22
23
24

Emirates REIT

FY 2023 RESULTS PRESENTATION

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[1] 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.

EQUITATIVA GROUP

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TABLE OF CONTENTS

1 FY 2023 HIGHLIGHTS

2 MARKET OVERVIEW

3 OPERATIONAL HIGHLIGHTS

4 CONSOLIDATED FINANCIAL STATEMENTS REVIEW

5 CONCLUSION

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KEY HIGHLIGHTS

SUSTAINED IMPROVEMENT IN OPERATIONS AND NET ASSET VALUE Y-O-Y

TOTAL PROPERTY INCOME	NET PROPERTY INCOME	OPERATING PROFIT
USD 74.4m ↑	USD 62.1m ↑	USD 44.0m ↑
+10.5%	+12.2%	+36.8%

OCCUPANCY	NET ASSET VALUE	INVESTMENT PROPERTIES
86.2% ↑	USD 499.7m ↑	USD 923.7m ↑
+1.7 p.p.	+34.1%	+17.7%

- USD numbers rounded to the nearest million
- Growth : Year on year, Dec 31, 2023 vs Dec 31, 2022
- p.p. : percentage points

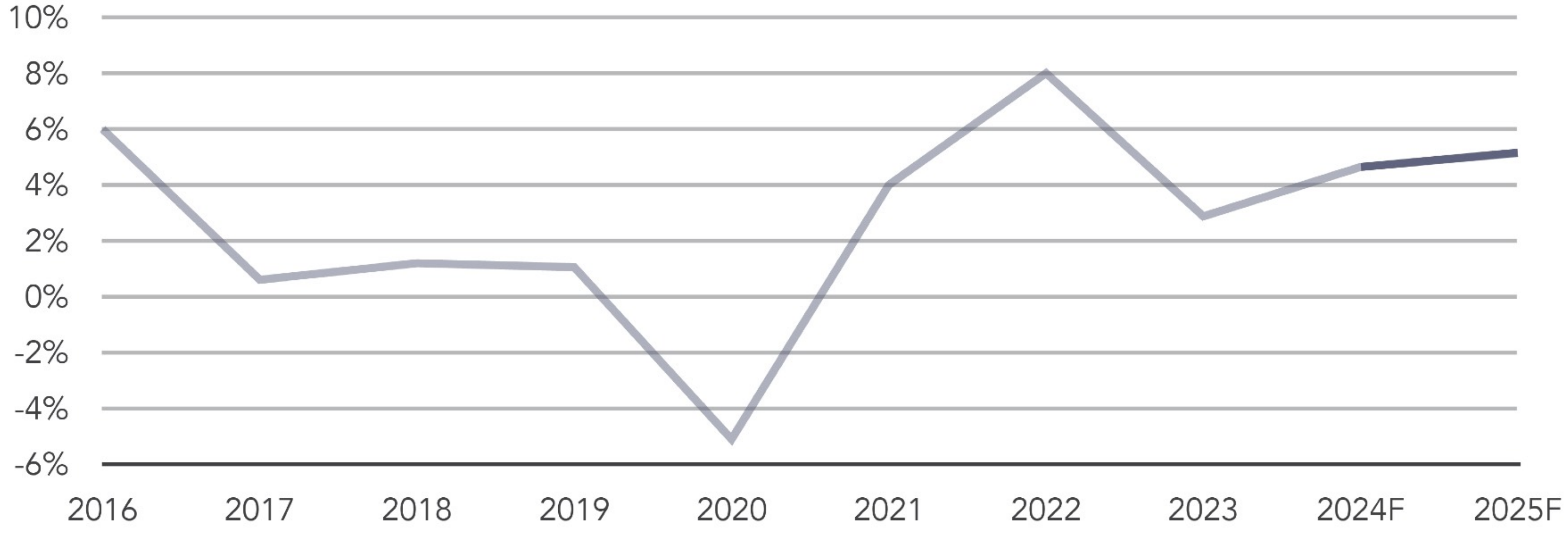
MARKET
OVERVIEW

MACROECONOMIC OVERVIEW

- In 2023, the UAE displayed its economic resilience and ability to adapt to challenging global economic conditions. The government remained committed to diversifying the country's economy away from oil through several development plans and initiatives in the non-oil sector.
- Economic growth is being led by tourism, construction, real estate, transportation and manufacturing industries all being supported by significant government investment in infrastructure.
- Significant regulatory changes include more flexible residency, tourist and retirement visas and less restriction on foreign ownership of onshore companies. All contributing to enhanced lifestyle, ease of doing business and economic growth.
- Overall real GDP is estimated to have grown to around 3.0% in 2023, with Non-hydrocarbon GDP growing by 5.6%.
- Looking forward to 2024, overall real GDP growth is expected to reach 4.7%, with Non-hydrocarbon GDP growth projected at 4.3%.
- Buoyancy in the non-oil sector was evident in the UAE Purchasing Managers' Index (PMI), which recorded 57.7, 57.0 and 57.4 in October, November and December respectively.

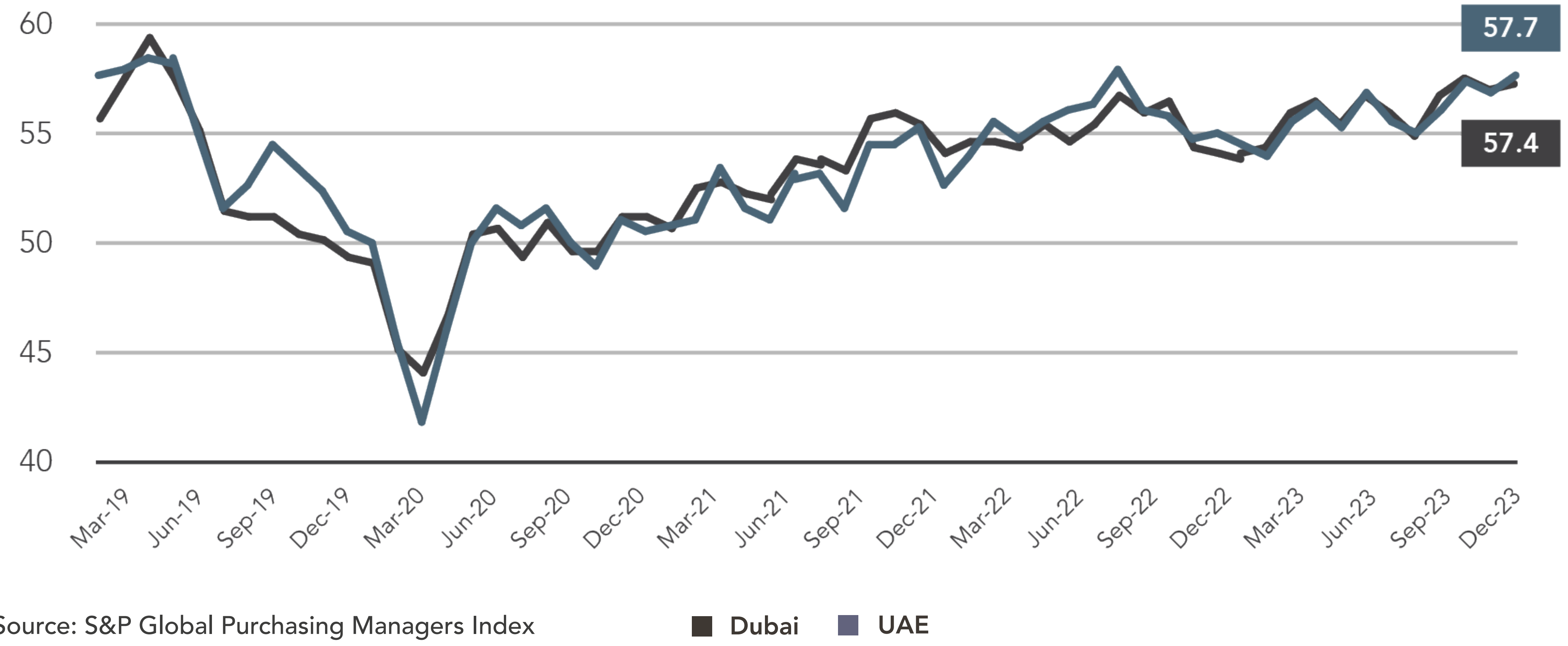
- Inflation is estimated to have declined from 4.8% in 2022 to 3.3% in 2023, lower than other global city benchmarks.
- The fiscal balance is projected to be around 5% of the GDP in 2023, driven by strong economic activity and sustained higher oil prices.
- The introduction of a corporate income tax, which started in June 2023, will also help to boost non-oil revenue in the medium term.
- This will enable the UAE government to invest in the planned infrastructure and initiatives to deliver economic growth.
- The UAE's safe haven status and its business-friendly reforms have attracted foreign inflows of capital and labor, which have contributed to the growth of the economy and population and have led to the increase in demand for residential and commercial real estate.
- Dubai's hospitality, retail and leisure sectors are performing strongly, buoyed by 17.5 million international overnight visitors between January and October 2023, an increase of 19% from 2022.

UAE REAL GDP GROWTH (Y-O-Y)



Source: Bloomberg Composite Index

UAE PURCHASING MANAGERS INDICES



Source: S&P Global Purchasing Managers Index

DUBAI OFFICE MARKET UPDATE

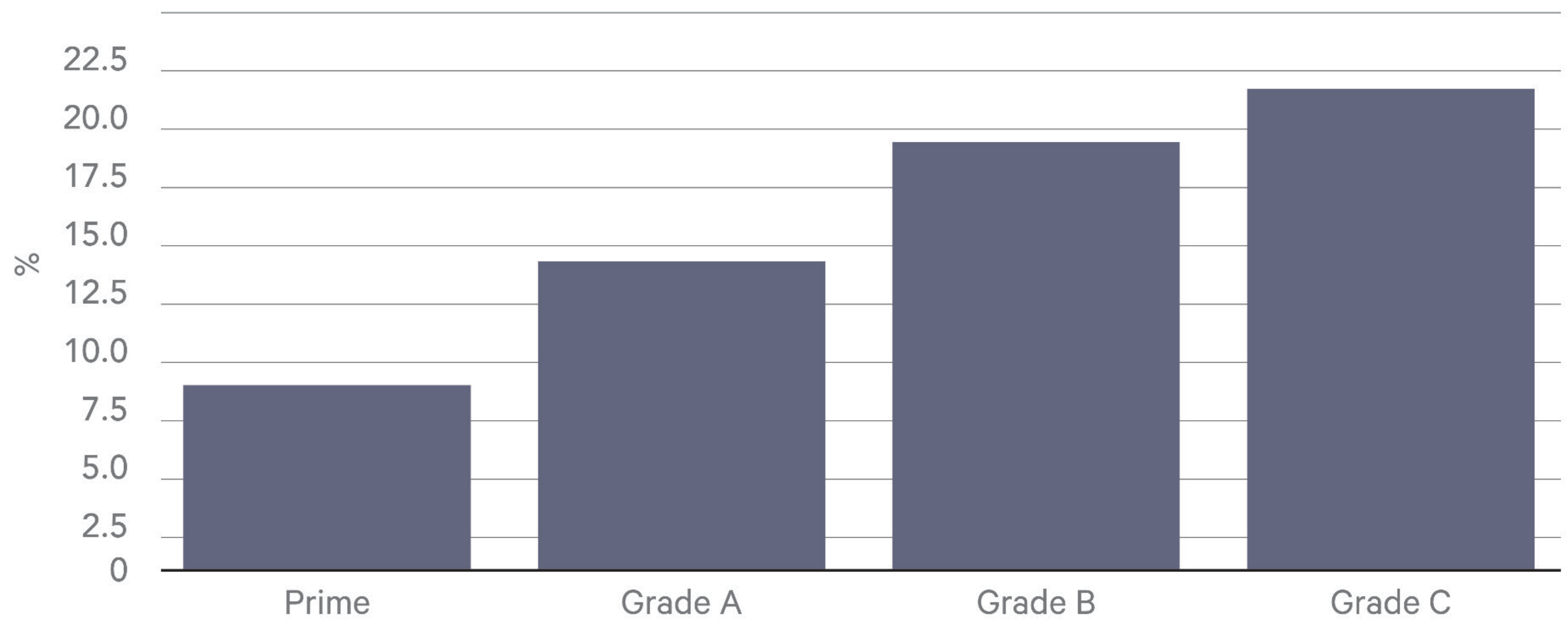
- Freezones including DIFC and TECOM have been notable beneficiaries of the robust occupier market during 2023, where prominent segments including pharmaceutical and financial services sectors have driven take-up. A large number of global corporates, including many hedge funds and asset management companies, have entered the Dubai market providing a new source of demand for prime office space.

- Q-o-Q as well as Y-o-Y increases in the number of new business registrations, and corporate expansions has resulted in average occupancy rates of 92.6% as at 4Q 2023, a 4.5 p.p. increase from a year earlier.

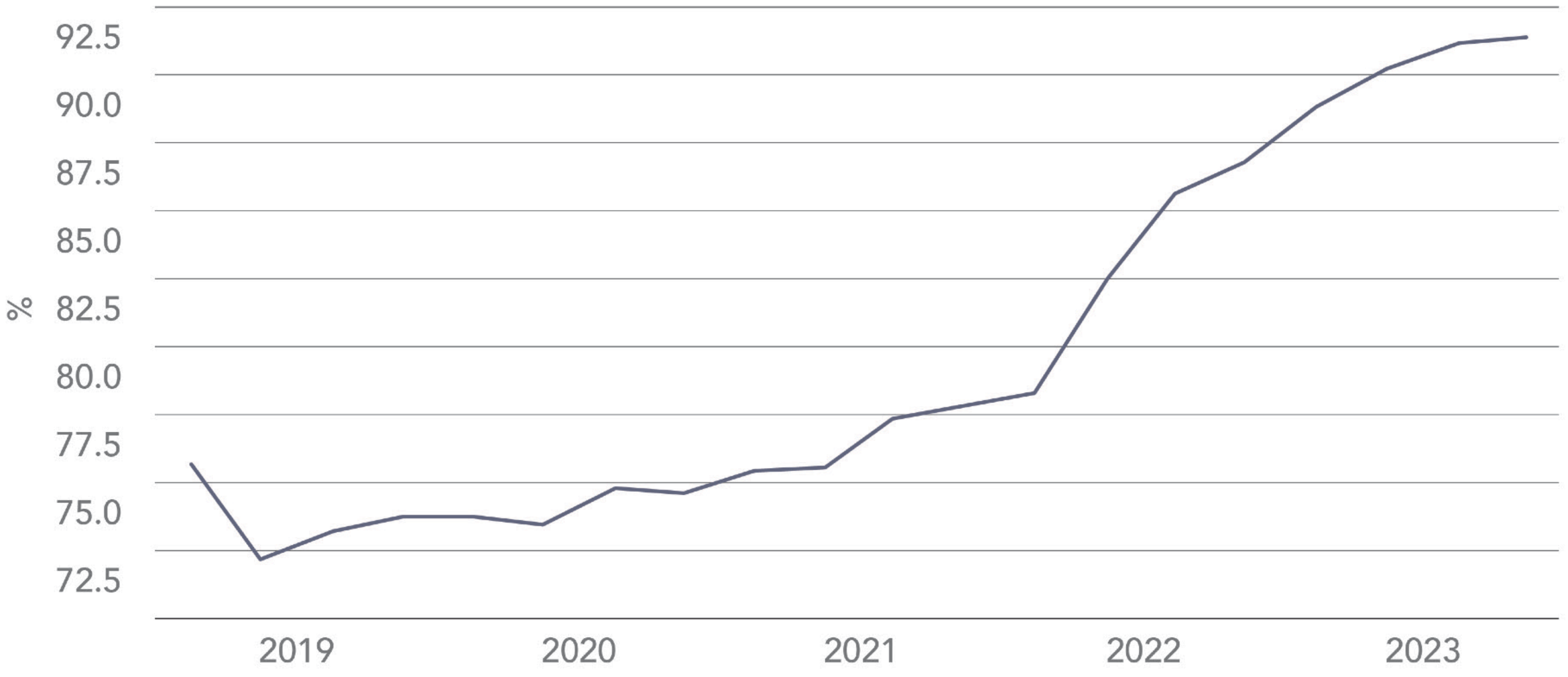
- Limited availability of good quality space, particularly within the freezones has resulted in a 8.0%, 13.3%, 18.2% and 20.3% growth in rental rates for Prime, Grade A, Grade B and Grade C stock, respectively.

- Average rental rates for Prime, Grade A, Grade B and Grace C segments stood at AED250, AED182, AED150 and AED126 / sqft / annum respectively over the same period.

DUBAI, OFFICE RENTS, Y-O-Y % CHANGE TO Q4 2023



DUBAI, OFFICES, AVERAGE OCCUPANCY RATE, %



Source: CBRE UAE Real Estate Market Review Q4 2023

DUBAI RETAIL MARKET UPDATE

- Supply of new retail projects has been limited during 2023, as the market continues to re-balance the oversupply which occurred in the past few years.
- The market added an additional 123,000 sqm of GLA in 2023, with 160,000 sq.m expected in 2024. Total stock stands at 4.8 million sq.m in 2023.
- Dubai's fast growing population, strong local economy and buoyant tourism market has supported higher footfall and consumer spending driving retail sales and higher rents in well performing locations.
- Growth in new local concepts and international brands entering the market, particularly in the F&B sector has also bolstered demand.
- Demand for good quality retail space in established malls and leisure destinations, as well as developed communities has increased, with city-wide occupancy rates increasing to 84%.
- With short supply in good locations, the market has experienced rental growth of 17.6% in 2023. As of Q4 2023, average rental rates in Dubai stand at AED 490 per sq.ft.

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

4.8m
sqm GLA
Total Stock

160k
sqm GLA
2024 Planned Deliveries

18%
Y-o-Y
Average rental rates across primary and secondary malls

Source: JLL The UAE Real Estate Market overview 2023 Report CBRE Real Estate Market Review Q4 2023

DUBAI SCHOOL MARKET UPDATE

- There are currently 220 schools operating in Dubai for the 2023-2024 academic year, offering 17 different curricula and catering to over 365,000 students.
- Demand for schools has been supported by the strong population increase (+100,000, to reach 3.65 million) in 2023, which resulted in 39,000 new school enrollments.
- Owing to strong demographic trends, and with the Dubai population forecast to reach 5.8 million by 2040, there is more demand for schools expected over the next decade.
- Dubai's Economic Agenda (D33) is enabling the growth of the city's economy, which it aims to double within the next decade and position the city as one of the world's top global locations. This is attracting many families to reside in Dubai long term, supporting increased school enrolment figures.

DUBAI SCHOOL MARKET

220

33 American Curriculum Schools

79 British Curriculum Schools

57 Indian Curriculum Schools

51 Other Curriculum Schools

**As of Academic Year 2023 - 2024
Dubai Schools**

39,000 New Students in 2023

365,000 Total Students in Dubai

Source: Dubai Statistics Centre, Dubai Urban Plan 2040

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OPERATIONAL **HIGHLIGHTS**

OPERATIONAL HIGHLIGHTS

- Occupancy across the portfolio increased by 1.7 p.p. to 86.2% for FY 2023.
- Passing rental rates across the commercial and retail portfolio increased by 9.8% y-o-y to AED 1,809 / sqm / annum.
- On a like-for-like basis, the WALE decreased from 7.1 years to 6.3 years. Excluding education assets (long-term leases), WALE was steady at 2 years (FY 2022: 2.1 years)
- Leasing activity during FY 2023:
    - 195 renewals (27,137 sq.m.)
    - 108 new leases (15,708 sq.m.)
    - 53 exits (7,223 sq.m.)

- Total number of tenants for the portfolio increased by 8.1% from 372 to 402 and the retention rate by area was 79.0% (excluding Schools).
- Index Tower, the REIT's largest asset, benefited from strong demand in DIFC, coupled with limited supply. Occupancy of offices at Index Tower increased by 1.4 p.p. to 87.8%. The retail take-up was particularly strong, increasing by 10.2 p.p. to 58.7%. Robust performance was reflected in the blended passing rental rate which increased by 11.9% to AED 2,950 /sqm / annum.
- European Business Centre recorded strong performance with occupancy Increasing by 14.9 p.p. to 83.9%. Rental rates increased by a healthy 26.6%.
- Loft Offices continued on its positive trajectory, with a 7.3 p.p. increase in occupancy and 13.7% increase in rental rates. Lofts 1 and 2 reached an occupancy of 79.7%.
- Trident Mall recorded an increase in occupancy of 7.3 p.p., with rental rates growing 4.7%. All retail units are now leased.
- Phase 3 at Lycée Français Jean Mermoz was successfully completed in May 2023.

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INDEX TOWER

- Occupancy increased to 87.8% (+ 1.4 p.p. y-o-y).
- 34 new leases, 61 renewals and 23 exits.
- Rates increased by 10.6% driven by strong demand for micro & premium fully fitted and furnished offices.
- Limited availability in DIFC and a sustained level of enquiries.

NET LETTABLE AREA	OCCUPANCY
32,800 sqm	87.8%

RATES	WALE
+10.6% y-o-y	2.0 years

OFFICE PARK

- Leasing activity remained healthy with 10 new leases, 22 lease renewals and only 6 tenant exits.
- Reduction in occupancy due to large space occupier relocating as a result of company merger.
- Ongoing implementation of asset improvement plan including sub-division of space, supporting high levels of inquiries.
- Rental rates increased 9.8% y-o-y, through effective management of new leases and lease renewals.

NET LETTABLE AREA	OCCUPANCY
34,625 sqm	78.1%
RATES	**WALE**
+9.8% y-o-y	1.8 years

LOFT OFFICES

- Unique and attractive offering in Dubai Media City, benefiting from demand in the media and creative sectors, and SMEs.
- Occupancy at 53.8% (+7.3 p.p. y-o-y) with occupancy at Lofts 1 & 2 at 79.7% (+10.9 p.p. y-o-y).
- Refurbishment of Lofts 1 & 2 ongoing and Lofts 3 in planning stage, to support further leasing.
- 18 new leases, 36 lease renewals and 9 tenant exits.
- Strong rental rate growth of 13.7% y-o-y.

NET LETTABLE AREA
15,242 sqm

OCCUPANCY
53.8%

RATES
+13.7% y-o-y

WALE
0.6 years

BUILDING 24

- Excellent Location, part of phase one of Dubai Internet City.
- Growing competition from refurbished properties within the freezone.
- Occupancy decreased by 1.7 p.p. y-o-y to reach 51.6%.
- 3 new leases, 10 lease renewals and 2 tenant exits.
- Continual savings on operating costs during FY 2023 with strong tenant retention rates.
- Refurbishment of common areas commenced end 2023 and completed in Q1 2024, and upgrades of internal offices planned during 2024.
- Rental rate growth of 2.7%.

NET LETTABLE AREA
5,369 sqm

OCCUPANCY
51.6%

RATES
+2.7% y-o-y

WALE
1.6 years

EUROPEAN BUSINESS CENTRE

- Premium building within Dubai Investments Park with high visibility and metro access.
- Occupancy increased by 14.9 p.p. to 83.9% during FY 2023.
- Robust rental rate performance with 26.6% growth y-o-y.
- 34 new leases, 61 lease renewals and 12 exits.
- Asset improvements included upgrade of entrance, external areas and individual offices to modernise building with further renovation planned.

NET LETTABLE AREA
25,556 sqm

OCCUPANCY
83.9%

RATES
+26.6% y-o-y

WALE
1.3 years

INDIGO 7

- Excellent location with high visibility along Sheikh Zayed Road.
- Occupancy remains at 100%.
- Well established and high demand area for retail and commercial space.
- Improved recovery of operating expenses through service charge.
- Implementation of Quality Assurance programmes and change of facility management provider to maintain high levels of service and tenant satisfaction.

NET LETTABLE AREA

1,902 sqm

OCCUPANCY

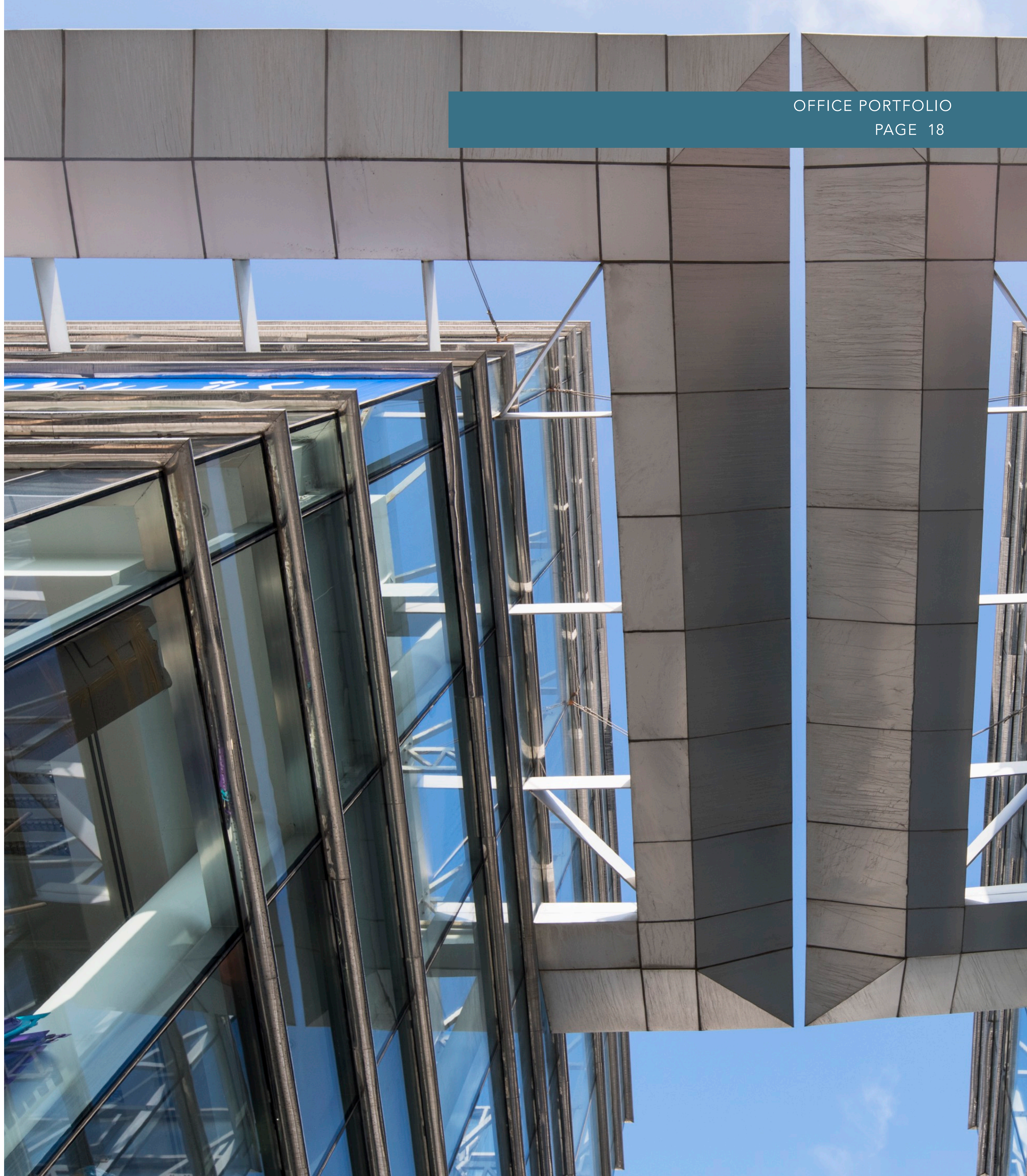
100%

RATES

-0.2% y-o-y

WALE

5.1 years

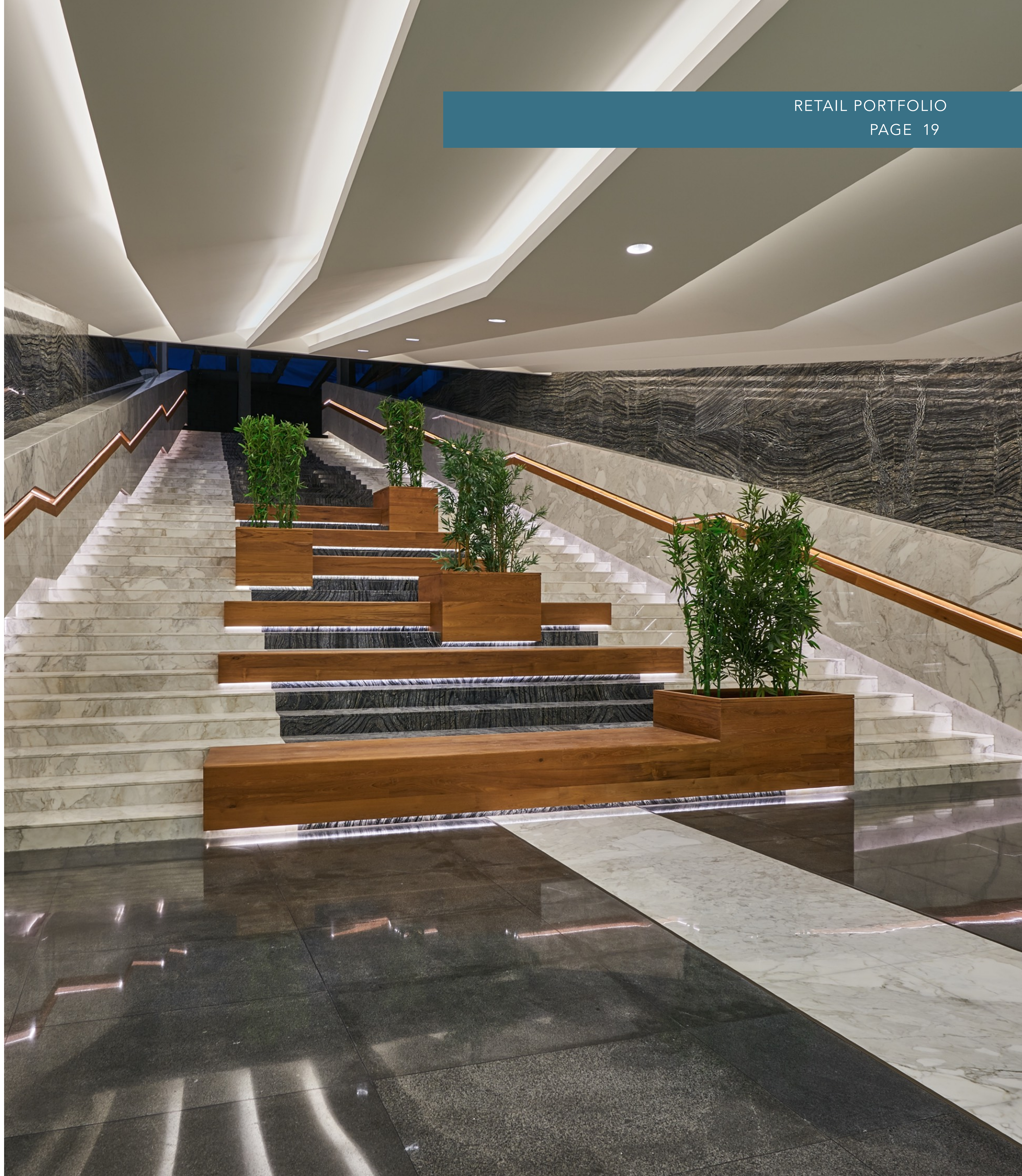


INDEX MALL[1]

- Attractive location at the entrance of DIFC catering to office tenants and residential occupiers.
- Occupancy at 58.7%, an increase of 10.2 p.p. y-o-y.
- Execution of Lease Contracts with a Nursery on Level 2; as well as a luxury flower shop and high end beauty concept on Level 1.
- Rental rate growth of 3.1% y-o-y.

NET LETTABLE AREA	OCCUPANCY
6,033 sqm	58.7%
RATES	WALE
+3.1% y-o-y	5.0 years

[1]: incl. Index mall 4,813 sqm and level 28/29 retail 1,220 sqm



TRIDENT MALL

- Occupancy at the mall increased to 83.1% (+7.3 p.p. y-o-y) with the occupancy for retail units being 100%.
- Rental rates increased by 4.7%.
- Assessing a soft refurbishment to common areas to increase the attractiveness of the mall.
- Optimization of operational costs and improvement of service charge recovery on-going.

NET LETTABLE AREA	OCCUPANCY
5,472 sqm	83.1%

RATES	WALE
+4.7% y-o-y	3.2 years

EDUCATION PORTFOLIO

GEMS WORLD ACADEMY

- Continued property improvements by GEMS, maintaining state of the art facilities for one of their flagship schools.

LYCÉE FRANCAIS JEAN MERMOZ

- The REIT has completed its investment into the third phase which consists of two sports halls, a dance studio, a pool and improvements to the existing facilities.
- Strong demand intake with wait-lists across all grades.

DURHAM SCHOOL DUBAI

- 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.
- Good intake and good level of interest for the new year with solid reputation and strong momentum.

NET LETTABLE AREA: 42,700 SQM
OCCUPANCY: 100%
WALE: 19.8 years

NET LETTABLE AREA: 19,349 SQM
OCCUPANCY: 100%
WALE: 21.3 years

NET LETTABLE AREA: 19,315 SQM
OCCUPANCY: 100%
WALE: 7.7 years

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN USD '000	FOR THE YEAR ENDED DEC 31, 2023	DEC 31, 2022	CHANGE Y-O-Y
RENTAL, FEE & OTHER INCOME	74,389	68,785	8.1%
(LOSS) ON DISPOSAL OF INVESTMENT PROPERTY	-	(1,455)	(100.0%)
TOTAL PROPERTY INCOME	74,389	67,330	10.5%
PROPERTY OPERATING EXPENSES	(12,324)	(12,024)	2.5%
NET PROPERTY INCOME	62,065	55,306	12.2%
FUND EXPENSES	(16,566)	(21,708)	(23.7%)
(ALLOWANCE) FOR EXPECTED CREDIT LOSS	(1,458)	(1,396)	4.4%
TOTAL FUND EXPENSES	(18,024)	(23,104)	(22.0%)
OPERATING PROFIT	44,041	32,202	36.8%
NET FINANCE COST	(49,760)	(29,050)	71.3%
(LOSS) / PROFIT BEFORE FAIR VALUATION / FUNDS FROM OPERATIONS (FFO)	(5,719)	3,152	(2.8x)
NET UNREALIZED GAIN ON REVALUATION	132,869	78,838	68.5%
PROFIT FOR THE YEAR	127,150	81,990	55.1%
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	127,150	81,990	55.1%
FFO PER SHARE (USD)	(0.018)	0.010	(2.8x)
EARNINGS PER SHARE (USD)	0.398	0.257	55.1%

- Increased occupancy & improved rates resulted in total property income of USD 74.4m for FY 2023 , which recorded a growth of 10.5% on y-o-y basis (FY2022 : USD 67.3m). On a like-for-like basis, disregarding effects of divestment of an investment property, this growth amounts to 13.2%.
- Led by this growth, property operating expenses recorded a slight increase of 2.5% y-o-y. Consequently, net property income grew by 12.2% & amounted to USD 62.1m for FY 2023 (FY 2022: USD 55.3m)
- Fund expenses showed a decline, mainly due to professional fee & other expenses booked last year related to 2022 Sukuk refinancing.
- Operating profit for the year ended December 31, 2023 amounted to USD 44.0m, up by 36.8% from USD 32.2m posted an year earlier, reflecting continued improved performance.
- Impacted by the rising benchmark rates & higher Sukuk profit, the net finance cost for FY 2023 amounted to USD 49.8m (FY 2022: 29.0m) which pushed the FFO to negative USD 5.7m
- Reflective of the strong real estate market, REIT investment portfolio valuation recorded a solid growth, as a result the unrealized gain on revaluation of investment properties for FY 2023 grew to USD 132.9m up by 68.5% y-o-y (FY 2022: USD 78.8m)
- Consequently, profit for FY 2023 amounted to USD 127.2m up by 55.1% y-o-y (FY 2022: USD 82.0m).

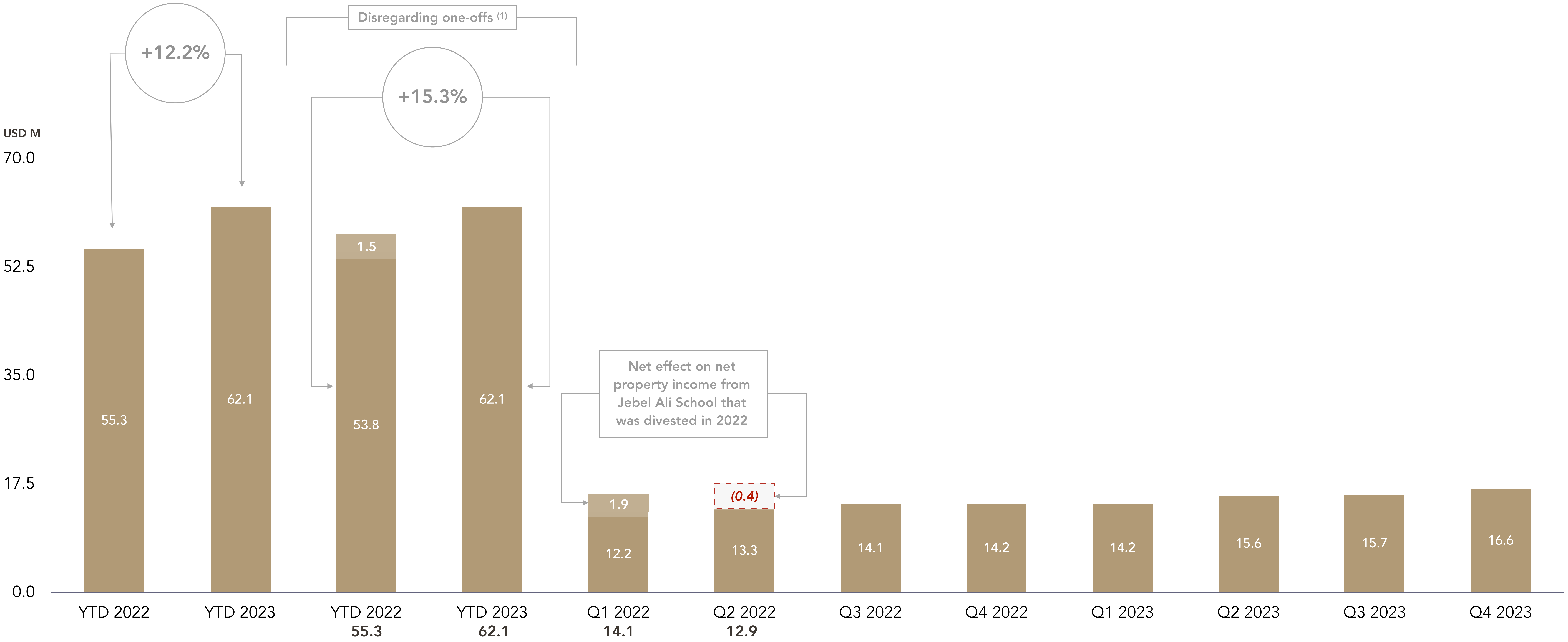
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN USD '000	AS AT DEC 31, 2023	AS AT DEC 31, 2022	CHANGE Y-O-Y
INVESTMENT PROPERTIES – FAIR VALUE	923,717	784,932	17.7%
CASH AND CASH EQUIVALENTS	23,189	46,986	(50.6%)
TOTAL ASSETS	1,037,028	929,582	11.6%
TOTAL LIABILITIES	537,288	556,992	(3.5%)
ISLAMIC FINANCING	441,099	462,935	(4.7%)
NET ASSET VALUE	499,740	372,590	34.1%
NO OF SHARES	319,156,400	319,156,400	0.0%
NAV PER SHARE (USD)	1.57	1.17	34.1%
FTV* (%)	42.5%	49.8%	(7.3% p.p.)

(*) Financing to Asset Value

- Driven by continued improved valuations, fair value of investment properties increased by 17.7% y-o-y & amounted to USD 923.7m as at December 31, 2023 (FY 2022: USD 784.9m)
- Islamic financing reduced by USD 21.8m or 4.7% and closed at USD 441.1m (FY 2022: USD 462.9m) mainly due to partial redemption of Sukuk during FY 2023.
- Net Asset Value (NAV) continued to rise & grew by 34.1% y-o-y to close at USD 499.7m (FY 2022 : USD 372.6m) which translated in a NAV per share of USD 1.57 (FY 2022: USD 1.17 per share)

NET PROPERTY INCOME



Y-O-Y NET PROPERTY INCOME UP BY +12.2%

ON A LIKE FOR LIKE BASIS(1) THE NET PROPERTY INCOME RECORDS A GROWTH OF +15.3% Y-O-Y

(1) Like for like basis disregards the net effect of divestment of Jebel Ali School sold in Q2 2022

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CONCLUSION

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QUESTIONS & ANSWERS

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THANK YOU

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