



## IN BRIEF

All information as at December 31, 2022 unless otherwise stated.

		VARIANCE Y-O-Y
INVESTMENT PROPERTIES	USD 784.9 AED 2.9bn	+6.5%
NET ASSET VALUE	USD 372.6m AED 1.4bn	+28.6%
NAV* PER SHARE	USD 1.17	+22.6%
NET LETTABLE AREA	202,950 sqm 2.2m sq.ft.	-7.3%
OCCUPANCY	84.5%	+12.7 p.p.

\* Net Asset Value

## FINANCIAL HIGHLIGHTS

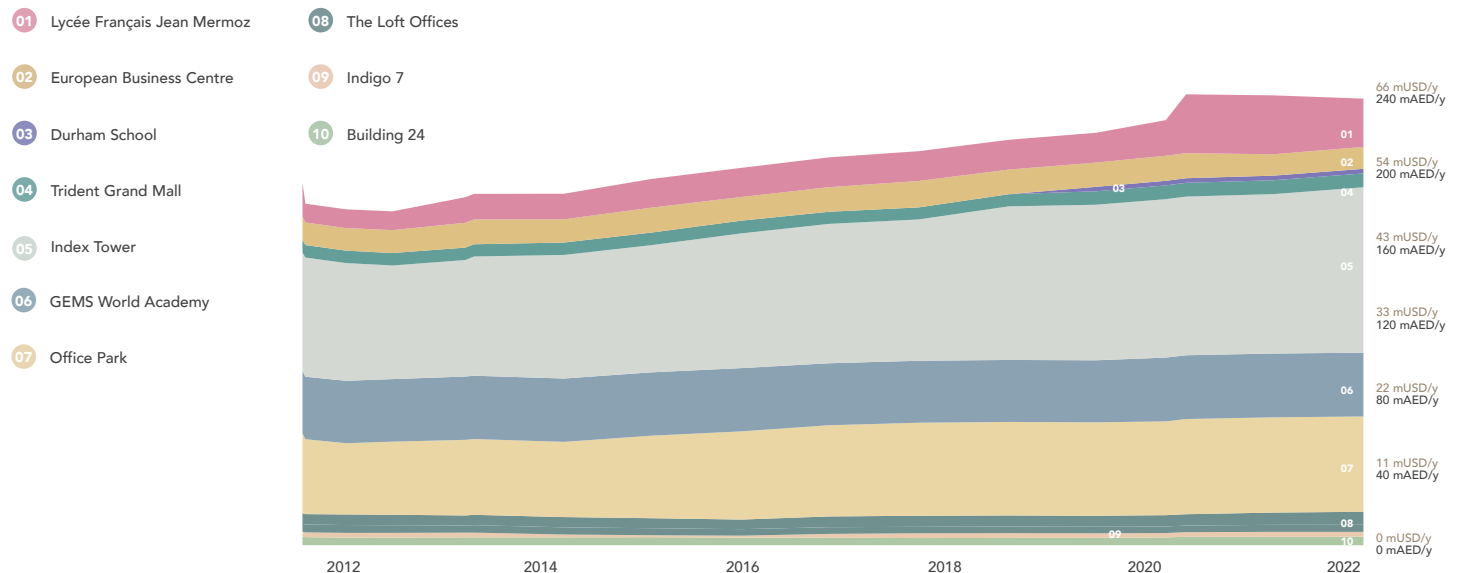
- Rental, Fee & Other Income amounted to USD 68.8m as at December 31, 2022, a 10.8% increase y-o-y. Taking into account the effect of asset disposals, the Total Property Income in FY 2022 amounted to USD 67.3m, compared to USD 68.6m in FY 2021 (-1.8% y-o-y).
- Property operating expenses recorded a y-o-y 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, finance costs are up by 3.2% at USD 26.3m 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
- NAV per share jumped by 22.6% to close at USD 1.17 per share as at December 31, 2022 compared to USD 0.95 a year earlier.
- FTV reduced to 49.8% from 56.3% both as a result of the rise in the portfolio value and supported by the amortization of bilateral Islamic financing facilities during the year.

<sup>(1)</sup> Excludes Jebel Ali School

## 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 quarter-on-quarter.
- 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<sup>(1)</sup> 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.

## ANNUALISED RENT





## INCOME AND EARNINGS

IN USD M	FOR THE YEAR ENDED		
	31 DEC 2022	31 DEC 2021	VARIANCE Y-O-Y
RENTAL, FEE & OTHER INCOME	68.8	62.1	10.8%
(LOSS) / GAIN ON DISPOSAL OF INVESTMENT PROPERTY	(1.5)	6.5	(1.3x)
TOTAL PROPERTY INCOME	67.3	68.6	(1.8%)
PROPERTY OPERATING EXPENSES	(12.0)	(12.6)	(4.3%)
NET PROPERTY INCOME	55.3	56.0	(1.3%)
FUND EXPENSES	(21.7)	(14.6)	+48.3%
ALLOWANCE FOR EXPECTED CREDIT LOSS	(1.4)	5.2	(126.7%)
OPERATING PROFIT	32.2	46.6	(30.9%)
FINANCE COST	(26.3)	(25.5)	+3.2%
IFRS 16 FINANCE CHARGE	(2.7)	(2.7)	(0.6%)
PROFIT BEFORE FAIR VALUATION / FUNDS FROM OPERATIONS (FFO)	3.2	18.4	(82.9%)
NET UNREALIZED GAIN ON REVALUATION	78.8	44.7	+76.3%
NET PROFIT FOR THE YEAR	82.0	63.1	+29.9%
FAIR VALUE ADJUSTMENT ON CASH FLOW HEDGES	-	1.2	(100%)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	82.0	64.3	+27.5%
FFO PER SHARE (USD)	0.010	0.060	(83.6%)
EARNINGS PER SHARE (USD)	0.257	0.198	+29.8%

## BALANCE SHEET

IN USD M	AS AT		
	31 DEC 2022	31 DEC 2021	VARIANCE Y-O-Y
INVESTMENT PROPERTIES - FAIR VALUE	784.9	737.1	+6.5%
TOTAL ASSETS	929.6	853.8	+8.9%
TOTAL LIABILITIES	557.0	564.0	(1.3%)
EQUITY / NET ASSET VALUE (NAV)	372.6	289.8	+28.6%
NAV PER SHARE (USD)	1.17	0.95	+22.6%
FTV	49.8%	56.3%	(6.5p.p)
NET CASH FROM OPERATING ACTIVITIES	40.5	35.5	+14.1%

## DISCLAIMER

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.