

ARABIAN CENTRES COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim financial statements
(Unaudited)
For the three-month period ended 31 March 2025
together with the
Independent Auditor's Review Report

Arabian Centres Company (A Saudi Joint Stock Company)

Condensed consolidated interim financial statements

For the three-month period ended 31 March 2025

Contents	Page(s)
Independent auditor's review report	1
Condensed consolidated interim financial statements	
- Condensed consolidated statement of financial position	2
- Condensed consolidated statement of profit or loss	3
- Condensed consolidated statement of comprehensive income	4
- Condensed consolidated statement of changes in equity	5
- Condensed consolidated statement of cash flows	6
- Notes to the condensed consolidated interim financial statements	7 – 28

Arabian Centres Company (A Saudi Joint Stock Company)

Condensed consolidated interim financial statements

For the three-month period ended 31 March 2025

Notes to the Condensed consolidated interim financial statements index

Contents	Pages
Basis of preparation	
1. Reporting entity	7
2. Statement of compliance	9
3. Basis of measurement	9
4. Functional and presentation currency	9
5. Significant accounting estimates, assumptions and judgements	9
6. Material accounting policies	9
7. New Standards, Amendment to Standards and Interpretations	9
Assets	
8. Investment properties	10
9. Investments	13
10. Cash and cash equivalents	15
11. Related party transactions and balances	15
Equity and liabilities	
12. Dividends distribution	17
13. Loans and borrowings	17
Performance for the period	
14. Revenue	20
15. Other operating income	20
16. Earnings per share	20
17. Operating segments	21
Financial instruments	
18. Financial instruments - fair values and risk management	21
Other information	
19. Commitments and contingencies	27
20. Summarized financial information of material subsidiaries	27
21. Subsequent events	28
22. Approval of the condensed consolidated interim financial statements	28



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 on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Arabian Centres Company

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Arabian Centres Company ("the Company") and its subsidiaries ("the Group") as at 31 March 2025, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information").

Management is responsible for the preparation and presentation of the condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on the condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Fahad Mubarak Aldossari
License No: 469

Al Riyadh, 20 Dhul Qa'dah 1446H
Corresponding to: 18 May 2025



Arabian Centres Company (A Saudi Joint Stock Company)

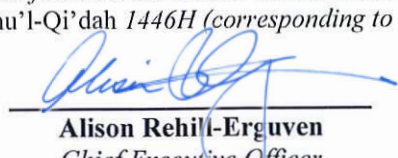
Condensed consolidated statement of financial position

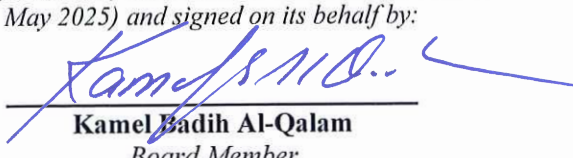
As at 31 March 2025

	Notes	31 March 2025 Unaudited	31 December 2024 Audited
Assets			
Investment properties	8	28,288,947,672	28,019,429,550
Property and equipment		48,513,434	49,006,026
Accrued revenue – non-current portion		143,796,118	137,318,657
Amounts due from related parties– non-current portion	11	194,156,477	234,967,548
Investment in equity accounted investee	9A	93,966,187	87,717,039
Investment at FVTPL	9B	200,058,266	58,266
Other non-current assets		12,136,344	12,545,436
Non-current assets		28,981,574,498	28,541,042,522
Development properties		353,774,251	353,774,251
Accrued revenue		68,714,646	68,659,329
Accounts receivable and others		508,593,903	482,886,879
Amounts due from related parties	11	497,551,105	408,420,267
Prepayments and other assets		305,543,994	430,971,432
Investment at FVTPL	9B	255,949,188	255,949,188
Cash and cash equivalents	10	244,757,328	670,342,011
		2,234,884,415	2,671,003,357
Assets held for sale	8A	383,541,489	240,500,000
Current assets		2,618,425,904	2,911,503,357
Total assets		31,600,000,402	31,452,545,879
Equity			
Share capital		4,750,000,000	4,750,000,000
Share premium		411,725,703	411,725,703
Statutory reserve		873,992,101	873,992,101
Other reserves		10,742,235	10,320,410
Retained earnings		8,777,832,814	8,739,245,345
Equity attributable to the shareholders of the Company		14,824,292,853	14,785,283,559
Non-controlling interest		48,510,922	42,753,264
Total equity		14,872,803,775	14,828,036,823
Liabilities			
Loans and borrowings	13	12,192,492,582	12,137,599,887
Lease liabilities		2,750,899,389	2,790,696,853
Employee benefits		37,878,685	34,641,302
Other non-current liabilities		11,851,196	22,464,724
Non-current liabilities		14,993,121,852	14,985,402,766
Loans and borrowings – current portion	13	37,023,151	34,709,205
Lease liabilities – current portion		367,909,188	339,625,574
Accounts payable and other liabilities		841,595,532	670,921,001
Amount due to related parties	11B	154,443,754	234,743,486
Unearned revenue		255,890,260	282,746,367
Zakat liabilities		77,212,890	76,360,657
Current liabilities		1,734,074,775	1,639,106,290
Total liabilities		16,727,196,627	16,624,509,056
Total equity and liabilities		31,600,000,402	31,452,545,879

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements. These condensed consolidated interim financial statements were authorized for issue by the Board of Directors, on behalf of the Shareholders, on 13 Dhu'l-Qi'dah 1446H (corresponding to 11 May 2025) and signed on its behalf by:


Jabri Maali
Chief Financial Officer


Alison Rehill-Erguven
Chief Executive Officer


Kamel Badih Al-Qalam
Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

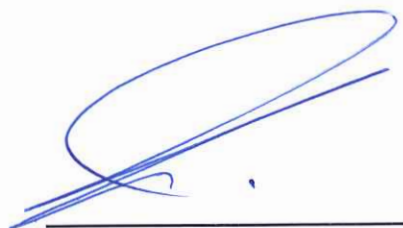
Arabian Centres Company (A Saudi Joint Stock Company)

Condensed consolidated statement of profit or loss

For the three-month period ended 31 March 2025

	Notes	Three-month period ended	
		31 March 2025	31 March 2024
		Unaudited	Unaudited
Revenue	14	590,633,704	585,756,381
Cost of revenue - Direct costs		(78,887,520)	(98,716,847)
Gross profit		511,746,184	487,039,534
Other operating income	15	27,773,332	1,515,649
Net fair value gain on investment properties	8	44,499,460	50,680,322
Advertisement and promotion expenses		(4,258,623)	(11,861,161)
General and administrative expenses		(79,891,423)	(59,503,466)
Impairment loss on accounts receivable, related parties and accrued revenue rentals		(79,631,849)	(97,091,596)
Other operating expenses		(22,000,000)	(102,609)
Operating profit		398,237,081	370,676,673
Finance income on due from related parties	11	7,091,660	--
Finance costs over loans and borrowings		(139,336,373)	(139,076,092)
Finance costs over lease liabilities		(33,100,654)	(34,334,425)
Total finance costs		(165,345,367)	(173,410,517)
Share of loss of equity-accounted investee	9A	(217,674)	(632,992)
Profit before zakat		232,674,040	196,633,164
Zakat charge		(10,000,000)	(11,000,000)
Profit for the period		222,674,040	185,633,164
Profit for the period is attributable to:			
Shareholders of the Company		216,916,382	178,339,543
Non-controlling interest		5,757,658	7,293,621
		222,674,040	185,633,164
Earnings per share			
Basic and diluted earnings per share	16	0.46	0.38

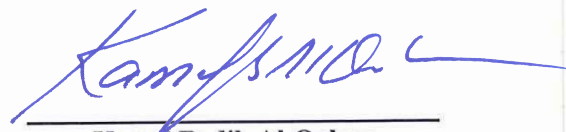
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Jabri Maali
Chief Financial Officer



Alison Rehill-Erguven
Chief Executive Officer



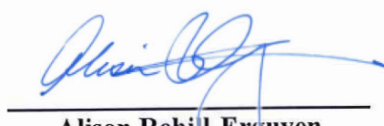
Kamel Badih Al-Qalam
Board Member

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of comprehensive income

For the three-month period ended 31 March 2025

	<i>Notes</i>	Three-month period ended	
		31 March 2025 Unaudited	31 March 2024 Unaudited
Profit for the period		222,674,040	185,633,164
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation difference of equity accounted investee		(159,947)	154,084
Total comprehensive income for the period		222,514,093	185,787,248
Total comprehensive income for the period attributable to:			
Shareholders of the Company		216,756,435	178,493,627
Non-controlling interests		5,757,658	7,293,621
		222,514,093	185,787,248

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.


Jabri Maali
Chief Financial Officer

Alison Rehill-Erguven
Chief Executive Officer

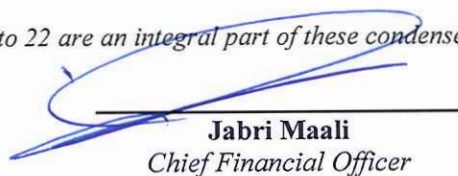
Kamel Badih Al-Qalam
Board Member

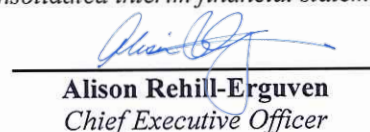
Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of changes in equity

For the three-month period ended 31 March 2025

	Attributable to shareholders of the Company						Non-Controlling interest	Total equity
Notes	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Total		
Balance at 1 January 2024 – Audited	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 period								
Profit for the period	--	--	--	--	178,339,543	178,339,543	7,293,621	185,633,164
Other comprehensive income	--	--	--	154,084	--	154,084	--	154,084
Total comprehensive income for the period	--	--	--	154,084	178,339,543	178,493,627	7,293,621	185,787,248
Deficit on sale of treasury shares	--	--	--	--	(241,022)	(241,022)	--	(241,022)
Transactions with shareholders of the company								
Treasury shares acquired		--	--	--	985,068	--	--	985,068
Dividends	12	--	--	--	--	(356,250,000)	--	(356,250,000)
Balance at 31 March 2024 – Unaudited	4,750,000,000	411,725,703	873,992,101	5,245,193	8,053,501,491	14,094,464,488	47,784,909	14,142,249,397
Balance at 1 January 2025 – Audited	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
Total comprehensive income for the period								
Profit for the period	--	--	--	--	216,916,382	216,916,382	5,757,658	222,674,040
Other comprehensive (loss)	--	--	--	(159,947)	--	(159,947)	--	(159,947)
Total comprehensive income / (loss) for the period	--	--	--	(159,947)	216,916,382	216,756,435	5,757,658	222,514,093
Deficit on sale of treasury shares	--	--	--	--	(203,913)	(203,913)	--	(203,913)
Transactions with shareholders of the company								
Treasury shares acquired		--	--	--	581,772	--	--	581,772
Dividends	12	--	--	--	--	(178,125,000)	--	(178,125,000)
Balance at 31 March 2025 – Unaudited	4,750,000,000	411,725,703	873,992,101	10,742,235	8,777,832,814	14,824,292,853	48,510,922	14,872,803,775

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.


Jabri Maali
Chief Financial Officer


Alison Rehill-Erguven
Chief Executive Officer


Kamel Badih Al-Qalam
Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)
Condensed consolidated statement of cash flows (continued)

For the three-month period ended 31 March 2025

	Notes	Three-month period ended 31 March 2025 Unaudited	Three-month period ended 31 March 2024 Unaudited
Cash flows from operating activities:			
Profit before Zakat		232,674,040	196,633,164
<i>Adjustments for:</i>			
- Depreciation on property and equipment		3,866,584	3,647,412
- Impairment loss on accounts receivable and accrued revenue rentals		79,631,849	97,091,596
- Provision for employee benefits		3,627,048	2,421,451
- Finance cost over loans and borrowings		139,336,373	139,076,092
- Finance cost over lease liabilities		33,100,654	34,334,425
- Finance income on due from related parties	11	(7,091,660)	--
- Share of loss of equity-accounted investee	9A	217,674	632,992
- Gain on disposal of investment property	15	(22,000,000)	--
- Lease termination cost		22,000,000	--
- Lease rental concession		--	(937,500)
- Net fair value gain on investment properties	8A	(44,499,460)	(50,680,322)
		440,863,102	422,219,310
Changes in:			
- Accounts receivable		(32,977,292)	(58,167,793)
- Amounts due from related parties		(67,934,110)	(84,012,321)
- Amount due to related parties		(80,299,732)	(95,977,840)
- Prepayments and other assets		(15,088,895)	(38,168,731)
- Accounts payable and other liabilities		23,087,081	(71,736,591)
- Accrued revenue		(52,188,356)	(67,834,966)
- Unearned revenue		(26,856,107)	(59,563,178)
Cash generated from / (used in) from operating activities		188,605,691	(53,242,110)
Employee benefits paid		(389,665)	(1,128,749)
Zakat paid		(9,147,767)	--
Net cash from / (used in) operating activities		179,068,259	(54,370,859)
Cash flows from investing activities:			
Additions to investment properties, net		(444,365,671)	(144,452,401)
VAT payments for CAPEX Transactions		118,925,425	--
Acquisition of equity-accounted investee		(6,626,769)	(1,108,306)
Acquisition of property and equipment		(3,373,992)	(4,105,055)
Acquisition of investment at FVTPL		(200,000,000)	--
Proceeds from disposal of investment property	8A(i)	200,000,000	--
Net cash used in investing activities		(335,441,007)	(149,665,762)
Cash flows from financing activities:			
Proceeds from loans and borrowings.net	13B	54,690,362	6,133,444,212
Payments of loans and borrowings	13B	--	(5,202,421,869)
Transaction costs paid	13B	(1,244,265)	(88,521,938)
Payment of finance costs		(268,031,316)	(74,987,837)
Repurchase of treasury shares		(82,479,109)	(310,048,840)
Proceeds from sale of treasury shares		82,856,967	310,792,886
Payments of lease liabilities - principal portion		(11,513,842)	(27,629,032)
Payments of lease liabilities - interest portion		(43,490,732)	(43,975,995)
Net cash (used in) / from financing activities		(269,211,935)	696,651,587
Net (decrease) / increase in cash and cash equivalents		(425,584,683)	492,614,966
Cash and cash equivalents at the beginning of period		670,342,011	84,995,834
Cash and cash equivalents at end of the period		244,757,328	577,610,800

The attached notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.


Jabri Maali
Chief Financial Officer


Alison Rehill-Erguven
Chief Executive Officer


Kamel Badih Al-Qalam
Board Member

All amounts are presented in Saudi Riyals unless otherwise stated.

Arabian Centres Company (A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements

For the three-month period ended 31 March 2025

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 Muhurram 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").

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. 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 condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

1. REPORTING ENTITY (CONTINUED)

Following is the list of subsidiaries included in these consolidated financial statements as at 31 March 2025 and 31 December 2024:

No	Subsidiaries	Country of incorporation	Direct ownership interest held by the Group as at:		Indirect ownership interest held by the Group as at:		Share Capital (SR)	Number of shares issued
			31 March 2025	31 December 2024	31 March 2025	31 December 2024		
1	Al Bawarij International for Development & Real Estate Investment Company	Kingdom of Saudi Arabia	95%	95%	5%	5%	500,000	500
2	Al Makarem International for Real Estate Development Company	Kingdom of Saudi Arabia	95%	95%	5%	5%	500,000	500
3	Oyoum Al Raed Mall Trading	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
4	Oyoum Al Basateen Company for Trading	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
5	Al-Qassem 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%	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%	5%	100,000	100
10	Al Yasmeen Mall Trading Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
11	Al Hamra Mall Trading Company Limited	Kingdom of Saudi Arabia	95%	95%	5%	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%	95%	5%	5%	100,000	100
14	Aziz Mall Trading Co (iii)	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
15	Arkan Salami Co (iii)	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
16	Al Malaz Trading Co (iii)	Kingdom of Saudi Arabia	95%	95%	5%	5%	100,000	100
17	Riyad Real Estate Development Fund – Jawharat AlRiyadh (i)	Kingdom of Saudi Arabia	100%	100%	--	--	--	--
18	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 2024, 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.

Arabian Centres Company (A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

2. STATEMENT OF COMPLIANCE

These interim condensed financial statements are for the three-month period ended 31 March 2025 and have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as endorsed in the KSA and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants ("SOCPA") and Company's laws.

3. BASIS OF MEASUREMENT

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

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

4. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed consolidated interim 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 these condensed consolidated interim financial statements in conformity with IFRS that are endorsed in the Kingdom of Saudi Arabia, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the latest annual consolidated financial statements.

6. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the latest annual consolidated financial statements as at and for the year ended 31 December 2024. A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning on 1 January 2025, however, they did not have any impact on the condensed consolidated interim financial statements.

7. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025. These amendments' do not have significant impact in the Group's condensed consolidated interim 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

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

8. INVESTMENT PROPERTIES

		31 March 2025	31 December 2024
	Notes	Unaudited	Audited
Investment properties	8A	27,541,161,229	27,190,984,975
Advance payment for projects under construction	8B	747,786,443	828,444,575
		28,288,947,672	28,019,429,550

A. Investment properties

		31 March 2025	31 December 2024
	Notes	Unaudited	Audited
Balance at the beginning of the period / year		27,431,484,975	24,637,157,057
Additions during the period / year		626,718,283	2,131,777,930
Disposal during the period	(i)	(178,000,000)	--
Impact of reassessment of lease		--	97,268,140
Net fair value gain on investment properties		44,499,460	565,281,848
Balance at the end of the period / year	(v)	27,924,702,718	27,431,484,975

Presented in condensed consolidated statement of financial position as:

Investment properties		27,541,161,229	27,190,984,975
Assets held for sale	(i)	383,541,489	240,500,000
		27,924,702,718	27,431,484,975

- i. The Group was committed to sell the land and the mall.
 - During the period ended March 31, 2025, the Group finalized an agreement to sell investment property. Although the legal title deeds were transferred related to the saleable land area subsequent to the reporting period, the sale is deemed highly probable as of the reporting date. Accordingly, the carrying value of this investment property has been classified as "Assets held for sale".
 - During the year 2024, The Group entered into an agreement to sell the mall. However, during the period ended 31 March 2025, the Group has transferred the title deed of the property and record the disposal with net proceeds of SR 200 million, resulting in a gain of SR 22 million, which has been recorded under other operating income in the condensed consolidated statement of profit or loss.
 - During the year December 31, 2023, the Group entered into an agreement to sell Land and still in the process of completing the required pre-conditions to execute the sale. As the sale is considered highly probable, the carrying value of the land is classified as an asset held for sale under current assets.
- ii. 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 will file a claim for reimbursement with the insurers.
- iii. 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.
- iv. Projects under construction pertain 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 period ended 31 March 2025, the Group capitalized finance costs amounting to SR 90 million (31 March 2024: SR 68 million).

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

8. INVESTMENT PROPERTIES (CONTINUED)

A. Investment properties (continued)

v. The carrying amount at reporting date includes the fair value for following:

		31 March 2025 Unaudited	31 December 2024 Audited
Shopping malls on owned lands	(i)	12,393,408,277	12,593,408,177
Shopping malls on leasehold lands	(i)	7,112,643,375	7,191,815,802
Owned lands/buildings held as investment properties	(ii)	548,572,880	548,572,880
Projects under construction – Fair value	(i)	7,870,078,186	7,097,688,116
		27,924,702,718	27,431,484,975

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

vi. Fair value of investment properties

a) *Fair value hierarchy*

The fair value measurement for investment property of SR 27,924 million (31 December 2024: SR 27,431 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 March 2025 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, ValuStart and NATA Real Estate Appraisal Company. As per the CMA regulations for annual reporting, 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 March 2025

Property	Fair value SR million	Valuation technique	Significant unobservable input	Range
Shopping Malls	19,506	Discounted cash flows	Occupancy (%) Future rent growth (%) Discount rate (%)	66% - 100% 2%-4% 9% - 18%
Properties under construction	7,870	Discounted cash flows – Residual method	Occupancy (%) Future rent growth (%) Discount rate (%)	90%-95% 2% 12% - 15%
Owned land	549	Comparable transaction	Average price (SR /sqm)	220 – 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).

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

8. INVESTMENT PROPERTIES (CONTINUED)

A. Investment properties (continued)

vi. Fair value of investment properties (continued)

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

31 December 2024

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

c) *Reconciliation of 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 March 2025 Unaudited	31 December 2024 Audited
Fair value of land and buildings as per fair valuer	25,233,938,874	24,699,818,150
Less: Adjustment for accrued operating lease income	(212,510,764)	(205,977,986)
Add: carrying amount of lease liabilities	2,903,274,608	2,937,644,811
Total carrying amount of investment properties	27,924,702,718	27,431,484,975

vii. Amounts recognized in profit or loss for investment property that generated income.

	Three-month period ended	
	31 March 2025 Unaudited	31 March 2024 Unaudited
Revenue from investment property	590,633,704	585,756,381
Direct operating expenses on properties that generated rental income	78,887,520	98,716,847

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

Discounted cash flows	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.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

8. INVESTMENT PROPERTIES (CONTINUED)

B. Advance payments for projects under construction

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

Name of related party	Business status	Relationship	Construction work services received		Balances	
			Three-month period ended 31 March 2025	Three-month period ended 31 March 2024	31 March 2025	31 December 2024
			Unaudited	Unaudited	Unaudited	Audited
Lynx Contracting Company	Limited Liability	Fellow Subsidiary	315,138,590	212,395,158	746,554,102	826,892,735
Others					1,232,341	1,551,840
					747,786,443	828,444,575

Lynx Contracting Company is a related party 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 contracts are only entered into 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 to 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.

9. INVESTMENTS

		31 March 2025	31 December 2024
	Note	Unaudited	Audited
Investment in equity accounted investee	9A	93,966,187	87,717,039
Investments at FVTPL	9B	456,007,454	256,007,454
		549,973,641	343,724,493

A. Investment in equity accounted investee

Name of an entity		31 March 2025	31 December 2024
	Note	Unaudited	Audited
FAS Lab Holding Company (Associate)	(i)	93,716,187	87,467,039
Khozam Mall Real Estate Development Company (Joint venture)	(ii)	250,000	250,000
		93,966,187	87,717,039

- 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 March 2025	87,467,039	6,626,769	(217,674)	(159,947)	93,716,187
31 December 2024	78,384,195	16,040,698	(7,089,208)	131,354	87,467,039

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

9. INVESTMENTS (CONTINUED)

A. Investments inequity accounted investee (continued)

Summarized financial statements – FAS Lab Holding Company

	31 March 2025 Unaudited	31 December 2024 Audited
Assets	317,801,265	303,931,484
Liabilities	(121,223,110)	(117,812,182)
Net Assets	196,578,155	186,119,302
Net assets attributable to owners of investee	157,495,463	148,242,259
Share of net assets (50%)	78,747,732	74,121,129
Adjustments – Due to additional contribution	14,968,455	13,345,910
Carrying amount of investee	93,716,187	87,467,039

	31 March 2025 Unaudited	31 December 2024 Audited
Revenue	118,488,459	169,640,516
Profit from continuing operations	2,100,772	1,047,907
Total comprehensive income	1,077,649	1,047,907
Loss for the period attributable to shareholders of the Company	(435,348)	(1,265,984)
Share of loss for the period	(217,674)	(632,992)

- 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 2023 and is yet to commence commercial operations.

B. Investment at FVTPL

Name of an entity	31 March 2025 Unaudited	31 December 2024 Audited
Al Jawhara Real Estate Fund (i)	58,266	58,266
Al-Baraka Real Estate Fund (ii)	200,000,000	--
Other investment (iii)	255,949,188	255,949,188
	456,007,454	256,007,454

i. This represents 0.03% equity investment in Al Jawhara Real Estate Fund (formerly known as Digital City Fund) purchased for SR 6.8 million. As at 31 March 2025, the net asset value (NAV) of the investment amounted to SR 0.08 million (31 December 2024: SR 0.08 million) and Nil unrealized fair value loss are recognized in the condensed consolidated statement of profit or loss (31 March 2024: Nil).

ii. This represents an investment in 20 million units of the Al-Baraka Real Estate Fund at a unit price of SR 10, amounting to a total investment of SR 200 million. As at 31 March 2025, no net asset value (NAV) has been established, as the fund initiate its operations subsequent to the period end.

iii. At 31 March 2025, a Group's subsidiary Riyadh Real Estate Development Fund held 140,009 units (31 December 2024: 140,009 units) of Diversified Trade Fund at a unit price of SR1,828 (2024:SR 1,828) for trading purposes.

	31 March 2025 Unaudited	31 December 2024 Audited
Balance at beginning of the period / year	255,949,188	303,026,022
Disposals	--	(48,516,565)
Fair value change	--	1,439,731
Balance at end of the period / year	255,949,188	255,949,188

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

9. INVESTMENTS (CONTINUED)

B. Investment at FVTPL (continued)

	31 March 2025 Unaudited	31 December 2024 Audited
Proceed	--	50,000,000
Carrying amount	--	(48,516,565)
Gain on disposal	--	1,483,435

10. CASH AND CASH EQUIVALENTS

	31 March 2025 Unaudited	31 December 2024 Audited
Bank balances – current accounts	243,872,328	253,157,011
Bank balances – time deposits	--	416,250,000
Cash in hand	885,000	935,000
	244,757,328	670,342,011

11. RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of these condensed consolidated interim 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 remunerations of directors and other key management personnel ('KMP') during the three-month period ended 31 March are as follows:

	31 March 2025 Unaudited	31 March 2024 Unaudited
End of service benefits	6,989,087	5,661,134
Salaries and short-term benefits	6,268,425	8,736,372
Total key management compensation	13,257,512	14,397,506

B. Related party transactions and balances

1 - Related party balances are presented in the statement of financial position as follows:

	31 March 2025 Unaudited	31 December 2024 Audited
Amounts due from related parties – current portion	497,551,105	408,420,267
Amounts due from related parties – non-current portion	194,156,477	234,967,548
Amount due from related parties - net (i)	691,707,582	643,387,815
Amount due to related parties	154,443,754	234,743,486

(i) Amount due from related parties-net

Amount due from related parties – gross	839,815,987	771,881,877
Modification loss on related parties' receivables - net	(29,424,299)	(36,515,958)
Less: Impairment loss on due from related parties	(118,684,106)	(91,978,104)
Amount due from related parties – net	691,707,582	643,387,815

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 finance income of **SR 7 million** recognized in condensed consolidated statement of profit or loss during the period ended 31 March 2025 (31 March 2024: Nil).

Arabian Centres Company (A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

B. Related party transactions and balances (continued)

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

Name of related party 31 March 2025	Business status	Transactions for period				Balance as at	
		Rental income and other fees / services	Services received	Others	Total	Due from	Due to
Transactions with ultimate parent							
Saudi FAS Holding Company	Closed Joint Stock Company	329,980	--	--	329,980	6,847,284	--
Transactions with fellow subsidiaries							
Fawaz Abdulaziz Al Hokair Company and its subsidiaries	Joint Stock Company	58,575,767	--	--	58,575,767	535,398,876	--
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	Joint Stock Company	7,514,649	--	--	7,514,649	36,971,698	--
Salman & Sons Holding Co and its associates	Limited Liability Company	5,513,459	--	--	5,513,459	79,167,229	--
Majd Al Amal Co. Limited and its associates	Limited Liability Company	1,964,354	--	--	1,964,354	30,347,431	--
Tadaris Alnajd Security Company	Limited Liability Company	--	(8,633,432)	--	(8,633,432)	12,440,441	--
Ezdihar Holding Co and its subsidiaries	Limited Liability Company	5,466,922	--	--	5,466,922	111,717,314	--
Lynx Contracting Company	Limited Liability Company	--	(195,858,175)	--	(195,858,175)	--	(147,712,826)
Others, net	Limited Liability Companies	1,677,294	(5,378,421)	--	(3,701,127)	26,925,714	(6,730,928)
		81,042,425	(209,870,028)	--	(128,827,603)	839,815,987	(154,443,754)
31 December 2024							
Transactions with ultimate parent							
Saudi FAS Holding Company	Closed Joint Stock Company	823,359	--	--	823,359	6,447,086	--
Transactions with fellow subsidiaries							
Fawaz Abdulaziz Al Hokair Company and its subsidiaries (trading as Cenomi Retail)	Joint Stock Company	78,008,597	--	--	78,008,597	487,541,807	--
Abdul Mohsin Al Hokair Group for Tourism and Development and its subsidiaries	Joint Stock Company	6,873,454	--	--	6,873,454	34,876,385	--
Salman & Sons Holding Co and its associates	Limited Liability Company	6,259,368	--	--	6,259,368	72,774,205	--
Majd Al Amal Co. Limited and its associates	Limited Liability Company	4,823,973	--	--	4,823,973	28,376,076	--
Tadaris Alnajd Security Company	Limited Liability Company	--	(15,527,830)	--	(15,527,830)	8,950,560	--
Ezdihar Holding Co and its subsidiaries	Limited Liability Company	9,910,415	--	--	9,910,415	107,539,059	--
Lynx Contracting Company	Limited Liability Company	--	--	--	--	--	(231,906,096)
Others, net	Limited Liability Companies	2,066,593	--	--	2,066,593	25,376,699	(2,837,390)
		108,765,759	(15,527,830)	--	93,237,929	771,881,877	(234,743,486)

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

12. DIVIDENDS DISTRIBUTION

31 March 2025

- i. On 10 March 2025, the Board of Directors resolved to distribute an interim dividend for the third quarter of the year ended 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000. The dividend was paid on 6 April 2025.

31 March 2024

- i. On 25 March 2024, the Board of Directors resolved to distribute an interim dividend for the first half of period 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.

13. LOANS AND BORROWINGS

		31 March 2025	31 December 2024
	Note	Unaudited	Audited
Islamic facilities with banks			
- Facility 1	(i)	5,183,842,051	5,182,390,278
- Facility 2	(ii)	1,135,236,081	1,080,545,719
Sukuk	(iii)	5,910,437,601	5,909,373,095
	13 B	12,229,515,733	12,172,309,092
Loans and Borrowings - Current liabilities		37,023,151	34,709,205
Loans and Borrowings – Non-current liabilities		12,192,492,582	12,137,599,887
		12,229,515,733	12,172,309,092

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 18.

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 Murabaha tranches (maturing in 12 years) and revolving Murabaha facility (maturing in 5 years) These term Murabaha facilities are fully utilized and Revolving Murabaha facility is partially 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 pledges of insurance policies and proceeds of rental income as well as security over land and buildings of several malls with carrying amount of **SR 7.8 billion**.

(ii) Facility 2

During the period ended 31 March 2025, the Group has drawn-down SR 54 million (year ended 31 December 2024: SR 521 million) from the facilities. The facility is non-recourse to the Company

In 2024, a subsidiary of the Group has entered into a long-term facility arrangement amounting to SR 350 million from National Development Fund. The facility is non-recourse to the Company.

In 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.

In 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.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

13. LOANS AND BORROWINGS (CONTINUED)

The loans and borrowings facility 1 & 2 contain certain covenants. These covenants include maintaining 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 March 2025, 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.

(iii) Sukuk

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		Sukuks	Total
	Facility 1	Facility 2		
Balance at 1 January 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	(iii) --	--	9,025,143	9,025,143
Balance at 31 December 2024-Audited	5,182,390,278	1,080,545,719	5,909,373,095	12,172,309,092
Balance at 1 January 2025	5,249,999,921	1,092,747,346	5,943,750,000	12,286,497,267
Proceeds received during the period	--	54,690,362	--	54,690,362
Repayments made during the period	--	--	--	--
(i)	5,249,999,921	1,147,437,708	5,943,750,000	12,341,187,629
Un-amortized transaction costs	(ii) (66,157,870)	(12,201,627)	(40,764,994)	(119,124,491)
Deferred Sukuk premium	(iii) --	--	7,452,595	7,452,595
Balance at 31 March 2025-Unaudited	5,183,842,051	1,135,236,081	5,910,437,601	12,229,515,733

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

13. 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	Sukuk	Total
31 December 2024-Audited			
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
31 March 2025 -Unaudited			
Within one year	37,023,151	--	37,023,151
Between two to five years	1,083,584,352	5,943,750,000	7,027,334,352
More than five years	5,276,830,126	--	5,276,830,126
	6,397,437,629	5,943,750,000	12,341,187,629

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

	Islamic facilities with banks		Sukuk	Total
	Facility 1	Facility 2		
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- Audited	67,609,643	12,201,627	43,402,048	123,213,318
Balance at 1 Jan 2025	67,609,643	12,201,627	43,402,048	123,213,318
Arrangement fees paid	--	--	1,244,265	1,244,265
Amortization for the period	(1,068,246)	--	(3,362,756)	(4,431,002)
Capitalized arrangement fees	(383,527)	--	(518,563)	(902,090)
Balance at 31 March 2025- Unaudited	66,157,870	12,201,627	40,764,994	119,124,491

iii. Deferred Sukuk premium

This represents the premium received on further issuance of Sukuk II (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
	--	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 -Audited	(3,827,083)	12,852,226	9,025,143
Balance at 1 Jan 2025	(3,827,083)	12,852,226	9,025,143
Additions during the period	--	--	--
Amortization for the period	229,166	(1,801,714)	(1,572,548)
Balance at 31 March 2025- Unaudited	(3,597,917)	11,050,512	7,452,595

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

14. REVENUE

	Three-month period ended 31 March 2025 Unaudited	Three-month period ended 31 March 2024 Unaudited
Income from leases		
Rental income	526,736,735	536,771,813
Turnover rent	24,203,999	20,622,210
Revenue from contracts with customers		
Service and management charges income	38,637,111	27,337,246
Commission income on provisions for utilities for heavy users, net	1,055,859	1,025,112
	590,633,704	585,756,381

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 period ended 31 March 2025 amount to SR 62 million (31 March 2024: SR 60 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:

	Three-month period ended 31 March 2025 Unaudited	Three-month period ended 31 March 2024 Unaudited
Within one year	1,690,874,373	1,537,036,603
After one year but not more than five years	1,964,056,900	2,309,279,191
More than five years	940,413,008	1,096,666,199
	4,595,344,281	4,942,981,993

15. OTHER OPERATING INCOME

	Three-month period ended 31 March 2025 Unaudited	Three-month period ended 31 March 2024 Unaudited
Gain on sale of investment property (Note 8A(i))	22,000,000	--
Commission income on bank deposits	2,746,058	--
Foreign exchange gain	29,207	--
Others	2,998,067	1,515,649
	27,773,332	1,515,649

16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit 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. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Three-month period ended	
	31 March 2025 Unaudited	31 March 2024 Unaudited
Profit attributable to ordinary shareholders	216,916,382	178,339,543
Weighted average number of ordinary shares	474,946,838	474,941,661
Basic and diluted earnings per share	0.46	0.38

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

17. 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 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 the consolidated statement of 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 15% of the total revenue of the Group.

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

Financial instruments have been categorized as follows:

		31 March 2025	31 December 2024
Financial Assets	Notes	Unaudited	Audited
Other investments	9	255,949,188	255,949,188
Other financial asset		23,673,944	44,313,130
Amounts due from related parties	11	691,707,582	643,387,815
Accounts receivable		508,593,903	482,886,879
Accrued revenue		170,465,537	169,999,627
Cash and cash equivalents	10	244,757,328	670,342,011
		1,895,147,482	2,266,878,650
Financial Liabilities			
Loans and borrowings	13	12,229,515,733	12,172,309,092
Lease liabilities		3,118,808,577	3,130,322,427
Accounts payable(i)		259,288,823	180,634,812
Tenants' security deposits		95,539,101	105,755,795
Amount due to related party	11	154,443,754	234,743,486
Other liabilities		489,390,963	363,943,714
		16,346,986,951	16,187,709,326

- (i) The carrying amounts of Accounts payable is considered to be a reasonable approximation 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 March 2025 and 31 December 2024:

	31 March 2025- Unaudited				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investment at FVTPL					
Al Jawhara Real Estate Fund	58,266	--	--	58,266	58,266
Other investments					
Riyadh SR Diversified Trade Fund	255,949,188	255,949,188	--	--	255,949,188
Al -Barakah Fund	200,000,000	200,000,000	--	--	200,000,000

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

A. Accounting classification and fair values (continued)

	31 December 2024-Audited				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Investment at FVTPL)					
Al Jawhara Real Estate Fund	58,266	--	--	58,266	58,266
Other Investments					
Riyadh SR Diversified Trade Fund	255,949,188	255,949,188	--	--	255,949,188

B. 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 and currency 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, lease liability, 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. 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.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (continued)

i. Credit risk (continued)

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 and forecast gross domestic product growth.

The following table provides information about the exposure to credit risk and ECLs for accounts receivable from customers after adjusting with Loss given Default (LGD) ratio as at 31 March 2025 and 31 December 2024.

31 March 2025 - Unaudited			
	Gross carrying amount	Weighted-average loss	Loss allowance (%)
0-90 days	111,036,642	12,831,335	12%
91-180 days	90,349,494	18,501,403	20%
181-270 days	78,531,818	21,215,649	27%
271-360 days	58,678,886	19,247,884	33%
More than 360 days	605,821,089	359,527,755	59%
	944,417,929	431,324,026	

31 December 2024 - Audited			
	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	

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (continued)

i. Credit risk (continued)

Accounts Receivable (continued)

During the three-month period ended 31 March 2025, the Group has written off receivables amounting to **SAR 3.7 million** (31 March 2024: 3.7 million). In addition, the group has directly charged to profit or loss an amount of **SR 27.1 million** (31 March 2024: SR 27.1 million) on account of impairment of accrued revenue.

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 11B). 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 Nil (2024: SR 51 million)

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 condensed consolidated interim financial statements (continued)

For the three-month period ended 31 March 2025

18. 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 liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The management believes that the Group is not exposed to significant risks in relation to liquidity and maintains different lines of credit. At reporting date, the Group was in a net current assets position amounting to SR 462 million.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Contractual maturities of financial liabilities:	Carrying amount	Less than 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
31 March 2025-Unaudited							
Accounts payable	259,288,823	259,288,823	--	--	--	--	259,288,823
Other non-current liabilities	11,851,196	--	--	9,485,948	2,365,248	--	11,851,196
Other liabilities	573,078,868	554,942,935	18,135,933	--	--	--	573,078,868
Due to related parties	154,443,754	154,443,754	--	--	--	--	154,443,754
Lease liabilities	3,118,808,577	366,082,066	152,963,308	315,952,210	768,475,522	3,802,930,569	5,406,403,675
Loans and borrowings	12,229,515,733	406,781,821	470,561,099	4,145,546,831	5,034,716,647	5,353,970,816	15,411,577,214
	16,346,986,951	1,741,539,399	641,660,340	4,470,984,989	5,805,557,417	9,156,901,385	21,816,643,530
31 December 2024-Audited							
Accounts payable	180,634,812	180,634,812	--	--	--	--	180,634,812
Other non-current liabilities	22,464,724	--	--	17,240,970	5,223,754	--	22,464,724
Other liabilities	447,234,784	437,930,162	9,304,623	--	--	--	447,234,785
Due to related parties	234,743,486	234,743,486	--	--	--	--	234,743,486
Lease liabilities	3,130,322,427	365,791,038	135,883,976	332,874,763	788,303,550	3,844,040,921	5,466,894,248
Loans and borrowings	12,172,309,092	1,208,079,447	419,629,501	4,140,448,470	5,383,698,309	4,425,822,542	15,577,678,269
	16,187,709,325	2,427,178,945	564,818,100	4,490,564,203	6,177,225,613	8,269,863,463	21,929,650,324

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-months period ended 31 March 2025

18. 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 March 2025 and 31 December 2024. 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):

Gain/(loss) through the condensed consolidated statement of profit or loss	Three-month period ended 31 March 2025 Unaudited	Three-month period ended 31 March 2024 Unaudited
Floating rate debt:		
SIBOR +100bps	(15,993,594)	(9,694,375)
SIBOR -100bps	15,993,594	9,694,375

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.

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 Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

- 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
- 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 March 2025 and 31 December 2024 was as follows.

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-months period ended 31 March 2025

19. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

C. Financial risk management (continued)

iv. Capital management risk

	31 March 2025 Unaudited	31 December 2024 Audited
Total liabilities	16,727,196,627	16,624,509,056
Cash and cash equivalents	(244,757,328)	(670,342,011)
Other investments	(255,949,188)	(255,949,188)
Net debt	16,226,490,111	15,698,217,857
Total equity	14,872,803,775	14,828,036,823
Net debt to equity	1.1	1.06

19. COMMITMENTS AND CONTINGENCIES

	Note	31 March 2025 Unaudited	31 December 2024 Audited
Commitments			
Commitments for projects under construction	(i)	3,980,184,142	4,376,754,571
Outstanding bank guarantees		11,164,208	11,164,208

(i) These commitments pertain to construction of shopping malls across the Kingdom of Saudi Arabia.

20. 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
31 March 2025			
Assets			
Investment properties	156,482,557	2,522,142,205	3,833,042,739
Cash and cash equivalents	--	17,153,002	80,966,024
Other assets	25,140,064	68,764,976	396,745,861
	181,622,621	2,625,213,183	4,135,771,459
Liabilities			
Loans and borrowings	--	458,970,644	676,265,437
Lease liabilities	54,693,107	--	
Other liabilities	10,345,236	18,019,869	25,172,821
	65,038,343	476,990,512	701,438,259
Net assets	116,584,278	2,148,222,671	3,434,333,200
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

Arabian Centres Company (A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (continued)

For the three-months period ended 31 March 2025

20. SUMMARIZED FINANCIAL INFORMATION OF MATERIAL SUBSIDIARIES (CONTINUED)

	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
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	--	--

Three-month period ended 31 March 2025-Unaudited

Statement of profit or loss

Revenue	14,027,236	--	--
Gross profit	10,717,461	--	--
Profit / (loss) for the period	11,515,316	(5,597,888)	(3,867,841)

Three-month period ended 31 March 2024-Unaudited

Statement of profit or loss

Revenue	12,043,574	--	--
Gross profit	8,766,271	--	--
Profit / (loss) for the period	14,590,919	(2,084,050)	(3,673,483)

- (i) 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.

21. SUBSEQUENT EVENT

On 11 May 2025, the Board of Directors resolved to distribute dividends for the Fourth quarter of the year ended 31 December 2024 amounting to SR 0.375 per share aggregating to SR 178,125,000.

22. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the Board of Directors for issuance on 13 Dhu'l-Qi'dah 1446H (corresponding to 11 May 2025).