

## Management Report

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## 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



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## 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

