# Arabian Centres Company Releases Results for the Third Quarter Ended 31 December 2021

**(Riyadh, 10 February 2022)** 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 third quarter ended 31 December 2021 (Q3-FY22), reporting a net profit of SAR 110.1 million on total revenues of SAR 510.6 million. On a year-to-date (YTD) basis, ACC booked a net profit of SAR 327.2 million on a top line of SAR 1,518.3 million for the nine-month period ended 31 December 2021 (9M-FY22).

| Summary Income Statement (SAR Mn) | Q3-FY2022 | Q3-FY2021 | *% Change* | 9M-FY2022 | 9M-FY2021 | *% Change* |
|---|---|---|---|---|---|---|
| **Total Revenue** | **510.6** | **469.4** | ***8.8%*** | **1,518.3** | **1,410.1** | ***7.7%*** |
| **Gross Profit** | **290.4** | **248.9** | ***16.6%*** | **842.9** | **802.4** | ***5.1%*** |
| *Gross Profit Margin* | *56.9%* | *53.0%* | *3.9 pts* | *55.5%* | *56.9%* | *-1.4 pts* |
| **Net Profit** | **110.1** | **95.6** | ***15.2%*** | **327.2** | **359.7** | ***-9.0%*** |
| *Net Profit Margin* | *21.6%* | *20.4%* | *1.2 pts* | *21.6%* | *25.5%* | *-4.1 pts* |
| **Key Profitability Metrics** | | | | | | |
| **Recurring Net Profit**[1] | **189.0** | **163.8** | ***15.4%*** | **584.7** | **492.4** | ***18.7%*** |
| *Recurring Net Profit Margin* | *37.0%* | *34.9%* | *2.1 pts* | *38.5%* | *34.9%* | *3.6 pts* |
| **Recurring EBITDA**[2] | **391.4** | **400.1** | ***-2.2%*** | **1,227.0** | **1,208.9** | ***1.5%*** |
| *Recurring EBITDA Margin* | *76.7%* | *85.2%* | *-8.6 pts* | *80.8%* | *85.7%* | *-4.9 pts* |
| **EBITDA** | **322.6** | **331.9** | ***-2.8%*** | **999.5** | **1,076.3** | ***-7.1%*** |
| *EBITDA Margin* | *63.2%* | *70.7%* | *-7.5 pts* | *65.8%* | *76.3%* | *-10.5 pts* |
| **FFO**[3] | **199.8** | **181.6** | ***10.0%*** | **592.0** | **608.9** | ***-2.8%*** |
| *FFO margin* | *39.1%* | *38.7%* | *0.4 pts* | *39.0%* | *43.2%* | *-4.2 pts* |
| **Key Operational Metrics** | | | | | | |
| **Total GLA (Mn SQM)** | **1.371** | **1.201** | ***14.1%*** | **1.371** | **1.201** | ***14.1%*** |
| **Period-end Occupancy Rate LFL (19 Malls Only)** | **92.8%** | **90.2%** | ***2.6 pts*** | **92.8%** | **90.2%** | ***2.6 pts*** |
| **Footfall (Mn)** | **20.5** | **18.0** | ***13.6%*** | **60.8** | **42.3** | ***43.6%*** |

## Key Period Highlights

- Arabian Centres booked ***total revenues*** of SAR 510.6 million in Q3-FY22, up by 8.8% y-o-y. Revenue growth for the period reflects a continued decrease in rental discounts, increased occupancy rates, and a strong recovery in footfall. On a YTD basis, revenues increased by 7.7% y-o-y, recording SAR 1,518.3 million for 9M-FY22 versus SAR 1,410.1 million one year previously. Solid growth for the nine-month period comes as Arabian Centres capitalizes on the ongoing recovery in commercial conditions, growth in occupancy rates, and a ramp-up of operations at newly launched shopping centres.
- Arabian Centres recorded a ***net profit*** of SAR 110.1 million in Q3-FY22, up by 15.2% y-o-y, with the net profit margin (NPM) booking 21.6% versus the 20.4% recorded for Q3-FY21. Bottom-line growth was driven by strong revenue growth, a reduction in operating costs, and a decrease in financial charges, with a significant portion of

[1] Recurring net profit 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 EBITDA normalizes for the effects nonrecurring items and all one-off transactions. See footnote 1 for more information on nonrecurring items.
[3] Funds from operations: net profit for the year plus depreciation of investment properties and PP&E minus write-off of investment properties, if applicable.

such charges being capitalized for the period. ACC's NPM of 21.6% in Q3-FY22 surpasses the NPM of 19.8% recorded for Q3-FY20, prior to the onset of the COVID-19 pandemic, marking a recovery to historical levels of bottom-line profitability. On a YTD basis, net profit booked SAR 327.2 million for 9M-FY22, down by 9.0% y-o-y and yielding an NPM of 21.6% for the period.

- ***Recurring net profit*** booked SAR 189.0 million in Q3-FY22, an increase of 15.4% y-o-y. Strong growth in recurring net profit during the period comes despite the normalization of G&A costs and demonstrates the Company's ability to efficiently leverage operational expansion in driving bottom-line growth. ACC's recurring NPM recorded 37.0% for Q3-FY22, up from 34.9% one year previously. On a YTD basis, Arabian Centres reported a recurring net profit of SAR 584.7 million for 9M-FY22, up by 18.7% y-o-y to yield a recurring NPM of 38.5% against 34.9% in 9M-FY21 and 32.3% in 9M-FY20 (prior to the onset of the COVID-19 pandemic).
- ***Recurring EBITDA*** registered SAR 391.4 million for Q3-FY22, down by a slight 2.2% y-o-y to yield a margin of 76.7% in Q3-FY22 against 85.2% one year previously, with the decline caused mainly by the normalization of G&A expenses in Q3-FY22. The recurring EBITDA margin of 76.7% recorded in Q3-FY22 exceeds the EBITDA margin of 75.0% recorded during the same quarter of FY2020, prior to onset of the pandemic. On a YTD basis, ACC's recurring EBITDA reached SAR 1,227.0 million in 9M-FY22, an increase of 1.5% y-o-y yielding a margin of 80.8% for the period, exceeding the pre-COVID-19 margin of 76.4% booked for 9M-FY20.
- ***Visitor footfall*** reached 20.5 million during Q3-FY22, up by 13.6% y-o-y from the 18.0 million visitors recorded for Q3-FY21. Like-for-like footfall in Q3-FY22 attained c.72% of the level recorded in the corresponding quarter of FY2020, prior to the onset of the COVID-19 pandemic, while consolidated footfall attained c.76% of its pre-pandemic level. Arabian Centres recorded visitor footfall of 60.8 million for 9M-FY22, up by 43.6% y-o-y from the 42.3 million booked for 9M-FY21.

## CFO's Note

Arabian Centres has closed a highly successful third quarter. The Company's financial and operational performance during the period has been commendable. We are driving solid top-line growth by means organic and inorganic: from introducing new centres to upping occupancy rates and optimizing rental discounts. Solid revenue growth has combined with a decrease in operating costs for the period to drive strong financial performance. Despite an uptick in G&A outlays in Q3-FY22 and a high base effect in other income, our recurring EBITDA declined only by a slight 2.2% year-on-year. Further down the income statement, our bottom line has grown at a double-digit rate, driven by strong operational performance. ACC's net profit margin of 21.6% for the quarter exceeds the pre-COVID-19 margin booked two years previously.

On the operational front, ACC is going from strength to strength. Our launch of The View in Q3-FY22 follows on the inauguration of Jeddah Park last quarter and brings our total GLA to 1.371 million sqm, up by 14.1% y-o-y. The View marks a major consolidation of our presence in Riyadh, the hub of the Kingdom's ongoing cultural renaissance. Meanwhile, we are taking exciting new steps on our journey to becoming an integrated provider of lifestyle experiences. The quarter saw us receive certification from the Ministry of Municipal Affairs to sell and rent real estate units off-plan, and the Company is now studying plans to develop some raw lands on certain freehold plots that have not been designated for commercial centre development. This adds a significant new horizon to our strategic outlook for ACC, and we are keen to keep developing our expansion plans in a manner that offers sustainable new sources of recurring revenue and further our aim of providing stakeholders with long term value.

**Walead Al-Rebdi**
Chief Financial Officer

## Income Statement Analysis

- **Total revenues rose by 8.8% y-o-y in Q3-FY22, recording SAR 510.6 million for the quarter.** Solid top-line growth was driven by an increase of 5.4% in net rental revenue[4], which booked SAR 459.2 million in Q3-FY22 against SAR 435.6 million in Q3-FY21. Net rental revenue growth was supported by a sustained decrease in the Company's weighted average rental discount rate, as well as a significant increase in centre occupancy rates. Consolidated top-line growth was secondarily driven by a strong increase in media sales, which rose to SAR 21.2 million in Q3-FY22 from SAR 3.6 million one year previously. On a YTD basis, ACC's top line rose by 7.7% to book SAR 1,518.3 million in 9M-FY22 versus SAR 1,410.1 million in 9M-FY21. Net rental revenue climbed by 6.8% y-o-y during the nine-month period.[5] Arabian Centres is pursuing a variety of means for accelerating top-line growth, including the ramping up of 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. **On a like-for-like (LFL) basis**, ACC's revenues increased by 5.8% y-o-y during Q3-FY22, driven primarily by the growth in occupancy rates and the decrease in weighted average discount rates. LFL revenues rose by 3.3% y-o-y during 9M-FY22.
- **ACC's weighted average discount rate recorded 10.3% (SAR 52.7 million) in Q3-FY22, down from the 12.1% (SAR 59.8 million) recorded for Q3-FY21.** On a YTD basis, the Company's weighted average discount rate decreased significantly to 9.8% (SAR 150.6 million) in 9M-FY22 from 13.2% (SAR 197.2 million) one year previously. 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. Nonrecurring, COVID-related discounts accounted for 81.1% of total discounts recognized by the Company during Q3-FY22. On a nine-month basis, nonrecurring, COVID-related discounts accounted for 90.7% of total discounts recognized during the period. The Company amortized SAR 42.7 million in nonrecurring, COVID-19-related discounts during Q3-FY22, a decrease of 28.6% y-o-y from the SAR 59.8 million amortized in the same quarter of the previous year. On a YTD basis, ACC amortized SAR 136.6 million in nonrecurring COVID-related discounts in 9M-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**.
- **Gross profit booked SAR 290.4 million for Q3-FY22, an increase of 16.6% y-o-y** yielding a gross profit margin (GPM) of 56.9%, up from the 53.0% reported in Q3-FY21. Gross profitability for the quarter was aided by a broad-based decrease of 8.5% y-o-y in the Company's cost of revenue for the quarter, driven mainly by declines in security expenses as COVID-related restrictions are eased by the government, and a decrease in utility expenses. Meanwhile, gross profit grew at healthy rate during Q3-FY22 despite growth in depreciation expenses on investment properties and right-of-use assets. Depreciation of investment properties increased by 8.3% y-o-y, reflecting the ramp-up of recently launched properties, while depreciation on right-of-use assets climbed by 2.8% y-o-y as ACC continued to ramp up operations at the recently launched extension to its flagship Nakheel Mall in Riyadh. On a nine-month basis, Arabian Centres recorded a gross profit of SAR 842.9 million during 9M-FY22, up by 5.1% y-o-y from the SAR 802.4 million booked for 9M-FY21. This growth in gross profit during 9M-FY22 comes despite an increase of 15.4% y-o-y in the cost of revenue, reflecting the normalization of the Company's operating costs compared to the same period of FY2021, during which ACC incurred large, nonrecurring savings on variable costs due to COVID-related centre shutdowns and mobility restrictions. ACC reported a GPM of 55.5% in 9M-FY22 against 56.9% one year previously.
- **Arabian Centres booked an EBITDA of SAR 322.6 million for Q3-FY22, down by 2.8% y-o-y** to yield an EBITDA margin of 63.2% against the 70.7% recorded for Q3-FY21. EBITDA was down only slightly year-on-year, despite the normalization of general and administrative (G&A) expenses over the period. G&A expenses increased by

[4] Net rental revenue is calculated as gross rental revenue plus turnover revenue less conventional discounts and amortized COVID-19 related discounts.
[5] Figures from the comparable period of the previous year (9M-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.

13.0% y-o-y to record SAR 56.1 million in Q3-FY22, driven largely by a rise in communication expenses and government fees. Additionally, the decrease in EBITDA during Q3-FY22 was also limited despite a high base effect in other income: the Company booked SAR 2.1 million in other income during Q3-FY22, down by 95.6% y-o-y from the SAR 48.8 million recorded for Q3-FY21, a figure composed largely of proceeds from the disposal of a noncore investment in Aswaq Almustaqbal for Trading. On a nine-month basis, ACC booked a decline of 7.1% y-o-y in EBITDA to SAR 999.5 million for 9M-FY22, reflecting the normalization of G&A costs and a high base effect in other income, which for the comparable period was composed mostly of nonrecurring discounts secured from the Company's landlords to mitigate the impact of COVID-related centre closures. The EBITDA margin booked 65.8% for 9M-FY22 versus 76.3% in 9M-FY21.

- **ACC booked SAR 41.7 million in impairment losses on accounts receivable during Q3-FY22, a slight increase of 1.0% y-o-y** from the SAR 41.3 million recorded one year previously. The Company continues to drive an improvement in total collections, leveraging the ongoing recovery of operations at its centres: on a YTD basis, Impairment losses on accounts receivable booked SAR 73.2 million for 9M-FY22, down by 32.4% y-o-y from SAR 108.3 million in 9M-FY21.
- **The Company's recurring EBITDA, which normalizes for the impacts of nonrecurring items, fell by 2.2% y-o-y to book SAR 391.4 million for Q3-FY22 against SAR 400.1 million one year previously.** ACC's recurring EBITDA margin stood at 76.7% in Q3-FY22 against 85.2% for Q3-FY21. The recurring EBITDA margin of 76.7% recorded in Q3-FY22 exceeds the EBITDA margin of 75.0% recorded during the same quarter of FY2020, prior to the onset of the COVID-19 pandemic. Meanwhile, on a YTD basis ACC reported a recurring EBITDA of SAR 1,227.0 million for 9M-FY22, an increase of 1.5% y-o-y representing a margin of 80.8% against the 85.7% booked one year previously. This increase comes as Arabian Centres leverages the ongoing recovery in commercial conditions and the normalization of the operating environment to drive profitability from its core operations. The recurring EBITDA margin of 80.8% booked in 9M-FY22 exceeds the pre-COVID-19 margin of 76.4% recorded in 9M-FY20.
- **ACC booked a net profit of SAR 110.1 million in Q3-FY22, an increase of 15.2% y-o-y from the SAR 95.6 million booked in Q3-FY21.** The Company recorded a net profit margin (NPM) of 21.6% for Q3-FY22, up from the margin of 20.4% booked one year previously. Arabian Centres' NPM of 21.6% for Q3-FY22 exceeds the pre-COVID-19 NPM of 19.8% recorded for Q3-FY20. Bottom-line expansion reflects growth in core profitability and was aided by a reduction of 43.4% y-o-y in financial charges to SAR 35.4 million in Q3-FY22 from SAR 62.5 million one year previously, reflecting the reduction of financial charges due to the heightened capitalization of borrowing costs. On nine-month basis, Arabian Centres saw its bottom line decrease by 9.0% y-o-y to book SAR 327.2 million for 9M-FY22, with the NPM registering 21.6% against 25.5% in 9M-FY21. The YTD decrease in net profitability reflects a high base effect in other income, which in 9M-FY21 included nonrecurring discounts extended by the Company's landlords in light of the disruption caused by the pandemic, in addition to proceeds from the disposal of a noncore investment in Aswaq Almustaqbal.
- **Recurring net profit, which normalizes for the effects of nonrecurring items, recorded SAR 189.0 million for Q3-FY22, an increase of 15.4% y-o-y** against the SAR 163.8 million booked in Q3-FY21. The Company reported a recurring NPM of 37.0% for the quarter, up by 2.1 percentage points from 34.9% in Q3-FY21. The recurring NPM of 37.0% recorded in Q3-FY22 exceeds the recurring NPM of 31.2% recorded during the same quarter of FY2020, prior to the onset of the pandemic. 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 584.7 million for 9M-FY22, an increase of 18.7% y-o-y yielding a recurring NPM of 38.5% against 34.9% in 9M-FY21. The recurring NPM of 38.5% booked in 9M-FY22 exceeds the pre-COVID-19 margin of 32.3% recorded in 9M-FY20.
- **Funds from operations (FFO) increased by 10.0% y-o-y to SAR 199.8 million** in Q3-FY22. ACC's FFO margin rose by 0.4 percentage points to record 39.1% for Q3-FY22. On a YTD basis, FFO declined by 2.8% y-o-y to SAR 592.0 million for 9M-FY22, with the FFO margin contracting by 4.2 percentage points to 39.0% for the period.

## Balance Sheet Analysis

- **Total CAPEX outlays recorded SAR 226.8 million for Q3-FY22 and SAR 690.0 million for 9M-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 42.1 million for Q3-FY22 and SAR 125.3 million for 9M-FY22, with the associated works occurring largely at Salaam Mall in Jeddah, Al Ahsa Mall, and Al Noor Mall, where a new cineplex is under construction, as well as Yasmeen Mall, where a cineplex was opened in January 2022.
- **The Company completed two Sukuk issuances during 9M-FY22, 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.
- **Arabian Centres recorded net debt[4] of SAR 6,947.3 million as at 31 December 2021,** up from SAR 6,345.0 million at the close of FY2021 on 31 March 2021. **The Company held SAR 662.1 million in cash and cash equivalents[6] as at 31 December 2021**, up from the SAR 635.7 million booked at year-end FY2021. Arabian Centres completed an interest payment of SAR 142.7 million on its outstanding Sukuk during Q3-FY22, in addition to making SAR 63.1 million in principal and interest payments on the Company's outstanding Murabaha/Ijara facility, in accordance with the facility repayment plan.
- **Amounts due from related parties recorded SAR 287.7 million as at 31 December 2021**, down from the SAR 379.4 million booked at year-end FY2021. This amount includes SAR 249.7 million in rental receivables, up from SAR 151.5 million booked for FY2021, reflecting 9M-FY22 billings, with the balance of SAR 32.2 million being representing non-trading receivables. As of 31 December 2021, ACC had fully received all outstanding dues from FAS Hotels, amounting to SAR 350.3 million.

## Operational Developments

- **Like-for-like period-end occupancy (across 18 malls only) recorded 92.8% as at 31 December 2021**, up from the rate of 90.2% reported one year previously. Sustained expansion in occupancy rates reflects a solid recovery in commercial activity during the period and marks significant progress towards management's strategic objective of attaining an occupancy rate of 94-95% by FY2023.

[4] Net debt: financial debts minus cash and cash equivalents (including short-term bank deposits).
[6] Cash and cash equivalents include short-term bank deposits.

- **Visitor footfall recorded 20.5 million in Q3-FY22, up by 13.6% y-o-y from 18.0 million visitors in Q3-FY21**. It should be noted that the comparable period (Q3-FY21) saw the application of vestigial 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. Visitor footfall was down slightly quarter on quarter, a development that conforms with historical footfall patterns: the third quarter is traditionally the trough of annual footfall progression. Footfall reached 60.8 million visitors for 9M-FY22, up by 43.6% y-o-y from 42.3 million visitors in 9M-FY21. This rapid YTD 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.
- **ACC renewed 208 leases during Q3-FY22 (9M-FY22: 689), sustaining the Company's leasing momentum as commercial conditions continue to recover.** 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.
- **ACC inaugurated The View[7] in Q3-FY22, introducing an additional 55.1 thousand square meters (sqm) of gross leasable area (GLA) to the Company's portfolio**. Marking the latest addition to the Company's expanding profile in Saudi Arabia's capital Riyadh, The View occupies a strategic location in downtown Riyadh and overlooks King Salman Park, a megaproject combining a wide variety of recreational, cultural, environmental, and sports activities. The View has been developed on freehold land and houses 170 commercial units and a wide range of international and local brands in areas including fashion, cosmetics, and food and beverage, in addition to a large cineplex. Pre-letting rates at The View stood at 88% at the close of Q3-FY22.
- **Following on the inauguration of Jeddah Park in Q2-FY22, the launch of The View brings ACC's portfolio to 22 shopping centres with a total GLA of 1.371 million sqm, an increase of 14.1% y-o-y** from 1.201 million sqm in Q3-FY21. Arabian Centres' near-term project pipeline includes three developments with a combined projected GLA of nearly 188.9 thousand sqm: City Walk Jeddah, U-Walk Madinah, and City Walk Qassim. Due for launch by H1-FY24, these centres are modeled on the Company's innovative and successful design of its U-Walk project in Riyadh, the Kingdom's first open-air lifestyle centre concept.
- **Arabian Centres continues to control the site of its Jawharat Riyadh medium-term pipeline project and is proceeding with development and construction works at the site**. The Company has received no formal notification to cease such works. Arabian Centres has submitted a letter to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud requesting the cancellation of the Supreme Court decision annulling Arabian Centres' title deed to the property. Based on the opinion of independent legal counsel and recent precedents, ACC is confident that the Company's request will be considered and that its title deed to the parcel will be reinstated.
- **In Q3-FY22, the Ministry of Municipal and Rural Affairs, through its Off-Plan Sale or Rent (Wafi) Committee, granted Arabian Centres the Real Estate Developer Qualification Certificate**. The certification will provide the Company with a host of benefits, including exemption from certain real estate taxes and a license to develop lands, residential projects, and mixed-use facilities directly and not through a third-party developer. The qualification further enables ACC to sell and rent real estate units off-plan, boosting the Company's financial flexibility and allowing it to execute such projects with minimal leverage. Arabian Centres aims to utilize the qualification to develop surplus lands in its land bank, which have not been designated for the development of shopping centres. Such surplus lands include a 1.0-million-sqm parcel adjacent to the Company's under-construction Qassim Walk project.
- **Arabian Centres had inaugurated cineplexes at 15 of its 22 portfolio locations by the close of Q3-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 four centres by December 2022.

Complete financial statements are available for download on [ir.arabiancentres.com](ir.arabiancentres.com).

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

# Q3-FY22 Corporate Developments

### ACC Launches Latest Centre, The View, Near King Salman Park in Riyadh

Arabian Centres Company inaugurated The View in Q3-FY22, introducing an additional 55.1 thousand square meters (sqm) of gross leasable area (GLA) to the Company's portfolio. Marking the latest addition to the Company's expanding profile in Saudi Arabia's capital Riyadh, The View occupies a strategic location in downtown Riyadh and overlooks King Salman Park, a megaproject combining a wide variety of recreational, cultural, environmental, and sports activities. The View has been developed on freehold land and houses 170 commercial units and a wide range of international and local brands in areas including fashion, cosmetics, and food and beverage, in addition to a large cineplex. Pre-letting rates at The View stood at 88% at the close of Q3-FY22.

## 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 31 December 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 111 million visitors in FY2020. For more information about Arabian Centres Company, please visit www.arabiancentres.com

## Contact

**Investor Relations Department**
Email: ir@arabiancentres.com
Tel: +966-11-825-2080

## Analyst Call and Earnings Presentation

ACC will be hosting an analyst call on the Company's Q3-FY2022 results on 15 February 2022 at 17:00 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

The information, statements and opinions contained in this Presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. Information in this Presentation relating to the price at which investments have been bought or sold in the past, or the yield on such investments, cannot be relied upon as a guide to the future performance of such investments.

This Presentation contains forward-looking statements. Such forward-looking statements contain known and unknown risks, uncertainties and other important factors, which may cause actual results, performance or achievements of Arabian Centres Company (the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

None of the future projections, expectations, estimates or prospects in this Presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects are based are accurate or exhaustive or, in the case of the assumptions, entirely covered in the Presentation. These forward-looking statements speak only as of the date they are made and, subject to compliance with applicable law and regulation, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in the Presentation to reflect actual results, changes in assumptions or changes in factors affecting those statements.

The information and opinions contained in this Presentation are provided as of the date of the Presentation, are based on general information gathered at such date and are subject to changes without notice. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness. Subject to compliance with applicable law and regulation, neither the Company, nor any of its respective agents, employees or advisers intends or has any duty or obligation to provide the recipient with access to any additional information, to amend, update or revise this Presentation or any information contained in the Presentation.

Certain financial information contained in this presentation has been extracted from the Company's unaudited management accounts and financial statements. The areas in which management accounts might differ from International Financial Reporting Standards and/or U.S. generally accepted accounting principles could be significant and you should consult your own professional advisors and/or conduct your own due diligence for complete and detailed understanding of such differences and any implications they might have on the relevant financial information contained in this presentation. Some numerical figures included in this Presentation have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables might not be an arithmetic aggregation of the figures that preceded them.