2021
22

Emirates REIT

ANNUAL REPORT

EMIRATES REIT
FACT SHEET FY 2021

Emirates REIT (CEIC) PLC — FY 2021

Reuters REIT.DI   Bloomberg REIT.DU

All information as at 31 December 2021 unless otherwise stated.

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

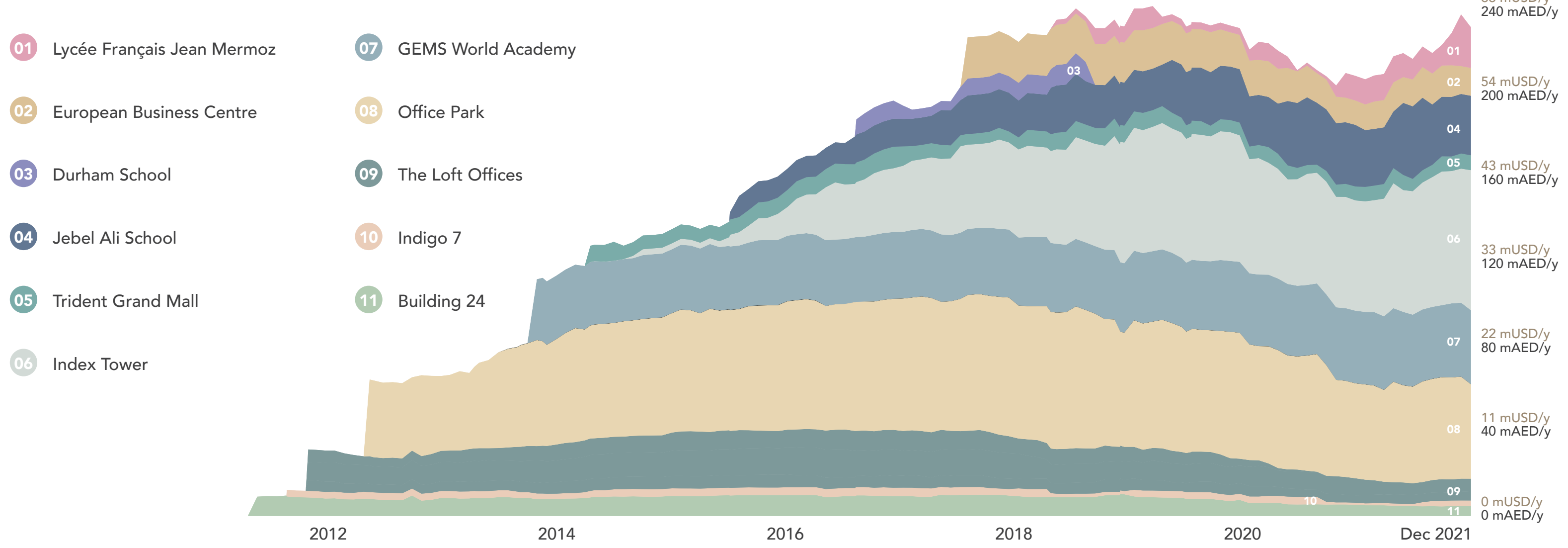
FINANCIAL HIGHLIGHTS

- 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



Emirates REIT (CEIC) PLC — FY 2021

Reuters REIT.DI   Bloomberg REIT.DU

All information as at 31 December 2021 unless otherwise stated.

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%

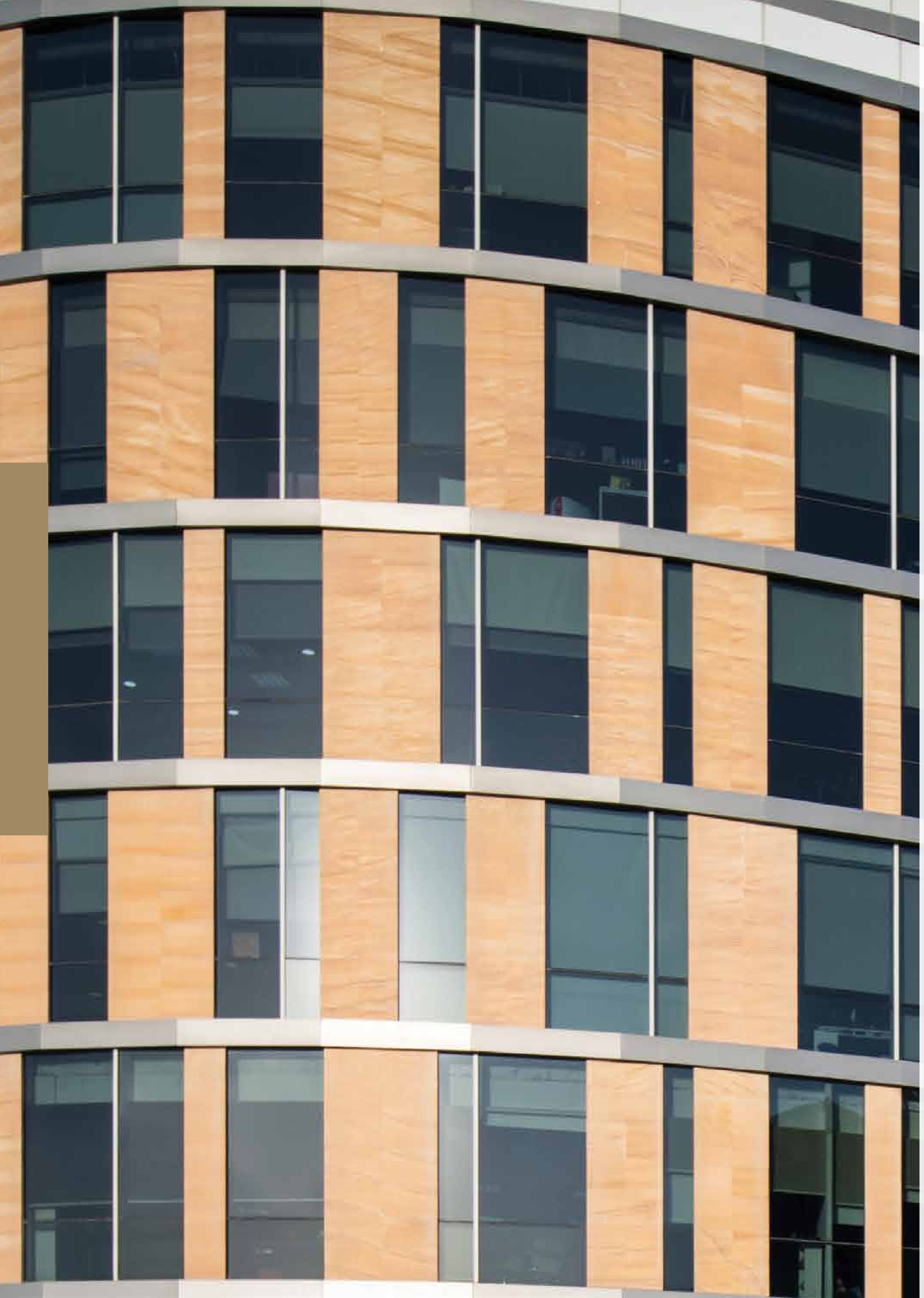
DISCLAIMER

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.

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

TABLE OF **CONTENTS**



AT A GLANCE

CHAIRMAN'S MESSAGE

Dear Shareholders,
It is my pleasure to present Emirates REIT's 2021 Annual Report

On behalf of the Board, I am pleased to present Emirates REIT's Annual Report for the FY ended on December 31, 2021. The report details the REIT's resilient performance despite the numerous headwinds faced during 2021.

We first would like to extend our gratitude and thanks to the Government of Dubai for its leadership throughout the pandemic, managing deftly the health imperatives to safeguard the population and providing support to local businesses and industries impacted by the Covid-19 pandemic. The achievements of the Government, both in terms of vaccination rates of the population and in terms of initiatives taken to mitigate the financial stress created by the pandemic on economic actors, has allowed for a less severe downturn when compared to other economies and should enable a sustained economic recovery in the medium term.

From an operational standpoint, and whilst the macro-economic indicators of the UAE and particularly of Dubai improved significantly compared to 2020, one should note that the commercial real estate market continued to face challenges in terms of occupancy, rental rates and valuations.

The efforts of the REIT's management team to tackle those challenges were characterised by strong leasing achievements coupled with a relentless attention to costs with a view to increase Emirates REIT's net property income margin.

As a result, all key performance indicators at the property level have improved in 2021. In October 2020, the portfolio's occupancy reached its lowest point at 67%. As of December 31, 2021, the occupancy has recovered to 72% and, as of April 25, 2022, it stands at 81%.

CHAIRMAN'S MESSAGE

The net property income increased by 7.7% to reach USD 56 million and the operating profit from recurring operations increased by 37% to USD 40 million.

Taking into account the profit realised from the disposal of half of an office floor in Index Tower, the operating profit is up 59% y-o-y at USD 47 million.

From an asset valuation standpoint and after a very negative 2020, the capital values of commercial real estate in Dubai have started to pick up again in 2021, reflecting the improving economic environment. As a result of this market movement and of the asset management successes, the REIT's portfolio valuation has increased by USD 53 million, a 8% increase compared to December 31, 2020 and now stands at USD 762 million as at December 31, 2021. This valuation improvement notably contributed to Emirates REIT's USD 64 million annual profit for FY 2021.

From a capital structure standpoint, and whilst a clear majority of voting Sukuk holders (57%) had voted in favour of Emirates REIT's Consent Solicitation seeking to exchange existing unsecured Sukuk certificates with new Sukuk Certificates, support remained short of the special majority threshold of 75% needed for the voluntary exchange to proceed.

As a consequence, Emirates REIT rescinded the voluntary exchange in June 2021 and has since then continued to work on enhancing the capital structure for the benefit of all equity and debt holders of the REIT, as well as looking to achieve greater alignment of intrinsic and market value of the REIT's traded securities.

The closure of the DFSA investigations in December 2021, outlined below, has provided new impetus to the discussions with potential stakeholders who acknowledge both the quality and resilience of the REIT's portfolio.

From a regulatory standpoint, we announced in December 2021 that the REIT Manager had entered into a settlement agreement with the DFSA in consideration for which the DFSA closed all its investigations against the REIT Manager.

The REIT Manager welcomed Thierry Leleu as its Deputy CEO in November 2021. Thierry, who comes with an extensice experience in REIT and funds management in Europe and Singapore, has been appointed as CEO of the REIT Manager as from 27 April 2022 and will assume its day-to-day management under the supervision of the Board.

I would like to extend my gratitude to Sylvain Vieujot for stewarding the REIT since its inception and particularly over the past 2 years' challenges. Sylvain will continue to serve as Deputy Chairman and Executive Director of Equitativa and to provide his strategic input for the benefit of the REIT and its stakeholders.

Turning to FY 2022, the key priorities for the REIT Manager will be to complete the refinancing of the Sukuk that matures in December 2022, to continue leasing up the portfolio – with the notable early 2022 success of the Durham School lease at the REIT's DIP property, to increase the net property income margin through active asset management on both income and costs and to deliver on asset enhancement initiatives that will enable greater overall performance of the REIT going forward.

Emirates REIT remains commited 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.

With value creation potential offered by the leasing opportunities and the asset enhancement initiatives embedded in the portfolio, the Board believes Emirates REIT is well-placed to complete its recovery in 2022 and return to sustainable growth.

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.

Abdulla Al Hamli
Chairman

EMIRATES REIT
OVERVIEW
as at December 31, 2021

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 in 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 11 predominantly freehold properties in Dubai with a market value of approximately USD 762.1 million, with an aggregate lettable area of approximately 218,000 sqm and 327 tenants.

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)
- Jebel Ali School (Akoya, Dubai Land)
- Lycee Francais Jean Mermoz (Al Quoz)
- Durham School Dubai (Dubai Investments Park)

RETAIL

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

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.

[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 portfolio

EMIRATES REIT
PORTFOLIO

FY 2021
IN BRIEF

2021

18 MAY
Consent Solicitation launched for voluntary exchange of Sukuk Certificates.

07 JUN
Voluntary exchange offer rescinded due to special majority threshold of 75% not being reached.

10 JUN
Sale of half of a floor in Index Tower.

14 JUN
Signed MOU with Jebel Ali School with payment of AED 20 million of outstanding rent.

30 JUN
Final Scrip dividend distribution of USD 0.0016 per share.

01 SEP
The DIFC-LCIA awarded in favour of the REIT in the Jebel Ali School matter for the entire outstanding rent including cost.

08 DEC
Equitativa settlement closes DFSA investigations.

INVESTMENT PROPERTIES

USD **737.1** M

AED 2.7bn

NET ASSET VALUE

USD **289.8** M

AED 1.1bn

NET LETTABLE AREA

217,699 SQM

WEIGHTED AVERAGE LEASE EXPIRY

7.1 YEARS

TOTAL PROPERTY INCOME*

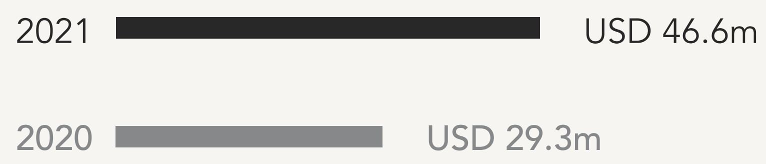
+3.9%

NET PROPERTY INCOME*

+7.7%

OPERATING PROFIT

+59.3%

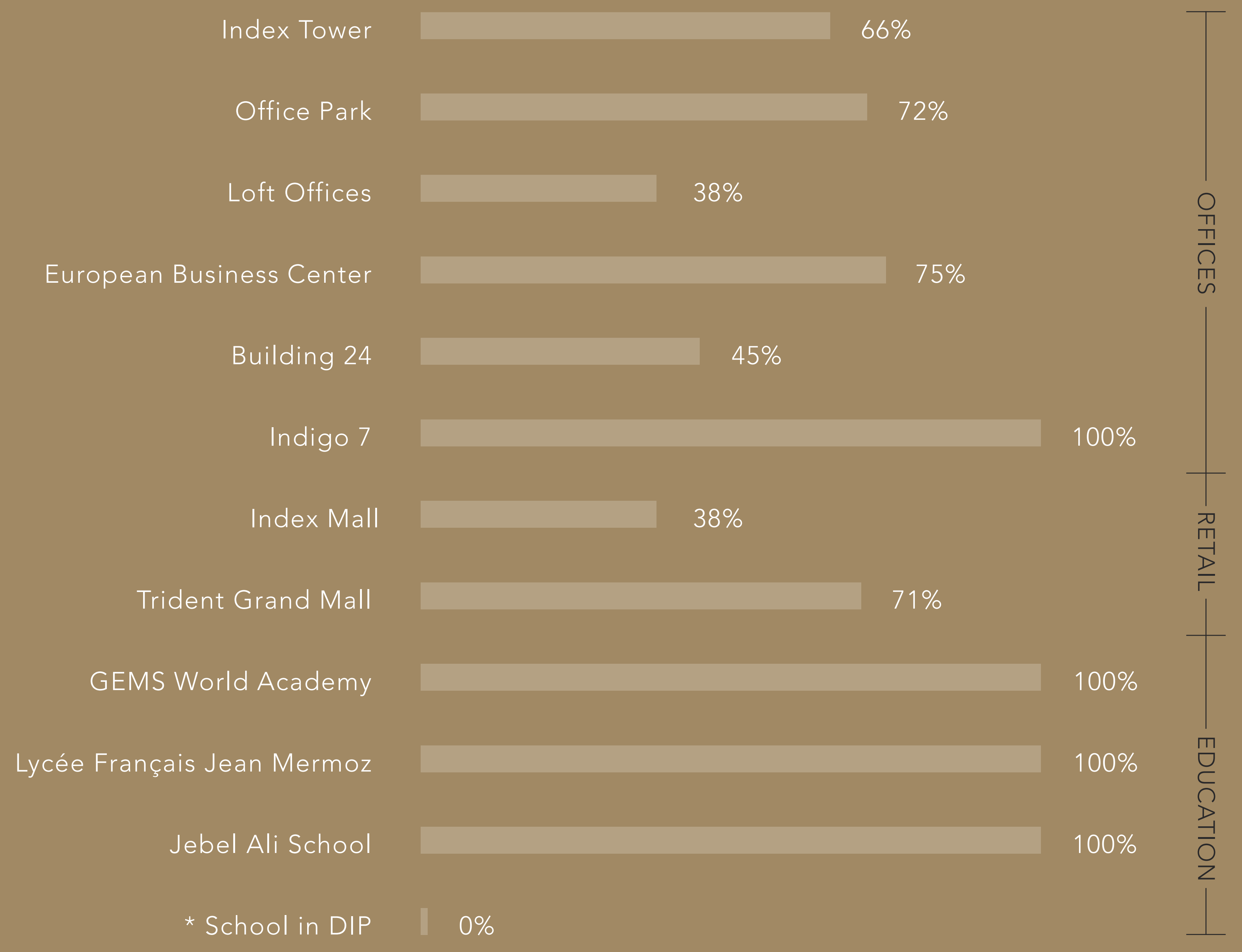


* Including the USD 6.5m gain on the disposal of investment property

FY 2021 PORTFOLIO OCCUPANCY

TOTAL OCCUPANCY

72%



* On March 8, 2022 the REIT Manager announced the signature of a lease with Durham School Dubai

INCOME AND EARNINGS

USD '000	FY 2021	FY 2020	VARIANCE	% VARIANCE [2]
Total property income	68,592	66,034	2,558	+3.9%
Net property income	56,029	52,010	4,019	+7.7%
Operating profit	46,619	29,258	17,361	+59.3%
Net finance cost	(28,238)	(28,766)	(528)	(1.8%)
Net unrealised gain / (loss) on revaluation[1]	44,728	(243,404)	288,132	+1.2x
Net profit / (loss) for the year	63,109	(242,912)	306,021	+1.3x
Fair value adjustments on cash flow hedges	1,214	(1,334)	2,548	+1.9x
Total comprehensive profit / (loss) for the year	64,323	(244,246)	308,569	+1.3x
EPS (USD)	0.207	(0.802)	1.009	+1.3x

[1] Including impact of IFRS 16

[2] % Variance computed based on financial impact.

STATEMENT OF FINANCIAL POSITION

USD '000	FY 2021	FY 2020	VARIANCE	% VARIANCE
Investment property	737,132	690,342	46,790	+6.8%
Total assets	853,834	803,385	50,449	+6.3%
Equity	289,787	225,464	64,323	+28.5%
Liabilities	564,047	577,921	(13,874)	(2.4%)
NAV per share (USD)	0.95	0.74	0.21	+28.3%
LTV	56.3%	61.7%	(0.054)	(5.4%)
Net cash from operating activities	35,510	17,372	18,138	+104.4%

FY 2021 FINANCIAL **HIGHLIGHTS**

as at December 31, 2021

During FY 2021, all of Emirates REIT financial metrics improved as compared to FY 2020. From an income standpoint, on the back of strong operational results (see FY 2021 Operational Highlights), Emirates REIT generated an operating profit of c. USD 46.6 million, a 59.3% increase over the FY 2020 operating profit of c. USD 29.3 million. Excluding the one-off profit from the disposal of half a floor in Index Tower, the operating profit would be USD c. 40.1 million, a 37.1% increase y-o-y.

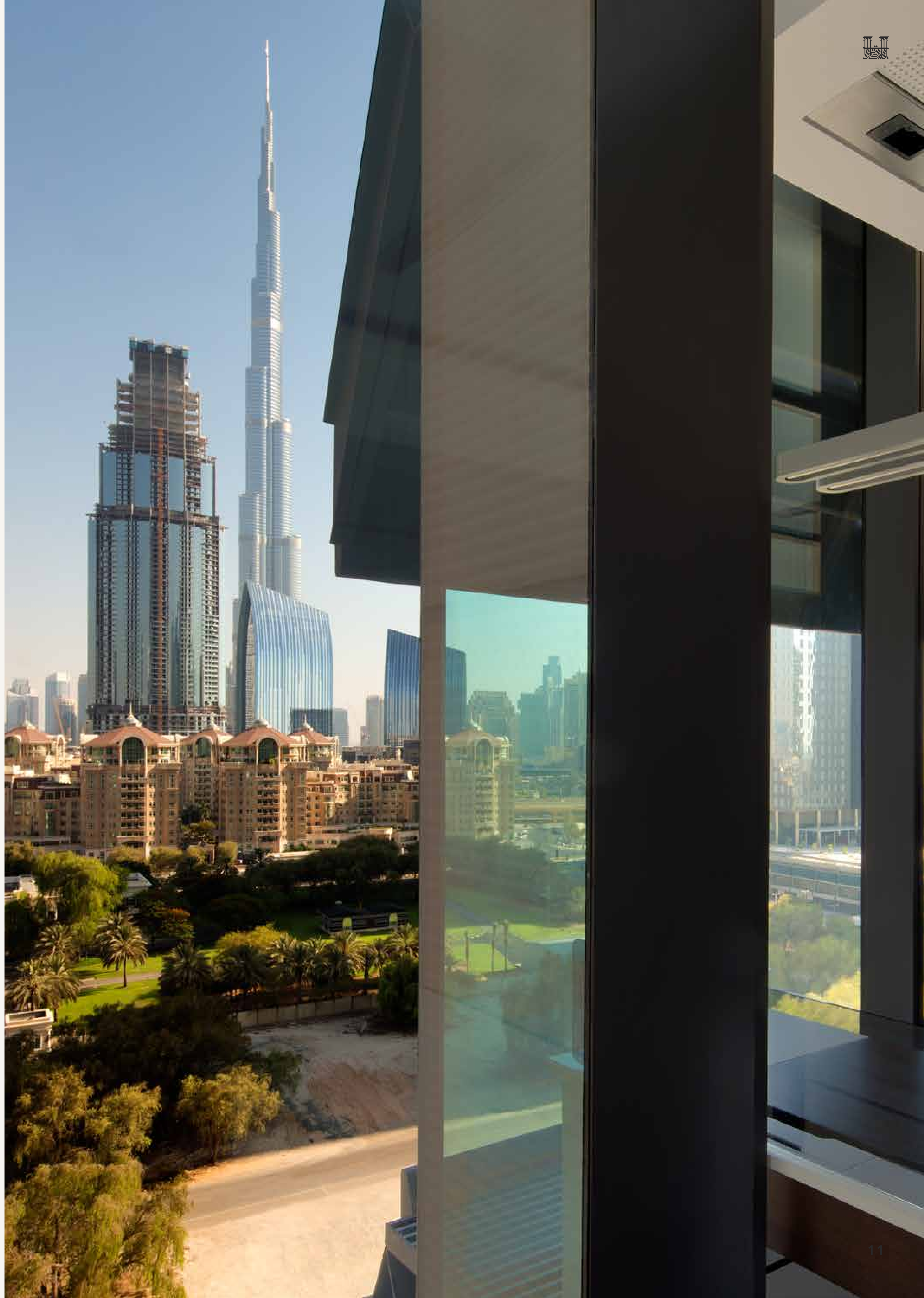
This increase in operating profits, coupled with marginally lower finance costs owing to principal amortisation, lower profit rates and with unrealised revaluation gains of USD 44.7 million, resulted in a net profit for FY 2021 of USD 63.1 million compared with a loss of USD 242.9 million in FY 2020.

The FY 2021 earnings per share are equal to USD 0.2 compared to a loss per share of USD 0.8 in FY 2020.

From a balance sheet standpoint, total assets as at December 31, 2021 amounted to USD 853.8 million, a USD 50.4 million or 6.3% increase y-o-y, notably driven by the USD 44.7 million revaluation gain on investment properties, a 6.8% increase when compared to December 31, 2020.

Total liabilities reduced by USD 13.9 million during FY 2021, mostly driven by the amortisation of the Islamic financing, and closed at USD 564.0 million as at December 31, 2021. The Loan to Value ratio reduced by 5.4 p.p over 2021 as a result of the combination of the revaluation of the portfolio and the aforesaid Islamic financing amortisation.

The NAV per share increased by 28.3% over FY 2021 and is equal to USD 0.95 per share as at December 31, 2021.



FY 2021 OPERATIONAL HIGHLIGHTS

as at December 31, 2021

FY 2020 was an extraordinarily difficult year for Emirates REIT which, much like the rest of the world, battled the universal disruption that Covid-19 caused to lives and businesses, and suffered downward pressures both in terms of occupancy (-4.3%) and in terms of valuations (-24.4%) compared to December 31, 2019.

Owing to the decisive actions taken by the UAE and Dubai authorities in the management of the pandemic and the level of preparedness of the Management Team, FY 2021 offered some reprieve on which Emirates REIT capitalised to deliver strong operational outputs.

Net property income is up 7.7% y-o-y as at December 31, 2021 a result of the REIT Manager's leasing activity and its focus on cost management in a challenging real estate market environment. This was also supported by the gain on disposal of the vacant half floor in Index Tower that concluded in June 2021.

Owing to strong initiatives on the cost management side, the Net Property Income increased by 1.1 p.p. y-o-y as at December 31, 2021 resulting in a Net Property Income Margin[2] of 89.7%, compared to 88.6% in FY 2020.

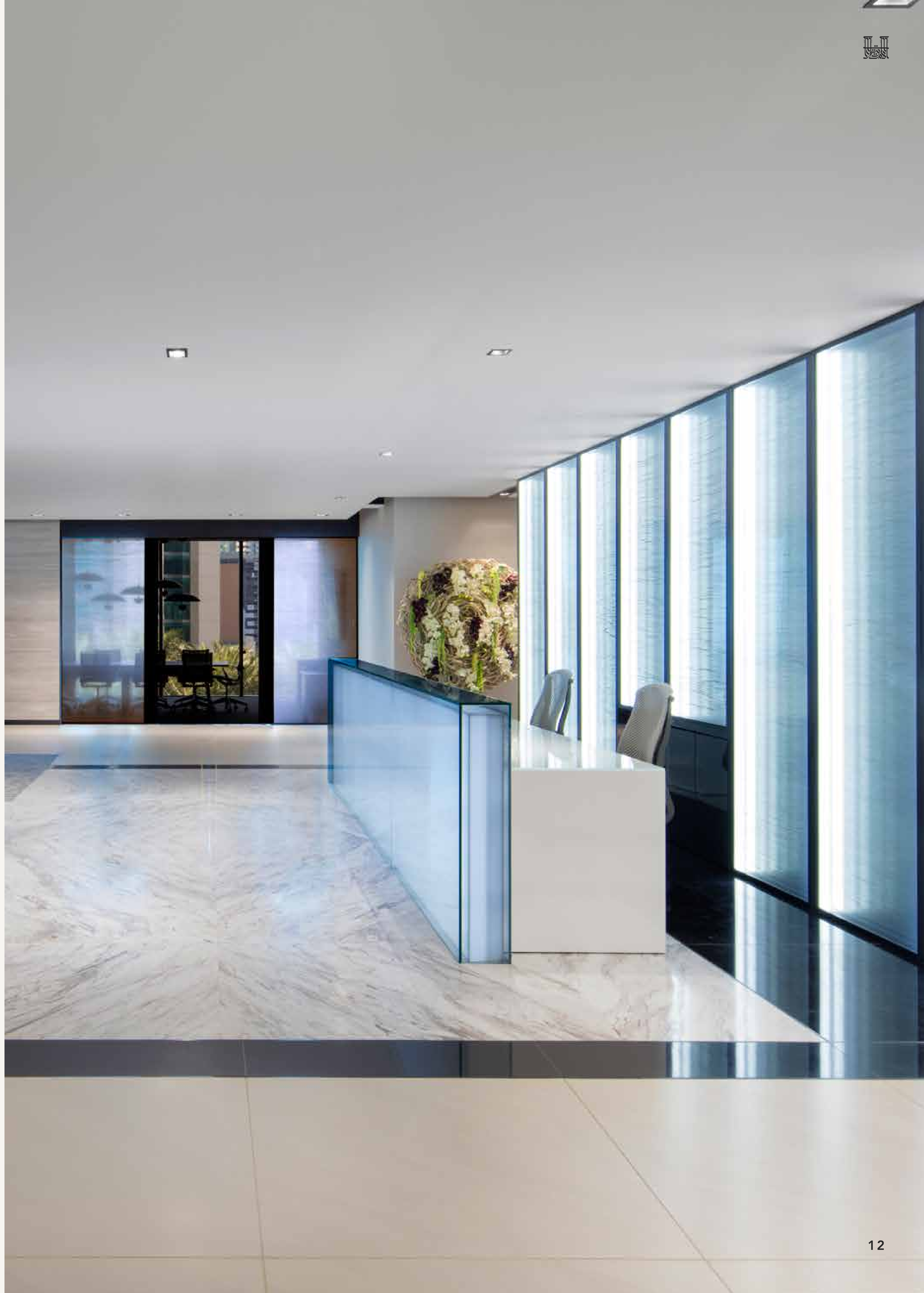
The occupancy in the portfolio increased by c. 2.8 p.p to 71.8% as at December 31, 2021 and, owing to the successful conclusion of ongoing lease negotiations since the end of 2021, the occupancy has reached 81.0% as at March 31, 2022, a 12.1 p.p increase compared to December 31, 2020.

The portfolio's total number of tenants increased from 307 as at December 31, 2020 to 327 as at December 31, 2021 whilst the WALE remains over 7.1 years as at December 31, 2021.

On the valuations' front, and whilst the liquidity of the UAE commercial real estate market remains subdued, Emirates REIT independent valuers CBRE and Cushman & Wakefield have taken notice of the market sentiment improvements and of the asset management achievements and thus revised upwards their valuations to USD 762.1 million, a 7.5% increase compared to December 31, 2020[3] USD 708.9 million.

[2] NPI Margin is equal to 1 – (Property Operating Expenses – Service Fee Income)/(Rental Income + Other Property Income)

[3] On a like-for-like basis, excluding from the December 31, 2020 valuation the half floor in Index Tower sold in June 2021, the portfolio valuation has increased by 8.0% y-o-y



PORTFOLIO

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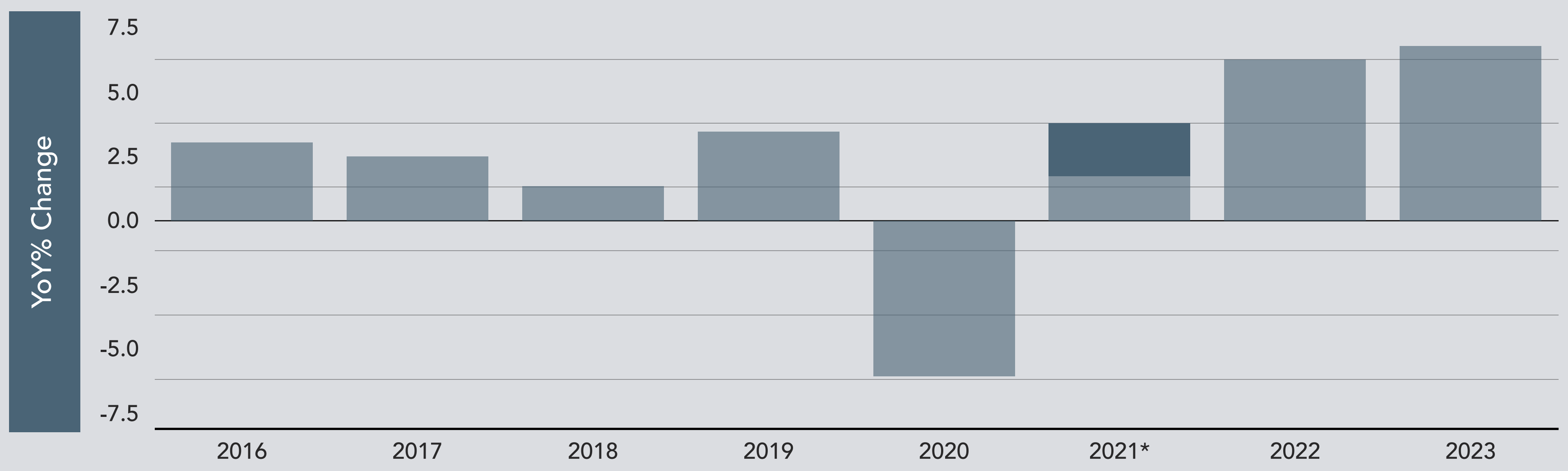
MARKET OVERVIEW

MACROECONOMIC OVERVIEW

- The UAE's Federal Competitiveness and Statistics Centre revealed that the UAE's real GDP soared 3.8% in 2021, claiming the highest GDP growth rate in the region whilst exceeding expectations of international institutions, which predicted the country's GDP to rise by a modest 2.1%.
- A GDP increase is expected for 2022 with analyst forecasts predicting 6.2%, after which the growth rate is expected to increase by 6.7% in 2023.
- Inflation is expected to return at a rate of 2% in 2022 after two consecutive years of deflation.
- Whilst there remains certain downside risks, both domestically and internationally, the many initiatives undertaken by both the federal and the local governments in the social, regulatory and economic sectors should underpin a robust recovery over the coming years.

UAE GROSS DOMESTIC PRODUCT PERFORMANCE

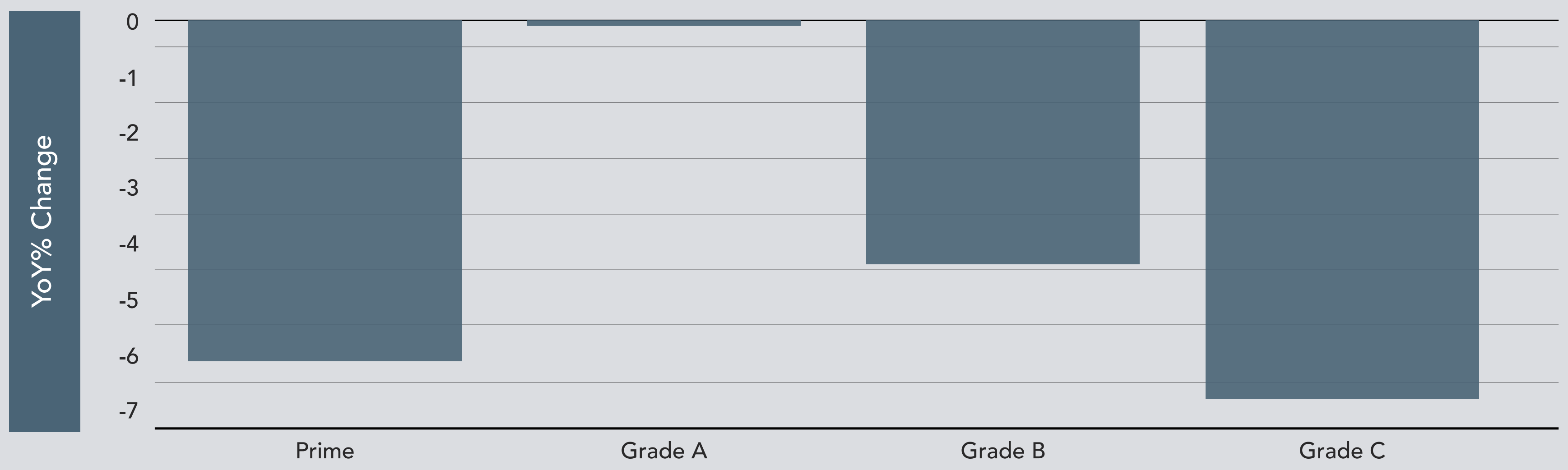


Source: CBRE UAE Real Estate Q4 Market Review & 2022 Outlook, Gulf Business.

OFFICES MARKET PERFORMANCE

- In the last quarter of 2021, there have been a number of new entrants to the market that are either acquiring space or increasing their existing space to meet their requirements. However the bulk of the leasing activity is coming from consolidation of occupiers, with a continued flight to quality.
- As at 4Q 2021, the average occupancy rate in Dubai increased by 2.8% y-o-y to reach 78.9%.
- Average rents have continued however to decrease throughout FY 2021 with Prime, Grade A, Grade B and Grade C rents falling by 6.2%, 0.1%, 4.4% and 6.8%, respectively.

DUBAI, OFFICE RENTS, Y-O-Y% CHANGE TO 4Q 2021



Source: CBRE Research Oxford Economics

Source: CBRE UAE Real Estate 4Q Market Review & 2022 Outlook, JLL The UAE Real Estate Market - A Year In Review 2021
* Highlighted area illustrates the actual results as per UAE's Federal Competitiveness and Statistics Centre vs analyst forecast

MARKET
OVERVIEW

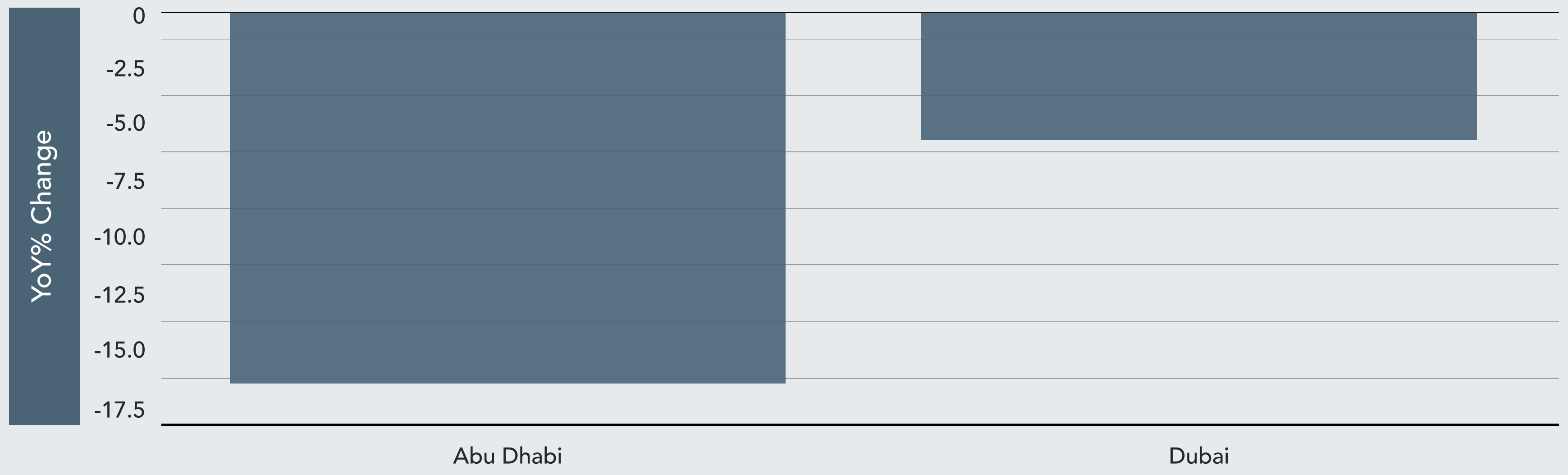
DUBAI OFFICE SUPPLY

- It is estimated that approximately 138,000 sqm of office space was completed in Dubai during FY 2021, most of the new deliveries being Grade B developments, despite the market seeing handovers of some Grade A assets in freezone locations.
- The total supply in Dubai of office space now reaches 9.1 million sqm.
- As to the incoming supply, the estimates for new deliveries during FY 2022 are varying from 70,000 sqm as per JLL and up to 218,000 as per CBRE.

RETAIL MARKET PERFORMANCE

- The UAE retail market showed signs of recovery in 2021 with store based sales standing at AED 183.32 billion, up 6.6% from 2020 however still 3.5% below the 2019 levels.
- Footfall however has significantly improved over 4Q 2021, with retail activity in Dubai and Abu Dhabi at 9.7% and 4.6% above their pre-pandemic baselines at the end of FY 2021.
- Activity is predominantly stemming from F&B concepts with the market remaining tenant friendly for exciting new concepts that are entering the market or expanding.
- Rents however continued to decline in the retail sector with Dubai rents falling by 5.7% during the year and Abu Dhabi experiencing a 16.4% decline over the same period.
- Going forward, it is anticipated that the prime and super-regional assets will outperform the wider market but that rental downward pressures will continue.

UAE, RETAIL RENTS, Y-O-Y% CHANGE TO 4Q 2021



Source: CBRE UAE Real Estate Q4 Market Review & 2022 Outlook, JLL The UAE Real Estate Market - A Year In Review 2021

RETAIL SUPPLY

- In 2021, Dubai's total retail stock reached 4.4 million sqm with the addition of 205,000 sqm of retail Gross Lettable Area ("GLA").
- In 2022, 520,000 sqm of GLA retail space is expected to be delivered to the market.

Total Stock in 2021

2022 Planned Deliveries

Source: CBRE UAE Real Estate 4Q Market Review & 2022 Outlook, JLL The UAE Real Estate Market - A Year In Review 2021.

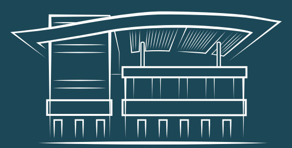
OFFICES


INDEX TOWER

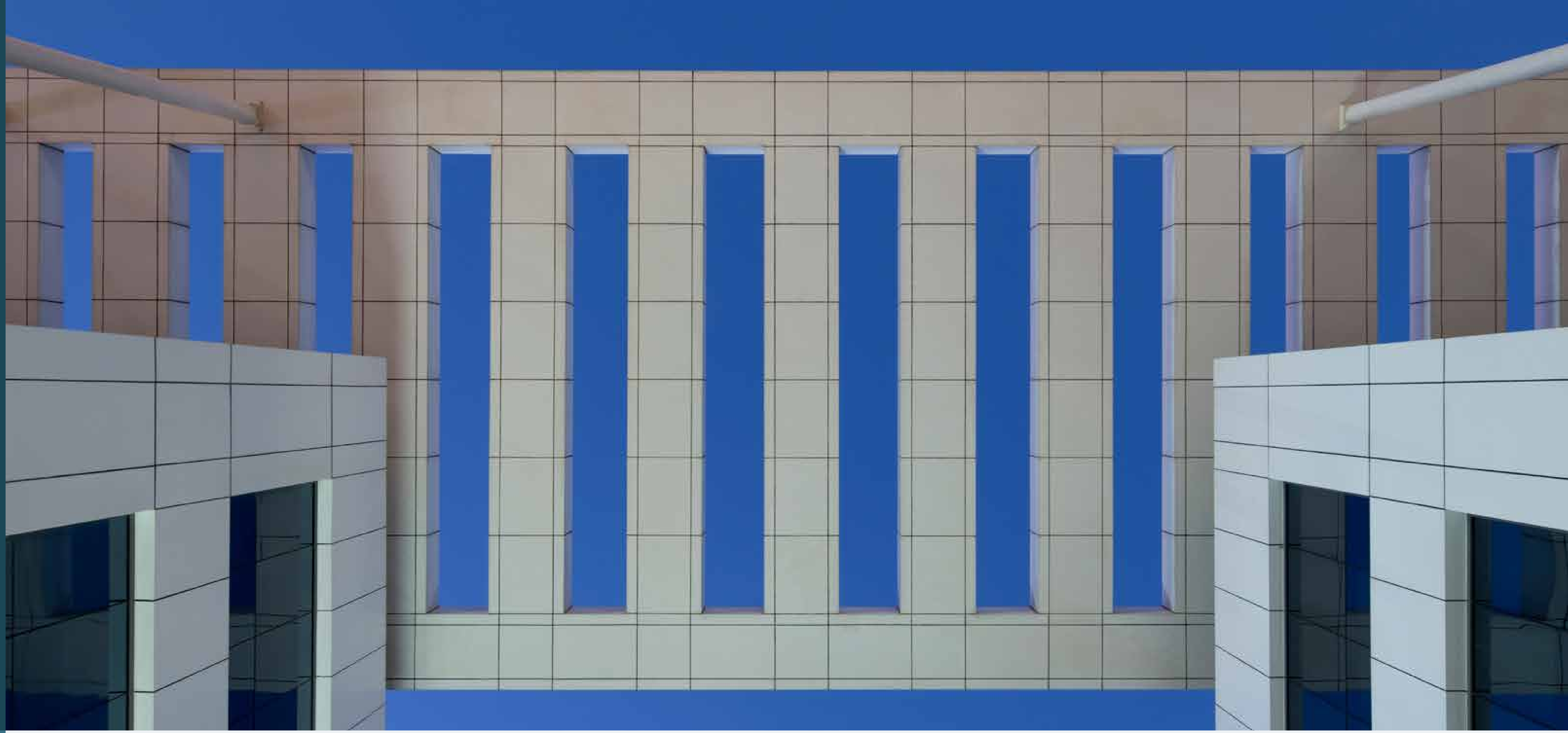

OFFICE PARK


LOFT OFFICES


EUROPEAN BUSINESS CENTER


INDIGO 7


BUILDING 24



VALUATION	NLA	INCOME
66.1%	45.9%	52.4%
SHARE OF PORTFOLIO	SHARE OF PORTFOLIO	SHARE OF PORTFOLIO

Emirates REIT office portfolio is comprised of six properties located in prominent locations in Dubai: Index Tower, Office Park, Loft Offices, European Business Centre, Building 24 and Indigo 7.

As at December 31, 2021, the market value of the office portfolio totalled USD 504.1 million.

Dubai's office market is gradually recovering from the negative effects of the pandemic, despite occupancy levels remaining lower in certain areas when compared to the market pre-pandemic. Most office districts have continued to witness downward rental pressures throughout FY 2021 with the rents stabilising towards the latter part of the year in certain freezone areas.

The main drivers for new corporates entering Dubai are the City's efficient management of the Covid-19 pandemic, robust infrastructure and ease of doing business. The remaining demand stems from existing occupiers with expansion or relocation requirements.

The REIT's presence in key freezone areas and active asset management have helped increase the passing rent per sqm by 3.8% over the last year across the office portfolio.

The growth in occupancy seen in the REITs portfolio was primarily driven by a strong pick up at Index Tower and recovery at European Business Centre, whilst larger corporate downsizing and pressure on SMEs have particularly impacted the properties located in Dubai Media City and Knowledge Village.

Whilst the market remains challenging, the REIT Manager's proactive approach in supporting and further enhancing its relationships with its tenants has had a positive impact on the portfolio.

The REIT Manager's focus on leasing and commercial operations has also yielded good results with strong tenant retention across the office portfolio, an 18% increase in the WALE and a strong level of enquiries during 4Q 2021, particularly in the DIFC.

Since the beginning of 2022, the level of enquiries has also picked up in Dubai Knowledge Village and, albeit in a more subdued way, in Dubai Media City.

INDEX TOWER

DUBAI INTERNATIONAL FINANCIAL CENTRE

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	OCCUPANCY VARIANCE	RATES Y-O-Y	WALE
2013-2018	32,935 sqm	66.4%	+16.3 p.p.	+2.2%	1.9 years

Located in the DIFC, Index Tower is a breathtaking and iconic 80-story building. Built by award-winning architects Foster & Partners, this 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 33,830 sqm of office space and 1,347 car park spaces.
In June 2021, Emirates REIT sold half of a shell and core office floor in Index Tower at a value of c. USD 9,817 per sqm, representing an excess of c. USD 4.9 million compared to the latest valuation of the disposed space.

Occupancy in Index Tower has increased to 66.4% (+16.3 p.p. y-o-y) with further strong level of enquiries during 4Q 2021, reflecting the growing interest and popularity of the Tower. 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 in excess of 26.0%.

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 tenant a full community experience with Index Mall and Index Park. The connectivity to DIFC Gate Avenue provides a full and seamless integration to the community.

2021 OPERATIONAL HIGHLIGHT

- Full y-o-y effect of savings from reduction of costs.
- Completion of common areas renovations on all occupied floors.
- Active relationship building with key tenant to improve retention and flexibility on leasing requirements to ensure conversion of all enquiries. Leasing activity during the year was mainly driven by the demand for fully fitted and furnished premium offices of c. 100 sqm to 300 sqm.

CHALLENGES

- Pressure with direct competition from ICD Brookfield for prime tenants and from certain neighboring buildings that are offering significant tenant incentives and lower rates.

ACTIONS ENVISIONNED

- Further refurbishments to common corridors and areas following the recent demand from shell & core anchor tenants.
- Upgrade of security and access controls.

OFFICE PARK

DUBAI KNOWLEDGE VILLAGE

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	OCCUPANCY VARIANCE	RATES Y-O-Y	WALE
2012	34,563 sqm	72.3%	-1.6 p.p.	-0.5%	2.3 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, washrooms and security systems to ensure Office Park remains a property of choice for corporates.

Occupancy stands at 72.3% (-1.6 p.p. y-o-y) with a total of 46 tenants. During FY 2021, 8 new tenants have moved in (occupying 1,215 sqm), whilst certain existing tenants continued to downsize their occupied space. The REIT's strategy has been to maintain rental rate levels whilst also offering flexibility during the negotiation process in a relatively low demand environment.

Office Park is well positioned to compete with the existing and new supply at the nearby Innovation Hub and there has been since the beginning of FY 2022 a significant pick-up in the level of enquiries.

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 system.
- Cost saving actions taken had a full effect during FY 2021.

2021 OPERATIONAL HIGHLIGHT

- Completed the refurbishment of all common areas and washrooms.
- Replacement of building security and new access control systems.
- Ongoing replacement of certain retail tenants with new concepts.

CHALLENGES

- Three large offices remain vacant with various corporates downsizing during FY 2021, whilst demand is mostly for smaller offices at lower rates.
- Low footfall as larger corporates only returned to office from 1Q 2022, impacting the retail tenants.
- Competition from new freezones and new supply at Innovation Hub.

ACTIONS ENVISIONNED

- Sub-dividing some of the larger offices to meet demand for 350 sqm - 500 sqm offices.
- Renovating some of the vacant units to keep up with market demand.
- Marketing and active leasing campaign.
- Capital expenditure towards energy efficiency and saving project.

LOFT OFFICES

DUBAI MEDIA CITY

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	OCCUPANCY VARIANCE	RATES Y-O-Y	WALE
2011	15,224 sqm	38.3%	-5.0 p.p.	+0.4%	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 were most impacted by the effect of the pandemic during 2020 and 2021.

Whilst the property and the community are a highly attractive proposal, demand for new offices still remains very low in DMC as larger media and tech companies continue to either partially or fully adapt to the "work from home" model.

Occupancy at the Loft Offices declined to 38.3% (-5 p.p. y-o-y) with the business being concentrated on Loft Offices 1 & 2 to focus resources in anticipation of a slower recovery for the SMEs and re-purposing Loft Office 3.

Source: DMC website

The Loft Office 3 remains vacant and the REIT is currently pursing approvals towards a conversion of the property into 6 larger offices to access a market for larger corporates. The conversion project is expected to commence during FY 2022, along with an off-plan leasing strategy.

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.

2021 OPERATIONAL HIGHLIGHT

- Implementation of energy saving initiatives, leading to a reduction in energy consumption cost by 23% when compared to FY 2020.
- Improved overall appearance, visibility and quality of the building with major improvements to exteriors.
- Loft Offices 3 vacated for its repurposing to larger offices.

CHALLENGES

- Concentration of SMEs and creative companies were most impacted by Covid-19 disruption.
- 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 ENVISIONNED

- Repurposing of Loft Offices 3 to cater for larger tenants.
- Marketing campaign restarting in 2Q 2022.
- Assessing potential activation of common areas to enhance community interaction.

EUROPEAN BUSINESS CENTRE

DUBAI INVESTMENTS PARK

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	OCCUPANCY VARIANCE	RATES Y-O-Y	WALE
2017	25,566 sqm	75.5%	+4.9 p.p.	+8.5%	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 world-class 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 enjoys a strategically prime location next to the metro station which opened in June 2021, and is one stop away from the Expo 2020 site, leading to increased footfall in FY 2021.

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.

Occupancy at EBC grew to 75.5% (+4.9 p.p. y-o-y) owing to successful leasing strategies and engagement with local brokers. Whilst the commercial floors are occupied at 81.0%, retail is still only occupied at 61.0%.

The property's strategic location directly opposite the metro station and the improvement 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.

2021 OPERATIONAL HIGHLIGHT

- Upgrade of the telecommunication infrastructure.
- Commenced upgrade of exterior grounds.
- Assessment of a soft refurbishment of the common areas in order to improve the attractiveness (due to commence in 2Q 2022).

CHALLENGES

- Pressure on performance due to a 25% retail mix, whilst also being an opportunity to reposition the property and take advantage of footfall from the metro station.
- 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 ENVISIONNED

- Implementation of energy saving measures.
- Refurbishment of exteriors and common areas.

BUILDING 24

DUBAI INTERNET CITY

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	OCCUPANCY VARIANCE	RATES Y-O-Y	WALE
2011	5,327 sqm	44.7%	-5.8 p.p.	-1.7%	1.2 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.

Occupancy stands at 44.7% (-5.8 p.p. y-o-y). The property's performance has been negatively impacted by the competition from new or refurbished properties in the freezone and companies relocating.

The REIT Manager is currently assessing options for a renovation of the property along with new leasing strategies, including consideration to a single tenant lease. The low-rise property is ideally located in the heart of DMC, and its size would be attractive to a large corporate regional headquarters.

The building is under a Property Management and Leasing Agreement ("PMLA") with TECOM.

Discussions are ongoing with TECOM to enable the REIT Manager to actively engage in leasing, whilst reducing its property management expenses and improving the service charge recovery.

POSITIONING

- Excellent Location, part of phase 1 of DIC.
- Highly visible building in the heart of DIC.
- Flexible floor plates with the option of a single tenant lease.

2021 OPERATIONAL HIGHLIGHT

- New facility management company appointed to improve maintenance.

CHALLENGES

- Ageing property and in need of refurbishment to remain competitive within the market.
- PMLA structure has historically limited the REIT Manager in assisting with commercial actions.

ACTIONS ENVISIONNED

- Analysis of a direct investment to refurbish the property.
- Agreement with TECOM for the REIT Manager to take an active role in leasing and managing the property.

Source: DIC website

INDIGO7

SHEIKH ZAYED ROAD

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	OCCUPANCY VARIANCE	RATES Y-O-Y	WALE
2011	**1,902 sqm**	**100.0%**	**+55.0 p.p.**	**+31.9%**	**6.3 years**

Indigo 7 is a mixed-use retail and office building, located on 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 sqm 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 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.

2021 OPERATIONAL HIGHLIGHT

- Continued maintenance and upkeep of the building.
- Secured a new tenant for retail space, leading to 100% occupancy.

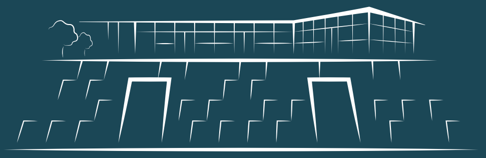
CHALLENGES

- New supply along Sheikh Zayed Road with aggressive rental rates.
- Recovery of service charge in a predominantly service charge inclusive market

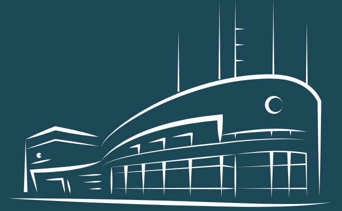
ACTIONS ENVISIONNED

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

RETAIL



INDEX MALL



TRIDENT GRAND MALL

VALUATION	NLA	INCOME
7.5%	10.5%	10.1%
SHARE OF PORTFOLIO	SHARE OF PORTFOLIO	SHARE OF PORTFOLIO

Emirates REIT's retail portfolio is comprised of two properties, Index Mall and Trident Grand Mall, located in excellent sought-after locations, DIFC and Jumeirah Beach Residence, respectively.

As at December 31 2021, the market value of the retail portfolio totalled USD 57.1 million.

The retail sector in the UAE faced significant pressures as result of the Covid-19 pandemic induced market headwinds. However, measures taken to support Dubai's retail sector, such as waivers and deferments of rent have played an integral part in assisting the retail industry throughout the pandemic.

The outlook for the UAE's retail sector is positive: a recent report released by the Dubai Chamber of Commerce and Industry has projected the UAE's retail sales to reach USD 70.5 billion (AED 259 billion) by 2025 — an CAGR of 6.6%.

Dubai's malls specifically are major global tourist attractions, with the landmark malls receiving more than 80 million visitors annually.

Active asset management has enabled resilience, despite recent market pressures on the sector. The occupancy and WALE remain stable for Trident Mall at 71.5% and 5.3 years respectively, whist rental rates increased significantly.

There has been a notable increase in footfall at Index Mall since its connection to Gate Avenue on June 1, 2020.

The connection also had a positive impact on the office space activity, given Index was historically viewed as being isolated from the DIFC and Gate Village by some occupiers. This subsequently led to increased demand for office space in the tower and a notable increase in its occupancy levels.

Source: The Dubai Chamber of Commerce and Industry, Khaleej Times

INDEX MALL*

DUBAI INTERNATIONAL FINANCIAL CENTRE

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	OCCUPANCY VARIANCE	RATES Y-O-Y	WALE
2013	5,660 sqm	38.0%	-6.5% p.p.	N/A	5.7 years

Index Mall consists of 32 exclusive retail outlets across 2 levels with 4,440 sqm of retail space and 158 parking spaces. The ground floor level provides a range of community services in an elegant setting. The podium level is directly connected to DIFC mosque, DIFC Gate Avenue and overlooks Index Park, making it a highly desirable place to be.

Index Park offers seating areas, picnic areas, fountains and an outdoor cinema. It creates an urban green space, with nature pods and a children's play area, in the DIFC. With a setting for events, markets and pop-up outlets, Index Park will bring a range of outdoor activities into Index Mall and the community.

The attention to the design and finishing of the spaces in the mall has been thought through in every aspect from the large marble used on the columns and down to the finest details of texture and lighting.

The very exclusive 1,220 sqm panoramic retail space located on the 28 and 29th floors remains vacant and is aggregated to the retail mix.

Occupancy stands at 38.0% with 12 units currently leased and a good level of enquiries as the market recovers from the pandemic and restrictions are gradually being relaxed.

POSITIONING

- Attractive location at the entrance of DIFC catering to office tenants and residential occupiers.
- Exclusive retail outlets in an elegant setting.

2021 OPERATIONAL HIGHLIGHT

- Completion of Index Park, offering the community an urban green space within DIFC.
- Support to retail tenants particularly impacted by the Covid-19 pandemic.
- Commenced activation of Index Park with community activities.

CHALLENGES

- Slow materialisation of enquiries with retail sector most impacted by Covid.
- Competition from adjoining Gate Avenue retail.
- Visibility and accessibility, particularly access to upper level and Index Park.
- Restrictions on F&B retail limiting access to certain more profitable sectors.

ACTIONS ENVISIONNED

- Index Mall activation to continue as community engagement grows.
- Review of operating expenses and optimisation initiatives.

* includes Index Mall 4,440 sqm and Level 28/29 retail 1,220 sqm

TRIDENT GRAND MALL

DUBAI MARINA

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	OCCUPANCY VARIANCE	RATES Y-O-Y	WALE
2014	5,472 sqm	71.5%	-0.2 p.p.	+8.0%	5.2 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.

Occupancy at Trident Grand Mall is stable at 71.5%, despite the retail sector remaining impacted by the effect of the pandemic. The property's retail tenants are strong and stable.

POSITIONING

- Attractive location at the entrance of JBR.
- The area enjoys strong footfall and is highly desirable for residents and tourists alike.

2021 OPERATIONAL HIGHLIGHT

- Optimisation of operational costs and improving service charge recovery (ongoing).
- Sub metering of chilled water completed and directly recovered from tenants from January 2021.

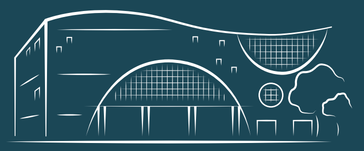
CHALLENGES

- The retail tenants are still recovering from the Covid-19 pandemic market impact.
- The property requires a soft refurbishment to maintain its attractiveness in a competitive market.

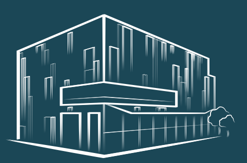
ACTIONS ENVISIONNED

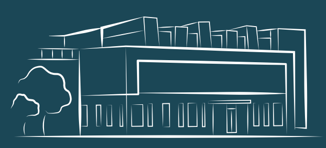
- Installation of external signage to improve awareness and visibility of retail tenants.
- Assessment of visitor parking options (full automation vs rent).
- Assessment of a soft refurbishment to common areas.

EDUCATION


GEMS WORLD ACADEMY


LYCÉE FRANÇAIS JEAN MERMOZ


JEBEL ALI SCHOOL


DURHAM SCHOOL

VALUATION	NLA	INCOME
26.4%	41.9%	35.4%
SHARE OF PORTFOLIO	SHARE OF PORTFOLIO	SHARE OF PORTFOLIO

Emirates REIT is invested into some of the best education complexes in Dubai, which remains an attractive sector. The City's private education market continues to grow with both the number of schools and students increasing y-o-y.

The quality of the UAE's primary and higher education systems rank among the top 20 globally. The UAE continues to be the most competitive country in the Arab world in education according to the Global Competitiveness Index.

The Dubai education sector is largely dominated by private sector operators, enrolling 91% of Dubai's student population and making it one of the most privatised education systems in the world, served by 215 private schools offering 16 different curricula to more than 289,000 students from 185 nationalities. The market has shown a sustainable growth with annual revenues being generated by schools in Dubai totalling AED 8.45 billion.

According to PWC research, private education enrollment is expected to grow at a CAGR of approximately 4%, almost 4 times higher than the rate of public education enrollment growth.

With the primary goal of making Dubai the best city in the world by enhancing quality of life for all residents, the Government has announced a 25% increase in the land area allocated to education by 2040. Demand for private education is being bolstered by an unprecedented hike in the influx of expatriates, brought about by recent Government initiatives such as green visas and other business acceleration programmes which are attracting young, innovation-charged talent into the Country.

Despite the Covid-19 pandemic setback, 10 new schools have opened their doors in Dubai during the 2021-2022 academic year across diverse curricula including Indian (CBSE and ICSE), American, Australian, British and International Baccalaureate (IB). According to KHDA, Dubai enjoyed a 2.6% school enrollment growth between September 2020 and February 2021.

The REIT's education portfolio comprises four school complexes. As of December 31, 2021, the market value of the REIT's education portfolio totalled USD 201.0 million.

All contracts are triple net leases with the school having full control of the premises and responsibility for the maintenance, repairs and insurance of the buildings.

Source: PWC , education country profile, education sector in the UAE

GEMS WORLD ACADEMY

AL BARSHA SOUTH

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	WALE
2013	**42,700 sqm**	**100.0%**	**21.8 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 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 multi-cultural, multi-lingual 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 "side" gyms

Sources: GEMS World Academy Website

LYCÉE FRANÇAIS JEAN MERMOZ

RESIDENTIAL AREA OF AL QUOZ

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	WALE
2018	16,594 sqm	100.0%	23.0 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 3eme 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 still a limited supply in Dubai and continues to enjoy a 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, which has also proved to be an excellent addition in light of the Covid-19 social distancing requirements.

The school is now fully occupied and the REIT will commence its investment into the third phase which will consist of two sports halls, a dance studio, a pool and improvements to the existing facilities.

Upon completion of the third phase, LFJM will be able to increase the number of students to over 1,480.

KEY FACILITIES

- 300+ seat Auditorium
- 3 custom-built Science Labs
- 2 outside sport pitches
- 2 libraries
- 25m Olympic-sized Swimming Pool*
- 2 gymnasiums*

Sources: LFJM Website
* Scheduled for academic year 2022-2023

JEBEL ALI SCHOOL

AKOYA DUBAILAND

ACQUIRED	NET LETTABLE AREA	OCCUPANCY	WALE
2015	**20,802 sqm**	**100.0%**	**19.7 years**

The Jebel Ali School is a built-to-suit development completed in 2016 for, and on behalf, of Jebel Ali School – a British curriculum school, educating children in Dubai since 1977 and providing independent, high-quality not-for-profit education in the UAE.

With the official opening for the academic year 2016/2017, the campus consists of state of the art facilities, including an auditorium, indoor sports centre, a 25m pool, science & technology laboratories, a lecture theatre, art, drama & music facilities and numerous sports fields.

The campus was built on a 33,301 sqm plot in the Akoya Development of Dubai Land acquired by the REIT in August 2015.

At its full capacity, the school is set to accommodate +1,800 students. The demand remains steadily fueled by the completion of surrounding residential developments & communities such as Akoya, Arabian Ranches, Meydan, Motor City and Dubai Sports City.

The school operator has been in default in its rent payments since 2019 as a result of which the REIT initiated arbitral proceedings against it in 2020. During 2021, Emirates REIT and the school operator entered into a memorandum of understanding with a view to finding a sustainable solution for the ongoing matter.

Pursuant to this memorandum of understanding, an initial past due rent payment of AED 20 million was made to the REIT in June 2021. In September 2021, the REIT Manager announced that the arbitral tribunal had awarded in favour of the REIT for the entire outstanding rent and costs.

Whilst the REIT Manager remains engaged in discussions with the school operator in accordance with the terms of the memorandum of understanding, it is also pursuing discussions with renowned school operators in relation to the possible sale of the school.

KEY FACILITIES

- 300+ seat Auditorium
- 8 custom-built Science Labs
- Numerous outside sport pitches
- Dedicated music studio
- Dance and performing art studios
- 25m Swimming Pool
- 2 Gymnasiums

DURHAM SCHOOL DUBAI

DUBAI INVESTMENTS PARK

ACQUIRED	NET LETTABLE AREA	OCCUPANCY*	WALE
2016	**19,350 sqm**	**0.0%**	**N/A**

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.

As at December 31, 2021, the school remained vacant. However, as announced, 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 will open in August 2022 and will offer the English National Curriculum, closely following the ethos of the UK school.

The school will provide students with a complete education and one which instills in them an aspiration for achievement, a respect for others and a 'Confidence for Life'.

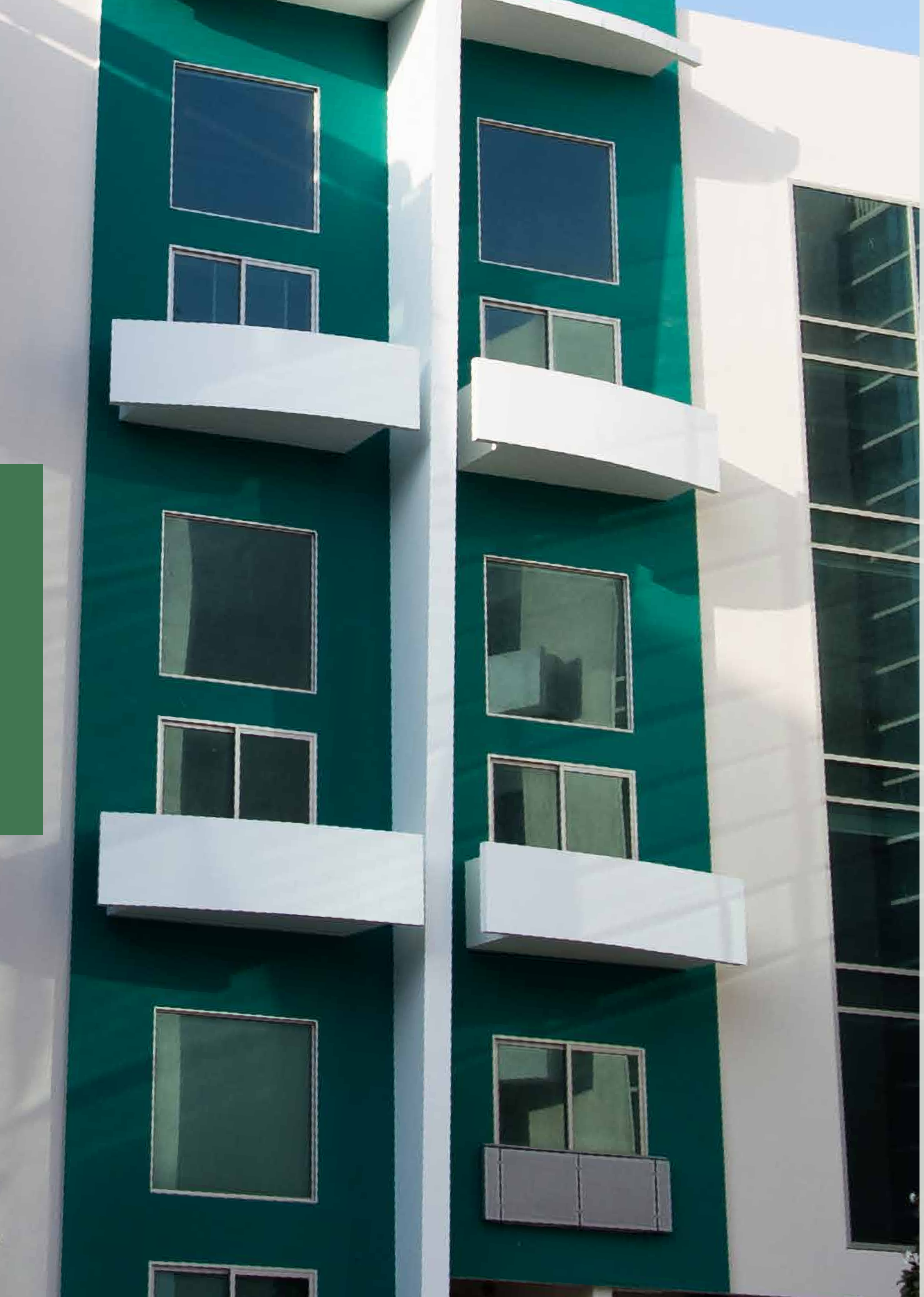
Durham School Dubai is the latest educational institution in Durham School's expanding international portfolio. At capacity, Durham School Dubai will educate more than 1,700 students and it is strategically located within the catchment area of the populous communities of Arabian Ranches, Damac Hills, 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

* Lease now signed with Durham School LLC as at March 8, 2022



GOVERNANCE

3

REIT MANAGER'S REPORT

The Directors present their report for the FY December 31, 2021

SHARE CAPITAL

Emirates REIT (CEIC) PLC (the "REIT" or "Emirates REIT") is a closed-ended Shari'a compliant Investment Company incorporated in DIFC and 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.

As of December 31, 2021, the REIT's issued share capital comprised a total of 304,451,393 ordinary shares with a market value of USD 0.28 each. The REIT has one class of ordinary shares. All issued shares rank pari passu and are fully paid. No person holds shares carrying special rights with regards to control of the REIT.

REIT MANAGER

Emirates REIT is managed by Equitativa (Dubai) Limited ("Equitativa" or the "REIT Manager"), as the sole corporate Director of the REIT. Equitativa is incorporated in DIFC and regulated by the DFSA since 2010. Equitativa is part of a group of companies (the "Equitativa Group") specialising in creating and managing innovative financial products in emerging markets, notably Real Estate Investment Trusts.

INVESTMENT OBJECTIVES

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 Equitativa Group to invest in properties onshore in Ras Al Khaimah.

MANAGEMENT STRATEGY

In order to achieve its objectives, the REIT has adopted the following key strategies:

Disciplined Acquisition Strategy

The REIT will continue to seek yield-accretive opportunities with the aim of improving income resilience and overall returns.

Since the incorporation of the REIT, Equitativa's team has evaluated over 1,900 investment opportunities, thereby ensuring its 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 practicing 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 focusing on acquiring properties of best fit with attractive lease terms and strong covenants, and divesting of properties that have reached their optimum value or no longer meet the REIT's investment strategy;
- Using Shari'a compliant financing to provide additional investment capacity and enhance Shareholders' returns over the long term while maintaining strict compliance with regulatory gearing limitations; and
- Continually revisiting financing facilites 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 WALE of 7.1 years as at December 31, 2021. Notably, only 27% of the leases are expiring in the next three years.

At the time of publication of this Annual Report and despite a favourable DIFC-LCIA's award confirming the obligations of the tenant to pay all overdue rents, one school operator is still not honouring its rental payments on time and has failed to pay the arrears in full, which might lead to an impact on the property cash flow and portfolio value.

FINANCING RISK

Sukuk certificates due December 2022

Further to the strategic review conducted by Houlihan Lokey, Emirates REIT proposed to restructure the Sukuk and launched a Consent Solicitation process seeking to exchange the existing unsecured USD 400 million Sukuk Certificates due 2022 with new secured Sukuk Certificates. While over 57% of the Sukuk holders voted in favour of the proposed restructuring, the support fell short of the required special majority threshold of 75%, and, therefore, Emirates REIT decided to rescind the voluntary offer in June 2021. The aforesaid rescission of the voluntary offer, coupled with the severe impact the pandemic has had on the UAE commercial property markets over the past 2 years and further compounded by the continued long-lasting negative public perception of the now closed regulatory investigations of the REIT Manager by the DFSA, may negatively impact the ability to obtain refinancing for the USD 400 million Trust Certificates due in December 2022 issued by Emirates REIT Sukuk Limited. The REIT Manager is assessing refinancing options with various counter-parties and financiers.

SHAREHOLDING

The maximum limit of 49% of non-GCC ownership is monitored by both Nasdaq Dubai and Equitativa. As at December 31, 2021, the non-GCC shareholding was 24.17% 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%
Dubai Properties Group LLC	9.9%
Premier Point Trading LLC DMCC	5.0%

RELATED PARTIES

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 Disclosure as defined under IFRS. Please refer to the Oversight Report for details relating to the Related Parties Disclosure as defined under the DFSA Rules.

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.

VALUATIONS

Each property comprised in the portfolio was subject to four quarterly valuations in 2021 which were independently conducted either by Cushman & Wakefield International Limited or CBRE (DIFC) Limited, depending on the property.

2021 EVENTS

Covid-19

The Novel Coronavirus (Covid-19) pandemic, which prompted the Dubai's three-week lock-down in March 2020, has heavily impacted Emirates REIT's operations and financial position, with effects lasting throughout 2021. The retail segment of the portfolio has been particularly impacted, with the restaurants and cafes being the most affected, and still not able to work at full capacity by the end of FY 2021.

As at the time of publication of this Annual Report, the world is still recovering from the effects of the COVID-19 pandemic and its variants. We remain hopeful that, owing to the pace of COVID-19 vaccination in Dubai, the UAE and globally, as well as the increasing acceptance of a gradual transition towards endemic living, the commercial real estate and financial markets will continue their sustained economic recovery.

Investments Portfolio

In June 2021, the REIT sold a half of a floor in Index Tower, DIFC, for a total of AED 40 million. The sale, at a value of AED 36,059 per sqm, represents an excess of c. AED 18 million compared to the latest valuation of the disposed space.

For further details on our portfolio, including this sale, please refer to the portfolio section.

Reduction of Management Fee

Even though the comprehensive review of the strategic options of the REIT led by Houlihan Lokey in 2020 and early 2021 concluded that the REIT was well managed and the management fees were in line with peers, the REIT Manager, cognisant of the pandemic induced negative impacts on the income generated by the REIT and on the valuations of the portfolio volunteered to reduce its management fee by 20% for the last three quarters of FY 2021.

Rating

In May 2021, following the REIT's proposed Consent Solicitation's process, Fitch Ratings downgraded the senior unsecured Sukuk trust certificates to 'C' from "BB-" and Emirates REIT's Long-Term Issuer Default Rating (IDR) to 'C' from "B+".

Regulatory Investigations

In July 2020, the DFSA notified the REIT Manager that there was an investigation underway.
On December 8, 2021, the REIT Manager agreed not to further challenge any of the DFSA reporting breaches findings and reached a settlement with the DFSA to bring the investigative actions to a close.

The DFSA did not allege any financial impropriety on the part of the REIT Manager or its employees, nor that any of actions of the REIT Manager had any impact on Emirates REIT's audited financial statements.

Further, the DFSA investigations did not find that the REIT Manager's fund valuation practices had breached any DFSA administered laws and arrangements.

As part of the settlement, the REIT Manager agreed to a USD 210,000 fine and to enter into an Enforceable Undertaking (the "EU") to further enhance the systems and controls surrounding the valuation process.

For further information, please refer to our website.

Jebel Ali School Receivables and Dispute

In June 2021, Emirates REIT and Jebel Ali School entered into a memorandum of understanding with a view to resolve the long-standing dispute between the parties regarding the non-payment of rent by the school. As the first step in this process, Jebel Ali School paid Emirates REIT AED 20 million towards its outstanding rent.

In September 2021, in the dispute between Emirates REIT and Jebel Ali School, the DIFC-LCIA has awarded in favour of the REIT for the entire outstanding rent including costs.

Since then however, Jebel Ali School has failed to honour the terms of the award or to make any additional rental payments.

Emirates REIT has engaged in discussions with the Jebel Ali School's Board of Governors in relation to the receivables to find a permanent solution for the payment of the outstanding and future rent.
The REIT is also pursuing discussions with a renowned school operator in relation to the possible sale of the school.

Results and Dividends

The results for the FY 2021 are stated in the Consolidated Statement of Comprehensive Income.

In 2021, the Shareholders approved a total dividend of USD 0.0016 per share relating to the FY 2020. Such dividend was distributed by way of an allotment of newly issued ordinary shares which were admitted to trading on Nasdaq Dubai on June 30, 2021.

Interim Dividend

The Shareholders authorised the REIT Manager to arrange the payment of interim dividends of the REIT to its Shareholders, without returning to the Shareholders for specific approval, should the REIT Manager decide that it was in the best interest of the Shareholders, subject to the REIT having sufficient retained earnings to pay its debts as they become due immediately after the dividend is paid.

Auditors

The appointment of Deloitte & Touche (ME) as Auditors to the REIT was extended until the closing of the 2022 AGM.

Appointment of Deputy CEO

In November 2021, Mr. Thierry Leleu joined Equitativa as a Deputy CEO and was appointed as CEO on 27 April 2022. For further details on Mr. Thierry Leleu, please refer to our website.

2022 Annual General Meeting

The 2022 AGM is planned before the end of June 2022 and shall be called with not less than 21 days' notice. The resolutions proposed for approval will be set out in the Notice of Meeting, together with relevant supporting documents and explanatory notes.

POST PERIOD EVENTS

School in DIP

In March 2022, Emirates REIT signed a lease with Durham School for its school property in Dubai Investment Park subject to regulatory and standard property conditions precedent. With the signing of this lease, and a number of other commercial leases signed in 1Q 2022, the occupancy of Emirates REIT's portfolio has increased by 7.6 p.p. to 80.6%, further underlining the REIT's financial recovery and improving outlook. For further details, please refer to the Portfolio section.

New Oversight and Investment Board Members

In April 2022, Emirates REIT announced the appointment of Mr. Simon Townsend to the REIT's Oversight Board in accordance with the EU, and of Dr. Faisal Alayyan to the REIT's Investment Board to fill the casual vacancy from 2021 AGM.

The Shareholders are encouraged to access Emirates REIT's corporate website at www.reit.ae for the latest updates. Queries can be submitted via the investor relations email address, ir@equitativa.com.

CORPORATE GOVERNANCE

The REIT's and REIT Manager's corporate governance framework includes the following committees and boards:

MANAGEMENT BOARD

The Management Board of the REIT Manager is responsible for guiding the REIT in its day to day operations and expanding and optimizing 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 consents to all acquisitions and disposals. Mr. David Savy and Mr. Abdulla Al Hashemi were re-appointed for another year at the 2021 AGM.

Due to other commitments, Mr Mohamed Sharaf has resigned from the Investment Board effective as of June 22, 2021.

As at December 31, 2021, the Investment Board's members were Mr. David Savy and Mr. Abdulla Al Hashemi, with one casual vacancy remaining.

POST PERIOD EVENT

In April 2022, the casual vacancy was filled by Dr. Faisal Alayyan. For further details on Dr. Faisal Alayyan, please refer to our website.

OVERSIGHT BOARD

The Oversight Board is responsible for reviewing and advising the Management Board on Equitativa's internal systems and controls, fund properties' safe keeping, risk management, valuation disclosure processes and compliance with the Laws, Rules and Constituent documents of the REIT.

As at December 31, 2021, the Oversight Board was comprised of Mr. Suresh Kumar, Mr. Mustafa Al Hashimi and Mr. Abdulla Al Ashram.

POST PERIOD EVENT

In April 2022, Mr. Simon Townsend has joined the REIT's Oversight Board as its fourth member. For further details on Mr. Simon Townsend, please refer to our website.

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 December 31, 2021, the Advisory Board was comprised of Mr. Khalid Al Malik, Mr. Michael Wunderbaldinger and Mr. Kunal Bansal.

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.

As at December 31, 2021, the Shari'a Supervisory Board was comprised of Dr. Mohamed Abdul Hakim Zoeir, Mr. Mian Muhammad Nazir and Mr. Fazal Rahim Abdul Rahim.

INVESTMENT BOARD REPORT

INVESTMENT BOARD

The Investment Board is responsible for the review of proposed investment opportunities presented by the REIT Manager, and reporting to the REIT Manager as to whether or not it objects to any proposed transaction. No investment shall be made by the REIT without the Investment Board confirming that it does not object. The members of the Investment Board do not involve themselves in the day to day management of the REIT.

INVESTMENT BOARD APPOINTMENTS

In accordance with applicable DFSA regulations, the REIT Manager is required to call a meeting of the Shareholders of the REIT to vote on the election of at least three experts, proposed by the REIT Manager, who are independent of the REIT Manager, to sit on an Investment Board of the REIT.

In 2021, due to the resignation of Mr. Mohamed Sharaf from the Investment Board of the REIT effective as at June 22, 2021, a casual vacancy was created on the Investment Board.

The 2021 AGM was duly convened and held on June 24, 2021 at 2 pm during which the proposed Ordinary Resolution to re-appoint Mr. Abdulla Al Hashemi and Captain David Savy to the Investment Board, until the conclusion of the next AGM, was passed.

In accordance the REIT's Constituent Documents, in April 2022, the REIT Manager appointed Dr. Faisal Alayyan to the REIT's Investment Board to fill the casual vacancy from 2021 AGM until the next general meeting of the Shareholders.

INVESTMENT ACTIVITIES

During FY 2021, the Investment Board reviewed and approved the divestment of half of the shell and core office floor in Index Tower located in the DIFC at USD 9,818 per sqm. for a total of USD 10.8 million, which resulted in a net gain of USD 6.5m compared to the latest valuation of the disposed space.

There were no investment opportunities which the Investment Board was required to consider during FY 2021.

MISCELLANEOUS

There were no material issues raised by the Investment Board during FY 2021.

OVERSIGHT BOARD REPORT

The Oversight Board is responsible for reviewing and advising the Management Board on the REIT Manager's internal systems and controls, valuation and disclosure processes, fund properties safe-keeping, risk management and compliance with applicable laws, regulations and constituent documents of the REIT.

FINANCIAL ACTIVITIES

The Oversight Board reviewed the key financial information published during FY 2021, including the half-year financial statements, the quarterly fact sheets and the FY 2021 Annual Financial Statements.

The Oversight Board considered that the FY 2021 Annual Financial Statements were fair, balanced and understandable and that they provided the necessary information for Shareholders to assess the REIT's performance, business model, and strategy.

The Oversight Board considered the appropriateness of the activities of the REIT. The significant areas considered are set out below:

Type of Investment

The REIT currently owns investments that are consistent with its constituent documents and license. The REIT stayed compliant with its maximum limit of 40% of cash, government or public securities throughout the year and, as at December 31, 2021, the REIT does not own any government or public securities.

Valuation of Investment Properties

Throughout FY 2021, the valuations of each investment property have been determined on a quarterly basis by the independent external valuers, CBRE or Cushman & Wakefield, depending on the investment property. Such valuations are one of the critical components of both the half-year financial statements and the FY 2021 Annual Financial Statements.

The Oversight Board has full access to the aforesaid valuations and has notably reviewed the December 31, 2021 valuations while assessing the financial statements The Oversight Board is satisfied that the valuations of the REIT's properties were conducted in accordance with applicable rules.

DFSA Investigations

December 2021 saw the closure of the long ongoing DFSA investigations, with the REIT Manager agreeing to a settlement with the DFSA (the "Settlement"). The Oversight Board noted that the DFSA did not find that Equitativa's fund valuation practices had breached any DFSA administered laws and arrangements.

As part of the Settlement, the REIT Manager agreed pursuant to an enforceable undertaking (the "Enforceable Undertaking") to implement certain measures to further enhance the valuations processes. These measures included the appointment of a new member to the Oversight Board, one with valuation expertise, and an external review of the valuations conducted in 2022 by a third party valuation expert (the "Valuation Expert").

Furthermore, the Oversight Board has accepted a written mandate to continue to assess the adequacy and operations of the REIT Manager's systems and controls, whilst also reviewing the reports by the Valuation Expert, and have agreed to report any findings to the REIT Manager and the DFSA.

Post Period Events

In 2022, Chestertons International Real Estate Valuation Services LLC, including the Terms and Conditions of their appointment were approved by the DFSA as the Valuation Expert to review Emirates REIT's independent external valuers' reports and compliance with the terms of the Enforceable Undertaking. Further, the DFSA approved the appointment of Mr. Simon Townsend in compliance with terms of the Enforceable Undertaking, as a suitability qualified person with valuation expertise as a member of the Oversight Board.

Borrowing

In accordance with DFSA Collective Investment Rule ("CIR") 13.4.5 the, REIT is required to limit its borrowings to a maximum of 65% of its total Gross Asset Value ("GAV"). As at December 31, 2021, the GAV of the REIT was c. USD 853.83 million (c. AED 3.14 billion). The Oversight Board noted that the REIT's total outstanding borrowings amounted to USD 480.82 million (AED 1.77 billion), representing 56.3% of the REIT's GAV, down from 61.7% as at 31 December 2020, well within the REIT's regulatory borrowing limit.

Net Asset Value

The Net Asset Value ("NAV") is calculated by an independent external administrator and in 2021 was published quarterly through the REIT's regulatory announcement service. The Oversight Board considered and was satisfied with the process of calculation and publication of the NAV.

RISK REVIEW PROCESS

The Oversight Board regularly discussed and advised the REIT Manager on the principal risks for the REIT, and discussed the mitigation procedures when and where necessary. The Oversight Board further reviewed the internal controls framework of the REIT Manager and was satisfied that it met the essential requirements and had adequate systems and controls in place.

DIVIDENDS

During FY 2021, the REIT issued a final dividend payment relating to the FY 2020 of USD 0.0016 per ordinary share, totaling an aggregate amount of USD 486,343. Said final dividend was entirely satisfied by way of an allotment and distribution of newly issued ordinary shares of the REIT.
The Oversight Board considered the dividend distributions and was satisfied that they were in accordance with applicable laws, regulations and the constituent documents of the REIT.

RELATED PARTY TRANSACTIONS

It should be noted that Related Parties are defined differently under DFSA rules and regulations and under IFRS. To review the Related Parties Disclosure, as defined under IFRS, please refer to our FY 2012 Annual Financial Statements.

The Board monitored all Related Party Transactions as per DFSA CIR 8.3.2. All Related Party Transactions were based on existing approved contracts/lease agreements. The total value of all of the Related Party Transactions for FY 2021 was USD 27,640,359.

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
Dubai Islamic Bank	Existing Islamic Financing Repayment, Service Charge Income, Bank Charges, Swap Costs
Dar Al Shari'a Consultancy	Professional Fees
Oversight Board	Professional Fees
Tecom	Property Management Fees

MISCELLANEOUS

During FY 2021, there was no sale or cancellation of REIT shares and the REIT Manager did not initiate any share buy-back scheme.

The Oversight Board monitored the systems and controls surrounding the safe custody of the REIT's real property and was satisfied that they were in accordance with the DFSA requirements.

The Oversight Board was satisfied that the REIT Manager complies with the terms and conditions of the REIT's license and constituent documents.

SHARIA COMPLIANCE CERTIFICATE

Issued by the Sharia Supervisory Board of Emirates REIT (CEIC) PLC (The "REIT")

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.

SHARIA 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 eleven 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 July 2021 and ending on 31 December 2021 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 Sharia 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 Fatawas, resolutions and guidelines issued by us.

PRONOUNCEMENT BY SHARIA SUPERVISORY BOARD OF THE REIT

We, the Sharia 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 July 2021 and ending on 31 December 2021 (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 tenants of the properties currently owned by the REIT are in line with the principles of Sharia.

e) All of the Company's financing is in accordance with the principles of Sharia.

f) All contracts, including leases are in accordance with the principles of Sharia.

g) 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.

MARKET PRICE & DIVIDEND SUMMARY

MARKET PRICE PERFORMANCE

	HIGHEST	LOWEST	AS AT 31 DECEMBER
2021	USD 0.29	USD 0.13	USD 0.28
2020	USD 0.57	USD 0.11	USD 0.18
2019	USD 0.94	USD 0.56	USD 0.57
2018	USD 1.07	USD 0.91	USD 0.93
2017	USD 1.19	USD 0.94	USD 1.05
2016	USD 1.26	USD 1.09	USD 1.15
2015	USD 1.30	USD 1.09	USD 1.26

NET ASSET VALUE

	2021	2020	2019
Total NAV	USD 289.8m	USD 225.5m	USD 470.0m
NAV per share	USD 0.95	USD 0.74	USD 1.57

DIVIDEND DISTRIBUTION

2020	PER UNIT	DATE	TOTAL DISTRIBUTED
Final	0. 0016	30.06.2021	USD 486,343
TOTAL	**0. 0016**		**USD 486,343**

2019	PER UNIT	DATE	TOTAL DISTRIBUTED
Final	0.0145	29.06.2020	USD 4,344,509
TOTAL	**0.0145**		**USD 4,344,509**

2018	PER UNIT	DATE	TOTAL DISTRIBUTED
Final	USD 0.04	30.06.2019	USD 11,984,821
Interim	USD 0.04	31.01.2019	USD 11,984,821
TOTAL	**USD 0.08**		**USD 23,969,642**

2017	PER UNIT	DATE	TOTAL DISTRIBUTED
Final	USD 0.04	30.06.2018	USD 11,984,821
Interim	USD 0.04	31.01.2018	USD 11,984,821
TOTAL	**USD 0.08**		**USD 23,969,642**

2016	PER UNIT	DATE	TOTAL DISTRIBUTED
Final	USD 0.04	30.06.2017	USD 11,984,821
Interim	USD 0.04	31.01.2017	USD 11,984,821
TOTAL	**USD 0.08**		**USD 23,969,642**

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES REIT (CEIC) PLC

Report on the audit of the consolidated financial statements

OPINION

We have audited the consolidated financial statements of Emirates REIT (CEIC) PLC (the "REIT") and its subsidiaries (together, the "Group") which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1(d) in the consolidated financial statements, which indicates that the Group's current liabilities exceed its current assets by USD 415.1 million as at December 31, 2021. As stated in Note 2.1(d), this condition, along with other matters as set forth in Note 2.1(d), indicate that a material uncertainty exists that may cast significant doubt on the Group ability to continue as a going concern. Our opinion is not modified in respect of this matter

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF INVESTMENT PROPERTIES

The aggregated value of the Group's investment properties was USD 737 million as of December 31, 2021 (86% of total assets) and the unrealised fair value gain recorded in the consolidated statement of comprehensive income amounted to USD 45 million. The Group measures these properties at their fair value and its measurement is inherently subjective due to the individual nature and location of each property which considerably influences the expected rental income or sales price.

The determination of fair value of these properties is based on external valuations conducted by independent certified property valuers using relevant market information generated from transactions of comparable properties and discounted cash flows. A high degree of judgement may be required from these certified valuers when observable information is not available or when significant adjustments are made to the observable market information.

In addition, the COVID-19 pandemic has created lower investor confidence, resulting in market activity being impacted negatively in many sectors. This lack of market activity is creating a dearth of comparable transactions that valuers would normally benchmark to, creating a higher estimation uncertainty in the valuation of real estate market.

The valuation of those properties is considered as a key audit matter because of the complexities inherent in the determination of fair values, including the use of estimates and the significant impact any changes thereon or error in their computation could have on the Group's consolidated financial statements.

Refer to note 2 for summary of significant accounting policies as well as note 5 investment properties in the consolidated financial statements.

The determined fair value of each investment property is most sensitive to its equivalent yield, estimated rental value and stabilised occupancy rates. The underlying assumptions used to determine the fair value of investment properties and sensitivity analysis are further explained in Note 4

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

We performed the following procedures on the measurement of investment properties, which included, but was not limited to, the following:

- Evaluated the design and implementation of relevant controls over the measurement of those properties;
- Assessed the competence, capabilities and objectivity of the third-party valuers for the valuation of the properties engaged by the Group and evaluated their scope of work;
- Obtained and read the valuation reports covering all properties;
- We have engaged our internal real estate valuation specialists in assessing key assumptions that are not readily comparable with published benchmarks and their relevance and reasonableness; and confirmed that the valuation approach was in accordance with standards of the Royal Institute of Chartered Surveyors ("RICS");
- We held a meeting with the independent valuers to understand the valuation process adopted and to identify and challenge the critical judgment areas in the valuation model, including the changes made to the key assumptions arising from the impact of the COVID-19 pandemic.
- When assumptions were outside an expected range or otherwise appeared unusual, we undertook further investigations and, when necessary, held further discussions with the valuers and obtained evidence to support explanations received;
- Tested the data underpinning the valuation and provided to the valuers by the Group on a sample basis;
- Agreed the total of the valuation in the valuers report to the amount presented in the consolidated financial statements;
- Verified the arithmetic accuracy of the determination of the net fair value gain; and
- Assessed the disclosures made in the consolidated financial statements against the requirements of IFRS.

OTHER INFORMATION

The REIT Manager is responsible for the other information. The other information comprises the REIT Manager's Report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE REIT MANAGER AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The REIT Manager is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the DFSA, and for such internal control as REIT Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the REIT Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager.

- Conclude on the appropriateness of the REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the applicable provisions of the DFSA Rulebook, we report that:

- the consolidated financial statements of the Group have been prepared in accordance and comply, in all material respects, with the applicable provisions of the DFSA and the Articles of Association of the REIT;

- the Group has maintained proper books of account and the consolidated financial statements are in agreement therewith;

- we have obtained all the information and explanations which we considered necessary for the purposes of our audit; and

- the financial information included in the report of the REIT Manager is consistent with the Group's books of account;

DELOITTE & TOUCHE (M.E.)
Dubai, United Arab Emirates

Yahia Shatila
April 26, 2022
Dubai
United Arab Emirates

EMIRATES REIT (CEIC) PLC CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

These consolidated financial statements were approved by the Board of Directors of Equitativa (Dubai) Limited as the sole director of the REIT on April 26, 2022 and signed on its behalf by:

Sylvain Vieujot
Executive Deputy Chairman

Sheikh Muhammed Moeen
Director Finance

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		NOTE	AS AT 31 DECEMBER 2021 USD'000	AS AT 31 DECEMBER 2020 USD'000
ASSETS	**NON CURRENT ASSETS**			
	Investment property	5	737,132	690,342
	Right-of-use assets	5	49,837	51,547
	Trade and other receivables	6	33,238	32,027
			820,207	**773,916**
	CURRENT ASSETS			
	Trade and other receivables	6	22,641	15,737
	Cash and cash equivalents	7	10,986	13,732
			33,627	29,469
	TOTAL ASSETS		**853,834**	**803,385**
EQUITY	Share capital	8	304,452	303,966
	Share premium	8	59,393	59,393
	Cash flow hedging reserve		(813)	(2,027)
	Accumulated losses		(73,245)	(135,868)
	TOTAL EQUITY		**289,787**	**225,464**
LIABILITIES	**NON-CURRENT LIABILITIES**			
	Sukuk financing instrument	9	—	398,871
	Islamic financing	10	63,278	79,533
	Lease liability	11	51,209	52,147
	Derivative financial instruments	12	813	2,027
			115,300	**532,578**
	CURRENT LIABILITIES			
	Sukuk financing instrument	9	399,451	—
	Islamic financing	10	18,090	17,195
	Lease liability	11	3,015	3,464
	Trade and other payables	13	28,191	24,684
			448,747	45,343
	TOTAL LIABILITIES		**564,047**	**577,921**
	TOTAL EQUITY AND LIABILITIES		**853,834**	**803,385**
	Net asset value (USD)		289,787,000	225,464,000
	Number of shares		304,451,393	303,965,050
	Net asset value USD per share		0.95	0.74

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	AS AT 31 DECEMBER 2021 USD'000	AS AT 31 DECEMBER 2020 USD'000
INCOME			
Rental income		54,861	58,192
Service fee income		6,880	7,320
Gain on disposal of investment property	5	6,500	—
Other property income		351	522
		68,592	66,034
Property operating expenses		(12,563)	(14,024)
NET PROPERTY INCOME		**56,029**	**52,010**
EXPENSES			
Management and performance fee	16	(10,832)	(14,097)
Board fees		(338)	(312)
Reversal of allowance/(allowance) for expected credit loss	6	5,231	(6,831)
Other expenses		(3,471)	(1,512)
OPERATING PROFIT		**46,619**	**29,258**
FINANCE INCOME/(COSTS)			
Finance costs	17	(28,261)	(29,160)
Finance income	17	23	394
NET FINANCE COSTS		**(28,238)**	**(28,766)**
Profit before fair valuation of investment properties		18,381	492
Net unrealised gain/(loss) on revaluation of investment properties	5	44,728	(243,404)
PROFIT/(LOSS) FOR THE YEAR		**63,109**	**(242,912)**
Fair value adjustments on cash flow hedges	12	1,214	(1,334)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		**64,323**	**(244,246)**
EARNINGS PER SHARE			
Basic and diluted gain/(loss) per share (USD)	18	0.207	(0.802)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	NOTE	SHARE CAPITAL USD'000	SHARE PREMIUM USD'000	CASH FLOW HEDGING RESERVE USD'000	RETAINED EARNINGS USD'000	TOTAL USD'000
BALANCE AT 1 JANUARY 2020		299,621	59,393	(693)	111,389	469,710
COMPREHENSIVE						
Loss for the year		—	—	(1,334)	(242,912)	(244,246)
TRANSACTIONS WITH SHAREHOLDERS						
Stock dividends	15	4,345	—	—	(4,345)	—
BALANCE AT 31 DECEMBER 2020		**303,966**	**59,393**	**(2,027)**	**(135,868)**	**225,464**
BALANCE AT 1 JANUARY 2021		303,966	59,393	(2,027)	(135,868)	225,464
COMPREHENSIVE						
Profit for the year		—	—	1,214	63,109	64,323
TRANSACTIONS WITH SHAREHOLDERS						
Stock dividends	15	486	—	—	(486)	—
BALANCE AT 31 DECEMBER 2021		**304,452**	**59,393**	**(813)**	**(73,245)**	**289,787**

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	AS AT 31 DECEMBER 2021 USD'000	AS AT 31 DECEMBER 2020 USD'000
OPERATING ACTIVITIES			
Profit/(loss) for the period		63,109	(242,912)
ADJUSTMENTS FOR:			
Net unrealised (gain)/loss on revaluation of investment property	5	(44,728)	243,404
Gain on disposal of investment property	5	(6,500)	—
Finance costs	17	28,261	29,160
Finance income	17	(23)	(394)
(Reversal of allowance) / allowance for expected credit loss	6	(5,231)	6,831
OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		**34,888**	**36,089**
CHANGES IN WORKING CAPITAL			
Increase in trade and other receivables		(2,884)	(16,926)
Increase/(decrease) in trade and other payables		3,506	(1,791)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**35,510**	**17,372**
INVESTING ACTIVITIES			
Sale proceeds of investment property - net		10,721	—
Additions to investment property	5	(4,572)	(12,588)
Finance income received		23	394
NET CASH USED IN INVESTING ACTIVITIES		**6,172**	**(12,194)**
FINANCING ACTIVITIES			
Repayments of Islamic financing	10	(15,545)	(12,548)
Payment of lease liabilities	11	(4,132)	(1,670)
Finance costs paid		(24,751)	(25,660)
NET CASH USED IN FINANCING ACTIVITIES		**(44,428)**	**(39,878)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,746)	(34,700)
Cash and cash equivalents at the beginning of the year		13,732	48,432
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	**10,986**	**13,732**

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 Limited, a structured entity (the "SE"), is an exempted company with limited liability incorporated on October 23, 2017 under the laws of the Cayman Islands with registered number 328401 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 250 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 21, 2017 (the Share Declaration of Trust).

The consolidated financial information for the year ended December 31, 2021 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 consolidated financial information has been approved by the REIT Manager as the sole director of the REIT on April 26, 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(A) STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by IFRS Interpretations Committee (IFR IC), Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board and in accordance with the applicable regulatory requirements of the DFSA.

(B) CONSOLIDATED STATEMENT OF INCOME AND CONSOLIDATED CASH FLOW STATEMENT

The Group has elected to present a single consolidated statement of comprehensive income and presents its expenses by nature.

The Group reports cash flows from operating activities using the indirect method. Finance income received is presented within investing cash flows; finance expense paid is presented within financing cash flows. Finance cost on lease liability is presented as financing activities. The acquisition of investment property is disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

(C) PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the REIT Manager to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions change. The REIT Manager believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(D) GOING CONCERN

As at December 31, 2021, the Group has accumulated losses of USD 73.2 million, a 46% reduction compared to the accumulated losses as at December 31, 2020 which then totalled USD 135.9 million. However, due to scheduled maturity of the Sukuk in December 2022, the USD 400 million liability has been classified as current and consequently, as at December 31, 2021, the current liabilities of the Group exceed the current assets by USD 415.1 million compared to USD 15.9 million as at December 31, 2020. This excess current liability creates a material uncertainty that may cast a doubt as to the Group's ability to continue as a going concern.

The REIT Manager is working on a refinancing plan as per which multiple options that are available to the REIT are presently under consideration and evaluation with various counter parties prior to the scheduled maturity of the unsecured debt falling due on December 12, 2022. Given that the remaining duration of maturity of this Sukuk, the stage of discussions with various counter parties and the overall positive improvement in the real estate business outlook in Dubai, the REIT Manager believes that the REIT has the ability to execute the best available refinancing plan which is in the best interest of REIT's stakeholders.

The Group has prepared a cash flow projection for the next 12 months from the reporting date which shows that the Group will be able to successfully meet its liabilities as they fall due towards the end of the year 2022. The cash flow projection includes a significant assumption that the Group will be successful in its negotiations regarding the Debt Structuring Plan mentioned above. The management believes that the amount of cash available would be sufficient to cover the liabilities.

2.1.1 Changes in accounting policies and disclosures

(A) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE GROUP

There are no standards, interpretations or amendments to existing standards that are effective for the financial year beginning on January 1, 2021 that would be expected to have a material impact on the REIT.

- Financing Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates.

- Amendments to IFRS 4 Insurance Contracts — deferral of IFRS 9 - The amendment extends the temporary exemption from applying IFRS 9 until annual periods beginning before January 1, 2023. This amendment maintains the alignment of the effective dates of IFRS 9 and IFRS 17.

- Amendments to IFRS 16 Leases – Covid–19 Related Rent Concessions beyond June 30, 2021, The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

(B) NEW AND AMENDED STANDARDS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING JANUARY 1, 2021 AND NOT EARLY ADOPTED:

The following amended standards and interpretations are not expected to have a significant impact on the Company's consolidated financial statements.

- Amendments to IFRS 3 Reference to the Conceptual Framework (effective for annual periods beginning on or after January 1, 2022).
- Annual improvements to IFRS Standards 2018-2020 (effective for annual periods beginning on or after January 1, 2022).
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after January 1, 2023).
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after January 1, 2023).
- Amendments to IAS 8 Definition of Accounting Estimates (effective for annual periods beginning on or after January 1, 2023).
- Amendments to IAS 16 - property, Plant and Equipment -Proceeds before Intended Use (effective from January 1, 2022, early application is permitted).
- Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract (effective from January 1, 2022. Early application is permitted).

Annual Improvements to IFRS Standards 2018—2020.

- IFRS 1 First-time Adoption of International Financial Reporting Standards: The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent to account for cumulative translation differences. (effective from January 1, 2022. Early application is permitted).
- IFRS 9 Financial Instruments: The amendment clarifies which fees an entity includes in applying the '10 per cent' test to assess whether to derecognise a financial liability (effective from January 1, 2022. Early application is permitted)
- IFRS 16 Leases: The amendment removes the illustration of the reimbursement of leasehold improvements (effective from January 1, 2022. Early application is permitted).
- Amendments to IFRS 4 Insurance Contracts Extension of the Temporary Exemption from Applying IFRS 9 (effective from January 1, 2023. Early application is permitted).
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture (Effective date deferred indefinitely. Adoption is still permitted).

2.2 Basis for consolidation

(A) SUBSIDIARIES

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(B) TRANSACTIONS ELIMINATED ON CONSOLIDATION

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(C) CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3 Segment reporting

For management reporting purposes, the Group is organised into one operating segment.

2.4 Foreign currency translation

(A) FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Group is UAE Dirhams ("AED"). The presentation currency of the consolidated financial statements of the Group is United States Dollars ("USD") translated at a rate of AED 3.673 to USD 1 (2020: 3.673). The translation rate has remained constant throughout the current year.

(B) TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised within profit and loss in the consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item.

2.5 Leases

The REIT's leasing activities as a lessee and how these are accounted for:

The REIT assesses whether contract is or contains a lease, at inception of the contract. The REIT recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the REIT recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the REIT uses its incremental Islamic financing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect profit on the lease liability (using the effective profit method) and by reducing the carrying amount to reflect the lease payments made.

The REIT re-measure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating profit rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the REIT incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

After initial recognition, the REIT applies fair value model to right-of-use assets that meet the definition of investment property. For assets that meet the definition of property, plant and equipment, right-of-use asset is carried at cost net of depreciation and impairment and is amortised over the term of the lease. Right of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the REIT expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

At the commencement date, the REIT recognises a right-of-use asset and a corresponding lease liability under the lease contract with respect to all leases arrangements in which it is the lessor, except for leases (defined as leased with a lease term of 12 months or less) and leases of low values. For these leases, the REIT recognise the lease payments as an operating expense on a straight line basis over the terms of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The REIT's leasing activities as a lessor and how these are accounted for:

Leases for which the REIT is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.6 Investment Property

Property that is held for long-term rental yields or for capital appreciation, or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Investment property under construction or re-development is measured at fair value if the fair value is considered to be reliably determinable. Investment property under construction or re-development for which the fair value cannot be determined reliably, but for which the REIT Manager expects that the fair value of the property will be reliably determinable when construction is completed, is measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.
Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as discounted cash flow projections. Valuations are performed by independent professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

Gains or losses arising from changes in the fair values of investment property are included in profit or loss from the consolidated statement of comprehensive income in the period in which they arise.

In order to evaluate whether the fair value of an investment property under construction or re-development can be determined reliably, the REIT Manager considers the following factors, among others:

- The provisions of the construction contract;
- The stage of completion;
- Whether the project/property is standard (typical for the market) or non-standard;
- The level of reliability of cash inflows after completion;
- The development risk specific to the property
- Past experience with similar constructions; and
- Status of construction permits.

The fair value of investment property reflects, among other things, income from similar assets at their current highest and best use and assumptions about income from future operations in the light of current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised within profit and loss in the consolidated statement of comprehensive income in the period of derecognition.

2.7 Financial assets

(i) CLASSIFICATION

The Group classifies its financial assets as at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows except for financial assets which are considered as equity instrument.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at Fair Value through Profit or Loss ("FVPL"). Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to the REIT Manager, how risks are assessed and managed and how the REIT Manager is compensated.

Solely Payments of Principal and Profit ("SPPI"): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether financial instruments' cash flows represent SPPI.

In making this assessment, the Group considers whether contractual cash flows present a nature consistent with a basic lending arrangement, i.e., profit includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with basic lending arrangement.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

(ii) INITIAL RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial assets, including trade receivables, at its fair value plus, in the case of a financial asset not at Fair Value through Profit or Loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Immediately after initial recognition, an Expected Credit Loss (ECL) allowance is recognised for financial assets measured at amortised cost and at Fair Value through Other Comprehensive Income ("FVOCI"), which results in accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

b) In all other cases, the difference is deferred and the time of recognition of deferred day one profit or loss is determined individually. It is either amortised over life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(iii) SUBSEQUENT MEASUREMENT

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Profit income from these financial assets, if any, is included in finance income using the effective profit rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit income, if any and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Profit income, if any, from these financial assets is included in finance income using the effective profit rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss statement within other gains / (losses) in the year in which it arises. Profit income, if any, from these financial assets is included in the finance income.

(iv) IMPAIRMENT

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and is computed based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

As rent and service income receivables held by the Group have short credit period, i.e., tenor less than or equal to 12 months and does not comprise significant financing component, the Group applies simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised for receivables.

We understand that accrued income pertains to lease incentive assets and is therefore not subject to IFRS 9 for impairment.

For all other receivables, at the end of each year the Group applies a three stage impairment approach to measure the expected credit losses ("ECL") on all debt instruments carried at amortised cost.

The ECL three stage impairment is based on the change in the credit quality of financial assets since initial recognition. If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and an allowance for credit losses that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded. When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and an allowance for credit losses that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to Stage 1, i.e., recognition of 12-month expected credit losses. When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit- impaired and is migrated to Stage 3, and an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off. The profit income, if any, is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in Stage 3.

Significant increase in credit risk

In assessing whether the credit risk on its financial instrument has increased significantly since initial recognition, the Group compares the probability of a default occurring on the financial instrument as at the reporting date with the probability of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate.

Definition of Default

The definition of default used by the Group to measure ECLs and transfer financial instruments between stages is consistent with the definition of default used for internal credit risk management purposes. The Group considers a financial asset to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred or when contractual payments are 180 days past due.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, and all the efforts for collection of the receivables are exhausted. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of comprehensive income.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

ECLs for all financial instruments are recognised in other expenses in the statement of comprehensive income. In the case of debt instruments measured at amortised cost, they are presented net of the related allowance for expected credit loss on the statement of financial position.

(v) DERECOGNITION

Financial assets (or, where applicable a part of a financial asset) are derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement, and either:
- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass–through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.8 Financial Liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

At initial recognition, the Group measures a financial liability not classified as fair value through profit or loss, at its fair value minus transactions costs that are incremental and directly attributable to the acquisition or issue of the financial liability. Transactions costs of financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

The Group classifies all financial liabilities as subsequently measured at amortised cost, using effective profit rate method, except for those instruments which are carried at fair value through profit or loss.

The Group derecognises financial liabilities when the obligation is discharged, cancelled or expires. Any difference between carrying value of financial liability extinguished and the consideration paid is recognised in statement of profit or loss.

Offsetting Financial Instruments

Financial assets and liabilities were offset and the net amount reported in the consolidated statement of financial position when there was a legally enforceable right to offset the recognised amounts and there was an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial Assets Measured at Fair Value

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts, if any.

2.10 Rental and service income receivables

Rental and service income receivables are amounts due from customers arising from leases on investment property in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Rental and service income receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective profit rate method, less provision for impairment.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all rental and service income receivables. To measure the expected credit losses, rental and service income receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has established a provision matrix that is based on the Group's historical credit loss experience, which is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Rental and service income receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

2.11 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

2.12 Islamic financing

Islamic financing (corporate Ijarah) is a lease agreement whereby one party (as lessor) leases an asset to the other party (as lessee), after purchasing/acquiring the specified asset according to the other party's request and promise to lease against certain rental payments for specified lease term/periods. The duration of the lease, as well as the basis for rental payments, are set and agreed in advance.

After initial recognition, profit bearing Ijarah is subsequently measured at amortised cost using the effective profit rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective profit rate amortisation process. Ijarah rent expense is recognised on a time-proportion basis over the Ijarah term.

2.13 Sukuk financial instruments

Sukuk financing instruments comprise Shari'a compliant financial instruments representing debt under a hybrid Murabaha and Wakala structure which are initially measured at fair value net of transaction costs incurred. After initial recognition, Sukuk financial instruments are subsequently measured at cost.

Transaction costs include commissions paid to agents, advisers, brokers and levies by regulatory agencies and securities exchanges that are directly attributable to the issue of the Sukuk.

2.14 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts payables are recognised initially at fair value and subsequently measured at amortised cost using the effective profit rate method.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) arising from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

2.16 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The method of recognising resulting gains or losses depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the profit or loss.

The Group's policy is to document at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments are disclosed in Note 12. The full fair value of a derivative is classified as a non-current asset or liability when the remaining maturity of the derivative instrument is more than 12 months and as a current asset or liability when the remaining maturity of the derivative instrument is less than 12 months.

2.17 Revenue recognition

RENTAL INCOME

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term after the spreading of tenant incentives and fixed rental increases on such lease terms and is included in rental income in the consolidated statement of comprehensive income due to its operating nature.

The Group's main source of revenue is rental income earned from its investment properties, which is excluded from the scope of IFRS 15.

SERVICE FEE AND OTHER INCOME

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15.

Step 1 - Identify the contract(s) with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 – Identify the performance obligations in the contract

A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 – Determine the transaction price

Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 – Allocate the transaction price to the performance obligations in the contract

For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 – Recognise revenue when (or as) the entity satisfies a performance obligation

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance obligations completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance – unbilled receivables. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives right to a contract liability – advances from customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties.

Revenue is recognised in the consolidated statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if and when applicable, can be measured reliably.

Service fee income represents amounts receivable for property service charges that are payable by tenants to contribute towards the operation and maintenance expenses of the relevant property. Service fees are recognised over time upon satisfaction of the performance obligation.

2.18 Property expenses

Property expenses comprise all property related expenses which include third party property and facility management fees and utility expenses. Property expenses are recognised in profit and loss in the period in which they are incurred (on an accruals basis).

2.19 Management fee

Management fee represents the fee payable to the REIT Manager in relation to its management of the REIT. The management fee expense is recorded when it is due.

2.20 Performance fee

The REIT accrues for the amount of performance fee at the statement of financial position date calculated in accordance with the REIT Management Agreement.

2.21 Finance income and costs

Finance income comprises profit income on short term investments and other bank deposits. Profit income is recognised as it accrues in the consolidated statement of comprehensive income, using the effective profit rate method.

Finance costs are mainly profits payable on sukuk financing instruments issued and Islamic financing obtained from financial institutions at normal commercial rates and recognised as it accrues in the consolidated statement of comprehensive income in the period in which it is incurred.

General and specific Islamic financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Profit income earned on the temporary investment of specific Islamic financing pending their expenditure on qualifying assets is deducted from the Islamic financing costs eligible for capitalisation. All other Islamic financing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Earnings per share

The Group presents basic Earnings Per Share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the (loss) / profit attributable to the ordinary shareholders of the REIT by the weighted average numbers of ordinary shares outstanding during the period. Diluted EPS is calculated by adjusting the weighted average number of equity shares outstanding to assume conversion of all dilutive potential ordinary shares. The REIT does not have any dilutive potential ordinary shares.

2.23 Dividend distribution

Dividend distribution to the REIT's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the shareholders.

2.24 Earnings prohibited by Shari'a

The Group is committed to avoiding recognising any income generated from non-Islamic sources. Accordingly, any non-Islamic income will be credited to a charity fund where the Group uses these funds for social welfare activities. To date, no non-Islamic income has been generated.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's principal financial liabilities comprise of sukuk financing instruments, Islamic financing facilities and trade payables. The main purpose of these financial instruments is to fund the purchase of investment property and to finance the Group's operations. The Group has various financial assets such as trade receivables and bank balances and cash, which arise directly from its operations.

The main risks arising from the Group's financial instruments are profit rate risk, foreign currency risk, credit risk, and liquidity risk. The REIT Manager reviews and agrees policies for managing each of these risks which are summarised below:

(A) PROFIT RATE RISK

The Group's exposure to the risk of changes in market profit rates relates primarily to the REIT's Islamic financing facilities with floating rates. The REIT manages its cash flow profit rate risk by using profit rate swaps (Note 12).

As at December 31, 2021, if the profit rate on Ijarah facilities had been 1% higher/lower, with all other variables held constant, profit for the year would have been USD 932 thousand (2020: USD 954 thousand) lower/higher, mainly as a result of higher/lower finance expense.

The impact of 1% upward/downward profit rate movement on the Profit Rate Swaps ("PRS"), with all other variables held constant would result in increasing/decreasing the cash flow hedging reserve by USD 320 thousand (2020: USD 385 thousand) with corresponding impact on decreasing or increasing the derivative liability on the statement of financial position by similar amount.

As at December 31, 2021, the Group had sukuk financing instruments (Note 9). The fair value of the sukuk financial instrument is not materially different to their carrying amount, since the profit payable on the sukuk financing instrument is close to current market rates.

(B) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. As the Group's exposure to foreign currency risk is primarily limited to the United States Dollar and the UAE Dirham, which is pegged to the USD, the Group is not considered to be exposed to any significant currency risk.

(C) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk arises from bank balances and trade and other receivables.

The credit risk faced by the Group is the risk of a financial loss if (i) tenants fail to make rental payments or meet other obligations under their leases or (ii) a counter party to a financial instrument or other financial arrangement fails to meet its obligations under that instrument or arrangement.

Following financial assets of the Group are subject to expected credit loss model as they are classified as amortised cost:

- Cash and cash equivalents
- Trade receivables and other receivables

Cash and cash equivalents are current and saving account balances which are receivable on demand and the REIT Manager is able to withdraw the deposit as and when required. Based on the ECL assessment, the amount after assessment is approximately equal to the carrying value.

Trade Receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue over historical period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at December 31, 2021 and 2020 was determined as follows for trade receivables:

	2021 GROSS	2021 IMPAIRMENT (ECL)	2020 GROSS	2020 IMPAIRMENT (ECL)
	USD'000	USD'000	USD'000	USD'000
Less than 6 months	3,197	(3)	14,980	(2)
Between 6 months to 1 year	6,827	(82)	1,806	(77)
Between 1 to 2 years	9,246	(85)	2,264	(87)
Between 2 to 3 years	1,434	(38)	2,396	(109)
More than 3 years	3,063	(44)	1,519	(234)
ECL general provision	**23,767**	**(252)**	**22,965**	**(509)**
Add: Specific Provision		(9,235)		(14,209)
TOTAL	**23,767**	**(9,487)**	**22,965**	**(14,718)**

The closing loss allowances for trade receivables and contract assets as at December 31, 2021 reconcile to the opening loss allowances refer Note 6.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses (or reversal) on trade receivables are presented as net impairment losses on trade receivables within other expenses. Subsequent recoveries of amounts previously written off are credited against the same line item or recorded in other income.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

Since simplified model has been used for trade receivables therefore, these are classified as Stage 2 under the provisions of IFRS 9 and life time ECL is determined.

(D) FINANCIAL COUNTER-PARTIES

The Group only maintains cash deposits with banks in the UAE that are regulated by the UAE Central Bank and which are Shari'a compliant. As a result, the credit risk in respect of those entities is minimised. These are assessed by the REIT Manager to be at a relatively low risk of default.

RATING	CREDIT RATING AGENCY	2021	2020
		USD'000	USD'000
A+	Fitch	1,591	1,799
A	Fitch	5,481	9,308
A-	Fitch	3,737	206
B+	Fitch	76	—
BBB+	Fitch	101	2,419
TOTAL		**10,986**	**13,732**

(E) Tenants

The REIT Manager maintains the property portfolio under continual review to minimise tenant credit risk. Tenants occupying under existing leases at the time of the acquisition of an interest in a property are actively monitored for timely payment of rent and other obligations following the acquisition. New tenants that commence occupation subsequent to the acquisition of an interest in a property are assessed at the time of entering a lease. Amounts receivable from a single customer at December 31, 2021 represented 61.55% (2020: 61.17%) of the total rental and service fee income receivable.

The REIT Manager engages external property management agents to manage the payment of rents by tenants. The REIT Manager remains actively involved and undertakes regular consideration of tenant profiles, existing and anticipated voids, overdue rents and outstanding rent reviews. Rent deposits are held in respect of all new leases and may be withheld by the Group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

(F) LIQUIDITY RISK

The liquidity risk faced by the Group is that it may have insufficient cash or cash equivalent resources to meet its financial obligations as they fall due. The Group actively manages liquidity risk by monitoring actual and forecast cash flows and by maintaining adequate cash reserves.

AT 31 DECEMBER 2021	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	OVER 5 YEARS	TOTAL
	USD'000	USD'000	USD'000	USD'000	USD'000
Sukuk financing instruments	—	400,000	—	—	400,000
Sukuk profit expense	—	20,500	—	—	20,500
Ijarah Islamic finance	4,569	13,706	63,861	—	82,136
Ijarah Islamic financing profit expense	754	2,025	4,485	—	7,264
Trade and other payables (excluding advances received)	8,080	148	—	—	8,228
TOTAL UNDISCOUNTED FINANCIAL LIABILITIES	**13,403**	**436,379**	**68,346**	—	**518,128**

AT 31 DECEMBER 2020	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	OVER 5 YEARS	TOTAL
	USD'000	USD'000	USD'000	USD'000	USD'000
Sukuk financing instruments	—	—	400,000	—	400,000
Sukuk profit expense	—	20,500	20,500	—	41,000
Ijarah Islamic finance	3,267	13,928	77,185	3,301	97,681
Ijarah Islamic financing profit expense	874	2,508	6,977	89	10,448
Trade and other payables (excluding advances received)	7,986	137	—	—	8,123
TOTAL UNDISCOUNTED FINANCIAL LIABILITIES	**12,127**	**37,073**	**504,662**	**3,390**	**557,252**

(G) CAPITAL MANAGEMENT

The primary objective of the Group when managing capital is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group's strategy for its capital management is to maintain a prudent balance of equity and debt appropriate to the profile of the Group's asset portfolio taking into account regulatory restrictions on gearing.

Capital comprises of share capital, share premium, retained earnings and other reserves and amounts to USD 289,787 thousand as at December 31, 2021 (2020: USD 225,464 thousand).

The REIT is required by DFSA to limit Islamic financing to a maximum of 65% of gross asset value. As of December 31, 2021, the Islamic financing as a percentage of gross asset value were 56.3% (2020: 61.7%).

3. 2 Fair value measurement

Fair value of financial instruments

Financial instruments comprise of 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 accounts 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 property:

	DATE OF VALUATION	QUOTED PRICES IN ACTIVE MARKETS	SIGNIFICANT OBSERVABLE INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS	TOTAL
		(LEVEL 1) USD'000	(LEVEL 2) USD'000	(LEVEL 3) USD'000	(LEVEL 4) USD'000
Investment property	31-Dec-21	—	—	762,134	762,134
Investment property	31-Dec-20	—	—	708,930	708,930

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

The preparation of the Group's consolidated financial statements requires the REIT Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Group's accounting policies, the REIT Manager has made the following judgements, apart from those involving estimations, which have the most significant impact on the amounts recognised in the consolidated financial statements.

(A) FAIR VALUATION OF INVESTMENT PROPERTY

The Group carries its investment property at fair value, with changes in fair value being recognised in the consolidated 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 property held, to determine the fair values of investment property as at December 31, 2021. The valuation methodology is based on the income approach method, as it represents a method of determining the value of the investment property 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 valuation methodology and inputs used by the independent valuation specialists, which are mainly impacted by current challenging market conditions and uncertain outlook driven by the Covid-19.

The determined fair value of the investment property is most sensitive to the equivalent yield and estimated rental value. Below is a sensitivity analysis in isolation of the key assumptions used to determine the fair value of the investment property:

STABILISED YIELD		STABILISED OCCUPANCY RATE		ESTIMATED RENTAL VALUE	
USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
+0.5%	-0.5%	+5.0%	-5.0%	+5.0%	-5.0%
(44,460)	50,290	27,270	(28,580)	23,453	(23,333)

Significant increases/(decreases) in the Estimated Rental Value (ERV) (per sqm p.a.) in isolation would result in a significantly higher/(lower) fair value measurement. Significant increases/(decreases) in the long-term occupancy rate and equivalent yield in isolation would result in a significantly lower/(higher) fair value measurement.

(B) DISCOUNTING OF LEASE PAYMENTS – IFRS 16

The lease payments are discounted using the REIT's incremental Islamic 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 financiers 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 demonstrates otherwise.

5 INVESTMENT PROPERTY

	COMPLETED PROPERTIES	TOTAL
	USD'000	USD'000
AT 1 JANUARY 2020	919,440	919,440
Additional re-development and fitout projects on completed properties (spent during the year)	12,595	12,595
Net loss from fair value adjustments on investment property	(241,693)	(241,693)
AT 31 DECEMBER 2020	**690,342**	**690,342**
Additional re-development and fitout projects on completed properties (spent during the year)	4,572	4,572
Investment property disposed during the year	(5,989)	(5,989)
Net gain from fair value adjustments on investment property	48,207	48,207
AT 31 DECEMBER 2021	**737,132**	**737,132**

5.1 Fair value reconciliation

	2021	2020
	USD'000	USD'000
Market value per external valuation report as at 31 December 2021	762,134	708,930
Additional re-development and fit-out projects under progress on completed properties	3,251	12,217
Lease incentive asset (Note 6)	(36,729)	(35,414)
Deferred income (Note 13)	8,476	4,609
FAIR VALUE AS AT 31 DECEMBER 2021	**737,132**	**690,342**

5.2 Net unrealised gain/(loss) on revaluation

	2021	2020
	USD'000	USD'000
Net gain/(loss) from fair value adjustments on investment property	48,207	(241,693)
Unrealised gain/(loss) on sale of property	(1,769)	—
Change in fair value of right-of-use asset (Note 5.5)	(1,710)	(1,711)
	44,728	**(243,404)**

As at the reporting date, the Group held total investment property amounting to USD 737,132 thousand (2020: USD 690,342 thousand) in a real estate portfolio of 11 properties (2020: 11 properties) located in Dubai, UAE.

Rental income for the year ended December 31, 2021 is USD 54,861 thousand (2020: 58,192 thousand).

The fair value of the Group's investment property at December 31, 2021 has been arrived at on the basis of valuations carried out at that date by CBRE (DIFC) Limited and Cushman & Wakefield, International Limited, independent valuation specialists not connected with the Group. The valuations conform to the RICS Valuations – Global Standards and International Valuation Standards. The fair value was determined based on the income approach method.

5.3 Divestment of investment property

Emirates REIT announced on June 10, 2021, the sale of half of a shell and core office floor of Index Tower located in Dubai International Financial Centre (DIFC) to a third party. The unit was sold for USD 10,843 thousand whereas the book value of the unit sold was USD 4,220 thousand which resulted in a net gain of USD 6,500 thousand after deduction of transaction cost of USD 122 thousand.

5.4 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 17.7 years with property fair value of USD 4,879 thousand;
- Remaining lease term of 34.9 years with property fair value of USD 88,837 thousand;
- Remaining lease term of 22.1 years renewable for another term of 30 years with property fair value of USD 21,508 thousand;
- Remaining lease term of 43.5 years with property fair value of USD 30,384 thousand; and
- Remaining lease term of 23.3 years renewable for another term of 30 years with property fair value of USD 40,131 thousand.

5.5 Fair valuation

The fair valuations of investment property 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 property costs. Fair value hierarchy disclosures for investment property has been provided in Note 3.2.

As at December 31, 2021, the fair value of the investment property was adjusted for the lease incentive asset (Note 6) and deferred income (Note 13) in accordance with IAS 40. The amount of adjustment is USD 36,729 thousand and USD 8,476 thousand respectively (2020: USD 35,414 thousand and USD 4,609 thousand respectively).

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

	2021 USD'000	2020 USD'000
BALANCE AT THE BEGINNING OF THE YEAR	708,930	845,990
Transfer from Level 2 to Level 3	—	91,390
Net unrealised gain/(loss) on revaluation of investments properties	53,204	(228,450)
BALANCE AT THE END OF THE YEAR	**762,134**	**708,930**

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

The significant unobservable inputs used in arriving at fair values of investment property are the stabilised occupancy rate, the equivalent yield and property operating expenses. 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 property are as follows:

	2021	2020
Stabilised occupancy rate (%)	80 – 100	80 – 100
Equivalent yield (%)	7.75 – 10.00	8.25 – 13.00
Operating Expenses (USD/sqm)	57 – 196	58 – 310

5.6 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:

	2021 USD'000	2020 USD'000
ASSETS:		
Right-of-use Asset as on 1 January	51,547	53,265
Add: Change due foreign currency translation	—	(7)
Less: Change in fair value during the year (Note 5.2)	(1,710)	(1,711)
RIGHT-OF-USE ASSET AS ON 31 DECEMBER	**49,837**	**51,547**

6 TRADE AND OTHER RECEIVABLES

	2021 USD'000	2020 USD'000
RENTAL AND SERVICE INCOME RECEIVABLE	23,767	22,965
Less: allowance for expected credit losses	(9,487)	(14,718)
	14,280	**8,247**
OTHER FINANCIAL ASSETS AT AMORTISED COST		
Other receivables	4,271	2,600
OTHER ASSETS		
Lease incentive asset (Note 5.5)	36,729	35,414
Prepayments	599	1,503
	55,879	**47,764**
Less:non-current portion – Lease incentive asset	(33,238)	(32,027)
CURRENT PORTION	**22,641**	**15,737**

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 in prepayments balance USD 599 (2020: USD 1,503) are balances due from REIT Manager amounting to Nil (2020: USD 38 thousand) (Note 16).

Included within the USD 9,487 thousand (2020: USD 14,718 thousand) provision for expected credit losses is an amount of USD 9,235 thousand (2020: USD 14,209 thousand), which represents specific provisions made for amounts due from certain tenants as per the tenancy contracts (Note 19 (b)).

As at December 31, 2021 and 2020, the movement in the allowance for impairment of receivables is as follows:

	2021	2020
	USD'000	USD'000
Opening expected credit loss as at 1 January - calculated under IFRS 9	14,718	9,378
Write offs during the year	—	(1,491)
Reversal of allowance for expected credit loss/allowance for expected credit loss recognised in consolidated statement of comprehensive income during the year	(5,231)	6,831
BALANCE AT THE END OF THE YEAR	**9,487**	**14,718**

As at 31 December, the ageing analysis of receivables is as follows:

	GROSS	2021 IMPAIRMENT (ECL)	GROSS	2020 IMPAIRMENT (ECL)
	USD'000	USD'000	USD'000	USD'000
Less than 6 months	3,197	(3)	14,980	(2)
Between 6 months to 1 year	6,827	(82)	1,806	(77)
Between 1 to 2 years	9,246	(85)	2,264	(87)
Between 2 to 3 years	1,434	(38)	2,396	(109)
More than 3 years	3,063	(44)	1,519	(234)
ECL general provision	**23,767**	**(252)**	**22,965**	**(509)**
Add: Specific Provision		(9,235)		(14,209)
TOTAL	**23,767**	**(9,487)**	**22,965**	**(14,718)**

7 CASH AND CASH EQUIVALENTS

	2021	2020
	USD'000	USD'000
Current and savings accounts	10,986	13,732

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 (Note 3.1).

8 SHARE CAPITAL

	NUMBER OF ORDINARY SHARES	TOTAL PAR VALUE ORDINARY SHARES	TOTAL SHARE PREMIUM	TOTAL
		USD'000	USD'000	USD'000
At 31 December 2021	304,451,393	304,451	59,393	363,845
At 31 December 2020	303,965,050	303,965	59,393	363,359

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 December 31, 2021.

9 SUKUK FINANCING INSTRUMENT

On December 12, 2017, the REIT issued five year trust certificates ("Sukuk") of USD 400 million through Emirates REIT Sukuk Limited (the "Trustee" or "SE"), a structured entity formed for the issuance of the Sukuk. The Sukuk were listed on the Main Securities Market (MSM) of Euronext Dublin with a Fitch rating of BB+.

The Sukuk has a maturity date of December 2022 and pay a profit rate of 5.125% per annum payable semi-annually on June 12 and December 12 in each year, commencing on June 12, 2018.

The Shari'a terms of the issuance include transfer of certain identified investment properties (the "Properties") to the SE in order to comply with the principles of Shari'a. In substance, these Properties shall continue to remain under the control of the REIT and shall continue to be serviced by the REIT.

	2021	2020
	USD'000	USD'000
At 1 January	398,871	398,290
Amortisation of transaction costs	580	581
AT 31 DECEMBER	**399,451**	**398,871**

The Sukuk financing instrument has certain covenants on the REIT, which were complied with during the year ended December 31, 2021. Note 2.1(d) can be referred for additional details.

10 ISLAMIC FINANCING

Ijarah facilities

	WITHIN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
	USD'000	USD'000	USD'000	USD'000
At 31 December 2021	18,090	63,278	—	81,368
At 31 December 2020	17,195	76,268	3,265	96,728

During the year the REIT did not enter into any new Islamic financing facility (2020: USD Nil). As at December 31, 2021, the drawn down amounts are recorded at USD 81,368 thousand (2020: USD 96,728 thousand) net of transaction costs of USD 769 thousand (2020: USD 953 thousand).

At December 31, 2021, the weighted average cost of finance taking into account the profit rate attributable to each loan and the amortisation of financing transaction costs was 3 month EIBOR +3.26% (2020: 3 month EIBOR +3.23%).

The facilities have certain covenants on the REIT. These covenants state that the REIT will ensure that the following financial ratios are met:

a) Finance to value ratio of the underlying asset should not exceed 50%-65%.

b) Income cover: income over profit and principal payments should be 25% higher than net operating income at property level.

Also as per DFSA Rules, the total Islamic finance should not exceed 65% of the Gross Asset Value of the REIT.

The REIT has complied with the financial covenants of its Islamic facilities during the year ended December 31, 2021.

The financing facilities are secured by the following:

a) First rank legal mortgages over financed properties in favour of the banks.

b) Assignment of comprehensive insurance over financed properties in favour of the banks.

c) Assignment of rental income from financed properties in favour of the banks.

Movement for the year ended 31 December is as follows:

	2021	2020
	USD'000	USD'000
Balance at the beginning of the year	96,728	109,106
Less : Change due to foreign currency translation	—	(15)
Less: Repayment during the year	(15,545)	(12,548)
Add: Amortisation of transaction cost	185	185
BALANCE AT THE END OF THE YEAR	**81,368**	**96,728**

11 LEASE LIABILITY

The following table shows the movement of lease liability recognised by the REIT:

	2021	2020
	USD'000	USD'000
LIABILITIES:		
Lease liability recorded on 1 January	55,611	54,532
Add: Finance cost for the year	2,745	2,756
Less: Change due to foreign currency translation	—	(7)
Less: Payments made during the year	(4,132)	(1,670)
Lease liability as on 31 December	**54,224**	**55,611**
Current liabilities	3,015	3,464
Non-current liabilities	51,209	52,147

12 DERIVATIVE FINANCIAL INSTRUMENTS

	2021 USD'000	2020 USD'000
Profit rate swaps	813	2,027

In order to manage the risk arising from fluctuations in profit rates arising from the REIT's variable rate Ijarah facilities (Note 10), the REIT entered into profit rate swaps with one financial institution.

At December 31, 2021, the REIT had outstanding profit rate swaps with a combined notional amount of USD 31,990 thousand (2020: 38,524 thousand). The profit rate swaps are effective from March 12, 2019 and August 21, 2019 and mature on December 12, 2025 together with the maturity of the Ijarah financing facility. The swaps have a combined maximum notional amount of USD 47,640 thousand. The swap programs had a negative fair value of USD 813 thousand (2020: USD 2,027 thousand) as at December 31, 2021, resulting in a gain of USD 1,214 thousand (2020: loss of USD 1,334 thousand) which was recognised as fair value adjustments on profit rate swaps in cash flow hedging reserve.

13 TRADE AND OTHER PAYABLES

	2021 USD'000	2020 USD'000
Tenant deposits payable	8,562	8,330
Deferred income (Note 5.1)	8,476	4,609
Accrued expenses	7,696	8,533
Service fee received in advance	1,673	1,760
Accrued profit expense	1,253	1,288
Management fee payable	383	—
Payable against investment property under construction or re-development	148	137
Administration fee	—	27
	28,191	**24,684**

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 2021 which was held on June 24, 2021, the Shareholders of REIT approved the final dividend payment for the financial year 2020, at USD 0.0016 per share, which was to be paid by way of an allotment and distribution of newly issued ordinary shares at par value ("New Shares") to those shareholders recorded on the share book as at June 17, 2021. REIT has received all the requisite approvals for the issuance and allotment of 486,343 New Shares. The new shares have been admitted to trading on Nasdaq Dubai on June 30, 2021.

In June 2020, the REIT paid a final dividend in respect of the year ended December 31, 2019 by way of issuing bonus shares of 4,344,509 / USD 0.0145 per ordinary share. These bonus shares were issued to shareholders whose name was appearing on the shareholders register as at June 17, 2020.

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 YEAR

Transactions executed with various related parties during the year amounted to:

	2021 USD'000	2020 USD'000
REIT Manager	10,932	15,625
Board members	71	79
Financial institutions	16,420	14,173
Others	217	295
TOTAL	**27,640**	**30,172**

(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 year there was no accrual or payment made on account of performance fee.

Management and performance fee charged by the REIT Manager during the year amounted to:

	2021 USD'000	2020 USD'000
REIT MANAGER		
Management fee and Performance fee	(10,832)	(14,097)
TOTAL	**(10,832)**	**(14,097)**

The Board of Directors of the REIT Manager has taken the decision to reduce its management fee by 20% from 2Q to 4Q 2021.

(C) DUE TO RELATED PARTIES COMPRISES

	2021	2020
	USD'000	USD'000
REIT Manager	383	—
Board members	117	99
Financial institutions	64,094	77,183
Others	50	12
TOTAL	64,644	77,294

(D) DUE FROM RELATED PARTIES COMPRISES

	2021	2020
	USD'000	USD'000
REIT Manager	—	38
Financial institutions	486	385
TOTAL	486	423

All transactions with related parties are conducted in accordance with the applicable regulations. Outstanding balances at the year-end are unsecured and profit free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Transactions with key management personnel

During the years ended December 31, 2021 and 2020, 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

	2021	2020
	USD'000	USD'000
Ijarah Islamic financing profit expense	(4,251)	(5,138)
Ijarah fee amortisation	(185)	(185)
Finance cost on lease liability	(2,745)	(2,756)
Sukuk profit expense	(20,500)	(20,500)
Sukuk issuance cost amortisation	(580)	(581)
FINANCE COSTS	(28,261)	(29,160)
Profit income on saving accounts	23	394
FINANCE INCOME	23	394
FINANCE COSTS, NET	(28,238)	(28,766)

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 year.

	2021	2020
Profit/(loss) attributable to ordinary shareholders (USD'000)	63,109	(242,912)
Weighted average number of ordinary shares for basic EPS	304,227,542	301,828,406
Basic and diluted loss per share (USD)	0.207	(0.802)

The Group has no share options outstanding at the period end and therefore the basic and diluted EPS are the same.

Reconciliation of weighted average number of ordinary shares:

	2021	2020
As at 01 January	301,828,406	299,620,541
Impact of shares dividend	2,381,814	2,207,865
Weighted average number of ordinary shares	304,210,220	301,828,406

19 COMMITMENTS AND CONTINGENCIES

(A) CAPITAL COMMITMENTS

At December 31, 2021, the REIT had contractual capital commitments of USD 1,130 thousand (2020: USD 7,043 thousand), which pertains to the school upgrade and USD 1,785 thousand (2020: USD 2,408 thousand) in relation to fit out and re-development work in certain completed 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, 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 December 31, 2021 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.

The REIT also won its claim in the UAE Courts on the matter of bounced cheques against the REIT tenant and is looking to enforce the award through the legal system.

(ii) In 2019, the REIT Manager, on behalf of the REIT, filed a case against another tenant under the rules of the DIFC-LCIA Arbitration Center, seeking recovery of the rent due from the tenant. In August 2021, the DIFC-LCIA awarded in favour of the REIT for the entire outstanding rent including costs.

Given the above award and partial recovery from the tenant, the REIT reassessed the adequacy of the provision required and booked a partial reversal in 2021. The REIT continues to hold adequate provision for the related sums due from the tenant taking into account the expected time of recovery and other factors and developments surrounding the matter.

(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:

	2021	2020
	USD'000	USD'000
Within one year	3,016	2,992
After one year but not more than five years	12,349	12,245
More than five years	102,097	105,216
	117,462	**120,453**

(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 December 31, 2021 and December 31, 2020 are as follows:

	2021	2020
	USD'000	USD'000
Within one year	57,123	59,781
After one year but not more than five years	156,433	149,295
More than five years	417,465	436,986
	631,021	**646,062**

20 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Assets as per the statement of financial position

	2021	2020
	USD'000	USD'000
AMORTISED COST		
Trade and other receivables, excluding lease incentive asset and prepayments	18,551	10,847
Cash and cash equivalents	10,986	13,732
	29,537	**24,579**

Liabilities as per the statement of financial position

	2021	2020
	USD'000	USD'000
OTHER FINANCIAL LIABILITIES AT AMORTISED COST		
Trade and other payables excluding deferred income, , service fee received in advance, performance fee payable, accrued profit expense and management fee	9,963	7,293
Sukuk financing instrument	399,451	398,871
Islamic financing	81,368	96,728
	490,782	**505,354**

21 NET DEBT RECONCILIATION

	2021	2020
	USD'000	USD'000
Cash and cash equivalents	10,986	13,732
Islamic and sukuk financing – repayable within one year	(417,541)	(17,195)
Sukuk financing instrument and Islamic financing – repayable after one year	(63,278)	(478,404)
NET DEBT	**(469,833)**	**(481,867)**

	2021	2020
	USD'000	USD'000
Cash and bank balances	10,986	13,732
Gross debt – fixed profit rates	(399,451)	(398,871)
Gross debt – variable profit rates	(81,368)	(96,728)
NET DEBT	**(469,833)**	**(481,867)**

	OTHER ASSETS AND CASH	LIABILITIES FROM FINANCING ACTIVITIES SUKUK FINANCING INSTRUMENTS AND ISLAMIC FINANCING DUE WITHIN 1 YEAR	LIABILITIES FROM FINANCING ACTIVITIES SUKUK FINANCING INSTRUMENTS AND ISLAMIC FINANCING DUE AFTER 1 YEAR	TOTAL
	USD'000	USD'000	USD'000	USD'000
Net debt as at 1 January 2021	13,732	(17,010)	(478,589)	(481,867)
Cash flows, net	(2,746)	(400,346)	415,126	12,034
NET DEBT AS AT 31 DECEMBER 2021	**10,986**	**(417,541)**	**(63,278)**	**(469,833)**
Net debt as at 1 January 2020	48,432	(13,191)	(494,205)	(458,964)
Cash flows, net	(34,700)	(4,004)	15,801	(22,903)
NET DEBT AS AT 31 DECEMBER 2020	**13,732**	**(17,195)**	**(478,404)**	**(481,867)**

22 SIGNIFICANT EVENTS

Equitativa Settlement closes DFSA Investigations

Following almost two years of investigative actions by the DFSA, the REIT Manager announced on December 8, 2021 that it had reached a settlement with the DFSA which brings to a close all investigations.

The REIT Manager agreed not to further challenge the findings of the DFSA and to pay a fine of USD 210,000 for reporting breaches. The DFSA investigations did not find that REIT Manager's fund valuation practices had breached any DFSA administered laws and arrangements.

None of the findings alleged any financial impropriety on the part of the REIT Manager or its employees, nor to have had any impact on any of the REIT's audited financial statements.

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

1H 2021	January 1 to June 30, 2021
2H 2021	July 1 to December 31, 2021
1Q 2021	January 1 to March 31, 2021
1Q 2022	January 1 to March 31, 2022
2Q 2021	April 1 to June 30, 2021
3Q 2021	July 1 to September 30, 2021
4Q 2021	October 1 to December 31, 2021
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, 2021
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 Interest, 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, 2021
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.
Fund Property	Assets of Emirates REIT
FY 2019	January 1, 2019 to December 31, 2019
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 2021 Annual Report	Emirates REIT's annual report for financial year ended 31 December 2021
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
LTV	Loan To Value

NON-EXHAUSTIVE GLOSSARY OF TERMS AND FIRST MENTIONS

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	
Oversight Board	Oversight Committee of the REIT pursuant to the DFSA CIR Rulebook
PMLA	Property Management and Leasing Agreement
p.p	Percentage Points
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
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
Valuation Expert	Chestertons International Real Estate Valuation Services LLC, appointed in accordance with the EU
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