المراكز العربية
Arabian Centres

Earnings Presentation

Q2-FY21

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Key Updates

Robust Response to External Pressures

Macroeconomic Update[1]

- Economic effects of lockdown will be concentrated in 2020; IMF expecting GDP contraction in KSA of 5.4%. **Return to growth in 2021 with 2.0% expansion**, reaching 2.2% in 2022 pending global recovery.
- Citigroup sees **oil price returning to $60 by end-2021** as consumption recovers, inventories fall. Ongoing efforts by OPEC and partners (OPEC+) to stabilize oil markets have seen **voluntary production cuts**. Thus, KSA's oil and refinery output have been revised downwards with **oil GDP forecasted to contract 4.8**% in 2020 versus a previous target of 2.9%.
- Investments of more than **USD 800 billion in tourism megaprojects** announced, including at Neom City. First projects on schedule to launch by 2023/24.
- **New daily COVID cases a downward trajectory, averaging 350 cases during October versus peak of c. 5,000 in June 2020.** Recovery rate of 96% vs 73% global average with continued enforcement of social distancing measures.
- **Inflation** between January 2020 to July 2020 **recorded 4.6%,** driven mainly by a rise in rate of **VAT from 5 to 15% percent on the 1st of July**. **September CPI was up by 5.7% y-o-y**, albeit from a low base of -1.4% in September 2019. M3 **money supply** was up by 1.20% y-o-y in Q1-2020 and by 2.12% in Q2-2020.
- POS and ATM transactions declining 14% and 21% y-o-y, respectively in Q2 2020, however, **POS transactions recorded a 78% y-o-y recovery in June 2020** and there was **strong y-o-y growth in consumer credit**, reaching 6.3% in Q1-2020 and 6.0% in Q2-2020.
- Q3 saw **10K residential units handed over**, strong construction activity in Riyadh and Jeddah, highest number of office space deliveries. **Property deals exempted from 15% VAT**, boosting purchasing power. **Real estate loans by banks climbed 32.8% and 38.9% y-o-y** during the first and second quarters, respectively.

Key Company Developments

COVID-19

- Centres partially closed, public activity restricted between 16/03/20 and 21/06/20
- Comprehensive health and safety measures
- Work-from-home policy for administrative staff
- Supporting communities

Q1-FY21

- Bolstered liquidity position with RCF drawdown
- Tenant relief with rent waivers, additional support
- Negotiating modified leasehold terms with landlords

Q2-FY21

- Centres fully reopened, footfall recovering
- Accelerated cinema rollout
- Maintained leasing strength, targeting big key accounts
- Pursuing shift in tenant mix, lifestyle offering
- Nakheel Extension launched, CAPEX on schedule

1) *Source: Jadwa Investment Macroeconomic Update – August 2020; IMF; Citigroup; media*

COVID-19: Operational Impact

March '20	April '20	May '20	June '20
All centres temporarily/partially closed	Centres reopen on partial basis, certain services remain restricted	Operating hours at 80% of pre-COVID levels	Curfew, restrictions removed. ACC centres operating according to normal pre-COVID schedule.

Keeping Communities Safe
Comprehensive safety measures at all centres in cooperation with Ministry of Health.
Additional **social distancing measures** enforced at retail units, hallways, **mandatory temperature checks** at entrances.
Capacity limitations at cinemas, other entertainment facilities.

Safeguarding Our People
Work from home policy rapidly and successfully implemented for all administrative staff.
Income relief provided in cooperation with govt **SANED program**.
Staff/third party service providers provided with full **PPE**.

GLA impact concentrated in **Q1-FY2021**

Enhanced liquidity position **with prudent cash management**

Rent Relief Policy

6-Week Waiver	Additional Support	Escalations Suspended	Case-by-Case
On all contractual base rent and service charges beginning 16 March	For tenants whose stores were mandatorily closed by government order	Lease escalations suspended for 2020 and 2021	Support and further rent-relief to tenants subject to severity of impact on a case-by-case basis

Key Developments During the Period

Footfall	Footfall up by 142.4% from c.7 million during Q1-FY2021, reflecting the normalization of commercial activity and the easing of COVID-related restrictions.	**17.2** mn Footfall in Q2-FY21
Landlord Discounts	ACC has reached agreement with landlords at its leasehold lands/centres to ameliorate rent expense. SAR 73.0 million in landlord discounts received in H1-FY21, SAR 37.7 in Q2-FY21.	SAR **37.7** mn Landlord discounts in Q2-FY21
Occupancy	Like-for-like occupancy remains only slightly down on FY2020 level as ACC allocates additional space to cineplex facilities.	**90.5%** Occupancy Ratio
Cinemas	Cinema rollout accelerating with four cineplexes launched in Q2-FY21, including first-ever theaters in Al-Ahsa and Jubail regions. ACC inaugurated KSA's largest-ever cineplex at Mall of Dhahran in Q3-FY21.	**4** New cineplexes in Q2-FY21
Tenant Mix	ACC is profitably shifting its tenant mix. GLA devoted to entertainment up by 4.1% y-o-y, with new lifestyle categories targeted to further optimize GLA, incl. clinics and other service providers.	**16%** GLA dedicated to entertainment
Lease Renewals	Despite the impact of Covid-19 on the retail market, ACC renewed 1,343 leases during H1-FY21 (Q2: 593). Nearly all leases expiring during 2020G have been renewed. Management sees no price pressure on upcoming renewal for 25% of leases.	**75%** Of leases expiring in 2020G renewed
New Brands	ACC is continuously seeking to onboard new brands and global franchise retailers at its existing and pipeline properties, driving increased footfall concurrently with rising GLA.	**44** New brands onboarded in Q2-FY21
Leasehold Negotiations	Successful negotiations for a new Management, Operation and Maintenance Agreement for Jeddah Park's landlord; renegotiating contracts for Zahra and Najd Malls while Dhahran Mall negotiations progressing positively	**87%** Jeddah Park completion
Portfolio Growth	ACC inaugurated a major extension at its Nakheel Mall regional centre in Riyadh, including one of Saudi Arabia's largest cineplexes. Continued investment with CAPEX and advances of SAR 156.0 million in H1-FY21 focused on ACC's near-term pipeline and maintenance CAPEX. Construction started at Qassim Mall, enabling works initiated.	**16k** sqm New GLA launched in 2Q-FY21

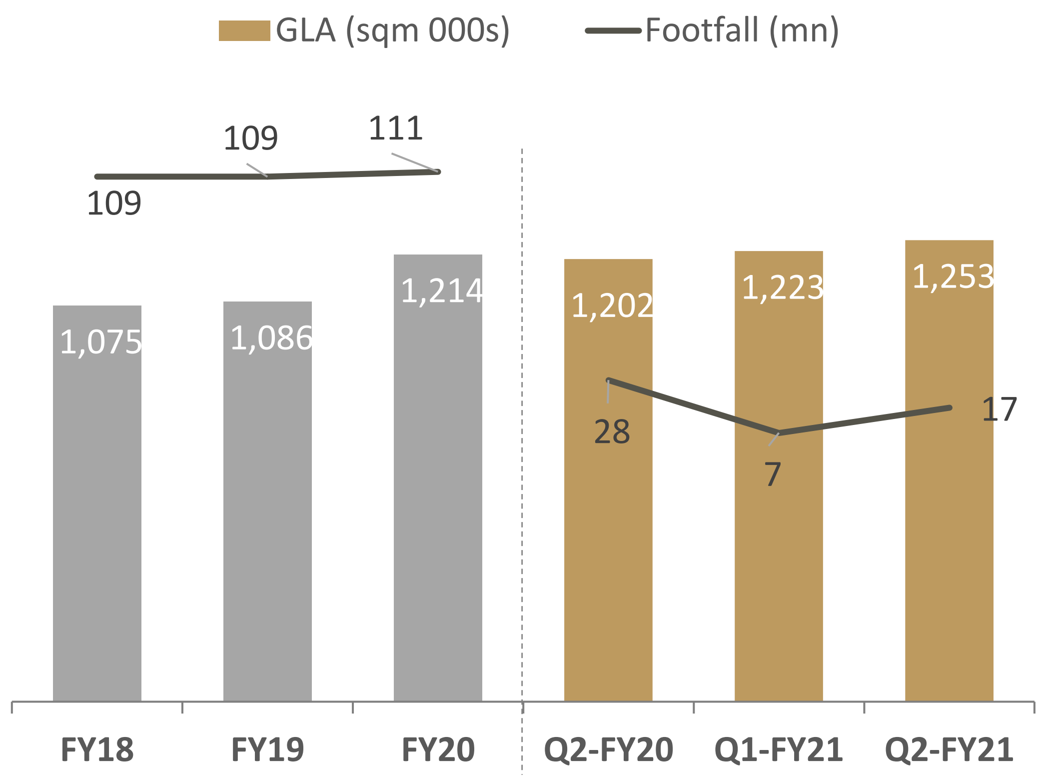
ACC’s Key Focus Areas

Portfolio Optimization	• Optimize tenant mix by introducing service providers, e.g. clinics. • Accelerate rollout of cinemas across portfolio • Secure additional partnerships with franchise retailers, secure large key accounts expanding brand representation • Deepen/expand leisure and entertainment footprint
GLA Optimization	• Accelerate sale of unoccupied GLA • Targeting year-end occupancy c.93%. • Control pricing on remaining lease renewals.
Digitization	• Launch KSA’s first digital retail platform • Unified tenant portal (Ejar) to streamline leasing • Smartphone app to enhance shopping experience • Digital footfall counters to enhance analytics
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
Safeguard Margins	• Develop asset light model with increased focus on partnerships, lease-manage-maintenance • Optimize pricing for all malls with focus on C- category. • Negotiate discount period with landlords. • Negotiate new arrangements on expiring properties.

Operational and Financial Performance

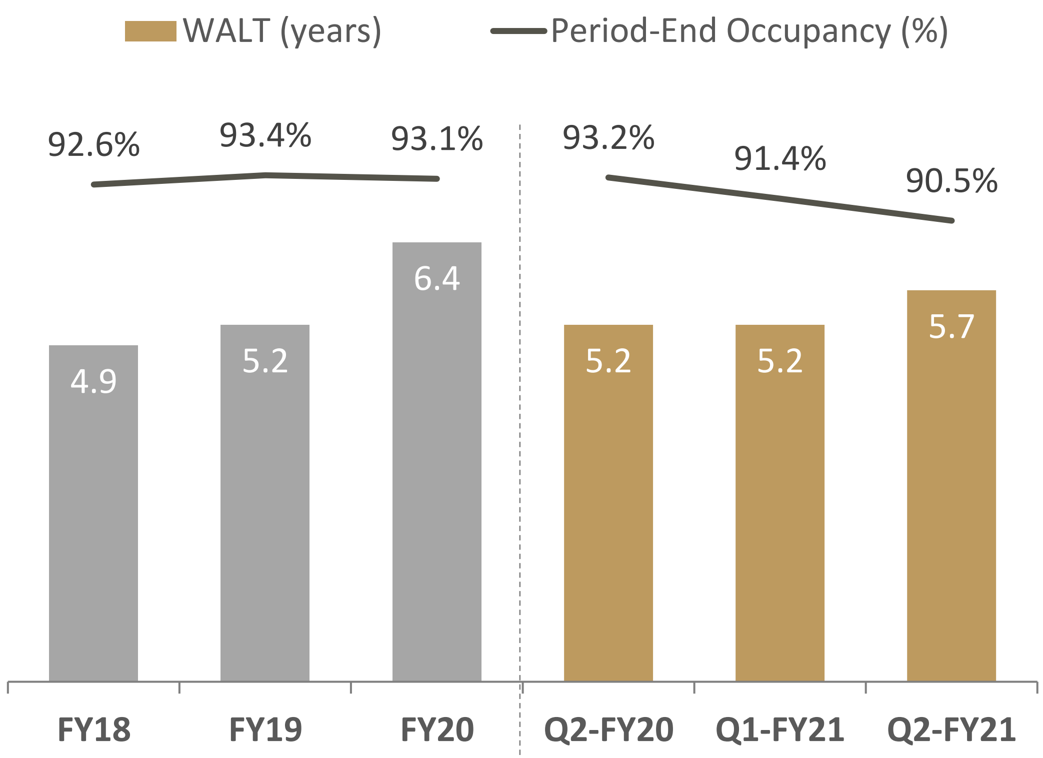
Footfall Impacted by Covid-19, Occupancy Remains Strong

GLA Progression vs. Average Footfall



Total GLA climbed 4% y-o-y to 1.253 million sqm, while average footfall recorded 17.2 million in Q2-FY20, a significant recovery from the previous quarter's temporary closure of shopping centres, although significantly below the level at Q2-FY20.

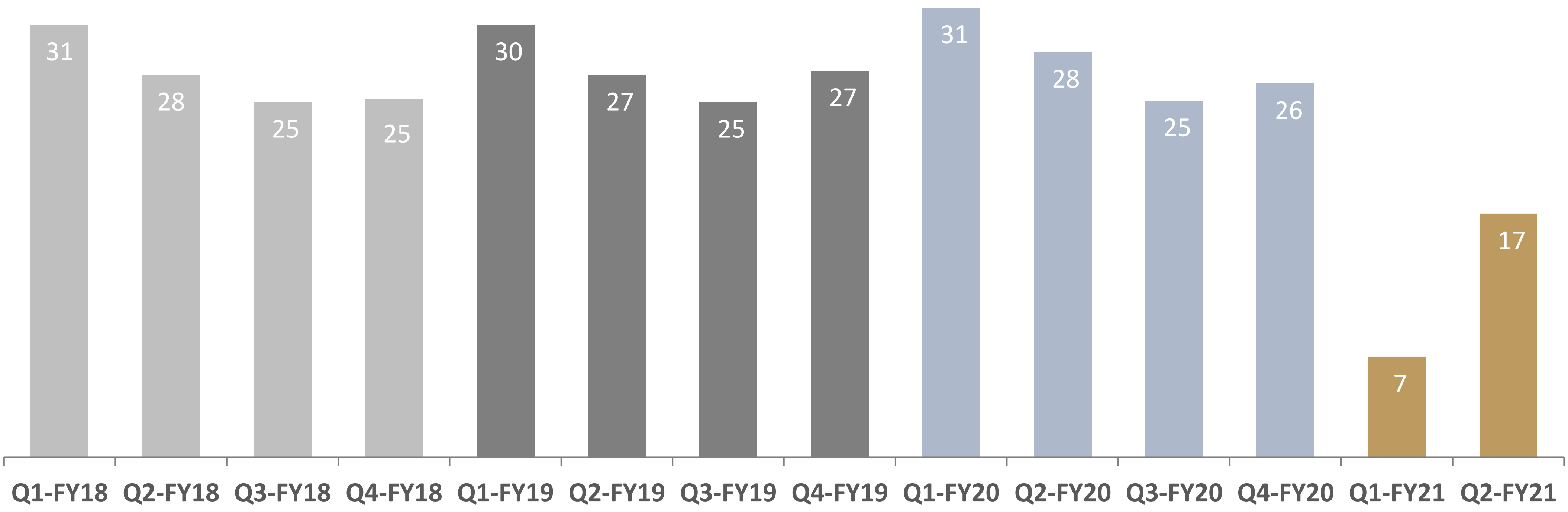
Occupancy Rates vs. WALT



WALT increased 10.2% y-o-y to 5.7 years in Q2-FY21, with LFL occupancy at the end of the quarter decreasing to 90.5% due to the effects of the COVID crisis on certain lessees and the allocation of greater space to cineplexes at ACC centres.

Three-Year Historical Footfall Seasonality

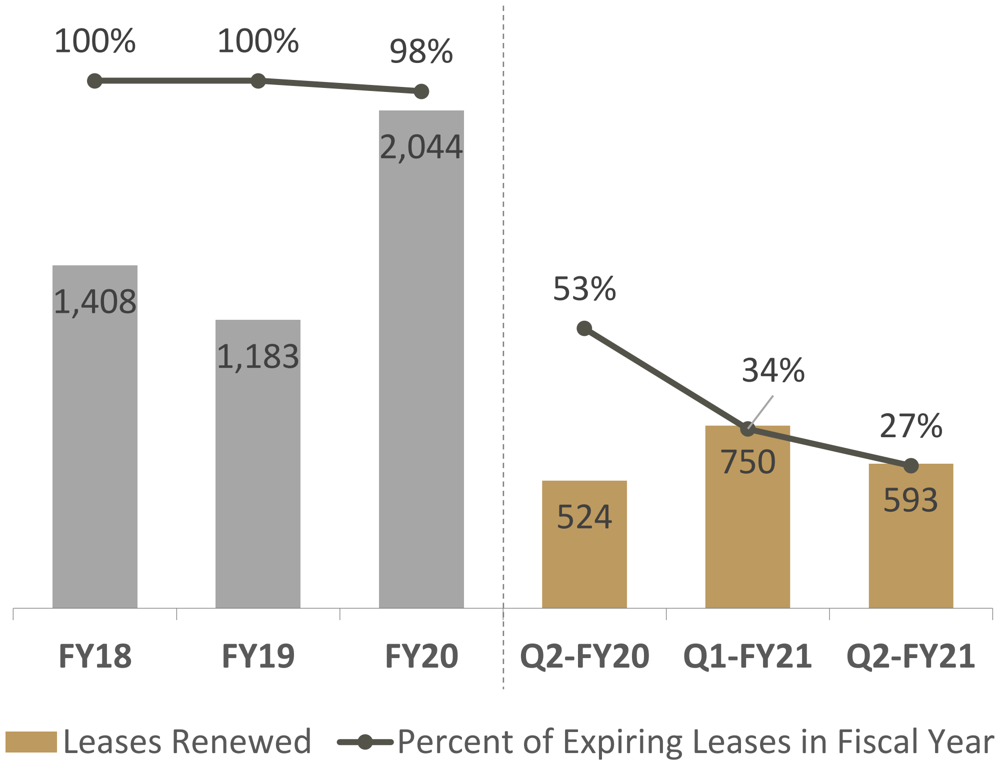
Quarter-on-Quarter Footfall (mnn)



Footfall was up sharply to 17.2 million in Q2-FY2021 from c.7 million one quarter previously, reflecting the ongoing normalization of commercial activity as COVID-related restrictions are eased. On a YTD basis, ACC welcomed 24.3 million visitors in H1-FY2021, down from 59.7 million during H1-FY2020 on the back of the closure of ACC's shopping centres during Q1-FY2021 in compliance with government efforts to contain the spread of COVID-19. Tenant sales were down c.5% during the period, significantly less steeply than the y-o-y footfall decline, with bellwether fashion retail sales down only c.5.5% - indicating true buyer traffic.

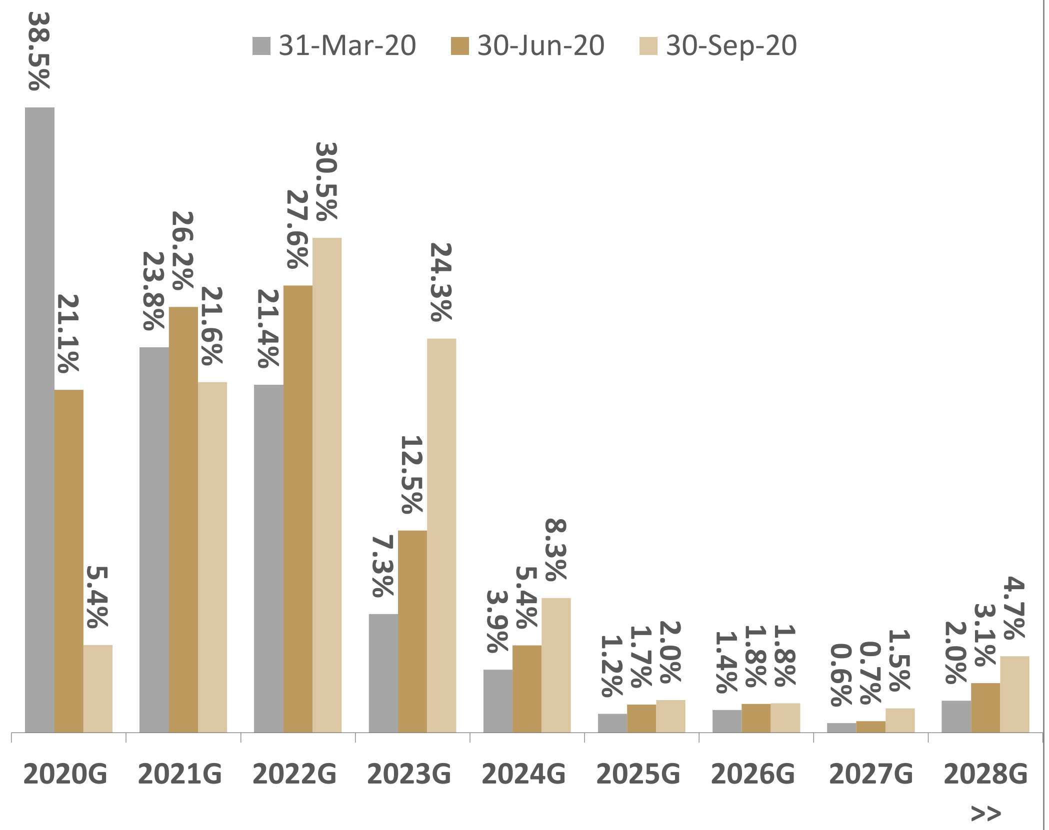
Continued Lease Renewals with a Drop in Renewal Rates Against Current Backdrop

Number of Leases Renewed



The Company renewed a total of 593 leases during Q2-FY21 (H1-FY21: 1,343). Approximately 75% of leases expiring in 2020G have been successfully renewed, although current circumstances have produced an overall drop in renewal rates.

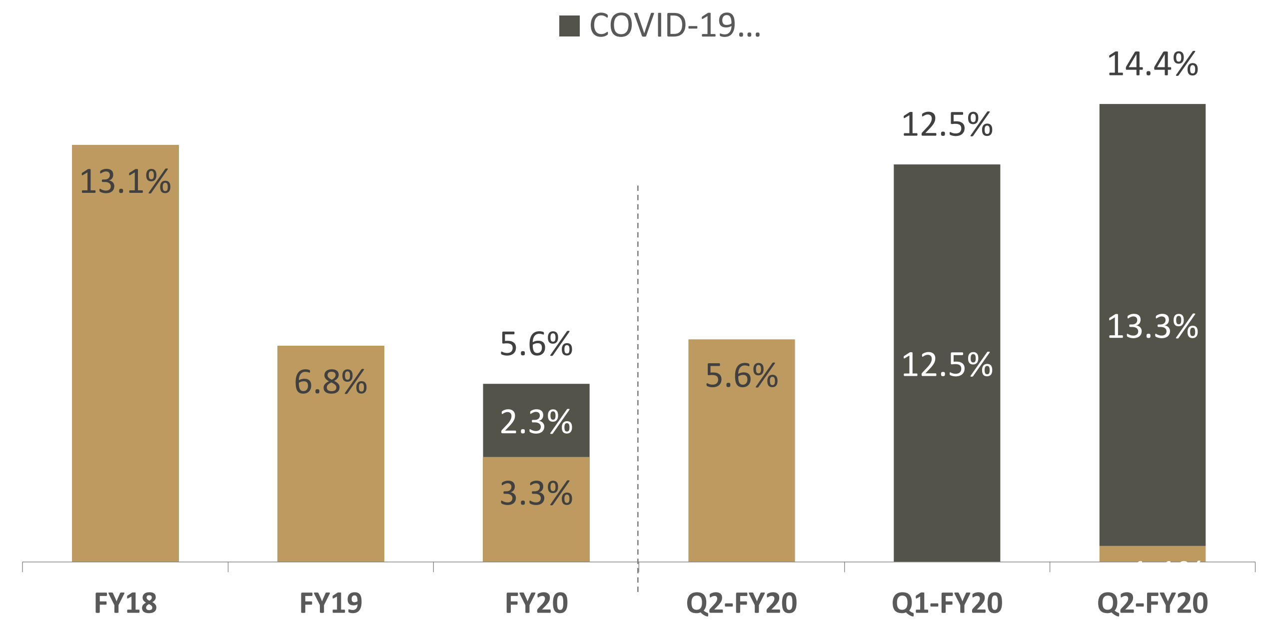
Lease Expiry Schedule



Despite current market conditions, management has successfully renewed leases that were set to expire during the current period, locking in revenue streams for a prolonged period.

Higher Discounts Granted to Tenants Addressing COVID-19

Weighted Average Discount Rates



ACC's weighted average discount rates between external and internal tenants was 14.4% in Q2-FY21, with COVID-related discounts accounting for >95% of discounts granted during the quarter. ACC has worked to offset the effects of higher discounts on profitability by extracting cost efficiencies, negotiating adjustments to its leasehold contracts with landlords, and by disposing of noncore investments. Management expects discount rates to revert to a downward trend over the coming quarters.

ACC estimates total COVID-related exposure of SAR 535.9 million on the Company's net rental revenue, to be recognized over the term of outstanding lease contracts… Since Q4-FY20, ACC has recognized a cumulative SAR 151.7 million in COVID-related discounts to tenants.

ACC has pursued multiple paths for mitigating the effects of elevated discounts during the period…

SAR 28.4 million
Cost efficiencies, H1-FY21

SAR 73.0 million
Landlord discounts, H1-FY21

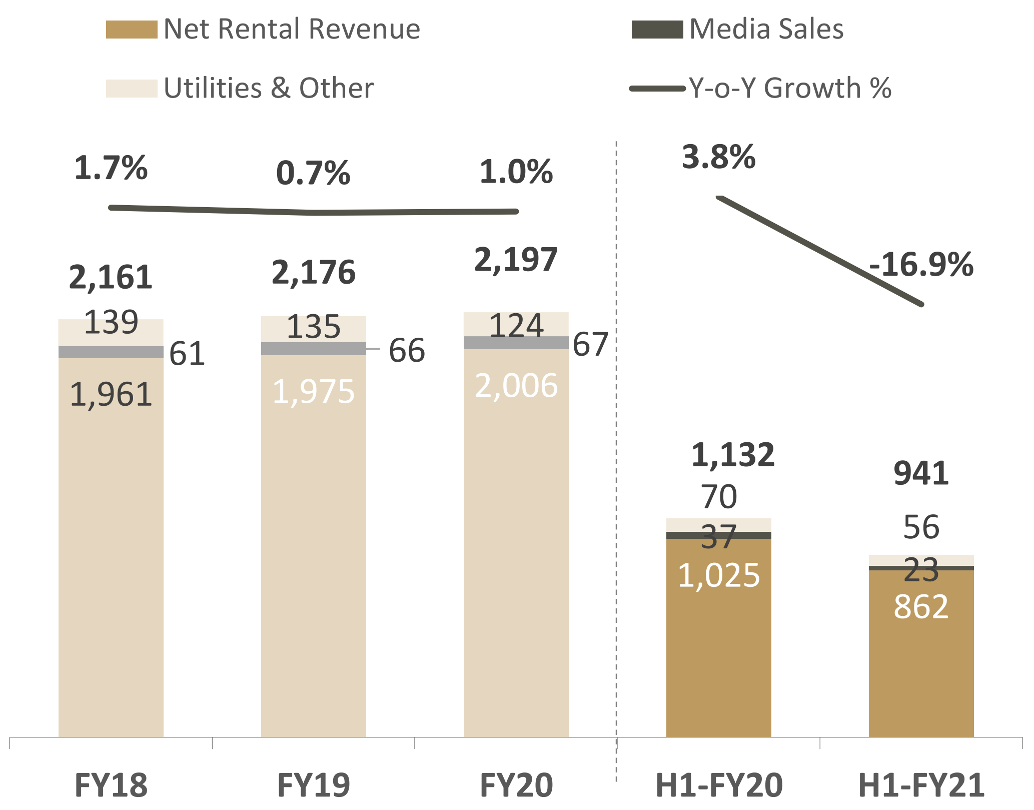
SAR 15.0 million[1]
Disposal of noncore investments, H1-FY21

SAR 7.0 million[2]
Savings on interest expenses, H1-FY21

1) *The impact from disposal of noncore held-for-sale investments has been charged to shareholders' equity as per IFRS requirements*
2) *In addition to the SAR 7.0 million saved on interest expenses during H1-FY2021, ACC saved a further SAR 27.0 million on cash interest payments during the period.*

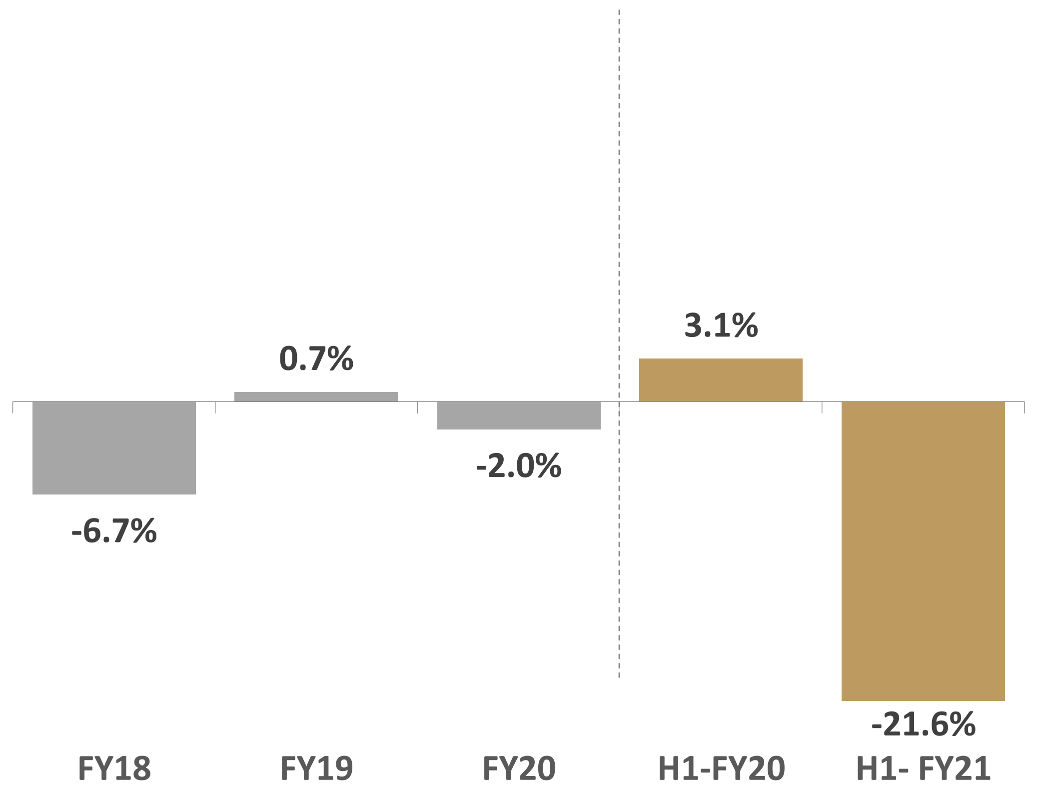
Contained Covid-19 Top-Line Effects

Revenue | SAR MN [(1)]



Total revenue decreased 16.9% y-o-y to SAR 940.7 million for H1-FY21. This decline was driven largely by the restriction of activity at ACC's centres for much of Q1-FY21 as a result of the COVID-19 pandemic and efforts to stop the spread of the virus.

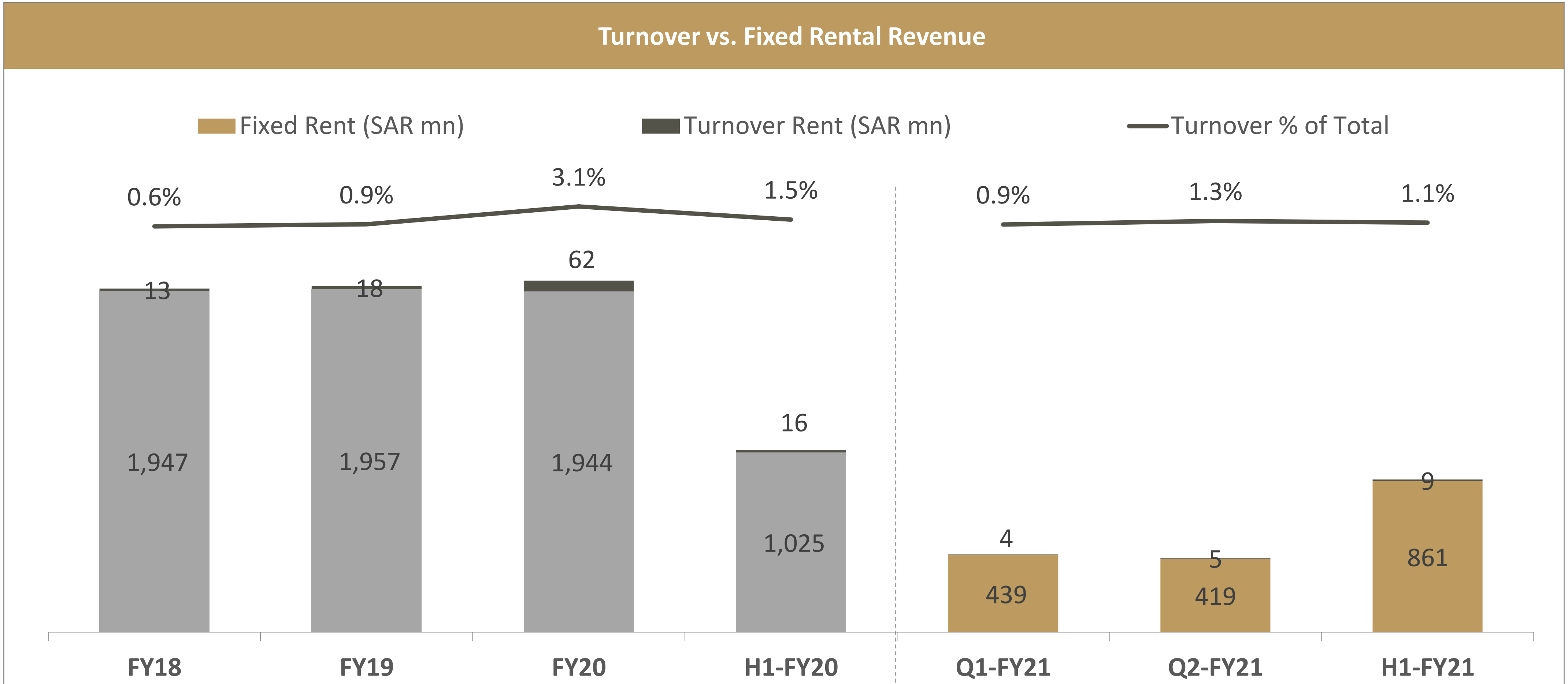
Like-for-Like Net Rental Revenue Growth



On a like-for-like basis (across 19 malls), net rental revenue was down 21.6% y-o-y in H1-FY21, driven by COVID-related disruptions and a temporary decrease in like-for-like occupancy rates on account of space being allocated for cineplexes.

1) *This revenue figure for 1QFY21 includes two recently opened malls, U-Walk and Nakheel Mall Dammam, which were launched during 2QFY20 and remain in a ramp-up phase as regards leasing.*

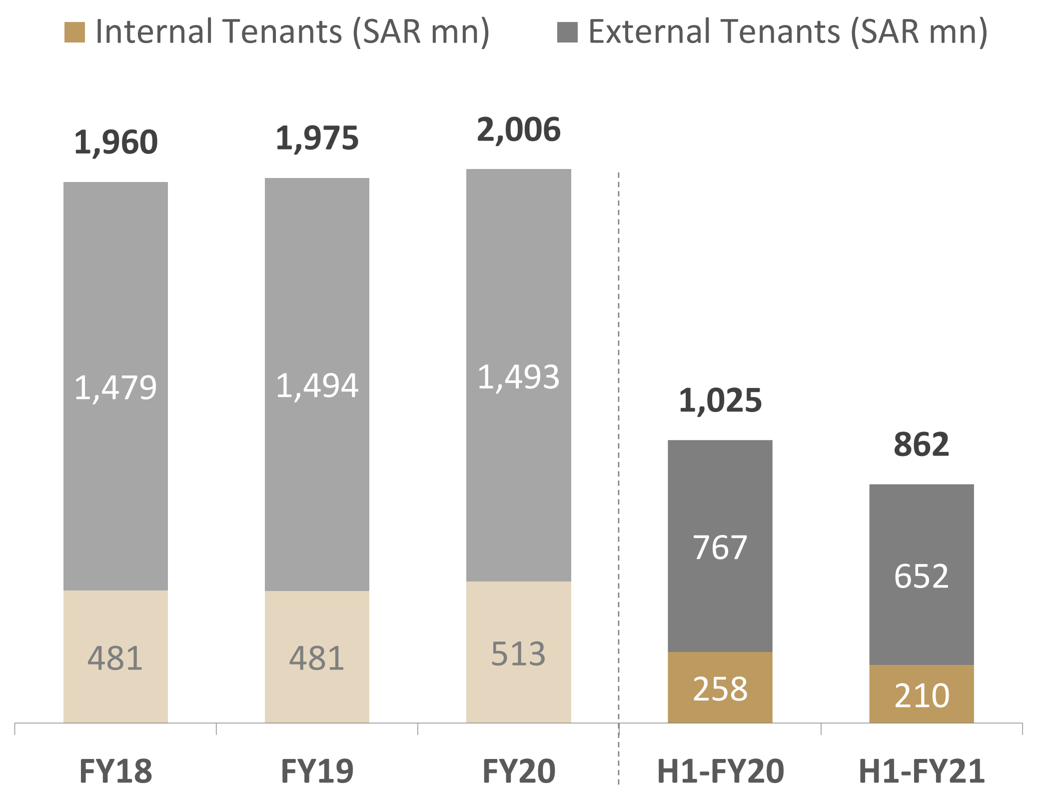
Fixed Versus Turnover Net Rental Revenue



While the percent contribution of turnover rent has been steadily rising, in H1-FY21 witnessed a decline to 1.1% owing to lower tenant sales due to COVID-19. However, turnover revenue contribution has improved quarter-on-quarter in Q2-FY21 to 1.3%, indicating a pickup in tenant sales.

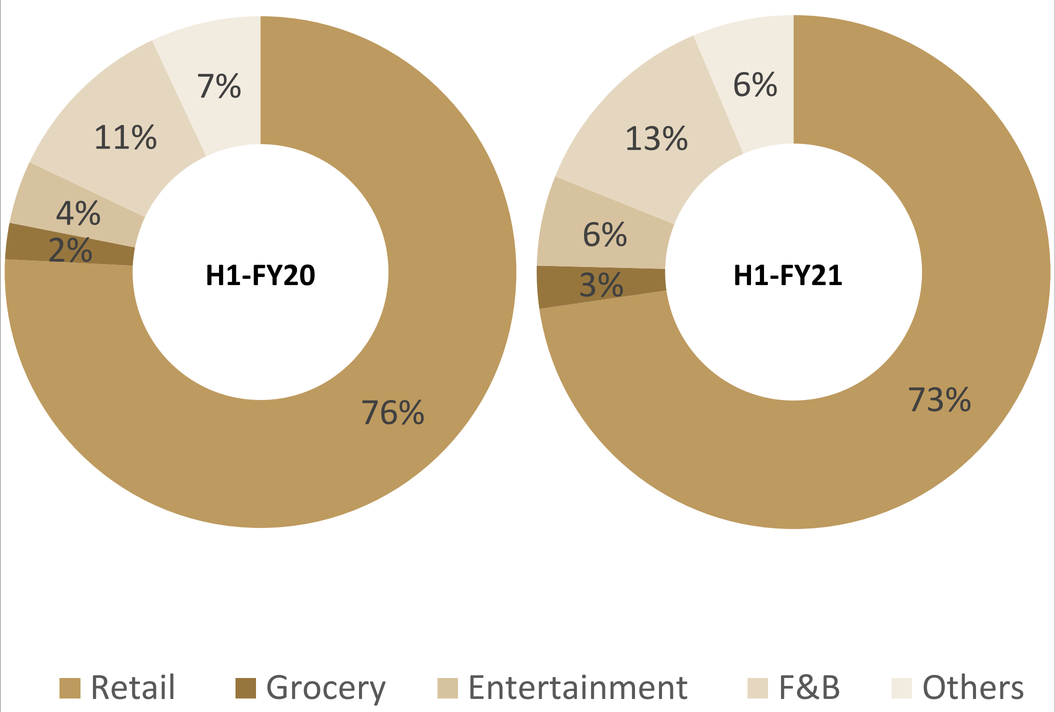
Net Rental Revenue Breakdown

External vs. Internal Split in Net Rental Revenue



ACC maintained a profitable tenant mix, with internal tenants constituting c.24% of net rental revenue in H1-FY21

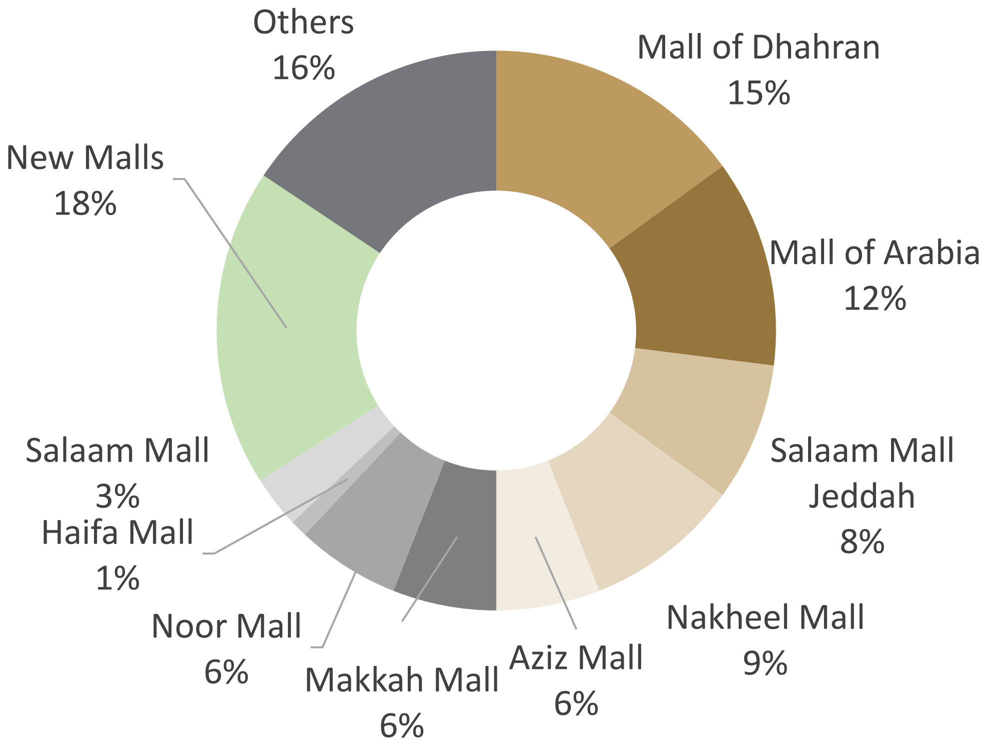
Net Rental Revenue by Category



Retail tenants generated the bulk of ACC's top line during H1-FY21, with the contribution from entertainment and F&B subdued following the application of capacity limits at such locations

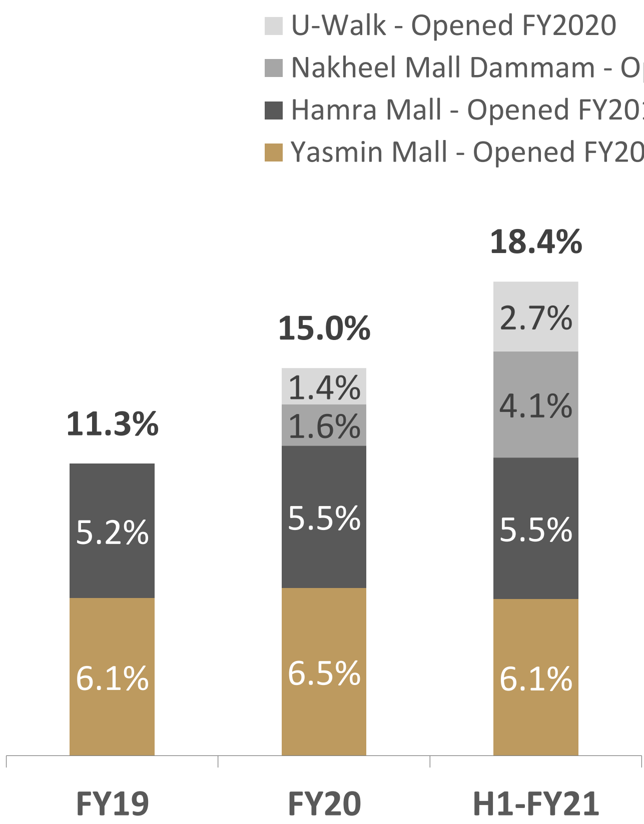
Growing Revenue Contribution by New Malls

Total Revenue by Mall



At 15%, Mall of Dhahran remained the largest contributor to total revenues in H1-FY21, followed by Mall of Arabia (12%), Nakheel Mall (9%) and Salaam Mall Jeddah (8%).

New Malls Revenue Contribution

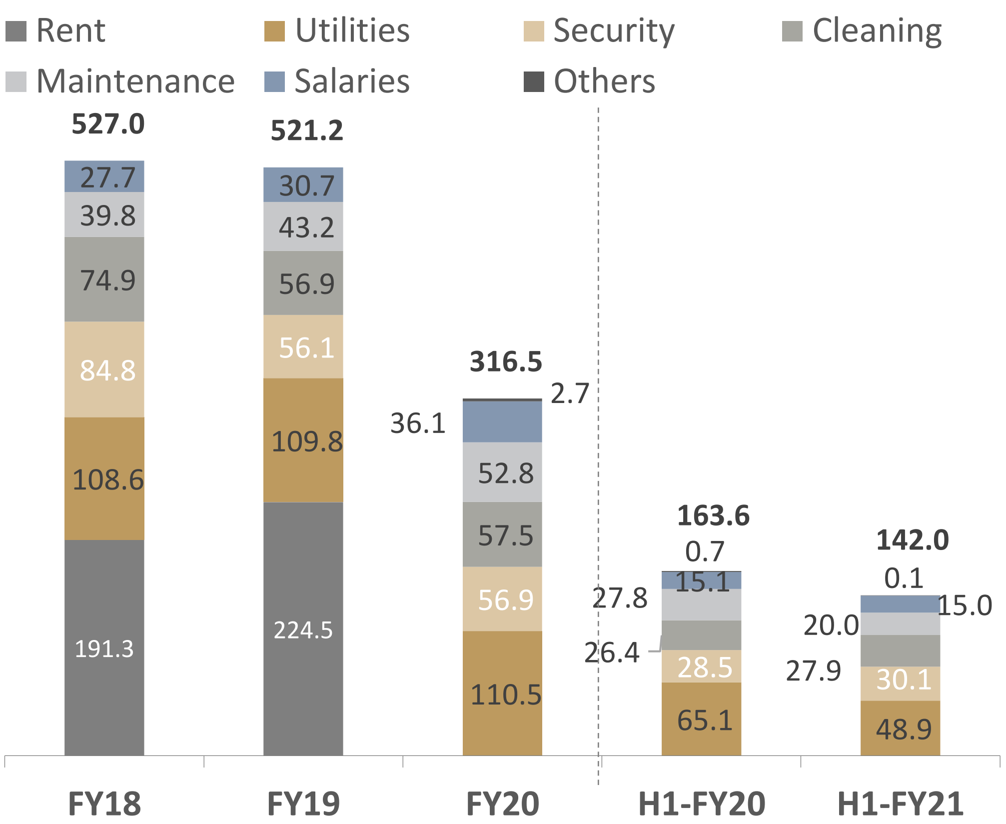


Continued ramp up of occupancy rates at U-Walk and Nakheel Mall Dammam, with pre-leasing rates reaching 97% and 89%, respectively.

ACC's new malls continue inaugurated since FY2016 and FY2020 are delivering steady growth in revenue contribution.

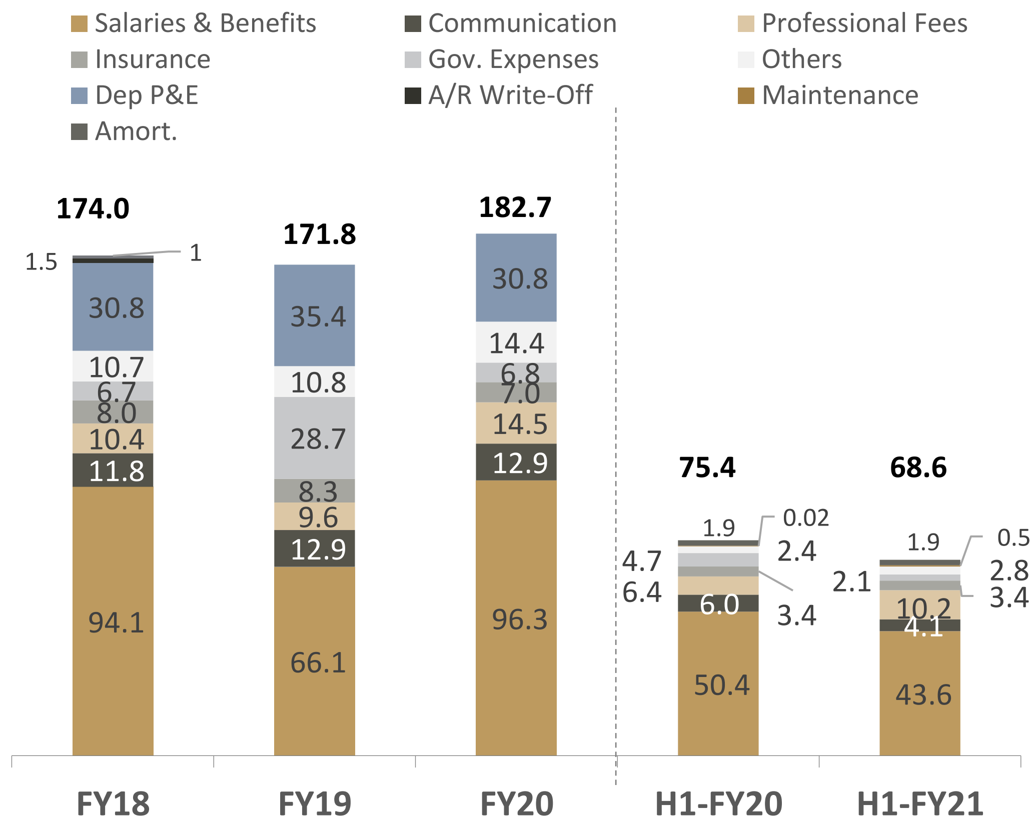
Core Profitability Margins Safeguarded by Cost Efficiency

Cost of Revenue Breakdown[1]



ACC's cost of revenue declined by 13.2% y-o-y in H1-FY21 thanks to savings on utilities and repairs and maintenance. Cost of revenue was up q-o-q in Q2-FY21 as ACC ramped up operations at newly reopened centres.

G&A Breakdown[2]

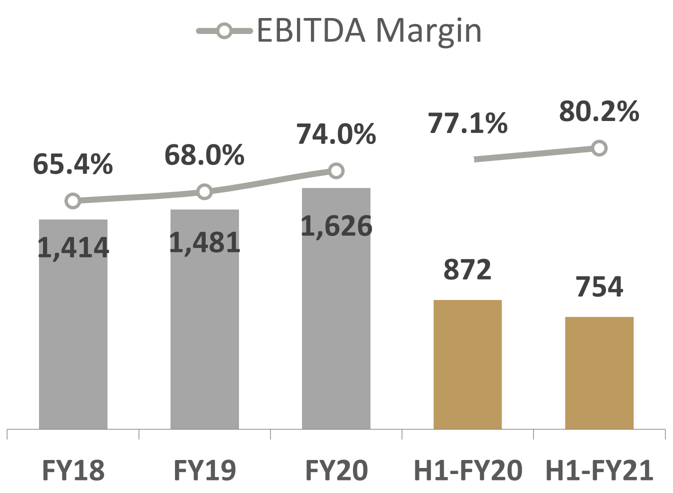


General & Administrative expenses declined by 9.2% y-o-y in H1-FY21 primarily driven by lower salaries and benefits.

1) *FY18 and FY19 figures include rent expense of SAR 191.3 million and SAR 224.5 million, respectively. Excluding rent, FY18 and FY19 Cost of Revenue would equal SAR 335.7 million and SAR 296.7 million, respectively.*
2) *FY18 and FY19 figures include depreciation & amortization expenses of SAR 42.6 million and SAR 48.3 million, respectively. Excluding depreciation & amortization, FY18 and FY19 would equal SAR 131.6 million and SAR 123.5 million, respectively.*

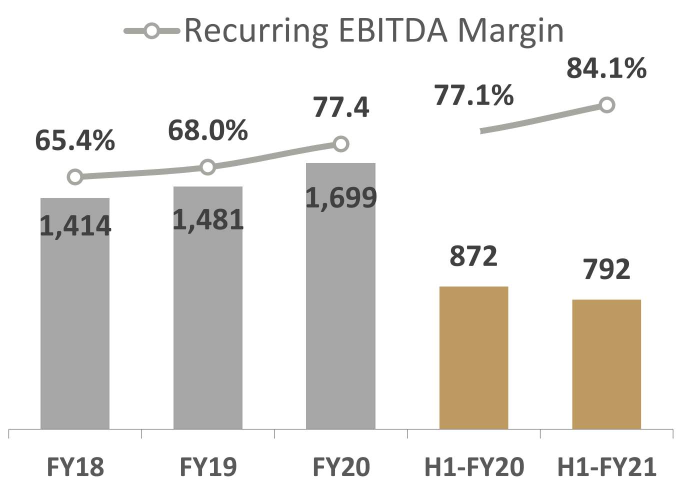
Bottom-Line Pressure From Non-Recurring Items

EBITDA | SAR MN



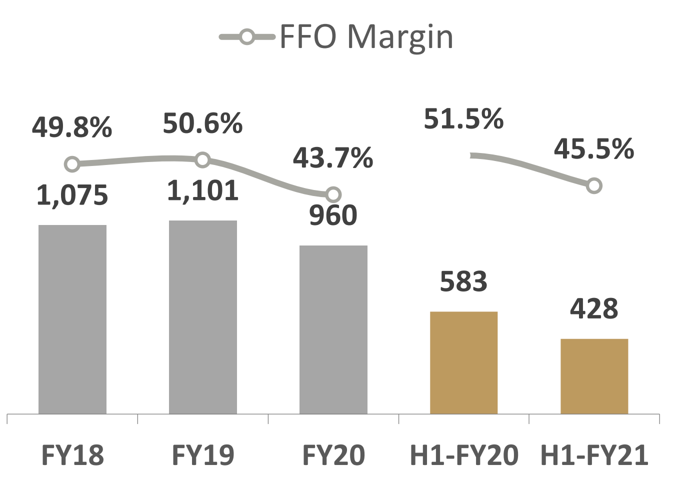
EBITDA margin increased in H1-FY21 on account of IFRS-16 impact along with cost control measures

Recurring EBITDA | SAR MN



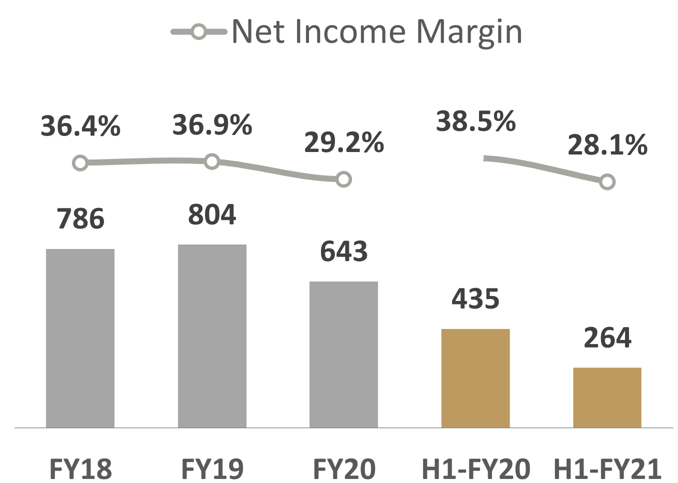
Despite a reduction in recurring EBITDA following decreases in the top line and gross profitability, ACC's recurring EBITDA margin rose by 7 percentage points y-o-y.

FFO | SAR MN[1]



FFO fell by 26.6% y-o-y to book SAR 428.0 million for H1-FY21, yielding a FFO margin of 45.5% against the 51.5% recorded one year previously.

Net Income | SAR MN

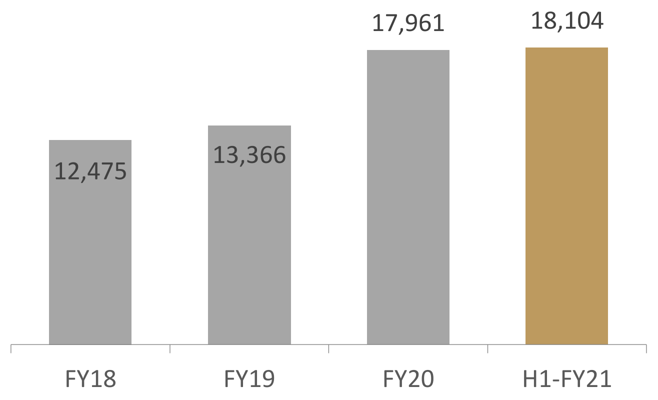


Net profit decreased by 39.3% y-o-y in H1-FY21, primarily driven by impairments on accounts receivable arising from the temporary closure of ACC's centres during Q1-FY21.

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.*

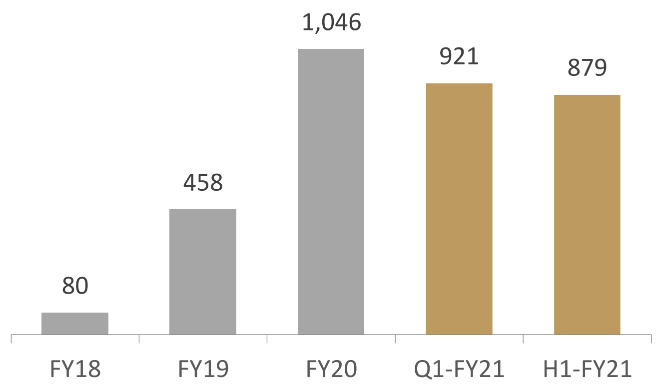
Strong and Liquid Balance Sheet

Total Assets | SAR MN



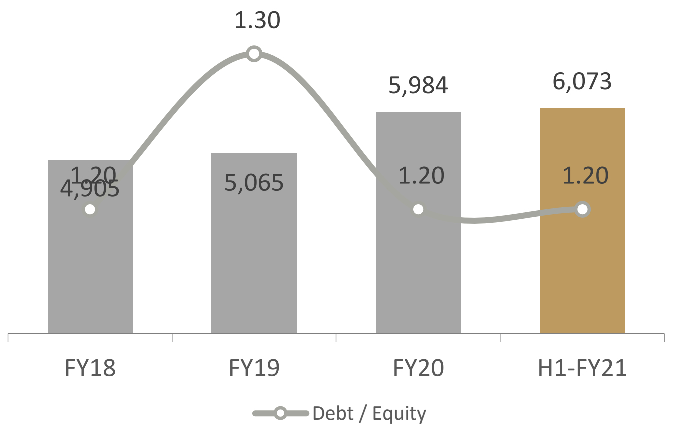
ACC's book value of total investment properties, representing its investment in 21 operating mall developments, malls under construction and raw lands for future developments, was SAR 18,104.4 million at the close of Q2-FY21.

Cash | SAR MN



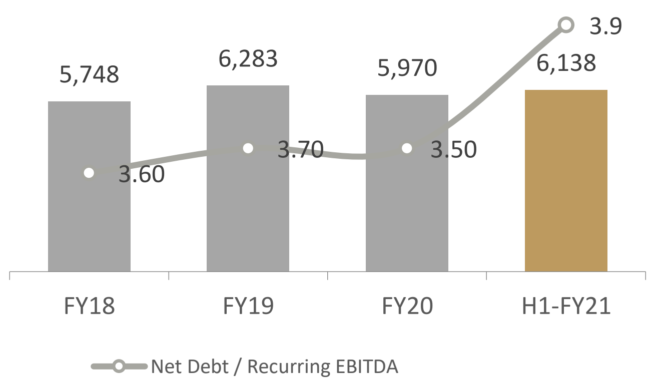
Prudent cash management with quarter-on-quarter liquidity position remaining largely stable.

Equity | SAR MN



Shareholder equity booked SAR 6,072.9 million for H1-FY21, up from SAR 5,984.3 million at the close of FY2020.

Net Debt | SAR MN[1]



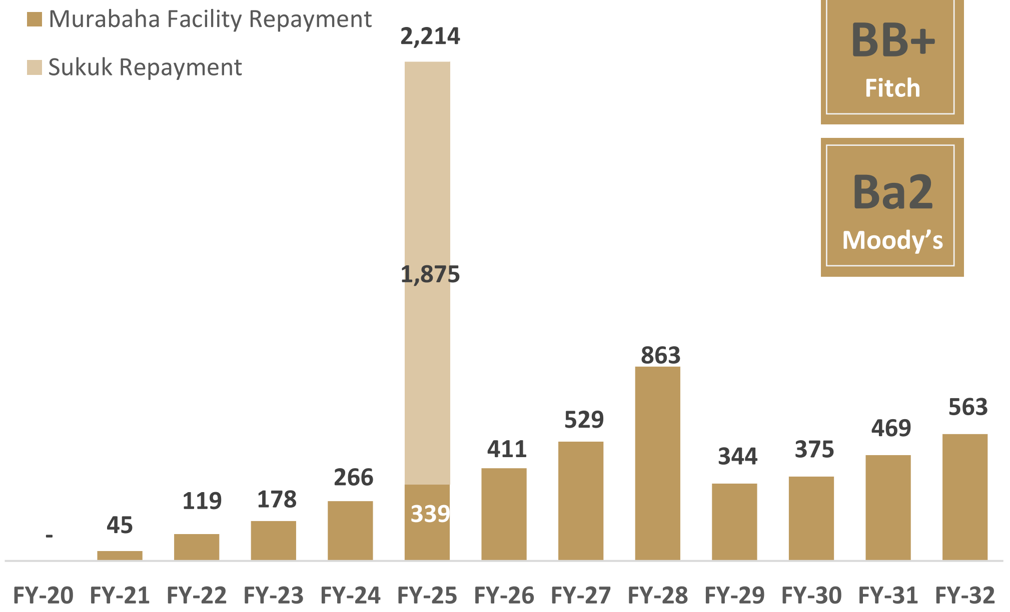
Net debt recorded SAR 6,137.8 million, up from 5,970.1 million at the close of FY2020. Meanwhile, ACC's net debt to recurring EBITDA ratio registered 3.9x for H1-FY21 against 3.5x at the close of FY2020.

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.*

Improved Debt Maturity Profile and Stable Outlook

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

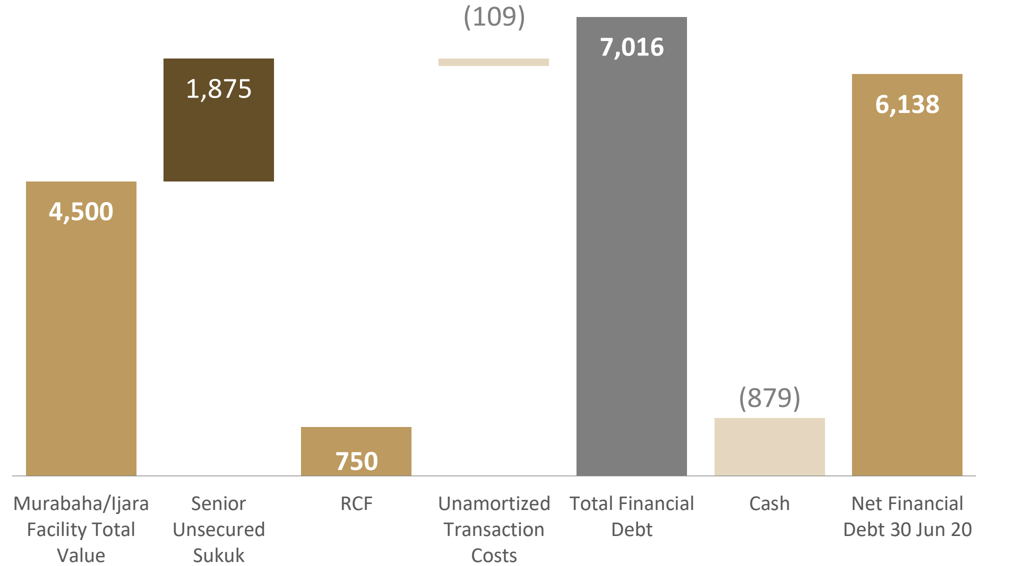
Debt Maturity Profile – Amortizing Facility (SAR Mn)



BB+
Fitch

Ba2
Moody's

Net Debt Breakdown as of 30 September 20 | SAR mn



Longer weighted average debt maturity

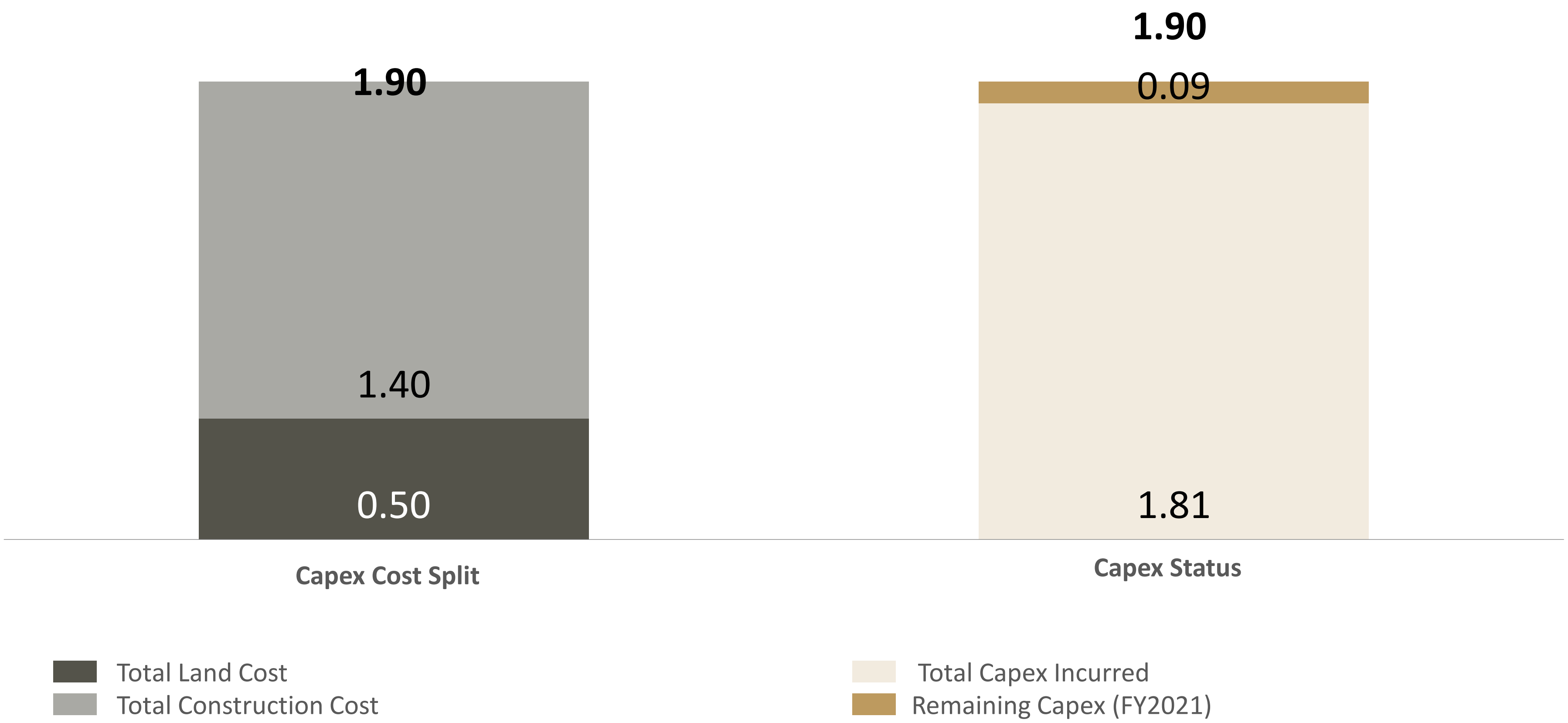
Reduced share of secured debt in capital structure

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

Continued Investment in Near-Term Pipeline

Near-Term Pipeline



- Total Capex for Near-Term pipeline including land cost for Nakheel Mall-Dammam and Khaleej Mall is c.SAR1.9bn
- Of the total budgeted capex of SAR300mn for FY2021, SAR 156.0 million has been spent in H1-FY21.

Near-Term Pipeline

Total
c.309k sqm
GLA Addition

c.72%
Pre-let as of Sep 2020

	Jeddah Park	U Walk	Nakheel Mall Dammam	Nakheel Extension 1	Khaleej Mall*
					
Location	Jeddah	Riyadh	Dammam	Riyadh	Riyadh
Ownership	Operational Agreement	Leasehold	Freehold	Leasehold	Freehold
GLA (sqm)	128,740	c. 52,000	c. 61,000	c. 52,000 + 16,000 extension	c. 51,000
Pre-lease Status	56%	97% (1)	89% (1)	86%	60%
% Completion(2)	87%	100%	100%	97%	71%*
Target Opening Date	April 2021*	September 2019	September 2019	September 2020**	September 2021*

Now Open
Now Open
Now Open

1) *Based on heads of terms agreed with tenants*
2) *Based on billing as of 30 September 2020*
3) *Percent of completion of construction works at Khaleej Mall has been revised downwards to reflect an increase in the total project value as a result of an additional parking lot, a redesign of the food court to incorporate additional entertainment areas under an integrated concept, the provision of greater visibility through the mall façade, and the construction of additional terraces on the ground and first floors.*

- *Jeddah Park delayed from April 2020 due to uncompleted construction works from the landlord side, while Nakheel Extension1 delayed from January 2020 due to stoppages associated with covid-19 lockdown measures, and Khaleej Mall delayed from December 2019 due to further re-design of the first floor's façade adjacent to a new megaproject. Khaleej Mall delayed from August 2021 due to reasons discussed in [3].*

** *The financial impact from Nakheel Ext. 1 is expected to appear during Q3-FY2021*

Medium-Term Pipeline

Total

c.396k sqm

GLA Addition

Land, Zoning / Building Permit and Concept Design in place

	Jawharat Jeddah	Jawharat Riyadh	Qassim Mall	Najd Mall	Zahra Mall
Location	Jeddah	Riyadh	Qassim	Riyadh	Jeddah
Ownership	Freehold	Freehold	Freehold	Leasehold	Leasehold
GLA (sqm)	c. 79,700	c. 154,800	c. 65,100	c. 35,300	c. 60,000
Target Opening Date	1st Half FY2024	2nd Half FY2024	2nd Half FY2022	2nd Half FY2022	1st Half FY2023
Funding Status	Project-Based Financing	Project-Based Financing	Self-Funded	Self-Funded	Self-Funded

Growth Strategy

ACC's Growth Initiatives

Key Pillars of ACC's Growth Strategy

A Unlock Significant Value from Operating Portfolio

UNLOCK VALUE

1. Yield Management
2. Space Optimisation
3. Non-GLA Revenue Opportunity
4. Cost Optimization

B Offer Integrated Lifestyle Experiences

Improve F&B and Leisure offer and Attract Fashionable Brands

- Food & Beverage
- Cinema
- Unique Entertainment

5 Cineplexes launched in H1-FY2021, with **9** total expected by 2021

Digitization

Launch 1st Digital Retail Platform in Saudi Arabia

Digitization

- Smartphone App
- Social Media
- Loyalty Program
- Tenant Portal
- Digital Footfall Counters

C Targeted Growth Strategy to Solidify Leadership Position

Malls Currently Under Construction

~702K
New GLA from Near and Medium-Term Pipeline Projects

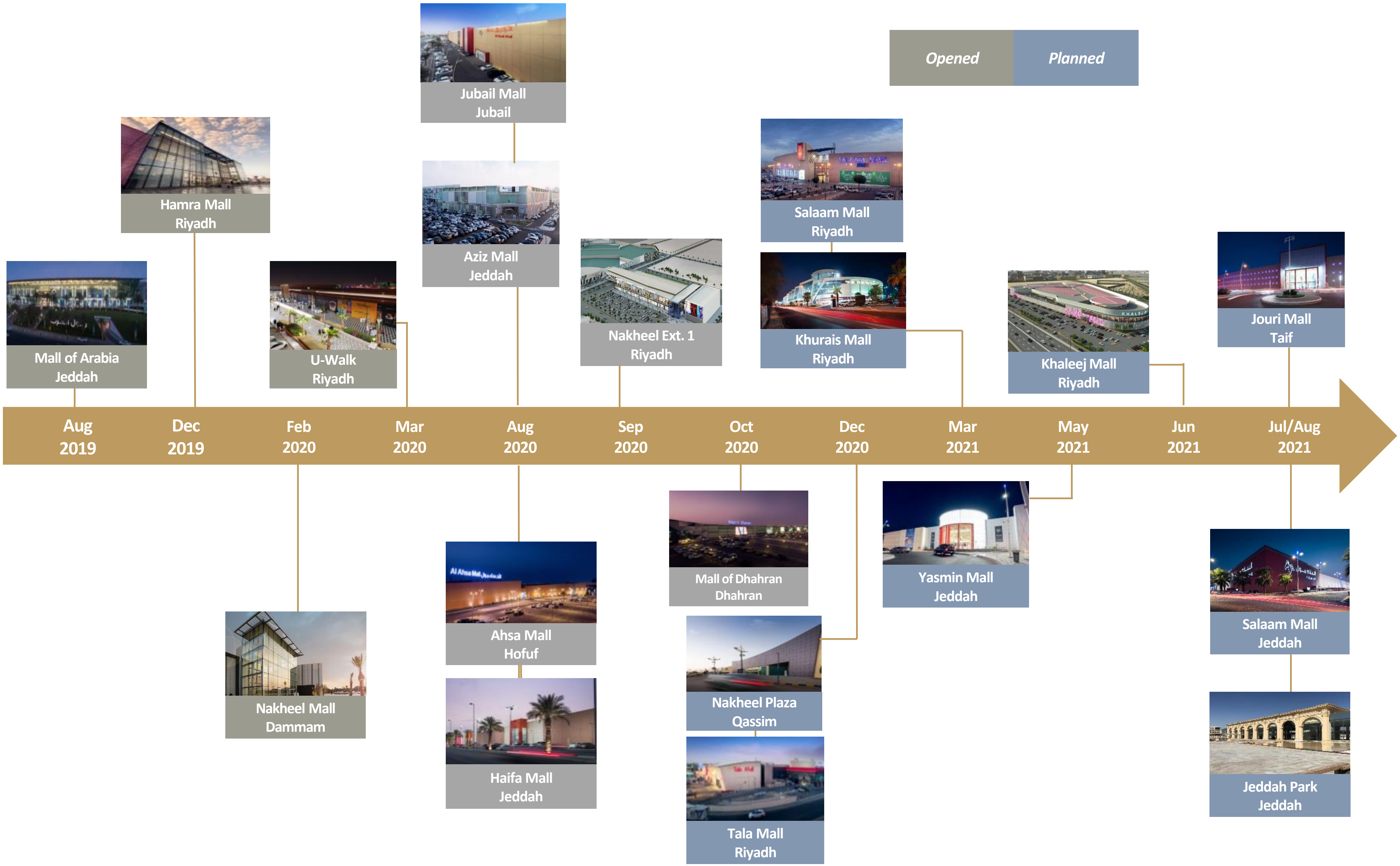
+ ~60%
Increase in GLA
(c.42% delivered as of H1-FY21)

4+1
Near-term Pipeline
(delivered 2 malls + 1 extension as of H1-FY21)

4+1
Controlled Medium-term Pipeline

15-20%
Target Yield on Cost

Strengthen ACC Malls as Go-To Family Destination Via Cinema Offering



Appendices

Our Malls

	Mall	City	Lease Expiry	Year Opened	GLA (sqm)		BUA (sqm)	Occupancy	Company Revenue Contribution (%)		
					H1-FY21	FY20			FY19	FY20	H1-FY21
	Super-Regional										
1)	Mall of Dhahran	Dammam	Feb 2025	2005	159,621	159,482	220,550	94.40%	15.80%	15.00%	15.24%
2)	Salam Mall	Jeddah	July 2032	2012	126,696	121,642	212,825	86.48%	8.60%	8.50%	7.85%
3)	Mall of Arabia	Jeddah	**Freehold**	2008	112,759	113,059	247,848	92.80%	12.70%	12.60%	11.95%
	Regional										
4)	Aziz Mall	Jeddah	Nov 2046	2005	73,059	73,237	93,310	93.83%	7.10%	6.20%	5.98%
5)	Noor Mall	Madinah	**Freehold**	2008	67,016	67,552	93,917	96.95%	6.20%	6.20%	6.17%
6)	Nakheel Mall	Riyadh	July 2034	2014	56,276	56,218	98,000	93.04%	8.7%	9.00%	9.30%
7)	Yasmin Mall	Jeddah	Nov 2034	2016	54,841	54,716	101,672	94.83%	6.1%	6.50%	6.06%
8)	Hamra Mall	Riyadh	**Freehold**	2016	55,683	55,598	77,969	92.68%	5.20%	5.50%	5.48%
9)	Ahsa Mall	Hofuf	**Freehold**	2010	52,023	49,987	65,800	60.95%	2.40%	1.70%	1.80%
10)	Salaam Mall	Riyadh	**Freehold**	2005	52,902	48,423	67,421	94.50%	3.20%	3.20%	3.18%
11)	Jouri Mall	Taif	Mar 2035	2015	52,295	48,077	92,663	97.41%	4.70%	4.90%	5.20%
12)	Khurais Mall	Riyadh	Jan 2022	2004	41,641	41,618	60,230	87.11%	2.60%	2.20%	1.72%
13)	Makkah Mall	Makkah	**Freehold**	2011	37,482	37,473	56,720	95.38%	7.20%	6.90%	6.29%
14)	Nakheel Mall Dammam*	Dammam	**Freehold**	2019	62,471	62,452	92,229	89.00%	-	1.60%	4.11%
15)	U-Walk**	Riyadh	July 2046	2019	64,335	63,679	68,254	97.00%	-	1.40%	2.70%
	Community										
16)	Nakheel Plaza	Qassim	Dec 2029	2004	52,857	50,306	48,985	77.20%	2.3%	1.90%	2.38%
17)	Haifa Mall	Jeddah	Apr 2032	2011	33,698	33,698	50,161	75.58%	3.00%	2.70%	1.40%
18)	Tala Mall	Riyadh	Apr 2029	2014	22,813	22,636	46,292	83.87%	1.80%	1.70%	1.62%
19)	Jubail Mall	Jubail	**Freehold**	2015	21,573	22,679	37,366	82.34%	1.40%	1.4%	0.81%
20)	Salma Mall	Hail	Mar 2022	2014	16,959	16,959	22,378	64.95%	0.80%	0.70%	0.49%
21)	Sahara Plaza	Riyadh	**Freehold**	2002	14,722	14,722	28,364	100.0%	0.00%	0.30%	0.29%
	Total* **				**1,231,722**	**1,214,213**	**1,882,954**	**90.50%**	**100.0%**	**100.0%**	**100.0%**

** Occupancy rate at Nakheel Mall Dammam reflects pre-leasing rates. ** Occupancy rate at U-Walk reflects pre-leasing rates. ***Total occupancy rate reflects like-for-like figures.*

Income Statement

(SAR)	H1-FY20	H1-FY21	Y-o-Y Growth
Net Rental Revenue	1,024,965,823	861,571,489	-15.9%
Media Sales	36,994,717	23,255,371	-37.1%
Utilities Revenue	69,663,141	55,869,011	-19.8%
Total Revenue	**1,131,623,681**	**940,695,872**	**-16.9%**
Cost of revenue	-163,626,907	-141,960,246	**-13.2%**
Depreciation of investment properties	-131,952,902	-149,430,471	**13.2%**
Depreciation of right-of-use of assets	-76,945,213	-95,881,272	**24.6%**
GROSS PROFIT	**759,098,659**	**553,423,883**	**-27.1%**
Gross Profit Margin	*67.1%*	*58.8%*	*-8.2%*
Other income	5,954,966	83,107,006	-
Advertisement and promotion	-2,410,380	-10,267,219	326.0%
Impairment loss on accounts receivable	-34,764,364	-67,040,479	92.8%
General and administration	-91,347,396	-82,917,818	-9.2%
INCOME FROM MAIN OPERATIONS	**636,531,485**	**476,305,373**	**-25.2%**
Share of profit of equity-accounted investee	8,911,051	4,134,062	-53.6%
Financial charges	-141,485,464	-134,642,579	-4.8%
Interest expense on lease liabilities	-51,894,509	-73,114,273	40.9%
INCOME BEFORE ZAKAT	**452,062,563**	**272,682,583**	**-39.7%**
Zakat	-16,926,962	-8,507,253	**-49.7%**
NET INCOME FOR THE YEAR	**435,135,601**	**264,175,330**	**-39.3%**
Profit for the year attributable to:			
Owners of the Company	428,053,133	261,783,960	
Non-controlling interests	7,082,468	2,391,370	
	435,135,601	**264,175,330**	
Earnings per share:			
Basic and diluted earnings per share	**0.92**	**0.55**	
EBITDA	**872,258,133**	**754,089,149**	**-13.5%**
EBITDA Margin	*77.1%*	*80.2%*	*3.1%*
Recurring EBITDA	**872,258,133**	**791,226,260**	**-9.3%**
Recurring EBITDA Margin	*77.1%*	*84.1%*	*7.0%*
FFO	**583,077,363**	**427,922,031**	**-26.6%**
FFO Margin	*51.5%*	*45.5%*	*-6.0%*

Source: Company Audited Financials, Company Information

Cost Breakdown

(SAR)	H1-FY20	H1-FY21	Y-o-Y Growth
Rental expense	-	-	N/A
Utilities expense	65,143,688	48,929,116	-24.89%
Security expense	28,537,312	30,054,269	5.32%
Cleaning expense	26,361,687	27,930,042	5.95%
Repairs and maintenance	27,795,177	19,960,044	-28.19%
Employees' salaries and other benefits	15,098,177	14,981,297	-0.77%
Other expenses	690,867	105,478	N/A
Cost of Revenue	**163,626,907**	**141,960,246**	**-13.24%**
As % of Revenue	*14.46%*	*15.09%*	
Depreciation of Inv. Properties	**131,952,902**	**149,430,471**	**13.25%**
Employee salaries and benefits	50,447,336	43,610,663	-13.55%
Communication	6,042,086	4,092,212	-32.27%
Professional fees	6,352,212	10,229,909	61.04%
Insurance	3,433,555	3,399,738	-0.98%
Government expenses	4,700,205	2,047,514	-56.44%
Lease rent	-	-	N/A
Maintenance	24,241	490,269	N/A
Amortization of right-of-use asset	1,928,622	1,883,523	-2.34%
Board expenses	0	1,925,000	N/A
Others	2,430,280	922,760	-62.03%
G&A(1)	**75,358,536**	**68,601,588**	**-8.97%**
Depreciation – P&E	15,988,860	14,316,230	-10.46%
Impairment loss on accounts receivable	34,764,364	67,040,479	92.84%
Opex	**238,985,443**	**210,561,834**	**-11.89%**
	21.1%	*22.4%*	*1.3 pts*
Total Cost (ex. Depreciation)	**273,749,808**	**277,602,313**	**1.4%**
As % of Revenue	24.2%	29.5%	*5.3 pts*
Depreciation (IP and PP&E)	**147,941,762**	**163,746,701**	**10.7%**
As % of Revenue	13.1%	17.4%	*4.3 pts*

Source: Company Audited Financials, Company Information

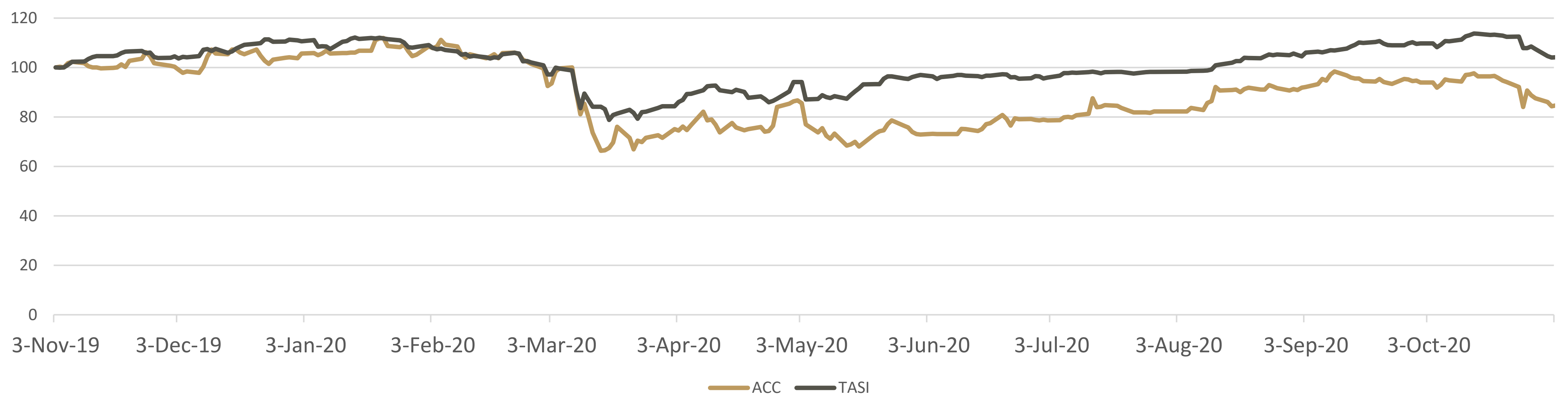
Balance Sheet

Source: Company Audited Financials, Company Information

(SAR)	FY20	H1-FY21
Assets		
Cash and cash equivalents	1,045,680,193	878,582,919
Accounts receivable	234,254,125	229,096,138
Amounts due from related parties	591,222,957	433,833,271
Advances to a contractor, related party	-	-
Prepayments and other current assets	138,790,964	106,365,109
Accrued revenue (rentals)	69,362,957	215,069,344
Total Current Assets	**2,079,311,196**	**1,862,946,781**
Amounts due from related parties	--	--
Advances to a contractor, related party – non-current portion	614,438,352	608,116,630
Prepaid rent – non-current portion	--	--
Accrued revenue (rentals) – non-current portion	99,835,361	430,138,687
Investment in an equity-accounted investee	53,079,928	57,213,990
Other investments	104,463,375	90,985,891
Right-of-use assets	3,561,974,788	3,481,699,660
Investment properties	11,356,912,845	11,494,767,660
Property and equipment	91,474,811	78,481,687
Total Non-current Assets	**15,882,179,460**	**16,241,404,205**
Total Assets	**17,961,490,656**	**18,104,350,986**
Liabilities		
Current portion of long-term loans	45,000,000	90,000,000
Lease liability on right-of-use assets – current portion	338,065,081	376,397,275
Accounts payable	149,442,700	153,110,542
Amounts due to related parties	3,899,682	11,065,961
Unearned revenue	177,225,232	226,991,536
Accrued lease rentals	-	-
Accruals and other current liabilities	232,071,497	224,929,652
Zakat payable	78,524,952	87,032,205
Total Current Liabilities	**1,024,229,144**	**1,169,527,171**
Long-term loans	6,970,743,077	6,926,352,951
Liabilities under finance lease	3,899,162,750	3,843,195,204
Accrued lease rentals – non-current portion	0	-
Employees' end-of-service benefits	30,370,714	24,934,646
Other non-current liabilities	52,729,339	68,043,196
Total Non-current Liabilities	**10,953,005,880**	**10,862,525,997**
Total Liabilities	**11,977,235,024**	**12,032,053,168**
Total Equity	**5,984,255,632**	**6,072,297,818**
Total Liabilities and Equity	**17,961,490,656**	**18,104,350,986**

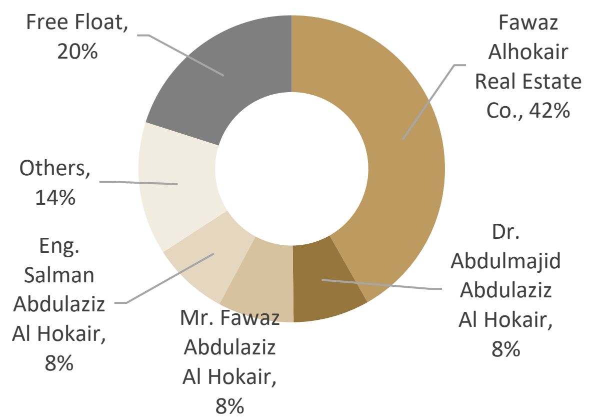
Share Performance

52-Week Share Price Performance – Rebased 100



Trading Summary	SAR, %
Closing Price	24.18
Market Cap	11.49 BN
30-Day Av. Volume	747,872
YTD Change (%)	-14.3%
52 Wk Range	18.64 – 31.45

Shareholder Structure



Thank You

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