



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

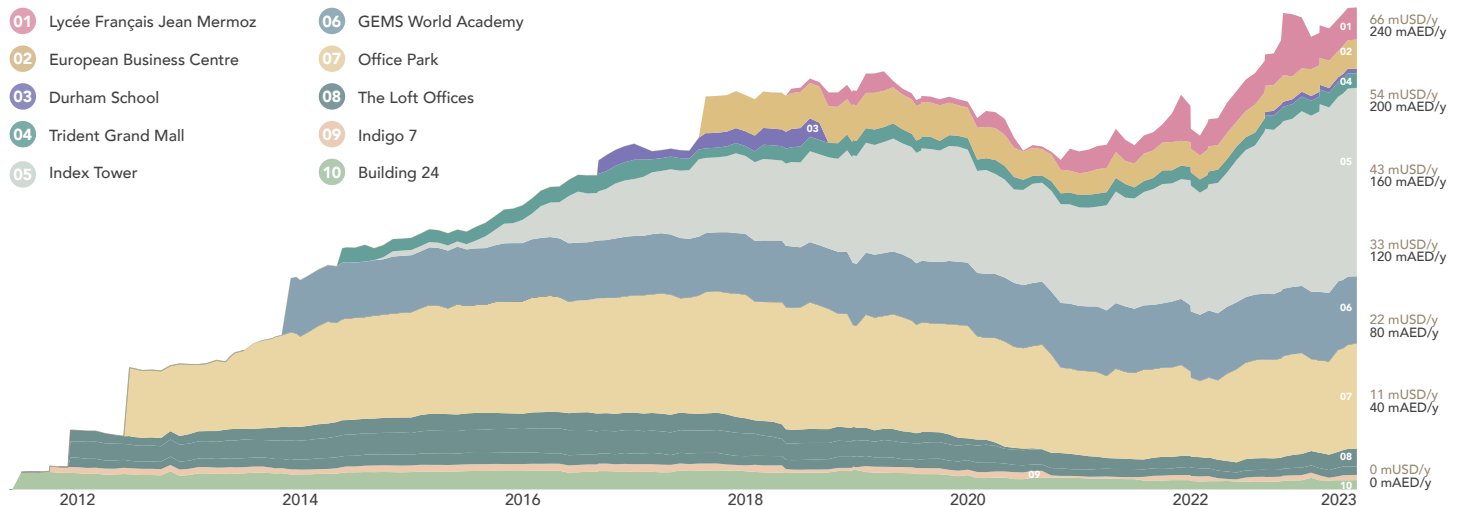
FINANCIAL HIGHLIGHTS

- 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





INCOME AND EARNINGS

FOR THE HALF YEAR ENDED

IN USD M	JUN 30, 2023	JUN 30, 2022	VARIANCE Y-O-Y
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

AS AT

IN USD M	JUN 30, 2023	JUN 30, 2022	VARIANCE Y-O-Y
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.

