

ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE	PREVIOUS QUARTER	% CHANGE
Sales/Revenue	475.9	572.5	-16.873	508.1	-6.337
Gross Profit (Loss)	298.7	392.8	-23.956	317.6	-5.95
Operational Profit (Loss)	266	327.3	-18.728	204.3	30.2
Net Profit (Loss) after Zakat and Tax	153.1	227	-32.555	96.8	58.161
Total Comprehensive Income	176.2	225.4	-21.827	99.8	76.553

All figures are in (Millions) Saudi Arabia, Riyals

ELEMENT LIST	CURRENT PERIOD	SIMILAR PERIOD FOR PREVIOUS YEAR	%CHANGE
Total Share Holders Equity (after Deducting Minority Equity)	6,158.8	5,997.8	2.684
Profit (Loss) per Share	0.32	0.47	

All figures are in (Millions) Saudi Arabia, Riyals

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Increase (Decrease) in Net Profit for Current Quarter Compared to the Same Quarter of the Previous Year is Attributed to	<p>Net Profit decreased by 32.5% to SAR 153.1 million in Q1-FY2021 compared to SAR 227.0 million in the same quarter of the previous year, primarily driven by the net impact of the following:</p> <ul style="list-style-type: none"> • Revenues: Decreased by 16.9% in Q1-FY2021, the equivalent of SAR 96.7 million, compared to Q1-FY2020, driven mainly by ACC's decision to offer all tenants a waiver on contractual base rent and service charges for a period of six weeks (45 days) starting from 16 March 2020, as well as additional support for highly impacted sectors like Entertainment and stores that were mandatorily closed by government order. This special discount was extended to help address the impact of COVID-19 on ACC's tenants. Total expected exposure of COVID-19 on ACC's net rental revenue is SAR 320.0 million which will be recognized over the term of the contracts. Already SAR 81.0

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million has been recognized during Q4-FY20 and a further SAR 63.2 million was recognized during Q1-FY21. Revenues were further decreased by the restriction of activity at shopping centres during the period as a result of the COVID-19 pandemic and government efforts to contain the spread of the disease.

- IFRS 16 Impact:

1) Depreciation of Right-of-Use Assets: Increased to SAR 43.5 million in Q1-FY2021 from SAR 38.8 million in Q1-FY2020. This increase was driven mainly by the launch of two additional shopping centres (U-Walk Riyadh and Nakheel Mall Dammam) in September 2019, as well as the impact from the renewal at a higher annual rent amount of Arabian Centres' lease agreement at Nakheel Plaza.

2) Interest Expense on Lease Liabilities: Increased to SAR 35.9 million in Q1-FY2021 from SAR 25.0 million in Q1-FY2020. This increase was driven mainly by the launch two additional shopping centres (U-Walk Riyadh and Nakheel Mall Dammam) in September 2019, as well as the impact from the renewal at a higher annual rent amount of Arabian Centres' lease agreement at Nakheel Plaza.

- Cost of Revenue: Decreased by 21.6%, the equivalent of SAR 16.6 million. The decrease was primarily driven by the temporary closure of the Company's shopping centres as a result of the COVID-19 pandemic. This closure results a saving in couple of expenses line-items such like utility expenses by SAR 12.6 million where one of its further causes was the Government support in the form of discounts offered for the electricity bills for the commercial sector, repair and maintenance expenses by SAR 4.7 million and employees' salaries and benefits by SAR 1.1 million which came as a result of the Government support through Saned program.

- Advertisement and Promotion Expense: Increased by SAR 2.6 million, compared to Q1-FY2020, mainly due to the Company's obligations under a sponsorship agreement with Almeria Football Club.

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- Impairment Loss on Accounts Receivable: Increased by 55.9%, the equivalent of SAR 9.0 million, compared to Q1-FY2020. This increase was driven by the temporary closure of the Company's shopping centres as a result of the COVID-19 pandemic beginning in Q4-FY2020. This closure resulted in an impairment loss on accounts receivable. Arabian Centres locations in the Kingdom permanently returned to normal operating hours on 21 June 2020.
- General and Administrative Expenses: Decreased by 19.5%, the equivalent of SAR 9.4 million. The decrease was mainly driven by the temporary closure of the Company's shopping centres as a result of the COVID-19 pandemic. This closure results a saving in couple of expenses line-items such like employees' salaries and benefits by SAR 7.3 million and communication expenses by SAR 1.4 million.

Net Profit increased by 58.1% to SAR 153.1 million in Q1-FY2021 compared to

SAR 96.9 million in Q4-FY2020, primarily driven by the following:

- Revenues: Decreased by 6.4% in Q1-FY2021, the equivalent of SAR 32.2 million, compared to Q4-FY2020, driven primarily by the restriction of activity at shopping centres during the quarter as a result of the COVID-19 pandemic and government efforts to contain the spread of the disease. Revenues were further impacted by ACC's decision to offer all tenants a waiver on contractual base rent and service charges to help in addressing the impact from COVID-19.
- Other Income: Increased by 468.1%, the equivalent of SAR 29.1 million, compared to Q4-FY2020, mainly driven by rent discounts amounting to SAR 35.3 million granted to the Company during the quarter by the landlords in light of the disruption to commercial activity caused by COVID-19 and the temporary closure of Company's shopping centres during the period.
- Other Expense: Decreased to Nil in Q1-FY2021 from SAR 3.3 million in Q4-FY2020.

Increase (Decrease)
in Net Profit for
Current Quarter
Compared to the
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- **Advertisement and Promotion Expense:** Decreased by 53.7%, the equivalent of SAR 4.3 million, compared to Q4-FY2020, driven by the temporary closure of the Company's shopping centres as a result of the COVID-19 pandemic beginning in Q4-FY2020.
- **Impairment Loss on Accounts Receivable:** Decreased by 58.9%, the equivalent of SAR 36.2 million, compared to Q4-FY2020. Such losses had been at an elevated level in Q4-FY2020 due to the temporary closure of the Company's shopping centres as a result of the COVID-19 pandemic. Following directives of the Saudi Arabian Government aiming to safeguard citizens and residents and to contain the spread of COVID-19 in the Kingdom, the Company temporarily closed all of its shopping centres in the Kingdom starting from 16 March 2020. This closure resulted in an impairment loss on accounts receivable.
- **General and Administrative Expenses:** Decreased by 16.7%, the equivalent of SAR 7.8 million, compared to Q4-FY2020, mainly due to the decrease in employee salaries and benefits by SAR 4.3 million and communication expenses by SAR 1.9 million.
- **Interest Expense on Lease Liabilities:** Decreased by 30.3%, the equivalent of SAR 15.7 million, compared to Q4-FY2020 mainly due to a one-time modification on lease liabilities in Q4-FY2020.

Basis of the External Auditor's Opinion

Unmodified opinion

Reclassification of Comparison Items

Certain comparative figures have been reclassified to conform to the current period's presentation.

Additional Information

- Gross profit decreased by 24.0% in Q1-FY2021 compared to Q1-FY2020, the equivalent of SAR 94.1 million, reflecting the decrease in revenues.
- The Company recorded an EBITDA of SAR 392.6 million in Q1-FY2021, down by 11.9% compared to Q1-FY2020 and with a 4.7 percentage point

expansion in the EBITDA margin to 82.5%. The decrease in EBITDA was driven by reduced Gross Profitability.

- Funds from operations (FFO) decreased to SAR 234.4 million in Q1-FY2021, down by 21.9% compared to Q1-FY2020 mainly due to the decrease in net profit for the current period. The FFO margin recorded 49.3% in Q1-FY2021, down from 52.4% in Q1-FY2020.

- Cash Generated from Operating Activities reached SAR 104.9 million in Q1-FY2021, up from the SAR 83.6 million recorded in Q1-FY2020, mainly due to the decrease in due from related parties balances (rental receivable).

- Cash used in Investing Activities reached SAR 59.0 million in Q1-FY2021, down compared to SAR 95.8 million in Q1-FY2020, primarily due to the decrease in Advances to Contractors related to construction payments as well as the decrease in additions to investment properties.

- Arabian Centres' holdings of cash and cash equivalents recorded SAR 921.0 million as at Q1-FY2021, up from the SAR 376.6 million recorded in Q1-FY2020, reflecting a successful refinancing transaction and ACC's drawdown of its revolving credit facility as a risk management exercise.

- Mr. Faisal Al Jedaie, ACC's Chief Executive Officer, made the following comment on the quarter's results: "The current financial year 2021 brings a significantly altered operational landscape both for Arabian Centres and for businesses across the Kingdom and the world. Management is satisfied with the resilience exhibited by the Company so far in meeting the challenges posed by the COVID-19 pandemic, and we are confident that we have the necessary resources and right strategies that will see us through these challenging times.

We have thus moved to provide our tenants with substantive relief and support packages, while simultaneously negotiating similar discounts with our landlords. And as we navigate the current environment, ACC will remain committed to prioritizing the health and safety of its employees and millions of visitors. As such, we will examine avenues for additional support to tenants

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on a case-by-case depending on the severity of the impact and will continue to negotiate with our landlords to secure further discounts."

- COVID-19 Impact: Arabian Centres' financial performance has been impacted by the outbreak of the coronavirus (COVID-19) pandemic. Between 16 March and 21 June 2020, all 21 of ACC's shopping centres in the Kingdom of Saudi Arabia were subject to a series of partial and temporary closures, in line with government efforts to contain the spread of the virus which causes COVID-19, including a nationwide curfew and considerable constraints on mobility.

The Company's Management remains in the process of reaching mutually beneficial relief agreements with its tenants affected by the disruptions of COVID-19, as demonstrated by the special discounts offered during the final quarter of the FY2020. The Company has also successfully negotiated agreements to mitigate a portion of its own lease expenses with the landlords at ACC's leasehold locations. Meanwhile, a full range of protective measures have been adopted to safeguard the health and safety of all visitors and employees, in line with the latest guidelines issued by the Saudi Arabian Ministry of Health and the World Health Organization.

Management continues to assess the potential impacts of COVID-19 on its business on an ongoing basis, as the extent and duration of such impacts remains uncertain, and is committed to updating the market on the latest developments once accurately measured. Arabian Centres has offered all tenants a waiver on contractual base rent and service charges for a period of six weeks (45 days) starting from 16 March 2020, as well as additional support for highly impacted sectors like Entertainment and stores that were mandatorily closed by government order. This special discount was extended to help address the impact of COVID-19 on ACC's tenants. Total expected exposure of COVID-19 on ACC's net rental revenue is SAR 320.0 million which will be recognized over the term of the contracts. Already SAR 81.0 million has been recognized during Q4-FY20 and a further SAR 63.2 million was recognized during Q1-FY21. As conditions continue to normalize, management anticipates that Arabian Centres' differentiated portfolio and wide geographic footprint will allow the Company to maintain its position as

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the Kingdom's leading owner, operator and developer of contemporary lifestyle centres in Saudi Arabia.

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