# STRATEGIC TRANSFORMATION CONTINUES APACE


CENOMI CENTERS
ANNUAL REPORT 2024


# Contents



# Financial and **Operating Highlights**

## Financial Highlights

### Revenues

SAR 2,344M

| | |
|---|---|
| 2023 | 2,254 million |
| 2024 | 2,344 million |

### Gross Profit

SAR 1,986M

| | |
|---|---|
| 2023 | 1,870 million |
| 2024 | 1,986 million |

### Net Profit

SAR 1,224M

| | |
|---|---|
| 2023 | 1,501 million |
| | 1,246 million (Adjusted*) |
| 2024 | 1,224 million |
| | 1,399 million (Adjusted*) |

### EBITDA

SAR 1,409M

| | |
|---|---|
| 2023 | 1,454 million |
| | 1,290 million (Adjusted*) |
| 2024 | 1,409 million |
| | 1,497 million (Adjusted*) |

*Adjusted for one-off items

## Strategic Highlights

21
Number of Shopping Centers / Complexes

1.4M $m^2$
Gross Leasable Area (GLA)

4,525
Number of Leased Units

131.9M
Number of Visitors

94.4%
Occupancy Rate

1,173
Number of Brands

515
Number of Employees

73%
Saudization

**"In 2024, the company took further important steps on its strategic journey to maintain and build on its position as Saudi Arabia's pre-eminent mall and lifestyle operator."**

**Fawaz Alhokair,**
Chairman

# Chairman's Introduction

Welcome to the Cenomi Centers Annual Report for 2024, a year that has seen the company take further important steps on its strategic journey to maintain and build on its position as Saudi Arabia's pre-eminent mall and lifestyle operator.

In 2023, we introduced our bold new vision and five-year strategy and started to lay the foundations for future business success. Continuing to follow our key strategic priorities in 2024, we strengthened those foundations, improving underlying financial and operational performance, acting to further strengthen our balance sheet and secure key project financing, and making considerable progress towards the successful delivery of our major development projects.

The Government's investment plans in pursuit of Vision 2030, together with the accompanying transformation in both the economy and the expectations and preferences of Saudi Arabia's increasingly affluent consumers, are creating a generational step-change in the retail, entertainment and leisure sector. At the same time, the competitive landscape is also evolving rapidly. We are seeing the emergence of new market players, established facilities operators expanding and improving their offerings, and rapid growth in reliable online shopping and services.

There is no doubt that there is substantial scope for growth in the Kingdom's retail and lifestyle space, but sustained success will require innovation and nimbleness. So, to fulfil our ambitions it will be imperative for us to maintain an unwavering focus on executing our plans, whilst closely monitoring and responding to market drivers and trends as they develop. In response, we will refine our strategy and operational plans to serve our customers and tenants most effectively while optimizing our business performance and competitive position.

In pursuing business success, we remain committed to supporting progress towards the Kingdom's 2030 Vision, collaborating closely with partners within government, investing to grow our economy, and contributing to the development of our communities and to environmental improvements.

The year ahead of us promises to be an exciting one as we approach delivery of our two largest projects in our growth pipeline, Jawharat Jeddah and Jawharat Riyadh. With funding firmly secured for these two landmark developments, and construction and leasing making excellent progress, we look forward to opening these assets for business in late 2025 and April 2026, respectively. Their completion will deliver a step change in the scale of our operations and set a new benchmark for retail and lifestyle offerings. The board is confident we will be able to leverage these new assets effectively and see their impact with a significant uplift in our performance from 2026 onwards. We also have a range of exciting additional growth projects that we are exploring to keep us firmly at the forefront of the Saudi retail and lifestyle sector.

Finally, I would like to thank everyone, from Board members and senior management through to all the Cenomi Centers team, our partners and shareholders for their ongoing commitment and contribution to the success of our business.

**"To fulfil our ambitions, it will be imperative for us to maintain an unwavering focus on executing our plans, whilst closely monitoring and responding to market drivers and trends as they develop."**

**Fawaz Alhokair,**
Chairman

# CEO's Message

I am proud to report that Cenomi Centers recorded a number of notable achievements in 2024, as we continued to execute our strategy, improve our performance and consolidate the foundations for the future prosperity of the business. Across the range of key operational and financial performance indicators, we made considerable progress guided by our strategic priorities of portfolio growth, product and operational excellence, organizational enhancement and sustainability leadership.

In parallel with pursuing major development projects in our game-changing growth pipeline, we delivered a further improvement in underlying financial performance. We delivered a steady 4.0% year-over-year increase in total revenue, driven by growth across all revenue streams. Additionally, our adjusted EBITDA and net profit have risen by 16.0% and 12.3%, respectively.

In our established operations, we made excellent progress in executing our lease renewal program, maintaining the existing brands most valued by our customers and attracting a range of high-end brands and lifestyle offerings new to our facilities. Through this program and in line with our goals, we delivered a 10-point shift in our aggregate mix from a predominance of retail space to an increasing proportion of dining, entertainment and leisure offerings. We also achieved leasing and occupancy rates consistently above market benchmarks.

Our operations teams drove effective cost control, informed by AI-driven data, while tapping into alternative revenue streams, growing revenue from non-GLA sources by 6%. Creating opportunities for brands to engage with customers targeted through our insights into customer demographics and supported through our online channels, is adding value to our business and our tenants alike.

We continued to advance our growth pipeline, with the official opening of U Walk Jeddah in February and strong progress towards the completion of our flagship projects Jawharat Jeddah and Jawharat Riyadh. At the end of 2024, these developments were, respectively, 94% and 92% structurally complete. Leasing of space was also significantly advanced, with over 70% of both Jawharat Jeddah and Jawharat Riyadh pre-leased (based on agreed Head of Terms, signed Letters of Intent and signed Contracts). This included the recruitment of many leading global brands entering the Saudi market for the first time to feature in the Kingdom's first luxury shopping wings. We are confident of maintaining this momentum into 2025 and that Jawharat Jeddah and Jawharat Riyadh are firmly on track to open in late-2025 and April 2026, respectively.

A major achievement was the successful completion of a SAR5.25 billion Shariah compliant financing facility with a consortium of leading banks. A notable first in Saudi Arabia, with its sustainability-related incentives, this facility and subsequent Sukuk offerings secured funding on attractive terms to meet the peak investment phase associated with our major developments, while underpinning our financial strength and prudence.

In the ultimate testament to the quality of our destinations, the attractiveness of the experience we offer and the strength of our brand, a record 131.9 million visitors came into our centers during 2024.

2025 will be a pivotal year for our company. The completion of Jawharat Riyadh and Jawharat Jeddah will mark the beginning of a new chapter in our journey. They will become the leading assets in our portfolio and produce a step-change in our footfall and financial metrics from 2026 onwards. Once operations are stabilized, we expect that they will attract around 35 million visitors and generate EBITDA in excess of SAR650 million annually. We are determined to remain focused on the delivery of these key projects, while continuing to execute on our operational strategy and maintain financial discipline to maximize the opportunities ahead.

Finally, I am proud of the entire Cenomi Centers team. I want to thank our employees for working tirelessly throughout the year, with a laser focus on our strategy. They have exemplified our values and made a real difference with their dedication, innovation and teamwork.

"In the ultimate testament to the quality of our destinations, the attractiveness of the experience we offer and the strength of our brand, a record 131.9 million visitors came into our centers during 2024."

**Alison Rehill-Erguven,**
Chief Executive Officer

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# Corporate Overview

# Corporate **Profile**

Cenomi Centers is the leading owner, developer and operator of lifestyle shopping malls in Saudi Arabia and is transforming the consumer experience in the Kingdom.

Our malls include some of the most iconic shopping and leisure facilities in the region, such as Mall of Arabia in Jeddah, Nakheel Mall in Riyadh, and Nakheel Mall in Dammam and are the preferred destination for millions of customers every year. We provide Saudi consumers with access to an increasing range of their favorite premium international, regional and local retail brands. Driven by rich market data and insights supported by AI, we are continually enhancing our offerings by introducing unique lifestyle concepts, and exciting integrated dining, entertainment and leisure options. As a result, a record 131.9 million customers visited our destinations in 2024.

Our current portfolio of 21 super regional, regional and community malls and lifestyle destinations are strategically placed across the Kingdom in 10 key cities serving approximately 80% of Saudi Arabia's population. Our facilities contain approximately 1.4 million square meters of prime gross leasable area (GLA) and over 4,500 retail stores. We also have a pipeline of new, next-generation flagship and lifestyle destinations under development and on track to add approximately 600 thousand square meters to our GLA by year-end 2027, increasing total GLA to approximately 2 million square meters.

Driven by our strong market presence and competitive advantages, Cenomi Centers has become the go-to partner for local and international retail brands seeking to establish, expand or deepen their presence in the Saudi market. Our centers are home to a wide array of leading brands, including Zara, Sephora, Massimo Dutti, Michael Kors, Hugo Boss, Lululemon, Nike, Lefties, Lego and Starbucks.

A growing array of premium brands are attracted by Cenomi Centers' unique ability to leverage our scale, deliver centers with unique and attractive building designs in optimum, strategic locations, provide access to targeted demographics, and offer superior levels of tenant and visitor service.

Founded in 2002 as Arabian Centers, the company has demonstrated a strong record of commitment and execution to serve our customers, developing and opening new mall facilities regularly to establish ourselves as the Kingdom's leading company in our sector.

In 2019, we became the largest listed mall operator in Saudi Arabia. More recently, we have been sharply focused on preparing the company for the next phase of growth, underpinning our market leadership position and delivering future shareholder value, while contributing to the realization of the Kingdom of Saudi Arabia's Vision 2030. In late 2022, the company was renamed Cenomi Centers and, with a refreshed vision, embarked on a focused five-year strategy to guide our transformation and deliver our ambitious goals.





## Cenomi Centers at a glance

**21**
Number of Shopping Centers / Complexes

**10**
Cities

**4,525**
Stores

**1.4M $m^2$**
Gross Leasable Area (GLA)

**131.9M**
Visitors

**6**
New malls in the pipeline

# Where We **Operate**

## Largest Retail Platform in Saudi Arabia, with **21 Centers** Across Key Metropolitan Areas

Cenomi Centers' portfolio comprises 21 shopping centers, which are categorized as super-regional, regional, and community centers. Each development has a unique position in terms of location, size, design, and retail offering, ensuring a diverse retail unit mix that meets the needs of the market. Out of these 21 centers, 11 are on leased land, 9 on land owned directly by the company, and one operates under a management and operating agreement.

### Top 5 Cities

**Riyadh**
- Salaam Mall
- Tala Mall
- The View
- Nakheel Mall - RUH
- Hamra Mall
- U Walk

**Dhahran**
- Mall of Dhahran

**Dammam**
- Nakheel Mall - DMM

**Makkah**
- Makkah Mall

**Jeddah**
- Aziz Mall
- Mall of Arabia
- Haifa Mall
- Salaam Mall
- Yasmin Mall
- Jeddah Park
- U Walk

### Other Cities

**Hofuf**
- Ahsa Mall

**Qassim**
- Nakheel Plaza

**Jubail**
- Jubail Mall

**Madinah**
- Noor Mall

**Taif**
- Jouri Mall

# Our **Portfolio**

## Steadily Building Our Portfolio of Retail Assets

### '02
**Sahara Plaza***
Riyadh

### '04
**Nakheel Plaza**
Qassim

**Khurais Mall****
Riyadh

### '05
**Aziz Mall**
Jeddah

**Mall of Dhahran**
Dhahran

**Salaam Mall**
Riyadh

### '08
**Mall of Arabia**
Jeddah

**Noor Mall**
Madinah

### '10
**Ahsa Mall**
Hofuf

### '11
**Makkah Mall**
Makkah

**Haifa Mall**
Jeddah

### '12
**Salaam Mall**
Jeddah

### '14
**Tala Mall**
Riyadh

**Nakheel Mall**
Riyadh

**Salma Mall****
Hail

### '15
**Jouri Mall**
Taif

**Jubail Mall**
Jubail

### '16
**Yasmin Mall**
Jeddah

**Hamra Mall**
Riyadh

### '19
**U Walk**
Riyadh

**Nakheel Mall**
Dammam

### '20
**Nakheel Mall Extension**
Riyadh

### '21
**Jeddah Park**
Jeddah

**The View**
Riyadh

### '23
**U Walk**
Jeddah

**Future Growth**

### '25
**Jawharat Jeddah**
Jeddah

**Jubail Marina**
Jubail

### '26
**Jawharat Riyadh**
Riyadh

**U Walk**
Qassim

### '27
**Jawharat Al Khobar**
Al Khobar

**Murcia Mall**
Riyadh

* Sold Feb 2024

**No longer in Cenomi Centers portfolio

| Mall | City | Performance category | Lease expiry | Year opened | Total GLA (sqm) | Occupancy rate | Contribution | Cineplex presence |
|---|---|---|---|---|---|---|---|---|
| Makkah Mall | Makkah | A | Freehold | 2011 | 37,416 | 99.1% | 6.5% | |
| Mall of Arabia | Jeddah | A | Freehold | 2008 | 110,016 | 98.4% | 11.7% | ✓ |
| Mall of Dahran | Dhahran | A | 2026 | 2005 | 132,237 | 98.4% | 10.3% | ✓ |
| Nakheel Mall | Riyadh | A | 2034 | 2014 | 75,725 | 96.7% | 13.0% | ✓ |
| Al Noor Mall | Madinah | A | Freehold | 2008 | 68,747 | 97.3% | 5.3% | ✓ |
| U-Walk | Riyadh | A | 2046 | 2019 | 48,077 | 91.9% | 3.0% | ✓ |
| Nakheel Mall Dammam | Dammam | A | Freehold | 2019 | 57,796 | 99.1% | 7.1% | ✓ |
| Hamraa Mall | Riyadh | A | Freehold | 2016 | 55,294 | 98.3% | 4.8% | ✓ |
| The View | Riyadh | A | Freehold | 2021 | 54,331 | 95.1% | 4.3% | ✓ |
| **Total A** | | | | | **639,639** | **94.3%** | **66.1%** | |
| Aziz Mall | Jeddah | B | 2046 | 2005 | 66,700 | 91.4% | 4.4% | ✓ |
| Salaam mall - Riyadh | Riyadh | B | Freehold | 2005 | 47,517 | 95.7% | 3.1% | ✓ |
| Juri Mall | Taif | B | 2035 | 2015 | 48,138 | 95.8% | 4.8% | |
| Yasmeen Mall | Jeddah | B | 2034 | 2016 | 59,700 | 96.8% | 5.3% | ✓ |
| Salaam Mall - Jeddah | Jeddah | B | 2032 | 2012 | 139,428 | 88.9% | 5.2% | ✓ |
| **Total B** | | | | | **361,483** | **92.5%** | **22.8%** | |
| Al Ehsa Mall | Ahsa | C | Freehold | 2010 | 44,097 | 88.7% | 1.7% | ✓ |
| Jubail Mall | Jubail | C | Freehold | 2015 | 20,810 | 78.2% | 0.7% | ✓ |
| Haifa Mall | Jeddah | C | 2032 | 2011 | 33,531 | 83.4% | 1.3% | ✓ |
| Nakheel Plaza | Qassim | C | 2029 | 2004 | 42,214 | 99.0% | 2.0% | ✓ |
| Sahara Plaza | Riyadh | C | | | 14,722 | 96.6% | 0.2% | |
| Tala Mall | Riyadh | C | 2029 | 2014 | 20,655 | 80.5% | 1.1% | ✓ |
| **Total C** | | | | | **176,029** | **88.6%** | **7.1%** | |
| **Total Like-for-Like** | | | | | **1,177,151** | **94.4%** | **95.9%** | |
| U-Walk Jeddah | Jeddah | | 2052 | 2023 | 54,995 | 68.8% | 2.9% | ✓ |
| **Consolidated** | | | | | **1,232,146** | **91.8%** | | |
| Jeddah Park | | | N/A | 2021 | 120,578 | 78.7% | 1.2% | |
| **Total** | | | | | **1,352,724** | **90.6%** | | |

$1.4M\ m^2$
Existing GLA

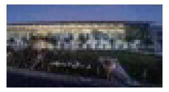
$0.6M\ m^2$
Growth Pipeline

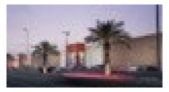
$2M\ m^2$
GLA End-2027

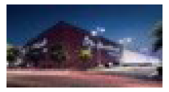
# Strategically Located Assets Covering **~80% of Population**

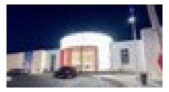
### Jeddah

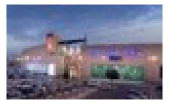

Aziz Mall


Mall of Arabia

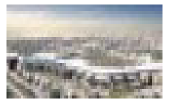

Haifa Mall


Salaam Mall


Yasmin Mall


Jeddah Park

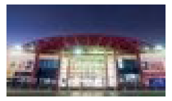

U Walk Jeddah

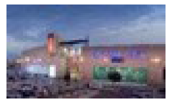

Jawharat Jeddah

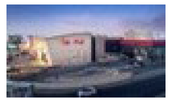
### DMA


Nakheel DMA

### Riyadh


Sahara Plaza*

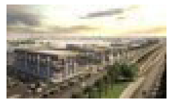

Salaam Mall

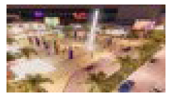

Tala Mall


The View


Nakheel Mall

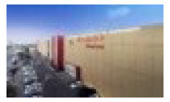

Hamra Mall


U Walk Riyadh


Murcia Mall

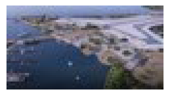

Jawharat Riyadh

### Jubail


Jubail Mall

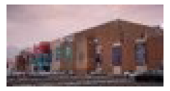

Jubail Marina Mall

### Al Khobar


Jawharat Al Khobar

*Sold Feb 2024.

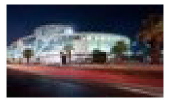
### Makkah


Makkah Mall

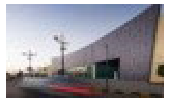
### Taif


Jouri Mall

### Madinah

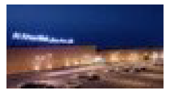

Noor Mall

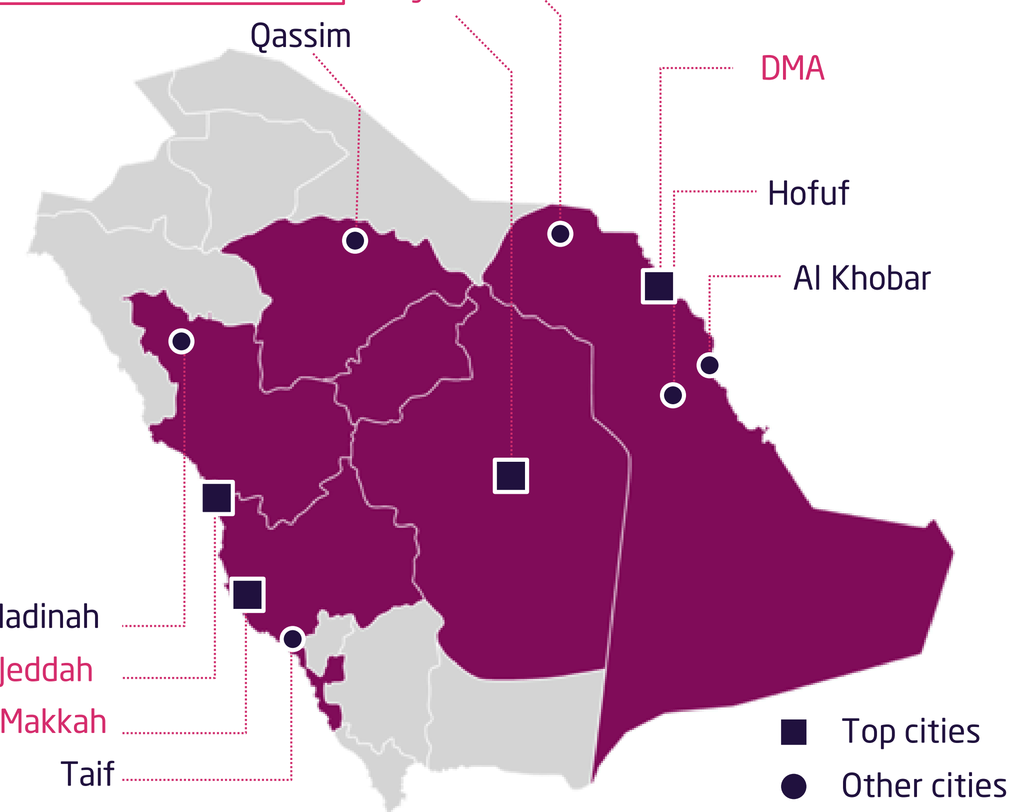
### Qassim


Nakheel Plaza


U Walk Qassim

### Hofuf


Ahsa Mall



# Vision, Ambition and **Values**

Our Vision is to enhance people's lives by offering inspiring destinations for Saudis and tourists visiting KSA.

## Our Values

**Delight Customers**
We focus always on our customers needs and wants

**Commit to Deliver**
Show personal commitment to delivering results

**Execute with Excellence**
How we work is as important as what we deliver

**Win Together**
We work together for speed and execute for success

**Embrace Change**
Have courage to think about and shape a better future

Our Ambition is to become the largest and most admired developer and operator of lifestyle destinations in the KSA and beyond.

# Our **Strategy**

To deliver our vision, mission and ambition, we are pursuing a journey towards growth and excellence executing against a robust, focused and well-defined strategic framework.

Our ambition is to become the largest and most admired developer and operator of lifestyle destinations in Saudi Arabia and beyond. Our challenge is to deliver and sustain this ambition in a rapidly evolving market, driven by major economic and social advances. We are experiencing the emergence of a tech-savvy younger generation and a growing middle class, both with increasing levels of disposable income. Coupled with the rising numbers of in international visitors, these groups are driving game-changing shifts in the consumer landscape in Saudi Arabia, characterized by:

- The growth of a more sophisticated customer base that is increasingly discerning in their purchasing decisions; and
- Shifting market demand from pure retail to more differentiated, lifestyle and experience-based offerings, with accelerating spending on dining, entertainment and other leisure activities.

These consumer groups are also globally mobile, which means not just that we need to enhance our position as Saudi Arabia's leading company in our sector but also successfully compete against leading international retail and leisure destinations.

To meet these challenges, we have developed a guiding framework focused around five strategic priorities and associated goals. These priorities have provided key focus as we put in place solid foundations for sustainable growth and the future success of our business.

We are now two years into our five-year strategic journey, and we have set out below the key 2024 achievements against each of our strategic priorities and discussed them in more depth in the Management Discussion and Analysis section that follows.

Overall, during the past year we maintained financial discipline and made further excellent progress toward our strategic objectives. In 2025, we will continue to refine our strategic plans in response to the ongoing evolution in consumer expectations and the competitive landscape, while focusing most particularly on further enhancing our product excellence and delivering our major growth projects.

Undisputed #1 mall developer, owner and operator in KSA

First mover in KSA with deep roots in a country on a historic transformation journey

Building for the future with top lifestyle destinations in the top cities

Robust balance sheet with prudent capital structure and diversified sources of funding

## 2024 Key Achievements

### Growth

- Opened U Walk Jeddah
- Jawharat Jeddah and Jawharat Riyadh construction advanced towards opening in December 2025 and April 2026, respectively
- Refinanced SAR 4.3B term loan, secured SAR 1B accordion facility, and refinanced USD 500M Sukuk to support liquidity and growth
- Established Fund to bring forward U Walk Qassim development and associated land sale

### Operational Excellence

- Record-level footfall: 131.9 million visits
- Proactive tenant management and focused leasing efforts enabled occupancy to reach 94.4%
- Reduced retail GLA share to 62% in Dec 2024 (from 68% in Q1 2020) to as part of tenant mix optimization
- Procured comprehensive facilities management services to enhance efficiency and improve customer experience

### Sustainability Leadership

- On track for first KSA Gold LEED certified mall developments with Jawharat Riyadh and Jawharat Jeddah
- Good progress to install solar PV systems with first mall complete and three further malls set to complete in April 2025

### Product Excellence

- 2,422 leases renewed
- 583 brands onboarded including new brands Vox Cinemas, ASICS, Five Guys, Charlotte Tilbury, Lululemon, Cerruti 1881, Xiaomi
- Significant enhancements to mix at U Walk Riyadh with 10+ new brands including Nike, Under Armour, Adidas, Al Nassr, and Nespresso

### Organizational Enhancement

- Prudent management of G&A and Advertising Costs
- Established new Business Development department, accelerating non-GLA revenue growth 6% y-o-y
- Improved operational efficiency through digital transformation, including Tenant Portal and internal process digitization efforts
- Revamped the corporate incentive program to align with business goals, drive talent productivity and retention

# Management Discussion & Analysis

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# Business environment and economic outlook

The Saudia Arabian market continues to offer an attractive operating environment for the retail and lifestyle sector, presenting Cenomi Centers with strong growth opportunities, driven by a transformational national agenda and unique demographics.

At the macroeconomic level, Saudi Arabia continues to progress positively towards delivering its 2030 Vision, with sustained growth in non-oil activity projected over coming years.

In its 2025 Budget Statement, the Saudi Arabian Ministry of Finance, estimated FY 2024 GDP growth to be 0.8%, constrained by global economic conditions as well as lower economic activity in the oil sector as a result of the Kingdom's continued commitment to the OPEC+ agreement and its voluntarily restriction of production. Nevertheless, the increasing strength and importance of the non-oil sector is reflected in the expected 3.7% growth in non-oil GDP. Inflation, at 1.7%, was significantly below rates prevailing in many economies globally during 2024.

Foreign visitor numbers surpassed expectations, and together with local travelers, pushed tourist numbers to over 120 million leading to a revision of the 2030 target from 100 million to 150 million tourists.

The Ministry highlighted the continued commitment of the Government to investment in its range of giga infrastructure projects, and maintaining the drive to transform the economy and deliver the goals of Vision 2030.

The IMF's economic outlook for the Kingdom for 2025 indicated expected growth of 4.6% in GDP, although this is likely to be moderated by the extension of the OPEC+ agreement to the end of Q12025. Nevertheless, this will represent a significant uptick from 2024.

Saudi Arabia continues to offer significant room for growth in the retail sector compared to other major markets, with retail mall GLA per capita still well below other destinations both in the GCC region and beyond. Saudi Arabia's growing middle class together with increasingly affluent young Saudis who account for over 60% of the Kingdom's 32.2 million population, and the strong growth in tourism, are generating an unprecedented opportunity for the retail and lifestyle sector. Nevertheless, the competitive landscape is also developing rapidly, with local operators seeking to expand and develop their offerings and new entrants exploring opportunities in the Saudi Arabian market. However, wider economic pressures have curtailed a number of projects, with higher economic hurdles throttling back additional mall capacity expected by 2028 to 12 million square meters from 14 million square meters just two years ago.

To maintain our leading position, our market and consumer data indicates clearly that we need to maintain our focus on quality, as the top driver of consumer behavior followed by price; convenience and brand are also key drivers. We are confident that the effective delivery of our strategy, with its central pillars of product and operational excellence and its growth pipeline of next generation projects, will ensure we continue to be the partner of choice for leading global and local brands and attract customers in increasing numbers.

## Consumer trends

Strong spending growth in lifestyle categories, also fueled by growing tourism

Retail brand champions as one key driver of mall footfall

E-commerce penetration growing significantly faster than projected

Growing awareness of quality and value-for-money offerings

Saudi Arabia continues to offer significant room for growth in the retail sector compared to other major markets, with retail mall GLA per capita still well below other destinations both in the GCC region and beyond.

# Operational Review

Cenomi Centers is on a transformational journey to establish our business as the largest and most admired developer and operator of lifestyle destinations in the KSA and beyond, driven by our strategic priorities and the pursuit of excellence in everything we do. Our performance in 2024 provides robust evidence that the foundations we have laid are solid and that we are firmly on track to deliver our long-term ambitions.

In 2024, our operational highlights included record numbers of customers visiting our destinations; major growth projects progressing towards completion in line with expectations; successful lease management activity exceeding occupancy and revenue targets; strong growth in revenue from non-GLA activities; and increasing efficiency and cost containment through effective operational management.

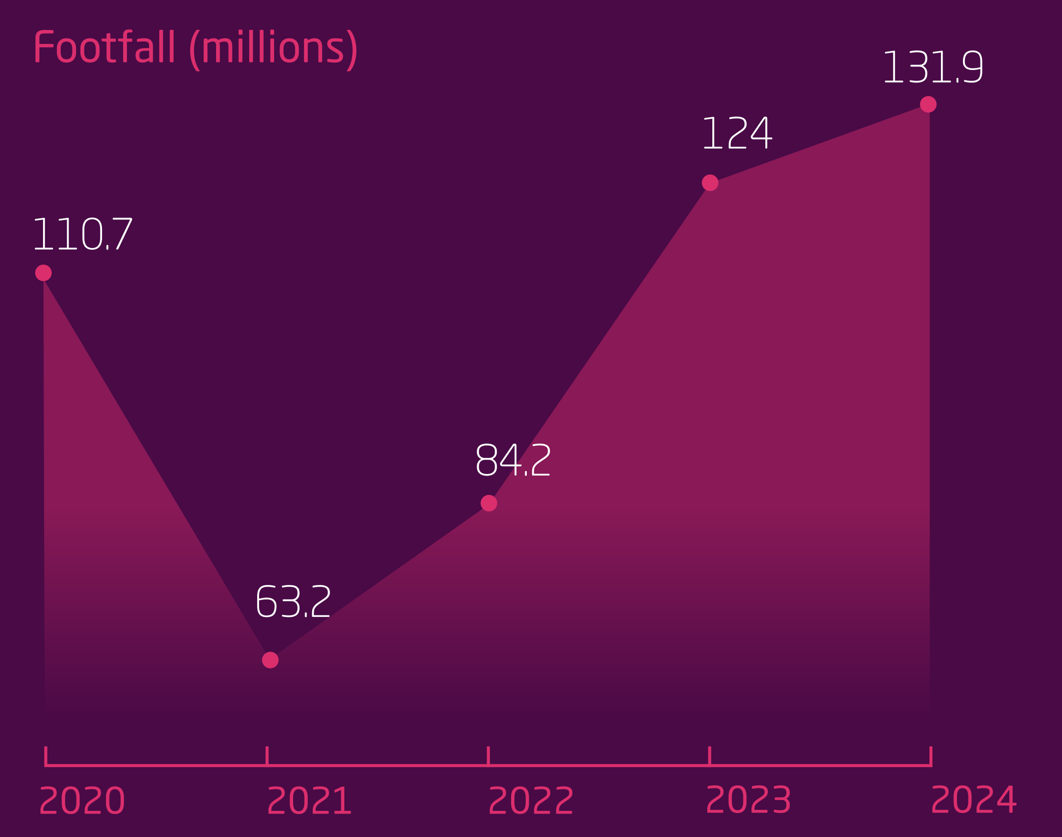
## 2024 Operational highlights

Visitors
131.9 million

Occupancy rate 94.4%

Non-GLA revenue growth 6% y-o-y

Flagship Jawharat Jeddeh and Jawharat Riyadh developments scheduled for opening in December 2025 and April 2026, respectively

# **Product** Excellence

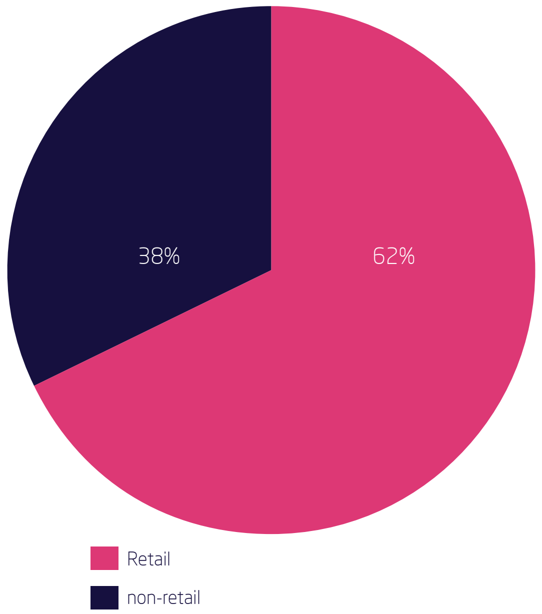
Achieving and sustaining market leadership in the fast-evolving retail and lifestyle environment of Saudi Arabia is dependent on providing a high-quality experience for consumers and tenants alike. This means optimizing the blend of consumer experiences, balancing world class brands and local favorites, bringing dining, entertainment and leisure experiences for increasing affluent and discerning individuals and families, and meeting expectations of both customers and tenants to provide first-class facilities and services.

The level of excellence and quality we continue to offer are demonstrated by a number of key performance indicators. Our data indicate that quality is the single biggest driver of Saudi consumer behavior and more customers than ever visited our facilities in 2024 to enjoy the increasing range of retail, F&B and leisure offerings. Footfall over the year reached record levels, increasing to 131.9 million visitors, a 6.3% increase over 2023. Demand for space in Cenomi destinations across the range of market segments and in all locations is also strong, leading to occupancy and leasing rates significantly above market benchmarks.

We have been meeting the changing expectations of Saudi consumers through upgrades and developments in our existing malls, actively curating and high grading our tenant mix and introducing a series of new dining leisure and entertainment concepts. The introduction of cinema complexes across our portfolio over recent years led the way in the shift to a more balanced offering.  While traditional retail space still accounts for the majority of GLA, this proportion continues to fall as we convert more retail units for use by casual dining outlets, health and beauty and other service providers, and leisure experiences. Our new generation of urban lifestyle destinations, including U-Walk Jeddah which was officially opened in February 2024, focus on F&B and entertainment and contain around 20% GLA dedicated to retail brands, driving further change in our portfolio as a whole.

At year-end 2024, the mix was 62% retail and 38% given over non-retail space, a significant remodeling from Q1 2020 when 68% of our total GLA was leased for retail use. The major new flagship projects currently under development, together with the additional U-Walk concepts, will bring about a further step change in this balance as they are delivered into the operational portfolio over the next 3 years. Ultimately, we expect retail space to account for 50% or less of the GLA in our portfolio.

We are also seeing a substantial increase in dwell time by visitors to our destinations. From a typical stay of 90 minutes, customers are extending their stays towards our target of 4-5 hours, enjoying multiple-channel lifestyle experiences, supported by upgraded services, enhanced environments and technology, with their families and friends.

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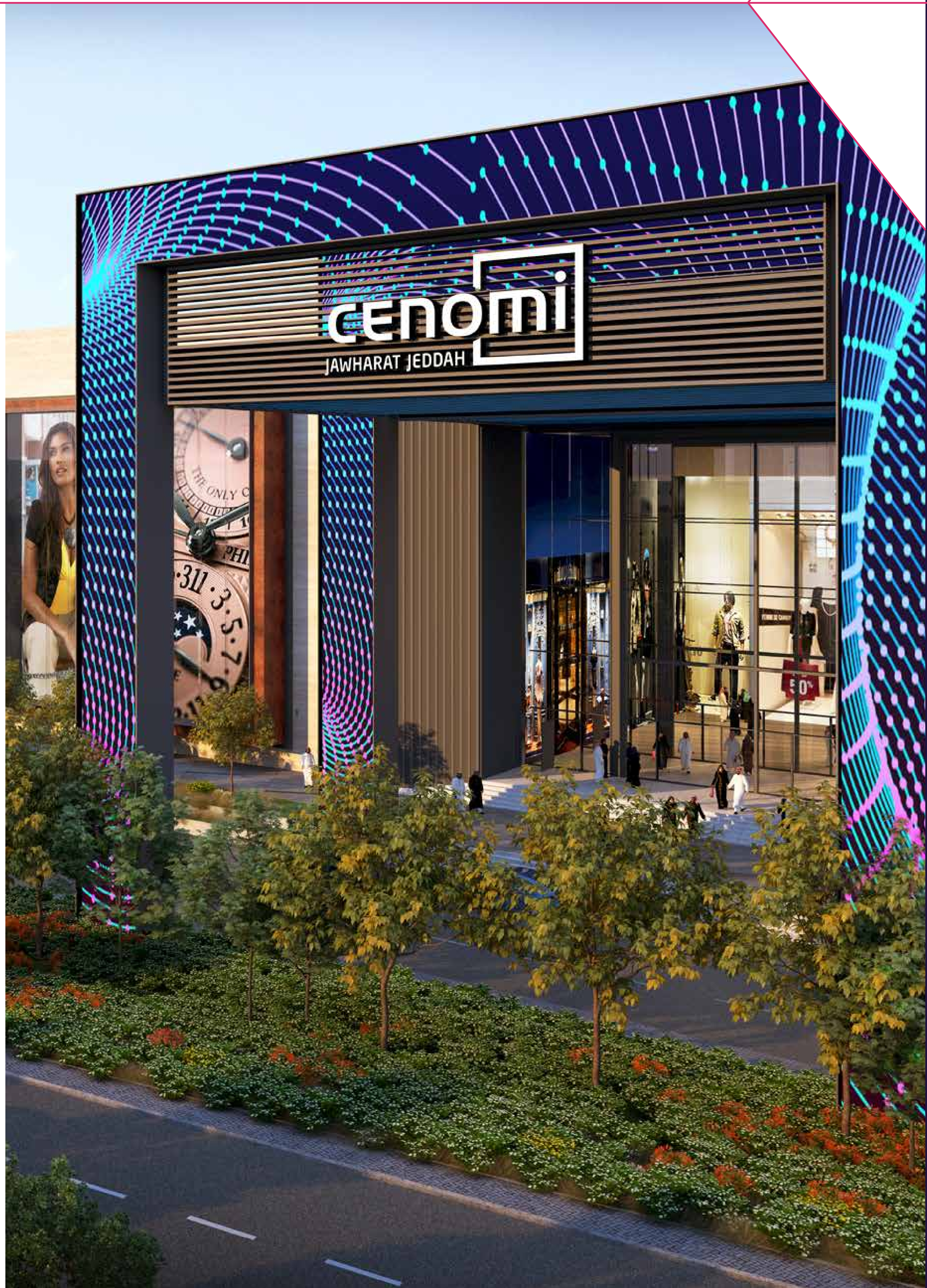


# **Growth** pipeline

**Cenomi Centers has an exciting pipeline of innovative developments set to change the face of retail and lifestyle experiences in Saudi Arabia. These projects, which comprise two ground-breaking concepts, our flagship Jawharats and premium U-Walk lifestyle destinations, will also create a step-change in both the physical and financial scale of our operations.**

Our large-scale flagship Jawharat destinations are the primary growth drivers for our business. They will bring world class retail experiences to Saudi Arabia for the first time, setting a new benchmark with luxury brands, high-quality retail, casual dining and enriching leisure and entertainment experiences supported by enhanced customer service.

Our innovative U Walk experiential lifestyle hubs, located in strategic central locations, offer premium indoor/outdoor retail, dining and leisure facilities to our city communities. The first of these new facilities, U Walk Jeddah was opened in February 2024. We also underpinned the development of U Walk Qassim, through a new fund created in a strategic partnership with GIB Capital.

With financing firmly secured for our current capital program, the developments currently in progress are set to add a total of 600 thousand square meters of gross leasable area, an increase of 44% of our current GLA. By the end of 2027, we expect total GLA to exceed 2 million square meters and the new Jawharats and U Walks to be generating a significant uplift to our revenues and EBITDA.

Beyond the current pipeline, we are also exploring a range of other opportunities, including strategic partnerships and alternative commercial models, to grow our retail and lifestyle footprint and add significant new value to our portfolio.

# Growth Pipeline: Jawharat flagship destinations

In 2024, we made strong progress towards the completion of both Jawharat Jeddah and Jawharat Riyadh, with both construction and leasing activities progressing apace. These strategically located, premium flagship developments are both on schedule to enable fit out work by the significant number of tenants that have already been secured to commence towards the middle of the year. We are confident that both facilities will open to welcome their first visitors in line with expectations.



As well as setting new standards in retail and lifestyle destinations, Jawharat Jeddah and Jawharat Riyadh are set to become the leading malls in their respective cities in terms of footfall and retail spending. They will also be Cenomi Centers' leading assets in terms of footfall, revenue and EBITDA generation. Once operations have been stabilized, we expect these two assets in aggregate to attract around 35 million local and international visitors and generate SAR650 million in EBITDA per year.

## Jawharat Jeddah

**Jawharat Jeddah is under development in Jeddah's expansion corridor to the north of the city, easily accessible via the city's major road arteries and within a 30-minute drive of all its high-income households. It is also adjacent to King Abdullah Aziz International Airport, the main gateway to Jeddah and nearby Makkah, which attracts over 13 million visitors each year.**

Jawharat Jeddah will offer market leading features, including a dedicated 20 thousand square meter international luxury wing - the first in Saudi Arabia - featuring over 60 of the world's most sought-after brands. The main retail space will feature more than 10 world-class anchor brands new to Saudi Arabia and more than 50 flagship stores

Visitors will be able to enjoy unique all-age entertainment concepts and a 3D holographic experience in the Saudi Arabia's largest in-mall events and activations space. It will feature one of the largest skylights in KSA, standing at 27 meters high, illuminating the space with natural light and providing a seamless indoor and outdoor experience. Designed and built to the international LEED Gold standard, Jawharat Jeddah will provide an environment and level of customer service comparable to best-in-class international destinations.

Pre-leasing of Jawharat Jeddah's 103 thousand square meters was over 70% complete by the end of the year (based on agreed Head of Terms, signed Letters of Intent and signed Contracts). The structure was 94% complete by the end of the year and is on track to enable fit out work by new tenants to commence in April ahead of public opening in December 2025.

## Jawharat Riyadh

**Jawharat Riyadh is set to become Saudi Arabia's number one retail lifestyle destination and among the top three retail destinations in the MENA region. It will redefine consumer experiences and set new standards in the Kingdom to attract more than 20 million Saudi consumers and international visitors. It is located at the heart of the city's westward expansion path, with some 65% of Riyadh's high-income households and 75% of mid-income households within a 30-minute drive.**

The mall will feature over 400 world-renowned brands, including 15 new to Riyadh, in more 100 flagship stores. Spanning a land area equivalent to 70 football fields, Jawharat Riyadh will be Saudi Arabia's largest footprinted mall. The asset will include a pioneering luxury wing, four unique F&B zones, world-class entertainment offerings, and a state-of-the-art immersive digital experience surrounded by dining premium office space. Visitors will be able to experience best-in-class, technology-led customer services and an exceptional environment created to the international LEED gold standard in the Heart of Green Riyadh.

By the end of 2024, the structure was 92% complete and pre-leasing activity was well-advanced, with 75% of the unique brands including flagships and first major retailers to the Kingdom had been secured (based on agreed Head of Terms, signed Letters of Intent and signed Contracts). Driven by steady progress in the construction program throughout 2024, Jawharat Riyadh's new tenants will be able to commence fit out in mid-2025 ahead of public opening in April 2026.

A second phase of development is also planned. When completed in 2030, this will deliver an additional 150 thousand square meters of built-up areas including over 380 high- end residential apartments and over 350 luxury serviced apartments.

Our third flagship development is Jawharat Al-Khobar, which is expected to open in 2027. It will feature more than 380 retail and food and beverage outlets over its GLA footprint of more than 100 thousand square meters.

### Jawharat Jeddah

| | |
|---|---|
| GLA | 109,000 m² |
| Outlets | 190+ |
| Expected opening | December 2025 |

### Jawharat Riyadh

| | |
|---|---|
| GLA | 183,000 m² |
| Outlets | 370+ |
| Expected opening | April 2026 |

# **Growth Pipeline:** U-Walk Lifestyle Destinations

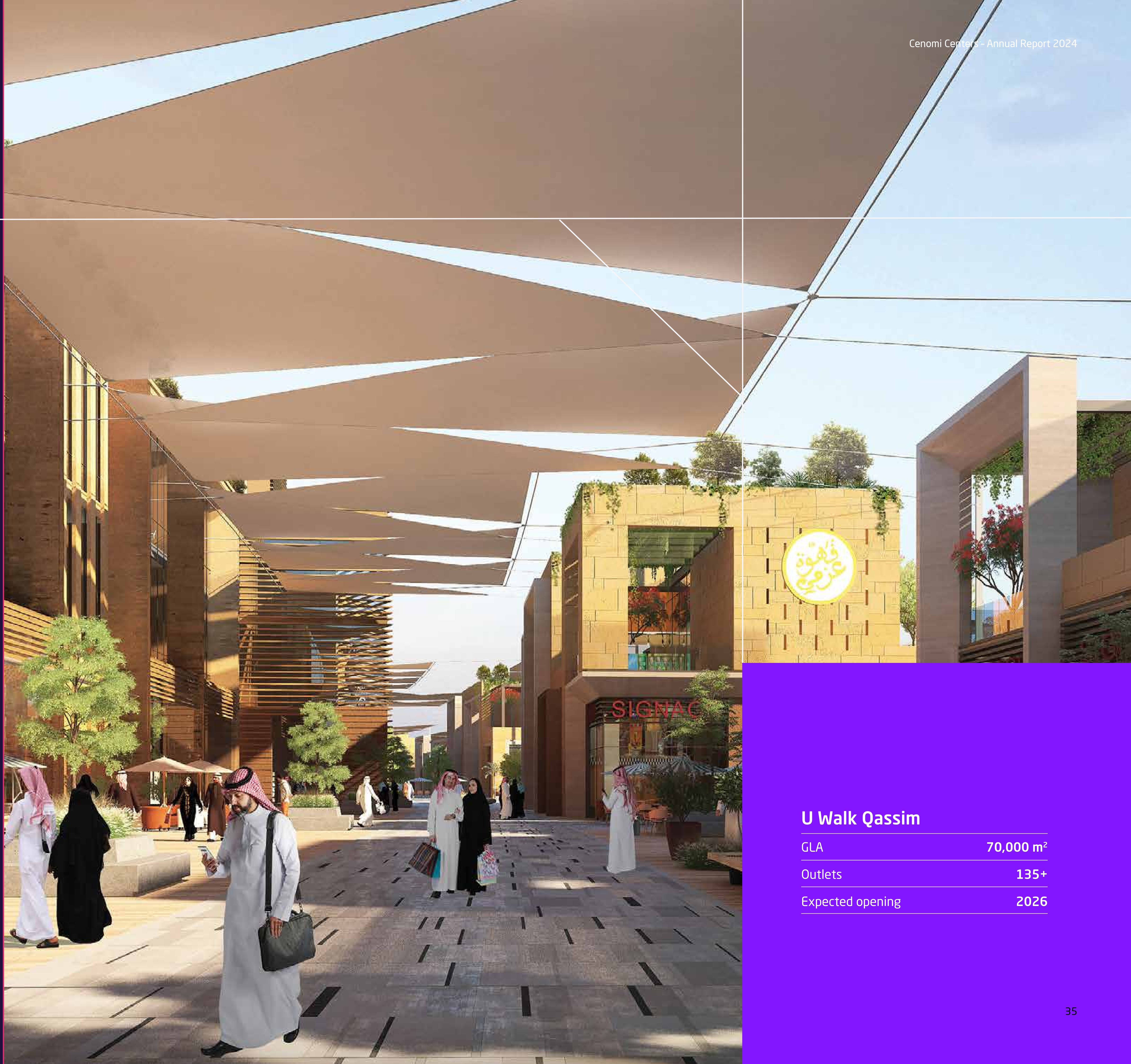
The second stream in our growth pipeline comprises our U Walk lifestyle destinations serving urban communities. Presenting a new experiential lifestyle concept, our U Walks are all located in strategic city center locations and offer hybrid mall concepts, integrating retail, casual dining and leisure offerings within seamless indoor/outdoor setting. Given their focus on serving consumer lifestyle and convenience, the balance of offerings is weighed more heavily toward F&B and leisure than our other facilities, with retail accounting for around 20% of GLA.

The first of our new lifestyle destinations from our development pipeline to be completed was U-Walk Jeddah. We officially opened U Walk Jeddah in February increasing leasing from circa 30% of GLA at opening to more than 70% by year end.

In October, we announced the formation of a strategic partnership with GIB Capital and established a fund to develop U Walk Qassim, facilitate our Qassim land sale program and develop other adjacent land for residential, office and leisure use. We have made refinements to the design of U Walk Qassim, which will feature 60 thousand square meters and 135 retail stores together with dining, leisure and other entertainment offerings, to meet emerging market trends. Construction was approximately 35% complete at year end, and the project is expected to open during Q4 2026.

Murcia Mall is being planned to serve the community of the new rapidly emerging Khuzam district in northern Riyadh. Khuzam is being developed by the National Housing Corporation (NHC) under the guidance of the Ministry of Housing, to deliver a residential environment distinguished by the highest standards of quality and sustainability for Saudi families.

Conceived originally as a U Walk style development, Murcia Mall will be a core element of the development, centrally located to provide a focus for retail and leisure services to the growing community. However, we are currently in discussion with our partners, NHC, with a view to expanding the scope and design of Murcia Mall to reflect the recently announced expansion of the Khuzam development.



## U Walk Qassim

| | |
|---|---|
| GLA | **70,000 m²** |
| Outlets | **135+** |
| Expected opening | **2026** |

# Operational **Excellence**

Our Operational Excellence strategic pillar is designed to focus on optimizing the performance and value of our existing portfolio through the application of market leading business-wide operational practices, efficiency initiatives and technology. Maximizing footfall among our target customer groups, effectively curating the brands featured in our destinations, attracting new tenants, and achieving both target occupancy and lease rates ahead of market benchmarks all form a virtuous circle to deliver superior financial performance.

At the end of 2024, our portfolio of operating assets stood at 21 destinations. U Walk Jeddah was officially opened in February. At the same time, we completed the sale of our oldest mall, Sahara Plaza during the year.

Together, this standing portfolio recorded further significant growth in footfall to almost 131.9 million, a 6.3% increase year-on-year and a record number of visitors to our destinations.

Key to delivery of this performance have been:

- the effective program of lease renewals and attraction of new tenants to upgrade and optimize the brands that feature at our destinations
- driving growth in non-GLA revenue through a diversified income strategy, commercializing additional space in and adjacent to our malls and destinations
- increasing efficiency through effective organizational structure, cost control, use of technology and contractual innovation.

# Operational **Excellence**

## Leasing

During 2024, we executed a positive and effective leasing strategy in a steadily growing market. Retailers did face challenges, particularly early in the year, when higher interest rates moderated retail demand. Nevertheless, we maintained a strategy of contacting retailers earlier than usual ahead of renewal dates, initiating renewal discussions up to nine months ahead of lease expiry. This has helped secure more favorable terms, while providing tenants with greater certainty and opportunities to optimize their lease packages.

A total of 2,422 leases were renewed, along with leases signed with over 150 tenants new to our destinations, including Vox Cinemas, ASICS, Five Guys, Charlotte Tilbury, Lululemon, Cerruti 1881, Xiaomi. We are also attracting niche food retailers beyond traditional hypermarket brands featured in our established malls. An example is Hamra Mall, Riyadh, where we undertook a major overhaul of tenants and retail units to recast the mix of offerings. A significantly greater proportion of the mall's GLA is now dedicated to lifestyle offerings - F&B, entertainment, plus high-quality food retailers - to successfully meet evolving consumer preferences.

We were also engaged in the ongoing marketing of space within the new U Walk Jeddah lifestyle destination. Following the soft opening of U Walk Jeddah in 2023, a 30% occupancy rate was achieved by the formal opening in February 2024 and by year end 70% of the GLA was leased.

Renewed and new leases secured in 2024 accounted for over 420 thousand square meters of GLA, not including space leased in our new generation Jawharats, for which leasing is also progressing apace.

The success of our strategy and its execution resulted in the achievement of a year-end occupancy rate of 94.4%, exceeding our 2024 target of 94% and 2023 performance of 92.9%.

Lease rates were supported by improvements in retail demand in Q2 through the Holy Month of Ramadan and Eid Al Fitr, and again in Q4 as interest rates moderated. Both occupancy rates and lease rates achieved by Cenomi Centers are consistently above benchmarks in our key locations, reflecting the quality and attractiveness of our destinations.

The leasing of our new flagship assets offered a new challenge to our commercial team. In addition to the large scale of these destinations, we established new relationships with a significant number of premium global brands, many of them new market entrants, to secure their presence in Saudi Arabia's first dedicated luxury zones. We are also marketing office space for the first time. Jawharat Riyadh features 65 thousand square meters of prime office space, to be leased to blue-chip commercial customers.

Rising to these challenges, leasing of these major new developments is progressing well. At the end of 2024 agreements covering over 70% of GLA in both Jawharat Riyadh and Jawharat Jeddah had been secured based on agreed Head of Terms, signed Letters of Intent and signed Contracts.

The curation of our leases is also central not just to delivering the right brands appropriate to our target audiences, but also the right mix of offerings, balancing retail with F&B, leisure, services and other enriching experiences. As discussed in the Product Excellence section above, the overall balance of leased space has been remodeled significantly through our leasing program and at the end of 2024 it was 62% retail and 38% non-retail.

### Leasing highlights

Leases renewed
**2,422**

Tenants new to Cenomi Centers
**150+**

Renewals and new leases covering
**420** thousand m$^2$

2024 occupancy rate target exceeded
**94.4%**

# Operational **Excellence**

## Non-GLA Commercialization

Commercializing non-GLA space in and around our destinations was an important source of revenue growth during 2024. Through a diversified income strategy, involving innovative approaches to utilizing our digital and physical assets and commercializing additional space in and adjacent to our malls and destinations, revenue growth from non-GLA increased 6% year-on-year.

Our new business team focused on three main areas in pursuing this strategy:

- pop-up branding, activations and entertainment within our facilities
- utilization of adjacent land
- other ancillary opportunities

The largest contribution to growth came from pop-up branding, activation and entertainment opportunities in communal areas of our malls. We were able to offer tailored, integrated packages to brands looking to drive awareness and engagement with targeted segments of consumers visiting our locations. These packages involved a range of physical and digital pop-up and brand activation options, supported by programed features in Cenomi Centers' social media channels and digital and physical advertising media, with audience targeting informed by our extensive consumer data. Demand for these integrated marketing packages is increasing and growth in excess of 20% year-on-year was achieved in this activity.

We have also collaborated successfully with a range of partners to utilize undeveloped land in our portfolio adjacent to our destinations, bringing entertainment, sports and other events to our customers and others in the communities where we operate. We commercialized these activities through a variety of models, including simple space rental through to revenue sharing from ticket sales or other income streams. We promoted and supported them through our social and other media channels.

Finally, we have pursued a range of other innovative and ancillary opportunities. We now offer a range of value-adding media opportunities packaged with our regular leasing processes. This enables tenants to lock in digital and physical advertising well ahead of time and program these opportunities alongside other brand engagement and promotions. We have also introduced parking charges at one of our malls, with others to follow. This offers vehicle owners who park for extended periods at our malls - those using offices nearby or transferring to public transport for onward journeys – a competitive parking option, while still allowing shoppers and other visitors to our malls to park without charge.

> Key to our performance have been the effective program of lease renewals, driving growth in non-GLA revenue and increasing efficiency.

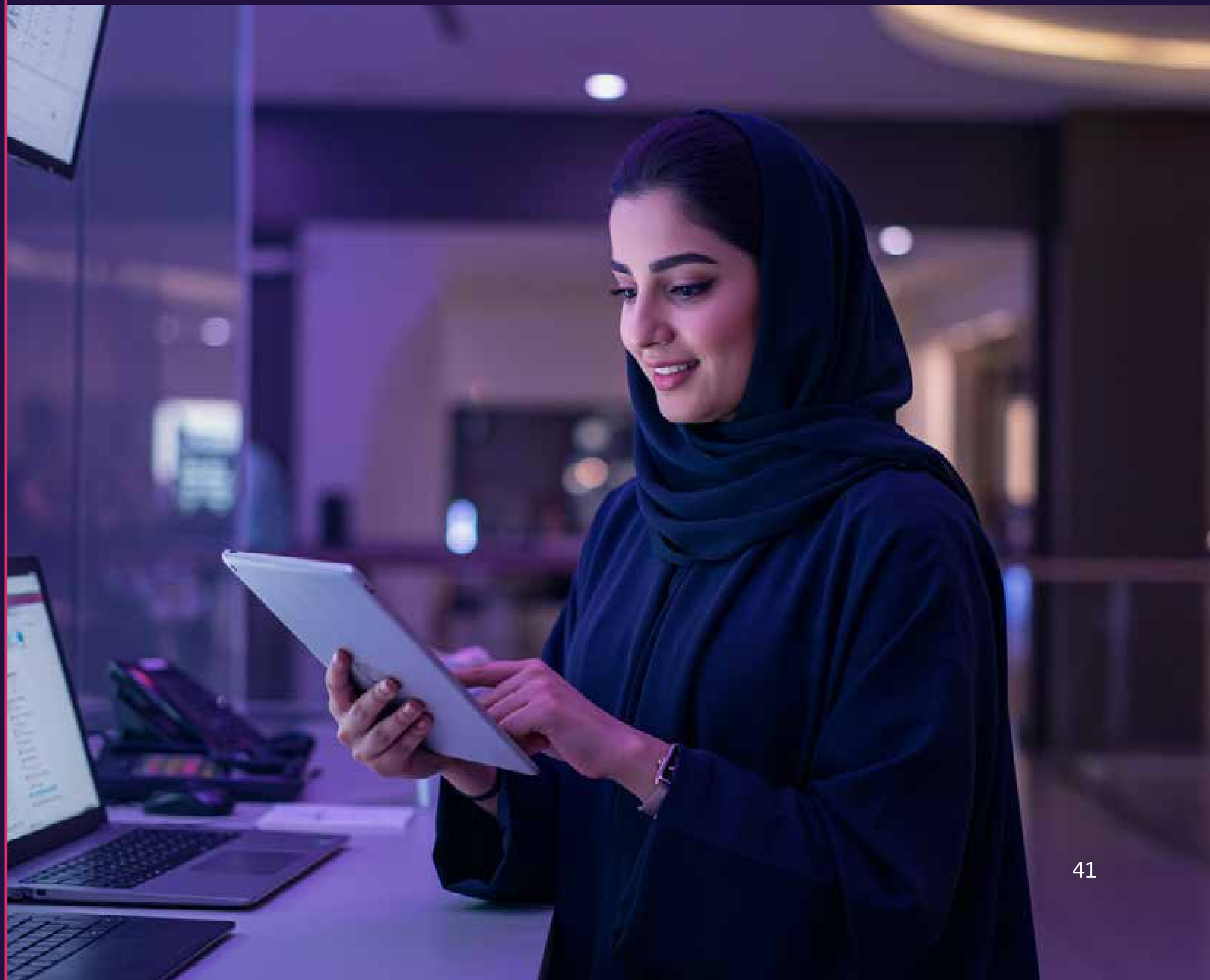
## Efficiency and technology

We are constantly exploring new avenues to drive efficiency and reduce costs in our business.

In 2024, we introduced Cenomi Space, a portal to allow our operations teams and our tenants to utilize a one-stop-shop for managing the interface more efficiently and transparently.

We also looked to bundle services, such as security, cleaning and maintenance, into single contracts wherever it made sense to drive greater efficiency and generate additional savings. We also agreed clear service level agreements, establishing a range of performance-based incentives, as we renewed or renegotiated service contracts.

We will maintain our drive to modernize and optimize our operations in 2025 and continue to explore diversified sources of revenue.



# Organizational Enhancement


We have made significant strides over the last two years in enhancing our organization to ensure it is fit-for-purpose to deliver our ambitious goals. This has included a range of initiatives, from structural changes and refinements to refreshing and engaging new talent at all levels of the organization, including the senior leadership team.

In 2024, we restructured the commercial team as a dedicated functional team under the leadership of Chief Commercial Officer, Khalid AlJanahi, bringing greater strategic focus and co-ordination to our leasing and renewal program. We added greater impetus to the new business development team within the operations group, which led to a significant uplift in non-GLA revenues.

We made new appointments to a number of other executive leadership positions. Jabri Maali, a highly experienced professional who has held several senior positions within Cenomi Centers, was appointed Chief Financial Officer. Binoo Joseph and Sami Itani were appointed as Chief Information Officer and Chief Strategy Officer, respectively, bringing their extensive expertise to our team.

Across the organization, we have operationalized our Values, rolling them out to all employees. During the year, we recognized employees celebrating their contributions to the development of our culture and business success.

We will continue to invest in our people and organization, acquiring and developing our talent, upskilling our team and refining the organization to underpin its effectiveness and deliver our goals.

**As one of Saudi Arabia's largest employers and developers, we understand our intrinsic responsibility to our people, our communities, and the country's sustainable future.**

**Alison Rehill-Erguven,**
Chief Executive Officer

# CFO's Message

In 2024, Cenomi Centers continued to strengthen the underlying financial performance of our business, adding further momentum to our transformational journey. Our financial position remains robust, notwithstanding that we are in the peak investment phase of the two major flagship projects in our SAR 5.6 billion development pipeline.

We achieved significant growth across all key financial metrics, post one-off adjustments, while securing competitive, diversified funding options to underpin our growth pipeline and maintaining a prudent approach to fiscal management.

Looking at the full year results, total revenue increased at a steady rate of 4.0% to SAR 2,344.0 million during 2024 compared to SAR 2,253.7 million in 2023. Revenue growth was supported by an improved like-for-like occupancy rate, which increased to 94.4% by end-2024 from 92.9% in 2023. Additionally, the grand opening of U Walk Jeddah in Q1-2024 . This growth was further driven by media sales with a 22.2% increase over 2023 and a 51.7% surge in utilities and other revenue from penalties and new additional charges related to engineering services.

Net profit in 2024 totaled SAR 1,224.2 million compared to SAR 1,501.0 million in 2023 representing a 18.4% decrease. It is important to mention that the 2024 full year net profit is not directly comparable to the same period in the previous year due to certain one-time transactions. These include the write-off of non-amortized financing cost associated with an historical Islamic facility and 2024 Sukuk, totaling SAR 50.6 million, one-time increase of SAR 87.5 million in impairment loss, and a one-time increase in finance cost of SAR 36.5 million from the assessment of the time value of money in relation to payment plan arrangements agreed with some tenants to expedite rental collections. In contrast, 2023 net profit was increased by SAR 238.7 million gain on the sale of land. Adjusting for these items, net profit in 2024 increased 12.3% to SAR 1,398.8 million compared to SAR 1,245.6 million in the same period last year.

"We achieved significant growth across all key financial metrics, post one-off adjustments, while securing competitive, diversified funding options to underpin our growth pipeline and maintaining a prudent approach to fiscal management."

Net finance costs reached SAR 690.1 million in 2024, compared to SAR 357.1 million in 2023, driven by the write-off of non-amortized financing cost and the assessment of the time value of money discussed above, and by the rise in average cost of debt and the increase in total debts reflecting a company in a near-peak investment stage with respect to its two flagship development projects, Jawharat Riyadh and Jawharat Jeddah.

An increase in impairment loss on accounts receivable reached SAR 321.8 million in 2024, compared to SAR 189.7 million in 2023, due to adoption of a more cautious approach to managing credit loss estimates associated with receivable balances which resulted in a one-time increase of SAR 87.5 million in impairment loss.

The decrease in net profit for 2024 compared to 2023 was partially offset by revenue growth, net fair value gain on investment properties of SAR 565.3 million in 2024 compared to SAR 369.9 million in 2023 and a reduction in expenses including advertisement and promotional expenses by 65.0% to SAR 22.9 million in 2024 compared to SAR 65.5 million in 2023 , while general and administrative costs were down 26.5% to SAR 256.1 million in 2024 compared to SAR 348.5 million in 2023 due to substantial decrease in government expenses and professional fees.

EBITDA in 2024 amounted to SAR 1,409.1 million, an 8.8% reduction compared to SAR 1,545.4 million in 2023. It is important to note that the 2024 full year EBITDA is not directly comparable to the same period in the previous year due certain one-time transactions. These include the gain from sale of land amounting to SAR 238.7 million in 2023 and a one-time increase of SAR 87.5 million in impairment loss following the adoption of a more cautious approach for managing credit loss estimates associated with receivable balances. Adjusting for these items, EBITDA was up by 16.0% y-o-y in 2024.

The sale of non-core assets continued, with total sales now over halfway to our SAR 2 billion target. In Q1 2024, we completed the sale of Sahara Plaza for SAR 200 million as part of this program. Sahara Plaza, which opened its doors in 2002, was a single tenant department store and no longer aligned with our strategic direction. The revenue impact is marginal at SAR 5 million per year.

During 2024, we concluded a number of key steps in securing funding to underpin our ambitious growth strategy while mitigating refinancing risks and maintaining our prudent fiscal policy and balance sheet strength.

We successfully negotiated a Shariah compliant, sustainability-linked financing agreement with a syndicate of top tier banks. It provides for a 12-year term sustainability-linked Murabaha facility in two tranches as well as a revolving four-year renewable Murabaha facility. The facilities provide up to SAR 5.25 billion to refinance existing debt, enhance our financial agility and support our ambitious growth plans. We will also benefit from improved pricing, amortization and covenants package in comparison to existing facilities. Achievement of the innovative sustainability incentives included in the agreement offer a further opportunity to reduce costs. They comprise targets for the reduction in $CO_2$ emissions associated with our operations, including the connection of all our malls to the national electricity grid, and growth in the proportion of women in leadership positions.

We also completed the issuance of a $500 million international USD denominated Shariah compliant Sukuk enabling us to refinance a 2019 Sukuk due to mature in November 2024. The placement was met with strong international investor demand and took the opportunity to issue an additional USD100 million in March 2024 and further issuance of USD 110 million Sukuk in December 2024 as part of the same sukuk.

For the specific funding of U Walk Qassim, we have taken a different route, executing a strategic partnership with GIB Capital (GIBC), the investment arm of Gulf International Bank, to create a closed-end Shariah-compliant real estate investment fund with initial capital of SAR 1 billion. The fund will develop U Walk Qassim, facilitate our Qassim land sale program and develop other adjacent land for residential, office and leisure use.

Under our agreement, GIBC will use its financing and investment expertise and act as fund manager to facilitate the sale of the Qassim land and assist in securing the funds required for the U Walk Qassim development. Cenomi Centers is the sole unit holder of the fund contributing to the fund with assets in-kind, along with any previous hard and soft costs incurred, and will manage and operate the destination once it is completed in Q4 2026.

Looking forward, we will continue to seek diversity of funding sources, maintain excellent relationships with local and regional banks, and enhance our presence in unsecured debt capital markets. At the same time, we will continue to execute our prudent approach to financial management and capital allocation. Spending will peak in 2025 before we see the leverage provided by our major projects as they start to make a significant contribution to our financial performance during 2026.

**Jabri Maali**
Chief Financial Officer

# **Financial** Performance

## Summary Assets & Liabilities for the last five financial years:

**Summary Assets & Liabilities for the last five financial years:**

| (SAR million) | FY20* | FY21* | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|
| Current assets | 2,079 | 1,538 | 2,466 | 2,106 | 2,912 |
| Non-current assets | 15,882 | 16,117 | 23,411 | 25,645 | 28,541 |
| Total assets | 17,961 | 17,655 | 25,877 | 27,751 | 31,453 |
| Current liabilities | 1,024 | 1,127 | 1,915 | 4,639 | 1,639 |
| Non-current liabilities | 10,953 | 10,476 | 9,893 | 8,800 | 14,985 |
| Total equity | 5,984 | 6,052 | 14,069 | 14,312 | 14,828 |
| Total equity & liabilities | 17,961 | 17,655 | 25,877 | 27,751 | 31,453 |

**Summary Business Results for the last five financial years:**

| (SAR million) | FY20* | FY21* | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|
| Revenues | 2,197 | 1,856 | 2,207 | 2,254 | 2,344 |
| Gross Profit | 1,438 | 1,023 | 1,846 | 1,870 | 1,986 |
| Operating Profit | 1,133 | 817 | 1,426 | 1,909 | 1,965 |
| Net Profit | 643 | 487 | 1,009 | 1,501 | 1,224 |

* Financial Years from April 1st to March 31st – 12 month period
(before changing the fiscal year and adopting the Fair Value Model).



## Continued improvements in underlying performance

| (SAR million) | Mar-20 | Mar-21 | Mar-22 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|---|
| EBITDA | 1,626 | 1,367 | 1366 | 1451 | 1,545 | 1409 |
| EBITDA Adjusted | 1,626 | 1,367 | 1366 | 1451 | 1,290 | 1497 |
| EBITDA Margin % | 74.0% | 73.6% | 67% | 65.7% | 68.6% | 60.1% |
| | | | | | | |
| FFO | 960 | 825 | 797 | 1042 | 1148 | 675 |
| FFO Adjusted | 960 | 825 | 1042 | 1042 | 894 | 850 |
| FFO Margin | 43.7% | 44.5% | 39.1% | 56.5% | 61.4% | 28.8% |
| | | | | | | |
| Net Profit | 643 | 487 | 434 | 1009 | 1501 | 1224 |
| Net profit Adjusted | 643 | 487 | 434 | 1009 | 1246 | 1399 |
| NMP Margin | 29.2% | 26.2% | 21.3% | 45.7% | 66.6% | 52.2% |

(1) Fund from operations (FFO) is calculated as the sum of net profit for the year/period, depreciation of PP&E and plus or minor the fair value impact of investment properties.

# Sustainability Leadership

6

# Sustainability Leadership

We are committed to ensuring the long-term sustainability of our business and to contribute to the sustainability goals of Saudi Arabia's 2030 Vision.

We are pursuing a range of sustainable environmental, social and economic goals through:

- improvements in environmental performance
- maintaining the highest standards of health and safety
- creating employment and development opportunities and contributing to the wider economic development of Saudi Arabia
- supporting the well-being and enrichment of communities where we operate.

Our commitment is exemplified by the sustainability-linked incentives attached to the major Murabaha financing facility secured in early 2024 to underpin the development of our growth pipeline. The Shariah compliant instrument agreed with a syndicate of major banks was unique to our sector and provides incentives related to carbon emissions reductions, connecting our assets to the national power grid and increasing the number of women in leadership roles.

We have already achieved an important first milestone, with the grid connection of all malls now complete. As well as meeting the terms of the financing agreement and driving $CO_2$ reductions in line with our targets, this initiative has produced significant cost savings. More efficient and cheaper grid-supplied power has replaced site-based diesel-powered generation, reducing energy costs by more than SAR10 million in 2024.

Further contributing to our $CO_2$ reduction efforts is the strategic partnership with a consortium formed by FAS Energy and Marubeni Corporation, to install solar PV facilities and supply renewable energy across our existing portfolio of malls. We began implementing this initiative in 2024 and the first installation of panels and associated plant was completed at Al Hamra Mall. A significant proportion of the facilities' energy requirements are now being met by renewable, emission-free energy. A further three malls are due to be completed by April 2025.

Driven primarily by operational excellence, our new facilities management arrangements also include integrated sustainability related KPI's. For example, the performance-based Total Facilities Management agreement concluded with Macro for Nakheel Mall Riyadh includes a requirement to explore and present plans for effective energy saving/efficiency measures.

Looking forward, the projects in our growth pipeline all have extensive, leading edge design features that will contribute to environmental performance and sustainability. Our flagship Jawharat Riyad and Jawharat Jeddah facilities will be the first retail and lifestyle developments in the Kingdom designed, built and certified to the internationally recognized US Green Building Council's LEED (Leadership in Energy and Environmental Design) Gold Standard.

In terms of their contribution to the wider economy and achievement of Saudi Arabia's 2030 Vision, our growth projects will make a significant impact. By 20230, Jawharat Riyadh and Jawharat Jeddah are projected to make a major contribution to GDP, provide several thousand jobs, generate substantial revenues from tourists and attract retail spending that Saudis would otherwise have conducted abroad.

## Expected socio-economic impact of major developments in 2030

| | Jewharat Jeddah | Jewharat Riyadh | Total |
|---|---|---|---|
| Direct GDP | SAR 3B | SAR 5B | SAR 8B |
| **Jobs** | | | |
| Total | 2500 | 4000 | 6500 |
| Women | 1500 | 2500 | 4000 |
| Tourist visitors | Up to 6M | Up to 5M | SAR 11B |
| Tourist spend | SAR 600M | SAR 1B | SAR 1.6B |
| Potential spend leakage (previously spent by KSA nationals on luxury goods and entertainment outside KSA) | SAR 1B | SAR 1B | SAR 2B |

> "Looking forward, the projects in our growth pipeline all have extensive, leading edge design features that will contribute to environmental performance and sustainability."

Our new facilities are also being designed to offer space and facilities specifically for local communities. These range from areas available for local artists and students to display their work to medical and educational facilities developed in collaboration with local authorities and community groups. We also continued to sponsor and donate to a range of community projects and provide significant opportunities for local suppliers.

The health and safety of our visitors, tenants, employees and contractors continues to be a priority for Cenomi Centers. Our 2024 health and safety program included the introduction of a new comprehensive Safety Management System (SMS). The SMS, which is based on the ISO 45001 international standard, governs all aspects of health and safety organization and policy, as well as our processes and procedures. The training program required to roll-out the system to our operations teams, including contractors, commenced in late 2024 and will be continue through to Q3 2025.

We also completed important safety verification programs in 2024, with a comprehensive third party audit of fire risk covering all our malls. Action plans were completed detailing a range of additional preventative measures, which were either closed out by the end of 2024 or require some capital investment and will be executed during 2025. We also successfully completed an extensive program of third party testing of electrical installations and elevators and escalators in all malls.

Our HSE team has been reinforced with new specialist talent who are carrying out an active training program with mall operations teams to enhance their HSE knowledge and practices to further manage risks and reduce incidents. Safety initiatives included introduction of lessons learned processes, safety bulletins based on incidents and trend analysis, permit-to-work system improvements and enhanced fire safety training for mall managers. We have also initiated a review and revision of emergency response plans for all our facilities. In total over 350 hours of safety related training was conducted in our organization in 2024.

The impact of our approach to health and safety is demonstrated by our improved performance. For a third successive year we operated with zero lost time incidents and achieved a significant reduction in minor incidents and accidents during the year. Since March 2023, when we introduced our transformational strategy, health and safety related incidents have been reduced by 75%.

As a responsible corporate organization, investment in employee growth and development continues to be very much a priority. In line with our commitments under the 2024 financing arrangements, this includes a particular emphasis on the advancement of women in leadership roles within the company.

In 2024, we dedicated over 10 thousand training hours across multiple focus areas to equip our workforce with essential skills and enhance their professional development. This training comprised:

| | |
|---|---|
| Leadership training | 281 hours |
| Safety training | 350 hours |
| Capability building training | 9,850 hours |
| Total employees trained | 305 |

Our focus on providing opportunities for career progression, internal mobility and leadership development remained strong. We also implemented a number of measures specifically designed to increase the representation of women in leadership positions. These included:

- Targeted leadership training for female employees
- Increased mentorship and sponsorship programs for high-potential female talent
- Inclusion of integrated gender diversity KPIs in leadership performance reviews.

Overall, 28 employees were promoted during the year. Of these promotions, 36% were awarded to female employees, marking steady progress toward gender equity in leadership roles, aligning with our financing agreement commitments.

To further enhance our ability to effectively resource the organization as it evolves, we developed a formal succession planning framework; this will be implemented across the business during 2025.

We also undertook a range of initiatives to enhance employee wellbeing and engagement. Wellbeing initiatives involved expanded programs addressing mental, physical, and social health, and included:

- an Alzheimer's awareness campaign
- breast cancer awareness activities
- International Health Day participation.

Effective employee engagement is important in cultivating a positive, inclusive, and engaging workplace culture in which employees are strongly motivated and aligned with the company's ambitions, strategy and values. Our 2024 Employee Engagement Survey resulted in an overall score of 8.2, indicating a very healthy level of engagement among our team.

Our annual Sustainability Report contains more comprehensive information and performance data across the environmental, economic and societal aspects of our business, and is available on our website.





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# Corporate Governance

Whats Inside!

# Corporate Governance Overview

## 1. Corporate Governance

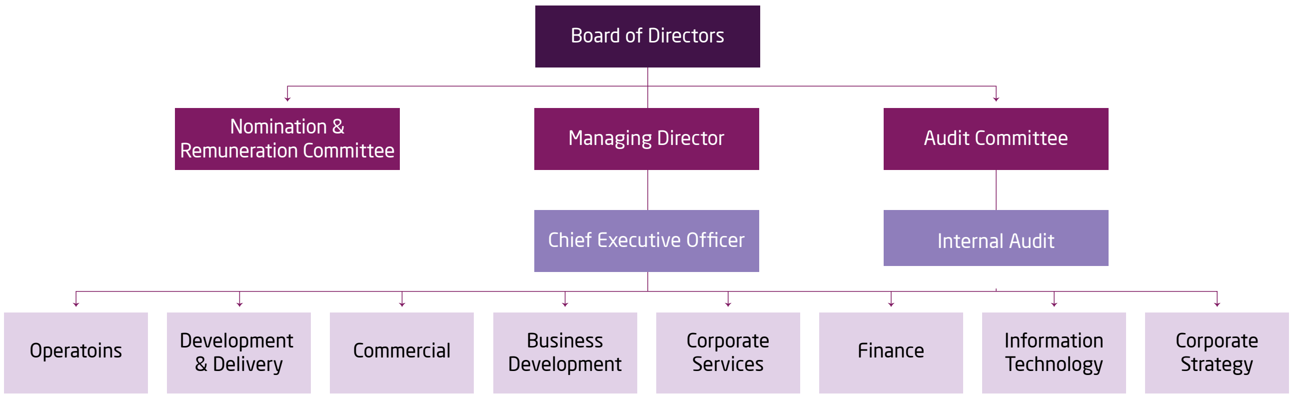
### Overview

The key sources of corporate governance for the Company are the corporate governance regulations issued by the Capital Market Authority (CMA), certain provisions of the Companies' Law and corporate governance best practices in the Kingdom.

The framework under the corporate governance regulations regulates the various relationships between the Board, executive directors, shareholders and other stakeholders, by establishing rules and procedures to facilitate decision-making processes with the objective of protecting the rights of shareholders and other stakeholders, and promoting the values of credibility, fairness and transparency in the Company's conduct.

These regulations, which entail the implementation of a clear and transparent disclosure process ensure that the Board acts in the best interests of the shareholders and presents a clear and fair view of the financial condition of the Company and the results of its operations. The Company considers ongoing compliance with these regulations to be an important factor in its continued success.

### Company's Organizational Structure




### Key Corporate Governance Requirements

The key corporate governance requirements that the Company complies and will comply with are set out in the CMA Corporate Governance Regulations. These cover the following broad areas:

- General shareholder rights (Articles 4 to 9);
- Rights relating to General Assembly Meetings (Articles 10 to 15);
- The Board of Directors: formation, responsibilities, competencies, procedures and training (Articles 16 to 39);
- Conflicts of interest (Articles 40 to 46);
- Company committees (Articles 47 to 69); and
- Internal controls, external auditors, company reports and policies, and various other matters (Articles 70 to 95).

### Corporate Governance Manual and Internal Policies

The Board of Directors approved the Corporate Governance Manual of the Company on 29/12/1438H (corresponding to 20 September 2017).

The Company's Corporate Governance Manual was made to comply mainly with the CMA and Companies' Law requirements and includes the following internal policies and charters:

- Board of Directors policies and procedures;
- Board of Directors conflict of interest policy;
- Board of Directors committee principles and policies;
- Monitoring, assessment, internal and external audit and internal control policies;
- General Assembly policies;
- Dividend distribution policy;
- Shareholder communication policies;
- Disclosure and transparency policies;
- Audit Committee charter;
- Nomination and Remuneration Committee charter; and
- Corporate social responsibility policy.

### Corporate Governance Compliance

The Company applies all the provisions contained in the Rules of Corporate Governance issued by the CMA, except what is highlighted in the next section below. As at 31 December 2024, the Company's Board of Directors consisted of nine

# **Board of** Directors

(9) members, majority of which are non-executive and the Board has four (4) independent directors, which is more than one third of the Board of Directors (Article 16). In addition, the shareholders adopted the cumulative voting method in relation to the appointment of directors at the General Assembly meeting held on 16/11/1443H (corresponding to 16 June 2022). This method of voting gives each shareholder voting rights equivalent to the number of shares he or she holds. Each shareholder has the right to use all of his or her voting rights for one nominee, or to divide their voting rights between his or her selected nominees without any duplication of votes. This method increases the chances of minority shareholders appointing their representatives to the Board by exercising their cumulative voting rights in favor of a single candidate.

In addition, in compliance with the Corporate Governance Regulations:

- The Ordinary General Assembly of the Company formed the Audit Committee, consisting of three non-executive members (all of them are independent), on 16/11/1443H (corresponding to 16 June 2022).
- The Board of Directors formed the Nomination and Remuneration Committee on 23/11/1443H (corresponding to 22 June 2022).
- The Company prepared the Audit Committee charter and the Nomination and Remuneration Committee charter, which were approved by the Board and ratified by the Ordinary General Assembly.
- In accordance with Article 91 of the CMA Corporate Governance Regulations, the board established governance rules for the Company in accordance with the provisions of these Regulations in the form of a Governance Manual (referred to in a separate section under "Corporate Governance Manual and Internal Policies").
- In addition, management has established a number of management committees to oversee certain functions within the Company and assist the Board in ensuring effective supervision and operation of the Company's different departments. The management committees are not formal committees of the Board and include the following: (i) Executive Management Committee; (ii) Development Committee; (iii) Asset Management Committee; (iv) IT & Technology Committee; (v) Tendering Committee; (vi) Leasing Committee; and (vii) Anti-Fraud & Anti-Corruption Committee.
- Furthermore, the Company has put in place measures to comply with provisions that deal with conflicts of interest and competing interests (Articles 71, 72 and 73 of the Companies' Law and Articles 42, 43 and 44 of the Corporate Governance Regulations). The Company will comply with the requirements of these provisions when it seeks the approval of the General Assembly for Related Party Transactions.
- Pursuant to the Corporate Governance Regulations, each Board Member is prohibited from voting on a decision taken by the Board or the General Assembly with respect to transactions and contracts that are executed for the company's account, if he/she has a direct or indirect interest in those transactions or contracts (Article 42(a)(2)). The Companies' Law sets out similar requirements to the effect that a director, without prior consent from the ordinary General Assembly, may not have any direct or indirect interest in transactions or contracts made for the account of the Company. The director also has an obligation to inform the Board of Directors of any personal interest he may have in such transactions or contracts and may not participate in voting on resolutions to be adopted in this respect by the Board of Directors or shareholder assemblies. The Chairman of the Board of Directors must inform the General Assembly of any transactions and contracts in which any director has a direct or indirect personal interest and accompany that with a special report from the Company's external auditor (Article 71).

  In accordance with its Related Party Transactions Policy, the Company has interpreted the requirements of the Companies' Law broadly, such that approval of the General Assembly is required whenever any entity in which a Director has a direct or indirect form of ownership enters into a transaction with the Company. Likewise, the Company has interpreted the scope of the voting restrictions in both the Companies' Law and the Corporate Governance Regulations broadly, such that not only is the relevant Board Member restricted from voting on the resolution to approve the relevant transaction, but that any shareholder which is controlled by that director would also be restricted from voting at the relevant General Assembly. The Corporate Governance Regulations also provide that if a member of the Board wishes to engage in a business that may compete with the company or any of its activities, he or she must notify the Board of the competing businesses and abstain from voting on the related decision in the Board meeting and general assemblies. The Chairman of the Board must inform the ordinary General Assembly of the competing businesses that the member of the Board proposes to be engaged in, and the authorization of the Company's General Assembly must be obtained for the member to engage in the competing business (Article 44). The Companies' Law sets out similar requirements (Article 72).

**What provisions have/have not been implemented of the Corporate Governance Regulations, with justifications**

The Company applies all the provisions contained in the Rules of Corporate Governance issued by the CMA which have been amended dated 18 January 2023, except the provisions below:

| Type | Article | Clause | Justification |
|---|---|---|---|
| Guiding | Article 37 | **Training:**<br>The Company shall pay adequate attention to the training and preparation of the Board Members and the Executive Management and shall develop the necessary programmes. | The Company provides training programs for the executive management and plans to provide training to board members in the future noting that current board members possess the necessary capabilities and expertise. |
| Guiding | Article 67 | Composition of the Risk Management Committee:<br>The Company's Board shall, by resolution therefrom, form a committee to be named the "Risk Management Committee". The Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance. | The Board of Directors did not see the need to establish a Risk Management Committee. It should be noted that the Audit Committee is overseeing the Risk Management function in accordance with its charter. |
| Guiding | Article 84 | **Social Responsibility:**<br>The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community. | The Company has participated in many activities during the year under the supervision of the executive management. We have already initiated the planning and implementation of establishing a sustainability committee to lead and govern our ESG strategy and direction within the Company, as well as a sustainability policy that caters to the requirements of the DJSI and ESG rating agencies and index providers. |
| Guiding | Article 85 | **Social Initiatives:**<br>The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company. | Pls refer to our justification on article 84 above. |
| Guiding | Article 92 | **Governance Committee:**<br>If the Board forms a Corporate Governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually. | The Board itself is overseeing Company's Governance activities. |

# **Board of** Directors

## 2. Board of Directors

### a. Composition of the Board of Directors

Under the bylaws, the Board of Directors shall be comprised of nine (9) directors appointed by the General Assembly by means of cumulative voting. Duties and responsibilities of the Board Directors are stipulated in The Saudi Companies' Law, CMA corporate governance manual.

The term of the Board of Directors is three (3) years. The Ordinary General Assembly held on 16 June 2022 has elected the current Board of Directors members for a term of (3) years starting from 19 June 2022 and ending on 18 June 2025.

The current Board of Directors, comprise the following members:

| No. | Name | Position Title | Membership Type | Membership Expiry Date |
|---|---|---|---|---|
| 1 | Mr. Fawaz Abdulaziz Al Hokair | Chairman of the Board | Non-Executive | 18 Jun 2025 |
| 2 | Eng. Salman Abdulaziz Al Hokair | Vice-Chairman | Non-Executive | |
| 3 | Eng. Kamel Badee Alqalam | Managing Director * | Executive | |
| 4 | Dr. Abdulrahman Abdulaziz Al Tuwaijri | Director | Independent | |
| 5 | Mr. Mohamad Rafic Mourad | Director* | Non-Executive | |
| 6 | Dr. Khalid Abdullah Abdulaziz Alsweilem | Director | Independent | |
| 7 | Mr. Abdulmajid Abdullah Albasri | Director | Non-Executive | |
| 8 | Mr. Turki Saud AlDayel | Director | Independent | |
| 9 | Mr. Johan Henri Brand | Director | Independent | |

*Board resolution dated July 25, 2024





### b. Board of Directors Biographies

#### 1) Mr. Fawaz Abdulaziz Al Hokair (Chairman of the Board of Directors "Non-Executive")

| | |
|---|---|
| **Current Executive Positions:** | Chairman of Fawaz Abdulaziz Alhokair & co Company, Arabian Centers Company and FAS Saudi Holding Company, Vice Chairman of Downtown Saudi Company, Board Member of Al-Murabba Development Company, and a director in several companies, including but not limited to: Fawaz Abdulaziz Alhokair & Sons Holding Company, Al-Fareeda Al-Oula Real Estate Company, and Lulu Al-Oula Real Estate Company. |
| **Previous Executive Positions:** | He held the position of Director in many Saudi companies that he established or owned a share in, such as Al-Wahida Equipment Company, Wahba Trading Company, Retail Group Company, Al-Bawarij International Real Estate Development and Investment Company, Al-Azizia Panda Company, Advanced Retail International, Al-Fareeda Information Technology and Communications Limited Company, and others. |
| **Academic Qualifications:** | • Bachelor's degree in economics and accounting from Loughborough University, United Kingdom, in 1989.<br>• Honorary Doctorate in Economics and Accounting from Loughborough University, United Kingdom, in 2008. |
| **Experience:** | Over 30 years of business experience in investment management real estate development and fashion. |

#### 2) Eng. Salman Abdulaziz Al Hokair (Vice-Chairman of the Board of Directors "Non-Executive")

| | |
|---|---|
| **Current Executive Positions:** | General Manger of many companies inside and outside KSA, including the General Manger of Salman Abdulaziz Alhokair & Sons Holding Co.; General Manager of Kids Space Co.; General Manager of FAS Spain Est.; General Manger of FAS Real Estate Development Compan, UK; General Manager of Al-Farida Two Real Estate Co.; General Manager of SAH Al Oula Investment Co.; General Manager of SAH Two Investment Co.; General Manager of SAH Third Investment Co.; General Manager of Al Barakah Third Investment Co.; He also sits on several boards for companies inside and outside KSA, including such as Lynx Contracting Co.; Saudi Medical Company; Egyptian Centers Real Estate Development Company; Arabian Falcon Company, UK. |
| **Previous Executive Positions:** | Chairman of the Board of Fawaz Abdulaziz Al Hokair and Partners Co.; He also sat on several boards of other Saudi and non-Saudi companies like Al-Waheedah Equipment Co.; Wahba Trading Co.; Retail Group Egypt; and also, General Manager of many companies such as Fawaz Abdulaziz Alhokair & Partners Holding Co.; Al Farida Real Estate Co.; FAS Construction Co.; Al Farida IT & Comms. Co.; FAS Holding for Hotels Co.; Al Bawarij International for Development & Real Estate Investment Co.;Billy Games Co |
| **Academic Qualifications:** | Bachelor's degree in architecture from King Saud University, KSA, in 1990. |
| **Experience:** | Has over 30 years of extensive experience in various fields such as business, investment management, fashion, and real estate development. He has held over 60 leadership positions on the boards of directors of local and international companies |

# Board of Directors

### 3) Eng. Kamel Badee Alqalam (Managing Director, and member of the Nomination and Remuneration Committee "Executive")

| | |
|---|---|
| **Current Executive Positions:** | MD of Saudi FAS Holding Company<br>MD of Arabian Centres |
| **Previous Executive Positions:** | CEO of Fawaz Alhokair Group |
| **Academic Qualifications:** | • Bachelor's degree in Architecture Engineering from the University of North Carolina, United States of America, in 1988.<br>• Master's degree in Civil Engineering from the University of North Carolina, United States of America, in 1990. |
| **Experience:** | Over 32 years of experience in the field of architectural engineering, real estate development and business development. |

### 4) Dr. Abdulrahman Abdulaziz Al Tuwaijri (Member of the Board of Directors "Independent")

| | |
|---|---|
| **Current Executive Positions:** | Chairman and CEO of Al Hanaf United Trading Co. |
| **Previous Executive Positions:** | Lecturer in the Department of Economics at King Saud University; Assistant Professor in the Department of Economics at King Saud University; Chairman of the Board of Directors of the Capital Market Authority (CMA); Board Member of the Saudi Arabian Oil Company (Aramco); General Secretary of the Supreme Economic Council; Chairman of the Board of Directors of the Middle East Financial Investment Company; Economic Advisor to the Cooperation Council for the Arab States of the Gulf (GCC); Managing Director and the representative of the Kingdom of Saudi Arabia in the International Monetary Fund (IMF) |
| **Academic Qualifications:** | • Bachelor's degree in Economics from King Saud University, KSA, in 1978.<br>• Doctorate in Economics from Iowa State University, United States of America, in 1985. |
| **Experience:** | Over 42 years of experience in business and economic consultancy. He also sits on several boards of Saudi companies. |

### 5) Mr. Mohamad Rafic Mourad ( "Non-Executive"):

| | |
|---|---|
| **Current Executive Positions:** | CEO of Saudi FAS Holding (Cenomi Group); MD of Cenomi Ltd. (Cenomi eComm) |
| **Previous Executive Positions:** | Mr. Mourad has held various senior leadership roles at major tech companies, including nearly 10 years at Google, part of which he was Google's Managing Director for the Middle East and North Africa, before moving to take on a global role in their headquarters in Silicon Valley. More recently, Mr. Mourad served as a Vice President at Instacart, the leading on-demand e-commerce player in North America. Prior to that, Mr. Mourad was in management consulting at Booz & Company (Now Strategy&), focusing on M&A and Corporate Development. Mr. Mourad has an intimate knowledge of the Saudi Arabian market both through spending more than 10 years in the country and through serving the market during his various regional and global roles. |
| **Academic Qualifications:** | • Bachelor of Science with Honors at Lebanese American University, Lebanon, 1994.<br>• MBA at INSEAD, France, 2001. |
| **Experience:** | Mr. Mourad brings along 30 years of global management experience in technology, retail, consumer goods and e-commerce. |

### 6) Dr. Khalid Abdullah Alsweilem (Member of the Board of Directors "Independent"):

| | |
|---|---|
| **Current Executive Positions:** | • Chairman of the Board of Directors, Ashmore Saudi.<br>• Expert, Stanford Universities and Massachusetts Institute of Technology (MIT) |
| **Previous Executive Positions:** | The former Chief Counselor and Head of Investment, the Saudi Arabian Monetary Agency (SAMA). |
| **Academic Qualifications:** | • Postdoctoral Fellowship of Economics and Financial Management - Harvard University.<br>• PhD in Economics - University of Colorado Boulder.<br>• Master of Economics - Boston University.<br>• Bachelor Industrial Engineering - the University of Arizona. |
| **Experience:** | More than 31 years of experience in Economics and investment banking. |

### 7) Mr. Abdulmajid Abdullah Mohammed Albasri (Member of the Board of Directors, and member of the Nomination and Remuneration Committee "Non-Executive"):

| | |
|---|---|
| **Current Executive Positions:** | CEO –Aldar Audit Bureau, Grant Thornton |
| **Previous Executive Positions:** | • Group CFO – Cenomi Group<br>• Group Treasurer – Cenomi Group ( Previously Fawaz Alhokair Group)<br>• Group Treasurer – Almarai.<br>• Portfolio Manager – SAMBA Capital.<br>• Audit and security analysis – Aldar Audit Bureau, Grant Thornton, FALCOM Financial Company, and James Madison Fund. |
| **Academic Qualifications:** | • Master of Science in Applied Financial Mathematics - University of Connecticut.<br>• Master of Science in Economics - University of Connecticut.<br>• Bachelor of Business Administration in finance - James Madison University.<br>• CFA Finance - CFA Institute.<br>• PRM Finance - PRMIA Institute. |
| **Experience:** | More than 19 years of experience in auditing and financial analysis and portfolio management and financial management. |

### 8) Mr. Turki Saud AlDayel (Member of the Board of Directors, and member of the Audit Committee "Independent"):

| | |
|---|---|
| **Current Executive Positions:** | Managing Director of Ninety One Company. |
| **Previous Executive Positions:** | • Head of Private Equity, Raidah Investment Company.<br>• Vice President, Saudi Fransi Capital<br>• Associate, Abraaj Capital (Private Equity)<br>• Manager, Riyadh Capital (Investment Bank)<br>• Analyst, JP Morgan (Investment Bank) |
| **Academic Qualifications:** | • Bachelor of Finance - King Fahd University of Petroleum and Minerals.<br>• The Master of Business Administration (MBA) - University of Minnesota. |
| **Experience:** | More than 16 years of experience in the field of investment banking. |

# **Board of** Directors

### 9) Mr. Johan Henri Brand (Member of the Board of Directors, and member of the Nomination and Remuneration Committee "Independent"):

| | |
|---|---|
| **Current Executive Positions:** | Managing Director of Johan Brand Leadership Advisory DWC-LLC |
| **Previous Executive Positions:** | • Egon Zehnder, Sr. Partner and Consultant, Executive Search (Amsterdam/ Dubai)<br>• Pepsi Cola International, Head of Marketing/Director of PCI Management Institute<br>• P&G Benelux, Brand Management |
| **Academic Qualifications:** | • LL.M. Corporate Law -Erasmus University Rotterdam (NL)<br>• LL.M. Private Law-Erasmus University Rotterdam (NL)<br>• MSc Business Economics -Erasmus University Rotterdam (NL) |
| **Experience:** | More than 38 years of experience in the fields of marketing management, executive search, and leadership advisory at CEO and Board-level |

c. Board of Directors Current and Previous Memberships in Other Companies:

### 1) Mr. Fawaz Abdulaziz Al Hokair

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Fawaz Abdulaziz Al- Hokair & co | Inside | Listed | FAS for Construction Co. | Inside | LLC |
| Arabian centres (Cenomi Centers) | Inside | Listed | Al Azizia Panda United Co. | Inside | Unlisted |
| FAS Saudi Holding Co. | Inside | Unlisted | Akar Al Watan Co. | Inside | LLC |
| Egyptian Centers for Real Estate Development. | Outside | Unlisted | Akar Al Arab Int'l Co. | Inside | LLC |
| Saudi Medical Co. | Inside | Unlisted | Al Faridah Information Technology and Communication | Inside | LLC |
| Marakez for Real Estate Investment, Egypt. | Outside | Unlisted | Wahbah Trading Co. | Inside | LLC |
| Arabian Falcon Limited, UK. | Outside | LLC | | | |
| Focus Hospitality, UAE. | Outside | LLC | | | |
| FAS Holding, Italy. | Outside | Unlisted | | | |
| FAS Real Estate Development, UK | Outside | LLC | | | |
| Fawaz Abdulaziz Alhokair & Sons Holding Co. | Inside | LLC | | | |
| Najmat Al Taqa Co. | Inside | LLC | | | |
| Al-Farida First Real Estate | Inside | LLC | | | |
| Lulu Al-Oula Real Estate Company | Inside | LLC | | | |
| Al-Murabba Development Company | Inside | Unlisted | | | |

### 1) Mr. Salman Abdulaziz Al Hokair

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Arabian Centers Company (Cenomi Centers) | Inside | Listed | Fawaz Abdulaziz Alhokair & Partners Co.(Cenomi Retail) | Inside | Listed |
| Lynx Contracting Company | Inside | Unlisted | Fas Hotels Company (1) | Inside | LLC |
| Saudi FAS Holding Company | Inside | Unlisted | Fas Hotels Company (4) | Inside | LLC |
| Saudi Medical Company | Inside | Unlisted | Fas Hotels Company (5) | Inside | LLC |
| FAS Real Estate Company Limited | Inside | LLC | Fas Hotels Holding Company | Inside | LLC |
| Saaf International Company | Inside | LLC | Manzel Company Limited | Inside | LLC |
| Kids Space Company | Inside | LLC | Ice cream express | Inside | LLC |
| Salman Abdul Aziz Al Hokair & Sons Holding Company | Inside | LLC | Cake Palace Company | Inside | LLC |
| Echo Engineering Consulting Company | Inside | LLC | Milk Taste Company | Inside | LLC |
| Al-Farida Two Real Estate | Inside | LLC | First Pie Company | Inside | LLC |
| SAH Two Investment Company | Inside | LLC | Fashion Retail Company | Inside | LLC |
| SAH Al Oula Investment Company | Inside | LLC | Food and Entertainment Company | Inside | LLC |
| SAH Third Investment Company | Inside | LLC | Salman Alhokair Engineering Consulting Company (ECHO) | Inside | LLC |
| Al Barakah Third Investment Company | Inside | LLC | Dammam Mall Trading Company | Inside | LLC |
| Skill of innovation Games company | Inside | LLC | Generations clothing company | Inside | LLC |
| Arkan Salam Real Estate Company | Inside | LLC | Oyoun Al-Basatin Trading Company | Inside | LLC |
| Aziz Mall Trading Company | Inside | LLC | Fas Hotels Company (3) | Inside | LLC |
| Erth Rasekh Company | Inside | LLC | Fas Retail and Commercial Investment Company Limited | Inside | LLC |
| Malaz Mall Trading Company | Inside | LLC | Innovation Renewable Energy Investment Company | Inside | LLC |
| Luxurious taste Catering Companys | Inside | LLC | Fas Real Estate | Inside | LLC |
| Focus Hospitality Company | Outside | LLC | Fine Tastes | Inside | LLC |
| Egyptian Centers Real Estate Development Company | Outside | Unlisted | Coffee Centers Company | Inside | LLC |
| Marakez Real Estate Investment Company | Outside | Unlisted | Riyadh Hotels Company | Inside | LLC |

# **Board of** Directors

### 1) Mr. Salman Abdulaziz Al Hokair (Continued)

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Arabian Falcon Company, UK | Outside | LLC | Sala Entertainment Company | Inside | LLC |
| FAS Renewable Energy Company | Outside | LLC | Fas Construction Company | Inside | LLC |
| FAS Holding Company, Italy | Outside | Unlisted | Al-Noor Mall Trading Company | Inside | LLC |
| FAS Real Estate Development Company, UK | Outside | LLC | Al-Yarmouk Mall Trading Company | Inside | LLC |
| G&A International Consulting, UK | Outside | LLC | Mall of Dhahran Trading Company | Inside | LLC |
| FAS Energy Company, UK | Outside | LLC | Arab Mall Company | Inside | LLC |
| FAS Company, Spain | Outside | LLC | Tadares Najd for Maintenance and Cleaning | Inside | LLC |
| | | | Al-Wahida Equipment Company Limited | Inside | LLC |
| | | | Al Yasmeen Mall Trading Company | Inside | LLC |
| | | | Al Hamra Mall Trading Company | Inside | LLC |
| | | | ETQAN Facility Management | Inside | LLC |
| | | | Fawaz Al Hokair and Partners Holding Company | Inside | listed |
| | | | Fawaz Abdul Aziz Al Hokair & Partners Projects Co. Ltd. | Inside | LLC |

### 3) Eng. Kamel Badee Alqalam

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Egyptian Centers for Real Estate Development Co., Egypt. | Outside | joint stock | Amlak International for Real Estate Financing Co. | Inside | listed |
| Echo Architecture UK (Limited) | Outside | LLC | Lynx Contracting Company | Inside | Unlisted |
| Arabian Centres Co. (Cenomi Centers) | Inside | Listed | Marakez for Real Estate Investment Co., Egypt. | Outside | joint stock |

### 4) Abdulrahman Abdulaziz Al Tuwaijri

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Al Hanaf United Trading Co. | Inside | Listed | Saudi Aramco | Inside | Listed |
| Arabian Centres Co. (Cenomi Centers) | Inside | Listed | MEFIC | Inside | Unlisted |
| | | | United Mining Investment Co. | Inside | LLC |

### 5) Mr. Mohamad Mourad

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Arabian Centres Co. (Cenomi Centers) | Inside | Listed | Fawaz Abdulaziz AlHokair and Co. (Cenomi Retail) | Inside | Listed |
| Cenomi Ltd. (Cenomi eCommerce) | Inside | Unlisted | | | |
| Vogacloset | Outside | Unlisted | | | |

### 6) Dr. Khalid Abdullah Alsweilem

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Arabian Centres Co. (Cenomi Centers) | Inside | Listed | | | |
| Ashmore Saudi Investments | Inside | Listed | | | |
| Gulf International Bank GIB | Inside | Listed | | | |
| Fajr Investment Company | Inside | Listed | | | |

### 7) Mr. Abdulmajid Abdullah Albasri

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Arabian Centres Co. (Cenomi Centers) | Inside | Listed | Support Group | Inside | Unlisted |
| Fawaz Abdulaziz Alhokair and Co (Cenomi Retail) | Inside | Listed | | | |

### 8) Mr. Turki Saud AlDayel

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| Jubail United | Inside | Unlisted | Riva | Inside | Unlisted |
| Arabian Centres Co. (Cenomi Centers) | Inside | Listed | Saudi Bio | Inside | Unlisted |

# **Board of** Directors

### 9) Mr. Johan Henri Brand

| Current memberships | Inside/ outside Kingdom | Legal entity | Previous memberships | Inside/ outside Kingdom | Legal Entity |
|---|---|---|---|---|---|
| • Arabian Centres Co. (Cenomi Centers) | • Inside | • Listed | •None | | |
| • Nesma United Industries | • Inside | • Unlisted | | | |

### d. Board of Directors Meetings

### Meetings Procedures

The Board of Directors shall meet 4 times a year at least, upon an invitation from the Chairman. A Board meeting shall be quorate only if attended by a majority of the members.

Board meetings may be held by telephone or any other electronic method allowing all of the attending members to hear all other attendees, unless otherwise notified. Board resolutions shall be made by a majority of the presented or represented Board Members at the meeting. If votes were equal, the opinion adopted by the Chairman of the Board shall be accepted.

The Board may adopt resolutions by circulation to all Board Members, unless one Board Member submits a written request that a meeting be convened for deliberations. Such resolutions shall be adopted by a majority of Board Members, with the resolutions laid before the Board at its first subsequent meeting.

Deliberations and resolutions of the Board shall be recorded in minutes to be signed by the Chairman, the Directors present and the Secretary. Such minutes shall be entered in a special register to be signed by the Chairman and the Secretary.

### Board Meetings Held During the Year

The Board held 4 meetings during the financial year 2024 (ended 31-Dec-2024) as follows:

| No. | Name | 26-Mar-2024 | 30-Jul-2024 | 6-Nov-2024 | 18- Dec-2024 | Total |
|---|---|---|---|---|---|---|
| 1 | Mr. Fawaz Al Hokair | Present | Present | Present | Absent | 3 |
| 2 | Eng. Salman Al Hokair | Present | Present | Present | Present | 4 |
| 3 | Eng. Kamel Al Qalam | Present | Present | Present | Present | 4 |
| 4 | Dr. Abdulrahman Al Tuwaijri | Present | Present | Present | Present | 4 |
| 5 | Mr. Mohamad Mourad | Present | Present | Present | Present | 4 |
| 6 | Dr. Khalid Alsweilem | Present | Present | Present | Present | 4 |
| 7 | Mr. Abdulmajid Albasri | Present | Present | Present | Absent | 3 |
| 8 | Mr. Turki AlDayel | Present | Present | Present | Present | 4 |
| 9 | Mr. Johan Brand | Present | Present | Present | Present | 4 |

### Directors' Attendance at Shareholders General Assembly Meetings

Three Shareholders General Assembly meetings were held during the financial year ending 31 December 2024. Below is the attendance log of the Board of Directors at those meetings:

| No. | Assembly type: Member Name | Extraordinary 09/01/2024 | Ordinary 30/06/2024 | Extraordinary 11/12/2024 |
|---|---|---|---|---|
| 1 | Mr. Fawaz Al Hokair | Absentee | Absentee | Absentee |
| 2 | Eng. Salman Al Hokair | Absentee | Absentee | Absentee |
| 3 | Dr. Abdulrahman Al Tuwaijri | Absentee | Absentee | Absentee |
| 4 | Eng. Kamel Al Qalam | Present | Present | Present |
| 5 | Mr. Mohamad Mourad | Present | Present | Present |
| 6 | Dr. Khalid Alsweilem | Present | Present | Absentee |
| 7 | Mr. Abdulmajid Albasri | Present | Present | Absentee |
| 8 | Mr. Turki AlDayel | Present | Absentee | Absentee |
| 9 | Mr. Johan Brand | Present | Present | Present |

### Major Decisions Taken by the Board During the short fiscal year (ended on 31-Dec-2024):

| SN | Decision Date | Board Decision |
|---|---|---|
| 1 | 1 January 2024 | resolved to procure an up to SAR 3,450,000,000 (or USD equivalent) multicurrency term and up to SAR 1,000,000,000 (or USD equivalent) revolving Shar'iah compliant facilities (with such amounts under the term and revolving facilities capable of further increase by way of an accordion up to a maximum amount of SAR6,550,000,000 (or USD equivalent)), provided by certain financial institutions for purposes of the Refinancing. |
| 2 | 23 February 2024 | resolves for the Issuance and offer of up to SAR 3,750,000,000 (or equivalent amount in any other currencies) in aggregate principal amount of Sukuk to be issued under the Transactions in one or more issuances and/or tranches resolves for a liability management exercise, in form of a cash tender offer or otherwise, in connection with Arabian Centres Sukuk Limited U.S.$ 500,000,000 Trust Certificates (the "2019 Sukuk") (the "LM Transaction") and at its discretion the terms of any cash tender offer in connection with the 2019 Sukuk.<br><br>Approval the Company's internal financial policy |
| 3 | 25 March 2024 | Approval of the annual audited financial statements and the independent auditor's report for the fiscal year of the company ending on December 31, 2023.<br><br>The approval of the distribution of cash dividends to the Company's shareholders for the 2nd half of the financial year ending on 31 December 2023. in the amount of SAR 356.25 million, at the rate of 75 halalas per share, so that the number of outstanding shares is 475 million shares, for the 2nd half of the financial year ending on 31 December 2023 AD.<br><br>The approval of the company's dividend policy for the next 1 year starting from the 2nd quarter 2024.<br><br>The dividend policy as follows:<br>Arabian Centers commits to pay 37.5 halalas per share per quarter for the next 1 year. Further, the company will consider and pay additional dividend, subject to Arabian Center's Board of Directors recommendation to the General Assembly, after the assessment of the Company's financial situation, future outlook and capital expenditure requirements. Additionally, dividends are likely to vary on a quarterly basis depending on the company's performance. |

| SN | Decision Date | Board Decision |
|---|---|---|
| 4 | 31 March 2024 | Approval of the Board of Directors' report for the company's fiscal year ending on December 31, 2023, AD.. |
| 5 | 15 May 2024 | Approval of the interim financial statement for the first quarter of the current fiscal year 2024 for the three months period ended on 31 March 2024.<br>Approval of the distribution of cash dividends to the Company's shareholders in the amount of 178.13 million Saudi riyals, at the rate of 37.5 halalas per share, so that the number of outstanding shares is 475 million shares, For the first quarter of fiscal year 2024 |
| 6 | 25 July 2024 | Approval of the appointment of Eng. Kamel Badie Alqalam as a Managing Director instead of a member of the Board of Directors, Mr. Mohamad Rafik Mourad:<br>• Amending the status of Eng. Kamel Badie Alqalam membership in the Board to become (Executive).<br>• Mr. Mohamad Rafik Mourad is remaining as a member of the Board of Directors and amending the status of his membership in the Board to become (non-executive) |
| 7 | 4 August 2024 | Approval of the interim financial statement for the second quarter of the current fiscal year 2024 for the three months period ended June 30,2024. |
| 8 | 3 October 2024 | Approval to contract with specialized companies for the construction and operation of a district cooling plant for Jawharat Riyadh Mall project. |
| 9 | 29 October 2024 | Approval to amend the bylaws of the Company to comply with the New Companies Law |
| 10 | 6 November 2024 | Approval to amend the Audit Committee Charter to comply with the New Companies Law. |
| 11 | 8 November 2024 | Approval of the interim financial statement for the third quarter of the fiscal year 2024 for the three months period ended September 30,2024. |
| 12 | 9 November 2024 | Approval of the distribution of cash dividends to the Company's shareholders in the amount of 178,125million Saudi riyals, at the rate of 0.375 riyal per share, so that the number of outstanding shares is 475 million shares, for the Second Quarter of the financial year ending on 31 December 2024 AD. |

## e. Interests of Board Members and their Relatives in Shares or Debt Instruments of the Company

| No. | Board Member | Number of Shares Beginning of Year | % Ownership Beginning of Year | Number of Shares End of Year | % Ownership End of Year | % Change During the Year |
|---|---|---|---|---|---|---|
| 1 | Mr. Fawaz Abdulaziz Al Hokair | 40,117,501 | 8.44% | 15,217,501 | 3.20% | -62% |
| 2 | Eng. Salman Abdulaziz Al Hokair | 38,000,000 | 8.00% | 34,769,583 | 7.31% | -8.5% |
| 3 | Dr. Abdulrahman Abdulaziz Al Tuwaijri | - | - | - | - | - |
| 4 | Eng. Kamel Al Qalam | 1,824,009 | 0.38% | 1,684,731 | 0.35% | -7.6% |
| 5 | Mr. Mohamad Mourad | - | - | - | - | - |
| 6 | Dr. Khalid Alsweilem | | | - | - | - |
| 7 | Mr. Abdulmajid Albasri | | | - | - | - |
| 8 | Mr. Turki AlDayel | | | | | |
| 9 | Mr. Johan Brand | | | - | - | - |

## f. The Following Table Shows any Interest of the Senior Executives, their Wives and Sons in the Shares of the Company and any Change in that Interest or those Rights during the Fiscal Year 2024:

| No. | Name of person to whom the interest, contractual securities or rights issue belongs | Number of Shares Beginning of Year | % Ownership Beginning of Year | Number of Shares End of Year | % Ownership End of Year | % Change During the Year |
|---|---|---|---|---|---|---|
| 1 | Mr. Sultan Fawaz Al Hokair | 74500 | 0.016% | 9932078 | 2.01% | +13232% |
| 2 | Haifa Badai Al Qalam | 16416753 | 3.45% | 12003950 | 2.52% | -26.% |

### Declarations:

1) There is no interest of the Board Members and their relatives in the debt instruments of the Company.

## h. Procedures to Inform BoD with Shareholders' Suggestions

The Board of Directors shall make available to all its members, especially non-executives, legal documents, financial reports, follow-up reports, future expansion studies, Board of Directors' reports as well as internal rules, procedures, policies and regulations that enable them to carry out their duties adequately, additionally including knowledge of shareholders' proposals and their observations about the Company and its performance.

The Company has established an Investor Relations Department that meets all investors' requests and responds to their inquiries. The department then briefs the Chairman of any recommendations suggested by the shareholders and submits their comments and suggestions to the Board of Directors of the Company. Several means are available and accessible to shareholders, including telephone and email correspondence.

## 3. Board Committees

The Board of Directors has established the committees to improve the management of the Company. Each committee is required to adopt a charter which sets out its role, powers, responsibilities, and meetings procedures for the purpose of discharging its duties.

The following is a summary of the structure, responsibilities, and current members of each committee:

### a. Audit Committee

The implementation of an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system, and to make any recommendations to the Board of Directors that would improve and develop the system to achieve the Company's objectives. The Committee is also responsible for risk management and compliance activities, as well as the annual risk report and risk reduction plans, before presenting the same to the Board of Directors. The scope of the Committee's work shall include all actions that enable it to fulfill its functions, including:

- Oversee the Internal Audit Department.
- Oversee the Risk Management and Compliance functions.
- Review the internal control, financial and risk management systems of the company.
- Review the internal audit reports and follow up on the implementation of corrective measures for the recommendations contained therein.
- Recommend to the Board of Directors to appoint the Director of the internal audit department and propose his remuneration.
- Review and evaluate internal audit procedures and make recommendations for the improvement thereof.
- Make a recommendation to the Board of Directors to appoint, dismiss, determine the fees and ensure the independence of external auditors.
- Review the audit plan with the external auditors and make any observations thereon.
- Review the auditor's report and his observations on the financial statements and follow up on the actions taken in that respect.
- Review the Company's interim and annual financial statements before submitting them to the Board of Directors.
- Review accounting policies and submit recommendations to the Board of Directors.

### Audit Committee Members Profile

The Audit Committee consists of three (3) members appointed by the Board of Directors for a period of three (3) years. All of the members are independent.

The following members of the Audit Committee were appointed during the Ordinary General Assembly meeting held on 16/11/1443H (corresponding to 16 June 2022) effective from 19 June 2022 for three years ending 18 June 2025. The Audit Committee has appointed its Chairman and Secretary during the meeting held on 22 June 2022.

| # | Name | Title |
|---|---|---|
| 1 | Mr. Fahad Ibrahim Al Khorayef | Chairman (Independent) |
| 2 | Mr. Turki Saud Al-Dayel | Member (Independent) |
| 3 | Mr. Wissam Moukahal | Member (Independent) |

The following is a brief overview of the members of the Audit Committee:

| Name | Education | Work Experience | Current Positions | Previous Positions |
|---|---|---|---|---|
| Mr. Fahad Ibrahim Al Khorayef | Bachelor's degree in Finance from King Saud University, KSA | Enterprise Risk Management<br>• Financial and Business advisory Services | • Enterprise Risk Management, Executive Director, Tourism Development Fund<br>• Member of the Board of Erteqa Financial Company<br>• Member of the Risk & Audit Committee of the Al Khorayef Group<br>• Chairman of the Board of Wathiqa Company | • CEO Financial & Business Advisory<br>• Senior Consultant, General Department of Insurance Control, Saudi Central Bank<br>• Rector Investment Advisor / General Manager, Princess Nourah University Chief Risk Officer at Maceen Capital<br>• Chief Risk Officer at Saudi Finance Company<br>• Export Finance Manager at Al Khorayef Group<br>• Manager at Samba Financial Group |
| Mr. Wissam Moukahal | • Bachelor's degree in Finance from Lebanese American University<br>• U.S. Certified Public Accountant (CPA) from the State of California<br>• Certified Fraud Examiner - ACFE – USA. | Financial, Accounting and Banking sectors | • Board Member - Halo Investing, UAE<br>• Chairman of Investment Committee & Member of Executive Committee, E20 Investment - UAE<br>• Member of the Board of Directors, Lucky Fish - Turkey<br>• Member of the Board Advisory Committee – Minum Energy, Brazil. | • Board Advisor - Classic Fashion Apparel Industry Ltd., Jordan<br>• Board Member - Peninsula Real Estate, UAE<br>• Audit Committee Member - Gulf Capital, UAE<br>• Board & Audit Committee Member – Anghami, UAE<br>• Board advisor and Risk Committee Member - Salama Takaful, UAE<br>• CEO - Bank of Sharjah, UAE<br>• Chairman - Macquarie Group MENA, UAE<br>• Partner – Deloitte ME, UAE<br>• External Audit Manager – Arthur Andersen |

| Name | Education | Work Experience | Current Positions | Previous Positions |
|---|---|---|---|---|
| Mr. Turki Saud Al-Dayel | • Bachelor of Finance - King Fahd University of Petroleum and Minerals.<br>• The Master of Business Administration (MBA) - University of Minnesota. | More than 16 years of experience in the field of investment banking. | Managing Director of Ninety One Company. | Head of Private Equity, Raidah Investment Company.<br>• Vice President, Saudi Fransi Capital<br>• Associate, Abraaj Capital (Private Equity)<br>• Manager, Riyadh Capital (Investment Bank)<br>• Analyst, JP Morgan (Investment Bank) |

### Audit Committee Meetings

During the year, the Committee held 15 meetings. The attendance of the committee members for these meetings was as follows:

| Meeting Date | Mr. Fahad Al Khorayef | Mr. Turki Al-Dayel | Mr. Wissam Moukahal |
|---|---|---|---|
| 11 Feb 2024 | Present | Present | Present |
| 13 Feb 2024 | Present | Present | Present |
| 10 Mar 2024 | Present | Present | Present |
| 20 Mar 2024 | Present | Present | Present |
| 25 Mar 2024 | Present | Present | Present |
| 3 May 2024 | Present | Present | Present |
| 14 May 2024 | Present | Present | Present |
| 6 Jun 2024 | Present | Present | Present |
| 4 Aug 2024 | Present | Present | Present |
| 22 Aug 2024 | Present | Present | Present |
| 16 Oct 2024 | Present | Present | Present |
| 30 Oct 2024 | Present | Present | Present |
| 7 Nov 2024 | Present | Present | Present |
| 27 Nov 2024 | Present | Present | Present |
| 26 Dec2024 | Present | Present | Present |

The main tasks accomplished during these meetings were as follows:

1. Reviewing the company's annual and quarterly financial statements and make recommendations to the Board of Directors for approval.
2. Following-up with management on the status of the preparation of financial statements in accordance with accounting and financial reporting standards.
3. Meeting with both the external and internal auditors of the company, and ensuring that the management has provided them with all the necessary data and information to perform their work.
4. Improving the corporate governance framework and internal control system.
5. Following-up with the Board of Directors and Executive Management to ensure the implementation of key issues such as:
   - Appointment of external auditors.
   - Key internal audit recommendations.
   - Company Risk Management System.
6. Encouraging management to promote compliance with policies, procedures, internal controls, risk management and governance.
7. Reviewing external auditor's reports and management letter.
8. Reviewing and approving the internal audit annual plan.
9. Monitoring and evaluating the performance of the internal audit function.
10. Reviewing internal audit reports and following up the implementation of major internal audit recommendations and risk management system.
11. Evaluation of tenders for the selection of external auditors in order to review the Company's quarterly financial statements for the second and third quarters of the financial year (FY) 2024, to audit the annual financial statements for the FY 2024, and to review the first quarter of FY 2025, and the Board recommended the selection and approval of their remuneration.

The Audit Committee confirms that there is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, and the Board accepted the recommendations of the Committee on the appointment of the external auditors of the company.

### b. Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to identify qualified candidates who are eligible for Board Membership. The Committee is also responsible for assisting the Board in establishing a proper governance system and drafting the necessary policies and procedures. The Committee's scope of work includes all duties designed to enable it to fulfill its functions, including:

- Identifying qualified candidates and nominating them to the Board of Directors.
- Conducting an annual review of Board Membership requirements, which shall include the candidates' capabilities, experience, and availability to fulfill their Board responsibilities.
- Reviewing the structure of the Board and proposing required changes to benefit the Company's interests.
- Determining the strengths and weaknesses of the Board and proposing required changes to benefit the Company's interests.
- Nominating candidates for the positions of Chief Executive Officer and Managing Director, as well as nominating committee members for approval by the Board of Directors or the General Assembly.
- Reviewing the approval policies and procedures for Board Membership prior to their adoption, through the General Assembly.
- Monitoring the independence of independent Board members and monitoring any conflicts of interest on an annual basis.
- Reviewing the preparatory materials and training courses destined to new Board Members.
- Establishing clear policies regarding the remuneration of managers and senior executives.
- Reviewing and proposing plans for the assumption of key executive functions.
- Reviewing and approving the Company's overall structure of rewards and privileges, which includes employment grades, structure of wages and privileges, as well as rewards and incentives associated with performance.
- Approving changes to the remuneration of the Chief Executive Officer and recommending changes to the remuneration of the Managing Director, as well as the directors and members of the various board committees.
- Approving extraordinary remuneration (signing or performance bonuses) for the Chief Executive Officer and senior executives.

The Nomination and Remuneration Committee consists of three (3) members appointed by the Company's Board of Directors for a period of three (3) years. During the year, the Committee held three meetings to which all members attended.

The Board shall take the necessary measures to enable the Committee to carry out its functions, including informing the Committee, without any restrictions, of all data, information, reports, records, correspondence, or other matters which the Committee deems necessary.

The following members were appointed to the Nomination and Remuneration Committee by the Board resolution by circulation on Wednesday corresponding to June 22, 2022

### Nomination and Remuneration Committee Members

| # | Name | Title |
|---|---|---|
| 1 | Mr. Johan Henri Brand | Chairman (Independent) |
| 2 | Eng. Kamel Badih Al Qalam | Member |
| 3 | Mr. Abdulmajid Abdullah Albasri | Member |

For a brief overview of the members of the Nomination and Remuneration Committee, please refer to the "Board of Directors Biographies" section above.

### Nomination and Remuneration Meetings

During the year, the Committee held three meetings. The attendance of the previous and current committee members for these meetings was as follows:

| Meeting Date | Mr. Johan Brand | Eng. Kamel Al qalam | Mr. Abdulmajid Albasri |
|---|---|---|---|
| 24- Mar-2024 | Present | Present | Present |
| 31- Oct-2024 | Present | Present | Present |
| 15- Dec-2024 | Present | Present | Present |

### 4. Board of Directors and COMMITTEES' Members Remuneration

### a-1) Current Board Members Remuneration from its appointment at 19-Jun-2022 until the end of the Fiscal Year on 31-Dec-2023 (In Saudi Riyal):

| | Fixed Benefits | | | | | | | Variable Benefits | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Certain amount | Attendance allowance for board Sessions | Total of Attendance allowance for board sessions | In-kind Benefits | Technical, administrative and consulting | reward of the chairman of the board, the managing | Grand total | percentage of profits | Periodic bonuses | Short - term incentive plans | Long - term incentive plans | Granted shares | Grand total | severance pay | Grand total | expenses allowance |
| **First: Independent Directors** | | | | | | | | | | | | | | | | |
| Dr. Abdulrahman Al Tuwaijri | 300,000 | 100,000 | - | - | - | - | 400,000 | - | - | - | - | - | - | - | 400,000 | - |
| Dr. Khalid Alsweilem | 300,000 | 100,000 | - | - | - | - | 400,000 | - | - | - | - | - | - | - | 400,000 | - |
| Mr. Turki AlDayel | 430,000 | 100,000 | 225,000 | - | - | - | 755,000 | - | - | - | - | - | - | - | 755,000 | - |
| Mr. Johan Brand | 400,000 | 100,000 | 45,000 | - | - | - | 545,000 | - | - | - | - | - | - | - | 545,000 | - |
| **First: Independent Directors** | | | | | | | | | | | | | | | | |
| Mr. Fawaz Al Hokair | 300,000 | 75,000 | - | - | - | - | 375,000 | - | - | - | - | - | - | - | 375,000 | - |
| Eng. Salman Al Hokair | 365,205 | 100,000 | 90,000 | - | - | - | 555,205 | - | - | - | - | - | - | - | 555,205 | - |
| Mr. Mohamad Mourad | 365,205 | 100,000 | 90,000 | - | - | - | 555,205 | - | - | - | - | - | - | - | 555,205 | - |
| Mr. Abdulmajid Albasri | 465,205 | 75,000 | 135,000 | - | - | - | 675,205 | - | - | - | - | - | - | - | 675,205 | - |
| **Third: Executive Directors** | | | | | | | | | | | | | | | | |
| Eng. Kamel Al Qalam | 465,205 | 100,000 | 135,000 | - | - | - | 700,205 | - | - | - | - | - | - | - | 700,205 | - |



### b. Board Committees Remuneration during the Financial Year ended on 31 December 2024 (Saudi Riyal):

| Name | Fixed Remuneration (Except for the Allowance for Attending Board Meetings) | Allowance for Attending Committee Meetings | Total |
|---|---|---|---|
| **Audit Committee** | | | |
| Mr. Fahad Al Khorayef | 130,000 | 225,000 | 355,000 |
| Mr. Turki Al-Dayel | 130,000 | 225,000 | 355,000 |
| Mr. Wissam Moukahal | 130,000 | 225,000 | 355,000 |
| **Total** | **390,000** | **675,000** | **1,065,000** |
| **Nomination and Remuneration Committee** | | | |
| Mr. Johan Brand | 100,000 | 45,000 | 45,0001 |
| Eng. Kamel Al Qalam | 100,000 | 45,000 | 145,000 |
| Mr. Abdulmajid Albasri | 100,000 | 45,000 | 145,000 |
| **Total** | **300,000** | **135,000** | **435,000** |

### 5. Senior Executives

#### a. Senior Executive Team

Cenomi Centers enjoys a highly qualified management team with decades of experience in the commercial real estate and retail industries.

#### Mrs. Alison Rehill-Erguven - Chief Executive Officer

- **Previous experience:** Before joining Cenomi Centers, Alison held the role of CEO for Pradera Retail Asia (PRA), a joint venture that was formed with Macquarie Bank's MIRA division, based in Shanghai, China, for 5 years. This JV was subsequently acquired in 2021 by Brookfield Asset Management, one of the world's largest alternative asset managers, where Alison led the transition of PRA into Brookfield and acted as Senior Advisor and Acting Head of Commercial Real Estate for Brookfield Properties in China where she was responsible for all commercial real estate assets including shopping malls, offices, and mixed-use developments. Before China, Alison spent several years in Turkey and Europe as Managing Director and Board Director for Pradera. Alison began her career in the USA with Simon Property Group and General Growth Properties.
- **Qualifications:**
- Master's degree in organizational leadership with honors from Colorado State University.
- Bachelor's degree in marketing and international Trade with honors from the Fashion Institute of Technology, State University of New York.
- **Experience:** Has more than 25 years of extensive shopping mall and retail real estate experience having been based in and managing some of the world's most prominent emerging markets across Asia, Europe, and Latin America. In addition, she has more than 10 years of experience working in the US market with global industry-leading companies, like General Growth Properties and Simon Property Group.

#### Mr. Jabri Maali - Chief Financial Officer

**Previous Positions:**

Before joining Cenomi Centers, he served in senior finance and external audit positions across various industries:

- Finance Manager, Planet Group (Dubai): Oversaw financial operations for a leading hospitality and tourism company in the UAE.
- Audit Manager, BDO Jordan: Led auditing and advisory services at a top public accounting, tax, and consulting firm.
- Finance Roles, Nuqul Group (Jordan): Held key financial positions at one of Jordan's largest and most prominent manufacturing conglomerates.

**Qualifications:**

Bachelor's degree in accounting and economics from the University of Jordan (1988–1992).

- **Experience:** Mr. Maali's career spans over three decades of extensive experience in financial management and leadership roles, including:
- Strategic financial planning and capital management (debt and equity financing)

- Budgeting, forecasting, and cash flow management
- Regulatory compliance for publicly listed companies, including CMA regulations
- Financial reporting and risk management
- Leadership of high-performing finance teams and stakeholder engagement

**Mr. Ghassan Abu Mutier – Chief Development & Delivery Officer**

- **Previous experience:** Before joining Cenomi Centres, He held the position of Group Executive Director of the supply chain (2012-2015). He worked for one of the largest companies in the region specializing in Developing Hotels, hospitality and shopping centers projects. He also served as an asset manager for the American Medical Clinic in partnership with GE.
- **Qualifications:**
- Bachelor of Science in Geology and Environmental Science - Yarmouk University Jordan
- Master of Business – University of Cumbria London.
- **Experience:** Over 28 years of expertise in project management, design, and real estate development, with a proven track record in delivering diverse projects such as shopping malls, high-rise towers, hotels, hospitals, educational institutions, and residential complexes.

**Mr. Turki Saleh Al Zahrani - Chief Corporate Services Officer**

- **Previous experience:** holds the position of Chief Corporate Services Officer, in addition to being a member of several committees both within and outside the company. Prior to joining Cenomi Centers, he held several leadership roles in the fields of human resources and administrative affairs. These include: the Director General of Human Resources at Géant Saudi Arabia, a leading Saudi company in the trading sector. He had also held the position of Director of Human Resources and Administration at Lynx Contracting Company and Echo Engineering Consultancy Company, both prominent Saudi companies operating in construction, real estate development, and engineering consultancy, and Director of Human Resources and Administration at Al-Othaim Holding Company, which operates in the commercial, real estate, and industrial sectors.
- **Qualifications:** Bachelor's degree in business administration.
- **Experience:** Over 20 years of experience in Human Resources and Administrative Management fields, and corporate services, he has achieved notable success in developing and implementing innovative strategies that directly enhanced operational efficiency and drove organizational objectives.

**Mr. Khalid Al Janahi – Chief Commercial Officer**

- **Previous positions:** Khalid held several positions in Real Estate Development and Financial advisory fields. Prior to joining Cenomi Centers Company, he worked as Director of Leasing at SHUROOQ (Investment and Development Authority of Sharjah), and before that he was the Manager of Retail Leasing at MERAAS Dubai. Khalid has also worked as a Consultant in the Financial Advisory in Ernst & Young, Bahrain and his professional career started in USA with leading Mexican automobile company "Gami USA" as operations manager covering USA market.
- **Qualifications:** Master's degree in business administration University of the Incarnate Word – Texas USA
- Bachelor's degree in finance – Texas USA University of Texas at San Antonio
- **Experience:** Worked in multiple Regional and Global markets with over 13 years of dealing with global organizations in Commercial Real Estate Development and Retail industries.

**Mr. Naji Fayad – Chief Internal Audit Officer**

- **Previous positions:** Prior to joining Cenomi, Mr Fayad spent 15 years in the finance and insurance sectors as the Director of Internal Audit, and later as the Chief Financial Officer and acting Chief Risk Officer. He also served 2 terms as a Board member and Audit Committee Chair of a Saudi Publicly listed company. His experience includes 10 years as the Audit Director at Deloitte and Touche in Montreal, Canada. He is currently a board member of the International Internal Audit Standards Board (IIASB) at IIA-Global, USA since 2019.
- **Qualifications:** MBA from the American University of Beirut; Postgraduate degree in Accounting from McGill University, Canada; he is also a Chartered Accountant and holds multiple professional and academic certifications.
- **Experience:** Over 26 years of experience in Finance, Internal Audit, Governance, Risk management and Compliance.

**Mr. Bruno Salim Wehbe- Chief Operating Officer**

- **Previous experience:** Before re-joining Cenomi Centers in November 2023, Bruno was Chief Strategy Officer for Cenomi Group (April 2022-November 2023) and Chief Portfolio & Asset Mgmt. Officer and IPO co-lead for Arabian Centres (2018-2020).

  Prior to his experience with Cenomi and Arabian Centers, Bruno spent 12+ years in top-tier consulting firms Booz Allen Hamilton where he led the firm's MENA Real Estate business, in addition to Strategy&/Booz & Company serving Vision 2030's local real estate agenda and the region's top Real Estate developers and asset managers.
- **Qualifications**
- MBA from Insead
- Master of Science from the London School of Economics
- Bachelor of Engineering in Computer and Communications from the American University of Beirut
- **Experience:** Bruno has 18 years of experience in Real Estate Asset Management, strategy, and top-tier real estate consulting with a core understanding of the Saudi market and Vision 2030.

**Mr. Dennis Michael (Chief Business Development Officer)**

- **Previous positions:** Prior to Cenomi Centers, Dennis introduced the Commercialization business at Diriyah Gate Company Limited (DGCL) where he was responsible for establishing an insight led commercial strategy, contributing to feasibility income as part of the development lifecycle, as well as managing the always on operational requirements related to driving income.

  Before relocating from Australia to the Kingdom of Saudi Arabia, Dennis led a multi-faceted team at Queensland Investment Corporation Global Real Estate (QICGRE) successfully supporting its partners and investors deliver strategic focus while achieving sustainable commercial growth within its retail and mixed-use asset portfolio. There he built and maintained insight led solutions that demonstrated significant ROI returns across omni-channel retail, marketing, out-of-home media, experience/entertainment, leasing, digital solutions, utility on-sell and eCommerce.

  Prior to QICGRE, Dennis gained over a decade of experience as a senior leader at media giant News Corp. In his last role, he was leading the commercial strategy division across its stable of iconic brands in digital, print, content and experience platforms such as Vogue, Vogue Living, GQ and delicious. His clients included LVMH, Audi, Range Rover, Chanel, Dior, Estée Lauder Group, David Jones and Samsung.
- **Qualifications:**
- Bachelor Arts Media & Communications, University of Western Sydney, Australia
- Harvard Business School – Competing in the World of Digital Platforms
- 2019 Frank Lowy Fellowship Recipient
- **Experience:** With over 20 years' experience in developing, executing and maintaining diversified commercialization and leasing strategies within the media, property development and asset management industries. Recognized as a thought leader with a proven record of maximizing cross-functional teams' excellence and driving collaborative, entrepreneurial, and accountable workplace cultures.

**Mr. Sami Itani – Chief Strategy Officer**

- **Previous positions:** Before joining Cenomi Centers, Sami held the role of Vice President of Business Operations at Cenomi Group, where he led business planning, performance management, and operational excellence topics across the Group. Sami previously spent nine years at Google, where he drove the adoption of Google advertising solutions among MENA's top brands and led sales strategy across Google's EMEA SMB business. In addition to his Cenomi and Google experience, Sami has also worked at McKinsey & Company and Saudi Aramco.
- **Qualifications: -**
- MBA with Distinction from London Business School.
- Bachelor's degree in economics from the University of Texas at Austin.
- **Experience:** Sami is a strategy, operations, and sales leader with over 18 combined years of experience at Cenomi, Google, McKinsey, and Saudi Aramco. He has worked extensively across KSA and MENA, as well as the broader EMEA region.

**Mr. Binoo Joseph - Chief Digital Officer**

- **Previous positions:** Group CIO – Emaar Properties PJSC – Responsible for Real Estate, Malls, Hospitality, Entertainment, Retail and Ecommerce

  Group CIO - Damac Properties – Responsible for Real Estate, Retail and Ecommerce

  CTO – Tesco Digital Ventures and multiple senior positions in Tesco PLC ( Ecommerce and Omnichannel Retail)

  Practice Manager – Wipro
- **Qualifications:** Bachelor of Technology in Engineering, Master of Business Administration
- **Experience:** 24 years of experience across various technology positions and his career spans a diverse range of geographies, including India, the UK, US, Europe, China, Singapore, and the Middle East. Binoo has extensive experience in spearheading large-scale digital transformation programs for top companies in the retail, real estate, hospitality, and technology industries including CIO/CTO positions at Tesco, Damac Properties and Emaar Properties.

### b. Senior Executives Remuneration*

The below table details the total remuneration paid to the top five senior executives (including the CEO and CFO), of which are not board members, during the financial year ended 31 December 2024 (In Saudi Riyals):

| | | |
|---|---|---|
| Fixed | Salaries | 14,833,488 |
| | Allowances | 640,000 |
| | In-kind Benefits | |
| | **Total** | **15,473,488** |
| Variable | Periodic remuneration | |
| | Profits | |
| | Short-term incentive plans | |
| | Long-term incentive plans | |
| | Granted Shares (Value) | |
| | **Total** | |
| | End of Service Benefits | |
| | Other Benefits | |
| | **Grand Total** | **15,473,488** |

* The Company is committed to disclose total remuneration of the Senior Executive Management in accordance with the requirements of Article 90 (4-b) of the Corporate Governance Rules. To protect the interests of the Company, its shareholders, and its employees, and to avoid any damage that may result from the disclosure in details as per job titles and positions, hence description of remuneration is not presented pursuant to Appendix (1) Remuneration Schedule of Corporate Governance Rules related to Senior Executives.

### c. Description of any Interest of the Senior Executives and their Relatives in Shares or Debt Instruments of the Company:

| No. | Name | Shares at Beginning of Year | Shares at End of Year | Change | % Change |
|---|---|---|---|---|---|
| 1 | Mrs. Alison Rehill-Ergusven (CEO) | - | - | - | - |
| 2 | Mr. Jabri Maali (Chief Financial Officer ) | 29,500 | 10,000 | 19,500 | -66.1% |
| 3 | Mr. Ghassan Abu Mutair (Chief Development & Delivery Officer) | - | - | - | - |
| 4 | Mr. Turki Al Zahrani (Chief Corporate Services Officer) | - | - | - | - |
| 5 | Mr. Khalid Al Janahi (Chief Commercial Officer) | | | | |
| 6 | Mr. Naji Fayad (Chief Internal Audit Officer) | - | - | - | - |
| 7 | Mr. Bruno Salim Wehbe (Chief Operating Officer) | - | - | - | - |
| 8 | Mr. Dennis Michael (Chief Business Development Officer) | - | - | - | - |
| 9 | Mr. Sami Mohamad Itani (Chief Strategy Officer ) | - | - | - | - |
| 10 | Mr. Binoo Joseph (Chief Digital Officer) | - | - | - | - |

**Declarations:**

1) There is no interest of the senior executives' relatives in the shares of the Company.

2) There is no interest of the senior executives and their relatives in the debt instruments of the Company.

## 6. Waived Remuneration and Compliance

a. The company did not receive any notification that any of the Company directors, senior executives or shareholders have waived any remuneration/dividends.

b. The remuneration is paid to the members of the Board of Directors, the members of the board committees and senior executives, that is shown in the related tables in this report, in accordance with the "Remuneration Policy for Board of Directors, Committees and Executive Management" approved by the Shareholders General Assembly on 30 September 2020 and based on the recommendation of the Nomination and Remuneration Committee. Knowing that there was no deviation in the remuneration payment from the policy.

## 7. Annual Review of Internal Controls Effectiveness

The internal control system has an important role to play in the success of any organization. The Company is committed to ensuring an effective internal control system to achieve regulatory objectives, asset protection, accurate internal and external reporting, risk reduction and adherence to regulatory requirements.

The Internal Audit Department carries out its functions according to the audit regulations adopted by the Company's Board of Directors. The Internal Audit Department provides independent objective services to assist the Board of Directors, the Audit Committee, and the Executive Management in discharging their responsibilities. The Internal Audit Department is not subject to any influence from the Executive Management and has full powers and unrestricted access to all documents and personnel required for the performance of its work. In carrying out its work, the Internal Audit Department adopted a systematic approach to evaluate and improve internal control effectiveness to achieve the Company's objectives and protect its assets.

The scope of work of the Internal Audit Department included examining the adequacy and effectiveness of the internal control system of the Company to verify whether the Company's internal systems, in particular the financial and administrative regulations and policies and the Corporate Governance frameworks approved by the Board of Directors, General Assembly and legislative and regulatory controls, ensure the achievement of the objectives of the Company.

The scope of internal audit management included:

- Audit and periodic examination of the Company's departments, giving priority to internal activities and jobs depending on the degree of risk.
- Informing officials in the various departments whose work has been examined of the observations revealed during the examination process as well as recommendations raised to management to address these observations.
- Evaluation of the procedures provided by executives in different departments to address the observations and implement the recommendations contained in the audit reports.

The Audit Committee studied and followed up with the implementation of the approved audit plan with the Internal Audit Department as well as following up with the implementation of the recommendations contained in the internal audit reports. The Company has taken positive steps to strengthen its internal control system, maintain the Company's assets and provide reasonable assurance about the integrity of financial reports prepared from accounting records. The Internal Audit Department of the Company examines the internal control system on an ongoing basis to ensure its efficiency and effectiveness and carries out financial and operational reviews to evaluate the Company's business.

The internal control system of the Company includes those policies and procedures which:

- Relate to maintaining records in such a way as to ensure the availability of detailed and accurate information and reflect substantially the fact of transactions and disposals in the assets of the Company.
- Provide reasonable assurance that the registration of transactions allows the preparation of financial statements in accordance with the accepted accounting standards in Saudi Arabia issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- Provide reasonable assurance as to the timely prevention or disclosure of unauthorized purchase, use or disposition of the Company's assets that could have a material impact on the financial statements.

The Audit Committee oversees the Internal Audit work, which periodically reviews the adequacy and effectiveness of the internal control system, to provide a continuous assessment of the internal control system and its effectiveness. The Committee also reviews the External Auditor's reports and management letter, when applicable, which might include any lack of internal control noted by the External Auditor as part of its internal controls' assessment. This comes within the objectives of the Board of Directors to obtain reasonable assurance about the soundness of the design and effectiveness of the performance of the Company's internal control system.

Based on the above, the Audit Committee believes that the internal control system within the Company is appropriately designed and effectively serves organizational objectives, operational efficiency, financial reporting reliability and regulatory compliance. No material deficiency or material weakness was found, although some improvements are needed and were communicated to the management, which is actively working on enhancing the controls based on audit recommendations.

It is worth noting that all Audit Committee recommendations are consistent with the decisions of the Board of Directors.

## 8. Subsidiaries and affiliates

| Name of Subsidiary* | Capital (SAR) | Nature of Business | Ownership | |
|---|---|---|---|---|
| | | | Direct | Indirect |
| Al Bawarij International for Development & Real Estate Investment Company | 500,000 | Real Estate | 95% | 5% |
| Al Makarem International for Real Estate Development Company | 500,000 | Real Estate | 95% | 5% |
| Oyoun Al Raed Mall Trading | 100,000 | Real Estate | 95% | 5% |
| Oyoun Al Basateen Company for Trading | 100,000 | Real Estate | 95% | 5% |
| Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin Al Hokair and Company | 500,000 | Real Estate | 50% | - |
| Yarmouk Mall Company Limited | 500,000 | Real Estate | 95% | 5% |
| Mall of Arabia Company Limited | 500,000 | Real Estate | 95% | 5% |
| Dhahran Mall Trading Company Limited | 500,000 | Real Estate | 95% | 5% |
| Al Noor Mall Trading Company Limited | 500,000 | Real Estate | 95% | 5% |
| Al Yasmeen Mall Trading Company | 100,000 | Real Estate | 95% | 5% |
| Al Hamra Mall Trading Company | 100,000 | Real Estate | 95% | 5% |
| Al Erth Al Rasekh Trading Company | 100,000 | Real Estate | 95% | 5% |
| Al Erth Almatin Trading Company Limited (iii) | 100,000 | Real Estate | 95% | 5% |
| Aziz Mall Trading Company Limited (iii) | 100,000 | Real Estate | 95% | 5% |
| Arkan Salam for Real Estate and Contracting Company Limited (iii) | 100,000 | Real Estate | 95% | 5% |
| Al Malaz Mall Trading Company Limited (iii) | 100,000 | Real Estate | 95% | 5% |
| Derayah Destination Arabia Diversified Fund | - | Real Estate | 100% | - |
| Riyad Real Estate Development Fund – Jawharat AlRiyadh (i) | - | Real Estate | 100% | - |
| Riyad Real Estate Development Fund – Jawharat Jeddah (ii) | - | Real Estate | 100% | - |

All subsidiaries are limited liability companies incorporated in KSA.

(i) The Group invested in private real estate fund named Riyad Real Estate Development Fund – Jawharat AlRiyadh. The Group signed an agreement with Riyad Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of SR 2,796 million.

(ii) The Group invested in a private real estate fund named Riyad Real Estate Development Fund – Jawharat Jeddah. The Group signed an agreement with Riyad Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of SR 1,568 million.

(iii) During the year, the Group acquired 100% equity interests in subsidiaries through common shareholding. The acquisition was executed without any consideration, as the transfer of ownership resulted from the common control of the entities involved.

## 9. Shares and debt instruments issued by subsidiaries

During the year ended 31 December 2024, the Company issued Shari'ah compliant Sukuk amounting to USD 710 million (equivalent SR 2,662.5 million), maturing in 2029 with annual yield of 9.5% payable semi-annually. The proceeds from the issuance have been used to refinance the Company's 2019 Sukuk. Sukuk Certificates are subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate. During the year ended 31 December 2024, the Sukuk issued in 2019 has been early redeemed.

On 7 April 2021, Arabian Centres Sukuk II Limited (a special purpose company owned by Cenomi Centers established for the purpose of issuing Sukuk) completed the issuance of a 5.5 International USD denominated Shari'ah compliant Sukuk "Sukuk II Certificates" amounting to USD 650 million (equivalent SR 2,437.5 million), at a par value of USD 0.2 million each, annual yield of 5.625% payable semi-annually. On 28 July 2021, the Company issued additional Sukuk II certificates amounting to USD 225 million (equivalent SR 843.75 million), at a premium of 4.75%. Sukuk Certificates may be subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate.

Those issuances came in line with Cenomi Centers' financial strategy of transitioning from a fully secured capital structure towards unsecured financing.

## 10. Interests and contractual rights for bod members, executives and relatives in shares and debt instruments

There are no interests, contractual securities or rights issues with the Board Members, senior executives and their spouses and minor children on shares or debt instruments of the company or its affiliates (other than those mentioned in sections "Board of Directors" and "Senior Executives" in this report).

## 11. Related parties transactions

The Company relies upon a number of important relationships with various related parties such as tenants and suppliers of construction and other services, which are material to conducting business. In view of the significance of these relationships and to reflect the conflict-of-interest provisions contained in the Corporate Governance Regulations and the Companies' Law, the Company adopted a Related Party Transactions Policy on 06/01/1440H (corresponding to 16/09/2018) (amended on December 7, 2023, and approved by the Board of Directors) to ensure that these relationships are conducted on an arm's length basis and on normal commercial terms. The Board believes that this policy will not only assist the Company in fully complying with its legal obligations with respect to related party transactions, but will promote best practices standards of corporate governance and transparency in the way that it conducts its business.

The Related Party Transactions Policy requires that management conduct a review of its list of related party relationships on a periodic basis, and that all related party transactions be subject to a process of internal review involving management, the Company's internal audit function, the Audit Committee, and the Board (with only "non-interested directors" being entitled to vote, being directors who do not have an interest in the relevant transaction). This happens before being recommended for approval by a majority of the non-interested shareholders at a General Assembly of the Company. Non-interested shareholders are those through which no director has an interest in the relevant transaction. Pursuant to the Companies' Law and the Corporate Governance Regulations, shareholders through which a director has an interest in the relevant related party transaction are not permitted to vote on the resolution for the approval of such transaction.

The Related Party Transactions Policy contemplates that the Company will enter into "framework agreements" to govern relationships with certain related parties which are material to conducting Company business. The framework agreements are intended to set forth a broad framework for the related parties' relationship, to ensure that transactions entered into between the Company and the Related Party are conducted on an arm's length basis. Framework agreements will not be entered into with related parties, where the related party transactions involved are more likely to be less material, low value and/or conducted on an ad hoc basis. Nevertheless, all related party transactions, whether conducted pursuant to a framework agreement or not, will be subject to the review and approval procedures described above.

Related Party transactions are regulated by relevant Saudi laws and regulations regarding the entering into of such transactions.

## Summary of Transactions with Related Parties

A summary of the related parties with whom the Company conducts business together with a description of the relationship, and a confirmation of whether a framework agreement will be entered into, is set out below:

| Entity | Nature of Transactions with the Company | Aggregate Value of Dealings as of 31 December 2024 | Nature of Related Party Relationship |
|---|---|---|---|
| Fawaz Abdulaziz Al Hokair Company and its subsidiaries (i) | Fawaz Abdulaziz Al Hokair Company is one of the Group's Key Account Tenants and leases stores in various of the Company's malls. | 265,483,372 | Fawaz Abdulaziz Alhokair and Salman Abdulaziz Alhokair, as directors of the Company, are indirect controlling shareholders. |
| Saudi FAS Holding Company (ii) | Renting of office space and other business support activities. | 2,443,104 | Fawaz Abdulaziz Alhokair and Salman Abdulaziz Alhokair, as directors of the Company, are direct controlling shareholders. |
| Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries (iii) | Abdul Mohsin Al Hokair Group for Tourism and Development leases space for indoor and outdoor family entertainment centres in the Group's shopping malls. These leases range from 5 to 10 years in length. Abdul Mohsin Al Hokair and Tourism and Development is owned by a relative of the Controlling Shareholders. | 28,277,473 | Owned by a relative of the controlling shareholders. |
| Lynx Contracting Company (formerly known as Fawaz Abdulaziz Al Hokair & Partners Real Estate Company) (iv) | Currently, the Company exclusively relies on FARE for the construction of its shopping malls. | 1,569,817,430 | Fawaz Abdulaziz Alhokair and Salman Abdulaziz Alhokair, as directors of the Company, are indirect controlling shareholders. |
| Tadaris Al Najd Security Company (v) | TNS provides security services to all of the Company's shopping malls. | (55,432,947) | Salman Abdulaziz Alhokair, as a director of the Company, is the direct sole shareholder. |
| Majd Al Amal Co. Limited and its associates (vi) | Leases spaces in several of the Company's shopping malls. The term of the leases range from 3 to 7 years. | 14,849,613 | Owned by relatives of the controlling shareholders. |
| Salman & Sons Holding Co and its associates (vii) | Leases spaces in several of the Company's shopping malls mainly for entertainment purposes. | 41,566,297 | Owned by relatives of the controlling shareholders. |
| Ezdihar Holding Co and its subsidiaries (viii) | Leases spaces in several of the Company's shopping malls mainly for trading purposes. | 26,335,159 | Owned by relatives of the controlling shareholders. |
| Others (ix) | | (4,468,467) | |

(i) Fawaz Abdulaziz Al Hokair Company, a subsidiary of the Company's Ultimate Parent Saudi FAS Holding Company, is one of the Group's Key Account Tenants and leases stores in various of the Company's malls. The Company is party to a framework agreement with Fawaz Abdulaziz Al Hokair Company which aims to ensure that all tenancy leases between the parties for all of the Company's malls are conducted on a basis which are approved by the management and Board of Directors.

(ii) Saudi FAS Holding Company is the ultimate parent of the Company via assignment of shares by the Company's immediate parent company (FAS Real Estate Company Limited). The Company has various transactions with its Ultimate Parent in relation to ongoing business support activities provided by the Ultimate Parent Company.

(iii) Abdul Mohsin Al Hokair Group for Tourism and Development leases space for indoor and outdoor family entertainment centres in the Group's shopping malls. These leases range from 5 to 10 years in length. Abdul Mohsin Al Hokair and Tourism and Development is owned by a relative of the Controlling Shareholders.

(iv) Lynx Contracting Company is a related party being controlled by the controlling shareholders of the Group. With the consent of the Shareholders, Group has signed a framework agreement with Lynx Contracting Company for the construction of projects and has engaged the company for design and construction services for all of its current Projects under Construction. Business relationships with Lynx are at arms' length and contract are only entered with Lynx after due tendering processes and cost verifications from third parties

(v) Tadaris Alnajd Security Company (TNS) currently provides security services to all of the Group's shopping malls. The entity is owned by the controlling shareholder (Salman Abdulaziz Alhokair) and his close family members. The Company entered into a civil security services agreement with TNS for the provision of civil security services in the malls, which includes the provision of security guards and other security personnel and security vehicles. The agreement is automatically renewable by mutual consent.

(vi) Majd Al Amal Co. Limited and its associates is a mix of entities which leases spaces in several of the Company's shopping malls. The term of the leases range from 3 to 7 years. The Company is owned by close family members of the Controlling Shareholders. Entities includes Majd Al Amal Co. limited, Wealth Company Limited, Almuzn Foods and Saraya Al Majd Co.

(vii) Salman & Sons Holding Co. and its associates is a mix of entities which leases spaces in several of the Group's shopping malls mainly for entertainment purposes. These entities are owned by the controlling shareholder (Salman Abdulaziz Alhokair) and their close family members. Salman & Sons Holding Co and its associates includes:

- Sala Entertainment Company leases space for an indoor soft play entertainment venue in the Company's shopping malls. The leases are for a term of 10 years.
- Kids Space Company leases space in the Mall of Arabia (Jeddah) for 'Kidzania', a children's interactive play centre. The term of the lease is ten years, with renewal unless one party gives notice. The lease contains turnover rent provisions and rent escalation mechanics.
- Via Media, Vida first for beverages Est., Vida Trading Est. and Fashion District Co. leases spaces in several of the Group's shopping malls. The term of the leases range from 1 to 3 years.

(viii) Ezdihar Holding Co and its subsidiaries is a mix of entities which leases spaces in several of the Group's shopping malls mainly for trading purposes. These entities are owned by close family members of the Controlling Shareholder (Fawaz Abdulaziz Alhokair) and their close family members. These are as follows:

- Next Generation Company Limited currently leases cinemas and space planned for cinemas in the Company's shopping malls. The term of the lease range is approximately 10 years.
- Ezdihar Sports Co. leases space for fitness centers in U-Walk. The term of the lease range is approximately 10 years.

(ix) Others mainly include transactions with Etqan Facilities Management, DAAM Support Maintenance& Cleaning Company, FAS Energy, Cenomi E-commerce, Business Flower, Medical Health Development Company, Echo Design Consultant, Fahad Abdulaziz Al Hokier Trading EST, FAS Technologist Trading Company, and Nail Place Trading Est. These entities are owned by close family members of the Controlling Shareholder (Fawaz Abdulaziz Alhokair) and their close family members.

The following transactions took place with the board of director members (as disclosed in notes to F/S for the year ended on 31 December 2024):

| Description | SAR |
|---|---|
| Board of Directors expenses | 5,826,025 |

**Summary of Account Balances with Related Parties:**

| Entity | Balances as of 31 December 2023 |
|---|---|
| Saudi FAS Holding Company | 6,447,086 |
| Fawaz Abdulaziz Al Hokair Company and its subsidiaries | 487,541,807 |
| Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries | 34,876,385 |
| Lynx Contracting Company (formerly known as Fawaz Abdulaziz Al Hokair & Partners Real Estate Company) | 905,103,726 |
| Tadaris Al Najd Security Company | 8,950,560 |
| Majd Al Amal Co. Limited and its associates | 28,376,076 |
| Salman & Sons Holding Co and its associates | 72,774,205 |
| Ezdihar Holding Co and its subsidiaries | 107,539,059 |
| Others, net | 25,376,699 |

## 12. Conflict of Interest

Neither the Company's bylaws nor any of the Company's internal regulations and policies grant any director the power to vote on any contract or proposal in which he has a direct or indirect interest, in accordance with Article 71 of the Companies' Law which states that a Member of the Board of Directors should not have any interest, whether directly or indirectly, in the transactions or contracts made for the account of the company, except with an authorization from the Ordinary General Assembly.

Pursuant to Article 71 of the Companies' Law, a member must inform the Board of Directors of any interest he may have in the transactions or contracts made for the account of the Company. The Chairman of the Board of Directors shall inform the Ordinary General Assembly, when it convenes, of the transactions and contracts in which any member has an interest. Such communication shall be accompanied by a special report from the auditor. Such declaration must be recorded in the minutes of the Board meeting, and the interested member shall not participate in voting on the resolution to be adopted in this respect.

Based on the foregoing, the directors undertake to comply with the following:

- Complying with the provisions of Articles 71, 72, 73, 74 and 75 of the Companies' Law and Articles 42, 43 and 44 of the Corporate Governance Regulations.
- Refraining from voting on General Assembly resolutions pertaining to contracts entered into with the Company where the director has a direct or indirect interest in such contract.
- Avoiding participating in any business that competes with that of the Company, unless such member has authorization from the Ordinary General Assembly.
- All related party transactions will be made on an arm's length basis in accordance with the terms of the Related Party Transactions Policy.

As of the date hereof, none of the members of the Board of Directors, senior executives or current shareholders are party to any agreement, arrangement or understanding under which they are subject to any non-compete or similar obligation with respect to the business of the Company.

## 13. Borrowings

### Facility 1

During the year ended 31 December 2024, The Group has entered into various long-term Islamic facilities amounting to SR 4.2 billion (equivalent USD 1,120 million), with an additional accordion for SR 1.05 billion, with a syndicate of banks (local and international banks). The facilities include two term Murabha tranches (maturing in 12 years) and revolving Murabha facility (maturing in 5 years). These term Murabaha facilities are fully utilized and revolving Murabaha facility is fully utilized as at reporting date. The Group has early repaid the existing long-term Islamic facilities outstanding as of 31 December 2023.

The long-term loan is repayable in unequal quarterly instalments and is subject to commission rates based on SIBOR/SOFR plus an agreed commission rate. The pricing applicable to the facilities are linked to sustainability targets i.e. reducing carbon emissions, increasing grid connectivity, and enhancing female representation in leadership roles.

The facilities are secured by a security over land and buildings of several malls with carrying amount of **SR 7.9 billion.**

### Facility 2

During the year ended 31 December 2024, the Group has drawn-down SR 521 million (31 December 2023: SR 508 million) from the facilities. The facility is non-recourse to the Company.

During the year ended 31 December 2024, a subsidiary of the Group has entered into a long-term facility arrangement amounting to SR 350 million from the National Development Fund (NDF). The facility is non-recourse to the Company.

During the year ended 31 December 2023, a subsidiary of the Group has entered into a long-term Islamic facility arrangement amounting to SR 1,000 million with a local bank. The facility is non-recourse to the Company.

During the year ended 31 December 2022, a subsidiary of the Group has entered into a long-term Islamic facility arrangement amounting to SR 800 million with a local bank. The long-term loan is repayable in unequal semi-annual instalments and is subject to commission rates based on SIBOR plus an agreed commission rate. The facilities are secured by Lands.

The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained.

The loans and borrowings facility 1 & 2 contain certain covenants. These covenants include maintaining a cash flow cover, profit cover, gearing ratio and tangible net worth in accordance with the terms of the respective agreements. The covenants are monitored by the management. As at 31 December 2024, there has not been any non-compliance observed for any of the covenants and the Group is expecting to meet the future covenants as well.

### Sukuks

During the year ended 31 December 2024, the Company issued Shari'ah compliant Sukuk amounting to USD 710 million (equivalent SR 2,662.5 million), maturing in 2029 with annual yield of 9.5% payable semi-annually. The proceeds from the issuance have been used to refinance the Company's 2019 Sukuk. Sukuk Certificates are subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate. During the year ended 31 December 2024, the Sukuk issued in 2019 has been early redeemed.

On 7 April 2021, Arabian Centres Sukuk II Limited (a special purpose company established for the purpose of issuing Sukuk) issued a Five and half year International USD denominated Shari'ah compliant Sukuk "Sukuk II Certificates" amounting to USD 650 million (equivalent SR 2,437.5 million), at a par value of USD 0.2 million each, annual yield of 5.625% payable semi-annually. On 28 July 2021, the Company issued additional Sukuk II certificates amounting to USD 225 million (equivalent SR 843.75 million), at a premium of 4.75%. Sukuk Certificates may be subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate.

Company as per specified conditions mentioned in the Sukuk Certificate.

The below table details the borrowing details of the Company during FY2024:

| Borrowing type | Balance at 1 January 2024 | Period | Net drawdown / (repayments) during year | Balance at 31-Dec-2024 | Maturity date |
|---|---|---|---|---|---|
| Long-term Islamic facility- Facility 1 | 3,327,471,876 | 3 to 12 years | 1,922,528,045 | 5,249,999,921 | 2036 |
| Long-term Islamic facility- Facility 2 | 571,659,696 | 12 Years | 521,087,650 | 1,092,747,346 | 2032 |
| Sukuk I | 1,874,950,000 | 5 years | (1,874,950,000) | -- | 2024 |
| Sukuk II | 3,281,250,000 | 5.5 years | - | 3,281,250,000 | 2026 |
| Sukuk III | -- | | **2,662,500,000** | **2,662,500,000** | **2029** |
| Total | 9,055,331,572 | | **535,745,410** | **12,286,497,267** | |

* The above long-term Islamic facility has been lent by number of local and international banks, led by Saudi National Bank (SNB).

## 14. Outstanding statutory payments

| Government Party | Actual Payments for the Fiscal Year ended on 31 December | | Accruals for the Fiscal Year ended session 31 December | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Zakat and Value Added Tax (VAT) | 271,261,032 | 117,314,101 | 119,412,061 | 82,322,997 |
| GOSI | 13,647,643 | 9,330,611 | 1,475,922 | 1,694,822 |
| Passports and visas | 110,396 | 32,589 | - | - |
| Baldiya | 5,819,871 | 376,272 | - | - |
| Chamber of Commerce | 15,330 | 52,465 | - | - |
| **Total** | **290,854,272** | **127,106,038** | **120,887,983** | **84,017,819** |

## 15. Zakat, taxes and fees

### Status of Zakat Assessments

The Company has submitted the zakat return up to the year ended 31 December 2023 and obtained the provisional zakat certificate. The zakat certificate is valid until 30 April 2025. Until the year ended 31 March 2019, the Ultimate Parent Company prepared and submitted combined zakat returns for the Ultimate Parent Company and its wholly owned subsidiaries, including Cenomi Centers, to Zakat, Tax and Customs Authority as per Zakat, Tax and Customs Authority letter. The ultimate parent Company has received final assessment order for zakat until the year 31 March 2016.

### Movements in Zakat Provision During the Year

The movement in the provision for zakat is as follows:

| Item | 31 December 2024 (Saudi Riyal) | 31 December 2023 (Saudi Riyal) |
|---|---|---|
| Balance at beginning of the year | **68,384,195** | **51,221,357** |
| Provision for the year | **44,000,000** | **40,473,225** |
| | **112,384,195** | **91,694,582** |
| Transferred to Ultimate Parent Company | -- | -- |
| Paid during the year | (36,019,288) | (23,310,387) |
| **Balance at end of the year** | **76,364,907** | **68,384,195** |

## 16. Dividends

### A) Dividends Distribution Policy

Article 43 of the bylaws Articles of Association stipulates that the company's annual net profits shall be distributed as follows:

1. A certain percentage of the net profits may be set aside to form a reserve, which is allocated for purposes proposed by the Board of Directors and approved by the Company's General Assembly.
2. The Ordinary General Assembly, when determining the share of the stock in the net profits, may decide to form additional reserves, to the extent that it serves the interests of the company or ensures the distribution of fixed dividends as much as possible to the shareholders. The mentioned assembly may also deduct amounts from the net profits to achieve social purposes for the Company's employees.
3. The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting any reserves, if applicable, based on the recommendation of the Board of Directors.
4. Company may also distribute interim profits on a semi-annual or quarterly basis in accordance with the regulations issued by the competent authorities, based on a delegation from the Ordinary General Assembly to the Board of Directors to distribute interim profits

### Article 44 of the bylaws: Entitlement of Dividends:

The shareholder is entitled to their share of dividends in accordance with the decision of the General Assembly in this regard. The decision must specify the entitlement date and the distribution date. The right to the dividends belongs to the shareholders whose names are recorded in the Company's shareholder register at the end of the entitlement date. The Board of Directors must execute the General Assembly's decision regarding the distribution of dividends to the shareholders within (15) fifteen days from the date of entitlement as specified in the assembly's decision.

The Board of Directors approved on Monday, March 25, 2024, the company's profit distribution policy starting from the second quarter of 2024. The policy involves distributing 0.375 SAR per share each quarter for a year. This policy is based on maintaining a minimum distribution per share on a quarterly basis. The company will consider paying additional distributions, which will be subject to the Board of Directors' recommendation to the General Assembly, after assessing the company's financial situation, future expectations, and capital requirements. It is likely that quarterly dividend distributions may vary depending on the company's performance.

It is important to note that the dividend distribution policy is subject to change based on the following:

1. Any significant changes in the company's strategy and operations (including the business environment in which the company operates).
2. Laws, regulations, legislation, and controls governing the sector to which the company is subject.
3. Any obligations or commitments to banking or financing institutions or to meet the requirements of credit rating agencies that may be imposed on the company from time to time.

B) Dividends Distribution for the periods of the financial year 2024(From 01-Jan-2024 to 31-Dec-2024):

| Distribution Period | Distribution Date | Amount Per Share (SAR) | Total Distribution Amount (SAR Mn) | Period Net Income (SAR Mn) | % Of Distribution to Net Income |
|---|---|---|---|---|---|
| Second half of 2023 | 16/04/2024 | 0.750 SAR | 356.25 | 775.9 | 46% |
| First Quarter | 18/07/2024 | 0.375 SAR | 178.13 | 185.6 | 96% |
| Second Quarter | 21/11/2024 | 0.375 SAR | 178.13 | 353.8 | 50% |

## 17. Investments and Reserves Made to the Benefit of Employees

There are no investments or reserves created for the benefit of employees other than those determined according to the labor system in the Kingdom.

## 18. Fines and Penalties

* The Water and Electricity Regulatory Authority – Violation of the provisions of the Electricity Law due to the company signing electricity purchase contracts for energy produced from solar power without obtaining a permit from the Authority. The fine amount is 160,000.00 SAR (One hundred sixty thousand Saudi Riyals).

## 19. Shareholders Register Applications

The below table summarizes the number and dates of Shareholders Register applications requested by the Company and the reasons for that during the short fiscal year ended on 31 December 2024:

| No. | Date | Reason |
|---|---|---|
| 1 | 09/01/2024 | Shareholders General Assembly |
| 2 | 31/01/2024 | Company's procedures |
| 3 | 25/02/2024 | Company's procedures |
| 4 | 27/02/2024 | Company's procedures |
| 5 | 04/03/2024 | Company's procedures |
| 6 | 14/03/2024 | Company's procedures |
| 7 | 31/12/2023 | Other |
| 8 | 25/03/2024 | Company's procedures |
| 9 | 31/03/2024 | Company's procedures |
| 10 | 03/04/2024 | Dividend Distribution |
| 11 | 31/05/2024 | Company's procedures |
| 12 | 30/06/2024 | Shareholders General Assembly |
| 13 | 02/07/2024 | Dividend Distribution |
| 14 | 30/09/2024 | Company's procedures |
| 15 | 06/10/2024 | Company's procedures |
| 16 | 29/08/2024 | Company's procedures |
| 17 | 20/10/2024 | Company's procedures |
| 18 | 20/10/2024 | Company's procedures |
| 19 | 03/11/2024 | Company's procedures |
| 20 | 14/11/2024 | Dividend Distribution |
| 21 | 11/12/2024 | Shareholders General Assembly |
| 22 | 31/12/2023 | Other |
| 23 | 31/12/2022 | Other |
| 24 | 31/12/2024 | Company's procedures |

## 20. Major Shareholders List

Below are the major shareholders list of the Company, and movements during the fiscal year 2024, and a description of any interest in a class of voting shares held by persons (other than the Company's directors, senior executives and their relatives) who have notified the Company of their holdings, together with any change to such interests during the last fiscal year:

| No. | Name | Shares at Beginning of Year (Millions) | % Of Capital | Shares at the Year End | % Of Capital | Change (Millions) | % Change |
|---|---|---|---|---|---|---|---|
| 1 | FAS Real Estate Co. | 176,757,322 | 37.2% | 133,143,550 | 28.0% | (43,613,772) | -25% |
| 2 | Mr. Fawaz Al-Hokair | 40,117,501 | 8.4% | 15,217,501 | 3.2% | (24,900,000) | -62% |
| 3 | Eng. Salman Al-Hokair | 38,000,000 | 8.0% | 34,769,583 | 7.3% | (3,230,417) | -9% |
| 4 | Dr. Abdulmajid Al-Hokair | 37,341,499 | 7.9% | 37,341,499 | 7.9% | - | 0% |
| 5 | Al Farida Al-Thaniah Co. | 19,000,000 | 4.0% | 18,000,000 | 3.8% | (1,000,000) | -5% |
| **Total** | | **311,216,322** | **65.5%** | **238,472,133** | **50.2%** | **(72,744,189)** | **-23%** |

**Declaration:** Regarding the declaration of movements in major shareholders' ownership in accordance with listing rules, the Company confirms that it has not received any written notification during the fiscal year ended on 31 December 2024 from any of its major shareholders indicating any changes or movement in their ownership percentages. The disclosed information is based on the Saudi Stock Exchange (Tadawul) records on 31 December 2024.

## 21. Board of directors declarations

1. No third party has carried out an assessment of the performance of the Board of Directors and performance of its committees. However, the Board of Directors conducted a self-evaluation of the board and committees' performance, and results were compiled, analyzed, shared, and discussed at the board level with areas of improvement prioritized for immediate action.
2. There is no conflict between the recommendations of the Audit Committee and the Board resolutions regarding appointing or dismissing the Company's External Auditor, or determining its remuneration, assessing its performance and independence or appointing the Internal Auditor.
3. The Company has not been notified of any interest in any class of voting shares by anyone (except the Board members and senior executives and their relatives) pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations during the last fiscal year.
4. No convertible debt instruments, contractual securities, subscription right notes or similar rights were issued/ granted by the Company during the financial year.
5. No conversion or subscription rights under any convertible debt instruments, contractual securities, subscription right notes or similar rights were issued or granted by the Company.
6. There was no redemption, purchase or cancellation by the Company of any redeemable debt instruments.
7. No shareholder of the Company has waived any rights to dividends.
8. No investments or reserves were made or set up for the benefit of the employees of the Company.
9. The auditor's report does not contain any reservation about the approved annual financial statements.
10. The Board of Directors did not recommend replacing the external auditor before the end of their term.
11. There is no inconsistency with the standards approved by the Saudi Organization for Certified Public Accountants.
12. The Board of Directors declares the following:
    a) Proper books of accounts have been maintained.
    b) The system of internal control is sound in design and has been effectively implemented.
    c) There are no significant doubts concerning the Company's ability to continue as a going concern.

# Financial Statements

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Whats Inside!

**Arabian Centres Company**
(A Saudi Joint Stock Company)
**Consolidated financial statements**
**For the year ended 31 December 2024**
together with the
**Independent Auditor's Report**





**KPMG Professional Services Company**
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

**Headquarters in Riyadh**

**شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية**
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

**المركز الرئيسي في الرياض**

# Independent Auditor's Report

## To the Shareholders of Arabian Centres Company

## Opinion

We have audited the consolidated financial statements of **Arabian Centres Company** ("the Company") (and its subsidiaries) (collectively referred to as "the Group"), which comprise the consolidated statements of financial position as at 31 December 2024, the consolidated statements of profit or loss, comprehensive income for the year ended 31 December 2024, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS as issued by the International Accounting Standards Board (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

To the Shareholders of Arabian Centres Company (continued)

| Revenue recognition | |
|---|---|
| See Notes 7(c) and 25 to the consolidated financial statements. | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| During the year ended 31 December 2024, the Group recognised total revenue of SR 2.34 billion (31 December 2023: SR 2.25 billion).<br><br>The Group revenue mainly consists of rental income from lease contracts.<br><br>Revenue is one of the core indicators for measuring performance, and consequently, there are inherent risks through recognizing revenue with more than its actual value or not recognizing in correct accounting period. Therefore, the revenue recognition process has been considered as a key audit matter. | – We assessed the appropriateness of the accounting policies by considering the requirements of the relevant accounting standards;<br><br>– We assessed the design and implementation, and testing the operating effectiveness of both manual and automated controls over the:<br>○ accuracy and validity of the input of key terms of the contract,<br>○ tenant's acknowledgement to the amendments of lease contracts; and<br>○ recognition of revenue accurately over the term of the lease contracts.<br><br>– We inspected key contractual arrangements including rental discounts by considering relevant documentation and agreements with the tenants;<br>– For a sample of lease contracts, we evaluated whether revenue recognised is in accordance with the Group's revenue recognition policy and the underlying terms of the lease contracts;<br>– On a sample basis, we obtained accounts receivable balance confirmations from the Group's tenants and investigating any discrepancies;<br>– We tested manual journal entries posted to the revenue accounts to identify any unusual items;<br>– We performed procedures to assess if revenue were recognised in the correct period; and<br>– We evaluated the disclosures included in the consolidated financial statements. |

# Independent Auditor's Report

To the Shareholders of Arabian Centres Company (continued)

| Valuation of investment properties | |
|---|---|
| See Note 7(d) and 8 to the consolidated financial statements. | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| As at 31 December 2024, the Group owned investment properties with a carrying value of SR 28.02 billion (31 December 2023: SR 25.33 billion) which are used for earning rentals and capital appreciation.<br><br>The Group engaged multiple professionally qualified external valuers to fair value its property portfolio performing their work in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation Professional Standards in line with Capital Market Authority (CMA) requirements to obtain two valuations for each investment property.<br><br>The property portfolio (excluding lands) was valued using the discounted cash-flow method. The valuation of land is based on the sales comparison method.<br><br>Key inputs in the valuation process included discount rates, yield rates, contracted estimated rental values, forecasted occupancy and cost to complete expenses which are influenced by prevailing market forces and the specific characteristics of each property in the portfolio.<br><br>Valuation of investment properties is considered a key audit matter since valuation of the property portfolio is a significant area of judgement, underpinned by a number of assumptions and has a high degree of estimation uncertainty, with a potentially significant range of reasonable outcomes. | – We considered the experience and qualification of Company's real estate valuation experts and we evaluated whether the valuation approach was appropriate for determining the fair value of the properties;<br><br>– We tested on a sample basis the accuracy of the underlying data by verifying the specific details (rentals, occupancies, area etc.) of the investment properties as per the valuation reports with the Group records and title deeds of the investment properties;<br><br>– We tested on sample basis whether property-specific current information supplied to the Company's real estate valuation experts reflects the underlying property records held by the Group which have been tested during our audit;<br><br>– We involved our own real estate valuation specialist who assessed the valuation methodology and assessed whether selected significant assumptions including market comparability for lands, discount rates, annual growth rate and yield rates for shopping malls are within an acceptable range;<br><br>– Where assumptions and the fair values outside of acceptable range or otherwise deemed unusual, we challenged the Company's real estate valuation experts' assumptions; and<br><br>– We evaluated the adequacy of the consolidated financial statement disclosures, including disclosure of key assumptions, judgements and sensitivities. |

# Independent Auditor's Report

To the Shareholders of Arabian Centres Company (continued)

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of directors, are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.





# Independent Auditor's Report

To the Shareholders of Arabian Centres Company (continued)

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Arabian Centres Company ("the Company") and its subsidiaries ("the Group").**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**KPMG Professional Services**

**Fahad Mubark Aldossari**
License No: 469

Al Riyadh, 18th Ramadan 1446H
Corresponding to: 18 March 2025

## Arabian Centres Company (A Saudi Joint Stock Company)
## Consolidated statement of financial position
**As at 31 December 2024**

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **Assets** | | | |
| Investment properties | 8 | 28,019,429,550 | 25,333,791,089 |
| Property and equipment | 10 | 49,006,026 | 56,647,114 |
| Accrued revenue – non-current portion | 23(ii) | 137,318,657 | 157,058,122 |
| Amounts due from related parties– non-current portion | 14B | 234,967,548 | -- |
| Investment in equity accounted investee | 12A | 87,717,039 | 78,634,195 |
| Investment at FVTPL | 12B | 58,266 | 81,576 |
| Other non-current assets | 13&15 | 12,545,436 | 18,681,804 |
| **Non-current assets** | | 28,541,042,522 | 25,644,893,900 |
| Development properties | 11 | 353,774,251 | 353,531,069 |
| Accrued revenue | 23(ii) | 68,659,329 | 78,529,061 |
| Accounts receivable and others | 13 | 482,886,879 | 474,152,092 |
| Amounts due from related parties | 14B | 408,420,267 | 483,752,516 |
| Prepayments and other assets | 15 | 430,971,432 | 118,422,568 |
| Investment at FVTPL | 12B | 255,949,188 | 303,026,022 |
| Cash and cash equivalents | 16 | 670,342,011 | 84,995,834 |
| | | 2,671,003,357 | 1,896,409,162 |
| Assets held for sale | 8A | 240,500,000 | 209,924,358 |
| **Current assets** | | 2,911,503,357 | 2,106,333,520 |
| **Total assets** | | 31,452,545,879 | 27,751,227,420 |
| **Equity** | | | |
| Share capital | 17 | 4,750,000,000 | 4,750,000,000 |
| Share premium | 17 | 411,725,703 | 411,725,703 |
| Statutory reserve | 18 | 873,992,101 | 873,992,101 |
| Other reserves | 18 | 10,320,410 | 4,106,041 |
| Retained earnings | | 8,739,245,345 | 8,231,652,970 |
| **Equity attributable to the shareholders of the Company** | | 14,785,283,559 | 14,271,476,815 |
| **Non-controlling interest** | | 42,753,264 | 40,491,288 |
| **Total equity** | | 14,828,036,823 | 14,311,968,103 |
| **Liabilities** | | | |
| Loans and borrowings | 20 | 12,137,599,887 | 5,881,705,199 |
| Lease liabilities | 9 | 2,790,696,853 | 2,839,886,903 |
| Employee benefits | 21 | 34,641,302 | 35,809,551 |
| Other non-current liabilities | 22(ii) | 22,464,724 | 42,697,177 |
| **Non-current liabilities** | | 14,985,402,766 | 8,800,098,830 |
| Loans and borrowings – current portion | 20 | 34,709,205 | 3,104,998,958 |
| Lease liabilities – current portion | 9 | 339,625,574 | 328,383,213 |
| Accounts payable and other liabilities | 22 | 670,921,001 | 703,108,095 |
| Provision | | – | 30,000,000 |
| Amount due to related parties | 14B | 234,743,486 | 102,087,353 |
| Unearned revenue | 23(i) | 282,746,367 | 302,198,673 |
| Zakat liabilities | 24B | 76,360,657 | 68,384,195 |
| **Current liabilities** | | 1,639,106,290 | 4,639,160,487 |
| **Total liabilities** | | 16,624,509,056 | 13,439,259,317 |
| **Total equity and liabilities** | | 31,452,545,879 | 27,751,227,420 |

*The attached notes from 1 to 36 are an integral part of these consolidated financial statements.*
*These consolidated financial statements were authorized for issue by the Board of Directors, on behalf of the Shareholders, on 10 Ramadan 1446H (corresponding to 10 March 2025) and signed on its behalf by:*

| Jabri Maali | Alison Rehill-Erguven | Fawaz Al-Hokair |
|---|---|---|
| *Chief Financial Officer* | *Chief Executive Officer* | *Chairman* |

All amounts are presented in Saudi Riyals unless otherwise stated.

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## Arabian Centres Company (A Saudi Joint Stock Company)
## Consolidated statement of profit or loss
**For the year ended 31 December 2024**

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Revenue | 25 | 2,344,038,571 | 2,253,673,262 |
| Cost of revenue - Direct costs | 26 | (358,435,608) | (383,488,576) |
| **Gross profit** | | 1,985,602,963 | 1,870,184,686 |
| Other operating income | 27A | 15,428,124 | 291,453,490 |
| Net fair value gain on investment properties | 8A | 565,281,848 | 369,929,259 |
| Advertisement and promotion expenses | 27B | (22,891,402) | (65,453,810) |
| General and administrative expenses | 27C | (256,108,149) | (348,548,924) |
| Impairment loss on accounts receivable, related parties and accrued revenue rentals | 13,14B & 23 | (321,844,800) | (189,674,873) |
| Other operating expenses | 27D | (102,613) | (18,421,762) |
| **Operating profit** | | 1,965,365,971 | 1,909,468,066 |
| Modification loss on related parties' receivables | 14 | (53,571,680) | -- |
| Finance income on due from related parties | 14 | 17,055,722 | -- |
| Finance income | 30B | -- | 7,124,755 |
| Finance costs over loans and borrowings | 27E | (520,112,258) | (253,816,842) |
| Finance costs over lease liabilities | 9A | (133,484,647) | (110,436,822) |
| **Net finance costs** | | (690,112,863) | (357,128,909) |
| Share from loss of equity-accounted investee | 12A | (7,089,208) | (10,870,750) |
| **Profit before zakat** | | 1,268,163,900 | 1,541,468,407 |
| Zakat charge | 24 | (44,000,000) | (40,473,225) |
| **Profit for the year** | | 1,224,163,900 | 1,500,995,182 |
| **Profit for the year is attributable to:** | | | |
| - Shareholders of the Company | | 1,216,906,944 | 1,514,995,569 |
| - Non-controlling interest | | 7,256,956 | (14,000,387) |
| | | 1,224,163,900 | 1,500,995,182 |
| **Earnings per share** | | | |
| Basic and diluted earnings per share | 28 | 2.56 | 3.19 |

*The attached notes from 1 to 36 are an integral part of these consolidated financial statements.*

| Jabri Maali | Alison Rehill-Erguven | Fawaz Al-Hokair |
|---|---|---|
| *Chief Financial Officer* | *Chief Executive Officer* | *Chairman* |

## Arabian Centres Company (A Saudi Joint Stock Company)
### Consolidated statement of comprehensive income
**For the year ended 31 December 2024**

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **Profit for the year** | | **1,224,163,900** | 1,500,995,182 |
| **Other comprehensive income/(loss)** | | | |
| *Items that are or may be reclassified subsequently to consolidated statement of profit or loss:* | | | |
| - Cash flow hedges – effective portion of changes in fair value | 30B | – | 80,794 |
| - Cash flow hedges – reclassified to profit or loss | 30B | – | (7,124,755) |
| - Foreign currency translation difference of equity accounted investee | 12A | 131,354 | 561,377 |
| *Items that will not be reclassified to consolidated statement of profit or loss:* | | | |
| - Re-measurement of defined benefit liability | 21A | 5,105,084 | (3,694,235) |
| **Total comprehensive income for the year** | | **1,229,400,338** | 1,490,818,363 |
| **Total comprehensive income for the year attributable to:** | | | |
| - Shareholders of the Company | | 1,222,143,382 | 1,504,818,750 |
| - Non-controlling interests | | 7,256,956 | (14,000,387) |
| | | 1,229,400,338 | 1,490,818,363 |

*The attached notes from 1 to 36 are an integral part of these consolidated financial statements.*

**Jabri Maali**
*Chief Financial Officer*

**Alison Rehill-Erguven**
*Chief Executive Officer*

**Fawaz Al-Hokair**
*Chairman*







## Arabian Centres Company (A Saudi Joint Stock Company)
### Consolidated statement of changes in equity
**For the year ended 31 December 2024**

| | Notes | Share capital | Share premium | Statutory reserve | Other reserves | Retained earnings | Total | Non-Controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | | Attributable to shareholders of the Company | | | | | | | |
| Balance at 1 Jan 2023 | | 4,750,000,000 | 411,725,703 | 722,492,544 | 16,511,299 | 8,118,388,376 | 14,019,117,922 | 49,482,783 | 14,068,600,705 |
| **Total comprehensive income/(loss) for the year** | | | | | | | | | |
| Profit/(loss) for the year | | – | – | – | – | 1,514,995,569 | 1,514,995,569 | (14,000,387) | 1,500,995,182 |
| Other comprehensive income | | – | – | – | (10,176,819) | – | (10,176,819) | – | (10,176,819) |
| Total comprehensive income/(loss) for the year | | – | – | – | (10,176,819) | 1,514,995,569 | 1,504,818,750 | (14,000,387) | 1,490,818,363 |
| Deficit on sale of treasury shares | 17B | – | – | – | – | (722,526) | (722,526) | – | (722,526) |
| Transfers to statutory reserve | | – | – | 151,499,557 | – | (151,499,557) | – | – | – |
| **Changes in ownership interests** | | | | | | | | | |
| Sale of shares to non-controlling interest | | – | – | – | – | (5,008,892) | (5,008,892) | 5,008,892 | – |
| **Transactions with shareholders of the company** | | | | | | | | | |
| Treasury shares acquired | 17B | – | – | – | (2,228,439) | – | (2,228,439) | – | (2,228,439) |
| Dividends | 19 | – | – | – | – | (1,244,500,000) | (1,244,500,000) | – | (1,244,500,000) |
| **Balance at 31 December 2023** | | 4,750,000,000 | 411,725,703 | 873,992,101 | 4,106,041 | 8,231,652,970 | 14,271,476,815 | 40,491,288 | 14,311,968,103 |
| Balance at 1 Jan 2024 | | **4,750,000,000** | **411,725,703** | **873,992,101** | **4,106,041** | **8,231,652,970** | **14,271,476,815** | **40,491,288** | **14,311,968,103** |
| **Total comprehensive income for the year** | | | | | | | | | |
| Profit for the year | | – | – | – | – | 1,216,906,944 | 1,216,906,944 | 7,256,956 | 1,224,163,900 |
| Other comprehensive income | | – | – | – | 5,236,438 | – | 5,236,438 | – | 5,236,438 |
| **Total comprehensive income for the year** | | – | – | – | 5,236,438 | 1,216,906,944 | 1,222,143,382 | 7,256,956 | 1,229,400,338 |
| Deficit on sale of treasury shares | 17B | – | – | – | – | (1,809,549) | (1,809,549) | – | (1,809,549) |
| **Changes in ownership interests** | | | | | | | | | |
| Acquisition through common control transaction | | – | – | – | – | 4,994,980 | 4,994,980 | (4,994,980) | – |
| **Transactions with shareholders of the company** | | | | | | | | | |
| Treasury shares sold | 17B | – | – | – | 977,931 | – | 977,931 | – | 977,931 |
| Dividends | 19 | – | – | – | – | (712,500,000) | (712,500,000) | – | (712,500,000) |
| **Balance at 31 December 2024** | | **4,750,000,000** | **411,725,703** | **873,992,101** | **10,320,410** | **8,739,245,345** | **14,785,283,559** | **42,753,264** | **14,828,036,823** |

*The attached notes from 1 to 36 are an integral part of these consolidated financial statements*

**Jabri Maali**
*Chief Financial Officer*

**Alison Rehill-Erguven**
*Chief Executive Officer*

**Fawaz Al-Hokair**
*Chairman*

All amounts are presented in Saudi Riyals unless otherwise stated.

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## **Arabian Centres Company** (A Saudi Joint Stock Company)
## **Consolidated statement of cash flows**
**For the year ended 31 December 2024**

| | *Notes* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Profit before Zakat | | **1,268,163,900** | 1,541,468,407 |
| *Adjustments for:* | | | |
| - Depreciation on property and equipment | *10* | **16,144,779** | 16,779,309 |
| - Impairment loss on accounts receivable, related parties and accrued revenue rentals | *13,14B &23* | **321,844,800** | 189,674,873 |
| - Provision for employee benefits | *21A* | **8,610,892** | 9,068,677 |
| - Finance cost over loans and borrowings | *27E* | **520,112,258** | 253,816,842 |
| - Finance cost over lease liabilities | *9A* | **133,484,647** | 110,436,822 |
| - Modification loss on related parties' receivables | *14* | **53,571,680** | -- |
| - Finance income on due from related parties | *14* | **(17,055,722)** | -- |
| - Reclassification gain on cash flow hedge settlement | *30B* | -- | (7,124,755) |
| - Share of loss from equity-accounted investee and other | *12A* | **7,089,208** | 10,870,750 |
| - Gain on disposal of investment property | *27A* | -- | (238,668,127) |
| - Gain on termination of lease | *27A* | -- | (16,286,468) |
| - Fair value gain of Investment at FVTPL | *12B* | **(1,416,421)** | (6,640,195) |
| - Gain on disposal of Investment at FVTPL | *12B* | **(1,483,435)** | (403,678) |
| - Commission income on bank deposits | | **(2,396,382)** | (1,208,939) |
| - Lease rental concession | *9A* | **(1,875,000)** | (3,750,000) |
| - Net fair value gain on investment properties | *8* | **(565,281,848)** | (369,929,259) |
| | | **1,739,513,356** | 1,488,104,259 |
| *Changes in:* | | | |
| - Accounts receivable | | **(222,804,688)** | (138,349,492) |
| - Amounts due from related parties, net | | **(206,545,902)** | (245,875,853) |
| - Prepayments and other current assets | | **(22,641,234)** | 2,724,113 |
| - Accounts payable, other liabilities and provision | | **(234,798,557)** | 263,479,548 |
| - Accrued revenue | | **13,812,402** | (14,930,743) |
| - Unearned revenue | | **(19,452,306)** | 63,089,074 |
| **Cash generated from operating activities** | | **1,047,083,071** | 1,418,240,906 |
| Employee benefits paid | *21A* | **(4,674,057)** | (4,694,352) |
| Zakat paid | *24B* | **(36,023,538)** | (23,310,387) |
| **Net cash generated from operating activities** | | **1,006,385,476** | 1,390,236,167 |
| **Cash flows from investing activities:** | | | |
| Additions in development properties | *11* | **(243,182)** | (7,847,348) |
| Additions to investment properties, net | *8* | **(1,680,362,553)** | (995,519,549) |
| VAT payments for CAPEX Transactions | | **(283,771,262)** | -- |
| Acquisition of equity-accounted investee | *12A* | **(16,040,698)** | (25,228,845) |
| Acquisition of property and equipment | *10* | **(8,503,691)** | (10,013,952) |
| Proceeds from disposal of investment property | *8* | -- | 644,548,184 |
| Acquisition of Investment at FVTPL | *12B* | -- | (322,274,093) |
| Proceeds from disposal of Investment at FVTPL | *12B* | **50,000,000** | 27,369,782 |
| **Net cash used in investing activities** | | **(1,938,921,386)** | (688,965,821) |

## **Arabian Centres Company** (A Saudi Joint Stock Company)
## **Consolidated statement of cash flows** (continued)
**For the year ended 31 December 2024**

| | *Notes* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **Cash flows from financing activities:** | | | |
| Proceeds from loans and borrowings, net | *20B& 20B(iii)* | **8,429,462,571** | 708,350,701 |
| Repayments of loans and borrowings | *20B* | **(5,202,421,876)** | (68,380,208) |
| Transaction costs paid | *20B* | **(104,660,816)** | (10,500,000) |
| Payment of finance costs | *22 & 30B* | **(638,138,213)** | (563,849,078) |
| Proceeds from sale of treasury shares acquired | *17B* | **826,204,893** | 390,754,132 |
| Repurchase of treasury shares | *17B* | **(827,036,510)** | (393,705,097) |
| Repayments of lease liabilities – principal portion | *9A* | **(133,340,822)** | (66,982,413) |
| Repayments of lease liabilities – interest portion | *9A* | **(173,156,196)** | (159,267,284) |
| Commission income on bank deposits | | **2,396,382** | 1,208,939 |
| Dividends paid | *19* | **(661,427,326)** | (1,064,350,000) |
| **Net cash generated from / (used in) financing activities** | | **1,517,882,087** | (1,226,720,308) |
| Net increase /(decrease) in cash and cash equivalents | | **585,346,177** | (525,449,962) |
| Cash and cash equivalents at beginning of the year | | **84,995,834** | 610,445,796 |
| **Cash and cash equivalents at end of the year** | *16* | **670,342,011** | 84,995,834 |
| **Significant non-cash transactions:** | | | |
| - Dividend settled against due from related party balances | | **51,072,674** | 180,150,000 |
| - Employee benefits transferred to the related party | | -- | (745,117) |
| - Sale of shares to non-controlling interest | | -- | (5,008,892) |
| - Acquisition through common control transaction | | **4,994,980** | -- |

*The attached notes from 1 to 36 are an integral part of these consolidated financial statements.*

| **Jabri Maali** | **Alison Rehill Erguven** | **Fawaz Al-Hokair** |
|---|---|---|
| *Chief Financial Officer* | *Chief Executive Officer* | *Chairman* |

All amounts are presented in Saudi Riyals unless otherwise stated.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements**
**For the year ended 31 December 2024**

## 1. Reporting entity

Arabian Centres Company ("the Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia ("KSA") under commercial registration numbered 1010209177 and dated 7 Rabi Thani 1426H (corresponding to 15 May 2005). The registered office is located at Nakheel District, P.O. Box 341904, Riyadh 11333, KSA.

The Company was formed on 7 Rabi Thani 1426H (corresponding to 15 May 2005) as Limited Liability Company. On 8 Muharram 1439H (corresponding to 28 September 2017) legal status of the Company had changed from a Limited Liability Company to a Saudi Closed Joint Stock Company.

On 22 May 2019, the Company completed its Initial Public Offering ("IPO") and its ordinary shares were listed on the Saudi Stock Exchange ("Tadawul"). In connection with IPO, the Company has issued 95 million of its ordinary shares for a cash payment and the legal status of the Company changed from Saudi Closed Joint Stock Company to Saudi Joint Stock Company.

The Company and its subsidiaries' (collectively referred to as "the Group") principal business objectives are to purchase lands, build, develop and invest in buildings, sell or lease of buildings and the construction of commercial buildings including demolition, repair, excavation and maintenance works. It also includes maintenance and operation of commercial centres, tourist resorts, hotels and restaurants, managing and operating temporary and permanent exhibitions, compounds and hospitals.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to June 30, 2022) (hereinafter referred as "the New Law") came into force on 26/06/1444 H (corresponding to January 19, 2023) as well as the amended implementing regulations issued by the Capital Market Authority (CMA) based on the New Law. During the year, the management amended its By-laws to align with the provisions of the New Law and the amended CMA implementing regulations, and with any other amendments that may take advantage of the New Law and the amended CMA implementing regulations.







**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (Continued)
**For the year ended 31 December 2024**

## 1. Reporting entity (continued)

Following is the list of subsidiaries included in these consolidated financial statements as at 31 December 2024 and 31 December 2023:

| No | Subsidiaries | Country of incorporation | Direct ownership interest held by the Group as at: 31 December 2024 | 31 December 2023 | Indirect ownership interest held by the Group as at: 31 December 2024 | 31 December 2023 | Share Capital (SR) | Number of shares issued |
|---|---|---|---|---|---|---|---|---|
| 1 | Al Bawarij International for Development & Real Estate Investment Company | Kingdom of Saudi Arabia | 95% | 95% | 5% | -- | 500,000 | 500 |
| 2 | Al Makarem International for Real Estate Development Company | Kingdom of Saudi Arabia | 95% | 95% | 5% | -- | 500,000 | 500 |
| 3 | Oyoun Al Raed Mall Trading | Kingdom of Saudi Arabia | 95% | 95% | 5% | 5% | 100,000 | 100 |
| 4 | Oyoun Al Basateen Company for Trading | Kingdom of Saudi Arabia | 95% | 95% | 5% | -- | 100,000 | 100 |
| 5 | Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin AlHokair and Company | Kingdom of Saudi Arabia | 50% | 50% | -- | -- | 500,000 | 500 |
| 6 | Yarmouk Mall Company Limited | Kingdom of Saudi Arabia | 95% | 95% | 5% | 5% | 500,000 | 500 |
| 7 | Mall of Arabia Company Limited | Kingdom of Saudi Arabia | 95% | 95% | 5% | -- | 500,000 | 500 |
| 8 | Dhahran Mall Trading Company Limited | Kingdom of Saudi Arabia | 95% | 95% | 5% | 5% | 500,000 | 500 |
| 9 | Al Noor Mall Trading Company Limited | Kingdom of Saudi Arabia | 95% | 95% | 5% | -- | 500,000 | 500 |
| 10 | Al Yasmeen Mall Trading Company Limited | Kingdom of Saudi Arabia | 95% | 95% | 5% | -- | 100,000 | 100 |
| 11 | Al Hamra Mall Trading Company Limited | Kingdom of Saudi Arabia | 95% | 95% | 5% | -- | 100,000 | 100 |
| 12 | Al Erth Al Rasekh Trading Company Limited | Kingdom of Saudi Arabia | 95% | 95% | 5% | 5% | 100,000 | 100 |
| 13 | Al Erth Almatin Trading Company Limited ***(iii)*** | Kingdom of Saudi Arabia | 95% | -- | 5% | -- | 100,000 | 100 |
| 14 | Aziz Mall Trading Company Limited ***(iii)*** | Kingdom of Saudi Arabia | 95% | -- | 5% | -- | 100,000 | 100 |
| 15 | Arkan Salam for Real Estate and Contracting Company Limited ***(iii)*** | Kingdom of Saudi Arabia | 95% | -- | 5% | -- | 100,000 | 100 |
| 16 | Al Malaz Mall Trading Company Limited ***(iii)*** | Kingdom of Saudi Arabia | 95% | -- | 5% | -- | 100,000 | 100 |
| 17 | Derayah Destination Arabia Diversified Fund | Kingdom of Saudi Arabia | -- | 100% | -- | -- | -- | -- |
| 18 | Riyad Real Estate Development Fund – Jawharat AlRiyadh ***(i)*** | Kingdom of Saudi Arabia | 100% | 100% | -- | -- | -- | -- |
| 19 | Riyad Real Estate Development Fund – Jawharat Jeddah ***(ii)*** | Kingdom of Saudi Arabia | 100% | 100% | -- | -- | -- | -- |

i) The Group invested in private real estate fund named Riyad Real Estate Development Fund – Jawharat AlRiyadh. The Group signed an agreement with Riyad Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of **SR 2,796 million.**

ii) The Group invested in a private real estate fund named Riyad Real Estate Development Fund – Jawharat Jeddah. The Group signed an agreement with Riyad Capital Company to manage the fund. The units were subscribed by transfer of a parcel of land, construction work in progress and advances to contractor to the fund with a carrying value of **SR 1,568 million**

iii) During the year, the Group acquired 100% equity interests in subsidiaries through common shareholding. The acquisition was executed without any consideration, as the transfer of ownership resulted from the common control of the entities involved.

All amounts are presented in Saudi Riyals unless otherwise stated.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 2. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants and Company's by-laws.

## 3. Basis of measurement

These consolidated financial statements are prepared under the historical cost convention, except for the following material items in the consolidated statement of financial position:

- Other investments at fair value
- Employee end of service benefits using projected unit credit method
- Investment properties at fair value

## 4. Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyal ("SR"), which is the functional currency of the Company.

## 5. Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

### A. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material differences in the carrying amounts of assets and liabilities within the next financial period, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

*Fair value of investment properties*
The fair value of investment properties is determined by using valuation techniques. For further details of the judgement and assumption made, see note 8.

*Long-term assumptions for employee benefits*
Employees end-of-service benefits represent obligations that will be settled in the future and require assumptions to project obligations. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates, employment turnover and future healthcare costs. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred.





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 5. Significant accounting estimates, assumptions and judgements (continued)

### A. Estimates and assumptions (continued)

*Measurement of Expected Credit Loss (ECL) allowance for accounts receivable: key assumptions in determining the weighted average loss rate*
The Group's exposure to credit risk is influenced mainly by the individual characteristics of the customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with other social-economic factors. Such estimates are based on assumptions relating to those factors and actual results may differ, resulting in future changes to the impairment.

### B. Critical judgements in applying accounting standards

The following critical judgements have the most significant effect on the amounts recognized in the consolidated financial statements:

*Determination of the reasonable certainty of exercising options of lease term extension*
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

*Determination of the incremental borrowing rate of lease liabilities*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when the need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates.

*Determination of control and significant influence*
i. Management's judgement in assessing control over consolidated subsidiaries:
Subsidiaries are all investees over which the Group has control. The Group's management considers that the Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group considers all other relevant facts and circumstances in assessing whether it has power over an investee, including any contractual and other such arrangements which may affect the activities which impact investees' return.

The determination about whether the Group has power thus depends on such relevant activities, the way decisions about the relevant activities are made and the rights the Group has in relation to the investees.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 5. Significant accounting estimates, assumptions and judgements (continued)

### B. Critical judgements in applying accounting standards (continued)

*Determination of control and significant influence (continued)*
Based on above considerations, management of the Group believes:

- there is a pattern of past and existing practice of the Group's involvement in the relevant activities of these investees resulting in an impact on their returns and also indicating a more than passive interest of the Group in such investees; and
- the Group has created an environment in which the set-up and function of these investees and their interrelationship with the Group leads towards a judgement of 'control'.

Hence, the Group has consolidated those investees, which meet the above criteria as part of the Group's consolidated financial statements.

ii. Management's judgement in assessing significant influence over investees:
Judgement is required, particularly where the Group owns shareholding and voting rights of generally 20% and above but where the management does not believe that it has 'control' or 'joint control' over such investee.

In case of such investee, the Group's management has concluded it has 'significant influence' in line with the requirements of IFRSs as endorsed in KSA. Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee but is not 'control' or 'joint control'. IFRSs as endorsed in KSA provides various indicators of 'significant influence', including representation in the Board of Directors and participation in policymaking process.

By virtue of the Group's shareholding rights in the investee's general meetings, as well as the Group's representation on Board of Directors of such investee and the Group's involvement in operating and financial policies and decision making, management believes it has 'significant influence' over such investee ("associate").

The Group is accounting for such investment in an associate under the equity method of accounting.

## 6. Changes in material accounting policies

There has been no significant change in the Group accounting policies. The policies are consistently applied and the summary of the material accounting policies are disclosed in note 7.

## 7. Summary of material accounting policies

### A. Basis of consolidation

#### i. Subsidiaries

Please refer to *note 5* for details on judgements applied by the Group in respect of determination of control.

These Consolidated Financial Statements comprising the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the Consolidated Financial Statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiaries, as set out in note (1). The Company and its subsidiaries are collectively referred to as the "Group". Subsidiaries are entities controlled by the Group. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. Intra-group balances, transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### A. Basis of consolidation (continued)

The Group has control over Al Qassem Company for Entertainment and Commercial Projects "Al Qassem" despite owning 50% of the ordinary shares due to existence of veto rights in Board of Directors meeting who are involved in decision making for relevant activities. Further, the group has majority over the board of Al Qassem which takes the relevant decisions by simple majority.

NCI is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.

#### ii. Joint Venture

Joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Company's interest in Joint ventures are accounted for using the equity method.

### B. Foreign currencies

Foreign currency transactions are translated into Saudi Riyal (SR) at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss. Translation of non-monetary items depends on whether they are recognized at historical cost or at fair value. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in consolidated statement of comprehensive income or consolidated statement of profit or loss).

### C. Revenue recognition

The Group generates revenue from the following:
***Rental income***
Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms. Accrued revenue is recognized to the extent that the revenue has been earned but not yet billed.

Tenant lease incentives including rental discounts are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. Unamortized portion of these incentives are classified under accrued revenue in the consolidated statement of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of profit or loss when the right to receive them arises.

***Turnover rent***
The Group recognizes income from turnover rent on the basis of turnover reports submitted by the tenants. In the absence of reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance. Revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of revenue recognized will not occur.

***Service charges, management charges and other expenses recoverable from tenants***
Management charges include management fees recognized by the Group from operating malls under its management. These fees are recognized as revenue in accordance with the terms of the management agreements with the respective mall owners.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### C. Revenue recognition (continued)

***Service charges, management charges and other expenses recoverable from tenants (continued)***
Income arising from expenses recharged to tenants is recognized over time in the period in which the compensation becomes due. Service and management charges related to repairs and maintenance of the building facilities and other such receipts are included in revenue while the related costs, which are included as part of cost of revenue, as the management considers that the Group acts as a principal in this respect.

Service charges related to utilities for heavy users are presented net of the related costs and are recorded as part of "commission income on provisions for utilities for heavy users, net" under revenue in the consolidated statement of profit or loss, since the management considers that the Group acts as an agent in this respect.

The Group has applied IFRS 15 "Revenue from Contracts with Customers" to allocate consideration in the contract to each lease and non-lease component.

***Principal versus agent consideration***
The Group has evaluated its arrangements to determine whether it is a principal, and report revenues on a gross basis, or an agent, and report revenues on a net basis. In this assessment, the Group has considered if it has obtained control of the specified services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfilment, inventory risk and discretion in establishing price. The Group has concluded it is the principal in all of its revenue arrangements (except for service charges related to utilities for heavy users – as discussed in the previous section) since it is the primary obligor, it has pricing latitude and is also exposed to credit risks. When reporting revenue as an agent, it is recognized at a point in time.

***Presentation and disclosure requirements***
As required for the consolidated financial statements, the Group disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Please refer to *note 25* for the disclosure on disaggregated revenue.

***Interest income***
Interest income is recognized using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original EIR.

***Dividend income***
Dividend income from investments is recognized when the Group's rights to receive payment have been established.

***Other income***
All other income are recognized on an accrual basis when the Group's right to earn the income is established.

### D. Investment properties

Investment properties comprise completed properties and properties under construction or redevelopments that are held to earn rentals or for capital appreciation or both. Properties held under a lease are classified as investment properties when they are held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for administrative functions.

Investment properties are measured initially at cost, including transaction costs and where applicable borrowing costs.

Investment properties that are obtained through a lease are measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### D. Investment properties (continued)

After initial recognition, investment properties (including properties under construction) are carried at fair value. Investment properties that are being redeveloped for continuing use as investment properties or for which the market has become less active continues to be measured at fair value.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property and the fair value is reassessed.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the consolidated statement of financial position is added back, to arrive at the carrying value of the investment property for accounting purposes. Changes in fair values are recognised in the consolidated statement of profit or loss.

Investment properties is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefits is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss in the period of de-recognition.

Transfers are made to/from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to date the date of change in use.

### E. Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes all amounts necessary to bring the asset to the present condition and location to be ready for its intended use by management. Expenditures on repairs and maintenance are expensed to the consolidated statement of profit or loss in the period they are incurred. Subsequent expenditures that increase the value or materially extend the life of the related assets are capitalized. Leaseholds improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement and the term of the lease.

Depreciation is calculated from the date the item of property and equipment is available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

| Class of asset | Number of years |
|---|---|
| Tools and equipment | 4 – 8 years |
| Furniture and fixtures | 4 – 10 years |
| Vehicles | 4 years |
| Leasehold improvements | 5 - 6 years (Shorter of economic life or lease term) |

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### E. Property and equipment (continued)

Residual values, useful lives and methods of depreciation of property and equipment are reviewed on an annual basis, and adjusted prospectively if appropriate, at each reporting date. Properties under construction, which are not ready for its intended use, are not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period when the asset is derecognized.

The carrying amounts of property and equipment is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

### F. Development properties

Development properties are properties that are being developed with a view to sell. The Group's development properties arise when the Group purchase properties with an intention to sale or when there is a change in use of investment properties evidenced by the commencement of development with a view to sale. The investment properties are reclassified as development properties at their carrying amount at the date of their reclassification. They are subsequently carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

### G. Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, cheques under collection and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, used by the Group in the management of its short-term commitments and are available to the Group without any restriction.

### H. Financial instruments

**i. Non-derivative financial instruments**
**a. Non-derivative financial assets**

The Group initially measured financial assets at fair value and recognises on the date that they are originated. All other financial assets are measured initially at fair value and recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). For investments designated as FVOCI and for which management has an intention to sell such investments within a period of 12 months from the financial year end, are classified under current assets.





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### H. Financial instruments (continued)

**i. Non-derivative financial instruments (continued)**
**a. Non-derivative financial assets (continued)**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

**Financial Assets at Amortised Cost**
Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in the Consolidated Statement of Profit or Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

**Financial Assets at FVTPL**
All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**b. Non-derivative financial liabilities**

Financial liabilities are measured initially at fair value and recognised on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities of the Group comprise of bank borrowings and trade and other payables.

**ii. Derivative financial instruments**
Derivative financial instruments including commission rate swaps are measured at fair value. All derivatives are carried at their fair value as assets where the fair value is positive and as liabilities where the fair value is negative. Any related transaction costs are recognized in the consolidated statement of profit or loss as incurred.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to consolidated statement of profit or loss.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### H. Financial instruments (continued)

#### ii. Derivative financial instruments (continued)

The Group has cash flow hedges which are exposed to the impact of SOFR. The Group uses financial instruments as part of its risk management strategy to manage exposures arising from variation of commission rates that could affect net income or other comprehensive income and applies hedge accounting to these instruments. The Group has certain borrowings where the reference rate is linked to the SOFR. The Group has assessed the impact and ensured a smooth transition from SOFR to new benchmark rates.

### I. Impairment of financial instruments

The Group applies the simplified approach for measuring ECL for accounts receivable and accrued revenue, which requires expected lifetime losses to be recognised from initial recognition of the receivables and accrued revenue. Accounts receivable have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were derived from historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factor such as gross domestic product growth rate. The Group considers a financial asset to be in default when the financial asset is more than 360 days past due for trade receivables, related parties and accrued revenue.

Other financial assets such as due from related parties, employees' receivables, bank balances have low credit risk and the impact of applying ECL is immaterial.

*Write-off*
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### J. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### J. Fair value measurement (continued)

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### K. Expenses

Advertisement and promotion expenses principally comprise expenses incurred in promotion and advertisement of the shopping malls. All other expenses are classified as cost of revenues and general and administration expenses.

General and administration expenses include expenses not specifically part of the cost of revenue and promotion and advertising expenses. Allocations between general and administration expenses and cost of revenues, when required, are made on a consistent basis.

### L. Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of assets, which are necessarily take a substantial period of time to get ready for their intended use, are added to the cost of assets, until such time as the assets are substantially ready for their intended use. No borrowing costs are capitalised during idle periods.

All other borrowing costs are recognised in the Consolidated Statement of Profit or Loss in the period in which they are incurred.

### M. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre- zakat rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as financial charges.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### N. Employee benefits and post-employment benefits

**i. Short-term obligations**
All short-term obligations or liabilities for employees salaries, wages and other monetary and non-monetary benefits are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

**ii. End-of-services benefits obligation**
End of services benefits obligations are payable to all employees employed as per Saudi Arabian Labor and Workmen Law as well as the Group's policy.

The Group's obligation in respect of employee retirement benefits is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value.

Group sets the assumptions used in determining the key elements of the costs of meeting such future obligations. These assumptions are set after consultation with the Group's actuaries and include those used to determine regular service costs and the financing elements related to the liabilities. The calculation of employee retirement benefit liability is performed by a qualified actuary. The actuarial valuation process takes into consideration the provisions of the Saudi Arabian Labor and Workmen Law as well as the Group's policy.

Re-measurement of employee retirement benefit liability, which comprise of actuarial gains and losses are recognised immediately in the Consolidated Statement of Comprehensive Income. The Group determines interest expense on the employee retirement benefit liability for the period by applying the discount rate used to measure the employee retirement benefit liability at the beginning of the annual period, taking into account any change in the net employee retirement benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to employee retirement benefits are recognised in the Consolidated Statement of Profit or Loss.

### O. Zakat

Zakat is provided in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia on an accrual basis. The zakat expense is charged to the consolidated statement of profit or loss. Differences, if any, resulting from the final assessments are adjusted in the year of their finalization.

### P. Dividends

The Company recognizes a liability to make a dividend distribution to the shareholders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the applicable relevant Regulations of Saudi Arabia, a distribution is authorized when it is approved by the shareholders or when interim dividends are approved by the Board of Directors. A corresponding amount is recognized directly in equity.






**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 7. Summary of material accounting policies (continued)

### Q. Leases

*Right-of-use asset and lease liability*
The Group recognizes a right-of-use asset and a lease liability for lease agreements of lands and buildings at the lease commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit or Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group measures the right-of-use assets that meet the definition of investment property using the fair value model applied to its investment property (see note 7D). Right-of-use assets linked to owner occupied buildings are measured applying the cost model relevant to that specific class of property, plant and equipment as described in note 7E and tested for impairment.

### R. Segment reporting

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses.
- results of its operations are continuously analyzed by chief operating decision maker in order to make decisions related to resource allocation and performance assessment; and
- for which discrete financial information is available.

Management considers the operations of the Group as a whole as one operating segment as all subsidiaries engage in similar business activities.

A geographical segment is a Group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. All of the Group's operations are conducted in KSA hence only one geographic segment has been identified.

### S. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less costs to sell except for the assets are investment properties or financial assets.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 8. Investment properties

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Investment properties | 8A | 27,190,984,975 | 24,427,232,699 |
| Advance payment for projects under construction | 8B | 828,444,575 | 906,558,390 |
| | | 28,019,429,550 | 25,333,791,089 |

### A. Investment properties

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Balance at the beginning of the year | | 24,637,157,057 | 22,751,694,378 |
| Additions during the year | | 2,131,777,930 | 1,305,400,862 |
| Lease addition during the year | | -- | 534,208,206 |
| Disposal during the year | (i) | -- | (405,880,057) |
| Impact of reassessment of lease | 9C | 97,268,140 | 81,804,409 |
| Net fair value gain on investment properties | (ii) | 565,281,848 | 369,929,259 |
| Balance at the end of the year | | 27,431,484,975 | 24,637,157,057 |
| **Presented in consolidated statement of financial position as:** | | | |
| Investment properties | | 27,190,984,975 | 24,427,232,699 |
| Assets held for sale | (iii) | 240,500,000 | 209,924,358 |
| | | 27,431,484,975 | 24,637,157,057 |

i. During the year ended 31 December 2023, the Group disposed of a portion of the Jawharat Riyadh land, as part of strategic non-core land bank sale program, for net proceeds of SR 644.5 million resulting in a gain of SR 238.6 million which has been recorded under other operating income in the consolidated statement of profit or loss.

ii. During the year ended 31 December 2023, the Group terminated a project under development and related land operating lease agreement. Net fair value gain for the year includes a loss of SR 142.6 million relating to termination of the project under development.

iii. During the year ended 31 December 2023, the Group entered into an agreement to sell a land and is in the process of completing the pre-conditions to execute the sale. The Group is also committed to sell an owned mall and is in the process of completing the pre-conditions to execute the sale. The sales are considered highly probable and accordingly, the carrying values of the land and the mall have been classified as assets held for sale under current assets.

iv. During the year ended 31December 2024, Group has split the title deed of the land in Riyadh between Mall and the Land. The Mall is operational. The fair value of the land has been carried out during the year and record the land at fair value.

v. On 15 May 2022, there was partial fire outbreak at the Mall of Dhahran in the Eastern Province of Saudi Arabia. The mall was closed for a short period and reopened its doors on 7 June 2022, with an exception to some damaged area that is currently under restoration. The impact of the fire outbreak has been factored in by the valuers in the fair value of the mall. Surveyors are in the process of assessing the extent of loss, following which the Group had filed a claim for reimbursement with the insurers.

vi. All leasehold interests meet the definition of an investment property and, accordingly, the Group has accounted for the right-of-use assets as part of investment property as allowed by IFRS 16. The lands are restricted to be used for commercial purposes in relation to the Group's businesses and the right to renew the lease is based on mutual agreements between the parties. If the respective leases are not renewed the land and buildings will be transferred to the lessors at the end of the lease term.

vii. Projects under construction pertains to expenditure relating to malls which are in the course of construction as at the end of the reporting period and these are expected to be completed within 2 to 5 years. During the year ended 31 December 2024, the Group capitalized finance costs amounting to SR **470.5** million (31 December 2023: SR 384.5 million).





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 8. Investment properties (continued)

### A. Investment properties(continued)

viii. The carrying amount at the reporting date includes the fair value of the following:

| | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Shopping malls on owned lands | (i) | 12,593,408,177 | 11,929,917,260 |
| Shopping malls on leasehold lands | (i) | 7,191,815,802 | 6,644,698,513 |
| Owned lands/buildings held as investment properties | (ii) | 548,572,880 | 335,776,375 |
| Projects under construction – Fair value | (i) | 7,097,688,116 | 5,726,764,909 |
| | | 27,431,484,975 | 24,637,157,057 |

(i) Investment properties held for rental
(ii) Investment properties for undetermined future use

ix. Fair value of investment properties

a) *Fair value hierarchy*

The fair value measurement for investment property of **SR 27,431 million** (31 December 2023: SR 24,637 million) has been categorized as a level 3 fair value based on the significant unobservable inputs adopted by the valuer in the valuation technique used which are future retail rental payment terms; discount rates; capitalization rate (yields); forecasted occupancy; and cost to complete projects.

The fair value of investment properties as at the reporting dates for all properties, whether owned or leased, is determined by independent external valuers with appropriate qualifications and experience in the valuation of properties. Effective dates of the valuations are 31 December 2024 and 31 December 2023 and are prepared in accordance with Royal Institution of Chartered Surveyors ("RICS") Global Standards 2020 which comply with the international valuation standards and the RICS Professional Standards. The valuations have been performed by Colliers Saudi Arabia, ValuStrat and NATA Real Estate Appraisal Company. As per the CMA regulations, the Group has opted for the lower of the two valuations for the properties performed by the independent and competent valuers.

b) *Inter-relationship between key unobservable inputs and fair value measurement*

**31 December 2024**

| Property | Fair value SR million | Valuation technique | Significant unobservable input | Range |
|---|---|---|---|---|
| Shopping malls | 19,785 | Discounted cash flows | Occupancy (%) | 64% - 99% |
| | | | Future rent growth (%) | 2% - 4% |
| | | | Discount rate (%) | 9% - 18% |
| Projects under construction | 7,098 | Discounted cash flows – Residual method | Occupancy (%) | 90% - 95% |
| | | | Future rent growth (%) | 2% |
| | | | Discount rate (%) | 12% - 15% |
| Owned land | 549 | Comparable transaction | Average price (SR /sqm) | 220-8,943 |

**31 December 2023**

| Property | Fair value SR million | Valuation technique | Significant unobservable input | Range |
|---|---|---|---|---|
| Shopping malls | 18,575 | Discounted cash flows | Occupancy (%) | 76% - 100% |
| | | | Future rent growth (%) | 2% - 4% |
| | | | Discount rate (%) | 9% - 18% |
| Projects under construction | 5,727 | Discounted cash flows – Residual method | Occupancy (%) | 90% - 95% |
| | | | Future rent growth (%) | 2% |
| | | | Discount rate (%) | 12% - 14% |
| Owned land | 336 | Comparable transaction | Average price (SR /sqm) | 215-8,943 |

The estimated fair value would increase/(decrease) if the discount rates were lower/(higher) and/or the growth rates and occupancy % were higher/(lower).

All amounts are presented in Saudi Riyals unless otherwise stated.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 8. Investment properties (continued)

### A. Investment properties (continued)

ix. Fair value of investment properties (continued)

c) *Reconciliation of level 3 fair value as per fair valuer to accounting fair value*

Accrued lease income at the reporting date, relating to the accounting for operating lease rentals on a straight line basis as per IFRS 16 and lease liabilities have been adjusted from the fair valuation as per fair valuer, in order to avoid double counting of assets and liabilities, as mentioned below:

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| Fair value of land and buildings as per fair valuer | **24,699,818,150** | 21,896,776,377 |
| Less: Adjustment for accrued operating lease income | **(205,977,986)** | (235,587,183) |
| Add: carrying amount of lease liabilities | **2,937,644,811** | 2,975,967,863 |
| **Total carrying amount of investment properties** | **27,431,484,975** | 24,637,157,057 |

x. Amounts recognized in the consolidated statement of profit or loss for investment property that generated income.

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| Revenue from investment property | **2,344,038,571** | 2,253,673,262 |
| Direct operating expenses on properties that generated rental income | **(358,435,608)** | (383,488,576) |

xi. The following table shows the valuation technique to measure fair value of investment property

| | |
|---|---|
| Discounted cash flows (DCF) | The gross fair value (net costs to complete), as applicable, is derived using DCF and is benchmarked against net initial yield. |
| Comparable transaction | Properties held for future development are valued using comparable methodology which involves analyzing other relevant market transactions. |

### B. Advance payments for projects under construction

It represents advance payments to the contractors for the construction of shopping malls, which are under various stages of completion.

| | | | **Construction work services received** | | **Balances** | |
|---|---|---|---|---|---|---|
| **Name of party** | **Business status** | **Relationship** | **31 December 2024** | 31 December 2023 | **31 December 2024** | 31 December 2023 |
| Lynx Contracting Company | Limited Liability | Fellow subsidiary | **1,569,817,430** | 224,576,431 | **826,892,735** | 905,103,726 |
| Others | -- | -- | -- | -- | **1,551,840** | 1,454,664 |
| | | | | | **828,444,575** | 906,558,390 |

Lynx Contracting Company is a related party being controlled by the controlling shareholders of the Group. With the consent of the Shareholders, Group has signed a framework agreement with Lynx Contracting Company for the construction of projects and has engaged the company for design and construction services for all of its current Projects under Construction. Business relationships with Lynx are at arms' length and contract are only entered with Lynx after due tendering processes and cost verifications from third parties.

As is market practice, advance payments are required by the contractor from time to time in relation with design work, mobilization, advance procurement of long lease items. Advances paid are commensurate with the associated contract values and repayment mechanisms are in place against progress billing.





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 9. Lease liabilities

### A. Lease liabilities

The Group leases lands buildings. The lands buildings and are restricted to be used for commercial purposes in relation to the Group's business and the right to renew the lease is based on mutual agreements between the parties. Lease liabilities are presented in the consolidated statement of financial position as follows:

| | *Notes* | **31 December 2024** | 31 December 2023 |
|---|---|---|---|
| Balance at beginning of the year | | **3,168,270,116** | 2,639,276,382 |
| Additions during the year | | -- | 534,208,206 |
| Lease payments during the year | | **(306,497,017)** | (226,249,697) |
| Rent concessions during the year | | **(1,875,000)** | (3,750,000) |
| Remeasurement of lease liabilities | 9C | **97,268,140** | 81,804,409 |
| Lease termination | | -- | (16,286,468) |
| Interest expense during the year | | **133,484,647** | 110,436,822 |
| Interest capitalized for projects under construction | | **39,671,541** | 48,830,462 |
| **Balance at end of the year** | | **3,130,322,427** | 3,168,270,116 |

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| Non-current portion of lease liabilities | **2,790,696,853** | 2,839,886,903 |
| Current portion of lease liabilities | **339,625,574** | 328,383,213 |
| **Balance at end of the year** | **3,130,322,427** | 3,168,270,116 |

### B. Group Commitments to lease contracts

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| Within one year | **501,675,014** | 494,775,188 |
| After one year but not more than five years | **1,121,178,313** | 1,072,021,062 |
| More than five years | **3,844,040,921** | 4,096,274,563 |
| | **5,466,894,248** | 5,663,070,813 |

### C. Lease remeasurements

During the year ended 31 December 2024, the group engaged in negotiations with the landlord but did not reach a conclusion or agreement to terminate the lease. As a result, the management decided to reassess and extend the lease term until December 31, 2026. Management's assessment of whether termination rights should be exercised are based on associated economic incentives and disincentives of the decision.

During the period ended 31 December 2022, the Group assessed that significant capital expenditure is required on a leased operational mall to continue to attract footfall and generate appropriate returns. The Group based on a cost benefit analysis did not find the additional capital expenditures commercially feasible in comparison to other projects in pipeline and reassessed the lease term considering the exercise of termination rights available under a land lease which allows the Group to cancel a lease with a prior notice of one year. As a result of the reassessment of the lease term of the land, lease liability and right-of-use assets (included under investment properties) have reduced.

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the consolidated financial statements (continued)
For the year ended 31 December 2024

## 10. Property and equipment

### Reconciliation of carrying amount

| | Tools and equipment | Furniture and fixtures | Vehicles | Leasehold improvements | Capital work in progress | Total |
|---|---|---|---|---|---|---|
| **Cost:** | | | | | | |
| Balance at 31 December 2022 | 144,197,813 | 99,289,376 | 3,020,862 | 53,103,917 | 602,901 | 300,214,869 |
| Additions during the year | 3,704,425 | 2,628,146 | 316,500 | 449,275 | 2,915,606 | 10,013,952 |
| Balance at 31 December 2023 | 147,902,238 | 101,917,522 | 3,337,362 | 53,553,192 | 3,518,507 | 310,228,821 |
| Additions during the year | **784,617** | **2,908,792** | **65,500** | **7,900** | **4,736,882** | **8,503,691** |
| **Balance at 31 December 2024** | **148,686,855** | **104,826,314** | **3,402,862** | **53,561,092** | **8,255,389** | **318,732,512** |
| **Accumulated depreciation** | | | | | | |
| Balance at 31 December 2022 | 120,128,190 | 84,371,276 | 3,020,862 | 29,282,070 | -- | 236,802,398 |
| Charge for the year | 6,783,619 | 6,254,270 | 47,156 | 3,694,264 | -- | 16,779,309 |
| Balance at 31 December 2023 | 126,911,809 | 90,625,546 | 3,068,018 | 32,976,334 | -- | 253,581,707 |
| Charge for the year | **6,905,500** | **5,139,725** | **81,854** | **4,017,700** | -- | **16,144,779** |
| **Balance at 31 December 2024** | **133,817,309** | **95,765,271** | **3,149,872** | **36,994,034** | -- | **269,726,486** |
| **Carrying amounts:** | | | | | | |
| **At 31 December 2023** | 20,990,429 | 11,291,976 | 269,344 | 20,576,858 | 3,518,507 | 56,647,114 |
| **At 31 December 2024** | **14,869,546** | **9,061,043** | **252,990** | **16,567,058** | **8,255,389** | **49,006,026** |

10.1 As of December 31, 2024, the Group has ongoing capital expenditures classified as Capital Work in Progress (CWIP). These expenditures relate to leasehold improvements that are currently under development and will be capitalized upon completion.

All amounts are presented in Saudi Riyals unless otherwise stated.





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 11. Development properties

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| **Cost** | | |
| Balance at the beginning of the year | **353,531,069** | 345,683,721 |
| Additions during the year | **243,182** | 7,847,348 |
| Balance at the end of the year | **353,774,251** | 353,531,069 |

This represents property under development for commercial and residential purpose located in Buraydah, Qassim. The property is being developed with the intention of resale and is hence classified as development properties in these consolidated financial statements.

## 12. Investments

| | *Notes* | 31 December 2024 | 31 December 203 |
|---|---|---|---|
| Investment in equity accounted investee | *12A* | **87,717,039** | 78,634,195 |
| Investments at FVTPL | *12B* | **256,007,454** | 303,107,598 |
| | | **343,724,493** | 381,741,793 |

### A - Investment in equity accounted investee

| Name of an entity | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| FAS Lab Holding Company (Associate) | (i) | **87,467,039** | 78,384,195 |
| Khozam Mall Real Estate Development Company (Joint venture) | (ii) | **250,000** | 250,000 |
| | | **87,717,039** | 78,634,195 |

i. This represents a 50% equity investment in the share capital of FAS Lab Holding Company, an LLC incorporated in the Kingdom of Saudi Arabia, which is engaged primarily in leading the digital initiatives of the Group including but not limited to providing the malls visitors and shoppers with a specialized and advanced loyalty program, simplified and innovative consumer financing solutions and an e-commerce platform.

Reconciliation of carrying amount

| | Opening balance | Additions | Share in losses | Other Comprehensive income | Ending Balance |
|---|---|---|---|---|---|
| **31 December 2024** | **78,384,195** | **16,040,698** | **(7,089,208)** | **131,354** | **87,467,039** |
| 31 December 2023 | 63,714,723 | 24,978,845 | (10,870,750) | 561,377 | 78,384,195 |

***Summarized financial statements.***

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Assets | **303,931,484** | 309,698,148 |
| Liabilities | **(117,812,182)** | (129,448,843) |
| Net Assets | **186,119,302** | 180,249,305 |
| Net assets attributable to owners of investee | **148,242,259** | 142,735,591 |
| Share of net assets (50%) | **74,121,129** | 71,367,796 |
| Adjustments – Due to additional contribution | **13,345,910** | 7,016,399 |
| Carrying amount of investee | **87,467,039** | 78,384,195 |

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 12.Investments (continued)

### A. Investment in equity accounted investee (continued)

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Revenue | **542,002,993** | 409,293,398 |
| Loss from continuing operations | **(15,544,329)** | (18,914,175) |
| Total comprehensive loss | **(13,185,107)** | (18,477,365) |
| Loss for the year attributable to shareholders of the Company | **(13,296,026)** | (20,395,349) |
| Share of loss for the year | **(7,089,208)** | (10,870,750) |

(ii) This represents a 50% equity investment in the share capital of Khozam Mall Real Estate Development Company, a closed joint stock Company incorporated in the Kingdom of Saudi Arabia, which is engaged primarily in the construction of real estate projects. The Company was established during the year and is yet to commence commercial operations.

### B. Investment at FVTPL

| Name of an entity | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Al Jawhara Real Estate Fund *(i)* | *(i)* | **58,266** | 81,576 |
| Other investment | *(ii)* | **255,949,188** | 303,026,022 |
| | | **256,007,454** | 303,107,598 |

*i.*This represents investment in Al Jawhara Real Estate Fund (formerly known as Digital City Fund) purchased for SR 6.8 million.. As at 31 December 2024, the net asset value (NAV) of the investment amounted to SR 0.06 million (31 December 2023: SR 0.08 million) and SR 0.02 million of unrealized fair value loss is recognized in the consolidated statement of profit or loss (31 December 2023: gain of SR 0.31 million).

**Reconciliation of carrying amount**

| | Investments at FVTPL |
|---|---|
| Balance at 1 January 2023 | 1,159,414 |
| **Revaluation adjustments** | |
| Unrealized loss to consolidated statement of profit or loss | (308,056) |
| **Movement** | |
| Disposals | (769,782) |
| **Balance at 31 December 2023** | 81,576 |
| Balance at 1 January 2024 | **81,576** |
| **Revaluation adjustments** | |
| Unrealized loss to consolidated statement of profit or loss | **(23,310)** |
| **Movement** | |
| Disposals | -- |
| **Balance at 31 December 2024** | **58,266** |






**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 12. Investment (continued)

### B. Investment at FVTPL

*ii.*At 31 December 2024, a Group's subsidiary Riyadh Real Estate Development Fund held 140,009 units (2023: 166,699 units) of Diversified Trade Fund at a unit price of SR1,828 (2023:SR 1,817.8) for trading purposes.

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Balance at beginning of the year | **303,026,022** | -- |
| Additions | **--** | 322,274,093 |
| Disposals | **(48,516,565)** | (26,196,322) |
| Fair value change | **1,439,731** | 6,948,251 |
| Balance at end of the year | **255,949,188** | 303,026,022 |

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Proceed | **50,000,000** | 26,600,000 |
| Carrying amount | **(48,516,565)** | (26,196,322) |
| Gain on disposal | **1,483,435** | 403,678 |

## 13.Account receivable and others

Accounts receivable comprise interest free net receivables due from tenants with no credit rating. Before accepting any new customer, management of the Group assesses the potential customer's credit quality and defines credit limits. Accounts receivable are, in part, covered by promissory notes to secure the payment of lease obligations, with accelerated lease resolution mechanisms for defaulting tenants available through the Saudi Unified Ejar platform.

**Reconciliation of carrying amount**

| | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Gross accounts receivable | | **747,555,738** | 636,154,384 |
| Receivable from Jeddah Park landlord | *(i)* | **163,586,711** | 132,509,059 |
| | | **911,142,449** | 768,663,443 |
| Less: Impairment loss on accounts receivable | *(a)* | **(423,755,570)** | (285,511,351) |
| | | **487,386,879** | 483,152,092 |
| Less: Non-current receivable | *(i)* | **(4,500,000)** | (9,000,000) |
| | | **482,886,879** | 474,152,092 |

(i) This amount has been paid by the Company as initial support payments for the Jeddah park mall. The non-current portion represents amounts expected to be collected after one year from the reporting date.
(a) Movement in the impairment loss allowance was as follows:

| | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Balance at beginning of the year | | **285,511,351** | 171,400,842 |
| Impairment charge for the year | | **138,244,219** | 114,110,509 |
| Balance at end of the year | | **423,755,570** | 285,511,351 |
| **Amounts directly charged to consolidated statement of profit and loss** | | | |
| ***- Impairment of accrued revenue*** | *(ii)* | 71,103,179 | 52,932,799 |
| ***- Receivables written off*** | | 4,722,503 | 22,631,565 |

Please refer to Note *30(c)* for ageing of expected credit loss allowance on receivables.

(ii) It represents release of unamortized portion of rent-free period / lease straight lining to profit or loss on account of termination of lease.

All amounts are presented in Saudi Riyals unless otherwise stated.

# Arabian Centres Company (A Saudi Joint Stock Company)
## Notes to the consolidated financial statements (continued)
**For the year ended 31 December 2024**

## 14.Related party transactions and balances

For the purpose of these consolidated financial statements, a party is considered related to the Group if the Group has the ability, directly or indirectly, to control or exercise significant influence over the party in financial and operating decisions, or vice versa. A party is also considered related if both the Group and the party are subject to common control or if the Group can be directly or indirectly influenced by another party. Related parties may include both individuals and entities. Balances and transactions between the Company and its subsidiaries, which are related parties within the Group, have been eliminated on consolidation.

### A. Key management personnel compensation

The remuneration of directors and other key management personnel ('KMP') are as follow:

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| End of service benefits | **6,342,888** | 5,291,604 |
| Salaries and short-term benefits | **29,393,429** | 22,211,312 |
| Total key management compensation | **35,736,317** | 27,502,916 |

### B. Related party transactions and balances

*I - Related party balances are presented in the consolidated statement of financial position as follows:*

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| Amounts due from related parties – current portion | **408,420,267** | 483,752,516 |
| Amounts due from related parties – non-current portion | **234,967,548** | -- |
| Amount due from related parties - net (i) | **643,387,815** | 483,752,516 |
| Amount due to related parties | **234,743,486** | 102,087,353 |
| | | |
| **(i)Movement of amount due from related parties-net** | | |
| Amount due from related parties – gross | **771,881,877** | 483,752,516 |
| Modification loss on related parties' receivables - net (ii) | **(36,515,958)** | -- |
| Less: Impairment loss on due from related parties | **(91,978,104)** | -- |
| Amount due from related parties – net | **643,387,815** | 483,752,516 |

(ii) During the year ended December 31, 2024, the Group has restructured the balances due from related parties, as per the restructure agreement the amounts are receivable over a period of three years. Hence, the balances are measured at the present value of the contractual amounts by using the average incremental borrowing rate consequently, the Group has recorded the contract modification loss of SR **53.5 million** and finance income of SR **17 million** recognized in statement of profit or loss during the year ended December 31, 2024.





# Arabian Centres Company (A Saudi Joint Stock Company)
## Notes to the consolidated financial statements (continued)
**For the year ended 31 December 2024**

## 14. Related party transactions and balances (continued)

### B. Related party transactions and balances (continued)

*II - During the year, the Group transacted with its related parties. The terms of those transactions are approved by management/Board of Directors in the ordinary course of business. The significant transactions and the related amounts are as follows:*

| | | | Transactions for year | | | | Balance as at | |
|---|---|---|---|---|---|---|---|---|
| **Name of related party** | **Note** | **Business status** | **Rental income and other fees / services** | **Services received** | **Others** | **Total** | **Due from** | **Due to** |
| **31 December 2024** | | | | | | | | |
| **Transactions with ultimate parent** | | | | | | | | |
| Saudi FAS Holding Company | (i) | Closed Joint Stock Company | **2,443,104** | -- | -- | **2,443,104** | 6,447,086 | -- |
| **Transactions with fellow subsidiaries** | | | | | | | | |
| Fawaz Abdulaziz Al Hokair Company and its subsidiaries (trading as Cenomi Retail) | (ii) | Joint Stock Company | **270,586,372** | -- | **(5,103,000)** | **265,483,372** | 487,541,807 | -- |
| Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries | (iii) | Joint Stock Company | **28,277,473** | -- | -- | **28,277,473** | 34,876,385 | -- |
| Salman & Sons Holding Co and its associates | (iv) | Limited Liability Company | **41,566,297** | -- | -- | **41,566,297** | 72,774,205 | -- |
| Majd Al Amal Co. Limited and its associates | (v) | Limited Liability Company | **14,849,613** | -- | -- | **14,849,613** | 28,376,076 | -- |
| Tadaris Alnajd Security Company | (vi) | Limited Liability Company | -- | **(55,432,947)** | -- | **(55,432,947)** | 8,950,560 | -- |
| Ezdihar Holding Co and its subsidiaries | (vii) | Limited Liability Company | **49,132,159** | -- | **(22,797,000)** | **26,335,159** | 107,539,059 | -- |
| Lynx Contracting Company | (xi) | Limited Liability Company | -- | **(197,447,531)** | -- | **(197,447,531)** | -- | **(231,906,096)** |
| Others, net | (viii) | Limited Liability Companies | **8,770,572** | **(13,239,039)** | -- | **(4,468,467)** | 25,376,699 | **(2,837,390)** |
| | | | **415,625,590** | **(266,119,517)** | **(27,900,000)** | **121,606,073** | 771,881,877 | **(234,743,486)** |
| **31 December 2023** | | | | | | | | |
| **Transactions with ultimate parent** | | | | | | | | |
| Saudi FAS Holding Company | (i) | Closed Joint Stock Company | 3,296,527 | -- | -- | 3,296,527 | 8,401,207 | -- |
| **Transactions with fellow subsidiaries** | | | | | | | | |
| Fawaz Abdulaziz Al Hokair Company and its subsidiaries | (ii) | Joint Stock Company | 355,595,535 | -- | (65,048,000) | 290,547,535 | 246,035,225 | -- |
| Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries | (iii) | Joint Stock Company | 23,801,302 | -- | -- | 23,801,302 | 24,116,051 | -- |
| Salman & Sons Holding Co and its associates | (iv) | Limited Liability Company | 54,855,505 | -- | -- | 54,855,505 | 71,048,857 | -- |
| Majd Al Amal Co. Limited and its associates | (v) | Limited Liability Company | 22,666,608 | -- | -- | 22,666,608 | 5,244,635 | -- |
| Tadaris Alnajd Security Company | (vi) | Limited Liability Company | -- | (66,011,599) | -- | (66,011,599) | 8,164,179 | -- |
| Ezdihar Holding Co and its subsidiaries | (vii) | Limited Liability Company | 55,610,260 | -- | -- | 55,610,260 | 92,784,508 | -- |
| Lynx Contracting Company | (xi) | Limited Liability Company | -- | (94,791,180) | -- | (94,791,180) | -- | (94,791,180) |
| Others, net | (viii) | Limited Liability Companies | 7,104,959 | (13,490,055) | 674,163 | (5,710,933) | 27,957,854 | (7,296,173) |
| | | | 522,930,696 | (174,292,834) | (64,373,837) | 284,264,025 | 483,752,516 | (102,087,353) |

All amounts are presented in Saudi Riyals unless otherwise stated.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 14. Related party transactions and balances (continued)

### B. Related party transactions and balances (continued)

*III - Information about the fellow subsidiaries and their relationship*

i. **Saudi FAS Holding Company** is the ultimate parent of the Company via assignment of shares by the Company's immediate parent company (FAS Real Estate Company Limited). The Company has various transactions with its Ultimate Parent in relation to ongoing business support activities provided by the Ultimate Parent Company.

ii. **Fawaz Abdulaziz Al Hokair Company**, a subsidiary of the Company's Ultimate Parent Saudi FAS Holding Company, is one of the Group's Key Account Tenants and leases stores in various of the Company's malls. The Company is party to a framework agreement with Fawaz Abdulaziz Al Hokair Company which aims to ensure that all tenancy leases between the parties for all of the Company's malls are conducted on a basis which are approved by the management and Board of Directors.

iii. **Abdul Mohsin Al Hokair Group for Tourism and Development** leases space for indoor and outdoor family entertainment centres in the Group's shopping malls. These leases range from 5 to 10 years in length. **Abdul Mohsin Al Hokair and Tourism and Development** is owned by a relative of the Controlling Shareholders.

iv. **Salman & Sons Holding Co.** and its associates is a mix of entities which leases spaces in several of the Group's shopping malls mainly for entertainment purposes. These entities are owned by the controlling shareholder (Salman Abdulaziz Alhokair) and their close family members. Salman & Sons Holding Co and its associates includes:

- **Sala Entertainment Company** leases space for an indoor soft play entertainment venue in the Company's shopping malls. The leases are for a term of 10 years.
- **Kids Space Company** leases space in the Mall of Arabia (Jeddah) for 'Kidzania', a children's interactive play centre. The term of the lease is ten years, with renewal unless one party gives notice. The lease contains turnover rent provisions and rent escalation mechanics.
- **Via Media, Vida first for beverages Est., Vida Trading Est.** and **Fashion District Co.** leases spaces in several of the Group's shopping malls. The term of the leases range from 1 to 3 years.

v. **Majd Al Amal Co. Limited and its associates** is a mix of entities which leases spaces in several of the Company's shopping malls. The term of the leases range from 3 to 7 years. The Company is owned by close family members of the Controlling Shareholders. Entities includes Majd Al Amal Co. limited, Wealth Company Limited, Almuzn Foods and Saraya Al Majd Co.

vi. **Tadaris Alnajd Security Company (TNS)** currently provides security services to all of the Group's shopping malls. The entity is owned by the controlling shareholder (Salman Abdulaziz Alhokair) and his close family members. The Company entered into a civil security services agreement with TNS for the provision of civil security services in the malls, which includes the provision of security guards and other security personnel and security vehicles. The agreement is automatically renewable by mutual consent.






**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 14. Related party transactions and balances (continued)

### B. Related party transactions and balances (continued)

vii. **Ezdihar Holding Co and its subsidiaries** is a mix of entities which leases spaces in several of the Group's shopping malls mainly for trading purposes. These entities are owned by close family members of the Controlling Shareholder (Fawaz Abdulaziz Alhokair) and their close family members. These are as follows:

- **Next Generation Company Limited** currently leases cinemas and space planned for cinemas in the Company's shopping malls. The term of the lease range is approximately 10 years.
- **Ezdihar Sports Co.** leases space for fitness centers in U-Walk. The term of the lease range is approximately 10 years.

viii. Others mainly include transactions with Etqan Facilities Management, DAAM Support Maintenance& Cleaning Company, FAS Energy, Cenomi E-commerce, Business Flower, Medical Health Development Company, Echo Design Consultant, Fahad Abdulaziz Al Hokier Trading EST, FAS Technologist Trading Company, and Nail Place Trading Est. These entities are owned by close family members of the Controlling Shareholder (Fawaz Abdulaziz Alhokair) and their close family members.

ix. Fawaz Abdulaziz Alhokair, Salman Abdulaziz Alhokair and Abdulmajeed Abdulaziz Alhokair are the joint ultimate controlling shareholders of the Company.

x. See note 30C (i) for expected credit losses on related party receivables.

xi. This is amount owed to Lynx Contracting Company for construction works received.

## 15. Prepayments and other assets

| | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Value Added Tax (VAT) receivables | | **328,487,071** | 44,946,809 |
| Prepaid expenses | | **12,646,265** | 17,924,050 |
| Advances to suppliers | | **45,524,966** | 36,232,122 |
| Employees' receivables | | **5,094,477** | 4,135,734 |
| Cash in portfolio account (restricted cash) | (i) | **1,217,418** | 2,049,034 |
| Others | (ii) | **46,046,671** | 22,816,623 |
| | | **439,016,868** | 128,104,372 |
| Less: non-current Prepayments | | **(8,045,436)** | (9,681,804) |
| | | **430,971,432** | 118,422,568 |

(i) This is cash maintained in investor account of the Company with its Market Maker for purpose of trading in Company's equity shares listed on stock exchange.
(ii) This mainly includes margin amounting to SR 10 million paid to obtain letters of guarantee related to acquisition of investment in FAS Lab Holding Company.

## 16. Cash and cash equivalents

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Bank balances – current accounts | **253,157,011** | 84,125,834 |
| Bank balances – time deposits | **416,250,000** | -- |
| Cash in hand | **935,000** | 870,000 |
| | **670,342,011** | 84,995,834 |

All amounts are presented in Saudi Riyals unless otherwise stated.

## 17. Share capital

### A) Share capital

The movement in share capital and share premium are as follows:

| | No. of shares | Share capital | Share premium |
|---|---|---|---|
| **Balance at 31 December 2024** | 475,000,000 | 4,750,000,000 | 411,725,703 |
| Balance at 31 December 2023 | 475,000,000 | 4,750,000,000 | 411,725,703 |

### B) Treasury shares reserve

During the year ended 31 December 2023, the Company entered into a market making agreement with Al Rajhi Capital to provide continuous buying and selling of the Company's shares. The reserve for Company's treasury shares comprises the cost of Company's shares held by the Group. As at 31 December 2024, the Company held 57,646 of its shares (2023: 109,187). All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

## 18. Reserves

***Statutory reserve***
The statutory reserve included in the consolidated financial statements as of December 31, 2024, and December 31, 2023, was required under the Company's previous by-laws. However, following amendments to the Company's by-laws during the year ended December 31, 2024, the requirement to set aside a statutory reserve has been removed.

***Other reserves***
Other reserves include foreign currency reserve, treasury shares reserve, hedging reserve and reserve for actuarial gain/loss of employees' end-of-service benefits.

## 19. Dividends distribution

***December 2024***

i. On 26 March 2024, the Board of Directors resolved to distribute an interim dividend for the second half of the year ended 31 December 2023 amounting to SR 0.75 per share aggregating to SR 356,250,000. The dividend was paid on 16 April 2024.

ii. On 16 May 2024, the Board of Directors resolved to distribute dividends for the first quarter of the year ending 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000. The dividend was paid on 18 July 2024.

iii. On 9 November 2024, the Board of Directors resolved to distribute dividends for the second quarter of the year ending 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000. The dividends was paid on 21 November 2024.

***December 2023***

i. On 13 July 2023, the Board of Directors resolved to distribute dividends for the first half of the year ending 31 December 2023 amounting to SR 0.87 per share aggregating to SR 413,250,000. The dividends were paid/adjusted on 13 August 2023.

ii. On 2 April 2023, the Board of Directors resolved to distribute dividends for the second half of the period ended 31 December 2022 amounting to SR 1 per share aggregating to SR 475,000,000. The dividends were paid/adjusted on 16 April 2023.

iii. On 1 January 2023, the Board of Directors resolved to distribute interim dividends for the first half of the period ended 31 December 2022 amounting to SR 0.75 per share aggregating to SR 356,250,000. The dividends were paid/adjusted on 12 February 2023.







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For the year ended 31 December 2024

## 20. Loans and borrowings

| | *Note* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Islamic facilities with banks | | | |
| - Facility 1 | *(i)* | **5,182,390,278** | 3,286,561,312 |
| - Facility 2 | *(ii)* | **1,080,545,719** | 558,058,069 |
| Sukuks | *(iii)* | **5,909,373,095** | 5,142,084,776 |
| | *20 B* | **12,172,309,092** | 8,986,704,157 |
| **Loans and Borrowings - Current liabilities** | | **34,709,205** | 3,104,998,958 |
| **Loans and Borrowings – Non-current liabilities** | | **12,137,599,887** | 5,881,705,199 |
| | | **12,172,309,092** | 8,986,704,157 |

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note *30*.

### A. Terms and repayment

*(i)* *Facility 1*

During the year ended 31 December 2024, The Group has entered into various long-term Islamic facilities amounting to SR 4.2 billion (equivalent USD 1,120 million), with an additional accordion for SR 1.05 billion, with a syndicate of banks (local and international banks). The facilities include two term Murabha tranches (maturing in 12 years) and revolving Murabha facility (maturing in 5 years). These term Murabaha facilities are fully utilized and revolving Murabaha facility is fully utilized as at reporting date. The Group has early repaid the existing long-term Islamic facilities outstanding as of 31 December 2023.

The long-term loan is repayable in unequal quarterly instalments and is subject to commission rates based on SIBOR/SOFR plus an agreed commission rate. The pricing applicable to the facilities are linked to sustainability targets i.e. reducing carbon emissions, increasing grid connectivity, and enhancing female representation in leadership roles.

The facilities are secured by a security over land and buildings of several malls with carrying amount of **SR 7.9 billion.**

*(ii)* *Facility 2*

During the year ended 31 December 2024, the Group has **drawn-down** SR 521 million (31 December 2023: SR 508 million) from the facilities. The facility is non-recourse to the Company.
During the year ended 31 December 2024, a subsidiary of the Group has entered into a long-term facility arrangement amounting to SR 350 million from the National Development Fund (NDF). The facility is non-recourse to the Company.
During the year ended 31 December 2023, a subsidiary of the Group has entered into a long-term Islamic facility arrangement amounting to SR 1,000 million with a local bank. The facility is non-recourse to the Company.
During the period ended 31 December 2022, a subsidiary of the Group has entered into a long-term Islamic facility arrangement amounting to SR 800 million with a local bank. The long-term loan is repayable in unequal semi-annual instalments and is subject to commission rates based on SIBOR plus an agreed commission rate. The facilities are secured by Lands.

The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained.

The loans and borrowings facility 1 & 2 contain certain covenants. These covenants include maintaining a cash flow cover, profit cover, gearing ratio and tangible net worth in accordance with the terms of the respective agreements. The covenants are monitored by the management. As at 31 December 2024, there has not been any non-compliance observed for any of the covenants and the Group is expecting to meet the future covenants as well.

All amounts are presented in Saudi Riyals unless otherwise stated.

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## 20. Loans and borrowings (continued)

*(iii)* Sukuks

During the year ended 31 December 2024, the Company issued Shari'ah compliant Sukuk amounting to **USD 710 million** (equivalent SR 2,662.5 million), maturing in 2029 with annual yield of 9.5% payable semi-annually. The proceeds from the issuance have been used to refinance the Company's 2019 Sukuk. Sukuk Certificates are subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate. During the year ended 31 December 2024, the Sukuk issued in 2019 has been early redeemed.

On 7 April 2021, Arabian Centres Sukuk II Limited (a special purpose company established for the purpose of issuing Sukuk) issued a Five- and half--year International USD denominated Shari'ah compliant Sukuk "Sukuk II Certificates" amounting to USD 650 million (equivalent SR 2,437.5 million), at a par value of USD 0.2 million each, annual yield of 5.625% payable semi-annually. On 28 July 2021, the Company issued additional Sukuk II certificates amounting to USD 225 million (equivalent SR 843.75 million), at a premium of 4.75%. Sukuk Certificates may be subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate.

### B. Reconciliation of carrying amount

| | | Islamic facility with banks *Facility 1* | *Facility 2* | Sukuks | Total |
|---|---|---|---|---|---|
| Balance at 1 Jan 2023 | | 3,195,852,084 | 63,308,995 | 5,156,200,000 | 8,415,361,079 |
| Proceeds received during the year | | 200,000,000 | 508,350,701 | -- | 708,350,701 |
| Repayments made during the year | | (68,380,208) | -- | -- | (68,380,208) |
| | *(i)* | 3,327,471,876 | 571,659,696 | 5,156,200,000 | 9,055,331,572 |
| Un-amortized transaction costs | *(ii)* | (40,910,564) | (13,601,627) | (34,263,790) | (88,775,981) |
| Deferred Sukuk premium | *(iii)* | -- | -- | 20,148,566 | 20,148,566 |
| Balance at 31 December 2023 | | 3,286,561,312 | 558,058,069 | 5,142,084,776 | 8,986,704,157 |
| | | | | | |
| **Balance at 1 Jan 2024** | | **3,327,471,876** | **571,659,696** | **5,156,200,000** | **9,055,331,572** |
| **Proceeds received during the year** | | **5,249,999,921** | **521,087,650** | **2,662,500,000** | **8,433,587,571** |
| **Repayments made during the year** | | **(3,327,471,876)** | — | **(1,874,950,000)** | **(5,202,421,876)** |
| | *(i)* | **5,249,999,921** | **1,092,747,346** | **5,943,750,000** | **12,286,497,267** |
| Un-amortized transaction costs | *(ii)* | **(67,609,643)** | **(12,201,627)** | **(43,402,048)** | **(123,213,318)** |
| Deferred Sukuk premium/Discount, net | *(iii)* | -- | -- | **9,025,143** | **9,025,143** |
| **Balance at 31 December 2024** | | **5,182,390,278** | **1,080,545,719** | **5,909,373,095** | **12,172,309,092** |





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## 20. Loans and borrowings (continued)

### B. Reconciliation of carrying amount (continued)

i. Below is the repayment schedule of the principal portion of outstanding long-term loans:

| | Islamic facility with banks | Sukuks | Total |
|---|---|---|---|
| 31 December 2023 | | | |
| Within one year | 1,229,998,958 | 1,875,000,000 | 3,104,998,958 |
| Between two to five years | 1,823,377,412 | 3,281,200,000 | 5,104,577,412 |
| More than five years | 845,755,202 | -- | 845,755,202 |
| | 3,899,131,572 | 5,156,200,000 | 9,055,331,572 |
| **31 December 2024** | | | |
| Within one year | **34,709,205** | -- | **34,709,205** |
| Between two to five years | **1,132,215,599** | **5,943,750,000** | **7,075,965,599** |
| More than five years | **5,175,822,463** | -- | **5,175,822,463** |
| | **6,342,747,267** | **5,943,750,000** | **12,286,497,267** |

ii. Un-amortized transaction costs movement is as follows:

| | Islamic facilities with banks Facility *1* | Facility 2 | Sukuks | Total |
|---|---|---|---|---|
| Balance at 1 Jan 2023 | 47,199,402 | 5,118,750 | 53,478,788 | 105,796,940 |
| Arrangement fees paid | 500,000 | 10,000,000 | -- | 10,500,000 |
| Amortization for the year | (3,456,220) | -- | (16,017,443) | (19,473,663) |
| Capitalized arrangement fees | (3,332,618) | (1,517,123) | (3,197,555) | (8,047,296) |
| Balance at 31 December 2023 | 40,910,564 | 13,601,627 | 34,263,790 | 88,775,981 |
| Balance at 1 Jan 2024 | **40,910,564** | **13,601,627** | **34,263,790** | **88,775,981** |
| Arrangement fees paid | **72,590,177** | -- | **32,070,639** | **104,660,816** |
| Amortization for the year | **(43,689,240)** | -- | **(20,753,576)** | **(64,442,816)** |
| Capitalized arrangement fees | **(2,201,858)** | **(1,400,000)** | **(2,178,805)** | **(5,780,663)** |
| **Balance at 31 December 2024** | **67,609,643** | **12,201,627** | **43,402,048** | **123,213,318** |

iii. Deferred Sukuk premium/Discount, net

This represents the premium received on further issuance of Sukuk III (i.e. Issue price less face value of the certificate) and is amortized over the life of the instrument using the effective interest rate at the date of initial recognition of the instrument. Movement is as follows:

| | Deferred Discount | Deferred Premium | Total |
|---|---|---|---|
| Balance at 1 Jan 2023 | -- | 27,426,090 | 27,426,090 |
| Amortization for the year | -- | (7,277,524) | (7,277,524) |
| Balance at 31 December 2023 | -- | 20,148,566 | 20,148,566 |
| | | | |
| Balance at 1 Jan 2024 | -- | **20,148,566** | **20,148,566** |
| Additions during the year | **(4,125,000)** | -- | **(4,125,000)** |
| Amortization for the year | **297,917** | **(7,296,340)** | **(6,998,423)** |
| **Balance at 31 December 2024** | **(3,827,083)** | **12,852,226** | **9,025,143** |

All amounts are presented in Saudi Riyals unless otherwise stated.

**Arabian Centres Company** (A Saudi Joint Stock Company)
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## 21. Employee benefits

The Group grants end-of-service benefits (benefit plan) to its employees taking into consideration the local labor law requirements in KSA. The benefit provided by this benefit plan is a lump sum based on the employees' final salaries and allowance and their cumulative years of service at the date of the termination of employment.

The benefit liability recognized in the consolidated statement of financial position in respect of defined benefit end-of-service plan is the present value of the DBO at the reporting date.

The DBO is calculated periodically by qualified actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using yields on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation (equivalent to a duration of around 12 years). In countries where there is no deep market in such bonds, the market rates on government bonds are used. As there are insufficient corporate and government bonds in the Kingdom to generate a credible discount rate, the discount rate has instead been based on US Treasury bonds adjusted for country differences between the US and Saudi Arabia.

Re-measurement amounts of actuarial gains and losses on the DBO, if any, are recognized and reported within other reserves under the consolidated statement of comprehensive income and in the consolidated statement of changes in equity.

### A. Movement in employee benefits liability

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| **Balance at the beginning of the year** | 35,809,551 | 28,486,108 |
| **Total amount recognized in the consolidated statement of profit or loss** | | |
| Current service cost | 6,938,265 | 7,584,358 |
| Interest cost | 1,672,627 | 1,484,319 |
| | 8,610,892 | 9,068,677 |
| **Amount recognized in the consolidated statement of comprehensive income** | | |
| Actuarial loss arising from | | |
| – financial assumptions | (5,105,084) | 2,897,352 |
| – other assumptions and experience adjustments | -- | 796,883 |
| | (5,105,084) | 3,694,235 |
| Benefits paid | (4,674,057) | (4,694,352) |
| Benefits transfer to related party | -- | (745,117) |
| **Balance at end of the year** | 34,641,302 | 35,809,551 |

### B. Significant actuarial assumptions

The significant actuarial assumptions used were as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| **Economic assumptions** | | |
| Gross discount rate | 5.5% | 4.85% |
| Withdrawal rate | 20% | 20% |
| Salary growth rate | 3% | 4% |
| Retirement age | 60 | 60 |







**Arabian Centres Company** (A Saudi Joint Stock Company)
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## 21. Employee benefits (continued)

### C. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions made in the calculation is as follows:

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Salary inflation (1% movement) | 37,548,749 | 32,054,562 | 39,116,388 | 32,889,415 |
| Discount rate (1% movement) | 32,134,932 | 37,504,525 | 32,937,447 | 39,121,473 |
| Withdrawal rate (20% movement) | 34,509,898 | 34,611,299 | 34,940,430 | 36,649,502 |

## 22. Accounts payable and other liabilities

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **Accounts payable** | | | |
| Accounts payable | *(i)* | 180,634,812 | 223,255,947 |
| | | 180,634,812 | 223,255,947 |
| **Other liabilities** | | | |
| Accrued finance cost | *(iii)* | 225,874,436 | 65,474,885 |
| Tenants' security deposits | *(ii)* | 83,291,071 | 124,365,613 |
| Accrued expenses | | 95,375,123 | 136,966,624 |
| Employees' salaries and benefits | | 42,694,155 | 50,892,146 |
| Withholding and value added tax | | 43,051,404 | 102,152,880 |
| | | 490,286,189 | 479,852,148 |
| **Accounts payable and other liabilities** | | 670,921,001 | 703,108,095 |

i. Accounts payable are amounts which are owed to suppliers for the purchase of goods or services. The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

ii. Non-current portion of tenants' security deposits aggregating to SR **22.4 million** (31 December 2023: SR 42.7 million) are disclosed as other non-current liabilities.

iii. Movement in accrued finance cost is as follows:

| | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Balance at beginning of the year | | 65,474,885 | 77,823,293 |
| Commission expense | *27E* | 460,238,407 | 237,870,621 |
| Payment of finance costs | | (638,138,213) | (570,973,833) |
| Reimbursement of commission on Sukuk | | 10,449,999 | -- |
| Capitalized finance costs | | 327,849,358 | 320,754,804 |
| **Balance at end of the year** | | 225,874,436 | 65,474,885 |

All amounts are presented in Saudi Riyals unless otherwise stated.

**Arabian Centres Company** (A Saudi Joint Stock Company)
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## 23. Accrued revenue and unearned revenue

i. Unearned revenue represents rental income received against services to be performed or goods to be delivered by the Group in the future. At the end of each accounting period, adjusting entries are made to recognize the portion of unearned revenue that has been earned during the year. The amount of SR 302,198,673 included in unearned revenue at 31 December 2023 has been recognized as revenue in 2024 (year ended 31 December 2023: SR 239,109,599).

ii. Accrued revenue represents the following:

| | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Unamortized portion of lease incentives | | | |
| - discounts | *(a)* | **35,978,359** | 51,053,368 |
| - rent free period and straight-lining | | **185,796,422** | 184,533,815 |
| Less: Impairment loss on accrued revenues | | **(15,796,795)** | -- |
| | | **205,977,986** | 235,587,183 |
| Presented in statement of financial position as follows: | | | |
| Accrued revenue – non-current portion | | **137,318,657** | 157,058,122 |
| Accrued revenue – current portion | | **68,659,329** | 78,529,061 |
| | | **205,977,986** | 235,587,183 |

(a) As at 31 March 2021 the Group had approved on a cumulative basis since the fourth quarter of the year ended 2020, a total COVID-19 related discount of SR 579 million to be amortized over the term of outstanding lease contracts. The impact of rent relief for year ended 31 December 2024 is **SR 9.9 million** (31 December 2023: SR 35.4 million).

## 24. Zakat

**A. Amounts recognized in consolidated statement of profit or loss**

Computation of zakat charge is as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Shareholders' equity and other payables | **28,897,794,867** | 25,407,709,441 |
| Adjusted net income | **1,360,142,004** | 1,459,800,130 |
| Deductions | **(28,509,985,132)** | (25,849,173,040) |
| Zakat base | **1,747,951,739** | 1,018,336,531 |
| ***Zakat at 2.5% (higher of adjusted net income or Zakat base)*** | **44,000,000** | 40,473,225 |

**B. Reconciliation of carrying amount**

| | *Note* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Balance at beginning of the year | | **68,384,195** | 51,221,357 |
| Current year zakat charge | *24A* | **44,000,000** | 40,473,225 |
| Payments | | **(36,023,538)** | (23,310,387) |
| **Balance at end of the year** | | **76,360,657** | 68,384,195 |

**C. Status of assessment**

Status of zakat assessments is as follows:

- The Group submitted the zakat return up to the year ended 31 December 2023 and obtain the provisional zakat certificate. The zakat certificate will be expired on 30 April 2025.
- Until the year ended 31 March 2019, the Ultimate Parent Company prepared and submitted combined zakat returns for the Ultimate Parent Company and its wholly owned subsidiaries, including Arabian Centres Company, to the Zakat, Tax and Customs Authority as per Zakat, Tax and Customs Authority letter. The ultimate parent Company has received final assessment order for zakat until the year 31 March 2016.





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## 25. Revenue

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| **Income from leases** | | |
| Rental income | **2,132,391,666** | 2,089,447,034 |
| Turnover rent | **61,378,094** | 64,170,896 |
| **Revenue from contracts with customers** | | |
| Service and management charges income | **145,276,772** | 95,673,728 |
| Commission income on provisions for utilities for heavy users, net | **4,992,039** | 4,381,604 |
| | **2,344,038,571** | 2,253,673,262 |

Rental income includes fixed service and management charges income related to utilities, maintenance, cleaning and security charges of Malls' premises as a part of rent for each of the tenants for the year ended 31 December 2024 amounts to SR **252** million (year ended 31 December 2023: SR 243 million)

*Group as a lessor:*
The Group has entered into operating leases on its investment properties portfolio consisting of various buildings. These leases have terms of between 1 to 5 years. Leases include a clause to enable upward revision of the rental charge depending on the lease agreements. Future minimum rentals receivable under non-cancellable operating leases as at the end of the reporting periods are as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Less than one year | **1,629,413,757** | 1,422,247,702 |
| One to two years | **1,018,521,405** | 854,332,236 |
| Two to three years | **500,133,666** | 449,143,105 |
| Three to four years | **308,697,482** | 266,409,287 |
| Four to five years | **185,284,666** | 207,885,695 |
| More than five years | **417,581,190** | 288,301,243 |
| | **4,059,632,166** | 3,488,319,268 |

## 26. Direct costs

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Utilities expense | **85,302,128** | 107,739,461 |
| Cleaning expense | **67,012,778** | 70,079,400 |
| Employees' salaries and other benefits | **62,378,905** | 48,280,598 |
| Repairs and maintenance | **58,126,085** | 58,138,097 |
| Security expense | **55,907,577** | 63,701,951 |
| Insurance expense | **24,827,415** | 30,062,522 |
| Others | **4,880,720** | 5,486,547 |
| | **358,435,608** | 383,488,576 |

## 27. Income and expenses

### A. Other operating income

| | *Notes* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Gain on sale of investment property | *8A(i)* | -- | 238,668,127 |
| Recovery of written off receivables | | **3,031,141** | 17,134,975 |
| Gain on lease termination | *9* | -- | 16,286,468 |
| Gain on investments at FVTPL | | **2,923,166** | 7,351,929 |
| Compensation received from landlord | | **1,875,000** | 3,750,000 |
| Commission income on bank deposits | | **2,396,382** | 1,208,939 |
| Foreign exchange gain | | **309,517** | 1,358,397 |
| Other income | | **4,892,918** | 5,694,655 |
| | | **15,428,124** | 291,453,490 |

All amounts are presented in Saudi Riyals unless otherwise stated.

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## 27. Income and expenses (continued)

### B. Advertisement and promotion expenses

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Material and Promotions | 16,715,857 | 31,724,317 |
| Advertisement | 2,031,795 | 22,449,769 |
| Sponsorship | 4,143,750 | 11,279,724 |
| | 22,891,402 | 65,453,810 |

### C. General and administrative expenses

| | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Employees' salaries and other benefits | | 145,235,717 | 180,389,009 |
| Professional fees | *(i)* | 34,298,376 | 78,025,492 |
| Communication and internet expense | | 18,108,165 | 16,222,583 |
| Depreciation on property and equipment | *10* | 16,144,779 | 16,779,309 |
| Board expenses | | 6,225,108 | 5,884,935 |
| Insurance expense | | 3,855,559 | 4,186,694 |
| Maintenance | | 808,241 | 2,711,711 |
| Others | | 31,432,204 | 44,349,191 |
| | | 256,108,149 | 348,548,924 |

*(i)* Auditors' remuneration for the statutory audit of the Group's consolidated financial statements and the financial statements of its subsidiaries for the year ended 31 December 2024 amount to SR **2.6 million** (year ended 31 December 2023: SR 2.1 million). Auditors' remuneration for the review of the Group's interim financial information during the year ended 31 December 2024 amounts to SR **0.6 million** (year ended 31 December 2023: SR 0.6 million).

### D. Other operating expenses

| | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Fund brokerage fees | | -- | 16,113,705 |
| Others | | 102,613 | 2,308,057 |
| | | 102,613 | 18,421,762 |

### E. Finance costs over loans and borrowings

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Commission expense | *22 (iii)* | 460,238,407 | 237,870,621 |
| Amortization of upfront fees | *20B(ii)* | 64,442,816 | 19,473,663 |
| Deferred Sukuk premium/Discount, net | *20B(iii)* | (6,998,423) | (7,277,524) |
| Bank charges | | 2,429,458 | 3,750,082 |
| | | 520,112,258 | 253,816,842 |

## 28. Earnings per share

Basic earnings per share is calculated by dividing the net income attributable to the ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period as all the Company's shares are ordinary shares.

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Profit attributable to ordinary shareholders | 1,216,906,944 | 1,514,995,569 |
| Weighted average number of ordinary shares | 474,940,907 | 474,946,199 |
| **Basic earnings per share** | 2.56 | 3.19 |





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 29. Operating segments

The Group's activities and business lines used as a basis for the financial reporting are consistent with the internal reporting process and information reviewed by the Chief operating decision maker (CODM). Management considers the operations of the Group as a whole as one operating and reportable segment as all subsidiaries engage in similar business activities.

The Group's revenue, gross profit, investment properties, total assets and total liabilities pertaining to the Group's operations as a whole are presented in the consolidated statement of financial position and in the consolidated statement of profit or loss and other comprehensive income.

All of the Group's operations are conducted in KSA. Hence, geographical information is not applicable in this case. Revenue from top five customer represent 18% of the total revenue of the Group.

## 30. Financial instruments – fair values and risk management

### A. Accounting classification and fair values

Financial instruments have been categorized as follows:

| **Financial Assets** | *Notes* | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Other investments | *12* | 255,949,188 | 303,026,022 |
| Other financial asset | | 44,313,130 | 19,319,587 |
| Amounts due from related parties | *14B* | 643,387,815 | 483,752,516 |
| Accounts receivable | *13* | 482,886,879 | 474,152,092 |
| Accrued revenue | *23* | 169,999,627 | 184,533,815 |
| Cash and cash equivalents | *16* | 670,342,011 | 84,995,834 |
| | | 2,266,878,650 | 1,549,779,866 |

| **Financial Liabilities** | | | |
|---|---|---|---|
| Loans and borrowings | *20* | 12,172,309,092 | 8,986,704,157 |
| Lease liabilities | *9* | 3,130,322,427 | 3,168,270,116 |
| Accounts payable *(i)* | *22* | 180,634,812 | 223,255,947 |
| Tenants' security deposits | *22* | 105,755,795 | 167,062,790 |
| Amount due to related parties | *14B* | 234,743,486 | 102,087,353 |
| Other liabilities | | 363,943,714 | 253,333,655 |
| | | 16,187,709,326 | 12,900,714,018 |

*(i)* The carrying amounts of Accounts payable is considered to be reasonable approximations of their fair values, due to their short-term nature.

The following table presents the Group's financial instruments measured at fair value at 31 December 2024 and 31 December 2023:

| | 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | |
| **FVTPL** | | | | | |
| Al Jawhara Real Estate Fund | 58,266 | -- | -- | 58,266 | 58,266 |
| Riyadh SR Diversified Trade Fund | 255,949,188 | 255,949,188 | -- | -- | 255,949,188 |

| | 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | |
| FVTPL | | | | | |
| Al Jawhara Real Estate Fund | 81,576 | -- | -- | 81,576 | 81,576 |
| Riyadh SR Diversified Trade Fund | 303,026,022 | 303,026,022 | -- | -- | 303,026,022 |

All amounts are presented in Saudi Riyals unless otherwise stated.

**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 30. Financial instruments – fair values and risk management (continued)

### B. Derivative designated as hedging instrument

The Group had Islamic Profit/commission Rate Swaps ("IRS") of a notional value of USD 80 million (equivalent to SR 300 million) in order to reduce its exposure to commission rate risks against long term financing. The hedging instrument expired on 31 May 2023 with net amount being settled between the parties. Total amount of cash flow hedge reserve has been reclassified to statement of profit or loss during the year ended December 31, 2023 amounting to **SR 7,124,755.**

### C. Financial risk management

The Group has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk (including commission rate risk, real estate risk, currency risk and commodity risk)
- Capital management risk

The Group's principal financial liabilities are loans and borrowings. The main purpose of the Group's loans and borrowings is to finance the acquisition and development of the Group's investment properties portfolio. The Group has accounts receivable, amounts due to and from related parties, accounts payable and cash and bank balances that arise directly from its operations.

#### i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its leasing activities, including deposits with banks and financial institutions.

Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Bank balances and deposits are held with local banks with sound external credit ratings.

*Accounts Receivable*
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and sector in which customers operate.

Each entity within the Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the entity's standard payment and delivery terms and conditions are offered. The review includes financial statements, industry information and in some cases bank references.





**Arabian Centres Company** (A Saudi Joint Stock Company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 30. Financial instruments – fair values and risk management (continued)

### C. Financial risk management(continued)

#### i. Credit risk (continued)

*Accounts Receivable (continued)*
Credits to each customer are reviewed periodically. The Group limits its exposure to credit risk by offering credit terms which are typically not longer than three months on average.

In monitoring customer credit risk, customers are grouped according to their credit characteristics trading history with the Group and existence of previous financial difficulties.

Loss rates are based on actual historic credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual forecasts and gross domestic product growth.

The following table provides information about the exposure to credit risk and ECLs for accounts receivable from customers as at 31 December 2024 and 31 December 2023:

| | **31 December 2024** | | |
|---|---|---|---|
| | **Gross carrying amount** | **Weighted-average loss** | **Loss allowance (%)** |
| 0–90 days | **88,875,756** | **10,810,219** | **12%** |
| 91–180 days | **91,644,631** | **20,124,491** | **22%** |
| 181–270 days | **71,444,907** | **20,180,788** | **28%** |
| 271–360 days | **69,059,028** | **22,532,176** | **33%** |
| More than 360 days | **590,118,127** | **350,107,896** | **59%** |
| | **911,142,449** | **423,755,570** | |

| | 31 December 2023 | | |
|---|---|---|---|
| | Gross carrying amount | Weighted-average loss | Loss allowance (%) |
| 0–90 days | 85,364,506 | 9,923,114 | 12% |
| 91–180 days | 96,858,407 | 21,261,842 | 22% |
| 181–270 days | 78,753,789 | 23,971,570 | 30% |
| 271–360 days | 80,635,255 | 27,635,387 | 34% |
| More than 360 days | 427,051,486 | 202,719,438 | 47% |
| | 768,663,443 | 285,511,351 | |

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All amounts are presented in Saudi Riyals unless otherwise stated. 143

**Arabian Centres Company** (A Saudi Joint Stock Company)
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**For the year ended 31 December 2024**

## 30. Financial instruments – fair values and risk management (continued)

### C. Financial risk management (continued)

**i. Credit risk (continued)**

*Due from related parties*
An impairment analysis is performed at each reporting date on an individual basis for the major related parties. The maximum exposure to credit risk at the reporting date is the carrying value of the amounts due from related parties (please refer to note *14B*). The Group does not hold collateral as a security. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate. The Group evaluates the risk with respect to due from related parties as low, as the majority of the related parties are owned by the same shareholders. The evaluation is based on actual historical credit loss history, and the ongoing support from Shareholder to collection activities, with retentions on dividend pay-out of SAR 51 million in 2024.

*Financial instruments and cash deposit*
Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the Group's policy. Cash is substantially placed with national banks with sound credit ratings ranging BBB+ and above or in money market instruments from reputable managers associated with leading domestic banks. The Group does not consider itself exposed to a concentration of credit risk with respect to banks due to their strong financial background.






**Arabian Centres Company** (a Saudi joint stock company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 30. Financial instruments – fair values and risk management (continued)

### C. Financial risk management (continued)

**ii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the G that the Group is not exposed to significant risks in relation to liquidity and maintains different lines of credit. At reportir position amounting to SR 1.27 billion (Refer to note 1).

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted p

| Contractual maturities of financial liabilities: | Carrying amount | Less than 6 months | Between 6 and 12 months | Between 1 and 2 years | Betweer and 5 yea |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| Accounts payable | **180,634,812** | **180,634,812** | -- | -- | |
| Other non-current liabilities | **22,464,724** | -- | -- | **17,240,970** | **5,223,7** |
| Other liabilities | **447,234,785** | **437,930,162** | **9,304,623** | -- | |
| Due to related parties | **234,743,486** | **234,743,486** | -- | -- | |
| Lease liabilities | **3,130,322,427** | **365,791,038** | **135,883,976** | **332,874,763** | **788,303,5** |
| Loans and borrowings | **12,172,309,092** | **1,208,079,447** | **419,629,501** | **4,140,448,470** | **5,383,698,3** |
| | **16,187,709,326** | **2,427,178,945** | **564,818,100** | **4,490,564,203** | **6,177,225,6** |
| **31 December 2023** | | | | | |
| Accounts payable | 223,255,947 | 223,255,947 | -- | -- | |
| Other non-current liabilities | 42,697,177 | -- | -- | 22,991,278 | 19,619,8 |
| Other liabilities | 479,852,148 | 479,852,148 | -- | -- | |
| Due to related parties | 102,087,353 | 102,087,353 | -- | -- | |
| Lease liabilities | 3,168,270,116 | 340,891,212 | 153,883,976 | 262,440,390 | 809,580,6 |
| Loans and borrowings | 8,986,704,156 | 1,254,349,593 | 2,185,961,624 | 5,002,159,747 | 1,169,005,1 |
| | 13,002,866,897 | 2,400,436,253 | 2,339,845,600 | 5,287,591,415 | 1,998,205,6 |

All amounts are presented in Saudi Riyals unless otherwise stated.

**Arabian Centres Company** (a Saudi joint stock company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 30. Financial instruments – fair values and risk management (continued)

### C. Financial risk management (continued)

#### iii. Market risk

Market risk is the risk that changes in market prices, such as currency rates and interest rates that will affect the Group's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

*Commission rate risk*
Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Group has no significant commission bearing long-term assets, but has commission bearing liabilities at 31 December 2024 and at 31 December 2023. The Group manages its exposure to commission rate risk by continuously monitoring movements in commission rates.

The following table demonstrates the sensitivity of the Group to a reasonably possible change, with all other variables held constant, of the Groups profit before zakat (through the impact on floating rate borrowings):

| **(Loss)/gain through the consolidated statement of profit or loss** | **31 December 2024** | 31 December 2023 |
|---|---|---|
| **Floating rate debt:** | | |
| SIBOR/SOFR +100bps | **(63,427,473)** | (38,991,316) |
| SIBOR/SOFR -100bps | **63,427,473** | 38,991,316 |

*Real estate risk*
The Group has identified the following risks associated with the real estate portfolio:

- The cost of the development projects may increase if there are delays in the planning process. The Group uses advisors who are experts in the specific planning requirements in the project's location in order to reduce the risks that may arise in the planning process.
- A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property. To reduce this risk, the Group reviews the financial status of all prospective tenants and decides on the appropriate level of security required via rental deposits or guarantees.

*Currency risk*
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises from recognized assets and liabilities which are denominated in currency that is not Group's functional currency. The Group has certain US Dollar denominated financial liabilities which are not exposed to significant currency risk as Group's functional currency is pegged to US Dollar.





**Arabian Centres Company** (a Saudi joint stock company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 30. Financial instruments – fair values and risk management (continued)

### C. Financial risk management (continued)

#### iv. Capital management risk

The Board's policy is to maintain an efficient capital base as to maintain investor, creditor and market confidence and to sustain future development of its business.

The Group's objectives when managing capital are:
iii. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
iv. to provide an adequate return to shareholders

The Group monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities less cash and cash equivalents and short-term investments held for trading. The Group's net debt to equity ratio at 31 December 2024 and 31 December 2023 was as follows.

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| Total liabilities | **16,624,509,056** | 13,439,259,317 |
| Cash and cash equivalents | **(670,342,011)** | (84,995,834) |
| Other investments | **(255,949,188)** | (303,026,022) |
| Net debt | **15,698,217,857** | 13,051,237,461 |
| Total equity | **14,828,036,823** | 14,311,968,103 |
| Net debt to equity | **1.06** | 0.91 |

## 31. Commitments and contingencies

| | *Note* | **31 December 2024** | 31 December 2023 |
|---|---|---|---|
| **Commitments** | | | |
| Commitments for projects under construction | *(i)* | **4,376,754,571** | 4,173,329,989 |
| Outstanding bank guarantees | | **11,164,208** | 10,000,000 |

i. These commitments pertain to construction of shopping malls across the Kingdom of Saudi Arabia.

## 32. Standards new currently effective requirements and standards issued but not yet effective

In addition to note 6, the group has also applied the following standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2024. These amendments do not have significant impact in the Group's consolidated interim financial statements.

- Amendments to IFRS 16 – Lease Liability in a sale and leaseback
- Amendments to IAS 1 - Non-current liabilities with covenants and Classification of Liabilities as Current or Non-current Amendments
- Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted them in preparing these consolidated financial statements. These amendments are not expected to have a significant impact in the Group's consolidated financial statements.

- Amendments to IAS 21 - Lack of Exchangeability
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- IFRS 18, Presentation and Disclosure in Financial Statements

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**Arabian Centres Company** (a Saudi joint stock company)
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**For the year ended 31 December 2024**

## 33. Summarized financial information of material subsidiaries

The following are the summarized financial statements of material subsidiaries consolidated within the Group financial statements:

| | Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin AlHokair and Company | Riyadh Real Estate Development Funds Jawharat Jeddah | Riyadh Real Estate Development Funds Jawharat Riyadh | Derayah Destination Arabia Diversified Fund(i) |
|---|---|---|---|---|
| **31 December 2024** | | | | |
| **Assets** | | | | |
| **Investment properties** | **153,678,756** | **2,783,011,705** | **3,848,078,294** | -- |
| **Cash and cash equivalents** | -- | **27,615,276** | **88,418,919** | -- |
| **Other assets** | **21,890,234** | **170,635,320** | **413,800,940** | |
| | **175,568,990** | **2,981,262,301** | **4,350,298,153** | -- |
| **Liabilities** | | | | |
| **Loans and borrowings** | -- | **458,970,644** | **621,575,075** | -- |
| **Lease liabilities** | **54,041,050** | -- | -- | -- |
| **Other liabilities** | **10,836,574** | **34,071,378** | **24,869,622** | -- |
| | **64,877,624** | **493,042,022** | **646,444,697** | -- |
| **Net assets** | **110,691,366** | **2,488,220,279** | **3,703,853,456** | -- |
| **Non-controlling interest** | **42,329,490** | -- | -- | -- |

| | Al-Qasseem Company for Entertainment and Commercial Projects Owned by Abdulmohsin AlHokair and Company | Riyadh Real Estate Development Funds Jawharat Jeddah | Riyadh Real Estate Development Funds Jawharat Riyadh | Derayah Destination Arabia Diversified Fund |
|---|---|---|---|---|
| 31 December 2023 | | | | |
| Assets | | | | |
| Investment properties | 160,141,662 | 1,764,951,091 | 2,627,238,354 | -- |
| Cash and cash equivalents | -- | 7,686,796 | 39,106,855 | 11,693,456 |
| Other assets | 16,290,634 | 6,337,855 | 341,634,976 | -- |
| | 176,432,296 | 1,778,975,742 | 3,007,980,185 | 11,693,456 |
| Liabilities | | | | |
| Loans and borrowings | -- | 124,750,490 | 433,307,586 | -- |
| Lease liabilities | 65,979,516 | -- | -- | -- |
| Other liabilities | 8,007,260 | 6,898,538 | 14,139,402 | 10,335,250 |
| | 73,986,776 | 131,649,028 | 447,446,988 | 10,335,250 |
| Net assets | 102,445,520 | 1,647,326,714 | 2,560,533,197 | 1,358,206 |
| Non-controlling interest | 35,489,746 | -- | -- | -- |
| **Year ended 31 December 2024** | | | | |
| **Statement of profit or loss** | | | | |
| Revenue | **47,986,838** | -- | -- | -- |
| Gross profit | **34,953,145** | -- | -- | -- |
| Profit / (loss) for the year | **14,527,035** | **58,557,109** | **218,241,449** | **(8,152)** |
| Loss allocated to NCI | **7,263,517** | -- | -- | -- |






**Arabian Centres Company** (a Saudi joint stock company)
**Notes to the consolidated financial statements** (continued)
**For the year ended 31 December 2024**

## 33. Summarized financial information of material subsidiaries (continued)

| | | | | |
|---|---|---|---|---|
| **year ended 31 December 2023** | | | | |
| **Statement of profit or loss** | | | | |
| Revenue | 45,831,281 | -- | -- | -- |
| Gross profit | 32,483,529 | -- | -- | -- |
| Profit / (loss) for the year | (27,986,073) | 74,228,306 | 258,308,879 | (5,656,881) |
| Profit allocated to NCI | (13,993,037) | -- | -- | -- |

(i) As of 31 December 2024, Derayah Destination Arabia Diversified Fund is under liquidation.
(ii) The carrying amount of the subsidiary's investment properties has been adjusted to reflect their fair value based on independent external valuations in order to comply with the Group Accounting Policy.

## 34. Subsequent events

- Subsequent to the year end, the Company has transferred the title deed of one of the property currently classified as "Assets held for sale".
- On 10 March 2025, the Board of Directors resolved to distribute dividends for the third quarter of the year ended 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000.

## 35. Comparative financial information

- Comparative figure of SR 9,681,804 in the consolidated statement of financial position as at 31 December 2023 has been reclassified from Account receivables to Prepayments and other assets.
- Comparative figure of SR 88,214,078 in the consolidated statement of financial position as at 31 December 2023 has been reclassified from Account payable to other liabilities.

## 36. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors for issuance on 10 Ramadan 1446H (corresponding to 10 March 2025).

All amounts are presented in Saudi Riyals unless otherwise stated.

# THANK YOU