

2021

2022

2023



FY 2022 RESULTS
PRESENTATION
MARCH 2022

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⁽¹⁾ Due to rounding, numbers presented throughout this section may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The summary financial information presented is extracted from the audited Financial Statements. This document is only for ease of use and for details please refer to the audited Financial Statements published on Emirates REIT website.



Sylvain Vieujot
Executive Deputy Chairman



Alain Debare
Group Head of Real Estate



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SUSTAINED IMPROVEMENT IN OPERATIONS AND NET ASSET VALUE Y-O-Y

OCCUPANCY ⁽¹⁾

84.5%

+12.7 p.p.



INVESTMENT PROPERTIES ⁽²⁾

USD 784.9m

+6.5%



NET ASSET VALUE

USD 372.6m

+28.6%



NET PROPERTY INCOME ⁽³⁾

USD 55.3m

-1.3%



NET PROFIT

USD 82.0m

+29.9%



EARNINGS PER SHARE

USD 0.257

+29.8%

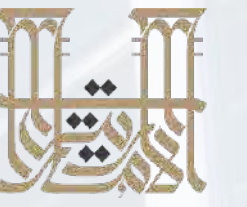


⁽¹⁾ On a like-for-like basis, excluding Jebel Ali School from the occupancy as at December 31, 2021, the occupancy has increased by 15.4 p.p. y-o-y.

⁽²⁾ On a like-for-like basis, excluding Jebel Ali School from the investment property as at December 31, 2021, the investment property has increased by 10.4% y-o-y.

⁽³⁾ Disregarding the one-offs relating to the sale of half a floor of Index Tower in 2Q 2021 and Jebel Ali School in 2Q 2022, Net Property Income would be at +14.6% y-o-y.

* USD Numbers are rounded to the nearest hundred thousand

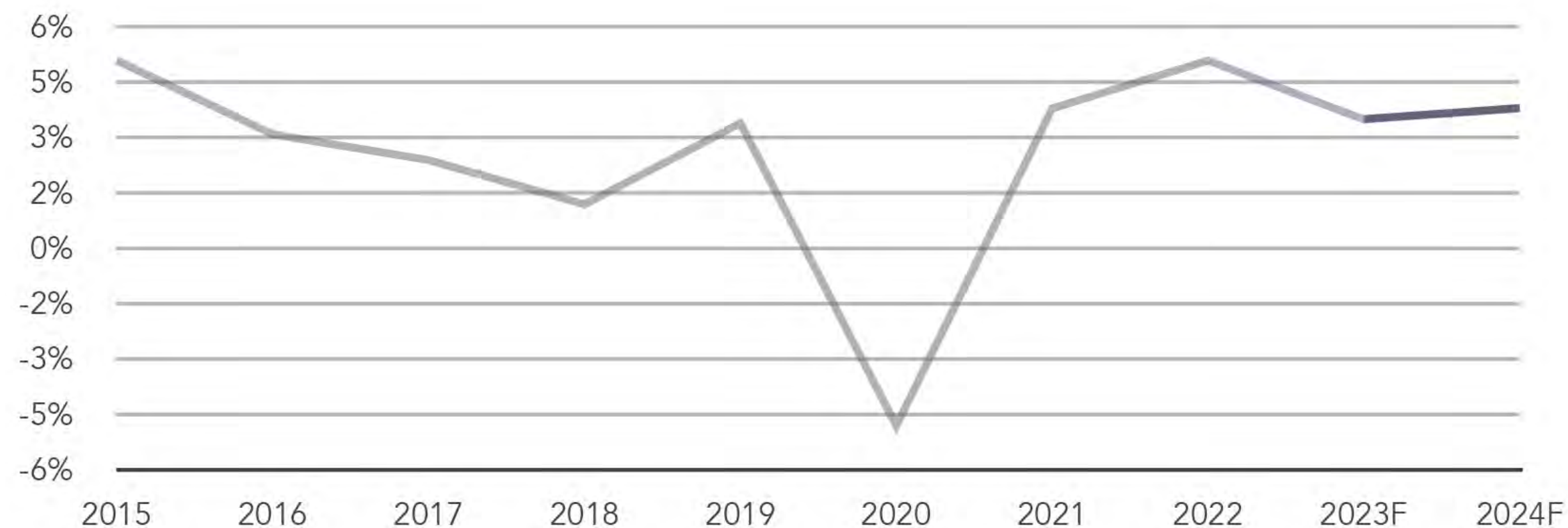


MARKET OVERVIEW

- The UAE economy continued its post-pandemic growth into 2022 on the back of an increase in tourism, higher oil production and a rebounding services sector.
- The visa reforms, stability, and ease of doing business has continued to increase the attractiveness of the UAE from a migration and an alternative base perspective. This has greatly benefited the real estate market throughout the UAE and particularly in Dubai.
- As per the IMF, while lower than earlier forecasts, the UAE GDP grew 5.1% in 2022, a considerable increase compared to 3.8% recorded in 2021. Going forward, although the UAE has announced the introduction of Corporate Taxes from June 2023, various other costs of doing business are being revised to make it more attractive to conduct business, as well as make it more affordable for tourists to visit the UAE.
- Economic growth forecasts for 2023 and 2024, compiled by Bloomberg’s Composite Index through multiple sources, are estimated at 3.5% and 3.8%, respectively.
- Concerns over recession, inflationary pressures and rising profit rates continue to remain; however, the opening up of China is expected to relieve some of that pressure and contribute to a greater world output in 2023.

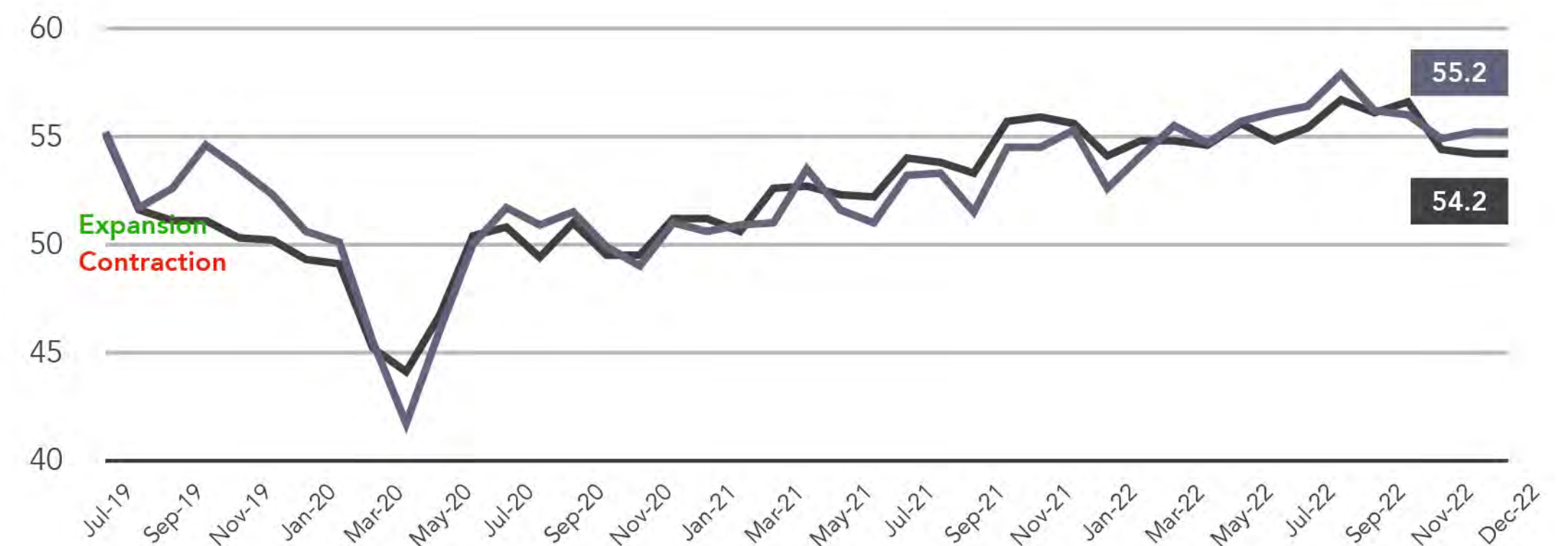
- The UAE and Dubai Purchasing Managers Indices both recorded a three-year peak in August 2022 and have steadily moderated since then.
- The decrease from the 57.9 and 56.7 level to 55.2 and 54.2 for Dubai and the UAE, respectively, suggests that growth momentum is now stabilizing from the post-pandemic peak.
- The decrease was attributed to a softening in improvement of business conditions as well as slower increases in output, new orders and employment.
- Nevertheless, the readings are still firmly above the 50.0 mark compared to other major economies such as the US and the Eurozone, which have been below the 50.0 level since August. In December 2022, the US registered 46.6 while the Eurozone inched slightly upwards at 50.2.

UAE REAL GDP GROWTH (Y-O-Y)



Source: Bloomberg Composite Index

UAE PURCHASING MANAGERS INDICES

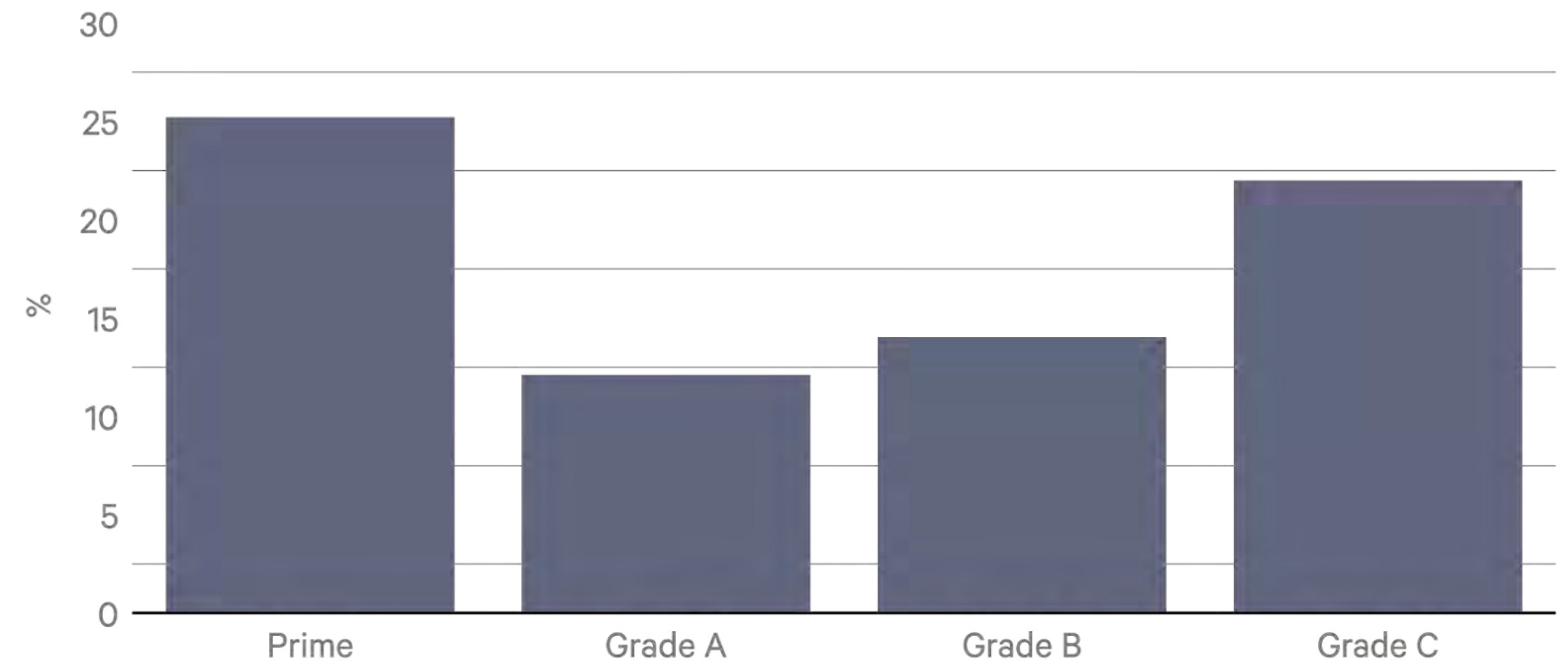


Source: S&P Global Purchasing Managers Index

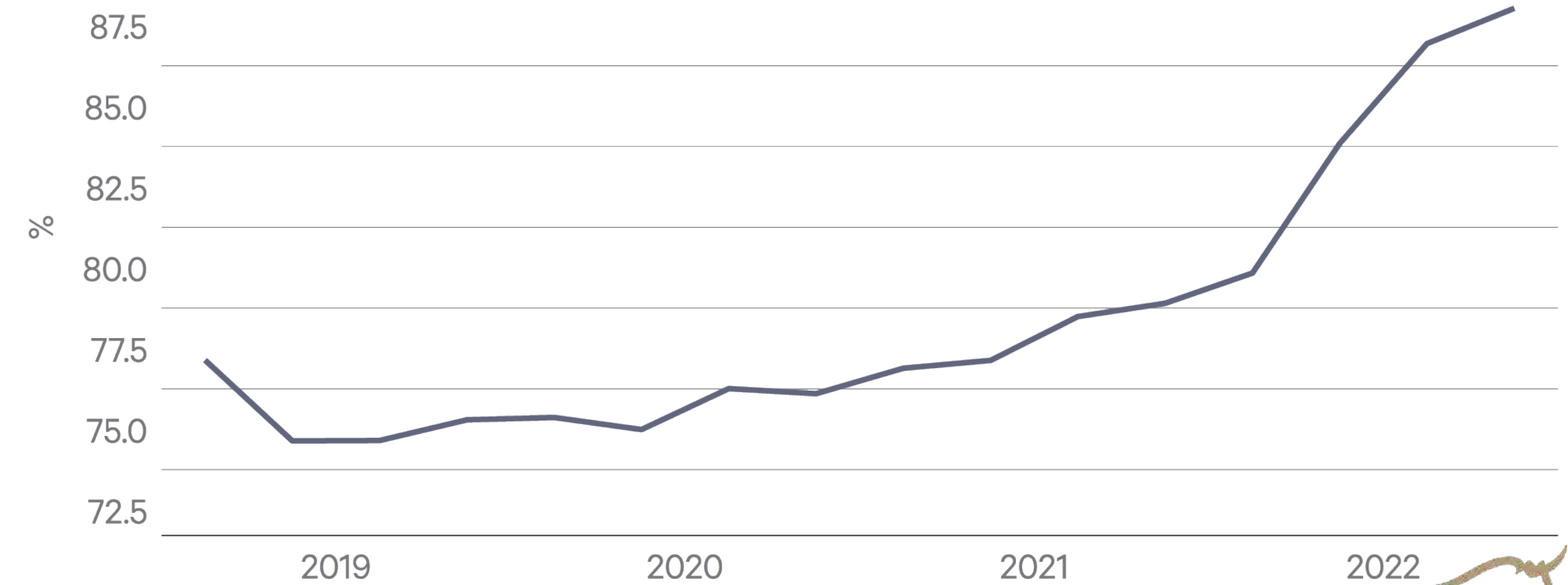
■ Dubai ■ UAE

- Q-o-Q as well as Y-o-Y increases in number of new business registrations, and consequently occupier demand, has resulted in average occupancy rates 88.0% as at 4Q 2022, up from 78.9% a year earlier.
- Limited new completions, coupled with the increase in take-up, has resulted in a 25.2%, 12.1%, 14.0% and 22.0% growth in rental rates for Prime, Grade A, Grade B and Grade C stock, respectively.
- With average rental rates now at AED240, AED159, AED128 and AED105 per sq.ft annum for the four office grades respectively, these rates are now comparable to those seen in early 2019.
- With the implementation of the UAE Corporate Tax for onshore businesses from June 2023, free-zone areas such as DIFC, DMCC and TECOM are capturing significant interest from new entrants.
- Additionally, agents have reported an increase in demand for larger spaces to account for future expansion plans as well as an increase in demand for serviced offices which are now close to full occupancy.

DUBAI, OFFICE RENTS, Y-O-Y % CHANGE TO 4Q 2022



DUBAI, OFFICES, AVERAGE OCCUPANCY RATE, %



Source: CBRE UAE Real Estate Market Review Q4 2022

- The retail stock in Dubai has largely been stable with new completions being delayed to catch up with demand levels rather than risk a greater supply-demand imbalance.
- Other than a 200,000 sqm opening in 2022 which was delayed during the pandemic, there have been no other major openings. For 2023, about 355,000 sqm of space is expected to be delivered.
- Rents within regional and super-regional malls have also largely been stable with some malls registering percentage growth in the single digits.
- F&B and entertainment continue to be the out-performing sectors, supported by rebounding tourism and a demand for a more experiential offering.
- New and homegrown brands and concepts have also been seen entering the market for the first time, particularly at malls aiming to differentiate themselves.

DUBAI RETAIL MARKET: TOTAL STOCK, EXPECTED DELIVERIES & RENTAL RATES



- There are currently 216 schools operating in Dubai for the 2022-2023 academic year, offering 17 curricula and catering to 326,000 students.
- Owing to strong demographic trends, and with the Dubai population forecast to reach 5.8 million by 2040, there is more demand for schools expected over the next decade.
- According to consultant estimates, 14 additional schools may be sustainable over the next decade.

DUBAI SCHOOL MARKET

216

42

American Curriculum
Schools

89

British Curriculum
Schools

30

Indian Curriculum
Schools

55

Other Curriculum
Schools

⁻¹⁹
As of Academic Year 2022 - 2023
Dubai Schools

Estimated Additional Requirements by 2032

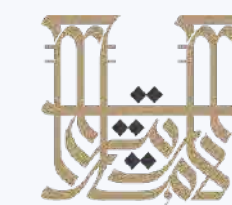
27,500

Additional Students

14

Additional Schools

(assuming an average
school capacity of 2,000 students)



OPERATIONAL HIGHLIGHTS

- Occupancy across the portfolio increased by 12.7 p.p. to 84.5% for FY 2022 with 4Q 2022 recording a 2.7 p.p. improvement q-o-q.
- Passing rental rates across the commercial portfolio increased by 12.7% y-o-y to AED 1,647 / sqm / annum.
- Owing to the rent ramp-up period granted to Durham School Dubai, passing rental rates across the education portfolio⁽¹⁾ decreased by 15.1% y-o-y to AED 595 per / sqm / annum.
- On a like-for-like basis, WALE increased from 5.8 years to 7.1 years.
- Leasing activity during FY 2022:
 - 160 renewals (25,721 sq.m.)
 - 106 new leases (22,395 sq.m.)
 - 58 exits (8,500 sq.m.)

- Total number of tenants for the portfolio increased by 13.7% from 327 to 372 and the retention rate by area was 75.2%.
- Strong demand in the DIFC benefiting Index Tower, the REIT's largest asset. Occupancy at Index Tower increased by 18.4 p.p. during FY 2022 to 80.7% with a blended rental rate increase of 4.5%.
- Occupancy at properties in Media City / Internet City increased by 11.8 p.p. to 73.2%, with a sustained level of new enquiries.
- Works on phase 3 at Lycée Français Jean Mermoz are progressing and are scheduled to be completed during 1H 2023.
- Works at Durham School were completed and the school opened as scheduled on 5 September 2022.
- Jebel Ali School was sold in May 2022.

⁽¹⁾ Excludes Jebel Ali School

INDEX TOWER

- Strong growth in occupancy levels to 86.4% implying a y-o-y increase of 19.9 p.p.
- 52 new leases, 60 renewals and 21 exits.
- Strong demand for larger premium fully fitted and furnished offices, driving opportunity for higher rates.
- Limited availability in DIFC and a sustained level of enquiries.

NET LETTABLE AREA

32,765 sqm

OCCUPANCY

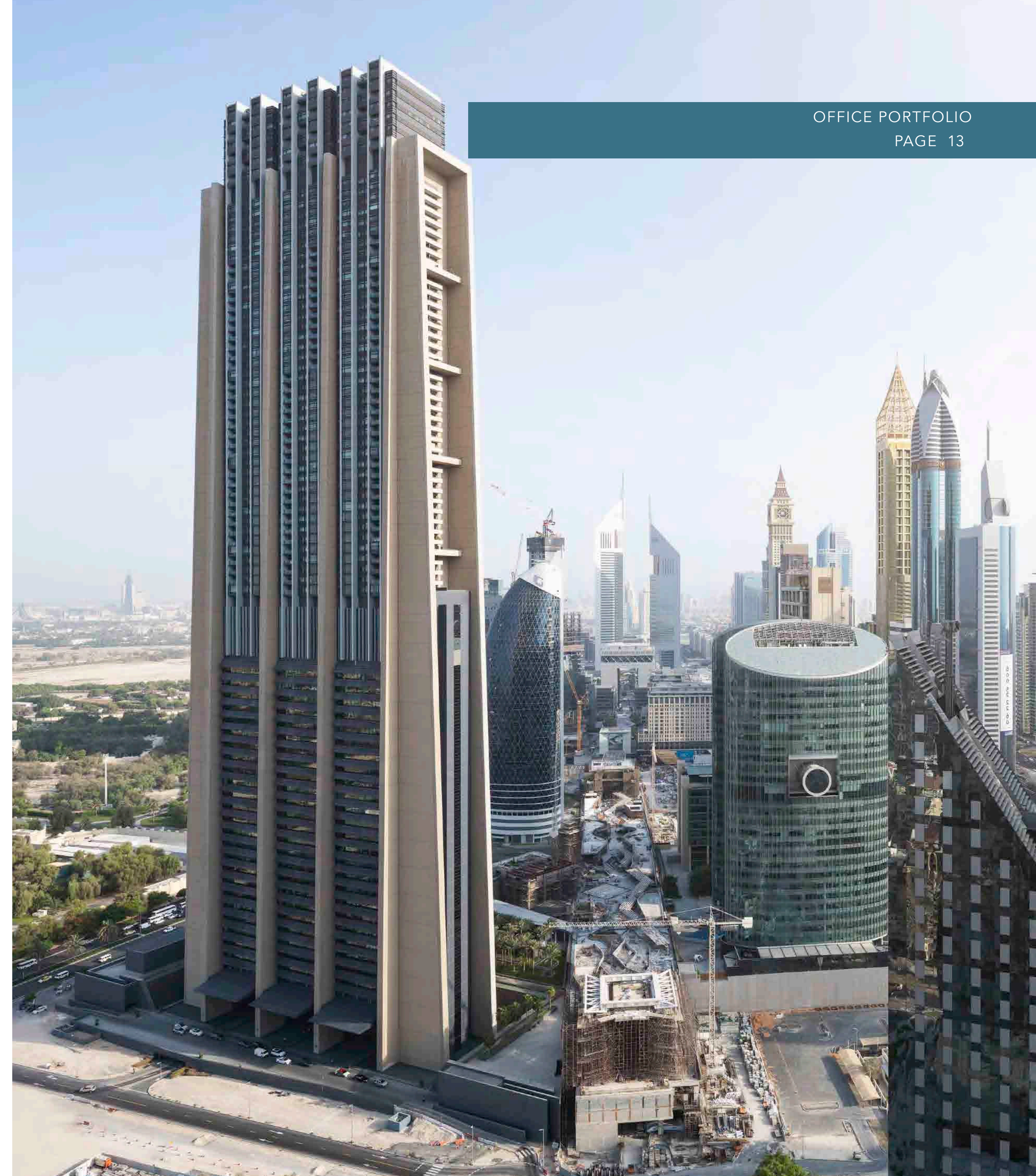
86.4%

RATES

+4.1% y-o-y

WALE

2.2 years



OFFICE PARK

- Strong recovery in occupancy levels to 88.1% implying a y-o-y increase of 15.8 p.p.
- 13 new leases, 13 lease renewals and 7 tenant exits.
- Good conversion of enquiries with some of the larger spaces sub-divided to meet demand for 300 sqm to 500 sqm offices.
- Refurbished in 2021 and continues to be well positioned to compete.

NET LETTABLE AREA

34,567 sqm

OCCUPANCY

88.1%

RATES

+0.5% y-o-y

WALE

2.3 years



LOFT OFFICES

- Unique and attractive offering in Dubai Media City.
- Notable market recovery in DMC since 4Q 2022 with good conversion of enquiries since September 2022.
- Demand typically by SMEs for smaller offices on a yearly renewal basis.
- Occupancy at 46.4% (+8.1 p.p, y-o-y) with occupancy at Lofts 1 & 2 at 68.8% (+12.1 p.p. y-o-y). Loft Offices 3 remains vacant with the project to create larger units to cater to larger corporate clients.
- 18 new leases, 31 lease renewals and 10 tenant exits.

NET LETTABLE AREA

15,242 sqm

OCCUPANCY

46.4%

RATES

-5.5% y-o-y

WALE

0.8 years



EUROPEAN BUSINESS CENTRE

- Premium building within Dubai Investments Park with high visibility and metro access.
- Occupancy decreased by 6.5 p.p. to 68.5% during FY 2022.
- 19 new leases, 42 lease renewals and 16 exits.
- Most of the smaller offices are occupied, with the possibility to sub-divide larger units (>500 sqm) being assessed.
- Focus on Asset Management and opportunity to improve product, occupancy and rates compared to the sub-market.

NET LETTABLE AREA

25,567 sqm

OCCUPANCY

68.5%

RATES

+10.8% y-o-y

WALE

1.2 years



BUILDING 24

- Excellent Location, part of phase one of Dubai Internet City.
- New competition and refurbished properties within the freezone.
- Occupancy increased by 8.6 p.p. y-o-y to reach 53.3%.
- 3 new leases, 13 lease renewals and 4 tenant exits.
- Assessing a refurbishment of common areas to remain competitive within the sub-market.
- Amendment to the PMLA with TECOM to enable the REIT Manager to take an active role in leasing and managing the property.

NET LETTABLE AREA

5,327 sqm

OCCUPANCY

53.3%

RATES

-10.0% y-o-y

WALE

1.5 years



INDIGO 7

- Excellent location and with high visibility along Sheikh Zayed Road.
- Occupancy remains at 100%.
- Well established and high demand area for retail and commercial space.
- Improved recovery of operating expenses through service charge.

NET LETTABLE AREA

1,902 sqm

OCCUPANCY

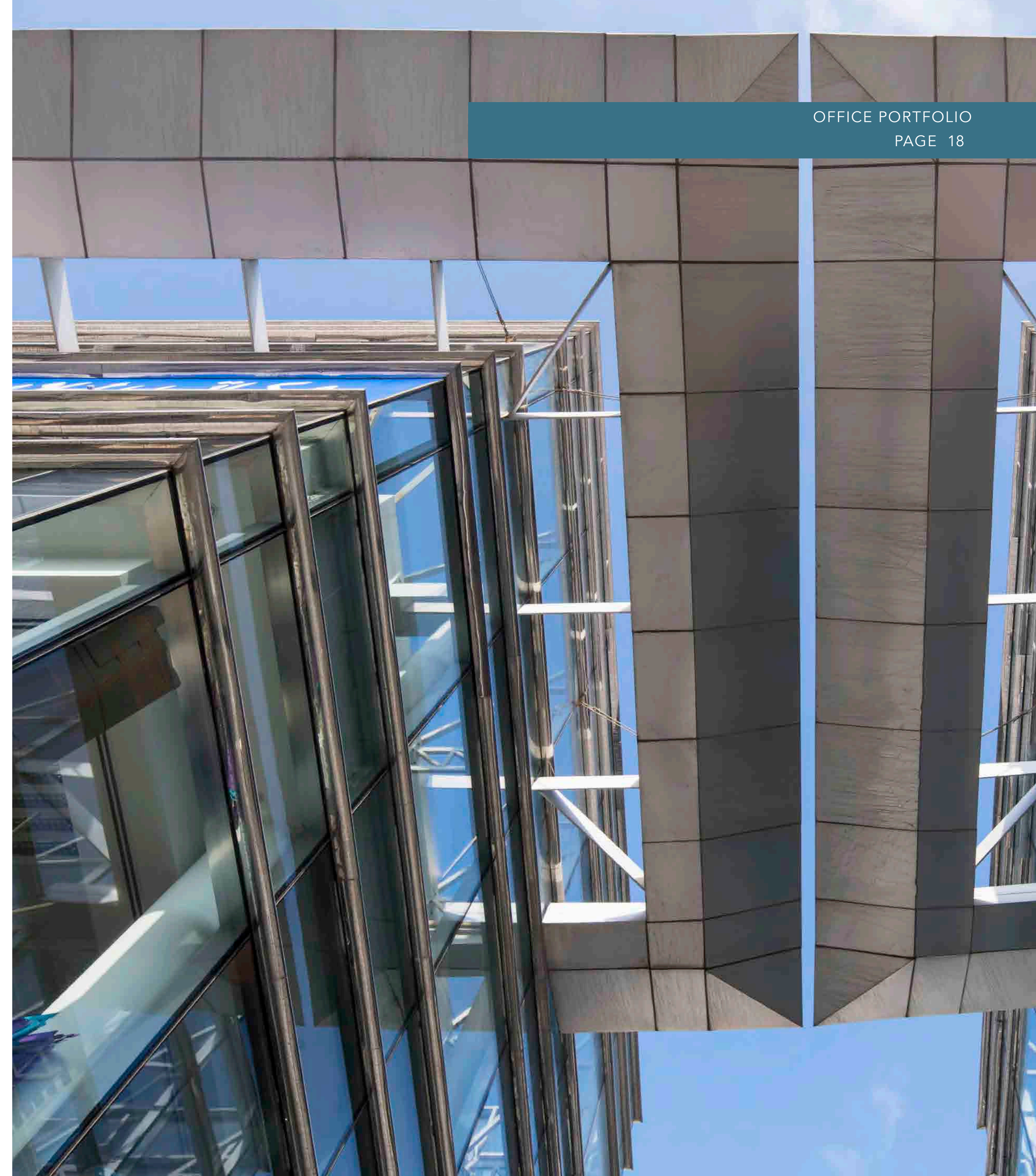
100%

RATES

+0.5% y-o-y

WALE

5.9 years



INDEX MALL⁽¹⁾

- Occupancy at 48.5%, an increase of 10.5 p.p. y-o-y.
- Excluding Floors 28 and 29, occupancy within the Index Mall now at 55.5% with 19 units leased (75% occupancy at ground floor level).
- Opening of Smart Salem Medical Fitness Centre, driving increased traffic and attractiveness of the retail area. Bateel Bakery due to open in mid 2023.
- Increased level of enquiries including for Level 2 as retail market rebounds.

NET LETTABLE AREA

5,660 sqm

OCCUPANCY

48.5%

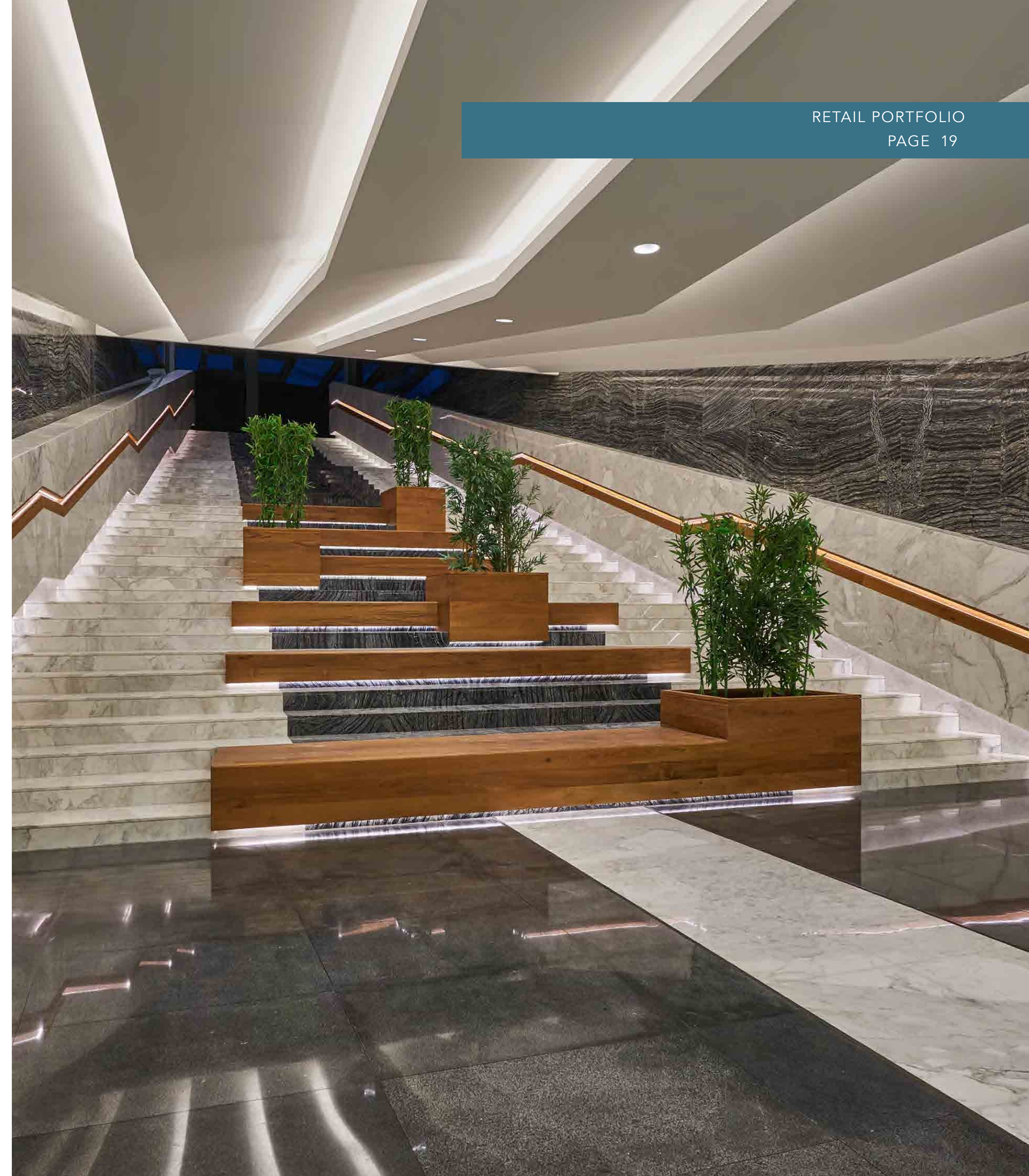
RATES

+69.2% y-o-y

WALE

6.2 years

⁽¹⁾: incl. Index mall 4,400 sqm and level 28/29 retail 1,220 sqm



TRIDENT MALL

- Occupancy level of the retail area excluding terraces increased by 4.3 p.p. to 75.8% y-o-y.
- Assessing a soft refurbishment to increase the attractiveness of the mall.
- Optimisation of operational costs and improvement of service charge recovery on-going.

NET LETTABLE AREA

5,472 sqm

OCCUPANCY

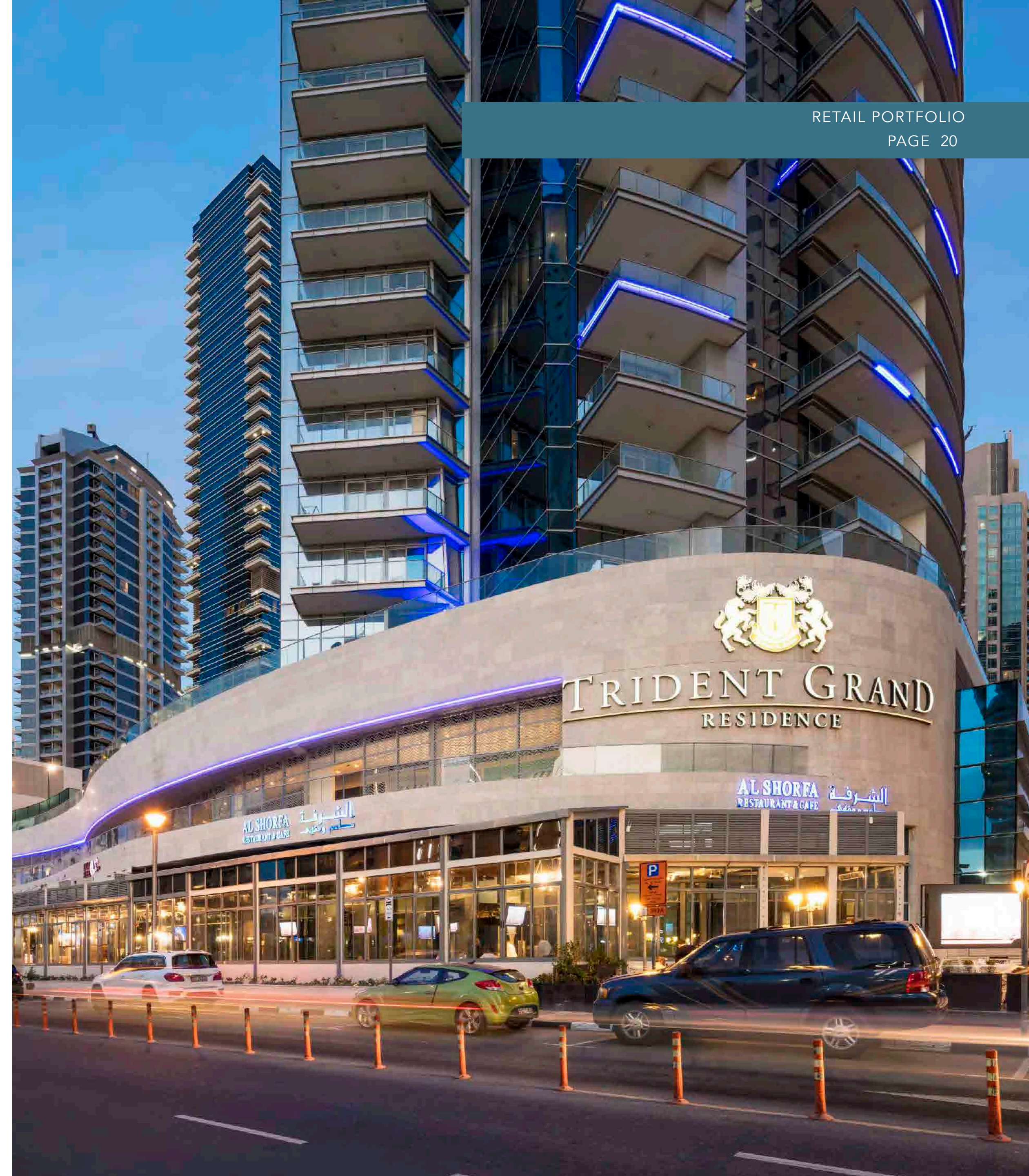
75.8%

RATES

+6.9% y-o-y

WALE

4.1 years



GEMS WORLD ACADEMY

- Continued property improvements by GEMS, maintaining state of the art facilities for one of their flagship schools.

LYCÉE FRANCAIS JEAN MERMOZ

- On going construction works for phase 3, with completion expected by 1H 2023.
- Strong demand intake with wait-lists across all grades.

DURHAM SCHOOL DUBAI

- New lease with Durham School Dubai signed on 8 March 2022 and School opened as scheduled in September 2022.
- Good intake and good level of interest for the new year with solid reputation and strong momentum.



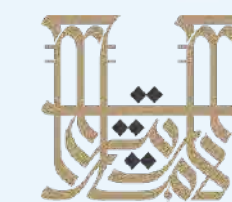
NET LETTABLE AREA: 42,700 SQM
OCCUPANCY: 100%
WALE: 20.8 years



NET LETTABLE AREA: 16,594 SQM
OCCUPANCY: 100%
WALE: 22.2 years



NET LETTABLE AREA: 19,350 SQM
OCCUPANCY: 100%
WALE: 8.7 years



FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN USD '000	FOR THE YEAR ENDED		
	DEC 31, 2022	DEC 31, 2021	CHANGE Y-O-Y
RENTAL, FEE & OTHER INCOME	68,785	62,092	10.8%
(LOSS) / GAIN ON DISPOSAL OF INVESTMENT PROPERTY	(1,455)	6,500	(1.3x)
TOTAL PROPERTY INCOME	67,330	68,592	-1.8%
PROPERTY OPERATING EXPENSES	(12,024)	(12,563)	-4.3%
NET PROPERTY INCOME	55,306	56,029	-1.3%
FUND EXPENSES	(21,708)	(14,641)	48.3%
(ALLOWANCE) / REVERSAL FOR EXPECTED CREDIT LOSS	(1,396)	5,231	-126.7%
TOTAL FUND EXPENSES	(23,104)	(9,410)	145.5%
OPERATING PROFIT	32,202	46,619	-30.9%
NET FINANCE COST	(29,050)	(28,238)	2.9%
PROFIT BEFORE FAIR VALUATION / FUNDS FROM OPERATIONS (FFO)	3,152	18,381	-82.9%
UNREALIZED GAIN ON REVALUATION	78,838	44,728	76.3%
NET PROFIT FOR THE YEAR	81,990	63,109	29.9%
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	81,990	64,323	27.5%
FFO PER SHARE (USD)	0.010	0.060	-83.6%
EPS PER SHARE (USD)	0.257	0.198	29.8%

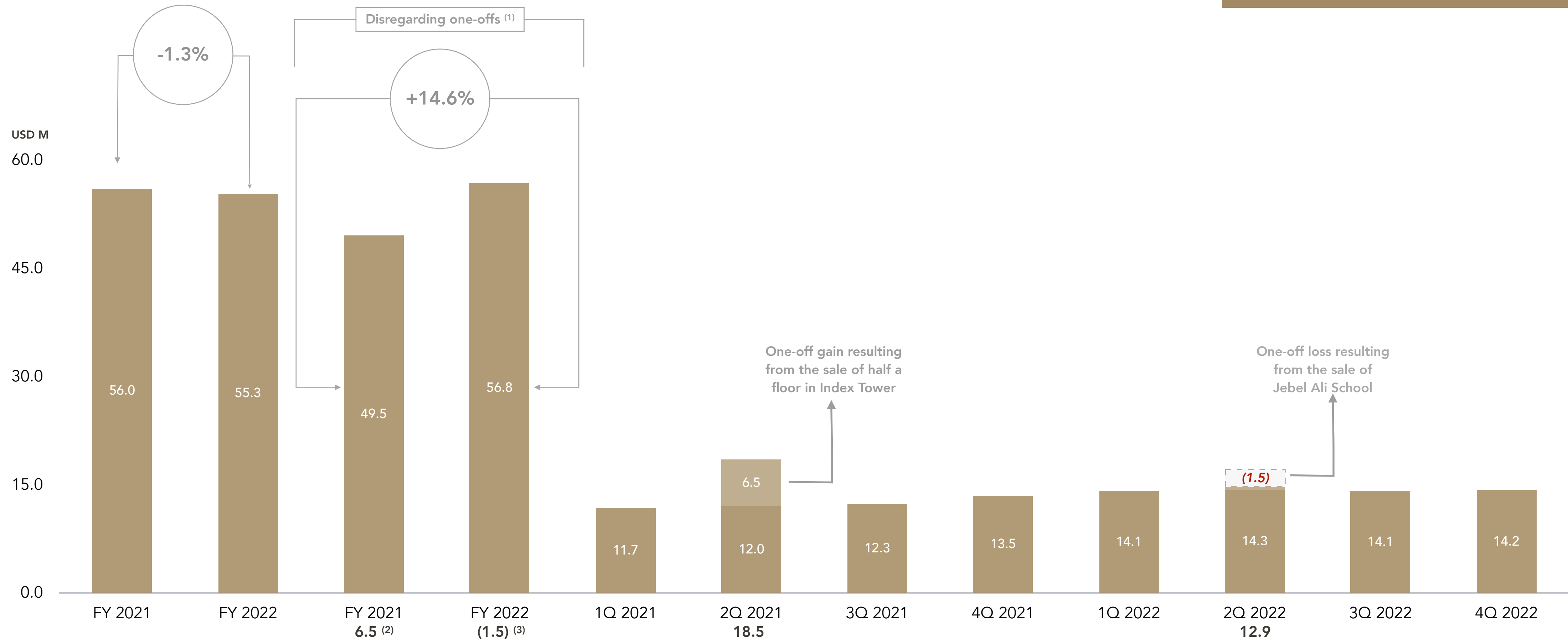
- Rental, Fee & Other Income amounted to USD 68.8m as at December 31, 2022, a 10.8% increase y-o-y. Taking into account the effect of asset disposals, the Total Property Income in FY 2022 amounted to USD 67.3m, compared to USD 68.6m in FY 2021 (-1.8% y-o-y).
- Property operating expenses recorded a y-o-y decline of 4.3% to USD 12.0m, contributing to a 4 p.p. improvement of the Net Property Income Margin to 93.7%.
- Net Property Income amounted to USD 55.3m as at December 31, 2022, a 1.3% decrease y-o-y. Disregarding the effect of asset disposals, the core Net Property Income grew by 14.6% y-o-y.
- Fund expenses are up 48.3% y-o-y at USD 21.7m, principally driven by the USD 6.8m professional fees incurred in connection with the Sukuk refinancing in December 2022.
- As a consequence, the Operating Profit is down 30.9% y-o-y at USD 32.2m.
- Owing to a rise in profit rates during FY 2022, net finance cost are up 2.9% at USD 29.0m and the Profit before fair valuation / Funds from operations thus stands at USD 3.2m.
- Resulting from a positive real estate market and improved valuations, the net unrealized gain on revaluation for FY 2022 amounted to USD 78.8m, up by 76.3% from FY 2021.
- Consequently, the Net Profit for the year amounted to USD 82.0m, a 29.9% increase y-o-y from USD 63.1m posted in FY 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN USD '000	AS AT		CHANGE Y-O-Y
	DEC 31, 2022	DEC 31, 2021	
INVESTMENT PROPERTIES - FAIR VALUE	784,932	737,132	6.5%
CASH AND CASH EQUIVALENT	46,986	10,986	327.7%
TOTAL ASSETS	929,582	853,834	8.9%
TOTAL LIABILITIES	556,992	564,047	-1.3%
ISLAMIC FINANCING	462,935	480,819	-3.7%
NET ASSET VALUE	372,590	289,787	28.6%
NO OF SHARES	319,156,400	304,451,393	4.8%
NAV PER SHARE (USD)	1.17	0.95	22.6%
FTV (%)	49.8%	56.3%	-6.5 p.p

- Driven by continued improved valuations, the investment properties fair value recorded a USD 48.0m increase (+6.5%) y-o-y.
- Islamic Financing reduced due to
 - scheduled amortization of bilateral facilities;
 - part repayment of USD 20m of the maturing USD 400m Sukuk on refinancing; and
 - repayment of an existing facility with a new bilateral facility.
- NAV per share crossed the par value mark to close at USD 1.17 per share as at December 31, 2022, a 22.6% y-o-y increase compared to USD 0.95 per share as at December 31, 2021.
- Supported by improved profitability, positive impact of portfolio revaluation & facility amortization, the FTV further improved to 49.8% as at December 31, 2022, from 56.3% as of December 31, 2021.

NET PROPERTY INCOME



Y-O-Y NET PROPERTY INCOME DOWN BY -1.3%
DISREGARDING ONE-OFFS ⁽¹⁾ THE NET PROPERTY INCOME WOULD BE UP +14.6% Y-O-Y

⁽¹⁾ One-offs include gain/(loss) on disposal of investment property
⁽²⁾ One-off gain resulting from the sale of half a floor in Index Tower
⁽³⁾ One-off loss resulting from the sale of Jebel Ali School



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CONCLUSION

SUSTAINED IMPROVEMENT IN OPERATIONS AND NET ASSET VALUE Y-O-Y

OCCUPANCY ⁽¹⁾

84.5%

+12.7 p.p.



INVESTMENT PROPERTIES ⁽²⁾

USD 784.9m

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NET ASSET VALUE

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NET PROFIT

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+29.9%



EARNINGS PER SHARE

USD 0.257

+29.8%

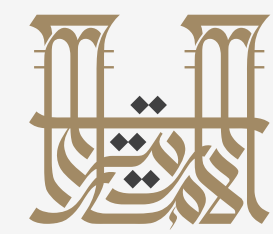


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* USD Numbers are rounded to the nearest hundred thousand



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QUESTIONS & ANSWERS



THANK YOU

