Arabian Centres Company Releases Results for the Year Ended 31 March 2022

(Riyadh, 29 June 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 year ended 31 March 2022 (FY2022), reporting a net profit of SAR 433.8 million on total revenues of SAR 2,037.5 million.

Summary Income Statement (SAR Mn)	FY2022	FY2021	*% Change*
Total Revenue	**2,037.5**	**1,856.4**	***9.8%***
Gross Profit	**1,152.6**	**1,023.1**	***12.7%***
Gross Profit Margin	*56.6%*	*55.1%*	*1.5 pts*
Net Profit	**433.8**	**486.7**	***-10.9%***
Net Profit Margin	*21.3%*	*26.2%*	*-4.9 pts*
Key Profitability Metrics			
Recurring Net Profit[1]	**729.6**	**667.7**	***9.3%***
Recurring Net Profit Margin	*35.8%*	*36.0%*	*-0.2 pts*
Recurring EBITDA[2]	**1,661.6**	**1,586.4**	***4.7%***
Recurring EBITDA Margin	*81.6%*	*85.5%*	*-3.9 pts*
EBITDA	**1,365.9**	**1,366.8**	***-0.1%***
EBITDA Margin	*67.0%*	*73.6%*	*-6.6 pts*
FFO[3]	**796.6**	**825.2**	***-3.5%***
FFO margin	*39.1%*	*44.5%*	*-5.4 pts*
Key Operational Metrics			
Total GLA (Mn SQM)	**1.335**	**1.208**	***10.5%***
Period-end Occupancy Rate (LFL)	**94.1%**	**92.9%**	***1.2 pts***
Footfall (Mn)	**80.8**	**63.2**	***27.9%***

Key Period Highlights

- 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 an additional boost from the addition of new GLA, rapid growth in visitor footfall, and continued the normalization in discounts to tenants. Conventional discounts have maintained the downward trend observed since FY2018, while the amount of nonrecurring, COVID-19-related discounts amortized during FY2022 was down by 27.7% y-o-y.
- Arabian Centres booked a ***net profit*** of SAR 433.8 million in FY2022, down by 10.9% y-o-y, with the net profit margin (NPM) recording 21.3% versus the 26.2% recorded for FY2021. The decrease in the bottom line was driven primarily by a decrease in other income, which for the comparable year was composed mostly of nonrecurring discounts secured from the Company's landlords to mitigate the impact of COVID-related centre closures. Net profit was further impacted by an increase in G&A expenses as the Company ramped up

[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.

operations during the year, as well as an increase in zakat expenses, where for the comparable year the company had reversed an excess provision for zakat, yielding positive zakat income in FY2021.

- ***Recurring net profit*** posted SAR 729.6 million in FY2022, up by 9.3% y-o-y against the SAR 667.7 million booked for FY2021. Growth in recurring net profit during the year came despite the normalization of operating costs and an increase in depreciation expenses on the back of new centre launches, reflecting ACC's ability to efficiently leverage operational expansion in driving profitability. ACC's recurring NPM recorded 35.8% for FY2022, slightly down from 36.0% one year previously and up by 0.5% against the margin of 35.3% booked in FY2020 (prior to the onset of the COVID-19 pandemic).
- ***Recurring EBITDA*** registered SAR 1,661.6 million for FY2022, up by 4.7% y-o-y to yield a margin of 81.6% in FY2022 against 85.5% one year previously. The decline in ACC's recurring EBITDA margin was caused by the normalization of G&A expenses and direct costs during the year. However, the Company's recurring EBITDA margin of 81.6% for FY2022 exceeds the pre-pandemic margin of 77.3% recorded for FY2020.
- ***Occupancy*** at the Company's centres recorded 94.1% at year-end FY2022, up from 92.9% in FY2021 and exceeding the pre-COVID rate of 90.6% recorded for FY2020.
- ***Visitor footfall*** reached 80.8 million during FY2022, up by 27.9% y-o-y from the 63.2 million visitors recorded for FY2021. Like-for-like footfall in FY2022 attained c.74% of the pre-pandemic level recorded in FY2019, up from c.53% in FY2021. The recovery in footfall continued into the first quarter of the new fiscal year, with footfall for April 2022G (coinciding with the holy month of Ramadan and the associated peak in retail activity) attaining pre-pandemic levels.

Managing Director's Note

Arabian Centres delivered a resilient and robust performance in FY2022. Occupancy rates at our centres exceeded pre-COVID levels by year-end, putting us on a clear path to achieving our target long-term occupancy rate of 94-95%. Rental discounts were on a strong normalizing trend throughout FY2022, with the Company having fully recognized the cash impact from nonrecurring pandemic-related discounts by the close of the previous year. Meanwhile, footfall strongly recovered during FY2022 as the government eased certain pandemic-related measures and removed others, pushing nearly 81 million visitors through our doors and driving tenant sales. By the close of FY2022, annual footfall at our locations had attained three-fourths of the pre-COVID level.

These factors and others combined to yield impressive top-line growth of 9.8% for the year. Once nonrecurring items and one-off transactions are normalized for, ACC's net profit for the year posts an impressive growth rate of 9.3% y-o-y to book SAR 729.6 million. Our balance sheet continued to benefit from an optimized capital structure during FY2022, with two successful international Sukuk issuances. These have expanded unsecured debt as a share of our funding and helped us maintain the strong liquidity position needed to ensure operational flexibility as we invest for growth.

Our operational reach and the scale of our network allowed us to continue attracting premium retail tenants even as we continued to optimize GLA at our centres to focus on new lifestyle categories, including food & beverage, gyms, spas, clinics, and other service providers. We onboarded a total of 233 new brands during FY2022, of which 15% were classified as international. Approximately 20% of new leases signed were for health and personal care brands, with F&B and service providers representing 31% and 8% of new leases, respectively. Nonretail tenants generated 30% of ACC's net rental revenue during FY2022, up from 28% one year previously and 24% in FY2019. This diversification allows the Company to maximize the value generated from its existing assets while providing visitors with integrated lifestyle experiences they would be hard pressed to find elsewhere.

During FY2022, we continued to enhance our centres' position as the destinations of choice for shoppers across the Kingdom and for global and local brands seeking to deepen or expand their presence in the dynamic Saudi market. The

Company successfully secured a new partnership with Alshaya, one of the globe's largest franchise retailers with an extensive portfolio of international brands, helping drive the sale of unoccupied GLA at our centres and driving additional footfall. Under the first phase of this agreement, Arabian Centres has rolled out household-name brands including Starbucks, Jo Malone, and M.A.C. Cosmetics throughout its portfolio. A further two phases will soon see us add brands including H&M, Bath & Body Works, and American Eagle.

On the digital front, VogaCloset, our UK-based online fashion subsidiary, completed its first full year of operations following its acquisition by Arabian Centres. Throughout FY2022, VogaCloset has focused on expanding the number of brands represented on its e-commerce platform. The subsidiary had onboarded 66 of Arabian Centres' tenant brands by year-end, allowing us to pioneer an omnichannel model that combines digital shopping with the in-store experience Saudi shoppers know and love. We aim to fully activate a click-and-collect feature by FY2023. Additionally, we continued to pave the way for the introduction of a full-fledged loyalty program that will help Arabian Centres reward and retain visitors while creating new value for the business.

Moving forward, we are optimistic that Arabian Centres will maintain the significant momentum gathered during FY2022 to continue delivering strong operational and financial growth. With commercial conditions continuing to normalize, we look forward to introducing ever more innovative lifestyle concepts and brands across our portfolio. We also aim to continue delivering on the Company's digital strategy while creating new value for visitors and tenants across our portfolio. In FY2023, we will gain more than 60 thousand sqm in new GLA with the launch of City Walk Jeddah. By leveraging the strong economic and demographic fundamentals of the Saudi Arabian market, we are confident in our ability to continue achieving new milestones for years to come.

Mohamed Mourad
Managing Director

Income Statement Analysis

- **Total revenues climbed by 9.8% y-o-y in FY2022, reaching SAR 2,037.5 million.** Strong growth was driven by an increase of 7.4% in net rental revenue[4], which came in at SAR 1,845.4 million in FY2022 versus SAR 1,718.1 million in FY2021. Net rental revenue growth was supported by a sustained decrease in the Company's weighted average rental discount rate, as well as an increase in occupancy rates. Consolidated top-line growth was also driven by a strong increase in media sales, which rose to SAR 74.0 million in FY2022 from SAR 26.7 million in FY2021.[5] Meanwhile, revenue from utilities increased by 5.8% y-o-y to post SAR 118.1 million for FY2022. 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 grew by 5.2% y-o-y during FY2022, driven primarily by the growth in occupancy rates and the decrease in weighted average 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. Nonrecurring, COVID-related discounts accounted for 86.7% of total discounts recognized during the year. The Company amortized SAR 174.3 million in nonrecurring, COVID-19-related discounts during FY2022, a decrease of 27.7% y-

[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 year (FY2021) reflect significant restrictions placed on activity at the Company's centres as part of government-mandated efforts to contain the spread of COVID-19.

o-y from the SAR 241.2 million amortized in FY2021. The Company had fully recognized the cash impact from all COVID-19-related discounts by the close of FY2021.

- **Gross profit posted SAR 1,152.6 million for FY2022, up by 12.7% y-o-y** to yield a gross profit margin (GPM) of 56.6%, an increase from the 55.1% booked in FY2021. Growth in gross profit during FY2022 came despite an increase of 8.7% y-o-y in direct costs, 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 in direct costs during FY2022 was led by utilities expense and driven secondarily by increased maintenance and cleaning expenses, reflecting the period's operational normalization. Growth of gross profit during FY2022 also came despite an increase of 10.1% y-o-y in depreciation expenses on investment properties, reflecting the ramp-up of recently launched properties.
- **Arabian Centres recorded an EBITDA of SAR 1,365.9 million for FY2022, stable against the SAR 1,366.8 million booked one year previously** and yielding an EBITDA margin of 67.0% against the 73.6% recorded for FY2021. 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 the Company's landlords to mitigate the impact of COVID-related centre closures, with additional income from the disposal of a non-core investment in Aswaq Almustaqbal for Trading. Other income decreased by 81.2% y-o-y during FY2022. 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 to book SAR 248.3 million in FY2022, largely reflecting a rise in employee salaries and benefits, noting that FY2021 saw the Saudi government extend salary support to employees registered with the SANED insurance program in light of the COVID-19 pandemic. EBITDA was additionally affected by an increase in other expenses, driven by a real estate tax on the purchase of an investment property transferred to a fund.
- **ACC booked SAR 56.3 million in impairment losses on accounts receivable during FY2022, a decrease of 59.3% y-o-y** from the SAR 138.4 million recorded for FY2021. The decline in impairment losses reflects the success of the Company's efforts to improve total collections by leveraging the recovery of operations at its centres.
- **The Company's recurring EBITDA, which normalizes for the impacts of nonrecurring and one-off items, rose by 4.7% y-o-y to register SAR 1,661.6 million for FY2022 against SAR 1,586.4 million for FY2021.** 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 despite the normalization of operating costs in FY2022, with Arabian Centres leveraging the recovery in commercial conditions and the normalization of the operating environment to drive profitability from its core operations. The recurring EBITDA margin of 81.6% recorded in FY2022 exceeds the EBITDA margin of 77.3% recorded for FY2020, prior to the onset of the COVID-19 pandemic.
- **ACC recorded a net profit of SAR 433.8 million in FY2022, down by 10.9% y-o-y from the SAR 486.7 million booked in FY2021.** The Company recorded a net profit margin (NPM) of 21.3% for FY2022, down from the margin of 26.2% booked one year previously. The decrease in the bottom line was driven primarily by a decline in other income, which for the comparable year was composed mostly of nonrecurring discounts secured from the Company's landlords to mitigate the impact of COVID-related centre closures, as well as income from the disposal of a noncore investment in Aswaq Almustaqbal for Trading. Net profit was further impacted by an increase in G&A expenses as ACC ramped up operations during the year, as well as an increase in zakat charges, where for the comparable year the Company had reversed an excess provision for zakat, yielding positive zakat income in FY2021. Net profit for FY2022 was additionally impacted by the recognition of SAR 15.0 million in losses from an equity-accounted investee.
- **Recurring net profit, which normalizes for the effects of nonrecurring items, booked SAR 729.6 million for FY2022, up by 9.3% y-o-y** against the SAR 667.7 million booked in FY2021. The Company reported a recurring NPM of 35.8% for the year, slightly down from 36.0% in FY2021. Absolute growth in the Company's recurring bottom line came despite growth in operating costs during the year and was helped a significant 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 during the year.

- **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, mainly due to the decline in net profit.

Balance Sheet Analysis

- **Total CAPEX outlays came in at SAR 880.9 million for FY2022.** 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 145.1 million for FY2022, 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 FY2022, 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 was settled in FY2022 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, ACC issued USD 225 million in international Sukuk, consolidating this latter offering under the outstanding USD 650 million issued in Q1-FY22, with the proceeds similarly used to settle amounts under the existing Murabaha/Ijara facility. 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[6] of SAR 7,235.0 million at the close of FY2022 on 31 March 2022,** up from SAR 6,345.0 million at the close of FY2021. **The Company held SAR 556.1 million in cash and cash equivalents[7] as at 31 March 2022**, down from the SAR 635.7 million booked at year-end FY2021. Arabian Centres made SAR 2,978.5 million in principal and interest payments on its outstanding debt during FY2022, in accordance with its facility and Sukuk repayment plans.
- **Amounts due from related parties recorded SAR 325.3 million as at 31 March 2022**, down from the SAR 379.4 million booked at year-end FY2021. This amount includes SAR 259.3 million in rental receivables, up from SAR 151.5 million booked for FY2021, reflecting FY2022 billings, with the balance of SAR 66.0 million being representing non-trading receivables. As of 31 March 2022, ACC had fully received all outstanding dues from its sister company FAS Hotels, amounting to SAR 350.3 million.

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

Operational Developments

- **Like-for-like period-end occupancy recorded 94.1% at year-end FY2022**, up from the rate of 92.9% reported for FY2021. The growth in occupancy rates during the year marks a full recovery exceeding pre-COVID levels, with the FY2022 rate of 94.1% surpassing the figures of 93.1% booked for FY2020. 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.
- **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. Visitor footfall continued to recover sharply into Q1-FY2023, with footfall for April 2022G (coinciding with the holy month of Ramadan and the associated peak in retail activity) attaining pre-pandemic levels.
- **ACC renewed 868 leases during FY2022, representing more than 90% of leases due to expire during the year and 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 year, particularly at C- category shopping centres.
- **The Company's portfolio held 21 shopping centres at year-end FY2022, with ACC's total gross leasable area (GLA) recording 1.335 million sqm for FY2022 against 1.208 million sqm in FY2021**. The year saw Arabian Centres add two new centres to its portfolio: Jeddah Park and The View.
- **Jeddah Park marks the Company's first-ever property managed under an operational agreement**. Under the agreement signed with the centres' owners, ACC applies its locally unmatched knowhow and reach to lease, manage, operate, and carry out maintenance works at the property, in addition to preparing and implementing marketing and leasing plans for the centre's GLA. In return for services rendered, Arabian Centres receives a share of Jeddah Park's revenues. Jeddah Park brought online 120.0 thousand sqm of new GLA during FY2022, with the centre housing 350 commercial units.
- **Meanwhile, The View marks ACC's seventh location in the Saudi capital of Riyadh**, bringing online 56.3 thousand sqm of new GLA. The centre occupies a strategic location on freehold land in Riyadh's downtown district, housing 170 commercial units and a wide range of international and local brands in areas including fashion, cosmetics, and F&B, in addition to a large cineplex. Occupancy rates at Jeddah Park and The View stood at 73% and 85%, respectively, by year-end FY2022.
- **Arabian Centres has finalized agreements with Riyad Capital for the establishment of two closed-end real estate funds.** Valued at SAR 6.2 billion, the funds have been established for the purpose of developing **Jawharat Riyadh** and **Jawharat Jeddah**, two major properties in ACC's investment pipeline. The properties are located at the cities of Riyadh and Jeddah, respectively. It is worth noting that Arabian Centres retains the full rights of ownership to the properties under development by the two funds, while Riyad Capital has been mandated to manage the funds, which have received licensing from the Saudi Capital Market Authority. ACC intends to retain its rights to manage and operate Jawharat Riyadh and Jawharat Jeddah upon the completion of development works. Moving forward, Arabian Centres will consider offering the two newly established funds for public subscription, in whole or in part, in the form of a real estate investment trust (REIT). The impact from ACC's contribution to the two funds will appear in the Company's financial statements from Q1-FY2023.
- **Arabian Centres' title deed at its Jawharat Riyadh land parcel was fully reinstated in February 2022.** Saudi Arabia's Judicial Authority certified that the Company had met all required criteria to prove the authenticity of the deed, and the Company's case received strong backing from the Ministry of Investment. The case was followed up on by high officials in the Saudi government.

- **The Company's e-commerce subsidiary VogaCloset completed its first full year of operations following its acquisition by ACC.** By year-end FY2022, VogaCloset had onboarded 66 distinct ACC retail tenants onto its online platform, providing tenants with an improved online presence for their brands and bolstering the Company's value proposition.
- **Arabian Centres had inaugurated cineplexes at 15 of its 21 portfolio locations by the close of FY2022,** 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, of which three are scheduled for launch by December 2022 and a fourth scheduled for launch in the next fiscal year.

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

Recent Corporate Developments

ACC Appoints Alison Rehill-Erguven as CEO

On 16 June 2022, ACC's Board of Directors approved the appointment of Mrs. Alison Rehill-Erguven as CEO of the Company, effective from 21 August, until which time Mr. Mohamed Rafic Mourad will continue to act as interim CEO. Mrs. Rehill-Ergurven brings more than two decades of extensive shopping mall and real estate experience, having held management roles in some of the world's most dynamic markets across Asia, Europe, and Latin America. Additionally, she brings more than 10 years of experience in the leading US market with global industry-leading brands, including General Growth Properties and Simon Property Group. 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. 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.

Arabian Centres Breaks Ground on Mixed-Use Jouri Project

Arabian Centres has commenced infrastructure development at a freehold plot at Buraidah city in Al Qassim. With a total area of 1.2 million square meters, the plot (known as "the Jouri project") is adjacent to the Company's under-development shopping centre in the area, Qassim Walk. ACC plans to develop basic infrastructure at the Jouri project and to subdivide the land into retail residential and commercial plots. The Jouri project will house a large park measuring 148.4 thousand square meters, pedestrian footpaths, bicycle lanes, outdoor sports facilities, and other distinctive green spaces. Arabian Centres estimates a net salable space at the Jouri project of approximately 600 thousand square meters. The Company expects to see a positive impact from the project on its financial results beginning from the second half of FY2023.

ACC Signs Operational Agreement at Jubail Marina Mall

In April 2022, Arabian Centres signed a Management and Operation Agreement for Jubail Marina Mall, a newly established shopping centre, part of the Dareen International Marina project in the city of Jubail. Developed by Alghanim International Company under the supervision of the Royal Commission of Jubail and Yanbu, the project is a modern integrated mixed-use development surrounding the Dareen International Marina Basin, with a capacity of 306 yacht berths. The development also includes residential and commercial plots, hotel facilities, and an extensive marina walk surrounding the marina basin, representing a major tourist destination at the GCC level. ACC has undertaken to lease, manage, operate and carry out maintenance works at Jubail Marina Mall on behalf of Alghanim International and to its account, in accordance with the generally accepted professional standards in the field, in return for a percentage of the centre's annual revenues. Jubail Marina mall is a two-floor facility built on 93 thousand sqm. The centre will house several anchor stores, a world-class range of apparel and lifestyle options, including a cineplex and gaming hub, as well as food & beverage offerings. Jubail Marina Mall will bring online c.30 thousand square meters of additional GLA to the Company's growing portfolio.

Company Launches Consumer Finance Subsidiary in Partnership With Alhokair, valU

The Company has received preliminary approval from the Saudi Central Bank to establish a consumer microfinance platform, FAS Labs. Jointly owned with Fawaz Abdulaziz Alhokair Co. and ValU S.A.E, his subsidiary will offer ACC's visitors a broad range of microfinance solutions, enabling their lifestyle ambitions. FAS Labs will leverage ACC's already existing network of locations, which covers eleven cities nationwide and more than 60 percent of the Kingdom's population, to address a dynamic and rapidly expanding consumer finance market which continues to grow as Saudi Arabia's young population continues to expand and large cohorts approach the age of household formation each year. As FAS Labs establishes a presence in the market, ACC is confident that the subsidiary will profitably diversify the Company's sources of recurring income.

ACC Partners with NHC to Develop Mall at Murcia Project

ACC has signed an agreement with the National Housing Company (NHC), Saudi Arabia's largest real estate developer, to develop and operate an integrated mall on an area of approximately 180 thousand sqm within the NHC's Murcia residential project north of Riyadh. Murcia encompasses an area of nearly 2.7 million sqm, with a projected 5,000 homes under development in an integrated environment. The two parties have agreed to establish a JV with a paid-in capital of SAR 130 million and a term of 28 Gregorian years. NHC will lease the designated land plot to the JV for the purpose of development, with the least valued at approximately SAR 340 million and to be paid in annual installments.

ACC intends to commence development works at the project during the second half of 2022G following the receipt of approval for the mall's design, a hybrid concept including closed and open areas in addition to greenery and water features. The mall will have 45 thousand sqm of GLA and will host 150 commercial units, with a range of international and local brands represented across the areas of fashion, F&B, and entertainment. A cineplex, hypermarket, and other services will also be available. The mall is expected to launch during the first half of 2025G. Development costs for the mall have been estimated at SAR 260 million, with ACC financing its share in the project through internal resources. Following a ramp-up period, the mall is expected to yield annual revenues exceeding SAR 50 million, with the financial impact set to appear in ACC's results during Q2-FY23.

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 March 2022, Arabian Centres operates a portfolio of 21 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' favorite shopping mall in Riyadh. The Company's lifestyle centres have more than 4,300 stores and hosted approximately 81 million visitors in FY2022. For more information about Arabian Centres Company, please visit www.arabiancentres.com

Contact

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Analyst Call and Earnings Presentation

ACC will be hosting an analyst call on the Company's FY2022 results on 5 July 2022 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