



H1 2021 CALL PRESENTATION



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SPEAKERS



Sylvain Vieujot
Chief Executive Officer



Alain Debare
Group Head of Real Estate



Sheikh Muhammed Moeen
Chief Financial Officer



MARKET OVERVIEW

ECONOMIC ACTIVITY



- The pandemic's impact was particularly clear given the sharp fall in spending in the latter half of the year. Nonetheless, the market was already in decline. 2021 is expected to be more promising as life gradually returns to normal.
 - The UAE's economy is steadily recovering as successful vaccination programs have improved market conditions and business sentiment. Oxford Economics has adjusted its forecast of non-oil GDP growth to 3.8% for 2021, with an expected 4.1% growth in 2022.
- Dubai's non-oil foreign trade in Q1 2021 was AED 354.4bn, growing by 10% from AED 323bn in Q1 in 2020, and by 5% compared to Q1 2019.
 - To fuel economic activity, Dubai has launched a number of initiatives from 100 percent foreign ownership of companies and support for startups to support the economy.

Source: Oxford Economics

DUBAI OFFICE MARKET



- Dubai is still the preferred and most mature regional hub for multinational tenants.
- Relocation continues to be the primary driver of demand. Occupiers are looking to upgrade from lower-quality buildings to Grade A developments.
- Demand for Grade A space has remained strong in recent months, unlike the same period in 2020

- Flexibility on lease terms is crucial in order to retain tenants and secure new occupiers
- A continued flight to quality as tenants take advantage of weaker market conditions is still a major market driver.

CURRENT TRENDS SEEN IN THE DUBAI OFFICE MARKET

- Rates under pressure
- New Tech Clients
- Reduction of space for large corporates due to remote working
- Flight to quality

Source: CBRE

DUBAI STOCK, EXPECTED DELIVERIES & RENTAL RATES



Q2 2021



No new stock of office space was delivered into the market in Dubai in Q2 2021. However a total of 70,000 sqm of GLA is expected to be delivered in the second half of the year.

Average Grade A CBD rents dropped by 1% YoY. Emirates REIT's largest asset Index Tower fared well in comparison and maintained its rental rates, despite experiencing a YoY occupancy increase from 47% - 56% (+9%).

Source: JLL



PORTFOLIO OVERVIEW

OPERATIONAL HIGHLIGHTS

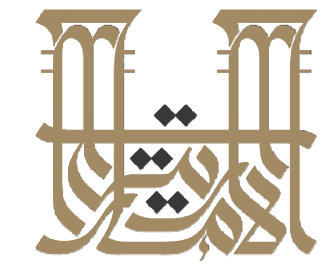
H1 2021

- Active asset management enabled the REIT to maintain its occupancy rates, increase rental rates and the WAULT for the portfolio, despite challenging market conditions
- Occupancy across the portfolio is stable at 70% (YoY -1.3% and YTD +1%) with an average passing rate increase of 5%
- The REIT's largest asset Index Tower experienced a strong occupancy increase of +9 % YoY
- The portfolio benefited from a WAULT increase of +8.9% YoY from 8.3 years to 9 years



PROPERTY OPERATIONS HIGHLIGHTS

H1 2020



INDEX TOWER

- Occupancy increased to 56% (+9% YoY) with stable rates
- The WAULT increased from 1.9 years to 2.2 years (+16%) as an impact of longer leases on premium offices
- Successful increase in occupancy from premium office floors and corporate bespoke solutions at premium rates
- Index's 10 largest tenants represent 46% of the building's occupancy

OFFICE PARK

- Occupancy stands at 71% (-15.7% YoY) with large corporate tenants reducing office space requirements and the loss of one of Office Park's largest tenants, which relocated to another free zone
- Completed renovation of common areas
- Completed upgrade of access controls

LOFT OFFICES

- Occupancy stands at 58% at Loft Offices 1 and 2 (YoY -8%)
- Repurposing of Loft Offices 3, which is now fully vacant. Currently also being offered to larger tenants looking for a full building option.
- Completed exterior and façade painting works

EUROPEAN BUSINESS CENTRE

- EBC's occupancy stands at 71% (YoY +1.6%)
- Metro Station opened 1st June 2021 creating a significant improvement in the DIP area
- Reviewing proposed soft refurbishment project to upgrade common areas and assessing the opportunity to re-position retail space

PROPERTY OPERATIONS HIGHLIGHTS

H1 2020

BUILDING 24

- Occupancy decreased to 47% (YoY -6.4%)
- Assessing proposed refurbishment of common areas to improve property standards as part of CAPEX plan

TRIDENT GRAND MALL

- Occupancy stands at 72%
- Stable retail tenant base
- Reviewing proposed soft refurbishment as part of CAPEX deployment considerations

INDIGO 7

- Occupancy increased to 93% as of H1 2021
- 100% occupied from 1st August 2021
- Successfully replaced the largest tenant which defaulted on the ground floor retail units



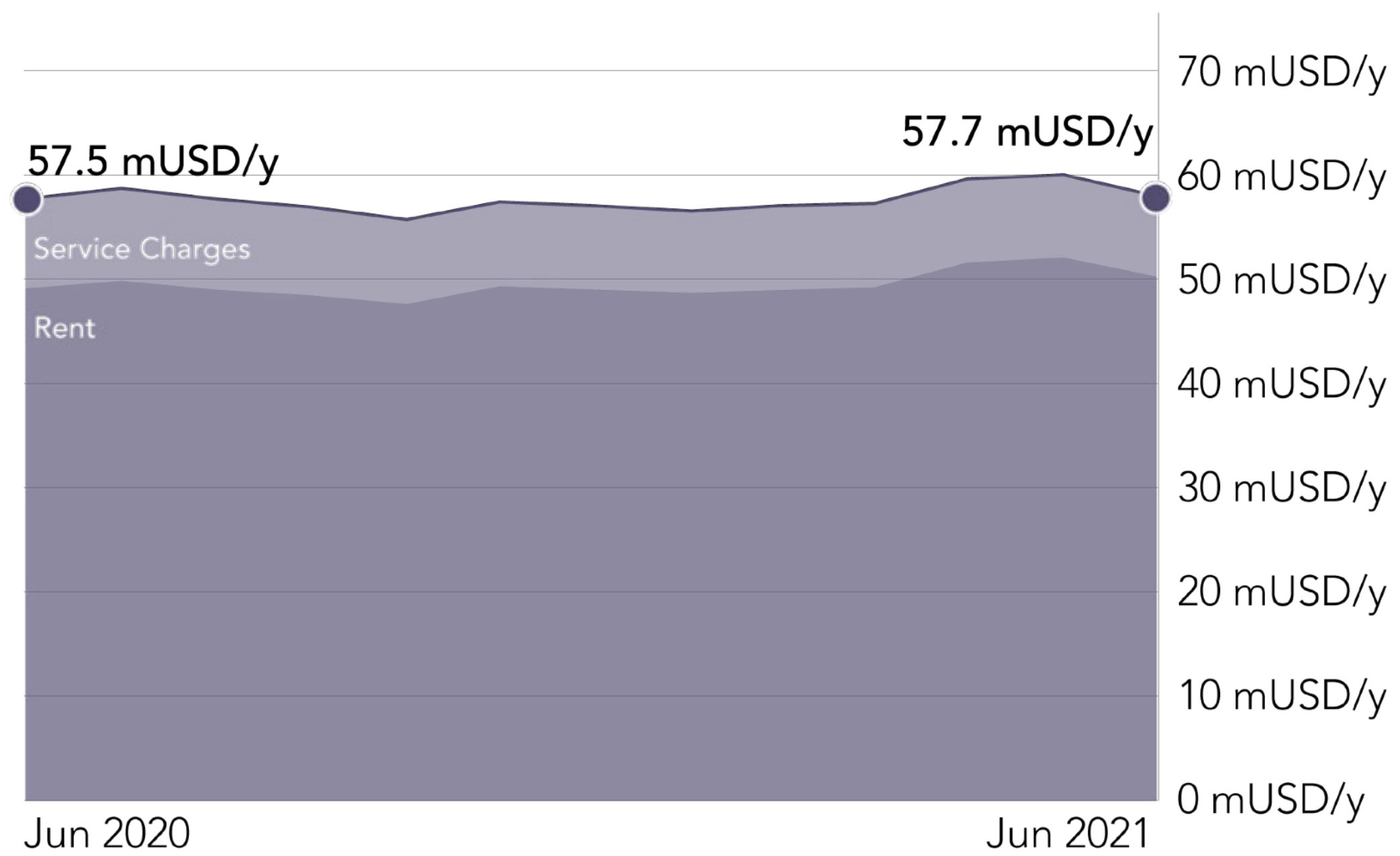
PROPERTY HIGHLIGHTS

H1 2020



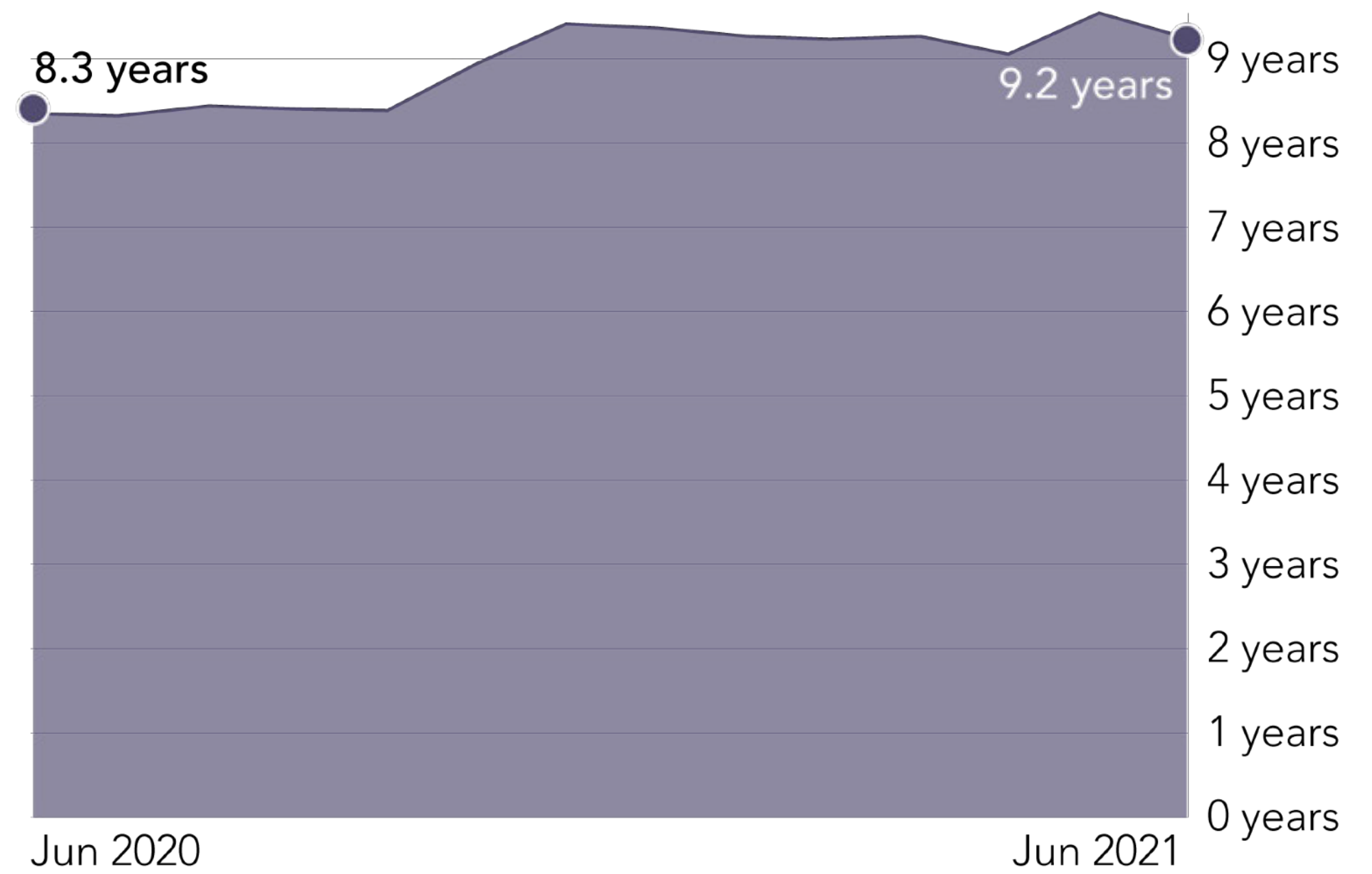
ANNUALISED RENT

As of 30 Jun 2021



UNEXPIRED LEASE TERM

As of 30 Jun 2021





RECENT DEVELOPMENTS

INDEX TOWER: FLOOR SALE & OCCUPANCY INCREASE

- On June 10 2021, Equitativa announced that it sold half of a shell and core office floor in Index Tower for AED 40 million.
- The value of AED 3,350 per sq.ft, represents a valuation gain in excess of c. AED 18 million compared to the latest valuation of the space.
- Active asset management has resulted in a significant improvement in occupancy for Index Tower's office units (59% as of June 10 versus 50% at end of 2020).

* Valuation of the space, conducted in May 2021 for this divestment.



MEMORANDUM OF UNDERSTANDING WITH JEBEL ALI SCHOOL

- On June 14 2021, Equitativa announced that it had reached an initial agreement with Jebel Ali School in relation to the dispute on the outstanding payment of rent.
- Under the terms of the agreement Jebel Ali School has paid Emirates REIT AED 21 million (out of a total c. AED 70 million in arrears) towards its outstanding dues as a first step.
- The parties agreed to work together along with an external advisor to find a permanent solution for the payment of the outstanding and future rent by Jebel Ali School.





FINANCIAL HIGHLIGHTS

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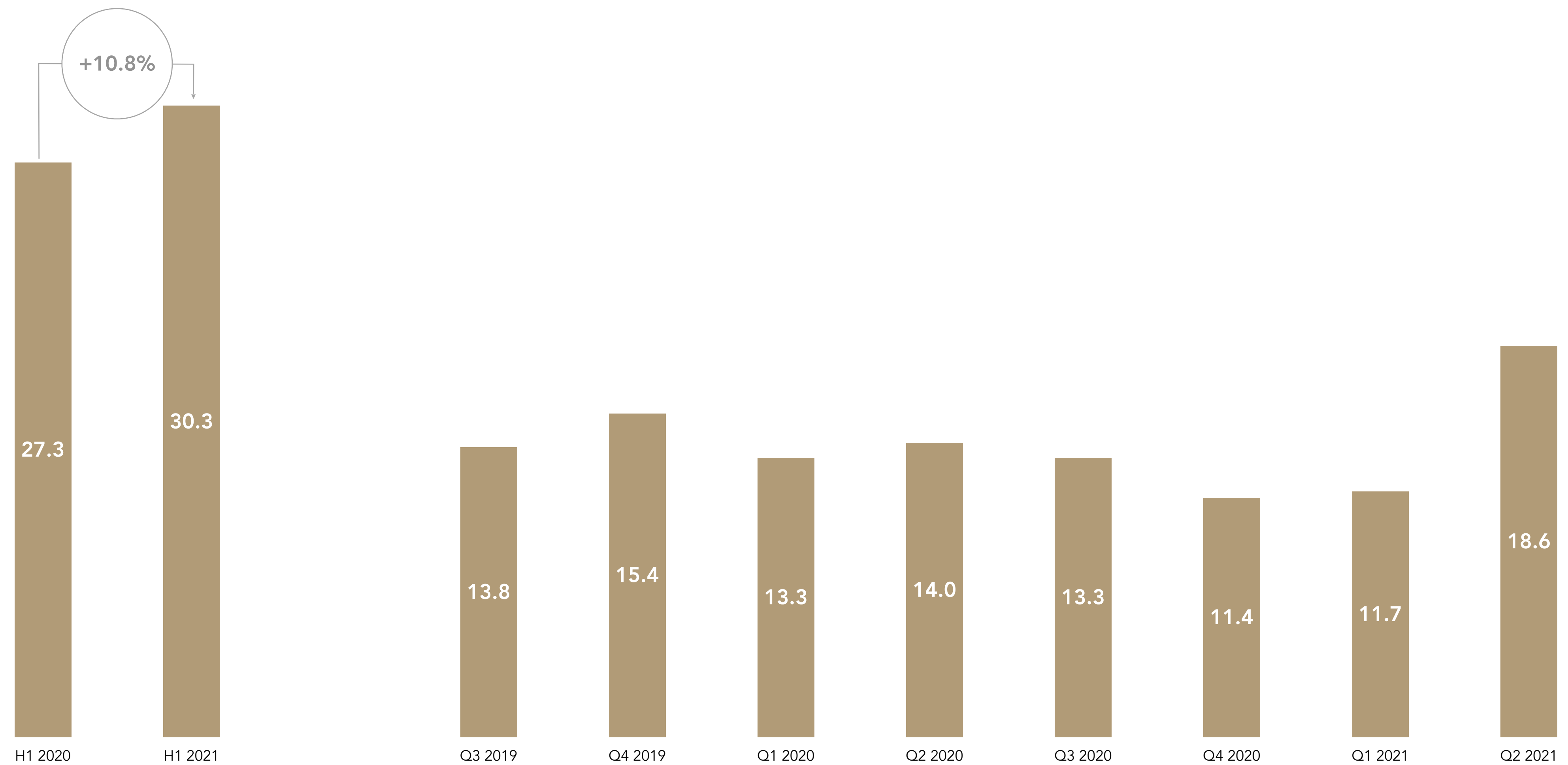
H1 2021



- **Total Property Income** increased by 8.1% YoY from USD 34.0m (AED 124.9m) to USD 36.8m (AED 135.2m) incl. gain on sale of investment property of USD 6.5m (AED 23.9m).
- **Total Property Expenses** declined by 2.7% YoY from USD 6.7m (AED 24.6m) to USD 6.5m (AED 23.9m)
- **Net Property Income** recorded an increase of 10.8% on a YoY basis up from USD 27.3m (AED 100.3m) in 1HY 2020 to USD 30.3m (AED 111.3m) in 1HY 2021
- **Fund Expenses** recorded a decline of 7.4% on YoY basis and amounted to USD 7.5m (AED 27.5m) in 1HY 2021 vs USD 8.2m (AED 30.1m) in 1HY 2020
- **Funds From Operations (FFO)** for the 6 month period amounted to USD 15.6m (AED 57.3m) v/s USD 885k (AED 3.2m) recorded in 1HY 2020
- **Reversal on Expected Credit Loss** amounted to USD 7.0m (AED 25.7m) v/s a charge of USD 3.8m (AED 13.9m) booked in 1HY 2020
- **EBITDA** for 1HY 2021 posted a YoY increase of 93.2% to close at USD 29.7m (AED 109.1m) from USD 15.4m (AED 56.6m) as of 1HY 2020
- **Unrealized Gain on fair value of investment properties** for 1HY 2021 amounted to USD 35.2m (AED 129.3m).
- **Fair Value of Investment Property** appreciated by 5.0% from FY 2020 levels closing at USD 724.6m (AED 2,661.5m) USD 690.3m (AED 2,535.5m) in FY 2020.
- **NAV per share** jumped by 23% over FY 2020 levels - up from USD 0.74 to USD 0.91 per share in 1HY 2021.

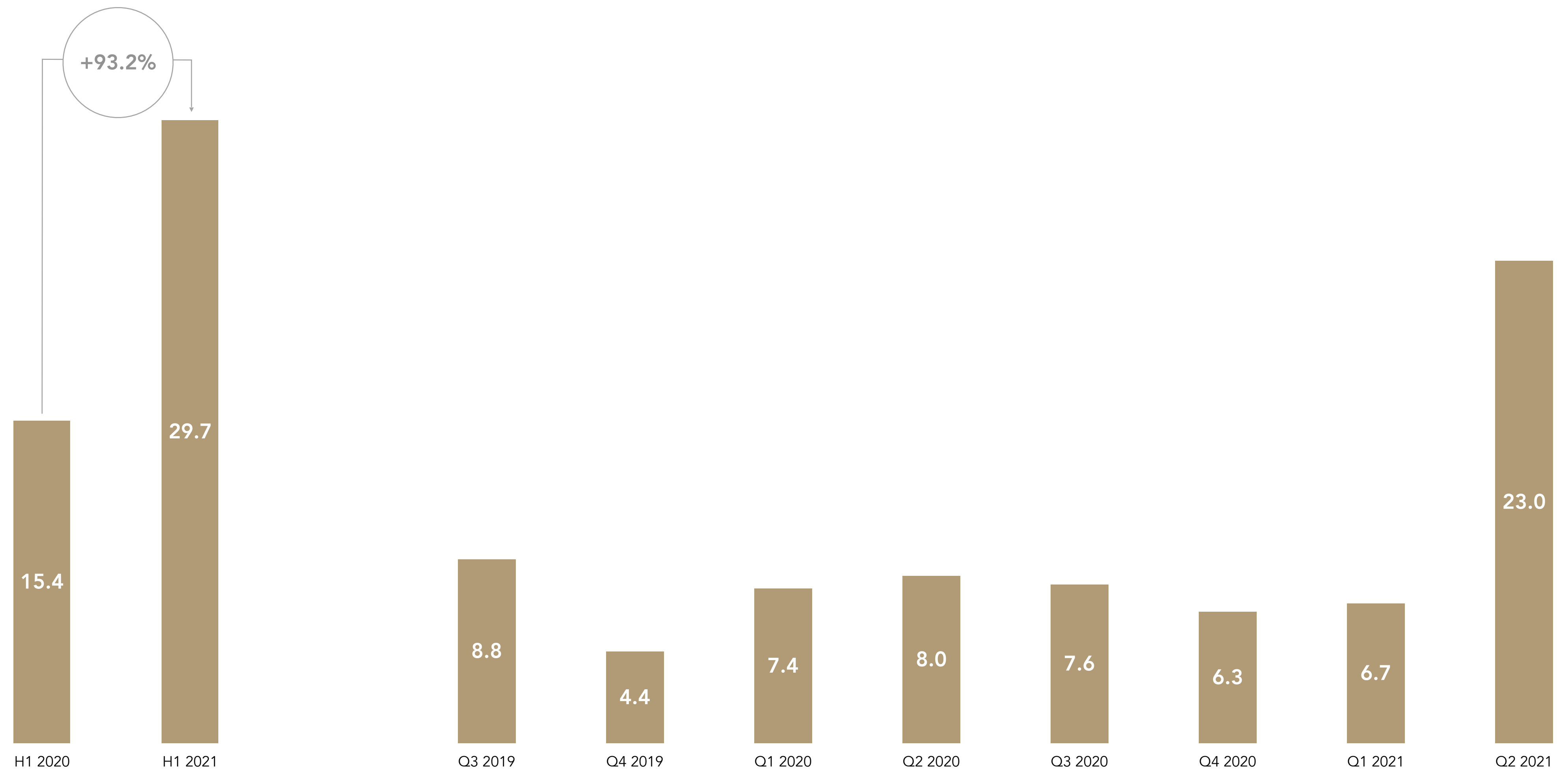
NET OPERATING/PROPERTY INCOME

(USD M)



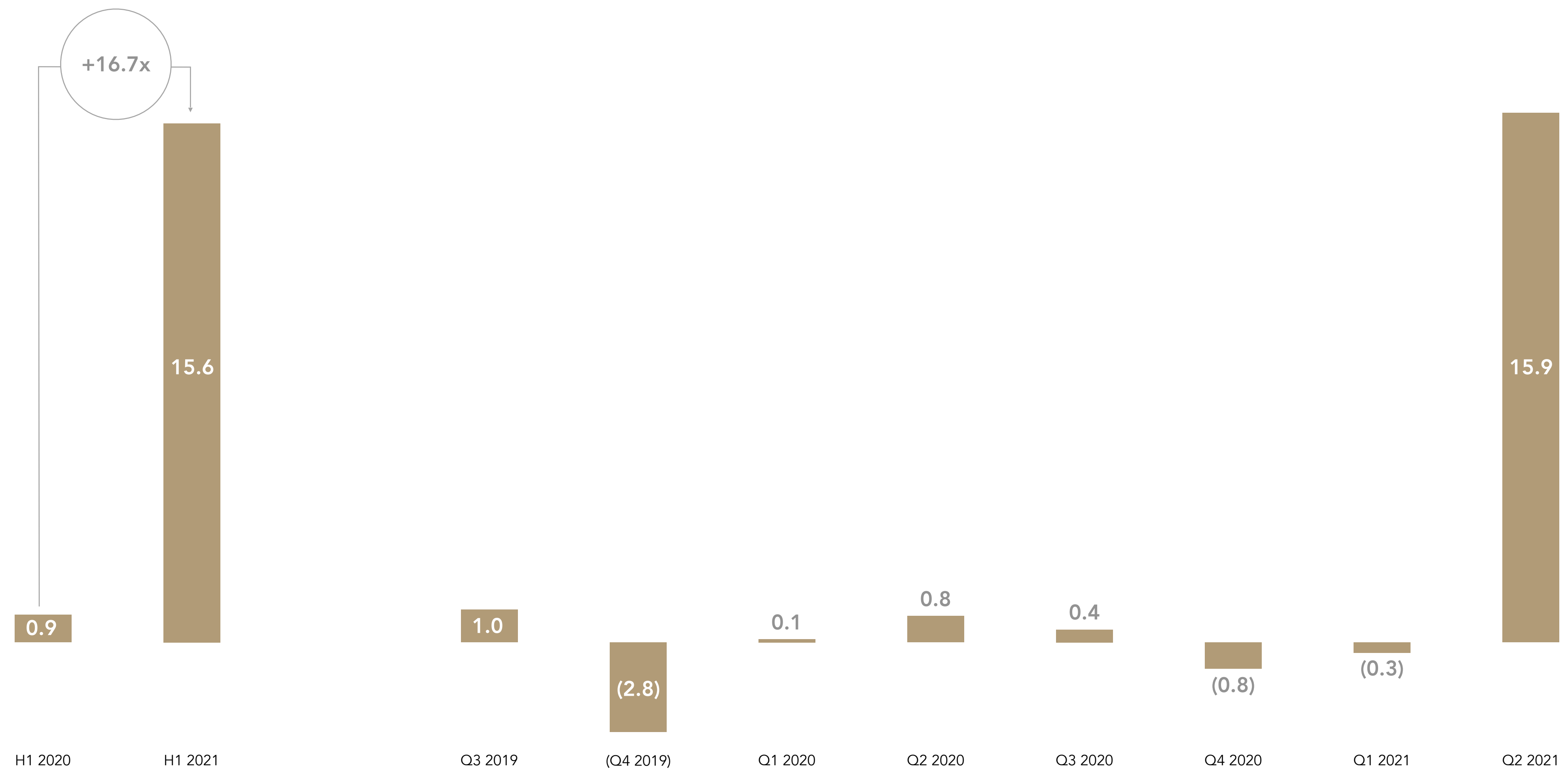
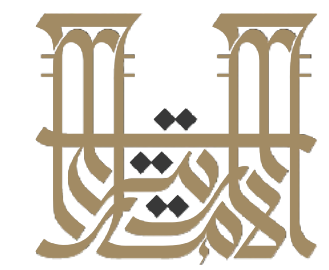
EBITDA

(USD M)



FFO

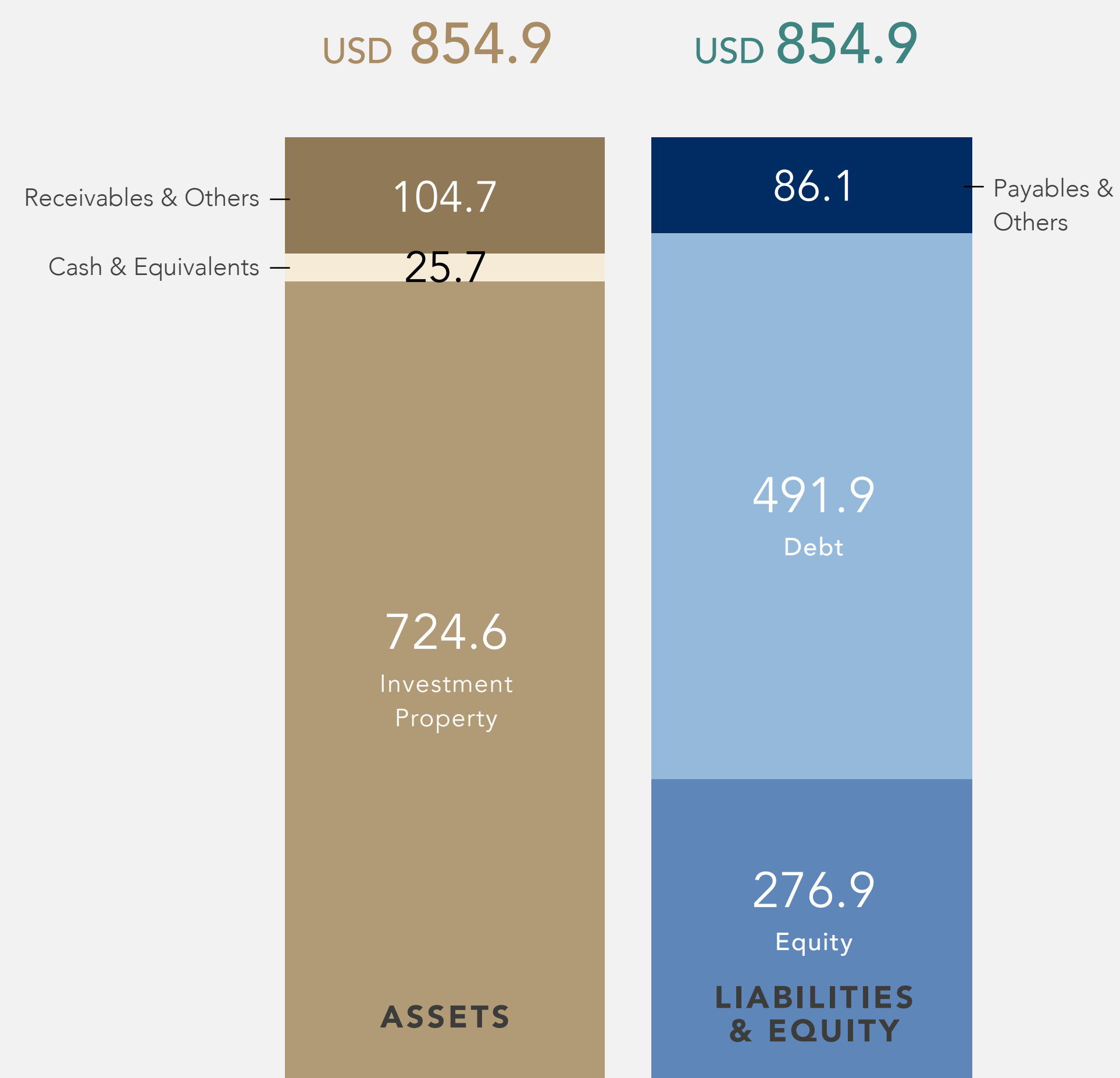
(USD M)



BALANCE SHEET OVERVIEW

H1 2021

IN USD THOUSAND	H1 2021	FY 2020	H1 2020	CHANGE YTD
INVESTMENT PROPERTY	724,587	690,342	857,966	+5.0%
TOTAL ASSETS	854,947	803,385	984,362	+6.4%
ISLAMIC FINANCING	491,885	495,599	501,075	(0.7%)
TOTAL LIABILITIES	578,010	577,921	586,438	+0.02%
EQUITY	276,937	225,464	397,924	+22.8%
LTV RATIO (%)	57.53%	61.7%	50.90%	(4.2%)
NAV PER SHARE	0.91	0.74	1.31	+22.6%



30 June 2021

QUESTIONS & ANSWERS



THANK YOU

