

# CONSENT SOLICITATION PROCESS

20 May 2021



MANAGED BY EQUITATIVA GROUP

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES EXCEPT TO (I) QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR (II) ACCREDITED INVESTORS (“AIs”) PURSUANT TO REGULATION D UNDER THE SECURITIES ACT, WHO ARE IN EACH CASE ALSO QUALIFIED PURCHASERS (“QPs”) AS DEFINED IN SECTION 2(a)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”), OR OTHERWISE TO PERSONS TO WHOM IT CAN LAWFULLY BE DISTRIBUTED.

Emirates REIT (CEIC) PLC has launched a Consent Solicitation process to seek to exchange existing unsecured Sukuk certificates with new secured Sukuk Certificates.

The new secured certificates will be secured by a very substantial part of the assets of Emirates REIT. Emirates REIT believes that Sukuk holders will benefit by moving from the current unsecured Sukuk to the new secured Sukuk which includes security over several prominent revenue-generating properties, such as part of Index Tower in DIFC, Office Park, Trident Grand Mall, the 3 Loft Offices buildings, and Building 24.

Arun Reddy, Managing Director of Houlihan Lokey said:

“The proposed transaction is designed to provide a dollar-for-dollar exchange of unsecured Sukuk to a secured Sukuk with the intention of maintaining an effective profit rate of 5.125% and extending the maturity by two years.

The proposal is designed to improve the tradability of the Sukuk and support the trading price for the Sukuk holders.

We would expect there to be significantly more secondary interest for the new secured Sukuk vs the existing one.”

The value of the security package today is \$280m. The Company has quarterly valuations conducted by independent third-parties valuers. With the recovery of the Dubai real estate market, and the steps taken by Emirates REIT to increase its occupancy rates, we expect the valuation of the security package to register sustained improvement going forward, hence providing added coverage to the Sukuk Holders.

At a time when analysts are predicting the current rally in the Dubai real estate market to continue for the foreseeable future, and tenant demand for fitted-out space increases, this transaction should allow the company to accelerate investments in its properties in order to capture those new demands. We believe this will further contribute to increase the security provided to the Sukuk holders.

Sylvain Vieujot, CEO of Equitativa said:

“This is a voluntary transaction designed to support the Sukuk holders and is the most investor-friendly option we could envision which provides security, over all the properties we could mortgage, to our new Sukuk holders. Further to the recent announcement of a 20% reduction in the management fee, Equitativa views this transaction as another opportunity to demonstrate our stewardship of the company.”

Sukuk holders are invited to submit their elections by 4pm BST on Wednesday 26th May 2021 to benefit from the 1% early Documentation Review Fee.

Further information can be found [here](#).

**DISCLAIMER:** This announcement must be read in conjunction with the Memorandum. The Memorandum contains important information which should be read carefully before any decision is made with respect to the Consent Solicitation. If any Certificate holder is in any doubt as to the action it should take or is unsure of the impact of the implementation of the Proposal, it is recommended to seek its own financial, legal and Shari'a advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax, legal or Shari'a adviser. Any individual or company whose Certificates are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Consent Solicitation or otherwise participate in the Proposal.

## **DISTRIBUTION RESTRICTIONS**

### **UNITED STATES**

The Consent Solicitation will only be made to, and the New Secured Certificates will only be issued to, holders or beneficial owners of the Certificates that are: (a) within the United States, qualified institutional buyers within the meaning of, and pursuant to, Rule 144A under the Securities Act, or AIs in reliance on the exemption from registration under Section 5 of the Securities Act provided by Section 4(a)(2) or another exemption therefrom, who are in each case also QPs, and (b) non-U.S. Persons in offshore transactions as defined in, and in reliance on, Regulation S.

Each eligible Certificateholder participating in the Consent Solicitation will be required to represent to Emirates REIT, the Trustee, the Delegate, the Principal Paying Agent and the Tabulation Agent that it is (a) (i) not a U.S. Person, is located and resident outside the United States and is participating in the Consent Solicitation from outside the United States or (ii) (A) is acting on behalf of the beneficial owner of the Certificates on a non-discretionary basis and has been duly authorised to so act and (B) such beneficial owner has confirmed to it that it is not a U.S. Person, it is located and resident outside the United States and it is participating in the Consent Solicitation from outside the United States; or (b) (i) a QP and (ii) a QIB or an AI, and can receive the New Secured Certificates in reliance on the exemption from registration under Section 5 of the Securities Act provided by Rule 144A, Section 4(a)(2) or another exemption therefrom.

### **GENERAL**

This announcement does not constitute an offer to buy or a solicitation of an offer to sell Certificates or New Secured Certificates in, or from, any jurisdiction in, or from, which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws or otherwise. The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required by Emirates REIT, the Trustee, the Delegate, the Agents, the New Security Agent and the Tabulation Agent (each as defined below) to inform themselves about, and to observe, any such restrictions. No action that would permit a public offer has been or will be taken in any jurisdiction by Emirates REIT, the Trustee, the Delegate, any Agent, the New Security Agent or the Tabulation Agent.