



H1 2020 CALL PRESENTATION



SPEAKERS



Sylvain Vieujot
Chief Executive Officer



Alain Debare
Group Head of Real Estate



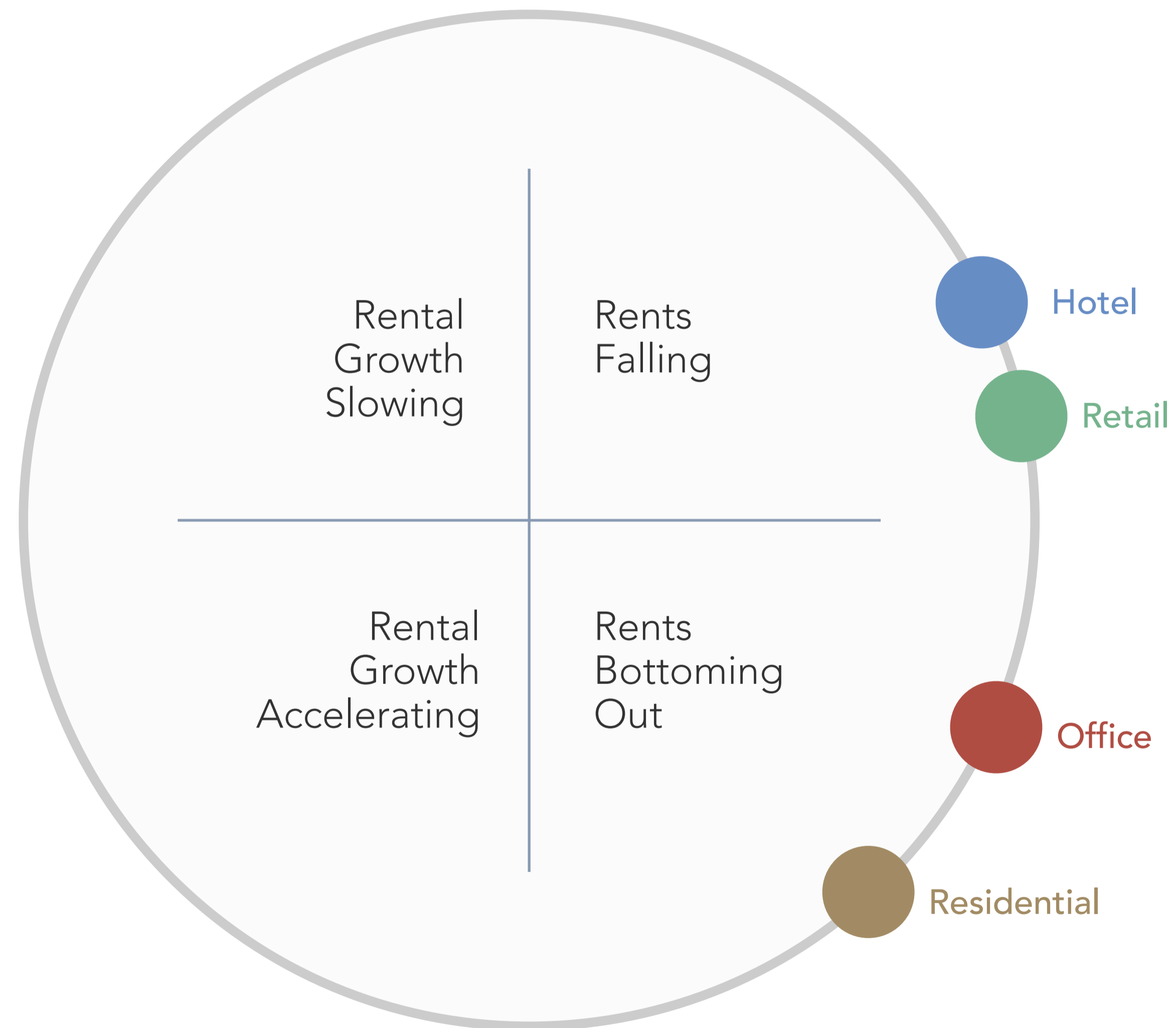
Sheikh Muhammed Moeen
Finance Director



MARKET OVERVIEW

DUBAI REAL ESTATE MARKET OVERVIEW

Q2 2020



Source: JLL

DUBAI OFFICE RENTS Y-O-Y % CHANGE

Q2 2020



- Average rents during H1 2020 in Dubai fell by 7.0%. Prime office rents across Dubai fell 6.8% in the year to Q2 2020, whilst Grade A and Citywide rents fell by 5.9% and 7.8% respectively
- No new office delivery in H1 2020

	PRIME	GRADE A	CITYWIDE	COMPOSITE
Y-o-Y Change	-6.8%	-5.9%	-7.8%	-7.0%

Source: Knight Frank

DUBAI MARKET OUTLOOK

- Whilst occupier requirements have increased over the latter stages of Q2, the majority of activity stems from cost saving and consolation requirements
- Many landlords are willing to accommodate rent reviews given the current market backdrop and an increase in requests for rent reviews from their tenants
- Large corporates are seen to reduce office space rental in line with the international trends

Source: Knight Frank





PORTFOLIO OVERVIEW

FINANCIAL HIGHLIGHTS

H1 2020

- **Total Property Income** decreased by 6.1% year-on-year to USD 34.0m (AED 124.9m)
- **Provision on receivables** increased to USD 3.8m (AED 13.9m) v/s USD 0.5m in H1 2019 (AED 2.0m) primarily due to rent payment delay from a large tenant
- **EBITDA** decreased by 23.8% year-on-year to USD 15.4m (AED 56.5m)
- **FFO** stands at USD 0.9m (AED 3.2m)
- **Net Loss** for H1 2020 stands at USD 70.0m (AED 257.3m) due to large marked-to-market revaluation losses of USD 70.9m (AED 260.4m)
- **Net Asset Value** stood at USD 397.9m (AED 1.46bn) or USD 1.31 per share (H1 2019 : USD 497.2m or USD 1.66 per share)



OPERATIONAL HIGHLIGHTS

H1 2020

- Handling COVID
- Occupancy 71%, a Y-o-Y decrease of 3%
- Average rental rate decrease of 4% Y-o-Y
- Weighted average lease term increased to 8.4 years
- Rental Income* decreased by 6.7%
- Net operating income decreased by 7.5%

* Includes land rent



COVID UPDATE

H1 2020



- Immediate implementation of additional cleaning, sanitization and control measures
- Social distancing measures still in place at all properties
- Managed over 130 tenant requests to provide rental waivers
- Proactive approach, providing relief through flexibility and rent deferrals
- Taking the opportunity to offer lease renewals on favourable terms
- No 'across-the-board' rent waivers or rent-free periods

- Increase in average lease term to 8.4 years
- Renegotiations and new leases largely outweighing terminations
- Monitoring the situation and the fuller economic impact affecting commercial real estate, particularly SMEs, retail and gyms
- Situation now stabilised with no additional relief requests
- Leasing activity resuming and re-engaging with potential tenant enquiries from earlier in the year

PROPERTY OPERATIONS HIGHLIGHTS

H1 2020



LEASING ACTIVITY

- 50 new leases with c. 90,000 sqft of lease-able area
- 68 renewals with c. 150,000 sqft of renewals
- 72 leases expired with 115,000 sqft of vacated space

INDEX TOWER

- Occupancy stands at 47%
- Lease term increased from 1.4 years to 2.4 years with renewal of larger tenant

OFFICE PARK

- Occupancy stands at 86%
- Commenced renovation of common areas
- Upgrade of access controls

BUILDING 24

- Occupancy stands at 51%
- Discussions with TECOM in relation to direct management

LOFT OFFICES

- Occupancy stands at 66% at Loft Offices 1 and 2
- Completed exterior and facade painting works
- Pursuing re-purpose of Loft Offices 3

EUROPEAN BUSINESS CENTRE

- European Business Centre (EBC) occupancy stands at 69% with 10,640 sqft released from business centre operator
- Completion of metro works and road network surrounding EBC
- Opportunity to reposition retail space

TRIDENT GRAND MALL

- Occupancy stands at 76%
- Recently renewed anchor tenant

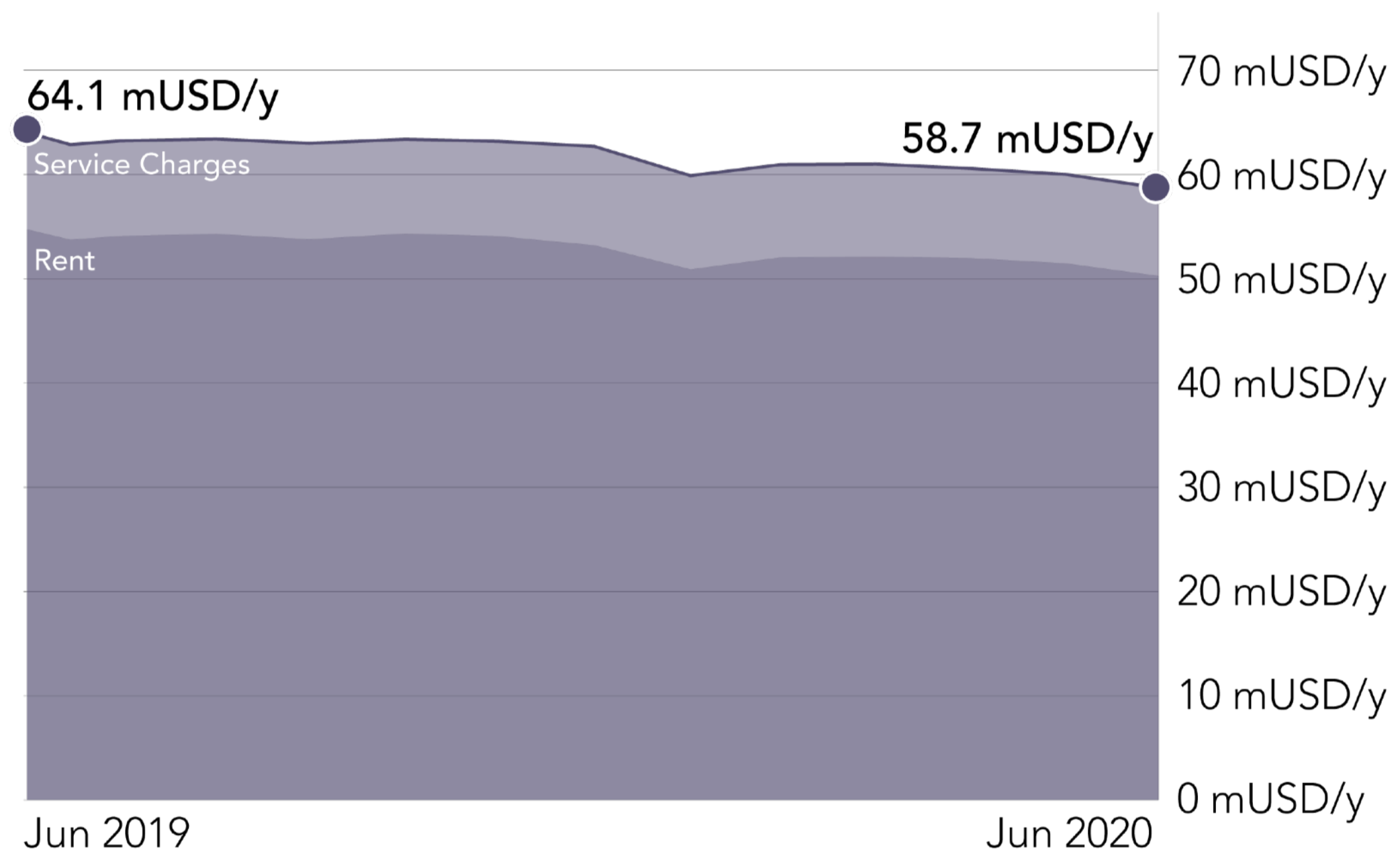
PROPERTY HIGHLIGHTS

H1 2020



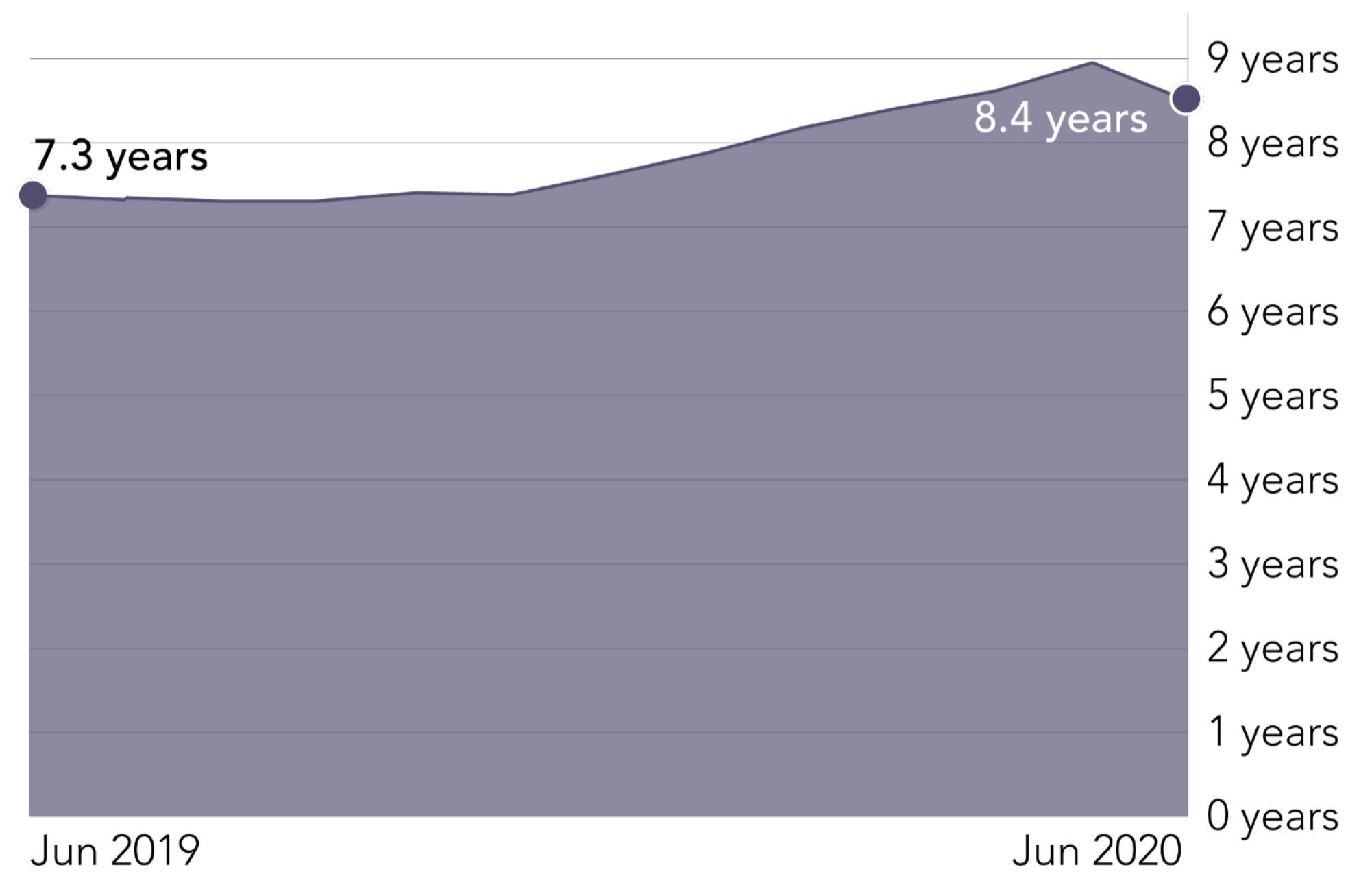
ANNUALISED RENT

As of 30 Jun 2020 (excl. School in DIP)



UNEXPIRED LEASE TERM

As of 30 Jun 2020

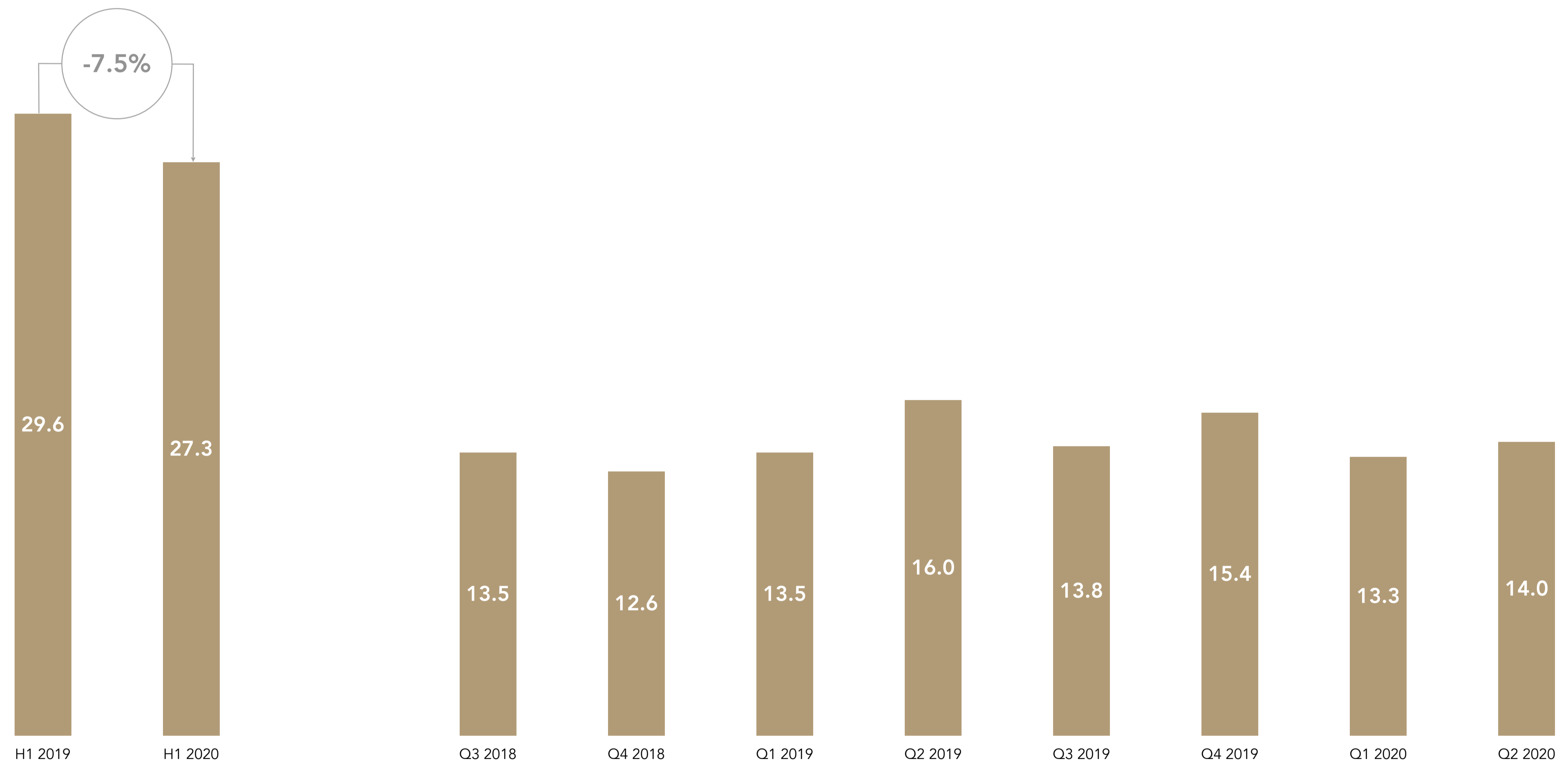




FINANCIAL HIGHLIGHTS

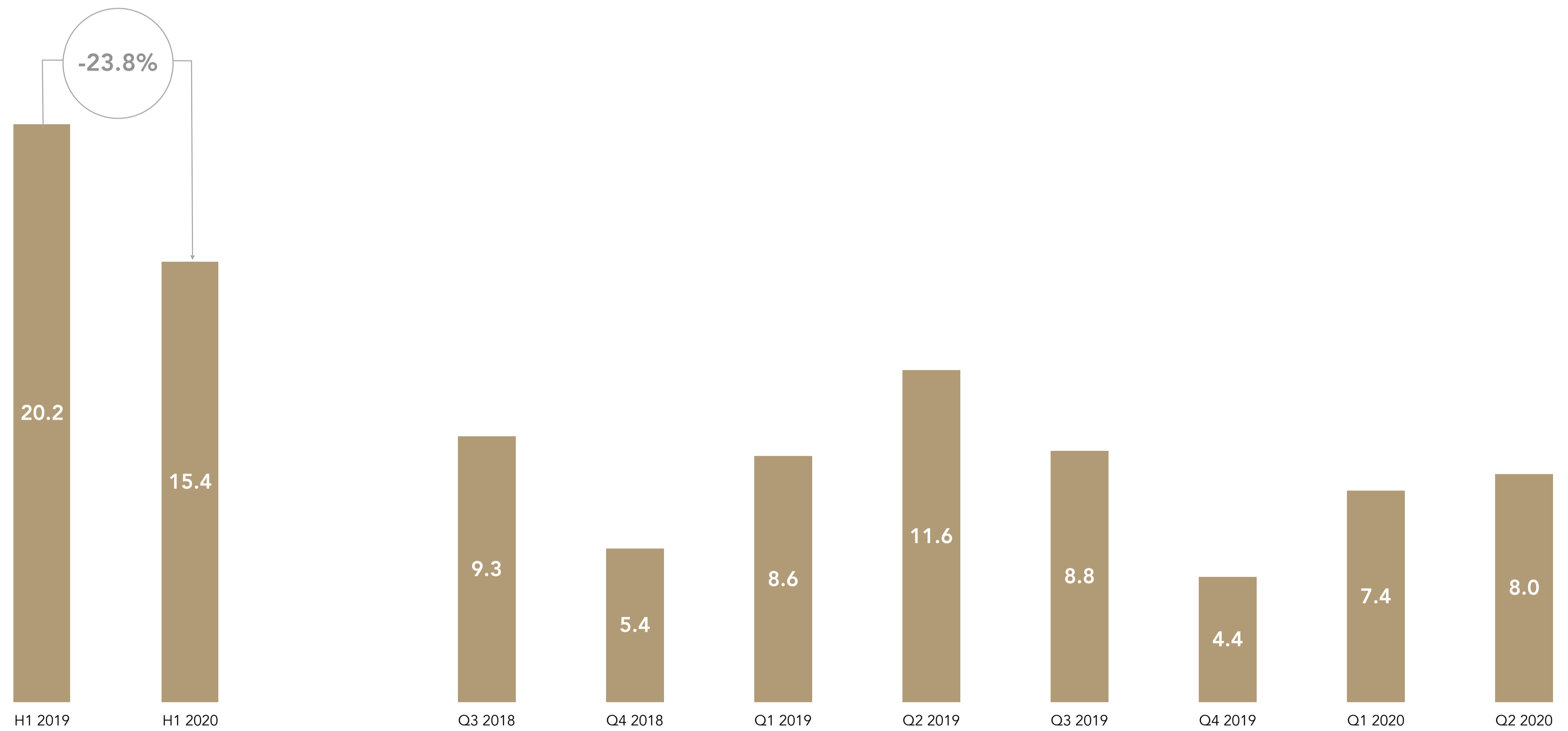
NET OPERATING/PROPERTY INCOME

(USD M)



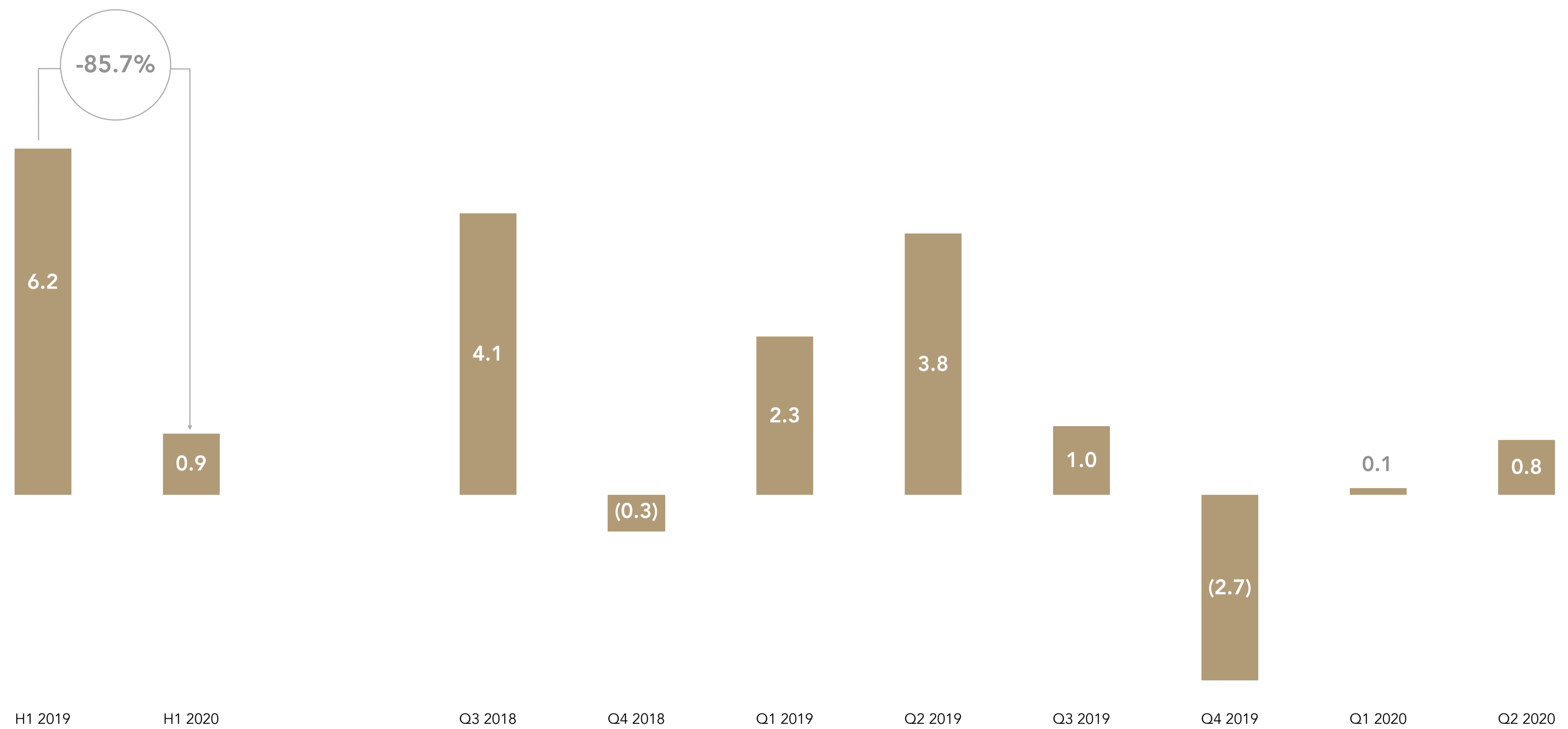
EBITDA

(USD M)



FFO

(USD M)



BALANCE SHEET OVERVIEW

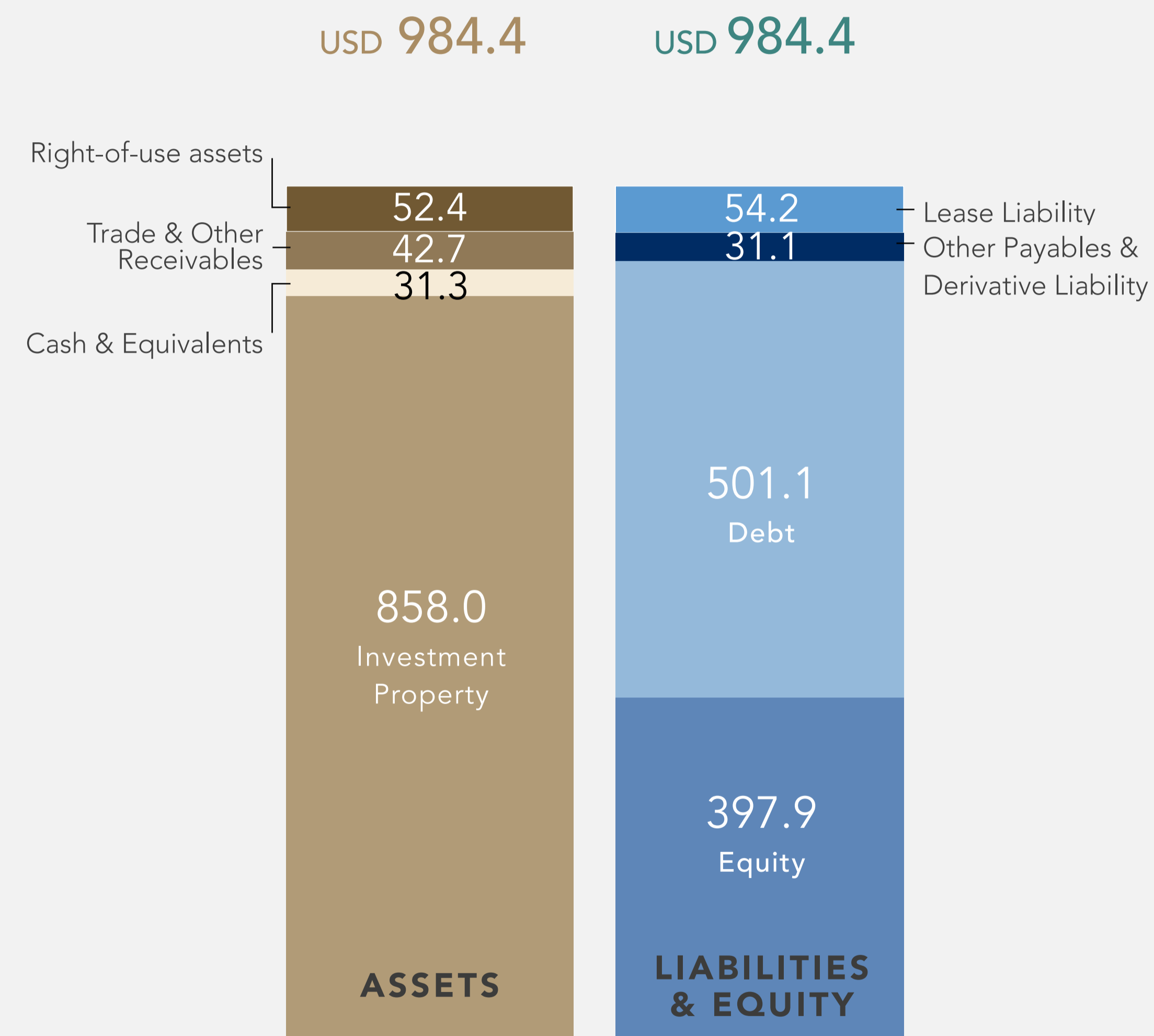
H1 2020



IN USD M	30 JUN 2020	30 JUN 2019	CHANGE
Investment Property	858.0	940.0	(8.7%)
Total Assets*	984.4	1,097.6	(10.3%)
Islamic Financing	501.1	516.8	(3.0%)
Total Liability*	586.4	600.4	(2.3%)
Equity	397.9**	497.2	(20.0%)
LTV Ratio (%)	50.9%	47.1%	+3.8%
NAV per share	1.31**	1.66	(21.1%)
Liquidity	31.3	68.2	(54.1%)

* Includes impact of IFRS 16 Standard adopted in 2019

** Includes stock dividend of 0.0145 USD per share paid in June 2020



30 June 2020

SUMMARY

H1 2020



USD 858m
PORTFOLIO VALUE

219,831 m²
NET LEASABLE AREA

USD 398m
NET ASSET VALUE

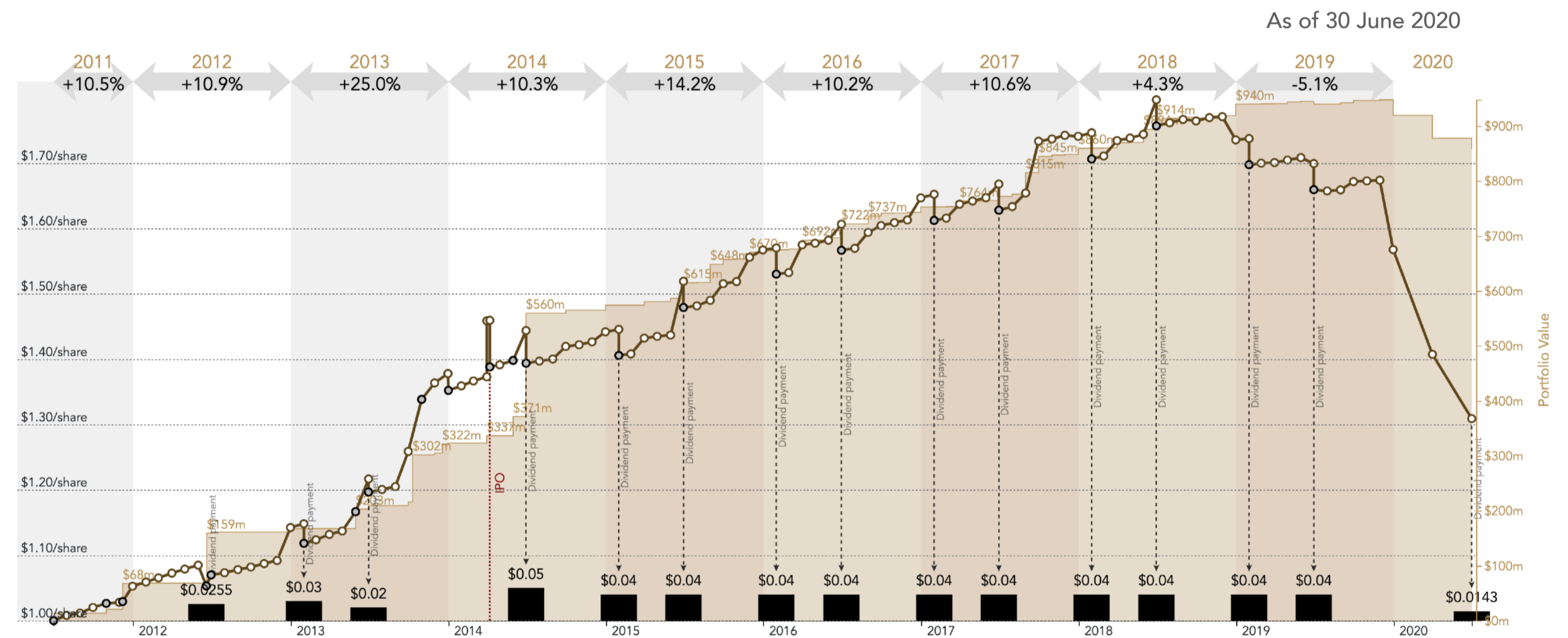
71%
OCCUPANCY

USD 1.31 per share
NET ASSET VALUE

8.4 years
WAULT⁽¹⁾

11 Properties

306 Tenants



NAV per share is calculated by the REIT administrator. Growth rates are adjusted for dividends and annualized. For 2011, 2012 and 2013, the NAV per share was calculated in accordance with the REIT's Articles of Association, not IFRS. From 2014, the NAV has been calculated in accordance with IFRS. The historical NAV per share data presented in the figure above has been adjusted to reflect the sub-division of Shares by a factor of 100 on 26 January 2014.

(1) Weighted average unexpired lease term

QUESTIONS & ANSWERS



THANK YOU

