

# FITCH REPORT CONFIRMS LIQUIDITY POSITION OF THE REIT

24 May 2021

## KEY FITCH REPORT HIGHLIGHTS

- Fitch says Emirates REIT has sufficient liquidity to meet the existing June 2021 sukuk distribution.
- New sukuk will be re-rated post a successful transaction.

Dubai – 24 May 2021 – Equitativa (Dubai) Limited (“Equitativa”), manager of Emirates REIT (CEIC) PLC (“Emirates REIT” or the “REIT”) today issued a response, through its advisors, Houlihan Lokey, to a 24 May Fitch Ratings report.

Arun Reddy, Managing Director of Houlihan Lokey, said:

*“The Fitch Ratings’ report confirms that Emirates REIT maintains sufficient liquidity to meet its June 2021 Sukuk distribution. The transaction is designed to support the REIT’s Sukuk holders and is voluntary.”*

*“The company is being proactive to address the structural issues facing sukuk holders, voluntarily issuing the Consent Solicitation Process, so Sukuk holders can benefit from better tradability and security that they do not have today. The proposed transaction provides a dollar-for-dollar exchange of unsecured Sukuk to a secured Sukuk with the intention of maintaining an effective profit rate of 5.125%, while extending the maturity by two years.”*

Houlihan Lokey also believes the secured nature of the new sukuk should create more secondary interest compared to the existing unsecured Sukuk.

Emirates REIT said:

*“No haircut or discount to the profit rate has been sought from our valued Sukuk holders. The response so far is positive, and we have had good discussions with key institutional Sukuk holders on the transaction and believe they will vote in support of the offer. Once we address the Sukuk we plan to turn our attention to the strategic options available to de-list the Emirates REIT from Nasdaq Dubai, and possibly re-list. Both the Sukuk transaction and possible shareholder transaction are being pursued to unlock more value for our stakeholders and address the issues that are creating less liquidity for both our Sukuk holders and shareholders.”*

Fitch has indicated the current downgraded rating to C is a temporary change that is standard regulatory procedure for such announcements and has confirmed it will re-rate the new secured Emirates REIT Sukuk following a successful transaction, based on business prospects and the new capital structure. The company believes that the new secured Sukuks will likely attract an improved rating benefiting from security which it did not previously have while maintaining the same profit rate.

Sukuk holders are invited to submit their elections by 4pm BST on Wednesday 26th May 2021 to benefit from the 1% early Documentation Review Fee.

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