



IN BRIEF

		VARIANCE Y-O-Y
INVESTMENT PROPERTY	USD 737.1m AED 2.7bn	+6.8%
NET ASSET VALUE	USD 289.8m AED 1.1bn	+28.5%
NAV* PER SHARE	USD 0.95	+28.3%
NET LETTABLE AREA	217,699 sqm 2.3m sq.ft.	(1.0%)
OCCUPANCY	71.8%	+2.8p.p.

* Net Asset Value

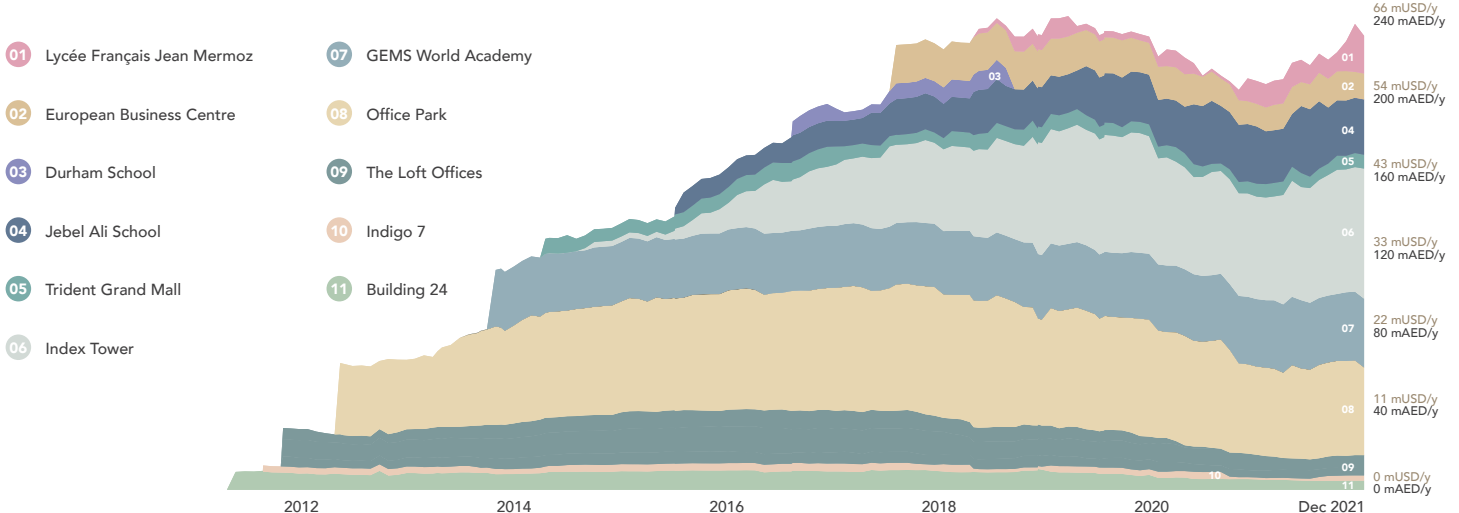
FINANCIAL HIGHLIGHTS

- Despite a challenging market environment, Net Property Income grew by 7.7% y-o-y to close at USD 56.0m (FY 2020: USD 52.0m). This was supported by the sale of half floor in Index Tower as well as efforts made on cost management in FY 2021.
- Fund expenses recorded a y-o-y decline of 8% in FY 2021, led by the REIT Manager's voluntary reduction in management fee.
- Net reversal on expected credit loss amounted to USD 5.2m as compared to a net charge of USD 6.8m in FY 2020.
- Operating profit / EBITDA for FY 2021 amounted to USD 46.6m, up by 59.3% compared to USD 29.3m posted in FY 2020. FFO increased by 36.4x to close at USD 18.4m vs. USD 0.5m posted in FY 2020.
- Fair value of investment property appreciated 6.8% y-o-y, to close at USD 737.1m (FY 2020: USD 690.3m) resulting in an unrealized gain of USD 44.7m in FY 2021.
- Consequently, the total comprehensive income amounted to USD 64.3m (FY 2020: loss USD 244.2m).
- NAV per share jumped by 28.3% to close at USD 0.95 per share in December 2021 (December 2020: USD 0.74 per share).
- LTV reduced to 56.3% from 61.7% both as a result of the rise in the portfolio value and supported by the amortization of bilateral Islamic financing facilities during the year.

OPERATIONAL HIGHLIGHTS

- Occupancy in the portfolio recovered from its lowest point of 67% in October 2020 and reached 71.8% as at December 31, 2021.
- Strong start to FY 2022: owing to the successful conclusion of ongoing lease negotiations since the end of FY 2021, occupancy has reached 81.1% as at March 31, 2022.
- Strong performance in DIFC: Occupancy in Index Tower has increased to 62.1%, a 13.4 p.p increase.
- Index Tower experienced a further 8.9% increase in occupancy during 1Q 2022, reaching 71.1% as at March 31, 2022.
- School in DIP leased to Durham School Dubai in March 2022.
- Total number of tenants for the portfolio increased by 6.5% from 307 to 327.
- Headline rents in the office portfolio increased by 3.8% y-o-y from AED 1,745 sqm/y to AED 1,812 sqm/y.
- WALE stands at 7.1 years, subsequently increasing to 8.2 years as at March 31, 2022.

ANNUALISED RENT





INCOME AND EARNINGS

IN USD M	31 DEC 2021	31 DEC 2020	VARIANCE Y-O-Y
TOTAL PROPERTY INCOME ⁽¹⁾	68.6	66.0	+3.9%
PROPERTY OPERATING EXPENSES	(12.6)	(14.0)	(10.4%)
NET PROPERTY INCOME	56.0	52.0	+7.7%
FUND EXPENSES	(14.6)	(15.9)	(8.0%)
ALLOWANCE FOR EXPECTED CREDIT LOSS	5.2	(6.8)	+1.8x
OPERATING PROFIT / EBITDA	46.6	29.3	+59.3%
FINANCE COST	(25.5)	(26.0)	(2.0%)
FINANCE COST ON LEASE LIABILITY UNDER IFRS 16	(2.7)	(2.8)	(0.4%)
PROFIT BEFORE FAIR VALUATION / FUNDS FROM OPERATIONS (FFO)	18.4	0.5	+36.4x
NET UNREALIZED GAIN / (LOSS) ON REVALUATION ⁽²⁾	44.7	(243.4)	+1.2x
NET PROFIT / (LOSS) FOR THE PERIOD	63.1	(242.9)	+1.3x
FAIR VALUE ADJUSTMENT ON CASH FLOW HEDGES	1.2	(1.3)	+1.9x
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	64.3	(244.2)	+1.3x
FFO PER SHARE (USD)	0.0604	0.002	+36.4x
EARNINGS PER SHARE (USD)	0.207	(0.802)	+1.3x

⁽¹⁾ Including USD 6.5m gain on sale of investment property (December 31, 2020: USD NIL)

⁽²⁾ Net Unrealised (loss) / gain on revaluation include USD 1.7m change in fair value of right-of-use asset booked as required under IFRS 16

BALANCE SHEET

IN USD M	31 DEC 2021	31 DEC 2020	VARIANCE Y-O-Y
INVESTMENT PROPERTY	737.1	690.3	+6.8%
TOTAL ASSETS	853.8	803.4	+6.3%
ISLAMIC FINANCING	480.8	495.6	(3.0%)
TOTAL LIABILITIES	564.0	577.9	(2.4%)
EQUITY / NET ASSET VALUE (NAV)	289.8	225.5	+28.5%
LTV	56.3%	61.7%	(5.4%)
NAV PER SHARE (USD)	0.95	0.74	+28.3%

DISCLAIMER

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

Variance y-o-y computed based on financial impact.