

EMAAR

EMAAR

MALLS

**FY 2020 Results and
Recommended Merger of Emaar
Properties and Emaar Malls**



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Agenda for Today



FY 2020 Results Update

- Emaar Properties
- Emaar Malls



Recommended Merger of Emaar Properties and Emaar Malls

- Overview
- Highlights
- Timeline and Next Steps



FY 2020 Results Update

Emaar Properties 2020 Key Highlights

Overall property sales at AED 10.9 Bn (AED 6.3 Bn in UAE)

Substantial improvement in UAE property sales in Q3 and Q4

Solid revenue backlog of AED 36.7 Bn to be recognised in the coming years

AED Mn	Q4 2020	Q4 2019	% Change	FY 2020	FY 2019	% Change
Property Sales	3,115	3,463	(10%)	10,902	19,234	(43%)
Revenue	6,336	6,942	(9%)	19,710	24,586	(20%)
Gross Profit	2,247	3,127	(28%)	7,000⁽²⁾	11,562	(39%)
Margin (%)	35.5%	45.0%	--	35.5%	47.0%	--
EBITDA	1,157	2,490	(54%)	5,975⁽²⁾	9,652	(38%)
Margin (%)	18.3%	35.9%	--	30.3%	39.3%	--
Net Profit	181	1,758	(90%)	2,617⁽²⁾	6,200	(58%)
Margin (%)	2.9%	25.3%	--	13.3%	25.2%	--
EPS (AED/Share)	0.03	0.25	(90%)	0.37	0.87	(58%)
Total Equity ⁽¹⁾	65,916	63,449	4%	65,916	63,449	4%
Cash ⁽¹⁾	6,271	6,796	(8%)	6,271	6,796	(8%)
Debt ⁽¹⁾	21,361	23,102	(8%)	21,361	23,102	(8%)
Net Debt ⁽¹⁾	15,090	16,306	(7%)	15,090	16,306	(7%)

Emaar Malls 2020 Key Highlights

	AED Mn	Q4 2020	Q4 2019	% Change	FY 2020	FY 2019	% Change
Stable occupancy at 91%	Revenue	1,015	1,261	(20%)	3,508	4,673	(25%)
	Gross Profit	598	862	(31%)	2,102	3,432	(39%)
	Margin (%)	58.9%	68.4%	--	59.9%	73.4%	--
	EBITDA	304	714	(57%)	1,370	2,914	(53%)
High growth in tenant sales and significant improvement in footfall levels in Q3 and Q4	Margin (%)	29.9%	56.6%	--	39.1%	62.4%	--
	Net Profit	118	554	(79%)	704	2,280	(69%)
	Margin (%)	11.6%	44.0%	--	20.1%	48.9%	--
	EPS (AED/Share)	0.01	0.04	(79%)	0.05	0.18	(69%)
Namshi sales increased 28% vs. 2019 to AED 1.3 Bn	Total Equity ⁽¹⁾	19,060	18,361	4%	19,060	18,361	4%
	Cash ⁽¹⁾	559	195	186%	559	195	186%
	Debt ⁽¹⁾	2,750	3,524	(22%)	2,750	3,524	(22%)
	Net Debt ⁽¹⁾	2,191	3,329	(34%)	2,191	3,329	(34%)

An aerial photograph of a city skyline at dusk. The Burj Khalifa is the central focus, illuminated and standing tall against a sky with soft, colorful clouds. The city is densely packed with skyscrapers, and a large body of water is visible in the foreground. The overall scene is a mix of urban architecture and natural elements like trees and water.

Recommended Merger of Emaar Properties and Emaar Malls

Overview

A Strategic Consolidation Transaction



Reinforcement of Emaar Properties' position as MENA's **largest integrated and diversified** real estate company



Pro forma entity with **increased scale and resiliency**, and a conservatively managed balance sheet



Optimal strategic positioning of each of Emaar Properties and Emaar Malls to **capture opportunities in the marketplace and drive shareholder value**



Transaction designed to **enhance shareholder liquidity** and achieve a **ratings neutral outcome** across all relevant entities (issuer and instrument)

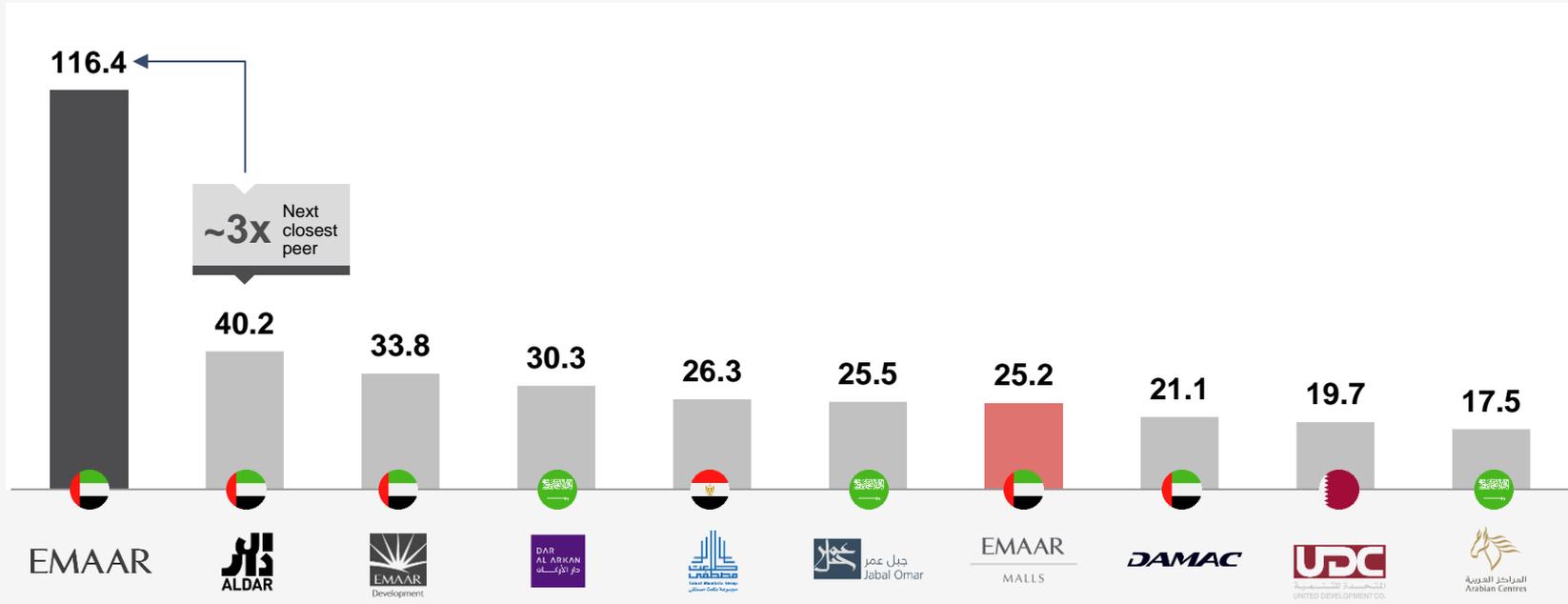


Transaction subject to customary closing conditions and **expected to complete in May 2021**

Emaar Properties is MENA's Largest Integrated and Diversified Real Estate Company

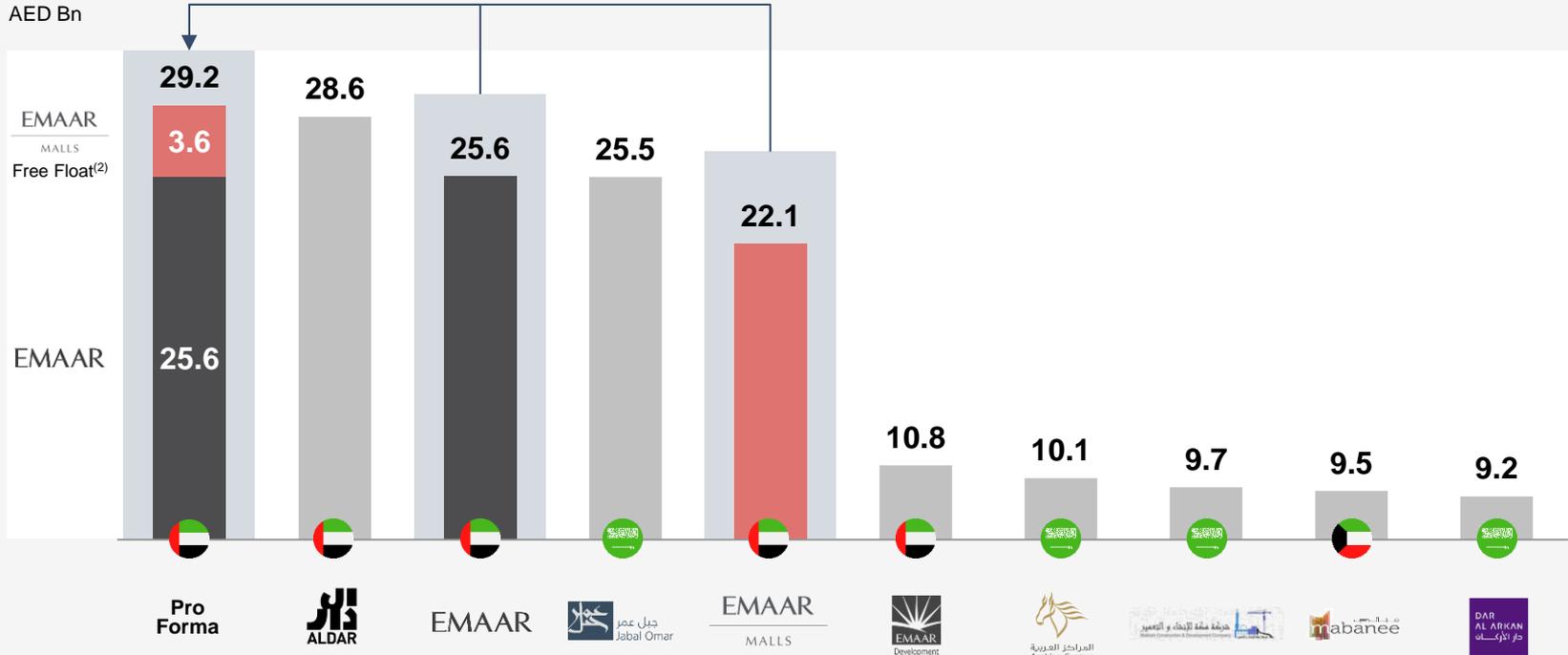
Top 10 by Total Assets⁽¹⁾

AED Bn

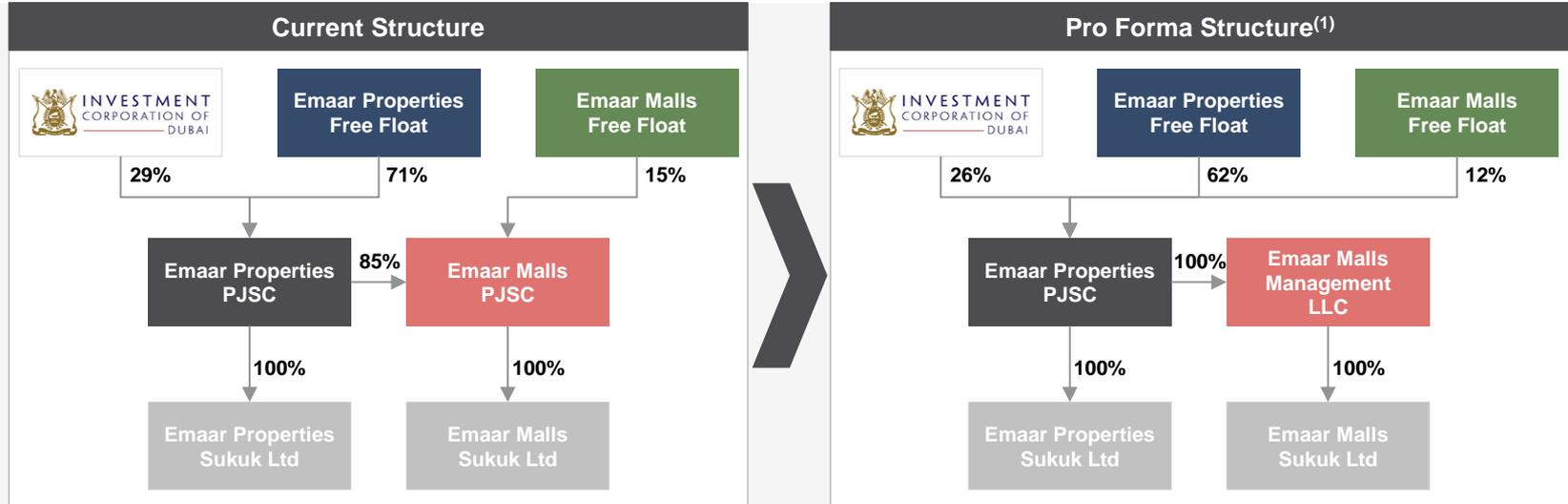


Proposed Transaction Will Create the #1 Real Estate Company in the MENA Capital Markets

Top 10 by Market Capitalization ⁽¹⁾



Transaction Designed to Enhance Shareholder Liquidity and Safeguard Existing Credit Ratings



Average **daily liquidity** of AED44 Mn⁽²⁾ at Emaar Properties and AED12 Mn⁽²⁾ at Emaar Malls **consolidated into a single listing**

Existing business of Emaar Malls reconstituted in a wholly owned subsidiary of Emaar Properties with **neutral impact on existing issuer and instrument ratings** (Moody's and S&P)

Continued shareholding of Investment Corporation of Dubai

1) Post reorganization, 2) Over calendar year 2020

Key Transaction Terms

Overview of the Transaction and Key Terms

✓	Transaction Structure	<ul style="list-style-type: none"> Statutory merger of Emaar Properties PJSC and Emaar Malls PJSC by absorption
✓	Exchange Ratio	<ul style="list-style-type: none"> 0.51 Emaar Properties shares for every one Emaar Malls share Represents a premium of 7.1% to the closing price of Emaar Malls on 1 March 2021 (last trading day prior to announcement) and 11.2% to the market implied exchange ratio based on L1M VWAP⁽¹⁾
✓	Consideration	<ul style="list-style-type: none"> All share transaction Emaar Properties will issue a total of 1,019,999,276 new shares to Emaar Malls free float increasing total issued share capital to AED 8,179,738,158
✓	Credit Ratings	<ul style="list-style-type: none"> Each of Moody's and S&P have confirmed that the transaction will be ratings neutral for Emaar Properties and Emaar Malls⁽²⁾ (issuer and instrument)
✓	Conditions Precedent	<ul style="list-style-type: none"> Approval of shareholders of each of Emaar Properties and Emaar Malls Approval of Emaar Malls' Sukuk holders Expiry of Emaar Properties and Emaar Malls creditor objection period with no objections outstanding
✓	Transaction Timeline	<ul style="list-style-type: none"> Merger expected to be effective in May 2021

Rigorous Process to Determine Exchange Ratio

- Reciprocal due diligence by each of Emaar Properties and Emaar Malls**
- Jointly appointed independent valuer⁽¹⁾**
- Merger Committee appointed at each of Emaar Properties and Emaar Malls to manage the transaction process**
- Fairness opinion obtained from international banks by the Boards of Directors of each of Emaar Properties and Emaar Malls**
- Unanimous support and recommendation of the Board of Directors of Emaar Properties and the independent Board directors of Emaar Malls**

An aerial photograph of the Dubai skyline at sunset. The Burj Khalifa is the central focus, with the sun setting behind its peak, creating a bright starburst effect. The sky is a mix of blue and orange, and the city below is densely packed with skyscrapers and residential buildings. A white rectangular box is overlaid on the lower-left portion of the image, containing the title text.

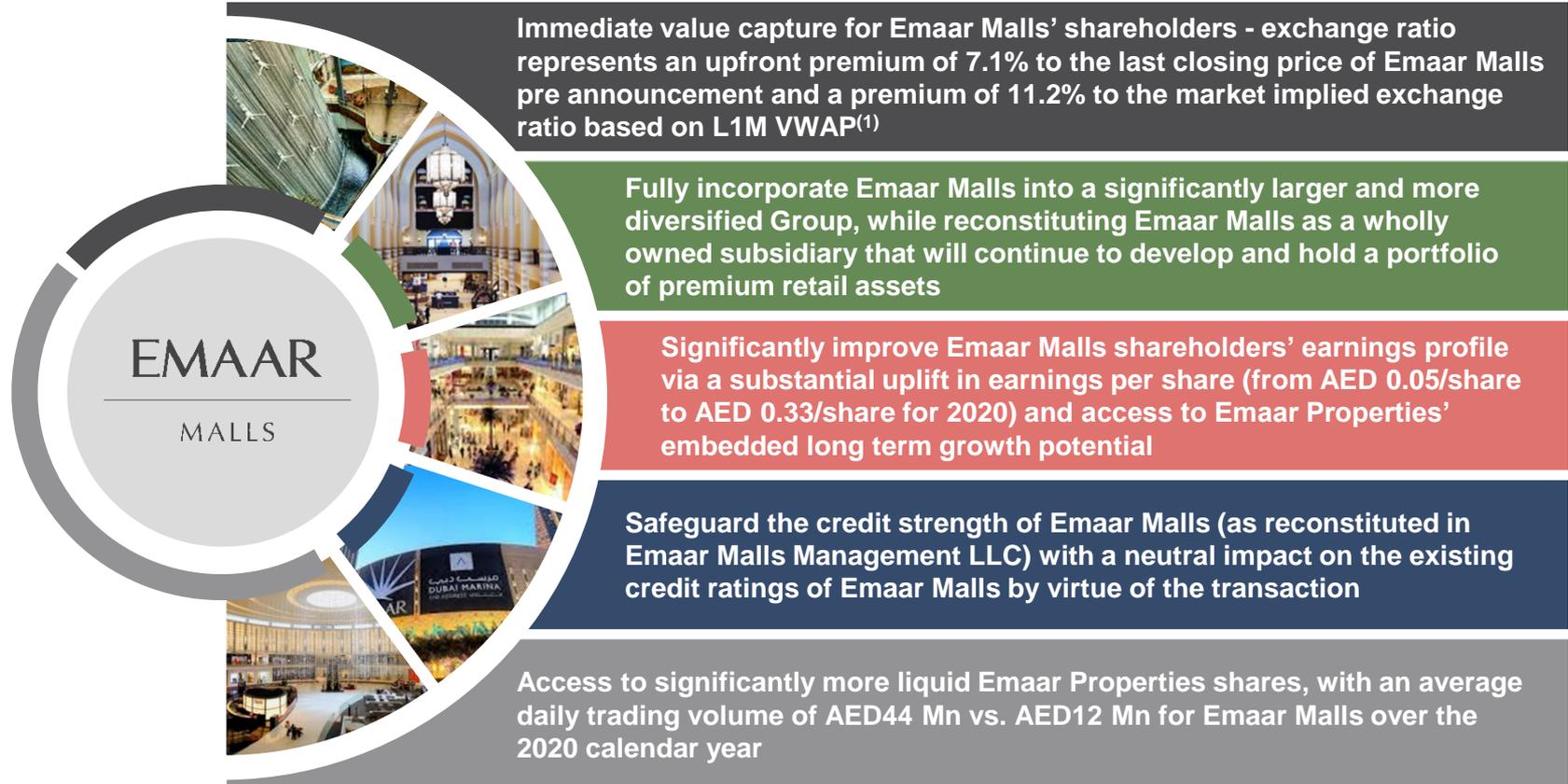
Recommended Merger of Emaar Properties and Emaar Malls

Highlights

Transaction Benefits for Emaar Properties



Transaction Benefits for Emaar Malls



Pro Forma Entity With Increased Scale and Resiliency, and a Conservatively Managed Balance Sheet⁽¹⁾

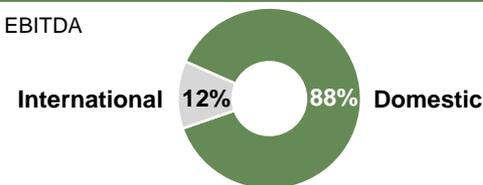
Large Scale Operations

Revenue
AED 19.7 Bn

EBITDA
AED 6.0 Bn⁽²⁾

UAE Domestic Focus

% of Total EBITDA



Significant Recurring Operations⁽³⁾

Recurring Proportionate EBITDA Contribution (2017-2019 Average)

Pre-Transaction **49%**  **Post-Transaction** **52%**

Robust Balance Sheet With Conservative Leverage

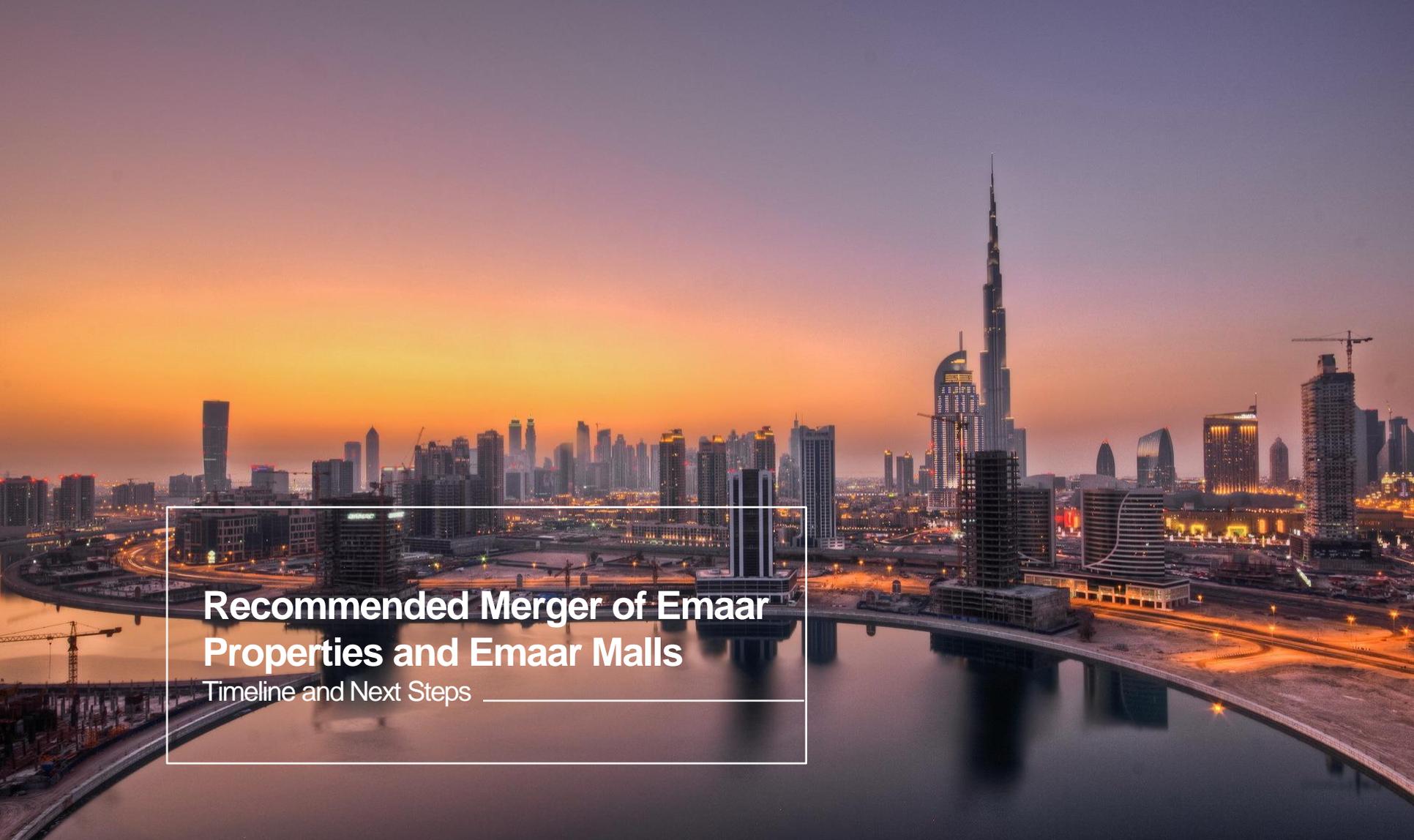
Leverage⁽⁴⁾
2.5x

Loan to Value⁽⁵⁾
18%

Streamlining of Emaar Group structure and **increased strategic alignment** across key entities

Emaar Properties to **consolidate 100% of earnings and cash flow** generation of Emaar Malls

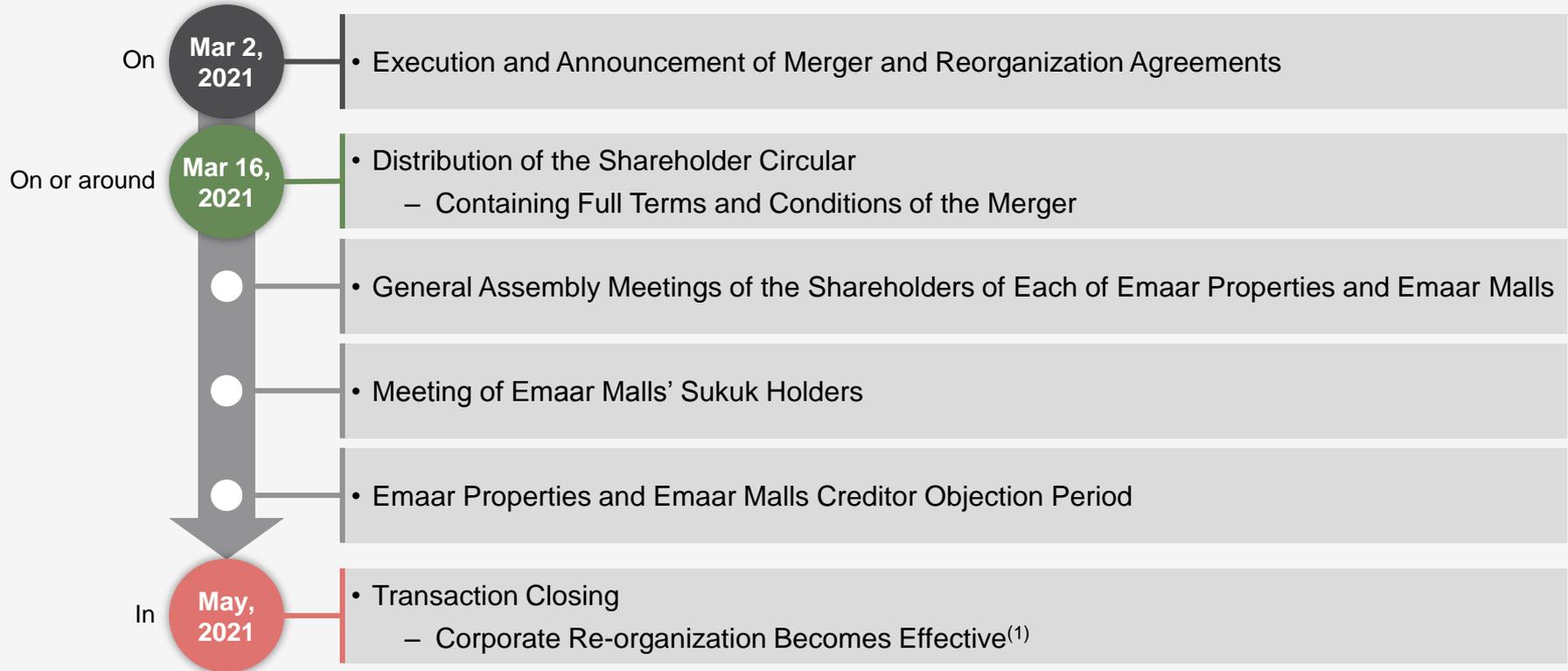
Increased financial flexibility

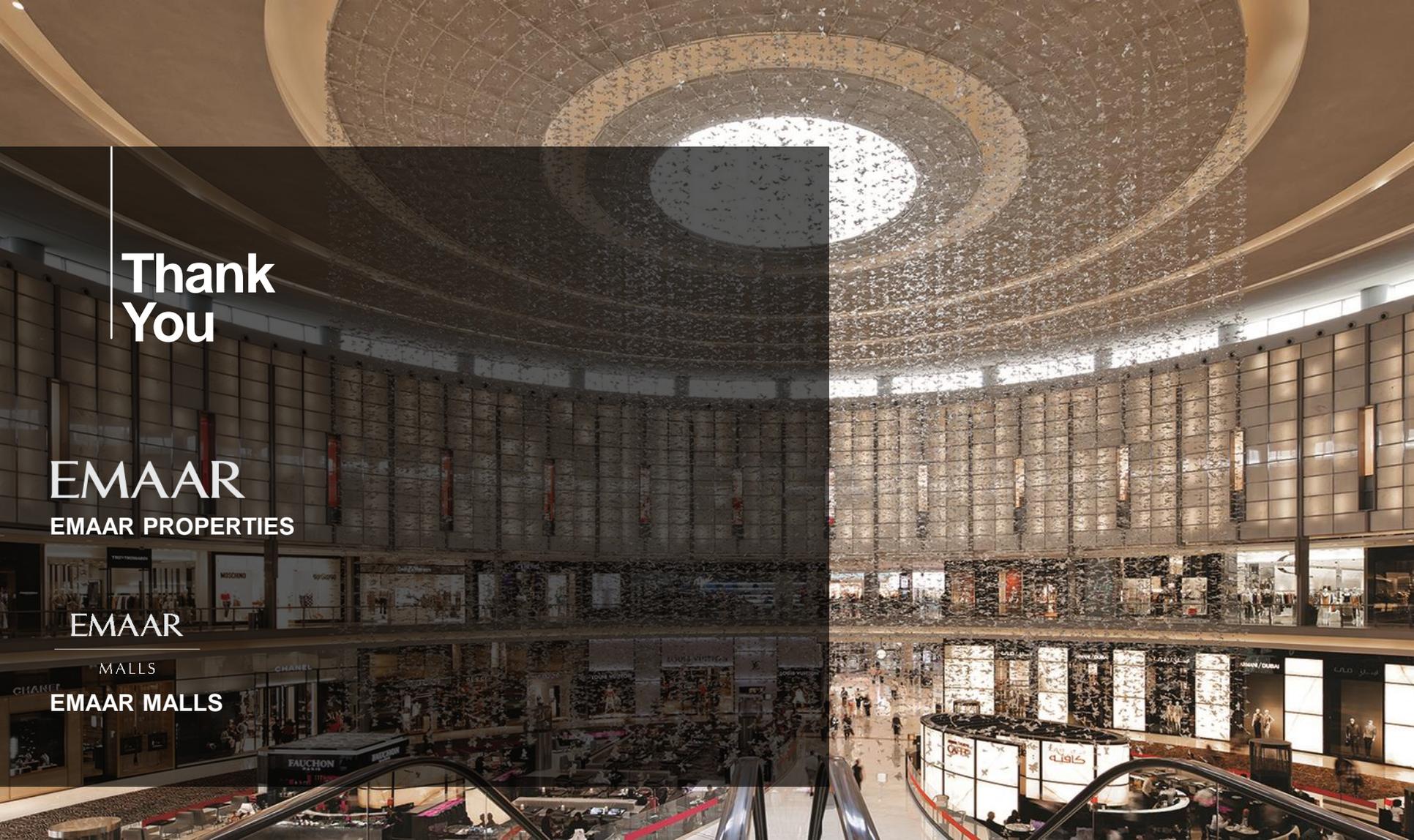
A wide-angle photograph of the Dubai skyline at sunset. The sky transitions from a deep orange near the horizon to a dark purple at the top. The city's skyscrapers are silhouetted against the bright sky, with some lights beginning to glow. The Burj Khalifa is the most prominent feature on the right side. In the foreground, a body of water reflects the city lights and the sky. A white rectangular box is overlaid on the lower-left portion of the image, containing text.

Recommended Merger of Emaar Properties and Emaar Malls

Timeline and Next Steps

Expected Transaction Timeline





Thank
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