

## Directors' Report

The Board of Directors of ISE Towers REIT Management Company Limited (the Company) are pleased to present their report together with the interim financial statements of the Company and the auditors' review report thereon for the period ended December 31, 2022.

The Company registered a net profit after tax of Rs. 199.793 million with EPS of Re. 0.54 per share as compared to comparative period profit of Rs. 155.52 million (EPS: 0.42). The operating income amounted to Rs. 174.564 million against comparative figure of Rs. 153.23 million, recording an increase of 14% over the period. Other operating income amounting to Rs. 85.452 million also registered an increase of 66% over the comparative figure of Rs. 51.42 million. The increase is mainly on account of increase in profit on bank deposits & investments. Administrative expenses for the period have increased by 16% over the comparative period. The cumulative increase is mainly on account of (i) annual increase in staff salaries and benefits (ii) Increase in legal & professional charges and (iii) increase in electricity, gas & water expenses etc.

The Balance sheet footing of December 31, 2022 remained strong i.e., at Rs. 6,604.54 million.

The Real Estate Investment Trust (REIT) sector has been showing continuous growth and is going to set new standards in the property market within Pakistan. Pakistan has advanced its journey towards transforming the multibillion rupees' real-estate sector into a formal sector of the domestic economy, as the SECP has allowed REIT companies to raise financing for agriculture projects, telecommunication, energy, healthcare projects etc. The Company is also in process to launch its first REIT i.e., ISE Towers REIT Scheme, being a pilot project. Besides, the Company has also been evaluating potential REIT projects with both short term and long-term strategies and for the purpose the Company also participated in the auction of commercial plots held by CDA in 2023. However unfortunately, the Company cannot succeed in the auction. Side by side, the matter of completion certificate of ISE Towers building is also in process.

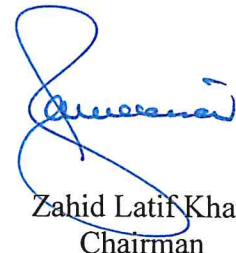
ISE Towers building has been enjoying consistent occupancy level which reflects the satisfaction level of our valuable tenants. The Company has been managing this asset through a team of professionals and top priority is given to the efficient functioning of the building. The Company also arranged to carry out third party inspections regularly including environment, safety, electrical installation and for ISO certification etc. in order to provide safe and healthy environment to the occupants of the building.

In the end, the Board wishes to thank all the stakeholders of the Company, Government of Pakistan and Securities & Exchange Commission of Pakistan for their patronage and support. The Board also wishes to place appreciation to the staff for their dedicated hard work.

On behalf of Board of Directors



Sagheer Mushtaq  
Chief Executive



Zahid Latif Khan  
Chairman

Islamabad, March 22, 2023