

EQUITATIVA ANNOUNCES EMIRATES REIT'S H1 2021 RESULTS REFLECTING ACTIVE PORTFOLIO MANAGEMENT AND STEADY IMPROVEMENT IN DUBAI COMMERCIAL PROPERTY MARKET

Improving EBITDA and Net Profit driven by divestment gains, portfolio valuation gains, lower expenses and provisions

Dubai, 29 August 2021 – Equitativa (Dubai) Limited (“Equitativa”), manager of Emirates REIT (CEIC) PLC (“Emirates REIT” or the “REIT”), today reported H1 2021 financial results for Emirates REIT.

Compared to H1 2020, the 2021 half year numbers demonstrate the improvements in Emirates REIT’s portfolio since the beginning of the COVID pandemic in early 2020. Total Property Income for the REIT increased by 8.1% from USD 34 million (AED 124.9 million) to USD 36.8m (AED 135.2m) year-on-year, including a gain on divestment of a vacant unit of USD 6.5 million (AED 23.9 million). Total Property Operating Expenses declined by 2.7% from USD 6.7 million (AED 24.6 million) to USD 6.5 million (AED 23.9 million) due to continued cost control measures. Driven by the payment of some overdue past rents by Jebel Ali School, the adjustment of Expected Credit Loss provision lead to a net gain of USD 7.0 million (AED 25.7 million) versus a previous net charge of USD 3.8 million (AED 13.9 million) booked in the first half of 2020. The REIT’s EBITDA for the first half of 2021 increased by 93.2% year-on-year to USD 29.7m (AED 109.1m) compared to USD 15.4 million (AED 56.6 million) in the first half of 2020. Unrealized Gains on the Fair Value of Investment Properties for the first half of 2021 amounted to USD 35.2 million (AED 129.3 million) while the Fair Value of Investment Property appreciated by 5.0% to USD 724.6 million (AED 2,661.5 million) compared to the full year 2020 figure of USD 690.3 million (AED 2,535.5 million). NAV per share rose 23% from USD 0.74 as at the end of the full year 2020 to USD 0.91 per share in the first half of 2021.

During the first half of 2021, despite the challenging market conditions, the active asset management of the portfolio enabled the REIT to increase both rental rates and the Weighted Average Unexpired Lease Term (WAULT) for the portfolio. Occupancy across the portfolio remained stable at 70% (-1.3% year-on-year, and +1% year to date) with an average passing rate increase of 5%. The REIT’s largest asset, Index Tower, experienced increased occupancy of +9% year-on-year. The portfolio also benefited from a WAULT increase of +8.9% year-on-year from 8.3 years to 9 years

Commenting on Emirates REIT’s H1 2021 performance, Sylvain Vieujot, Executive Deputy Chairman of Equitativa said: “On the back of a challenging 2020 due to the global pandemic, we are beginning to see a recovery in the Dubai property market driven by the highly proactive measures taken by the Dubai and UAE Federal Government and coupled with an improving overall business confidence and sentiment. Some positive milestones were achieved during the first half of the year, including the divestment of a half vacant shell and core floor at a significant valuation gain in Index Tower. We also signed an agreement with Jebel Ali School, resulting in a significant payment towards its outstanding rent. Our continued focus on driving operating efficiency and the highly active management of our portfolio allowed us to maintain stable occupancy rates and increase our rental rates, as well as better position the portfolio for and increasingly dynamic property market”.

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ABOUT EMIRATES REIT: Emirates REIT, (Nasdaq Dubai: REIT; ISIN: AEDFXA1XE5D7), is a Dubai-based real estate investment trust investing principally in income-producing real estate in line with Shari'a principles. It currently owns a well-balanced portfolio of 11 assets in the commercial, education and retail sector. Emirates REIT benefits from exclusive Ruler's Decrees permitting it to purchase properties in onshore Dubai and Ras Al Khaimah.

ABOUT EQUITATIVA GROUP: The Equitativa Group is a leading regional asset manager focused on creating and managing real estate investment trusts (REITs). The group offers innovative risk-adjusted, income generating financial products that cater to institutional and retail investors. As the founder of the UAE's first Shari'a compliant REIT, Emirates REIT, Equitativa is today one of the largest REIT manager in the Gulf Cooperation Council (GCC) countries and one of the biggest REIT Managers for Shari'a Compliant REITs in the world. In the UAE, Equitativa manages two leading REITs: Emirates REIT and The Residential REIT, the latter incorporated in Abu Dhabi Global Market.