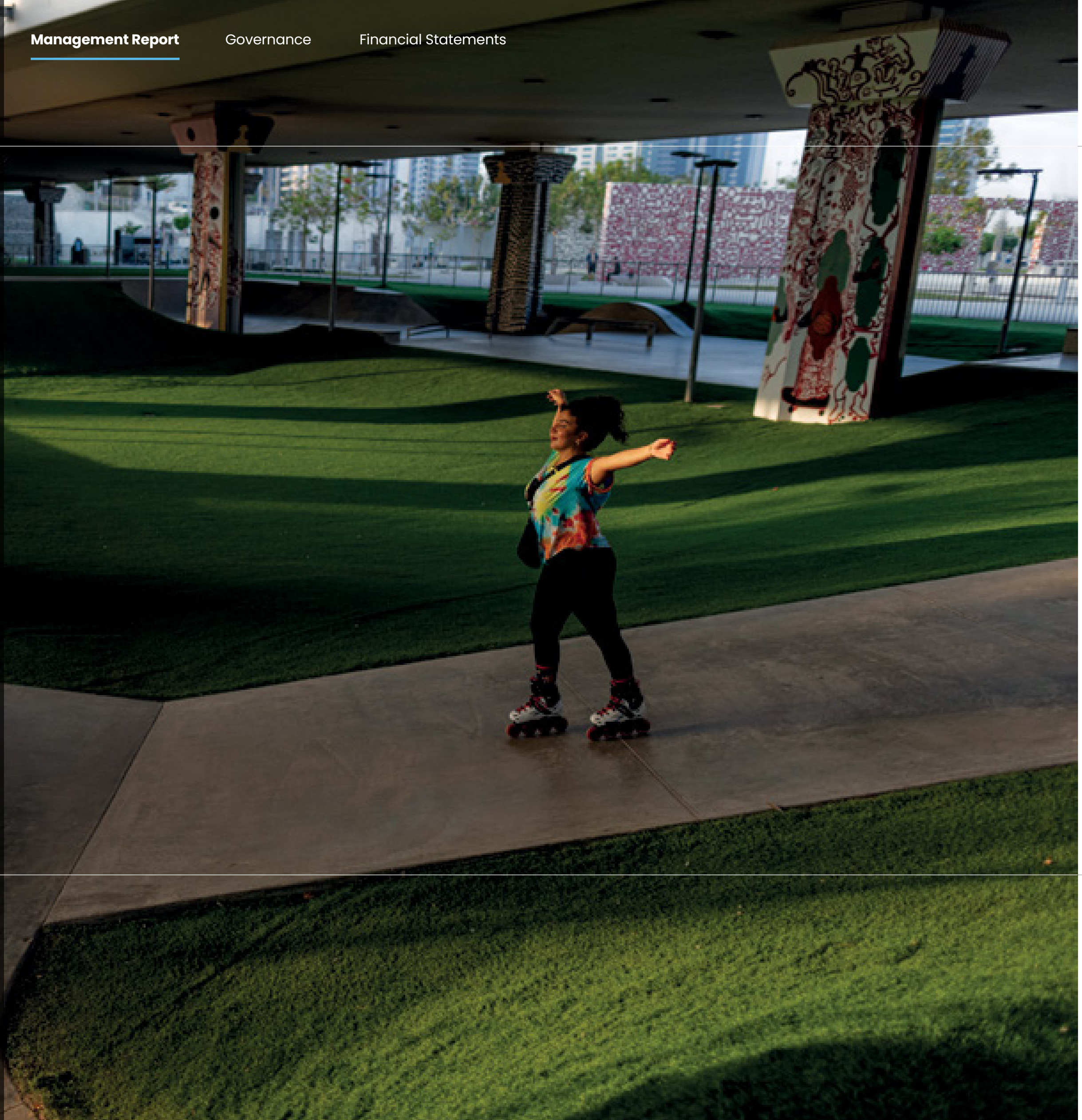
Growing Our Communities



WIDER REPORTING

The following complement our 2023 Annual Report.

2023 Sustainability Report

View our 2023 Sustainability Report →

2022/2023 Innovation Report

View our 2022/2023 Innovation Report →

Visit Aldar Investor Relations website →

IN THIS REPORT

www.aldar.com

Business Model

Aldar Properties is a leading real estate developer, manager and investor in the UAE with a diversified and sustainable operating model centred around two businesses: **Aldar Development** and **Aldar Investment**.

Market Cap
AED 42.1bn

Moody's Credit Rating
Baa2

ALDAR DEVELOPMENT

Read more on page 48 →

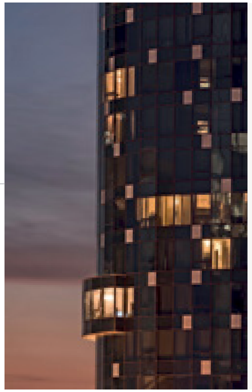
Property Development & Sales
Core UAE residential build-to-sell business

Project Management Services
Managing government housing and infrastructure projects in the UAE

International
SODIC[1], Egypt
London Square, UK

ALDAR INVESTMENT

Read more on page 64 →



Investment Properties
Asset portfolio includes:
- Retail
- Residential
- Commercial
- Logistics

Aldar Investment Properties
Moody's Credit Rating Baa1

Hospitality & Leisure
Asset portfolio includes:
- Hotels
- Golf clubs
- Leisure

Education
Asset portfolio includes:
- Owned and operated schools
- Managed schools

Estates
Asset portfolio includes:
- Property management
- Facility management
- Integrated community services

Others
Asset portfolio includes:
- Private Credit
- Co-working
- Other investments

1. Aldar, in consortium with ADQ, owns 85.5% of SODIC. (Aldar owns 59.9%).

Management Report

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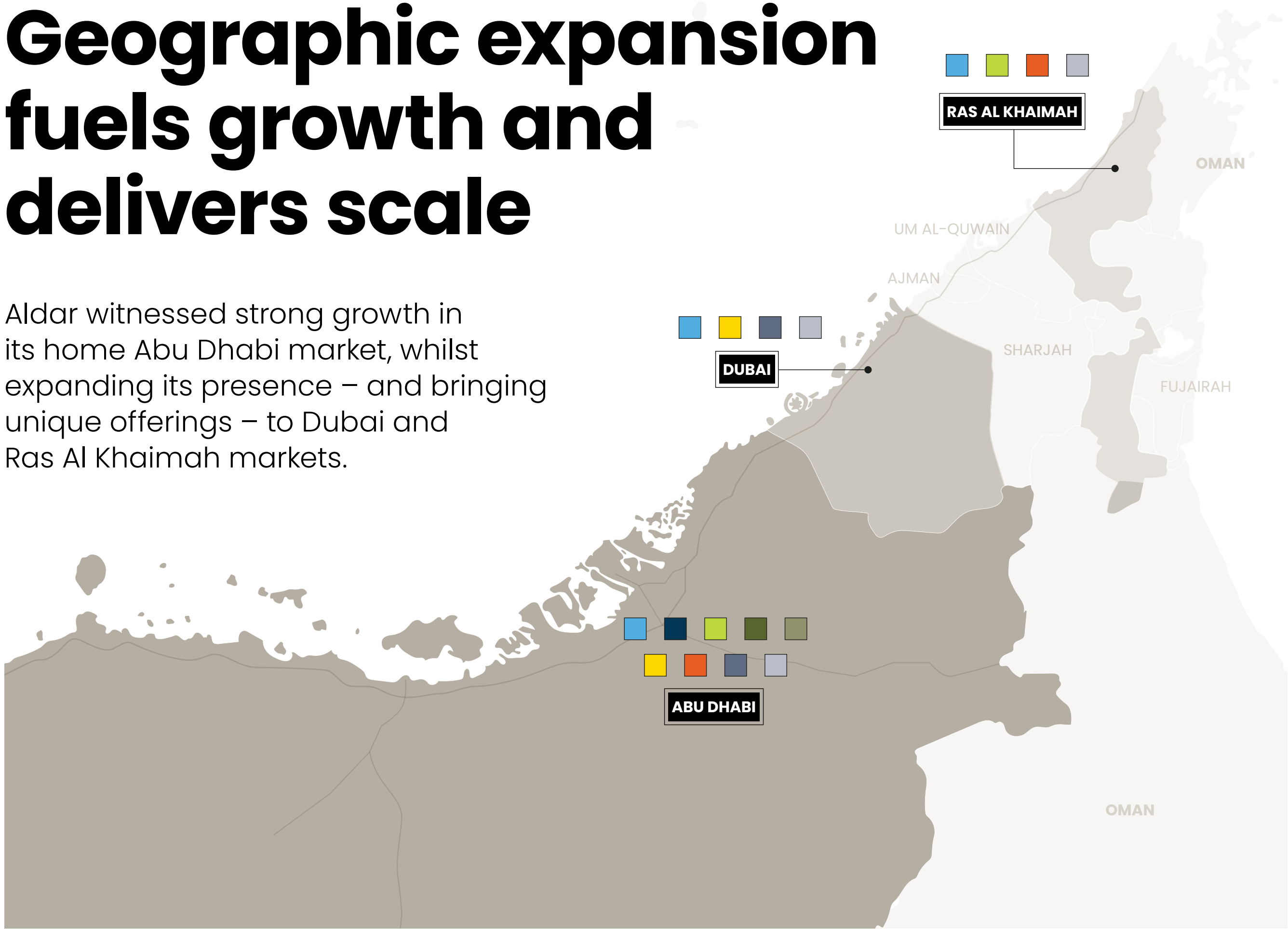
Our Geographies

Geographic expansion fuels growth and delivers scale

Aldar witnessed strong growth in its home Abu Dhabi market, whilst expanding its presence – and bringing unique offerings – to Dubai and Ras Al Khaimah markets.



Total UAE Landbank Area
65.4mn sqm

ABU DHABI

Landbank Area
62.8mn sqm

GFA
9.6mn sqm[1]

DUBAI

Landbank Area
2.6mn sqm

KEY

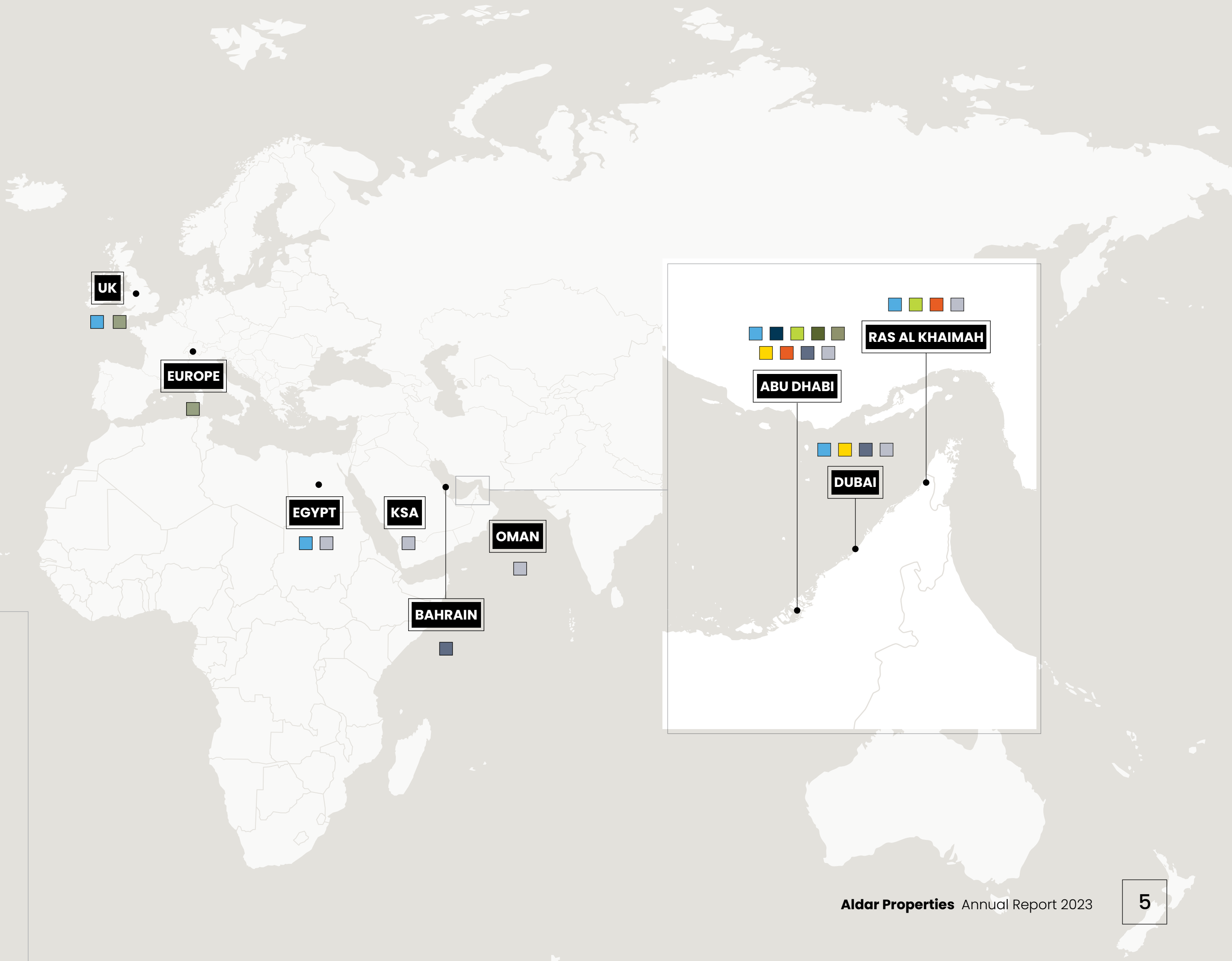
Aldar Development

Aldar Investment
- Retail
- Residential
- Commercial
- Logistics
- Hospitality & Leisure
- Education
- Estates
- Others

1. GFA has not been assigned to all landbank.

Our Geographies continued

In 2023, Aldar continued to forge a confident path forward as a leading integrated real estate player, leveraging its unique platform to accelerate its transformational growth agenda marked by significant scale and diversification across sectors and geographies.



KEY

Aldar Development

Aldar Investment
- Retail
- Residential
- Commercial
- Logistics
- Hospitality & Leisure
- Education
- Estates
- Others

Management Report

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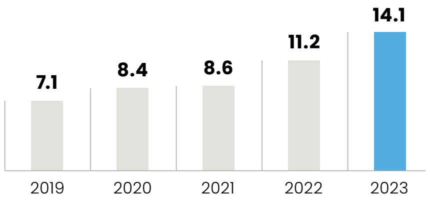
ALDAR

2023 Highlights

Financial KPIs

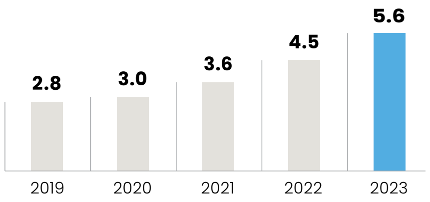
Revenue (AED bn)

AED 14.1bn



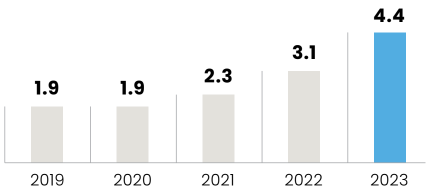
Gross Profit (AED bn)

AED 5.6bn



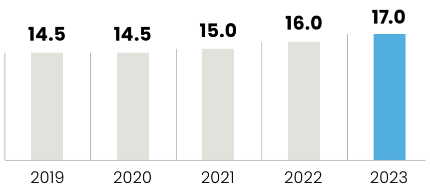
Net Profit (AED bn)

AED 4.4bn



Dividend Per Share (fils)

17.0 fils



Earnings Per Share

48.6 fils

Total Assets

AED 72.9bn

ESG KPIs

CREATING SUSTAINABLE PLACES

13%
Embodied carbon emissions avoided across 27 projects

100%
Scope 2 emissions neutralized through Clean Energy Certificates (CECs)

64
Suppliers signed the Real Estate Decarbonization Pledge

CREATING SOCIETAL VALUE

41
Students supported through the Thrive Scholarship Program

AED 1.5mn
Donated for humanitarian causes through Emirates Red Crescent

42%
Emiratisation rate across our corporate workforce

CREATING RESPONSIBLE LEGACY

0.035
LTIFR on our construction sites per million manhours

100%
Of our developments' contractors screened against our worker welfare criteria

USD 500mn
Raised on our first Green Sukuk

2023 Highlights continued

Operational highlights

▶ **Watch the video →**

Q1

- Launched The Sustainable City project in Yas Island, Abu Dhabi
- Launched Net Zero comprehensive plan to decarbonise its business and assets
- Expanded strategic landbank in Abu Dhabi through acquisition of Al Fahid Island
- Entered strategic partnership with Dubai Holding to debut in Dubai real estate market
- Launched real estate climate pledge to support UAE Net Zero Strategic Initiative

Q2

- Issued USD 500 million 10-year inaugural green sukuk
- Acquired Basatin Landscaping to grow Aldar Estates platform

Q3

- Launched Balghaiylam residential development in partnership with Abu Dhabi Housing Authority
- Announced increased investment of AED 500 million to redevelop Al Jimi Mall and Al Hamra Mall
- Merged Eltizam Asset Management Group within Aldar Estates platform, creating region's largest property and facilities management company
- Announced increased investment of AED 350 million in Aldar Education
- Acquired FAB Properties, from First Abu Dhabi Bank, to grow Aldar Estates platform

Q4

- Launched Haven, first residential community in Dubai
- Launched Nobu branded residences on Saadiyat Island, Abu Dhabi
- Launched Nikki Beach Residences on Ras Al Khaimah's Al Marjan Island
- Acquired London Square, UK property developer, building on geographic expansion strategy
- Entered strategic partnership with Mubadala and Ares to jointly invest USD 1 billion in European private real estate credit

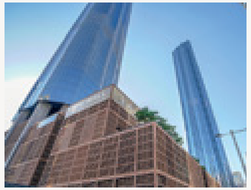
In This Section

Iconic Places...

Aldar is recognised for master planning communities where people live, work, shop, learn and stay.

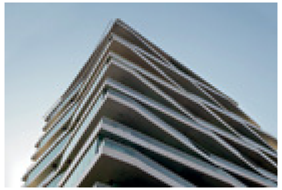
...to Work

Our commercial portfolio of mainly Grade A office space includes some of the most iconic developments in Abu Dhabi, such as HQ and ADGM Square. It attracts top-tier tenants from the UAE and the wider Gulf region, including the Government of Abu Dhabi, as well as blue-chip organisations from across the globe.



...to Shop

From landmark destination malls such as Yas Mall and Al Jimi Mall to smaller, community-focused retail outlets around our residential developments, our retail portfolio meets the needs of a wide range of tenants and customers.



...to Live

Our residential portfolio covers a diverse range of strategically located, high quality developments across Abu Dhabi, Dubai and Ras Al Khaimah, catering for everyone from single professionals to busy families. Our asset management business also owns a significant residential portfolio, leased to a mix of individual and corporate tenants.

...to Learn

We are Abu Dhabi's leading education group, providing inclusive and innovative learning that inspires and empowers communities through Aldar schools and academies.

...to Stay

From the white sands of Nurai Island, Abu Dhabi to the golden sands of DoubleTree by Hilton and Rixos Bab Al Bahr in Ras Al Khaimah, Aldar hotels and leisure destinations offer customer-centric experiences: peaceful beaches, remote deserts, bustling city centres and world-class golf clubs.

Iconic Places to Live

SAADIYAT GROVE

Grove District is a new residential project that will bring inspirational living to the heart of Abu Dhabi's Cultural Epicentre on Saadiyat Island.

Sitting within Aldar's flagship Saadiyat Grove development, Grove District's apartments boast partial views of the sea, as well as the island's three iconic landmarks: Zayed National Museum, Louvre Abu Dhabi, and Guggenheim Abu Dhabi.

The development will comprise 612 units in five residential buildings across luxury, lifestyle, and urban themed districts.

"Grove District is Aldar's latest residential offering within Saadiyat Grove, closely following the successful launch of Louvre Residences Abu Dhabi, and is set to bring a new dimension of vibrancy and modern living to the Island. The new destination will attract residents seeking a lively community that celebrates art, culture, retail, and entertainment in all types and forms."

Jonathan Emery
CEO at Aldar Development

ALDAR

Iconic Places to Work

ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

Abu Dhabi Global Market (ADGM) is a leading, award-winning International Financial Centre that operates across Al Maryah Island and Al Reem Island, and is one of the largest financial districts in the world.

In 2022, Aldar acquired ADGM Square, four prime Grade A commercial towers, and Al Maryah Tower in ADGM. In 2023, Aldar entered a joint venture with Mubadala to develop new commercial assets within ADGM.

"The office towers at ADGM are non-replicable assets in Abu Dhabi, positioned at the epicentre of the financial district, and allow us to diversify our commercial offering and income streams."

Talal Al Dhiyebi
GCEO at Aldar Properties

In This Section

ALDAR

Iconic Places to Learn

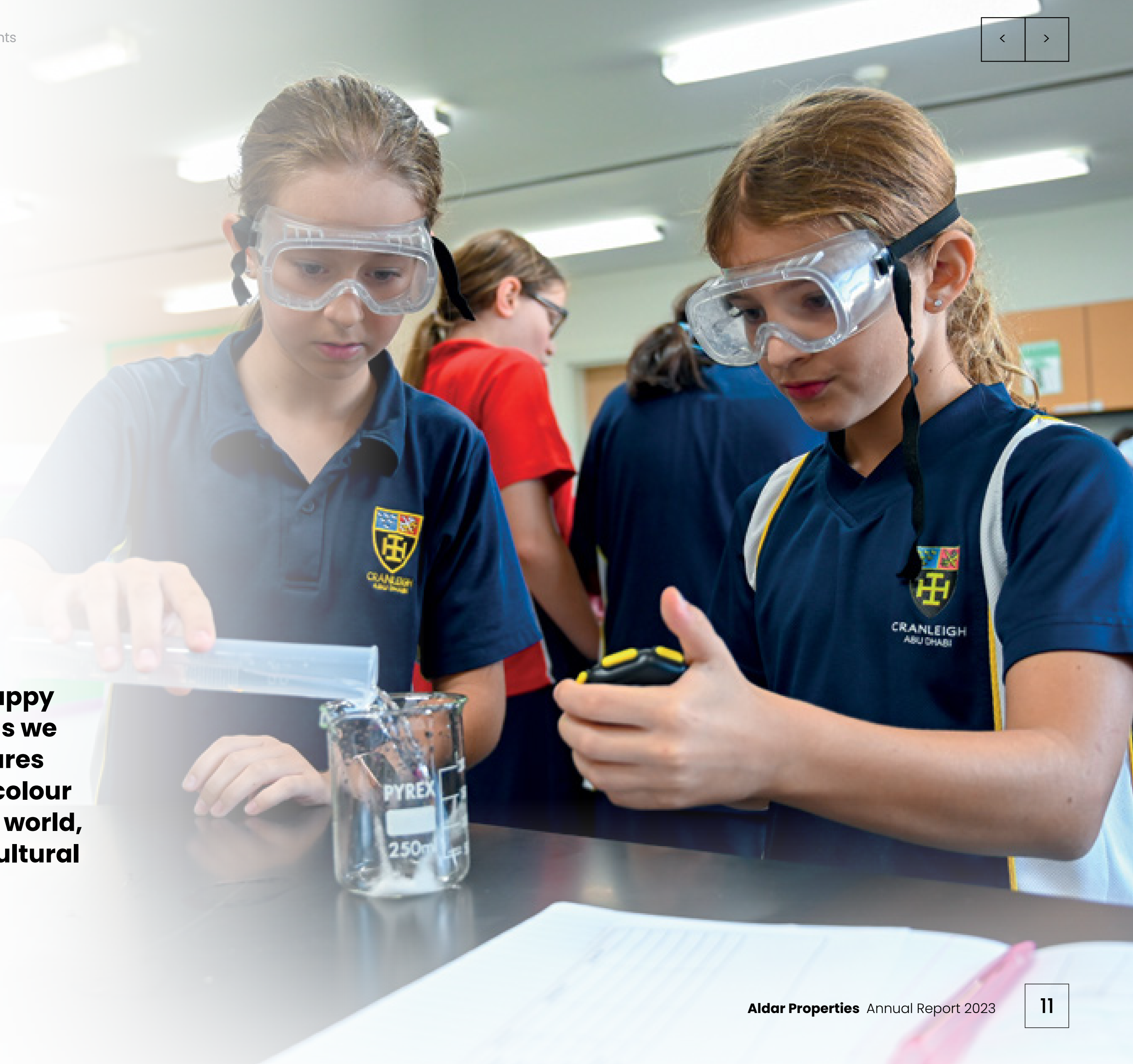
CRANLEIGH
ABU DHABI

A blend of tradition and innovation ensures Cranleigh maintains a happy and relaxed atmosphere where children can enjoy their education and fulfil their goals

Opened on Saadiyat Island in Abu Dhabi in September 2014, Cranleigh provides a truly transforming British international education for children from FS1 Nursery to Year 13, in which intellectual, artistic, sporting, wellbeing and social development are at the heart. In 2023, Cranleigh opened a new campus to expand capacity.

"I am privileged to be part of this happy and inclusive school community as we celebrate the many inspiring cultures and perspectives that shape and colour our learning. In today's globalised world, adaptability, resilience and intercultural understanding are essential."

Tracy Crowder-Cloe
Principal



In This Section

ALDAR

Iconic Places to Shop

ياس مول
YAS MALL

Yas Mall is the largest mall on Yas Island, Abu Dhabi, offering an incredible shopping, dining and entertainment experience for residents and tourists alike, all under one roof.

In 2022, Aldar's AED 500 million redevelopment plan for Yas Mall resulted in increased occupancy, footfall and sales. Applying the same approach, in 2023, Aldar announced AED 500 million investment plans to redevelop Al Jimi Mall in Al Ain and Al Hamra Mall in Ras Al Khaimah.

"Yas Mall has become a dynamic destination packed with experiences, shopping, entertainment and dining. Home to a mix of leading international brands, it creates sustainable value for Aldar and the millions of visitors it welcomes each year."

Jassem Saleh Busaibe
CEO of Aldar Investment

Management Report

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ALDAR

Iconic Places to Stay

NURAI ISLAND
ABU DHABI

Nurai Island Resort is a boutique private island resort, that features a world-class oceanside spa, five fine and casual food and beverage outlets, a beach club and a calendar of exceptional activities on land and sea.

Nurai is home to the dedicated fine dining that is perfect for family or friends to enjoy. The award-winning Nurai Spa is tailored to your specific needs and desires, and Nurai is home to a whole host of land and water activities with stunning beaches.

"With a one-of-a-kind luxury hospitality offering, Nurai Island Resort is attracting guests from across the region and around the world."

Jassem Saleh Busaibe
CEO of Aldar Investment

Chairman's Statement

Driving value creation at scale and pace

The growth trajectory of Aldar's business accelerated in 2023. For the company, this was a year of bold steps, creating substantial value for our shareholders and delivering on our strategic priorities for growth, diversification and sustainability.

This was set in the context of solid economic fundamentals in the UAE, which continued to develop as a world-class destination for lifestyle, business and investment. Enabled by a series of visionary reforms as part of the national transformation programme, including golden visas and a range of business-friendly policies, the UAE's buoyant economy provides a macro-environment where the real estate sector can thrive.

As a leading player in the sector, we see substantial commercial and social opportunity in alignment with the country's strategic priorities. The government is implementing a clear plan to drive capital inflows, provide world class infrastructure, invest in renewable and clean energy to achieve Net Zero emissions by 2050, and nurture Emirati talent, especially in the private sector. An increasingly vibrant and diversified economy will fuel further demand for high quality real estate in the coming years, and Aldar is well positioned to play a central role in the country's socio-economic progress.

During 2023, Aldar astutely capitalised on many opportunities that have emerged in the changing environment in Abu Dhabi and beyond through disciplined capital deployment, tactical acquisitions and innovative concepts.

Accelerating its ambitious growth plans, Aldar further expanded its footprint outside of Abu Dhabi with market entry to Dubai, RAK and UK. At home, we continued to push through our growth agenda – we launched 14 new residential developments, became the operator of the largest integrated property and facilities management business in the region and consolidated our position as a leading player in education, hospitality, leisure, retail, logistics and offices.

As a result of this expansion and the exceptional performance of our core businesses, we reported a 41% increase in net profit to AED 4.4 billion. The Board of Directors has recommended a total dividend payout of AED 1.3 billion.

On behalf of Aldar's Board of Directors, the Executive Management team and all our employees, I offer my gratitude to His Highness Sheikh Mohamed bin Zayed Al Nahyan, UAE President and Ruler of Abu Dhabi, and His Highness Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Abu Dhabi Executive Council, for their continued support and vision.

My sincere thanks also goes to our many customers for placing their trust in the Aldar brand and all our employees who have played a vital role in this shared success.

H.E. Mohamed Khalifa Al Mubarak
Chairman of Aldar Properties

"This was a year of bold steps, creating substantial value for our shareholders and delivering on our strategic priorities for growth, diversification, and sustainability."

Group Chief Executive Officer's Statement

"Aldar Properties is making strong progress on implementation of its strategy to transform the company into an industry heavyweight."

Talal Al Dhiyebi, Group Chief Executive Officer of Aldar Properties

We continue to draw on core institutional strengths: a strong balance sheet; a rigorous approach to deal-making and capital deployment; and an ability to bring developments to market that are attuned to customer demand and serve the diverse needs of our communities.

Continues →

Group Chief Executive Officer's Statement continued

Significant Growth

The company is operating at a significantly elevated scale compared to five years ago. Development sales in 2023 surged tenfold compared to 2018, the gross asset value of our investment property portfolio grew by more than 50% and net profit more than doubled, reaching AED 4.4 billion. Our development backlog – or revenue to be booked as our projects progress – has grown exponentially over this period to now stand at AED 36.8 billion, providing strong income visibility over the next two to three years.

This tremendous growth over a short timeframe has been witnessed across all our core platforms, enabling asset and geographical diversification and building long-term resilience.

Aldar Development's sales doubled in value compared to 2022, attracting strong demand in our home market, Abu Dhabi, as well as in our first projects in Dubai and Ras Al Khaimah. In the process, we reached a broader customer base, including a growing vein of international buyers attracted by the UAE's growing appeal as an investment and lifestyle destination.

Portfolio Investment

Aldar Investment continued to excel as an active asset manager. The business invested across the portfolio to drive rental and capital values, and to optimise resource efficiency, whilst increasing occupancy significantly through highly effective leasing strategies. The repositioning of Yas Mall has been an overwhelming success, resulting in near-full occupancy and increased footfall, whilst occupancy at the prime ADGM Towers in Abu Dhabi's financial district increased to 96% from 79% when acquired by Aldar in mid-2022.

In parallel, through key acquisitions over the last two years, we have expanded rapidly in prime sectors, including logistics, property and facilities management, hospitality and education. These platforms will continue to scale up to become key businesses in their own right in the coming years, whilst complementing and adding value to our development and investment property portfolios.

Further leveraging strengths in development and asset management, Aldar is investing in a AED 5 billion pipeline of 'develop-and-hold' commercial, retail and hospitality assets in the UAE to be completed over the next three to four years. The company is also committing AED 1 billion to develop and invest in logistics properties across the country.

At the same time, we also see opportunity beyond the UAE. Following our investment in Egyptian developer SODIC two years ago, we acquired UK developer London Square in 2023, whilst also investing in real estate private credit alongside Mubadala and Ares Management and entering a partnership with Carlyle to invest in warehouses and self-storage facilities. Our international footprint will remain an ancillary and important part of our increasingly diversified business, complementing our core UAE operations by providing exposure to mature markets. A key element of our approach is to bring benefits back to Aldar's UAE business – whether it is through an enlarged sales network, collaboration on new developments or expertise in trends shaping mature markets, such as e-commerce, supply chain resilience and digitisation. Following another strong financial performance in 2023, Aldar is well positioned to capitalise on further growth in the UAE in the coming years as the country presses ahead with a substantial programme to diversify the economy further and invest up to AED 200 billion in the energy transition by 2030.

Benefitting from a strong balance sheet and access to global capital, we are building a company that is committed to implementing best practice in all aspects of ESG to build further resilience and serve the interests of diverse stakeholders, including our communities, employees, business partners and investors. This is being guided by our Net Zero Plan, which was launched in 2023 and sets a new regional and sector benchmark for private sector leadership on climate action.

I would like to take this opportunity to express my appreciation to the Board of Directors, Chaired by HE Mohamed Khalifa Al Mubarak, for their continued guidance and support and look forward to another successful year together.

Talal Al Dhiyebi
Group Chief Executive Officer of Aldar Properties

Management Report

In This Section

ALDAR

Market Context

We operate in a rapidly changing environment. By understanding key trends, we can take advantage of opportunities as they arise and act quickly to reduce risks to our business where necessary.

Market Context continued

UAE Macro Analysis

Despite a softening macroeconomic environment globally over the past 12 months, the UAE was again expected to deliver solid GDP growth at around 3.1% in 2023.

This is forecast to rise to 4.0% in 2024 with an expected rebound in oil GDP on the back of increased supply quotas from OPEC, albeit the UAE is set to continue its voluntary cuts up to the end of the second quarter at least in line with the broader actions of the oil producing bloc, as they look to maintain a balanced oil market. The country's non-oil economy also continues to expand amidst rising foreign trade and increased foreign direct investments (FDI) into key sectors such as real estate, tourism and manufacturing[1].

With the UAE set to operate a budget surplus this year, government spending has remained supportive, further stimulating economic activity across strategic growth sectors. The UAE also continues to benefit from a flight to safety amidst heightened geopolitical tensions globally, as a sustained influx of foreign capital helps to accelerate the Emirates' employment and population growth, supporting the rapid expansion of the non-oil economy.

The decisive actions of the UAE Government in successfully handling the Covid pandemic and rapidly reopening the country for business, is highly evident from recent growth and the ongoing migration of global corporate occupiers, HNWIs, entrepreneurs and other foreign talent into the local eco-system. The positive impact of recent social changes, new visa systems, amended company ownership laws and all-round positive sentiment continues to make the country a highly attractive place to live, visit and do business.

The government has continued with its privatisation drive, with a host of local government entities completing initial public offerings (IPOs) through domestic listings, establishing the UAE as a growing financial hub. 2023 has also seen a growing number of new international names set up business, including investment banks, hedge funds and other alternative financial services companies as they look to exploit the increasing flow of capital into the region.

The country's strategy to de-risk supply chains and solidify trade partnerships has continued unabated over the past 12 months, with a new Comprehensive Economic Partnership Agreement (CEPA) signed with Turkey in March. This is in line with the UAE's Projects of the 50, which encompasses a series of strategic initiatives to help drive the next phase of sustainable economic development for the nation.

1. IMF.

Market Context continued

UAE Macro Analysis continued

The UAE is understood to have 10 CEPA partners in place at the end of 2023 and is targeting a total of 26, with an aim to attract USD 150 billion in investments by 2031 and be a mainstay of the top 10 countries globally in terms of attracting inbound FDI.

During 2023, the UAE saw a 28% increase in the number of greenfield FDI projects, placing it behind only the United States. This was against a -9%[1] decline in the value of FDI into developed economies globally, with falling or stagnating flows across most regions.

The UAE has also set a target to reach AED 4.0 trillion in non-oil foreign trade by 2031, up from the AED 2.2 trillion recorded in 2022. The CEPAs signed since the outbreak of Covid are set to increase the UAE's non-oil bilateral trade to USD 170 billion over the next five years, up nearly 50% from USD 116.1 billion in 2022[2].

Following a buoyant oil market performance during 2022, Brent Crude prices averaged USD 82 per barrel during 2023, down from over USD 100 per barrel a year earlier[3], as global demand weakened amidst slowing economic growth.

However, with oil prices still well above the UAE's budgeted fiscal breakeven rate of USD 63 per barrel for 2023/2024[4], there still appears to be a substantial buffer to help maintain current spending plans and to further stimulate non-oil activities.

1. UNCTAD; 2. Abu Dhabi Department of Economic Development (ADDED); 3. EIA; 4. Fitch Ratings.

UAE Market Analysis

This section provides an overview of the performance of the UAE's residential, retail, office, hospitality, and industrial and logistics segments during 2023, with a brief outlook for the coming years. This commentary focuses on specific sectors and locations, in line with our existing portfolio of assets.

Residential

The UAE's residential market has been in growth mode over the past 12 months, with the strong expansion of off-plan sales across key markets in Abu Dhabi, Dubai, and Ras Al Khaimah. This has been supported by sustained domestic demand from end-users and property investors but propelled by the growing depth of capital being allocated by foreign non-resident investors, which has pushed local markets towards record high sales values and volumes.

The groundwork for the current market expansion was set several years earlier, with structural and social reforms enacted during Covid, which have since driven a marked shift in sentiment towards the UAE as a primary and secondary home market.

This has supported new development activity across the UAE, in line with the expanding economy, leading to rising sales values for both off-plan and ready units. There has also been significant growth in residential rental values across the plotted and multi-family landscape.

In recent years, there has also been a growing influx of new millionaires and other HNWIs into the Emirates and specifically into the domestic real estate market, supporting the demand for luxury residential properties, particularly within already established and popular coastal communities.

Abu Dhabi's residential off-plan market has been buoyant over the past year, with record sales of more than AED 36 billion, up nearly 200% on the 2022 total[1]. Similarly, the value of the Dubai off-plan market has risen to AED 203 billion, up from AED 133 billion the previous year[2].

The ready market has also experienced solid growth on the back of rising foreign investor demand, with Abu Dhabi seeing the value of residential sales rise from around AED 7.0 billion in 2022 to AED 8.0 billion in 2023, but with plenty more room to grow as further critical mass is delivered across major master-planned communities[1]. During the same period, Dubai's ready-home market has grown to reach AED 112 billion versus AED 90 billion the previous year[2].

1. Quanta; 2. Reidin.

Market Context continued

Residential continued

Residential Outlook

Residential development activity will remain strong into 2024, with construction works from Covid project launches now starting to reach the handover stage. Consequently, there will be a large volume of new unit handovers, with a big focus on low-density housing, aligned with the marked shift in end-user and investor demand during this period.

For Abu Dhabi, there will be a notable increase in the number of completions across locations such as Yas Island, Saadiyat Island and Jubail Island. This will include the first units from Noya on Yas Island, with the current development cycle likely to continue until 2028 at least amidst sustained off-plan launch activity over the past 24 months.

In total around 37,000 new residential units are due for delivery in Abu Dhabi over the next three years, averaging around 12,000 per annum. Whilst this supply will be largely spread across the investment zone locations, there will also be a more noticeable contribution from national housing projects in locations such as Al Falah, Riyadh City, Baniyas and Saadiyat Lagoons[1].

New launch activity in the off-plan market is anticipated to continue as demand from non-resident foreign investors increases, further supported by the rising number of expatriates purchasing homes as end-users and investors, as they look to strengthen their roots in the country. This will help to create a larger and more liquid ready home market, supporting future growth in residential sales and further establishing Abu Dhabi as a growing global city.

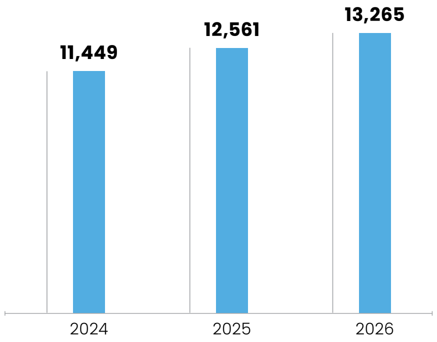
Dubai will also continue to see a steady increase in development completions with around 180,000 units in the longer-term pipeline[2]. However, post-materialisation rates, handovers are likely to be closer to 120,000 new units by the end of 2026, averaging 40,000 per year.

With sustained population growth of around 100,000 new residents in 2023, the market is expected to see growing demand for new quality housing, leading to further upward pressure on rental and sales values.

For RAK, there is likely to be around 4,000 new units delivered by 2026, on top of an existing freehold supply of around 11,000 across destinations such as Marjan Island, Mina Al Arab and Al Hamra Village[1]. However, the longer-term pipeline is more significant, reflecting the large number of recent and planned launches across the Emirate, which remains in an early and nascent stage of development as a primary and secondary home market.

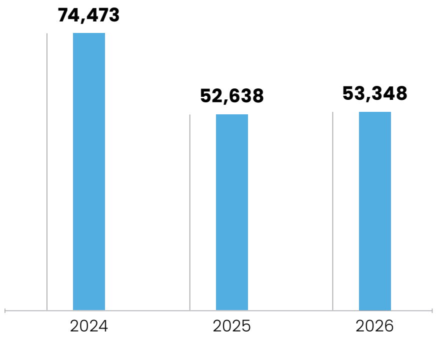
Future residential supply by year (2024 – 2026)

Abu Dhabi Residential Market (units)



Source: Aldar research

Dubai Residential Market (units)



Source: CBRE

1. Aldar Research; 2. CBRE;

Market Context continued

Commercial

The UAE office market continues to benefit from an incredibly strong non-oil economy, with sustained levels of demand across Abu Dhabi and Dubai, from both new market entrants and expansion of existing companies.

Take-up has been particularly strong for high-quality Grade A offices within the Emirates' financial free zones, with occupancy rates close to 100% in the DIFC and the ADGM[1], reinforcing the immediate need for new build office spaces across both estates, amidst the build-up of latent demand.

Amidst an ongoing IPO boom across the GCC, there has been a sustained inflow of global investment banks, hedge funds and a range of other financial intermediaries setting up operations and aggressively expanding their regional businesses, chasing growing opportunities in local capital markets against a marked slowdown in investment and fundraising activity across the traditional international markets in New York and London.

The growing recognition of the UAE as a global finance hub has resulted in a huge jump in financial and insurance sector FDI inflows post-Covid, with the value of these investments close to doubling during this period. This transformation has also been evident in the solid expansion of employment across the financial intermediation sector, which grew by 14% in the year to September 2023..

Despite the stellar performance of the commercial office sector over the past two years, the future pipeline of supply remains close to historical lows, with short-term deliveries limited across prime central business districts (CBDs), with planned projects only coming onstream in earnest post 2026.

1. Aldar Research

In This Section

Market Context continued

Commercial continued

This is likely to mean a period of further upward pressure on office occupancy and rental rates for Grade-A properties before current latent demand starts to be met. With limited high-quality stock available for lease, lower grade assets are now seeing an improvement in demand and performance, as occupiers are forced to make decisions on renewing and staying put with limited expansion opportunity, or take lower quality accommodation with more room to grow.

This dynamic has resulted in sustained demand for flexi-spaces with occupiers taking serviced office accommodation to fulfil short to medium term gaps whilst they await completion of suitable Grade A stock. This is also driving landlords to asset manage their tenants more pro-actively, as they look for opportunities to rebalance portfolios and exploit current demand dynamics.

For Abu Dhabi, the citywide Grade A average rent was around AED 2,000 per sqm per annum, which was up 12% year-on-year. The average vacancy levels were higher at around 22%, albeit down from the same period in 2022[1].

Office vacancy rates across Dubai's CBDs are now around 10%, supporting sustained growth of Grade A rental rates, which increased 15% year-on-year to around AED 2,425 per sqm per annum[1]. However, rental rates and occupancy levels within the prime DIFC North area were found to be notably higher.

Commercial Outlook

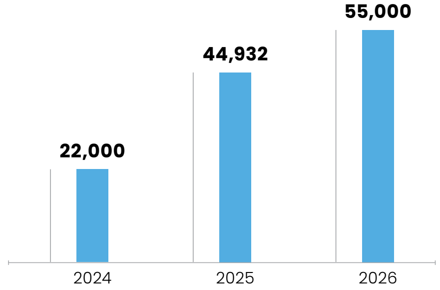
Availability across the UAE office market will remain heavily constrained in the short term, particularly for premium Grade A spaces, with only minimal supply of new projects expected to complete over the next two years. However, the longer-term pipeline from 2027 onwards is likely to see some growth, with several largescale projects in Dubai and Abu Dhabi currently in the planning stages and expected to be formally launched over the next year.

Abu Dhabi is expected to see the completion of around 120,000 square metres of additional office space over the next three years, on top of the existing 4 million square metres of stock[1]. This represents a 3% increase over the period, which is considerably below historical norms. This lack of supply is expected to help maintain the current trend of rising occupancy and rental rates across high-quality assets.

For Dubai, there are around 280,000 square metres of new supply scheduled for completion between 2024–2026[2], most of which in the short term is Grade B quality or below. This is likely to mean further rental growth for good quality office accommodation and little respite for tenants in what is now very much a landlord's market.

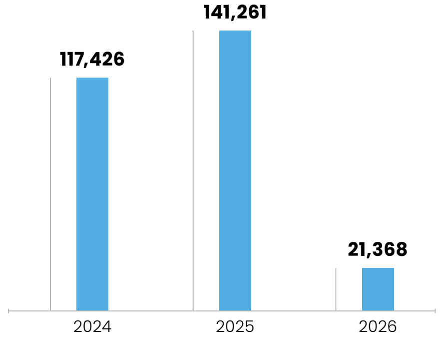
Future office supply by year (2024-2026)

Abu Dhabi Office Market Offices (sqm)



Source: Aldar research

Dubai Office Market Offices (sqm)



Source: CBRE

1. JLL; 2. CBRE.

Market Context continued

Retail

The UAE retail sector has continued to recover, buoyed by the significant expansion of tourism inflows and is further supported by a growing domestic population, amidst sustained employment expansion. However, the retail market remains somewhat fragmented, with varied asset and sub-market performances, depending on the quality, location and positioning of the facilities.

Vacancy rates have seen a general improvement over the last 12 months, particularly for high-quality destination malls. This is reflected in the continuation of strong retailer demand, including from some new international market entrants. In fact, the regional retail industry remains a bright spot for global retailers, with ongoing challenges in developed markets in the US and Europe and high streets continuing to suffer from knock-on impacts of remote working and other changes to consumer spending patterns.

In, Abu Dhabi the city-wide vacancy finished the year at 22%, due largely to the completion and handover of Reem Mall and several other smaller retail facilities over the past 12 months. In Dubai, average vacancy rates declined to 16% over the same period.

Footfall has continued to grow year-on-year across the Abu Dhabi retail market but remains below pre-pandemic levels, reflecting the significant economic impact of Covid and some resulting shifts in consumer behaviour, including the higher allocation of spending through online shopping channels and a growing preference for shopping locally.

In a bid to boost investments into the local e-commerce market and further establish the Emirate's economic competitiveness, the Ministry of Economy introduced a new e-commerce law (Federal Decree Law No (14) of 2023 on Commerce through Modern Means of Technology), replacing the previous law of 2006, which was more orientated to electronic transactions than digital.

The UAE e-commerce market is set to reach a value of USD 9.2 billion by 2026, representing 12.6% of total retail sales[1]. This shift is indicative of changing consumer preferences, with an increasing number of consumers choosing the convenience of digital platforms, forcing UAE businesses to adapt sales and pursue market strategies to better capture the evolving demand profile.

1. Euromonitor

Market Context continued

Retail continued

Whilst inflation remains a bigger issue in Europe and across many emerging market locations, the local impact has been more limited, with a very strong domestic consumer ability to continue spending despite the modest rise in cost of goods and services. Despite the continued economic strength, the consumer price index (CPI) has already slowed notably, reverting to long-term inflation levels of around 2–3% versus the +6% seen in 2022[1].

In fact, the UAE benefits from the world's third highest purchasing power, behind only Luxemburg and Qatar[2], representing the huge opportunity for retail brands and landlords to deliver further sustained growth in retail sales across all channels, particularly during a very notable period of economic growth.

Total retail sales across the Emirates (on a real LCU basis) are set to grow by over 4.5% per annum over the next five years[3], driven by the continued expansion of the domestic economy and its resident and tourism population.

Whilst the recovery in the UAE tourism market has been positive this year, there is likely to be further support from China in 2024, with inbound visitors still below pre-pandemic levels.

Retail Outlook

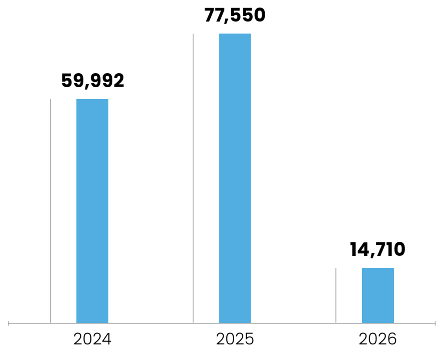
The UAE's retail market is set for further improvement over the next 12 months amidst continued economic and tourism market growth, which should, in turn, stimulate higher levels of population and employment across the Emirates.

Future supply in Abu Dhabi remains quite limited with only 150,000 square metres set to complete by the end of 2026[4]. This will be spread across a range of mixed-use projects, community malls and other street retail formats.

For Dubai, the pipeline remains more significant, albeit the performance of the market and high occupancy rates would appear to suggest there is still capacity for more retail space. In total, around 364,000 square metres of new retail space is expected to be completed, including several largescale malls[5].

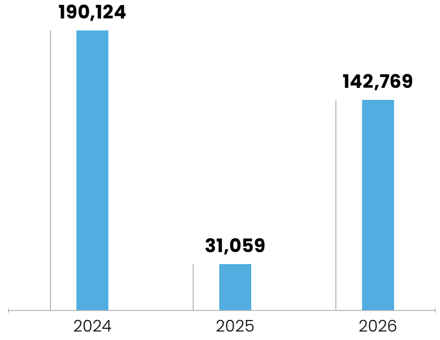
Future retail supply by year (2024–2026)

Abu Dhabi Retail Market Retail (sqm)



Source: Aldar research

Dubai Retail Market Retail (sqm)



Source: CBRE

1. SCAD; 2. Numbeo; 3. Oxford Economics; 4. Aldar Research; 5. CBRE.

Market Context continued

Hospitality

The UAE's tourism and hospitality sectors have seen sustained growth throughout 2023, with increasing international visitor numbers across the key markets of Dubai, Abu Dhabi, and Ras Al Khaimah, which has driven rising revenues and increased employment.

Over the past 12 months, Abu Dhabi and Ras Al Khaimah have witnessed an increase in the number of new hotel project announcements, with the global luxury brand Nobu confirming new properties for both Emirates. During this period, Dubai has seen a significant number of new hotel openings, supported by increased arrival activity through the Emirate's airports, which has now risen above pre-pandemic levels, ahead of the global recovery.

Average occupancy rates across the Emirates have risen from 71.4% in 2022 to 75.9% during 2023. This is higher than all other countries in the GCC, including Saudi Arabia, which averaged just 63% for the same period[1].

At an Emirate level, Ajman achieved the highest occupancy, primarily due to the very small size of the Emirate's hotel market, followed by Dubai with 77.4%, Ras Al Khaimah with 73.6% and Abu Dhabi with 72.5%.

In terms of ADRs, Dubai recorded the highest nightly rate of AED 692 per room per night, with Abu Dhabi AED 535 per room per night, and Ras Al Khaimah AED 520 per room per night.

For RevPAR, Dubai recorded an average nightly rate of AED 536 per room per night, with Abu Dhabi at AED 388 per room per night, and Ras Al Khaimah at AED 383 per room per night.

1. STR Global

Market Context continued

Hospitality continued

Total hotel and airport arrivals continue to grow across the Emirates, with Abu Dhabi recording 5.5 million hotel guests, a 27% increase on full year 2022. Hotel revenues also rose positively, up 22% to AED 6.45 billion[2]. Dubai recorded a total of 17.15 million international hotel visitors during the year. This was up 19.4% on 2023 and above the 16.7 million achieved in 2019[1].

For Ras Al Khaimah, there was a similarly impressive increase in visitor arrivals, which rose 22% year-on-year to 1.22 million in full year 2023. During the same period, international visitors rose 24%, heavily supported by the Russian market, which remained dominant with around 30% of the total, followed by Kazakhstan, the UK, Germany and India[3]. This was supported by a significant 23% increase in MICE driven revenues, as the Emirate continues to diversify its hospitality offerings.

Hospitality Outlook

With a very strong performance across the UAE's tourism and hospitality markets in 2023, the country outlook remains very positive into 2024, particularly with further visitor growth expected from key source markets such as China. With many metrics already back to pre-pandemic levels, including arrivals through major entry nodes such as Dubai Airport, there is significant reason to be optimistic about the next 12 months.

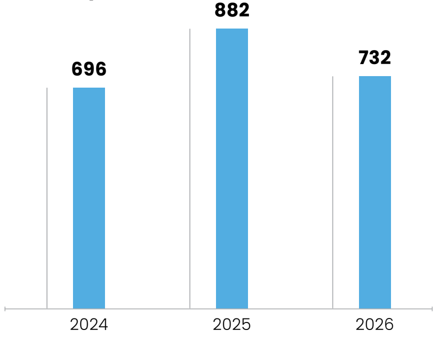
Whilst the slowdown in the global macroeconomic environment remains a slight concern, there has been no obvious impact on global travel volumes, with the hospitality market still benefitting from trends of pent-up demand and revenge tourism, with growth in international travel forecast to continue. Roughly 4.7 billion people are expected to travel in 2024, which would be ahead of the 4.5 billion achieved pre-pandemic in 2019[4].

With limited new hotel rooms set to enter the market in Abu Dhabi over the next three years, there appears to be very supportive dynamics for further growth in occupancy and average room rates, albeit there is rising competition from within the region from countries such as Saudi Arabia, which has very ambitious plans for their tourism market development.

With more than 20,000 new hotel keys in Dubai's pipeline, competition will remain intense[1]. However, with such strong growth in visitor arrivals there is unlikely to be a major impact on occupancy, although room rates may face some pressure, following flat growth year-on-year[1]. However, this trend was largely a result of a basing effect following the loss of Expo driven demand, which led to elevated numbers last year.

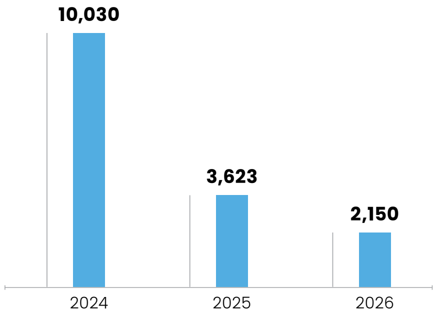
Future Hospitality supply by year (2024–2026)

Abu Dhabi Hospitality Market
Unit of hotels: keys



Source: Aldar research

Dubai Hospitality Market
Unit of hotels: keys



Source: CBRE

1. Department of Economy & Tourism (DET); 2. Department of Culture and Tourism (DCT); 3. Ras Al Khaimah Tourism Development Authority (RAK TDA); 4. STR Global.

Market Context continued

Industrial

The UAE industrial sector continues to benefit from the government's economic diversification strategy, which is helping to drive higher FDI and increased domestic investments into the manufacturing, transport and storage sectors, supporting rising demand for industrial and logistics facilities across the country.

Following the formation of UAE Ministry of Industry and Advanced Technology (MoIAT) in 2020 and the subsequent launch of 'Operation AED 300 billion' and 'Make it in the Emirates' programmes, the government has embarked on an ambitious 10-year plan to boost manufacturing GDP from AED 133 billion in 2020 to AED 300 billion by 2031.

The Abu Dhabi Industrial Strategy was launched in 2022 to align with the national strategy, with the aim of doubling the manufacturing sector by 2031, as well as facilitating easier business set-up and operations, and access to finance via dedicated channels, such as through the Emirates Development Bank. There is also a target to create 13,600 skilled jobs across the Emirate, with a focus on further development of the high-tech manufacturing sector as well as other higher yielding areas of the industrial market.

The Industrial Strategy is being supported by the In Country Value (ICV) programme and other targeted initiatives around Industry 4.0, circular economies and development of homegrown supply chains, which aim to bolster manufacturing output, prioritise domestic business growth and create long-term, value-added industries.

With this focus, there has been solid growth in new industrial licences in Abu Dhabi, which were up 16.6% during the first half of 2023 versus the same period last year. This was further underlined by the huge rise in capital investments made by UAE manufacturers, which grew by over AED 12 billion to AED 384 billion at the end of June. This all contributed to an 8.6% increase in the value of real GDP for the manufacturing, transport and storage sectors combined.

With demand rising, there has also been sustained upward pressure on industrial warehousing leasing rates. In the year to Q4 2023, industrial rental rates rose by 7.3% and 14.8%, respectively in Abu Dhabi and Dubai, as average rents reached AED 407 per sqm per annum and AED 463 per sqm per annum, respectively[2].

With speculative supply limited, there appears to be further scope for rental growth, with strong occupancy rates and latent occupier demand a reflection of the market dynamics. This undersupply scenario is being further accentuated by the ongoing gentrification and relocation of older industrial areas in Dubai and Abu Dhabi, which is effectively further reducing available supply and adding pressure to rates.

Industrial Outlook
With the UAE economy set to expand by around 4.0%[1], demand for industrial and logistics facilities is expected to continue growing strongly. With limited speculative development activity evident across the country's major free zones, supply levels are also unlikely to rise significantly to meet this demand, resulting in further growth in rental values and occupancy rates in the short to medium term.

1. IMF; 2. CBRE.

Market Context continued

Education

The sustained growth of the UAE economy, an increasing expatriate population and rising demand for quality private education are all major tailwinds for the domestic K12/13 education sector. However, new supply is failing to keep pace with current high demand, resulting in rising utilisation rates and fees across the country's quality schools segment.

In Abu Dhabi, the total number of private schools has now reached 191, spread across the three regions of Abu Dhabi, Al Ain and Al Dhafra[1]. In the 2023/2024 academic year, there was only one additional school added as new supply remains tight.

These schools offer 14 different curriculums, with British the most popular, and 78% of students enrolled in institutions with annual fees of less than AED 30,000[1].

Roughly 65% of the Emirate's total 370,000 students (241,000) are currently enrolled in private schools, with the remaining 35% across charter and other schools. This is up from around 200,000 students in 2016 across 185 schools[1].

The number of private schools in Dubai rose to 220 at the start of the 2023/2024 academic year, following the opening of five new K12/13 education facilities with more than 12,000 seats[2]. This brought the total number of new schools to 27 over the past four years alone.

The total number of students in the Emirate's private primary and secondary institutions now tops 365,000, with more than 17 different curriculums accommodated, and with an average of more than 1,500 students per school[2]. The UK curriculum leads the way with 36% of the total enrolments, followed by India (25%), US (15%) and IB (7%)[2].

Education Outlook
Sustained population growth and a comparatively limited pipeline of future supply for new education facilities is likely to result in further growth in utilisation rates and school fees in the coming years. 2024 will see at least three new facilities opening in Abu Dhabi, including Aldar Education's Noya British School on Yas Island. For Dubai, this number is expected to be slightly higher.

1. Abu Dhabi Department of Education and Knowledge (ADEK); 2. Knowledge and Human Development Authority (KHDA).

Egypt Macro Analysis

Egypt's economy has been impacted by a range of domestic and global challenges, but the outlook looks set to brighten amidst planned GCC investments into sectors such as real estate.

Consequently, economic activity has been impacted with growth projected at 3.8%[1] during FY23 from 6.6% a year earlier, although there was a positive recovery in revenues from the Suez Canal and tourism.

Egypt's FY24 GDP forecast sees growth at around 3%[1], improving over the medium term as the country pushes ahead with stabilisation and structural reforms.

During 2023, the country embarked on a programme to reduce the state's footprint in the economy and to boost private investments. The government has worked extensively on privatising state assets, amending competition laws to promote a level playing field and enacted several other regulatory reforms to attract higher levels of FDI.

Budget FY2023/24 foresees an improvement in the primary surplus to 2.5% of GDP from 1.6% in the previous fiscal year, but with a drop in the budget deficit to 7% of GDP.

The Egyptian real estate market has continued to show resilience in the face of recent, inflationary pressures and economic uncertainties. The sector has witnessed strong demand, higher sales and increased investments in the past few years, accompanied by government efforts to streamline processes and enhance the overall ecosystem for buyers and suppliers, whether foreign or local[1].

With a population of over 112 million at the end of 2023, and growing at close to 2 million per year, the long-term fundamentals of Egypt's residential sector remain unchanged, with sustained future opportunities linked to servicing of demand created by the country's household formation and growing second home market.

The market has demonstrated significant growth with a compound annual growth rate (CAGR) of 48% from 2020 to 2022. Notably, there has been an unprecedented year-on-year growth in gross sales of listed developers, reaching EGP 203 billion and 141% in the first nine months (41% in USD terms)[2]. At the same time, prices have increased by 70% – 100% during 2023.

In the first nine months of 2023, East Cairo maintained its position as the top-performing region in terms of residential sales, accounting for 60% of the total transaction value across the listed market. West Cairo followed with a contribution of 20%, and the North Coast with 17%[2].

1. World Bank; 2. OECD Economic Outlook, Volume 2023 Issue 2: Prelimina version.

Market Context continued

Egypt market analysis continued

In the broader market context, key developers have experienced a year-on-year growth in sales value of 119% in the first nine months of 2023 (28% in USD terms)[2]. This growth can be attributed to several factors, including inflation, strong confidence in the real estate market as a reliable investment during times of economic instability, expectations of further depreciation of the Egyptian pound, limited availability of foreign currency and a significant increase in gold prices in Egypt. These factors have positioned real estate as a safe haven for Egyptian's capital, particularly in the current economic climate.

Throughout 2023 residential sales have continued to gain momentum, primarily attributed to the increasing local demand for real estate as a hedge against currency devaluation and high inflation.

The government has undertaken significant efforts to reform laws and regulations to further promote the export of Egyptian real estate and utilise the sector as a means of generating hard currency in the coming years. This initiative aims to attract foreign investment, particularly from Gulf nations who are interested in exploring new investment opportunities or acquiring residential properties in Egypt for use as secondary homes or vacation retreats[1].

In July 2023, the government approved a new law that allows foreign individuals to own residential properties in Egypt. To further incentivise foreign buyers, the law includes provisions for conditional citizenship and a range of benefits. Additionally, the government has announced its plans to raise USD 2–3 billion through the establishment of a new company dedicated to leasing and selling properties in foreign currency. This company will facilitate the sale of properties to foreign investors in exchange for five-year residency permits.

1. Knight Frank (Destination Egypt 2023); 2. SODIC.

Market Context continued

UK Macro Analysis

The UK economy saw GDP increase 0.1% for the year, down from 4.3% in 2022. However, there is expected to be an improvement in 2024, with real GDP growth of 0.7% projected[1].

Stubborn inflation, which had reached as high as 10.5% in 2022 ended the final quarter at 4.0%, as price pressures slowly began to ease.

The macro-outlook is set to improve through 2024 despite high interest rates, with the Bank of England policy rate at 5.25% and with the Base Mortgage Rate (BMR) ending the year at 6.75%.

Whilst real estate markets have softened, particularly the commercial office and inner-city retail sectors, the UK residential market has remained resilient, specifically the central London market, where long-term undersupply issues have helped insulate the sector.

This has been further supported by the number of homeowners with historically low mortgage rates, which has helped limit the number of secondary homes coming to market.

With annual deliveries continually falling short of the government's 52,245 per year target rate, the long-term fundamentals appear intact[2].

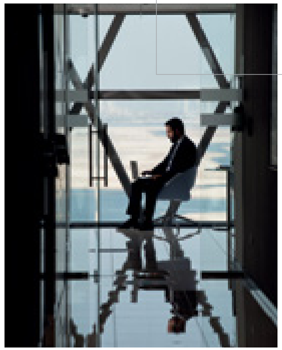
This is reflected by the strength of the leasing market which has continued to see rental values grow, reflecting the tight levels of supply and sustained occupier demand.

1. OECD; 2. The Greater London Authority.

Strategic Framework

Shaping the journey towards growth

Our goal is to drive maximum financial returns for our shareholders by continually growing our portfolio and exploring new opportunities.



Financial horizon

Strategic objectives:

1. Maximise shareholder value

2. Grow profits and enhance margins

3. Expand and drive sustainable growth

Operational excellence

We are a trusted real estate company…

See page 34 →

Customer centricity

that creates memorable experiences…

See page 35 →

Growth & expansion

which yield sustainable returns

See page 36 →

People, innovation & digital transformation

See page 37 →

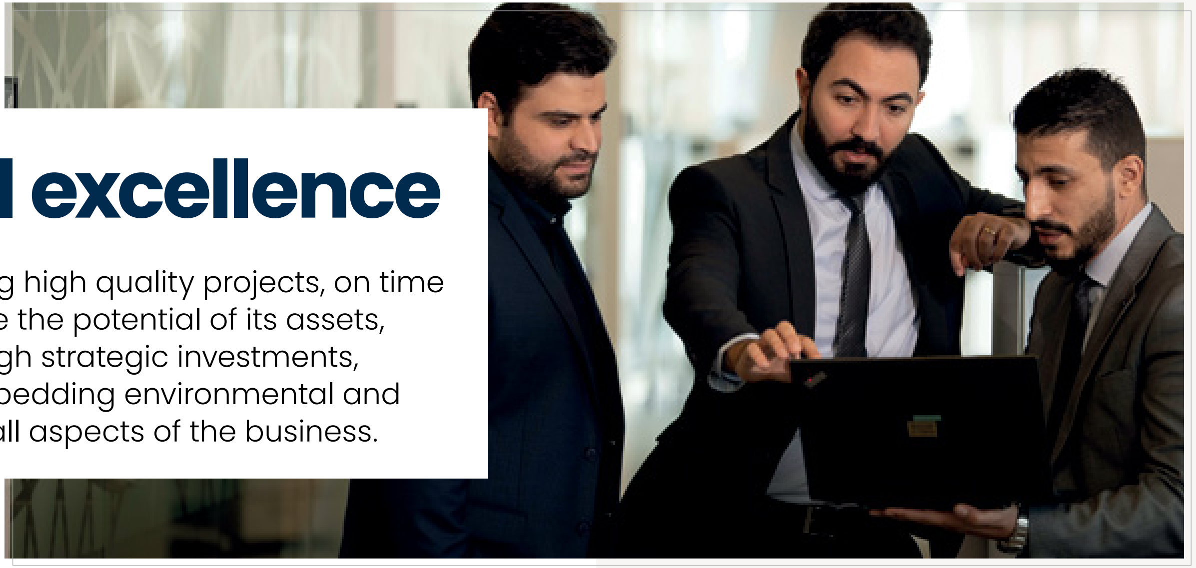
In This Section

Strategic Framework continued

Shaping the journey towards growth continued

Operational excellence

Aldar is committed to delivering high quality projects, on time and within budget, to maximise the potential of its assets, whilst creating synergies through strategic investments, optimising operations and embedding environmental and quality considerations across all aspects of the business.



WHAT WE SAID WE WILL DO

- Continue to utilise our agile operating model to maximise the value of our existing and new assets as well as identify synergies that can further enhance our performance.
- Integrate 2022 acquisitions into our businesses, unlock more value and synergies and leverage our expertise to extract the full potential of these assets.
- Achieve excellence in our construction activities and strategic initiatives, ensuring that they progress as planned and are completed on time.
- Scale our operations across different geographies and segments, whilst maintaining our cost discipline and managing our cost base efficiently.

WHAT WE DID IN 2023

- Unlocked c.25% in synergies across the Group, further strengthening Aldar's position as an efficient real estate platform.
- Successfully onboarded all 2022 and 2023 acquisitions into our portfolio (including Basatin Landscaping, Spark Security Services and more).
- Extracted value from various asset transformation initiatives, such as the repositioning of Al Hamra Mall in Ras Al Khaimah and Yas Mall in Abu Dhabi.
- Achieved 93% overall occupancy across Investment Properties portfolio and reached 96% occupancy rate at ADGM Towers as a result of leasing efforts and increased demand for Grade A office space in Abu Dhabi.
- Progressed, on target, with our CAPEX projects and various transformation programmes across the portfolio.

WHAT WE WILL DO IN 2024

- Standardise design practices, strategically strengthen the supply chain and optimise delivery to enable our development growth plan for the next five years.
- Strategically allocate capital to manage risks, seize opportunities and unlock strategic sectors or geographies.
- Scale operations across geographies and sectors, whilst efficiently managing cost base against potential economical and political headwinds.

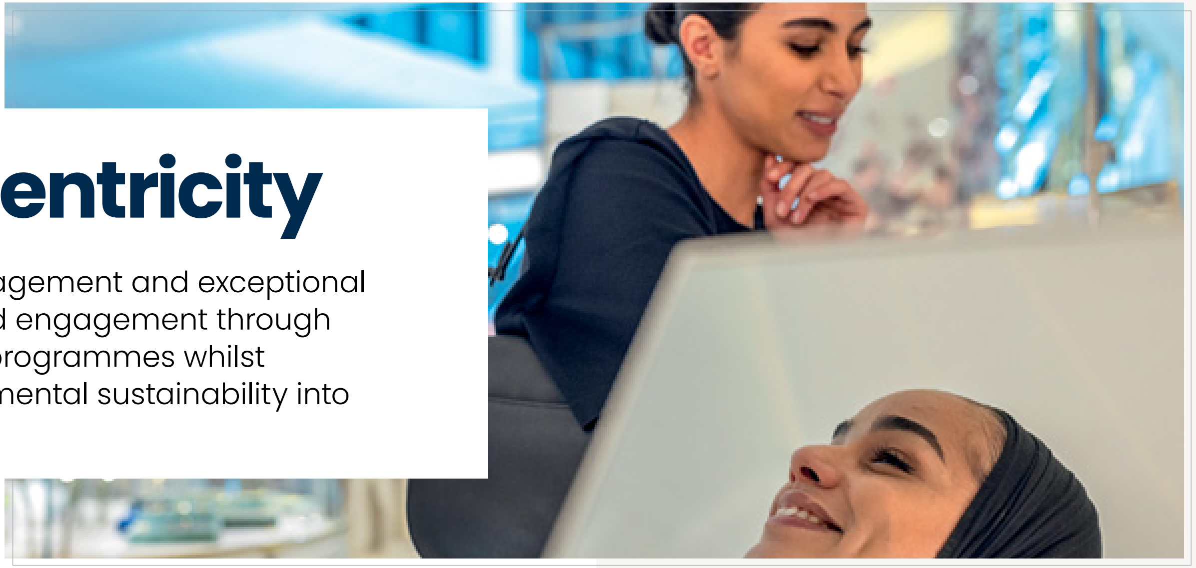
In This Section

Strategic Framework continued

Shaping the journey towards growth continued

Customer centricity

Aldar prioritises customer engagement and exceptional experiences, fostering trust and engagement through unified marketing and loyalty programmes whilst integrating social and environmental sustainability into its core business practices.



WHAT WE SAID WE WILL DO

- Implement an integrated customer relationship management (CRM) system across the portfolio to drive better insights and responsiveness.
- Attract new customers segments through international marketing and onboard new customers from recent acquisitions.
- Offer new products and segments to the UAE market (e.g., branded homes, co-living, wellness and ultra luxury).
- Launch and implement Aldar's Net Zero strategy to reduce our carbon footprint and lead in sustainable development.

WHAT WE DID IN 2023

- Released an enhanced version of CRM within our Development business, while unlocking digital SPAs to our customers.
- 21% improvement in net promoter score on Aldar Group's performance compared to 2022.
- Successfully engaged 104,000 customers across our diverse portfolio, which reflects our commitment to understanding and catering for the needs of our customers.
- Accessed a new customer base as an outcome of our sales expansion to new markets such as Dubai and Ras Al Khaimah as well as onboarding of acquisitions in 2023.
- Launched branded, wellness and ultra-luxury products such as The Source, Nobu Residences and Nikki Beach.
- Launched Net Zero strategy, solidified commitment through agreements signed at COP28 and invested in retrofit projects across our portfolio.

WHAT WE WILL DO IN 2024

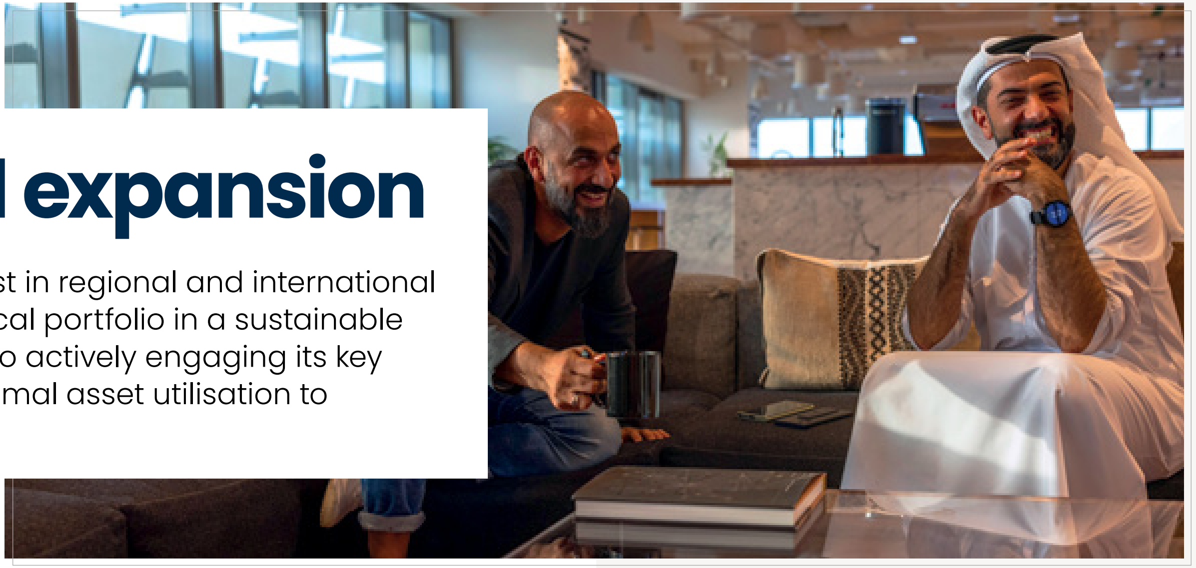
- Deliver a seamless, quality assured and digitally enabled journey for projects handed over in 2024.
- Leverage on new customers onboarded through strategic acquisitions and drive higher sales through our expansion into new Emirates.
- Offer new supplementary services based on a variety of new development products.
- Launch and realise benefits of solar energy as well as energy consumption reduction efforts.

Management Report

In This Section

Strategic Framework continued

Shaping the journey towards growth continued



Growth and expansion

Aldar aims to explore and invest in regional and international expansion whilst growing its local portfolio in a sustainable and agile manner, in addition to actively engaging its key stakeholders and ensuring optimal asset utilisation to drive growth.

WHAT WE SAID WE WILL DO

- Continue our proactive deployment of capital in our investment portfolio.
- Accelerate focus on alternative investments and asset classes.
- Identify opportunities in priority markets and execute them.
- Expand into Dubai and Northern Emirates, and grow the Egypt platform.
- Grow presence in our core Abu Dhabi market.

WHAT WE DID IN 2023

- Recorded AED 27.9 billion in group development sales, of which AED 16 billion were from overseas and expat resident buyers.
- Deployed and committed AED 9.0 billion across existing and new sectors and geographies.
- Created Aldar Estates, the largest integrated Facility and Property Management company in the region, through the merger with Eltizam Asset Management.
- Expanded into Dubai, with the launch of Haven; RAK, with the launch of Nikki Beach Residences; Bahrain through our education platform with Cranleigh Bahrain; and the UK through the acquisition of London Square.

WHAT WE WILL DO IN 2024

- Strategically deploy capital into our strategic growth sectors and geographies.
- Accelerate focus on alternative real estate investments locally and internationally.
- Continue growth in Abu Dhabi, whilst expanding into Dubai, Northern Emirates, Egypt and the UK.

Strategic Framework continued

Shaping the journey towards growth continued

People, innovation and digital transformation

We pursue sustainable growth through innovative marketing strategies, new market opportunities and an ongoing focus on efficient working practices.

WHAT WE SAID WE WILL DO

- Invest in value-accretive digital future technology and venture capital across the businesses.
- Position Aldar as a digital and data driven organisation.
- Attract high-calibre talent and contribute to Abu Dhabi's private sector growth.

WHAT WE DID IN 2023

- Invested in transforming our digital customer journey, digital backbone through leveraging artificial intelligence and our existing digital ventures.
- Implemented multiple data projects in the field of risk management and artificial intelligence.
- Piloted multiple start-ups in the sustainability space, yielding great results such as CO_2, cost and waste reduction.
- Onboarded 661 Emiratis as part of the NAFIS programme, sourcing great talent from top companies internationally.
- Maintained our status as a great place to work.

WHAT WE WILL DO IN 2024

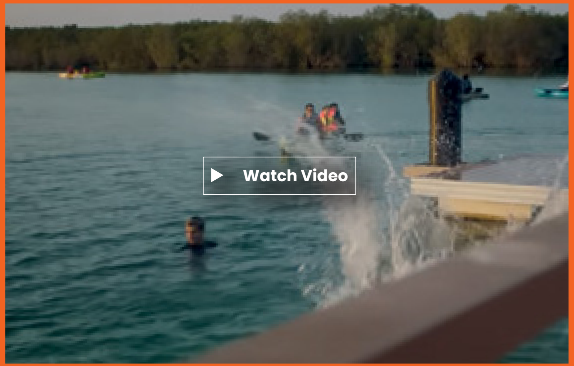
- Release our digital transformation through our truly digital platforms.
- Expand our digital backbone to cover Aldar's entire ecosystem.
- Focus on scaling current successful pilots to cover Aldar's value chain, whilst scouting for new start-ups and ideas.
- Launch and implement our culture transformation programme.

Management Report

In This Section

Sustainability Summary

At Aldar, we are deeply committed to sustainability



View our 2023 Sustainability Report →

Sustainability Summary

Our 2023 sustainability progress

The UAE demonstrated its longstanding commitment to addressing climate change during its 'Year of Sustainability', culminating in its role as a global convener for climate action at the historic COP28.

At Aldar, we have made great progress in 2023 on our journey towards a more sustainable future, working hand-in-hand with our stakeholders to drive positive change across our business and our region.

We believe in living well – not just for ourselves but for the planet and generations to come. This means building sustainable, inspiring places that enrich lives, nurture communities and exist in harmony with nature. As a leading integrated real estate developer and asset manager in the Middle East, we have a unique opportunity and responsibility to make this vision a reality.

Sustainability is integral to our business strategy and long-term development, and we are continuously working to create a business that delivers positive impact.

Sustainability Summary continued

We are proud to introduce our updated Sustainability Framework, which governs the strategy Aldar is implementing to achieve sustainable, long-lasting growth across the business."

Salwa Al Maflahi
Director of Sustainability and Community Outreach

The Aldar sustainability framework
We have updated our framework in the recognition that sustainability presents a strategic advantage for Aldar. To deliver our ambitious sustainability agenda, we are harnessing all areas of the Group to tackle the issues our customers and stakeholders care about. This includes environmental topics with a focus on achieving Net Zero, creating positive societal impact and behaving ethically to all our stakeholders, guided by strong governance principles and policies.

SUSTAINABILITY PURPOSE

Shaping a Better Future

We aim to create a business culture where sustainability is at the heart of everything we do, and where the concept of sustainability informs the way we operate, collaborate, innovate and grow.

SUSTAINABILITY OBJECTIVES

Creating Sustainable Places

Our Net Zero strategy, environmental stewardship across our assets, our sustainable design guidelines, investment approaches and how we embed sustainability throughout our value chain.

Read more on page 41 →

Creating Societal Value

Our commitment to create societal value through our developments, investments, education, and hospitality, focusing on the needs of our employees, customers, and our communities.

Read more on page 43 →

Creating a Responsible Legacy

Our commitment to being a responsible business, including implementing leading governance, risk management, and ethical business practices, health and safety procedures and inclusive policies.

Read more on page 45 →

SUSTAINABILITY PILLARS

Economy

We support a thriving economy through stable, responsible, and diversified growth.

Community

We're part of a wider community, so we make decisions with the best outcomes for all our stakeholders.

People

We cultivate a thriving ecosystem of talent where passion ignites, skills flourish, and possibilities are created.

Environment

We are proactive and responsible environmental stewards at every stage of the asset lifecycle and throughout our value chain.

ALDAR

Sustainability Summary continued

1. Creating sustainable places

Creating sustainable places is not just for ourselves but for the planet and generations to come. This means building sustainable, inspiring places that enrich lives, nurture communities and exist in harmony with nature. As the leading integrated real estate developer and asset manager in the Middle East, we have a unique opportunity and responsibility to make this vision a reality.

Our Net Zero Plan and targets
Climate change presents one of the most significant and complex set of risks that property developers, owners and managers face today. 2023 marked a pivotal milestone for Aldar with the launch of our Net Zero Plan.

The Net Zero Plan outlines Aldar's targets and the actions that we will take in our decarbonisation journey, with the ultimate goal of achieving Net Zero emissions across all scopes by 2050. Our Net Zero targets and Plan are aligned to the Science Based Targets Initiative (SBTi) Corporate Standard.

The Net Zero Plan demonstrates our commitment to reducing the embodied carbon of our developments and decarbonising our operations, taking a holistic approach across the value chain from design and construction to property management and acquisitions. The Plan will be put into action through our eight Net Zero levers.

Our Net Zero targets[1]

2030

90% reduction in **Scope 1 and 2** emissions

45% reduction in **Scope 3** emissions intensity

2050

97% reduction in GHG emissions across **Scope 1, 2 and 3**

1. We plan to get SBTi validation of our targets within two years.

In This Section

Sustainability Summary continued

Our Net Zero levers

1. Low carbon design

An Aldar Sustainable Design Standard to embed low carbon active and passive design options, maximising energy efficiency, building performance and asset climate resilience.

2. Low carbon supply chain

A supply chain incentivised by Aldar to innovate around low carbon products, materials and manufacturing processes.

3. Green construction

A whole lifecycle approach to assets that prioritises low carbon site practices and construction material procurement.

4. Clean energy

Prioritise use of clean energy through grid decarbonisation and procuring clean energy generated by government instruments.

5. Resource efficiency and management

Upgrading current systems to reduce leakage and improve asset efficiency in use.

6. Tenant initiatives

Developing a programme of tenant engagement regarding all leased and managed assets, offering guidance and incentives for more sustainable behaviours.

7. Circular economy

Better waste management during design, build and use phase, prioritising diversion from landfill, increasing greywater recycling and supporting the local waste sector.

8. Sustainable acquisitions

All new investments and acquisitions will be guided by criteria that formally integrate sustainability considerations into the end-to-end investment decision making process.

Sustainability Summary continued

2. Creating societal value

Our human-centric and customer-focused approach means that providing sustainable solutions and fostering well-being is built into the way we operate. Through our extensive portfolio spanning residential, retail, offices, education, and hospitality, we focus on providing consistently high-quality services and experiences to all our customers.

Social value creation sits alongside our environmental and Net Zero actions as an integral part of our wider commitment to create spaces and communities that enhance the quality of life for our customers. We apply this lens to all our developments and investments to ensure we contribute to a modern and sustainable economy and society.

Through the Group's diversified business functions, we build and operate sustainable spaces that are inclusive and support the mental and physical wellbeing of those who live there or visit them. We continue to develop innovative, human centric and digital solutions to engage with our customers and ensure their priorities are reflected in the actions we take.

In This Section

Sustainability Summary continued

Supporting our communities

Our community outreach activities are directed by our three focus areas: Live, Belong and Sustain.

Live

Healthy and Happy Communities

Objective

Motivated by our mission to foster healthy and joyful living, we pledge to integrate our positive social impact strategy across Aldar communities and beyond, addressing every human need:

- Ensuring access to housing and safety
- Cultivating happy and healthy communities
- Facilitating access to quality education

Belong

Inclusive and Accessible Communities

Objective

We are dedicated to crafting an inclusive and accessible economy that celebrates diversity, advocates for inclusion and nurtures a sense of belonging. As responsible corporate citizens, we are mindful of our duty to enhance and build communities that extend a warm welcome to everyone. We focus on doing this by:

- Empowering People of Determination
- Enhancing workers' welfare
- Supporting relief campaigns for vulnerable communities
- Establishing accessible communities for all

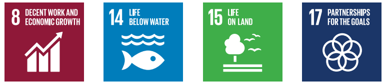
Sustain

Resilient and Innovative Communities

Objective

Our Sustain objective is to construct communities that are both resilient and innovative, employing solutions that align with the dynamic ecosystem of the UAE. We aim to contribute to the country's transition into a knowledge-based society and promote Emiratisation in the workforce.

- Empower Social Enterprise
- Foster UAE National Talents
- Expand Community and youth Outreach



3. Creating a responsible legacy

Creating a responsible legacy is central to our goal of long-term business development, Net Zero alignment and the creation of societal value. Our approach to strong governance is fuelled by comprehensive ESG due diligence tools, risk management frameworks and clear leadership from the top that supports our centralised sustainability approach.

We acknowledge that we have a responsibility to our employees and wider workforce and strive to be an employer of choice that attracts and retains high-performing people who contribute to our growing business.

Diversity, development, collaboration and ambition are the core values of our company culture and are reflected throughout the business starting with our leadership positions. Our wide-ranging talent development programme and trainings support the career progression of all our employees.

We maintain high occupational health and safety standards for our employees and wider workforce. This requires rigorous training and robust policies alongside informed engagement with our contractors and supply chain to ensure a safe working environment for everyone.

View our 2023 Sustainability Report →

Group Chief Financial and Sustainability Officer's Statement

A year of record performance and growth

In 2023, Aldar signalled a new chapter in its transformational growth journey, achieving a substantial increase in scale and diversification across the business.

Net profit surged by 40% to a new record of AED 4.4 billion, driven by a 26% rise in revenues to reach AED 14.2 billion. EBITDA increased 39% year-on-year to AED 5.1 billion, and we are confident of continuing this growth trajectory given the company's strong earnings visibility.

Supported by the government's social and economic initiatives that are elevating the UAE's prominence as a business, lifestyle and investment destination, our development and investment platforms have continued to outperform and deliver record-breaking results.

Aldar Development's net profit surged by 70% to reach AED 2.7 billion in 2023. This notable growth was propelled by strong demand for our 14 launches in the UAE among local, resident expat and overseas buyers. Aldar Investment's revenue rose 40% to AED 5.8 billion in 2023, with adjusted EBITDA increasing 40% year-on-year to reach AED 2.3 billion, surpassing our guidance.

From a funding perspective – and in line with our policies and approach – we continue to secure funding through a diverse range of sources.

The UAE banking system benefits from strong liquidity and healthy credit conditions, supported by the UAE's robust macro-economic fundamentals. During the year, we secured new facilities totalling AED 4.8 billion, including AED 2.5 billion in sustainability-linked loans. In addition, we raised an inaugural USD 500 million green sukuk, which was four times oversubscribed and was among corporate issuances with the greatest price tightening during an issuance in 2023. The sukuk forms part of a USD 2 billion programme aligned with our Green Finance Framework.

The combined effect of these new facilities has extended the weighted average life of the debt for the group to 5.1 years, with no material debt maturities until October 2025.

As a leading real estate company, we are acutely aware of the responsibility we bear in supporting the energy transition and delivering on the UAE's pathway to Net Zero by 2050. We are proud to have been among the first companies in the region to develop a science-aligned Net Zero Plan, underlining our commitment to sustainability and the ambition to decarbonise our value chain, supported by a roadmap featuring eight decarbonisation pillars.

In 2023, Aldar signalled a new chapter in its transformational growth journey, achieving a substantial increase in scale and diversification across the business."

Faisal Falaknaz
Group Chief Financial and Sustainability Officer of Aldar Properties

Group Chief Financial and Sustainability Officer's Statement continued

In 2023, we started to put the infrastructure in place to deliver on our targets, including a partnership with Yellow Door Energy to provide 34 megawatts of solar power to 45 Aldar retail, education and hospitality assets for the next 20 years. We also partnered with Tadweer and Polygreen on a project to eliminate landfill and food waste through a regional first-of-its-kind circular model, to be implemented in 2024. From an operational asset perspective, we completed a LEED gap assessment with plans to uplift assets to LEED Gold and Platinum standards in the year ahead.

The company's overarching sustainability strategy, which also encompasses our disciplined approach to risk management and governance, has become an integral element of Aldar's DNA. This is reflected in a strong improvement over the last couple of years in our ESG ratings from external rating agencies. We achieved 47 points on the Dow Jones Sustainability Index (DJSI), maintaining our top spot in the GCC and within the top quartile of the 299 global real estate companies assessed. We also maintained a low-risk score of 15.9 on Sustainalytics Risk Index and continued to hold our BBB rating in MSCI.

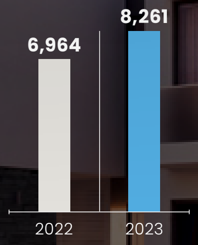
As we look ahead and take the next steps in our growth trajectory, we intend to continue to build significant scale and diversification, whilst maintaining a good balance between development sales and recurring income streams. Leveraging our strong balance sheet – with free cash of AED 2.9 billion and AED 7.5 billion in undrawn facilities – and economies of scale, we see a strong opportunity to drive earnings growth and create further shareholder value.

Faisal Falaknaz
Group Chief Financial and Sustainability Officer
of Aldar Properties

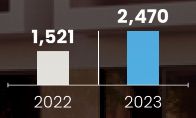
Aldar Development

Aldar Development comprises three main divisions: PROPERTY DEVELOPMENT AND SALES, which is responsible for developing and marketing Aldar's strategic landbank; PROJECT MANAGEMENT SERVICES, which mainly manages government housing and infrastructure projects in the UAE; and INTERNATIONAL, which manages SODIC in Egypt and London Square, the newly acquired development company in the United Kingdom.

2023 highlights



Revenue (AED mn)



EBITDA (AED mn)

AED 27.9bn
Group sales[1]

14
New launches in UAE

AED 36.8bn
Group backlog[2]

37%
Gross profit margin

AED 82bn
Aldar project backlog

66%
Overseas and resident expat buyers[3]

[1] Includes UAE sales of AED 24.3bn and International sales of AED 3.6bn
[2] Includes UAE backlog of AED 29.1bn and International backlog of AED 7.6bn
[3] Of UAE sales

Aldar Development continued

Expansion and growth at home and beyond

Aldar Development delivered another outstanding year against the backdrop of strong economic fundamentals, which are driving real estate demand from end-users and investors. The business reinforced its market position through geographic diversification, the introduction of new concepts and strategic partnerships.

In a year characterised by expansion beyond our home market of Abu Dhabi and into Dubai, Ras Al Khaimah and the United Kingdom, our development business witnessed a remarkable increase in sales, nearly doubling to AED 27.9 billion. Our sales performance was supported by a higher number of overseas and resident expat buyers, representing 66% of total UAE sales.

Through purposeful partnerships, we expanded our footprint in new geographies within the UAE. The launch of Haven, Aldar's inaugural residential community in Dubai, in collaboration with Dubai Holding, has generated over AED 3.3 billion in sales. The outstanding sell-out of the first phase of the project underscores the compelling appeal of the Aldar brand to new customers beyond its home market. Our SODIC platform in Egypt also contributed positively to the Group's bottom line, delivering a record-breaking sales performance with a well-calibrated development strategy. SODIC has adeptly navigated a challenging economic landscape in Egypt, successfully launching two luxury hotels and branded residences in prime locations in 2023. Meanwhile, Aldar's entry into the UK property market through the acquisition of developer London Square is opening up attractive development opportunities in the UK and will unlock new synergies across our development business.

Key to our success in recent years has been the introduction of innovative development concepts that inspire communities and create meaningful human connections. In 2023, we launched 'The Source', the UAE's first wellness-centred community at the heart of the Saadiyat Grove development. This followed the successful launch of Sustainable City – Yas Island, in response to the growing demand for communities that prioritise sustainability.

Moreover, we continue to build partnerships with global brands to create significant value. Prime examples are the development of the region's first 'Nobu' branded residences on Saadiyat Island and the Nikki Beach branded waterfront residences in Ras Al Khaimah.

Aldar Development delivered a stand-out year in the context of the UAE's strong economic fundamentals, which are driving real estate demand from end-users and investors."

Jonathan Emery
Chief Executive Officer of Aldar Development

Aldar Development continued

Customer centricity has remained at the centre of our strategy at Aldar Development, with continuous operational improvements introduced to streamline and digitalise the experience of our customers. This journey begins with the sales process, onto the handover and continues throughout the property ownership.

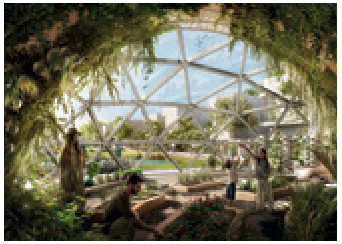
Looking ahead, Aldar Development will continue to capitalise on its strong balance sheet to selectively expand its landbank in prime locations, whilst bringing new projects to the market that are targeted at growing customer segments, including ultra-high net worth individuals, overseas investors, and young health and wellness focused buyers.

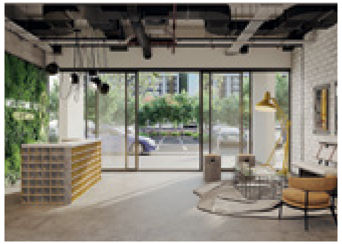
Jonathan Emery
Chief Executive Officer of Aldar Development

Aldar Development continued

Property Development and Sales

2023 UAE launches





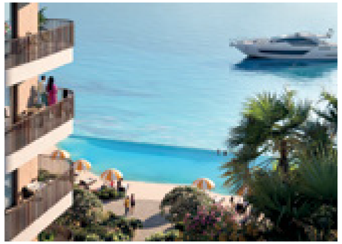
January
The Sustainable City – Yas Island, Abu Dhabi (in partnership with Diamond Developers)

February
Manarat Living – Saadiyat, Abu Dhabi
Fay Reeman 2 – Al Reeman, Abu Dhabi
Saadiyat Lagoons 1 & 2 – Saadiyat, Abu Dhabi

March
Reeman Living – Al Reeman, Abu Dhabi
The Source I – Saadiyat, Abu Dhabi (within Saadiyat Grove)

May
Yas AlKaser – Yas Island (land plot sales)
Reeman Living II – Al Reeman, Abu Dhabi

June
The Source II – Saadiyat, Abu Dhabi (within Saadiyat Grove)


August
Balghaiylam (in collaboration with government)

September
Gardenia Bay – Yas Island, Abu Dhabi

October
Haven – Dubai

November
Nikki Beach Residence and Rosso Bay Residences – Al Marjan Island, Ras Al Khaimah

December
Nobu Residences – Saadiyat, Abu Dhabi

Aldar Development continued

UAE Landbank

Our UAE landbank is the foundation on which our business is built. Ensuring it is managed and developed optimally is critical to our continued success. In 2023, Aldar Development's UAE Landbank expanded following a joint venture with Dubai Holding to develop 3.6 million square metres of land in Dubai and the acquisition of Al Fahid Island in Abu Dhabi, which has an area of 3.4 million square metres. These transactions bring the total UAE Landbank to 65.4 million square metres as of 31 December 2023.

Total UAE landbank area
65.4mn sqm

ABU DHABI

Landbank area
62.8mn sqm

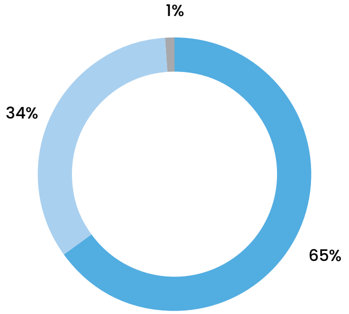
GFA
9.6mn sqm[1]

DUBAI

Landbank area
2.6mn sqm

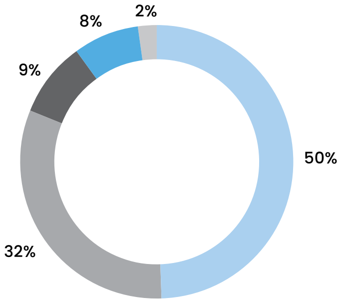
UAE Customer Demographic

Customer Gender



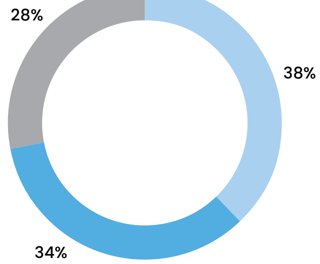
Male
Female
Organisation

Customer Age



Organisation
<30
31-45
45-60
61-90

Customer – Domestic and International



UAE Nationals
Resident Expats
Overseas

1. GFA has not been assigned to all landbank.

Aldar Development continued

Abu Dhabi

Landbank Area 62.8mn sqm
Gross Floor Area (GFA) 9.6mn sqm[1]

In 2023, our land acquisition and product launches helped to further elevate the Emirate's global reputation as an outstanding place to live, work and play.

1. GFA has not been assigned to all landbank.

Aldar Development continued

SAADIYAT ISLAND

Saadiyat Island sits at the heart of Aldar's development business, following our 2018 acquisition of land from the Tourism Development & Investment Company and a 2019 land swap with the Government of Abu Dhabi.

Saadiyat Island is a premier island destination spanning 27 million square metres, designed according to an environmentally sensitive philosophy and low-density masterplan. The island comprises four main areas: Saadiyat Cultural District; Saadiyat Beach District; Saadiyat Marina District; and Saadiyat Lagoons District.

Saadiyat's vibrant Cultural District is home to the Louvre Abu Dhabi, the Zayed National Museum, the Natural History Museum Abu Dhabi, the Guggenheim Abu Dhabi and the Abrahamic Family House, which celebrates the three Abrahamic faiths – Islam, Christianity and Judaism. It also accommodates a purpose-built art and culture centre, Manarat Al Saadiyat, and the UAE Pavilion, an exhibition centre. In addition, several world-class education institutions are based on the island, including Cranleigh Abu Dhabi, Berklee Abu Dhabi, New York University Abu Dhabi and Redwood Nursery.

Saadiyat boasts several five-star hotels, a pristine beachfront, a golf course and a beach club – all of which contribute to an immaculate lifestyle that makes the island one of Abu Dhabi Emirate's most prestigious locations.

Aldar Development continued

To date, Aldar has delivered 768 residential units to customers on Saadiyat Island and currently has approximately 3,378 units under development.

In 2022, Aldar successfully launched Saadiyat Grove, a mixed-use destination in the heart of the island's Cultural District. Saadiyat Grove comprises residential homes, retail outlets, business premises and leisure facilities. Aldar has sold most of the first two projects launched, including the world's first Louvre Abu Dhabi Residences and The Grove Heart, which amount to a combined 1,033 units.

Building on the success of these developments, Aldar launched The Source I and The Source II in 2023. Reflecting the growing global interest in health and wellbeing, The Source I, launched in March, was the first wellness-focused residential concept in the UAE. The 352 boutique residences benefit from wellness-first infrastructure and a sustainable design focused on residents' wellbeing. The project was designed along low-carbon guidelines and will be built with smart infrastructure ensuring improved energy efficiency, cleaner and healthier air and enabling residents to enjoy a clean and holistic way of living. The Source II expands this concept further with 148 residential units thoughtfully designed using locally sourced, eco-friendly materials. The entire complex is equipped with cutting-edge sustainable technologies, enabling residents to contribute positively to the environment.

Further along the coast of Saadiyat Island, Aldar launched Nobu Residences in Mamsha District in late 2023, with 88 luxury apartments targeted at a global market. The development includes a 125-room luxury hotel and the first Nobu restaurant in Abu Dhabi. Nobu Residences is one of the first branded residences in the region by the world-renowned Nobu Hospitality brand, following the signing of a partnership between Aldar and Nobu Hospitality in 2022.

Saadiyat Island as of 31 December 2023

Under construction

Project name	Year launched	Units launched	Units Sold	Net sales value (AED mn)	% Sold	% Completion
Saadiyat Reserve The Dunes	2021	83	82	609	99%	69%
Louvre Residences	2022	421	421	1,498	100%	20%
Grove Heart	2022	612	612	1,120	100%	54%
Saadiyat Lagoons	2022	1,549	1,270	9,948	82%	Launched
Manarat Living	2023	273	273	384	100%	Launched
The Source I	2023	204	202	1,153	99%	Launched
The Source II	2023	148	143	956	97%	Launched
Nobu Residences	2023	88	18	374	21%	Launched

Handed over

Project name	Year launched	Units launched	Units sold	Net sales value (AED mn)	% Sold
Jawaher Al Saadiyat	2016	83	83	760	100%
Mamsha Al Saadiyat	2016	461	461	1,997	100%
Saadiyat Reserve Plots	2019	224	224	538	100%

Saadiyat Island was also the location for another market-leading Aldar development in 2023, with the launch of Manarat Living, a boutique residential development and the first of its urban collection. Manarat Living's 273 apartments are close to beaches, restaurants, museums and one of Abu Dhabi's premier schools – Cranleigh.

Aldar Development continued

YAS ISLAND

Yas Island has played an important role in Abu Dhabi's tourism growth in the past decade. Since the island's development was initiated in 2006, it has rapidly grown into a world-class leisure and entertainment hub with a Formula 1 circuit, theme parks, golf courses, marinas, retail and concert arenas.

Yas Island remains a core pillar of Aldar's strategy for our development and asset management businesses.

To date, Aldar has delivered 4,211 residential units to customers and currently has approximately 6,877 units under development, which will significantly increase the island's population in the coming years.

In anticipation of COP28, 2023 was officially designated as the UAE's Year of Sustainability. Reflecting the growing focus on sustainability, Aldar launched The Sustainable City with partner Diamond Developers during Sustainability Week in January 2023. Sustainable City is a sustainability-centric community in the heart of Yas Island offering a new way of life for residents. The family friendly development is a walkable community surrounded by open green spaces, leisurely walkways and shared farming plots. The project is underpinned by a central green spine that runs the length of the community, featuring parks lakes, and biodomes where vegetables will be grown and distributed throughout the community.

Yas Island as of 31 December 2023

Under construction

Project name	Year launched	Units launched	Units sold	Net sales value (AED mn)	% Sold	% Completion
Noya	2020	510	510	968	100%	100%
Noya Viva	2021	479	479	1,009	100%	74%
Noya Luma	2021	189	189	564	100%	67%
Yas Acres – Magnolias	2021	312	312	1,213	100%	71%
Yas Acres – Dahlias	2021	140	140	581	100%	64%
Yas Acres North Bay	2022	28	28	452	100%	42%
Yas Golf Collection	2022	1,062	961	1,555	91%	23%
Yas Park Gate	2022	508	476	1,134	94%	11%
Yas Park Views	2022	341	324	1,254	95%	8%
The Sustainable City	2023	864	864	1,961	100%	Launched
Gardenia Bay	2023	2,434	986	1,484	41%	Launched

Handed over

Project name	Year launched	Units launched	Units sold	Net sales value (AED mn)	% Sold
Ansam	2014	547	542	943	99%
Lea	2019	238	237	480	100%
Mayan	2015	512	507	1,028	99%
Yas Acres	2016	652	652	2,430	100%
Water's Edge	2017	2,262	2,258	2,453	100%%

Strategically located at the north entrance of Yas Island is Alkaser, another landmark development. This vibrant waterfront community is positioned between the canal and Gateway Park, linked by a promenade to the other waterfront developments on the island. The masterplan of the new Alkaser neighbourhood includes a mosque as well as numerous open spaces and lush parks.

Momentum on Yas Island continued during the second half of the year with the launch of Gardenia Bay. This charming community features more than 2,400 waterfront residences complemented by wellness facilities and retail offerings within cycling distance of Yas Island's key attractions, including Yas Mall, Ferrari World Abu Dhabi and SeaWorld Abu Dhabi.

ALDAR

Aldar Development continued

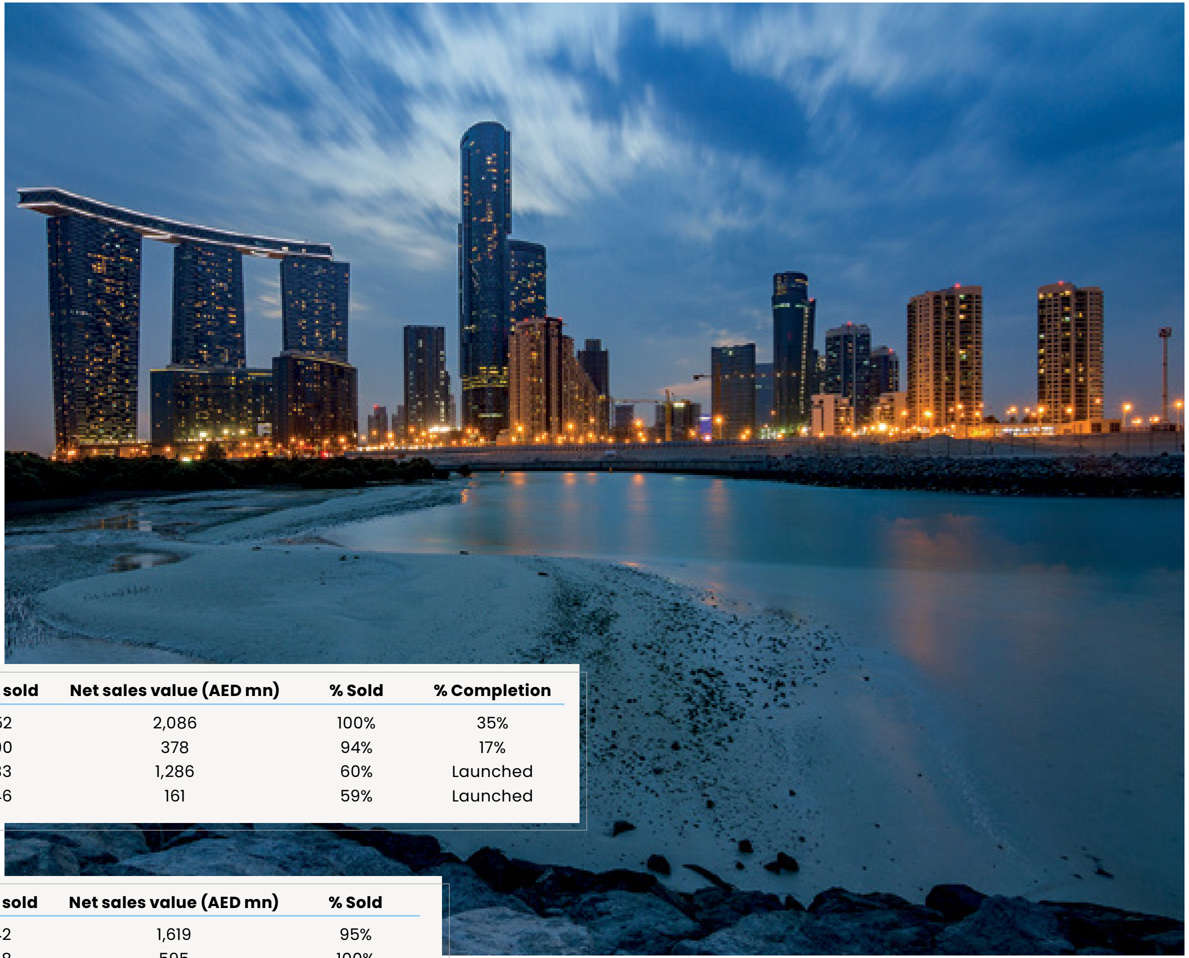
AL REEMAN

Al Reeman consists of two large parcels of land in Al Shamkha, a rapidly developing area of Abu Dhabi close to flagship Aldar developments such as Motor World, Madinat Al Riyad, Baniyas, Abu Dhabi University, Shakhbout Medical City and Abu Dhabi International Airport.

Al Reeman I is a mixed-use freehold development for all nationalities, consisting of residential villa plots and low-rise commercial plots ranging in height between G+5 and G+7, along with retail plots, big box retail and other amenities. These include clinics, schools, post offices and a sports centre. Al Reeman II is predominantly villa plots. Both Al Reeman I and Al Reeman II were handed over in 2023.

To date, Aldar has delivered 1,554 residential plots to customers and has approximately 2,161 units under development at Al Reeman.

In 2023, Aldar launched its second urban collection residential development at this site: Reeman Living 1 and 2, and Fay Al Reeman II.



Al Reeman as of 31 December 2023

Under construction

Project name	Year launched	Units launched	Units sold	Net sales value (AED mn)	% Sold	% Completion
Fay Al Reeman	2022	554	552	2,086	100%	35%
Reeman Living – Phase 1	2023	630	590	378	94%	17%
Fay Al Reeman 2	2023	557	333	1,286	60%	Launched
Reeman Living – Phase 2	2023	420	246	161	59%	Launched

Handed over

Project name	Year launched	Units launched	Units sold	Net sales value (AED mn)	% Sold
Al Reeman I	2019	996	942	1,619	95%
Al Reeman II	2019	558	558	595	100%

In This Section

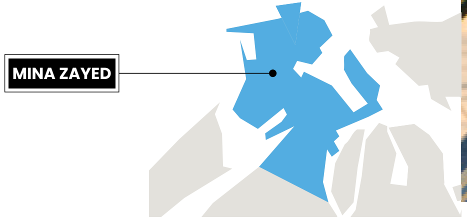
Aldar Development continued

MINA ZAYED

Aldar Properties received prime infrastructure-enabled land in Mina Zayed as part of a land swap deal with the Government of Abu Dhabi in 2019, in exchange for Al Lulu Island adjacent to Abu Dhabi Island.

Aldar will play an active role in this urban regeneration project, developing prime land plots spanning a gross floor area (GFA) of approximately 1.5 million square metres. The concept is for a seafront destination that encompasses tourist, residential, commercial, service and cultural facilities.

This strategically located project is adjacent to a vibrant cultural hub and a logistics centre. It forms an integral part of Aldar's future development plans and reflects its commitment to develop key destinations that contribute to Abu Dhabi's long-term growth.



Aldar Development continued

AL FAHID ISLAND

In early 2023, Aldar acquired Al Fahid Island, an island of 3.4 million square metres adjacent to the Sheikh Khalifa bin Zayed Highway that connects Yas Island and Saadiyat Island, Abu Dhabi's most popular lifestyle destinations.

Al Fahid is a significant addition to Aldar's landbank and near-term development pipeline with a gross development value (GDV) of AED 26 billion. About 4,000 homes are planned for Al Fahid Island, ranging from apartments and townhouses to ultra-luxury beach and mangrove villas. The island will also include community facilities, a school, and retail and hospitality offerings. Aldar aims to launch Al Fahid in 2024.

Aldar Development continued

Northern Emirates

DUBAI AND RAS AL KHAIMAH

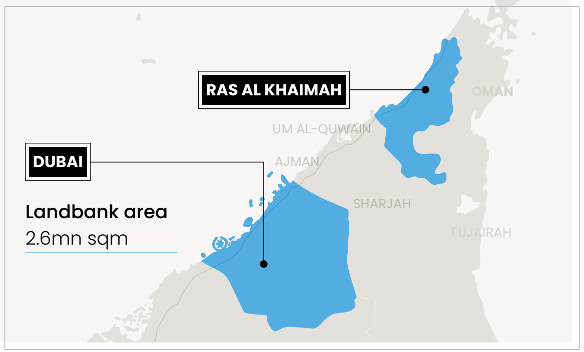
Whilst it remains firmly focused on its home market of Abu Dhabi, Aldar Development made its first foray into other Emirates in the UAE in 2023.

In February, it launched a partnership with Dubai Holding to develop three residential communities on 3.6 million square metres of land in Dubai. These developments will encompass 9,000 residential homes, with the first community – Haven – launched in November 2023. Extraordinary demand for the wellness-designed development resulted in all 786 villas and townhouses in the first two phases being sold on launch in November 2023.

Aldar Development's first venture in Ras Al Khaimah was similarly well received. Its two luxury beachfront living developments on Al Marjan Island – Nikki Beach Residences and Rosso Bay Residences – both sold out on launch.

Nikki Beach Residences is a new community set against the spectacular backdrop of the Gulf, in partnership with Nikki Beach Global, a luxury lifestyle hospitality company. Facilities include a suite of exclusive services to create the feel of a hotel, including 24/7 concierge, valet parking and co-working spaces with refreshments. All 389 units sold on launch in December 2023.

The neighbouring development of Rosso Bay Residences also aims to bring five-star living to this increasingly popular area of Ras Al Khaimah. It will provide 1–4 bedroom residences, along with superb leisure facilities for all its residents to enjoy. Facilities include a beach club, cinema, residents' lounge, pet butler, valet parking and 24/7 concierge.



Northern Emirates as of 31 December 2023

Handed over

Project name	Year launched	Units launched	Units sold	Net sales value (AED mn)	% Sold	% Completion
Haven – Dubai	2023	1,228	769	3,269	63%	Launched
Nikki Beach Residences and Rosso Bay Residences, RAK	2023	1,998	389	925	20%	Launched

Aldar Development continued

Project Management Services

The project management business takes innovative, third-party projects from initial design through to completion, including carrying out feasibility studies, design and pre-construction work, master planning, construction, as well as project and programme management.

The business goes beyond managing the development of projects by providing end-to-end support to deliver high-quality built environments whilst integrating a progressive approach to sustainability.

Project Management Services revenues rose 6% to AED 1.2 billion in 2023, with a gross profit of AED 513 million.

Aldar Projects, the primary business within Project Management Services, oversees the construction process for Aldar Development and handles a portfolio for the Abu Dhabi Government, which includes comprehensive communities for Emirati housing projects. This involves managing everything from master planning to villa construction, strategic road projects, infrastructure development, and the creation of community facilities and civic buildings. Through its diverse portfolio, the business has cultivated a skilled team with a broad range of expertise, positioning Aldar Projects as the sole company in the market capable of managing and delivering a wide array of projects promptly and cost-effectively.

Aldar Projects produced a strong performance in 2023, with its portfolio of government projects expanding to 180 projects. The business was awarded 42 projects during the year, with a total value of AED 30.3 billion. As a result of the commitment to service excellence, which is reflected in the strong results of a government satisfaction survey, Aldar Projects' backlog reached AED 81.9 billion, of which AED 32 billion are projects under construction.

2023 Highlights

Infrastructure Projects
45,169
Plots (in 38 locations)

Housing Projects
20,565
Villas (in 21 locations in addition to 3,442 apartments in 9 locations)

Road Projects
1,127
Kilometres (in 18 locations in addition to 31 major interchanges in 7 locations)

Others
438
Community facilities (in 22 locations in addition to c. 500km of cycle tracks)

Operational highlights included strong progress on Riyadh City, where over 10,000 plots out of 15,000 plots have now been handed over across all phases, and Al Wathba, where 347 villas were handed over.

The Balghaiylam project stands out as a prime example of collaboration between Aldar and government agencies to provide a high-quality living experience. Through this partnership, Aldar completed the master planning and will develop the new community of 1,743 homes for UAE citizens, with a focus on wellbeing, sustainability and Emirati heritage. Its three- to six-bedroom villas are complemented by an equestrian centre, gardens and parks, a marina, a medical centre, mosques and a wedding hall.

Aldar Development continued

Saadiyat Lagoons stands as another prominent endeavour undertaken by Aldar Projects, presenting four-, five- and six-bedroom villas situated on Saadiyat Island in Abu Dhabi. The development embraces the essence of island living amidst meticulously designed mangrove villas, enveloped by more than 900,000 sqm of protected wilderness.

The continued success of Aldar Projects is founded on three key strengths: deep market expertise as a leading real estate developer and manager; a long-standing and strategic private–public partnership; and a proven business model that combines operational excellence with sustainability and innovation. These critical components continue to serve the business well and drive growth, allowing Aldar Projects to deliver significant value across its stakeholder ecosystem.

In line with Aldar's commitment to Net Zero, Aldar Projects will continue to integrate sustainability throughout its operations during 2024. From the initial design stages through the procurement and construction lifecycles to the final stages of a project, sustainability will remain front and centre of our focus.

Aldar Projects maintains a strong emphasis on optimising its contribution to the UAE In-Country Value (ICV) Programme, with the business recirculating AED 16.4 billion to the local economy over the past two years. By providing increased employment opportunities to UAE nationals and business opportunities to UAE-based companies, it has significantly increased its ICV score from 57% in 2017 to 65% in 2023 – one of the highest in the UAE's real estate sector.

In This Section

Aldar Development continued

International

Egypt

Aldar's Egypt platform comprises SODIC, one of Egypt's leading real estate companies. With over 25 years of developing award-winning, Class-A, large-scale, mixed-use communities in West Cairo, East Cairo, and the North Coast, SODIC caters to Egypt's growing need for high-quality residential, commercial and retail property.

Headquartered in Cairo and listed on the Egyptian stock exchange (EGX) under OCDI.CA, SODIC is one of the few non-family-owned companies traded on the EGX.

SODIC has a strong and diversified project portfolio representing a sales backlog of AED 5.95 billion (EGP 50 billion) and 6.48 million square metres of unlaunched land. In 2023, SODIC delivered 1,427 units across its portfolio, with gross contracted sales, including clubs, reaching a record AED 3.60 billion (EGP 30.26 billion).

In 2023, SODIC announced plans for a comprehensive expansion of the Nobu brand. Two new luxury hotels will be developed alongside two Nobu-branded residences and a Nobu restaurant at SODIC's West Cairo development, along with another on the North Coast.

The Nobu Hotel and Residences Cairo in West Cairo will comprise 102 single family residences and apartments. SODIC's new North Coast development will feature a Nobu hotel and residences, comprising 70 branded single family and 130 serviced multiple family homes. Sales will be launched in 2024.

SODIC also expanded its landbank in 2023 with its acquisition of a 728,400 square metre plot on the North Coast, directly south of its flagship project, Caesar. Located in Ras Al Hekma, Caesar is SODIC's maiden venture into coastal developments. To date, it has successfully delivered 350 homes. The new plot will be developed over five to eight years and will a include a Nobu luxury hotel.

United Kingdom

In the second half of the year, Aldar Development announced the acquisition of UK-based London Square, its first acquisition outside the MENA region. The UK company is a leading residential and mixed-use developer operating mainly in Greater London. It has a diversified portfolio and is a registered provider of affordable housing.

The acquisition is aligned with Aldar's strategic vision of expanding into key and mature international markets and is expected to accelerate our growth and diversify our revenue streams. Exporting our expertise to the UK market by acquiring an established operating platform will give Aldar a meaningful foothold in the diverse and dynamic London property market, known for its resilience and enduring appeal to both local and international investors.

The UK and London Square will become the forefront of Aldar's international expansion strategy beyond MENA. It also provides strong opportunities for synergy creation, knowledge sharing, cross-border sales and investment flow, as well as elevating Aldar's brand recognition internationally.

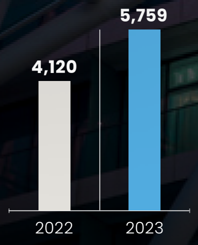
Management Report

In This Section

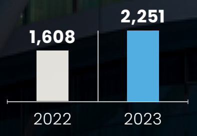
Aldar Investment

Aldar Investment is a platform that owns and manages recurring income-generating properties, a hospitality portfolio as well as the company's education and property management businesses, with more than AED 37 billion assets under management. It comprises four main segments: INVESTMENT PROPERTIES includes prime real estate in the retail, residential, commercial and logistics segments; HOSPITALITY & LEISURE owns a portfolio of hotel and leisure assets located principally on Yas Island, Saadiyat Island and luxury beach-front hotels in Ras Al Khaimah; ALDAR EDUCATION, the leading private education provider in Abu Dhabi; and ALDAR ESTATES, the region's largest integrated property and facilities management platform.

2023 Highlights



Revenue[1]
(AED mn)



Adjusted EBITDA[1,2]
(AED mn)

89
Assets across 5 sectors[3]

13
Residential

36
Retail

15
Commercial

3
Logistics

22
Hospitality & Leisure

[1] Excludes Pivot
[2] Adjusted for fair value movements (excluding amortisation of leasehold assets), reversal of impairments and one-off gains/losses on acquisitions
[3] Includes Investment Properties and Hospitality & Leisure

CEO of Aldar Investment's Message

Committed to delivering cross-platform growth

Supported by a favourable macroeconomic environment, Aldar Investment achieved remarkable growth in 2023, cementing its position as a prominent real estate investor and asset manager in the region.

The platform has completed numerous transactions over the last couple of years that are now making strong contributions to financial performance. Assets under management have grown to over AED 37 billion, supported by the flagship acquisitions such as the ADGM Grade A commercial office towers and entry into the buoyant Ras Al Khaimah hospitality segment with two five-star hotel acquisitions.

Our portfolio has continued to diversify across key real estate asset classes and geographies. We have entered into alternative investments through strategic partnerships with key global investment managers, including private real estate credit, whilst simultaneously bolstering our investments into the Aldar Logistics, Aldar Estates and Aldar Education platforms.

Aldar's income-generating investment properties continued to perform exceptionally well, evidenced by strong tenant demand, increasing rental rates and externally validated capital values, driven by proactive asset management and property management efforts across all core asset classes.

Within the commercial property segment, continued strong demand for prime Grade A office space stands as a resounding affirmation of Abu Dhabi's status as a business and financial hub. We have achieved near-full occupancy across our commercial portfolio, including the ADGM Towers at the heart of the Abu Dhabi Global Market, HQ and International Tower. Furthermore, we have witnessed solid pre-leasing activity for Al Maryah Tower, which will add further premium supply to ADGM, reflecting the confidence of tenants and investors in the Emirate's robust fundamentals and stable regulatory environment.

Cultivating a thriving retail portfolio remains a key area of focus. The repositioning of Yas Mall has elevated the shopping and leisure experience of customers, resulting in increased occupancy rates and substantial growth in tenant sales and footfall. Our goal is to replicate this success at Al Jimi Mall in Al Ain and Al Hamra Mall in Ras Al Khaimah through an AED 500 million investment.

"Aldar's income-generating investment properties continued to perform exceptionally well, cementing its position as a prominent real estate investor and asset manager in the region."

Jassem Saleh Busaibe
Chief Executive Officer of Aldar Investment

In This Section

CEO of Aldar Investment's Message continued

Our hospitality platform continues to perform well, supported by strong acquisition activity – surpassing underwriting expectations – and expansion beyond Abu Dhabi into Ras Al Khaimah. The portfolio benefits from a high-quality asset base with strong positioning, particularly as both markets build on their position as high-growth tourist destinations, supported by exceptional tourism infrastructure and a busy entertainment calendar.

Moreover, we continued to strengthen our Aldar Education platform through an additional investment of AED 350 million, taking total investment to AED 1.35 billion over four years. Whilst we will deepen our educational presence in Abu Dhabi and add significant value to the communities we serve across our key Saadiyat and Yas Island destinations, we are also focused on venturing into new territories, initially including Dubai and Bahrain.

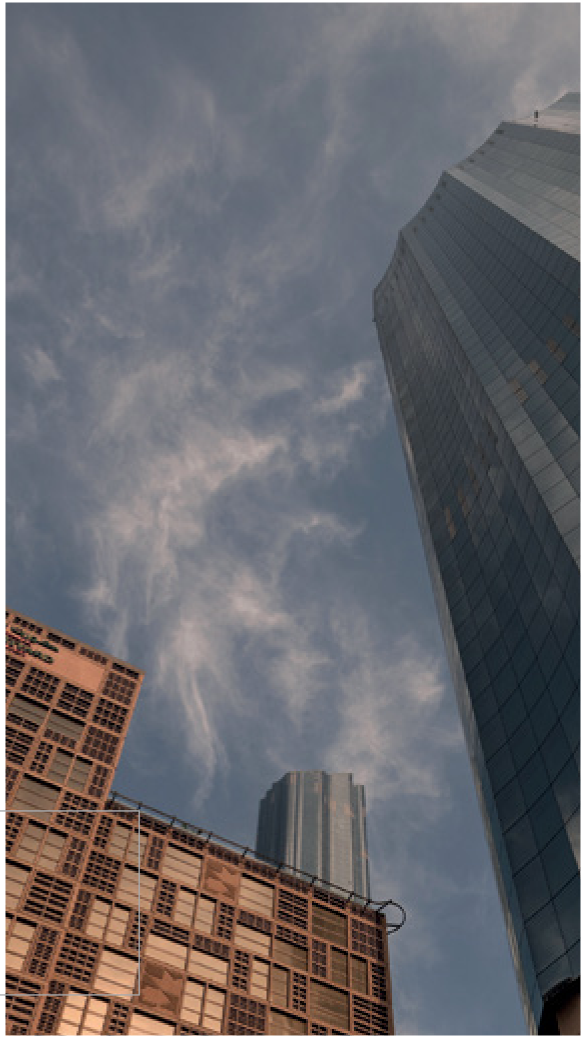
Aldar Estates has undergone tremendous transformation over the past year, driven by a series of strategic mergers and acquisitions to further scale the platform and broaden the offering. This has culminated in the doubling of our portfolio size, firmly establishing the business as the largest integrated property and facilities management platform in the region.

Concurrently, our logistics business has achieved accelerated growth, fuelled by strong demand for high-grade logistics facilities in the UAE, a trend driven by expanding intra-regional trade and a fast-expanding digital economy. To capitalise on these opportunities, and to ensure we continue to lean into this underweight sector, we have secured AED 1 billion to augment our logistics real estate portfolio. As a key segment of focus and investment, we continue to explore brownfield and greenfield opportunities whilst also pursuing further scale and diversification through the acquisition of top-tier logistics assets in the UAE and beyond.

As we look ahead, our priorities are firmly set on maximising value across the entire business. Leveraging our development and asset management capabilities, Aldar has unveiled an AED 5 billion 'develop-and-hold' pipeline that will significantly increase our income-generating commercial, retail and hospitality assets in Abu Dhabi as these developments are completed and start to produce income over the coming years.

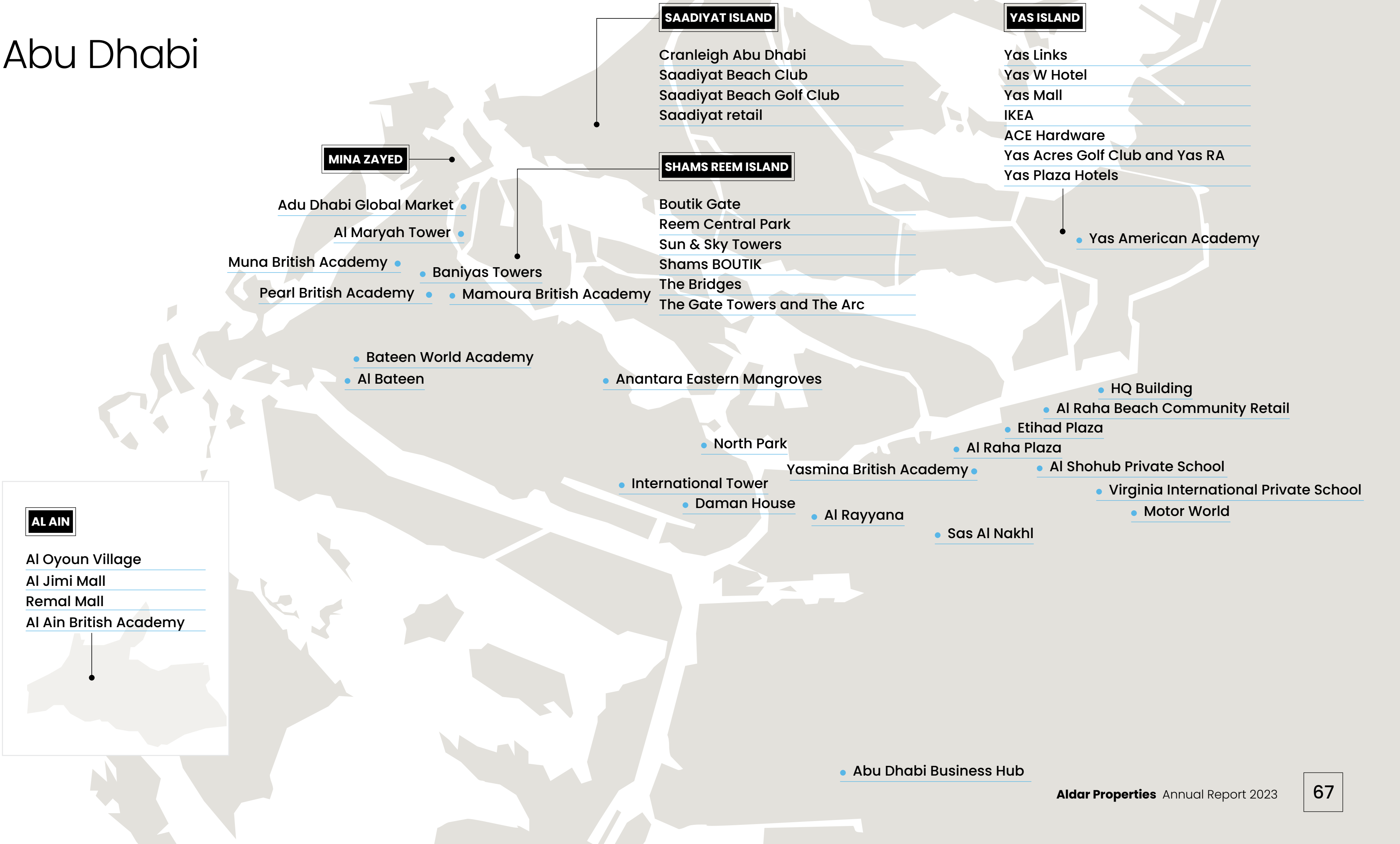
We remain committed to optimising organic growth through proactive asset management as well as optimising our portfolio's scale and diversification through yield-accretive acquisitions. In parallel, we intend to further drive our proactive asset allocation strategy, directing investments towards high-growth areas. This balanced approach ensures that we achieve strong and disciplined growth, positioning Aldar Investment for sustained success and greater value creation in a dynamic market landscape.

Jassem Saleh Busaibe
Chief Executive Officer of Aldar Investment



Aldar Investment continued

Abu Dhabi

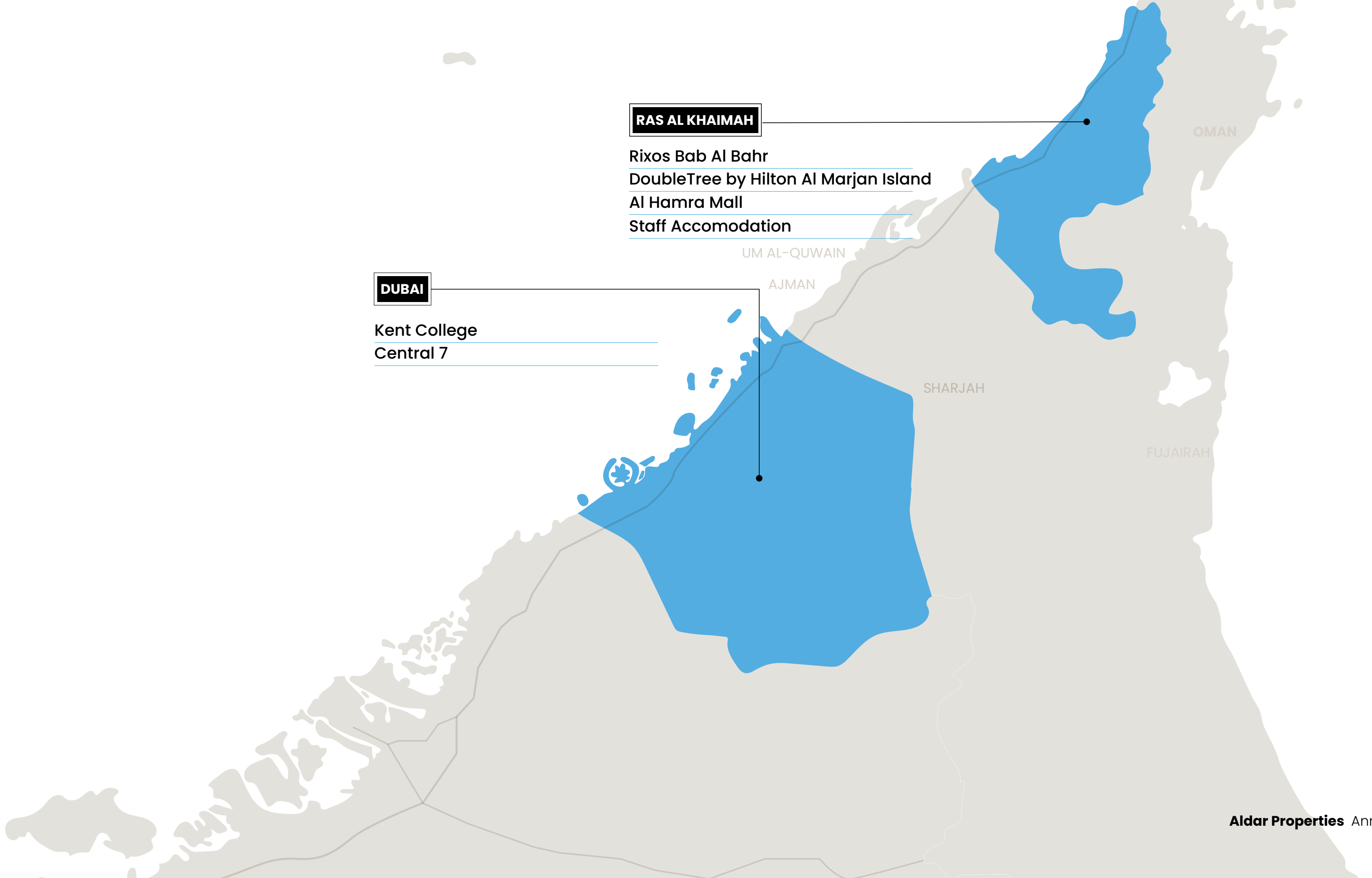


ALDAR

In This Section

Aldar Investment continued

Northern Emirates



Management Report

In This Section

Aldar Investment continued

Aldar Investment is a platform that owns and manages recurring income-generating properties, a hospitality portfolio as well as the company's education and integrated property and facilities management platforms, with AED 37 billion assets under management. It comprises four main segments:

Investment Properties houses Aldar's core asset management business including over AED 25 billion of prime real estate assets across retail, residential, commercial and logistics sectors.

Read more on page 70 →

Hospitality & Leisure owns an AED 4.0 billion portfolio of over 4,200 hotel keys and leisure assets principally located in Abu Dhabi and Ras Al Khaimah.

Read more on page 77 →

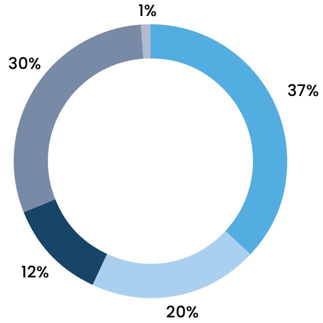
Aldar Education is the leading private education provider in Abu Dhabi with 31 owned and managed schools across the UAE.

Read more on page 78 →

Aldar Estates is the region's largest integrated property and facilities management platform.

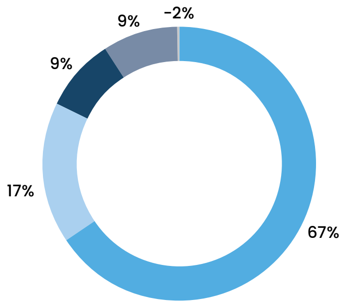
Read more on page 79 →

Revenue Split



Investment Properties including: Residential (10%) Retail (12%) Commercial (14%) Logistics (1%)
Hospitality & Leisure
Education
Estates
Others

Adjusted EBITDA Split



Investment Properties including: Residential (20%) Retail (20%) Commercial (26%) Logistics (2%)
Hospitality & Leisure
Education
Estates
Others

New projects	Asset type	Planned completion
1st Al Maryah Tower	Commercial	H1 2024
Noya British School	Education	H2 2024
Saadiyat Grove	Retail	H2 2025
Yasmina Brook 2	Education	H2 2025
Saadiyat Business Park	Commercial	H2 2027
2nd Al Maryah Tower	Commercial	H2 2027
Nobu-branded Hotel	Hospitality & Leisure	H2 2027

Redevelopments	Asset type	Planned completion
Al Hamra Mall	Retail	H1 2024
Al Jimi Mall	Retail	H1 2025

Management Report

In This Section

Aldar Investment continued

Investment Properties

The Investment Properties (IP) platform owns and manages AED 25 billion of income-generating assets across the commercial, retail, residential and logistics segments. The business maintains long-standing relationships with its growing tenant base through world class asset management that drives value creation.

In 2023, the platform delivered a strong financial performance, with revenue increasing 12% to AED 2.1 billion and adjusted EBITDA rising 25% to AED 1.5 billion, with growth primarily driven by strong performance across the existing asset base and the full-year contributions from acquisitions that were completed in 2022. Through proactive asset management and property management, occupancy across the portfolio stood at 93% as at 31 December 2023.

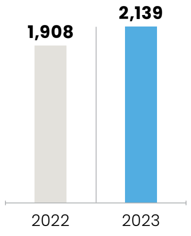
The income-generating assets are principally owned under Aldar Investment Properties (AIP), which is majority owned by Aldar, with Apollo Global Management, one of the world's largest alternative investment managers, holding an 11.1% minority stake for USD 400 million, as part of its USD 1.4 billion investment into Aldar Properties in 2022.

AIP has an investment grade credit rating of Baa1 from Moody's, the highest credit rating for a non-government corporate in the region, which has allowed Aldar to create a highly efficient capital structure for real estate ownership. In 2023, AIP announced a USD 2 billion sukuk programme to support its growth agenda and sustainability commitments, issuing a USD 500 million inaugural 10-year green sukuk in May, which was priced at a coupon of 4.875%. As a result of Aldar's deployment of forward starting swaps secured in its hedging strategy, the issuance's effective rate was reduced to 3.85%. The sukuk proceeds will be deployed in accordance with Aldar's Green Finance Framework, which governs investment in sustainable projects such as green buildings, property upgrades to enhance energy efficiency, sustainable water management, pollution control measures and renewable energy sources.

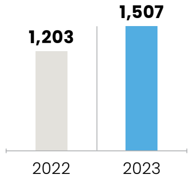
Aldar's strategy for its investment properties business remains focused on further expanding and enhancing the quality and diversification of its portfolio in line with the company's transformational growth agenda.

To complement its accretive acquisitions strategy, Aldar plans to deploy a further AED 5 billion to develop a range of income-generating assets within key destinations in Abu Dhabi. The assets, which will be held in the company's investment portfolio, will be completed in a phased manner between 2025 and 2027. This 'develop-and-hold' approach allows the company to activate its landbank through the development of a variety of real estate asset classes, focusing on commercial, retail and hospitality assets.

2023 Highlights



Revenue (AED mn)



Adjusted EBITDA (AED mn)

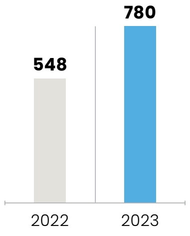
Aldar Investment continued

Commercial

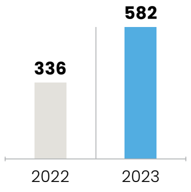
The commercial property portfolio principally comprises high-quality Grade A commercial office space that attracts top-tier international tenants and local tenants, including multinationals, government agencies and large corporates. Key assets include Abu Dhabi Global Markets (ADGM) Towers in the international financial centre and free zone located on Maryah Island, as well as the HQ building and International Tower.

As at 31 December 2023, the commercial portfolio comprised 504,000 sqm of gross leasable area (GLA) with occupancy standing at 95%. The weighted average unexpired lease term (WAULT) was 3.9 years as at 31 December 2023. Typical lease terms for small entities range from three to five years and for large entities the lease term can reach 20 years.

2023 Highlights

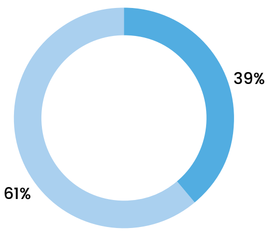


Revenue (AED mn)



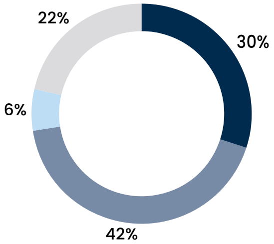
Adjusted EBITDA[1] (AED mn)

Tenant Split



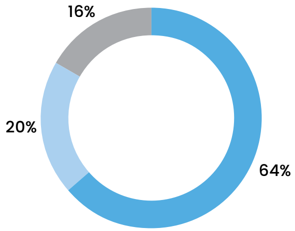
Government/GRE | Corporate & others

Location Split



Abu Dhabi Mainland | Reem Island | Al Maryah Island | Al Raha Beach

Office Type Split

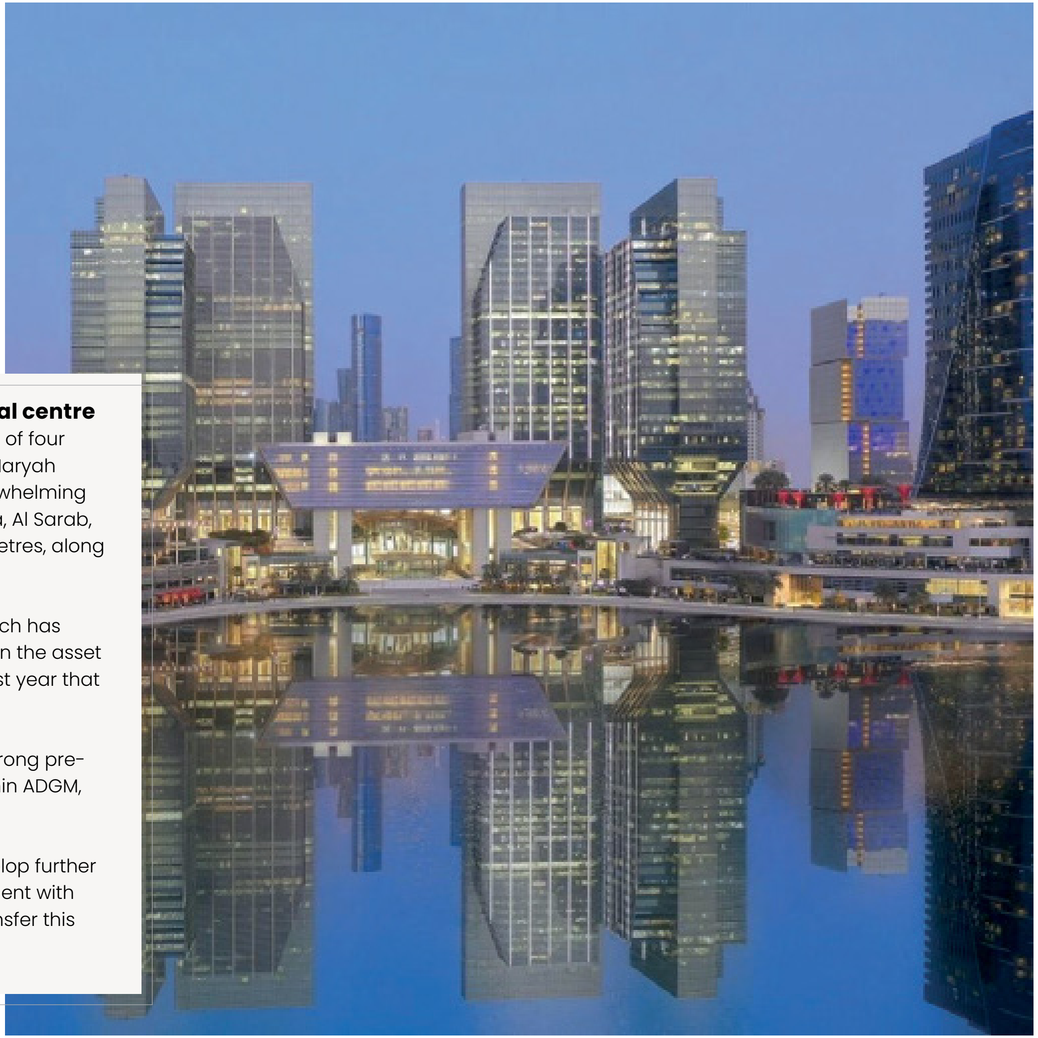


Grade A | Other | Grade B

1. Adjusted for fair value movements (excluding amortisation of leasehold assets), reversal of impairments and one-off gains/losses on acquisitions

Aldar Investment continued

Commercial continued



High value creation at prime ADGM offices in Abu Dhabi's financial centre

The acquisition from Mubadala Investment Company (Mubadala) in July 2022 of four prime Grade A commercial towers in Abu Dhabi Global Market (ADGM) on Al Maryah Island, one of the region's fastest-growing financial centres, has been an overwhelming success. The transaction included the four main office towers in ADGM – Al Sila, Al Sarab, Al Maqam and Al Khatem – with a total net leasable area of 180,000 square metres, along with car parks serving the office towers.

Aldar has deployed an effective asset management and leasing strategy, which has driven a rapid increase in occupancy to 96% at the end of 2023, from 79% when the asset was acquired. This has been further supported by improved rates over the past year that have further supported the actual performance versus initial underwriting.

With the financial centre attracting a growing number of global businesses, strong pre-leasing demand has been experienced for the 25-storey Al Maryah Tower within ADGM, which was acquired by Aldar in December 2022.

In addition, Aldar entered a joint venture with Mubadala in March 2023 to develop further properties within ADGM, with two high-rise office towers planned for development with a total net leasable area (NLA) of 98,000 square metres. The intention is to transfer this asset into AIP when it is completed.

Aldar Investment continued

Retail

Aldar has a substantial retail footprint of 521,000 sqm of gross leasable area across 36 properties in Abu Dhabi, Al Ain and Ras Al Khaimah. The company's 'destination retail' offers a broad retail, entertainment and leisure mix, and comprises Aldar's three largest retail properties, Yas Mall in Abu Dhabi, Al Jimi Mall in Al Ain and Al Hamra Mall in Ras Al Khaimah. Meanwhile, 'community retail' provides key amenities such as supermarkets, pharmacies, hair salons and restaurants, mainly within or close to Aldar's residential communities to cater for everyday shopping and leisure needs.

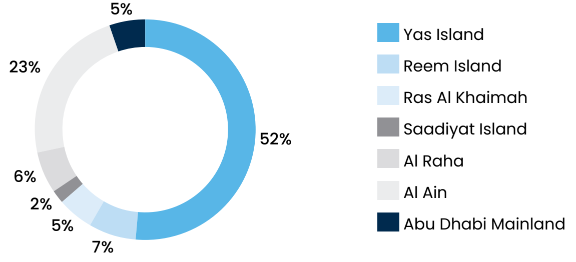
In 2023, revenue from retail assets remained flat at AED 718 million, whilst adjusted EBITDA increased 2% to AED 443 million. This performance included an uplift in income from flagship asset Yas Mall, following completion of a transformation project that supported increased footfall and sales that is now translating into higher rental rates, partly offset by the redevelopment projects now underway at Al Jimi Mall and Al Hamra Mall.

The redevelopment plan for Al Jimi Mall will enhance the customer journey and reinforce its position as the mall of choice for residents and visitors in Al Ain. The project aims to increase the gross leasable area by 20% to 91,000 sqm and introduce new anchor retailers, premium international brands and popular food concepts. The mall will remain open to customers with the project expected to be fully completed during the first half of 2025.

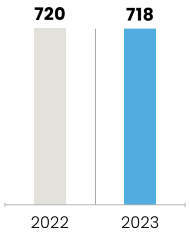
Following the acquisition of Al Hamra Mall in February 2022, Aldar's redevelopment plan reimagines its spaces through a refurbishment of the façade, expanded F&B offerings, and the introduction of additional global brands. With work already underway, the project is being rolled out in phases and is set to be completed during 2024.

The weighted average unexpired lease term (WAULT) of Aldar's retail portfolio was 3.9 years as at 31 December 2023. Typical lease terms for tenants of line shops range from three to five years, and for anchor tenants, leases may extend up to 10 years.

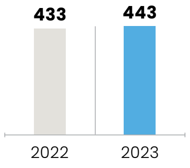
Location Split



2023 Highlights



Revenue
(AED mn)



Adjusted EBITDA[1]
(AED mn)

1. Adjusted for fair value movements (excluding amortisation of leasehold assets), reversal of impairments and one-off gains/losses on acquisitions

Aldar Investment continued

Retail continued

Yas Mall **repositioned for sustained growth**

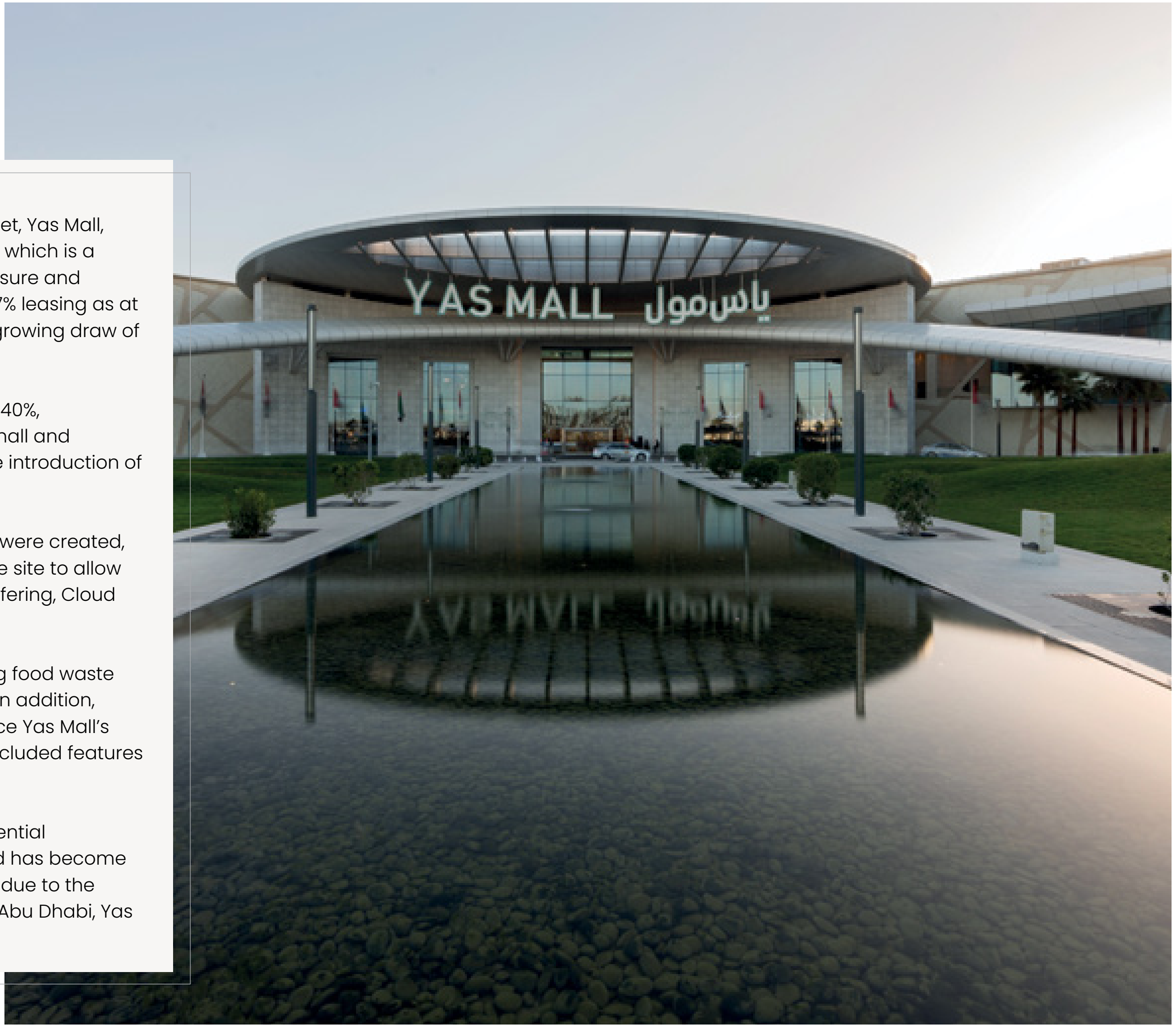
The AED 500 million refurbishment of Aldar's flagship retail asset, Yas Mall, has ensured the sustained appeal of this super-regional mall, which is a key destination in the Emirate, complementing the broader leisure and entertainment offering on Yas Island. The mall has reached 97% leasing as at 31 December 2023 and is well positioned to capitalise on the growing draw of Yas Island for residents and visitors.

The repositioning project expanded the mall's F&B offering by 40%, introducing a variety of F&B brands in addition to a new food hall and outdoor terraces, whilst enhancing the tenant mix through the introduction of new concept and experiential stores.

By optimising use of space, 15,000 sqm of commercial offices were created, with Aldar choosing to move its corporate headquarters to the site to allow for additional leasing at the HQ building. Aldar's co-working offering, Cloud Spaces, has also established in the mall.

The project introduced a customised composter, transforming food waste into bio-soil that is now used for landscaping within the mall. In addition, 60,000 lamps were replaced with LED lighting, helping to reduce Yas Mall's carbon footprint by 59 tonnes per year. The redevelopment included features to facilitate access for People of Determination.

The mall represents a 'pull factor' for Aldar's established residential communities and new developments on Yas Island. The island has become a leading leisure and entertainment destination in the region, due to the Formula 1 circuit, SeaWorld Abu Dhabi, Warner Brothers World Abu Dhabi, Yas Waterworld, Yas Beach and Yas Links Golf Course.



Aldar Investment continued

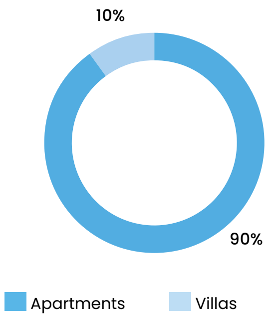
Residential

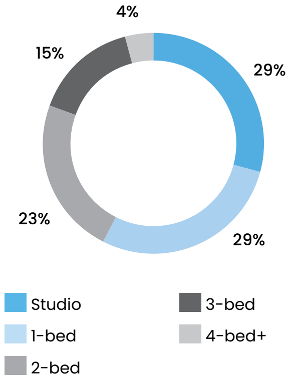
The investment property portfolio includes over 7,500 residential units, principally in the Emirate of Abu Dhabi, which are leased to individual tenants or through bulk unit agreements with key corporate clients including government related entities. The large majority of units are in Aldar-developed communities, including Al Rayyana, The Gate, Arc, Sun & Sky, Al Muneera, Sas Al Nakhl, ranging from studio apartments to large villas, and are designed to appeal to a broad customer base. Aldar also owns employee accommodation buildings in Ras Al Khaimah and on Yas Island in Abu Dhabi.

Occupancy across the residential portfolio stood at 94% at the end of 2023, reflecting Aldar's strong standing in the market. Revenue from the portfolio decreased 3% to AED 578 million in the year on account of the ongoing disposal of non-core strata residential units. Adjusted EBITDA increased 14% to AED 449 million, principally due to receipt of a one-off payment related to the triggering of an early termination clause on a major bulk lease contract.

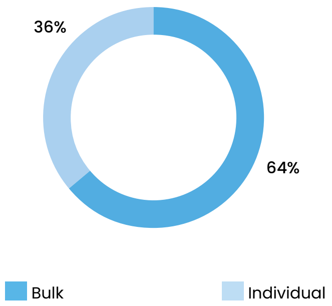
The weighted average unexpired lease term (WAULT) of the residential portfolio was 2.8 years as at 31 December 2023, with 64% of residential units leased on a bulk, long-term basis. Individual tenants are generally contracted through rolling 12-month leases, whilst bulk tenants typically lease for periods of up to 15 years.

Unit Type Split

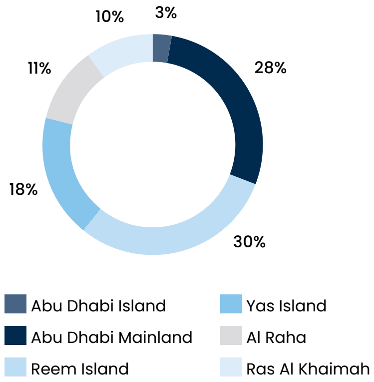




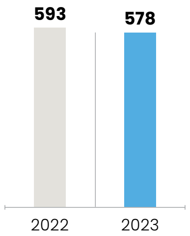
Lease Type Split



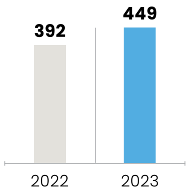
Location Split



2023 Highlights



Revenue (AED mn)



Adjusted EBITDA[1] (AED mn)

1. Adjusted for fair value movements (excluding amortisation of leasehold assets), reversal of impairments and one-off gains/losses on acquisitions

Aldar Investment continued

Logistics

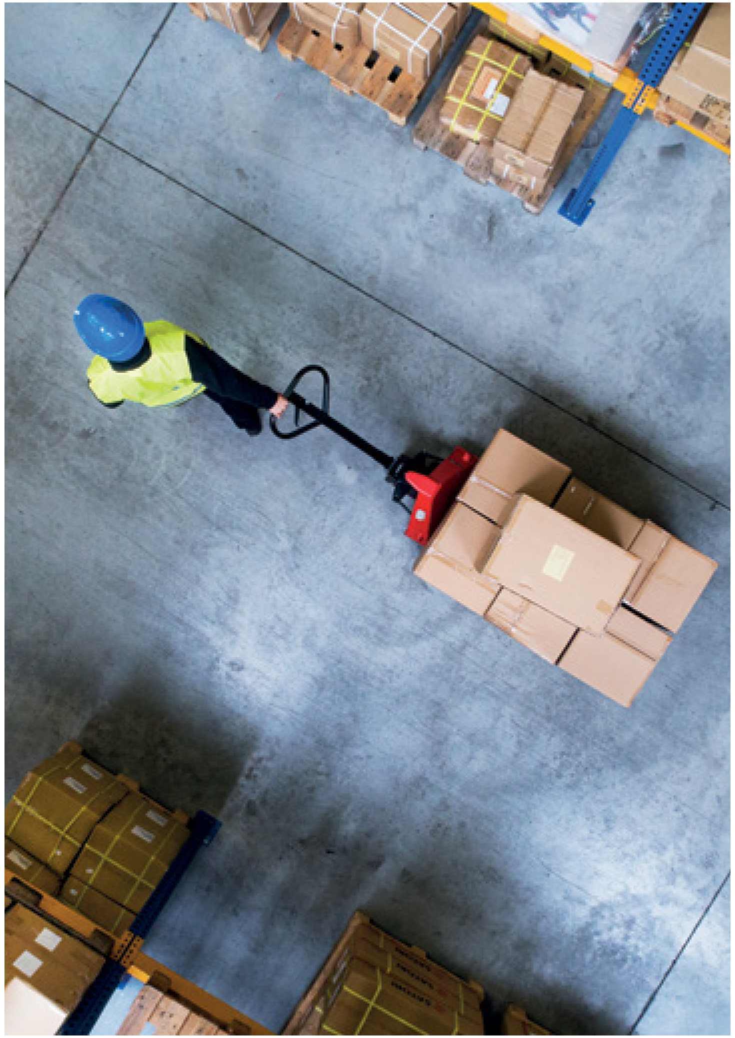
Aldar entered the logistics sector in 2022 with the acquisition of a 70% ownership in Abu Dhabi Business Hub, a well established logistics centre in mainland Abu Dhabi with a strong tenant base including Etihad, Mubadala and TwoFour54. Aldar continues to seek opportunities to expand its logistics exposure through a combination of acquisitions and development as we continue to see rising domestic consumption, the development of transportation networks and the rapid increase in e-commerce activity in the UAE and wider region.

In January 2024, Aldar announced a further AED 1 billion investment to expand the Aldar Logistics platform. Marking its first logistics acquisition in Dubai, Aldar acquired seven Central logistics hubs and an adjacent plot, which, once developed, will almost double the current gross leasable area (GLA) of 19,000 square metres. The facility is strategically positioned in one of Dubai's most established industrial areas, Dubai Investments Park.

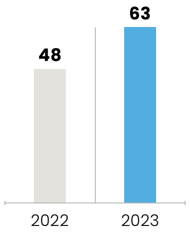
The investment programme also includes a further 233,000 square metres of new Grade A facilities across the UAE. This includes single tenanted facilities and logistics parks in Dubai, totalling 200,000 square metres GLA that will be developed in partnership with established logistics real estate players, and a 33,000 square metre GLA expansion of the company's premium logistics facility, Abu Dhabi Business Hub in Abu Dhabi.

In 2023, Aldar Logistics reported a 33% year-on-year increase in adjusted EBITDA to AED 52 million, on a 32% rise in revenue to AED 63 million.

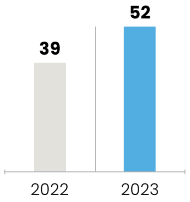
The weighted average unexpired lease term (WAULT) was 4.6 years at 31 December 2023, with the portfolio characterised by long-term contracts consistent with the logistics segment.



2023 Highlights



Revenue (AED mn)



Adjusted EBITDA[1] (AED mn)

1. Adjusted for fair value movements (excluding amortisation of leasehold assets), reversal of impairments and one-off gains/losses on acquisitions

Aldar Investment continued

Hospitality and Leisure

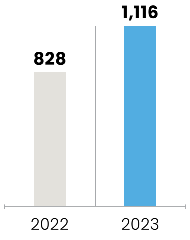
The Hospitality and Leisure portfolio is a cornerstone of the business, providing exposure to a key theme in the UAE's economic diversification strategy and the country's development as a premier business and lifestyle centre. Aldar's broad approach is to own assets in prime destinations in the UAE and contract management to leading hospitality operators.

Aldar is the third largest hospitality owner in the UAE by the number of keys. The portfolio includes 13 hotels having a combined 4,226 rooms and suites, with a range of offerings across the five-, four- and three-star categories, as well as golf clubs and other leisure assets, including beach clubs and marina facilities.

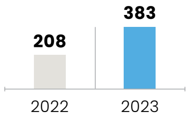
In 2023, the Hospitality and Leisure assets performed well, extending a recovery from the impact of the global pandemic on the travel and tourism industry in 2020 and 2021. The UAE has returned to a busy event calendar and Abu Dhabi, in particular, continues to develop its cultural, leisure and lifestyle offering.

Adjusted EBITDA for the portfolio increased 84% to AED 383 million in 2023, driven by positive contributions from recent acquisitions and higher average daily rates (ADR) across the portfolio. Overall occupancy stood at 70% during the year with ADRs rising by 23% from the previous year.

2023 Highlights

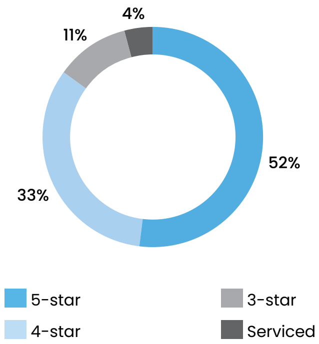


Revenue (AED mn)

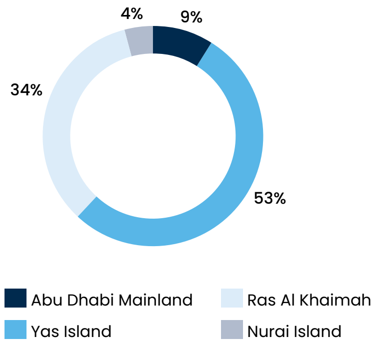


Adjusted EBITDA[1] (AED mn)

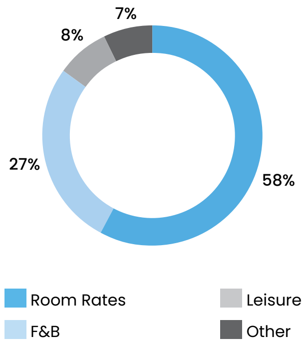
Hotel Type by Keys



Location Split by Keys



Hospitality Revenue Split



1. Adjusted for fair value movements (excluding amortisation of leasehold assets), reversal of impairments and one-off gains/losses on acquisitions

Management Report

In This Section

Aldar Investment continued

Aldar Education

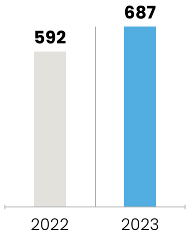
Aldar Education is a leading private school operator, with 31 owned and managed schools in its portfolio. The company provides British, International Baccalaureate (IB) and American curricula adapted for the UAE and is the second largest operator of private schools in the country by student number.

In 2023, adjusted EBITDA for the platform increased 27% to AED 195 million. Student enrolments within operated schools grew to over 14,000 driven by new school additions, bringing the total student body to over 38,000.

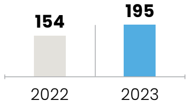
Aldar Education is pursuing a strategy for accelerated growth by means of an AED 1.35 billion investment plan through development of 'greenfield' schools as well as acquisitions. The strategy aims to build scale, enhance facilities and diversify geographically. In 2023, the platform acquired Virginia International Private School in Abu Dhabi and also expanded beyond the UAE capital, through the acquisition of Kent College Dubai and establishment of Cranleigh Bahrain, which will open in 2024. Aldar Education will continue to expand in Abu Dhabi in 2024 through the establishment of Noya British Academy, Yasmina British Academy and a new school on Saadiyat Island.

In recent years, Aldar Education has expanded its operated school platform from solely Aldar Academies, positioned in the premium fee point, to include the branded school and affordable segments, which widens the offering to the market. The portfolio now includes 11 owned and operated schools, whilst also managing four ADNOC schools, 11 charter schools, and five schools under the Emirates School Establishment.

2023 Highlights



Revenue (AED mn)



EBITDA (AED mn)

Schools

31

11 operated schools
20 managed schools

Students

38k

14k operated schools
24k managed schools

Aldar Investment continued

Aldar Estates

To advance Aldar's ambition to become a national champion in real estate services, the Aldar Estates platform expanded significantly in 2023 through a merger with Eltizam Asset Management Group, a property and facilities management services company that was jointly owned by International Holding Company (IHC) and ADNEC Group. As a result, the platform now benefits from considerable economies of scale, operational synergies and an expanded suite of services.

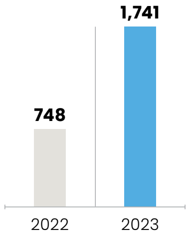
The enlarged Aldar Estates, which is 65.1% owned by Aldar and 34.9% held in equal part by IHC and ADNEC, has been reorganised into four main verticals: Property Management; Facilities Management; Integrated Community Services; and Valuation and Advisory.

During 2023, Aldar Estates also completed the acquisition of FAB Properties, a leading UAE-based provider of property management and related services. The transaction enabled Aldar Estates to integrate a property management portfolio of 22,000 residential units across 600 properties within its expanding platform in the UAE, increasing total units under management beyond 150,000 across the UAE. With FAB Properties continuing to serve as the exclusive property management partner for First Abu Dhabi Bank (FAB), the transaction provides a steady growth pipeline for Aldar Estates.

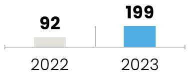
These major deals followed the acquisition of Basatin Landscaping earlier in the year to broaden the Aldar Estates offering. Basatin is a leading landscaping services provider with a wide range of landscaping services, including design, installation, paving, gardening and green waste disposal. With more than 1,000 employees, Basatin has been the preferred landscaping company for notable clients in the UAE, including the Department of Municipalities and Transport and Expo 2020.

As a result of these M&A transactions, Aldar Estates now manages the largest integrated property and facilities management platform in the UAE, with a secured order book of approximately AED 2 billion across a diversified client base.

2023 Highlights



Revenue
(AED mn)



EBITDA
(AED mn)

Aldar Investment continued

Others

Alternative real estate assets: private credit and other investments

Aldar's strategy to accelerate growth includes achieving limited exposure to mature markets outside its home region to diversify revenue streams and create synergies with the business in the UAE.

A key area of focus is high-growth alternative real estate asset classes, and Aldar has taken steps to enter the arena of private credit and other real estate investments.

In December 2023, Aldar announced a partnership with Mubadala Investment Company and Ares Management to jointly invest USD 1 billion in private real estate credit opportunities in the United Kingdom and Europe over the next three to five years. The new platform is 50% owned by Mubadala, 30% by Aldar and the remaining 20% by Ares, and Aldar will commit a minimum of USD 400 million to the overall strategy.

This includes an investment of USD 100 million into an existing European private real estate credit strategy first established by Mubadala and Ares in 2021. This focuses on senior secured debt with a first lien on physical real estate assets, including office, multifamily residential, industrial, retail and hospitality.

In early 2024, Aldar announced that it was adding further weight to its international expansion plan with an AED 407 million investment in logistics and storage assets in Europe through a partnership with global investment firm Carlyle. The agreement saw Aldar become a strategic investor in the Carlyle Europe Realty (CER) platform, the company's pan-European real estate strategy, in addition to taking a majority stake in a co-investment platform, which includes an income-producing portfolio of 14 warehouses located across key logistics hubs in the UK.

The portfolio comprises 900,000 sqft of gross leasable area (GLA) and is fully occupied with substantial reversion potential. Aldar has also invested alongside Carlyle and other investors into a portfolio of self-storage facilities and development sites in Western Europe. Within the logistics and self-storage investments, Aldar will leverage its development and asset management expertise to help shape the portfolios, and the partnership model will pave the way for Aldar to gain further exposure to the segment alongside Carlyle.

In This Section

Risk Management

Implementing robust risk management practices

Aldar has an established Enterprise Risk Management (ERM) function to ensure effective management of all risks that have the potential to hinder the Company from achieving its strategic objectives.

A dedicated ERM team is responsible for helping the Company's business units to identify and assess risks utilising a standardised enterprise-wide methodology, and subsequently put in place control plans for existing and emerging risks. It regularly conducts comprehensive reviews of best practices and benchmarks against other companies in the market in order to ensure its risk management processes are relevant and aligned with best-in-class practices.

Primarily, a bottom-up approach is used for risks identified at a business unit level, whilst enterprise-wide risks rely on a top-down approach, synergising between operational expertise and strategic input. The areas of focus comprise organisation-wide ground risks as well as long-term emerging risks identified through horizon scanning. Through the development of Aldar's risk appetite pertaining to each of its relevant risk categories, standardised risk ratings are calculated based on the likelihood and impact attributed to the risk, at both inherent and residual levels. The enterprise-wide methodology enables the Company to evaluate and prioritise identified risks based on the relevant risk appetite. Pre-defined criteria and mandates guide the escalation mechanism for identified risks and mitigation plans to different hierarchical committees. The ERM team continuously monitors, liaises, and follows up with risk owners on agreed mitigation plans until the risk level falls below the approved risk appetite of that relevant category. Risks that fall above the approved risk appetite are escalated as per the DOA for management decision on whether to eliminate, transfer, accept or address accordingly. Risk assessments and analysis of risk exposure occur on a continuous as well as on an as needs basis, whilst top risks are reported to management on a quarterly basis. The ERM process at the organisation gets audited by the Aldar Internal Audit Department team and is utilised along with the department's continuous improvement practices to ensure it remains compliant with international standards and best practices.

Aldar has Board-approved DOA and ERM Policy and Procedure documents in place, which are periodically reviewed and updated. The meetings of the various mandated committees are convened periodically, which helps to improve and mature the function over ongoing iterations.

The ERM is also responsible for Business Continuity Management (BCM), which aims at ensuring the Company's capability to continue the delivery of its operations at pre-defined acceptable levels following a disruptive incident. Business Continuity Plans are developed for identified time critical processes, which include personnel, facility, technology and third-party requirements.

Aldar's Board and Management firmly believe in continuous improvement and will persist to build on this solid foundation to strengthen risk management, providing them with an effective support tool to make informed and objective risk-based management decisions.

Risk Management continued

Aldar's Enterprise Risk Management framework is linked and adapted to its business operating model, using the widely-accepted COSO Enterprise Risk Management framework as its foundation.

Risks are classified into the following **six categories:**

Risk category	Description
Strategic	Risks related to strategy selection, execution or modification, leading to Aldar Group's inability to achieve the overall objectives.
Financial	Risks related to the ability of Aldar Group to achieve its budget and prevent financial loss.
Operational	Risks related to operational delays resulting from inadequate or failed internal processes, people and systems or external events.
Legal and Compliance	Risks related to legal or regulatory implications, material financial loss or reputational loss that Aldar may suffer because of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct.
Sustainability ESG	Risks related to an environmental, social or governance event or condition that may cause an actual or a potential material negative impact on the business and/or value of investments.
Image and Reputational	Risks related to Aldar's image and reputation domestically and globally that may lead to loss of business.

Risk Management Procedure

Initiate Risk Management Exercise
Create risk management plan

Types of Risks to be Assessed
Departmental risks
Adjacency risks
Project risks
Strategic risks

Risk Assessment and Prioritisation
Determine likelihood of occurring
Determine impact on the organisation
Risk matrix of impact vs. likelihood
Map risks to respective appetites
(Minor, Low, Moderate, High, Severe)
Validate the risks with the respective department heads

Building and Monitoring Mitigation Plans
Agree on mitigation plans and time frames

Report Final Results to Management
Strategic risks and risks that are higher than the approved risk appetite along with their current mitigations are presented by the Group ERM team to the MC for endorsement and reported to the ARCC and Board of Directors on a quarterly basis

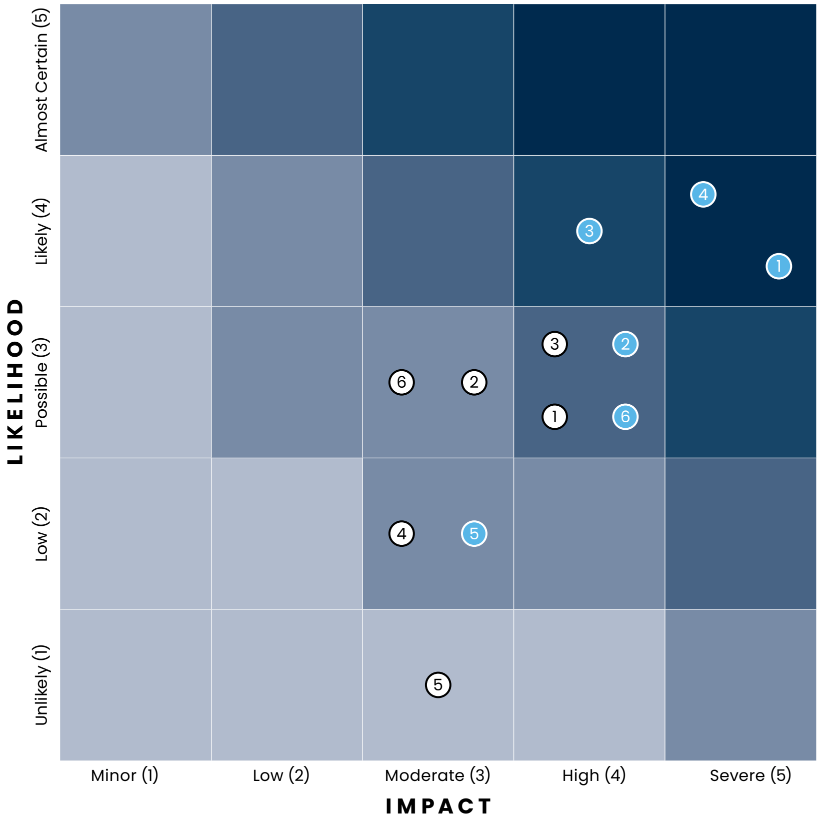
MC = Management committee
ARCC = Audit, risk and compliance committee
BoD = Board of Directors

Risk Management continued

Risk matrix

1 Market cyclicality
2 Expansion in new geographies
3 Talent attraction and retention
4 Failure to achieve Aldar sustainability/ESG strategic objectives
5 Health and safety
6 Information systems and cyber threat

Before mitigation plans
After mitigation plans



Risk level

Severe	20–25
High	15–19
Moderate	10–14
Low	5–9
Minor	1–4

Risk Management continued

No.	Risk	Type	Description	Consequences	Inherent Likelihood	Inherent Impact	Residual Likelihood	Residual Impact	Treatment Plan	Change
1	Market cyclicality	Strategic	Ability for Aldar to respond effectively to local and regional changing market conditions.	• Potential negative impact on launching of new developments and performance of asset portfolio. • Potential negative impact on sales revenue, cash flows, asset valuations, debt/ capital and credit rating.	4	5	3	4	The Board mitigates market risk through a review of the Group's strategy on a regular basis and discussions are held to ensure the strategy is still appropriate or whether it requires updating. The Company is actively implementing the risk treatment plans: Development Projects • Ensure accurate and appropriate business plans are in place to anticipate customer preferences. • Launch projects in phases to reduce cashflow exposure. • Product diversification. • Enhanced market readiness to capitalise on any opportunity via infrastructure enabled lands. • Expanding fee-based projects portfolio. • Actively pursuing geographical expansion. Asset Portfolio • Combined focus on tenant selection and trading performance, e.g., proactive leasing, targeted marketing initiatives and asset upgrading. • Full merchandising strategy in retail assets: zoning and category optimisation, sustainable pricing and innovative repurposing. • Continued focus on corporate deals to provide long-term revenue visibility and de-risk residential portfolio revenue streams. • Sustainability initiatives leading to cost saving through energy audit and energy saving initiatives. • Product diversification. • Enhancing customer experience through cross-selling across asset classes and introduction of loyalty programmes.	No change

Risk Management continued

No.	Risk	Type	Description	Consequences	Inherent Likelihood	Inherent Impact	Residual Likelihood	Residual Impact	Treatment Plan	Change
2	Expansion in new geographies	Strategic	Geographical concentration from operating in Abu Dhabi only.	• Exposure to Abu Dhabi as a single market will potentially constrain Aldar's ability to grow and achieve its strategic objectives to deliver sustainable returns for shareholders.	3	4	3	3	The Company realises the inherent risk of geographical concentration of operations and is steadily mitigating it by: • Entering joint ventures within the wider UAE, GCC and international markets. • Developing regional and international sales and marketing capabilities to expand investor pool. • Actively pursuing geographical expansion. • Targeting investments in alternative asset classes.	No change
3	Talent attraction and retention	Operational	Ability to attract and retain a talented pool of employees with the right skills and experience.	• Potential negative impact on Company's ability to deliver its business plan.	4	4	3	4	The People and Performance strategy and treatment plans encompass: • Long-term incentive programme to assist in retention of critical personnel. • Succession planning and career path programmes for high-potential personnel. • Organisation-wide employee satisfaction survey conducted annually to identify areas for improvement. • Exit interviews to identify critical areas of improvement for People and Performance policy and practices. • Proactively identifying employee satisfaction parameters by conducting the annual 'Great Place to Work' survey to identify potential gaps (Aldar has been accredited as a Great Place to Work).	Increased

Risk Management continued

No.	Risk	Type	Description	Consequences	Inherent Likelihood	Inherent Impact	Residual Likelihood	Residual Impact	Treatment Plan	Change
4	Failure to achieve Aldar sustainability/ ESG strategic objectives	Strategic	Ability for Aldar to minimise the impact of its operations on the environment, whilst maximising its positive societal influence and conducting business with the highest governance standards.	• Potential negative impact on long-term sustainable growth. • Potential loss of trust and engagement of key stakeholders.	4	5	2	3	Aldar Board and Management mitigate ESG risk by establishing the appropriate governance across the Group, allocating the right level of resources, and taking proactive measures whilst developing a Group understanding of key ESG risks: Environmental • Launched its science-aligned Net Zero Plan, which has an ambitious interim target of achieving Net Zero on our Scopes 1 and 2 emissions and 45% reduction on Scope 3 emissions intensity by 2030, in addition to being Net Zero Scopes 1, 2 and 3 by 2050. • Additional AED 49 million investments in the portfolio-wide energy management project including hotels, commercial, retail and residential buildings. • Announced a partnership to supply 34 megawatts of solar power to 45 properties across the UAE, reducing 23,000 tonnes of CO_2 emissions in the first year and aligning with Aldar's Net Zero Plan. • Announced a joint venture and launched Ecoloop to eliminate landfill and food waste across Aldar owned and managed assets in Abu Dhabi. Ecoloop is an innovative circular model to collect, segregate and convert Aldar's waste into valuable resources at a Circular Park in Abu Dhabi. Ecoloop targets the elimination of approximately 32,500 tonnes of CO_2 emissions annually. Social • Launched the second cycle of the Thrive Scholarship Programme, breaking down educational barriers for low-income families. • Launched Aldar's Inclusion Roadmap, which aims for full inclusivity by 2030. Internal pilot programmes were conducted to ensure readiness for expansion. • 3000 hours dedicated to volunteering activities. • Aldar supported two humanitarian campaigns in partnership with Emirates Red Crescent. Governance • Finalised Group ESG Risk Register and mitigation actions, and in process of assessing ESG risks for segments, subsidiaries and assets. • 19 ESG-related policies reviewed and published on the Aldar website. • Established sustainability teams across several of the subsidiaries, with dedicated sustainability managers. • Sustainability implementation plans have been developed by the businesses and sub-segments.	No change

Risk Management continued

No.	Risk	Type	Description	Consequences	Inherent Likelihood	Inherent Impact	Residual Likelihood	Residual Impact	Treatment Plan	Change
5	Health and safety	Operational	Serious OSH (Occupational Safety and Health) incident.	• Potential material impact on Company's vision and brand locally and internationally with consequential financial implications due to project delays, civil suits and fines.	2	3	1	3	Aldar has an established integrated health and safety strategy and implementation plan, encompassing the following components: • OSH Management System framework that has been implemented across all the projects, accompanied by project specific OSH plans and procedures based on the scope and nature of activities. • All the project involved stakeholders, i.e., Project Management Consultants (PMC), Consultants and Principal Contractors, must register with OSHAD-SF (Abu Dhabi Public Health Center) and obtain all required authority permits. They must adhere to the Aldar OSH policy and standards as well as conduct hazard identification and risk management to prevent or reduce the risk of an incident in line with legal requirements. • Produce monthly OSH statistics to monitor performance and trends across the projects and portfolio of assets, develop lessons learnt and analyse trends to ensure and promote safest practices. • Proactive integration between Aldar OSH and project teams for effective implementation of the OSH proactive monitoring programmes, i.e., internal and external OSH audits, OSH Committee Meetings and periodic inspections. • Raising staff awareness by conducting periodic OSH trainings and campaign programmes for each project, updating and communicating the company's OSH Management System and regulatory requirements, maintaining OSH legal compliance register, maintaining the risk register, issuing OSH Alerts, circulars, etc., to foster a positive safety culture and strive towards continuous improvements. • Monitor and assess contractors and partners on worker welfare practices including practices on site, accommodation facilities and transportation arrangements. • Identify and manage grievances of employees through the implementation of mechanisms such as the worker welfare mobile application.	No change

Risk Management continued

No.	Risk	Type	Description	Consequences	Inherent Likelihood	Inherent Impact	Residual Likelihood	Residual Impact	Treatment Plan	Change
6	Information systems and cyber threat	Operational	System vulnerabilities and control weaknesses exploited by malicious actors over the internet.	• If digital assets are not adequately protected from cyber threats, it can lead to disruption of business operations, financial losses and loss of reputation.	3	4	3	3	The Information Security and Compliance function continues to assess and strengthen security and compliance readiness of its IT function. The unit undertakes but is not limited to: • Comprehensive information security policies framework to mitigate cyber threats. The IT risk management framework and all policies are aligned with CObIT, ISO 27001 and NIST. • ISO/IEC 27001 certification, which recognises the existence of systems and processes to protect all its corporate and client information assets. This certification is reinforced through annual audits. • Surveillance audit conducted by the Lead Auditors annually. • Robust security architecture and up-to-date security technologies to prevent cyber threats and detect security incidents. • Advanced Threat Protection based on artificial intelligence (AI) and machine learning (ML) deployed on user endpoints and networks to detect and neutralise sophisticated threats. • Vulnerability management programme in place to identify and mitigate system weaknesses from a hacker's perspective. • Email security controls enhanced further by introduction of security controls based on AI and ML. • User authentication framework strengthened further by implementing multi-factor authentication and tightly mapped to users' devices. • Digital Risk Protection and Dark Web Monitoring to identify and mitigate potential threats before they materialise. • Identity and Access Management (IDAM) for internal users, and Customer Identity and Authentication Management (CIAM) based on multi-factor authentication, including UAE Pass, to safeguard customer data. • Information classification and labelling implemented with all users required to classify their information/data stored in files. • Data leakage prevention controls to prevent sensitive data from being inadvertently or maliciously exfiltrated. • Specific tools deployed to detect cyber threats and anomalies based on artificial intelligence and machine learning without human intervention. • DNS Security controls in place to proactively identify, block, and mitigate targeted threats that exploit the Domain Name System (DNS). • Security monitoring system, including Data Loss Prevention control, in place to correlate security events and trigger alerts. • Breach & Attack Simulation tools to proactively test defences against real-world threat scenarios. • 24/7 Security Operations Centre to monitor and respond to security alerts. • Organisation-wide mandatory security awareness training programme in place. • Disaster recovery (DR) strategy to ensure business continuity in the event of a cyberattack. DR tests are conducted on a yearly basis.	No change

Risk Management continued

ERM reporting committees

Aldar's ERM framework specifies three levels of reporting. The ERM team raises strategic risks and risks higher than the defined risk appetite to the Management Committee, Audit, Risk and Compliance Committee and Board of Directors.

The ERM team continually liaises with the risk owners and periodically reports to relevant committees.

Covering the span of organisational risks

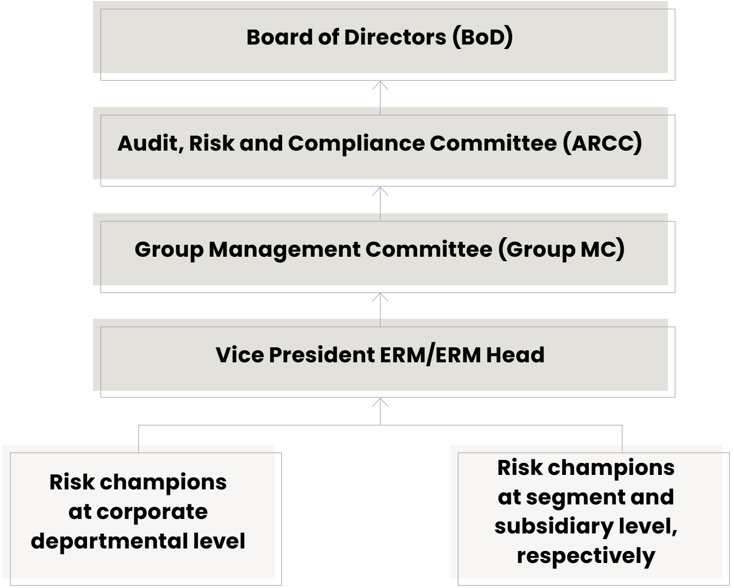
Top-down	**Management Committee (MC)**	**Audit, Risk and Compliance Committee (ARCC)**	**Board of Directors (BoD)**
Identification, assessment, mitigation and oversight of risk at entity level	• Reviews high and critical risks • Evaluates the existing action plans and the proposed mitigation plans • Assists in identification of principal and emerging risks • Reviews and endorses internal controls in treatment plans for operational effectiveness • Makes requisite recommendations to the ARCC	• Reviews high and critical risks • Monitors the effective functionality of the risk management department	• Sets the tone and culture towards effective risk management • Approves ERM framework • Approves the entity's risk appetite • Reviews high and critical risks
Bottom-up			**Business units and risk owners**
Identification, assessment and mitigation of risks at a business unit and functional level			• Identify and assess risks • Monitor the risks • Establish effective and timely mitigation plans for identified risks • Report on newly identified and emerging risks • Report on strategic risk status on quarterly basis

In This Section

Risk Management continued

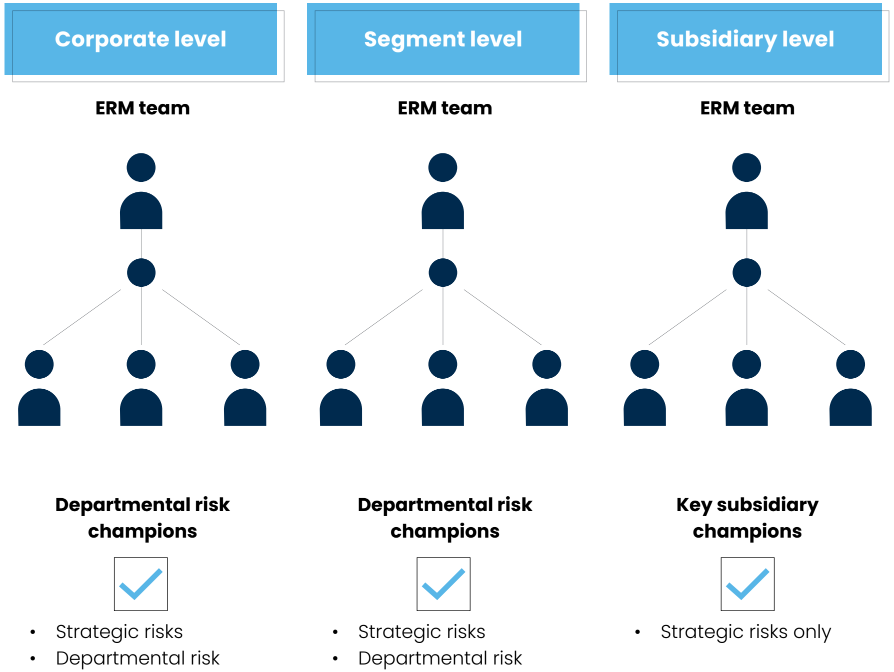
ERM operating structure

The ERM operating structure spans through various vertical levels of the organisation where process and business owners at a functional level are provided with the know-how to work closely with the ERM department to identify risks. Abdulrahman Albeshri, Vice President of Risk, heads the Risk Management Department at Aldar Group, reporting directly to the Director of Strategy and Transformation. The strategic risks are reported to the Group Management Committee (endorsers), ARCC (approvers) and BoD to ensure complete alignment and allow for strategic direction and decisions to be made at the top where required. The risk appetite and ERM framework are endorsed by the Group MC and ARCC and ultimately approved by the BoD. Moreover, the ARCC and Board are responsible for monitoring and oversight of the Risk Management Department and practices.



ERM alignment across Aldar Group

Aldar's ERM framework is formulated at a Group level and is cascaded down to all segments and subsidiaries to maintain consistency and standardisation. Risk champions throughout the organisation are empowered through robust risk training and consistent dialogue with the ERM team, and utilised to ensure risks are identified and managed in a timely manner. Employees are given direct communication channels with their respective ERM teams, which allows for constant or immediate risk escalations when required. An ERM section on the internal online company portal is regularly updated for employees to receive ERM related news and training material. Whilst the corporate and segment levels report on both departmental and strategic risks, subsidiaries place focus on reporting strategic risks only.



EPRA REPORTING DISCLOSURES AS OF 31 DECEMBER 2023

Aldar Properties PJSC ("Aldar" or the "Group") presents below the key performance indicators as defined by the European Public Real Estate Association (EPRA) and as calculated in accordance with its recommendations. We have presented the following metrics for the years ended 31 December 2023 and 31 December 2022:

- EPRA earnings
- EPRA net asset value
- EPRA yield
- EPRA vacancy rate
- EPRA cost ratios
- EPRA LTV

The EPRA Best Practice Recommendations ("BPR") identify several key performance measures for disclosure by public real estate companies and have been widely adopted in Europe. The EPRA performance measures aim to encourage more consistent and widespread disclosure and are deemed to be of importance for investors in listed property companies (predominantly REITs and companies whose major business activity involves the ownership of income-producing real estate). As a leading regional property owner, asset manager and developer, Aldar deems the EPRA BPR to be a suitable and relevant disclosure framework.

The EPRA measures presented herein, are calculated in accordance with the EPRA BPR Guidelines. Aldar has been a member of EPRA since 2018 and is publishing EPRA disclosure in this report for the years ended 31 December 2023 and 31 December 2022. Aldar is the first real estate company in the GCC region to voluntarily adopt the EPRA BPR disclosure.

The following category of indicators are presented:

- "EPRA earnings" indicates the underlying recurring earnings from Aldar Investment, the asset management business of the Group.
- "Adjusted EPRA earnings" and "EPRA net asset value" indicate the overall Group financial performance and position.
- "EPRA yield", "EPRA vacancy rate" and "EPRA cost ratio" indicate the financial performance of the Investment Properties sub-segment of the Group.
- "EPRA LTV" indicates the gearing of the shareholder equity within the Group.

(AED millions)	**31 December 2023**	31 December 2022
EPRA Earnings	**1,126**	1,099
- per share (AED)	**0.14**	0.14
Adjusted EPRA Earnings	**3,624**	2,528
- per share (AED)	**0.46**	0.32
EPRA NAV Metrics		
EPRA Net Reinstatement Value (EPRA NRV)	**38,891**	33,296
- per share (AED)	**4.95**	4.23
EPRA Net Tangible Assets (EPRA NTA)	**37,056**	32,939
- per share (AED)	**4.71**	4.19
EPRA Net Disposable Value (EPRA NDV)	**37,944**	33,584
- per share (AED)	**4.83**	4.27
EPRA NIY (%)	**7.5%**	7.4%
EPRA 'topped up' NIY (%)	**7.7%**	7.6%
EPRA vacancy rate (%)	**5.7%**	7.3%
EPRA cost ratio (incl. direct vacancy costs) (%)	**20.1%**	22.1%
EPRA cost ratio (excl. direct vacancy costs) (%)	**18.7%**	20.8%
EPRA LTV (%)	**17.4%**	13.2%

ADJUSTED EPRA EARNINGS

The EPRA earnings measure represents the performance of recurring activities which relate specifically to the Group's asset management business segment, Aldar Investment. EPRA earning's for the year ended 2023 were AED 1,126 million (AED 0.14 per share) versus AED 1,099 million (AED 0.14 per share) for the previous year. EPRA earnings have increased year on year due to increased occupancy, improved performance in the hospitality and retail sectors and growth in the education sector, partially offset by one off items recorded in the prior year for the reversal of impairment losses of AED 312 million and an increase in the proportion of earnings attributable to NCIs.

Adjusted EPRA earnings is presented to capture the contribution of Aldar Development business segment, which represents a significant portion of Aldar's overall activities. We believe the adjusted EPRA earnings is an appropriate indicator as it represents the full business and is therefore comparable with Aldar's reported IFRS earnings, earnings per share and Aldar's share price.

Adjusted EPRA earnings amounted to AED 3,624 million (AED 0.46 per share) for the year ended 31 December 2023 (31 December 2022: 2,528 million, AED 0.32 per share).

	EPRA Earnings (AED '000)	**31 December 2023**	31 December 2022
	Earnings per IFRS income statement	**3,922,263**	2,944,464
	Adjustments to calculate EPRA Earnings, exclude:		
(i)	Changes in value of investment properties, development properties held for investment and other interests	**600,157**	442,797
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	**23,962**	28,827
(iii)	Profits or losses on sales of trading properties including impairment charges in respect of trading properties	**2,586,706**	1,515,567
(iv)	Tax on profits or losses on disposals		
(v)	Negative goodwill/goodwill impairment	**-**	9,732
(vi)	Changes in fair value of financial instruments and associated close-out costs	**-**	-
(vii)	Acquisition costs on share deals and non-controlling joint venture interests	**(33,453)**	(5,364)
(viii)	Deferred tax in respect of EPRA adjustments	**(46,049)**	27,218
(ix)	Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	**-**	-
(x)	Non-controlling interests in respect of the above*	**(334,872)**	(173,217)
	EPRA Earnings	**1,125,812**	1,098,904
	Basic number of shares	**7,862,629,603**	7,862,629,603
	EPRA Earnings per Share (EPS)	**0.14**	0.14
	Company specific adjustments:		
(a)	Profit from development business (including impairment of development assets)	**2,498,350**	1,429,015
	Adjusted EPRA Earnings	**3,624,162**	2,527,919
	Adjusted EPRA EPS (AED)	**0.46**	0.32

* Adjustment X also includes NCI earnings not attributable to the Aldar Investment business.

Management Report

EPRA NET ASSET VALUE

EPRA net asset value measures the value of Aldar based on changes in equity and changes in the value of asset portfolios, liabilities, and property development. Aldar's EPRA net asset value figures are based on the fair value of the Group's assets (including the fair value of certain land plots which are carried at nominal value on the consolidated statement of financial position). The three EPRA net asset value metrics are listed below:

EPRA Net Reinstatement Value (EPRA NRV)

Assumes that entities never sell assets and aims to represent the value required to rebuild the entity. Aldar's EPRA NRV stood at AED 38,891 million as of December 31, 2023 (AED 4.95 per share), +16.8% on the previous year.

EPRA Net Tangible Assets (EPRA NTA)

Reflects the fair value of the Group's tangible assets and liabilities when traded. Aldar's EPRA NTA amounted to AED 37,056 million (AED 4.71 per share), +12.5% on the previous year.

EPRA Net Disposal Value (EPRA NDV)

Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability. Aldar's EPRA NDV totalled AED 37,944 million (AED 4.83 per share), +13.0% on the previous year.

- We would note that the net asset values presented here are conservative estimates of the EPRA net asset values as they exclude certain key value elements. Certain assets are included at their respective book values instead of fair value. These assets mainly include hotel and school properties and intangible assets.
- DWIP and Inventories are recorded at expected selling price (estimated values).

B. EPRA Net Asset Value Metrics (AED '000)	**31 December 2023**			31 December 2022		
	EPRA NRV	**EPRA NTA**	**EPRA NDV**	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**31,065,101**	**31,065,101**	**31,065,101**	28,349,333	28,349,333	28,349,333
Include / Exclude:						
Hybrid instruments	-	-	-	-	-	-
Diluted NAV	**31,065,101**	**31,065,101**	**31,065,101**	28,349,333	28,349,333	28,349,333
Include:						
Revaluation of IP (if IAS 40 cost option is used)	-	-	-	-	-	-
Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-	-	-	-
Revaluation of other non-current investments	-	-	-	-	-	-
Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
Revaluation of trading properties	**7,881,901**	**7,881,901**	**7,881,901**	5,171,938	5,171,938	5,171,938
Diluted NAV at Fair Value	**38,947,002**	**38,947,002**	**38,947,002**	33,521,271	33,521,271	33,521,271
Exclude:						
Deferred tax in relation to fair value gains of IP	-	-	-	-	-	-
Fair value of financial instruments	**(8,311)**	**(8,311)**	-	(207,045)	(207,045)	-
Goodwill as a result of deferred tax	**(47,741)**	**(47,741)**	**(47,741)**	(17,812)	(17,812)	(17,812)
Goodwill as per the IFRS balance sheet	-	**(1,132,169)**	**(1,132,169)**	-	(114,786)	(114,786)
Intangibles as per the IFRS balance sheet	-	**(702,295)**	-	-	(242,356)	-
Include:						
Fair value of fixed interest rate debt	-	-	**176,901**	-	-	195,105
Revaluation of intangibles to fair value	-	-	-	-	-	-
Real estate transfer tax	-	-	-	-	-	-
NAV	**38,890,950**	**37,055,856**	**37,943,993**	33,296,414	32,939,282	33,583,778
Fully diluted number of shares	**7,862,629,603**	**7,862,629,603**	**7,862,629,603**	7,862,629,603	7,862,629,603	7,862,629,603
NAV per share	**4.95**	**4.71**	**4.83**	4.23	4.19	4.27

EPRA NET INITIAL YIELD (NIY) AND 'TOPPED-UP' NIY

The table below represents the adjustments to Aldar's net yields that are required to obtain EPRA yields. The calculation is applied to Aldar's Investment Properties segment that includes retail, residential, commercial and logistic use properties. Aldar's EPRA NIY for 2023 is 7.5% (31 December 2022: 7.4%). The increase compared to the prior year is mainly due to increased occupancy and rates.

Aldar's 'topped-up' NIY, which captures notional rent expiration of rent-free periods or other lease incentives stands at 7.7% up from 7.6% in the previous year, for the same reasons as mentioned above.

EPRA NIY and 'topped-up' NIY (AED '000)		**31 Dec 2023**	31 Dec 2022
Investment property – wholly owned		**26,217,542**	23,933,024
Investment property – share of JVs/Funds		**–**	–
Trading property (including share of JVs)		**–**	–
Less: developments		**2,594,268**	1,182,437
Completed property portfolio		**23,623,274**	22,750,587
Allowance for estimated purchasers' costs		**531,524**	511,888
Gross up completed property portfolio valuation	**B**	**24,154,798**	23,262,475
Annualised cash passing rental income		**2,067,449**	1,981,661
Less: Property outgoings		**265,356**	252,826
Annualised net rents	**A**	**1,802,093**	1,728,835
Add: notional rent expiration of rent free periods or other lease incentives		**56,708**	29,580
Topped-up net annualised rent	**C**	**1,858,801**	1,758,415
EPRA NIY	**A/B**	**7.5%**	7.4%
EPRA "topped-up" NIY	**C/B**	**7.7%**	7.6%

EPRA VACANCY RATE

EPRA vacancy rate is defined as the ratio between the estimated rental value of vacant space and the estimated rental value of the entire Investment Properties. Properties under development are not included in the calculation of this ratio.

EPRA Vacancy Rate (AED '000)		**31 Dec 2023**	31 Dec 2022
Estimated Rental Value of vacant space (AED '000)	**A**	**136,783**	170,634
Estimated rental value of the whole portfolio (AED '000)	**B**	**2,395,245**	2,332,832
EPRA Vacancy Rate	**A/B**	**5.7%**	7.3%

Across the Investment Properties portfolio, which includes residential, retail and commercial office, logistics, the EPRA vacancy rate has reduced to 5.7% from 7.3% in 2022 due to overall increase in occupancy.

EPRA COST RATIOS

Aldar's EPRA cost ratios are based solely on its Investment Properties segment, which includes retail, residential, commercial and logistic use assets. Aldar's cost ratios decreased during the year due to cost efficiencies.

EPRA Vacancy Rate (AED '000)		**31 Dec 2023**	31 Dec 2022
Include:			
Administrative/operating expense line per IFRS income statement		**412,428**	412,447
Net service charge costs/fees		–	–
Management fees less actual/estimated profit element		–	–
Other operating income/recharges intended to cover overhead expenses less any related profits		**–**	–
Share of Joint Ventures expenses		**–**	–
Exclude (if part of the above):		**–**	–
Investment property depreciation		**–**	–
Ground rent costs		**–**	–
Service charge costs recovered through rents but not separately invoiced		**–**	–
EPRA Costs (including direct vacancy costs)	**A**	**412,428**	412,447
Direct vacancy costs		**28,514**	23,832
EPRA Costs (excluding direct vacancy costs)	**B**	**383,914**	388,615
Gross Rental Income less ground rents – per IFRS		**2,054,245**	1,865,909
Less: service fee and service charge costs components of Gross Rental Income (if relevant)		**–**	–
Add: share of Joint Ventures (Gross Rental Income less ground rents)		**–**	–
Gross Rental Income	**C**	**2,054,245**	1,865,909
EPRA Cost Ratio (including direct vacancy costs)	**A/C**	**20.1%**	22.1%
EPRA Cost Ratio (excluding direct vacancy costs)	**B/C**	**18.7%**	20.8%

EPRA LTV Loan-to-Value (LTV) is a widely used KPI in corporate reporting. The EPRA LTV's aim is to assess the gearing of the shareholder equity within a real estate company. To achieve that result, the EPRA LTV provides adjustments to IFRS reporting. The increase in LTV from the prior year is mainly being driven by an increase in the Bond loans. The summary table below illustrates the EPRA LTV.

		31 December 2023			31 December 2022		
B. EPRA Net Asset Value Metrics (AED '000)		**Group**	**Non-controlling Interests**	**Combined**	Group	Non-controlling Interests	Combined
Include:							
Borrowings from Financial Institutions		**6,576,212**	**574,919**	**6,001,293**	6,613,642	689,902	5,923,740
Commercial paper		**-**	**-**	**-**	-	-	-
Hybrids (including Convertibles, preference shares, debt, options, perpetuals)		**1,815,647**	**215,535**	**1,600,112**	1,815,647	215,535	1,600,112
Bond Loans		**5,502,954**	**653,256**	**4,849,698**	3,681,916	437,080	3,244,836
Foreign Currency Derivatives (futures, swaps, options and forwards)		**-**	**-**	**-**	-	-	-
Net Payables		**11,678,677**	**3,888,820**	**7,789,857**	7,704,779	942,114	6,762,665
Owner-occupied property (debt)		**-**	**-**	**-**	-	-	-
Current accounts (Equity characteristic)		**-**	**-**	**-**	-	-	-
Exclude:		**-**	**-**		-	-	
Cash and cash equivalents *		**11,718,158**	**361,904**	**11,356,254**	12,548,108	361,904	12,186,204
Net Debt	**A**	**13,855,332**	**4,970,626**	**8,884,706**	7,267,876	1,922,727	5,345,149
Include:							
Owner-occupied property		**6,513,316**	**1,520,248**	**4,993,068**	5,606,522	60,880	5,545,642
Investment properties at fair value		**26,217,542**	**3,203,210**	**23,014,332**	23,933,024	3,359,301	20,573,723
Properties held for sale		**22,519,245**	**1,833,257**	**20,686,088**	14,684,790	976,074	13,708,716
Properties under development		**-**	**-**	**-**	-	-	-
Intangibles		**1,882,835**	**285,952**	**1,596,883**	242,346	29,992	212,354
Net Receivables		**-**	**-**	**-**	-	-	-
Financial assets		**971,594**	**109,375**	**862,219**	570,085	96,785	473,300
Total Property Value	**B**	**58,104,632**	**6,952,042**	**51,152,590**	45,036,767	4,523,032	40,513,735
LTV	**(A/B)**	**23.8%**	**71.5%**	**17.4%**	16.1%	42.5%	13.2%

* Cash and cash equivalents include the full cash and bank balances.

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