

## ENBD REIT announces Q1 NAV of USD 174 million (USD 0.70 per share)

- Movement in valuations continues to put pressure on NAV
- Portfolio occupancy remains steady at 75%
- Annual final dividend of USD 0.0176 per share was paid on 27<sup>th</sup> July 2021
- Expenses down 16.9% following proactive cost management initiatives

**Dubai, United Arab Emirates, 24<sup>th</sup> August 2021:** [ENBD REIT](#) (CEIC) PLC (“ENBD REIT”), the Shari’a-compliant real estate investment trust managed by Emirates NBD Asset Management Limited, has announced its Net Asset Value (“NAV”) for the first quarter ended 30<sup>th</sup> June 2021. ENBD REIT’s NAV stood at USD 174 million, as compared to USD 180 million for the previous quarter. The decline in NAV, decreasing by 1%, is predominantly due to sustained valuation pressures and softening real estate market conditions as the regional macroeconomic conditions remain in the early stages of post-pandemic recovery.

The management team have successfully reduced expenses by 16.9%, following a year of actively managing down operating costs in the portfolio. Occupancy in the portfolio remains stable at 75% for the period ending 30<sup>th</sup> June 2021 compared to 76% as at 31<sup>st</sup> March 2021, and 75% for the same period in the previous year. The active leasing strategy catering to tenants’ needs continues to play a significant role in protecting occupancy rates, but challenging real estate market conditions subdued further recovery. The Weighted Average Unexpired Least Term (“WAULT”) has increased from 3.2 years to 3.97 years as 30<sup>th</sup> June 2021 compared to the previous year.

**Anthony Taylor, Head of Real Estate at Emirates NBD Asset Management, said:**

*“In light of adverse conditions, our net rental income and occupancy rates for the first quarter have held up well – the result of active portfolio management. Meanwhile, NAV remains under pressure, declining by 1% from the previous quarter. Our priority in recent quarters has been to ensure stable occupancy, which we have achieved through a range of initiatives, including support for struggling tenants and focusing on asset upgrades. Total expenses have been reduced by almost 17% compared to 30<sup>th</sup> June 2020, the result of the management team’s proactive cost management initiatives, including renegotiating our contracts with service providers, lower financing costs from our Shari’a-compliant debt facilities which account for the lion’s share of the REIT’s costs and reduced management fees due to a lower NAV.*”

*In terms of the portfolio, we are looking at new ways to bring further value to existing tenants through a series of strategic upgrades currently in progress. Most notably, at Al Thuraya Tower 1, where we are taking advantage of lower occupancy rates to make significant upgrades to improve the look and feel of the building. We also recently completed sub-division works at Burj Daman to create units that cater to smaller businesses and corporates looking to downsize, by reducing both costs and office space requirements, given that flexible working is becoming a more normal practice. We continue to take a pragmatic approach to potential asset disposals, with a number of assets in the portfolio being considered for sale, where we believe that fair value can be achieved.”*

The total dividend paid to shareholders for the year ended 31<sup>st</sup> March 2021 was USD 9.25 million, equivalent to 8.6% annualised dividend return of ENBD REIT’s share price. ENBD REIT’s gross rental

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income for the period stood at USD 7.48 million, declining by 11% from USD 8.44 million for the same period last year.

The Loan-to-Value (“LTV”) ratio has increased to 52.7% as a result of valuation pressures in the property portfolio, and the management team is in the process of refinancing an important debt facility with Standard Chartered bank, amounting to USD 45 million. The REIT maintains a regular dialogue with all lenders to ensure that covenants are maintained at manageable levels.

-ENDS-

For more information:

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## ABOUT ENBD REIT

ENBD REIT (CEIC) PLC (“ENBD REIT”) is a Shari’a compliant real estate investment trust managed by Emirates NBD Asset Management Limited (the “Fund Manager”), listed on Nasdaq Dubai under ticker ENBDREIT. ENBD REIT is a closed-ended investment company that was incorporated by the Fund Manager to invest in a diversified Portfolio of Shari’a-compliant real estate assets in the UAE. ENBD REIT has an unlimited duration and was established in the DIFC by the Fund Manager on 18 July 2016 under the Companies Law with the name “Emirates Real Estate Fund Limited” and with registration number 2209. The Fund subsequently changed its name to “ENBD REIT (CEIC) Limited” and later ENBD REIT (CEIC) PLC in line with the new DIFC Companies Law. ENBD REIT is categorised under DFSA law and regulations as a Public Fund, a Domestic Fund, an Islamic Fund, a Property Fund and a Real Estate Investment Trust (REIT). ENBD REIT has been established with the main investment objective of generating income returns and capital appreciation from real estate assets. ENBD REIT plans to achieve its objectives through the following strategies: (i) prudent acquisitions with a focus on achieving diversification; and (ii) active asset management and enhancement. For more information, visit: [www.enbdreit.com](http://www.enbdreit.com)

## PORTFOLIO

### Office:

#### Al Thuraya 1 (Dubai Media City)

A G+29-story high rise commercial tower, located at a prime location in Dubai Media City with views over Barsha Heights and Palm Jumeriah

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### Burj Daman (DIFC)

Two and a half floors (the fund fully owns the 10th and 14th floors and half of the 15th floor) in the commercial portion of the tower in the DIFC.

### DHCC 49 (Dubai Healthcare City)

G+5-story commercial complex located in the Dubai Healthcare City free zone.

### DHCC 25 (Dubai Healthcare City)

G+6-story commercial tower located in the Dubai Healthcare City free zone

### The Edge Building (Dubai Internet City)

A G+6-story fully leased, prime grade A office building recently constructed and located in the Dubai Internet City free zone. Oracle is the largest tenant occupying 85% of the office space.

### Residential:

#### Arabian Oryx House (Barsha Heights)

A residential tower with 128 units in the free zone Barsha Heights, Dubai. Mainly comprises units of one, two and four-bed apartments.

#### Binghatti Terraces (Dubai Silicon Oasis)

A residential tower with 201 residential and 5 retail units in Dubai Silicon Oasis, constructed by developers with an established track record.

#### Remraam Residential (Dubailand)

Two residential towers offering 105 units in mainly 1 & 2-bedroom apartments

### Alternative:

#### Uninest Dubailand (Dubailand)

A 424-bed student accommodation property located close to Dubai Academic City, serving students attending university across the city. 100% leased to global student accommodation provider, GSA.

#### South View School (Remraam)

A 132,000 sq. ft. British curriculum primary and secondary school operated by Interstar Education.

#### Souq Extra Retail Centre Phase 1 (Dubai Silicon Oasis)

Community centre in Dubai Silicon Oasis with over 36,000 ft<sup>2</sup> of gross leasable area, comprising 25 retail units fully let to blue-chip tenants.

### HIGHLIGHTS\*

<b>Property portfolio value</b>	USD 351 million	
<b>NAV</b>	USD 174 million (USD 0.70 per share)	
<b>LTV (on GAV)</b>	53%	
<b>Occupancy</b>	75%	
<b>WAULT (years)</b>	3.97	
<b>No. of properties</b>	11	
<b>Sectors</b>	Office	68%
	Residential	14%
	Alternative	18%

\*All figures are as at 30<sup>th</sup> June 2021