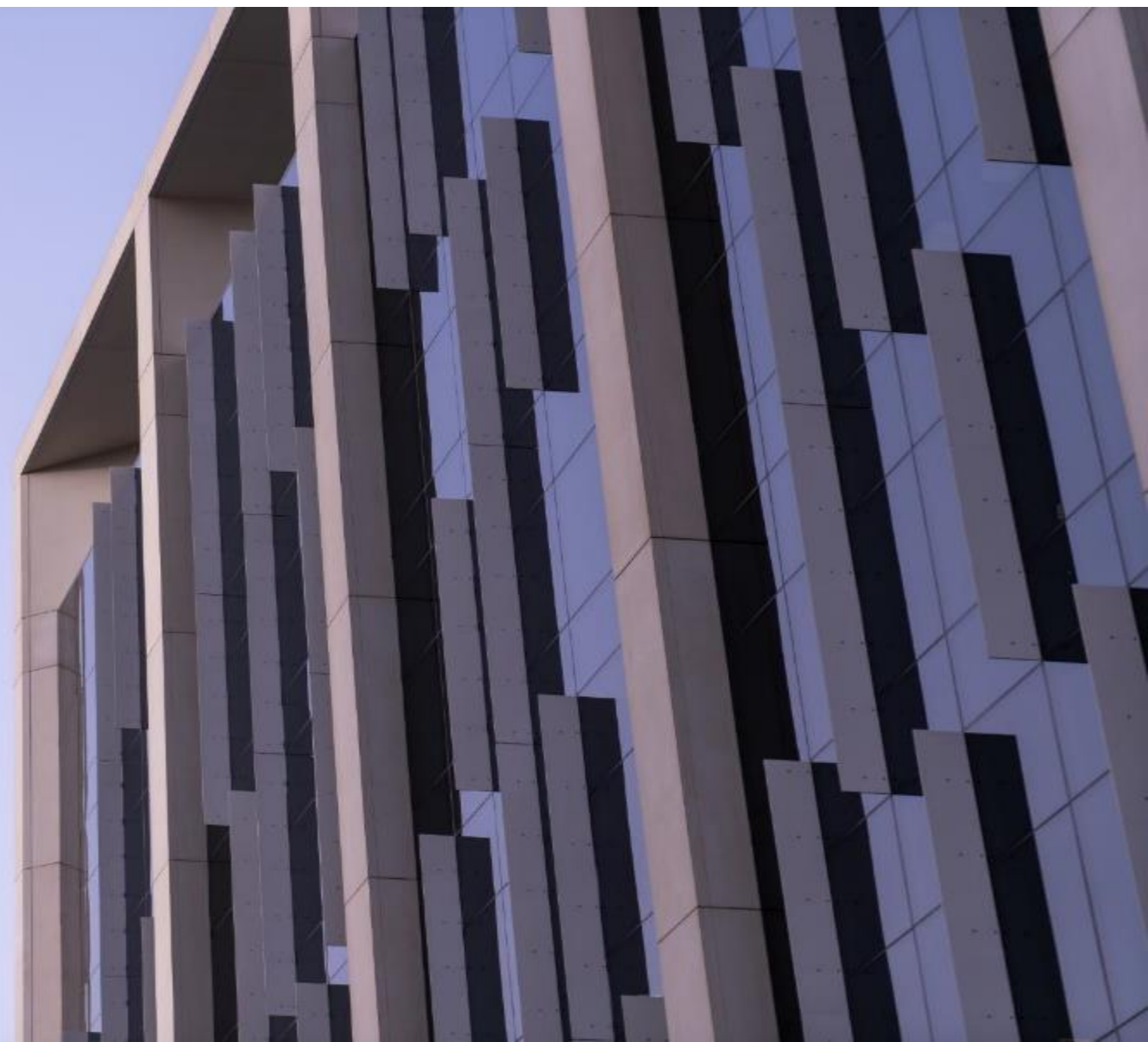




ENBD REIT
Managed by Emirates NBD Asset Management



Quarterly Update

31st March 2020

www.enbdreit.com



Presenting team



Anthony Taylor

Head of Real Estate
ENBD REIT



Asif Siddique

Chief Financial Officer
ENBD REIT

Snapshot: 31st March 2020



Al Thuraya 1



Binghatti Terraces



Uninest



Burj Daman



Arabian Oryx House



South View School



DHCC 49



Remraam



Souq Extra Retail Centre



DHCC 25



The Edge

Portfolio property value
USD 410m

NAV:
USD 230m**
NAV per share:
USD 0.92**

Offices: 65%
Residential: 16%
Alternative: 19%

Occupancy
82%

WAULT: 3.24 years
Office: 1.50 years
Residential: 0.77 years
Alternative: 11.42 years

Properties
11

LTV*
44%

* Loan-to-value on GAV

** NAV stated cum-dividend

Payments to shareholders

Payments made to shareholders relating to FY ending 31 st March 2020	USD	USD per share	% of NAV	% of share price
Proposed final dividend* (28 th July 2020)	5,100,000	0.0204	2.22%	5.73%
Interim dividend (paid 17 th Dec 2019)	4,900,000	0.0196	1.93%	3.64%
Total proposed to shareholders	10,000,000	0.0400	4.35%	11.24%
Payments made to shareholders relating to FY ending 31 st March 2019	USD	USD per share	% of NAV	% of share price
Final dividend (paid 14 th July 2019)	5,399,754	0.0215	2.00%	3.81%
Interim dividend (paid 25 th Feb 2019)	6,868,836	0.0270	2.41%	3.60%
Total paid to shareholders	12,268,590	0.0485	4.54%	8.65%
Payments made to shareholders relating to FY ending 31 st March 2018	USD	USD per share	% of NAV USD 1.18	% of share price USD 0.99
Final dividend (paid 13 th June 2018)	3,281,777	USD 0.0129	1.09%	1.30%
Return of capital (paid 13 th June 2018)	8,725,966	USD 0.0343	2.91%	3.46%
Interim dividend (paid 12 th July 2017)	9,718,131	USD 0.0382	3.24%	3.86%
Total paid to shareholders	21,725,874	USD 0.0854	7.24%	8.63%

• As at 31st March 2020 NAV USD 0.9188 and share price of USD 0.356

**As at 31st March 2019 NAV USD 1.08 and share price of USD 0.57, paid 15th July 2019

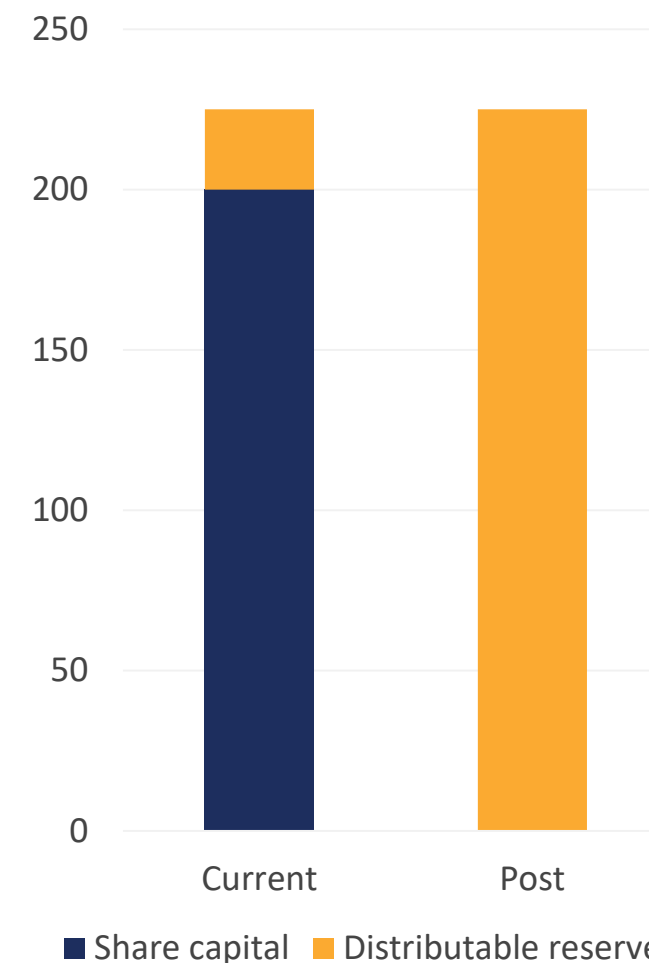
Proposed share capital reduction at upcoming AGM

- This does not impact shareholders' right in any way.
- This is an accounting adjustment to reduce the share capital of the company on the balance sheet and reallocate this same amount to a distributable reserve where it can be utilised to make payments to shareholders.
- Payment will be in the of either dividends (generated by net rental income during a period), special dividends, or as a return of capital payment (from the sale of assets).
- The reason for this proposed special resolution has been due to the decline in valuations across the portfolio over the last two years, which has reduced the distributable reserve by approximately USD 62m.
- A distributable reserve of approximately USD 20m still remains as at 31 March 2020, however, further declines in valuation (particularly in relation to the Covid-19 pandemic) could further reduce this amount to a point where interim and final dividends going forward could not be paid
- Without the proposed share capital reduction, ENBD REIT would not be able to pay ongoing dividends to shareholders, despite having generated positive cash flows from net rental income, until market sentiment and valuations improve.

Balance sheet impact of proposed share capital reduction

Current As at 31 st March 2020 (ex div)	
Total assets	USD 437m
Total liabilities	USD 213m
Total equity (NAV)	USD 225m
Share capital	USD 200m
Distributable Reserve*	USD 25m
NAV per share	USD 0.900
Share capital per share	USD 0.800

Post share capital reduction As at 31 st March 2020 (ex div)		
Total assets	USD 437m	→
Total liabilities	USD 213m	→
Total equity (NAV)	USD 225m	→
Share capital	USD 0.25m	↓
Distributable Reserve*	USD 224.7m	↑
NAV per share	USD 0.900	→
Share capital per share	USD 0.001	↓



* Distributable reserve includes capital redemption reserve, distributable reserve, special reserve and retained earnings.

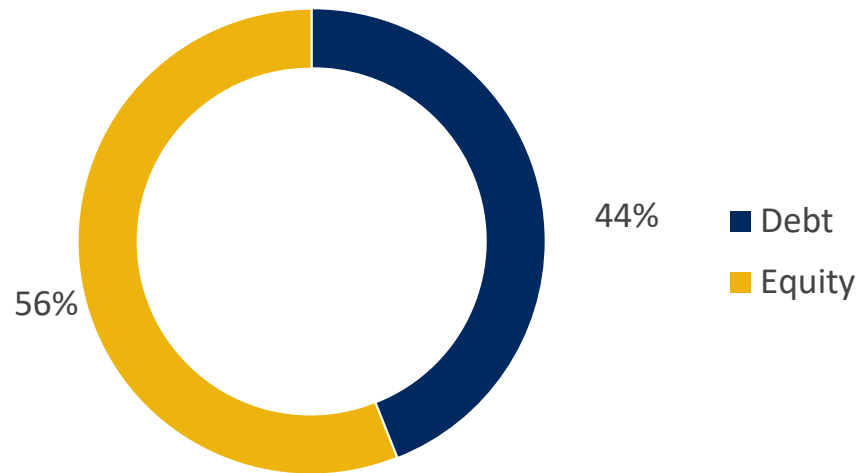
Proposed fee reductions

- Due to the COVID19 pandemic and recognition of below target performance both on share price and net rental income yield.
- **Management has proposed a 20bps fee reduction (-13%) for the next 6 months** provided total fees during this period do not fall below 25%.
- ENBD REIT's Board of Directors, Shari'a Supervisory Board, Investment Committee and Oversight Committee members have all agreed to the same 13% reduction for the same period
- Total cost saving to shareholders of approximately USD 240,000.
- **Why only 6 months? - difference in financial calendars between management**

Capital structure: 31st March 2020

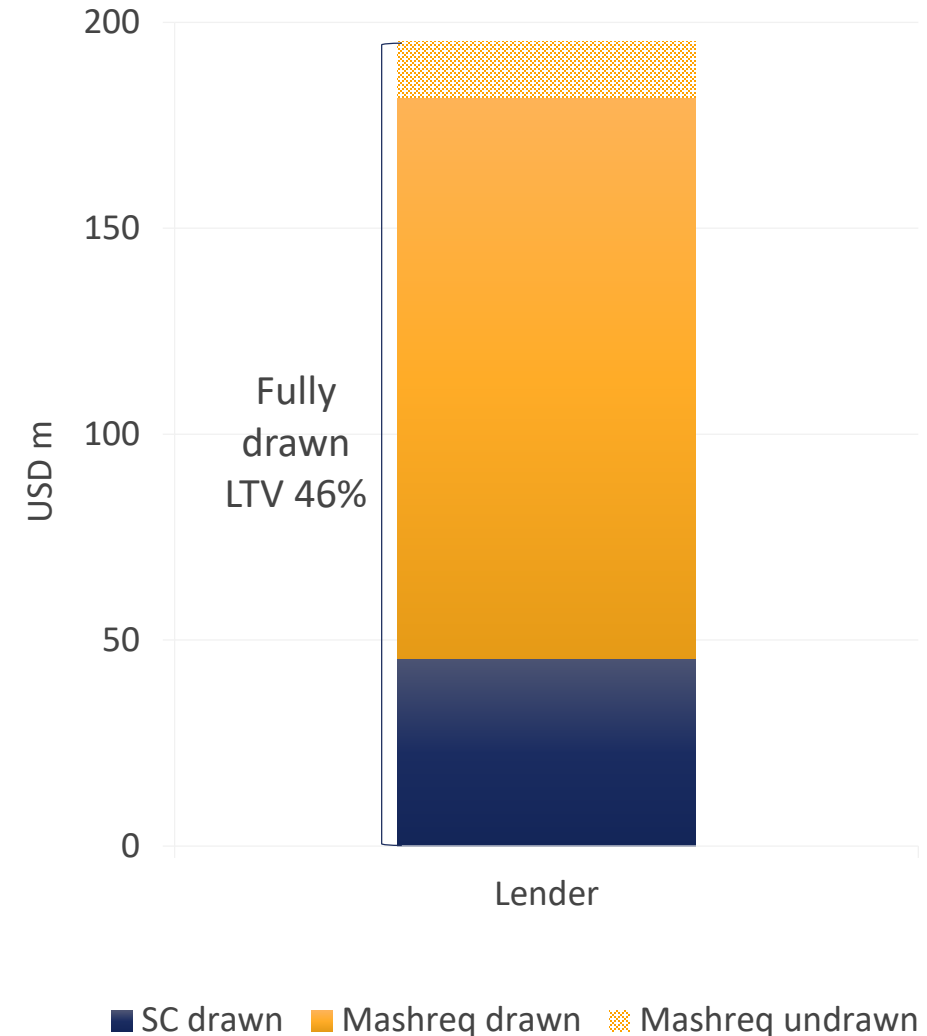
Finance terms:

- Standard Chartered: 3mth LIBOR + 2.15%
- Mashreq Bank*: 3mth EIBOR + 2.65%



Equity	Debt	LTV
USD 230m	USD 182m	44%

* Mashreq Bank Facility executed on the 30th June 2019.

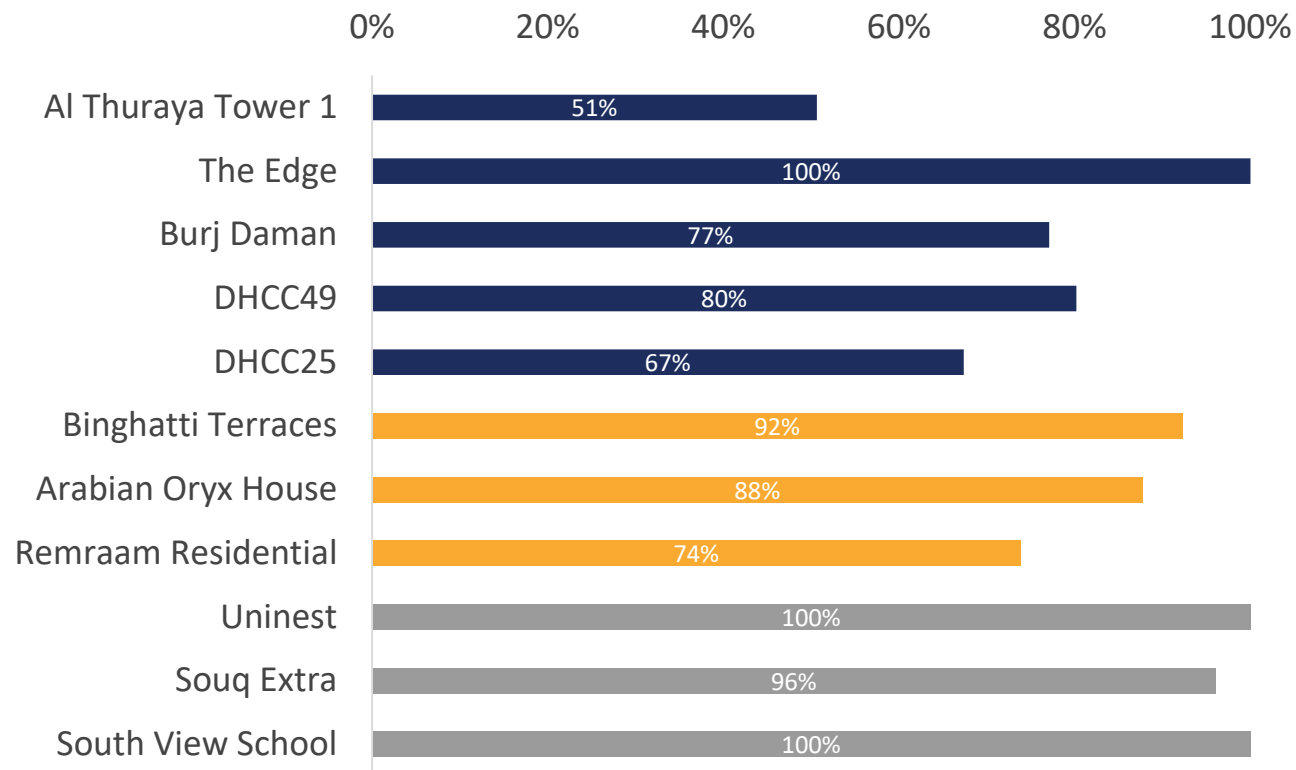




Portfolio

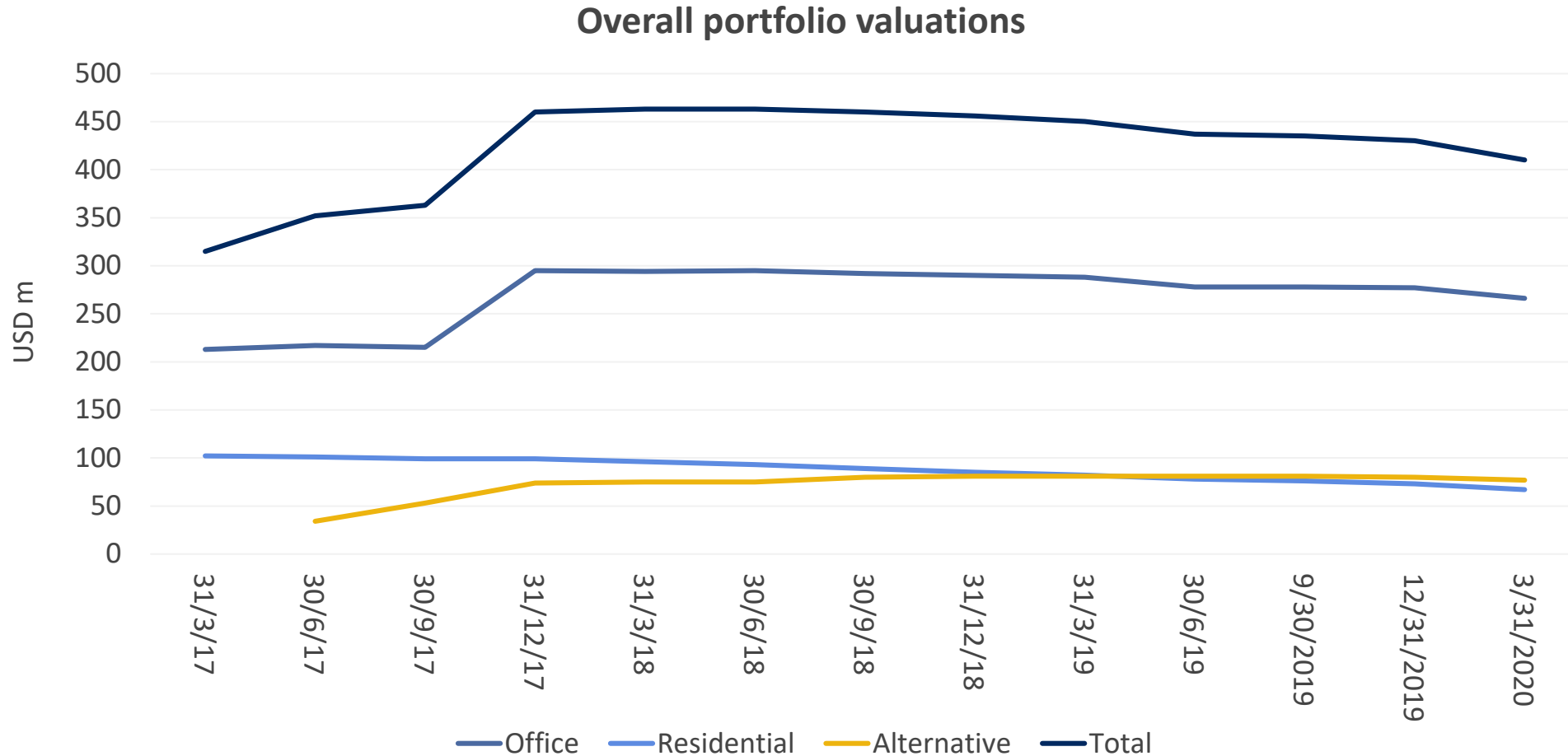
Portfolio characteristics

Strong occupancy of **82%** across the portfolio



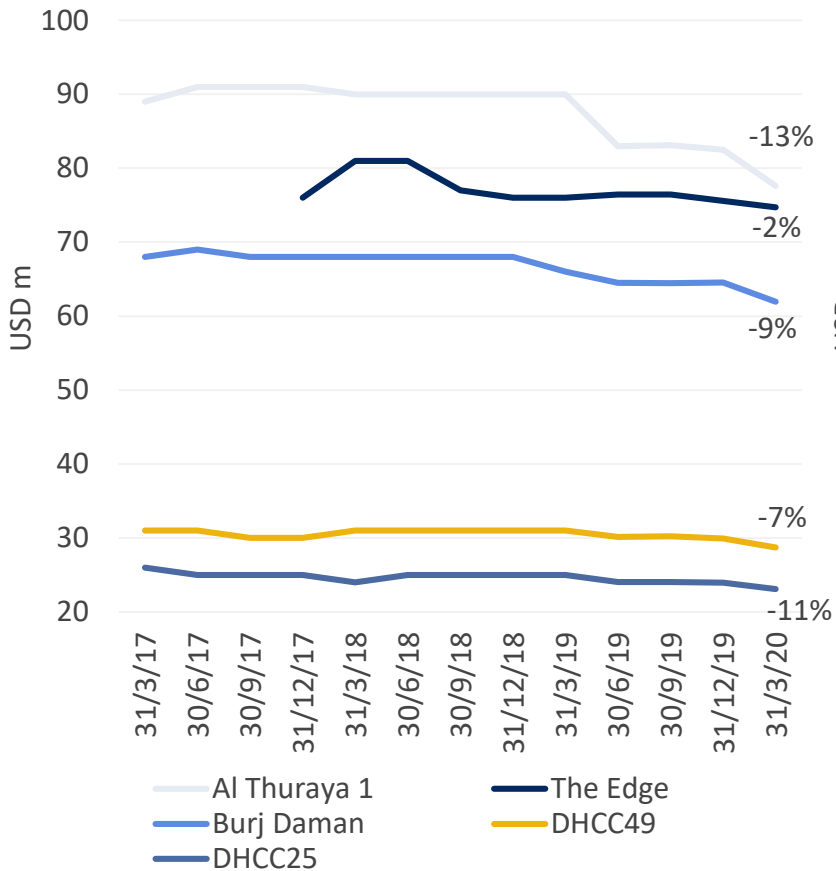
Offices 65%	Target 50-60%
Residential 16%	Target 15-20%
Alternative 19%	Target 25-35%

ENBD REIT's valuations remain under pressure

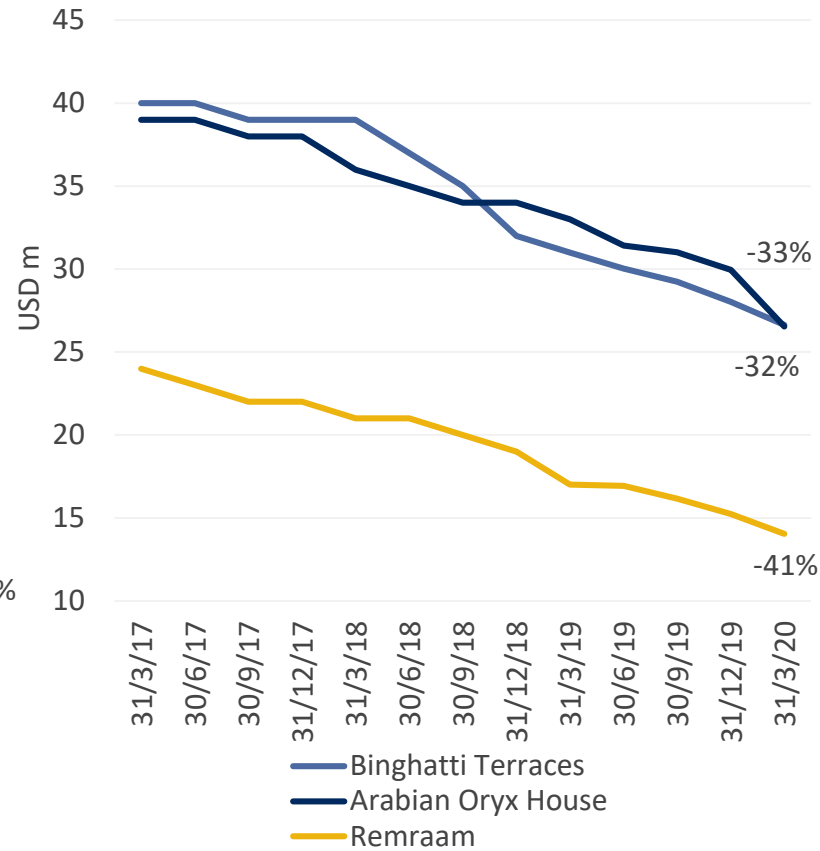


ENBD REIT's office and alternative portfolios impacted

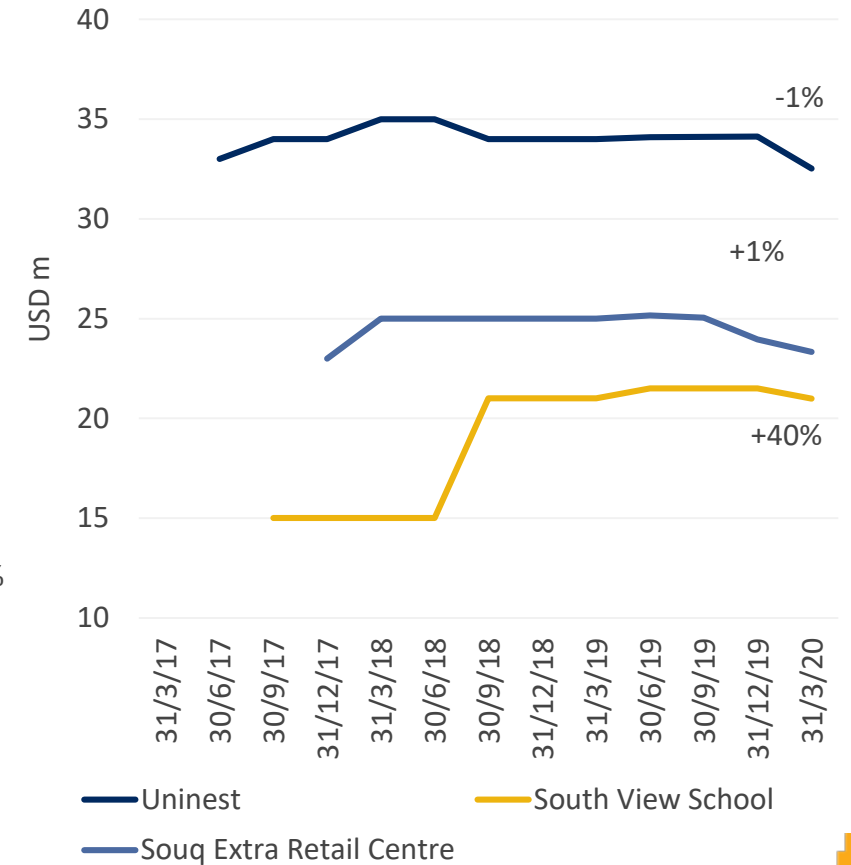
Office valuations



Residential valuations



Alternative valuations



Asset snapshot: Office



	Al Thuraya 1 Media City Acquired: Nov 2006	The Edge Dubai Internet City Acquired: Oct 2017	Burj Daman DIFC Acquired: Jun 2015	DHCC 49 Healthcare City Acquired: Apr 2007	DHCC 25 Healthcare City Acquired: Jul 2007	Overall Office Portfolio	Overall Portfolio
Market value (USD)	78m	75m	62m	29m	23m	266m	410m
% of portfolio value	19%	18%	15%	7%	6%	65%	100%
Net leasable area (Sq. Ft.)	208,565	92,208	87,618	80,808	71,034	540,233	1,293,017
Occupancy rate	51%	100%	77%	80%	67%	75%	82%
WAULT (years)	0.64	1.39	2.81	1.12	1.75	1.50	3.24
Gross rental yield	7.0%	8.1%	7.3%	9.6%	8.4%	7.8%	8.1%*

Source: ENBD REIT as at 31st March 2020. * Annual contractual rental; excludes cash and debt (gross rental revenue / portfolio value)

Asset snapshot: Residential






	Binghatti Terraces Silicon Oasis Acquired: May 2016	Arabian Oryx House Barsha Heights Acquired: Oct 2014	Remraam Dubailand Acquired: Sep 2015	Overall Residential Portfolio	Overall Portfolio
Market value (USD)	27m	27m	14m	67m	410m
% of portfolio value	7%	6%	3%	16%	100%
Net leasable area (Sq. Ft.)	178,907	133,432	112,154	424,493	1,293,017
Occupancy rate	92%	88%	74%	87%	82%
WAULT (years)	0.92	0.70	0.65	0.77	3.24
Gross rental yield	9.8%	8.9%	8.9%	9.3%	8.1%*

Source: ENBD REIT as at 31st March 2020. * Annual contractual rental; excludes cash and debt (gross rental revenue / portfolio value)

Asset snapshot: Alternative



	 Uniest Dubailand Acquired: May 2017	 Souq Extra Retail Centre Acquired: Dec 2017	 South View School Remraam Acquired: Aug 2017	Overall Alternative Portfolio	Overall Portfolio
Market value (USD)	33m	23m	21m	77m	410m
% of portfolio value	8%	6%	5%	19%	100%
Net leasable area (Sq. Ft.)	160,264	36,027	132,000	328,291	1,293,017
Occupancy rate	100%	96%	100%	99%	82%
WAULT (years)	4.16	1.81	33.36	11.42	3.24
Gross rental yield	8.2%	9.4%	6.5%	8.1%	8.1%*

Source: ENBD REIT as at 31st March 2020. * Annual contractual rental; excludes cash and debt (gross rental revenue / portfolio value)

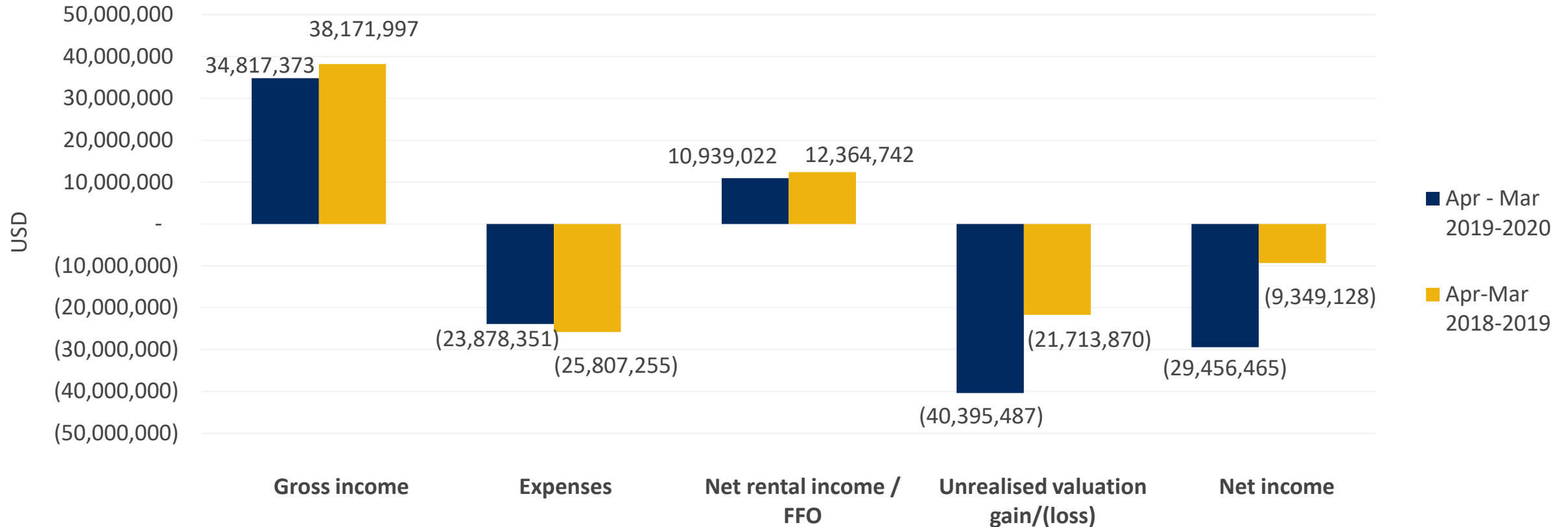
Financials



Financial summary: 31st March 2020

- Net rental income / FFO down 10.7% year on year – improved by 19% in H2 due to lower costs, especially on debt following the refinancing in H1
- Total payments to shareholders for the year at 91% of FFO
- Gross income down 8.8% year on year
- USD 40m of unrealised valuation losses - significantly impacted net income

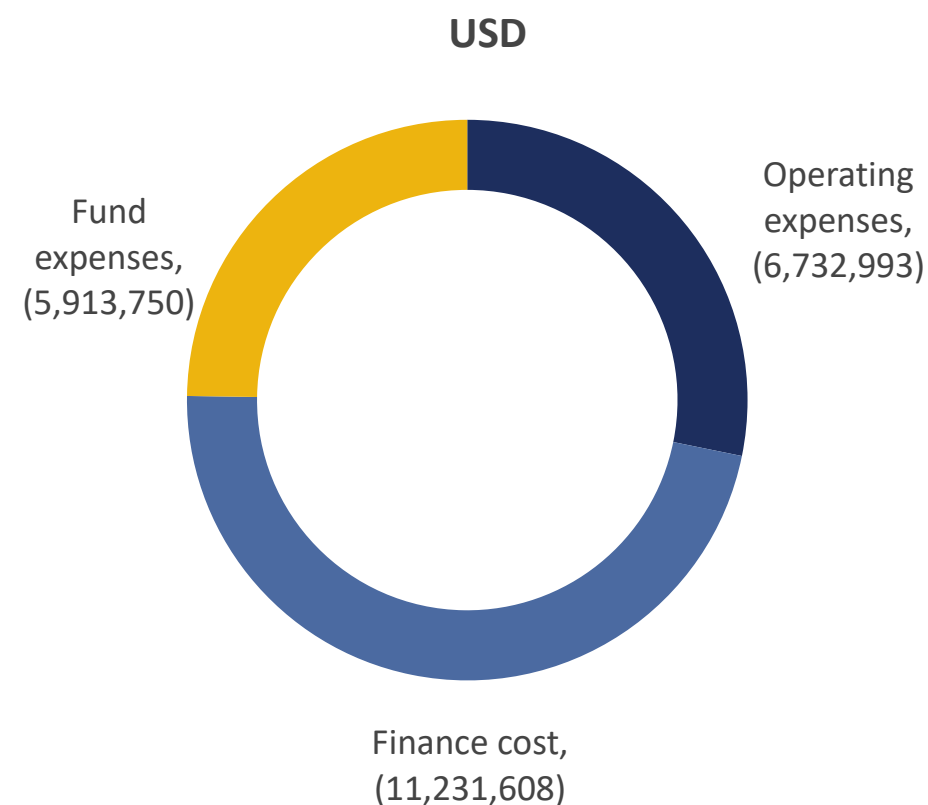
Financial performance: April – March 2020



Breakdown of total expenses: 31st March 2020

- Increased finance costs due to higher profit rates and additional drawdown
- Refinancing expected to bring finance costs down in the future

USD	Apr-Mar 2019-2020	Apr-Mar 2018-2019	Variance
Gross income	34,817,373	38,171,997	(3,354,624)
Total expenses	(23,878,351)	(25,807,255)	2,029,318
FFO			
Net Rental Income (excl. valuation)	11,039,436	12,364,742	(1,325,306)
Unrealised valuation gain/(loss)	(40,395,487)	(21,713,870)	
Net income	(29,456,465)	(9,349,128)	(20,006,923)





Appendix

Financials

Financial performance - statement of financial position (USD)

	31 st Mar 2020	31 st Mar 2019
Investment Properties	410,155,186	450,322,080
IFRS Adjustment and Right of Use Assets	12,310,613	-
Cash and Cash Equivalent	13,701,144	15,754,585
Trade and Other Receivables	6,284,816	3,926,006
Total Assets	442,451,759	470,002,671
Payable for Investments	272,257	2,153,945
Trade and Other Payables	16,110,997	13,905,318
Total Current Liabilities	16,383,254	16,059,263
Islamic Finance Payable	179,626,496	178,564,658
Others	2,464,383	5,311,875
Lease Liabilities	14,285,620	-
Total Non-Current Liabilities	196,376,499	183,876,533
Total Liabilities	212,759,753	199,935,796
Net Asset Value	229,692,006	270,066,875

Financials

Financial performance - statement of comprehensive income (USD)

	Full Year 31 st Mar 2020	Full Year 31 st Mar 2019
Rental Income	34,767,166	38,040,334
Profit on Deposits	50,207	131,663
Total Income	34,817,373	38,171,997
Operating Expenses	(6,732,993)	(8,240,625)
Operating Income	28,084,380	29,931,372
Other Expenses	(1,943,372)	(2,076,276)
Management Fee	(3,970,378)	(4,123,021)
Fund Expenses	(5,913,750)	(6,199,297)
Finance Costs	(11,231,608)	(11,367,334)
FFO (Net rental income excluding valuation movement)	10,939,022	12,364,741
FFO Margin	31.42%	32.39%
Net Unrealised Gain/Loss	(40,395,487)	(21,713,870)
Net Income	(29,456,465)	(9,349,129)
Net Income Margin	(84.60%)	(24.49%)

Source: ENBD REIT as at 31st March 2020.

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