

EMIRATES REIT LAUNCHES NEW CONSENT SOLICITATION TO REFINANCE SUKUK FOLLOWING AGREEMENT WITH SUKUK HOLDER GROUPS

14 November 2022

- *Sukuk issued in 2017 is due to mature in December 2022*
- *New consent solicitation proposed to all Certificateholders following agreement with various groups of debt holders*
- *Successful closing of proposed refinancing will provide Certificateholders with enhanced economics and comprehensive collateral package*

Dubai, 14 November 2022 – Emirates REIT (CEIC) PLC (“Emirates REIT” or the “REIT”), today announced that it has launched a new consent solicitation (the “Consent Solicitation”) process to exchange its unsecured U.S. \$400 million certificates, maturing on 12 December 2022 (the “Certificates”), with new secured certificates (the “New Secured Certificates”).

Emirates REIT has received support for the Consent Solicitation from an ad hoc group of eligible Certificateholders comprised of institutional investors (the “Ad Hoc Group”). The Ad Hoc Group has stated that Certificateholders having confirmed their support to date hold more than 30% of the currently outstanding principal amount of the Certificates.

The proposed terms for the New Secured Certificates include:

- Exchange of each U.S.\$1,000 in face amount of Certificates for U.S.\$950 in face amount of New Secured Certificates and U.S.\$50 in cash
- Profit rate of 9.5% per annum with a ratcheted structure to incentivise the REIT to redeem the New Secured Certificates in full prior to the 2024 maturity
- Collateral to be granted to New Secured Certificates with assets providing coverage of at least 150% of the outstanding amount of the New Secured Certificates
- Maturity date of December 2024, with a one-year extension option

The proposed terms of the New Secured Certificates have been designed to deliver material improvements to the structure and terms of the outstanding Certificates, most notably:

- New Secured Certificates will move from an unsecured position to a fully secured position, benefiting from first ranking security over assets of Emirates REIT
- Profit rate will increase from 5.125% to 9.5% initially to reflect the current credit environment with rising inflation, profit rates and market volatility
- Terms of the New Secured Certificates are expected to support an increase in the secondary market trading price and liquidity of New Secured Certificates

All current Certificateholders are invited to submit their elections by 4pm BST on Tuesday 22nd of November 2022 to benefit from the 50 basis points early Documentation Review Fee.

Thierry Leleu, CEO of the manager of Emirates REIT, Equitativa, said: *"In the current extraordinary geopolitical and macro-economic circumstances, we have worked constructively with all our Certificateholders and lenders towards a new, comprehensive refinancing package that we believe is attractive for all parties. The economically compelling terms of this proposal will benefit all Certificateholders and enable the REIT to successfully achieve its refinancing.*

We have therefore today launched a new consent solicitation and we are confident that, with the support our Certificateholders including the Ad Hoc Group, it will comfortably meet the required consent threshold. We appreciate the positive support and input over the past few months from all our stakeholders."

Operational Improvements

In the last two years, the REIT has enhanced its financial and operational performance by increasing occupancy by more than 16 percentage points to 82% as at June 30, 2022 (from 66% as at 30 September 2020) and increasing like-for-like annualised gross rental income by 28%.

The REIT is also displaying promising future upside on the value of its portfolio given the improving Dubai real estate market sentiment (up 16% since January 2021, excluding the sale of the Jebel Ali School).

Other key financial, operational and governance highlights of the past year also include:

- The successful resolution of a number of outstanding portfolio issues, such as the successful sale of Jebel Ali school at a 1.4 multiple on investment, the sale of half a floor in Index Tower with a premium to the valuation of 86%, and the successful leasing of DIP school to Durham School Dubai.
- The full and final settlement of the DFSA investigations, it being highlighted that none of the findings alleges any financial impropriety on part of Equitativa or its employees, nor to have had any impact on any of Emirates REIT's audited financial statements.
- The appointment of Thierry Leleu as Deputy CEO in November 2021 and CEO in April 2022, who has brought extensive experience in REIT management from Europe and Asia.
- The further strengthening of the governance structures of the REIT including the appointment of Dr Faisal Alayyan to the REIT's Investment Board and Simon Townsend to the REIT's Oversight Board.

Please find here the link to the notice: <https://newsserviceweb.oslobors.no/message/34670>

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For sukuk holders who require more information, they can contact Emirates REIT at the following email address - ir@reit.ae

ABOUT EMIRATES REIT: Emirates REIT, (Nasdaq Dubai: REIT; ISIN: AEDFXA1XE5D7), is a Dubai-based real estate investment trust investing principally in income-producing real estate in line with Shari'a principles. It currently owns a well-balanced portfolio of 10 assets in the commercial, education and retail sector. Emirates REIT benefits from exclusive Ruler's Decrees permitting it to purchase properties in onshore Dubai and Ras Al Khaimah.

ABOUT EQUITATIVA GROUP: The Equitativa Group is a leading regional asset manager focused on creating and managing real estate investment trusts (REITs). The group offers innovative risk-adjusted, income generating financial products that cater to institutional and retail investors. As the founder of the UAE's first Shari'a compliant REIT, Emirates REIT, Equitativa is today one of the largest REIT manager in the Gulf Cooperation Council (GCC) countries and one of the biggest REIT Managers for Shari'a Compliant REITs in the world. In the UAE, Equitativa manages two leading REITs: Emirates REIT and The Residential REIT, the latter incorporated in Abu Dhabi Global Market.