



EMIRATES REIT ACHIEVES HIGHEST EVER PROPERTY INCOME

Key Highlights for FY 2023

- Total property income posted year-on-year growth of 10% to USD 74m, highest value ever
- Operating profit rose 37% to reach USD 44m for the Financial Year
- Net Asset Value grew by 34% to close at USD 500m – a NAV per share of USD 1.57
- Value of Investment Properties increased by 18% to USD 924m
- Total Assets crossed USD 1bn, to USD 1,037m
- Occupancy across the portfolio increased by 1.7 p.p. to 86%
- Finance To Value decreased by 7.3 p.p. to 43%

Dubai, 17 April 2024 – Equitativa (Dubai) Limited (“Equitativa”), manager of Emirates REIT (CEIC) PLC (“Emirates REIT” or the “REIT”), today reported FY 2023 financial results for Emirates REIT. The REIT experienced strong growth, with record property income.

Commenting on Emirates REIT’s 2023 performance, Thierry Delvaux, Chief Executive Officer of Equitativa, said: “The past year represents a major milestone for Emirates REIT, with record revenues and positive operating profits built on a strategy based on asset performance optimization. With a well-managed diversified portfolio of premium commercial, retail and educational assets in Dubai, Emirates REIT is well positioned to build on our strong foundations for growth.

We signed a significant number of leases at lower rates during the COVID crisis, which are now coming to maturity. This should yield substantial additional rental growth in the next few years across the entire portfolio, as those are renewed at the current rates.”

Total property income reached USD 74m for FY 2023, representing a growth rate of 10% year-on-year for the 12-months ended December 31, 2023 (FY2022: USD 67m). On a like-for-like basis, disregarding the effects of divestment of an investment property, this growth amounted to 13%.

Property operating expenses recorded a slight increase of 2% y-o-y. Consequently, net property income grew by 12%, amounting to USD 62m for FY 2023 (FY 2022: USD 55m).

Operating profit amounted to USD 44m, up by 37% (FY 2022: USD 32m).

Impacted by the rising benchmark rates and higher Sukuk profit, the net finance cost for FY 2023 amounted to USD 50m (FY 2022: USD 29m), which resulted in a negative Funds From Operations (FFO) of USD 6m.

Profit for the year 2023 amounted to USD 127m up by 55% y-o-y (FY 2022: USD 82m).

The unrealized gain on revaluation of investment properties for FY 2023 amounted to USD 133m (FY 2022: USD 79m), reflecting the strong operating performance of the portfolio assets in a healthy real estate market. Fair value of investment properties, driven by continued improved valuations, increased by 18% y-o-y to USD 924m.

Net Asset Value continued to rise, growing by 34% y-o-y to close at USD 500m, which translated into a NAV per share of USD 1.57, and Total Assets crossed USD 1bn, to USD 1,037m.

Thierry Delvaux continued: "The results reflect the hard work and skill of the asset management team that has raised efficiencies across the board, ensuring that the assets in our portfolio are performing at an optimal level, providing excellent value for our shareholders, tenants, and partners. The FFO was, however, still impacted negatively by the high finance costs. Having peaked at 62% in 2020, the Finance To Value is now down to a healthy 43% (FY 2022 50%), close to the 42% of FY 2017, when the Sukuk was raised.

The REIT's robust performance in 2023 underscores the importance of REITs as a sustainable vehicle for investors to diversify their portfolio with productive, income-generating assets."

Operational highlights included:

- Occupancy across the portfolio increased by 1.7 p.p. to 86% for FY 2023
- Passing rental rates across the commercial and retail portfolio increased by 10% y-o-y to AED 1,809 / sqm / annum
- Total number of tenants for the portfolio increased by 8% from 372 to 402 and the retention rate by area was 79%
- Leasing activity during FY 2023: 195 renewals (27,137 sq.m); 108 new leases (15,708 sq.m); 53 exits (7,223 sq.m)
- Index Tower, the REIT's largest asset, benefited from strong demand in DIFC, coupled with limited supply. Occupancy of offices at Index Tower stayed stable at 1.4 p.p increase to 88%, and passing rental rates increased by 11%
- European Business Centre recorded strong performance with occupancy increasing by 14.9 p.p. to 84%. Rental rates increased by a healthy 27%

- Loft Offices continued its positive trajectory, with a 7.3 p.p increase in occupancy and 14% increase in rental rates. Lofts 1 and 2 reached an occupancy of 80%
- Trident Mall recorded an increase in occupancy of 7.3 p.p, with rental rates growing 5%
- Phase 3 at Lycée Français Jean Mermoz was successfully completed in May 2023

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ABOUT EMIRATES REIT:

Emirates REIT, (Nasdaq Dubai: REIT; ISIN: AEDFXA1XE5D7), is a Dubai-based real estate investment trust investing principally in income-producing real estate in line with Shari'a principles. It currently owns a well-balanced portfolio of 10 assets in the commercial, education and retail sector. Emirates REIT benefits from exclusive Ruler's Decrees permitting it to purchase properties in onshore Dubai and Ras Al Khaimah.

ABOUT EQUITATIVA GROUP:

Equitativa is a group of leading regional asset managers focused on creating and managing innovative funds and specializing in real estate investment trusts (REITs). The group offers innovative risk-adjusted, income generating financial products that cater to institutional and retail investors.

Equitativa (Dubai) Limited, as the founder of the UAE's first Shari'a compliant REIT, Emirates REIT, established in the DIFC, is today the largest REIT Manager in the Gulf Cooperation Council (GCC).

Equitativa (AD) Limited, set-up in ADGM, manages the first residential asset focused REIT established in the UAE.