

## Revenue Growth, Record Footfall and Flagship Development Progress, Boost Cenomi Centers' H1 Results

- *Net Profit and EBITDA for H1-24 surged 25.6% year-on-year (y-o-y) and 10.9% y-o-y respectively post one-off adjustments*
- *Total Revenue up 2.6% y-o-y in H1-24 reflecting consistent growth*
- *Record footfall levels continue, reaching 66 million visitors; a 4.6% y-o-y increase*
- *Prime retail space demand grows with occupancy rates at 92.5% up 1.1% y-o-y*
- *Flagship developments Jawharat Riyadh and Jawharat Jeddah mark significant construction progress with overall structural completion at 90.1% and 91.0% respectively*

**Riyadh, Saudi Arabia, 5 August 2024:** Cenomi Centers, Saudi Arabia's largest owner, operator and developer of shopping malls, published its financial results for the three months and half-year ended 30 June 2024.

Cenomi Centers delivered a strong performance this quarter compared to Q2-23, with revenue reaching to SAR 586.5 million, a 3.8% y-o-y increase driven by the opening of U Walk Jeddah, media sales and other ancillary revenue streams. EBITDA in Q2-24 rose 9.8% to SAR 395.1 million, fueled by operational efficiency and stringent cost control. Net profit increased 5.0% to SAR 353.8 million, supported by revenue growth and significant net fair value gains of SAR 125.3 million in investment properties due to growth across the existing portfolio, the opening of U Walk Jeddah and major progress on the Jawharat Riyadh and Jawharat Jeddah flagship developments.

Comparing half-year results, Cenomi Centers delivered steady growth with an increase in revenue of 2.6% in H1-24 compared to H1-23 driven by the opening of U Walk Jeddah, increase in occupancy, increase in media sales and ancillary revenue streams. Net profit reached to SAR 539.5 million in H1-24, compared to SAR 725.1 million in H1-23. H1-24 profits were impacted by the write-off of non-amortized financing cost associated with historical Islamic facility and 2024 Sukuk by SAR 50.6 million as well as H1-23 net profit was increased by the gain on sale of land by SAR 238.7 million. Adjusting for these items, net profit in H1-24 increased to SAR 590.1 million compared to SAR 469.7 million in H1-23 up 25.6%. Adjusted EBITDA for the same one-off items in H1-24 increased to SAR 718.1 million compared to SAR 647.5 million in H1-23 up 10.9% y-o-y.

Demonstrating continued value and returns to the shareholders, the Board announced in March 24 and later approved at the Annual General Meeting on 30 of June, its dividends distribution policy. Starting from Q2-2024, the company will pay SAR 0.375 per share per quarter for one year. The average annual dividend yield calculated on 30 of June 2024 based on the share price of SAR 20.4 is 7.4%.

Footfall continues to soar, reaching a record-breaking 66 million visitors for H1-24, a 4.6% y-o-y increase, making this the highest for any H1 period. This growth reaffirms the comprehensive excellence of the portfolio and leading position Cenomi Centers maintains as the premier shopping destination and the primary gateway for local and international retailers to engage with Saudi consumers.

The progress of the portfolio continues with flagship developments Jawharat Riyadh and Jawharat Jeddah making remarkable strides. As of June 24, overall structural completion levels stand at 91.0% for Jawharat Jeddah and 90.1% for Jawharat Riyadh. Over 650 million EBITDA (40% of current EBITDA) will be contributed by Jawharat Riyadh and Jawharat Jeddah upon stabilization.

Jawharat Jeddah is set to attract over 15 million visitors annually, while Jawharat Riyadh will draw more than 20 million customers, becoming the number one mall for footfall and spend in their respective cities. These malls will redefine the future of retail in the Kingdom, emerging as Cenomi Centers' top performers in footfall, revenue, and EBITDA. The current pipeline of the three flagship centers and three lifestyle centers will grow the GLA by 44%, taking total GLA to 2m sqm by 2027.

Reflecting Cenomi Centers unwavering focus on optimizing its retail mix through its proactive tenant rotation program, this quarter achieved a like-for-like occupancy rate of 92.5%, marking an increase of 1.1% y-o-y. The forecasted occupancy at the end of December 2024 is 94%.

**Alison Rehill-Erguven, CEO, Cenomi Centers, commented:** *"Cenomi Centers remains steadfast in its commitment to executing its strategy and delivering optimal value to both our customers and shareholders. Cenomi Centers has delivered another strong performance this half-year across all our key financial and operating metrics. Total revenue for H1-24 increased 2.6% and net profit and EBITDA following the one-off adjustments rose 25.6% and 10.9% respectively. Our occupancy rate remains robust at 92.5% whilst we continue to focus on a proactive tenant rotation to ensure we continually deliver the best retail mix. This is resonating with our customers as footfall has increased by 4.6% year-on-year with 66 million customer visits, continuing a record-level momentum.*

*Our flagship projects, Jawharat Riyadh and Jawharat Jeddah, are progressing at pace. The significant construction progress of these developments, along with growth of the existing portfolio and opening of the new lifestyle center, U Walk Jeddah, contributed to the SAR 176.0 million net fair value gains across our investment properties in H1-24."*

## **Business and operating review**

During the half-year period, footfall reached an impressive 66 million visitors (Q2-24 34.4 million visitors, 1.8% y-o-y) marking a 4.6% y-o-y increase and setting a record for the first half-year footfall numbers. This sustained growth underscores the attractiveness of Cenomi Centers' holistic retail and lifestyle offerings, reflecting strong consumer demand.

As of June 24, flagship developments Jawharat Jeddah and Jawharat Riyadh projects are 91.0% and 90.1% structurally complete, respectively, with initial unit handovers scheduled for early 2025 and full completion by Q4-25. Jawharat Riyadh, covering an area equivalent to 70 football fields, will feature 300+ of the world's most sought-after brands across over 150 flagship stores. This includes more than 10 retailers new to Riyadh and exclusive retailers in the city for the next 10 years. 70% of the unique brands including first-to-KSA and flagship brands are secured. Jawharat Riyadh will be the first Gold-LEED certified mall in the capital. Along with international standard luxury, four distinct experiential F&B zones and world-class entertainment offerings, it will also include 45,000 sqm of prime office space.

Jawharat Jeddah's pre-leasing is 70% complete (based on agreed Head of Terms, signed Letter of Intent and signed Contracts), offering 300+ stores including 10 brands new to Jeddah and over 20 exclusive retailers. It will feature Jeddah's first luxury wing, next-gen entertainment and events hub, three distinct F&B zones and will be the city's first Gold-LEED certificated mall.

Occupancy remains strong with like-for-like occupancy increasing by 1.1% to 92.5% in H1-24. The high occupancy rate whilst conducting a proactive retail rotation is a testament to the strategic tenant selection and enduring appeal of Cenomi Centers as premier destinations for both retailers and consumers.

The half-year leasing activity is further proof that demand for prime retail space remains strong. Cenomi Centers renewed 1,306 leases and 235 brands were onboarded (65 of which are new to the Cenomi Centers' universe). Prominent new brands span a wide range of categories, including fashion, entertainment, and food & beverages, with notable names such as Asics, Vox Cinemas, Oakley, Five Guys and Charlotte Tilbury, among others. The successful opening of U-Walk Jeddah, which was pre-let at 80%, has delivered a popular mix of brands including Zara, Nike, Adidas, Victoria's Secret and Lululemon along with new F&B. The overall portfolio GLA mix is 62% retail and 38% non-retail (including entertainment and F&B), with ongoing negotiations for additional brand partnerships.

### **Financial review**

In H1-24, revenue increased by 2.6% to SAR 1,172.3 million compared to SAR 1,142.0 million in H1-23. This growth was driven by increases across all revenue streams.

EBITDA totaled SAR 718.1 million compared to the prior year of SAR 902.8 million and net profit reached SAR 539.5 million compared to SAR 725.1 in H1-23 mainly driven by SAR 238.7 million gain from the sale of land in Al Raed district in H1-23 as part of the non-core asset sale program and the write-off of non-amortized financing cost associated with historical Islamic facility and 2024 Sukuk by SAR 50.6 million in H2-24. Adjusting for this land sale, and the write-off of non-amortized financing cost associated with historical facility, EBITDA rose by 10.9% while net profits increased by 25.6% in the first half of 2024.

H1 net profits were also boosted by the focus on cost control initiatives across the business including General & Administrative expenses down 25.2% to SAR 127.0 million in H1-24 compared to SAR 169.8 million in H1-23 and other operating expenses which decreased from SAR 18.1 million in H1-23 to SAR 0.1 million, in H1-24. The net fair value gain on investment properties increased to SAR 176.0 million in H1-24 compared to SAR 21.2 million in H1-23 primarily as a result of growth across the existing portfolio, the opening of U Walk Jeddah and significant construction progress in the Jawharat Riyadh and Jawharat Jeddah flagship malls.

Net profits in H1-24 was affected by the increase in net finance costs which reached SAR 324.5 million in H1-24 (including the Q1-24 write-off of non-amortized financing cost associated with the historical facility and 2024 Sukuk of SAR 50.6 million) compared to SAR 165.2 million in H1-23 driven by the increase in average cost of debt and the increase in total debts considering that the company is in an investment stage and investing in its two flagship development projects, Jawharat Riyadh and Jawharat Jeddah which are expected to be delivered in H2-25. Additionally, an increase in impairment loss on accounts receivable which reached to SAR 126.1 million in H1-24, compared to SAR 113.4 million in H1-23 due to a reversal in Q2-23.

In the second quarter of 2024 compared to Q2-23, revenues rose 3.8% to SAR 586.5 million. This growth was primarily fueled by an increase in rental income and other ancillary revenue streams. Net rental revenue grew to SAR 523.5 million up 1.8% due to improved leasing terms and the opening of U-Walk Jeddah. The quarter also saw significant increase in other ancillary revenue streams.

EBITDA increased by 9.8% to SAR 395.1 million on cost optimization, which was partially offset by a SAR 29.0 million impairment loss on receivables. Net profit increased 5.0% to SAR 353.8 million, on higher EBITDA and a SAR 125.3 million net fair value gain on investment properties. (Q2-23: SAR 72.9 million).

Amounts due from related parties have increased by 28.4% however Cenomi Centers has put together a stringent program in place to ensure recovery including payment plans. Following Cenomi Retail's strategy to sell down a number of non-core brands, the Cenomi Retail GLA footprint has significantly decreased from June-23 where it represented 17.9% of total GLA to 15.1% in June-24 and rental revenue from 14.8% to 10.6% in the same period.

Since the Company is in an investment stage, net debt increased from SAR 9.3 billion as at Q1-24 to SAR 10.2 billion as at quarter-end (Q4-23; SAR 8.9 billion). The increase is primarily due to the intense construction phase of the Jawharat flagship developments.

Announced by the Board in March-24, and later approved at the Annual General Meeting on the 30<sup>th</sup> of June, Cenomi Centers has instigated its dividends distribution policy starting from Q2-2024. Cenomi Centers will pay SAR 0.375 per share per quarter for one year. Additional dividends may be considered based on the company's financial performance and future outlook and the policy is subject to change in response to strategic shifts, regulatory requirements, and financial obligations. The average annual dividend yield calculated on the 30<sup>th</sup> of June 2024 based on the share price of SAR 20.4 is 7.4%.

## Income Statement

Income Statement (SAR million)	Q2-24	Q2-23	Y-o-Y % change	H1-24	H1-23	y-o-y % change
<b>Revenues</b>	<b>586.5</b>	<b>565.3</b>	<b>3.8%</b>	<b>1,172.3</b>	<b>1,142.0</b>	<b>2.6%</b>
Cost of Revenue	(101.1)	(107.2)	-5.8%	(199.8)	(192.9)	3.6%
<b>GROSS PROFIT</b>	<b>485.5</b>	<b>458.0</b>	<b>6.0%</b>	<b>972.5</b>	<b>949.2</b>	<b>2.5%</b>
Gross Profit Margin	82.8%	81.0%	1.7pp	83.0%	83.1%	-0.2pp
Other operating income	4.5	4.3	5.7%	6.0	272.1	-97.8%
Net fair value gain / (loss) on investment properties	125.3	72.9	71.9%	176.0	21.2	731.7%
Advertisement and promotion	(0.3)	(5.2)	-94.9%	(12.1)	(19.0)	-36.0%
General and administration	(67.5)	(81.0)	-16.7%	(127.0)	(169.8)	-25.2%
Impairment loss on accounts receivable	(29.0)	1.2	-2554.9%	(126.1)	(113.4)	11.2%
Other operating expenses	0.0	(18.1)	-100.0%	(0.1)	(18.1)	-99.4%
<b>INCOME FROM MAIN OPERATIONS</b>	<b>518.6</b>	<b>432.1</b>	<b>20.0%</b>	<b>889.3</b>	<b>922.1</b>	<b>-3.6%</b>
Finance Income	-	7.1	-100.0%	-	7.1	-100.0%
Finance Costs Over Loans and Borrowings	(117.3)	(59.6)	96.8%	(256.4)	(120.0)	113.8%
Finance Costs Over Lease Liabilities	(33.8)	(26.0)	30.1%	(68.1)	(52.4)	30.0%
<b>NET FINANCE COST</b>	<b>(151.1)</b>	<b>(78.5)</b>	<b>92.6%</b>	<b>(324.5)</b>	<b>(165.2)</b>	<b>96.4%</b>
Share of profit of equity-accounted investee	(2.7)	(4.2)	-35.8%	(3.3)	(7.1)	-53.5%
<b>INCOME BEFORE ZAKAT</b>	<b>364.8</b>	<b>349.4</b>	<b>4.4%</b>	<b>561.5</b>	<b>749.8</b>	<b>-25.1%</b>
Zakat	(11.0)	(12.4)	-11.1%	(22.0)	(24.7)	-11.1%

<b>NET INCOME FOR THE YEAR</b>	<b>353.8</b>	<b>337.1</b>	<b>5.0%</b>	<b>539.5</b>	<b>725.1</b>	<b>-25.6%</b>
Net Profit Margin	60.3%	59.6%	0.7pp	46.0%	63.5%	-17.5pp

## Balance Sheet

Balance Sheet (SAR million)	June 2024	December 2023	Change%
Investment properties	26,325.3	25,333.8	3.9%
Property and equipment	55.2	56.6	-2.5%
Accrued revenue – non-current portion	171.6	157.1	9.3%
Investment in equity-accounted investee and others	80.5	78.6	2.3%
Other investments	0.1	0.1	0.0%
Other non-current assets	17.9	18.7	-4.4%
<b>Non-current assets</b>	<b>26,650.5</b>	<b>25,644.9</b>	<b>3.8%</b>
Development properties	353.5	353.5	0.0%
Accrued revenue	85.8	78.5	9.3%
Accounts receivable	573.7	464.5	23.5%
Amounts due from related parties	621.3	483.8	28.4%
Prepayments and other assets	281.4	128.1	119.7%
Investments listed at fair value through profit or loss	302.5	303.0	-0.2%
Cash and cash equivalents	330.2	85.0	288.5%
Asset held for sale	209.9	209.9	0.0%
<b>Current Assets</b>	<b>2,758.5</b>	<b>2,106.3</b>	<b>31.0%</b>
<b>Total Assets</b>	<b>29,408.9</b>	<b>27,751.2</b>	<b>6.0%</b>
Loans and borrowings	9,803.5	5,881.7	66.7%
Lease liabilities	2,775.8	2,839.9	-2.3%
Employee benefits	36.8	35.8	2.7%
Other non-current liabilities	35.7	42.7	-16.4%
<b>Non-current liabilities</b>	<b>12,651.8</b>	<b>8,800.1</b>	<b>43.8%</b>
Loans and borrowings	750.0	3,105.0	-75.8%
Lease liabilities – current portion	347.1	328.4	5.7%
Accounts payable and other liabilities	933.7	703.1	47.2%
Provision	0.0	30.0	-100.0%
Amount due to related parties	107.6	102.1	-93.9%
Unearned revenue	217.1	302.2	-28.2%
Zakat liabilities	84.4	68.4	23.5%
<b>Current liabilities</b>	<b>2,440.0</b>	<b>4,639.2</b>	<b>-47.4%</b>
<b>Total Liabilities</b>	<b>15,091.7</b>	<b>13,439.3</b>	<b>12.3%</b>
Total Equity	14,317.2	14,312.0	0.0%
<b>Total Liabilities and Equity</b>	<b>29,408.9</b>	<b>27,751.2</b>	<b>6.0%</b>

## Tadawul Announcements

### Q2-24 announcements

- **April 01, 2024: Cash dividends distribution for H2-23**

Cenomi Centers announcement regarding its Board of Directors decision on 25-03-2024 to distribute cash dividends to the shareholders for the second half of FY2023, with a total amount of SAR 356.25 million, to be distributed among 475 million eligible shares, where dividend per share will amount to SAR 0.75 (7.50% of share par value).

- **May 6, 2024: Board recommendation to distribute cash dividends for Q1-24**

Cenomi Centers is pleased to announce its Board of Directors' recommendation (by circulation) to distribute cash dividends for the first quarter of fiscal year 2024, and it will be presented to the General Assembly at its next meeting for voting.

### Subsequent announcements

- **July 01, 2024: AGM results (First Meeting)**

Cenomi Centers announced the results of the Annual General Meeting (First Meeting), which was held on Sunday 30-Jun-2024.

- **July 03, 2024: Cash dividends distribution for Q1-24**

Cenomi Centers accounted the date and method of distributing of cash dividend for the period ending 31-03-2024. The dividends amounted to (178,130,000) SAR to (475) million shares for the period ending 31-03-2024 at (SAR 0.375) per share representing (3.75%) of the book value per share.

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### About Cenomi Centers:

Cenomi Centers is the leading owner, operator and developer of contemporary lifestyle centers in Saudi Arabia. For over two decades, the company has provided customers with a complete range of high-quality lifestyle centers up to international standards, located in the most attractive areas of the country to satisfy all shopping needs and market requirements.

Today, Cenomi Centers has a portfolio of 22 assets, with circa 4,500 stores strategically located in 10 major Saudi cities. The Company's assets include several iconic lifestyle centers, such as Mall of Arabia Jeddah, Mall of Dhahran, and Nakheel Mall Riyadh, a consumers' favorite in the capital city. With a total GLA of nearly 1.4 million square meters, the company's malls provide Saudi shoppers with their preferred point of access to the full range of international, regional and local retail brands. For more information about Cenomi Centers, please visit [www.cenomicenters.com](http://www.cenomicenters.com).

### Disclaimer

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual

financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Saudi Arabia, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.