

# EMIRATES REIT RESCINDS VOLUNTARY CONSENT SOLICITATION, WILL CONTINUE TO SEEK TO ENHANCE DEBT & EQUITY CAPITAL STRUCTURE

07 June 2021

- Voluntary Consent Solicitation supported by a clear majority of voting Sukuk holders
- Emirates REIT continues to explore options to enhance tradability of the Sukuk and equity
- Emirates REIT confirms it will pay upcoming Sukuk profit distribution in June, is beginning to see steady improvement in Dubai market

**Dubai, 7 June 2021** – Equitativa (Dubai) Limited (“Equitativa”), manager of Emirates REIT (CEIC) PLC (“Emirates REIT” or the “REIT” or “Company”), said that as of Sunday, June 6, 2021, a clear majority of voting Sukuk holders (57%) had voted in favour of its Consent Solicitation Memorandum (CSM), but support remained short of the special majority threshold of 75% needed for the exchange offer to proceed. Overall, 79% of all Sukuk holders voted in the CSM process. Emirates REIT has therefore decided to rescind the voluntary offer and will continue to work on enhancing the capital structure for the benefit of all equity and debt holders within the REIT, as well as looking to achieve greater alignment of intrinsic and market value of the Company’s traded securities.

The CSM was a voluntary transaction proposed by Emirates REIT designed to enhance the tradability of the Sukuk by providing Sukuk holders with the opportunity to exchange an unsecured Sukuk for a new secured Sukuk on a dollar-for-dollar basis. The Company provided all available security to Sukuk holders as part of the proposed exchange but the Sukuk will now remain unsecured. The Company had also proposed to maintain the existing 5.125% profit rate for the new secured Sukuk and consenting Sukuk holders were offered up to a 1.0% consent fee.

Reflecting the overall positive market sentiment towards the voluntary offer, the value of Emirates REIT’s Sukuk due in December 2022 rallied 8 basis points, or 12% (as at 6 June 2021), since the revised Sukuk terms were initially proposed.

**Arun Reddy, Managing Director at investment bank Houlihan Lokey, an advisor to Emirates REIT said:** “I believe the Company proactively and voluntarily put forward a straightforward transaction which was fairly and explicitly designed to enhance the tradability of the Sukuk. The fact that the Sukuk rallied 12% over the offer period and that a clear majority of Sukuk holders voted in favour, is a sign of the appealing nature of the transaction. We will continue to reflect on feedback from the market and work with the Company with the aim of addressing the structural issues we observe in the Sukuk and equity instruments within the capital structure” Emirates REIT reiterated that contrary to recent market speculation, there has been no event of default or any dissolution event with its debt. The Company also confirmed that it will pay its upcoming Sukuk profit distribution in June.

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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.