

EQUITATIVA REPORTS EMIRATES REIT STRONG 1H 2022 RESULTS WITH NET PROFIT UP 20.9% YEAR-ON-YEAR, NAV PER SHARE INCREASES TO USD 1.10/SHARE

KEY HIGHLIGHTS

- **Fair Value of Investment Property** is up by **4.7%** year-on-year, closing at USD 758.6m (AED 2,786.3m).
- **Net Asset Value increased by 27.3%** year-on-year, closing at USD 352.6m (AED 1,295.0m).
- **Occupancy reached 82%**, a 12 percentage point increase year-on-year.
- **Rental & other income** stands at USD 34.4m (AED 126.4m), **up 13.7%** year-on-year.
- **Total Property expenses declined by 7.7%** year-on-year to USD 6.0m (AED 22.0m) in 1H 2022.
- **Unrealized Revaluation Gain** on fair value of investment properties for 1H 2022 amounted to USD 57.0m (AED 209.5m).
- **Net Profit** for 1H 2022 **increased by 20.9%** year-on-year to USD 61.5m (AED 225.8m).
- **Net Asset Value per share** surpassed par value to close at **USD 1.10 per share** as at June 30, 2022, compared to USD 0.91 per share as at June 30, 2021.

Dubai, 10 August 2022 – Equitativa (Dubai) Limited (“Equitativa”), manager of Emirates REIT (CEIC) PLC (“Emirates REIT” or the “REIT”), today reported the 1H 2022 financial results for Emirates REIT. The REIT continued to deliver robust results as the UAE’s stable macro-economic climate drove strong demand for high quality, local commercial real estate. 1H 2022 net profit increased by 20.9% year-on-year to USD 61.5 million.

Emirates REIT recorded a continued improvement in the occupancy of the portfolio to 82%, a 12 percentage point increase year-on-year. Its performance was further driven by an unrealized gain on portfolio revaluation of USD 57.0 million during the first half of the year, as asset values in the UAE continued to rebound.

The REIT reported a Total Property Income of USD 32.9 million in 1H 2022 compared to USD 36.8 million in 1H 2021. On a like-for-like basis, excluding the impact of the one-off gain / loss on disposal of investment property derived from the sale of half a floor in Index Tower in 1H 2021 and of Jebel Ali School in 1H 2022, the Total Property Income increased by 13.7% year-on-year, reflecting the strong performance in an improving commercial real estate market in the UAE.

The REIT maintained its focus on cost optimisation and rationalization resulting in a 7.7% year-on-year decline in Property Operating Expenses to USD 6.0 million in 1H 2022, supporting an expansion in operating margins during the period.

Consequently, the Net Property Income for the period was USD 26.9 million (1H 2021: USD 30.3 million). Excluding the impact of the aforesaid one-off gain / loss on disposal of investment property, Net Property Income has increased 19.6% year-on-year.

The value of the REIT's portfolio grew by 4.7% year-on-year to USD 758.6 million as at the end of 1H 2022, from USD 724.6 million as at the end of 1H 2021, notwithstanding the disposal of Jebel Ali School in May 2022. As at June 30, 2022, the REIT's Net Asset Value (NAV) was USD 352.6 million, equating to a NAV per share of USD 1.10.

Commenting on Emirates REIT's 1H 2022 performance, Thierry Leleu, Chief Executive Officer of Equitativa, said:

"The 1H 2022 results demonstrated a continuing improvement of the REIT performance both year-on-year as well as quarter-on-quarter. With a strong up-tick in occupancy and a focus on property expenses, core Net Property Income grew an impressive 19.6% year-on-year and 1.5% quarter-on-quarter excluding the loss on disposal of investment property attributable to the sale of the Jebel Ali School.

The REIT's net profit increased 20.9% year-on-year to USD 61.5 million, notably supported by an unrealized gain on portfolio revaluation of USD 57.0 million over the first six months of the year. Given the current strength of the UAE and Dubai economies, we remain cautiously optimistic for the REIT's operational performance throughout the rest of the year.

In addition to our continued focus on operational excellence, our key priority over the next few months will be to successfully complete the refinancing of the outstanding USD 400 million Sukuk issue which matures in December 2022 so as to position the REIT for growth going forward."

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Media inquiries: John Greenway, Teneo, +971 585650626

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: The Equitativa Group is a leading regional asset manager focused on creating and managing real estate investment trusts (REITs). The group offers innovative risk-adjusted, income generating financial products that cater to institutional and retail investors. As the founder of the UAE's first Shari'a compliant REIT, Emirates REIT, Equitativa is today one of the largest REIT managers in the Gulf Cooperation Council (GCC) countries and one of the biggest REIT Managers for Shari'a Compliant REITs in the world. In the UAE, Equitativa manages two leading REITs: Emirates REIT and The Residential REIT, the latter incorporated in Abu Dhabi Global Market.