

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 for the first quarter ended September 30, 2023.

The Company registered a net profit after tax for the period has been recorded at Rs. 122.25 million with EPS of Rs. 0.33 per share as compared to comparative period profit of Rs. 97.20 million, which is 25.8% higher than comparable period EPS of distributable profit of Re. 0.26. The operating revenue amounted to Rs. 92.80 million against the comparative figure of Rs. 87.41 million witnessed an increase of 6.2%. Other income amounting to Rs. 63.40 million showed an increase of 52.9% over the comparative figure of Rs. 41.45 million. Administrative expenses, excluding depreciation & amortization for the period, amounting to Rs. 10.82 million increased by 8.9% over the comparative figure of Rs. 9.93 million.

The Balance sheet footing of September 30, 2023 remained strong i.e., at Rs. 7,933.29 million.

The Real Estate Investment Trust (REIT) sector has been showing continuous growth. Although, it will face headwinds due to withdrawal of Capital Gain Tax exemption and increase in withholding tax to 3% coupled with higher construction cost. However, robust governance arrangements, and enhanced transparency and investor protection mechanism can be expected to position Pakistan's REIT sector as a viable emerging investment destination for both local and foreign investors. The Company is also at its last stage to launch its first REIT i.e., ISE Towers REIT Scheme, being a pilot project. The Trust has been registered with Directorate of Industries and Commerce, Sindh on May 18, 2023. Moreover, the Securities and Exchange Commission of Pakistan has also granted its consent as deemed registration of the ISE Towers REIT Scheme. The SECP has set a timeline of December 31, 2023 for transfer of real estate in the name of Trust and June 30, 2025 for listing of REIT Scheme. The Company has already initiated the process for transfer of property to Trust and subsequent listing thereof.

The Company with the objective to make value addition to the building, is also putting all its efforts in obtaining the completion certificate of ISE Towers from Capital Development Authority which is at its final stage.

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, October 27, 2023