

ENBD REIT (CEIC) PLC AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2022

ENBD REIT (CEIC) PLC and its subsidiaries

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ENBD REIT (CEIC) PLC and its subsidiaries

Management and Administration

Directors of ENBD REIT (CEIC) PLC	Tariq Bin Hendi Mark Creasey Khalid AlFaheem Ali AlMazroei	Independent Auditor	Deloitte & Touch (M.E.) Building 3, Level 6, Emaar Square, Downtown Dubai P.O. Box 4254, United Arab Emirates
Registered Office	8th Floor East Wing DIFC – The Gate Building PO Box 506578 Dubai United Arab Emirates	Administrator and Company Secretary	Apex Fund Services (Dubai) Ltd. Office 101, Level 1 Gate Village, Building 5, DIFC PO Box 506534 Dubai United Arab Emirates
Fund Manager	Emirates NBD Asset Management Limited 8th Floor East Wing DIFC – The Gate Building PO Box 506578 Dubai United Arab Emirates	Custodian	Apex Fund Services (Guernsey) Limited 1 st Floor Tudor House Le Bordage, St. Peter Port Guernsey GY1 1DB
Shari’a Supervisory Board	Fatwa and Shari’a Supervision Board Amanie Advisors LLC Dr. Mohamed Ali Elgari Dr. Mohd Daud Bakar Dr. Muhammad Amin Ali Al-Qattan Dr. Osama Al Dereai		

ENBD REIT (CEIC) PLC and its subsidiaries

Directors' Report

Incorporation

ENBD REIT (CEIC) PLC – a DIFC Company with Registration Number 2209 (the “Company” or “ENBD REIT”) was incorporated on 18 July 2016. ENBD REIT and its subsidiaries and Special Purpose Vehicle (SPVs) are collectively referred to as the “Group”.

ENBD REIT was incorporated as a company limited by shares under the Companies Law, DIFC Law No. 2 of 2009 and has been renamed to ENBD REIT (CEIC) PLC from ENBD REIT (CEIC) Limited due to the introduction of the new DIFC Companies Law, DIFC Law No. 5 of 2018.

Structure

On 23 March 2017, the shares of ENBD REIT were admitted to the Dubai Financial Services Authority (“DFSA”) list of shares to trade on Nasdaq Dubai after the Initial Public Offering (the “IPO”).

Investment policy and objectives

The purpose of the Group is to provide investors with a professionally managed means of participating in the United Arab Emirates (“UAE”) real estate market. The primary investment objective of the Group is to achieve regular rental income and long-term capital growth from a diversified portfolio of commercial, residential and alternative properties. Investment decisions under the supervision of the Directors of the Group will be made on behalf of the Group by the Fund Manager and will reflect the medium to long-term objective to maximise total return made up of rental income and capital appreciation.

The Group shall have the capacity to seek finance in a manner compliant with Islamic Shari’a law to aid further property acquisitions from time to time with an aim to further increase shareholders’ returns. The Group may invest in properties via offshore special purpose vehicles (“SPVs”). A single SPV may be used to hold each separate property, and any finance sought for the property acquisitions will be either at the Group level or at the SPV level.

All investments of the Group will take place according to Shari’a guidelines, as defined by the Shari’a Supervisory Board of the Group. The Shari’a Supervisory Board will also periodically review that all implemented investment decisions of the Fund Manager remain within Shari’a guidelines.

Results and distributions

The results for the period are set out in the statement of profit or loss and other comprehensive income on page 6. During the current period, a final dividend of USD 0.0200 per share amounting to USD 5,000,000 (2.99% annualised of NAV) was declared and approved for the year ended 31st March 2022 and paid on 29th July 2022. (USD 0.0176 per share amounting to USD 4,400,000 (2.44% annualised of NAV) was declared and approved for the year ended 31st March 2021 and paid on 25th July 2021).

Property valuations

The values of the properties that form the bulk of the assets in the Group are determined regularly by CB Richard Ellis, Knight Frank and Cavendish Maxwell, independent experts in real estate valuations. The Directors express comfort in the level of expertise applied to the valuation process which requires significant accounting estimates and judgements (refer note 2(d) of the condensed consolidated interim financial statements). A revised valuation policy was implemented during the Financial year ended 31 March 2022 which includes a rotation mechanism to ensure the properties are not valued by the same valuer for more than 5 years as per regulatory requirements for REITs.

Directors' Report

Declaration

The Directors have analysed the Group’s ability to continue as a going concern and have not identified a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Therefore, they have prepared the condensed consolidated interim financial information of the Group for the period ended 30 September 2022 on a going concern basis.

Signed on behalf of the Board



Director: Tariq Bin Hendi
Date: 24th November 2022

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Shareholders
ENBD REIT (CEIC) PLC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **ENBD REIT (CEIC) PLC and its Subsidiaries** (together referred to as the “Group”) as at 30 September 2022 and the related condensed consolidated interim income statement, condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 - *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34.

Deloitte & Touche (M.E.)



Malcolm Coates
24 November 2022
Dubai
United Arab Emirate

ENBD REIT (CEIC) PLC and its subsidiaries

Condensed consolidated interim statement of financial position As at 30 September 2022

	Note	30 Sep 2022 USD (Unaudited)	31 Mar 2022 USD (Audited)
Assets			
Non-current assets			
Investment properties	3	373,171,086	367,144,748
Total non-current assets		<u>373,171,086</u>	<u>367,144,748</u>
Current assets			
Trade and other receivables	4	8,989,354	6,638,512
Prepaid expenses	5	363,615	401,309
Cash and cash equivalents	6	22,040,019	19,030,420
Total current assets		<u>31,392,988</u>	<u>26,070,241</u>
Total assets		<u><u>404,564,074</u></u>	<u><u>393,214,989</u></u>
Liabilities			
Current liabilities			
Trade and other payables	7	13,412,685	8,414,811
Lease liabilities	9	812,890	812,890
Total current liabilities		<u>14,225,575</u>	<u>9,227,701</u>
Non-current liabilities			
Trade and other payables	7	2,546,474	2,651,071
Islamic finance payable	8	184,837,547	196,420,049
Derivative financial instruments (Currency swap)	8	16,128,323	3,573,036
Lease liabilities	9	14,565,350	14,393,951
Total non-current liabilities		<u>218,077,694</u>	<u>217,038,107</u>
Total liabilities		<u><u>232,303,269</u></u>	<u><u>226,265,808</u></u>
Equity			
Share capital	10 (a)	250,000	250,000
Capital redemption reserve	10 (c)	962,457	962,457
Special reserve	10 (b)	5,976,686	6,063,007
Hedge reserve	10 (d)	(3,784,287)	(3,149,050)
Retained earnings		168,855,949	162,822,767
Total equity		<u>172,260,805</u>	<u>166,949,181</u>
Total equity and liabilities		<u><u>404,564,074</u></u>	<u><u>393,214,989</u></u>

This condensed consolidated interim financial information were approved and authorised for issue by the Directors on 24th November 2022 and signed on behalf of the Board by:



Director: Tariq Bin Hendi
Date: 24th November 2022



Director: Mark Creasey

The accompanying notes on pages 9 to 20 form an integral part of this condensed consolidated interim financial information.

The independent auditor's report on the review of the condensed consolidated interim financial information is set out on pages 4.

ENBD REIT (CEIC) PLC and its subsidiaries

Condensed consolidated interim statement of profit or loss and other comprehensive income For the six month period ended 30 September 2022

		30 Sep 2022 USD (Unaudited)	30 Sep 2021 USD (Unaudited)
Income			
Rental income		14,962,279	14,909,512
Property operating expenses	11	(3,040,392)	(2,975,497)
Total operating income		<u>11,921,887</u>	<u>11,934,015</u>
Expenses			
General and administrative expenses	12	(602,655)	(567,687)
Management fees	13	(1,293,333)	(1,326,045)
Property valuation fees		(63,912)	(66,022)
Allowance for impairment against trade receivables	4	(83,267)	(401,334)
Total fund expenses		<u>(2,043,167)</u>	<u>(2,361,088)</u>
Finance income / (cost)			
Profit on Islamic deposits	13	87,499	39,620
Lease liability finance cost	9	(406,936)	(406,326)
Islamic financing costs		(4,063,526)	(3,445,831)
Net finance cost		<u>(4,382,963)</u>	<u>(3,812,537)</u>
Profit before depreciation and unrealised gain on fair valuation of investment properties		5,495,757	5,760,390
Unrealised gain / (loss) on fair valuation of investment properties, net	3	5,451,104	(16,528,521)
Profit / (loss) for the period		<u>10,946,861</u>	<u>(10,768,131)</u>
Other comprehensive loss			
Fair value adjustments to cash flow hedge		(635,237)	(822,070)
Total comprehensive income / (loss) for the period		<u>10,311,624</u>	<u>(11,590,201)</u>
Earnings / (loss) per share			
Basic earnings / (loss) per share (USD)	16	<u>0.04</u>	<u>(0.04)</u>

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ENBD REIT (CEIC) PLC and its subsidiaries

Condensed consolidated interim statement of changes in equity

For the six month period ended 30 September 2022

	Share Capital	Capital Redemption Reserve	Distributable Reserve	Special Reserve	Hedge Reserve	Retained Earnings	Total
	USD	USD	USD	USD	USD	USD	USD
As at April 2021 (audited)	250,000	962,457	101,465,373	70,805,683	-	6,809,087	180,292,600
Total comprehensive loss for the period (unaudited)							
Loss for the period	-	-	-	-	-	(10,768,131)	(10,768,131)
Other comprehensive loss	-	-	-	-	(822,070)	-	(822,070)
Total comprehensive loss for the period (unaudited)	-	-	-	-	(822,070)	(10,768,131)	(11,590,201)
Transactions with shareholders recorded directly in equity							
Dividend distribution (note 15)	-	-	-	-	-	(4,400,000)	(4,400,000)
Transfer to retained earning	-	-	(101,465,373)	-	-	101,465,373	-
Transfer to distributable reserve	-	-	-	(4,562,098)	-	4,562,098	-
At 30 September 2021 (unaudited)	250,000	962,457	-	66,243,585	(822,070)	97,668,427	164,302,399
As at 1 April 2022 (audited)	250,000	962,457	-	6,063,007	(3,149,050)	162,822,767	166,949,181
Total comprehensive income for the period (unaudited)							
Profit for the period	-	-	-	-	-	10,946,861	10,946,861
Other comprehensive loss	-	-	-	-	(635,237)	-	(635,237)
Total comprehensive income for the period (unaudited)	-	-	-	-	(635,237)	10,946,861	10,311,624
Transactions with shareholders recorded directly in equity							
Dividend distribution (note 15)	-	-	-	-	-	(5,000,000)	(5,000,000)
Transfer from reserve	-	-	-	(86,321)	-	86,321	-
At 30 September 2022 (unaudited)	250,000	962,457	-	5,976,686	(3,784,287)	168,855,949	172,260,805

The accompanying notes on pages 9 to 20 form an integral part of this condensed consolidated interim financial information.

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ENBD REIT (CEIC) PLC and its subsidiaries

Condensed consolidated interim statement of cash flows For the six month period ended 30 September 2022

	Note	30 Sep 2022 USD (Unaudited)	30 Sep 2021 USD (Unaudited)
Cash flows from operating activities			
Profit / (loss) for the period		10,946,861	(10,768,131)
Adjustments for:			
Unrealised (gain) / loss on investment properties, net		(5,451,104)	16,528,521
Profit on Islamic deposits		(87,499)	(39,620)
Allowance for impairment against trade receivables	4	83,267	401,334
Islamic financing cost		4,063,526	3,445,831
Finance cost on lease liabilities	9	406,936	406,326
		<u>9,961,987</u>	<u>9,974,261</u>
Changes in:			
Trade and other receivables		(2,434,109)	(2,104,440)
Prepaid expenses		37,694	222,482
Trade and other payables		4,893,277	(2,179,730)
		<u>12,458,849</u>	<u>5,912,573</u>
Net cash flows generated from operating activities			
Cash flows from investing activities			
Capital expenditure on investment properties	3	(575,234)	(1,868,916)
Profit received on Islamic deposits	9	87,499	39,620
		<u>(487,735)</u>	<u>(1,829,296)</u>
Net cash flow used in investing activities			
Cash flows from financing activities			
Repayment of Islamic financing	8	-	(250,000)
Dividend distribution to ordinary shareholders	15	(5,000,000)	(4,400,000)
Islamic financing cost paid		(3,725,977)	(3,015,530)
Payment of lease liabilities	9	(235,538)	(162,029)
		<u>(8,961,515)</u>	<u>(7,827,559)</u>
Net cash flows used in financing activities			
Net increase / (decrease) in cash and cash equivalents for the period		3,009,599	(3,744,282)
Cash and cash equivalents at the beginning of the period	6	<u>19,030,420</u>	<u>24,607,598</u>
Cash and cash equivalents at the end of the period	6	<u><u>22,040,019</u></u>	<u><u>20,863,316</u></u>

The accompanying notes on pages 9 to 20 form an integral part of this condensed consolidated interim financial information.

The independent auditor's report on the review of the condensed consolidated interim financial information is set out on pages 4.

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information

For the six month period ended 30 September 2022

1. General information

ENBD REIT (CEIC) PLC – a DIFC Company with registration number 2209 (“the Company” or “ENBD REIT”) was incorporated on 18 July 2016. On 15 February 2017, the name of the Company was changed from Emirates Real Estate Fund to ENBD REIT (CEIC) Limited, subsequently the Company changed its name from ENBD REIT (CEIC) Limited to ENBD REIT (CEIC) PLC following the introduction of the Companies Law, DIFC Law No. 5 of 2018. ENBD REIT is registered as a Public Fund with the Dubai Financial Services Authority (“DFSA”). The Company is regulated by the DFSA and is governed by, amongst others, the Collective Investment Law No. 2 of 2010 (“CIL”), the Collective Investment Rules module of the DFSA Rules (“CIR”), the Markets Law DIFC Law No. 1 of 2012 (the “Markets Law”), the Markets Rules module of the DFSA Rules (“Markets Rules”) and the applicable Dubai International Financial Centre (“DIFC”) companies law. The Company is categorised under the CIL as a Public Fund and the CIR as a Domestic Fund, an Islamic Fund, a Property Fund and a Real Estate Investment Trust (REIT). ENBD REIT and its subsidiaries and special purpose vehicles (“SPV”) are collectively referred to as “the Group”. The registered address of the Company is 8th Floor, East Wing, Dubai International Financial Centre, The Gate Building, PO Box 506578, Dubai, United Arab Emirates.

ENBD REIT has been established as a Shari’a compliant company limited by shares under the DIFC Companies Law. The principal activity of the Group is to participate in the United Arab Emirates (“UAE”) real estate market to achieve regular rental income and long-term capital growth from a diversified portfolio of property and property related assets. All investments of the Group take place according to Shari’a guidelines, as defined by the Shari’a Supervisory Board of the Group. The Shari’a Supervisory Board also periodically review that all investment decisions made by the Fund Manager are within Shari’a guidelines.

On 23 March 2017, the shares of ENBD REIT were admitted to the Dubai Financial Services Authority (“DFSA”) list of shares to trade on Nasdaq Dubai after an Initial Public Offering (the “IPO”).

2. Significant accounting policies

a. Basis of presentation

The condensed consolidated interim financial information for the six month period ended 30 September 2022 has been prepared in accordance with IAS 34 ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the last annual consolidated financial statements for the year ended 31 March 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Islamic Shari’a rules and principles as determined by the Shari’a Supervisory Board of the Group and in accordance with the applicable regulatory requirements of the DFSA. The condensed consolidated interim financial information is prepared under the historical cost convention as modified by the revaluation of investment properties and financial assets and financial liabilities at fair value through profit or loss. It does not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes and reclassification of previously reported numbers are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements. The preparation of financial statements in conformity with IFRS requires the Directors to make certain accounting estimates, judgements and assumptions. Actual results may differ from those estimates and assumptions. It also requires the Directors to exercise judgement in the process of applying the Group’s accounting policies. Critical accounting estimates, judgements and assumptions are set out in Note 2(c).

b. Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Company’s annual consolidated financial statements for the year ended 31 March 2022.

New Standards, Interpretations and Amendments issued

a) New standards and amendments effective from 1 January 2022

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the previous year. In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued that are effective for annual period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

2. Significant accounting policies (continued)

New Standards, Interpretations and Amendments issued (continued)

a) New standards and amendments effective from 1 January 2022 (continued)

Standards / amendments to standards / interpretations

Effective date

Amendments to IFRS 3-Reference to the conceptual framework, with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements.

1 January 2022

Amendments to IAS 16 - Property, plant and equipment-proceeds before intended use, regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

1 January 2022

Amendments to IAS 37-Onerous contracts -cost of fulfilling a contract, amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

1 January 2022

Annual improvements to IFRS Standards 2018-2020 cycle

The pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project., i.e. Amendment to IFRS 1 First-time adoption of IFRS, IFRS 9 Financial instruments, IFRS 16 Leases, and IAS 41 Agriculture

The amendments to IFRS 1, IFRS 9 and IAS 41 are effective from 1 January 2022 and the effective date for amendments to IFRS 16 Leases are not yet decided.

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements. Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on after 1 January 2022.

b) New standards and amendments in issue but not yet effective

Standards / amendments to standards / interpretations

Effective date

IFRS 17 Insurance Contracts

1 January 2023

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current, providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

1 January 2023

Amendments to IAS 8 - Definition of Accounting Estimates

1 January 2023

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

Effective date deferred indefinitely. Adoption is still permitted

In the opinion of the Board of Directors of the Fund, these standards, amendments to standards and interpretations do not impact the Fund as the Fund has no application to the above-mentioned standards.

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

2. Significant accounting policies (continued)

c. Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies that affect the reported amounts of assets and liabilities, income and expenses. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities relate to Investment Properties and allowance for impairment losses on financial assets.

In preparing the condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 March 2022.

d. Valuation of investment properties

The Group follows the fair value model under IAS 40 whereby investment property owned for the purpose of generating rental income or capital appreciation, or both, are fair valued based on valuation carried out by an independent registered valuer in accordance with RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors.

Investment properties are stated at fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date. The value of a liability reflects its non-performance risk.

The fair values have been determined by taking into consideration discounted cash flows where the Group has on-going lease arrangements. In this regard, the Group's current lease arrangements, which are entered into on an arm's length basis and which are comparable to those for similar properties in the same location, have been taken into account.

In case where the Group does not have any on-going lease arrangements, fair values have been determined, where relevant, having regard to recent market transactions for similar properties in the same location as the Group's investment properties. These values are adjusted for differences in key attributes such as property size.

The Group's management has reviewed the assumptions and methodologies used by the independent registered valuer and, in their opinion, these assumptions and methodologies appear reasonable as at the reporting date.

e. Derivative Financial Instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risks, including foreign exchange forward contracts, options and interest rate swaps. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months.

f. Operating segment

The Group has only one operating segment in the UAE.

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

3. Investment properties

	As at 30 Sep 2022 USD (Unaudited)	As at 31 Mar 2022 USD (Audited)
Balance at start of the period / year	352,844,491	357,299,883
Capital expenditure on investment properties	575,234	5,919,740
Changes in fair value	9,222,530	(7,161,904)
Accrued lease income	(3,546,992)	(3,213,228)
	359,095,263	352,844,491
Right-of-use assets	14,075,823	14,300,257
Balance at end of the period / year	373,171,086	367,144,748
	For the six month period ended 30 Sep 22 USD (Unaudited)	For the six month period ended 30 Sep 21 USD (Unaudited)
Unrealised profit / (loss) on fair valuation of investment properties, net		
Changes in fair value of investment properties	9,222,530	(13,252,653)
Accrued lease income	(3,546,992)	(3,057,601)
Changes in fair value of right-of-use assets	(224,434)	(218,267)
Movement during the period	5,451,104	(16,528,521)

Investment properties as at 31 March 2022 were valued by CB Richard Ellis, Cavendish Maxwell and Knight Frank who are qualified external independent property valuation companies and carried out the valuation in accordance with the RICS Valuation Global Standards. Property valuations are carried out in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors ("RICS") and are undertaken by appropriately qualified valuers who are members of RICS and who have recent experience in the locations and categories of the properties being valued. Fair value is estimated based on the Investment Method as described below and benchmarked to comparable transactions wherever applicable.

For certain investment properties, the valuer has used the Market Approach to value the apartments, where fair value was determined by taking into consideration market comparable and benchmarked from sale transactions of similar properties.

Under the investment method, fair value is a product of rent and yield derived using comparison techniques. In undertaking the valuation of properties under this method, an assessment has been made on the basis of a collation and analysis of appropriate comparable investment, rental and sale transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions, capitalisation rates have been applied to the properties taking into account size, location, terms, covenants and other material factors at the valuation date.

During the previous year ended 31 March 2022, Group recommended to refine the valuation accounting approach in determining fair value and move from a net to a gross valuation (excluding transaction costs) in line with DFSA, IFRS and RICS guidance. Had the investment properties been valued on a net basis at 30 September 2022 then their value would have been 3.2% (31 March 2022: 3.07%) lower.

Accrued lease income of USD 3.5 million (31 March 2022: USD 3.2 million) as at the reporting date, relating to the accounting for operating lease rentals on a straight-line basis has been eliminated from the valuation of investment properties, in order to avoid double counting of assets and liabilities.

Investment properties with carrying value of USD 362.64 million (31 March 2022: USD 356.1 million) are mortgaged against bank borrowings. Depreciation for the period ended 30 September 2022 on right-of-use assets amounted to USD 224,434 (30 September 2021: USD 218,267).

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

3. Investment properties (continued)

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

The fair value measurement for the investment properties has been categorised as Level 3 based on the inputs to the valuation technique used except for Remraam which is categorised as Level 2. For all investment properties, the current use of the property is considered to be highest and best use. The significant unobservable inputs used in the fair value measurement of investment properties are:

- Estimated Rental Value (“ERV”)
- Long-term vacancy rate (with the exception of fully occupied property void, periods of 6 months – 12 months were applied for units that were vacant as at the reporting date, which is over and above 3% - 10% permanent void periods applied on these properties)
- Equivalent yield (30 September 2022: 6.5% - 8%; 31 March 2022: 6.5% - 8%)

Significant increases / (decreases) in the ERV (per sqm p.a.) in isolation would result in a significantly higher / (lower) fair value measurement. Significant increases / (decreases) in the long-term vacancy rate and equivalent yield in isolation would result in a significantly lower / (higher) fair value measurement. Generally, a change in the assumption made for the ERV (per sqm p.a.) is accompanied by:

- a similar change in the equivalent yield, and
- an opposite change in the long-term vacancy rate

4. Trade and other receivables

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
<i>Rent receivable</i>		
Gross amount receivable	6,524,937	4,387,387
Less: allowance for impairment	(2,167,696)	(2,084,429)
	<u>4,357,241</u>	<u>2,302,958</u>
<i>Other Receivables</i>		
Deposits for utilities	945,535	945,535
Other receivable	57,857	57,857
Accrued lease income	3,628,721	3,332,162
	<u>4,632,113</u>	<u>4,335,554</u>
Total trade and other receivables	<u>8,989,354</u>	<u>6,638,512</u>
Movement in allowance for impairment		
Balance at start of the period / year	(2,084,429)	(2,163,469)
(Charge) / reversal for the period / year	(83,267)	79,040
Balance at end of the period / year	<u>(2,167,696)</u>	<u>(2,084,429)</u>

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

5. Prepaid expenses

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
Advance paid for investments	203,376	203,376
Prepaid expenses	160,239	197,933
Total prepaid expenses	363,615	401,309

6. Cash and cash equivalents

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
Cash at GSO Portal (in AED account)	12,279	13,247
Cash at bank (in USD accounts) (note 13)	2,788,287	2,129,455
Cash at bank (in AED accounts) (note 13)	6,957,111	11,363,516
Islamic deposits	12,282,342	5,524,202
Total cash and cash equivalents	22,040,019	19,030,420

Islamic deposits represent funds placed in Emirates Islamic Money Market Fund.

7. Trade and other payables

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
Current liabilities:		
Rent received in advance and unearned income	8,504,841	4,208,712
Tenants' security deposits	924,675	761,358
Management fees (note 13)	662,874	614,552
Payable for investments	214,309	214,309
Sundry creditors	3,105,986	2,615,880
	13,412,685	8,414,811
Non-current liabilities:		
Tenants' security deposits	2,546,474	2,651,071

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Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

8. Islamic financing

During the previous year ended 31 March 2022, the Group has refinanced its existing Islamic finance by entering into a Islamic financing facility of USD 200,000,000 with Emirates NBD Bank and Commercial Bank of Dubai on 7th December 2021. The facility consists of tranche A of USD 120M at a profit margin of 2.05% above the quarterly LIBOR and tranche B of GBP equivalent to USD 80M at a profit margin of 1.95% above the quarterly LIBOR. The Group has hedged the exposure on GBP loan by entering into a cross currency profit rate swap with Emirates NBD Bank PJSC. The swap is effective from 9th December 2021 and the termination date is 7th December 2026. The swap has a negative fair value of USD 16,128,323 as on 30 September 2022 (31 March 2022: 3,573,036).

Derivatives subject to offsetting, master netting and any collateral pledged or received are presented below:

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
Emirates NBD Bank PJSC		
Derivative assets	63,871,677	76,426,964
Derivative liabilities	(80,000,000)	(80,000,000)
Net derivative financial assets/(liabilities) presented in the statement of financial position	(16,128,323)	(3,573,036)

The facilities are payable as follows:

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
<i>Contractual cash flows</i>		
- Less than one year	11,388,968	6,099,920
- Between one and five years	223,975,853	222,087,226
	235,364,821	228,187,146
Future finance costs not recognised in the condensed consolidated interim financial information	(47,708,855)	(28,611,132)
	187,655,966	199,576,014
Less: Deferred finance costs (refer note i below)	(2,818,419)	(3,155,965)
Net Islamic finance liability – carrying value	184,837,547	196,420,049

Net Islamic financing liability is presented in these condensed consolidated interim financial information as follows:

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
- More than one year	184,837,547	196,420,049

i) This represents the arrangement fees paid for obtaining the Islamic financing facilities.

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

8. Islamic financing (continued)

Movement in the Islamic finance during the period/year is as follows:

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
As at 1 April	199,576,014	194,641,357
Repayments during the period / year	-	(194,641,357)
Drawdowns during the period / year	-	200,000,000
Movement due to currency revaluation	(11,920,048)	(423,986)
As at end of the period / year	<u>187,655,966</u>	<u>199,576,014</u>

9. Lease liabilities

The Group adopted IFRS 16 'Leases' from 1 April 2019. The Group has opted for the cumulative catch up approach as permitted by IFRS 16 upon adoption of the new standard. During the first time application of IFRS 16 to operating leases, the right to use the leased assets has been measured at the amount of lease liability, using the interest rate at the time of first time application.

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
Lease liabilities recognised as at 1 April	15,206,841	15,095,511
Finance cost on lease liability during the period / year	406,936	810,432
Lease liability paid during the period / year	(235,538)	(699,102)
Closing balance of Lease liabilities	<u>15,378,239</u>	<u>15,206,841</u>
Shown as:		
Current lease liabilities	812,890	812,890
Non-current lease liabilities	<u>14,565,350</u>	<u>14,393,951</u>

10. Share capital

a) Share capital

The authorised share capital of the Group is USD 500,000 divided into 500,000,000 fully paid Ordinary Shares at a nominal value of USD 0.01 per share. The fully paid ordinary shares of the Company are 250,000,000 (31 March 2022: 250,000,000). Pursuant to reduction in share capital (note 10(b)) and shares buy-back (note 10(c)), the share capital of the Group is USD 250,000 (31 March 2022: USD 250,000).

b) Reduction of Capital

During the year ended 31 March 2019, shareholders' in General Meeting dated 27th November 2018 approved to reduce the issued share capital of the Company and transfer the same to distributable reserve and special reserve. Subsequently, shareholders' in the Annual General Meeting dated 1st July 2020 approved to reduce the issued capital of the Company further and transfer the same to distributable reserve. The purpose of the distributable reserve is to enable ENBD REIT to maintain consistent dividend payments despite movements in capital values. As at 31 March 2022, the Company transferred all its distributable reserve to retained earnings. During the period, the balance in the distributable reserve account stands at USD Nil.

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

10. Share capital (continued)

b) Reduction of Capital (continued)

The purpose of the special reserve account is for coverage of liabilities outstanding at the time of movement of share capital to the distributable reserve account. During the period a transfer of USD 0.09 million is made from the special reserve account. As at 30 September 2022, the balance in the special reserve account stands at USD 5,976,686 (31 March 2022: USD 6,063,007).

c) Shares buy-back and Capital redemption reserve

Following the share capital reduction in 2019, the Company initiated a share buy-back programme for a total number of 4,401,340 shares, commencing from 21st February 2019 and completed the programme in September 2019. The surplus reserve of USD 962,457 (31 March 2022: USD 962,457) as a result of the share buy-back programme, was transferred to Capital Redemption Reserve.

d) Hedge Reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability. The balance of USD 3,784,287 (31 March 2022: USD 3,149,050) represents the provision on the profit rate swap on the basis of the mark to market adjustment of USD 16,128,323 (31 March 2022: USD 3,573,036) and foreign currency gain on currency revaluation of USD 12,344,036 on 30 September 2022 (31 March 2022: 423,986).

11. Property operating expenses

	For the six month period ended 30 Sep 22 USD (Unaudited)	For the six month period ended 30 Sep 21 USD (Unaudited)
Building managers' expenses	1,674,229	1,698,489
Utilities	861,351	714,036
Building maintenance expenses	290,328	392,013
Insurance	55,425	54,522
Legal & professional fees	58,492	70,823
Miscellaneous expenses	100,567	45,614
	3,040,392	2,975,497

12. General and administrative expenses

	For the six month period ended 30 Sep 22 USD (Unaudited)	For the six month period ended 30 Sep 21 USD (Unaudited)
Legal and professional fees	59,554	90,030
Board and committee fees	230,000	244,998
Fund administration custodian and related services	99,732	75,390
Insurance Premiums	24,232	19,381
Retainer Fee	31,500	9,996
Registrar Fees	27,452	23,619
Miscellaneous expenses	130,185	104,273
	602,655	567,687

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

13. Related parties and significant transactions

Related parties of the Group include significant shareholders, key management personnel, Directors and businesses which are controlled directly or indirectly by the significant shareholders or Directors or over which they exercise significant management influence. Pricing policies and terms of these transactions are approved by the Group's management and are carried out at arm's length transaction.

The following are considered related parties of the Group:

Related party	Relationship (basis for being a related party)
Emirates NBD Bank PJSC	Lending Bank
Emirates NBD Asset Management Limited	Fund Manager
Board of Directors ("the Board")	Directing and making key decisions for the Group

The basis of the fees payable to the related parties are set out below. The fees incurred during the year are disclosed in the consolidated statement of profit or loss, with amounts outstanding at the reporting date included in trade and other payables.

Related party transactions	For the six month period ended 30 Sep 22 USD (Unaudited)	For the six month period ended 30 Sep 21 USD (Unaudited)
Management fees (i)	1,293,333	1,326,045
Board fees (ii)	230,000	244,998
Profit on Islamic deposit (iii)	87,499	39,620
Fund administration custodian and related services (iv)	99,732	75,390
Finance cost on Islamic financing (v)	1,835,405	-

i) The Group has appointed Emirates NBD Asset Management Limited as the Fund Manager. The following management fee is payable to the Fund Manager:

Total Net Assets per Fund	Management Fee
On first USD 550 million Net Assets	1.50% of NAV
On next USD 450 million Net Assets	1.25% of NAV
Over USD 1,000 million Net Assets	1.00% of NAV

The Fund Manager is entitled to receive from the Company a Performance Fee of 10% above a 7% hurdle rate on the annualised total return to investors calculated on a change in NAV per Share cum-dividend, with a High-water Mark (High-water Mark is the highest NAV from the date of the incorporation of the Company to the date of calculation of the performance fee) rebased every 12 months upwards only, provided that no Performance Fee shall be payable in respect of an increase in NAV per Share from an amount below the High-water Mark up to an amount which is still below or equal to the High-water Mark. No performance fee has been paid or is payable to the Fund Manager (31 March 2022: Nil).

The Fund Manager is also entitled to receive transaction and development fees from the Company on the acquisition and development of investment properties at an agreed rate.

ii) Each Director of ENBD REIT is entitled to a remuneration of USD 75,000 per annum. Director fees charged to the Group for the period ended 30 September 2022 were USD 150,000 (30 September 2021: USD 150,000) and USD Nil was owed to Directors at 30 September 2022 (31 March 2022: USD Nil).

iii) During the previous year ended 31 March 2022, AED 20,000,000 (USD 5,445,140) funds are deposited in the Emirates Islamic Money Market Fund where profit on Islamic deposit is earned.

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

13. Related parties and significant transactions (continued)

iv) The Company has appointed Apex Fund Services (Guernsey) Ltd as the Custodian. The custodian fees are divided into two categories for each market of investment, namely safekeeping fees and transaction fees. Custodian fees charged to the Group for the period ended 30 September 2022 were USD 6,267 (30 September 2021: USD 12,500) and USD Nil was owed as at 30 September 2022 (31 March 2022: USD Nil) The remaining amount under Fund administration and related services relates to Administration agreement and Corporate Secretary services provided by Apex Fund Services (Dubai) Limited.

v) During the previous year ended 31 March 2022, the Group signed a Islamic financing facility of USD 200,000,000 with Emirates NBD and Commercial Bank of Dubai with equal proportion. Finance cost is calculated at given profit margins above quarterly LIBOR.

The Lending Bank was also paid USD Nil (31 March 2022: USD 2,555,000) for arrangement, book running, advisory, structuring & coordinating, investment agency and security agency fee.

Balances with related parties

Cash and cash equivalents of the Group are placed with a shareholder of the Company (a bank) amounting to USD 9,745,398 (31 March 2022: USD 13,144,472).

As at 30 September 2022, the Group has an amount payable to the Fund Manager of USD 662,874 (31 March 2022: USD 614,552).

14. Financial risk and Capital management

The Group's activities expose it to various types of risk that are associated with financial instruments and markets in which it invests.

The condensed consolidated interim financial information does not include all financial risk management statements and disclosures required in the annual consolidated financial statements and they should be read in conjunction with the Group's audited annual financial statements as at 31 March 2022.

15. Dividend Distribution

During the current period, a final dividend of USD 0.0200 per share amounting to USD 5,000,000 (2.90% of NAV) was declared and approved for the period ended 31 March 2022 and paid on 29 July 2022 (31 March 2022: USD 4,400,000).

16. Earnings / (loss) per share

The calculation of basic earnings per share is based on the profit or loss attributable to Ordinary Shareholders and weighted average number of Ordinary Shares outstanding. The Group does not have any potential ordinary shares and accordingly Basic and Diluted Earnings per share are the same.

	For the six month period ended 30 Sep 22	For the six month period ended 30 Sep 21
Earnings / (loss) attributable to the ordinary shareholders of the Group (USD)	10,946,861	(10,768,131)
Weighted number of ordinary shares in issue (refer note i below)	250,000,000	250,000,000
Basic earnings / (loss) per share (USD)	<u>0.04</u>	<u>(0.04)</u>

ENBD REIT (CEIC) PLC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)

For the six month period ended 30 September 2022

16. Earnings / (loss) per share (continued)

i) Reconciliation of weighted average number of ordinary shares

	For the six month period ended 30 Sep 22	For the six month period ended 30 Sep 21
As at 1st April	250,000,000	250,000,000
Weighted average number of ordinary shares at end of the period	<u>250,000,000</u>	<u>250,000,000</u>

17. Contingent Liabilities and Commitments

Operating lease commitments as a lessor

The Group leases out its investment properties. Future minimum lease receivable under non-cancellable operating lease are as follows:

	As at 30 Sep 22 USD (Unaudited)	As at 31 Mar 22 USD (Audited)
Less than one year	23,534,300	23,835,949
Between one and five years	47,129,500	48,709,400
More than five years	58,786,209	61,502,518
	<u>129,450,009</u>	<u>134,047,867</u>

18. Fair value of financial instruments

The carrying amounts of the Group's financial assets and financial liabilities approximate their fair values as at the reporting date.

19. Subsequent events

There are no subsequent events to report as of the date of authorization of these condensed consolidated interim financial information.

20. Approval of the financial information

The condensed consolidated interim financial information was approved by the Board of Directors on 24th November 2022.