

Cenomi Centers Launches SAR 1 Billion Fund with GIB Capital to Accelerate New Development in Qassim Region

The establishment of the fund is part of Cenomi Centers' strategic financing model to deliver on its ambitious growth pipeline with plans to increase GLA by 44% by 2027.

Riyadh, Saudi Arabia, 8 October 2024: Cenomi Centers, the number one owner, operator and developer of retail and lifestyle destinations in Saudi Arabia, today announces a strategic partnership with GIB Capital (GIBC), a prominent player in the financial and investment services sector, to establish a closed-end Shariah-compliant real estate investment fund with initial capital of SAR 1 billion. The fund will facilitate the Qassim land sale program and develop the U Walk Qassim mall which is part of a 1 million sqm mixed-use Tijan scheme located in Buraidah, in the Qassim region of Saudi Arabia.

The fund will develop and market the surrounding lands for residential, offices and leisure, aligning with its ambitious investment vision for the region. The fund may also sign partnership agreements with leading real estate developers for the purpose of developing lands within the masterplan. The land benefits from its geographic location at the intersection of major routes, including King Abdulaziz Road, which connects various parts of the city of Buraidah, which is attracting significant wider investment and urban development.

The land sale is part of Cenomi Centers' strategic SAR 2 billion non-core assets sale program initiated in 2022 to strengthen the company's financial position and fund its growth pipeline. Approximately SAR 400 million is estimated to complete the U Walk Qassim mall development. The projected annual revenue from the mall, once stabilized, is around SAR 80 million.

Following the establishment of the fund which is subject to Capital Market Authority approval, GIBC will assume the role of 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 will be the sole unit holder of the fund and will contribute to the fund with assets in-kind, along with any hard and soft costs incurred to date. Construction of the mall is anticipated to resume in December 2024 and complete in Q4 2026. Cenomi Centers will manage and operate the 60,000 sqm GLA U Walk Qassim on completion, which will include over 135 retail stores.

Alison Rehill-Erguven, CEO of Cenomi Centers said: "Partnering with GIB Capital to create a new fund to bring forward U Walk Qassim and deliver on our SAR 2 billion non-core asset sales program, demonstrates the company's continued success at forming strategic financing solutions to drive our company's future growth. Cenomi Centers is maximizing the opportunities of operating in the attractive KSA market. 2024 will see three projects under construction including the flagship developments Jawharat Riyadh and Jawharat Jeddah, along with U Walk Qassim, ensuring we are on track to reach 2 million sqm total GLA by end of 2027."

Osamah Shaker, CEO of GIB Capital said: *“Our partnership with Cenomi Centers in the U-Walk Qassim Fund represents an important step towards achieving the company’s goals in financing its strategic projects. This fund also reflects our capabilities in providing innovative financial solutions. This investment supports sustainable growth in the Qassim region and reinforces our commitment to improving the business landscape in the Kingdom of Saudi Arabia.”*

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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

About GIB Capital:

GIB Capital is the investment arm of Gulf International Bank (GIB), established to provide a comprehensive range of investment services to both individual and institutional clients.

Since its establishment in 2008, GIB Capital has been providing a range of innovative and customized financial and investment banking products and solutions, including asset management, capital markets advisory, mergers and acquisitions, debt capital markets, debt advisory and brokerage services.

With extensive experience in the investment field, GIB Capital has established itself as a trusted partner for its clients. Leveraging a broad network of regional and global relationships, GIB Capital can access diverse investment opportunities and provide tailored solutions that precisely meet the needs of its clients.

For more information, you can visit the company's official website: <https://www.gibcapital.com>