

2021

2022

2023



Emirates
REIT

1H 2022 REPORT

EMIRATES REIT FACT SHEET 1H 2022



Emirates REIT (CEIC) PLC

Reuters REIT.DI | Bloomberg REIT.DU

1H 2022

All information as at June 30, 2022 unless otherwise stated.

IN BRIEF

		VARIANCE Y-O-Y
INVESTMENT PROPERTY	USD 758.6 AED 2.8bn	+4.7%
NET ASSET VALUE	USD 352.6m AED 1.3bn	27.3%
NAV* PER SHARE	USD 1.10	21.4%
NET LETTABLE AREA	203,000 sqm 2.2m sq.ft.	-7.3%
OCCUPANCY	81.9%	+11.9 p.p.

* Net Asset Value

FINANCIAL HIGHLIGHTS

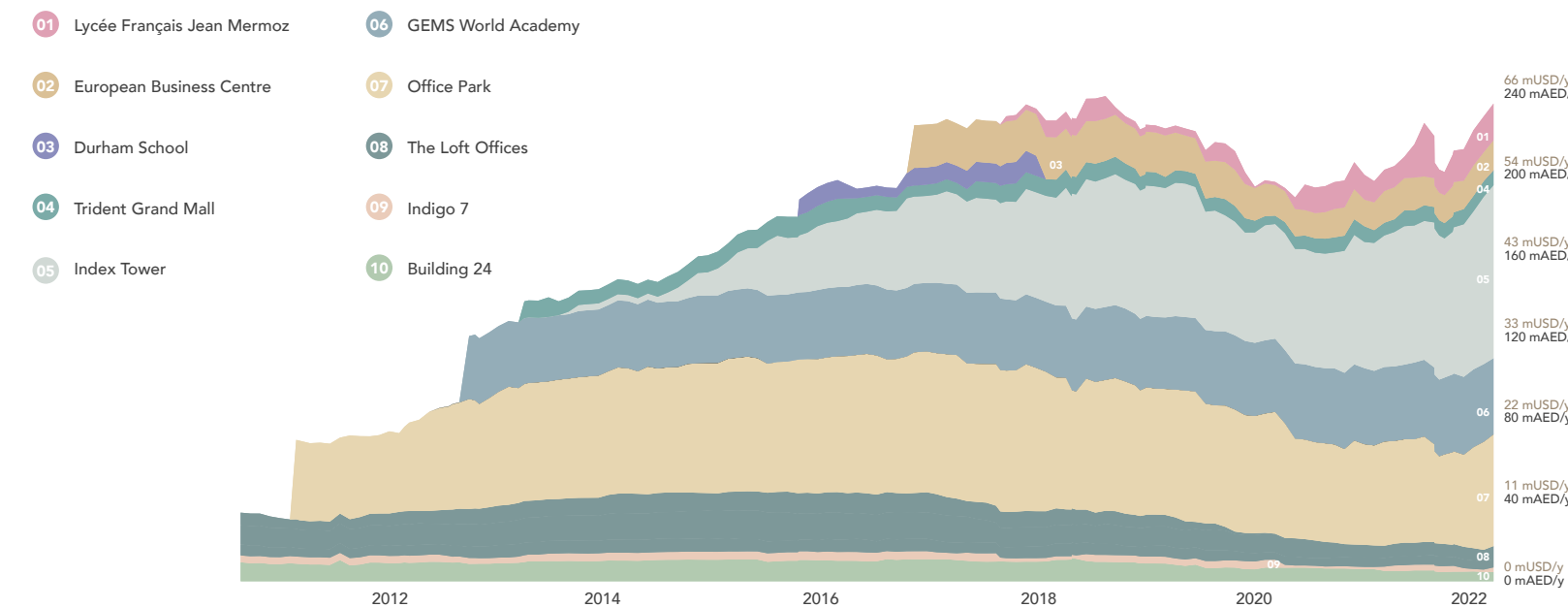
- 1H 2022 Rental, Fee & Other Income amounted to USD 34.4m compared to USD 30.3m in 1H 2021 (up 13.7% y-o-y). Incorporating the effect of asset disposal the Total Property Income in 1H amounted to USD 33.0m compared to USD 36.8m in 1H 2021 (-10.3% y-o-y).
- 1H 2022 Property Operating Expenses amounted to USD 6.0m compared to USD 6.5m in 1H 2021 a y-o-y decline of 7.7% which is a result of continued cost rationalization.
- Fund Expenses during 1H 2022 increased by 6.3% or USD 0.47m y-o-y mainly owing to the USD 0.64m voluntary management fee discount granted by REIT Manager in 1H 2021.
- Net provision on ECL was mainly driven by a USD 0.9m charge on the Jebel Ali School in 1H 2022, as compared to a net reversal of USD 7.3m booked in 1H 2021.
- Unrealized gain on portfolio revaluation for 1H 2022 amounted to USD 57.0m which, added to the reported USD 4.4m FFO, resulted in the Net Profit for 1H 2022 amounting to USD 61.5m (1H 2021: USD 50.9m).
- Driven by continued improved valuations, the Investment Property recorded a USD 34.0m increase (+4.7%) y-o-y.
- NAV per share crossed the par value mark to close at USD 1.10 per share as at 1H 2022, a 21.4% y-o-y increase compared to USD 0.91 per share as at 1H 2021.
- Supported by improved profitability, positive impact of portfolio revaluation and reduced scheduled amortisation of Islamic financing, the LTV ratio further improved to 51.8% as at June 30, 2022, from 57.5% as of June 30, 2021.

OPERATIONAL HIGHLIGHTS

- Occupancy across the portfolio increased q-o-q by 0.5 p.p. during 2Q 2022 to 81.9% (2.4 p.p. on a like-for-like basis).
 - Rental rates across the office portfolio increased by 1.9% to AED 1,618 per sq.m.
 - Rental rates across the education portfolio⁽¹⁾ remained stable at AED 904 per sq.m.
 - On a like for like basis, WALE increased by 5.4% to 7.8 years.
- Leasing activity during 2Q 2022:
- 32 renewals (6,015 sq.m.)
 - 26 new leases (5,822 sq.m.)
 - 11 exits (1,118 sq.m.)
- Index Tower experienced a strong occupancy increase of 8.2 p.p. during 2Q 2022 to 79.7% with a blended rental rate increase of 2.2%.
 - Occupancy at properties in Media City / Internet City increased by 3.7 p.p. during 2Q 2022 at 64.5% with stable rates.
 - Occupancy at Office Park increased by 6.9 p.p. during 2Q 2022 at 79.8% with a rental rate increase of 0.5%.

⁽¹⁾ Excludes Jebel Ali School

ANNUALISED RENT



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Reuters REIT.DI | Bloomberg REIT.DU

1H 2022

All information as at June 30, 2022 unless otherwise stated.

INCOME AND EARNINGS

IN USD M	FOR THE HALF YEAR ENDED		
	JUN 30, 2022	JUN 30, 2021	VARIANCE Y-O-Y
RENTAL, FEE & OTHER INCOME	34.4	30.3	+13.7%
(LOSS) / GAIN ON DISPOSAL OF INVESTMENT PROPERTY	(1.5)	6.5	(1.2x)
TOTAL PROPERTY INCOME	32.9	36.8	(10.3%)
PROPERTY OPERATING EXPENSES	(6.0)	(6.5)	(7.7%)
NET PROPERTY INCOME	26.9	30.3	(10.9%)
FUND EXPENSES	(8.0)	(7.5)	+6.3%
(ALLOWANCE) / REVERSAL FOR EXPECTED CREDIT LOSS	(0.7)	7.0	(1.1x)
OPERATING PROFIT	18.2	29.7	(38.8%)
FINANCE COST	(12.4)	(12.7)	(2.5%)
IFRS 16 FINANCE CHARGE	(1.4)	(1.4)	(0.6%)
PROFIT BEFORE FAIR VALUATION / FUNDS FROM OPERATIONS (FFO)	4.4	15.6	(71.6%)
NET UNREALIZED GAIN ON REVALUATION	57.0	35.2	+62.0%
NET PROFIT FOR THE PERIOD	61.5	50.9	+20.9%
FAIR VALUE ADJUSTMENT ON CASH FLOW HEDGES	1.3	0.6	1.1x
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	62.8	51.5	+22.0%
FFO PER SHARE (USD)	0.014	0.051	(72.9%)
EARNINGS PER SHARE (USD)	0.206	0.170	+21.2%

BALANCE SHEET

IN USD M	AS AT		
	JUN 30, 2022	JUN 30, 2021	VARIANCE Y-O-Y
INVESTMENT PROPERTY	758.6	724.6	+4.7%
TOTAL ASSETS	911.1	854.9	+6.6%
ISLAMIC FINANCING	472.1	491.9	(4.0%)
TOTAL LIABILITIES	558.6	578.0	(3.4%)
EQUITY / NET ASSET VALUE (NAV)	352.6	276.9	+27.3%
LTV	51.8%	57.5%	(5.7 p.p.)
NAV PER SHARE (USD)	1.10	0.91	+21.4%

DISCLAIMER

Due to rounding, numbers presented throughout this section may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. The summary financial information presented is extracted from the unaudited Financial Statements. This document is only for ease of use and for details please refer to the unaudited Financial Statements published on Emirates REIT website.

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CHAIRMAN'S MESSAGE

On behalf of the Board, I am pleased to present Emirates REIT's 2022 Half-Year Report.

Dear Shareholders,

On behalf of the Board, I am pleased to present Emirates REIT's 2022 Half-Year Report. The report reflects the REIT's sustained positive performance driven by the management team's focus on operational efficiencies and increased occupancy as well as the broader recovery seen in the Dubai market.

The city's well-appreciated handling of the pandemic and reputation as a business and tourism friendly destination have significantly contributed to an increase in tenant retention as well as an increase in new enquiries for office and retail space. School operators currently occupying the REIT's educational assets have also expressed an interest in expanding their operations.

Index Tower, the REIT's flagship asset, has seen a 23.7 p.p. increase in occupancy since 1H 2021, while the school in Dubai Investments Park (DIP) has been leased to Durham School Dubai in March 2022. Those achievements drove the REIT's overall occupancy to increase to 81.9% as at June 30, 2022, a 11.9 p.p increase year-on-year.

In May 2022, the REIT sold the Jebel Ali School to the renowned Taaleem school operator for a total consideration of USD 63.6m comprising both the property purchase price in an amount equal to the last valuation undertaken by an independent valuer and the settlement of the school's outstanding liabilities to the REIT upon payment of the deferred consideration. Overall, the Jebel Ali School asset will have generated a 1.4x return on investment to the REIT. On a like-for-like basis, excluding Jebel Ali School from the comparison, the REIT's occupancy has in fact increased 15.1 p.p since June 30, 2021.

Driven by continued improved valuations, the Investment Property recorded a USD 34.0m or 4.7% increase from USD 724.6m to USD 758.6m year-on-year. On a like-for-like basis, Investment Property increased by USD 75.8m year-on-year (+11.1%).

As a result, the overall financial performance of the REIT has improved significantly, with Net Asset Value increasing by 27.3% compared to the same period last

CHAIRMAN'S MESSAGE

year. Net Asset Value per share crossed the par value mark to close at USD 1.10 per share as at 1H 2022, a 21.4% increase compared to USD 0.91 per share as at 1H 2021.

KEY HIGHLIGHTS

- 1H 2022 Total Rental, Fee & Other Income amounted to USD 34.4m compared to USD 30.3m in 1H 2021 (up 13.7% y-o-y). Taking into account the USD 1.5m costs associated with the sale of the Jebel Ali School and the USD 6.5m one-off gain realised in 1H 2021 from the sale of a half floor in Index Tower, the Total Property Income in 1H 2022 amounted to USD 32.9m compared to USD 36.8m in 1H 2021 (-10.3% y-o-y).
- 1H 2022 Property Operating Expenses amounted to USD 6.0m compared to USD 6.5m in 1H 2021, a y-o-y decline of 7.7% which is a result of continued cost rationalization measures taken during the period.

- Net Property Income for 1H 2022 amounted to USD 26.9m compared to USD 30.3m in 1H 2021 (-10.9% y-o-y). Disregarding the one-offs referred to above, the Net Property Income in 1H 2022 grew by 19.6% y-o-y.
- Supported by improved profitability, positive impact of portfolio revaluation and scheduled amortization of Islamic financing, the LTV ratio further improved to 51.8% as at June 30, 2022, from 57.5% as of June 30, 2021.
- The portfolio benefited from a WAULT increase from 7.3 years to 7.8 years on a like-for-like basis over the last quarter.

In June 2022, the REIT issued the final dividend payment for the FY2021 by way of allotment and distribution of newly issued ordinary shares.

Going forward, the key priorities in 2H 2022 are the refinancing of the REIT's USD 400 million Sukuk, due to mature in December, and to continue to focus on asset enhancement initiatives, including cost optimization as

well as refurbishments at some of the assets, namely European Business Center, Building 24 and Loft Offices 3.

The team is also working on further increasing occupancy levels and lease rates within the portfolio – with key milestones already achieved during 1H 2022 being the lease up of Durham School as well as the notable increases in occupancy levels at Index Tower and Office Park. The average rental rate across the office portfolio increased 6.5% as at 1H 2022 compared to a year earlier, while the average rental rate across the school portfolio grew 8.7% over the same period.

With the continued growth of the education sector and the return in demand for commercial space, Emirates REIT remains committed to its investment strategy for such assets. The REIT's experienced management team regularly evaluates potential transactions and optimal capital structures and the Board believes that Emirates REIT is well-positioned to capitalize on further value creation and a return to a sustainable growth trajectory.

The Board and the management team have been fully committed to enhancing the operations and performance of Emirates REIT. We believe we have taken many significant and relentless strides to overcome the challenges that have come our way and we remain focused on further transformative initiatives.

Thank you for your continued interest and investment in Emirates REIT and for your confidence and trust. I am grateful to our Shareholders, tenants, lenders, regulators and the wider business community for their ongoing support.

Yours Sincerely,

Abdulla Al Hamli
Chairman

EMIRATES REIT OVERVIEW

as at June 30, 2022

Based in the DIFC, Emirates REIT is the first and largest listed Shari'a compliant REIT in the UAE by assets under management, and has a principal mandate to invest in income generating properties with a primary focus within the UAE. The REIT's investment holdings represent a diverse commercial portfolio covering office, retail and educational assets.

The principal objective of Emirates REIT is to provide its Shareholders with a stable source of income through the consistent distribution of at least 80% of its audited annual net income (in accordance with the DFSA CIR Rules) and an increased value of their holding in Emirates REIT through active asset management and the potential capital appreciation of the properties within the portfolio.

Emirates REIT's portfolio comprises 10 predominantly freehold properties in Dubai with a market value of approximately USD 771.7 million, with an aggregate lettable area of approximately 203,000 sqm and comprising 344 tenants.

Emirates REIT's shares are listed on Nasdaq Dubai under the ticker symbol REIT and it is managed by Equitativa (Dubai) Limited, which is a leading independent asset manager in the UAE.

COMMERCIAL

- Index Tower (DIFC)
- Office Park (Dubai Knowledge Village)
- Loft Offices (Dubai Media City)
- European Business Center (Dubai Investments Park)
- Building 24 (Dubai Internet City)
- Indigo 7 (Sheikh Zayed Road)

EDUCATION

- GEMS World Academy (Al Barsha South)
- Lycee Francais Jean Mermoz (Al Quoz)
- Durham School Dubai (Dubai Investments Park)

RETAIL

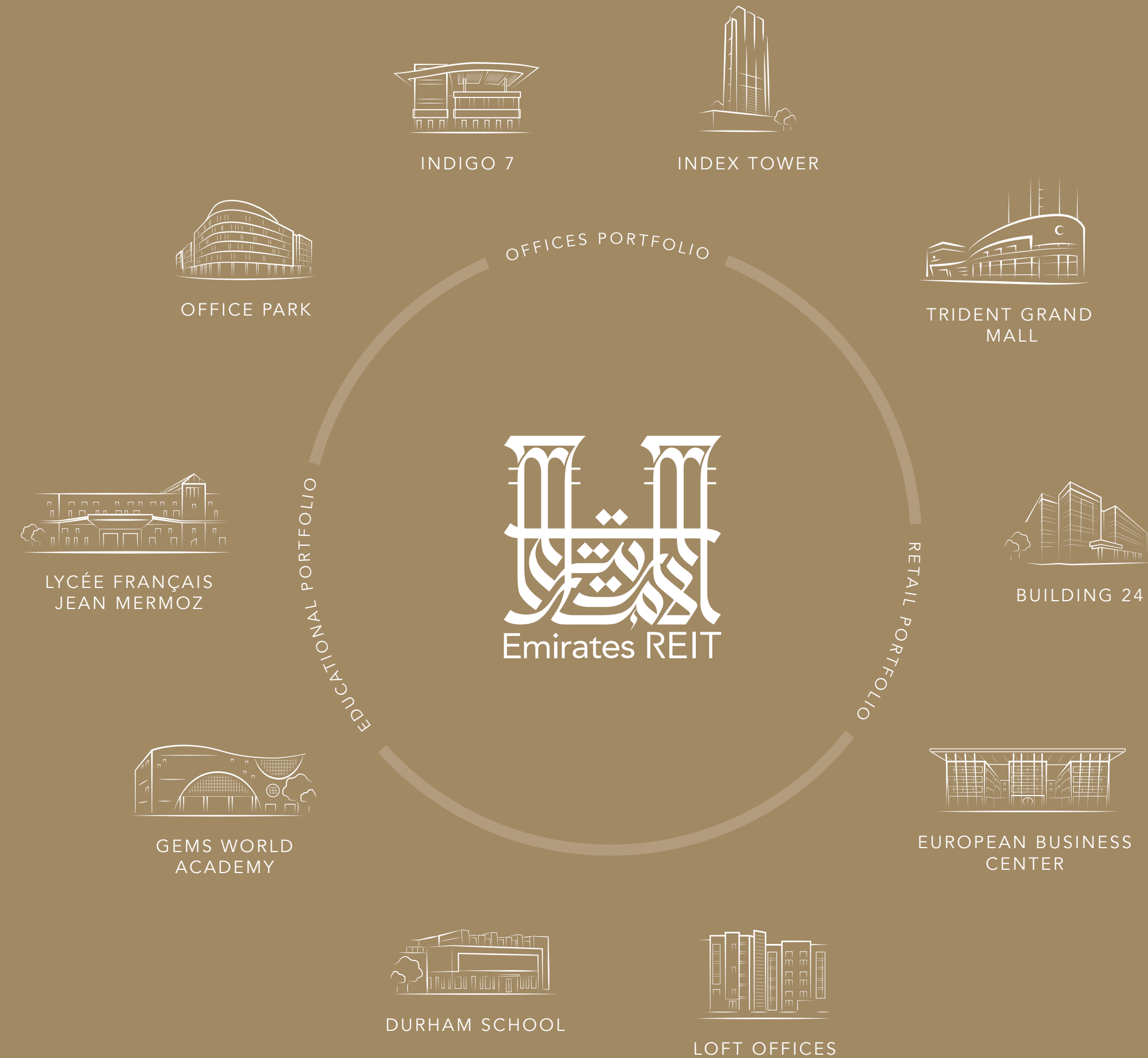
- Index Mall (DIFC) ⁽¹⁾
- Trident Grand Mall (JBR, Dubai Marina)

⁽¹⁾ Index Mall and Index Tower are considered as a single asset within Emirates REIT's portfolio.

REIT IN BRIEF

- First Listed Shari'a compliant REIT in the UAE.
- Focus on income-producing assets with attractive investment fundamentals.
- 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 distribution, gearing limit of 65% of Gross Asset Value, development activities limited to 30% of Net Asset Value.

EMIRATES REIT PORTFOLIO



1H 2022 IN BRIEF

2022

MARCH 2022

DIP School leased to Durham School Dubai, an international operator with a 600 year history in the UK

MAY 2022

Jebel Ali school sold to Taaleem for a total consideration of USD 63.6m, representing 1.4x the original investment

JUNE 2022

Final scrip dividend of USD 0.0483 per share totalling USD 14,705,007

INVESTMENT PROPERTIES

USD **758.6** M
AED 2.8bn

NET ASSET VALUE

USD **352.6** M
AED 1.3bn

NET LETTABLE AREA

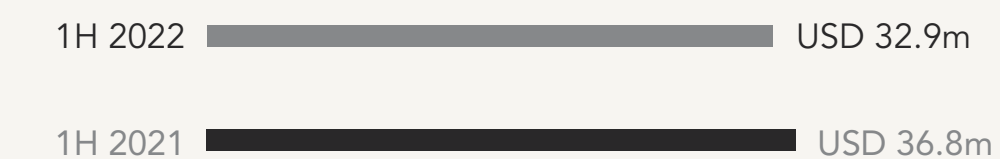
203,000 SQM

WEIGHTED AVERAGE LEASE EXPIRY

7.8 YEARS

TOTAL PROPERTY INCOME

-10.3%



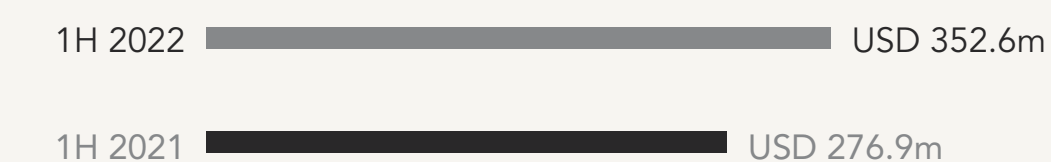
NET PROFIT

+20.9%



NET ASSET VALUE

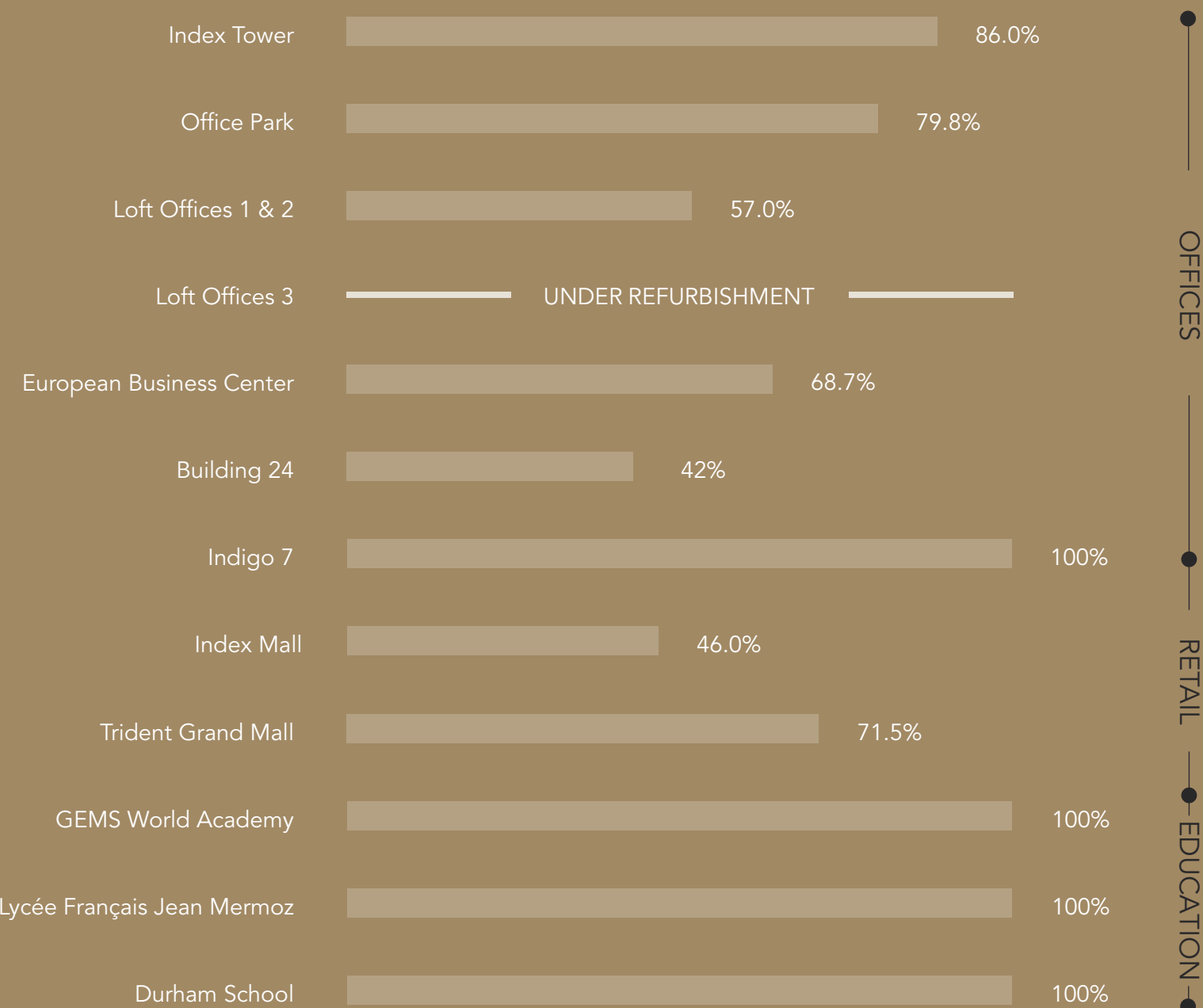
+27.3%



1H 2022 PORTFOLIO OCCUPANCY

TOTAL OCCUPANCY

81.9%



INCOME AND EARNINGS

USD '000	1H 2022	1H 2021	VARIANCE	% VARIANCE ²
Rental, Fee & Other income	34,420	30,264	4,156	+13.7%
(Loss)/Gain on disposal of investment property	-1,455	6,500	-7,955	-1.2x
Total property income	32,965	36,764	-3,799	-10.3%
Property Operating Expenses	-6,002	-6,500	-498	-7.7%
Net property income	26,963	30,264	-3,301	-10.9%
Operating profit	18,194	29,722	-11,528	-38.8%
Net finance cost	-13,753	-14,076	-323	-2.3%
Net unrealised gain on revaluation ¹	57,047	35,207	21,840	+62.0%
Net profit for the year	61,488	50,853	10,635	+20.9%
Fair value adjustments on cash flow hedges	1,306	620	686	+1.1x
Total comprehensive profit / (loss) for the year	62,794	51,473	11,321	+22.0%
EPS (USD)	0.21	0.17	0.04	+21.2x

¹ Including impact of IFRS 16

² % Variance computed based on financial impact.

STATEMENT OF FINANCIAL POSITION

USD '000	1H 2022	1H 2021	VARIANCE	% VARIANCE
Investment property	758,589	724,587	34,002	+4.7%
Cash and Cash Equivalent	55,869	25,684	30,185	+1.2x
Total Assets	911,145	854,947	56,198	+6.6%
Equity	352,581	276,937	75,644	+27.3%
Islamic Financing	472,059	491,885	-19,826	-4.0%
Total Liabilities	558,564	578,010	-19,446	-3.4%
NAV per share (USD)	1.10	0.91	0.2	+21.4%
LTV	51.8%	57.5%	-	-5.7p.p

1H 2022 FINANCIAL HIGHLIGHTS

as at June 30, 2022

During 1H 2022, Emirates REIT generated a Net Profit of USD 61.5m, a 20.9% increase over 1H 2021 Net Profit of USD 50.9m. The core rental, service fee and other income recorded a 13.7% increase on a y-o-y as a direct result of increased occupancy and slight upward revision in the rates. This is reflective of the efforts made by the REIT in a challenging market landscape. 1H 2022 Total Property Income amounted to USD 32.9m compared to USD 36.8m in 1H 2021 (-10.3% y-o-y) which takes into account both the gain realised in 1H 2021 on the sale of half a floor of Index Tower and the loss booked in 1H 2022 on the sale of Jebel Ali School. 1H 2022 Property Operating Expenses registered a y-o-y decline of 7.7% and amounted to USD 6.0m compared to USD 6.5m in 1H 2021. This is a result of continued cost rationalization measures taken by the REIT during the period.

Supported by a slightly lower finance cost owing to principal amortisation and unrealised revaluation gains of USD 57.0m, the Net Profit for the first 6 months of FY 2022 amounted to USD 61.5m as compared to 1H 2021 Net Profit of USD 50.9m, a y-o-y growth of 20.9%.

From a balance sheet standpoint, total assets as at June 30, 2022 amounted to USD 911.1m, a USD 56.2 million or 6.6% increase y-o-y, notably driven by the unrealized revaluation gain on investment properties. Total liabilities reduced by USD 19.4m on y-o-y, mainly driven by the amortisation of the Islamic financing, and closed at USD 558.6m as at June 30, 2022. The Loan to Value ratio continued to reduce and fell by 5.7 p.p on a y-o-y basis as a result of combination of revaluation gains and aforesaid Islamic financing amortisation. NAV per share crossed the par value mark to close at USD 1.10 per share as at June 30, 2022, a 21.4% y-o-y increase compared to USD 0.91 per share as at June 30, 2021.

1H 2022 OPERATIONAL HIGHLIGHTS

as at June 30, 2022

Emirates REIT has experienced a sustained positive performance driven by the management team's focus on operational efficiencies and increased occupancy as well as the broader recovery seen in the Dubai market.

The city's well-appreciated handling of the pandemic and reputation as a business and tourism friendly destination have significantly contributed to an increase in tenant retention as well as an increase in new enquiries for office and retail space. School operators currently occupying the REIT's educational assets have also expressed an interest in expanding their operations.

The portfolio's total number of tenants increased from 327 as at December 31, 2021 to 344 as at June 30, 2022 whilst the WALE stands at 7.8 years as at June 30, 2022.

Owing to strong initiatives on the cost management side, the Net Property Income Margin increased to 92.9% over 1H 2022.

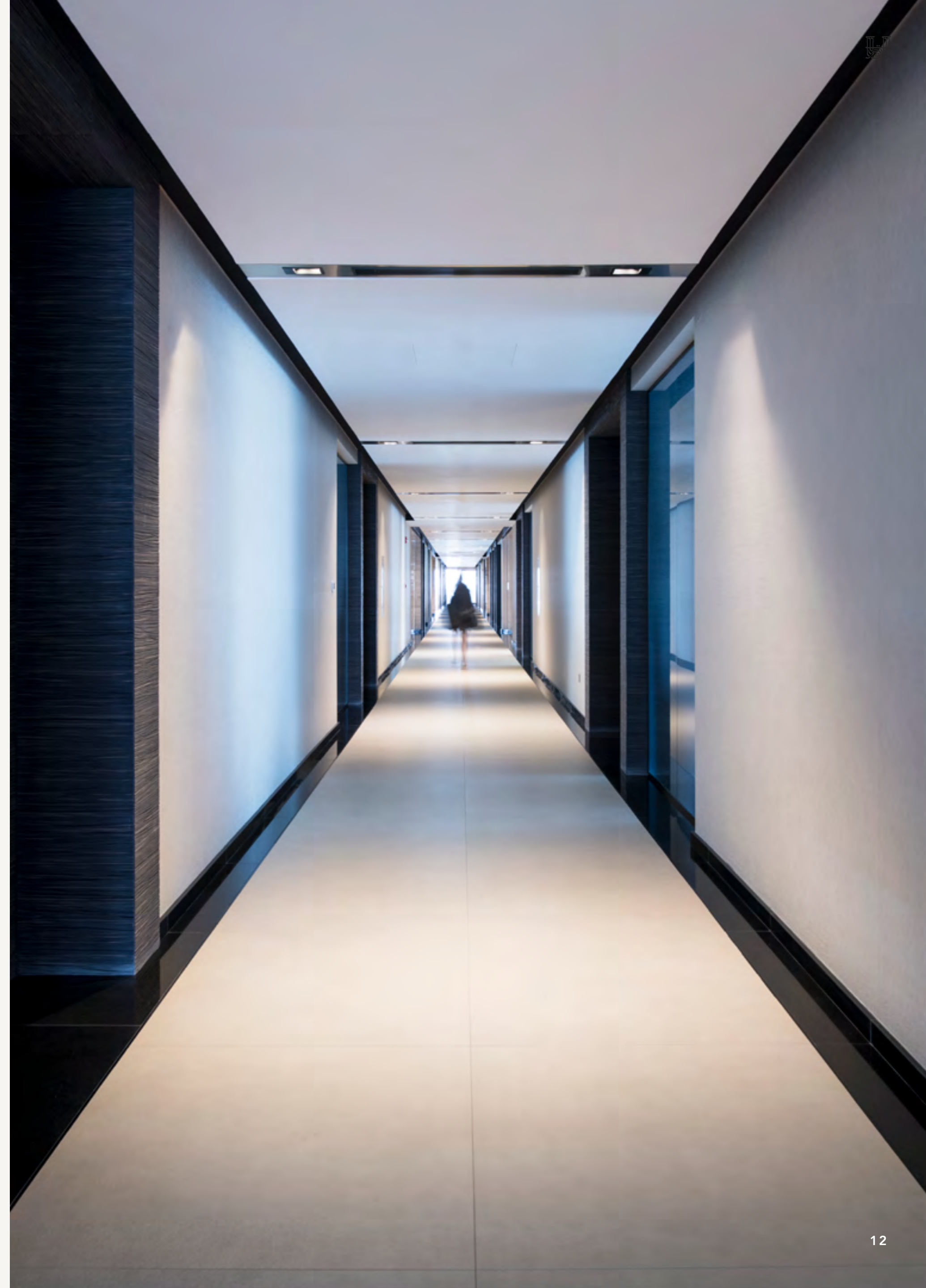
The occupancy across the portfolio increased by c. 11.9 p.p to 81.9% as at June 2022 compared to June 2021 at 70.0%. The increase was driven by Index Tower, the REIT's flagship asset, which has seen a 23.7 p.p. increase

in occupancy since 1H 2021, while the school in Dubai Investments Park (DIP) has been leased to Durham School Dubai in March 2022.

Additionally, other leasing activity during 2Q 2022 experienced an uptick with 32 renewals (6,015 sq.m.), 26 new leases (5,822 sq.m.) and 11 exits (1,118 sq.m.).

On the valuations front, with improvements in market conditions as well as with ongoing asset enhancement initiatives, Emirates REIT's independent valuers have revised the portfolio valuation upwards to USD 771.7m as at June 30, 2022 from USD 748.4m as at June 30, 2021, a 3.1% increase y-o-y.

On a like-for-like basis, excluding the valuation of the Jebel Ali School reported as at June 30, 2021, the portfolio valuation increase is equal to 10.8% y-o-y.



PORTFOLIO

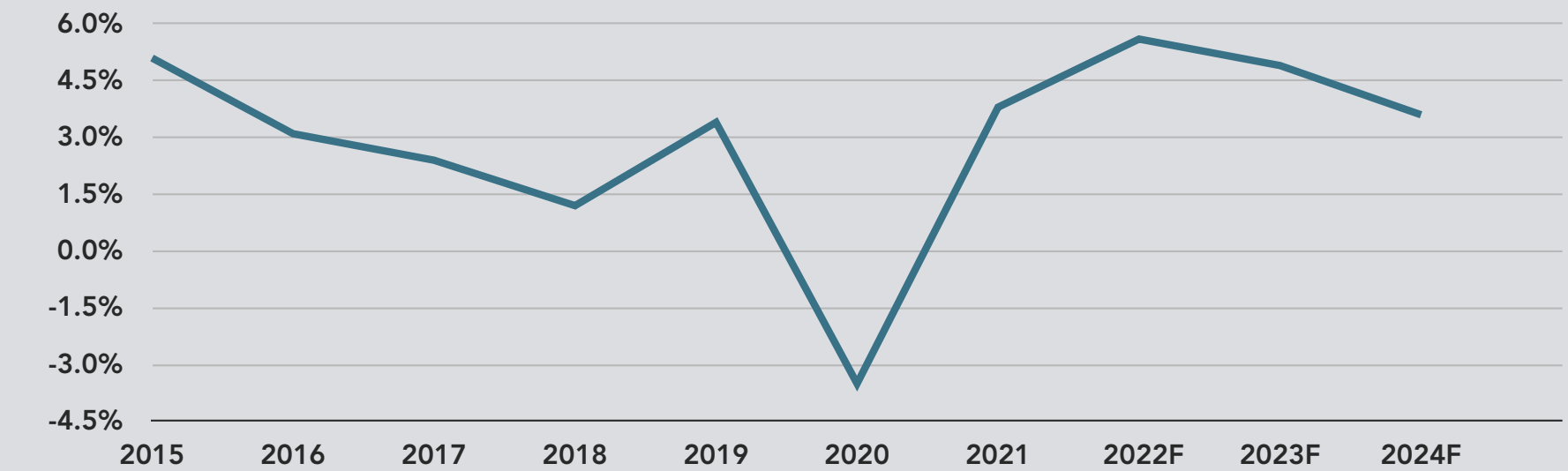
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MARKET OVERVIEW

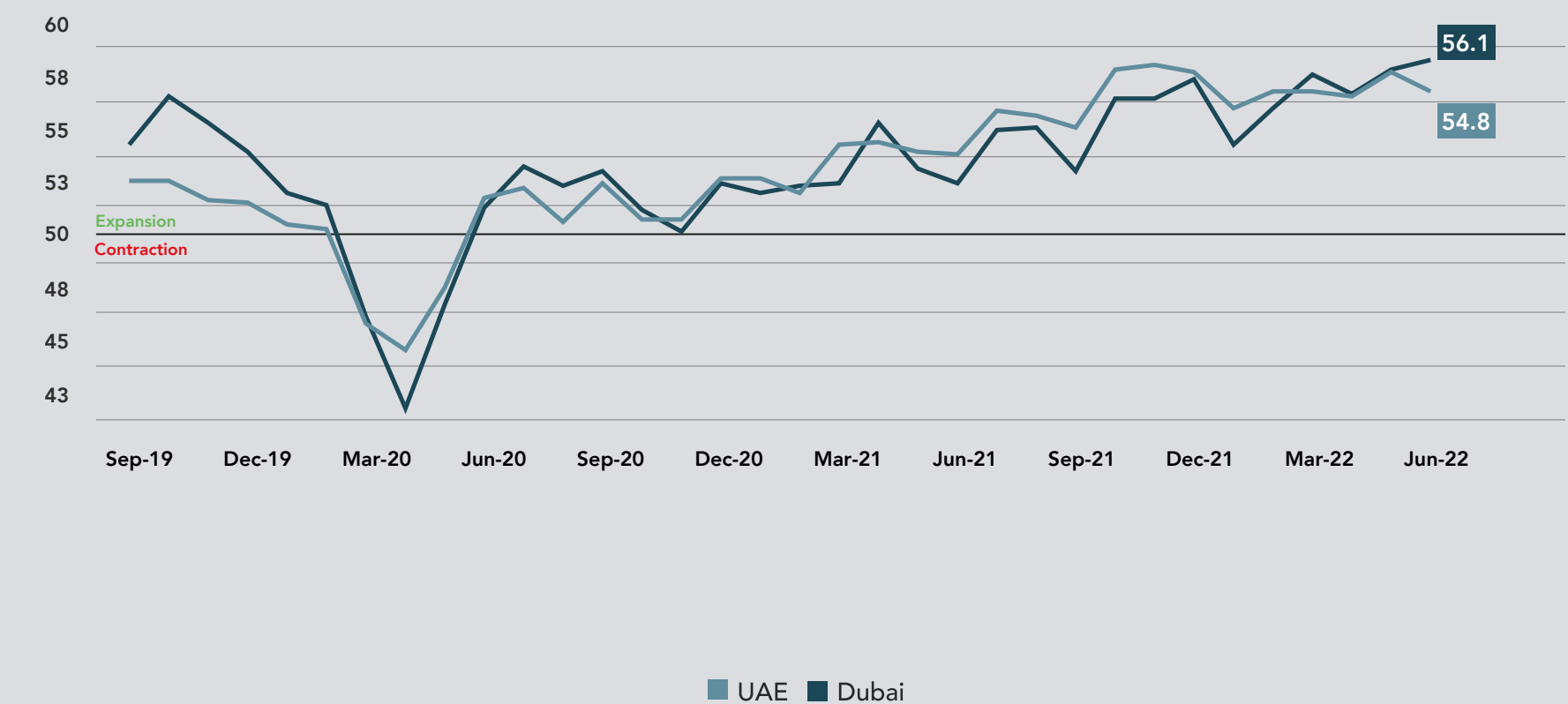
MACROECONOMIC OVERVIEW

- As per the UAE Central Bank, the country's Gross Domestic Product (GDP) grew 3.8% in 2021, beating earlier estimates of 2.1% – 2.3%. The growth was attributed to a rebound in tourism, the boost provided by the Expo 2020 event and a general return of confidence back into the economy and the business sector.
- In 1Q 2022, the Central Bank announced that the UAE economy grew a formidable 8.2%. Higher oil prices, higher oil production, government impetus towards various economic sectors and the visa reforms have all had a positive effect on growth and the Central Bank thus expects 2022 and 2023 to register a growth of 5.4% and 4.2%, respectively.
- Bloomberg's Composite Index compiled through various sources indicates an expected growth of 5.6% in 2022 and 4.9% in 2023.
- The UAE's Purchasing Managers Index registered a slight drop to 54.8 in June from 55.6 a month earlier while Dubai Index reached 56.1 in June, the highest reading over the last three years.
- Nevertheless, the readings are all firmly above 50.0 and have consistently been on the rise since December 2020, which indicates positive operating conditions, strong order books and general optimism in the business sector.
- While hiring conditions, business activity and tourism flows have improved and are expected to continue to improve, the slight drop in the UAE's index may be attributed to higher purchase costs driven by inflationary pressures.
- Indeed, looking ahead, there are potential headwinds which could pose a challenge to the current rate of economic growth in the UAE, such as profit rate hikes and a higher rate of inflation.

UAE REAL GDP GROWTH (Y-O-Y)



UAE PURCHASING MANAGERS INDICES

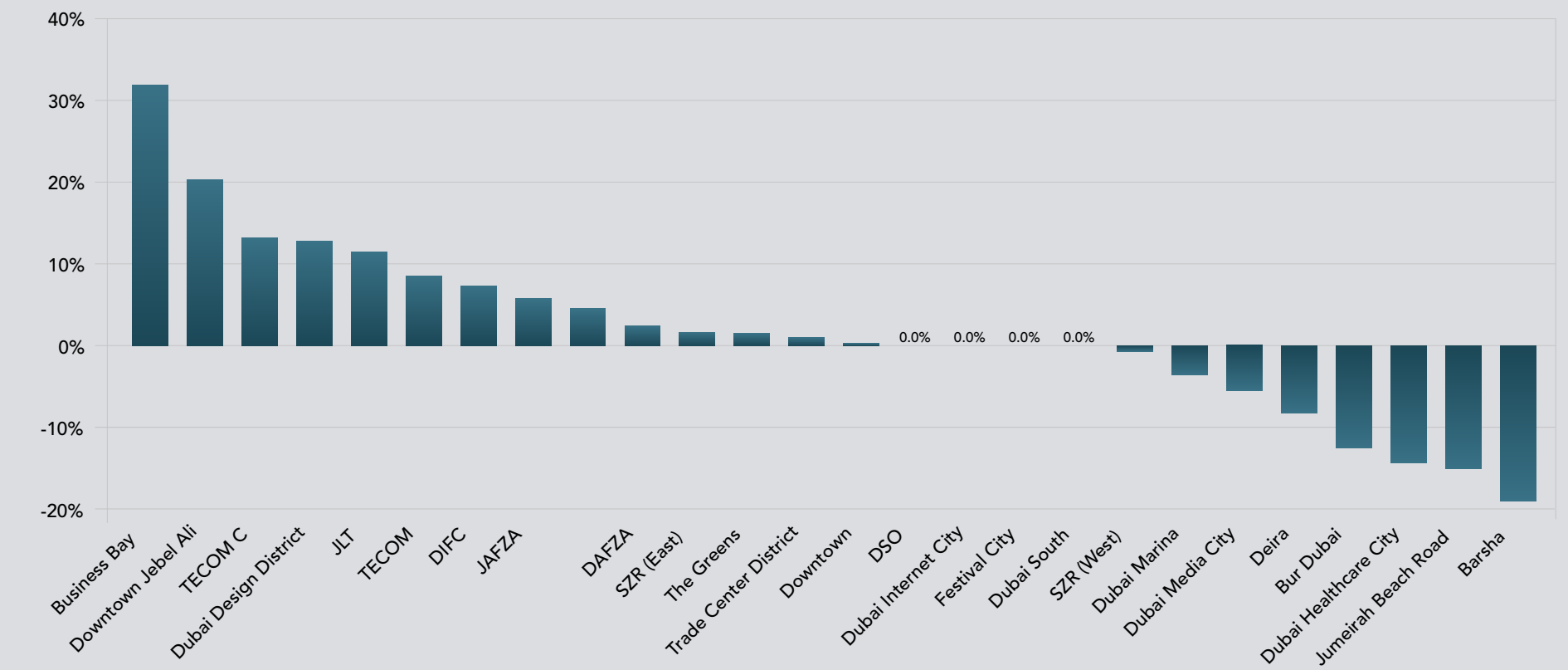


MARKET OVERVIEW

DUBAI OFFICE MARKET UPDATE

- There were no new office completions in Dubai in the second quarter of this year and the total stock remains stable at 9.1 million sq.m. JLL market research forecasts 53,000 sq.m. of GLA to be delivered in Dubai during 2H 2022.
- Strong demand for Grade A floorspace, coupled with tight availability in this segment led to double-digit growth in rents in Dubai. Average Grade A rental values in the CBD climbed 15% y-o-y to AED 1,945 per sq.m. per annum in 2Q 2022.
- We are witnessing a general trend where prices are rising in Dubai's newer and more prominent districts and falling in its older and more traditional districts.
- Additionally, agents have reported an increase in demand for larger spaces as well as increase in demand for serviced offices.

CHANGE IN OFFICE RENTS SINCE THE START OF THE PANDEMIC (1Q 2020 V 1Q 2022)



MARKET OVERVIEW

DUBAI RETAIL MARKET UPDATE

- There were no new retail completions in Dubai in 2Q 2022 and the total stock remains unchanged at 4.6 million sq.m.
- In 2H 2022, approximately 333,000 sq.m. of retail space is scheduled to be completed in Dubai.
- Retail rents have continued to soften in Dubai, with values down by around 3% y-o-y on average as at the end of 2Q 2022.
- It is generally expected that new completions will be delayed to catch up with demand levels rather than risk a greater supply-demand imbalance.
- The luxury and fashion segments are recovering with the out-performer being the F&B sector supported by rebounding tourism. New brands and concepts have also been seen entering the market for the first time.

CHANGE IN OFFICE RENTS SINCE THE START OF THE PANDEMIC (1Q 2020 V 1Q 2022)



OFFICES



INDEX TOWER



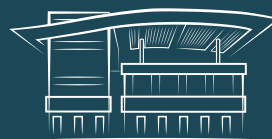
OFFICE PARK



LOFT OFFICES



EUROPEAN BUSINESS CENTER



INDIGO 7



BUILDING 24



VALUATION

72.3%

SHARE OF PORTFOLIO

NLA

56.9%

SHARE OF PORTFOLIO

INCOME

63.1%*

SHARE OF PORTFOLIO

Emirates REIT's office portfolio is comprised of six properties located in prominent locations in Dubai: Index Tower, Office Park, Loft Offices, European Business Centre, Building 24 and Indigo 7.

As at June 30, 2022, the market value of the office portfolio totalled USD 558.2m.

Dubai's office market has seen a surge in international inquiries from the UK and Europe, along with other international markets with companies wanting to expand in Dubai due to its favourable and open business environment. This trend is notably highlighted by the record number of trade licences being issued and by a higher number of new Ejari registrations in 1Q 2022 (53 percent new registrations compared to 47 percent renewals).

The main drivers for new corporates entering Dubai are the City's efficient management of the Covid-19 pandemic, robust infrastructure and ease of doing business. The remaining demand stems from existing occupiers with expansion or relocation requirements.

The REIT's presence in key freezone areas and active asset management have helped increase the passing rent per sqm by 6.3% y-o-y across the office portfolio.

The growth in occupancy seen in the REIT's portfolio was primarily driven by a strong pick up at Index Tower and the recovery at Office Park, with new entrants as well as existing clients increasing their requirement for office space. The market in DIP remained soft during the first half with the exit of two large project companies during 1Q 2022.

The REIT Manager's focus on leasing and commercial operations has also yielded good results with strong tenant retention across the office portfolio, a further 17% y-o-y increase in the WALE and a continued strong level of enquiries, particularly in the DIFC and Knowledge Village.

*Share of Income as a % of the portfolio is calculated based on contracted rents for the next 12 months on an IFRS basis



INDEX TOWER

DUBAI INTERNATIONAL FINANCIAL CENTRE



ACQUIRED
2013-2018

NET LETTABLE AREA
32,832 sqm

OCCUPANCY
85.6%

OCCUPANCY VARIANCE Y-O-Y
+30 p.p.

RATES Y-O-Y
-21.7%*

WALE
2.3 years

Located in the DIFC, Index Tower is a breathtaking and iconic 80-story building. Built by award-winning architects Foster & Partners, the 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’s freehold interests in Index Tower were acquired in various phases during 2013, 2014 and 2018, now consisting of 32,832 sqm of office space and 1,347 car park spaces.

Occupancy in Index Tower has increased to 85.6% (+30 p.p. y-o-y), with strong demand for larger shell and core offices, reflecting the growing interest and popularity of the Tower.

The property’s prime location in DIFC and connection to the DIFC Gate Avenue in June 2020 has transformed Index Tower into a vibrant lifestyle epicentre, resulting in strong income growth in excess of 20% during 1H 2022 and unlocking the high potential of the REIT’s largest investment.

POSITIONING

- Landmark Grade A building, located in a Central Business District.
- Clear and differentiated offering across 4 types of office products, providing flexibility for clients throughout the life of their business (flexibility and easy expansion or reduction of space within the same building).

- Index Tower provides to its office tenants a full community experience with Index Mall and Index Park.
- The connectivity to DIFC Gate Avenue provides a seamless integration to the broader community.

1H 2022 OPERATIONAL HIGHLIGHT

- Focus on commercial operations resulting in 30 renewals and 29 new leases.
- Further renovations and fit out works in common areas on occupied floors.

CHALLENGES

- Pressure with direct competition from ICD Brookfield for prime tenants.
- External signage and direct road access.

ACTIONS ENVISIONED

- Further refurbishments to common corridors and areas following the recent demand from shell & core anchor tenants.
- Upgrade of security and lift access controls.



OFFICE PARK

DUBAI KNOWLEDGE VILLAGE



ACQUIRED
2012

NET LETTABLE AREA
34,567 sqm

OCCUPANCY
79.8%

OCCUPANCY VARIANCE Y-O-Y
+8.8 p.p.

RATES Y-O-Y
-0.4%

WALE
2.4 years

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 well established Knowledge Village, the world's only talent development freezone, housing human resource management, recruitment, consultancy, executive search, vocational training and professional development companies. The community provides facilities for corporates and is home to over 500 companies and institutions. The premises are arranged as five interconnected blocks, in an L-shape, with four levels of parking and units from c. 60 sqm to 6,000 sqm to be able to accommodate any tenant need.

The property is particularly attractive to international companies and during FY 2021, the REIT completed the refurbishment of all common areas, wash-rooms and security systems to ensure Office Park remains a property of choice for corporates.

Occupancy stands at 79.8% (+8.8 p.p. y-o-y) with a total of 51 tenants. Notably, the increase in occupancy was driven by 4 new larger leases during Q2. The REIT's strategy has been to maintain rental rate levels whilst also offering flexibility during the negotiation process.

Office Park is well positioned to compete with the existing and new supply at the nearby Innovation Hub and the REIT Manager has been successful in converting new enquiries since the beginning of the year.

POSITIONING

- Premium low-rise building with high visibility and ease of access from Sheikh Zayed Road and Internet City.
- Attractive to multinational companies for their regional headquarters due to large, efficient and flexible floor plates.
- Stylish, contemporary and spacious lobbies with upgraded building security system.

1H 2022 OPERATIONAL HIGHLIGHT

Active commercial engagement with existing and new clients:

- strong retention with the renewal of c 4,000 sqm of offices.
- 8 new leases with over 3,000 sqm of new leased space.
- Replacement of certain retail tenants with new concepts.

CHALLENGES

- Three large offices remain vacant with various corporates downsizing during FY 2021.
- Competition from new free zones and new supply at Innovation Hub.

ACTIONS ENVISIONED

- Sub-dividing some of the larger offices to meet demand for 350 sq.m. - 500 sq.m. offices.
- Marketing and active leasing campaign.
- Capital expenditure towards energy efficiency and saving project.



LOFT OFFICES

DUBAI MEDIA CITY



ACQUIRED
2011

NET LETTABLE AREA
15,224 sqm

OCCUPANCY
38.3%

OCCUPANCY VARIANCE Y-O-Y
-0.2 p.p.

RATES Y-O-Y
+0.4% y-o-y

WALE
0.9 years

The Loft Offices is a cluster of three low-rise office buildings in DMC. DMC was launched in January 2001 to establish Dubai as the region’s leading media hub. For the past 20 years, DMC has cemented its position as the region’s most credible media community that houses the largest global and local media brands.

It is a community where freelancers, start-ups, SMEs and large enterprises co-exist, contributing to Dubai being named “The capital of Arab Media 2020”. It encompasses a media community of over 24,000 people working in over 1,600+ regional and international media companies pushing the limits of creativity every day. The property is a unique building, providing duplex office spaces and featuring a recently uplifted vibrant central courtyard with retail, thus creating a unique and ideal environment

attracting creative companies and start-ups.

Acquired on a freehold ownership title by Emirates REIT in December 2011, the premises is comprised of a total lettable area of 15,224 sqm.

The Loft Offices is home to creative and media companies and SMEs which were most impacted by the effect of the pandemic during 2020 and 2021, and is characterised by shorter term leases. Whilst the property and the community are a highly attractive proposal, demand for new offices still remains very low in DMC as larger media and tech companies continue to either partially or fully adapt to the “work from home” model.

Occupancy at the Loft Offices is stable at 38.3% (-0.2 p.p. y-o-y) with new leases almost

compensating for expiring leases. Business is concentrated on Loft Offices 1 & 2 to focus resources in anticipation of a slower recovery for the SMEs and re-purposing Loft Office 3.

The Loft Office 3 remains vacant and the REIT is currently pursuing approvals towards a conversion of the property into 6 larger offices to access a market for larger corporates. The conversion project is expected to commence during FY 2022, along with an off-plan leasing strategy.

POSITIONING

- In the heart of DMC.
- Urban landscape look & feel and re-branding of the Loft Offices with a thematic twist (Helvetica, Garamond &

Rockwell) targeted to SMEs, creative and communication companies and start-ups.

- Well established surrounding, providing a community feel.

1H 2022 OPERATIONAL HIGHLIGHT

- Loft Offices 3 vacated for its repurposing to larger offices.

CHALLENGES

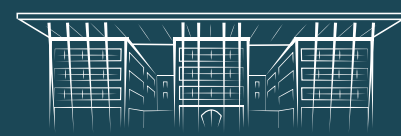
- Concentration of SMEs and creative companies that were most impacted by Covid-19 disruption.

- Direct competition from new freezones (D3, Innovation Hub) with aggressive rental propositions.

- Short-term nature of leases and constant need for marketing to maintain occupancy.

ACTIONS ENVISIONED

- Repurposing of Loft Offices 3 to cater to larger tenants.
- Marketing campaign restarting in 2H 2022.
- Assessing potential activation of common areas to enhance community interaction.



EUROPEAN BUSINESS CENTRE

DUBAI INVESTMENTS PARK



ACQUIRED
2017

NET LETTABLE AREA
25,566 sqm

OCCUPANCY
68.7%

OCCUPANCY VARIANCE Y-O-Y
-2.3 p.p.

RATES Y-O-Y
+7.9 %

WALE
1.5 years

Emirates REIT acquired the leasehold interest in the European Business Centre property in DIP in August 2017. DIP is a unique, self-contained mixed-use industrial, commercial and residential zone operated by Dubai Investments Park Development Company LLC. Spread across an area of 2,300 hectares (with 1,700 hectares leased), it is a city within a city offering world-class infrastructure and outstanding facilities and services. DIP is designed to be one of the most environment-friendly developments in the region. Extensive landscaping and eco-friendly policies underline its focus on a green, clean environment.

European Business Centre enjoys a strategically prime location next to the metro station which opened in June 2021, and is one stop away from the Expo 2020 site, which is being relaunched as 'District 2020', a new lively mixed-use district.

European Business Centre 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 three floors, comprised of office and retail space.

The premises accommodate 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.

Occupancy at EBC stabilised at 68.7% (-2.3% y-o-y) following the exit of 3 larger tenants during 1Q 2022. The commercial floors are occupied at 72% while the retail ground floor is still only occupied at 58%.

The property's strategic location directly opposite the metro station and the improvement of external areas will enable it to appeal to new retail tenants, thus improving its attractiveness and desirability. Capex works have commenced to improve accessibility, external areas and a soft refurbishment of the common areas is due to commence during 2H 2022.

POSITIONING

- Premium building with high visibility in a key location within DIP.
- One of the most attractive propositions in the area with significant growth potential and upside of being adjacent to the metro station.

- Large and flexible floor plates are suitable for large corporates and SMEs alike.

1H 2022 OPERATIONAL HIGHLIGHT

- Upgrade of the telecommunication infrastructure and direct connectivity for all units
- On going upgrade of exterior grounds and entrances
- Planning a soft refurbishment of the common areas in order to improve the attractiveness (due to commence in 2H 2022).

CHALLENGES

- Pressure on performance due to a 25% retail

mix, whilst also being an opportunity to reposition the property and take advantage of footfall from the metro station.

- Attractive to SMEs with short term leases by nature.
- Pressure on rates in a competitive environment, despite European Business Centre being the most premium offering in the area.

ACTIONS ENVISIONED

- Implementation of energy saving measures.
- Refurbishment of common areas.



BUILDING 24

DUBAI INTERNET CITY



ACQUIRED
2011

NET LETTABLE AREA
5,327 sqm

OCCUPANCY
42.0%

OCCUPANCY VARIANCE Y-O-Y
-5 p.p.

RATES Y-O-Y
-1.8%

WALE
1.8 years

Building 24 is a low-rise building located in a prime area of DIC.

DIC is the region's leading tech hub #WhereMindsClick. It was founded in 2000 to foster innovation. Today its tech community comprises 24,000+ professionals and 1,600 businesses collaborating to write themselves into history.

Building 24 is part of phase 1 of DIC, built in 2005 and acquired by Emirates REIT in 2011, offering 5,327 sqm of lettable area over three floors, with turn-key offices in flexible sizes, as well as retail facilities.

The property's performance has been negatively impacted by the competition from new or refurbished properties in the freezone and companies relocating.

The building is under a Property Management and Leasing Agreement ("PMLA") with TECOM.

An agreement has been concluded with TECOM to enable the REIT Manager to actively engage in leasing, whilst reducing its property management expenses and improving the service charge recovery.

The REIT Manager is currently assessing options for a renovation of the property along with new leasing strategies, including consideration to a single tenant lease. The low-rise property is ideally located in the heart of DMC, and its size would be attractive to a large corporate regional headquarters.

POSITIONING

- Excellent Location, part of phase 1 of DIC.
- Highly visible building in the heart of DIC.
- Flexible floor plates with the option of a single tenant lease.

1H 2022 OPERATIONAL HIGHLIGHT

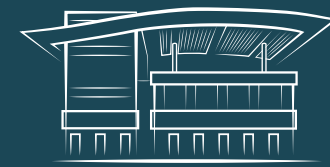
- Assessing and planning soft refurbishment works
- Agreement with TECOM that will enable the REIT Manager to actively engage in the leasing activity and improve recovery of service charges (FY 2022).

CHALLENGES

- Ageing property and in need of refurbishment to remain competitive within the market.

ACTIONS ENVISIONED

- Assessment of a direct investment to refurbish the property.
- Coordination with key market players to promote the property in view of securing a single tenant for the property.



INDIGO7

SHEIKH ZAYED ROAD



ACQUIRED
2011

NET LETTABLE AREA
1,902 sqm

OCCUPANCY
100.0%

OCCUPANCY VARIANCE Y-O-Y
0%

RATES Y-O-Y
-2.2%

WALE
6.4 years

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

Indigo 7 is a low-rise building constructed in 2009 and acquired by Emirates REIT in September 2011.

The property enjoys excellent visibility and features 1,902 sqm 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 food and beverage businesses alike.

Indigo 7's operational performance remains robust and is a mature asset within the portfolio boasting 100.0% occupancy.

POSITIONING

- Highly visible with easy access from Sheikh Zayed Road.
- Well established and in high demand for its retail and commercial space.

1H 2022 OPERATIONAL HIGHLIGHT

- Continued maintenance and upkeep of the building.

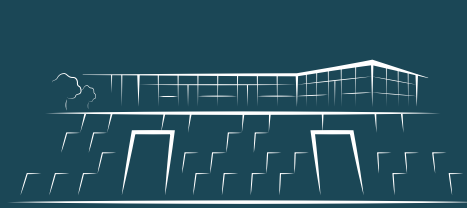
CHALLENGES

- New supply along Sheikh Zayed Road with aggressive rental rates.
- Recovery of service charge in a predominantly service charge inclusive market

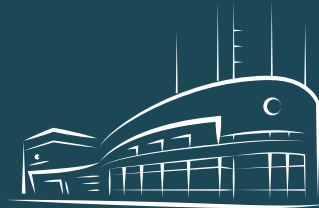
ACTIONS ENVISIONED

- Installation of access control systems to reduce security cost further.

RETAIL



INDEX MALL



TRIDENT GRAND MALL



Emirates REIT's retail portfolio is comprised of two properties, Index Mall and Trident Grand Mall, located in excellent sought-after locations, DIFC and Jumeirah Beach Residence, respectively.

As at December 31, 2021, the market value of the retail portfolio totalled USD 54.0 million.

After two years of economic uncertainty, retail is on an upward trajectory and with it consumer spending. Data from the Dubai Chamber of Commerce and Industry forecasts that UAE retail sales will grow by 6.6% annually to reach AED 258 billion (US\$ 70.5 billion) by 2025.

The sector's optimistic outlook is maintained by the increase in retail spending levels as the country's economy continues to prosper.

A substantive return of international tourism, increased construction activity, rapidly growing population and an upturn in personal disposable income are expected to drive robust growth of long-term retail spending and investment.

Active asset management has enabled resilience, despite recent market pressures on the sector. The occupancy and WALE remain stable for Trident Mall at 71.5% and 4.8 years respectively

There has been a notable increase in footfall at Index Mall since its connection to Gate Avenue on June 1, 2020 and the opening of a large medical facility during 2H 2022 is expected to drive additional traffic and interest in the premium facilities.

The connection to the Gate Avenue also had a positive impact on the office space activity, given Index was historically viewed as being isolated from the DIFC and Gate Village by some occupiers. This subsequently led to increased demand for office space in the tower and a notable increase in its occupancy levels.

VALUATION

7.0%

SHARE OF PORTFOLIO

NLA

5.4%

SHARE OF PORTFOLIO

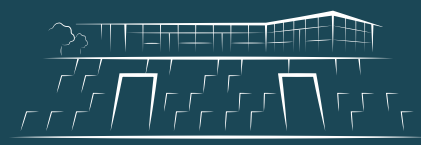
INCOME

5.5%*

SHARE OF PORTFOLIO

*Share of Income as a % of the portfolio is calculated based on contracted rents for the next 12 months on an IFRS basis

Source: The Dubai Chamber of Commerce and Industry, Khaleej Times



INDEX MALL*

DUBAI INTERNATIONAL FINANCIAL CENTRE



ACQUIRED
2013

NET LETTABLE AREA
5,660 sqm

OCCUPANCY
46.3%

OCCUPANCY VARIANCE Y-O-Y
+9 p.p.

RATES Y-O-Y
+6.9%

WALE
6.7 years

Index Mall consists of 32 exclusive retail outlets across 2 levels with 4,440 sqm of retail space and 158 parking spaces. The ground floor level provides a range of community services in an elegant setting. The podium level is directly connected to DIFC mosque, DIFC Gate Avenue and overlooks Index Park, making it a highly desirable place to be.

Index Park offers seating areas, picnic areas, fountains and an outdoor cinema. It creates an urban green space, with nature pods and a children's play area, in the DIFC. With a setting for events, markets and pop-up outlets, Index Park will bring a range of outdoor activities into Index Mall and the community.

The attention to the design and finishing of the spaces in the mall has been thought through in every aspect from the large marble used on the columns and down to the finest details of texture and lighting.

Occupancy increased to 46% (+20% q-o-q) including the very exclusive 1,220 sqm panoramic retail space located on the 28 and 29th floors which remains vacant and is aggregated to the retail mix.

Index Mall main commercial area on the entrance level is a vibrant epicentre connecting directly to the Gate Avenue which is now occupied at 71%. The upcoming opening of additional retailers and a large medical facility during 3Q 2022 will provide additional momentum for the activation of the Mall's upper level.

POSITIONING

- Attractive location at the entrance of DIFC catering to office tenants and residential occupiers.
- Exclusive retail outlets in an elegant setting.

1H 2022 OPERATIONAL HIGHLIGHT

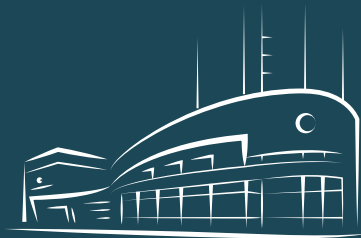
- Activation of Index Park with community activities.
- Launch of The One Wall Art Gallery.

CHALLENGES

- Visibility and accessibility, particularly access to upper level and Index Park.
- Competition from adjoining Gate Avenue retail.
- REIT restrictions on F&B retail limiting access to certain more profitable sectors.

ACTIONS ENVISIONED

- Index Mall activation to continue as community engagement grows.
- Review of operating expenses and optimisation initiatives.



TRIDENT GRAND MALL

DUBAI MARINA



ACQUIRED
2014

NET LETTABLE AREA
5,472 sqm

OCCUPANCY
71.5%

OCCUPANCY VARIANCE Y-O-Y
-0.5 p.p. y-o-y

RATES Y-O-Y
+6.5% y-o-y

WALE
4.8 years

Trident Grand Mall is the two-floor retail component of Trident Grand Residence in Dubai Marina's popular JBR.

JBR is a destination on its own, built on a 1.7 kilometer long waterfront featuring world-class hotels, residences and commercial developments.

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

Occupancy at Trident Grand Mall is stable at 71.5%, despite the retail sector remaining impacted by the effect of the pandemic. The property's retail tenants are strong and stable.

There are enquiries, however a lot of retail offering on nearby JBR – The Walk at lower rates is a challenge to secure new tenants.

POSITIONING

- Attractive location at the entrance of JBR.
- The area enjoys strong footfall and is highly desirable for residents and tourists alike.

1H 2022 OPERATIONAL HIGHLIGHT

- Optimisation of operational costs and improving service charge recovery (ongoing).
- Sub metering of chilled water completed and directly recovered from tenants
- Installation of external signage to improve awareness and visibility of retail tenants.

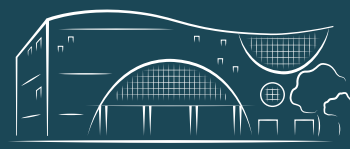
CHALLENGES

- The property requires a soft refurbishment to maintain its attractiveness in a competitive market.

ACTIONS ENVISIONED

- Assessment of visitor parking options (full automation vs rent).
- Assessment of a soft refurbishment to common areas.

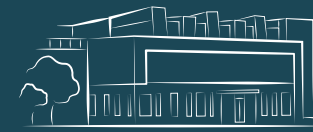
EDUCATION



GEMS WORLD ACADEMY



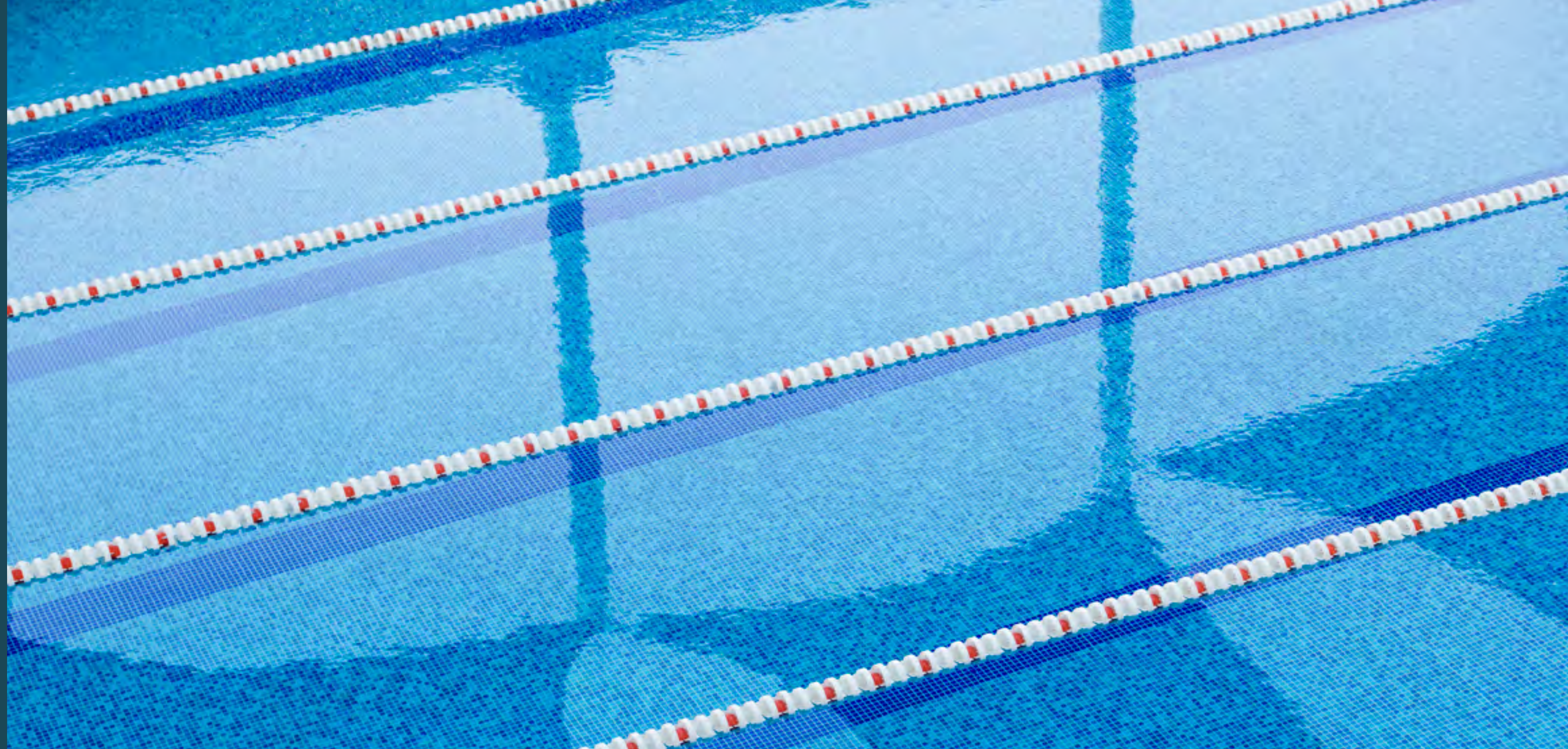
LYCÉE FRANÇAIS JEAN MERMOZ



DURHAM SCHOOL



JEBEL ALI SCHOOL



VALUATION

20.7%

SHARE OF PORTFOLIO

NLA

37.7%

SHARE OF PORTFOLIO

INCOME

23.4%*

SHARE OF PORTFOLIO

Emirates REIT is invested into some of the best education complexes in Dubai, which remains an attractive sector. The City's private education market continues to grow with both the number of schools and students increasing y-o-y.

The quality of the UAE's primary and higher education systems rank among the top 20 globally. The UAE continues to be the most competitive country in the Arab world in education according to the Global Competitiveness Index.

The rise in school enrolment also reflects Dubai's growing attractiveness as a lifestyle, business and investment destination, which has encouraged families from across the world to relocate to the city.

The Dubai education sector is largely dominated by private sector operators, enrolling 91% of Dubai's student population and making it one of the most privatised education systems in the world, served by 215 private schools offering 18 different curricula. The number of students attending Dubai private schools has topped 300,000 for the first time ever. A total of 303,262 students are enrolled in Dubai's private schools, as of April 2022, up from 289,019 in September 2021, representing a growth of 4.9%.

With the primary goal of making Dubai the best city in the world by enhancing quality of life for all residents, the Government has announced a 25% increase in the land area allocated to education by 2040. Demand for private education is being bolstered by an unprecedented hike in the influx of expatriates,

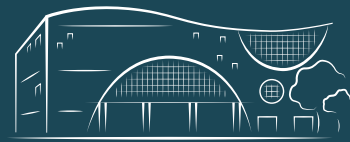
brought about by recent Government initiatives such as green visas and other business acceleration programmes which are attracting young, innovation-charged talent into the Country.

The REIT's education portfolio comprises three school complexes. As of June 30, 2022, the market value of the REIT's education portfolio totalled USD 159.5m.

All contracts are triple net leases with the school having full control of the premises and responsibility for the maintenance, repairs and insurance of the buildings.

*Share of Income as a % of the portfolio is calculated based on contracted rents for the next 12 months on an IFRS basis

Source: PWC education country profile, education sector in the UAE and KHDA



GEMS WORLD ACADEMY

AL BARSHA SOUTH



ACQUIRED
2013

NET LETTABLE AREA
42,700 sqm

OCCUPANCY
100.0%

WALE
21.3 years

GEMS World Academy, Dubai, is a low-rise education complex located on Al Khail Road, in Al Barsha South, an upcoming residential district.

Founded in 2007, GEMS World Academy is an International private school, providing the IB curriculum to over 2,000 students ranging from KG1 to Grade 12. The school is managed and operated by the reputable GEMS Education Group which was founded in 1959. GEMS Education now has operations in Asia, the Middle East, Africa, Europe and the US and is firmly committed to expansion into other markets.

GEMS World Academy puts a significant focus on investment in Education Technology, Artificial Intelligence and building Centres of Excellence for the benefit of each and every student.

Extending over a land area of 42,700 sqm, Emirates REIT acquired the property in October 2013 with the benefit of a long leasehold title.

The school experienced a soft refurbishment of the common areas and a further enhancement of the school's facilities is currently under way.

Within the state-of-the-art, 21st century learning environment, a diverse student body with over

90 nationalities and a welcoming community spirit, each and every student participates in their educational journey as an active learner, embracing the opportunities and experiences facilitated by our multi-cultural, multi-lingual international staff of passionate educators.

KEY FACILITIES

- 112 Classrooms
- 600+ seat Auditorium
- 3D Planetarium
- Advanced Design Technology Labs
- 7 custom-built Science Labs
- 50m Olympic-sized Swimming Pool
- Music Recording Studio
- Main Gym with three smaller adjacent, complementary gyms



LYCÉE FRANÇAIS JEAN MERMOZ

RESIDENTIAL AREA OF AL QUOZ



ACQUIRED
2018

NET LETTABLE AREA
16,594 sqm

OCCUPANCY
100.0%

WALE
22.8 years

Emirates REIT acquired LFJM in May 2018 on a sale and leaseback basis.

The campus is conveniently located in the center of Dubai's Al Quoz district, with easy access to Business Bay, Jumeirah and Al Barsha neighbourhoods.

The school opened in September 2017 and provides French curriculum education from the maternelle to the 3ème to over 950 students from over 50 countries.

LFJM is part of the network of French schools abroad which is affiliated to the "Agence pour l'enseignement français à l'étranger" (AEFE), a French public agency sponsored by the French Ministry of Europe and Foreign Affairs.

The French curriculum has a limited supply in Dubai and continues to enjoy strong demand and a good reputation for high level education at reasonable rates – drawing in the French community and French speaking students.

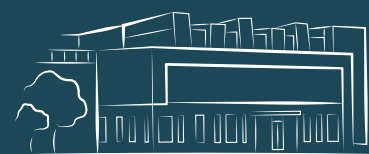
The property development includes a built-to-suit component to the operator's specifications, which is programmed and aligned with the ramp-up of the school. The second phase was built during FY 2020 to accommodate for secondary classes, which has also proved to be an excellent addition in light of the Covid-19 social distancing requirements.

The school is now fully occupied and the REIT has commenced its investment into the third phase which consists of two sports halls, a dance studio, a pool and improvements to the existing facilities.

Upon completion of the third phase, LFJM will be able to increase the number of students to over 1,480.

KEY FACILITIES

- 300+ seat Auditorium
- 3 custom-built Science Labs
- 2 outside sport pitches
- 2 libraries
- 25m Olympic-sized Swimming Pool
- 2 gymnasiums



DURHAM SCHOOL DUBAI

DUBAI INVESTMENTS PARK



ACQUIRED
2016

NET LETTABLE AREA
19,350 sqm

OCCUPANCY*
100.0%

WALE
9.2 years

Emirates REIT further expanded its investments in the education sector in 2016 by acquiring a leasehold interest in a 25,000 sqm plot in DIP for the development of a new school, built to the requirements of international operators and a capacity for more than 1,700 students.

DIP is a 2,300 hectares 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. The school was initially developed for, and leased to, British Columbia Canadian School, which defaulted on

its rental obligations and eventually vacated the premises in the summer 2018.

The REIT has signed a lease in March 2022 with Durham School LLC.

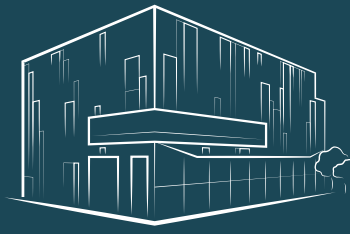
Founded in 1414, Durham School has a 600-year legacy of providing outstanding education. Durham School Dubai will open in August 2022 and will offer the English National Curriculum, closely following the ethos of the UK school.

The school will open for the 2022-2023 academic year and provide students with a complete education and one which instills in them an aspiration for achievement, a respect for others and a 'Confidence for Life'.

Durham School Dubai is the latest educational institution in Durham School's expanding international portfolio. At capacity, Durham School Dubai will educate more than 1,700 students and it is strategically located within the catchment area of the populous communities of Arabian Ranches, Damac Hills, Jumeirah Golf Estates, Jumeirah Village Circle, the Green Community, Motor City and Dubai Sports City. The DIP school property has been constructed to the highest standards with a world-class contemporary design.

KEY FACILITIES

- Foundation Stage section, with all classrooms opening up into a central covered play area
- Primary and Secondary libraries
- Acoustically designed music performance hall
- Auditorium
- Dining hall
- Primary and Secondary classroom complex, with specialist science, art and IT labs
- 25-meters indoor swimming pool
- Indoor multipurpose sports hall
- Rooftop sports courts
- Sports pitch



JEBEL ALI SCHOOL

AKOYA DUBAILAND



ACQUIRED
2015

SOLD
2022

NET LETTABLE AREA
N/A

OCCUPANCY
N/A

WALE
N/A

The Jebel Ali School is a built-to-suit development developed on a 33,301 sqm plot in the Akoya Development of Dubailand completed in 2016 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.

On May 27, 2022, the REIT announced that it has sold its property hosting Jebel Ali School for an aggregate consideration of USD 63.6m, comprising both the property sale price and the settlement of the school’s outstanding liabilities towards the REIT.

Upon receipt of the full consideration, the total return on investment derived by Emirates REIT from the Jebel Ali School property over the hold period will be 1.4 times its investment.



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EQUITATIVA'S REPORT

The Directors present their report for the six months ended June 30, 2022.

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 June 30, 2022, the REIT's issued share capital comprised a total of 319,156,400 ordinary shares with a market value of USD 0.233 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" or the "REIT Manager"), as sole corporate Director of the REIT. Equitativa is incorporated in the 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, notably Real Estate Investment Trusts.

INVESTMENT OBJECTIVE

Emirates REIT's key investment objectives are to deliver sustainable income and growth in total return to its Shareholders over the long term through active asset management, yield-accretive acquisitions and optimal capital and risk management in a Shari'a compliant environment.

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 Related Party Transaction, the Oversight Board will also provide its consent, and the Shareholders may be required to approve the transaction 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 onshore properties in 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 seek yield-accretive opportunities with the aim of improving income resilience and overall returns.

Since the incorporation of the REIT, Equitativa's team has evaluated over 1,900 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 maximising the net property income generated by the portfolio.

The REIT Manager is practising active management focused on enhancing rental revenues through both increased occupancy and improving rental rates, refining operational efficiencies and mitigating non-recoverable expenses, which in turn may contribute to enhanced market valuations.

Equitativa works closely with the property managers appointed with respect to each property to optimise the REIT's portfolio occupancy and rental rates.

Equitativa applies the following key operating and management principles:

- Continual monitoring of the performance of the portfolio;
- Optimising the net lettable area of the properties where possible;
- Establishing close relationships with the tenants so as to become a landlord of choice and increasing retention;
- Increasing the net rental income; and
- Enhancing 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 REIT Manager has implemented a stable system of risk management and internal controls to safeguard all stakeholders interests and the REIT's assets.

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 and divesting of properties that have reached their optimum value or no longer meet the REITs investment strategy
- Using Shari'a compliant financing to provide additional investment capacity and enhance Shareholders return over the long term while maintaining strict compliance with regulatory gearing limitations; and

- Continually revisiting financing facilities and ensuring that the maturity profile, gearing levels and facility tenure are aligned with the REIT's long term strategy.

PORTFOLIO RISK

The Portfolio offers diversification across asset classes and long-term leases with a weighted average lease term of 7.8 years as at June 30, 2022. Notably, 5% of the leases will expire by the end of 2022 and 10% by the following year.

FINANCING RISK

Sukuk certificates due December 2022

Further to the strategic review conducted by Houlihan Lokey, Emirates REIT proposed to restructure the Sukuk and launched a Consent Solicitation process seeking to exchange the existing unsecured USD 400 million Sukuk Certificates due 2022 with new secured Sukuk Certificates. While over 57% of the Sukuk holders voted in favour of the proposed restructuring, the support fell short of the required special majority threshold of 75%, and, therefore, Emirates REIT decided to rescind the voluntary offer in June 2021. The aforesaid rescission of the voluntary offer, coupled with the severe impact the pandemic has had on the UAE commercial property markets over the past 2 years and further compounded by the continued long-lasting negative public perception of the now closed regulatory investigations of the REIT Manager by the DFSA and the current market volatility and increase in profit rates may negatively impact the ability to obtain refinancing for the USD 400 million Trust Certificates due in December 2022 issued by Emirates REIT Sukuk Limited. The REIT Manager is assessing refinancing options with various counter-parties.

SHAREHOLDING

The maximum limit of 49% of non-GCC ownership is monitored by both Nasdaq Dubai and Equitativa. As at June 30, 2022, the non-GCC shareholding was at 24.14% and the following Shareholders held 5% or more of the REIT's issued share capital:

	ISSUED SHARE CAPITAL (%)
Dubai Islamic Bank PJSC	15.7%
Vintage Bullion DMCC	15.3%
DH 6 LLC *	13.7%
Premier Point Trading LLC DMCC	5.0%

*On May 24, 2022, the REIT disclosed a new connected person via the regulatory announcement platform.

RELATED PARTY TRANSACTIONS

It should be noted that the definition of "Related Parties" differs between the DFSA and IFRS. Please refer to our Financial Statements for details relating to the Related Parties Disclosures as defined under IFRS.

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 Fees Performance Fee
Dubai Islamic Bank	Rental and Service Fee Income, Existing Islamic Financing, Servicing Bank Charges, Profit Rate Swap
Dar Al Shari'a Consultancy	Professional Fees
Oversight Board	Board Fees
Tecom	Property Management Fees

AUDIT

The REIT Manager is not aware of any relevant audit information of which the REIT's auditor is not aware and has taken all reasonable steps to become aware of such relevant audit information.

VALUATIONS

Each property comprised in the REIT's portfolio is subject to four quarterly valuations each year. The REIT has approved the appointment of independent valuers Cushman & Wakefield International Limited with CBRE (DIFC) Limited (the "REIT Valuers") to conduct the March and June 2022 valuations.

INVESTMENTS PORTFOLIO

In March 2022, the REIT had signed a lease with an international school operator for its school property in Dubai Investment Park ("DIP") subject to regulatory and standard property conditions precedent. With the execution of this lease, the overall occupancy of the REIT's portfolio increased to over 80%.

In May 2022, the REIT had sold its property hosting Jebel Ali School, which is located in Akoya, Dubai, to Taaleem Holdings PSC ("Taaleem").

The aggregate consideration of the transaction to be paid by Taaleem to Emirates REIT is equal to USD 63.6m and comprises both the property sale price and the settlement of the school's outstanding liabilities towards the REIT. Upon receipt of the full consideration, the total return on investment derived by Emirates REIT from the Jebel Ali School property over the hold period will be 1.4 times its investment.

For further details on our portfolio, including on the above sale, please refer to the portfolio section.

REGULATORY UPDATE

Further to the review conducted by Chestertons International Real Estate Valuation Services LLC (the "Valuation Expert"), in accordance with the Enforceable Undertaking (the "EU") entered into on December 5, 2021 with the DFSA, the Valuation Expert produced a Review Report of its findings in relation to the Q1 and Q2 2022 valuation reports produced by the REITs Valuers and whether the actions undertaken by the REIT Manager comply with DFSA CIR 13.4.22, including sufficient audit trails of records and communication with the REIT Valuers, as well as the REIT Manager's compliance with Annex C of the EU.

The Valuation Expert's Review Reports determined that the REIT Manager had implemented the requirements as set out in DFSA CIR 13.4.22, together with Annex C of the EU and with regards to audit trails.

The Valuation Expert had raised minor points in their Q1 2022 Review Report, which were subsequently included in the Q2 2022 valuation reports produced by the REIT Valuers. These points did not impact the REIT Valuers valuations with respect to the REITs portfolio.

2022 ANNUAL GENERAL MEETING

The 2022 Annual General Meeting ("AGM") was held on June 22, 2022. The following is a summary of the matters approved during the AGM. For further information, please refer to the 2022 AGM pack, available on our website.

Annual Report and Accounts 2021

The Shareholders received and approved the 2021 Annual Report and the accounts for the REIT for the year ended December 21, 2021, 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 0.0483 per ordinary share, an aggregate of USD 14,705,102, for the financial year ending December 2021, with such final dividend satisfied wholly and distributed by way of an allotment and distribution of newly issued ordinary shares (otherwise known as a scrip dividend) ("Scrip Dividend"). The REIT subsequently received all the requisite approvals for the issuance and allotment of 14,705,007 New Shares. The New Shares have been admitted to trading on Nasdaq Dubai on June 30, 2022.

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, Captain David Savy and Dr. Faisal Alayyan existing members of the REIT's Investment Board, was extended until the conclusion of the 2023 AGM.

Auditor Re-appointment

The appointment of Deloitte & Touche (M.E) as Auditors to the REIT was extended until the closing of the 2023 AGM.

Interim Dividend

The Shareholders authorised the REIT Manager to arrange the payment of interim dividends of the REIT to its Shareholders, without returning to the Shareholders for specific approval, should the REIT Manager decide that it was in the best interest of the Shareholders, subject to the REIT having sufficient retained earnings to pay its debts as they become due immediately after the dividend is paid.

Purchase Of Own Shares

The Shareholders authorised the REIT to make one or more market purchases of its Ordinary Shares, provided that:

- i. the number of ordinary shares which may be purchased in any given period and the price which may be paid for such ordinary shares shall be in accordance with the rules of the Dubai Financial Services Authority and Nasdaq Dubai, and any conditions or restrictions imposed by the Dubai Financial Services Authority and applicable law;
- ii. this authority shall expire on the conclusion of the next Annual General Meeting of the Company; and
- iii. the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of ordinary shares in pursuance of any such contract.

CORPORATE GOVERNANCE

The REIT's and REIT Manager'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.

On June 30, 2022, the Investment Board comprised of Mr. David Savy, Mr. Abdulla Al Hashemi and Dr. Faisal Alayyan

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, valuation disclosure processes and compliance with the Laws, Rules and Constitution of the REIT.

On June 30, 2022, the Oversight Board was comprised of Mr. Suresh Kumar, Mr. Mustafa Al Hashimi, Mr. Abdulla Al Ashram and Mr Simon Townsend

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 June 29, 2022, the Advisory Board was comprised of Mr. Khalid Al Malik, Mr. Michael Wunderbaldinger and Mr. Kunal Bansal.

As at the date of this report, the REIT Manager is in the process of re-appointing the Advisory Board Members.

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.

On June 30, 2022, the Sharia Supervisory Board comprised of Dr. Mohamed Abdul Hakim Zoeir, Mr. Mian Muhammad Nazir and Mr. Fazal Rahim Abdul Rahim.

SHARIA COMPLIANCE CERTIFICATE

Issued by the Shari'a Supervisory Board of Emirates REIT (CEIC) PLC (The "REIT") as at June 30, 2022

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 Dubai International Financial Centre (DIFC) and regulated by the Dubai Financial Services Authority (DFSA) under the CIR Rules as a public Fund. The REIT's property portfolio currently consists of ten 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 (iii) financing facilities availed 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 January 1, 2022 and ending on June 30, 2022 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, hereby pronounce our opinion as follows:

- a. The Activities and Transactions executed by the REIT during the period commencing from January 1, 2022 and ending on June 30, 2022 (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 consolidated interim statement of financial position of Emirates REIT (CEIC) PLC (the "Group") as at June 30, 2022 and the related condensed consolidated interim 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 consolidated 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 condensed consolidated interim 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 consolidated interim 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Group's current liabilities exceed its current assets by USD 374.5 million as at June 30, 2022. As stated in Note 2, this condition, along with other matters as set forth in Note 2, indicate that a

material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated 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

August 9, 2022
Dubai

United Arab Emirates

EMIRATES REIT (CEIC) PLC CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2022

This condensed consolidated interim financial information was approved by the Board of Directors of Equitativa (Dubai) Limited as the sole director of the REIT on August 9, 2022 and signed on its behalf by:

Sylvain Vieujo
Executive Deputy Chairman

Sheikh Muhammed Moeen
Director Finance

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT	AS AT
		JUNE 30, 2022	DECEMBER 31, 2021
		USD'000 UNAUDITED	USD'000 AUDITED
ASSETS			
NON CURRENT ASSETS			
Investment property	6	758,589	737,132
Right-of-use assets	6	48,988	49,837
Trade and other receivables	7	24,961	33,238
		832,538	820,207
CURRENT ASSETS			
Trade and other receivables	7	22,245	22,641
Derivative financial instruments		493	-
Cash and cash equivalents	8	55,869	10,986
		78,607	33,627
TOTAL ASSETS		911,145	853,834
EQUITY			
Share capital	9	319,157	304,452
Share premium	9	59,393	59,393
Cash flow hedging reserve		493	(813)
Accumulated losses		(26,462)	(73,245)
TOTAL EQUITY		352,581	289,787
LIABILITIES			
NON-CURRENT LIABILITIES			
Islamic financing	11	53,784	63,278
Lease liability	12	51,684	51,209
Derivative financial instruments		-	813
		105,468	115,300
CURRENT LIABILITIES			
Sukuk financing instrument	10	399,738	399,451
Islamic financing	11	18,537	18,090
Lease liability	12	3,488	3,015
Trade and other payables	13	31,333	28,191
		453,096	448,747
TOTAL LIABILITIES		558,564	564,047
TOTAL EQUITY AND LIABILITIES		911,145	853,834
Net asset value (USD)		352,581,000	289,787,000
Number of shares		319,156,400	304,451,393
Net asset value USD per share		1.10	0.95

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended June 30, 2022

	NOTE	FOR THE SIX MONTHS ENDED JUNE 30	
		2022	2021
		USD'000 UNAUDITED	USD'000 UNAUDITED
INCOME			
Rental income		30,424	26,734
Service fee income		3,830	3,396
(Loss) / Gain on disposal of investment property	6	(1,455)	6,500
Other property income		166	134
		32,965	36,764
Property operating expenses		(6,002)	(6,500)
NET PROPERTY INCOME		26,963	30,264
EXPENSES			
Management fee	16	(6,672)	(5,685)
Board fees		(168)	(169)
(Allowance) /Reversal for expected credit loss	7	(749)	7,005
Other expenses		(1,180)	(1,693)
OPERATING PROFIT		18,194	29,722
FINANCE INCOME/(COSTS)			
Finance costs	17	(13,782)	(14,076)
Finance income	17	29	-
NET FINANCE COSTS		(13,753)	(14,076)
Profit before fair valuation of investment properties		4,441	15,646
Net unrealised gain on revaluation	6	57,047	35,207
PROFIT FOR THE YEAR		61,488	50,853
Fair value adjustments on cash flow hedges		1,306	620
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		62,794	51,473
EARNINGS PER SHARE			
Basic and diluted earnings per share (USD)	18	0.206	0.170

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2022

	NOTE	SHARE	SHARE	CASH	ACCUMULATED	TOTAL
		CAPITAL	PREMIUM	FLOW	LOSSES	
		USD'000	USD'000	RESERVE	USD'000	USD'000
BALANCE AT JANUARY 1, 2021		303,966	59,393	(2,027)	(135,868)	225,464
(AUDITED)						
COMPREHENSIVE						
Comprehensive profit for the period		-	-	620	50,853	51,473
TRANSACTIONS WITH SHAREHOLDERS						
Stock dividends	15	486	-	-	(486)	-
BALANCE AT JUNE 30, 2021		304,452	59,393	(1,407)	(85,501)	276,937
(UNAUDITED)						
BALANCE AT JANUARY 1, 2022		304,452	59,393	(813)	(73,245)	289,787
(AUDITED)						
COMPREHENSIVE						
Comprehensive profit for the period		-	-	1,306	61,488	62,794
TRANSACTIONS WITH SHAREHOLDERS						
Stock dividends	15	14,705	-	-	(14,705)	-
BALANCE AT JUNE 30, 2022		319,157	59,393	493	(26,462)	352,581
(UNAUDITED)						

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2022

	NOTE	FOR THE SIX MONTHS ENDED JUNE 30	
		2022	2021
		USD'000 UNAUDITED	USD'000 UNAUDITED
OPERATING ACTIVITIES			
Profit for the period		61,488	50,853
ADJUSTMENTS FOR:			
Net unrealised (gain) on revaluation of investment property	6	(57,047)	(35,207)
Gain on disposal of investment property		1,455	(6,500)
Finance costs	17	13,782	14,076
Finance income	17	(29)	-
Allowance/(reversal of allowance)/ for expected credit loss	7	749	(7,005)
OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		20,398	16,217
CHANGES IN WORKING CAPITAL			
(Increase)/decrease in trade and other receivables		(2,709)	792
Increase in trade and other payables		3,124	4,717
NET CASH GENERATED FROM OPERATING ACTIVITIES		20,813	21,726
INVESTING ACTIVITIES			
Sale proceeds of investment property - net	6	49,049	10,721
Additions to investment property	6	(3,517)	(2,411)
Finance income received		-	18
NET CASH GENERATED FROM INVESTING ACTIVITIES		45,532	8,328
FINANCING ACTIVITIES			
Repayment of Islamic financing		(9,138)	(4,092)
Finance costs paid		(11,916)	(12,351)
Lease liability payment		(408)	(1,659)
NET CASH USED IN FINANCING ACTIVITIES		(21,462)	(18,102)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		10,986	13,732
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	55,869	25,684

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the year ended June 30, 2022

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 November 28, 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 investment in properties and the generation of the income stream through rental income. 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 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 October 23, 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 November 21, 2017 (the Share Declaration of Trust).

The condensed consolidated interim financial information for the six months ended June 30, 2022 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 consolidated interim financial information has been approved by the REIT Manager as the sole director of the REIT on August 9, 2022.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended June 30, 2022 has been prepared in accordance with International Accounting Standard 34 'Interim financial reporting', ("IAS 34"). This condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, the condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021, 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

As at June 30, 2022, the Group has accumulated losses of USD 26.5 million, a 69% reduction compared to the accumulated losses as at June 30, 2021 which then totalled USD 85.5 million. However, due to scheduled maturity of the Sukuk in December 2022, the USD 400 million liability has been classified as current and consequently, as at June 30, 2022, the current liabilities of the Group exceed the current assets by USD 374.5 million compared to USD 8.7 million as at June 30, 2021. This excess current liability creates a material uncertainty that may cast a doubt as to the ability of the Group to continue as a going concern.

The REIT Manager is working on a refinancing plan as per which multiple options that are available to the REIT are presently under consideration and evaluation with various counter parties prior to the scheduled maturity of the unsecured debt falling due on December 12, 2022. Given that the remaining duration of maturity of this Sukuk, the stage of discussions with various counter parties and the overall positive improvement in the real estate business outlook in Dubai, the REIT manager believes that the REIT has the ability to execute a refinancing plan which is in the best interest of REIT's stakeholders.

Based on the above, the Group has prepared a cash flow projection for the next 12 months from the reporting date which shows that the Group will be able to successfully meet its liabilities as they fall due towards during the next 12 months. These cash flow projections include the assumption that the Group will be successful in securing debt refinancing mentioned above. The management believes that the amount of cash available would be sufficient to cover the liabilities.

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 consolidated interim financial information are consistent with those of the annual consolidated financial statements for the year ended December 31, 2021, except for the following accounting policy, which is applicable from January 1, 2022.

(a) New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after January 1, 2022, have been adopted in these condensed consolidated financial statements. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 16 Property, plant and equipment relating to proceeds before intended use.
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relating to onerous contracts.
- Amendments to IFRS 3 Business Combinations relating to reference to conceptual framework.
- Annual improvements to IFRS standards 2018 – 2020

(b) New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

NEW AND REVISED IFRSS		EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
Amendments to IAS 8	Accounting policies, Changes in accounting estimates and errors	January 1, 2023
Amendments to IAS 1	Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current	January 1, 2023
Amendment to IFRS 17	Insurance contracts	January 1, 2023
Amendment to IFRS 10	Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely

4 FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

The condensed consolidated interim 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 December 31, 2021.

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	SIGNIFICANT OBSERVABLE INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS	TOTAL
		(LEVEL 1) USD'000	(LEVEL 2) USD'000	(LEVEL 3) USD'000	USD'000
Investment property	June 30, 2022	—	—	771,734	771,734
Investment property	December 31, 2021	—	—	762,134	762,134

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim 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 consolidated interim 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 June 30, 2022 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 consolidated interim 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 June 30, 2022. 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 inputs used by the independent valuation specialists, which are mainly impacted by current challenging market conditions and takes into account various factors and developments taking place on the current economic conditions and its future outlook.

As at the reporting date, the Group held total investment property amounting to USD 758,589 thousand (December 31, 2021: USD 737,132 thousand) in a real estate portfolio of 10 properties (December 31, 2021: 11 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 JANUARY 1, 2022 - AUDITED	737,132	737,132
Additional re-development and fitout projects on completed properties (spent during the year)	3,517	3,517
Investment property disposed during the period	(50,504)	(50,504)
Net gain from fair value adjustments on investment property	68,444	68,444
AT JUNE 30, 2022 - UNAUDITED	758,589	758,589
AT JANUARY 1, 2021 - AUDITED	690,342	690,342
Additional re-development and fitout projects on completed properties (spent during the year)	4,572	4,572
Investment property disposed during the year	(5,989)	(5,989)
Net gain from fair value adjustments on investment property	48,207	48,207
AT DECEMBER 21, 2021 - AUDITED	737,132	737,132

6.1 FAIR VALUE RECONCILIATION

	JUN 30, 2022	DEC 31, 2021
	TOTAL	TOTAL
	USD '000 UNAUDITED	USD '000 AUDITED
Market value per external valuation report at the end of the period/year	771,734	762,134
Additional re-development and fit-out projects under progress on completed properties	4,915	3,251
Lease incentive asset (Note 7)	(28,776)	(36,729)
Deferred income (Note 13)	10,716	8,476
FAIR VALUE AT THE END OF THE PERIOD/YEAR	758,589	737,132

6.2 NET UNREALISED GAIN ON REVALUATION

	JUN 30, 2022	DEC 31, 2021
	TOTAL	TOTAL
	USD '000 UNAUDITED	USD '000 AUDITED
Net gain from fair value adjustments on investment property	68,444	37,822
Reversal of unrealised fair value gain on disposal	(10,548)	(1,768)
Change in fair value of right-of-use asset (Note 6.6)	(849)	(847)
NET UNREALISED GAIN ON REVALUATION	57,047	35,207

As at the reporting date, the Group held total investment property amounting to USD 758,589 thousand (December 31, 2021: USD 737,132 thousand) in a real estate portfolio of 10 properties (December 31, 2021: 11 properties) located in Dubai, UAE.

Rental income for the period ended June 30, 2022 is recognised at USD 30,424 thousand (June 30, 2021: USD 26,734 thousand).

The fair value of the Group's investment property at June 30, 2022 has been arrived at on the basis of a valuation carried out at that date by CBRE (DIFC) Limited and Cushman & Wakefield International Limited, 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.

6.3 DIVESTMENT OF INVESTMENT PROPERTY

Emirates REIT announced on May 27, 2022 the sale of Jebel Ali School ("School") to Taaleem Holdings PSC ("Taaleem"). On the date of sale, the book value of the property was USD 50,504 thousand. The aggregate consideration of the transaction equals to USD 63,572 thousand, which comprises both the property sale price of USD 50,504 thousand and the settlement of USD 13,068 thousand towards the School's outstanding liabilities to the REIT. Total expenses incurred in connection with this sale amounted to USD 1,455 thousand.

6.4 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 17.2 years with property fair value of USD 5,772 thousand;
- Remaining lease term of 34.5 years with property fair value of USD 96,379 thousand;
- Remaining lease term of 21.6 years renewable for another term of 30 years with property fair value of USD 17,787 thousand;
- Remaining lease term of 43.0 years with property fair value of USD 28,576 thousand; and
- Remaining lease term of 22.8 years renewable for another term of 30 years with property fair value of USD 45,366 thousand.

6.5 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 have been provided in Note 4.3.

As at June 30, 2022, 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 28,776 thousand and USD 10,716 thousand respectively (December 31, 2021: USD 36,813 thousand and USD 8,734 thousand respectively).

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

	JUN 30, 2022	JUN 30, 2021
	USD'000 UNAUDITED	USD'000 UNAUDITED
Balance at the beginning of the period	762,134	708,930
Transfer from Level 2 to Level 3	-	-
Disposal of investment property during the period	(50,504)	(4,221)
Net unrealised gain on revaluation of investments properties	60,104	43,726
BALANCE AT THE END OF THE PERIOD	771,734	748,435

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.

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:

	JUN 30, 2022	JUN 30, 2021
Stabilised occupancy rate (%)	75.00 – 100.00	80.00 – 100.00
Equivalent yield (%)	7.50 – 9.50	7.75 – 10.00
Operating expenses (USD/sq. ft.)	5.30 – 18.20	5.60 – 27.30

6.6 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:

	JUN 30, 2022	DEC 31, 2021
	TOTAL	TOTAL
	USD'000 UNAUDITED	USD'000 AUDITED
ASSETS:		
Right-of-use asset at the beginning of the period	49,837	51,547
Less: Change in fair value during the period (Note 6.2)	(849)	(1,710)
Right-of-use asset at the end of period/year	48,988	49,837

7 TRADE AND OTHER RECEIVABLES

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
Rental and service income receivable	9,369	23,767
Less: provision for expected credit losses	(5,264)	(9,487)
	4,105	14,280
OTHER FINANCIAL ASSETS AT AMORTISED COST		
Other receivables (Note 7.1)	13,890	4,271
OTHER ASSETS		
Lease incentive asset (Note 6)	28,776	36,729
Prepayments	435	599
	47,699	55,879
Less non-current portion – Lease incentive asset	(24,961)	(33,238)
Current portion	22,641	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.

7.1 - Consequent to the sale of the School, the receivables from the School stands settled. The aggregate consideration of the transaction to be paid by Taleem to the REIT is inclusive of an amount of USD 13,068 thousand ("Settlement Amount") towards settlement of the outstanding liabilities of the School (Note 6.3). The REIT is due to receive the balance amount of USD 9,121 thousand of the Settlement Amount from Taaleem on the first anniversary of the sale transaction date.

Included within the USD 5,264 thousand provision for expected credit losses is an amount of USD 5,188 thousand (December 31, 2021: USD 9,235 thousand), which represents specific provisions made for amounts due from certain tenants as per the tenancy contracts.

As at June 30, 2022, the movement in the allowance for impairment of receivables is as follows:

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
Opening expected credit loss as at 1 January - calculated under IFRS 9	9,487	14,718
Allowance/(reversal of allowance) for expected credit loss in consolidated statement of comprehensive income during the period/year	749	(5,231)
Reversal of allowance for expected credit loss related to disposed asset	(4,972)	-
BALANCE AT THE END OF THE PERIOD/YEAR	5,264	9,487

8 CASH AND CASH EQUIVALENTS

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
Current and savings accounts	32,727	10,986
Short term deposits	23,142	-
CURRENT AND SAVINGS ACCOUNTS	55,869	10,986

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 June 30, 2022 (Unaudited)	319,156,400	319,157	59,393	378,550
At December 31, 2021 (Audited)	304,451,393	304,452	59,393	363,845

The authorized 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 June 30, 2022.

10 SUKUK FINANCING INSTRUMENT

On December 12, 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 12, 2022 and pay a profit rate of 5.125% per annum payable semi-annually on June 12 and December 12 in each year, commencing on June 12, 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.

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
At 1 January	399,451	398,871
Amortisation of transaction costs	287	580
AT THE END OF PERIOD/YEAR	399,738	399,451

The Sukuk financing instrument has certain covenants on the REIT, which were complied with during the period ended June 30, 2022.

11 ISLAMIC FINANCING

During the period, the REIT did not enter into any new Islamic financing facility (2021: USD Nil). The outstanding balance of Islamic financing as at reporting date stands at USD 72,321 thousand (December 31, 2021: USD 81,368 thousand) net of unamortised transaction costs of USD 677 thousand (December 31, 2021: USD 769 thousand).

12 LEASE LIABILITY

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

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
LIABILITIES:		
Lease liability recorded on January 1	54,224	55,611
Add: Finance cost for the period / year	1,356	2,745
Less: Payments made during the period / year	(408)	(4,132)
LEASE LIABILITY BALANCE AT THE END OF THE PERIOD / YEAR	55,172	54,224
Current liabilities	3,488	3,015
NON-CURRENT LIABILITIES	51,684	51,209

13 TRADE AND OTHER PAYABLES

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
Tenant deposits payable	11,066	8,562
Deferred income (Note 6.1)	10,716	8,476
Accrued expenses	4,790	7,696
Service fee received in advance	3,149	1,673
Accrued profit expense	1,256	1,253
Management fee payable (Note 16 b)	208	383
Payable against investment property under construction or re-development	148	148
	31,333	28,191

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 2022 which was held on June 22, 2022, the Shareholders of REIT approved the final dividend payment for the financial year 2021, at USD 0.0483 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 June 15, 2022. REIT has now received all the requisite approvals for the issuance and allotment of 14,705,007 New Shares. The new shares have been admitted to trading on Nasdaq Dubai on June 30, 2022.

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 JUNE 30	
	2022	2021
	USD'000 UNAUDITED	USD'000 UNAUDITED
REIT Manager	7,190	5,795
Board Members	90	71
Financial Institutions	9,342	5,064
Others	99	94
	16,721	11,024

(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 fee charged by the REIT Manager during the period amounted to:

	FOR THE SIX MONTHS ENDED JUNE 30	
	2022	2021
	USD'000 UNAUDITED	USD'000 UNAUDITED
REIT MANAGER		
Management fee	(6,672)	(5,685)
	(6,672)	(5,685)

(c) Due to related parties comprises:

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
REIT Manager	208	383
Board Members	75	117
Financial Institutions	56,493	64,094
Others	35	50
	56,811	64,644

(d) Due from related parties comprises:

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
Financial Institutions	-	486
	-	486

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 June 30, 2022 and June 30, 2021, 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 JUNE 30	
	2022	2021
	USD'000 UNAUDITED	USD'000 UNAUDITED
Ijarah Islamic financing profit expense	(1,797)	(2,083)
Ijarah processing fee	(92)	(92)
Finance cost on lease liability	(1,356)	(1,364)
Sukuk profit expense	(10,250)	(10,250)
Sukuk issuance cost amortisation	(287)	(287)
FINANCE COSTS	(13,782)	(14,076)
Profit income on saving accounts	29	-
FINANCE INCOME	29	-
FINANCE COSTS, NET	(13,753)	(14,076)

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.

FOR THE SIX MONTHS ENDED JUNE 30		
	2022	2021
	USD'000 UNAUDITED	USD'000 UNAUDITED
Profit attributable to ordinary Shareholders	62,794	51,473
Weighted average number of ordinary shares for diluted EPS	304,532,636	302,059,838
Basic and diluted earnings per share (USD)	0.206	0.170

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 June 30, 2022 was 3.05% of Gross Asset Value (June 30, 2021: 3.29%).

20 COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

As of June 30, 2022, the REIT had contractual capital commitments of USD 3,835 thousand (December 31, 2021: USD 1,130 thousand), which pertains to the construction of a school development and USD 1,230 thousand (December 31, 2021: USD 1,785 thousand) in relation to fit out and re-development work in one of the completed properties.

(b) Contingencies

One of the REIT's tenant (the "REIT tenant") filed claims against the REIT in the DIFC-LCIA in 2018. The REIT Manager filed counter-claims on behalf of the REIT. On January 24, following the confidential proceedings, the DIFC-LCIA awarded the REIT the unpaid rent. The REIT Manager has maintained the 100%

allowance for the related rental and service income receivable due from the REIT tenant as of December 31, 2021 and the DIFC-LCIA award of unpaid rent is in excess of the provision. The REIT continued to hold adequate provision for the related sums due from the REIT 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 operating leases are as follows:

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
Within one year	3,016	3,016
After one year but not more than five years	12,444	12,349
More than five years	100,131	102,097
	115,591	117,462

(d) Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on properties. Future minimum rentals receivables under operating leases as at June 30, 2022 and December 31, 2021 are as follows:

	JUNE 30, 2022	DECEMBER 31, 2021
	USD'000 UNAUDITED	USD'000 AUDITED
Within one year	54,897	57,123
After one year but not more than five years	134,847	156,433
More than five years	330,461	417,465
	520,205	631,021

21 SIGNIFICANT EVENTS

LEASE SIGNED FOR DIP PROPERTY

In March 2022, the REIT had signed a lease for its school property in Dubai Investments Park (DIP) with an international school operator, Durham School, one of the UK's most prestigious educational establishments.

SALE OF PROPERTY HOSTING JEBEL ALI SCHOOL

In May 2022, the REIT sold its property hosting Jebel Ali School, which is located in Akoya, Dubai to Taleem. The aggregate consideration of the transaction to be paid by Taleem to the REIT is equal to USD 63,572 thousand and comprises both the property sale price and the settlement of the school's outstanding liabilities towards the REIT (Note 6.3 & Note 7.1).

22 SUBSEQUENT EVENTS

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

NON-EXHAUSTIVE GLOSSARY OF TERMS AND FIRST MENTIONS

1H 2022	January 1 to June 30, 2022
2H 2022	July 1 to December 31, 2022
1Q 2022	January 1 to March 31, 2022
1Q 2023	January 1 to March 31, 2023
2Q 2022	April 1 to June 30, 2022
3Q 2022	July 1 to September 30, 2022
4Q 2022	October 1 to December 31, 2022
AED	United Arab Emirates Dirhams - legal currency of the United Arab Emirates
AEI(s)	Asset Enhancement Initiative(s)
Advisory Board	Advisory Board of the REIT
Aggregate Leverage	The ratio of a REIT's debt to its total assets, also known as "gearing"
Annual Report	Emirates REIT's annual report for financial year ended December 31, 2021
Auditor	Deloitte & Touche (M.E.)
AUM	Assets Under Management
Board	Board of Directors
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CBD	Central Business District
CBRE	CBRE (DIFC) Limited
CIR	Collective Investment Rules of the DFSA
CEO	Chief Executive Officer of Equitativa (Dubai) Limited
Constituent Documents	Articles of Association of the REIT
Covid-19	Novel Coronavirus
Cushman & Wakefield or C&W	Cushman & Wakefield International Limited
Company Secretary	The REIT Manager
Deloitte & Touche	Deloitte & Touche (M.E.)
DFSA	Dubai Financial Services Authority
DFSA Rulebook	DFSA administered rule book
DIC	Dubai Internet City
DIFC	Dubai International Financial Centre
DIFC-LCIA	DIFC-LCIA Arbitration Centre
DIP	Dubai Investments Park
Director(s)	Member of the Board
DMC	Dubai Media City
DPS	Dividend per Share
EBC	European Business Centre
EBITDA	Earnings Before profit, Taxes, Depreciation, and Amortization
ECL	Expected Credit Loss pursuant to IFRS 9

Equitativa	Equitativa (Dubai) Limited; the REIT Manager
Equitativa Group	Group of companies specialising in creating and managing innovative financial products in emerging markets, notably Real Estate Investment Trusts
Emirates REIT	Emirates REIT (CEIC) PLC
Emirates REIT's Annual Report	Emirates REIT's annual report for financial year ended December 31, 2021
EPS	Earnings Per Share
ERV	Estimated Rental Value
ESG	Environmental Social and Governance
EU	Enforceable Undertaking
F&B	Food and Beverage
Fitch Ratings	Credit rating agency – Fitch Rating Inc.
Fund Property	Assets of Emirates REIT
FY 2020	January 1, 2020 to December 31, 2020
FY 2021	January 1, 2021 to December 31, 2021
FY2021 Annual Financial Statements	Emirates REIT consolidated financial statements which comprise the consolidated statement of financial position as at 31 December 21 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended
FY 2021 Annual Report	Emirates REIT's annual report for financial year ended 31 December 2021
GAV	Gross Asset Value
GCC	Gulf Co-operation Council
GDP	Gross Domestic Product
GLA	Gross Lettable Area
Group	Emirates REIT and its subsidiaries
IB	International Baccalaureate
IESBA Code	the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IFR	Islamic Finance Rules rulebook module of the DFSA Rulebook
IFRS	International Financial Reporting Standards the accounting standards issued by the International Accounting Standard Board
IPO	Initial Public Offering
Investment Board	The Investment Committee of the REIT pursuant to the DFSA CIR Rules
ISA	International Standards on Auditing
JBR	Jumeirah Beach Residence
KHDA	Knowledge and Human Development Authority
LFJM	Lycée français Jean Mermoz
Listing Date	Listing Date
Listing Rules	Listing rules of the Nasdaq Dubai and DFSA
LTV	Loan To Value

NON-EXHAUSTIVE GLOSSARY OF TERMS AND FIRST MENTIONS

Management or the management team	The management team of the REIT Manager
NAV	Net Asset Value
NAV per share	Net Asset Value of the REIT divided by the number of ordinary shares in issue on that date.
NLA	Net Lettable Area
NPI	Net Property Income
NPI Margin	$(\text{Property Operating Expenses} - \text{Service Fee Income}) / (\text{Rental Income} + \text{Other Property Income})$
Ordinary Shares	The shares issued by Emirates REIT
Oversight Board	Oversight Committee of the REIT pursuant to the DFSA CIR Rulebook
PMLA	Property Management and Leasing Agreement
p.p	Percentage Points
q-o-q	Quarter on Quarter
Regulatory Borrowing Limit	65% of GAV as specified in DFSA CIR Rulebook
REIT	Real estate investment trust; Emirates REIT (CEIC) PLC
Related Party (Parties)	As defined by the DFSA Glossary Rulebook and CIR or as defined under IFRS as applicable.
Related Party Transaction(s)	As defined by the DFSA Glossary Rulebook and CIR or as defined under IFRS as applicable.
REIT Manager	Equitativa (Dubai) Limited
RICS	Royal Institute of Chartered Surveyors
ROI	Return on Investment
\$ or USD	United States Dollars – legal currency of the United States
SE or Trustee	Emirates REIT Sukuk Limited
sqm	Square metres
Sq ft.	Square feet
Shares	Shares / Units of Emirates REIT
Shareholders	Shareholders / Unitholders of Emirates REIT
Shari'a	Means Islamic Sharia laws and principles
Shari'a Supervisory Board	Sharia Board of Sharia scholars pursuant to the DFSA CIR and IFR Rulebooks
SME(S)	Small and Medium Sized Enterprises
UAE	United Arab Emirates
Valuer	Independent valuer appointed to conduct valuations on the fund real estate assets
Valuation Expert	Chestertons International Real Estate Valuation Services LLC, appointed in accordance with the EU