

2022

2023

2024



Emirates
REIT

H1 2023 RESULTS
REPORT

EMIRATES REIT FACT SHEET H1 2023



Emirates REIT (CEIC) PLC
Reuters REIT.DI Bloomberg REIT.DU

H1 2023

All information as at June 30, 2023 unless otherwise stated.

IN BRIEF

		VARIANCE Y-O-Y
Investment Properties	USD 838.1m AED 3.1bn	10.5%
Net Asset Value	USD 418.9m AED 1.5bn	18.8%
NAV* per Share	USD 1.31	18.8%
Net Lettable Area	208,355 sqm 2.2m sq.ft.	2.6%
Occupancy	85.4%	3.5 p.p.

* Net Asset Value

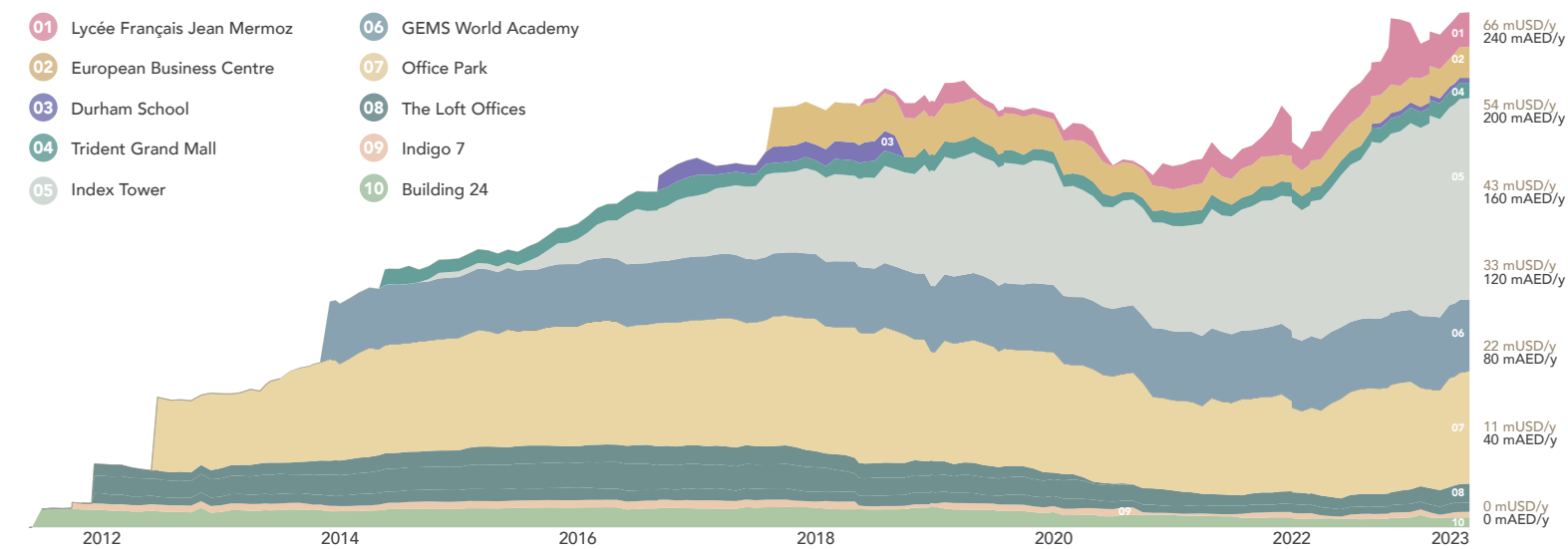
FINANCIAL HIGHLIGHTS

- Due to an increase in overall occupancy & rate revisions, the total property income for H1 2023 grew by 9% and amounted to USD 36m (HY2022: USD 33m)
- On a like-for-like comparison, disregarding the income from Jebel Ali School and loss on divestment of an investment property, the y-o-y growth in total property income amounted to 15%
- Led by this growth in occupancy, property operating expenses also recorded a slight rise & grew by 3% y-o-y
- Consequently, the net property income recorded a y-o-y rise of 10% & amounted to USD 30m as at the end of H1 2023 as compared to USD 27m reported in H1 2022
- Operating profit amounted to USD 21m for the 6 month period ended June 30, 2023, which is 17% higher than for the same period last year, reflective of an overall improvement in operating performance of the REIT
- As a result of rising benchmark rates & a higher cost Sukuk, the net finance cost increased substantially and amounted to USD 23m in H1 2023 (H1 2022: USD 12m) resulting in a negative FFO of USD 3.7m
- Unrealized gain on revaluation of investment properties amounted to USD 50m for H1 2023, which supported the profitability. Consequently, the net profit for the six month period ended June 30, 2023 amounted to USD 46m (H1 2022: USD 61m)
- Fair value of investment properties increased by circa 10% y-o-y, driven by continued improved valuations and amounted to USD 838m as at June 30, 2023 (June 30, 2022: USD 759m)
- Islamic Financing reduced by USD 33m or 7% y-o-y, mainly due to refinancing & partial repayment of Sukuk and drawdown of new bilateral facilities during the period, improving the FTV to 46% as at June 30, 2023 (June 30, 2022: 52%)
- Net Asset Value (NAV) continued to rise and grew by 19% y-o-y in H1 2023. This translated in a NAV per share of USD 1.31 as compared to USD 1.10 per share, same period last year.

OPERATIONAL HIGHLIGHTS

- Occupancy across the portfolio increased y-o-y by 3.5 p.p. to 85.4%
- Rental rates across the Commercial portfolio increased by 7.7%
- Rental rates across the education portfolio are stable
- On a like for like basis, WALE decreased by 13.4% to 6.7 years
- Leasing activity during H1 2023:
- 105 renewals (14,136 sq.m.)
- 58 new leases (7,362 sq.m.)
- 32 exits (6,582 sq.m.)
- A strong demand in the market along with the lack of quality stock driving the opportunity to maximize rental yield for remaining space and renewals, particularly at Index Tower.
- The other markets in Dubai have also seen a good recovery and sustained demand, albeit at stable rates.

ANNUALISED RENT



Emirates REIT (CEIC) PLC | ir@reit.ae | +971 4 405 7348

MANAGED BY EQUITATIVA GROUP



Emirates REIT (CEIC) PLC
Reuters REIT.DI Bloomberg REIT.DU

H1 2023

All information as at June 30, 2023 unless otherwise stated.

INCOME AND EARNINGS

IN USD M	FOR THE HALF YEAR ENDED		VARIANCE Y-O-Y
	JUN 30, 2023	JUN 30, 2022	
Rental, Fee & Other Income	36.0	34.4	+4.5%
Loss on Disposal of Investment Property	-	(1.5)	(100%)
Total Property Income	36.0	32.9	+9.1%
Property Operating Expenses	(6.2)	(6.0)	+3.3%
Net Property Income	29.8	26.9	+10.4%
Fund Expenses	(7.9)	(8.0)	(1.7%)
Allowance for Expected Credit Loss	(0.7)	(0.7)	(6.7%)
Operating Profit	21.2	18.2	+16.5%
Finance Cost - Net	(23.5)	(12.4)	+89.5%
IFRS 16 Finance Charge	(1.4)	(1.4)	(0.4%)
Profit before Fair Valuation / Funds from Operations (FFO)	(3.7)	4.4	(1.8x)
Net Unrealized Gain on Revaluation	50.0	57.0	(12.4%)
Net Profit for the Period	46.3	61.5	(24.7%)
Fair Value Adjustment on Cash Flow Hedges	-	1.3	(100%)
Total Comprehensive Income for the Period	46.3	62.8	(26.2%)
FFO per Share (USD)	(0.011)	0.014	(1.8x)
Earnings per Share (USD)	0.145	0.197	(26.4%)

BALANCE SHEET

IN USD M	AS AT		VARIANCE Y-O-Y
	JUN 30, 2023	JUN 30, 2022	
Investment Properties	838.1	758.6	+10.5%
Total Assets	951.6	911.1	+4.4%
Islamic Financing	439.5	472.1	(6.9%)
Total Liabilities	532.7	558.6	(4.6%)
Equity / Net Asset Value (NAV)	418.9	352.6	+18.8%
FTV*	46.2%	51.8%	(5.6 p.p.)
NAV per Share (USD)	1.31	1.10	+18.8%
Net Cash from Operating Activities	25.2	20.8	20.9%

* Financing to Assets Value

DISCLAIMER

Due to rounding, numbers presented throughout this factsheet 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.

Emirates REIT (CEIC) PLC | ir@reit.ae | +971 4 405 7348

MANAGED BY EQUITATIVA GROUP

TABLE OF CONTENTS

1 AT A GLANCE

Chairman's Message	5
Emirates REIT Overview	7
H1 2023 in Brief	9
H1 2023 Portfolio Occupancy & Income and Earnings	10
H1 2023 Financial Highlights	11
H1 2023 Operational Highlights	12

3 GOVERNANCE

Equitativa's Report	30
Corporate Governance	33
Sharia Compliance Certificate	34

2 PORTFOLIO

Market Overview	14
Commercial	17
Education	25

4 CONSOLIDATED FINANCIAL STATEMENTS

Independent auditor's review report	36
Condensed consolidated interim statement of financial position	37
Condensed consolidated interim statement of comprehensive income	38
Condensed consolidated interim statement of changes in equity	38
Condensed consolidated interim statement of cash flows	39
Notes to the condensed consolidated interim financial information	49
Glossary	49



AT A GLANCE

Chairman's Message	5
Emirates REIT Overview	7
REIT in Brief	8
Emirates REIT Portfolio	8
H1 2023 in Brief	9
H1 2023 Portfolio Occupancy	10
Income and Earnings	10
H1 2023 Financial Highlights	11
H1 2023 Operational Highlights	12





CHAIRMAN'S MESSAGE

On behalf of the Board, I am pleased to present Emirates REIT's 2023 Half-Year report

Dear Shareholders,

On behalf of the Board, I am pleased to present Emirates REIT's 2023 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.

A strong demand in the market along with the lack of quality stock driving the opportunity to maximize rental yield for remaining space and renewals, particularly at Index Tower, have significantly contributed to an increase in tenant retention as well as an increase in new enquiries for office and retail space. As a result, occupancy across the portfolio increased y-o-y by 3.5 p.p. to 85.4%, and rental rates across the commercial portfolio increased by 7.7%, with rental rates across the education portfolio remaining stable. School operators currently occupying the REIT's educational assets have also expressed an interest in expanding their operations.

Driven by continued improved valuations, the Investment Properties recorded a 10.5% increase from USD 758.6 m to USD 838.1m year-on-year. As a result, the overall financial performance of the REIT has

improved significantly, with Net Asset Value increasing by 18.8% compared to the same period last year.

Net Asset Value per share remains above the par value mark to close at USD 1.31 per share as at June 30, 2023, compared to USD 1.10 per share as at June 30, 2022.

KEY HIGHLIGHTS

- Due to an increase in overall occupancy and rate revisions, the total property income for H1 2023 grew by 9% and amounted to USD 36m (H1 2022: USD 33m)
- On a like-for-like comparison, disregarding the income from the sale of Jebel Ali School and loss on divestment of an investment property the y-o-y growth in total property income amounted to 15%.
- Led by this growth in occupancy property

CHAIRMAN'S MESSAGE

operating expenses also recorded a slight rise and grew by 3% y-o-y.

- Consequently, the net property income recorded a y-o-y rise of 10% and amounted to USD 30m as at the end of H1 2023 as compared to USD 27m reported in H1 2022.
- Unrealized gain on revaluation of investment properties amounted to USD 50m for H1 2023.
- Islamic Financing reduced by USD 33m or 7% on y-o-y basis, mainly due to refinancing and partial repayment of Sukuk and drawdown of new bilateral facilities during the period, improving the FTV to 46% as at June 30, 2023 (June 30, 2022: 52%)

Going forward, one of the key priorities for the REIT Manager in H2 2023 is to secure a more sustainable and long-term financing solution for the REIT through

a partial or total refinancing of the new secured certificates.

Another important consideration for the REIT Manager will be to endeavor to lower the debt ratio through disposal of assets that are not core to the REIT's strategy, to continue leasing up the portfolio and increase the net property income margin through active asset management on both income and costs.

In H2 2023 the REIT Manager will continue to focus on delivering on asset enhancement initiatives that will enable greater overall performance of the REIT going forward, including cost optimization as well as refurbishments at some of the assets.

The team is also working on further increasing occupancy levels and lease rates within the portfolio. The rates across the Commercial portfolio increased by 7.7% driven by Index Tower, compared to a year earlier.

Emirates REIT remains committed to its two-pronged investment strategy around commercial real estate

and educational assets, underpinned by an actively managed portfolio, supported by an experienced team that constantly evaluates optimal capital structure and exercises judicious capital deployment.

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

EMIRATES REIT OVERVIEW

as at June 30, 2023

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 859.1 million, with an aggregate lettable area of approximately 208,355 sqm and comprising 395 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

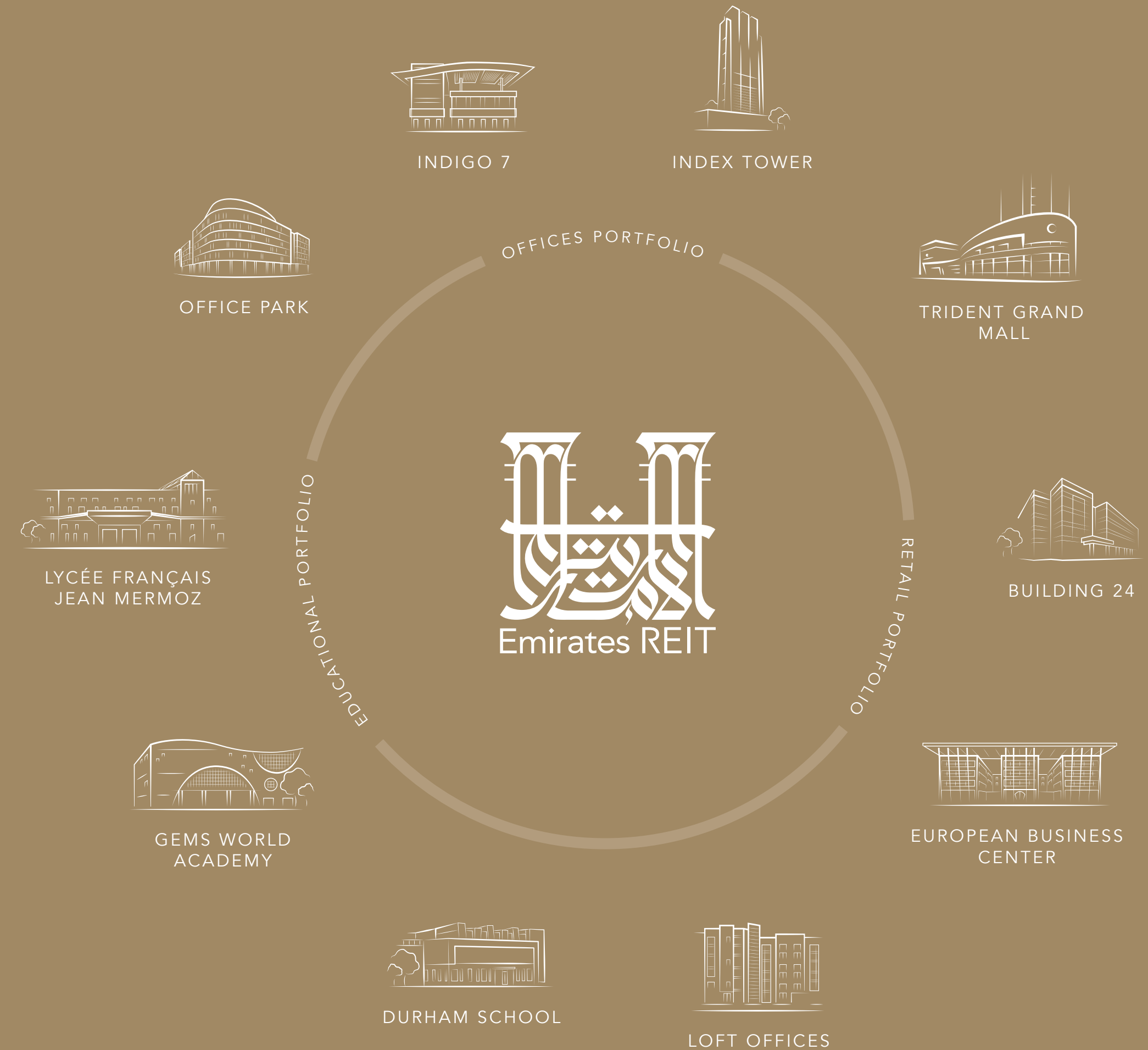
- Index Mall (DIFC) ⁽¹⁾
- Trident Grand Mall (JBR, Dubai Marina)

⁽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



H1 2023 IN BRIEF

2023

MARCH 2023

Partial redemption of USD 56 million of the USD 380 million secured sukuk certificates together with accrued profit. As a result, the outstanding principal amount has been reduced to USD 324 million

MARCH 2023

Emirates REIT obtained a new AED 184 million Islamic Financing Facility from Ajman Bank PJSC with a tenor of 10 years

INVESTMENT PROPERTIES

USD **838.1** M
AED 3.1bn

NET ASSET VALUE

USD **418.9** M
AED 1.5bn

NET LETTABLE AREA

208,355 SQM

WEIGHTED AVERAGE LEASE EXPIRY

6.7 YEARS

TOTAL PROPERTY INCOME

+9.1%



NET PROFIT

-24.7%



INVESTMENT PROPERTIES

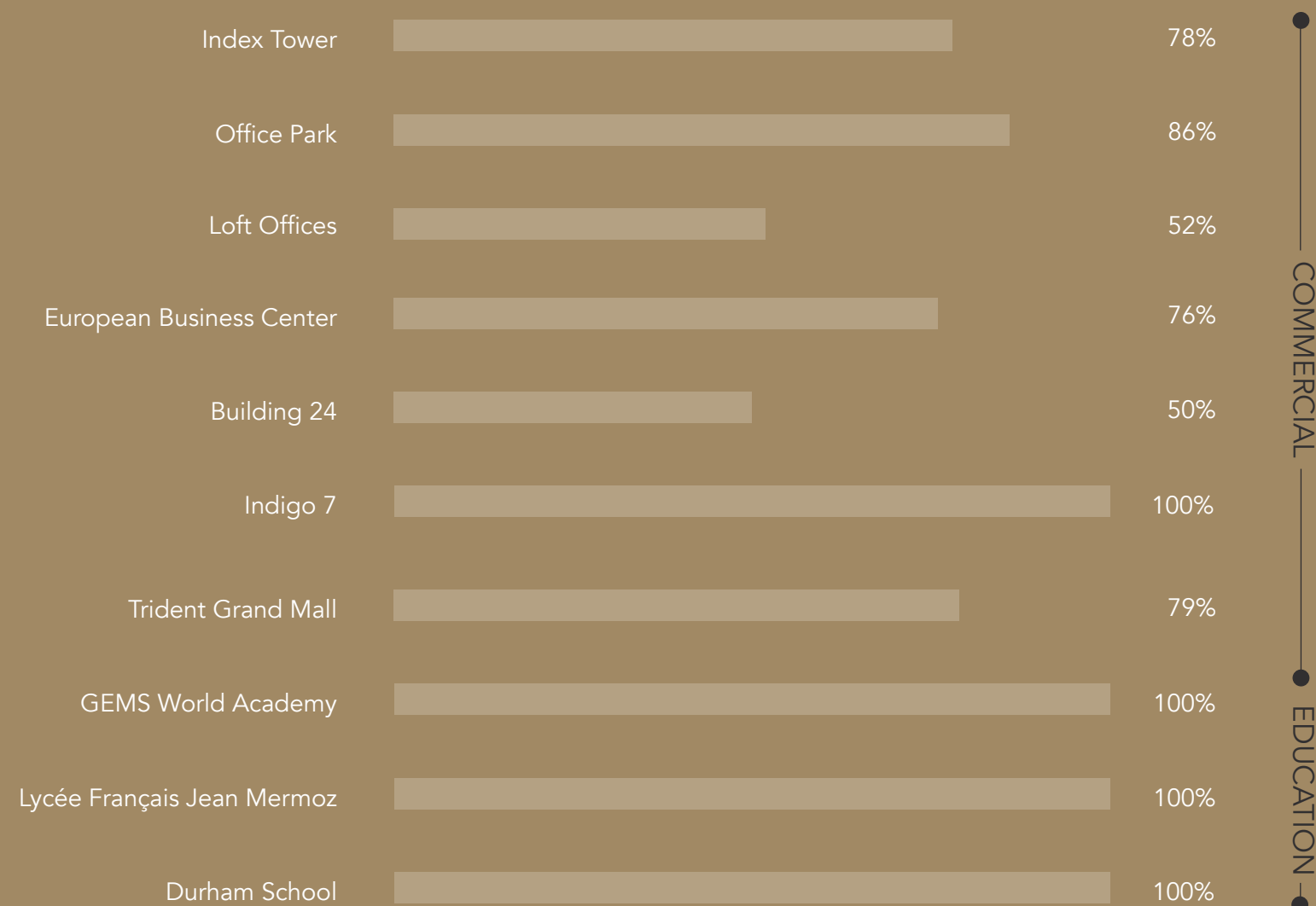
+10.5%



H1 2023 PORTFOLIO OCCUPANCY

TOTAL OCCUPANCY

85%



INCOME AND EARNINGS

USD '000	H1 2023	H1 2022	VARIANCE	% VARIANCE ²
Rental, Fee & Other income	35,978	34,420	1,558	+4.5%
Gain / (Loss) on disposal of investment property	-	(1,455)	1,455	(100.0%)
Total property income	35,978	32,965	3,013	+9.1%
Property Operating Expenses	(6,198)	(6,002)	(196)	+3.3%
Net property income	29,780	26,963	2,817	+10.4%
Operating profit	21,197	18,194	3,003	+16.5%
Net finance cost ¹	(24,846)	(13,753)	(11,093)	+80.7%
Net unrealised gain on revaluation	49,960	57,047	(7,087)	(12.4%)
Net profit for the year	46,311	61,488	(15,177)	(24.7%)
Fair value adjustments on cash flow hedges	-	1,306	(1,306)	-1.00x
Total comprehensive profit / (loss) for the year	46,311	62,794	(16,483)	(26.2%)
EPS (USD)	0.145	0.197	(0.052)	(26.4%)

¹ Including impact of IFRS 16

² % Variance computed based on financial impact.

STATEMENT OF FINANCIAL POSITION

USD '000	H1 2023	H1 2022	VARIANCE	% VARIANCE
Investment Properties	838,121	758,589	79,532	+10.5%
Cash and Cash Equivalent	22,107	55,869	(33,762)	(60.4%)
Total Assets	951,629	911,145	40,484	+4.4%
Equity	418,901	352,581	66,320	+18.8%
Islamic Financing	439,504	472,059	(32,555)	(6.9%)
Total Liabilities	532,728	558,565	(25,837)	(4.6%)
NAV per share (USD)	1.31	1.10	0.21	18.8%
FTV	46.2%	51.8%	-	(5.6 p.p)

H1 2023 FINANCIAL HIGHLIGHTS

as at June 30, 2023

During H1 2023, total property income reached USD 36m, a 9% improvement when compared to the H1 2022 results. This was on the backdrop of improved occupancy level and rate revisions seen in the first six months of 2023. On a like-for-like basis, disregarding the income from Jebel Ali School and a one-off loss on divestment of an investment property, the y-o-y growth in total property income amounted to circa 15%.

Led by the growth in occupancy, the property operating expenses also recorded a slight rise & grew by 3% y-o-y. Consequently, the net property income recorded a y-o-y growth of 10% in H1 2023 & amounted to USD 30m as compared to USD 27m reported in H1 2022.

Operating profit also grew and amounted to USD 21m for the 6 month period ended June 30, 2023, which is a 17% rise when compared with to the same period last year. This is reflective of an overall improvement in operating performance of the REIT in 2023.

The rise in benchmark profit rates directly affected the REIT's profitability as the rates continued to rise in the first 6 months of the year 2023. This coupled with the Sukuk costs, resulted in a higher finance cost which had a direct bearing on REIT's profitability and which resulted in a negative FFO of USD 3.7m for H1 2023.

On the balance sheet front, led by improved valuations, the REIT continued to record consistent growth. The unrealized gain on revaluation of investment properties amounted to USD 50m for H1 2023. This resulted in the fair value of investment properties increasing by circa 10% y-o-y and amounted to USD 838m as at June 30, 2023 (June 30, 2022: USD 759m).

Driven by the refinancing & the partial repayment of the Sukuk, in addition to the draw-down of new bilateral facilities, the Islamic Financing reduced by 7% on a y-o-y basis. This resulted in an improved FTV of 46% as at June 30, 2023, which is a 6 percentage points better than the 52% reported for H1 2022.

Resultantly the Net Asset Value (NAV) grew by 19% y-o-y in H1 2023, which translated in a NAV per share of USD 1.31 as compared to USD 1.10 per share, for the same period last year.

H1 2023 OPERATIONAL HIGHLIGHTS

as at June 30, 2023

The first half of 2023 marked a period of consistent favorable outcomes and ongoing enhancements in operations for Emirates REIT. These accomplishments were driven not only by the robust economies of the UAE but also by the successful management of assets including increased occupancy rates and improved costs recovery.

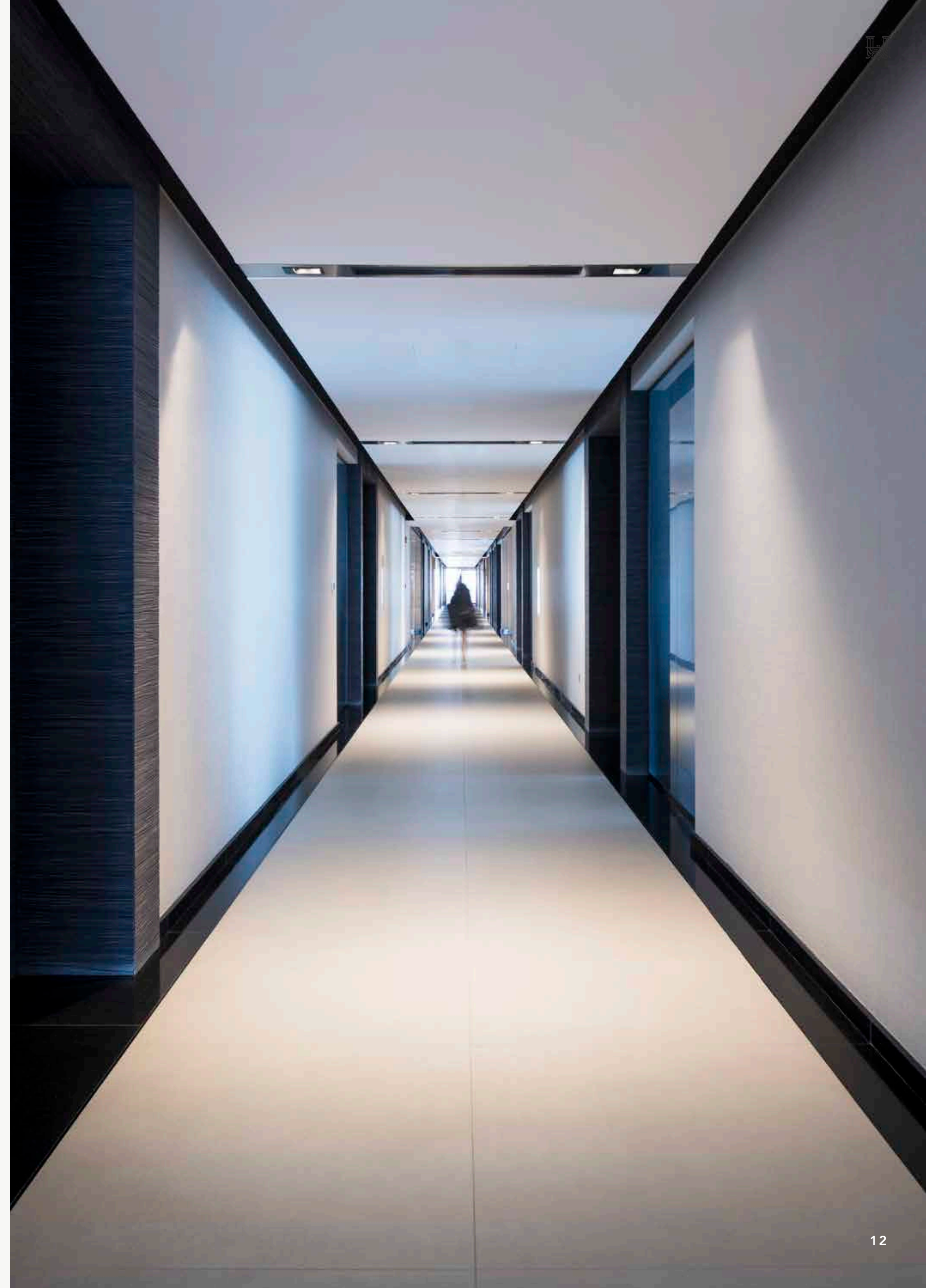
The demand for office spaces remains robust, particularly within the DIFC and specifically for Grade A spaces. It's worth mentioning that certain companies are readjusting their real estate requirements and downsizing. Nonetheless, this seems to be outweighed by the influx of new market entrants and existing companies aiming to expand their presence.

From an occupancy standpoint, the portfolio stood at 85.4% as of June 30, 2023, a 3.5 percentage point increase when compared to June 30, 2022. Notably, with continuing interest in Index Tower is unlocking the opportunity to drive higher rental rates. Rental rates at Index have recorded substantial Y-o-Y increase with strong demand along with the lack of quality stock creating a clear opportunity to maximise rental yield for remaining space and renewals. Other markets in Dubai have also seen a strong recovery and sustained demand, albeit at stable rates.

The total property income is USD 36.0 million as of June 30, 2023 compared USD 34.4 million on June 30, 2022 on a like-for-like basis however, disregarding the income from Jebel Ali School the total property income would have increased by 14.8% year-on-year. In line with increased occupancy property operating expenses have also grown by 3.3% and amounted to USD 0.2 million over the same period. As a result, the Net Property Income Margin reached USD 29.8m as of June 30, 2023, compared to USD 26.9m a year earlier.

The portfolio's total number of tenants increased from 372 to 395 year on year, whilst the WALE remains at 6.7 years on 30 June 2023.

On the valuations' front, Emirates REIT independent valuers CBRE and Cushman & Wakefield have factored in the positive sentiment of the Dubai property market and of the asset management achievements and thus revised upwards their valuations to USD 803.4 million, a 5.4 % increase compared to USD 758.6 million in June 30, 2022.



PORTFOLIO

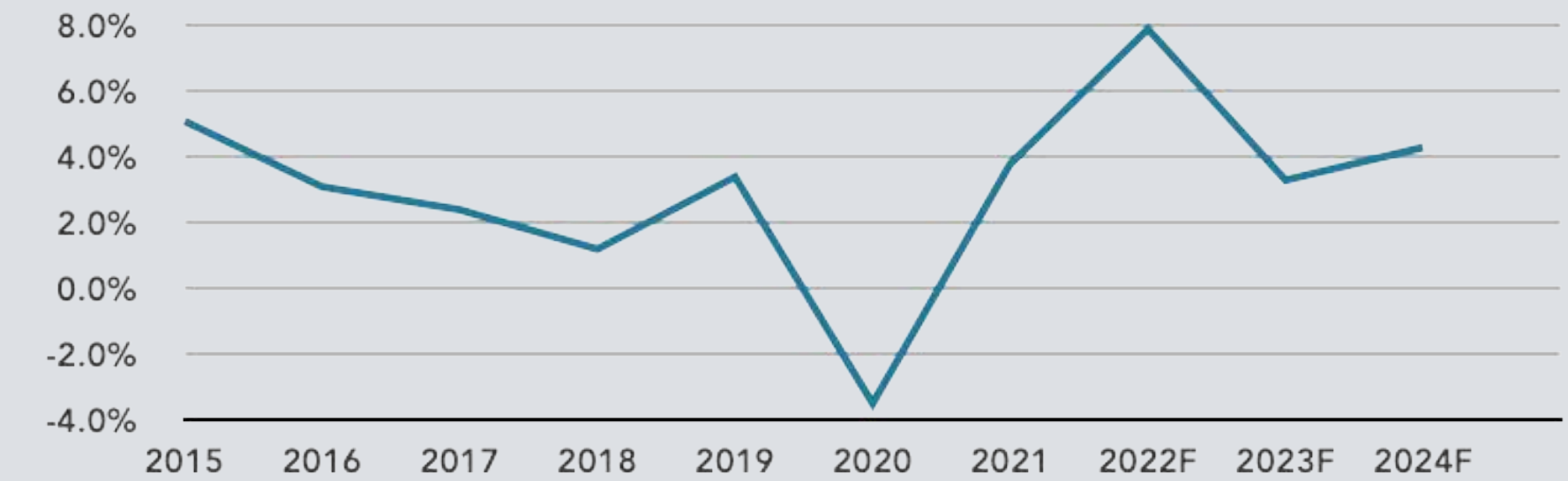
Market Overview	14
Commercial	17
Index Tower	18
Office Park	19
Loft Offices	20
Building 24	21
European Business Centre	22
Indigo 7	23
Trident Grand Mall	24
Education	25
GEMS World Academy	26
Lycée Français Jean Mermoz	27
Durham School Dubai	28

MARKET OVERVIEW

MACROECONOMIC OVERVIEW

- As per the UAE Central Bank, the country's Gross Domestic Product (GDP) grew 7.9% in 2022. 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 Q1 2023, the Central Bank announced that the UAE economy grew by 3.3%.
- Economic activity in the GCC region is expected to drop significantly, reaching 2.9% in 2023 from a previous rate of 7.7% in 2022. (UAE Central Bank)
- The slowdown reflects persistent inflationary pressures, tighter credit conditions and the OPEC+ announcement to cut oil production further. (UAE Central Bank)
- The seasonally adjusted S&P Global UAE Purchasing Managers' Index™ (PMI®) – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – rose to 56.9 in June from 55.5 in May.
- The index signaled a substantial strengthening of business conditions and one that was the most pronounced since June 2019. The health of the non-oil private sector has now improved in each of the past 31 survey periods.
- Central to the strong improvement in business conditions in June was the ability of companies to secure new orders.
- New business was up rapidly over the month, with the rate of expansion hitting a four-year high. Total new orders were supported by an increase in new business from abroad.
- The rise in new orders was fueled by stronger customer demand, and was provided with further momentum by promotional offers to help secure sales.

UAE REAL GDP GROWTH (Y-O-Y)



UAE PURCHASING MANAGERS INDICES

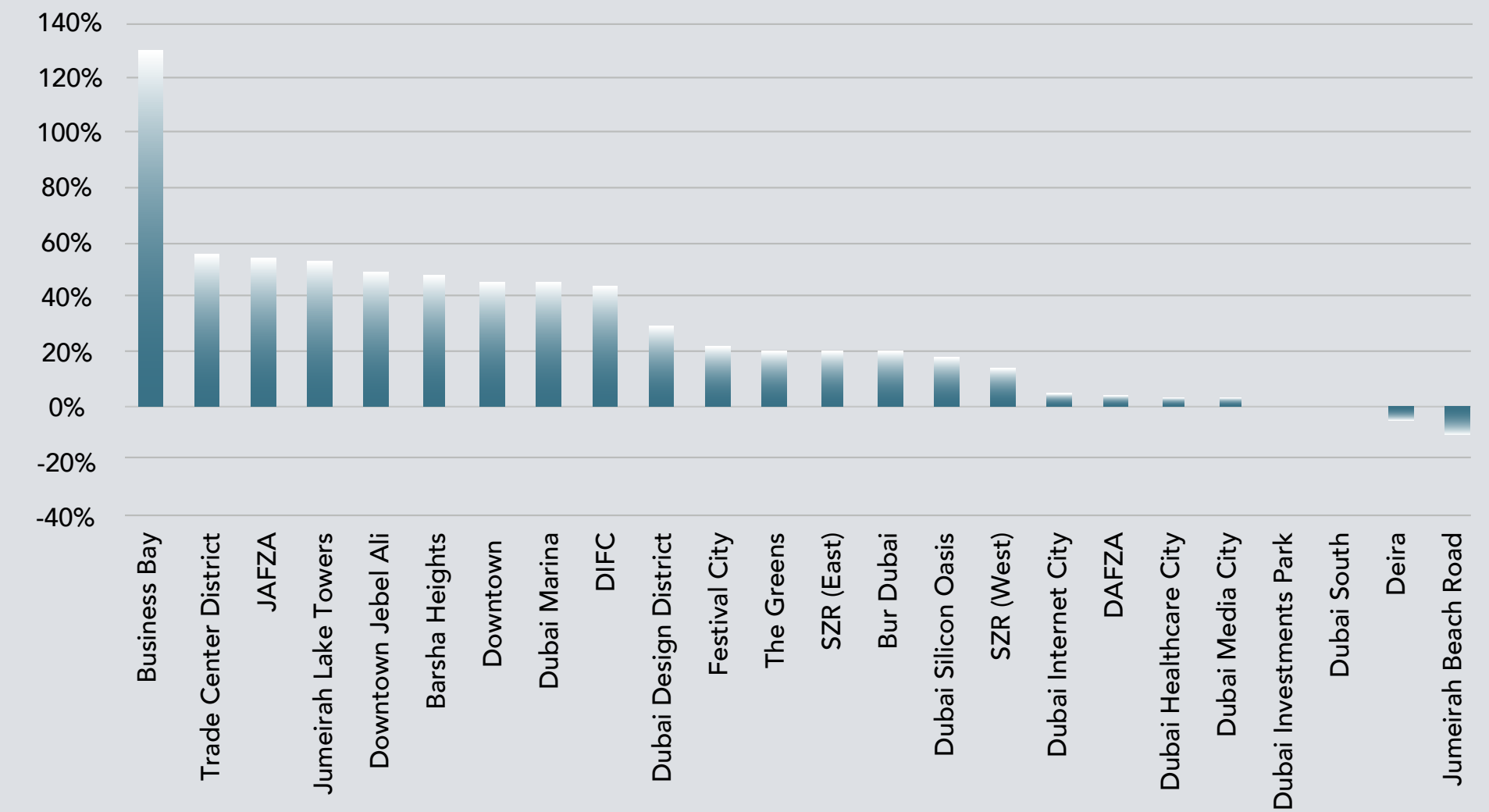


MARKET OVERVIEW

DUBAI OFFICE MARKET UPDATE

- During the second quarter, there were no office projects completed in either Dubai or Abu Dhabi, keeping the total supply stable at 9.1 million sq. m. in Dubai and 3.9 million sq. m. in the capital.
- Over the remaining half of 2023, around 99,000 sq. m. of office gross leasable area (GLA) is expected to enter Dubai and 41,000 sq. m. in Abu Dhabi. Dubai's office market continued to record strong demand, with a diverse mix of tenants from all segments.
- Due to the low availability of good-quality office space and the healthy inflow of new market entrants, co-working and serviced offices have acted as an initial landing pad for majority of new entrants while they explored long-term options.
- Consequently, average Grade A rents within the Central Business District (CBD) increased by 18% year-on-year (Y-o-Y) to AED 2,300 per sq. m. per annum in the second quarter. For the same period, office vacancy within the CBD was recorded at 10%.

CHANGE IN OFFICE RENTS SINCE THE START OF THE PANDEMIC (Q1 2020 V Q2 2023)



MARKET OVERVIEW

DUBAI RETAIL MARKET UPDATE

- Around 6,000 sq. m. of retail space was added in Dubai during the second quarter, increasing the stock to 4.7 million sq. m.
- In the remaining months of this year, around 83,000 sq. m. of retail GLA is scheduled to be delivered across the emirate, the majority of which is in the form of expansion of a super regional mall and new neighbourhood malls.
- Another 58,000 sq. m. is anticipated to be completed in the second half of this year. Well-located retail developments have been benefitting from the increasing number of tourists in Dubai. Prime retail developments were operating at near full occupancy.
- In contrast, community malls and retail developments in secondary locations noted a marginal drop in activity, as footfall remained dominant in larger regional and super regional malls.
- As a result, average rental values across primary and secondary malls were down by 2% in Q2 when compared to the same period last year.

DUBAI RETAIL MARKET: TOTAL STOCK, EXPECTED DELIVERIES & RENTAL RATES



COMMERCIAL



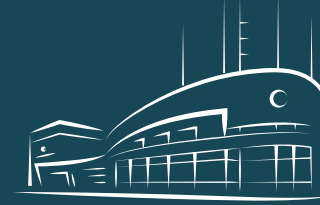
INDEX TOWER



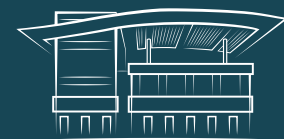
OFFICE PARK



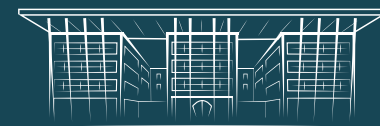
LOFT OFFICES



TRIDENT GRAND MALL



INDIGO 7



EUROPEAN BUSINESS CENTER



BUILDING 24



VALUATION

80.1%

SHARE OF PORTFOLIO

NLA

-

SHARE OF PORTFOLIO

INCOME

74.4%

SHARE OF PORTFOLIO

Emirates REIT's commercial portfolio comprises of 7 office and retail properties located in prominent locations in Dubai's most sought after special economic zones and key gateway locations: Index Tower, Office Park, Loft Offices, Building 24, Indigo 7, European Business Centre and Trident Grand Mall. As at June 30, 2023, the market value of the commercial portfolio totalled USD 688 m.

Occupancy across the commercial portfolio remain stable at 75.9%. The REIT's presence in key freezone areas and active asset management have helped increase the rental rates (IFRS) rent per sqm by 7.7% y-o-y across the commercial portfolio, driven by a strong rate growth at Index Tower (+14.6 % YoY) and a good demand across the Dubai office market.

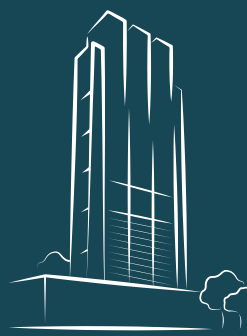
Dubai's office market has continued to receive a strong level of international enquiries from the UK and Europe, along with other international markets with companies

wanting to expand in Dubai due to its favorable and open business environment. This trend is notably highlighted by the record number of trade licenses being issued and by a higher number of new Ejari registrations. Data from the Dubai Land Department revealed that in Q2 2023, the total number of rental contracts registered in Dubai's occupier market reached 29,932, up 41.6% compared to a year earlier. Over this period, a total of 20,953 new rental registrations were recorded, marking a 58.5% year-on-year rate of growth. Additionally, a total of 8,979 renewed contracts were registered, highlighting an increase of 13.4% from the year prior.

Demand over the second quarter has been relatively balanced between both Free Zone and Non-Free Zone locations and is originating from a broad range of sectors. Two notable sectors of demand have been the technology and financial services (namely investment funds) sectors, the latter of which have almost exclusively

gravitated within the DIFC. The lack of available quality stock and the limited amount of imminent future supply have driven the opportunity to maximise the rental rates.

Another notable trend, given current demand and supply dynamics, has been that occupiers are undertaking exercises to weigh up downsizing their total occupied space, as less is required due to hybrid working, and then are able to use the savings to improve the quality of the current space occupied. H1 has also seen a renewed interest for prime retail spaces or for retail spaces which have desirable catchment areas and a range of destination drivers.



INDEX TOWER

DUBAI INTERNATIONAL FINANCIAL CENTRE



ACQUIRED
2013-2018

NET LETTABLE AREA
38,816 sqm

OCCUPANCY
78.4%

OCCUPANCY VARIANCE Y-O-Y
-1.4 p.p.

RATES Y-O-Y
+14.6%

WALE
1.9 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.

Index Tower, the REITs largest property, continues to perform strongly. Occupancy in Index Tower Offices remains strong at 84.8% (-0.8 p.p. y-o-y), with the exit of a large client occupying ½ floor. Micro Offices and

Premium Offices are fully leased at premium rates, whilst the remaining availability is for shell and core space. Rental rates (IFRS) have increased substantially Y-o-Y, with strong demand along with the lack of quality stock creating a clear opportunity to maximise rental yield for remaining space and renewals.

There is also a good momentum at Index Mall with solid levels of enquiries, a good tenant mix with well known brands and a vibrant community feel. 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 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.

H1 2023 OPERATIONAL HIGHLIGHT

- Focus on commercial operations resulting in 31 renewals and 17 new leases.
- Improvements to access and visibility with road works and new signage.

CHALLENGES

- Limited availability for fully fitted and furnished space.
- Completion of new stock in DIFC and connection of large competitor with availability at lower rate to the Gate Avenue (Q4 2023).

ACTIONS ENVISIONED

- Sub-division of larger floor plates to accommodate demand for 7-10,000 sq.ft. offices.
- Upgrade of security and lift access control.



OFFICE PARK

DUBAI KNOWLEDGE VILLAGE



ACQUIRED
2012

NET LETTABLE AREA
34,567 sqm

OCCUPANCY
86.4%

OCCUPANCY VARIANCE Y-O-Y
+6.6 p.p.

RATES Y-O-Y
+1.8%

WALE
2.0 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 86.4% (+6.6 p.p. y-o-y) with a total of 51 tenants. Notably, the increase in occupancy was driven by two clients expanding within the building in addition to one large new client. Rental rates are stable, with clients still undertaking exercises to weigh up downsizing their total occupied space, as less is required due to hybrid working.

Office Park remains well positioned to compete with the existing and new supply at the nearby Innovation Hub and there is a good level of new enquiries since Q2.

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 systems.

H1 2023 OPERATIONAL HIGHLIGHT

Active commercial engagement with existing and new clients:

- An array of new Retail clients with the occupancy at 100%
- Strong retention with renewals of c 3,753 sq.m of offices.

CHALLENGES

- Two large offices remain vacant with various corporates downsizing during FY 2021.
- Difficult conversion of enquiries with competition in the freezone and new supply.

ACTIONS ENVISIONED

- Sub-dividing some of the larger offices to meet demand of 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
15,242 sqm

OCCUPANCY
51.6%

OCCUPANCY VARIANCE Y-O-Y
+13.3 p.p.

RATES Y-O-Y
+5.3%

WALE
0.8 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 have seen a strong recovery driving demand for office space. The Lofts a highly regarded & attractive option in the freezone and the addition of new retail tenants with new concepts is benefiting the wider community. Business is concentrated on Loft Offices 1 & 2 with an occupancy 76.5% as at 30 June 2023 and is characterised with smaller space and short term leases.

The Loft Office 3 remains vacant and the REIT is currently reviewing options for refurbishment and conversion to larger offices.

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.

H1 2023 OPERATIONAL HIGHLIGHT

- Loft Offices 3 vacated for its refurbishment and re-purposing to larger offices.

CHALLENGES

- 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

- Maintenance works in vacant units
- Marketing campaign H2 2023.
- Repurposing of Loft Offices 3 to cater to larger tenants.



BUILDING 24

DUBAI INTERNET CITY



ACQUIRED
2011

NET LETTABLE AREA
5,369 sqm

OCCUPANCY
50.3%

OCCUPANCY VARIANCE Y-O-Y
+8.3%

RATES Y-O-Y
-6.9%

WALE
1.4 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 and driving a +8.3 p.p. increase in occupancy Y-o-Y, indicating the property potential and renewed interest in the freezone

Notably, a strong anchor tenant has been secured for the GF retail unit (lease commencing H2 2023), which along with a soft refurbishment of the property due to commence during H2 2023, the low-rise property should become a very desirable location for small and medium size corporates.

POSITIONING

- Excellent Location, part of phase 1 of DIC.
- Highly visible building in the heart of DIC.
- Flexible floor plates

H1 2023 OPERATIONAL HIGHLIGHT

- Assessing and planning soft refurbishment works, detail design and tender.
- Secured lease and anchor tenant for Ground floor retail unit

CHALLENGES

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

ACTIONS ENVISIONED

- Commencement of soft refurbishment.
- Coordination with key market players to promote the property



EUROPEAN BUSINESS CENTRE

DUBAI INVESTMENTS PARK



ACQUIRED
2017

NET LETTABLE AREA
25,566 sqm

OCCUPANCY
75.8%

OCCUPANCY VARIANCE Y-O-Y
+7.0 p.p.

RATES Y-O-Y
+2.7 %

WALE
1.3 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 worldclass 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 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.

European Business Centre enjoys a strategically prime location next to the metro station which opened in June 2021.

Occupancy at EBC increased to 75.8% (+7.0 p.p. Y-o-Y) with 22 new leases secured and 30 renewals during H1 2023 and renewed activity in the freezone coupled with a new property management team. The commercial floors are occupied at 88.7% while the retail ground floor is occupied at 49%.

Capex works have been completed to improve accessibility and external areas. The Leasing team is focused on identifying suitable anchor tenants to drive retail occupancy. The property's strategic location directly opposite the metro station and the completion of external areas will enable it to appeal to new retail tenants, thus improving its attractiveness and desirability.

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. e.

H1 2023 OPERATIONAL HIGHLIGHT

- New property management team with commercial drive.
- Completion of entrance, access road and upgrade of exterior grounds.

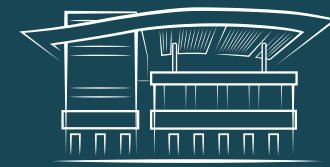
CHALLENGES

- Securing two large tenants for Ground Floor retail.
- 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.



INDIGO7

SHEIKH ZAYED ROAD



ACQUIRED
2011

NET LETTABLE AREA
1,902 sqm

OCCUPANCY
100.0%

OCCUPANCY VARIANCE Y-O-Y
0 p.p.

RATES Y-O-Y
+1.2%

WALE
5.6 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 sq.m 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.

H1 2023 OPERATIONAL HIGHLIGHT

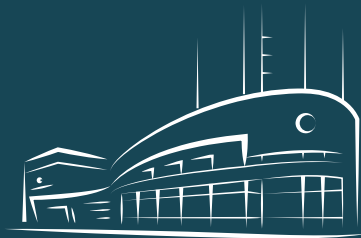
- Continued maintenance and upkeep of the building.
- Recovery of service charge predominantly service charge inclusive market

CHALLENGES

- Limited opportunity to increase rental rates.
- New supply along Sheikh Zayed Road.

ACTIONS ENVISIONED

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



TRIDENT GRAND MALL

DUBAI MARINA



ACQUIRED
2014

NET LETTABLE AREA
5,472 sqm

OCCUPANCY
79.0%

OCCUPANCY VARIANCE Y-O-Y
+7.5 p.p.

RATES Y-O-Y
+0.3%

WALE
3.6 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. 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.

H1 2023 OPERATIONAL HIGHLIGHT

- Optimisation of operational costs and service charge recovery (ongoing).
- Renewed interest in retail, leaving only two units vacant on the 1st floor.

CHALLENGES

- The property requires a soft refurbishment to maintain its attractiveness in a competitive market.
- Optimization of occupancy with a leasing strategy to address terraces and storage.

ACTIONS ENVISIONED

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

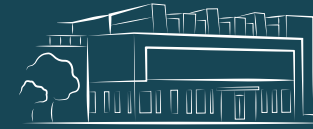
EDUCATION



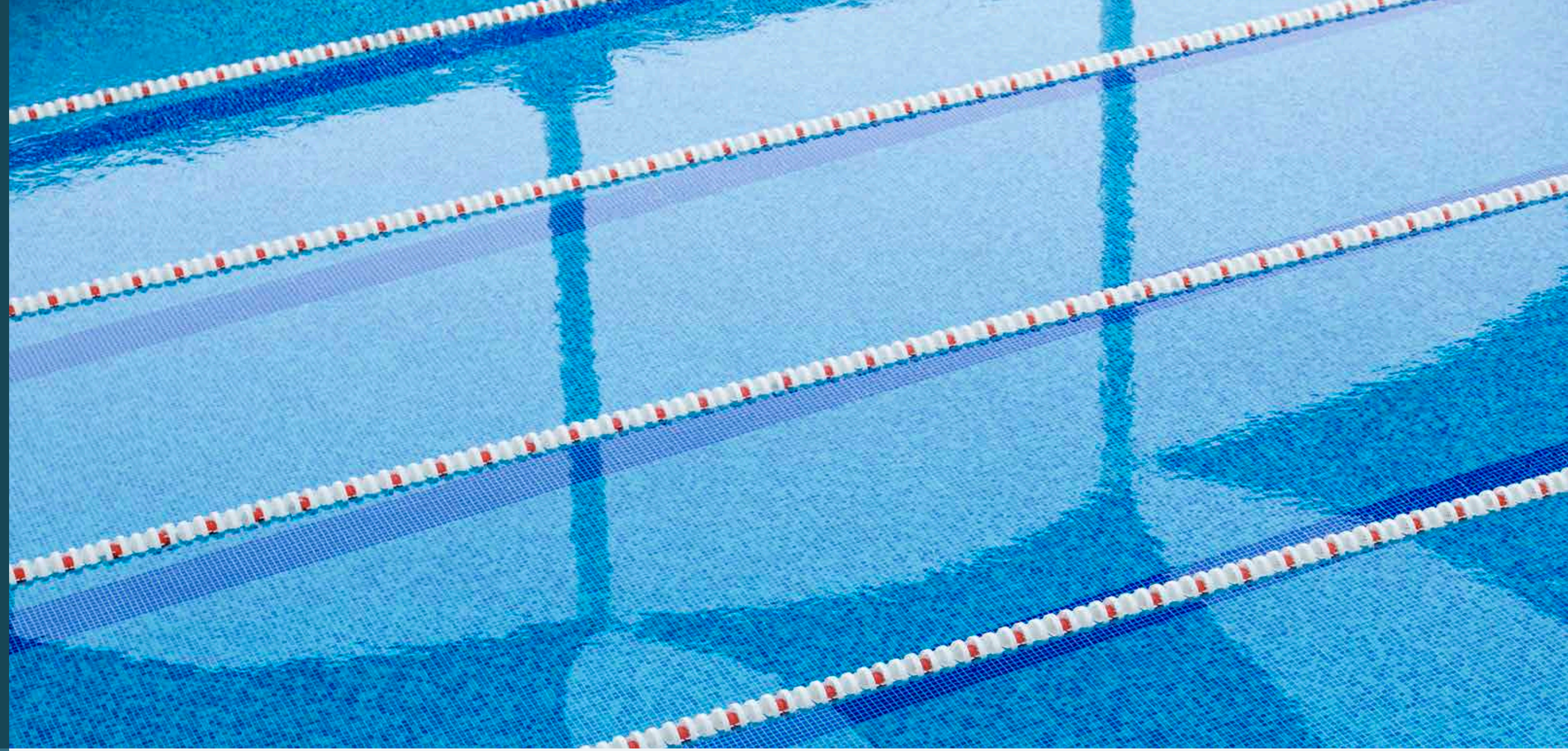
GEMS WORLD ACADEMY



LYCÉE FRANÇAIS JEAN MERMOZ



DURHAM SCHOOL



VALUATION

19.9%

SHARE OF PORTFOLIO

NLA

-

SHARE OF PORTFOLIO

INCOME

25.6%

SHARE OF PORTFOLIO

UAE is the most mature education market in the GCC, offering significant opportunities for investors, institutions, and students. This is largely due to the strong presence of expatriates in the country, who account for approximately 88.5% of the total population.

The market is driven by government's increasing focus on privatization as part of its development strategy to build a knowledge-based economy. The country's long-term education plans such as Strategic Education Plan 2017-2151, Vision 202152, and National Strategy for Higher Education 203053 aim to increase enrolment rates across all categories, create a first-rate education system, and achieve high scientific and professional education standards, respectively. The Ministerial Development Council is also currently reviewing a proposal for the preparation of a federal law on Higher Education, along with a number of other resolutions, initiatives and reports related to the government and the improvement of the institutions' performance in various sectors in the Federal Government54. These policies

broadly seek to equip future generation of students with technical and practical skills to strengthen the labour market. As such, private schools and universities in the country have been thriving offering various international curricula and programs. Private schools in the UAE offer around 17 different curricula with a predominance of UK, US, and Indian models55.

Within the UAE, Dubai and Abu Dhabi are the country's largest markets and account for approximately half of the total students in private K-12 schools. Both these Emirates have also launched their respective vision plans, Dubai Plan 2021 and Abu Dhabi Economic

Vision 2030, which aim to improve the quality of education through improved curriculum and infrastructure. Such initiatives by the government have strengthened accreditation standards and developed curricula to match international standards, thus increasing the quality of education in the UAE.

The UAE government has placed significant emphasis on establishing a robust education system in order to foster economic growth beyond the hydrocarbon industry and develop a competitive economy driven by knowledge. The government dedicated approximately US\$

2.7 billion to the education sector in 2023, which accounts for 15.5% of the total budget. This allocation is slightly lower than the 16.3% allocated in 2022 and 15.7% allocated in 202158.

Although fears of high inflation and pressure on oil prices have created fiscal constraints on the economy, the UAE has continued to remain committed towards the sector, with a budget allocation higher than that of the US, UK, and Germany.

Source: Alpen Xcapital, Aug. 2023



GEMS WORLD ACADEMY

AL BARSHA SOUTH



ACQUIRED
2013

NET LETTABLE AREA
42,700 sqm

OCCUPANCY
100.0%

WALE
19.6 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 multicultural, multilingual 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
19,349 sqm

OCCUPANCY
100.0%

WALE
21.8 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, and the third phase which consists of two sports halls, a dance studio, a pool and improvements to the existing facilities was completed during H1 2023.

The school, with a capacity of 1,456 students, is enjoying a strong enrollment of new students for September 2023 with a wait list in most age groups.

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
19,315 sqm

OCCUPANCY*
100.0%

WALE
8.2 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 opened in September 2022 offering the English National Curriculum and provides 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



GOVERNANCE

Equitativa's Report	30
Corporate Governance	33
Sharia Compliance Certificate	34



EQUITATIVA'S REPORT

The Directors present their report for the six months ended June 30, 2023.

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, 2023, the REIT's issued share capital comprised a total of 319,156,400 ordinary shares with a market value of USD 0.205 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 is 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 work towards 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 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 6.7 years as at June 30, 2023. Notably, c. 26% of the leases are expiring in the next three years. On a like-for-like basis excluding schools, the weighted average lease term is 1.9 years.

7%	2023
11%	2024
8%	2025
6%	2026
6%	2027
62%+	2028+

SHAREHOLDING

The maximum limit of 49% of non-GCC ownership is monitored by both Nasdaq Dubai and Equitativa. As at June 30, 2023, the non-GCC shareholding was at 24.04% 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%

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.

REAPPOINTMENT OF VALUERS

At the beginning of May 2023, the REIT Manager put out to tender the appointment of a valuer on the REIT’s valuation panel. The received proposals were evaluated on the basis of seven criteria; valuation time-frame, level of insurance coverage, methodology employed (including compliance), relevant skills, experience & qualifications, internal controls adopted, potential conflicts and relation to the REIT Manager, and schedule of pricing. Upon evaluation of the received proposals, the proposal submitted by CBRE was determined to have best satisfied the evaluation criteria. Accordingly, Equitativa reappointed CBRE for a further period of 5 years starting June 30, 2023.

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 valuer Cushman & Wakefield International Limited, and the re-appointment of CBRE (DIFC) Limited (together, the “REIT Valuers”) to conduct the March and June 2023 valuations.

INVESTMENTS PORTFOLIO

For further details on our portfolio please refer to the portfolio section.

FINANCING UPDATES

Islamic Financing Facility

Emirates REIT obtained a new AED 184 million Islamic Financing Facility from Ajman Bank PJSC. The facility’s profit rate is set at 3-month EIBOR + 2.75% with a floor of 5%. The tenor of this facility is 10 years with a gradual step up amortization over the tenor of the facility. The proceeds of this facility have been utilized to repay existing financial indebtedness and pay down the secured certificates issued in December 2022.

Partial Redemption of the USD 380m secured sukuk certificates

On March 22, 2023, Emirates REIT has partially redeemed USD 56 million of the USD 380 million secured sukuk certificates issued on December 12, 2022 (the "Secured Sukuk"), together with accrued profit thereon. As a result, the outstanding principal amount on the Secured Sukuk has been reduced to USD 324 million of the EU.

2023 ANNUAL GENERAL MEETING

The 2023 Annual General Meeting ("AGM") was held on June 12, 2023. The following is a summary of the matters discussed during the AGM. For further information, please refer to the 2023 AGM pack, available on our website.

Annual Report and Accounts 2022

The Shareholders received and approved the 2022 Annual Report and the accounts for the REIT for the year ended December 31, 2022, together with the director's report and auditor's report on those accounts in accordance with the Companies Law.

Final Dividend

The Shareholders did not approve the declaration of the final dividend of USD 0.008 per ordinary share, an aggregate of USD 2,553,251, for the financial year ending December 31, 2022, and the distribution thereof by way of an allotment and distribution of newly issued ordinary shares ("Scrip Dividend").

The REIT Manager is currently assessing the available options and discussing the matter with the Regulator.

Investment Board

In accordance with the REIT's constitution and pursuant to DFSA regulations, the Shareholders of the REIT approved the re-appointment of existing members Captain David Savy and Dr. Faisal Alayyan, and the appointment of new member Mr. Helal Tariq Lootah

as members of the REIT's Investment Board until the conclusion of the 2024 Annual General Meeting.

Auditor Re-appointment

The appointment of Deloitte & Touche (M.E) as Auditors to the REIT was extended until the closing of the 2024 Annual General Meeting.

POST PERIOD EVENTS

Appointment of new CEO

Effective July 3rd, 2023, Thierry Delvaux officially began his tenure as Senior Executive Officer of the REIT Manager, and became a Connected Person. Mr. Delvaux joins from JLL where he was most recently Chief Executive Officer, Middle East, Africa and Turkey. Prior to this, Mr. Delvaux held a number of global strategic and leadership positions at JLL during his more than 20-year tenure.

CORPORATE GOVERNANCE

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 consent to all acquisitions and disposals. On May 22, 2023, Mr. Abdulla Al Hashemi retired from the Investment Board after having served thereon for almost ten years. On June 30, 2023, the Investment Board comprised of Mr. Helal Tariq Lootah, Captain David Savy, 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. As at the date of this report, the REIT Manager is in the process of appointing new 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, 2023, 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, 2023

SUBJECT OF THIS CERTIFICATE

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

SHARI'A SUMMARY OF THE REIT

The REIT is the first Sharia compliant real estate investment trust incorporated within the Dubai International Financial Center (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 Sharia Supervisory Board, which advises the REIT pursuant to IFR Rule 6.2.1(2) and provides ongoing and continuous supervision of and adjudication in all Sharia matters for the REIT.

The Sharia Supervisory Board has final authority with regard to the Sharia compliance of all business and activities of the REIT and the audit of its investment records for Sharia compliance. The assessment of the Sharia Supervisory Board with regard to Sharia compliance of all business and investment activities of the REIT is binding on the REIT and the Shareholders in terms of Sharia 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 Sharia Supervisory Board of the REIT has examined the Half-Yearly Report of Sharia Review conducted by Dar Al Sharia Limited (the "Dar Al Sharia") on the REIT for the period commencing from 01 January 2023 and ending on 30 June 2023 prepared in accordance with the DFSA Islamic Finance Rules (IFR) 6.4.1. (1) and (2) (the "Sharia 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 Sharia Review Report submitted by Dar Al Sharia 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 Sharia Review Report in order to express an opinion as to whether the REIT has undertaken its Activities and Transactions in accordance with Principles of Sharia 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 01 January 2023 and ending on 30 June 2023 (as reviewed by Dar Al Sharia pursuant to the Sharia Review Report) were carried out in accordance with the rules and principles of Sharia.
- b. The distribution of profits and losses complies with the basis approved by us in accordance with the principles of Sharia.

- c. All income achieved from the Activities and Transactions were in line with principles of Sharia.
- d. All of the Company's financing is in accordance with the principles of Sharia.
- e. All contracts, including leases are in accordance with the principles of Shari'a.
- f. 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.



FINANCIAL STATEMENTS

Independent auditor's review report	36
Condensed consolidated interim statement of financial position	37
Condensed consolidated interim statement of comprehensive income	38
Condensed consolidated interim statement of changes in equity	38
Condensed consolidated interim statement of cash flows	39
Notes to the condensed consolidated interim financial information	39

4

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF EMIRATES REIT (CEIC) PLC DUBAI UNITED ARAB EMIRATES

INTRODUCTION

We have reviewed the accompanying condensed interim consolidated statement of financial position of **Emirates REIT PLC**. (the "Group") as of June 30, 2023 and the related condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting' as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim

consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Deloitte & Touche (M.E.)

August 22, 2023
Yahia Shatila
Dubai
United Arab Emirates

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

For the year ended June 30, 2023

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 22, 2023 and signed on its behalf by:

Sylvain Vieujot
Executive Deputy Chairman

Sheikh Muhammed Moeen
Director Finance

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT	AS AT
		JUNE 30, 2023	DECEMBER 31, 2022
		USD'000 UNAUDITED	USD'000 AUDITED
ASSETS			
NON CURRENT ASSETS			
Investment properties	6	838,121	784,932
Right-of-use assets	6	47,278	48,126
Rent and other receivables	7	28,307	26,958
		913,706	860,016
CURRENT ASSETS			
Rent and other receivables	7	15,816	22,580
Cash and cash equivalents	8	22,107	46,986
		37,923	69,566
TOTAL ASSETS		951,629	929,582
EQUITY			
Share capital	9	319,157	319,157
Share premium	9	59,393	59,393
Retained earnings / (accumulated losses)		40,351	(5,960)
TOTAL EQUITY		418,901	372,590
LIABILITIES			
NON-CURRENT LIABILITIES			
Sukuk financing instrument	10	316,862	371,485
Islamic financing	11	119,758	83,756
Lease liabilities	12	53,010	51,313
		489,630	506,554
CURRENT LIABILITIES			
Islamic financing	11	2,884	7,694
Lease liabilities	12	2,416	3,488
Other payables	13	37,798	39,256
		43,098	50,438
TOTAL LIABILITIES		532,728	556,992
TOTAL EQUITY AND LIABILITIES		951,629	929,582
Net asset value (USD)		419,105,000	372,590,000
Number of shares		319,156,400	319,156,400
Net asset value USD per share		1.31	1.17

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended June 30, 2023

	NOTES	FOR THE SIX MONTHS ENDED JUNE 30	
		2023	2022
		USD'000 UNAUDITED	USD'000 UNAUDITED
INCOME			
Rental income		30,539	30,424
Service fee income		4,711	3,830
Loss on disposal of investment property		-	(1,455)
Other property income		728	166
		35,978	32,965
Property operating expenses		(6,198)	(6,002)
NET PROPERTY INCOME		29,780	26,963
EXPENSES			
Management and performance fee	16	(6,951)	(6,672)
Board fees		(154)	(168)
Allowance for expected credit loss	7.1	(699)	(749)
Other expenses		(779)	(1,180)
OPERATING PROFIT		21,197	18,194
FINANCE (COSTS) / INCOME			
Finance costs	17	(25,135)	(13,782)
Finance income	17	289	29
NET FINANCE COSTS		(24,846)	(13,753)
(Loss) / profit before fair valuation of investment properties		(3,649)	4,441
Net unrealised gains on revaluation of investment properties	6.2	49,960	57,047
PROFIT FOR THE PERIOD		46,311	61,488
Fair value adjustments on cash flow hedges		-	1,306
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		46,311	62,794
EARNINGS PER SHARE			
Basic and diluted earnings per share (USD)	18	0.145	0.197

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2023

	NOTE	SHARE CAPITAL	SHARE PREMIUM	CASH FLOW HEDGING RESERVE	(ACCUMULATED LOSSES) / RETAINED EARNINGS	TOTAL
		USD'000	USD'000	USD'000	USD'000	USD'000
BALANCE AT 1 JANUARY, 2022 (AUDITED)		304,452	59,393	(813)	(73,245)	289,787
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 (UNAUDITED)		319,157	59,393	493	(26,462)	352,581
BALANCE AT 1 JANUARY, 2023 (AUDITED)		319,157	59,393	-	(5,960)	372,590
Comprehensive profit for the period		-	-	-	46,311	46,311
BALANCE AT JUNE 30, 2023 (UNAUDITED)		319,157	59,393	-	40,351	418,901

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2023

	NOTE	FOR THE SIX MONTHS ENDED JUNE 30	
		2023	2022
		USD'000 UNAUDITED	USD'000 UNAUDITED
OPERATING ACTIVITIES			
Profit for the period		46,311	61,488
ADJUSTMENTS FOR:			
Net unrealised gain on revaluation of investment properties	6	(49,960)	(57,047)
Loss on disposal of an investment property		-	1,455
Finance costs	17	25,135	13,782
Finance income	17	(289)	(29)
Allowance for expected credit loss	7	699	749
OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		21,896	20,398
CHANGES IN WORKING CAPITAL			
Decrease / (increase) in rent and other receivables		4,716	(2,709)
(Decrease) / increase in other payables		(1,458)	3,124
NET CASH GENERATED FROM OPERATING ACTIVITIES		25,154	20,813
INVESTING ACTIVITIES			
Sale proceeds of an investment property - net	6	-	49,049
Additions to investment properties	6	(2,381)	(3,517)
Finance income received		289	-
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES		(2,092)	45,532
FINANCING ACTIVITIES			
Proceeds from Islamic financing		50,095	-
Repayment of Islamic financing		(18,738)	(9,138)
Repayment of Sukuk		(56,000)	-
Finance costs paid		(22,573)	(11,916)
Payments of lease liabilities		(725)	(408)
NET CASH USED IN FINANCING ACTIVITIES		(47,941)	(21,462)
Net (decrease) / increase in cash and cash equivalents		(24,879)	44,883
Cash and cash equivalents at the beginning of the period		46,986	10,986
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	22,107	55,869

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the year ended June 30, 2023

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 April 8, 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 II Limited, a structured entity (the "SE"), is an exempted company with limited liability incorporated on May 18, 2021 under the laws of the Cayman Islands with registered number 375765 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 1 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 04, 2022 (the Share Declaration of Trust).

The condensed consolidated interim financial information for the six months ended June 30, 2023 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 22, 2023.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended June 30, 2023 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, 2022, 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 properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

GOING CONCERN

As at June 30, 2023, the Group has retained earnings of USD 40.4 million, an increase by 252.45% compared to the accumulated losses as at June 30, 2022 which then totalled USD 26.5 million. As at June 30, 2023, the current liabilities of the Group exceed the current assets by USD 5.2 million compared to USD 374.5 million as at June 30, 2022.

The REIT Manager has prepared cash flows projections covering a 12-month period from the reporting date which shows that the Group will be able to meet its liabilities as they fall due. In view of the foregoing, the REIT Manager is not aware of any material uncertainties that may cast significant doubt upon the REIT's ability to continue as going concern.

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, 2022, except for the following accounting policy, which is applicable from January 01, 2023.

(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, 2023, 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.

- FRS 17 Insurance Contracts.
- Amendment to IAS 1 Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current.
- Amendments to IFRS 4 Insurance Contracts Extension of the Temporary Exemption from Applying IFRS 9.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2.
- Amendments to 12 Income Taxes relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

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

At the date of authorisation of these condensed consolidated interim financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

NEW AND REVISED IFRSS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
Amendments to IFRS 16 <i>Leases</i>	January 1, 2024
Amendments to IAS 1 <i>Presentation of Financial Statements</i>	January 1, 2024
Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely. Adoption is still permitted.

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, 2022.

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 properties:

	DATE OF VALUATION	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1) USD'000	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) USD'000	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) USD'000	TOTAL USD'000
Investment properties	30-Jun-23	—	—	859,077	859,077
Investment properties	31-Dec-22	—	—	803,407	803,407

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, 2023 is as follows:

(a) Fair value of investment properties

The Group carries its investment properties 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 properties held to determine the fair values of investment properties as at June 30, 2023. The valuation methodology is based on the income approach method, as it represents a method of determining the value of the investment properties 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 properties amounting to USD 838,121 thousand (December 31, 2022: USD 784,932 thousand) in a real estate portfolio of 10 properties (December 31, 2022: 10 properties) located in Dubai, UAE.

The determined fair value of the investment properties 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 properties 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

	USD'000
AT JANUARY 1, 2023 - AUDITED	784,932
Additional re-development and fit-out projects on completed properties (spent during the year)	2,381
Net gain from fair value adjustments on investment properties	50,808
AT JUNE 30, 2023 - UNAUDITED	838,121
AT JANUARY 1, 2022 - AUDITED	737,132
Additional re-development and fit-out projects on completed properties (spent during the year)	7,208
An investment property disposed during the year	(50,504)
Net gain from fair value adjustments on investment properties	91,096
AT DECEMBER 21, 2022 - AUDITED	784,932

6.1 FAIR VALUE RECONCILIATION

	JUN 30, 2023	DEC 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Market value per external valuation report at the end of the period/year	859,077	803,407
Additional re-development and fit-out projects under progress on completed properties	174	2,690
Lease incentive asset (Note 7)	(31,967)	(30,255)
Deferred income (Note 13)	10,837	9,090
FAIR VALUE AT THE END OF THE PERIOD/YEAR	838,121	784,932

6.2 NET UNREALISED GAIN ON REVALUATION

	JUN 30, 2023	DEC 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Net gain from fair value adjustments on investment properties	50,808	91,096
Reversal of unrealised fair value gain on disposal of an investment property	-	(10,547)
Change in fair value of right-of-use asset (Note 6.6)	(848)	(1,711)
NET UNREALISED GAIN ON REVALUATION	49,960	78,838

As at the reporting date, the Group held total investment properties amounting to USD 838,121 thousand (December 31, 2022: USD 784,932 thousand) in a real estate portfolio of 10 properties (December 31, 2022: 10 properties) located in Dubai, UAE.

Total rental and service fee income for the period ended June 30, 2023 is USD 35,250 thousand (June 30, 2022: USD 34,254 thousand).

Investment properties with a carrying value of USD 859,077 thousand (December 31, 2022: USD 803,407 thousand) are secured against sukuk and islamic financing.

The fair value of the Group's investment properties at June 30, 2023 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 PJSC ("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 16.2 years with property fair value of USD 5,745 thousand;
- Remaining lease term of 33.5 years with property fair value of USD 96,216 thousand;
- Remaining lease term of 20.6 years renewable for another term of 30 years with property fair value of USD 26,150 thousand;
- Remaining lease term of 42.0 years with property fair value of USD 29,170 thousand; and
- Remaining lease term of 21.8 years renewable for another term of 30 years with property fair value of USD 48,761 thousand.

6.5 FAIR VALUATION

The fair valuations of investment properties 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 estimated rental value. Fair value hierarchy disclosures for investment properties have been provided in Note 4.3.

As at June 30, 2023, the fair value of the investment properties 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 31,967 thousand and USD 10,837 thousand respectively (December 31, 2022: USD 30,255 thousand and USD 9,090 thousand respectively).

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

	JUN 30, 2023	JUN 30, 2022
	USD'000 UNAUDITED	USD'000 UNAUDITED
Balance at the beginning of the period	803,407	762,134
Disposal of an investment property during the period	-	(50,504)
Net unrealised gain on revaluation of investments properties	55,670	60,104
BALANCE AT THE END OF THE PERIOD	859,077	771,734

For investment properties 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 properties by calculating the net present value of expected future earnings.

The significant unobservable inputs used in arriving at fair values of investment properties are the stabilised occupancy rate, the equivalent yield and estimated rental value. 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 properties are as follows:

	JUN 30, 2023	DEC 31, 2022
Stabilised occupancy rate (%)	78 - 100	78 - 100
Stabilised yield (%)	7.50 - 9.50	7.50 - 9.50
Estimated rental value (USD/sqm per annum)	59 - 1,905	100 - 1,612

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, 2023	DEC 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
ASSETS:		
Right-of-use asset at the beginning of the period / year	48,126	49,837
Less: Change in fair value during the period / year (Note 6.2)	(848)	(1,711)
Right-of-use asset at the end of period / year	47,278	48,126

7 RENT AND OTHER RECEIVABLES

	JUNE 30, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Rental and service income receivable	11,851	9,851
Less: allowance for expected credit losses (Note 7.1)	(6,445)	(5,746)
	5,406	4,105
OTHER FINANCIAL ASSETS AT AMORTISED COST		
Other receivables (Note 7.2)	6,234	14,901
OTHER ASSETS		
Lease incentive asset (Note 6) (Note 7.3)	31,967	30,255
Prepayments	516	277
	44,123	49,538
Less non-current portion – Lease incentive asset	(28,307)	(26,958)
Current portion	15,816	22,580

7.1 - As at June 30, 2023 and December 31, 2022, the movement in the allowance for impairment of receivables is as follows:

	JUNE 30, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Opening expected credit loss as at the beginning of the period/year - calculated under IFRS 9	5,746	9,487
Allowance for expected credit loss in consolidated statement of comprehensive income during the period/year	699	1,396
Reversal of allowance for expected credit loss on disposal of an investment property and other write-offs	-	(5,137)
BALANCE AT THE END OF THE PERIOD/YEAR	6,445	5,746

7.2 - Other receivables as at December 31, 2022 included an amount of USD 9,121 thousand receivable from Taaleem. Consequent to the sale of the School, the receivables from the School stands settled. The aggregate consideration of the transaction to be paid by Taaleem to the REIT was inclusive of an amount of USD 13,068 thousand ("Settlement Amount") towards settlement of the outstanding liabilities of the School (Note 6.4). The REIT was 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 which has been received during the period H1 2023.

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

Included within the USD 6,445 thousand provision for expected credit losses is an amount of USD 5,521 thousand (December 31, 2022: USD 5,512 thousand), which represents specific provisions made for amounts due from certain tenants as per the tenancy contracts.

Further, other receivables include an amount that is due from Liquidity Provider (LP) USD 1,204 thousand (December 31, 2022: 814 thousand) being the balance of pre-funding sums provided for liquidity provisioning services that were engaged with LP since 2019.

8 CASH AND CASH EQUIVALENTS

	JUNE 30, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Current and savings accounts	19,384	25,205
Islamic deposits	2,723	21,781
	22,107	46,986

Islamic deposits represents wakala investment and have profit of 3.5% per annum. Islamic deposits have the maturity less than 3 months.

Balances are with Shari'a compliant accounts of local banks that are regulated by the UAE Central Bank. As a result, the credit risk in respect of those entities is minimised. They are assessed by the REIT Manager to be at a relatively low risk of default.

9 SHARE CAPITAL

	NUMBER OF ORDINARY SHARES	TOTAL PAR VALUE ORDINARY SHARES	TOTAL SHARE PREMIUM	TOTAL
		USD'000	USD'000	USD'000
At June 30, 2023 (Unaudited)	319,156,400	319,157	59,393	378,550
At December 31, 2022 (Audited)	319,156,400	319,157	59,393	378,550

The authorised share capital of the REIT is USD 10,000,000,100 and is divided into one Manager Share with a par value of USD 100; and 10,000,000,000 ordinary shares with a nominal par value of USD 1 per share. All shares were issued and allotted on or before June 30, 2023.

10 SUKUK FINANCING INSTRUMENT

On December 12, 2017, the REIT had issued USD 400 million five year trust certificates (the "Initial Sukuk") through Emirates REIT Sukuk Limited, a structured entity formed for the issuance of the Sukuk Certificates. The initial sukuk certificates were listed on the Main Securities Market (MSM) of Euronext Dublin and had a stated maturity of December 12, 2022 (the "Refinancing Date").

On November 14, 2022, the REIT launched a consent solicitation process, which was approved by the majority of the existing certificate holders pursuant to which, on the Refinancing Date, the maturing Initial Sukuk were refinanced through a cash payment of USD 20.0 million and the issuance of USD 380.0 million new secured certificates (the "Secured Sukuk") through Emirates REIT Sukuk II Limited (the "Trustee" or "SE"). The terms of the new Secured Sukuk are materially different from the Initial Sukuk.

The Secured Sukuk have a maturity date of December 12, 2024 (or, in the event that the extension option is exercised by Emirates REIT, December 12, 2025) with an initial profit rate of 9.5% per annum payable semi-annually on June 12 and December 12 of each year, commencing on June 12, 2023, compared to a profit rate of 5.125% profit rate per annum payable semi-annually for the Initial Sukuk.

On March 22, 2023, Emirates REIT concluded the partial redemption of USD 56 million of the USD 380 million Secured Sukuk issued on December 12, 2022, together with accrued profit thereon. As a result, upon completion of this partial redemption, the outstanding principal amount on the Secured Sukuk has reduced to USD 324 million.

To avail itself of the extension option, the trustee is required to have a maximum outstanding secured certificates of USD 230 million by the second anniversary. The Secured Sukuk has a ratcheting up profit rate structure, thus providing incentives to the trustee to prepay the secured certificates as swiftly as possible. The Secured Sukuk has no pre-payment fees or conditionality attaching to any early repayment.

The below table sets forth the applicable profit rates for each year of outstanding Secured Sukuk, depending on the quantum outstanding:

Face amount of the New Secured Certificates outstanding	YEAR 1	YEAR 2	YEAR 3 (OPTIONAL)
Greater than USD 300 million	9.50	11.00	n/a
Greater than USD 200 million but no more than 300 million	9.00	10.25	12.25
USD 200 million or less	9.00	9.25	11.25

The Secured Sukuk is fully secured by way of mortgages over certain properties of the REIT which are to be perfected within an agreed time line ranging from 120 – 270 days after the Refinancing Date.

As per the terms of Secured Sukuk, the REIT is required to ensure that the fair market value of the secured properties remains at all times at least 150% of the face value of the outstanding Secured Certificates, out of which Index Tower and Index Mall mortgages shall at all times represent at least 86% of the outstanding Secured Certificates.

The terms of the Secured Certificates issuance include the transfer of certain identified investment properties (the "Wakala Properties") to the SE in order to comply with the principles of Shari'a. Notwithstanding their transfer to the SE, the Wakala Properties will continue to remain under the control of the REIT and to be serviced by the REIT.

	JUNE 30, 2023	DECEMBER 31, 2022
	USD '000 UNAUDITED	USD '000 AUDITED
At the beginning of the period / year	371,485	399,451
Amortisation of transaction costs – Sukuk I	-	549
Liabilities paid / extinguished during the period / year	(56,000)	(20,000)
Additional transaction costs paid during the period/year	(1,086)	-
SUKUK LIABILITIES BEFORE REFINANCING DURING THE PERIOD/YEAR	314,399	380,000
Secured Sukuk liabilities recognised (net of transaction cost)	-	371,246
Amortisation of transaction costs – Sukuk II	2,463	239
AT THE END OF THE PERIOD / YEAR	316,862	371,485

Other key covenants of the Secured Certificates include (i) a requirement of mandatory aggregate redemption of the Secured Certificates by USD 150 million before December 12, 2024, (ii) limitations on further indebtedness, (iii) application of all disposal proceeds of the collateralized properties to redeem the Secured Certificates, (iv) a cash sweep tested on a semi-annual basis, (v) a limitation on capital expenditure (vi) deliver certain information (vii) prohibition of cash dividends and (vi) retaining a part of the management fee in a pledge account if effectively received over (a) 1.2 per cent.(in years one and two) and (b) 1.125 per cent. of Emirates REIT's gross asset value (in year three, if the Extension Option is exercised).

11 ISLAMIC FINANCING

On March 14, 2023, the REIT entered into a new Islamic financing facility with Ajman Bank PJSC (the "Lender") for an amount of USD 50,095 thousand with a profit rate of 3-month EIBOR + 2.75% payable annually. The facility has a maturity period of 10 years from the first draw down. This facility was drawn down on March 21, 2023 and the net proceeds of which were used to repay existing financial indebtedness.

The outstanding balance of Islamic financing as at reporting date stands at USD 122,642 thousand (December 31, 2022: USD 91,450 thousand) net of unamortised transaction costs of USD 425 thousand (December 31, 2022: USD 1,128 thousand).

12 LEASE LIABILITIES

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

	JUNE 30, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
LIABILITIES:		
Lease liabilities recorded at the beginning of the period / year	54,801	54,224
Add: Finance cost for the period / year	1,350	2,730
Less: Payments made during the period / year	(725)	(2,153)
LEASE LIABILITIES BALANCE AT THE END OF THE PERIOD / YEAR	55,426	54,801
Current liabilities	2,416	3,488
NON-CURRENT LIABILITIES	53,010	51,313

13 OTHER PAYABLES

	JUNE 30, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Tenant deposits payable	12,489	11,791
Deferred income (Note 6.1)	10,837	9,090
Accrued expenses	7,057	12,733
Service fee received in advance	3,929	3,051
Accrued profit expense	1,679	2,211
Management fee payable (Note 16 (c))	1,659	232
Payable against investment properties under construction or re-development	148	148
	37,798	39,256

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 held on June 12, 2023, the proposed resolution was presented to shareholders to approve the final dividend of USD 0.008 per share, aggregating to USD 2,553,251, for the year ended December 31, 2022 by way of an allotment and distribution of newly issued ordinary shares ("Scrip Dividend"), which was not approved by the Shareholders. The REIT Manager is currently assessing the available options and discussing the matter with the Regulator.

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	
	2023	2022
	USD'000 UNAUDITED	USD'000 UNAUDITED
REIT Manager	5,874	7,190
Board Members	113	90
Financial Institutions	2,792	9,342
Others	67	99
TOTAL	8,846	16,721

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

	FOR THE SIX MONTHS ENDED JUNE 30	
	2023	2022
	USD'000 UNAUDITED	USD'000 UNAUDITED
REIT MANAGER		
Management and performance fee	(6,951)	(6,672)
TOTAL	(6,951)	(6,672)

(c) Due to related parties comprises:

	JUNE 30, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
REIT Manager	1,659	232
Board Members	60	113
Financial Institutions	27	2,723
Others	4	47
TOTAL	1,750	3,115

(d) Due from related parties comprises:

	JUNE 30, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Financial Institutions	80	3
TOTAL	80	3

All transactions with related parties are conducted in accordance with the applicable regulations. 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, 2023 and June 30, 2022, 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	
	2023	2022
	USD'000 UNAUDITED	USD'000 UNAUDITED
Ijarah Islamic financing profit expense	4,685	1,797
Ijarah processing fee	261	92
Finance cost on lease liabilities	1,350	1,356
Sukuk profit expense	16,376	10,250
Sukuk issuance cost amortisation	2,463	287
FINANCE COSTS	25,135	13,782
Profit income on Wakala	(289)	(29)
FINANCE COSTS, NET	24,846	13,753

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	
	2023	2022
	USD'000 UNAUDITED	USD'000 UNAUDITED
Profit attributable to ordinary Shareholders	46,515	62,794
Number of ordinary shares for basic EPS	319,156,400	319,156,400
Basic and diluted earnings per share (USD)	0.145	0.197

In accordance with the requirements of IAS 33, in case of increase in the number of ordinary shares due to issuance of bonus, shares the basic EPS for current and corresponding reporting period is calculated based on the number of ordinary shares outstanding at the reporting date. 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, 2023 was 4.09% of Gross Asset Value (June 30, 2022: 3.05%).

20 COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

As of June 30, 2023, the REIT had contractual capital commitments of USD 1,177 thousand (December 31, 2022: USD 2,581 thousand), which pertains to the school upgrade and USD 1,745 thousand (December 31, 2022: USD 1,198 thousand) in relation to fit out and re-development work in certain properties.

(b) Contingencies

(i) One of the REIT's tenant (the "REIT tenant") filed claims against the REIT in the DIFC-LCIA in 2018. The REIT Manager filed counter-claims on behalf of the REIT. On January 24, 2022, 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 June 30, 2023 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 whilst continuing to seek recovery in other jurisdictions where the REIT believes that the REIT Tenant possesses assets.

(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, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Within one year	3,055	3,016
After one year but not more than five years	10,629	12,539
More than five years	96,912	98,891
	110,596	114,446

(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, 2023 and December 31, 2022 are as follows:

	JUNE 30, 2023	DECEMBER 31, 2022
	USD'000 UNAUDITED	USD'000 AUDITED
Within one year	58,359	58,399
After one year but not more than five years	124,404	135,224
More than five years	309,276	320,533
	492,039	514,156

21 CORPORATE INCOME TAX

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

22 RECLASSIFICATIONS

Certain comparative figures have been reclassified or regrouped, wherever necessary, to conform to the presentation adopted in these financial statements. Such reclassifications do not affect the previously reported profit, net assets or equity of the Group.

23 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

H1 2023	January 1 to June 30, 2023
H1 2022	January 1 to June 30, 2022
H2 2022	July 1 to December 31, 2022
Q1 2022	January 1 to March 31, 2022
Q1 2023	January 1 to March 31, 2023
Q2 2022	April 1 to June 30, 2022
Q3 2022	July 1 to September 30, 2022
Q4 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, 2022
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, 2022
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.
FTV	Financing to Assets Value
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 2022 Annual Report	Emirates REIT's annual report for financial year ended 31 December 2022
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

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	(Property Operating Expenses – Service Fee Income)/ (Rental Income + 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
WALE	Weighted average lease term in years, based on the final termination date of the agreement (assuming the tenants does not terminate the lease on any of the permissible break date(s), if applicable)
y-o-y	Year-On-Year