



H 1 2021 R E P O R T

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AT A GLANCE

Chairman's Message

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CHAIRMAN'S MESSAGE



Abdulla Al Hamli — Chairman

Dear Shareholders,
It is my pleasure to present
Emirates REIT's 2021 Half-Year report.

After a challenging 2020, the UAE's economy has initiated a steady recovery. The successful vaccination programs and numerous Dubai and Federal government initiatives to support the economy have significantly contributed to improving the market conditions and business sentiment. The real estate market is still experiencing pressure on rental rates, and some corporates are still adjusting to remote working and reducing their space, however, Dubai is still the preferred and most mature regional hub for

multinational tenants and we see a number of new tech-clients entering the market, especially in the FinTech industry.

We also see a growing trend of flight-to-quality where tenants take opportunity of the historically low rates market to move to better offices. We note that towards the end of the semester, some large tenants have canceled their space reduction and re-increased their space, back to their pre-pandemic size.

Overall those trends have contributed to a significant improvement in the financial performance of the REIT, with Net Asset Value increasing by 23% compared to last December.

KEY HIGHLIGHTS

- Total Property Income increased by 8.1% YoY from USD 34.0m (AED 124.9m) to USD 36.8m (AED 135.2m) for the 6 months ended June 30, 2021 incl. gain on sale of investment property of USD 6.5m (AED 23.9m).
- Total Property Expenses declined by 2.7% YoY from USD 6.7m (AED 24.6m) to USD 6.5m (AED 23.9m)
- EBITDA for 1HY 2021 posted a YoY increase of 93.2% to close at USD 29.7m (AED 109.1m) from USD 15.4m (AED 56.6m) as of 1HY 2020
- NAV per share increased by 23% over FY2020 levels - up from USD 0.74 to USD 0.91 per share in 1HY 2021.
- Weighted Average Unexpired Lease Term increased by + 8.9% YoY. from 8.3 years to 9 years
- LTV stands at 57.5% as at 30 June 2021, down from 61.7% as a 31 December 2020

OPERATIONAL UPDATES

In response to the ongoing economic impact of the pandemic on the market conditions, the REIT Manager continues to focus on operational efficiency, asset enhancement and tenant retention. Furthermore, several new leases have been secured during H1 2021, notably in Index Tower, the largest asset in our portfolio. The Portfolio's occupancy remained stable at 70% (YoY -1.3% and YTD +1%), whilst the average passing rate increased by 5%.

Some very positive milestones were achieved this year in Index Tower including a significant increase in occupancy and the sale of a shell and core space at a significant valuation gain.

An agreement with Jebel Ali School was also signed, resulting in an AED 21M payment towards its outstanding rent. We will be working closely with the school to find a permanent solution on the outstanding and future rent.

At a portfolio level, active asset management has enabled the REIT to maintain its occupancy rates, increase rental rates and the WAULT when compared the same period last year and the Manager continues to take active measures to ensure the REIT capitalizes on a more dynamic and upward trending market.

FINANCIAL UPDATE

In May, the REIT launched a voluntary consent solicitation in relation to the Emirates REIT Sukuk. Although the solicitation was supported by a clear majority of sukuk holders, it remained short of the special majority threshold needed. Emirates REIT therefore rescind the voluntary proposal.

The REIT issued the final dividend payment for the FY2020 by way of allotment and distribution of newly issued ordinary shares.

The REIT Manager stays fully committed to enhancing operational efficiency to reach optimal occupancy and rates, maximizing rental income and securing maximum returns for the investors.

I would like to thank again our Board members and all REIT Manager's team for their proactive and hands-on management of the pandemic over the last 18 months and congratulate them for the significant recovery of the REIT NAV in H1. I believe this is a testimonial to both their hard work and to the improving attractiveness of Dubai and to the quality of the REIT's portfolio.

Abdulla Al Hamli
Chairman

H1 2021 IN BRIEF

PORTFOLIO VALUE

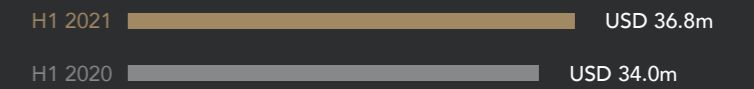
USD **725m**
AED 2.7bn

NET ASSET VALUE

USD **277m**
AED 1.0bn

TOTAL PROPERTY INCOME

+8.1%



NET LEASABLE AREA

2.4m SQ. FT.
218,924 sq m

WEIGHTED AVERAGE LEASE EXPIRY

9.2 YEARS

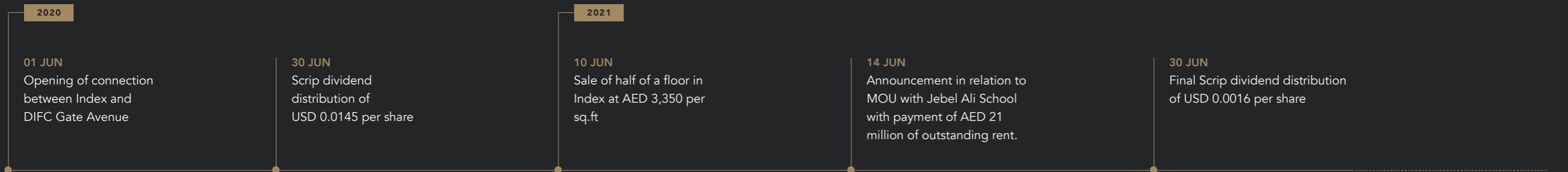
NET PROPERTY INCOME

+10.8%



EBITDA

+93.2%

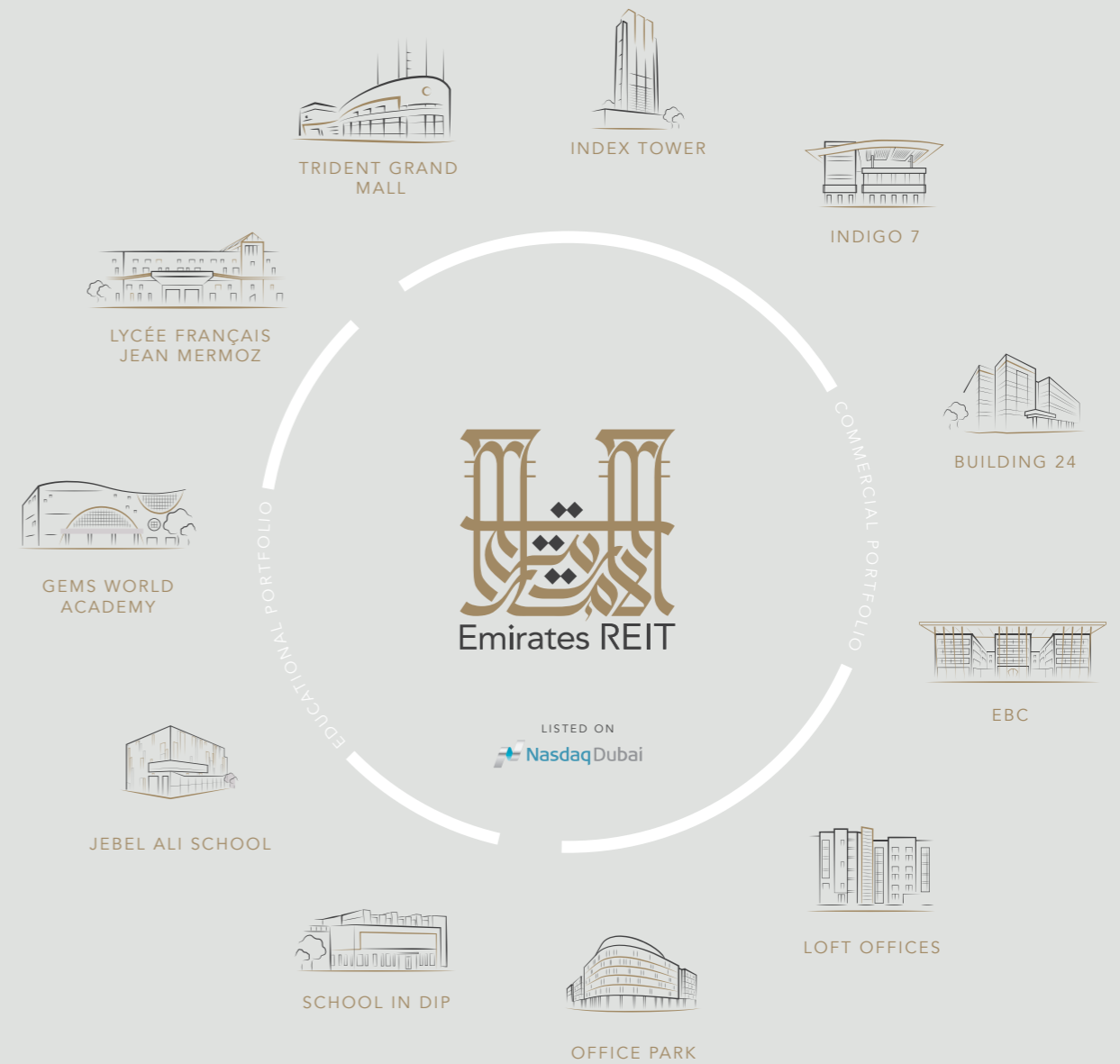


Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

REIT IN BRIEF

- First Listed Shari'a compliant REIT in the UAE
- Focus on income-producing assets with attractive investment fundamentals
- A good degree of visibility on existing income and contracted rental organic growth opportunities within current portfolio
- Experienced REIT Manager with detailed knowledge of the UAE real estate sector
- Active asset management and enhancement of the income profile of the properties
- Regulated REIT Manager with established corporate governance framework
- Regulatory highlights: minimum of 80% of the net income distributed, gearing limit of 65% of Gross Asset Value, development activities limited to 30% of portfolio

EMIRATES REIT PORTFOLIO

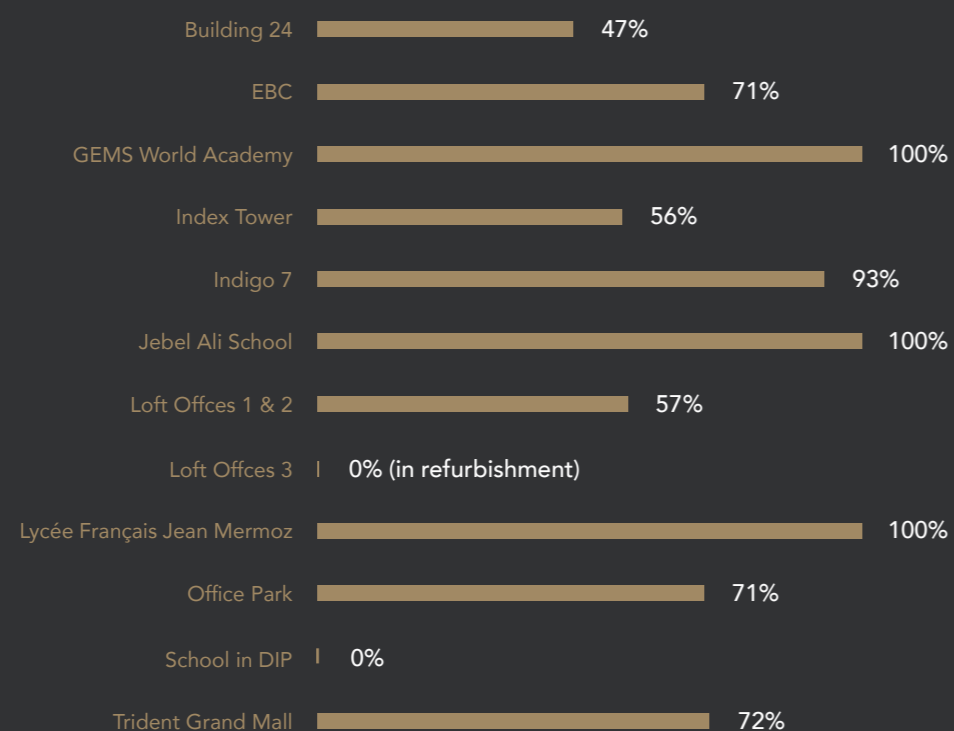


PORTFOLIO OCCUPANCY

TOTAL OCCUPANCY

72%*

* excluding Loft Offices 3 (in refurbishment)
all inclusive portfolio occupancy 70%



INCOME AND EARNINGS

USD '000	AS AT 30 JUNE 2021	AS AT 30 JUNE 2020	VARIANCE	% VARIANCE
Total property income	36,764	34,003	2,761	+8.1%
Net property income	30,264	27,323	2,941	+10.8%
Operating profit	29,722	15,381	14,341	+93.2%
Net finance cost ¹	(14,076)	(14,496)	420	(2.9%)
Revaluation Gain / (Loss) ¹	35,207	(70,930)	106,137	+1.5x
Net profit	50,853	(70,045)	120,898	+1.7x
EPS (USD)	0.170	0.240	(0.070)	+1.7x

¹ Including impact of IFRS 16.

STATEMENT OF FINANCIAL POSITION

USD '000	AS AT 30 JUNE 2021	AS AT 30 JUNE 2020	VARIANCE	% VARIANCE
Investment property	724,587	857,966	(133,379)	(15.5%)
Total assets	854,947	984,362	(129,415)	(13.1%)
Equity	276,937	397,924	(120,987)	(30.4%)
Liabilities	578,010	586,438	(8,428)	(1.4%)
NAV per share (USD)	0.91	1.31	(0.40)	(30.5%)
LTV	57.5%	50.9%	6.6%	+6.6%
Net cash from operating activities	21,726	12,563	9,163	+72.9%

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.



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PORTFOLIO

Economic Activity

Commercial

Index Tower

Office Park

Loft Offices

Building 24

Indigo 7

European Business Centre

Trident Grand Mall

Education

Lycée Français Jean Mermoz

GEMS World Academy

Jebel Ali School

School in DIP

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ECONOMIC ACTIVITY

- The pandemic’s impact was particularly clear given the sharp fall in spending in the latter half of the year. Nonetheless, the market was already in decline. 2021 is expected to be more promising as life gradually returns to normal.
- The UAE’s economy is steadily recovering as successful vaccination programs have improved market conditions and business sentiment. Oxford Economics has adjusted its forecast of non-oil GDP growth to 3.8% for 2021, with an expected 4.1% growth in 2022.
- Dubai’s non-oil foreign trade in Q1 2021 was AED 354.4bn, growing by 10% from AED 323bn in Q1 in 2020, and by 5% compared to Q1 2019.
- To fuel economic activity, Dubai has launched a number of initiatives from 100 percent foreign ownership of companies and support for startups to support the economy.

DUBAI OFFICE MARKET

- Dubai is still the preferred and most mature regional hub for multinational tenants.
- Relocation continues to be the primary driver of demand. Occupiers are looking to upgrade from lower-quality buildings to Grade A developments.
- Demand for Grade A space has remained strong in recent months, unlike the same period in 2020
- Flexibility on lease terms is crucial in order to retain tenants and secure new occupiers
- A continued flight to quality as tenants take advantage of weaker market conditions is still a major market driver.

CURRENT TRENDS SEEN IN THE DUBAI OFFICE MARKET

- Rates under pressure
- New tech clients
- Reduction of space for large corporates due to remote working
- Flight-to-quality

How are key real estate sectors expected to fare in 2021?

Occupiers expected to take advantage of subdued market conditions and continue flight to quality.

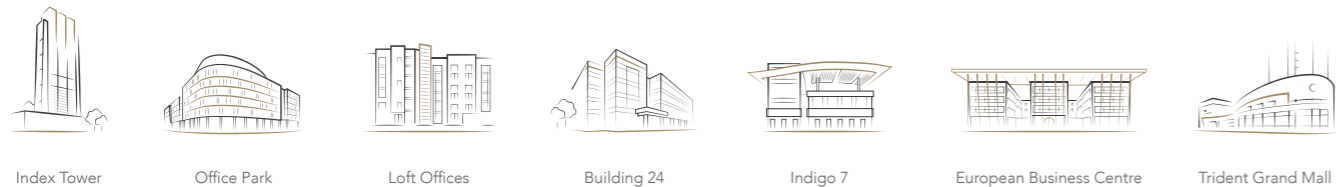
Dubai Supply, Expected Deliveries & Rental Rates - Q2 2021



No new supply of office space was delivered into the market in Dubai in Q2 2021. However a total of 70,000 sqm of GLA is expected to be delivered in the second half of the year.

Average Grade A CBD rents dropped by 1% YoY. Emirates REIT’s largest asset Index Tower fared well in comparison and maintained it’s rental rates, despite experiencing a YoY occupancy increase from 47% - 56% (+9%).

COMMERCIAL



VALUATION

73%

SHARE OF PORTFOLIO

NLA

58%

SHARE OF PORTFOLIO

INCOME

64%

SHARE OF PORTFOLIO

Emirates REIT's commercial portfolio comprises of 7 office and retail properties located in prominent locations in Dubai's most sought after special economic zones and key gateway locations: Index Tower, Office Park, Loft Offices, Building 24, Indigo 7, European Business Centre and Trident Grand Mall. For further details on each asset, please refer to the pages 20 to 26.

Occupancy across the portfolio is stable at 70% (YoY -1.27% and YTD +1%) with an average passing rate increase of 5% and a strong increase in occupancy at Index Tower (+9 % YoY). This positively contributed to the REIT's Commercial portfolio and compensated for a 12.6% decline in occupancy for the REIT's properties located in Media Internet City & Knowledge Village.

As at 30 June 2021, the value of the commercial portfolio totalled USD 547m .

Index Tower

- Occupancy stands at 56% (+9% YoY) with stable rates
- The WAULT increased from 1.9 years to 2.2 years (+16%) as an impact of longer leases on premium offices
- Successful increase in occupancy from Premium Office Floors and Corporate bespoke solutions at premium rates
- Index 10 largest tenants represent 46% of the building's occupancy

Office Park

- Occupancy stands at 71% (-15.7% YoY) with large corporate tenants reducing office space requirements and the loss of one of Office Park's largest tenants, which relocated to another free zone
- Completed renovation of common areas
- Completed upgrade of access controls

Loft Offices

- Occupancy stands at 58% at Loft Offices 1 and 2 (YoY -8%)
- Repurposing of Loft Offices 3, which is now fully vacant. Currently also being offered to larger tenants looking for a full building option.
- Completed exterior and façade painting works

European Business Centre

- European Business Centre (EBC) occupancy stands at 71% (YoY +1.6%)
- Metro Station opened 1 June 2021 creating a significant improvement in the DIP area
- Reviewing proposed soft refurbishment project to upgrade common areas and assessing the opportunity to re-position retail space

Building 24

- Occupancy decreased to 47% (YoY -6.4%)
- Assessing proposed refurbishment of common areas to improve property standards as part of CAPEX plan

Trident Grand Mall

- Occupancy stands at 72%
- Stable retail tenant base
- Reviewing proposed soft refurbishment as part of CAPEX deployment considerations

Indigo 7

- Occupancy increased to 93% as of H1 2021
- 100% occupied from 1st August 2021
- Successfully replaced the largest tenant which defaulted on the Ground Floor retail units.

RECENT DEVELOPMENTS

- On June 10 2021, Equitativa announced that it sold half of a shell and core office floor in Index Tower for AED 40 million.
- The value of AED 3,350 per sq.ft, represents a valuation gain in excess of c. AED 18 million compared to the latest valuation of the space.





INDEX TOWER



Located in the Dubai International Financial Centre (DIFC) area, Index Tower is a breathtaking and iconic 80-storey building. Built by award-winning architects Foster & Partners, this tower has won accolades including being named “Best Tall Building Middle East & Africa” by the Council on Tall Buildings and Urban Habitat in 2011.

Completed in 2010, the building is a high-end, mixed-use property featuring residential, office and retail components. The REIT freehold interests in Index Tower were acquired in various phases during 2013, 2014 and 2018, now consists of 366,231 sq. ft. of office space, 1,532 car park spaces, and 60,180 sq. ft. of retail space.

Index provides a unique offering with 5 distinct products, with fully fitted and furnished offices, that set a high standard for select tenants and sets them a notch above the rest. Commercial floors at Index also offer options for Core and Shell, Cat A and retail thus offering a strong value proposition in DIFC. The full connection to the Gate Avenue and completion of Index Park are significant improvements to the Property, providing accessibility and creating a vibrant community in the heart of DIFC.

On the 10th of June 2021, half a floor was sold in Index Tower at AED 3,350 per sq.ft. For further details, please refer to “Recent Developments” section.



OFFICE PARK



Office Park was completed in 2008, and Emirates REIT acquired the freehold interest in the property in June 2012.

The building is located in the popular and well established Knowledge Village, the world’s only free zone campus dedicated to human resources management, professional learning excellence. The community provides facilities for corporates and is home to over 400 companies and institutions.

The premises is arranged as five interconnected blocks, in an L-shape, with four levels of parking and large floor spaces from 600 sq. ft. to 60,000 sq. ft., able to accommodate a wide variety of tenant needs. The property enjoys strong occupancy levels and is particularly attractive to international companies. Cerner, Uber and Coca-Cola are amongst the primary tenants of the building.

The Office Park ground floor retail area continues to expand as a vibrant hub for the surrounding community, featuring restaurants, coffee shops, a supermarket and other convenience stores. A soft refurbishment of common areas and upgraded of security systems was completed during H1 2021.



LOFT OFFICES



The Loft Offices is a cluster of three low-rise commercial buildings in Dubai Media City (DMC). DMC was launched in January 2001 to establish Dubai as the region's leading media hub. It encompasses a media community of over 20,000 people working in over 2,000 regional and international media companies that are pushing the limits of creativity every day.

The property is a unique proposition with 131 duplex office spaces, featuring a central courtyard and retail space; thus creating a unique and ideal environment for creative companies and start-ups. Acquired on a freehold ownership title by Emirates REIT in December 2011, the premises is comprised of a total leasable area of 163,869 sq. ft.

Equitativa is actively managing the property to improve operational efficiencies while enhancing marketability and attracting new tenants. The REIT has just recently the renovation of the exterior areas and the re-painting of the external façades with a strong identity for each building enhancing the attractiveness of the Loft Offices community. Lofts 3 was vacated and is in the process of being re-purposed to accommodate larger office tenants.



BUILDING 24



Building 24 is a low-rise building located in a prime area of Dubai Media City (DMC).

DMC was established as a regional hub for media organisations including news agencies, publishing, on-line media, advertising, production, and broadcast facilities. Dubai Media City has become a significant hub for the media industry in the GCC and the Middle East, with more than 2,000 companies.

Building 24 is part of phase 1 of Media City, built in 2005 and acquired by Emirates REIT in 2011 offering 57,334 sq. ft. leasable area, over three floors, with turn-key offices in flexible sizes, as well as retail facilities.

Occupancy at Building 24 has been impacted by new office supply in Dubai Media City. The REIT Manager is in discussions with Tecom in relation to the PMLA and management of the property including reviewing options for soft refurbishment of common areas to enhance the property competitiveness.



INDIGO 7



Indigo 7 is a mixed-use retail strip mall and office building, located on the highly desirable Sheikh Zayed Road, in the Al Manara district of Dubai.

The leasehold asset is a low-rise building constructed in 2009 and acquired by Emirates REIT in September 2011. The property enjoys excellent visibility and features 20,476 sq. ft. of prime retail and office space.

In addition to the visibility, the proximity to the Al Manara residential district makes the property a desirable destination for retail, commercial and F&B alike. Occupancy at Indigo 7 is 100% again at the time of publishing this report (93% at 30 June 2021) after the successful replacement of its largest tenant occupying the GF retail units.



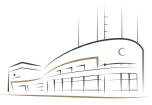
EUROPEAN BUSINESS CENTRE



Emirates REIT acquired the leasehold interest in the European Business Centre (EBC) in Dubai Investments Park (DIP) in August 2017.

EBC is the ideal location for companies willing to set up their operations in a prominent business community. The property is a modern mixed-use office and retail development arranged over four levels – comprised of 198,472 sq. ft. of office space and 75,689 sq. ft. of prime retail space. The premises accommodates turn-key offices in flexible sizes, as well as in-house retail facilities, serviced offices that offer meeting and conference rooms, logistical facilities, basement parking, and 'green building' amenities. This is a prime commercial asset in a secure and upcoming location.

The building directly benefits from the improvements in the area, especially following the completion of the adjacent metro station which commenced operations in June 2021. During H1 2021 the REIT Manager started the process of re-tendering the Property Management and evaluating options for the soft refurbishment of common areas and exterior hard-scape.



TRIDENT GRAND MALL



Trident Grand Mall is a two-floor retail component of Trident Grand Residence in Dubai Marina's popular Jumeirah Beach Residence mixed-use residential and retail development.

Jumeirah Beach Residence (also known as JBR) is a destination in its own merits, built on 1.7 kilometres long waterfront featuring world-class hotels, residences and commercial developments.

The asset was acquired in May 2014 on a freehold ownership title. The mall features 22 retail units over two floors and 164 basement parking spaces.

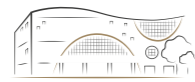
A soft refurbishment of common areas on the ground floor is under review as part of the REIT's CAPEX plan.



EDUCATION



Lycée Français Jean Mermoz



GEMS World



Jebel Ali School



School in DIP

VALUATION

27%

SHARE OF PORTFOLIO

NLA

42%

SHARE OF PORTFOLIO

INCOME

36%

SHARE OF PORTFOLIO

Emirates REIT education portfolio comprises of 4 school complexes. As of 30 June 2021, the market value of the education portfolio totalled USD 178m. All contracts are triple net leases with school operators having full control of the premises, and responsibility for the maintenance and insurance of the buildings. The school in DIP remains vacant. Discussions are in progress with various operators interested in leasing the school.

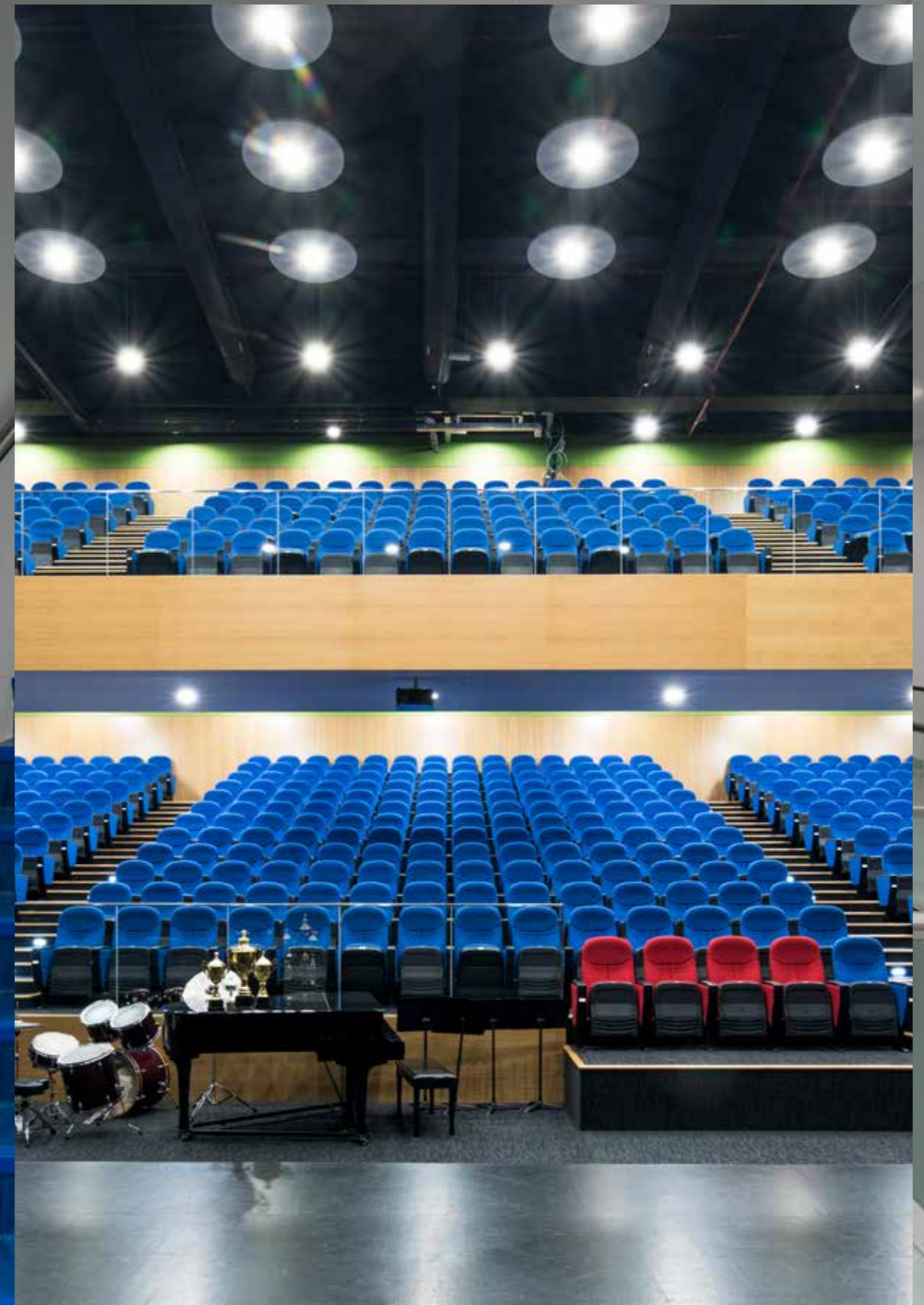
The Lycée Français Jean Mermoz extension is now operational and accommodating secondary students and conveniently providing additional capacity to accommodate for the COVID-19 restrictions thus allowing all students back to school.

The REIT has reached an agreement with Jebel Ali School paving the way towards resolving a long-standing dispute regarding the payment of rent.

The REIT has received a partial payment of outstanding dues and agreed to work with the school and an external advisor to find a permanent solution for the payment of the outstanding and future rent by Jebel Ali School.

RECENT DEVELOPMENTS

- On June 14 2021, Equitativa announced that it had reached an initial agreement with Jebel Ali School in relation to the dispute on the outstanding payment of rent.
- Under the terms of the agreement Jebel Ali School has paid Emirates REIT AED 21 million (out of a total c. AED 70 million in arrears) towards its outstanding dues as a first step.
- The parties agreed to work together along with an external advisor to find a permanent solution for the payment of the outstanding and future rent by Jebel Ali School.





LYCÉE FRANÇAIS JEAN MERMOZ

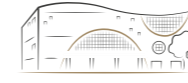


Emirates REIT acquired Lycée Français Jean Mermoz (LFJM) in May 2018 on a sale and leaseback basis.

The campus is conveniently located in the centre of Dubai's Al Quoz district, with easy access to Business Bay, Jumeirah and Al Barsha neighbourhoods. The school opened in September 2017 and currently provides French curriculum education.

The property development includes a built-to-suit component to the operator's specifications, which is programmed and aligned with the ramp-up of the school.

The Lycée Français Jean Mermoz phase 2 opened as scheduled to welcome secondary students in September 2020 and the additional capacity conveniently provides additional capacity to accommodate for the social distancing measures required with COVID-19 restrictions creating a real hedge for the school and allowing to welcome all pupils back to school on a permanent basis (unlike other schools that are facing rotation requirements).



GEMS WORLD ACADEMY



GEMS World Academy, Dubai, is an education complex located on Al Khail Road, in Al Barsha South, an upcoming and developing residential district.

Founded in 2007, GEMS World Academy is an international private school, offering education to students ranging from KG1 to Grade 12.

The school is managed and operated by the reputable GEMS Education, one of the largest operator of kindergarten to Grade 12 schools in the world, with a network of over 70 schools in over a dozen countries.

Emirates REIT acquired the property in October 2013 with the benefit of a long leasehold title.



JEBEL ALI SCHOOL



The Jebel Ali School is a build-to-suit development for, and on behalf, of Jebel Ali School – a British curriculum school, educating children in Dubai since 1977 and providing independent, high-quality not-for-profit education in the UAE.

The campus consists of state of the art facilities, including an auditorium, indoor sports centre, a 25m pool, science & technology laboratories, a lecture theatre, art, drama & music facilities and numerous sports fields.

The campus was built on a 358,454 sq. ft. plot in the Akoya Development of Dubailand in August 2015. At its full capacity, the school is set to accommodate 1,800 students.

As a recent development an MOU with Jebel Ali School with payment of AED 20 million of outstanding rent has been signed.

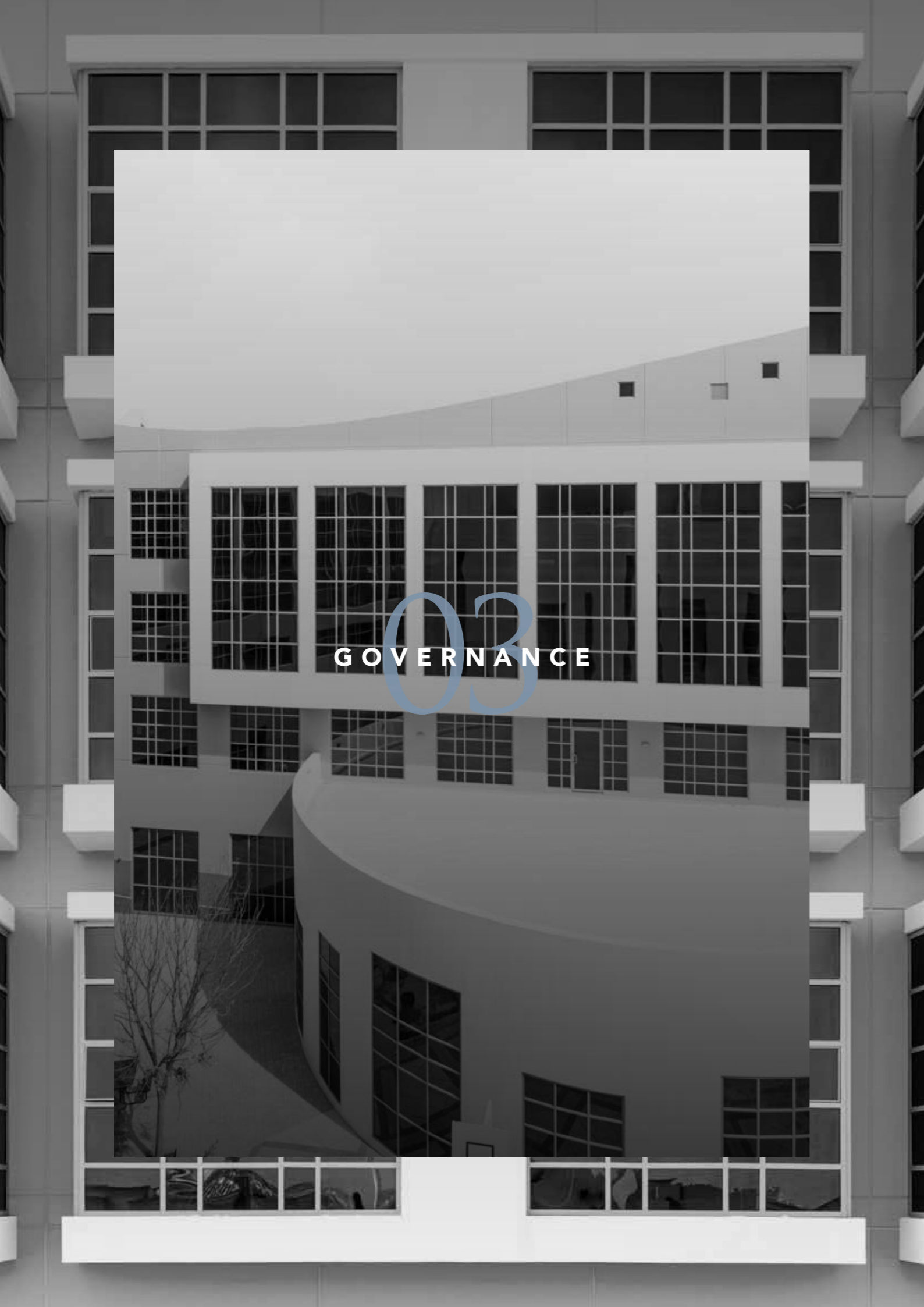


SCHOOL IN DIP



Emirates REIT further expanded its investments in the education sector in 2016 by acquiring a leasehold interest in a 269,098 sq. ft. plot in Dubai Investments Park and developed a new school, built to the requirements of international operators and a capacity for up to 1,500 students.

The school is conveniently located in Dubai Investments Park (DIP). DIP is a 32 million sq. m development with industrial, commercial, residential and educational zones. DIP is designed to become one of the most environment-friendly developments in the region providing a high-quality residential area while it cements its position as the region's premier business and industrial park.



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GOVERNANCE

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EQUITATIVA'S REPORT

The Directors present their report for the six months ended 30 June 2021.

SHARE CAPITAL

Emirates REIT (CEIC) PLC, the "REIT" or "Emirates REIT", is a closed-ended Shari'a compliant investment company incorporated in DIFC, registered by the DFSA as a Domestic Public Fund with license number CL0997. It operates under the laws and regulations of the DIFC and DFSA and in accordance with the principles of Shari'a.

On 30 June 2021, the REIT's issued share capital comprised a total of 304,451,393 ordinary shares with a market value of USD 0.137 each. The REIT has one class of ordinary shares. All shares rank equally and are fully paid. No person holds shares carrying special rights with regards to control of the company. There are no restrictions on the size of a holding.

REIT MANAGER

Emirates REIT is managed by Equitativa (Dubai) Limited ("Equitativa", the "REIT Manager"), a limited company incorporated in DIFC and regulated by the DFSA since 2010. Equitativa is part of a group of companies specialising in creating and managing innovative financial products in Emerging Markets.

INVESTMENT OBJECTIVE

Emirates REIT's key investment objective is to generate stable Shari'a compliant dividend distributions to Shareholders, long-term rental growth and capital appreciation.

INVESTMENT POLICY

The type of investments which the REIT can undertake currently includes investments in real property, property-related assets, shares or units in another property fund and up to a maximum of 40% in cash, government or public securities.

The REIT has in place a strict process for any acquisition or disposal of assets, including but not limited to the consent of the Investment Board and the Shari'a Supervisory Board. In case of a sale or purchase of an asset being a Related Party Transaction, the Shareholders will also provide their consent, in accordance with the DFSA Rules.

SPECIAL DECREES

In February 2013, the REIT was granted a Ruler's Decree, which allowed the REIT to invest, through its onshore Dubai Branch, in properties in onshore Dubai. In October 2016, the Equitativa group was granted an Emiri Decree by the Ruler of the Emirate of Ras Al Khaimah, allowing any REIT managed by the group to invest in properties onshore in Ras Al Khaimah.

MANAGEMENT STRATEGY

To achieve its objectives, the REIT has adopted the following key strategies:

Disciplined Acquisition Strategy

The REIT will continue to pursue acquisitions and divestments with the aim of improving income stability and overall returns. Since the incorporation of the REIT, Equitativa's team has evaluated over 1,800 investment opportunities, thereby ensuring their knowledge of the market is comprehensive and allows timely reactions to changes in market conditions.

Active Asset Management Strategy

The Portfolio of the REIT is actively managed, with the aim of delivering regular returns to the Shareholders.

Active management is focused on enhancing rental revenues and improving operational efficiencies, which in turn may contribute to enhanced market valuations.

Equitativa's strong asset management team works closely with the property managers appointed to the buildings to optimise the REIT's portfolio. Equitativa applies the following key operating and management principles:

- Monitor the performance of the properties;
- Optimise the net leasable area of the properties where possible;
- Establishing close relationships and proactively manage leases;
- Increase rental rates and property yields and;
- Enhance the overall operating efficiency of the Portfolio.

RISK PROFILE

The REIT's risk appetite is conservative and is not expected to increase as a result of any projected strategic changes in the foreseeable future.

The REIT seeks to adopt a prudent capital and financial management strategy. The REIT's continued performance is subject to, among other things, the conditions of the property market in the UAE, which can affect both the value and the rental income of the properties in the portfolio.

Any deterioration in the property market could result in a decline in rental incomes, occupancy, and property value. It may also weaken the REIT's ability to obtain financing for new investments.

These factors may have a material adverse effect on the REIT's financial condition, business, prospects and results of operations.

The REIT will operate within the parameters defined by its Boards and as guided by the Shareholders while conforming at all times to the investment policy.

RISK MANAGEMENT STRATEGY

The key pillars for the Capital and Risk Management Strategy include:

- Managing the risks associated with the properties by balancing the portfolio and focusing on acquiring properties of best fit with attractive lease terms and strong covenants;
- Using Shari'a compliant debt financing as an attempt to provide additional capital, improving Shareholder returns over the long term (where such Shari'a debt financing is appropriate) and ensuring that the gearing does not exceed the regulatory threshold; and
- Continually revisiting lines of credit and assessing a variety of possible financing structures.

PORTFOLIO RISK

The Portfolio has diversification across asset classes and long-term leases with a weighted average lease term of 9.2 years as at 30 June 2021. Notably, 4% of the leases will expire by the end of 2021 and 8% by the following year.

The continued impact of Covid-19 and the macro deterioration in the UAE property market resulted in a severe decline in rental occupancy, income and property value; however, Dubai's real estate market is showing signs of gradual recovery, and according to leading real estate analysts, prime headline office rents in this Emirate have started to stabilise.

The REIT's subsequent ability to obtain financing for new investments may, as a result, also be weakened.

In addition, two school operators, tenants of built-to-suit properties of the REIT, have either vacated their premises (school in DIP) or have not honoured their rental payments (Jebel Ali School). Further details on the Jebel Ali School matter are provided in this section "Jebel Ali School - Progress".

The Covid-19 pandemic has amplified the situation, leading to a material impact on the properties' cash flow and portfolio value.

SHAREHOLDING

Both Nasdaq Dubai and Equitativa monitor the maximum limit of 49% of non-GCC ownership. If the non-GCC shareholding nears 49%, the REIT will send a public notification via the regulatory announcement platform. On 30 June 2021, the non-GCC shareholding was at 23.19%. As of 30 June 2021, the following Shareholders held 5% or more of the REIT's issued share capital:

	ISSUED SHARE CAPITAL (%)
Dubai Islamic Bank PJSC	15.65%
Vintage Bullion	15.35%
Dubai Properties Group LLC	9.91%
Premier Point Trading Llc DMCC *	5.04%

* On 2 May 2021, the REIT disclosed a new connected person via the regulatory announcement platform.

RELATED PARTY TRANSACTIONS

It should be noted that the Related Parties are defined differently by the DFSA and the IFRS. To review the Related Parties Disclosure, as defined by the IFRS, please refer to our Financial Statements.

All Related Party Transactions during the period were based on existing approved contracts/lease agreements per the applicable rules.

The nature and identity of Related Party Transactions based on existing approved contracts/lease agreements are shown below.

RELATED PARTY	TRANSACTION
REIT Manager	Management Fee
Dubai Islamic Bank	Existing Islamic Financing, Bank Charges, Profit Rate Swap, Rental & Service Charges.
Dar Al Sharia Consultancy	Professional Fees
Oversight Board	Director Fees
Tecom	Property Management Fees

Valuers

The REIT has approved the appointment of Cushman & Wakefield International Limited with CBRE (DIFC) Limited to conduct the March and June 2021 valuations.

Emirates REIT Sukuk Limited – Consent Solicitation

Emirates REIT (CEIC) PLC launched a Consent Solicitation process in relation to the USD 400 million Trust Certificates due 2022 issued by Emirates REIT Sukuk Limited (ISIN: XS 1720817540) to restructure the Sukuk. The support remained short of the special majority threshold of 75%, and therefore, Emirates REIT decided to rescind the voluntary offer.

As part of the Consent Solicitation, Fitch Ratings downgraded the senior unsecured Sukuk trust certificates to 'C' from 'BB-' and Emirates REIT's Long-Term Issuer Default Rating (IDR) to 'C' from "B+".

Jebel Ali School – Progress

Emirates REIT and Jebel Ali School reached an agreement towards resolving the long-standing dispute between the parties regarding the non-payment of rent by the school.

As the first step in this process, Jebel Ali School paid Emirates REIT AED 21 million towards its outstanding rent. The parties also agreed to jointly find a permanent solution for the outstanding and future rent by Jebel Ali School.

The agreement mentioned above does not affect the Parties' rights under the ongoing arbitration proceedings. The payment of AED 21 million was received before 30 June 2021.

Investments Portfolio

For more details on the properties, please refer to the portfolio section, including the sale of half a floor in Index Tower for a total of AED 40 million.

2021 ANNUAL GENERAL MEETING

The 2021 Annual General Meeting ("AGM") was held on 24 June 2021. The following is a summary of the matters approved during the AGM. For further information, please refer to the 2021 AGM pack, available on our website.

Annual Report and Accounts 2020

Following a delay in the publication of the annual report and financial statements, the shareholders received and approved the 2020 Annual Report and the accounts for the REIT for the year ended 31 December 2020, together with the director's report and auditor's report on those accounts in accordance with the Companies Law.

Final Dividend

The Shareholders approved the declaration of the final dividend of USD 0.0016 per ordinary share, an aggregate of USD 486,343, for the financial year ending December 2020, with such final dividend satisfied wholly and distributed by way of an allotment and distribution of newly issued ordinary shares. The new shares have been admitted to trading on Nasdaq Dubai on 30 June 2021.

The Shareholders approved the authority of the Board to allot and issue the newly issued ordinary shares in relation to the Scrip Dividend.

Investment Board

In accordance with the REIT's constitution and pursuant to DFSA regulations, the appointment of Mr Abdulla Al Hashemi and Captain David Savy, existing members of the REIT's Investment Board, was extended until the conclusion of the 2022 AGM. Due to other commitments, Mr Mohamed Sharaf has resigned from the Investment Board effective as of 22 June 2021.

Auditor Re-appointment

Deloitte & Touche (M.E) appointment as Auditors to the REIT was extended until the closing of the 2022 AGM.

Interim Dividend

The Shareholders authorised the REIT Manager to arrange the payment of interim dividends of the REIT to its Shareholders, subject to the REIT having sufficient retained earnings to pay its debts as they become due immediately after the dividend is paid.

CORPORATE GOVERNANCE

The REIT's corporate governance framework includes the following committees and boards:

MANAGEMENT BOARD

The Management Board is responsible for guiding the REIT in its day to day operations and expanding and optimising the REIT's Portfolio. It is comprised of Mr. Abdulla Al Hamli (Chairman), Mr. Sylvain Vieujot (Executive Deputy Chairman) and Ms. Magali Mouquet (Executive Director).

INVESTMENT BOARD

The Investment Board is responsible for overseeing the implementation of the REIT's investment strategy, ensuring its adequacy and appropriateness. Furthermore, the Investment Board reviews and consents to all acquisitions and disposals.

Mr Mohamed Sharaf resigned from the Investment Board on 22 June 2021 due to other commitments. Therefore following their reappointment at the AGM on the 24 June 2021, on 30 June 2021, the Investment Board comprised of Mr. David Savy and Mr. Abdulla Al Hashemi.

OVERSIGHT BOARD

The Oversight Board is responsible for reviewing and advising the Management Board on Equitativa's internal systems and controls, fund properties' safekeeping, risk management and compliance with the Laws, Rules and Constitution of the REIT.

On 30 June 2021, the Oversight Board was comprised of Mr. Suresh Kumar, Mr. Mustafa Al Hashimi and Mr. Abdulla Al Ashram.

ADVISORY BOARD

The Advisory Board provides expert strategic advice and general views and assistance to the REIT on the current state of the real estate market, together with opinions on recent trends and developments.

The Advisory Board members can also provide specific ad-hoc advice in relation to various projects, as needed.

On 30 June 2021, the Advisory Board was comprised of Mr. Khalid Al Malik, Mr. Michael Wunderbaldinger and Mr. Kunal Bansal.

SHARI'A BOARD

The Shari'a Supervisory Board ensures compliance by the REIT with Shari'a principles and where possible, advises, guides and provides assistance in the development and structuring of Shari'a compliant transactions as well as developing the REIT's business in line with best Shari'a practices. It is comprised of Dr. Mohamed Abdul Hakim Zoeir, Mr. Mian Muhammad Nazir and Mr. Fazal Rahim Abdul Rahim.



SHARI'A COMPLIANCE CERTIFICATE

Issued by the Shari'a Supervisory Board of Emirates REIT (CEIC) PLC (The "REIT") as at 30 June 2021

SUBJECT OF THIS CERTIFICATE

This certificate is being issued by the Shari'a Supervisory Board of the REIT with regard to the Shari'a compliance of the REIT.

SHARI'A SUMMARY OF THE REIT

The REIT is the first Shari'a compliant real estate investment trust incorporated within the DIFC and regulated by the DFSA under the CIR Rules as a public Fund. The REIT's property portfolio currently consists of eleven properties, all of which are located in the Emirate of Dubai, consisting of a mixture of office, retail, educational and car parking properties.

The REIT has a Shari'a Supervisory Board, which advises the REIT pursuant to IFR Rule 6.2.1(2) and provides on-going and continuous supervision of and adjudication in all Shari'a matters for the REIT.

The Shari'a Supervisory Board has final authority with regard to the Shari'a compliance of all business and activities of the REIT and the audit of its investment records for Shari'a compliance. The assessment of the Shari'a Supervisory Board with regard to Shari'a compliance of all business and investment activities of the REIT is binding on the REIT and the Shareholders in terms of Shari'a compliance.

Further to the clause above, the Sharia Supervisory Board also has oversight on the Sharia audit of the REIT, which is conducted

semi-annually (the "Sharia Audit"). Pursuant to the Sharia Audit, the Sharia Supervisory Board confirms its findings and renders its opinion on the financials, activities and transactions performed by the REIT (including but not limited to (i) the properties acquired, leased and managed by the REIT; (ii) usage of the properties owned by the REIT (the "Activities and Transactions") and financials during the year comply with principles of Sharia (as interpreted by the members of the Sharia Supervisory Board) and the Fatawa of the Sharia Supervisory Board.

REFERENCE FOR THIS CERTIFICATE

The Shari'a Supervisory Board of the REIT has examined the Half-Yearly Report of Shari'a Review conducted by Dar Al Shari'a Limited (the "Dar Al Shari'a") on the REIT for the period commencing from 1 Jan 2021 and ending on 30 June 2021 prepared in accordance with the DFSA Islamic Finance Rules (IFR) 6.4.1. (1) and (2) (the "Shari'a Review Report").

SHARIA REVIEW OF THE REIT BY THE SHARIA SUPERVISORY BOARD

We, the Shari'a Supervisory Board of the REIT hereby provide as follows:

- a. We have reviewed the Shari'a Review Report submitted by Dar Al Shari'a covering the various Activities and Transactions of the REIT and evaluated the observations therein for the purpose of this Certificate.
- b. We have reviewed the principles followed and contracts related to Activities and Transactions undertaken by the REIT relying on the Shari'a Review Report in order to express an opinion as to whether the REIT has undertaken its Activities and Transactions in accordance with Principles of Shari'a and the specific Fatawa, resolutions and guidelines issued by us.



PRONOUNCEMENT BY SHARI'A SUPERVISORY BOARD OF THE REIT

We, the Shari'a Supervisory Board of the REIT, as of 30 June 2021, hereby pronounce our opinion as follows:

- a. The Activities and Transactions executed by the REIT during the period commencing from 1 Jan 2021 and ending on 30 June 2021 (as reviewed by Dar Al Shari'a pursuant to the Shari'a Review Report) were carried out in accordance with the rules and principles of Shari'a.
- b. The distribution of profits and losses complies with the basis approved by us in accordance with the principles of Shari'a.
- c. All income achieved from the Activities and Transactions were in line with principles of Shari'a.
- d. All of the tenants of the properties currently owned by the REIT are in line with the principles of Shari'a.
- e. All of the Company's financing is in accordance with the principles of Sharia.
- f. All contracts, including leases are in accordance with the principles of Shari'a.
- g. Since the management of the REIT is not authorized to pay Zakat directly, the responsibility of paying Zakat is that of the shareholders.

We ask Allah, the Most High, Most Capable to grant the REIT management the consistency on the track of welfare and integrity.

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHAREHOLDERS OF EMIRATES REIT (CEIC) PLC

INTRODUCTION

We have reviewed the accompanying condensed interim consolidated statement of financial position of Emirates REIT PLC (the "Group") as at 30 June 2021 and the related condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting' as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB.

Deloitte & Touche (M.E.)

Yahia Shatila
Partner

26 August 2021
Dubai, United Arab Emirates

EMIRATES REIT (CEIC) PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 30 JUNE 2021 USD '000 UNAUDITED	AS AT 31 DEC 2020 USD '000 AUDITED
ASSETS			
	Non-current assets		
	Investment property	724,587	690,342
	Right-of-use assets	50,699	51,547
	Trade and other receivables	33,224	32,027
		808,510	773,916
	Current assets		
	Trade and other receivables	20,753	15,737
	Cash and cash equivalents	25,684	13,732
		46,437	29,469
	Total assets	854,947	803,385
EQUITY			
	Share capital	304,452	303,966
	Share premium	59,393	59,393
	Cash flow hedging reserve	(1,407)	(2,027)
	Accumulated losses	(85,501)	(135,868)
	Total equity	276,937	225,464
LIABILITIES			
	Non-current liabilities		
	Sukuk financing instrument	399,158	398,871
	Islamic financing	70,487	79,533
	Lease liability	51,829	52,147
	Derivative financial instruments	1,407	2,027
		522,881	532,578
	Current liabilities		
	Islamic financing	22,240	17,195
	Lease liability	3,488	3,464
	Trade and other payables	29,401	24,684
		55,129	45,343
	Total liabilities	578,010	577,921
	Total equity and liabilities	854,947	803,385
	Net asset value (USD)	276,937,000	225,464,000
	Number of shares	304,451,393	303,965,050
	Net asset value USD per share	0.91	0.74

This condensed interim consolidated financial information was approved by the Board of Directors of Equitativa (Dubai) Limited as the sole director of the Group on 26 Aug 2021 and signed on their behalf by:

Sylvain Vieujot
Executive Deputy Chairman

Sheikh Muhammed Moeen
Director Finance

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	FOR THE SIX MONTHS ENDED 30 JUNE	
		2021	2020
		USD'000 UNAUDITED	USD'000 UNAUDITED
Rental income		26,734	29,844
Service fee income		3,396	4,008
Gain on disposal of investment property	6	6,500	—
Other property income		134	151
		36,764	34,003
Property operating expenses		(6,500)	(6,680)
Net property income		30,264	27,323
Expenses			
Management fee	16	(5,685)	(7,467)
Board fees		(169)	(125)
Reversal of allowance/(allowance) for expected credit loss	7	7,005	(3,789)
Other expenses		(1,693)	(561)
Operating Profit		29,722	15,381
Finance income/(costs)			
Finance costs	17	(14,076)	(14,793)
Finance income	17	—	297
Net finance costs		(14,076)	(14,496)
Profit before fair valuation of investment properties		15,646	885
Net unrealised gain/(loss) on revaluation	6	35,207	(70,930)
Profit/(loss) for the period		50,853	(70,045)
Fair value adjustments on cash flow hedges		620	(1,741)
Profit/(loss) and total comprehensive income/(loss) for the period		51,473	(71,786)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (USD)	18	0.170	(0.240)

The notes on pages 53 to 66 are an integral part of the condensed consolidated interim financial information.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	NOTE	SHARE CAPITAL	SHARE PREMIUM	CASH FLOW HEDGING RESERVE	RETAINED EARNINGS	TOTAL
		USD' 000	USD' 000	USD' 000	USD' 000	USD' 000
At 1 January 2020 (audited)		299,621	59,393	(693)	111,389	469,710
Comprehensive loss						
Loss for the period		—	—	(1,741)	(70,045)	(71,786)
Transactions with shareholders						
Stock dividends	9	4,345	—	—	(4,345)	—
At 30 June 2020 (unaudited)		303,966	59,393	(2,434)	36,999	397,924
At 1 January 2021 (audited)		303,966	59,393	(2,027)	(135,868)	225,464
Comprehensive income						
Profit for the period		—	—	620	50,853	51,473
Transactions with shareholders						
Stock dividends	9	486	—	—	(486)	—
At 30 June 2021 (unaudited)		304,452	59,393	(1,407)	(85,501)	276,937

The notes on pages 53 to 66 are an integral part of the condensed consolidated interim financial information.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	FOR THE SIX MONTHS ENDED 30 JUNE	
		2021	2020
		USD'000 UNAUDITED	USD'000 UNAUDITED
Operating activities			
Profit / (loss) for the period		50,853	(70,045)
Adjustments for:			
Net unrealised (gain) / loss on revaluation of investment property	6	(35,207)	70,930
Gain on disposal of investment property		(6,500)	—
Finance cost	17	14,076	14,793
Finance income	17	—	(297)
(Reversal of allowance) / allowance for expected credit loss		(7,005)	3,789
Operating cash flows before changes in working capital		16,217	19,170
Changes in working capital			
Decrease / (increase) in trade and other receivables		792	(8,831)
Increase in trade and other payables		4,717	2,224
Net cash generated from operating activities		21,726	12,563
Investing activities			
Sale proceeds from / (additions in) investment property-net		8,310	(9,456)
Finance income received		—	297
Net cash generated from / (used in) investing activities		8,310	(9,159)
Financing activities			
Repayment of islamic financing		(4,092)	(6,687)
Finance costs paid		(12,333)	(12,195)
Lease liability payment		(1,659)	(1,670)
Net cash used in financing activities		(18,084)	(20,552)
Net increase/(decrease) in cash and cash equivalents		11,952	(17,148)
Cash and cash equivalents at the beginning of the period		13,732	48,432
Cash and cash equivalents at the end of the period	8	25,684	31,284

The notes on pages 53 to 66 are an integral part of the condensed consolidated interim financial information.

1 GENERAL INFORMATION

Emirates REIT (CEIC) PLC (the "REIT") is a closed ended domestic, public Islamic fund set up for the purpose of investing in Real Property in a Shari'a compliant manner under the provisions of its Articles of Association and the rules and regulations of the Dubai Financial Services Authority ("DFSA") and the Dubai International Financial Centre ("DIFC"), including the DIFC Law No. 2 of 2010 and the Collective Investment Rules contained within the DFSA Rulebooks and operates as an Islamic fund in accordance with such provisions, laws and rules.

The REIT was established on 28 November 2010 by Equitativa (Dubai) Limited (the "REIT Manager"), a company limited by shares, duly registered in the DIFC under commercial registration number CL0997, and having its registered office at Level 23, Index Tower, Dubai International Financial Centre, Dubai, UAE. The REIT Manager was appointed by the REIT to undertake the management of the REIT.

The REIT's activities include acquisition of properties which are rented out. The REIT receives rental revenues from the properties and distributes the income generated to shareholders through dividends.

The REIT's shares were admitted to the official list maintained by the DFSA and to trading on NASDAQ Dubai on 8 April 2014 following the REIT's Initial Public Offering ("IPO").

The REIT's business activities are subject to the supervision of a Shari'a Supervisory Board consisting of three independent members appointed by the REIT Manager who review the REIT's compliance with general Shari'a principles, specific fatwas, rulings and guidelines issued. Their review includes examination of evidence relating to the documentation and procedures adopted by the REIT to ensure that its activities are conducted in accordance with Islamic Shari'a principles.

Emirates REIT Sukuk Limited, a structured entity (the "SE"), is an exempted company with limited liability incorporated on 23 October 2017 under the laws of the Cayman Islands with registered number 328401 with its registered office at c/o MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands.

Ownership of SE

The authorised share capital of the SE is USD 50,000 consisting of 50,000 ordinary shares of USD 1.00 each, of which 250 of the Trustee's shares have been fully paid and issued. The SE's entire share capital is held on trust for charitable purposes by MaplesFS Limited as share trustee under the terms of a share declaration of trust dated 21 November 2017 (the Share Declaration of Trust).

The condensed interim consolidated financial information for the six months ended 30 June 2021 comprise the REIT and its SE (together referred to as "the Group"). Considering the purpose and design of the SE, the financial information of the REIT consolidate the SE in accordance with IFRS 10.

This condensed interim consolidated financial information has been approved by the REIT Manager as the sole director of the REIT on August 26, 2021.

2 BASIS OF PREPARATION

This condensed interim consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with International Accounting Standard 34 'Interim financial reporting', ("IAS 34"). This condensed interim consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, the condensed interim consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The Group reports cash flows from operating activities using the indirect method. Finance income received is presented within investing cash flows; finance cost paid is presented within financing cash flows. The acquisitions of investment property are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Going concern

During the period ended 30 June 2021, the Group incurred a net profit of USD 51.4 million (2019: loss of USD 71.8 million) and as at 30 June 2021, the Group's current liabilities exceed the current assets by USD 8.7 million (2020: USD 15.9 million) and had accumulated losses of USD 85.5 million (2020: USD 135.9 million). However, The REIT Manager has prepared cash flow projections covering a 12-month period from the date of audit report which shows the Group will be able to meet its liabilities as they fall due. In view of the foregoing, the REIT Manager is not aware of any material uncertainties that may cast significant doubt upon the REIT's ability to continue as going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

OPERATING SEGMENTS

For management purposes, the Group is organised into one operating segment, and therefore operating segments note is not disclosed.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting policies

The accounting policies applied in this condensed interim consolidated financial information are consistent with those of the annual consolidated financial statements for the year ended 31 December 2020, except for the following accounting policy, which is applicable from 1 January 2021.

3.2 New standards, amendments and interpretations

(A) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED AND EFFECTIVE FROM 1 JANUARY 2021

At the date of authorisation of the financial statements, there were a number of standards and interpretations which were in issue but not yet effective. The REIT is assessing the impact of these standards and anticipates that the adoption of these standards and interpretations in future periods will not have a significant impact on its financial statements.

DESCRIPTION	EFFECTIVE DATE
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Amendments to IFRS 4 Insurance Contracts - deferral of IFRS 9	1 January 2021

In the opinion of the Manager of the REIT, these standards, amendments to standards and interpretations will clearly not impact the REIT as the REIT has no application to the above-mentioned standards.

(B) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to standards and interpretations are not yet effective and neither expected to have a significant impact on the REIT's financial statements:

STANDARDS / AMENDMENTS TO STANDARDS / INTERPRETATIONS	EFFECTIVE DATE
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	1 January 2022

Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements; these should be read in conjunction with the REIT's annual consolidated financial statements as at 31 December 2020.

There have been no changes in the risk management policies since the year-end.

4.2 Liquidity risk

Compared to the year end, there was no material change in the liquidity risk profile of the REIT.

4.3 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Group include bank balances and cash, receivables and certain other assets. Financial liabilities of the Group include sukuk financing instruments, Islamic financing facilities and trade payable and certain other liabilities. The fair values of the financial assets and financial liabilities approximate their carrying values.

Assets measured at fair value

The following table provides the fair value measurement hierarchy of the Group's investment property:

	DATE OF VALUATION	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1) USD'000	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) USD'000	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) USD'000	TOTAL USD'000
Investment property	30 Jun 2021	—	—	748,435	748,435
Investment property	31 Dec 2020	—	—	708,930	708,930

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim consolidated financial information requires the REIT Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim consolidated financial information, the significant judgement made by the REIT Manager in applying the Group's accounting policies and the key source of estimation uncertainty for the period ended 30 June 2021 is as follows:

(A) FAIR VALUE OF INVESTMENT PROPERTY

The Group carries its investment property at fair value, with changes in fair value being recognised in the condensed interim consolidated statement of comprehensive income. The Group engaged independent valuation specialists who hold recognised and relevant professional qualifications and have relevant experience in the location and type of investment property held, to determine the fair values of investment property as at 30 June 2021. The valuation methodology is based on the income approach method, as it represents a method of determining the value of the investment property by calculating the net present value of expected future earnings.

The valuation method adopted for these properties is based on inputs that are not based on observable market data (that is, unobservable inputs - Level 3).

Management believes that the change in fair values of investment properties during the year is reflective of the change in valuation methodology and inputs used by the independent valuation specialists, which are mainly impacted by current challenging market conditions and uncertain outlook driven by the Covid-19.

As at the reporting date, the Group held total investment property amounting to USD 724,587 thousand (31 December 2020: USD 690,342 thousand) in a real estate portfolio of eleven properties (31 December 2020: eleven properties) located in Dubai, UAE.

The determined fair value of the investment property is most sensitive to the equivalent yield, the stabilised occupancy rate as well as the operating expenses. The key assumptions used to determine the fair value of the investment property and sensitivity analysis, are further explained in Note 6.

(B) DISCOUNTING OF LEASE PAYMENTS – IFRS 16

The lease payments are discounted using the REIT's incremental financing rate ("IBR"). Management has applied judgements and estimates to determine the IBR at the commencement of lease by using the applicable profit rates paid by REIT to its lenders financier of Islamic financing facilities.

(C) DETERMINING THE LEASE TERM – IFRS 16

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the REIT.

(D) ALLOWANCE FOR EXPECTED CREDIT LOSS

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.
- An actual or expected significant deterioration in the operating results of the debtor.
- Significant increases in credit risk on other financial instruments of the same debtor.

An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrated otherwise.

6 INVESTMENT PROPERTY

	COMPLETED PROPERTIES	TOTAL
	USD' 000	USD' 000
At 1 January 2021 - Audited	690,342	690,342
Additional re-development and fit-out projects on completed properties	2,411	2,411
Disposal of investment property during the period	(5,988)	(5,988)
Net gain from fair value adjustments on investment property	37,822	37,822
At 30 June 2021 - Unaudited	724,587	724,587
At 1 January 2020 - Audited	919,440	919,440
Additional re-development and fitout projects on completed properties	12,588	12,588
Re-development and fitout projects on completed properties (spent during previous year)	5	5
Net loss from fair value adjustment on investment property	(241,691)	(241,691)
At 30 December 2020 - Audited	690,342	690,342

Fair value reconciliation

	TOTAL
	USD' 000
Market value per external valuation report as at 30 June 2021	748,435
Additional re-development and fitout projects under progress on completed properties	4,231
Lease incentive asset (Note 7)	(36,813)
Deferred income (Note 12)	8,734
Fair value as at 30 June 2021	724,587

Net unrealised loss on revaluation

	30 JUN 2021	30 JUN 2020
	USD' 000 UNAUDITED	USD' 000 UNAUDITED
Net profit/(loss) from fair value adjustments on investment property	37,822	(70,074)
Reversal of unrealised fair value gain on disposal	(1768)	—
Change in fair value of right-of-use asset	(847)	(856)
Net unrealised gain/(loss) on revaluation	35,207	(70,930)

As at the reporting date, the Group held total investment property amounting to USD 724,587 thousand (31 December 2020: USD 690,342 thousand) in a real estate portfolio of 11 properties (31 December 2020: 11 properties) located in Dubai, UAE.

Rental income for the period ended 30 June 2021 is recognised at USD 26,734 thousand (30 June 2020: USD 29,844 thousand).

The fair value of the Group's investment property at 30 June 2021 has been arrived at on the basis of a valuation carried out at that date by CBRE and Cushman & Wakefield, Independent valuation specialists not connected with the Group. The valuation conforms to the RICS Valuations – Global Standards and International Valuation Standards. The fair value was determined based on the income approach method.

Divestment of investment property

Emirates REIT announced on 10 June 2021, the sale of half of the shell and core office floor of the property located in Dubai International Financial Centre (DIFC). The unit was sold for USD 10,844 thousand whereas the book value of the unit sold was USD 4,220 thousand which resulted in the net gain of USD 6,500 thousand after deduction of transaction cost USD 123 thousand.

Properties under land lease agreements

Five of the REIT's properties are constructed on plots in Dubai which are under land lease agreements as follows:

- Remaining lease term of 18.2 years with property fair value of USD 4,764 thousand;
- Remaining lease term of 35.4 years with property fair value of USD 89,055 thousand;
- Remaining lease term of 22.6 years renewable for another term of 30 years with property fair value of USD 23,360 thousand;
- Remaining lease term of 44.0 years with property fair value of USD 25,102 thousand; and
- Remaining lease term of 23.8 years renewable for another term of 30 years with property fair value of USD 39,450 thousand.

Fair valuation

The fair valuations of investment property were based on an individual assessment, for each property type, of both the future earnings and the required yield. In assessing the future earnings of the properties, the REIT Manager took into account potential changes in rental levels from each contract's rent and expiry date compared with the estimated current market rent, as well as changes in occupancy rates and property costs. Fair value hierarchy disclosures for investment property has been provided in Note 4.3.

As at 30 June 2021, the fair value of the investment property was adjusted for the lease incentive asset (Note 7) and deferred income (Note 13) in accordance with IAS 40. The amount of adjustment is USD 36,813 thousand and USD 8,734 thousand respectively (31 December 2020: USD (35,414) thousand and USD 4,609 thousand respectively).

The following table shows a reconciliation of the opening balances to the closing balances for Level 3 fair values:

	30 JUN 2021	30 JUN 2020
	USD' 000 UNAUDITED	USD' 000 UNAUDITED
Balance at the beginning of the period	708,930	845,990
Transfer from Level 2 to Level 3	—	6,466
Additions of new investment property during the period	—	—
Net unrealised gain / (loss) on revaluation of investments properties	39,505	(58,090)
Balance at the end of the period	748,435	794,366

For investment property categorised under Level 3 fair value hierarchy, a valuation methodology based on the 'income approach method' was used, as it represents a method of determining the value of the investment property by calculating the net present value of expected future earnings.

Based on the lack of availability of significant observable comparable values of certain units, the independent valuation specialist changed the valuation method for those units from 'sales comparison method' to 'income approach method' in December 2020. Accordingly, the units previously reported in level 2 have been transferred to level 3.

The significant unobservable inputs used in arriving at fair values of investment property are the stabilised occupancy rate, the equivalent yield and property operating expenses. The assumptions are applied on a property by property basis and vary depending on the specific characteristics of the property being valued. The range in those assumptions used in arriving at the fair value of investment property are as follows:

	30 JUN 2021	30 JUN 2020
Stabilised occupancy rate (%)	80.00 – 100.00	85.00 – 97.50
Equivalent yield (%)	7.75 – 10.00	8.00 – 10.25
Operating Expenses (USD/sq. ft.)	5.60 – 27.30	6.53 – 19.52

Right of use assets

The following table shows the movement of the right of use asset recognised by the REIT along with the related change in the fair value during the period:

	30 JUN 2021	30 JUN 2020
	USD' 000 UNAUDITED	USD' 000 UNAUDITED
Assets:		
Right-of-use Asset at the beginning of the period/year	51,547	53,265
Less: Change due to foreign currency translation	—	(8)
Less: Change in fair value during the period	(848)	(856)
Right-of-use Asset at the end of period	50,699	52,401

7 TRADE AND OTHER RECEIVABLES

	30 JUN 2021	31 DEC 2020
	UNAUDITED USD' 000	AUDITED USD' 000
Rental and service income receivable	19,651	22,965
Less: provision for expected credit losses	(7,713)	(14,718)
	11,938	8,247
Other financial assets at amortised cost		
Other receivables	3,735	2,600
Other assets		
Lease incentive asset (Note 6)	36,813	35,414
Prepayments	1,491	1,503
	53,977	47,764
Less non-current portion – Lease incentive asset	(33,224)	(32,027)
Current portion	20,753	15,737

Lease incentive asset relates to rents recognised in advance as a result of spreading the effect of rent free and reduced rent periods and rent uplifts, over the expected terms of their respective leases in accordance with IFRS 16.

Included in the above are balances due from REIT manager amounting to USD Nil (31 December 2020: USD 38 thousand) (Note 16d).

Included within the USD 7,713 thousand provision for expected credit losses is an amount of USD 6,880 thousand (31 December 2020: USD 14,209 thousand), which represents specific provisions made for amounts due from certain tenants as per the tenancy contracts (Note 20 (b)).

As at 30 June 2021, the movement in the allowance for impairment of receivables is as follows:

	30 JUN 2021	31 DEC 2020
	UNAUDITED USD' 000	AUDITED USD' 000
Opening expected credit loss as at 1 January - calculated under IFRS 9	14,718	9,378
Write offs during the year	—	(1,491)
Increase in expected credit loss recognised in consolidated statement of comprehensive income during the period /year	323	6,831
ECL reversals during the period	(7,328)	—
Net Movement of ECL	(7,005)	5,340
Balance at the end of the period	7,713	14,718

8 CASH AND CASH EQUIVALENTS

	30 JUN 2021	31 DEC 2020
	UNAUDITED USD' 000	AUDITED USD' 000
Current and savings accounts	25,684	13,732

Balances with banks are placed with local islamic banks.

9 SHARE CAPITAL

	NUMBER OF ORDINARY SHARES	ORDINARY SHARES	SHARE PREMIUM	TOTAL
		USD' 000	USD' 000	USD' 000
At 30 June 2021 (Unaudited)	304,451,393	304,452	59,393	363,845
At 31 December 2020 (Audited)	303,965,050	303,966	59,393	363,359

The authorised share capital of the REIT is USD 10,000,000,100 and is divided into one Manager Share with a par value of USD 100; and 10,000,000,000 ordinary shares with a nominal par value of USD 1 per share.

All shares were issued and allotted on or before 30 June 2021.

10 SUKUK FINANCING INSTRUMENT

On 12 December 2017, the REIT issued five year trust certificates ("Sukuk") of USD 400 million through Emirates REIT Sukuk Limited (the "Trustee" or "SE"), a structured entity formed for the issuance of the Sukuk. The Sukuk were listed on the Main Securities Market (MSM) of Euronext Dublin with a Fitch rating of C.

The Sukuk have a maturity date of December 2022 and pay a profit rate of 5.125% per annum payable semi-annually on 12 June and 12 December in each year, commencing on 12 June 2018.

The Shari'a terms of the issuance include transfer of certain identified investment properties (the "Properties") to the SE in order to comply with the principles of Shari'a. In substance, these Properties shall continue to remain under the control of the REIT and shall continue to be serviced by the REIT.

	30 JUN 2021	30 JUN 2020
	UNAUDITED USD' 000	UNAUDITED USD' 000
At 1 January	398,871	398,290
Amortisation of transaction costs	287	289
At 30 June	399,158	398,579

The Sukuk financing instrument has certain covenants on the REIT, which were complied with during the period ended 30 June 2021.

11 ISLAMIC FINANCING

The Islamic financing facilities were obtained by the REIT to finance the acquisitions of investment property. The outstanding balance as at reporting date stands at USD 92,727 thousand (30 June 2020: USD 102,496 thousand) net of unamortised transaction costs of USD 862 thousand (30 June 2020: USD 1,046 thousand).

12 LEASE LIABILITY

The following table shows the movement of lease liability recognised by the:

	30 JUN 2021	31 DEC 2020
	USD' 000 UNAUDITED	USD' 000 AUDITED
Liabilities:		
Lease liability recorded on 1 January	55,611	54,532
Add: Finance cost for the period / year	1,364	2,756
Less: Change due to foreign currency translation	—	(7)
Less: Payments made during the period / year	(1,658)	(1,670)
Lease liability balance at the end of the period	55,317	55,611
Current liabilities	3,488	3,464
Non-current liabilities	51,829	52,147

13 TRADE AND OTHER PAYABLES

	30 JUN 2021	31 DEC 2020
	USD' 000 UNAUDITED	USD' 000 AUDITED
Deferred income	8,734	4,609
Payable against investment property under construction or re-development	137	137
Tenant deposits payable	8,122	8,330
Accrued expenses	8,228	8,533
Service fee received in advance	2,779	1,760
Accrued profit expense	1,272	1,288
Management fee	128	—
Administration fee	1	27
Total	29,401	24,684

14 ZAKAT

Zakat is payable by the shareholders based on their share of the net assets of the REIT at the end of every reporting period. The Group is not liable to pay Zakat.

15 DIVIDENDS

During the period, at the Annual General Meeting 2021 which was held on 24 June 2021, the shareholders of REIT approved the final dividend payment for the financial year 2020, at USD 0.0016 per share, which is to be paid by way of an allotment and distribution of newly issued ordinary shares at par value ("New Shares") to those shareholders recorded on the share book as at 17 June 2021. REIT has now received all the requisite approvals for the issuance and allotment of 486,343 New Shares. The new shares have been admitted to trading on Nasdaq Dubai on 30 June 2021.

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the REIT Manager, associated companies, shareholders, directors and key management personnel of the REIT Manager, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the REIT Manager.

Equitativa (Dubai) Limited, a company limited by shares, is the REIT Manager of the REIT.

(A) TRANSACTIONS EXECUTED DURING THE PERIOD

Transactions executed with various related parties during the period amounted to:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2021	2020
	USD' 000 UNAUDITED	USD' 000 UNAUDITED
REIT Manager	5,795	6,040
Board Members	71	60
Financial Institutions	5,064	7,282
Others	94	121
Total	11,024	13,503

(B) MANAGEMENT AND PERFORMANCE FEE

Management fee is payable to the REIT Manager quarterly in advance and is calculated quarterly based on the aggregated gross value of the assets of the REIT at a rate of 1.5% per annum*.

The Performance fee is payable to the REIT Manager annually in arrears, at a rate of 3% of the increase in net asset value per share by reference to the highest net asset value per share previously used in calculating the fee. During the period there was no accrual or payment made on account of performance fee.

Management and performance fee charged by the REIT Manager during the period amounted to:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2021	2020
	USD' 000 UNAUDITED	USD' 000 UNAUDITED
REIT Manager		
Management fee	(5,685)	(7,467)
Total	(5,685)	(7,467)

* The Board of Directors of Equitativa (Dubai) Limited has taken the decision to reduce its management fee by 20% from Q2 through Q4 2021.

(C) DUE TO RELATED PARTIES COMPRISES:

	30 JUN 2021	31 DEC 2020
	USD' 000 UNAUDITED	USD' 000 AUDITED
REIT Manager	128	—
Board Members	72	99
Financial Institutions	73,905	77,183
Others	—	12
Total	74,105	77,294

(D) DUE FROM RELATED PARTIES COMPRISES:

	30 JUN 2021	31 DEC 2020
	USD' 000 UNAUDITED	USD' 000 AUDITED
REIT Manager	—	38
Financial Institutions	265	385
Total	265	423

All transactions with related parties are conducted in accordance with the applicable regulations. Outstanding balances at the year-end are unsecured and profit free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Transactions with key management personnel

During the periods ended 30 June 2021 and 30 June 2020, the role of the key management personnel in accordance with IAS 24 was performed by the REIT Manager, for which the REIT Manager receives remuneration in the form of a management fee and performance fee.

17 FINANCE COSTS

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2021	2020
	USD'000 UNAUDITED	USD'000 UNAUDITED
Ijarah islamic financing profit expense	(2,083)	(2,787)
Ijarah processing fee	(92)	(92)
Finance cost on lease liability	(1,364)	(1,375)
Sukuk profit expense	(10,250)	(10,250)
Sukuk issuance cost amortisation	(287)	(289)
Finance costs	(14,076)	(14,793)
Profit income on saving accounts	—	297
Finance income	—	297
Finance costs, net	(14,076)	(14,496)

18 EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") is calculated by dividing the net profit for the period attributable to ordinary equity holders of the REIT by the weighted average number of ordinary shares outstanding during the period.

	30 JUN 2021	30 JUN 2020
	USD'000 UNAUDITED	USD'000 UNAUDITED
Profit/(loss) attributable to ordinary shareholders	51,473	(71,786)
Weighted average number of ordinary shares for diluted EPS	302,059,838	299,668,283
Basic and diluted earnings/(loss) per share (USD)	0.170	(0.240)

The Group has no share options outstanding at the period end and therefore the basic and diluted EPS are the same.

19 EXPENSE RATIO

The total expense ratio for the six month period ended 30 June 2021 was 3.29% of Gross Asset Value (30 June 2020: 3.39%).

20 COMMITMENTS AND CONTINGENCIES**(A) CAPITAL COMMITMENTS**

As of 30 June 2021, the REIT had contractual capital commitments of USD 1,899 thousand (31 December 2020: USD 2,408 thousand), which pertains to the construction of a school development and USD 2,643 thousand (31 December 2020: USD 4,635 thousand) in relation to fit out and re-development work in one of the completed properties.

(B) CONTINGENCIES

- (i) One of the REIT's tenant (the "REIT tenant") filed claims against the REIT in the DIFC-LCIA in 2018. The REIT Manager filed counterclaims on behalf of the REIT and the matters are still in arbitration. The REIT Manager has considered its obligations with respect to its contractual arrangement with the REIT tenant and also the facts and circumstances surrounding the confidential arbitration proceedings in this regard. The REIT also won its claim in the UAE Courts on the matter of bounced cheques against the REIT Tenant and is looking to enforce the award through the legal system. The REIT Manager has maintained the 100% provision for the related rental and service income receivable due from the REIT tenant as of 30 June 2021 (Note 7). The REIT Manager however believes, the case is unlikely to have a material impact on the consolidated financial statements

- (ii) In 2019 the REIT Manager, on behalf of the REIT filed a case against another tenant under the rules of the DIFC-LCIA Arbitration Center, seeking recovery of the rent due from the tenant. In March 2021 the Arbitrator awarded in favor of the REIT on the matter of jurisdiction, confirming that the DIFC-LCIA was the competent jurisdiction. The Arbitration also awarded the REIT all legal costs incurred by the REIT in the jurisdictional matter. The final award on the merits of the case is still to be communicated by the Arbitrator.

The REIT holds adequate provision for the related sums due from the tenant taking into account the expected time in recovery and other factors surrounding the matter.

(C) OPERATING LEASE COMMITMENTS — GROUP AS LESSEE

The Group has entered into commercial property leases on certain properties. Future minimum rentals payable under non-cancellable operating leases are as follows:

	30 JUN 2021	31 DEC 2020
	USD'000 UNAUDITED	USD'000 AUDITED
Within one year	3,016	2,992
After one year but not more than five years	12,297	12,245
More than five years	103,294	105,216
	118,607	120,453

(D) OPERATING LEASE COMMITMENTS — GROUP AS LESSOR

The Group has entered into commercial property leases on certain properties. Future minimum rentals receivables under non-cancellable operating leases as at 30 June 2021 and 31 December 2020 are as follows:

	30 JUN 2021	31 DEC 2020
	USD'000 UNAUDITED	USD'000 AUDITED
Within one year	53,095	59,781
After one year but not more than five years	144,149	149,295
More than five years	424,556	436,986
	621,800	646,062

21 SIGNIFICANT EVENTS**Emirates REIT Sukuk Limited – Consent Solicitation**

Emirates REIT (CEIC) PLC launched a Consent Solicitation process to restructure USD 400 million Trust Certificates maturing in 2022. The support remained short of the special majority threshold of 75% and therefore, Emirates REIT decided to rescind the voluntary offer. As part of the Consent Solicitation, Fitch Ratings downgraded the senior unsecured Sukuk trust certificates to 'C' from 'BB-' and Emirates REIT's Long-Term Issuer Default Rating (IDR) to 'C' from 'B+'.

Jebel Ali School - Progress

During the period under review Emirates REIT and Jebel Ali School (School) reached an agreement towards resolving the long-standing dispute between the parties regarding the non-payment of rent by the School. As the first step in this process, Jebel Ali School agreed to pay Emirates REIT AED 21 million towards its outstanding rent. The parties also agreed to jointly find a permanent solution for the outstanding and future rent by Jebel Ali School. The agreement mentioned above does not affect the Parties' rights under the ongoing arbitration proceedings. The payment of AED 21 million was received before 30 June 2021.

Sale of Half a Floor in Index Tower

In June 2021 Emirates REIT has sold half of a shell and core office floor in Index Tower to a third party.

Regulatory investigations

Following an article appearing in local newspaper in July 2020, the DFSA informed the REIT Manager that it was conducting investigations into certain matters surrounding disclosures, the valuation processes relating to the fair valuation of the investment properties and communications. The REIT Manager continues to respond to all concerns and queries related to the investigation and the investigation remains on-going.

22 SUBSEQUENT EVENTS

There are no significant events subsequent to the reporting date, which requires adjustments and / or disclosures in the consolidated financial statements.

