<u>Press Release</u>

Amlak Announces First Half 2020 Results

- *Revenues from financing business stand similar to comparative period of last year*
- *Rental income stands at AED 25 million*
- *Operating cost down by 13%*
- *Total assets stand at AED 4.9 billion*
- *Debt restructuring completed in June 2020*

Dubai, UAE: 13 August 2020 – Amlak Finance PJSC, a leading specialized Islamic real estate financier in the Middle East, today announced its financial results for the first half ended June 30, 2020.

Revenues for H1 2020 excluding unrealized fair value gain / (loss) related to investment properties stand at AED 131 million during H1 2020, marginally lower compared to AED 132 million in H1 2019. The company reported a net loss of AED 78 million in H1 2020 compared to AED 4 million net profit in H1 2019 due to the impact of COVID-19 on the financing and real estate market.

Revenues from financing business activities stand at AED 85 million during H1 2020, same as comparative period of 2019.

Operating costs decreased by 13% to AED 51 million in H1 2020, compared to AED 59 million during the same period last year.

In H1 2020, The Group recorded an impairment charge of AED 72 million on Islamic Financing Assets compared to AED 59 million in H1 2019; this increase in impairment can largely be attributed to the impact of COVID-19.

The Company also recorded a fair value gain of AED 213 million on investment deposits upon completion of restructuring. Amortization cost of AED 43 million recorded in H1 2020 down by 14% compared to AED 50 million in the same period last year. The amount of amortization represents the unwinding of fair value gains recognized on investment deposits, and varies according to the level of repayment made to the financers in any reporting period.

Total assets continue to stand at AED 5 billion and total liabilities at AED 4 billion, similar to year-end 2019 financial results.

The company succeeded in obtaining the signature of all the financiers on the agreement that governs the new terms of its debt restructuring. Amlak has initiated the process to carry out the new terms of the agreement which allow more flexibility to adapt to current market conditions and allow the company to develop its business to achieve growth in its balance sheet.

- Ends -

About Amlak Finance PJSC:

Established in 2000, Amlak Finance is a leading specialized real estate financier in the Middle East. Amlak provides innovative, Shari'a-compliant property financing products and solutions designed to meet the ever-changing market demands. Amlak offers a range of customized financial solutions and products to investors and end-users for both ready and off-plan properties.

Amlak launched its first international office in Cairo in 2007. It also has business associations in Saudi Arabia.

For more information, please visit www.amlakfinance.com

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