

PRESS RELEASE

Majid Al Futtaim H1 2021 Financial Results: Path to Recovery Fuelled by Diversified Portfolio and Resilient Business Model

Key Highlights:

- Reported a 2% increase in EBITDA to AED 1.6 billion and a 10% decrease in revenue to AED 15.6 billion
- Opened City Centre Al Zahia, the largest mall in the Northern Emirates
- Recorded gross sales value of AED 2.8 billion following the launch of two new project phases within the Tilal Al Ghaf community development in Dubai
- Reported +25% increase in Carrefour online sales and +50% growth in number of orders versus last year; Opened the first automated fulfilment centre in Saudi Arabia
- Committed to the World Economic Forum Global Stakeholder Capitalism metrics – the first organisation in the Middle East to do so
- Entered Majid Al Futtaim's first sustainability-linked syndicated bank financing structure
- Maintained 'BBB' credit rating in latest Standard & Poor's (S&P) report

Dubai, United Arab Emirates, 23 August 2021: Majid Al Futtaim, the leading shopping malls, communities, retail and leisure pioneer across the Middle East, Africa, and Central Asia, today announced its audit reviewed operational and financial results for the first six months of the year. The Group has remained resilient and focused on adapting to customer needs despite the pandemic's continued impact on its operating environment, reporting revenue of AED 15.6 billion, a decrease of 10%, and EBITDA of AED 1.6 billion, an increase of 2%. Net profit after tax amounted to AED 662 million and total equity saw a marginal increase. This was primarily due to the relative stabilisation in the market, resulting in steady asset valuations.

Alain Bejjani, Chief Executive Officer of Majid Al Futtaim - Holding, commented on the company's financial results: "Despite the prolonged impact of the COVID-19 pandemic, Majid Al Futtaim has delivered a robust performance over the first half of the year, driven by prudent financial management and a diversified portfolio. While we continue to feel impact from the continued disruption, our strong financial position has enabled us to remain resilient to that pressure and agile in how we respond to the stressors within our operating environment. This has enabled us to continue executing on delivery of our regional growth strategy.

"Over the first half of the year, we have seen encouraging signs of recovery across our markets, as consumers gain confidence in resuming their pre-pandemic activities. In addition to the increased activity across our physical assets, the acceleration of pre-pandemic trends – particularly as they pertain to digital capabilities – continues to gather pace. We remain committed to investing in all areas of our business to ensure we are well-positioned to best serve our customers' evolving wants and needs.

“Our successes are testament to the drive and determination of our people. Supported by their diligent efforts to drive our growth agenda, we are able to look ahead with confidence and remain steadfast in our support of the communities and markets in which we operate.”

Majid Al Futtaim’s investment in sustainable growth opportunities continues unabated. In the face of behavioural changes brought about by last year’s pandemic, it remains on track to deliver on both its commitment to become Net Positive in water and energy by 2040 as well as its pledge to phase out single-use plastic across its operations by 2025. The publication of the Group’s Annual Sustainability report earlier this year highlighted its progress to date, including achieving 97% of its 2020 targets.

Earlier this year, Majid Al Futtaim became the first organisation in the region to confirm its support of the World Economic Forum’s Stakeholder Capitalism Metrics. This step further aligns Majid Al Futtaim’s sustainability work to global standards, ensuring consistency and comparability in reporting ESG disclosures.

Operating Company Performance

Majid Al Futtaim – Properties: Majid Al Futtaim – Properties registered a 6% increase in revenue and a 6% increase in EBITDA in the first six months of 2021, standing at AED 1.6 billion and AED 1.1 billion respectively.

It successfully opened City Centre Al Zahia in March 2021. Stretching across 136,200 sqm of gross leasable space, it is the largest mall in the Northern Emirates and the centrepiece of Majid Al Futtaim’s development in Sharjah.

Majid Al Futtaim – Properties also continued to make progress with its pipeline of development projects. Mall of Oman is scheduled to open in September 2021. In doing so, it becomes Majid Al Futtaim’s fifth and largest shopping and entertainment destination in Oman, with 140,000 sqm of retail space.

Hotel revenue stayed flat versus last year at AED 147 million, with average occupancy increasing by 16% to 53%, offset by a 2% decline in RevPAR (Revenue Per Available Room). Meanwhile, the reduction in international visitors was offset by an increase in staycations.

The Tilal Al Ghaf community development in Dubai launched its Harmony and Aura phases in the first half of 2021, recording gross sales value of AED 2.8 billion.

Majid Al Futtaim – Retail: In the first half of the year, Majid Al Futtaim – Retail registered a 12% decline in revenue and a 12% decline in EBITDA to AED 13.2 billion and AED 623 million respectively, mainly due to the challenging economic environment. New variants and the measures taken by governments to curb infection rates continued to constrain operations and opening hours in certain geographies impacting Majid Al Futtaim Retail’s results.

The company opened 22 new Carrefour supermarkets and 2 hypermarkets across eight countries. Further investments include dark stores and additional logistics and delivery capacity to accommodate online orders. Online orders were up 50%, online sales were up 25%, and the value of transactions through SHARE, Majid Al Futtaim's loyalty programme, experienced an increase of 27%.

Majid Al Futtaim – Leisure, Entertainment and Cinemas: Majid Al Futtaim – LEC registered a 25% increase in revenue and a 64% improvement in EBITDA to AED 502 million and AED -32 million respectively, despite operating at limited capacities and with curfews in certain countries. The increase in revenue is mainly due to a lower base in the prior period, when most sites remained shuttered as a result of government actions to contain the spread of COVID-19. Cinemas' revenue improved by 22% to AED 420 million, with admissions increasing by 9% to 5.5 million. Cinemas continued its expansion into Saudi Arabia, growing the number of screens in the country by 17 to a total of 141 by the end of June.

Majid Al Futtaim – Lifestyle: Majid Al Futtaim – Lifestyle registered a 63% increase in revenue and an 85% increase in EBITDA to AED 253 million and AED -7 million respectively, driven by Lululemon, Crate & Barrel and Majid Al Futtaim's new 'future of retail' concept store, THAT, which opened in the Mall of the Emirates at the beginning of the year.

Future Investment

Majid Al Futtaim will continue efforts to support its stakeholders, including governmental authorities in markets where it operates, by working towards a full economic recovery and sustainable economic development, while maintaining a disciplined financial management approach.

New investments include Mall of Saudi, a major addition to the shopping malls and retail industries that will transform the landscape of Riyadh, creating jobs and long-lasting community impact. The project is set to break ground in Q4 this year and underlines Majid Al Futtaim's two-decade strong commitment to the Kingdom of Saudi Arabia and contribution to Vision 2030.

Majid Al Futtaim – Retail will continue its expansion across Egypt, Saudi Arabia, Kenya, Uganda, and Uzbekistan. It will also continue to invest and scale up its e-commerce capabilities to meet the continued growing online demand across the region.

Majid Al Futtaim – LEC will continue its expansion in Saudi Arabia, expecting to open a further 13 screens across the Kingdom through the remainder of the year.

Financing

The Group's robust balance sheet has allowed it to maintain a strong financial and liquidity position even amidst extraordinarily stressed circumstances, with cash and available committed facilities to cover its net financing needs for the next three years, without any interventions to its previous plans.

Majid Al Futtaim's debt maturity profile is light over the next three years, with no material debt maturity until September 2024.

At the end of the half year, the company entered into its inaugural sustainability-linked syndicated bank financing through amending and extending an existing syndicated revolving facility. This included clear targets linked to the company-wide sustainability strategy, *Dare Today, Change Tomorrow*, including Scope 1 and Scope 2 emissions reduction and gender diversity across senior management.

The signing underscores Majid Al Futtaim's commitment to driving positive and sustainable economic and societal change in the region in addition to the realisation of its long-term strategic targets.

Despite challenging macroeconomic conditions, the company's BBB credit rating and 'stable outlook' were reaffirmed by Standard & Poor's in March 2021. This reiterates the Group's strong governance, resilience of its diversified business model, proactive and speedy approach to tackling the COVID-19 crisis, healthy liquidity position and continued prudent financial management.

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About Majid Al Futtaim

Founded in 1992, Majid Al Futtaim is the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia.

A remarkable business success story, Majid Al Futtaim started from one man's vision to transform the face of shopping, entertainment and leisure to 'create great moments for everyone, every day'. It has since grown into one of

the United Arab Emirates' most respected and successful businesses spanning 17 international markets, employing more than 43,000 people, and obtaining the highest credit rating (BBB) among privately-held corporates in the region.

Majid Al Futtaim owns and operates 28 shopping malls, 13 hotels and four mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, City Centre malls, My City Centre neighbourhood centres, and five community malls which are in joint venture with the Government of Sharjah. The Company is the exclusive franchisee for Carrefour in over 30 markets across the Middle East, Africa and Asia, operating a portfolio of more than 375 outlets and an online store.

Majid Al Futtaim operates more than 500 VOX Cinemas screens as well as a portfolio of world-class leisure and entertainment experiences across the region including Ski Dubai, Ski Egypt, Dreamscape, Magic Planet, Little Explorers and iFLY Dubai. The Company is parent to a Fashion, Home and Specialty retail business representing international brands such as Abercrombie & Fitch, Hollister, AllSaints, lululemon athletica, Crate & Barrel, Maisons du Monde, LEGO and



THAT, a Majid Al Futtaim fashion concept store and app. In addition, Majid Al Futtaim operates Enova, a facility and energy management company, through a joint venture operation with Veolia, a global leader in optimised environment resource management.

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