

2021

2022

2023



Emirates
REIT

1Q 2022 RESULTS
PRESENTATION

DISCLAIMER

This presentation has been prepared by Equitativa (Dubai) Limited (“Equitativa” or the “Manager”), as the manager of Emirates REIT (CEIC) PLC (“Emirates REIT” or the “REIT”).

This presentation is provided for information purposes only and is not investment advice, a solicitation for an investment or the invitation for an investment. Whilst every care has been taken in relation to the accuracy of the information herein, this information is in summary form and does not purport to be complete and therefore no warranty is given or implied. Recipients should obtain independent legal and financial advice before making any investment decision that relies on this information.

This presentation may contain certain ‘forward-looking’ statements. Such statements reflect current views on, among other things, markets, activities and prospects.

Such ‘forward-looking’ statements can sometimes, but not always, be identified by their reference to a date or point in the future or the use of ‘forward looking’ terminology, including terms such as ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘forecasts’, ‘intends’, ‘plans’, ‘projects’, ‘goal’, ‘target’, ‘aim’, ‘may’, ‘will’, ‘would’, ‘could’, ‘should’ or similar with legal and regulatory obligations, neither Equitativa nor Emirates REIT intend or undertake to update or revise forward-looking statements to reflect any changes in its expectations or market conditions or any changes in information, events, conditions or circumstances on which any such statement is based.

By their nature, forward-looking statements involve inherent risks and uncertainties because they relate to future events and circumstances which may or may not occur and may be beyond our ability to control or predict.

Therefore they should be regarded with caution. Important factors that could cause actual results, performance or achievements of the REIT to differ materially from any outcomes or results expressed or implied by such forward-looking statements include, among other things, general business and economic conditions globally, industry trends, competition, changes in government and other regulation, including in relation to the environment, health and safety, changes in political and economic stability, changes in occupier demand and tenant default and the availability and cost of finance. Such forward-looking statements should therefore be construed in light of such factors.

Information contained in this presentation relating to the REIT or its share price, or the yield on its shares are not guarantees of, and should not be relied upon as an indicator of future performance.

It is important to consider the fact that some fund products use leverage and other speculative investment practices that may increase the risk of investment loss, can be illiquid, may involve complex tax structures, often charge high fees, and in many cases the underlying investments are not transparent. Funds may also be subject to substantial expenses that are generally offset by trading profits and other income.

Returns from funds can be volatile and an investor may lose all or part of their investment. While due care has been used in the preparation of the information herein, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside of the REITs' control. Past performance is not a reliable indication of future performance.

ALL KEY INDICATORS IMPROVING Q-O-Q*

OCCUPANCY

81.4%

+9.6 p.p.



NET ASSET VALUE

USD 313.5m

+8.2%



NET PROPERTY INCOME

USD 14.1m

+4.4%



OPERATING PROFIT

USD 9.8m

+14.2%



FUNDS FROM OPERATIONS

USD 2.9m

+97.7%



EARNINGS PER SHARE

USD 0.075

+65.2%



CONTINUED POSITIVE MOMENTUM

* USD Numbers are rounded to the nearest million



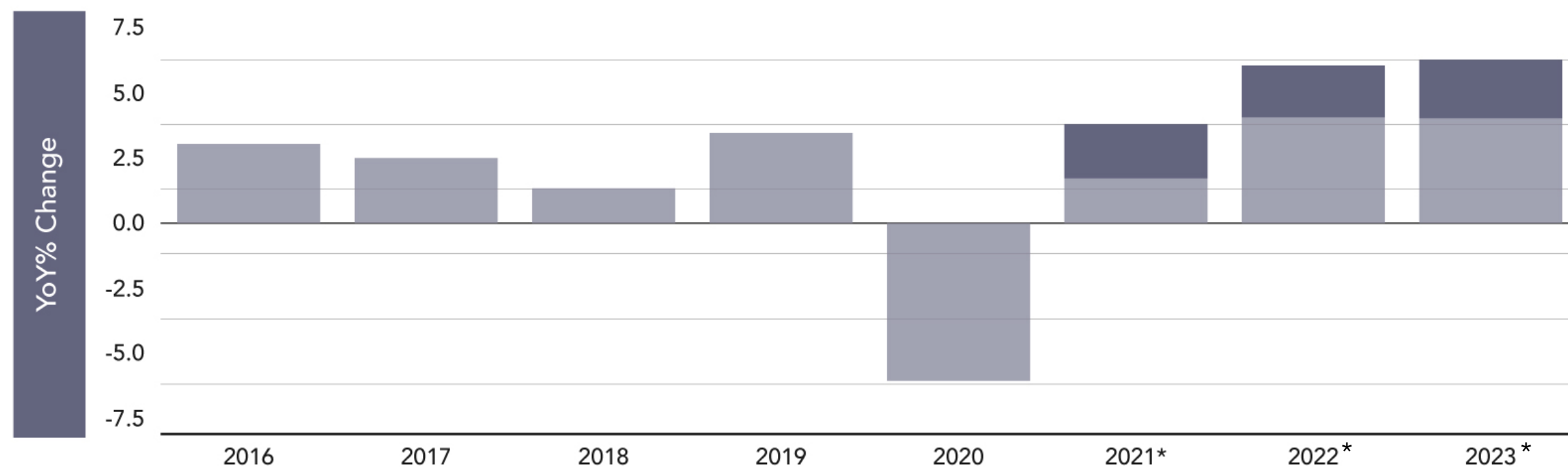
MARKET OVERVIEW

MACROECONOMIC OVERVIEW

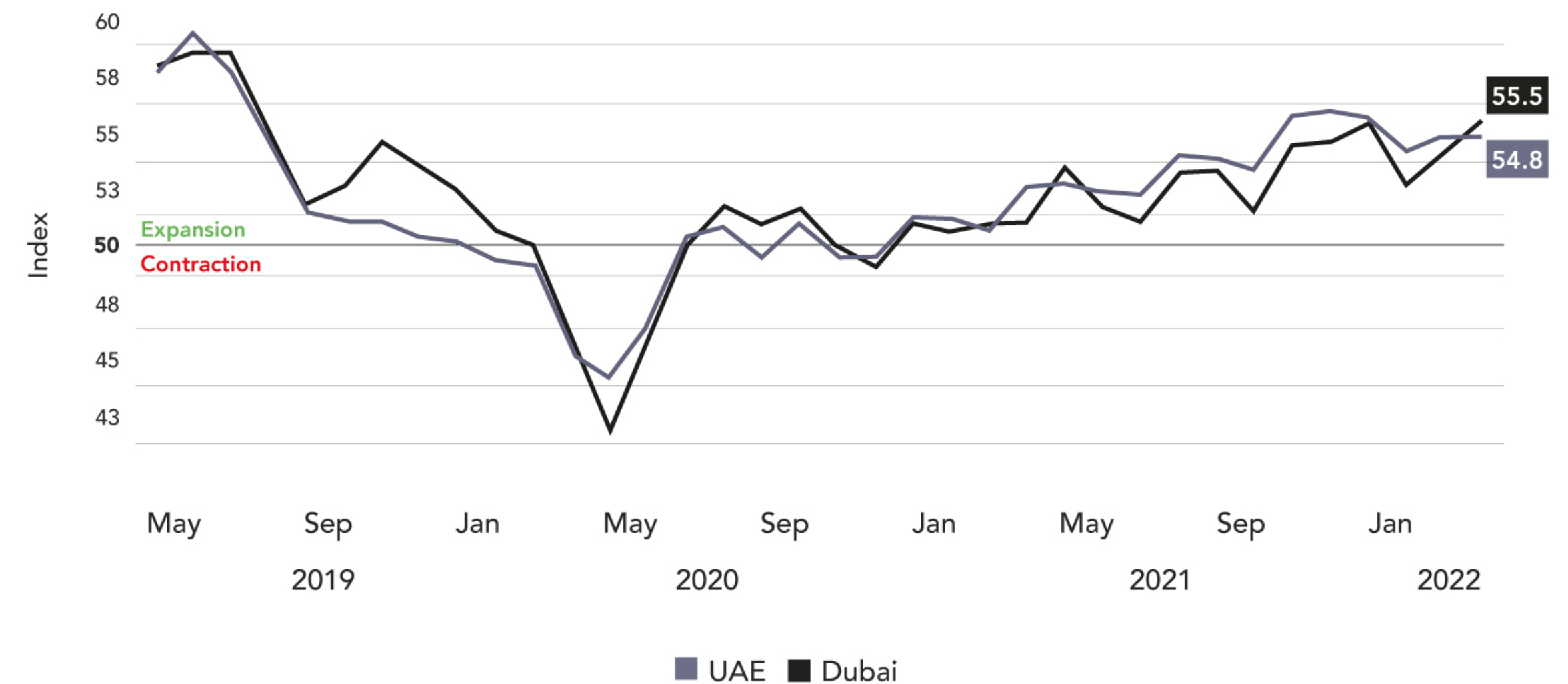
- UAE's real GDP soared 3.8% in 2021, claiming the highest GDP growth rate in the region whilst exceeding expectations of international institutions, which predicted the country's GDP to rise by a modest 2.1%.
- The UAE's GDP is forecast to grow between 4.2% and 5.6% in 2022, and continue its strong momentum afterwards, driven by a booming oil sector, while a recovering non-oil sector should add further impetus thanks to the Government's reform agenda.

- Dubai's Purchasing Managers' Index (PMI) recorded a reading of 55.5 in March 2022, its highest recording in 33 months. The reading has been underpinned by growth in Dubai's travel and tourism, construction and retail and wholesale sectors.
- Looking ahead, there are potential headwinds which could pose a challenge to the current rate of economic growth in the UAE, such as interest rate hikes and a higher rate of inflation.

UAE GROSS DOMESTIC PRODUCT PERFORMANCE



UAE PURCHASING MANAGERS INDICES



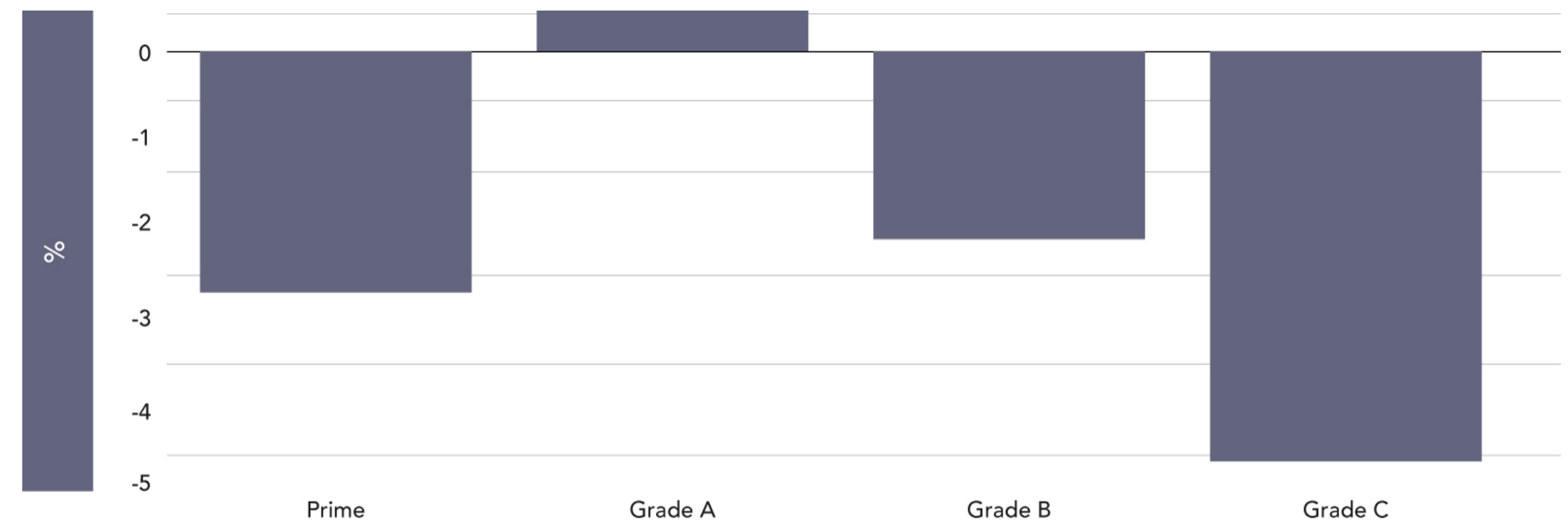
* Forecast

Source: CBRE, UAE Real Estate Market Review - Q1 2022

International Monetary Fund <https://www.imf.org/en/Countries/ARE>, Fitch Solutions - February 24, 2022, Focus Economics - United Arab Emirates Economic Outlook May 10, 2022

- Dubai saw the delivery of nearly 6,500 sq. m of office space in 1Q 2022, increasing the city's total stock to nearly 9.1 million sq.m.
- JLL market research forecasts 90,000 sq.m. of GLA to be delivered in 2022, an increase of 30,000 sq.m. from their previous forecasts.
- The average occupancy rate increased in 1Q 2022 to 79.8%, up from 76.9% a year earlier.
- In the year to 1Q 2022, average y-o-y rents continued to decrease in the Prime, Grade B and Grade C segments of the market by 2.7%, 2.1% and 4.7%, respectively, whereas in the Grade A segment of the market, rents increased by 0.7%. However, in the quarter to 1Q 2022, average market rents were either stable or increased in all segments of the market, with Prime, Grade A, Grade B and Grade C rents changing by 2.9%, 0.0%, 0.1% and 1.3%, respectively.
- Going forward, due to limited availability in the Prime and Grade A segments of the market, analysts forecast that market performance in these segments will continue to improve. In the Grade B and Grade C segments of the market, analysts expect the market performance to remain subdued.

DUBAI OFFICE RENTS, 1Q 2022 Y-O-Y % CHANGE



DUBAI OFFICE MARKET: TOTAL STOCK & EXPECTED DELIVERIES



Source: CBRE, UAE Real Estate Market Review - Q1 2022 / JLL, The UAE Real Estate Market- Q1 2022

- Around 186,000 sq.m. of retail GLA was delivered in Dubai during 1Q 2022, bringing the total stock to 4.6 million sq.m.
- Retail rents remain on a downward trajectory, however there are signs of stabilisation in certain locations. In 1Q 2022, average rents for primary and secondary malls in Dubai declined by 5% year-on-year.
- Certain retailers, particularly in the F&B segment, have been reporting healthy revenues, which have exceeded pre-pandemic levels. The easing of restrictions and continuous recovery in tourism provides some relief for the Dubai's retail sector.

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



Source: JLL, The UAE Real Estate Market- Q1 2022



OPERATIONAL HIGHLIGHTS

- Occupancy across the portfolio increased by 9.6 p.p. during 1Q 2022 to 81.4%.
- Rental rates across the office portfolio increased by 3% to AED 1,588 per sq.m.
- Rental rates across the education portfolio increased by 1.5% to AED 1,019 per sq.m.
- WALE increased by 22% to 9.7 years ⁽¹⁾.
- Leasing activity during 1Q 2022:
 - 50 renewals (8,144 sq.m.)
 - 23 new leases (6,895 sq.m.)
(Inc. School in DIP: 24 new leases (24,050 sq.m.)
 - 26 exits (5,077 sq.m.)

- Index Tower experienced a strong occupancy increase of 9.3 p.p. during 1Q 2022 to 71.5% with a rental rate increase of 0.7%.
- School in DIP leased to Durham School Dubai in March 2022.
- Occupancy at properties in Media City / Internet City increased by 0.6 p.p. during 1Q 2022 at 60.8% with stable rates.
- Encouraging level of inquiries at Office Park during 1Q 2022.

⁽¹⁾ Disregarding the impact of the new LFJM lease and the correlated termination of the previous lease, WALE increase would be 15%.

INDEX TOWER

- Occupancy: 79.5%, a strong growth in occupancy of +13.1 p.p. during 1Q 2022.
- Demand driven by larger shell and core space (85% of the signed leases).
- Continued level of inquiries for premium fully fitted and furnished offices.

OFFICE PARK

- Occupancy: 72.9%, increased by +0.6 p.p. during 1Q 2022.
- Demand for smaller offices and retail. Strong level of inquiries for larger offices during 1Q 2022.
- Recently refurbished (2021) and well positioned to compete.

LOFT OFFICES

- Occupancy: 39.4%, increased by +1.1 p.p. during 1Q 2022.
- Cluster with small SMEs has been impacted by Covid-19 disruption. Stabilized since March 2021.
- Activity is currently concentrated in Loft Offices 1 & 2. Loft Offices 3 remains vacant for re-purposing project to meet the demand for larger offices.

EUROPEAN BUSINESS CENTRE

- Occupancy: 69.2%, decreased by 6.3 p.p. during 1Q 2022.
- Two large leases expired during the period.
- Premium building with high visibility and direct access to the metro station.
- Access, landscape and waterproofing works have commenced. Refurbishment is planned for 2022.

BUILDING 24

- Occupancy: 45.7%, decreased by 0.4 p.p. during 1Q 2022.
- Excellent Location, part of phase one of Dubai Internet City.
- Occupancy impacted by new competition and refurbished properties within the Freezone.
- Discussions on-going with TECOM in relation to the REIT Manager taking an active role in leasing and managing the property.

INDIGO 7

- Occupancy stands at 100% as at March 31, 2022.

RETAIL PORTFOLIO

INDEX MALL

- Occupancy: 25.6%, a decrease of 12.7 p.p. during 1Q 2022 with the early termination of 4 units (supermarket and a ladies salon).
- Retail remains challenging and is still recovering from Covid-19 induced market headwinds.
- Encouraging level of inquiries during 1Q 2022.

TRIDENT MALL

- Occupancy levels stable at 71.5% as at March 31, 2022.
- Retail tenants are still recovering from the Covid-19 market impact.
- Optimisation of operational costs and improvement of service charge recovery.



EDUCATION PORTFOLIO

LYCEE FRANCAIS JEAN MERMOZ

- Progressing with works for phase three during 1Q 2022.
- Enrollment of new students is positive for September 2022.

DURHAM SCHOOL DUBAI

- School in DIP leased to Durham School Dubai in March 2022.
- Engaged for the completion and servicing of phase two and construction of the service road.
- School due to open in September 2022.

JEBEL ALI SCHOOL

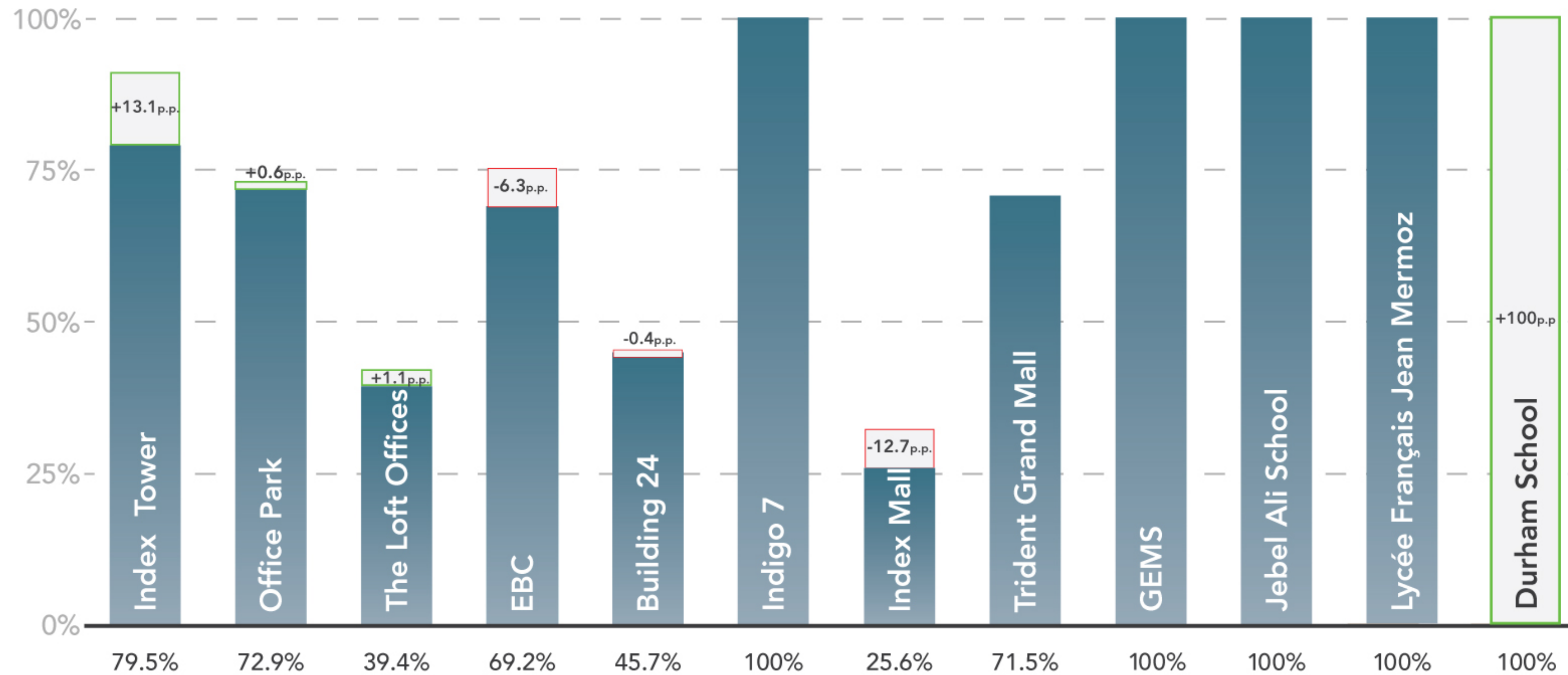
- In discussions with the school operator and pursuing discussions in relation to the possible sale of the school.

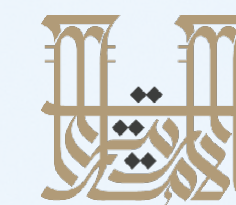
GEMS WORLD ACADEMY

- GEMS completed a refurbishment plan, which commenced during 4Q 2020 with an upgrade to the décor and the facilities.



Q-Q OCCUPANCY CHANGE





FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN USD '000	FOR THE QUARTER ENDED		CHANGE Q-O-Q
	31 MAR 22	31 DEC 2021	
TOTAL PROPERTY INCOME	17,177	16,395	+4.8%
PROPERTY OPERATING EXPENSES	(3,077)	(2,885)	+6.7%
NET PROPERTY INCOME	14,100	13,510	+4.4%
FUND EXPENSES	(3,937)	(3,650)	+7.9%
ALLOWANCE FOR EXPECTED CREDIT LOSS	(346)	(1,265)	(72.6%)
TOTAL FUND EXPENSES	(4,283)	(4,915)	(12.9%)
OPERATING PROFIT	9,817	8,595	+14.2%
FINANCE COST	(6,909)	(7,124)	(3.0%)
PROFIT BEFORE FAIR VALUATION/FUNDS FROM OPERATIONS (FFO)	2,908	1,471	+97.7%
UNREALIZED GAIN ON REVALUATION	19,850	12,305	+61.3%
NET PROFIT / (LOSS) FOR THE PERIOD	22,758	13,776	+65.2%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	23,680	14,207	+66.7%
FFO PER SHARE	0.010	0.005	+97.7%
EPS PER SHARE	0.075	0.045	+65.2%

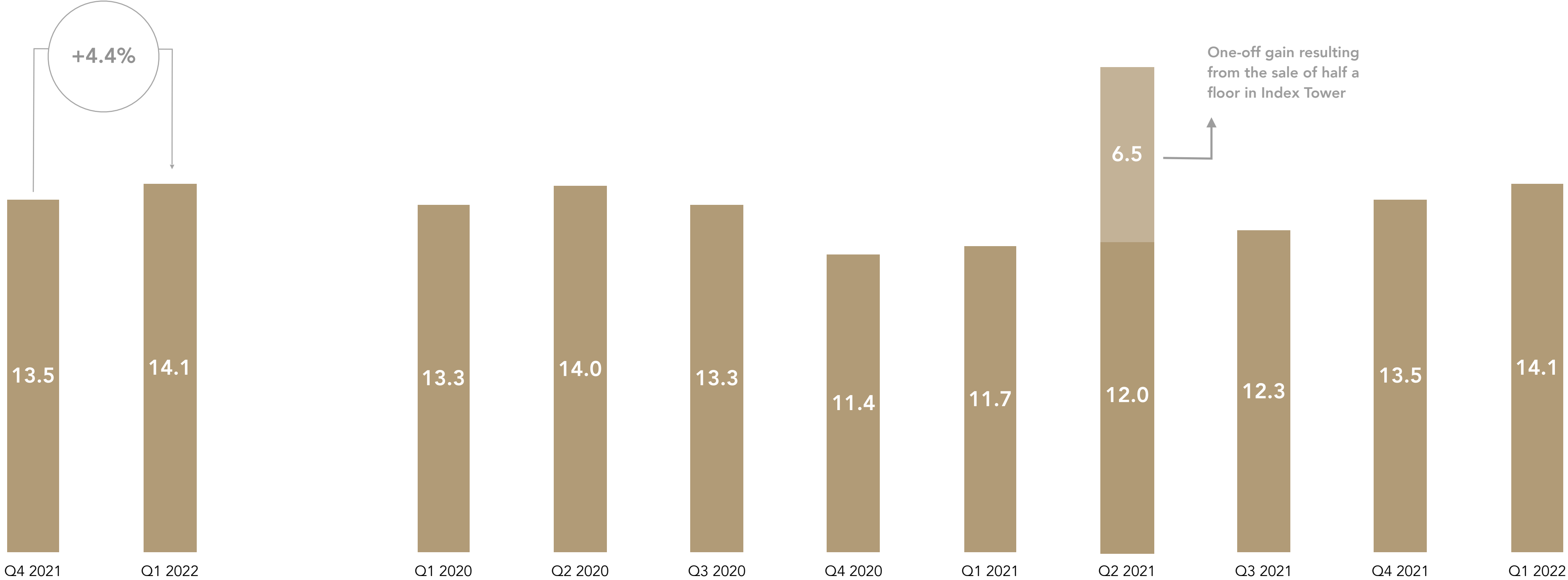
- As a result of improved occupancy & focus on core income growth, Total Property Income grew by 4.8% during 1Q 2022 to close at USD 17.2m (4Q 2021: USD 16.4m).
- Despite increased property expenses driven by occupancy rise, the Net Property Income recorded a 4.4% growth q-o-q and closed at USD 14.1m (4Q 2021: USD 13.5m).
- Driven by lower ECL provisions, the overall fund expenses recorded a decline of 12.9% q-o-q, resulting in an increase of USD 1.2m in Operating Profit, which amounted to USD 9.8m, a 14.2% q-o-q growth (4Q 2021: USD 8.6m).
- Lower finance costs resulted in a 1Q 2022 FFO of USD 2.9m (4Q 2021: USD 1.5m) registering a 98% q-o-q growth.
- Unrealized gain on portfolio revaluation for 1Q 2022 amounted to USD 19.9m, adding to the FFO of USD 2.9m the Net Profit for 1Q 2022 amounted to USD 22.8m (4Q 2021: USD 13.8m).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN USD '000	AS AT 31 MAR 2022	AS AT 31 DEC 2021	CHANGE Q-O-Q
INVESTMENT PROPERTY	758,339	737,132	+2.9%
CASH AND CASH EQUIVALENT	15,193	10,986	+38.3%
TOTAL ASSETS	882,663	853,834	+3.4%
TOTAL LIABILITIES	569,196	564,047	+0.9%
ISLAMIC FINANCING	476,438	480,819	(0.9%)
NET ASSET VALUE	313,467	289,787	+8.2%
NO OF SHARES	304,451,393	304,451,393	-
NAV PER SHARE (USD)	1.03	0.95	+8.2%
LTV (%)	54.0%	56.3%	(2.3 p.p.)

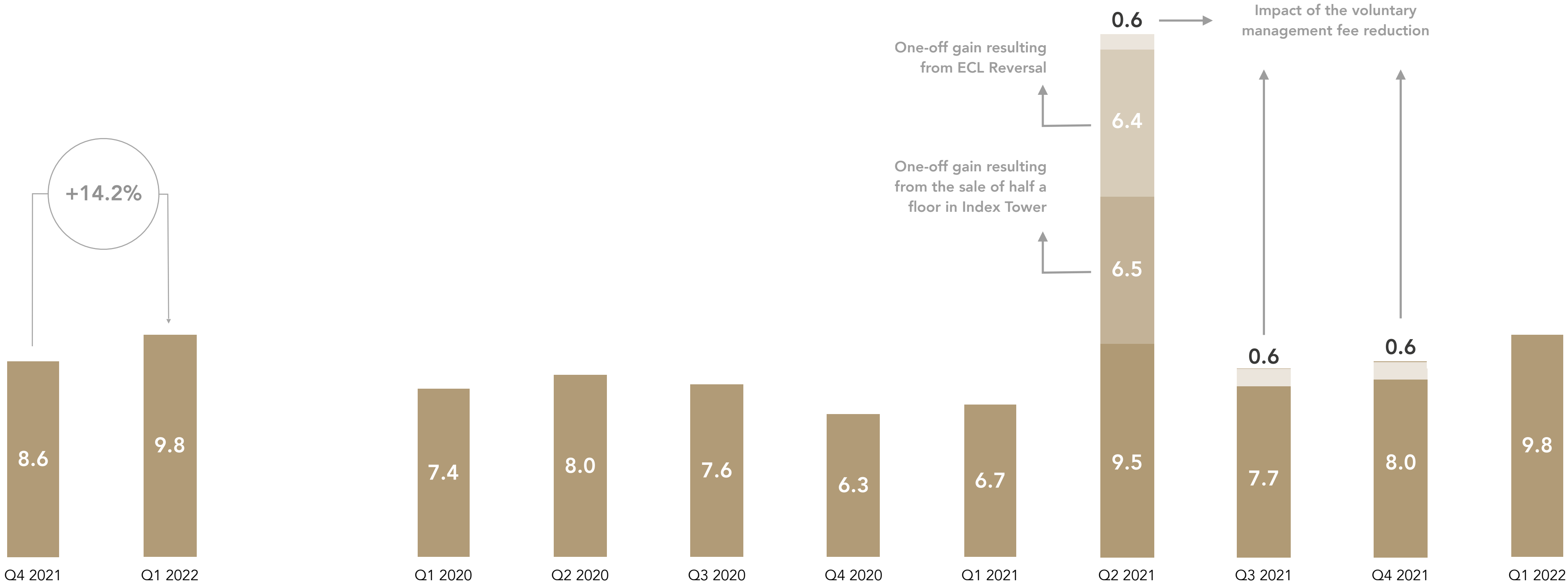
- Driven by continued improved valuations the Investment property recorded an increase of 2.9% q-o-q.
- Islamic Financing reduced due to scheduled amortisation by 0.9% q-o-q.
- NAV per share crossed the par value mark to close at USD 1.03 per share in 1Q 2022 (4Q 2021: USD 0.95 per share).
- Supported by improved profitability, positive impact of portfolio revaluation and reduced borrowings, the LTV ratio further improved to 54.0% as at March 31, 2022, from 56.3% as of December 31, 2021.

NET PROPERTY INCOME



NET PROPERTY INCOME UP Q-O-Q BY +4.4%

OPERATING PROFIT



OPERATING PROFIT UP Q-O-Q BY 14.2%



THANK YOU