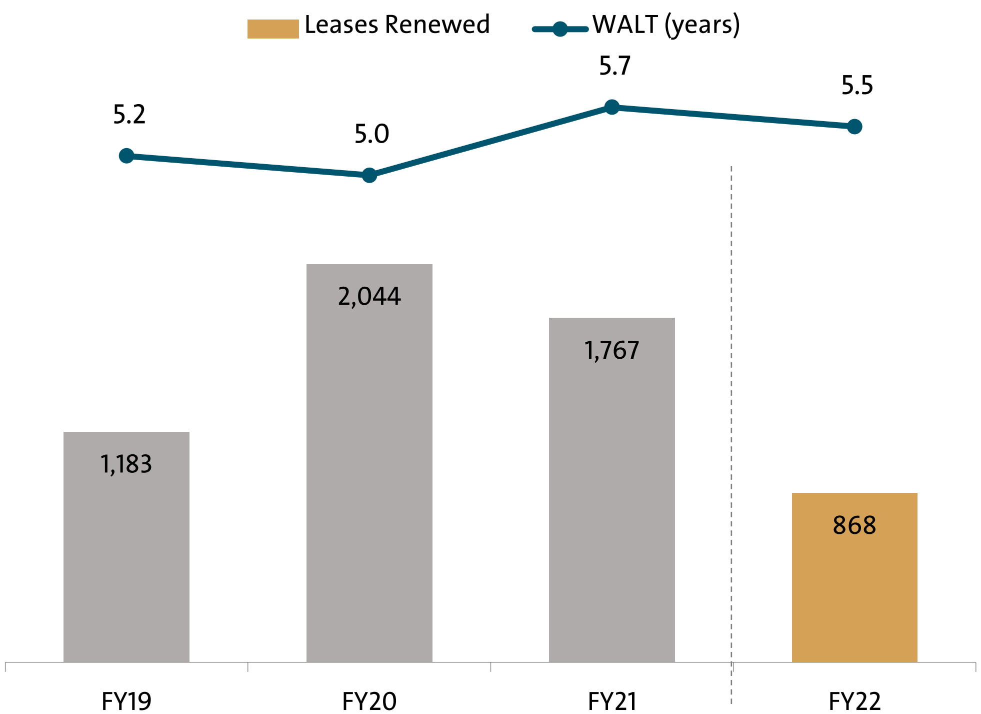
New Malls Occupancy



Occupancy at new malls continues to increase every quarter, reflecting ACC's well-established leasing activity and leading market position.

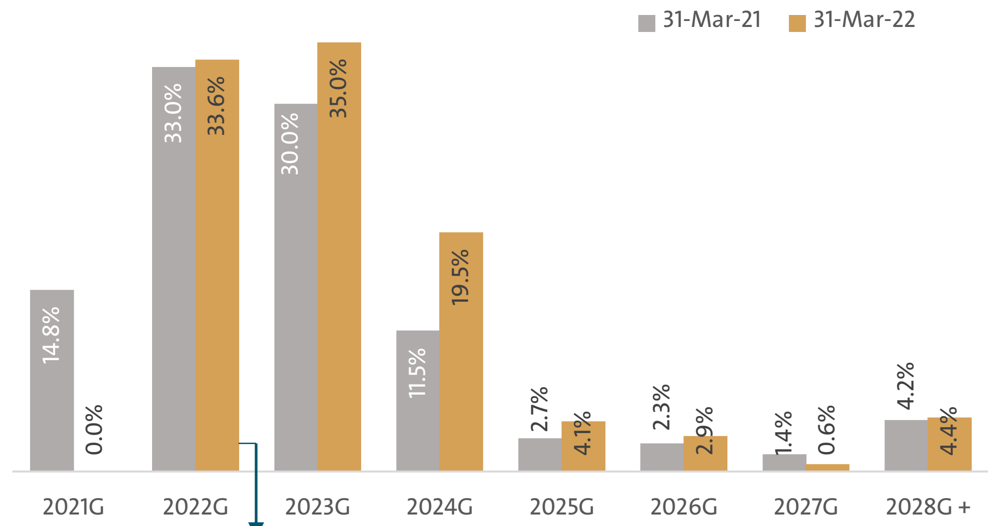
Continued Lease Renewals with a Drop in Renewal Rates Against Current Backdrop

Number of Leases Renewed vs. WALT*



ACC renewed 868 leases during FY2022, sustaining its momentum on the leasing front with more than 90% of leases expiring during the year renewed. 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.

Year of Expiration - % of Total Rental Revenues



Lease Expiry by Mall Type – 2022G as of 31-Mar-22

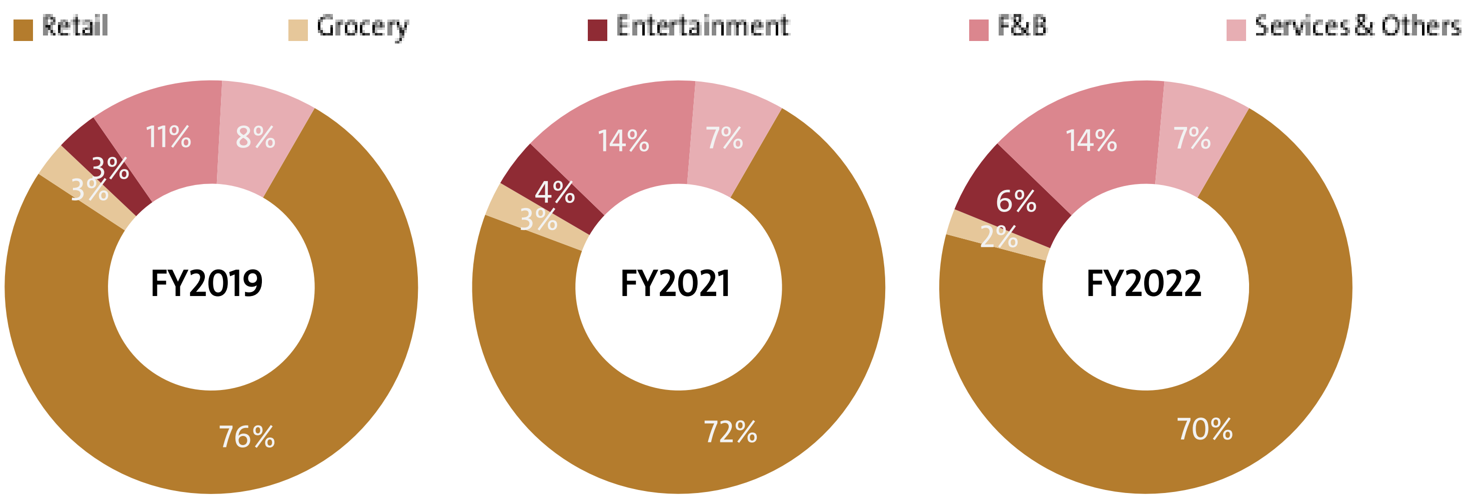
20.5% Class A	8.1% Class B	5.0% Class C

Despite current market conditions, ACC continues to successfully renew leases set to expire during the current fiscal year, locking in revenue streams for a prolonged period.

**Weighted Average Lease Term*

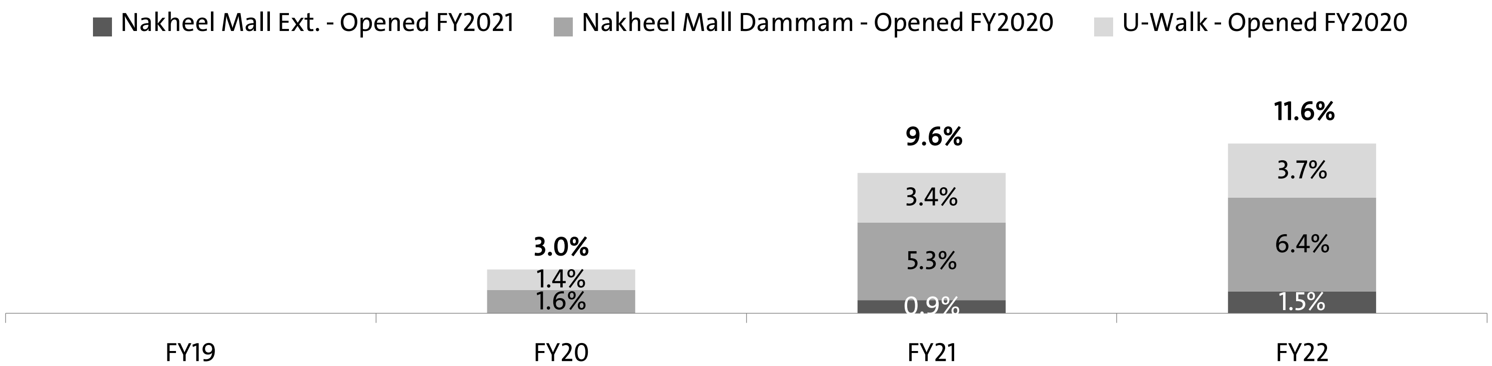
Improving Revenue Mix

Net Rental Revenue by Category



Arabian Centres works to diversify the sources of net rental revenue across the Company's portfolio, with an eye to increasing the share from entertainment and F&B.

New Malls Revenue Contribution

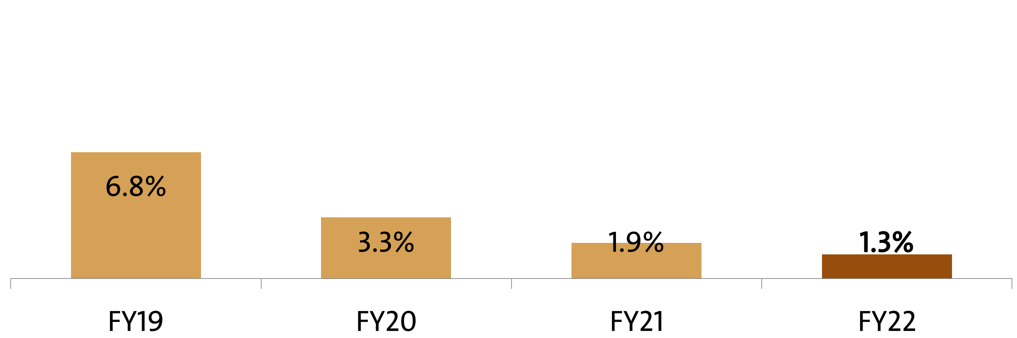


ACC's new malls, inaugurated between FY2020 and FY2021, are delivering a steadily increasing revenue contribution, with a continued ramp up at U-Walk and Nakheel Mall Dammam, where occupancy rates have reached 97% and 98%, respectively.

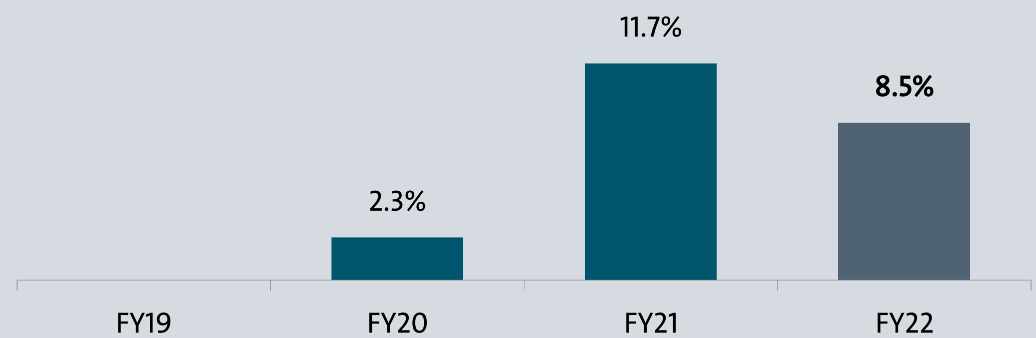
* New concept centres include The View, U-Walk, and the extension to Nakheel Mall in Riyadh.

Increasingly Rationalized Discounts

Conventional Discount Rates

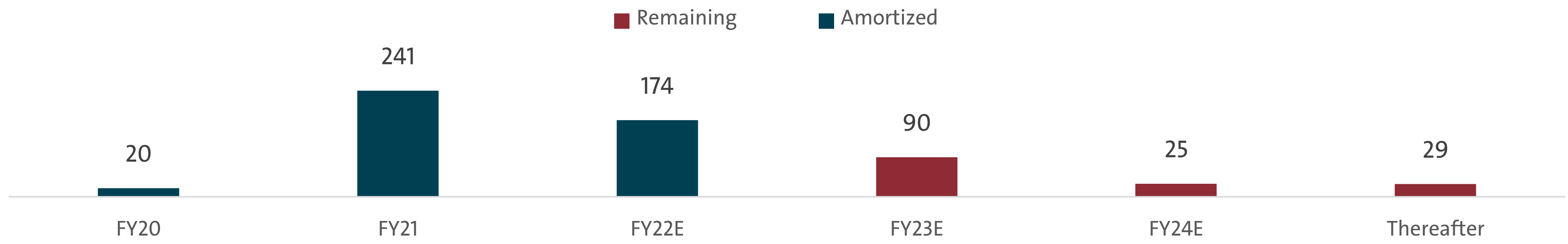


Nonrecurring COVID-Related Discount Rates



ACC's weighted average discount rate recorded 9.8% (SAR 201.0 million) in FY2022, down from the 13.6% (SAR 271.1 million) recorded for FY2021. 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.

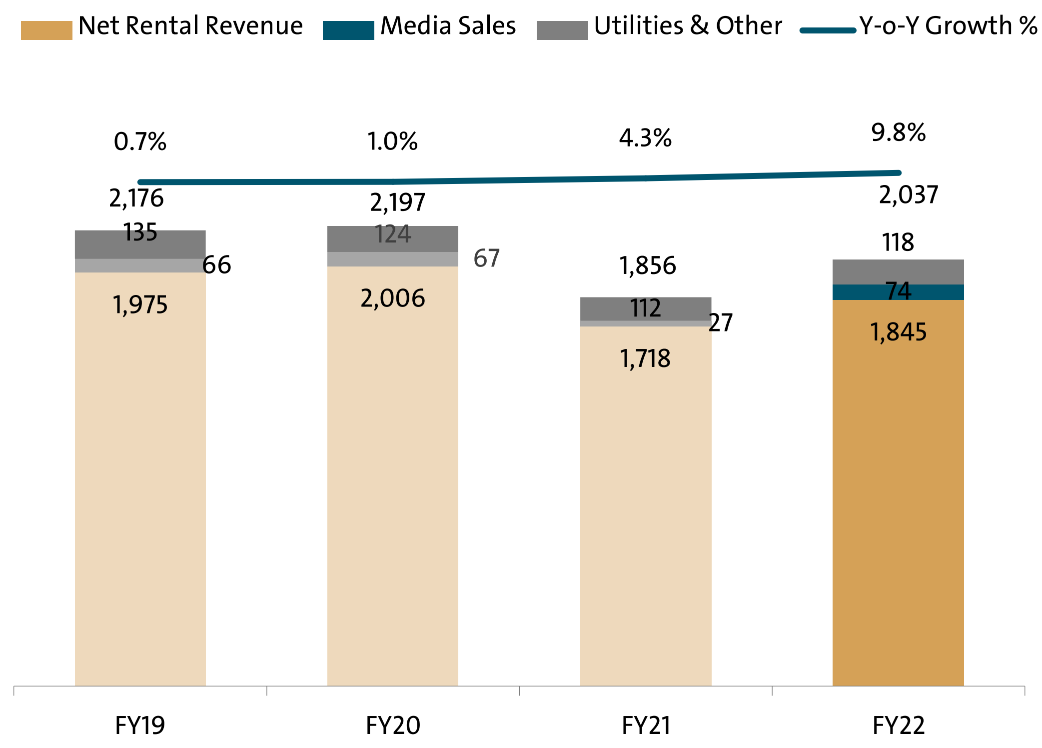
COVID-Related Discount Amortization Schedule (SAR 579 mn)



ACC estimates total COVID-related exposure of SAR 579 million on net rental revenue, to be recognized over the term of outstanding lease contracts. Since Q4-FY20, ACC has recognized SAR 436 million in COVID-related discounts to tenants, with the cash impact fully recognized as of FY2021.

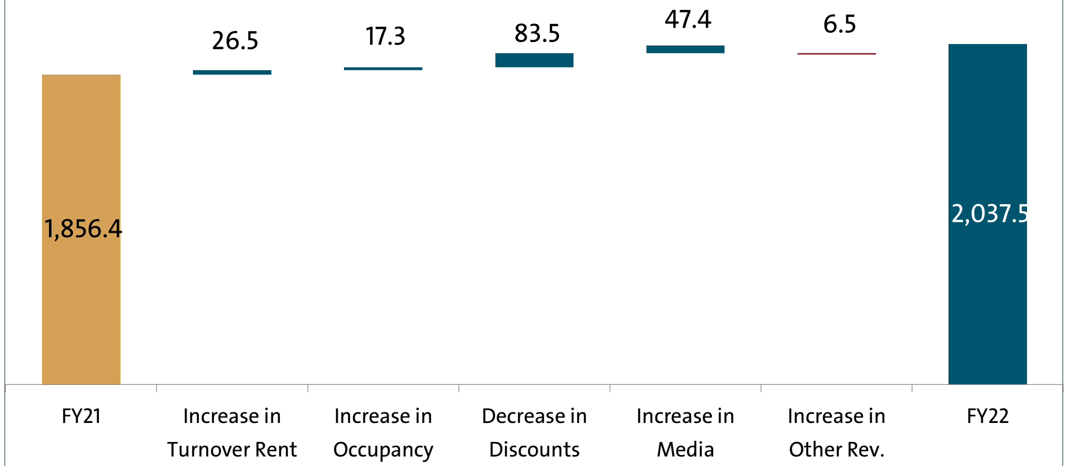
Higher Occupancy and Declining Discounts Supporting Revenue Growth

Revenue | SAR MN [1]

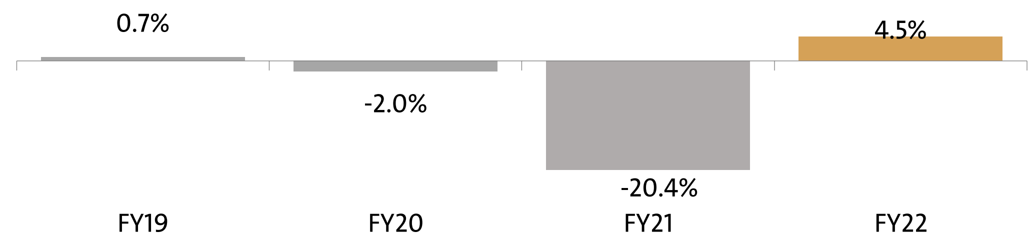


Arabian Centres recorded total revenues of SAR 2,037.5 million in FY2022, up by 9.8% y-o-y. Strong revenue growth for the year came as ACC capitalized on the post-COVID recovery in commercial conditions to expand occupancy rates and ramp up operations at newly launched shopping centres, with additional impetus from rapid growth in visitor footfall and continued normalization in discounts to tenants.

Revenue Bridge (SAR MN)



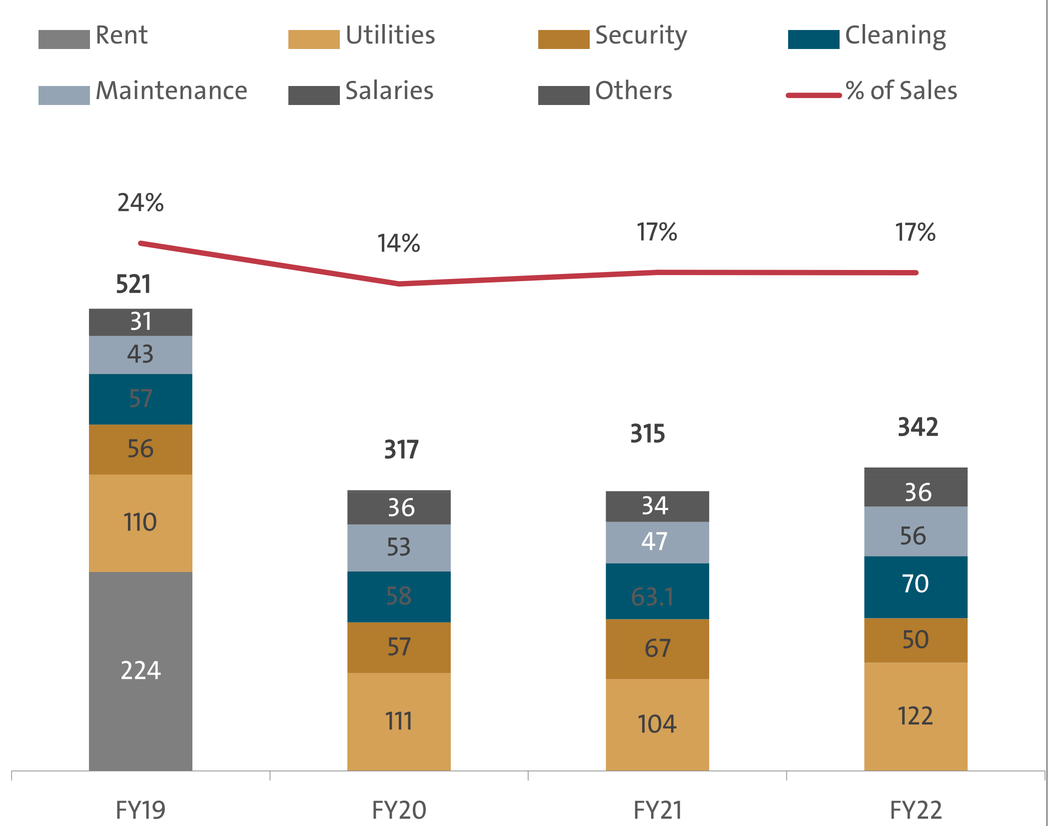
Like-for-Like Net Rental Revenue Growth



On a like-for-like basis, net rental revenue was up 4.5% y-o-y in FY2022, driven by higher occupancy and a decrease in weighted average discount rates.

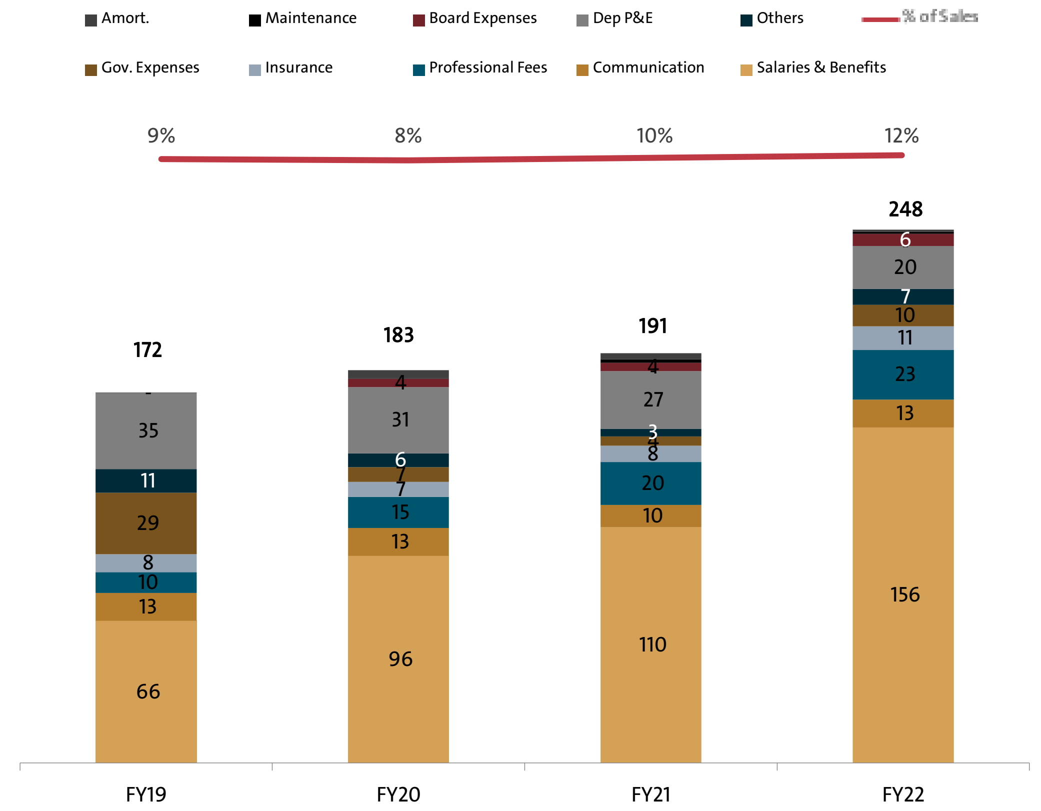
Normalized Cost Base with Ramp up in Activity

Cost of Revenue Breakdown[1]



ACC recorded an increase of 8.7% y-o-y in the cost of revenue, reflecting the normalization of the Company's operating costs compared to FY2021, during which ACC incurred large, nonrecurring savings on variable costs due to COVID-related centre shutdowns and mobility restrictions. The increase was driven by increased maintenance, utilities, and cleaning expenses, reflecting the period's operational normalization.

G&A Breakdown[2] (excl. Provisions)

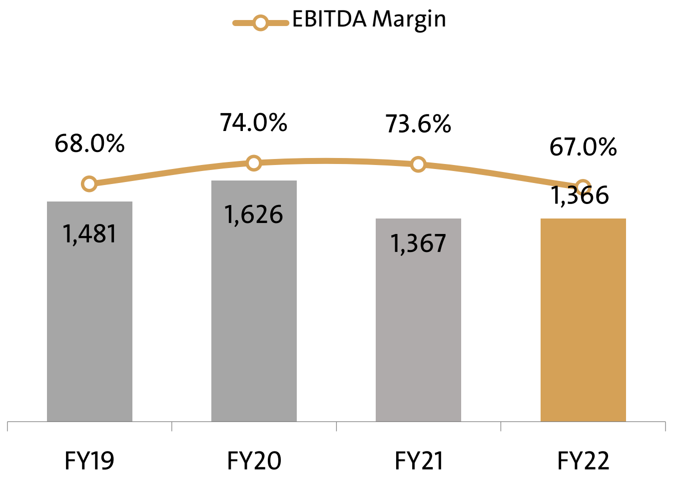


G&A expenses climbed by 29.7% y-o-y to book SAR 248.3 million in FY2022, largely reflecting a rise in employee salaries and benefits.

1) *FY19 figures include rent expense of SAR 224.5 million. Excluding rent, FY19 Cost of Revenue would equal SAR 296.7 million.*
2) *FY19 figures include depreciation & amortization expenses of SAR 48.3 million, respectively. Excluding depreciation & amortization, FY19 would equal SAR 123.5 million.*

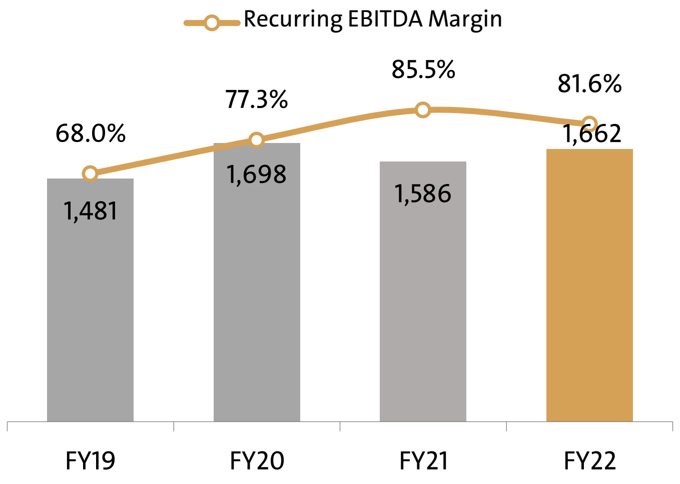
Solid Core Profitability Propelling Bottom Line Strength

EBITDA | SAR MN



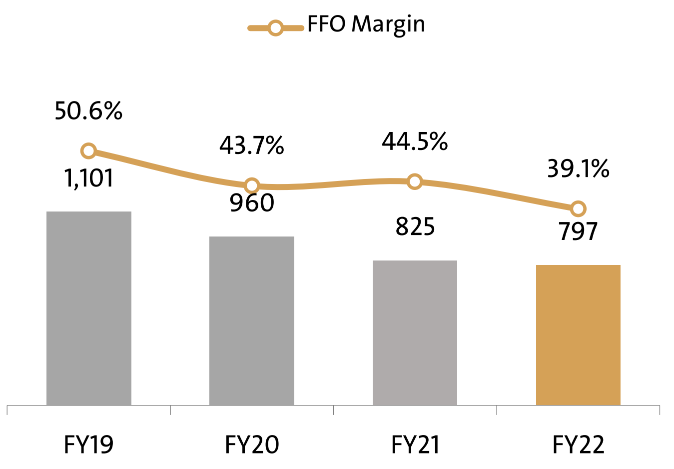
ACC's EBITDA for FY2022 was affected a base effect in other income, which for the comparable year was composed mostly of nonrecurring discounts secured from landlords to mitigate the impact of COVID-related centre closures. The decline in EBITDA during the year was further driven by a normalization in G&A expenses, which climbed by 29.7% y-o-y, largely reflecting a rise in employee salaries and benefits.

Recurring EBITDA | SAR MN



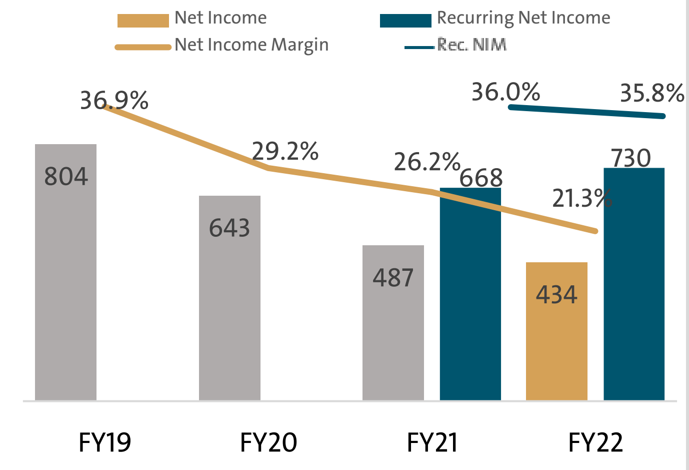
Recurring EBITDA rose by 4.7% y-o-y to register SAR 1,661.6 million for FY2022. ACC's recurring EBITDA margin stood at 81.6% in FY2022 against 85.5% for FY2021. The absolute increase in recurring EBITDA during FY2022 came as ACC leveraged the recovery in conditions and operational normalization to drive profitability. The recurring EBITDA margin of 81.6% recorded in FY2022 exceeds the EBITDA margin of 68.0% recorded for FY2019, prior to the onset of the pandemic.

FFO | SAR MN[1]



Funds from operations (FFO) decreased by 3.5% y-o-y to SAR 796.6 million in FY2022. ACC's FFO margin declined to 39.1% in FY2022 from 44.5% in FY2021.

Net Income vs Recurring Net Income | SAR MN

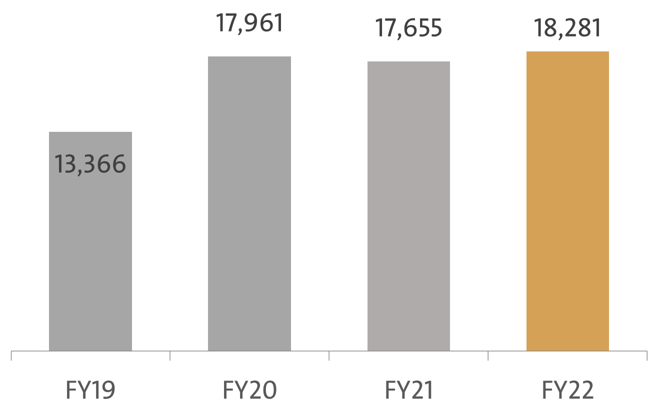


Recurring net profit booked SAR 729.6 million for FY2022, up by 9.3% y-o-y. ACC reported a recurring NPM of 35.8% for the year down from 36.0% in FY2021. Growth in the Company's recurring bottom line was helped a reduction in impairment losses on accounts receivable, in addition to a decrease in financial charges reflecting heightened capitalization of borrowing costs, and a reduction in interest expenses on lease liabilities.

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.

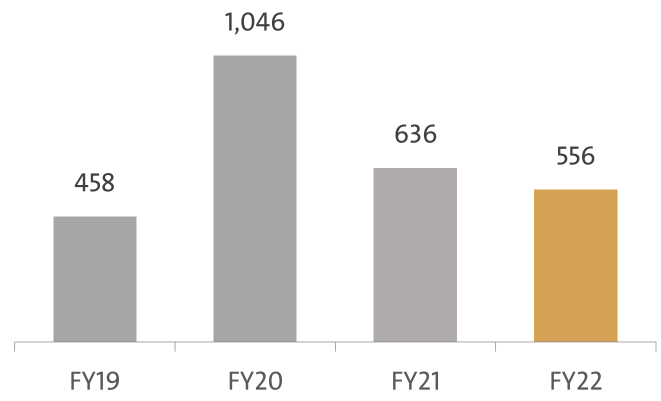
ACC Enjoys a Strong and Liquid Balance Sheet

Total Assets | SAR MN



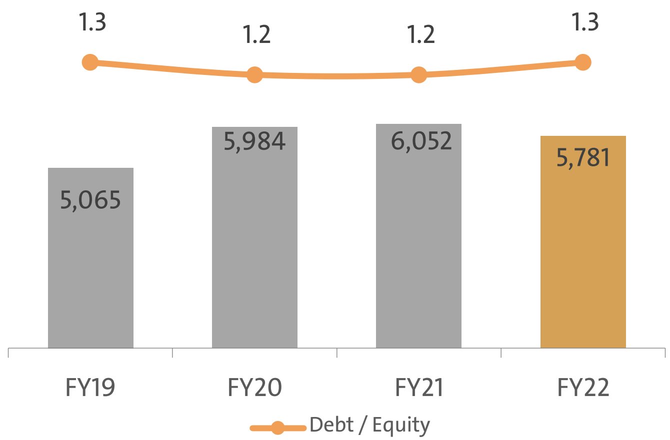
ACC's book value of total investment properties, representing its investment in 21 operating mall developments, malls under construction and raw lands for future developments, was SAR 18,281.2 million at the close of FY2022.

Cash | SAR MN



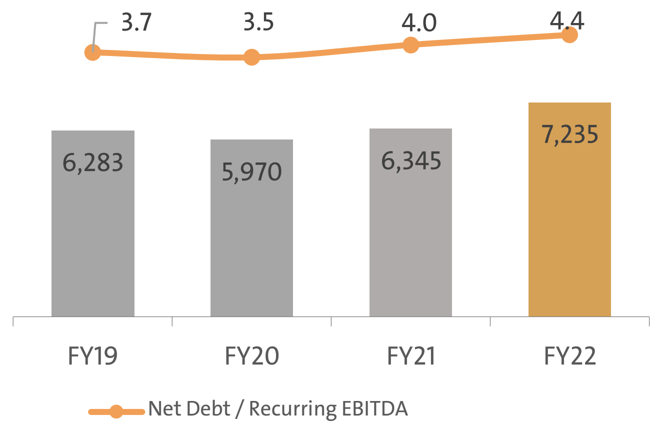
ACC held SAR 556.1 million in cash and cash equivalents as at 31 March 2022. Cash balances were down from the SAR 635.7 million booked at the close of FY2021.

Equity | SAR MN



Shareholder equity booked SAR 5,780.6 million for FY2022, down from SAR 6,052.4 million at the close of FY2021.

Net Debt |SAR MN[1]



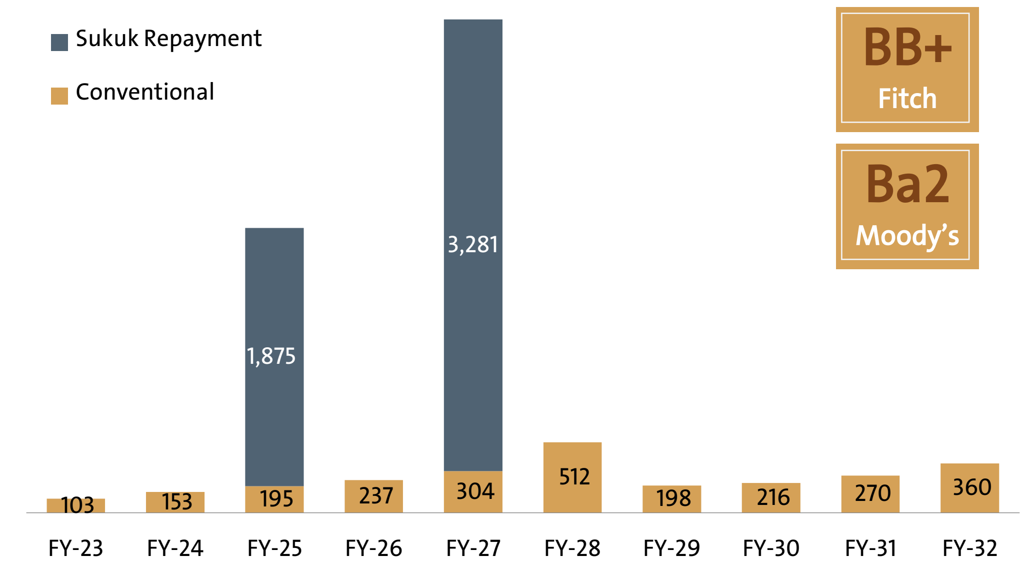
Net debt recorded SAR 7,235.0 million at the close of FY2022 against SAR 6,345.0 million at year-end FY2021.

1) *This chart displays net debt in absolute terms as well as net debt as a percentage of recurring EBTIDA, which normalizes for one-off nonrecurring expenses.*

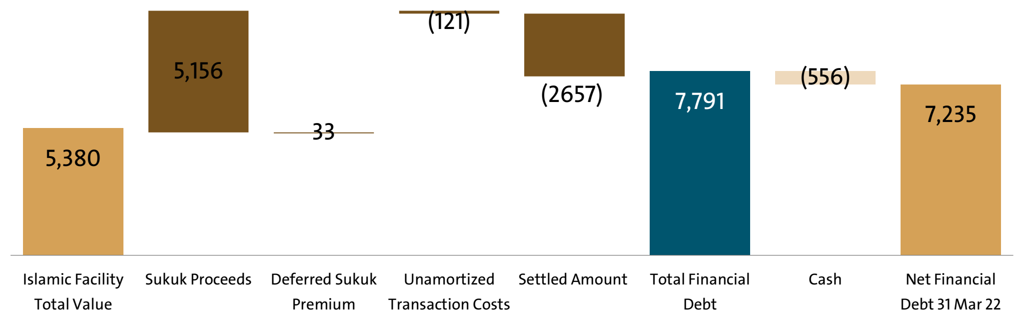
...Backed by Stable Debt Profile and Calibrated Financing Policy

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

Debt Maturity Profile – Amortizing Facility (SAR Mn)



Net Debt Breakdown as of 31 March '22 | SAR mn



	FY19	FY20	FY21	FY22
Secured Debt	100%	74.0%	74.0%	34.0%
Unsecured Debt	0%	26.0%	26.0%	66.0%

Financial Policy

Leverage:	Funding:	Hedging:	Liquidity:	Dividend Policy:
Target LTV <30% Target Net leverage <4.0X Target Minimum Interest Coverage Ratio c. 4.0x	Transition towards unsecured debt instruments Long term debt average life c. 5 years Low level of secured debt to total assets Tap multiple liquidity pools. Asset-light, project finance funding structure	Maintain 50% of funding at fixed rate through financial hedges Maintain FX exposure through financial hedges within risk policy scope	Ensure funding for Capex commitments. Minimum SAR 300 mn cash balance Cash/standby lines at c.20% of debt	Min. 60% of FFO paid semi-annually Dividend payments considered in context of adherence to leverage targets

Appendices

Our Malls

	Mall	City	Perform. Category	Lease Expiry	Year Opened	GLA ('000 sqm)	Occupancy	Revenue Contribution (%) FY2021	Revenue Contribution (%) FY2022	Cineplex Presence
					Super-Regional					
1)	Mall of Dhahran	Dammam	A	2025	2005	163	97.0%	14.6%	14.4%	✓
2)	Salam Mall	Jeddah	C	2032	2012	122	87.7%	7.1%	6.9%	2022
3)	Mall of Arabia	Jeddah	A	**Freehold**	2008	112	98.4%	11.5%	11.2%	✓
4)	Nakheel Mall	Riyadh	A	2034	2014	77	99.7%	9.9%	11.4%	✓
					Regional					
5)	Aziz Mall	Jeddah	B	2046	2005	73	97.0%	5.8%	5.6%	✓
6)	Noor Mall	Madinah	A	**Freehold**	2008	67	94.7%	6.1%	5.3%	2022
7)	Yasmin Mall	Jeddah	B	2034	2016	60	94.8%	6.1%	5.9%	✓
8)	Hamra Mall	Riyadh	A	**Freehold**	2016	56	97.4%	5.2%	4.8%	✓
9)	Ahsa Mall	Hofuf	C	**Freehold**	2010	47	78.5%	1.6%	1.8%	✓
10)	Salaam Mall	Riyadh	A	**Freehold**	2005	51	96.7%	3.1%	3.1%	✓
11)	Jouri Mall	Taif	B	2035	2015	48	98.8%	5.0%	4.8%	-
12)	Makkah Mall	Makkah	A	**Freehold**	2011	37	97.8%	6.4%	6.0%	-
13)	Nakheel Mall Dammam	Dammam	A	**Freehold**	2019	61	98.2%	5.3%	6.4%	✓
14)	U-Walk	Riyadh	A	2046	2019	54	96.7%	3.4%	3.7%	✓
					Community					
15)	Nakheel Plaza	Qassim	C	2029	2004	40	95.2%	2.0%	1.9%	✓
16)	Haifa Mall	Jeddah	C	2032	2011	34	83.3%	1.4%	1.6%	✓
17)	Tala Mall	Riyadh	C	2029	2014	21	84.4%	1.5%	1.2%	✓
18)	Jubail Mall	Jubail	C	**Freehold**	2015	22	82.0%	0.7%	0.8%	✓
19)	Sahara Plaza	Riyadh	NA	**Freehold**	2002	15	100.0%	0.3%	0.3%	-
					New Openings					
20)	Jeddah Park	Jeddah	A	Operational Agreement	2021	120	73.4%	-	0.7%	2022
21)	The View	Riyadh	A	**Freehold**	2021	56	85.0%	-	1.0%	✓
	Total**					**1,335**	**94.1%**	**100.0%**	**100.0%**	

**Total occupancy rate reflects like-for-like figures.*

Arabian Centres is Committed to the Highest Standards in ESG

ACC advocates the undeniable role that private sector companies play in boosting sustainability agendas and their implementations. The Company works to maintain its provision of high-quality services while increasing positive contributions and reducing negative impacts.

Environment

ACC strives to mitigate the environmental impact of its nationwide operations, including through the adoption of renewable energy schemes.

Employment

The Company invests heavily in the rising generation of young Saudi nationals, providing access to well-paying and fulfilling employment.

Workplace

ACC consistently enhances its workplace environments for diversity, safety, productivity, pushing inclusion across all operations.

ACC is committed to goals of the Green Saudi Initiative

Reduce the Kingdom's **CO_2 emissions** by more than 278 billion tons p/a by 2030

Plant more than 10 billion **trees** across Saudi Arabia

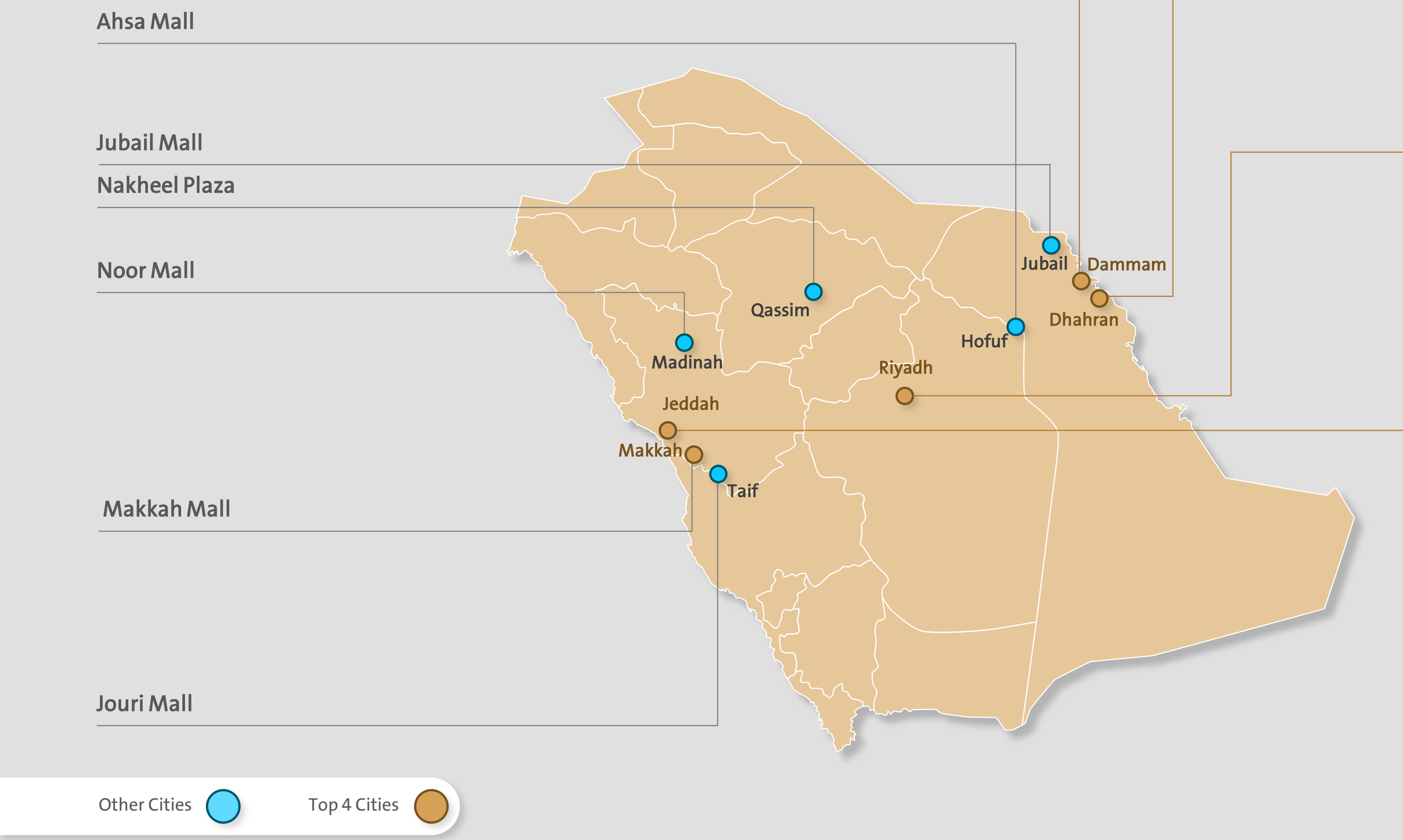
Raise area allocated to **environmentally protected areas** to 30%+ of the Kingdom's total marine and terrestrial space

Looking Forward

ACC is working to publish its inaugural full-fledged **sustainability report** for FY2022 soon.

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

Diversified portfolio strategically positioned in large catchment areas



Dhahran
- Mall of Dhahran

Dammam
- Nakheel Mall - DMM

Riyadh
- Sahara Plaza
- Salaam Mall
- Tala Mall
- The View
- Nakheel Mall - RUH
- Hamra Mall
- U-Walk

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

Income Statement

(SAR 000)	FY2022	FY2021	Growth
Revenue	2,037,486	1,856,359	9.8%
Cost of Revenue			
Direct Costs	(342,775)	(315,243)	8.7%
Depreciation of right-of-use assets	(199,015)	(206,324)	-3.5%
Depreciation of investment properties	(343,049)	(311,653)	10.1%
GROSS PROFIT	**1,152,646**	**1,023,139**	**12.7%**
Other operating income	27,425	145,616	-81.2%
Other operating expense	(32,107)	(2,070)	-
Advertisement & promotion expenses	(25,441)	(20,275)	25.5%
Impairment loss on accounts receivable and accrued revenue rentals	(56,348)	(138,363)	-59.3%
General & administrative expenses	(248,317)	(191,488)	29.7%
OPERATING PROFIT	**817,859**	816,557	**0.2%**
Finance costs on loans and borrowings	(166,857)	(172,892)	-3.5%
Finance costs on lease liabilities	(162,339)	(172,238)	-5.7%
Net finance costs	**(329,196)**	**(345,131)**	**-4.6%**
Share of profit (loss) from equity-accounted investee	(15,044)	1,652	-
PROFIT BEFORE ZAKAT	**473,619**	**473,079**	**0.1%**
Zakat charge	(39,770)	13,641	-
PROFIT FOR THE PERIOD	**433,849**	**486,720**	**-10.9%**
Profit for the period attributable to:			
Shareholders of the Company	436,838	486,659	
Non-controlling interest	(2,989)	61	
	433,848	486,720	
Earnings per share:			
Basic and diluted earnings per share	0.92	1.02	
RECURRING NET INCOME	**729,622**	**667,715**	**9.3%**
Recurring Net Income Margin	*35.8%*	*36.0%*	*-0.2%*
EBITDA	**1,365,854**	**1,366,771**	**-0.1%**
EBITDA Margin	*67.0%*	*73.6%*	*-6.6%*
RECURRING EBITDA	**1,661,627**	**1,586,406**	**4.7%**
Recurring EBITDA Margin	*81.6%*	*85.5%*	*-3.9%*
FFO	**796,614**	**825,190**	**-3.5%**
FFO Margin	*39.1%*	*44.5%*	*-5.4%*

Direct Cost	FY2022	FY2021	Growth
Utilities expense	121,704	103,719	17.3%
Security expense	50,502	67,430	-25.1%
Cleaning expense	70,478	63,159	11.6%
Repairs and maintenance	55,536	46,562	19.3%
Employees' salaries and other benefits	35,818	34,234	4.6%
Other expenses	8,738	140	-
Cost of Revenue	**342,776**	**315,243**	**8.7%**

General & Admin. Expenses	FY2022	FY2021	Growth
Employee salaries and benefits	156,264	109,652	42.5%
Communication	12,953	10,307	25.7%
Professional fees	22,897	20,021	14.4%
Insurance	10,965	7,478	46.6%
Government expenses	10,231	4,406	132.2%
Maintenance	965	1,609	-40.1%
Amortization of right-of-use asset	1,259	3,767	-66.6%
Board expenses	5,539	4,095	35.3%
Others	7,527	3,337	125.6%
Depreciation – P&E	19,717	26,816	-26.5%
G&A Expenses	**248,317**	**191,488**	**29.7%**

Source: Company Audited Financials, Company Information

Balance Sheet

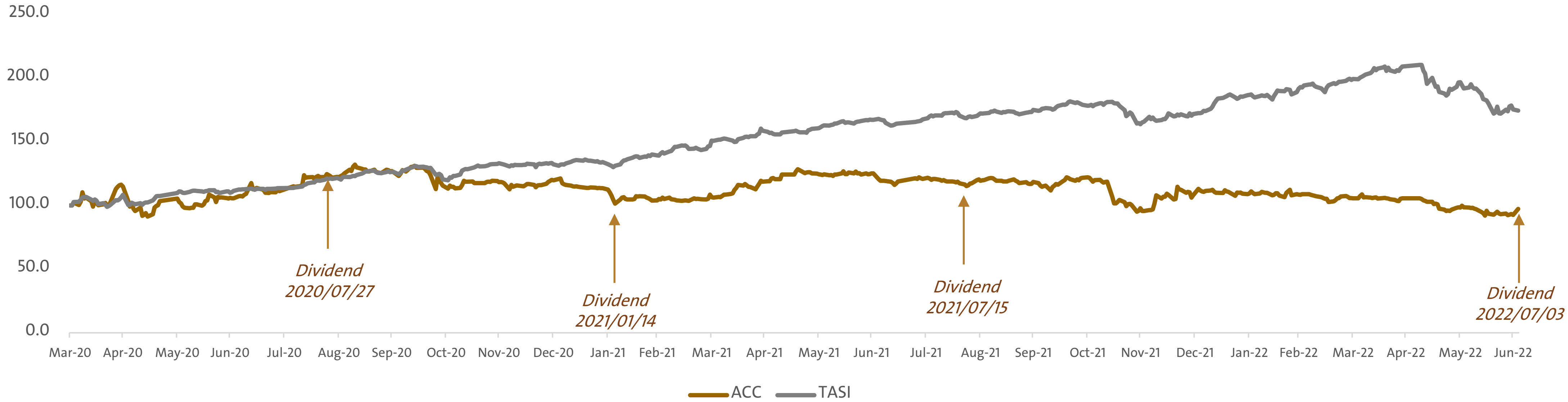
(SAR 000)	FY2022	FY2021
Assets		
Investment properties	12,671,172	11,967,477
Right-of-use assets	2,900,541	3,121,597
Property and equipment	72,512	75,546
Advances to a contractor	595,352	582,469
Accrued revenue – non-current portion	239,873	341,395
Other non-current assets	17,500	22,500
Investment in equity accounted investee and others	70,381	5,976
Non-Current Assets	**16,567,332**	**16,116,960**
Development properties	292,853	-
Accrued revenue	119,937	170,698
Accounts receivable	238,986	247,871
Amounts due from related parties	325,271	379,446
Prepayments and other assets	180,656	99,459
Cash and cash equivalents	556,128	635,670
Assets held for sale	-	4,675
Current Assets	**1,713,830**	**1,537,818**
Total Assets	**18,281,163**	**17,654,778**

(SAR 000)	FY2022	FY2021
Equity		
Share capital	4,750,000	4,750,000
Share premium	411,726	411,726
Statutory reserve	605,442	561,759
Other reserves	13,998	7,185
Retained earnings	1,084	320,430
Equity attributable to shareholders of the Company	**5,782,251**	**6,051,099**
Non-controlling interest	**(1,670)**	**1,320**
Total Equity	**5,780,581**	**6,052,419**
Liabilities		
Loans and borrowings	7,513,603	6,861,285
Lease liabilities	3,397,753	3,523,411
Employee benefits	25,438	21,673
Other non-current liabilities	53,584	69,449
Non-current liabilities	**10,990,378**	**10,475,818**
Loans and borrowings	277,570	119,375
Lease liabilities – current portion	406,455	337,122
Accounts payable and other liabilities	515,761	405,102
Amount due to related parties	-	162
Unearned revenue	269,230	240,502
Zakat liabilities	41,188	24,279
Current Liabilities	**1,510,204**	**1,126,542**
Total Liabilities	**12,500,582**	**11,602,360**
Total Liabilities and Equity	**18,281,163**	**17,654,778**

Source: Company Audited Financials, Company Information

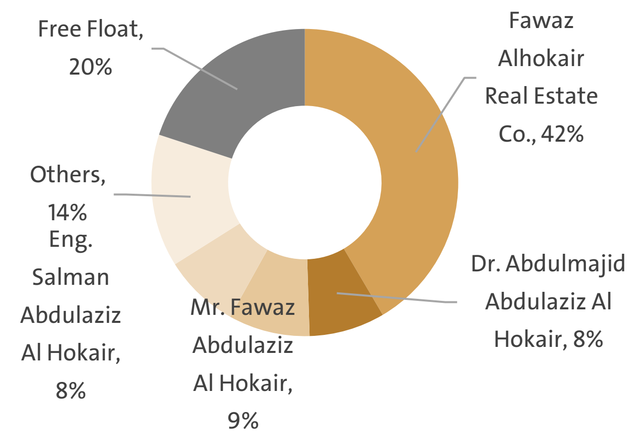
Share Performance

Share Price Performance – Rebased 100



Trading Summary	SAR, %
Closing Price	20.34
Market Cap	9.66 BN
30-Day Av. Volume	655,394
YTD Change (%)	-24.1%
52 Wk Range	19.24 – 25.55

Shareholder Structure



Thank You

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