

CENOMI CENTERS POSTS ROBUST RESULTS, WITH AN IMPRESSIVE TOP-LINE EXPANSION OF 11.1% YEAR-ON-YEAR

- Total revenue expanded by 11.1% year-on-year to record SAR 1,687.5 million in FY2022¹.
- Operating environment gathers momentum with Footfall rebounding by 39% and Occupancy levels at 94.2%.
- Investment properties Fair Value adoption drives 142% increase in Book Value per share to SAR 29.6.
- Cenomi Centers completed the second transaction under its non-core asset land sale program in December 2022 for SAR 644.5 million. Proceeds from the transaction will be reflected in the company's Q1-23 financial results.
- A full rebrand was announced in December 2022 as part of the move by Fawaz Alhokair Group and its operating companies to Cenomi.
- On 29 December 2022, the Board of Directors approved a change in Cenomi Centers' financial year end to 31 December 2022. As part of its transition plan, Cenomi Centers is issuing (audited) financial statements for the short annual year (Nine Months), starting 1 April 2022 and ending 31 December 2022, which has been defined in this release as "FY2022".

Riyadh, Saudi Arabia. 30 March 2023: Cenomi Centers, the largest owner, operator and developer of shopping malls and complexes in the Kingdom of Saudi Arabia, posted its financial results for the Short Annual Year "FY2022" ended 31 December 2022. The company saw a strong increase in revenue at 11.1% y-o-y to book SAR 1,687.5 million compared to SAR 1,518.3 million in the same period of the previous year.

Successful cost optimization measures translated in the successful expansion of the company's gross profit, climbing 14.7% y-o-y to reach SAR 1,411.5 million in FY2022, and with a gross profit margin (GPM) of 83.6%. Cenomi Centers posted a net profit margin (NPM) of 49.6%, up 11.5 percentage points compared to FY2021². The increase in G&A expenses was primarily driven by the set up costs associated with Riyadh Capital Funds, which were recognized in full during the quarter ended 31 December 2022.

On an operational level, Cenomi Centers posted sustained improvements in its operational metrics across all its malls. Visitor footfall reached 84.2 million during FY2022, increasing 38.5% y-o-y against

¹ FY2022 refers to the 9-month period ended 31-Dec-22

² FY2021 refers to the 9-month period ended 31-Dec-21

60.8 million in FY2021. Moreover, like-for-like tenant occupancy increased to 94.2% during the period, up from 92.8% in FY2021 and marking the success of the company's post-Covid recovery strategy.

The company also made strong headway on its non-core asset land sale program, which was announced earlier in 2022. During FY2022, the company completed the sale of two plots of land, one in the Olaya District of Riyadh measuring circa 18,000 sqm, and another in Riyadh's Al Raed District measuring circa 118,000 sqm in December 2022. The sale of the two plots brings the total amount generated from the program to approximately SAR 875 million and leaves an estimated SAR 1.15 billion yet to be sold as part of the disposal of non-core assets program.

With the CMA recently allowing Saudi listed companies to adopt the Fair Value Model, and after careful consideration and benchmarking against best practices and global peers, Cenomi Centers' board of directors resolved on 29 June 2022 to adopt the Fair Value Model to measure its properties and investment properties in accordance with the IAS 40 accounting standard, which came into effect for the current FY2022 reporting period (ended 31-Dec-2022), and in turn has improved the company's financial position as well as the statement of profit or loss. The statement of financial position was enhanced by an increase in total assets and total equity, with Book Value increases to SAR 29.62 per share a 142% increase from the SAR 12.22 reported on 30 September 2022. The statement of profit and loss is positively impacted by the removal of investment properties and right-of-use assets related depreciations and the inclusion of the gain from fair valuation. For more details, please refer to note 24 - "*Effect of change in accounting policy*" in the condensed consolidated interim financial statements.

Furthermore, in December 2022, the company announced that it had undertaken a rebrand as part of Fawaz Alhokair Group's change to Cenomi. The full rebrand brings together all operating companies under the Cenomi brand, with Arabian Centres now trading as Cenomi Centers.

Alison Rehill-Erguven, CEO, Cenomi Centers, said: "The past nine-month period has cemented Cenomi Centers' position as a top financial and operational performer in the Saudi market. Our ability to expand our top-line by a robust 11.1% y-o-y showcases both our ability to attract premium clients across our entire portfolio, and specifically international brands, as well as the significant potential in the local market for further future growth. Cenomi Centers' operational results over the period also highlighted management's ability to adapt.

"I joined the company in August 2022, at a time when we were gearing up for a monumental change in our organization – the Cenomi rebrand. This was a pivotal moment in our organization's history and direction for a number of reasons. Firstly, Cenomi aligns with our entire value proposition as a customer-first platform, creating spaces that allow our consumers to uncover, discover, share and enjoy. It is also a vessel for our continued growth and momentum as we build the destinations of the future and a new era of the Saudi retail and lifestyle sector."

Income Statement (SAR Mn)	FY2022	FY2021	% Change
Total Revenue	1,687.5	1,518.3	11.1%
<i>Cost of Revenue</i>	<i>(270.4)</i>	<i>(273.8)</i>	<i>-1.2%</i>
<i>Depreciation of right-of-use assets</i>	<i>(5.6)</i>	<i>(13.8)</i>	<i>-59.7%</i>
Gross Profit	1,411.5	1,230.7	14.7%
<i>Gross Profit Margin</i>	<i>83.6%</i>	<i>81.1%</i>	<i>2.6 pts</i>
<i>Other Operating Income</i>	<i>3.6</i>	<i>7.4</i>	<i>-51.8%</i>
<i>Net Fair Value Gain (loss) on Investment Properties</i>	<i>60.8</i>	<i>(136.7)</i>	<i>-</i>
<i>Advertisement and Promotion Expenses</i>	<i>(28.5)</i>	<i>(15.8)</i>	<i>80.6%</i>
<i>General & Administrative Expenses</i>	<i>(207.1)</i>	<i>(173.8)</i>	<i>19.1%</i>
<i>Impairment Loss on Accounts Receivable and Accrued Revenue Rentals</i>	<i>(83.3)</i>	<i>(73.2)</i>	<i>13.8%</i>
<i>Other Expenses</i>	<i>(26.6)</i>	<i>-</i>	<i>-</i>
Operating Profit	1,130.4	838.6	34.8%
<i>Finance Costs Over Loans and Borrowings</i>	<i>(146.8)</i>	<i>(126.1)</i>	<i>16.5%</i>
<i>Finance Costs Over Lease Liabilities</i>	<i>(102.3)</i>	<i>(121.8)</i>	<i>-16.1%</i>
Net Finance Costs	(249.1)	(247.9)	0.5%
<i>Share of Loss of Equity-Accounted Investee</i>	<i>(7.2)</i>	<i>(4.0)</i>	<i>79.0%</i>
Profit Before Zakat	874.1	586.7	49.0%
<i>Zakat Charge</i>	<i>(37.1)</i>	<i>(8.4)</i>	<i>343.5%</i>
Net Profit	837.0	578.4	44.7%
<i>Net Profit Margin</i>	<i>49.6%</i>	<i>38.1%</i>	<i>11.5 pts</i>

Balance Sheet (SAR Mn)	31 Dec 2022	31 Mar 2022 (Restated)
Cash and Cash Equivalents	610.4	556.1
Accounts Receivable	393.0	239.0
Amounts Due from Related Parties	413.0	325.3
Assets Held for Sale	405.9	-
Prepayments and Other Current Assets	206.4	180.7
Development Properties	345.7	292.9
Accrued Revenue (Rentals)	91.2	119.9
Total Current Assets	2,465.6	1,713.8
Accrued Revenue (Rentals) – Non-Current Portion	182.4	239.9
Investment in an Equity-Accounted Investee	64.9	70.4
Investment Properties	23,075.7	23,639.6
Property and Equipment	63.4	72.5
Other Non-Current Assets	24.8	17.5
Total Non-Current Assets	23,411.2	24,372.1
Total Assets	25,876.9	26,085.9
Current Portion of Long-Term Loans	903.3	277.6
Lease Liability on Right-of-Use Assets – Current Portion	255.6	406.5
Accounts Payable	459.3	515.8
Amounts Due to Related Parties	6.3	-
Unearned Revenue	239.1	269.2
Zakat Payable	51.2	41.2
Total Current Liabilities	1,914.8	1,510.2
Long-Term Loans	7,433.7	7,513.6
Liabilities Under Finance Lease	2,383.7	3,397.8
Employees' End-of-Service Benefits	28.5	25.4
Other Non-Current Liabilities	47.6	53.6
Total Non-Current Liabilities	9,893.4	10,990.4
Total Liabilities	11,808.3	12,500.6
Total Equity	14,068.6	13,585.3
Total Liabilities and Shareholders' Equity	25,876.9	26,085.9

Key Operational Metrics	FY2022	FY2021	% Change
Total GLA (Mn SQM)	1.337	1.371	-2.5%
Period-end Occupancy Rate (LFL)	94.2%	92.8%	1.4 pts
Footfall	84,248,935	60,826,681	38.5%

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

About Cenomi Centers

Cenomi Centers is the leading owner, operator and developer of contemporary lifestyle centers in Saudi Arabia. For over a decade, the Company has provided customers with a complete range of high-quality lifestyle centers up to international standards, located in the most attractive areas of the country to satisfy all shopping needs and market requirements. Today, Cenomi Centers has a portfolio of 21 assets, with more than 4,300 stores strategically located in 10 major Saudi cities. The Company's developments include several iconic lifestyle centers, 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. With a total GLA of nearly 1.34 million square meters, the company's malls provide Saudi shoppers with their preferred point of access to the full range of international, regional and local retail brands. For more information about Cenomi Centers, please visit www.cenomicenters.com

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Analyst Call and Earnings Presentation

Cenomi Centers will be hosting an analyst call on the Company's FY-22 results on 04 April 2023 at 15:00 KSA time. For conference call details, please email ir.centers@cenomi.com. The Company's full Earnings Presentation is available for download at ir.cenomicenters.com

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