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
## Emaar Properties 2020 Key Highlights

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

1) Quarter numbers are as at year end, 2) Includes AED 663 Mn provision for impairment of development property

- 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
Emaar Malls 2020 Key Highlights

<table>
<thead>
<tr>
<th></th>
<th>AED Mn</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
<th>% Change</th>
<th>FY 2020</th>
<th>FY 2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,015</td>
<td>1,261</td>
<td></td>
<td>(20%)</td>
<td>3,508</td>
<td>4,673</td>
<td>(25%)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>598</td>
<td>862</td>
<td></td>
<td>(31%)</td>
<td>2,102</td>
<td>3,432</td>
<td>(39%)</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>58.9%</td>
<td>68.4%</td>
<td></td>
<td></td>
<td>59.9%</td>
<td>73.4%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>304</td>
<td>714</td>
<td></td>
<td>(57%)</td>
<td>1,370</td>
<td>2,914</td>
<td>(53%)</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>29.9%</td>
<td>56.6%</td>
<td></td>
<td></td>
<td>39.1%</td>
<td>62.4%</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>118</td>
<td>554</td>
<td></td>
<td>(79%)</td>
<td>704</td>
<td>2,280</td>
<td>(69%)</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>11.6%</td>
<td>44.0%</td>
<td></td>
<td></td>
<td>20.1%</td>
<td>48.9%</td>
<td></td>
</tr>
<tr>
<td>EPS (AED/Share)</td>
<td>0.01</td>
<td>0.04</td>
<td></td>
<td>(79%)</td>
<td>0.05</td>
<td>0.18</td>
<td>(69%)</td>
</tr>
<tr>
<td>Total Equity(1)</td>
<td>19,060</td>
<td>18,361</td>
<td></td>
<td>4%</td>
<td>19,060</td>
<td>18,361</td>
<td>4%</td>
</tr>
<tr>
<td>Cash(1)</td>
<td>559</td>
<td>195</td>
<td></td>
<td>186%</td>
<td>559</td>
<td>195</td>
<td>186%</td>
</tr>
<tr>
<td>Debt(1)</td>
<td>2,750</td>
<td>3,524</td>
<td></td>
<td>(22%)</td>
<td>2,750</td>
<td>3,524</td>
<td>(22%)</td>
</tr>
<tr>
<td>Net Debt(1)</td>
<td>2,191</td>
<td>3,329</td>
<td></td>
<td>(34%)</td>
<td>2,191</td>
<td>3,329</td>
<td>(34%)</td>
</tr>
</tbody>
</table>

1) Quarter numbers are as at year end

Stable occupancy at 91%

High growth in tenant sales and significant improvement in footfall levels in Q3 and Q4

Namshi sales increased 28% vs. 2019 to AED 1.3 Bn
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

1) Data presented based on company balance sheet disclosures as of latest available
Proposed Transaction Will Create the #1 Real Estate Company in the MENA Capital Markets

Top 10 by Market Capitalization (1)

AED Bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Capitalization (AED Bn)</th>
<th>Free Float (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMAAR</td>
<td>29.2</td>
<td>3.6</td>
</tr>
<tr>
<td>EMAAR MALLS</td>
<td>28.6</td>
<td>25.6</td>
</tr>
<tr>
<td>EMAAR</td>
<td>25.5</td>
<td>25.6</td>
</tr>
<tr>
<td>EMAAR</td>
<td>22.1</td>
<td>25.6</td>
</tr>
</tbody>
</table>

1) Data presented based on closing prices as at March 1, 2021, 2) Calculated using Emaar Properties closing price as at 1 March 2021 and proposed number of new shares to be issued at Emaar Properties.
Transaction Designed to Enhance Shareholder Liquidity and Safeguard Existing Credit Ratings

- **Current Structure**
  - Emaar Properties PJSC
    - Free Float: 29%
    - Emaar Malls PJSC
      - Free Float: 71%
    - Emaar Properties Sukuk Ltd
      - 100%
  - Emaar Malls PJSC
    - Free Float: 15%
    - Emaar Malls Sukuk Ltd
      - 100%

- **Pro Forma Structure**
  - Emaar Properties PJSC
    - Free Float: 26%
    - Emaar Malls Management LLC
      - 100%
  - Emaar Malls PJSC
    - Free Float: 62%
    - Emaar Malls Sukuk Ltd
      - 100%

- **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**

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1) Post reorganization, 2) Over calendar year 2020
### Key Transaction Terms

**Overview of the Transaction and Key Terms**

<table>
<thead>
<tr>
<th>Transaction Structure</th>
<th>Statutory merger of Emaar Properties PJSC and Emaar Malls PJSC by absorption</th>
</tr>
</thead>
</table>
| Exchange Ratio        | • 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<sup>(1)</sup> |
| Consideration         | • 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        | • Each of Moody's and S&P have confirmed that the transaction will be ratings neutral for Emaar Properties and Emaar Malls<sup>(2)</sup> (issuer and instrument) |
| Conditions Precedent  | • 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  | • Merger expected to be effective in May 2021 |

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<sup>(1)</sup> Emaar Malls closing price on 1 March 2021 of AED 1.70/share, last one month VWAP for Emaar Properties of AED 3.72/share and last one month VWAP for Emaar Malls of AED 1.71/share,  
<sup>(2)</sup> As assigned to Emaar Malls Management LLC
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
Transaction Benefits for Emaar Properties

- Solidify Emaar Properties’ position as MENA’s largest integrated and diversified real estate company
- Boost financial and operational performance through full consolidation of Emaar Malls’ earnings and cash flow generation and reduce volatility by increasing weight in recurring businesses
- Reinforce Emaar Properties’ robust balance sheet while increasing the Group’s financial flexibility and strengthening its credit profile
- Streamline the organizational structure and increase the Group’s overall resiliency and strategic alignment across its key entities
- Enhance Emaar Properties’ standing in regional capital markets and increase stock liquidity while maintaining inclusion in international equity indices
**Transaction Benefits for Emaar Malls**

- **Immediate value capture for Emaar Malls’ shareholders**: exchange ratio represents an upfront premium of 7.1% to the last closing price of Emaar Malls pre announcement and a premium of 11.2% to the market implied exchange ratio based on L1M VWAP\(^{(1)}\)

- **Fully incorporate Emaar Malls into a significantly larger and more diversified Group**: while reconstituting Emaar Malls as a wholly owned subsidiary that will continue to develop and hold a portfolio of premium retail assets

- **Significantly improve Emaar Malls shareholders’ earnings profile**: via a substantial uplift in earnings per share (from AED 0.05/share to AED 0.33/share for 2020) and access to Emaar Properties’ embedded long term growth potential

- **Safeguard the credit strength of Emaar Malls**: (as reconstituted in Emaar Malls Management LLC) with a neutral impact on the existing credit ratings of Emaar Malls by virtue of the transaction

- **Access to significantly more liquid Emaar Properties shares**: with an average daily trading volume of AED44 Mn vs. AED12 Mn for Emaar Malls over the 2020 calendar year

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\(^{(1)}\) Emaar Malls closing price on 1 March 2021 of AED 1.70/share, last one month VWAP for Emaar Properties of AED 3.72/share and last one month VWAP for Emaar Malls of AED 1.71/share
Pro Forma Entity With Increased Scale and Resiliency, and a Conservatively Managed Balance Sheet\(^{(1)}\)

**Large Scale Operations**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED 19.7 Bn</td>
<td>AED 6.0 Bn(^{(2)})</td>
</tr>
</tbody>
</table>

**UAE Domestic Focus**

<table>
<thead>
<tr>
<th>% of Total EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>International 12%</td>
</tr>
<tr>
<td>Domestic 88%</td>
</tr>
</tbody>
</table>

**Significant Recurring Operations\(^{(3)}\)**

Recurring Proportionate EBITDA Contribution (2017-2019 Average)

<table>
<thead>
<tr>
<th>Pre-Transaction</th>
<th>Post-Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>49%</td>
<td>52%</td>
</tr>
</tbody>
</table>

**Robust Balance Sheet With Conservative Leverage**

<table>
<thead>
<tr>
<th>Leverage(^{(4)})</th>
<th>Loan to Value(^{(5)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5x</td>
<td>18%</td>
</tr>
</tbody>
</table>

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

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\(^{(1)}\) Data presented for year ending December 2020 unless indicated otherwise, \(^{(2)}\) Includes AED 663 Mn provision for impairment of development property, \(^{(3)}\) On a proportionate basis (post minority interests). Recurring businesses include malls, hotels and entertainment \(^{(4)}\) Leverage calculated as 2020 net debt to EBITDA, \(^{(5)}\) Loan to value calculated as 2020 total debt to total assets
Recommended Merger of Emaar Properties and Emaar Malls
Timeline and Next Steps
Expected Transaction Timeline

- **Mar 2, 2021**
  - Execution and Announcement of Merger and Reorganization Agreements

- **Mar 16, 2021**
  - Distribution of the Shareholder Circular
    - Containing Full Terms and Conditions of the Merger
  - General Assembly Meetings of the Shareholders of Each of Emaar Properties and Emaar Malls
  - Meeting of Emaar Malls’ Sukuk Holders
  - Emaar Properties and Emaar Malls Creditor Objection Period

- **May, 2021**
  - Transaction Closing
    - Corporate Re-organization Becomes Effective

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1) Corporate re-organization will become effective at the time of transaction closing. The process to complete the re-organization is expected to take few weeks to close post transaction completion.
Thank You

EMHAAR
EMHAAR PROPERTIES

EMHAAR
EMHAAR MALLS