



Growing Our Communities



WIDER REPORTING

The following complement our 2023 Annual Report.


2023 Sustainability Report



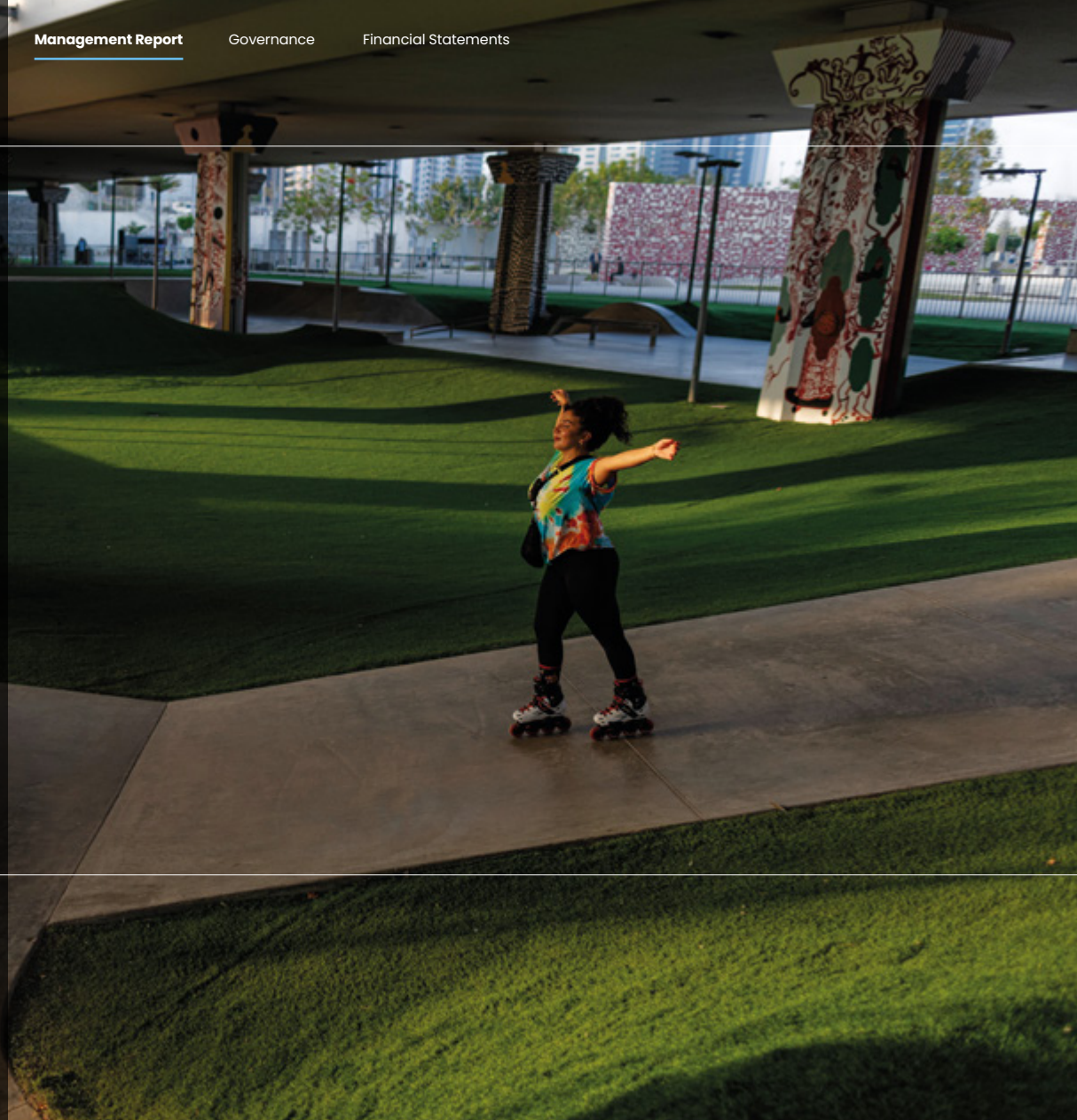
 [View our 2023 Sustainability Report →](#)

2022/2023 Innovation Report



 [View our 2022/2023 Innovation Report →](#)

 [Visit Aldar Investor Relations website →](#)



IN THIS REPORT

MANAGEMENT REPORT

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	9
Chairman’s Statement	14
Group Chief Executive Officer’s Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer’s Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
Epra Reporting Disclosures	91

GOVERNANCE

Board of Directors	97
Executive Management	99
Corporate Governance	101

FINANCIAL STATEMENTS

Board of Directors’ Report	146
Independent Auditor’s Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

www.aldar.com

Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review
 Aldar Development 48
 Aldar Investment 64
 Risk Management 81
 EPRA Reporting Disclosures 91

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

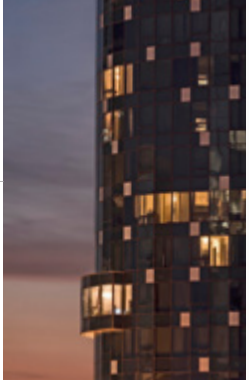
ALDAR DEVELOPMENT

[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: <ul style="list-style-type: none"> Retail Residential Commercial Logistics Aldar Investment Properties Moody’s Credit Rating Baa1	Hospitality & Leisure Asset portfolio includes: <ul style="list-style-type: none"> Hotels Golf clubs Leisure 	Education Asset portfolio includes: <ul style="list-style-type: none"> Owned and operated schools Managed schools 	Estates Asset portfolio includes: <ul style="list-style-type: none"> Property management Facility management Integrated community services 	Others Asset portfolio includes: <ul style="list-style-type: none"> Private Credit Co-working Other investments
--	---	--	--	--	---

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

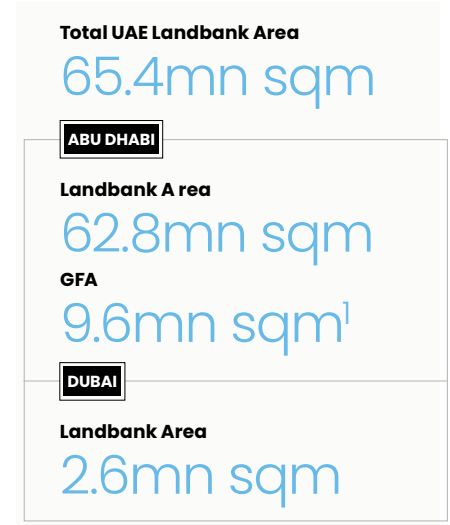
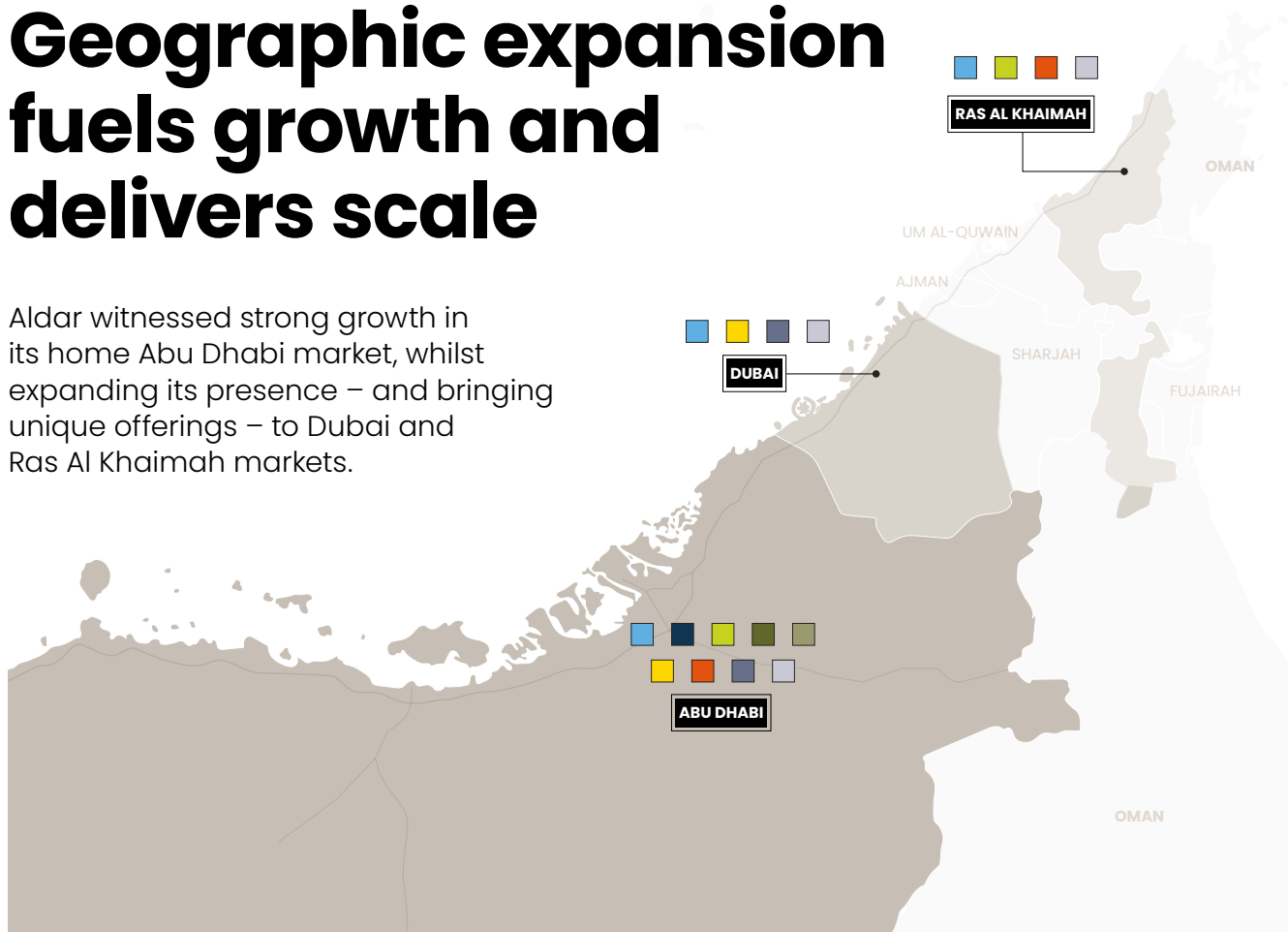
In This Section

- Business Model 3
- Our Geographies 4**
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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.



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

1. GFA has not been assigned to all landbank.

Management Report

In This Section

- Business Model 3
- Our Geographies 4**
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

Our Geographies continued

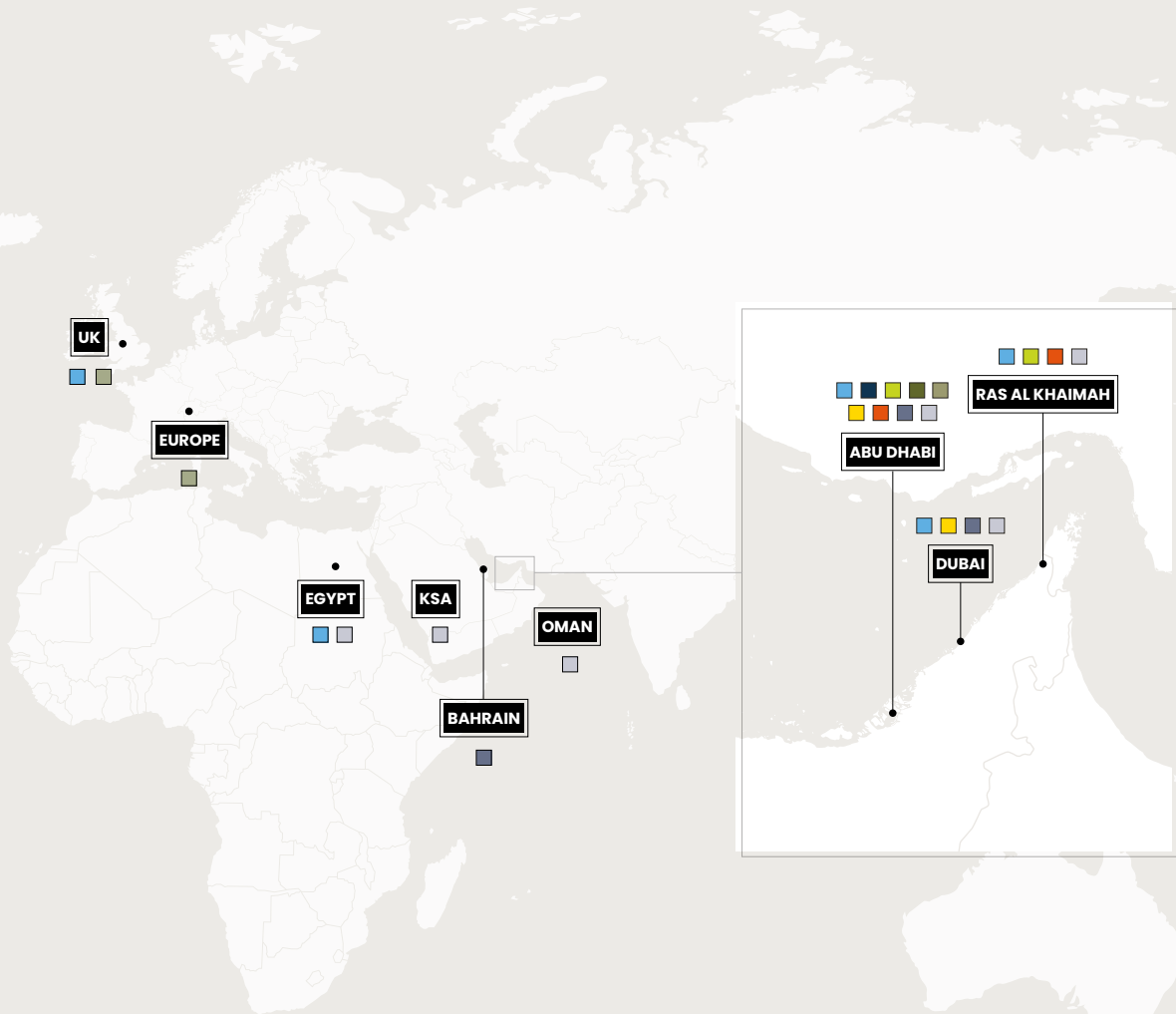
In 2023, Aldar continued to forge a confident path forward as a leading integrated real estate player, leveraging its unique platform to accelerate its transformational growth agenda marked by significant scale and diversification across sectors and geographies.

KEY

■ Aldar Development

Aldar Investment

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



Management Report

In This Section

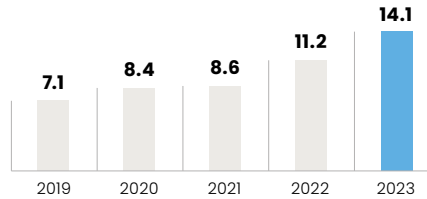
- Business Model 3
- Our Geographies 4
- 2023 Highlights 6**
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

2023 Highlights

Financial KPIs

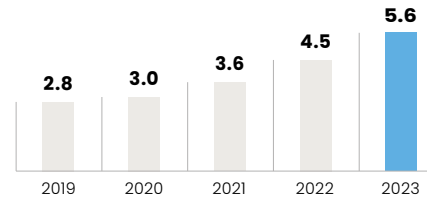
Revenue (AED bn)

AED 14.1bn



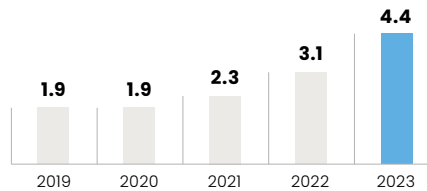
Gross Profit (AED bn)

AED 5.6bn



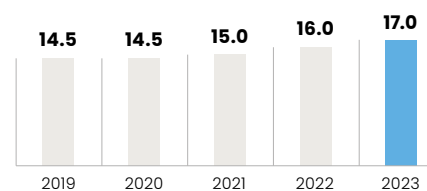
Net Profit (AED bn)

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%

Emiratization 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

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8**
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

Iconic Places...

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



...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 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 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 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 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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRa Reporting Disclosures	91

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

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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



▶ Watch Video

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

Chairman's Statement



Driving value creation at scale and pace

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.”

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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**

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
UAE Macro Analysis	18
UAE Market Analysis	20
• Residential	20
• Commercial	22
• Retail	24
• Hospitality	26
• Industrial	28
• Education	29
Egypt Macro Analysis	30
UK Macro Analysis	32
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.



Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
Market Context 17
UAE Macro Analysis 18
 UAE Market Analysis 20
 • Residential 20
 • Commercial 22
 • Retail 24
 • Hospitality 26
 • Industrial 28
 • Education 29
 Egypt Macro Analysis 30
 UK Macro Analysis 32
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review 48
 Aldar Development 64
 Aldar Investment 64
 Risk Management 81
 EPRA Reporting Disclosures 91



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 manufacturing¹.

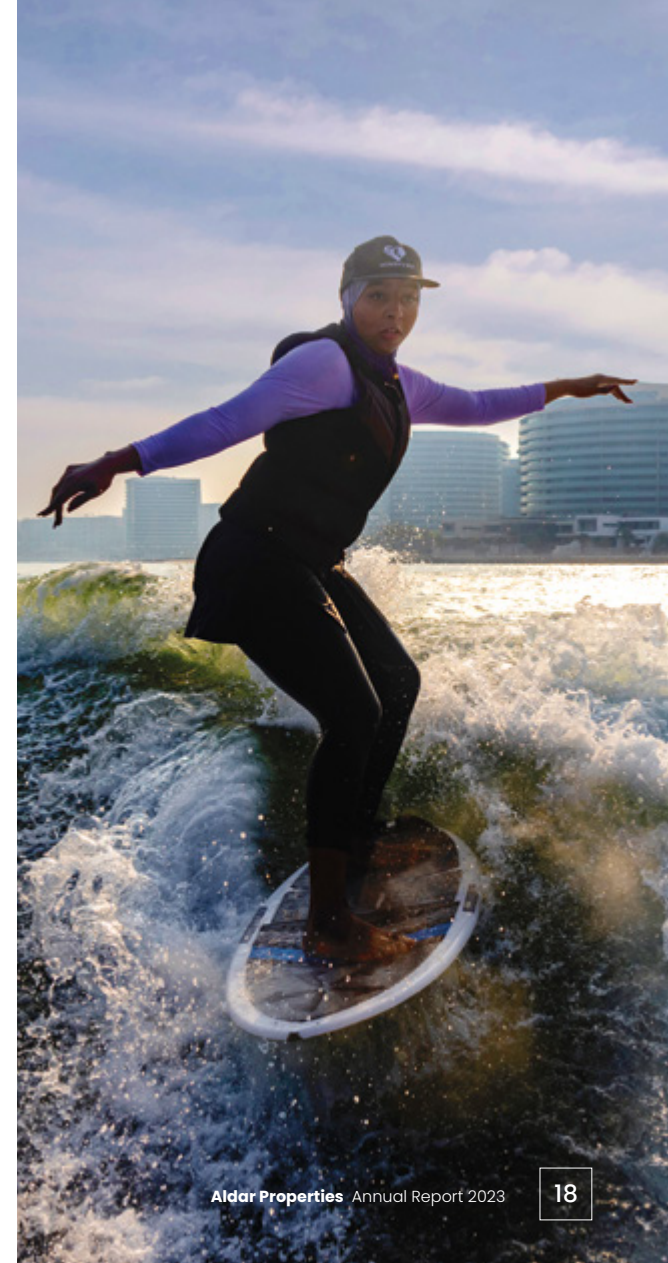
With the UAE set to operate a budget surplus this year, government spending has remained supportive, further stimulating economic activity across strategic growth sectors. The UAE also continues to benefit from a flight to safety amidst heightened geopolitical tensions globally, as a sustained influx 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 ecosystem. 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.



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
UAE Macro Analysis	18
UAE Market Analysis	20
• Residential	20
• Commercial	22
• Retail	24
• Hospitality	26
• Industrial	28
• Education	29
Egypt Macro Analysis	30
UK Macro Analysis	32
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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 2022².

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 earlier³, 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 2023/2024⁴, 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.

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17**
- UAE Macro Analysis 18
- UAE Market Analysis 20**
- Residential 20
- Commercial 22
- Retail 24
- Hospitality 26
- Industrial 28
- Education 29
- Egypt Macro Analysis 30
- UK Macro Analysis 32
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review
- Aldar Development 48
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

Market Context continued

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.



1. Quanta; 2. Reidin.

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. Similarly, the value of the Dubai off-plan market has risen to AED 203 billion, up from AED 133 billion the previous year².

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. During the same period, Dubai’s ready-home market has grown to reach AED 112 billion versus AED 90 billion the previous year².

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17**
- UAE Macro Analysis 18
- UAE Market Analysis 20**
- Residential 20
- Commercial 22
- Retail 24
- Hospitality 26
- Industrial 28
- Education 29
- Egypt Macro Analysis 30
- UK Macro Analysis 32
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review
- Aldar Development 48
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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 Lagoons¹.

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 pipeline². 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.

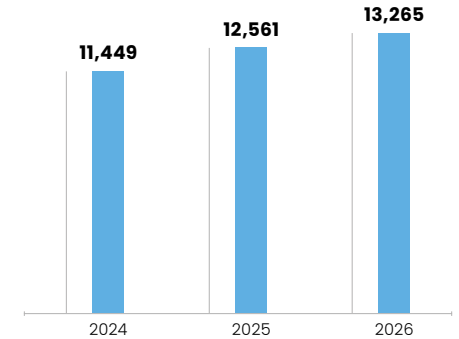
With sustained population growth of around 100,000 new residents in 2023, the market is expected to see growing demand for new quality housing, leading to further upward pressure on rental and sales values.

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 Village¹. 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.

1. Aldar Research; 2. CBRE;

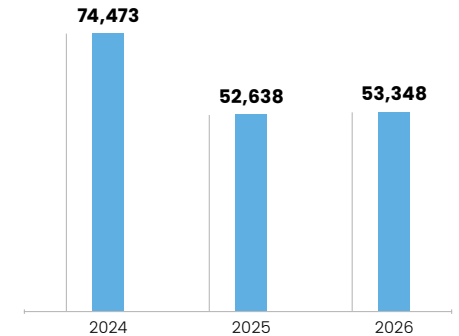
Future residential supply by year (2024 – 2026)

Abu Dhabi Residential Market (units)



Source: Aldar research

Dubai Residential Market (units)



Source: CBRE

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
UAE Macro Analysis	18
UAE Market Analysis	20
• Residential	20
• Commercial	22
• Retail	24
• Hospitality	26
• Industrial	28
• Education	29
Egypt Macro Analysis	30
UK Macro Analysis	32
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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 ADGM¹, 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



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17**
- UAE Macro Analysis 18
- UAE Market Analysis 20**
- Residential 20
- **Commercial 22**
- Retail 24
- Hospitality 26
- Industrial 28
- Education 29
- Egypt Macro Analysis 30
- UK Macro Analysis 32
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
- Aldar Development 64
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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 2022¹.

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 annum¹. However, rental rates and occupancy levels within the prime DIFC North area were found to be notably higher.

Commercial Outlook

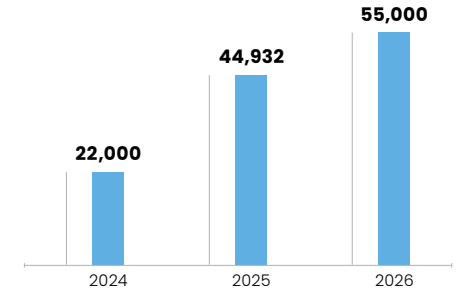
Availability across the UAE office market will remain heavily constrained in the short term, particularly for premium Grade A spaces, with only minimal supply of new projects expected to complete over the next two years. However, the longer-term pipeline from 2027 onwards is likely to see some growth, 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 stock¹. 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 2024–2026², 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.

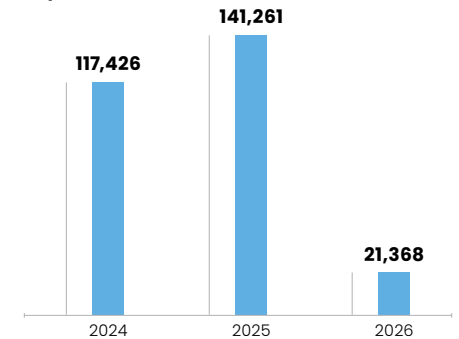
Future office supply by year (2024–2026)

Abu Dhabi Office Market Offices (sqm)



Source: Aldar research

Dubai Office Market Offices (sqm)



Source: CBRE

1. JLL; 2. CBRE.

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17**
- UAE Macro Analysis 18
- UAE Market Analysis 20**
- Residential 20
- Commercial 22
- **Retail 24**
- Hospitality 26
- Industrial 28
- Education 29
- Egypt Macro Analysis 30
- UK Macro Analysis 32
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
- Aldar Development 64
- Aldar Investment 81
- Risk Management 81
- EPRA Reporting Disclosures 91

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 sales¹. 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

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17**
- UAE Macro Analysis 18
- UAE Market Analysis 20**
- Residential 20
- Commercial 22
- **Retail 24**
- Hospitality 26
- Industrial 28
- Education 29
- Egypt Macro Analysis 30
- UK Macro Analysis 32
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
- Aldar Development 64
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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 2022¹.

In fact, the UAE benefits from the world’s third highest purchasing power, behind only Luxemburg and Qatar², 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 years³, 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

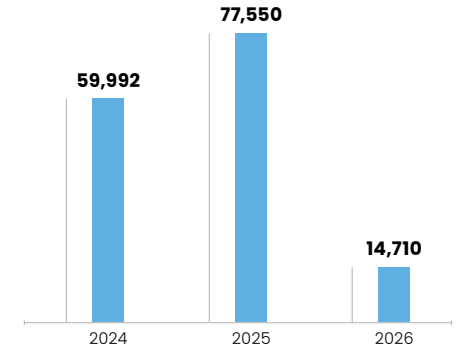
The UAE’s retail market is set for further improvement over the next 12 months amidst continued economic and tourism market growth, which should, in turn, stimulate higher levels of population and employment across the Emirates.

Future supply in Abu Dhabi remains quite limited with only 150,000 square metres set to complete by the end of 2026⁴. 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 malls⁵.

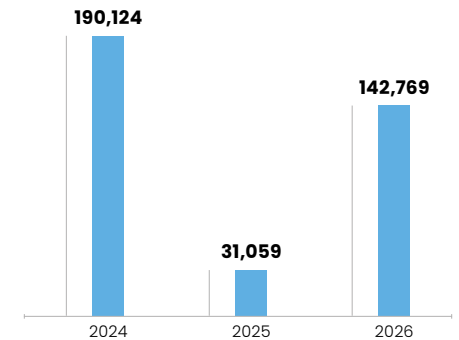
Future retail supply by year (2024–2026)

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
UAE Macro Analysis	18
UAE Market Analysis	20
• Residential	20
• Commercial	22
• Retail	24
• Hospitality	26
• Industrial	28
• Education	29
Egypt Macro Analysis	30
UK Macro Analysis	32
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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 period¹.

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

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17**
- UAE Macro Analysis 18
- UAE Market Analysis 20**
- Residential 20
- Commercial 22
- Retail 24
- **Hospitality 26**
- Industrial 28
- Education 29
- Egypt Macro Analysis 30
- UK Macro Analysis 32
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review
- Aldar Development 48
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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 billion². 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 2019¹.

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 India³. 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.

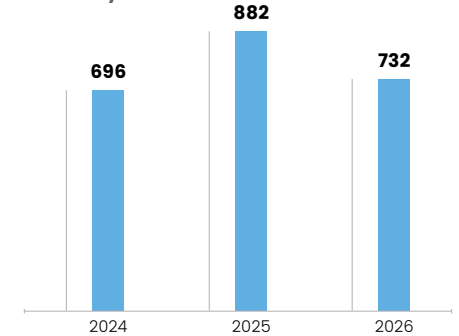
With limited new hotel rooms set to enter the market in Abu Dhabi over the next three years, there appears to be very supportive dynamics for further growth in occupancy and average room rates, albeit there is rising competition from within the region from countries such as Saudi Arabia, which has very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

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 2019⁴.

With more than 20,000 new hotel keys in Dubai’s pipeline, competition will remain intense¹. 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-year¹. 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.

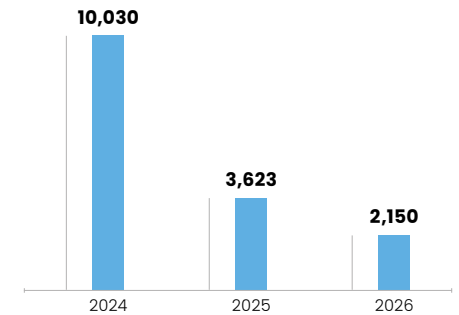
Future Hospitality supply by year (2024–2026)

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.

Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
Market Context 17
 UAE Macro Analysis 18
UAE Market Analysis 20
 • Residential 20
 • Commercial 22
 • Retail 24
 • Hospitality 26
 • **Industrial 28**
 • Education 29
 Egypt Macro Analysis 30
 UK Macro Analysis 32
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review
 Aldar Development 48
 Aldar Investment 64
 Risk Management 81
 EPRA Reporting Disclosures 91

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, respectively².

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%, 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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
UAE Macro Analysis	18
UAE Market Analysis	20
• Residential	20
• Commercial	22
• Retail	24
• Hospitality	26
• Industrial	28
• Education	29
Egypt Macro Analysis	30
UK Macro Analysis	32
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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 Dhafra¹. 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 30,000¹.

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 schools¹.

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 seats². 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 school². 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).

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
UAE Macro Analysis	18
UAE Market Analysis	20
• Residential	20
• Commercial	22
• Retail	24
• Hospitality	26
• Industrial	28
• Education	29
Egypt Macro Analysis	30
UK Macro Analysis	32
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

Market Context continued

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.



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

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 local¹.

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
UAE Macro Analysis	18
UAE Market Analysis	20
• Residential	20
• Commercial	22
• Retail	24
• Hospitality	26
• Industrial	28
• Education	29
Egypt Macro Analysis	30
UK Macro Analysis	32
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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 retreats¹.

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
UAE Macro Analysis	18
UAE Market Analysis	20
• Residential	20
• Commercial	22
• Retail	24
• Hospitality	26
• Industrial	28
• Education	29
Egypt Macro Analysis	30
UK Macro Analysis	32
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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% projected¹.

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 intact².

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.

Management Report

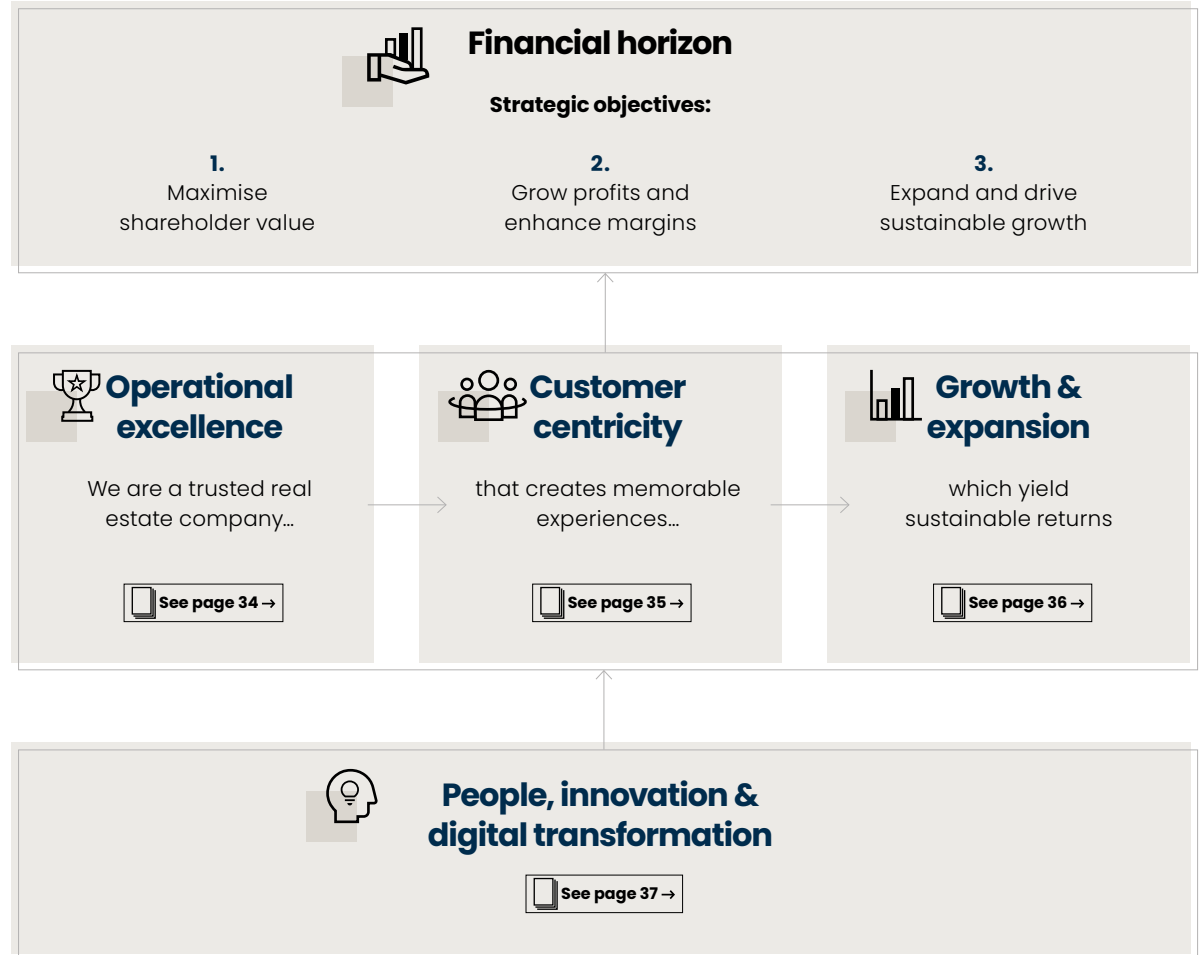
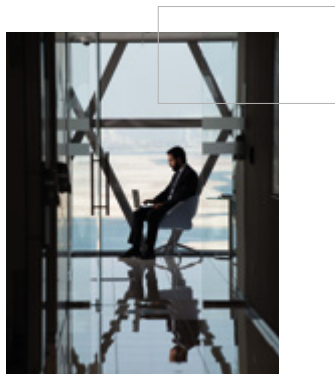
In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33**
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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.



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

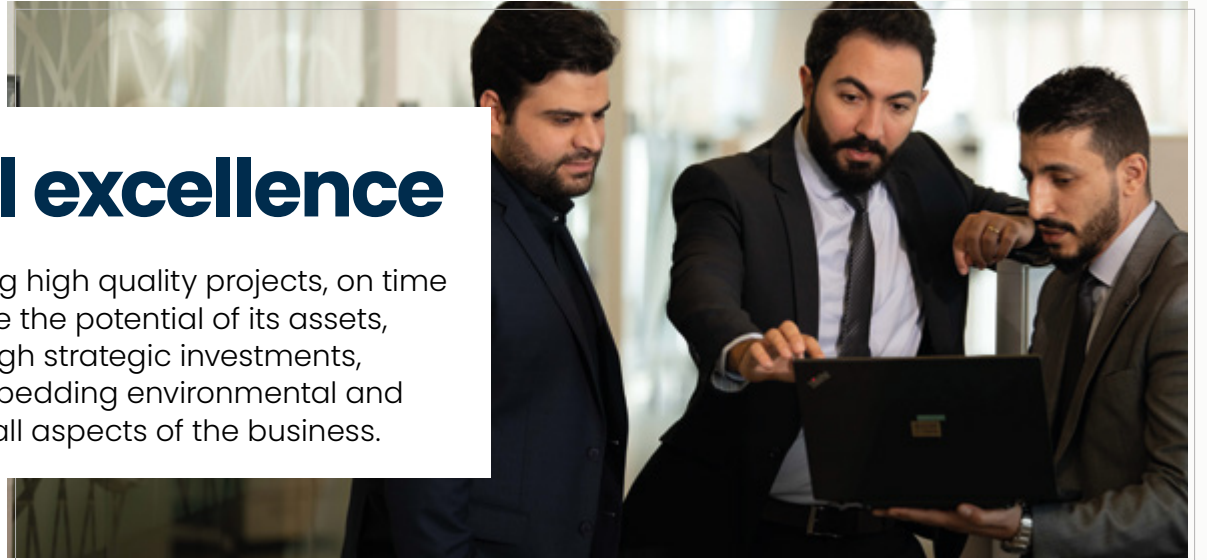
Strategic Framework continued

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.

Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review
 Aldar Development 48
 Aldar Investment 64
 Risk Management 81
 EPRA Reporting Disclosures 91

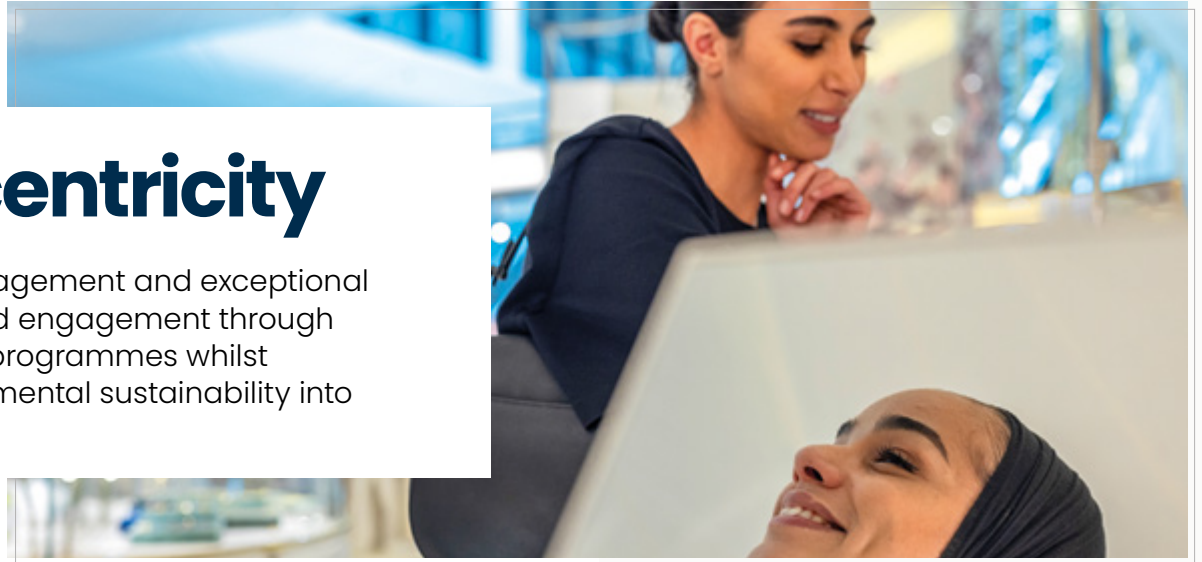
Strategic Framework continued

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

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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 CO₂, 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.

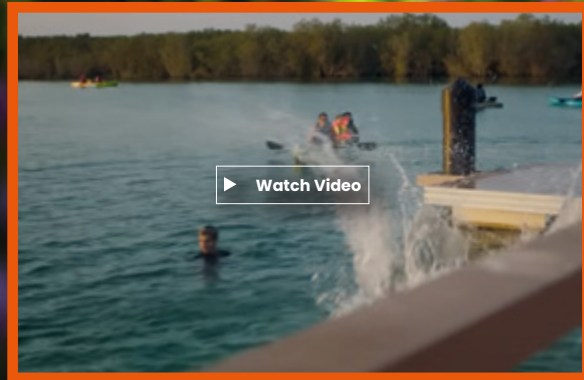
Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38**
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

Sustainability Summary

At Aldar, we are deeply committed to sustainability



 [View our 2023 Sustainability Report →](#)

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38**
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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.



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38**
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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.

S U S T A I N A B I L I T Y P U R P O S E

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.

S U S T A I N A B I L I T Y O B J E C T I V E S

<p>Creating Sustainable Places</p> <p>Our Net Zero strategy, environmental stewardship across our assets, our sustainable design guidelines, investment approaches and how we embed sustainability throughout our value chain.</p> <p style="text-align: center;">Read more on page 41 →</p>	<p>Creating Societal Value</p> <p>Our commitment to create societal value through our developments, investments, education, and hospitality, focusing on the needs of our employees, customers, and our communities.</p> <p style="text-align: center;">Read more on page 43 →</p>	<p>Creating a Responsible Legacy</p> <p>Our commitment to being a responsible business, including implementing leading governance, risk management, and ethical business practices, health and safety procedures and inclusive policies.</p> <p style="text-align: center;">Read more on page 45 →</p>
---	---	---

S U S T A I N A B I L I T Y P I L L A R S

<p>Economy</p> <p>We support a thriving economy through stable, responsible, and diversified growth.</p>	<p>Community</p> <p>We’re part of a wider community, so we make decisions with the best outcomes for all our stakeholders.</p>	<p>People</p> <p>We cultivate a thriving ecosystem of talent where passion ignites, skills flourish, and possibilities are created.</p>	<p>Environment</p> <p>We are proactive and responsible environmental stewards at every stage of the asset lifecycle and throughout our value chain.</p>
---	---	--	--

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38**
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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 targets¹



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

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

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

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



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38**
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81
- EPRAs Reporting Disclosures 91

Sustainability Summary continued

Our Net Zero levers



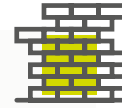
1. Low carbon design

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review
 Aldar Development 48
 Aldar Investment 64
 Risk Management 81
 EPRA Reporting Disclosures 91

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

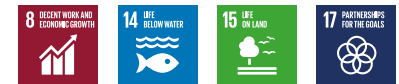


Resilient and Innovative Communities

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



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

Sustainability Summary continued

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 →](#)

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPR Reporting Disclosures	91

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



Management Report

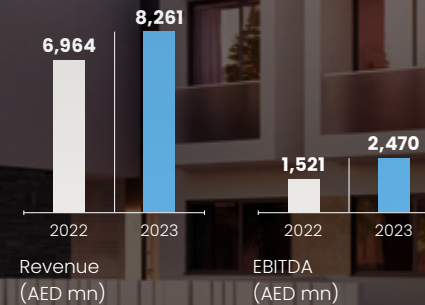
In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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



AED 27.9bn

Group sales¹

14

New launches in UAE

AED 36.8bn

Group backlog²

37%

Gross profit margin

AED 82bn

Aldar project backlog

66%

Overseas and resident expat buyers³

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

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48**
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48**
- Aldar Development 48**
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

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

Balghaiyilam (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

Management Report

In This Section

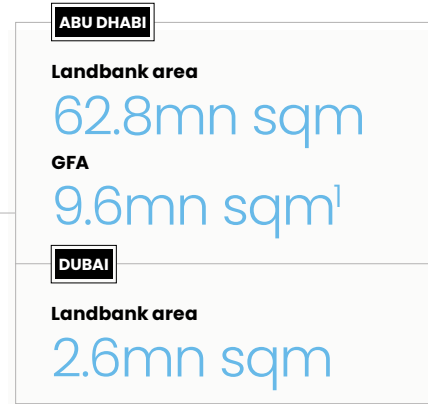
- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48**
- Aldar Development 48**
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

Aldar Development continued

UAE Landbank

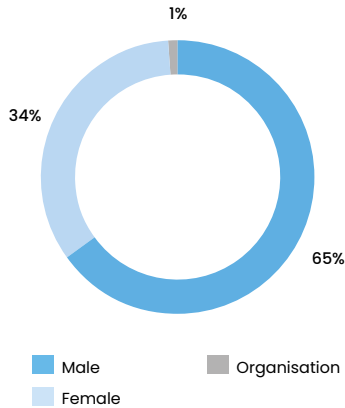
Our UAE landbank is the foundation on which our business is built. Ensuring it is managed and developed optimally is critical to our continued success. In 2023, Aldar Development’s UAE Landbank expanded following a joint venture with Dubai Holding to develop 3.6 million square metres of land in Dubai 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

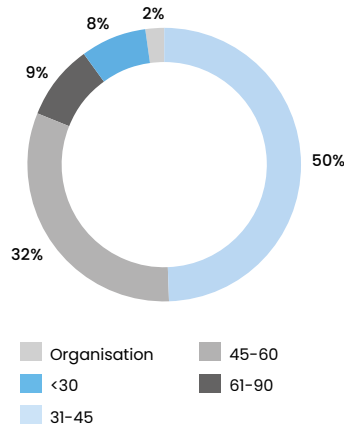


UAE Customer Demographic

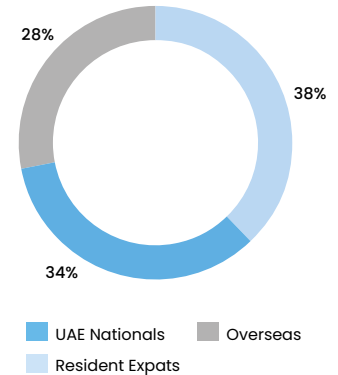
Customer Gender



Customer Age



Customer – Domestic and International



1. GFA has not been assigned to all landbank.

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48**
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

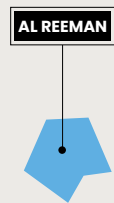
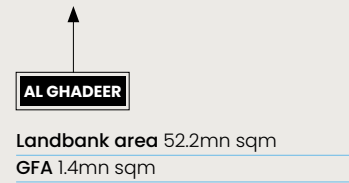
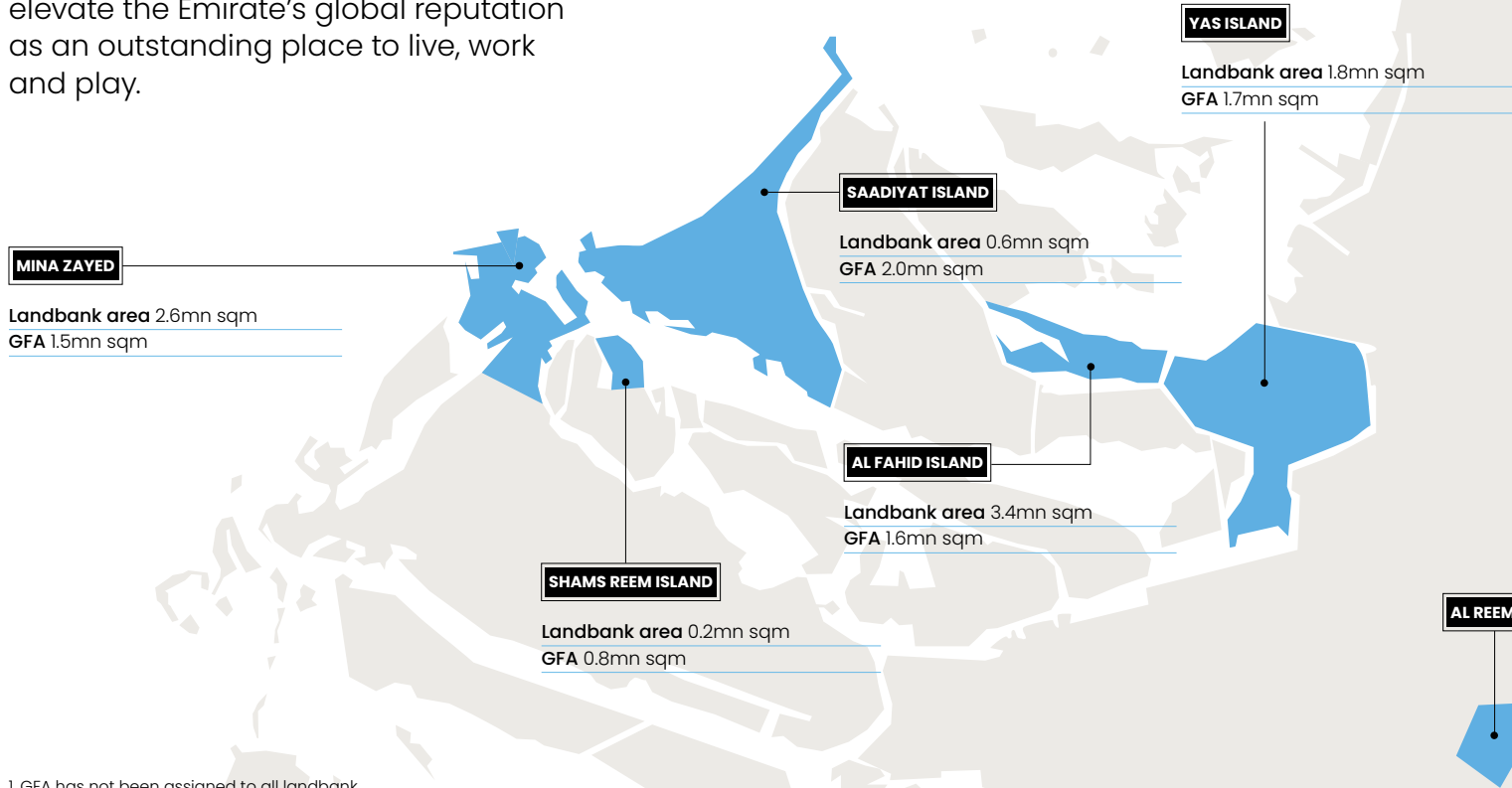
Aldar Development continued

Abu Dhabi

Landbank Area 62.8mn sqm

Gross Floor Area (GFA) 9.6mn sqm¹

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRa Reporting Disclosures	91

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.



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

Aldar Development continued

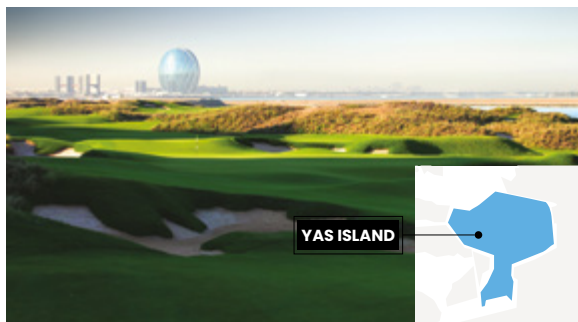
YAS ISLAND

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



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%

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.

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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.

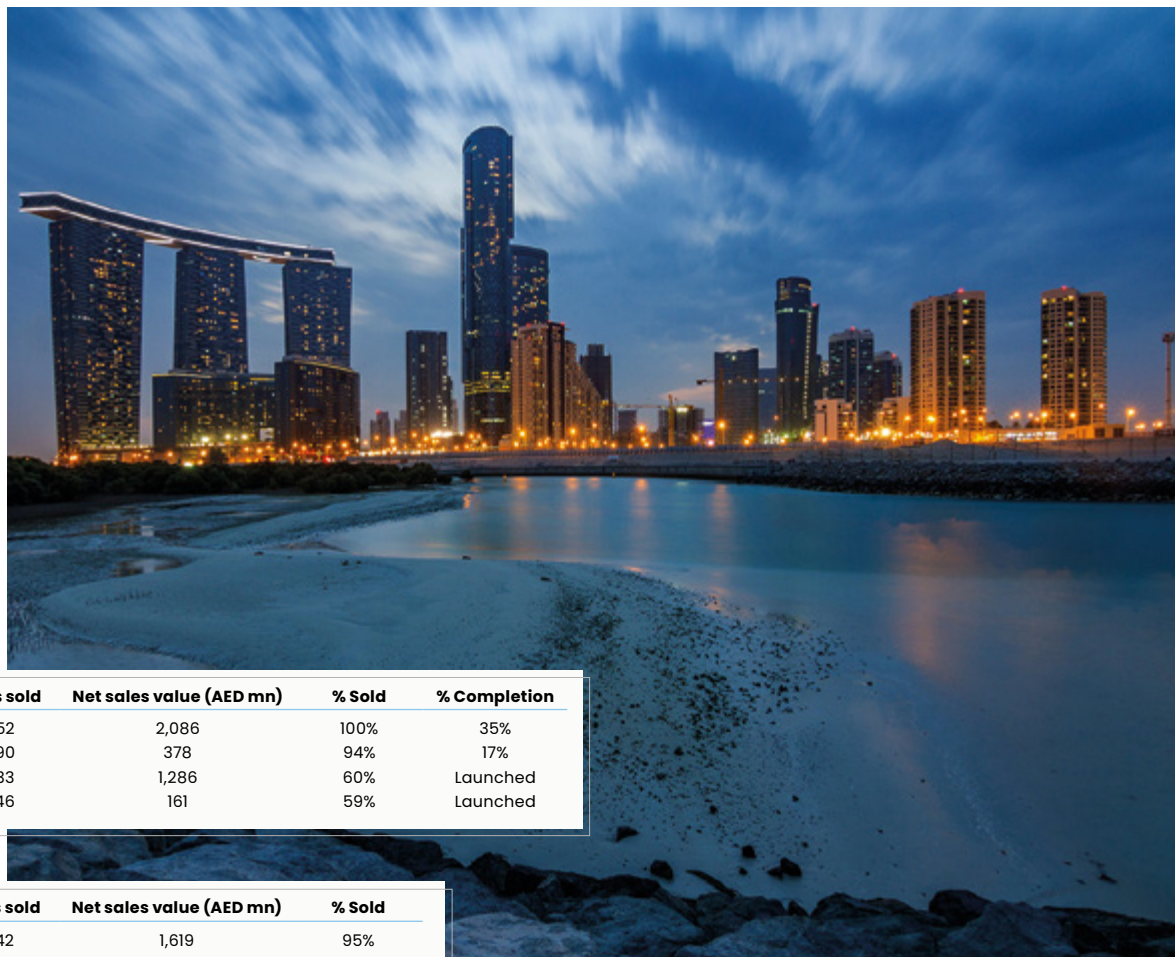
Al Reeman as of 31 December 2023

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%



Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
Operating Review 48
 Aldar Development 48
 Aldar Investment 64
 Risk Management 81
 EPRA Reporting Disclosures 91

Aldar Development continued

MINA ZAYED

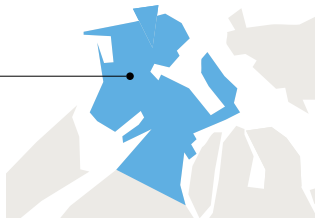
Aldar Properties received prime infrastructure-enabled land in Mina Zayed as part of a land swap deal with the Government of Abu Dhabi in 2019, in exchange for Al Lulu Island adjacent to Abu Dhabi Island.

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.



MINA ZAYED



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48**
- Aldar Investment 64
- Risk Management 81
- EPRA Reporting Disclosures 91

Aldar Development continued

Northern Emirates

DUBAI AND RAS AL KHAIMAH

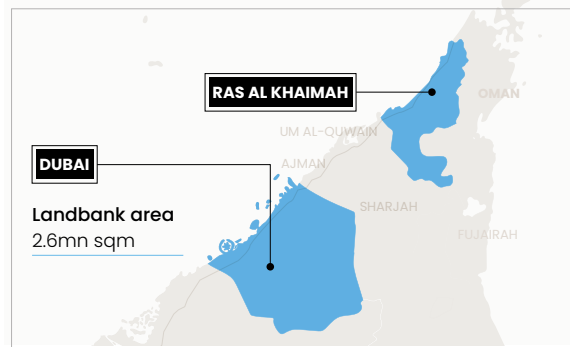
Whilst it remains firmly focused on its home market of Abu Dhabi, Aldar Development made its first foray into other Emirates in the UAE in 2023.

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



Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
Operating Review 48
 Aldar Development 64
 Aldar Investment 64
 Risk Management 81
 EPRA Reporting Disclosures 91

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.



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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 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

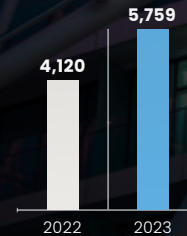
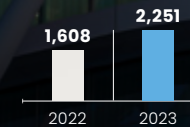
In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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

Revenue¹
(AED mn)Adjusted EBITDA²
(AED mn)

89

Assets across 5 sectors³

13

Residential

36

Retail

15

Commercial

3

Logistics

22

Hospitality & Leisure

¹ Excludes Pivot² Adjusted for fair value movements (excluding amortisation of leasehold assets), reversal of impairments and one-off gains/losses on acquisitions³ Includes Investment Properties and Hospitality & Leisure

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.

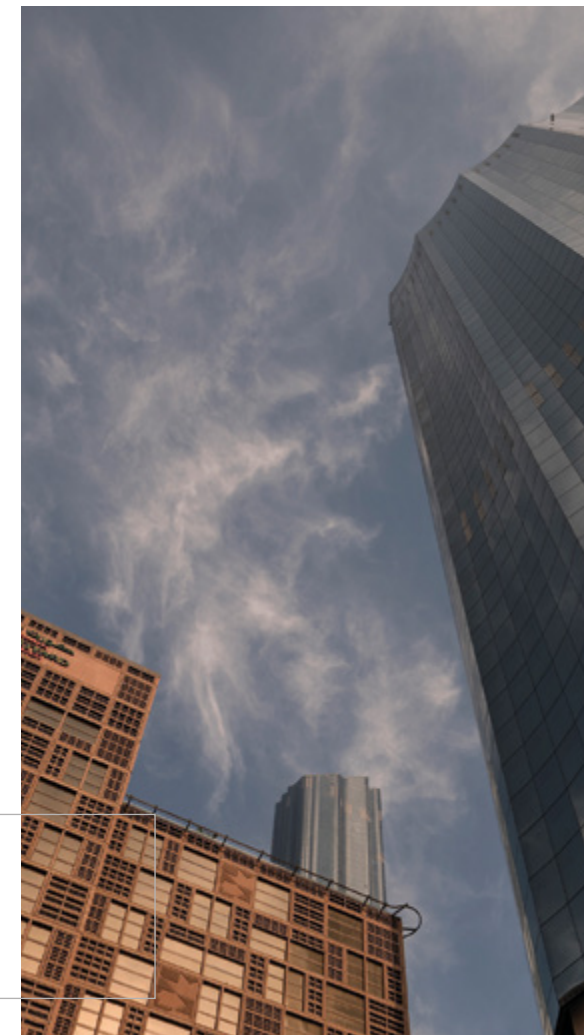
Aldar Estates has undergone tremendous transformation over the past year, driven by a series of strategic mergers and acquisitions to further scale the platform and broaden the offering. This has culminated in the doubling of our portfolio size, firmly establishing the business as the largest integrated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



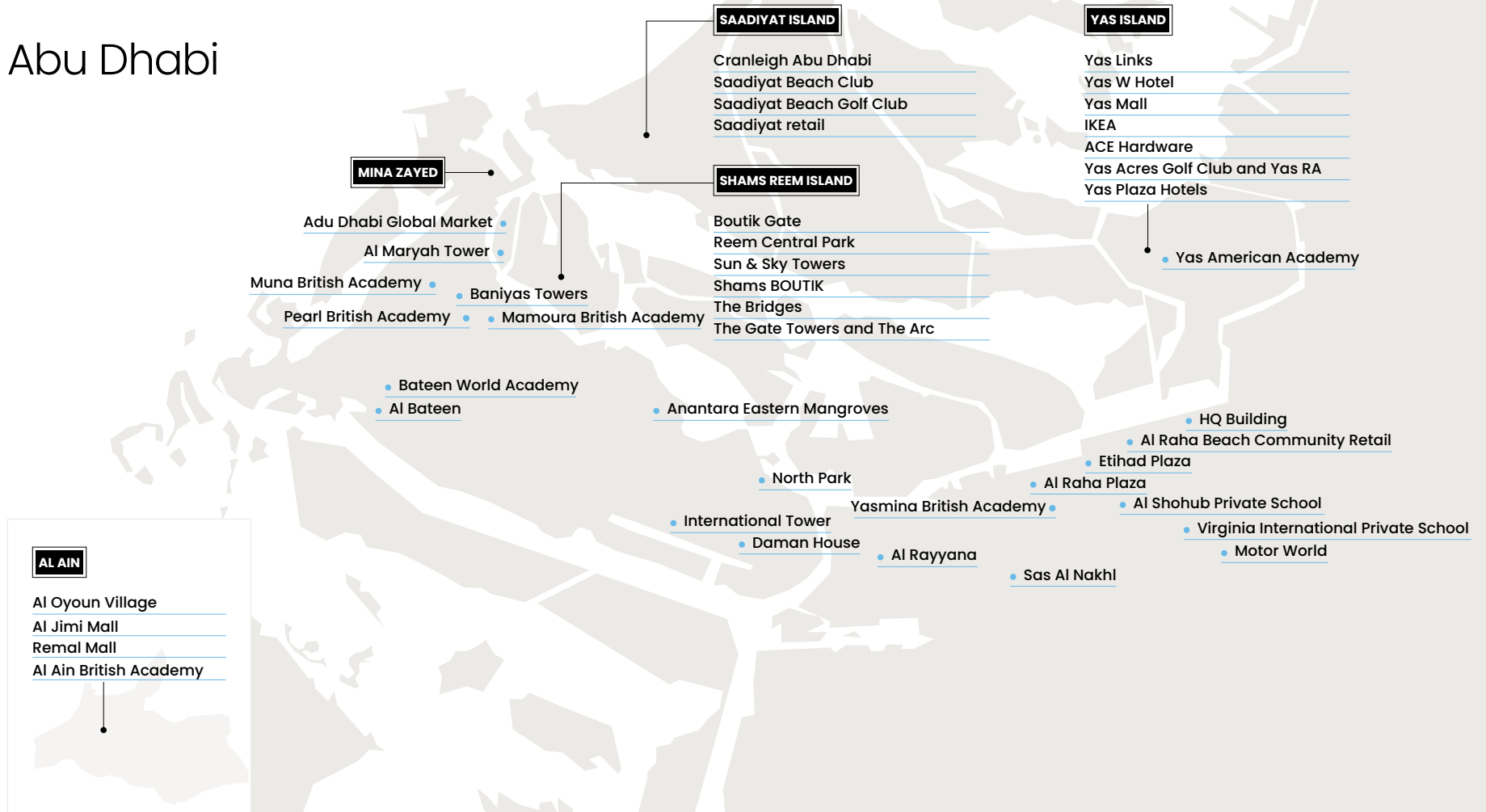
Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

Aldar Investment continued

Abu Dhabi



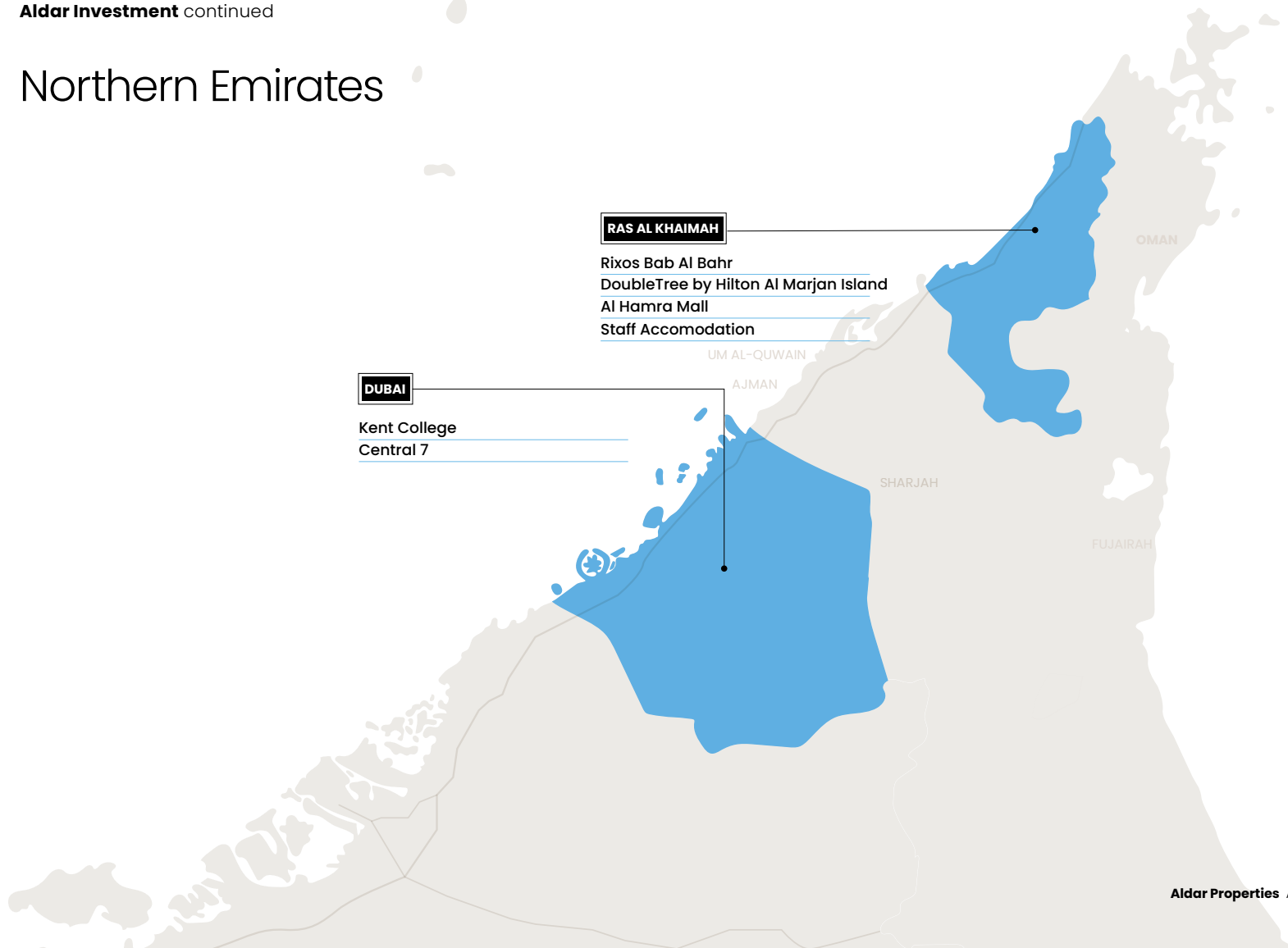
Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

Aldar Investment continued

Northern Emirates



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

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 →](#)

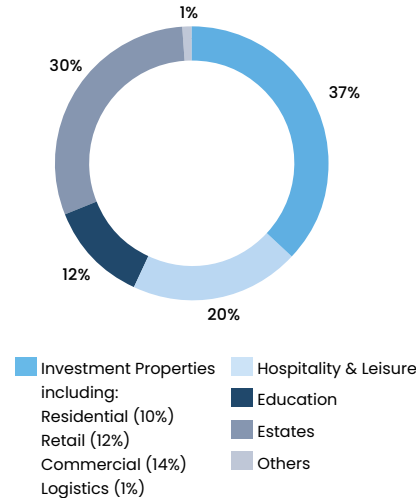
Aldar Education is the leading private education provider in Abu Dhabi with 31 owned and managed schools across the UAE.

[Read more on page 78 →](#)

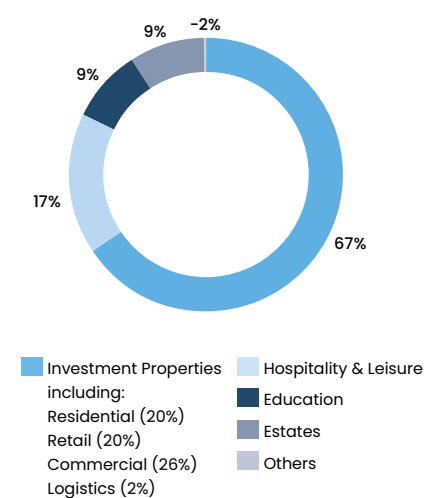
Aldar Estates is the region’s largest integrated property and facilities management platform.

[Read more on page 79 →](#)

Revenue Split



Adjusted EBITDA Split



New projects	Asset type	Planned completion
1 st 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
2 nd 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

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

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.

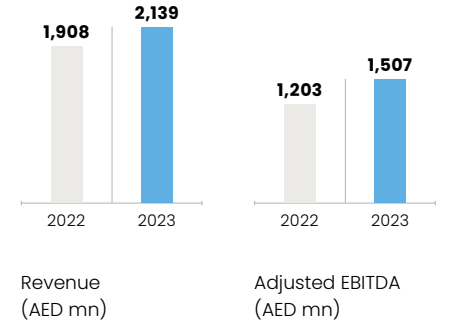
The income-generating assets are principally owned under Aldar Investment Properties (AIP), which is majority owned by Aldar, with Apollo Global Management, one of the world’s largest alternative investment managers, holding an 11.1% minority stake for USD 400 million, as part of its USD 1.4 billion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

AIP has an investment grade credit rating of Baal 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



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

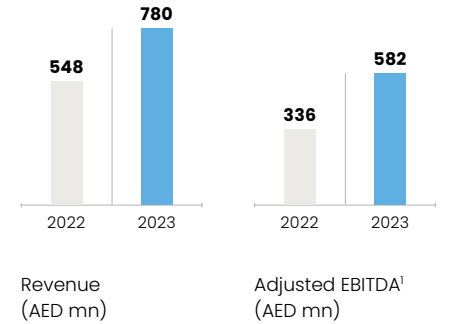
Aldar Investment continued

Commercial

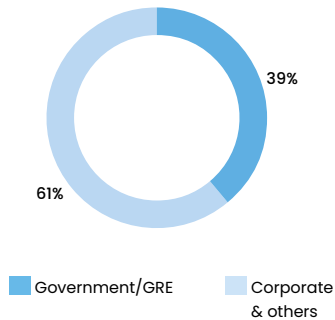
The commercial property portfolio principally comprises high-quality Grade A commercial office space that attracts top-tier international tenants and local tenants, including multinationals, government agencies and large corporates. Key assets include Abu Dhabi Global Markets (ADGM) Towers in the international 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.

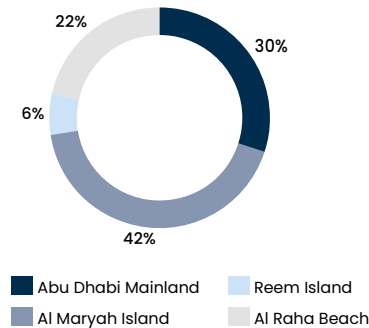
2023 Highlights



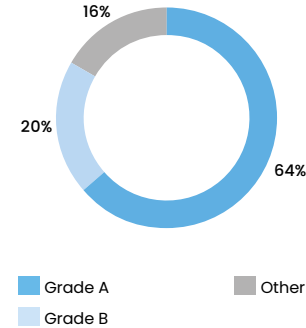
Tenant Split



Location Split



Office Type 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

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

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.

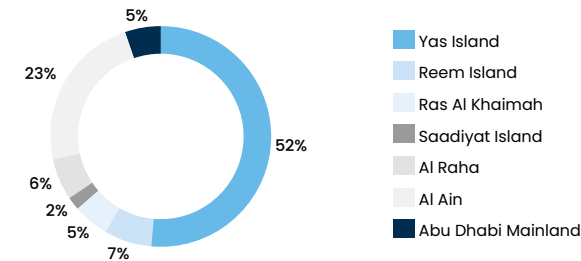
In 2023, revenue from retail assets remained flat at AED 718 million, whilst adjusted EBITDA increased 2% to AED 443 million. This performance included an uplift in income from flagship asset Yas Mall, following completion of a transformation project that supported increased footfall and sales that is 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.

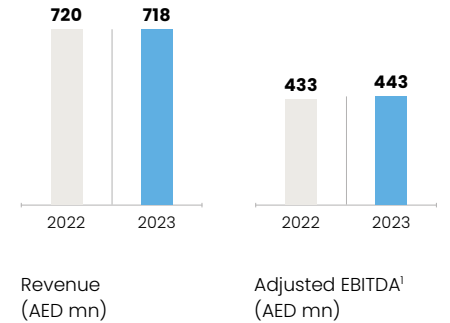
Following the acquisition of Al Hamra Mall in February 2022, Aldar’s redevelopment plan reimagines its spaces through a refurbishment of the façade, expanded F&B offerings, and the introduction of additional global brands. With work already underway, the project is being rolled out in phases and is set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



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

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.



Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

Aldar Investment continued

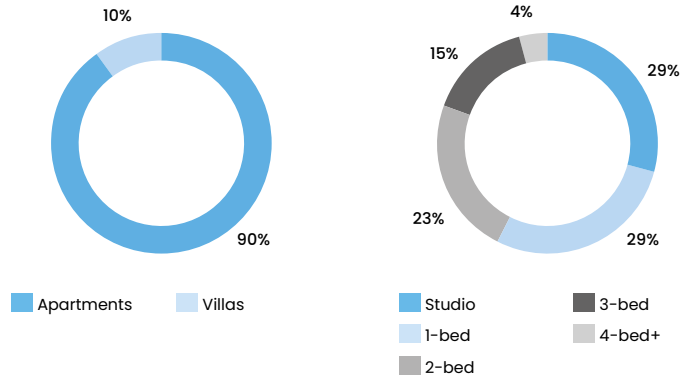
Residential

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.

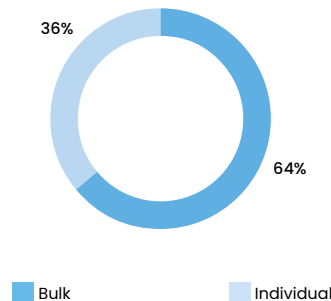
Occupancy across the residential portfolio stood at 94% at the end of 2023, reflecting Aldar’s strong standing in the market. Revenue from the portfolio decreased 3% to AED 578 million in the year on account of the ongoing disposal of non-core strata residential units. Adjusted EBITDA increased 14% to 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.

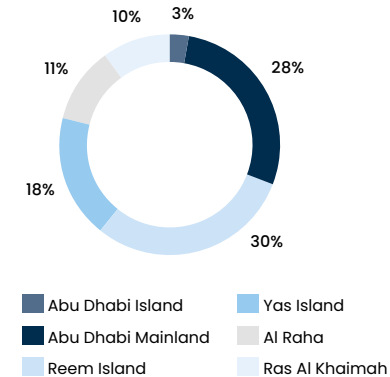
Unit Type Split



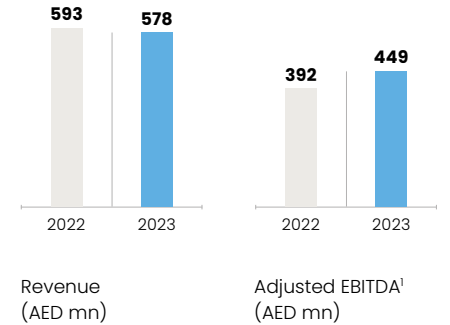
Lease Type Split



Location Split



2023 Highlights



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

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
Operating Review
 Aldar Development 48
Aldar Investment 64
 Risk Management 81
 EPRA Reporting Disclosures 91

Aldar Investment continued

Logistics

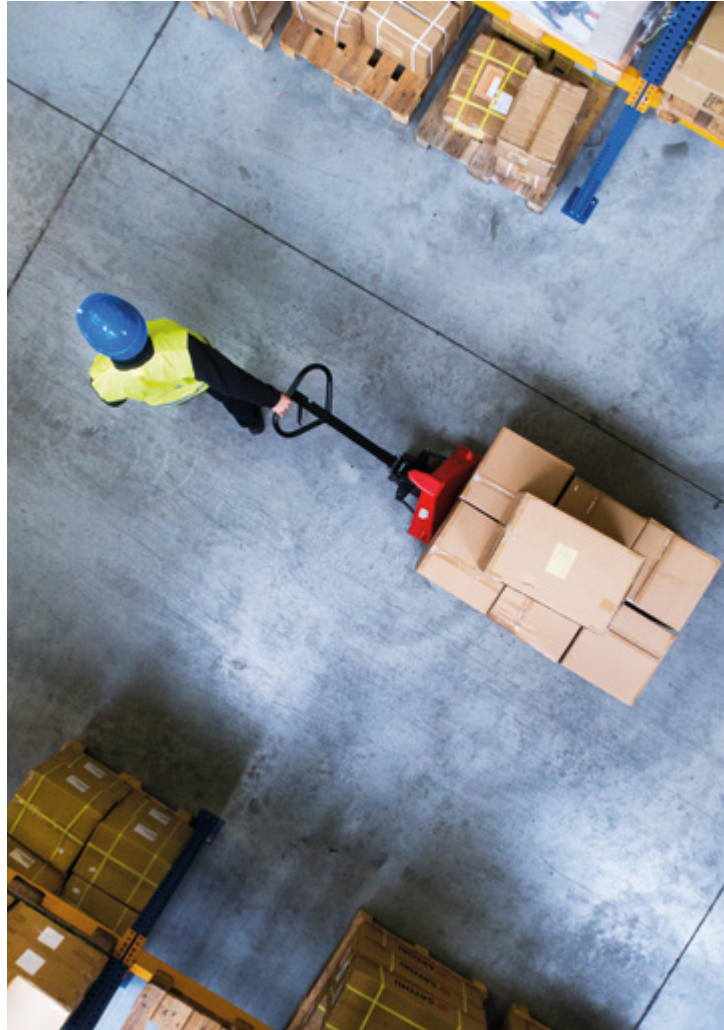
Aldar entered the logistics sector in 2022 with the acquisition of a 70% ownership in Abu Dhabi Business Hub, a well established logistics centre in mainland Abu Dhabi with a strong tenant base including Etihad, Mubadala and TwoFour54. Aldar continues to seek opportunities to expand its logistics exposure 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.

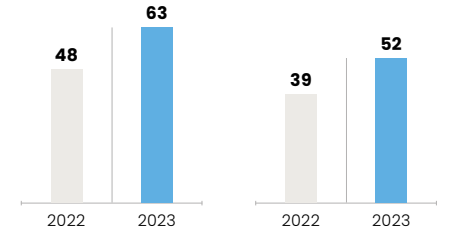
The investment programme also includes a further 233,000 square metres of new Grade A facilities across the UAE. This includes single tenanted facilities and logistics parks in Dubai, totalling 200,000 square metres GLA that will be developed in partnership with established logistics real estate players, 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 EBITDA¹ (AED mn)

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

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

Aldar Investment continued

Hospitality and Leisure

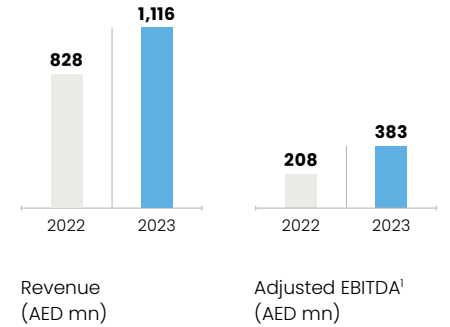
The Hospitality and Leisure portfolio is a cornerstone of the business, providing exposure to a key theme in the UAE’s economic diversification strategy and the country’s development as a premier business and lifestyle centre. Aldar’s broad approach is to own assets in prime destinations in the UAE and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

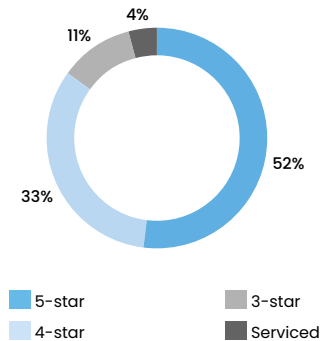
In 2023, the Hospitality and Leisure assets performed well, extending a recovery from the impact of the global pandemic on the travel and tourism industry in 2020 and 2021. The UAE has returned to a busy event calendar and Abu Dhabi, in particular, continues to develop its cultural, leisure and lifestyle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

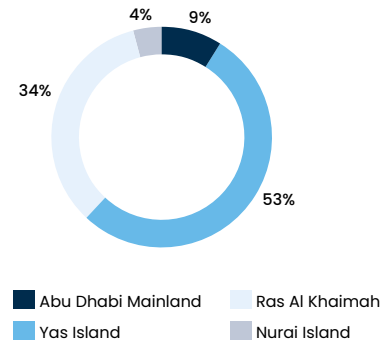
2023 Highlights



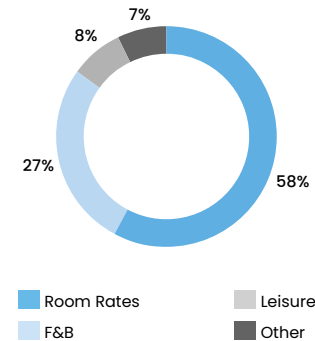
Hotel Type by Keys



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

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRA Reporting Disclosures 91

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.

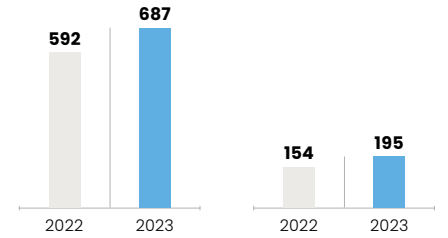
In 2023, adjusted EBITDA for the platform increased 27% to AED 195 million. Student enrolments within operated schools grew to over 14,000 driven by new school additions, bringing the total student body to over 38,000.

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

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review**
- Aldar Development 48
- Aldar Investment 64**
- Risk Management 81
- EPRa Reporting Disclosures 91

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.

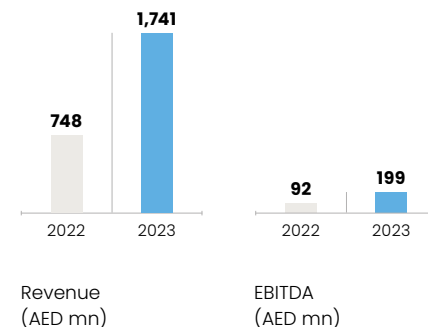
During 2023, Aldar Estates also completed the acquisition of FAB Properties, a leading UAE-based provider of property management and related services. The transaction enabled Aldar Estates to integrate a property management portfolio of 22,000 residential units across 600 properties within its expanding 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



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.

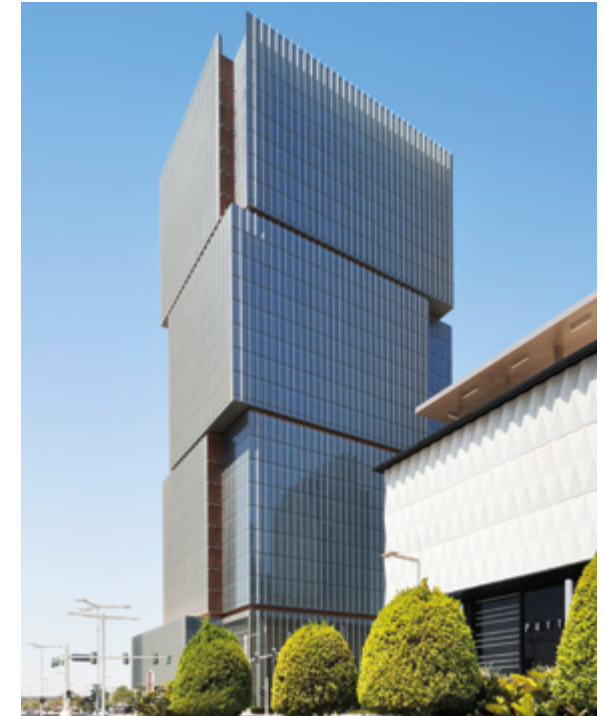
A dedicated ERM team is responsible for helping the Company's business units to identify and assess risks utilising a standardised enterprise-wide methodology, and subsequently put in place control plans for existing and emerging risks. It regularly conducts comprehensive reviews of best practices and 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.

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81**
- EPRAs Reporting Disclosures 91

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



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

Management Report

In This Section

- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81**
- EPRA Reporting Disclosures 91

Risk Management continued

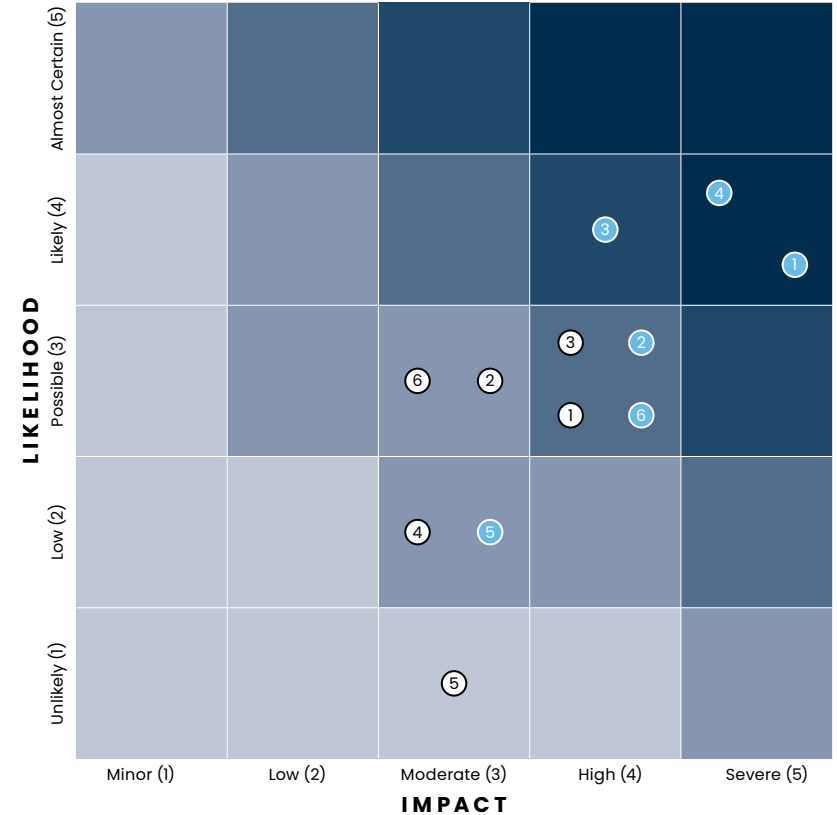
Risk matrix

- 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



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

Risk Management continued

No.	Risk	Type	Description	Consequences	Inherent Likelihood	Inherent Impact	Residual Likelihood	Residual Impact	Treatment Plan	Change
1	Market cyclical	Strategic	Ability for Aldar to respond effectively to local and regional changing market conditions.	<ul style="list-style-type: none"> 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	<p>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.</p> <p>The Company is actively implementing the risk treatment plans:</p> <p>Development Projects</p> <ul style="list-style-type: none"> 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. <p>Asset Portfolio</p> <ul style="list-style-type: none"> 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

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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.	<ul style="list-style-type: none"> 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	<p>The Company realises the inherent risk of geographical concentration of operations and is steadily mitigating it by:</p> <ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Potential negative impact on Company's ability to deliver its business plan. 	4	4	3	4	<p>The People and Performance strategy and treatment plans encompass:</p> <ul style="list-style-type: none"> 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

Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review
 Aldar Development 48
 Aldar Investment 64
Risk Management 81
 EPRA Reporting Disclosures 91

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.	<ul style="list-style-type: none"> Potential negative impact on long-term sustainable growth. Potential loss of trust and engagement of key stakeholders. 	4	5	2	3	<p>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:</p> <p>Environmental</p> <ul style="list-style-type: none"> 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 CO₂ 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 CO₂ emissions annually. <p>Social</p> <ul style="list-style-type: none"> 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. <p>Governance</p> <ul style="list-style-type: none"> 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

Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review
 Aldar Development 48
 Aldar Investment 64
Risk Management 81
 EPRA Reporting Disclosures 91

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.	<ul style="list-style-type: none"> 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	<p>Aldar has an established integrated health and safety strategy and implementation plan, encompassing the following components:</p> <ul style="list-style-type: none"> 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

Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review
 Aldar Development 48
 Aldar Investment 64
Risk Management 81
 EPRA Reporting Disclosures 91

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.	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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

Management Report

In This Section

Business Model 3
 Our Geographies 4
 2023 Highlights 6
 Iconic Places 8
 Chairman’s Statement 14
 Group Chief Executive Officer’s Statement 15
 Market Context 17
 Strategic Framework 33
 Sustainability Summary 38
 Group Chief Financial and Sustainability Officer’s Statement 46
 Operating Review
 Aldar Development 48
 Aldar Investment 64
Risk Management 81
 EPRA Reporting Disclosures 91

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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Reviews high and critical risks Monitors the effective functionality of the risk management department 	<ul style="list-style-type: none"> 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			<ul style="list-style-type: none"> 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

Management Report

In This Section

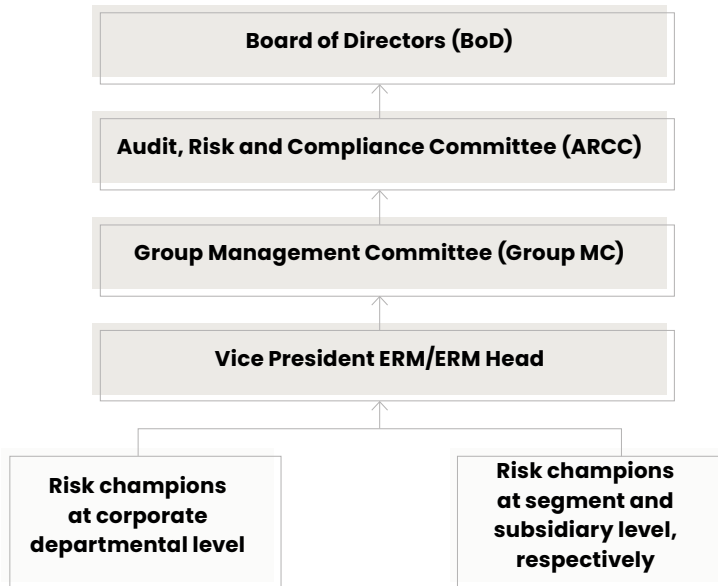
- Business Model 3
- Our Geographies 4
- 2023 Highlights 6
- Iconic Places 8
- Chairman’s Statement 14
- Group Chief Executive Officer’s Statement 15
- Market Context 17
- Strategic Framework 33
- Sustainability Summary 38
- Group Chief Financial and Sustainability Officer’s Statement 46
- Operating Review 48
 - Aldar Development 48
 - Aldar Investment 64
- Risk Management 81**
- EPRA Reporting Disclosures 91

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

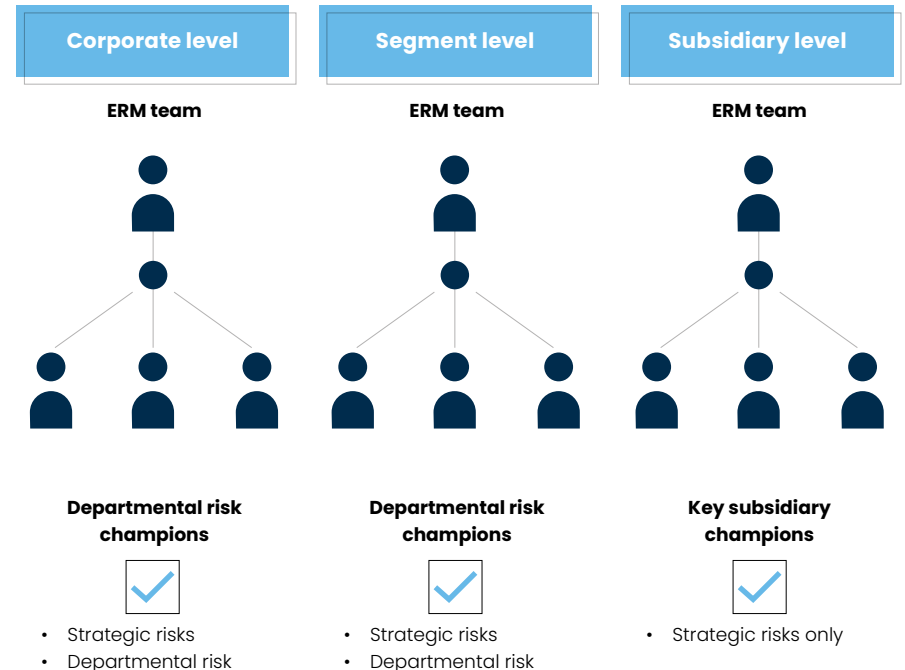
Group Management Committee (endorsers), ARCC (approvers) and BoD to ensure complete alignment and allow for strategic direction and decisions to be made at the top where required. The risk appetite and ERM framework are endorsed by the Group MC and ARCC and ultimately approved by the BoD. Moreover, the 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.



Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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%

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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 earnings 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).

	31 December 2023	31 December 2022
EPRA Earnings (AED '000)		
Earnings per IFRS income statement	3,922,263	2,944,464
(i) Adjustments to calculate EPRA Earnings, exclude:		
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	-	9,732
(v) Negative goodwill/goodwill impairment	-	-
(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

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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)

IFRS Equity attributable to

shareholders

Include / Exclude:

Hybrid instruments

Diluted NAV

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

Diluted NAV at Fair Value

Exclude:

Deferred tax in relation to fair value

gains of IP

Fair value of financial instruments

Goodwill as a result of deferred tax

Goodwill as per the IFRS balance sheet

Intangibles as per the IFRS balance

sheet

Include:

Fair value of fixed interest rate debt

Revaluation of intangibles to

fair value

Real estate transfer tax

NAV

Fully diluted number of shares

NAV per share

	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

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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	24,154,798	23,262,475
Annualised cash passing rental income	2,067,449	1,981,661
Less: Property outgoing	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.

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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%

Management Report

In This Section

Business Model	3
Our Geographies	4
2023 Highlights	6
Iconic Places	8
Chairman's Statement	14
Group Chief Executive Officer's Statement	15
Market Context	17
Strategic Framework	33
Sustainability Summary	38
Group Chief Financial and Sustainability Officer's Statement	46
Operating Review	
Aldar Development	48
Aldar Investment	64
Risk Management	81
EPRA Reporting Disclosures	91

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		
	Group	Non-controlling Interests	Combined	Group	Non-controlling Interests	Combined
B. EPRA Net Asset Value Metrics (AED '000)						
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	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	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.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance	
Report	101

Board of Directors

MOHAMED KHALIFA AL MUBARAK
CHAIRMAN

H.E. Mohamed Khalifa Al Mubarak is Chairman of Aldar Properties PJSC. Formerly the Chief Executive Officer and Chief Portfolio Management Officer at Aldar, Mr. Al Mubarak has been integral to the development of Aldar's operational businesses, as well as to the organisation's fast-growing sales and leasing, property and asset management, and facilities management units. Before joining Aldar, Mr. Al Mubarak worked with the corporate and investment bank Barclays Capital in London, focusing on investment and finance in the MENA region. He is a member of the Executive Council of the Emirate of Abu Dhabi and is the Chairman of numerous public and private sector organisations, including the Department of Culture & Tourism of Abu Dhabi, Miral Properties Asset Management LLC, Image Nation, and Aldar Academies LLC.

He holds a dual specialisation in economics and political science from North Eastern University, USA.



WALEED AHMED ALMOKARRAB AL MUHAIRI
FIRST VICE-CHAIRMAN

Waleed Al Muhairi is the Deputy Group CEO of the Mubadala Investment Company and has strategic oversight of the company's broad investment portfolio. He is also the Chief Executive Officer of the alternative investments and infrastructure platform, and leads Mubadala's healthcare, real estate and infrastructure, and capital investment portfolios. Al Muhairi currently serves as Chairman of Cleveland Clinic Abu Dhabi and is a member of the Board of Trustees of Cleveland Clinic in the United States. He is also the Chairman of Waha Capital PJSC and a board member of First Abu Dhabi Bank PJSC, Tamkeen Abu Dhabi Company, Noon.com Company, Investcorp Holding, and Hub71 Platform.

He holds a Master's degree in Public Policy from Harvard University, USA, and a BSc in Foreign Service from Georgetown University, USA.



MOHAMED HASSAN AL SUWAIDI
SECOND VICE-CHAIRMAN

H.E. Mohamed Hassan Al Suwaidi is the Minister of Investment of the UAE and also serves as the Managing Director and Chief Executive Officer at Abu Dhabi Developmental Holding Company PJSC (ADQ). His Excellency is a member of the Board of Directors at Emirates Investment Authority. He also holds the position of Chairman of Abu Dhabi National Energy Company (TAQA). In addition, His Excellency is also board member of the Abu Dhabi Pension Fund, Advanced Technology Research Council, Emirates Nuclear Energy Corporation, and Al Dahra Holding.

He holds a bachelor's degree in Accounting from United Arab Emirates University.



SOFIA ABDELLATIF LASKY
BOARD MEMBER

Sofia Lasky has been with IHC since April 2020, and brings considerable experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring through her 18-year tenure at Royal Group. She has overseen the acquisition of numerous companies in a variety of core industries, including real estate, contracting, food processing, preventive healthcare, and capital investments. Her contribution towards the growth of companies within the Royal Group has been invaluable.

She holds a bachelor's degree in management information technology from the United Kingdom and has held and continues to occupy a position on the Board of Directors of a number of companies, including Alpha Dhabi Holding (ADH) and Aldar Properties. Sofia has also served as a Board Member of Macquarie Capital Middle East LLC NCTH.

Governance**In This Section****Board of Directors**

Executive Management
Corporate Governance
Report

97

99

101

Board of Directors continued

KHALIFA ABDULLA AL ROMAITHI
BOARD MEMBER

Khalifa Al Romaithi is an Executive Director leading the UAE Real Estate sector at Mubadala Investment Company. In his role, Khalifa is responsible for a number of UAE real estate assets including Al Maryah Island, Galleria Mall, and Masdar City. Mr. Al Romaithi has 21 years of experience across real estate, transportation, infrastructure, energy and insurance sectors. He is a board member of Aldar Properties, Chairman of the Board of Directors of Emirates Driving Company PJSC and board member in Abu Dhabi National Takaful Co. PJSC (Takaful).

He holds a bachelor's degree in Business Administration with a major in Finance from the University of Portland, United States.



ALI SAEED ABDULLA SULAYEM AL FALASI
BOARD MEMBER

Ali Saeed Abdulla Sulayem Al Falasi has been Chief Executive Officer of Hydra Properties since 2009. He previously worked as under-secretary of the operations of the Private Department of Sheikh Zayed Bin Sultan Al Nahyan, supervising all department activities. Mr. Al Falasi is a board member of Risco LLC, Sorouh Real Estate PJSC, and The International Commercial Bank, as well as numerous other companies in the industrial, real estate, finance, and trading fields. He is a member of the audit committee of the Royal Group.

He holds a Master's degree in business administration from the University of Sharjah, a BSc in Production and Operations Management from California State University, USA, and a BA in Accounting from UAE University.



HAMAD SALEM MOHAMED AL AMERI
BOARD MEMBER

Hamad Salem Al Ameri is the Managing Director & Chief Executive Officer of Alpha Dhabi Holding PJSC. He brings significant experience from the construction industry and the fields of business growth, investment and management. Mr. Al Ameri is currently the Chairperson of the Board of Directors of Abu Dhabi National Hotels Company PJSC, Vice-Chairperson of the Board of Directors of National Marine Dredging Company PJSC and a Member of the Board of Directors of Pure Health Holding PJSC & ADC Acquisition Corporation PJSC as well as several other private companies.

He is a graduate of Civil Engineering from the American University in Dubai, and also holds a Master's degree in Business Administration from the Canadian University.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Executive Management

TALAL AL DHIYEBI
GROUP CHIEF EXECUTIVE OFFICER,
ALDAR PROPERTIES

Talal Al Dhiyebi is the Group Chief Executive Officer at Aldar Properties, the UAE's leading real estate developer, investor, and manager.

Under his leadership, Aldar has bolstered its presence by expanding its geographic footprint outside of Abu Dhabi to the neighbouring emirates of Dubai and Ras Al Khaimah, and internationally to Egypt and UK.

Talal serves on the boards of numerous companies, including Abu Dhabi Transport Company, Abu Dhabi Chamber of Commerce and Industry, Abu Dhabi Motorsports Management, Miral Asset Management, Sandooq Al Watan, the UAE's national fund focused on social contribution, and Edamah, the real estate arm of Bahrain Mumtalakat Holding Company. Talal also holds the position of Chairman at a number of Aldar businesses, including Aldar Estates, SODIC, and London Square, and is Vice-Chairman of Aldar Education.

Talal is a graduate of Electrical Engineering from the University of Melbourne, Australia.



FAISAL FALAKNAZ
GROUP CHIEF FINANCIAL & SUSTAINABILITY
OFFICER, ALDAR PROPERTIES

Faisal Falaknaz is the Group Chief Financial and Sustainability Officer at Aldar Properties. In his role, Faisal is responsible for a broad remit that covers finance, corporate finance, investor relations, treasury, group digital services, and sustainability. He also sits across the group's various executive management committees and boards.

Prior to his current role, Faisal served as Chief Financial Officer of Aldar Investment, Aldar's core asset management business, which includes Aldar Investment Properties, Aldar Education, Aldar Hospitality, and Principal Investments.

A seasoned finance and investment professional, Faisal has held several senior roles working for sovereign wealth funds and public companies such as Mubadala Investment Company and Emaar Properties. His experience includes M&A and asset management having deployed capital across the US and Europe as Vice President of Global Real Estate Investments at Mubadala Investment Company.

Faisal holds a Master of Business Administration from The Wharton School of the University of Pennsylvania, as well as a Bachelor of Science in Finance from the American University of Sharjah. Faisal is also a CFA charter holder.



JASSEM SALEH BUSAIBE
CHIEF EXECUTIVE OFFICER,
ALDAR INVESTMENT

Jassem Saleh Busaibe is the Chief Executive Officer at Aldar Investment. He has over 15 years of experience in finance and investment, having held a number of high-profile roles at several private and public sector companies in Abu Dhabi. Prior to joining Aldar, he was the Chief Finance Officer at SENAAT and previously served as CEO of Arady Properties.

Jassem Busaibe was also formerly Senior Vice President of Private Equities at the Abu Dhabi Investment Company, Invest AD, and spent seven years at the Abu Dhabi Investment Authority (ADIA), where he worked as a Portfolio Manager focusing on European Equities.

Jassem Busaibe is a CFA charter holder and holds an MSc in Finance from London Business School, UK.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Executive Management continued

BAYAN HASSAN AL HOSANI
CHIEF PEOPLE AND COMMUNICATIONS
OFFICER, ALDAR PROPERTIES

Bayan Al Hosani is the Chief People and Communications Officer at Aldar Properties. In her capacity, Bayan is responsible for leading Aldar's talent agenda and advancing its marketing and communications strategy as the company continues to push ahead on its transformational growth journey.

Bayan's career with Aldar started in 2005, and through her hard work and dedication became the first female member of the Executive Management team.

Over her time with Aldar, Bayan has played a key role in developing and strengthening the company's position as an employer of choice in the UAE and the real estate sector in general. She has also spearheaded Aldar's Emiratisation strategy, with the company on track to create 1,000 jobs for UAE nationals by 2026 in alignment with the NAFIS programme that launched in 2021.

Bayan serves as a member of the Board of Directors of Aldar Education.

She is a Graduate of Business Administration from the Higher Colleges of Technology and is a certified professional from the Chartered Institute of Personnel and Development (CIPD).



EMMA O'BRIEN
GENERAL COUNSEL,
ALDAR PROPERTIES

Emma O'Brien is the General Counsel at Aldar, and is responsible for the company's legal and governance affairs.

Emma joined Aldar in 2014, having previously practiced in a number of International law firms, both in UAE/Abu Dhabi and the UK/London. She has advised on a wide range of transactions including mergers and acquisitions, international arbitrations, public private partnerships, and major development projects.

Emma is a graduate of the Universities of Birmingham and the West of England in the United Kingdom, and a Solicitor of the Senior Courts of England and Wales.



JONATHAN EMERY
CHIEF EXECUTIVE OFFICER,
ALDAR DEVELOPMENT

Jonathan Emery is the Chief Executive Officer at Aldar Development and is responsible for all development activities across the company.

Throughout his 30+ years in the global real estate industry, Jonathan has held senior positions at leading developers including UK Managing Director at Hammerson, Managing Director of Development and Communities at Majid Al Futtaim, and most recently at Lendlease, a multinational construction, property and infrastructure company, where he was both CEO of the firm's global residential practice and Managing Director of Property for Europe, and prior to that he was their Managing Director of Development for Australia.

Jonathan is a graduate of Nottingham Trent University in the United Kingdom, and has attended a number of other academic institutions including Henley Management College, Harvard, INSEAD, and has been a visiting professor at Yale University.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023**GOVERNANCE**

1-0	Implementing Governance in Aldar Properties	102	6-2	Nomination and Remuneration Committee	122	16-3	Statement of Distribution of Shareholders' Ownership as of 31 December 2023 (Individuals – Companies – Governments), categorised as follows: (Local – Gulf – Arabic – Foreign)	136
1-1	Board of Directors – Related Governance Elements	103	6-3	Executive Committee	123	16-4	Overview of Shareholders whose Ownership Percentage exceeds 5% of the Company's Capital as of 31 December 2023	137
1-2	Executive Management – Related Governance Elements	103	7-0	Follow up on the Affairs of Insiders, and the Policy of Trades of Insiders and Members of the BoD in the Company's Shares	125	16-5	Statement of Distribution of Shareholders according to their Ownership Percentage as of 31 December 2023	137
1-3	Internal Control – Related Governance Elements	103	7-1	Insiders' Trading Policy	125	16-6	Controls of Investors Relationships with the Listed Companies	137
2-0	Dealings and trading of the Members of the Company's BoD and their first-degree relatives in the shares of the Company during 2023	103	7-2	Committee of Insider Affairs and Trading in the Company's Share and Securities and its Duties	125	16-7	Special Decisions taken in the General Assembly Meetings of Shareholders during 2023, and Actions taken in respect thereof	138
3-0	BoD	104	7-3	Dealings and trades of the Members of the Company's Board and their first-degree relatives in the shares of the Company during 2023	126	16-8	Company Secretary of the Meetings of the BoD and the Date of Appointment thereof	139
3-1	BoD Chairman	104	8-0	Internal Control System	126	16-9	Material Events Experienced by the Company during 2023	139
3-2	BoD's competencies	105	8-1	BoD's responsibility for the Internal Control System	126	16-10	Emiratisation Percentage in the Company for the years 2021, 2022 and 2023	144
3-3	Composition of the Board of Directors	107	8-2	Head of Internal Control Department	126	16-11	Statement of the deals concluded with relevant parties by the Company during 2023, which is equivalent to 5% or more of the Company's capital	144
3-4	Directors' Membership in other companies and corporations	108	8-3	Compliance Officer	126	16-12	Projects and Innovative initiatives performed by the Company during 2023	145
3-5	Female Representation in the Company's BoD during 2023	111	8-4	Company's dealing with material issues or problems disclosed in the Annual Accounts and Reports	126			
3-6	Orientation Programme	111	8-5	Reports issued by the Internal Control Department of the Company's BoD	127			
3-7	Eligibility to obtain an independent consultation	111	9-0	Risk Management	127			
3-8	Directors' remuneration and allowances of attendance at meetings of the Board and its Committees	111	10-0	Communication with Shareholders	128			
3-9	Meetings of the BoD	113	11-0	Code of Business Conduct	129			
3-10	Decisions passed by circulation	114	12-0	Employee Disclosure Mechanism	129			
3-11	Business transactions with related parties	114	13-0	Conflict of Interest	129			
4-0	Organisational Structure and Executive Management	115	14-0	Violations committed by the Company during 2023	129			
4-1	Organisational Structure of the Company	115	15-0	Company's Sustainability and Social Responsibility	129			
4-2	Executive Management Team	115	16-0	General Information	135			
4-3	Responsibilities and powers of Executive Management	116	16-1	Company's Share Performance during 2023	135			
4-4	Long term incentive scheme	118	16-2	Comparative Performance of Aldar Properties' share with the General Market Index and Sector Index during 2023	136			
5-0	External Auditor	118						
6-0	BoD Committees	119						
6-1	Audit, Risk and Compliance Committee	119						

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**Preamble**

In compliance with the decision of the Chairman of the Board of Directors (BoD) of the Securities and Commodities Authority (SCA) No. (03 /ج.م.) 2020 regarding the adoption of the Governance Manual for Public Joint Stock Companies, Aldar Properties PJSC annually issues a Corporate Governance Report that reflects the Company's commitment on the effective and proper application of governance rules, which is clearly shown through the joint efforts exerted by the Company's BoD, Executive Management and employees.

The Company's BoD considers the existence of a strict governance system as one of the main pillars of the long-term and sustainable growth of Aldar Properties. The BoD is committed to enhancing the value of the Company for its shareholders, taking into account the interests of all concerned parties, including shareholders, employees, suppliers, customers and business partners, as well as the communities in which the Company operates.

Shareholders represent the highest levels of governance, and the Company's Articles of Association defines the framework within which Aldar Properties must operate as a public joint stock Company. The Company's governance framework takes into account the application of the principles and standards set by the SCA and the Abu Dhabi Securities Exchange, as well as Federal Decree-Law No. (32) of 2021 on Commercial Companies, as amended, in order to develop the Company's policy, requirements and aspirations.

1 Implementing Governance in Aldar Properties

The BoD is mandated and accountable before the shareholders of the Company to ensure that the Company's objectives are in line with the expectations and ambitions of the shareholders. The BoD is also mandated to ensure the effectiveness of the Company's management business, with a focus on ensuring that the Company's objectives comply with the legislative requirements and Business Conduct rules specified by the SCA and the Abu Dhabi Securities Exchange (ADX).

The first step in implementing an effective corporate governance system was drawing up and developing the governance framework and ensuring its effective implementation. In the context of diligent supervisory efforts to measure the effectiveness of the implementation of the corporate governance system, the BoD conducts a periodic review of the governance framework and makes the necessary adjustments to its elements (if needed) to ensure its compatibility with regulatory controls and the changing business environment.

The following diagram illustrates the governance framework and the main elements resulting from the process of implementing the corporate governance system:



As shown, the process of implementing the governance system involves different levels, including BoD, Executive Management and the Internal Control System.

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**1 Implementing Governance in Aldar Properties** continued

The BoD conducts a periodic review regarding the application of corporate governance standards and systems in the Company, taking into account the legal and regulatory requirements and controls of these systems, as well as the application of the highest international standards in this field. Below is an overview related to the elements of corporate governance at the level of the BoD, Executive Management, the Internal Control System and the Compliance Officer.

1-1 Board of Directors – Related Governance Elements

The basic elements of the Company's governance at the level of the BoD include a set of regulations that define the general framework of the objectives, responsibilities and framework of the BoD and its committees. These elements include the following:

- BoD Charter
- Audit, Risk and Compliance Committee Charter
- Nomination and Remuneration Committee's Charter
- Executive Committee's Charter
- Code of Business Conduct
- Delegations of Authority

1-2 Executive Management – Related Governance Elements

The Executive Management shall implement the Company's strategy and manage its daily business in accordance with the work plan approved by the BoD. The Executive Management shall have the authority to manage the Company's affairs and business, taking into account the protection of shareholders' interests, the application of international best practices and meeting the needs of daily operations in a practical manner. In addition to the Delegations of Authority, the basic elements of the Company's governance at the Executive Management level include a set of regulations that define the general framework of the Executive Management's objectives, responsibilities and tasks assigned to it, which are as follows:

- Executive Management Committee Charter
- Tender Committee Charter
- Code of Business Conduct

1-3 Internal Control – Related Governance Elements

The Company's BoD has developed the foundations and organisational rules for the Company's business in a way that makes all employees fully aware of the importance of the Internal Control System, which contributes to their participation in ensuring the continuity of this system with great effectiveness.

Key elements of the Internal Control System include:

- Development and approval of policies, charters and regulations that control the Company's business and activities at the level of all of its departments and divisions, in coordination with the Centre of Excellence at the Company.
- External Audit and Internal Audit.
- Shareholders of the Company and the General Assembly.
- Sustainability and Corporate Social Responsibility.
- Whistleblower Policy.
- Continuous market disclosure.

2 Dealings and trading of the Members of the Company's BoD and their first-degree relatives in the shares of the Company during 2023

The Company's BoD (along with all employees and insiders of the Company) firmly believes in the importance and necessity of adhering to the rules and regulations governing their dealings and trading in the Company's shares and any securities issued by the Company, in addition to their commitment to submit the necessary declarations and disclosures in a timely manner, in order to adopt and follow the principles of equal opportunities, and not to exploit any undisclosed internal information to achieve personal benefit or to avoid any harm that may be caused by any undisclosed material information. This enhances the confidence of investors and shareholders, and encourages them to further consider and study the Company's projects, and invest in its shares, assets and current and future projects.

Based on that, and in light of the disclosures made by the Directors, the following table shows the shares and securities owned by the Directors and their first-degree relatives (their spouses and children) in the capital of the Company as of 31 December 2023, and the trades made by them on the Company's shares during 2023:

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

2 Dealings and trading of the Members of the Company's BoD and their first-degree relatives in the shares of the Company during 2023 continued

Name	Position/kinship	Shares held as of 31 December 2023 (share)	Shares owned by first-degree relatives in the capital of the Company (share)	Total Sales (share)	Total purchases (share)
H.E. Mohamed Khalifa Al Mubarak	Chairman of BoD	1,275	-	-	-
H.E. Waleed Ahmed Salem Almokarrab Al Muhairi	First Vice-Chairman	431,466	-	-	-
H.E. Mohamed Hassan Al Suwaidi	Second Vice-Chairman	-	-	-	-
Khalifa Abdulla Khamis Al Romaithi	Member	-	-	-	-
Hamad Salem Mohamed Al Ameri	Member	1,665	-	-	-
Ali Saeed Abdulla Sulayem Al Falasi	Member	211,580	-	-	-
Sofia Abdellatif Lasky	Member	-	-	-	-

3 BoD

The role of the BoD is to supervise the Company's business and affairs carried out by its in-charge officials. The BoD is responsible for following up on the effectiveness of the governance framework and for following up and supervising the management and controls applied in the Company. The Board has delegated some of its powers to the committees emanating from it (the Audit, Risk and Compliance Committee, the Nomination and Remuneration Committee and the Executive Committee, as mentioned below), which operate in accordance with the charters and regulations adopted by the BoD.

The Board also entrusted the daily Management of the Company's business to the CEO in accordance with the controls of his specific authority in this regard, for a renewable period of 3 years. These authorisations are documented in the Delegation of Authority, which in turn is subject to periodic review to ensure balance and appropriateness between the level of control, risk management and work requirements within the Company, in addition to keeping pace with the requirements, developments and changes that occur in the Company's activities and operations. A comprehensive and substantial review of the Delegations of Authority was carried out and approved by the BoD in its Meeting No. (02/2021) held on 10 May 2021, followed by subsequent assessments and periodic reviews.

3-1 BoD Chairman

His Excellency Mohamed Khalifa Al Mubarak assumes the position as Chairman of the BoD of Aldar Properties PJSC, based on the decision issued by the BoD of the Company at its Meeting No. (03/2022) held on 11 April 2022, following the re-election and formation of the BoD of the Company in accordance with the decision issued by the shareholders at the General Assembly meeting held on 11 April 2022. The Chairman of the Board is responsible for leading the Board and ensuring that it performs its responsibilities and duties effectively. The Chairman of the BoD is also a key link between the Board and the Executive Management and works continuously with the Executive Management of the Company. In particular, the Chairman of the BoD shall undertake the following functions and responsibilities:

- Ensure that the BoD works effectively, carries out its responsibilities and discusses all major and appropriate issues on time.
- Establish and adopt the agenda for each BOD's meeting, taking into account any matters which the Members propose to include on the agenda.
- Encourage all Members to participate fully and effectively to ensure that the BoD acts in the interests of the Company and to ensure that the Members of the BoD perform its duties to achieve the interests of the Company.
- Take appropriate measures to ensure effective communication with shareholders and convey their views to the BoD.
- Hold periodic meetings with non-executive Directors without the presence of the Company's executive officers.
- Facilitate the effective contribution of Board Members (especially non-executive Members), create constructive relationships between executive and non-executive Members, and create a culture that encourages constructive criticism.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**3 BoD** continued**3-1 BoD Chairman** continued

- Ensure that Directors receive all necessary information that is clear, accurate and not misleading so they can perform their duties.
- Ensure that the BoD is subject to annual evaluation.
- Ensure that the performance of the Members of the management team and the Members of the BoD is evaluated at least once a year.
- Ensure that Directors, when appointed, participate in an orientation programme.
- Ensure Board Members have access to training programmes.
- Ensure that the BoD has sufficient time for consultation and decision-making.
- Represent the Company before third parties in accordance with the provisions of the Commercial Companies Law and the internal regulations of the Company.
- Take into account any matters raised by the Members of the BoD or the External Auditor, consult with the Members of the Board and the Chief Executive Officer when preparing the agenda of the Board, and ensure that records of the minutes of the meetings are kept.
- Ensure that the Board and its committees function appropriately and in accordance with applicable laws and regulations.
- Ensure that the Directors obtain the approval of the BoD of the Securities Exchange to trade the shares of the Company, in accordance with the laws, regulations and policies established and in force.
- Ensure that the Board elects a Vice-Chairman.
- Ensure that each Director delivers a declaration of interest at every BoD meeting to avoid any conflict of interest.
- Ensure that the Directors disclose the information and actions that must be disclosed in accordance with the legislation in force in the financial markets.
- Notify the General Assembly during the meeting of the business and contracts in which any Director has a direct or indirect interest.
- Support and encourage corporate governance standards and professional codes of conduct at the level of both the BoD and the Company.
- Ensure the existence of effective communication channels with shareholders and stakeholders.

3-2 BoD's competencies

The Board has drawn up a list of matters, subject to its control (in addition to the duties and responsibilities stipulated in the Company's Memorandum of Association (MoA), Articles of Association (AoA), Federal Decree-Law No. (32) of 2021 on commercial companies and its amending laws) and the decision of the Chairman of the BoD of the SCA No. (03 / J.p.) of 2020, regarding the adoption of the Governance Manual for Public Joint Stock Companies, which are matters of a strategic nature, characterised by high sensitivity, and at the same time exceed the limits of the power delegated to the Executive Management of the Company.

These matters include the following:

- Taking the necessary measures to ensure compliance with the provisions of the laws, regulations and decisions in force, and the requirements of the regulatory authorities.
- Approving the Company's main strategic directions and objectives, and supervising their implementation, which includes: (1) developing the Company's overall strategy and key action plans and reviewing them on an ongoing basis, (2) developing and reviewing the risk management policy on an ongoing basis, (3) determining the optimal capital structure of the Company, its strategies and financial objectives, (4) approving the annual budgets, (5) supervising the Company's main capital expenditures, its ownership and disposal of assets, (6) setting performance goals and monitoring implementation and overall performance at the level of the Company as a whole, and (7) periodically reviewing and approving the organisational and functional structures of the Company.
- Taking steps to ensure appropriate review of Company's key activities, including establishing a clear internal control objective, mandate, policy, system and procedures approved by the BoD in accordance with the relevant legislation.
- Establishing a department for internal control, to follow up on the extent of compliance with the provisions of the laws, regulations, and decisions in force, the requirements of the regulatory authorities, and the internal policy, regulations, and procedures set by the BoD.
- Establishing written procedures to manage conflicts of interest for each Director, senior Executive Management and shareholders, and the procedures taken in cases of misuse of the Company's assets and facilities and misconduct resulting from dealings with related parties.
- Ensuring the integrity of administrative, financial and accounting systems, including systems related to financial reporting.
- Ensuring the application of appropriate control systems for risk management, by determining the acceptable level of risks that the Company may face and presenting them transparently.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**3 BoD** continued**3-2 BoD's competencies** continued

- Establishing a clear Delegation of Authority in the Company, specifying the authorised persons and the limits of the powers delegated to them.
- Developing a policy that regulates the relationship with stakeholders to ensure implementation of the Company's obligations towards them, preserving their rights, providing them with the necessary information, and establishing good relations with them.
- Setting the Code of Business Conduct for the Directors and employees of the Company, its auditor and persons entrusted with some of the tasks of the Company.
- Establishing procedures for the application of governance rules in the Company, reviewing them and evaluating the extent of compliance with them on an annual basis.
- Establishing appropriate development programmes for all Members of the BoD, to develop and update their knowledge and skills, to ensure effective participation in the BoD, and to ensure commitment to the implementation of any training or qualification programmes decided by the SCA or the Market.
- Introducing the newly appointed Directors to all departments and divisions of the Company, and providing them with all the necessary information to ensure their explicit understanding of the requirements of the Company and its work, as well as their full awareness of the responsibilities and all that enables them to carry out their work to the fullest, in accordance with the requirements of the Company and the regulations established and in force with the regulatory authorities.
- Establishing procedures aimed at preventing insiders in the Company from exploiting confidential internal information for material or moral gains.
- Setting up a mechanism to receive complaints and suggestions submitted by the shareholders, including their suggestions for the inclusion of certain topics on the agenda of the General Assembly in a manner that ensures their consideration and taking appropriate decisions thereon.
- Adopting the principles of granting incentives, rewards and benefits to the Members of the BoD and the senior Executive Management in order to achieve the interest of the Company and its strategic goals and objectives.
- Developing the Company's disclosure and transparency policy and follow up on its application in accordance with the requirements of the regulatory authorities.
- Developing a policy on the distribution of the Company's profits in order to achieve the interests of the shareholders and the Company and to obtain the necessary approvals in accordance with the legal requirements.
- Ensuring the availability of resources required to achieve the Company's objectives.
- Ensuring that the interests of the shareholders and the assets of the Company are protected.
- Ensuring that a compliance function is in place to follow up on compliance with applicable laws, regulations and decisions, as well as regulatory and internal policy requirements, regulations and procedures established by the BoD.
- Determining the Company's risk tolerance, including specific targets or ceilings, or indicators related to the level of risk appetite.
- Supervising the Company's human resources policies.
- Ensuring the accuracy and correctness of the data and information disclosed in accordance with the applicable policies and systems regarding disclosure and transparency.
- Identifying and recommending potential new Directors for election by shareholders.
- Issuing recommendations for the remuneration policy of the BoD for approval by the shareholders.
- Evaluating the overall performance of the BoD, its Committees and Members and their effectiveness, and taking corrective action as appropriate.
- Ensuring that the BoD communicates with stakeholders through the Investor Relations Department.
- Forming specialised committees affiliated to the BoD in accordance with the decisions that govern the duration, powers, tasks and responsibilities of these committees, as well as the method followed by the BoD in monitoring these committees.
- Evaluating the performance and work of the Board committees and their Members.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

3 BoD continued

3-3 Composition of the Board of Directors

The BoD of Aldar Properties currently includes 7 Members:

S/N	Members	Position
1	H.E. Mohamed Khalifa Al Mubarak	Chairman of BoD
2	H.E. Waleed Ahmed Salem Almokarrab Al Muhairi	First Vice-Chairman
3	H.E. Mohamed Hassan Al Suwaidi	Second Vice-Chairman
4	Khalifa Abdulla Khamis Al Romaiithi	Member
5	Hamad Salem Mohamed Al Ameri	Member
6	Ali Saeed Abdulla Sulayem Al Falasi	Member
7	Sofia Abdellatif Lasky	Member

- The present BoD of the Company assumed its duties and responsibilities based on the resolution of the General Assembly of Shareholders of the Company held on 11 April 2022.
- H.E. Mohamed Khalifa Al Mubarak was elected as Chairman of the BoD of the Company by virtue of the resolution issued by the BoD at its Meeting No. (03/2022) held on 11 April 2022. This was done through a secret ballot, following the process of electing the BoD of the Company by virtue of the resolution issued by the General Assembly of the Shareholders of the Company held on 11 April 2022.
- H.E. Walid Ahmed Salem Almokarrab Al Muhairi was elected as the first Vice-Chairman of the BoD of the Company, and H.E. Mohamed Hassan Al Suwaidi was elected as the second Vice-Chairman of the BoD by virtue of the resolution issued by the BoD of the Company at its Meeting No. (03/2022) held on 11 April 2022. This was done through a secret ballot, following the election of the BoD of the Company by virtue of the resolution issued by the General Assembly of the Shareholders of the Company held on 11 April 2022.

It should be noted in this regard that the majority of the membership of the BoD has been formed, since the establishment of the Company, from independent Members, in accordance with the decision of the Chairman of the BoD of the SCA No. (03/ج.م.) for the year 2020 regarding the adoption of the Governance Manual for Public Joint Stock Companies, and the BoD's Charter approved by the BoD.

All Members of the BoD are non-executive, and the majority of them are independent. The Board has adopted a policy related to the independence of Members, according to which the independence of each member is evaluated annually, which falls within the responsibilities of the Nomination and Remuneration Committee, in accordance with the decision of the Chairman of the SCA No. (03/ج.م.) of 2020, regarding the adoption of the Governance Manual for Public Joint Stock Companies. Accordingly, any conflict of interest or relationships that may arise among independent Members that may lead to a breach of independence shall be disclosed, and procedures for this issue are taken in accordance with the regulations if the Board finds any defect or diminution in the independence capacity.

The BoD consists of a single governance structure, and the following table shows the classification of the Directors (executive/non-executive/independent/non-independent) and the year of appointment of each Director:

Member	Position	Capacity		Year of appointment
		Independent	Executive	
H.E. Mohamed Khalifa Al Mubarak	Chairman	Yes	No	2017
H.E. Waleed Ahmed Salem Almokarrab Al Muhairi	First Vice-Chairman	Yes	No	2016
H.E. Mohamed Hassan Al Suwaidi	Second Vice-Chairman	Yes	No	2022
Khalifa Abdulla Khamis Al Romaiithi	Member	Yes	No	2021
Hamad Salem Mohamed Al Ameri	Member	No	No	2015
Ali Saeed Abdulla Sulayem Al Falasi	Member	No	No	2013
Sofia Abdellatif Lasky	Member	Yes	No	2022

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**3 BoD** continued**3-4 Directors' Membership in other companies and corporations**

The following table shows the membership of the Directors in companies and other public entities and their current positions in regulatory, governmental, economic or commercial entities, as of 31 December 2023:

Member	Entity/Company	Position/Job
H.E. Mohamed Khalifa Al Mubarak (Chairman)	Executive Council of Abu Dhabi Emirate	Member of the Executive Council
	Department of Culture and Tourism – Abu Dhabi	Chairman of the BoD
	Miral Properties Management	Chairman of the BoD
	Aldar Education – Sole Proprietorship LLC	Chairman of the BoD
	Image Nation Company	Chairman of the BoD
	Higher Committee for Human Fraternity	Member
	Emirates Foundation for School Education	Member of the BoD
	ALIPH – The International Coalition for the Protection of Heritage in Conflict Areas	Vice-Chairman

Member	Entity/Company	Position/Job
H.E. Waleed Ahmed Salem Almokarrab Al Muhairi (First Vice-Chairman)	Mubadala Investment Company PJSC	Deputy Group CEO
	Waha Capital Company PJSC	Chairman
	Cleveland Clinic Hospital – Abu Dhabi	Chairman
	Cleveland Clinic Hospital – USA	Member of the Board of Trustees
	Global Institute for Disease Elimination: GLIDE	Chairman
	Mubadala Healthcare	Chairman
	Hub71 Platform	Board Member
	Investcorp Bank	Board Member
	Tamkeen Abu Dhabi Company	Board Member
	Ellipses Pharma Limited	Board Member
	Noon.com Company	Board Member
	Abu Dhabi Investment Counsel	Board Member
	First Abu Dhabi Bank	Board Member

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**3 BoD** continued**3-4 Directors' Membership in other companies and corporations** continued

Member	Entity/Company	Position/Job
H.E. Mohamed Hassan Al Suwaidi Second Vice-Chairman	Abu Dhabi Developmental Holding Company PJSC	Managing Director and CEO
	Abu Dhabi National Energy Company PJSC (TAQA)	Chairman
	Al Dhahira Group LLC	Board Member
	First Abu Dhabi Bank – Egypt	Board Member
	Advanced Technology Research Council	Board Member
	Miza LLC	Board Member
	Lulu	Board Member
	Abu Dhabi Pension Fund	Board Member
	Emirates Nuclear Energy Corporation PJSC	Board Member
	Emirates Investment Authority	Board Member
	Advanced Motors Holding LLC	Board Member
	LUNET HOLDINGS RETRACTED LIMITED	Board Member

Member	Entity/Company	Position/Job	
Hamad Salem Mohamed Al Ameri Member	Alpha Dhabi Holding PJSC	Managing Director and CEO	
	Pure Health Holding PJSC	Vice-Chairman of BoD	
	Abu Dhabi National Hotels PJSC – ADNH	Chairman	
	National Marine Dredging Company PJSC	Vice-Chairman of BoD	
	Sandstorm Motor Vehicle Manufacturing LLC	Member of the BoD	
	Mawarid Holding Investment Company LLC	Member of the BoD	
	Khalifa Abdulla Khamis Al Romaihi Member	Mubadala Investment Company PJSC	Executive Director – UAE Real Estate
		Abu Dhabi National Takaful P.S.C (Takaful)	Board Member
		Emirates Driving Company PJSC	Chairman of BoD
	Ali Saeed Abdulla Sulayem Al Falasi Member	Resco Company LLC	Board Member
Hydra Properties LLC		CEO	
Sofia Abdellatif Lasky	Emirates Stallions Group	Vice-Chairman of BoD	
	Royal Group	Audit Committee Member	
	Royal Group International Holding Company PJSC	Group Head Office Manager	
	Alpha Dhabi Holding PJSC	Board Member	
	National Corporation for Tourism and Hotels (NCTH)	Board Member	

- This information is based on the disclosures made by the Directors as of 31 December 2023.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

3 BoD continued

3-4 Directors' Membership in other companies and corporations continued

Members	Educational Qualifications	Area of Expertise Business and Management Experience (years)	Area of Expertise								
			Real Estate and Construction	Oil, Energy and Utilities	Banking, Finance and Insurance	Telecommunications	Government, Non-Profit, Public and Others	Healthcare and Pharmaceutical Industries	Risk Management	Media	
H.E. Mohamed Khalifa Al Mubarak	Dual specialisation in Economics and Political Science from Northeastern University, USA	17 +	✓		✓			✓		✓	✓
H.E. Waleed Ahmed Salem Almokarrab Al Muhairi	Master of Public Policy with a specialisation in Business Administration and Government from Harvard University, USA	21 +	✓	✓	✓	✓		✓	✓	✓	
H.E. Mohamed Hassan Al Suwaidi	Bachelor of Science in International Affairs from Georgetown University, USA	17 +	✓		✓			✓		✓	✓
Hamad Salem Mohamed Al Ameri	Bachelor's degree in Accounting from United Arab Emirates University	19 +	✓	✓	✓			✓	✓		
Khalifa Abdulla Khamis Al Romaiti	MBA from the Canadian University in Dubai	21 +	✓	✓	✓			✓		✓	
Ali Saeed Abdulla Sulayem Al Falasi	Bachelor of Civil Engineering from the American University in Dubai	28 +	✓		✓			✓		✓	
Sofia Abdellatif Lasky	Bachelor's in Business Administration with a major in Finance from the University of Portland, USA	16 +	✓		✓			✓		✓	

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**3 BoD** continued**3-5 Female Representation in the Company's BoD during 2023**

In its current formation, the BoD includes one female member, Sofia Abdellatif Lasky – equivalent to 14.28% of the composition of the Board. She joined the Company's BoD through the process and procedures of re-election and formation of the BoD pursuant to the decision of the shareholders at the General Assembly meeting held on 11 April 2022.

3-6 Orientation Programme

New Directors shall be subject to an orientation programme, during which their rights, duties and responsibilities as Directors shall be introduced. The new Directors shall join this orientation programme, which aims to obtain comprehensive information from the management, and to conduct field visits to the sites of the Company. In addition, the Company has provided all the tools and means of communication that would provide the Directors with comprehensive information regarding the Company and its activities so that the Directors can properly perform their responsibilities, in addition to providing them with the latest updates communicated by the Executive Management during the BoD's meetings. The Directors also receive periodic information from specialists inside and outside the Company regarding the main business, sector developments and substantive issues related to their duties as Directors.

3-7 Eligibility to obtain an independent consultation

In accordance with the BoD's Charter, each Director shall have the right to seek an independent external consultation based on non-conflict of interests after consultation with the BoD or its committees. The cost of such external consultations shall be borne by the Company at the discretion of the BoD or its committees.

3-8 Directors' remuneration and allowances of attendance at meetings of the Board and its Committees

Article (28) of the Articles of Association of Aldar Properties PJSC stipulates as follows: 'The remuneration of the Directors shall be a percentage of the net profit of the Company, provided that it shall not exceed 10% of such profits for the financial year. The Company may also pay additional expenses, fees or remuneration or a monthly salary to the extent determined by the BoD to any of its Members if that member serves in any Committee, makes special efforts or carries out additional works to serve the Company above his/her normal duties as a Director.

Fines imposed on the Company due to violations committed by the BoD of the Law or the AoA during the ended financial year shall be deducted from the remuneration of the Board. The General Assembly may not deduct such fines if it finds that such fines are not due to omission or a default by the BoD.'

Article (48) of the AoA specifies the method of distributing net profits. The net annual profits of the Company are distributed after deducting all general expenses and other costs as follows:

- 10% shall be deducted and allocated to the legal reserve. This deduction shall cease when the total reserve amounts to 50% of the Company's paid-up capital. If the reserve decreases, the deduction shall be resumed. The legal reserve may not be distributed to the shareholders. If the reserve exceeds 50% of the Company's paid-up capital, such excess may be used to distribute profits to the shareholders in the years when the Company does not achieve enough net profits for distribution.
- The General Assembly shall determine the percentage of the net profits to be distributed to the shareholders after deducting the legal reserve, provided that if the net profits in a year are not enough for distribution, such profits may not be claimed from the profits of subsequent years.
- The Directors shall receive a remuneration determined by the General Assembly annually, provided that this remuneration shall not exceed 10% of the net profits for the financial year ended after deducting both depreciation and legal reserve.
- The remainder of the net profits, or any part thereof, shall be distributed to the shareholders, carried over to the next year or allocated for the establishment of an optional reserve, as decided by the Board. The Company may distribute annual, semi-annual or quarterly profits to the shareholders in accordance with a policy and/or decisions regarding the profits proposed by the BoD and approved by the General Assembly.

Total Remuneration of Directors for 2022

Based on the decision of the General Assembly of the Company at its meeting held on 16 March 2023, the total remuneration received by the Members of the Company's BoD for the financial year ended 31 December 2022 amounted to AED 33,000,000 (thirty-three million dirhams). This amount includes the allowances for attending the meetings of the committees emanating from the BoD during 2022, which amounted to a total of AED 1,150,000 (one million, one hundred and fifty thousand dirhams). This also includes a 3-year deferred remuneration scheme under which the directors contribute 30% of their remuneration towards the scheme and the Company matches the same percentage (30%) as an additional contribution, total of which is invested in Restricted Share Units.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

3 BoD continued

3-8 Directors' remuneration and allowances of attendance at meetings of the Board and its Committees continued

Total Proposed Remuneration of the Directors for 2023

Based on the decision of the General Assembly of the Company at its meeting held on 19 March 2024, the total remuneration received by the Members of the Company's BoD for the financial year ended 31 December 2023 amounted to AED 41,850,000 (forty one million and eight hundred and fifty thousand dirhams). This amount includes the allowances for attending the meetings of the committees emanating from the BoD during 2023, which amounted to a total of AED 2,850,000 (two million, eight hundred and fifty thousand dirhams). This also includes a 3-year deferred remuneration scheme under which the directors contribute 30% of their remuneration towards the scheme and the Company matches the same percentage (30%) as an additional contribution, total of which is invested in Restricted Share Units.

Allowances of Attendance at the Meetings of the BoD and its committees during 2023

No allowances or remuneration have been paid to the Members of the BoD for attending the BoD's meetings during 2023. With regard to the allowances for attending the BoD Committees' meetings during 2023, the following table shows the allowances received by the Members of the BoD for attending the BoD Committees' meetings during 2023, totalling AED2,850,000 (two million, eight hundred and fifty thousand dirhams).

Allowances of Attendance at the Meetings of the Board Committees during 2023				
Name	Committee Name	Membership Capacity	Number of meetings	Allowance Value (AED)
H.E. Mohamed Khalifa Al Mubarak	Executive Committee	Committee Chair	6	1,000,000
H.E. Waleed Ahmed Salem Almokarrab Al Muhairi	Executive Committee	Member	6	500,000
H.E. Mohamed Hassan Al Suwaidi	Executive Committee	Member	5	500,000
Hamad Salem Mohamed Al Ameri	Nomination and Remuneration Committee	Member	2	100,000
Khalifa Abdulla Khamis Al Romaiti	Audit, Risk and Compliance Committee	Member	8	100,000

Allowances of Attendance at the Meetings of the Board Committees during 2023				
Name	Committee Name	Membership Capacity	Number of meetings	Allowance Value (AED)
Ali Saeed Abdulla Sulayem Al Falasi	Audit, Risk and Compliance Committee	Member	8	100,000
Sofia Abdellatif Lasky	Audit, Risk and Compliance Committee	Committee Chair	8	250,000
	Nomination and Remuneration Committee	Member	1	50,000
Martin Lee Edelman	Nomination and Remuneration Committee	Committee Chair	2	250,000
Total				2,850,000

Notes:

- The Executive Committee plays a crucial role in overseeing the company's investment strategies and policies, including critical decisions on investments, development projects, and procurement, as well as monitoring performance and financial objectives. Considering these vital responsibilities, the Chairman of the Board Executive Committee is entitled to an annual remuneration of AED 1,000,000, while other Executive Committee members receive AED 500,000 each.
- For members serving on the Nominations and Remunerations Committee and Audit, Risk & Compliance Committee:
 - The Chair of each of these committees will receive an annual remuneration of AED 250,000.
 - Other members of these committees will each receive an annual remuneration of AED 100,000
- Should a member's attendance at sub-committee meetings fall below 75%, the member remuneration will be adjusted on a pro-rata basis.

Allowances, salaries or additional fees received by the Members of the BoD other than the committees' attendance allowances and their reasons during 2023

The Directors did not receive any additional allowances or salaries during 2023.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**3 BoD** continued**3-9 Meetings of the BoD**

The Board held 7 meetings during 2023 to discuss the strategic and operational matters related to the Company and take the necessary decisions thereon. The following table shows the dates of these meetings:

Meeting	Date of the meeting
01/2023	09 February 2023
02/2023	22 March 2023
03/2023	03 May 2023
04/2023	31 July 2023
05/2023	02 October 2023
06/2023	30 October 2023
07/2023	14 December 2023

- In addition to the meetings of the BoD, the Executive Committee held 6 meetings during 2023 to discuss strategic and operational matters and make recommendations thereon to the BoD (see: 6-3 for more information on the Executive Committee), and a number of decisions were passed by the BoD by circulation (see: 3-10, which clarifies this matter).

Attendance at the aforementioned meetings was as follows:

Director	Meeting 01/2023	Meeting 02/2023	Meeting 03/2023	Meeting 04/2023	Meeting 05/2023	Meeting 06/2023	Meeting 07/2023	No. of Personal Attendance
H.E. Mohamed Khalifa Al Mubarak	✓	✓	✓	✓	–	✓	✓	6
H.E. Waleed Ahmed Salem Almokarrab Al Muhairi	✓	✓	✓	✓	✓	✓	✓	7
H.E. Mohamed Hassan Al Suwaidi	✓	✓	✓	✓	✓	✓	–	6
Khalifa Abdulla Khamis Al Romaihi	✓	✓	✓	✓	✓	✓	✓	7
Hamad Salem Mohamed Al Ameri	✓	✓	✓	✓	✓	✓	✓	7
Ali Saeed Abdulla Sulayem Al Falasi	✓	✓	✓	✓	✓	✓	✓	7
Sofia Abdellatif Lasky	✓	✓	✓	✓	✓	✓	✓	7

- All apologies submitted by the Members of the Board for the inability to attend some meetings shall be considered and taken into account at the beginning of each meeting in accordance with the Company's MoA and AoA, and pursuant to the laws and regulations in force in this regard.
- The attendance of the Members of the Board at these meetings, according to this table, is represented by their presence either in person at the Company's headquarters or through the use of modern technologies/video communication (Microsoft Teams application).

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**3 BoD** continued**3-10 Decisions passed by circulation**

During 2023, the BoD passed 2 resolutions by circulation on 29 January 2023 and 14 March 2023. The controls stipulated in Article (24) of the Company's AoA and the decision of the Chairman of the of the SCA No. (03 /J.p.) of 2020 on the standards of the Corporate Governance Manual of Public Joint Stock Companies, where:

- The majority of the BoD agreed that the cases in which the decisions were passed are considered to be emergencies.
- The Directors have given the decisions in writing for approval, accompanied by all documents necessary for review and approval.
- Decisions passed by the BoD were approved in writing by a majority and were presented at the next meeting of the Board for inclusion in the minutes of that meeting.

The passed decisions by circulation shall not be considered as a meeting of the BoD. Therefore, the minimum number of the Board's meetings specified in the Company's AoA has been complied with (see 3-9, which explains the same).

3-11 Business transactions with related parties

The following table shows the most important transactions that took place with related parties during 2023:

Related party	Nature (type) of transaction	Transaction value (in AED thousand)
Government of Abu Dhabi	Revenue	1,591,411
Government of Abu Dhabi	Other Revenue	2,678
Government of Abu Dhabi	Finance Revenues	8,301
Principal Shareholder* and its Affiliates	Revenue	73,370
Principal Shareholder* and its Affiliates	Purchased Assets	98,312
Parent Company** and its Affiliates	Revenue	53,799
Parent Company** and its Affiliates	Expenses	162,183
Finance Revenues from joint ventures	Finance Revenues	15,106
Banks under the control of the Government of Abu Dhabi	Finance costs	170,216
Banks under the control of the Government of Abu Dhabi	Finance Revenues	206,028

* The principal shareholder is Mubadala Investment PJSC

** Parent Company is Alpha Dhabi Holding PJSC

In This Section

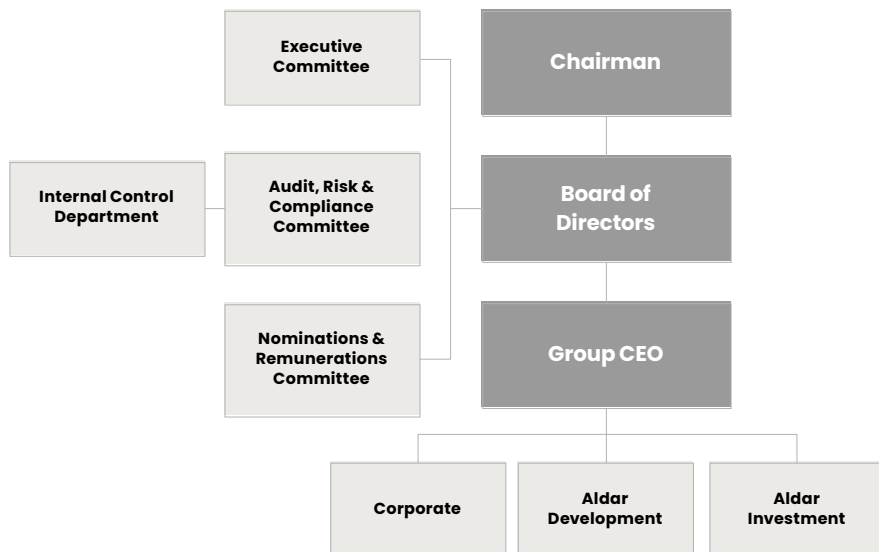
Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

4 Organisational Structure and Executive Management

4-1 Organisational Structure of the Company

Since its establishment, Aldar Properties has been developing and implementing an advanced organisational structure that is efficient and effective at all department and division levels in order to ensure a high level of coordination and management interaction, as well as to ensure a high level of disclosure, transparency and interaction with the markets, which is continuously reviewed by the competent committees. The following diagram represents the Company's organisational structure:



4-2 Executive Management Team

The Executive Management team (which includes the CEO and the Executive Officers of its departments and divisions) works in accordance with the powers specified by the BoD and within the approved strategic plan. They are responsible for managing the Company's daily operations and basic business matters, in line with the framework of the Company's strategic plan. The CEO periodically meets with the Company's Executive Management team directly. It should be noted that in the absence of the CEO for any reason, the Executive Management Committee shall follow up on all the operations and activities of the Company, as this Committee holds its meetings weekly.

The following table shows the Members of the Executive Management Team, their appointment dates, salaries and remunerations they received during 2023:

Position	Joining Date	Total salaries and allowances during 2023 (in AED)	Total bonuses during 2023 (AED)
Group CEO	15 April 2006	2,738,964	10,839,501
Group Chief Financial and Sustainability Officer (a)	03 Aug 2020	1,934,449	2,686,583
CEO – Aldar Investment	17 April 2016	2,270,255	2,315,807
CEO – Aldar Development	01 November 2020	2,470,596	2,560,672
Chief People and Communications Officer	22 October 2005	1,692,600	1,019,175
General Counsel	17 August 2014	1,362,437	999,184

(a) The Group Chief Financial & Sustainability Officer occupied his position as from 01 March 2023, as he was the Chief Financial Officer for Aldar Investment until that date.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**4 Organisational Structure and Executive Management** continued**4-2 Executive Management Team** continued**Long term incentive scheme**

The Group's Board of Directors has approved a Long-Term Incentive (LTI) scheme for certain employees of the Company. The LTI scheme is designed to provide long-term incentives for certain senior management team to deliver long-term shareholder returns. Under the LTI scheme, the eligible employee contributes 30% of their performance bonus towards the LTI fund and the Company matches the same percentage as an additional contribution. The contribution of both the employees and the Company are invested in Restricted Company Share Units (RSU), which vest subject to Company LTI policy framework during a 3-year period after 3-year retention period. The below summarizes the outstanding RSU's for the Executive Management Team.

Position	Previous RSU's	RSU's Vested in 2023	2023 RSU's (A)	Remaining RSU's
Group Chief Executive Officer	4,679,146	(1,701,500)	1,336,551	4,314,197
Group Chief Financial & Sustainability Officer	179,176	(18,157)	325,192	486,211
Chief Executive Officer - Aldar Investments	2,074,489	(523,961)	251,980	1,802,508
Chief Executive Officer - Aldar Development	953,660	(177,386)	345,864	1,122,138
Chief People & Communications Officer	418,555	(138,822)	123,673	403,406
Group General Counsel	284,804	(49,028)	120,575	356,351

Notes:

(A) Estimated based on 29 Feb 2024 closing price, actual to be reflected when purchased.

4-3 Responsibilities and powers of Executive Management

The CEO has the authority to act within the framework of the operational plan and the budget of operating income and expenses discussed and approved by the BoD, in accordance with the powers granted thereto under the Delegation of Authority. The CEO may also delegate some of the tasks entrusted to him to the Executive Management team, based on the existing policies of the Board, the Delegation of Authority and the legal requirements that determine the powers of this delegation. The validity of the responsibilities and tasks entrusted to the CEO is valid for a period of 3 renewable years.

The following are the duties and responsibilities assigned by the BoD to the CEO and the Executive Management Members:

a. Leadership, Business Strategy and Management

- Providing an integrated Management of the Company, including providing sufficient and comprehensive information about the Company to customers, suppliers, shareholders, financial institutions, employees and the media.
- Developing the projects and operational processes of the Company, taking into account the responsibilities of the Company towards its shareholders, customers and employees.
- Submitting recommendations to the BoD on the development of performance strategies and managing day-to-day operations and business.
- Managing the Company in line with the strategies, business plans and policies approved by the BoD.
- Managing day-to-day operations and affairs, taking into account matters for which the BoD reserves the right to decide.
- Ensuring coordination and integration between the various divisions and departments of the Company, and establishing the institutional culture, codes of Business Conduct and integrity in the Company, including the matters related to its bids, contracts and other practices.
- Periodically reviewing the organisational structure of the Company and making the necessary amendments in this regard.
- Directing the Members of the Executive Management in their daily management tasks and supervising their performance.
- Consulting the BoD in matters of strategic or sensitive nature, or those which are essential matters, in order to ensure that they are brought to the attention of the Board so the necessary decisions can be taken in this regard.

b. Risk Management and Internal Control

- Ensuring employees' compliance with the Code of Business Conduct.
- Risk Management.
- Effective implementation and management of all material aspects related to risk management, internal control and compliance, in order to support the policies adopted by the BoD.
- Compliance with the legislative and legal requirements of the SCA, Abu Dhabi Securities Exchange, and Federal Decree-Law No. (32) of 2021 on Commercial Companies, as amended.

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**4 Organisational Structure and Executive Management** continued**4-3 Responsibilities and powers of Executive Management** continued**c. Financial Supervision and Assets Management**

- Studying the efficiency and cost-effectiveness of all operations of the Company.
- Ensuring the integrity of data, records and the financial system.
- Protecting funds and assets managed by the Company and ensuring the efficient utilisation thereof.
- Ensuring the credibility, accuracy and reliability of financial and administrative information relevant to the Company's activity.
- Developing an annual budget for approval by the BoD.
- Ensuring that the Company's financial reports reflect a true and fair view of the Company's financial position, including the results of its businesses and operations.
- Verifying all major investments and expenditures of the Company's capital, developing appropriate proposals and recommendations thereon, and submitting them to the Audit, Risk and Compliance Committee and/or the Executive Committee and/or the BoD for approval.

In addition, the BoD has instructed to form a number of management committees, which include a number of Members of the Executive Management team. The Board has delegated a set of competencies and powers that will support and enhance the functions of the Executive Management, which positively reflects on the Company's daily activities and business. Each of these committees is subject to a special Charter that determines its Members and how they are appointed, their powers, responsibilities, function, mechanism of work, preparation of its own reports, and periodic evaluation of its performance, etc. Such charters are reviewed by the BoD periodically to ensure the efficiency and effectiveness of the work of these committees. The BoD conducted a comprehensive review of all charters of these committees at its Meeting No. (07/2018) held on 14 November 2018. These committees are as follows:

Executive Management Committee

It is chaired by the CEO, and its membership includes a number of the Company's Executive Management team. The Committee holds its meetings on a weekly basis and when necessary. This Committee is responsible for ensuring that the Company's practices, business and operational activities are in accordance with the charters and policies decided by the BoD, and that they are exercised and carried out in a manner that is in the interest of the relevant parties, including customers, shareholders, investors, suppliers and employees, etc. In addition to reviewing and following up the performance of the various departments within the Company, the Committee ensures that they achieve the key performance indicators and issue the necessary

recommendations to the BoD and/or its committees where required, in accordance with the Company's Delegation of Authority, in connection with the governance framework, the Delegations of Authority, policies and procedures in force at the Company. This Committee is also responsible for the Company's business plan, the Company's vision, values and objectives, the Company's strategy, initiatives, key performance indicators and business environment plans, as well as the Company's human resources needs, privileges, allowances and incentives granted thereto. The Committee is also responsible for the investment control process approved by the Company, issues, recommendations and opportunities related to them, acquisitions and investment opportunities available, and matters related to subsidiaries and joint ventures, as well as any other competencies delegated to the Committee from time to time in accordance with the business requirements.

Tender Committee: It is divided into 2 committees as follows:

- Tender Committee (A): It is chaired by the CEO, and its membership includes a number of the Members of the Executive Management team and the heads of departments and divisions of the Company. The Committee holds its meetings on a weekly basis and when necessary.
- Tender Committee (B): It is chaired by the Group General Counsel and its membership includes a number of the Executive Management team and the heads of departments and sections of the Company. The Committee holds its meetings on a weekly basis and when necessary.

These 2 committees are competent to follow up on and consider the activities and practices related to the Department of Contracts, Procurement, Lists of Service Providers and Bidders, and issue the necessary recommendations regarding the award of tenders and the assignment of work related to the management of development projects, asset management and institutional contracts, in accordance with the limits, controls and standards established in the Delegations of Authority in force at the Company and the Charters of these 2 Committees, in addition to any other responsibilities delegated to these committees from time to time in accordance with the requirements of the progress of work.

Investment Committee

It is chaired by the CEO, and its membership includes a number of the Members of the Company's Executive Management team. The Committee holds its meetings on a weekly basis and when necessary. This Committee specialises in the reviewing, approving and/or recommending (in accordance with the Company's Delegations of Authority) of matters related to the investment control process, strategic opportunities and investments of the Company, matters related to cash liquidity, as well as any other responsibilities delegated to the Committee from time to time in accordance with the business requirements of the progress of business.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

4 Organisational Structure and Executive Management continued

4-3 Responsibilities and powers of Executive Management continued

Members of these committees acknowledge their responsibility for reviewing their work mechanisms and ensuring their effectiveness.

4-4 Long term incentive scheme

The Group's Board of Directors has approved a Long-Term Incentive (LTI) scheme for certain employees of the Company. The LTI scheme is designed to provide long-term incentives for certain senior management team to deliver long-term shareholder returns. Under the LTI scheme, the eligible employee contributes 30% of their performance bonus towards the LTI fund and the Company matches the same percentage as an additional contribution. The contribution of both the employees and the Company are invested in Restricted Company Share Units (RSU), which vest subject to Company LTI policy framework during a 3-year period, after a 3-year retention period (6-years total). The below summarizes the outstanding RSU's for the Executive Management Team.

Position	Opening RSU Balance	RSU Vested in 2023	2023 RSU Awards (a)	Closing RSU Balance
Group CEO	4,679,146	(1,701,500)	1,336,551	4,314,197
Group Chief Financial and Sustainability Officer	179,176	(18,157)	325,192	486,211
CEO – Aldar Investment	2,074,489	(523,961)	251,980	1,802,508
CEO – Aldar Development	953,660	(177,386)	345,864	1,122,138
Chief People and Communications Officer	418,555	(138,822)	123,673	403,406
Group General Counsel	284,804	(49,028)	120,575	356,351

(a) Estimated based on 29 Feb 2024 closing price, actual to be reflected when purchased.

5 External Auditor

Deloitte & Touche was appointed as the External Auditor of Aldar Properties PJSC for the financial year ended 31 December 2023 under a resolution issued by the General Assembly of the Company at its meeting held on 16 March 2023. Deloitte & Touche is one of the external audit institutions with extensive experience in the field of auditing accredited at the Ministry of Economy. It operates independently of the BoD and the Executive Management of the Company. Deloitte & Touche has offices in Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah and Fujairah.

The following table shows the services provided by the External Auditor during 2023 and the fees charged for these services:

Name of Audit Firm	Deloitte & Touche
Name of Partner Auditor	Alaa Saleh (Alaa Saleh was appointed as a partner auditor to succeed George Najem by virtue of a resolution issued by the General Assembly of Shareholders of the Company at its meeting held on 11 April 2022)
Name of Auditor Partner Authorised Signatory	Mohammed Khamis Al-Tah
Number of years spent as External Auditor of the Company	5 years
Number of years spent by the partner auditor in auditing the accounts of the Company	2 years
Total audit fees for the financial statements for the financial year ended 31 December 2023	AED 884,000/-

Other services provided by the External Auditor during the 2023 and the fees charged for these services:

Service	Amount (in thousand dirhams)
Audit-related services	2,269,214
Other Professional Services	-
Total	2,269,214

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**5 External Auditor** continued

In addition, during 2023, Aldar Properties resorted to obtaining consulting, financial and accounting services, which were carried out by another External Auditor other than the appointed External Auditor, as follows:

	The Company	Amount (AED)
1	Ernst & Young	1,665,720
2	KPMG	9,020,577
3	PWC	6,895,228
4	BDO	163,800
5	Crowe	1,969
	Total	17,747,294

The auditor of the Company did not make any reservations regarding the interim and/or annual financial statements of the Company during 2023.

6 BoD Committees

The BoD consists of a single governance structure. The BoD has formed 3 committees to contribute to the implementation of its functions and has delegated to them powers and responsibilities to ensure the implementation of the decisions issued by it. The committees emanating from the BoD are the following committees:

- Audit, Risk and Compliance Committee;
- Nomination and Remuneration Committee; and
- Executive Committee.

Each Committee has a Charter that defines its objectives, responsibilities, structure, framework and reporting mechanism. The charters of these committees are reviewed periodically to ensure that they are updated and amended to ensure the efficiency and effectiveness of the work of these committees. The Board has restructured all committees to ensure the compatibility and consistency of the tasks and responsibilities assigned to them with the decision of the Chairman of the BoD of the Authority No. (03) of 2020 regarding the adoption of the Governance Manual for Public Joint Stock Companies. The Board has also restructured these committees by virtue of the decision issued by the BoD of the Company at its Meeting No. (03/2022) held on 11 April 2022, following the election of the BoD of the Company by the shareholders by virtue of the decision issued by the General Assembly at its meeting held on 11 April 2022.

6-1 Audit, Risk and Compliance Committee

Sofia Abdellatif Lasky, Chairperson of the Audit, Risk and Compliance Committee, acknowledges her responsibility for the system of the Committee in the Company, for reviewing its work mechanism, and for ensuring its effectiveness.

The Audit, Risk and Compliance Committee assists the BoD in fulfilling responsibilities imposed by corporate governance in relation to risk management, internal control systems, accounting business policies, financial reporting, and internal and external audit functions. The Audit, Risk and Compliance Committee provides assurance to the BoD that the main objectives of the Company are achieved effectively and efficiently, within a tight framework of internal control, compliance, risk management and governance.

The Audit, Risk and Compliance Committee consists of 3 non-executive Members, 2 of whom are independent. The Charter of the Audit, Risk and Compliance Committee requires that all Members of the Committee are knowledgeable in financial aspects, and that at least one of its Members has experience in the field of accounting and finance. The Chairperson of the Committee shall hold periodic meetings with the Executive Management and the Executive Director of the Internal Control and Compliance Department to ensure that the Members of the Committee are briefed on key matters. The Committee also meets with the External Auditor – without the presence of Members of the Executive Management – as the Committee deems appropriate.

The Audit, Risk and Compliance Committee comprises the following Members:

Members of the Audit, Risk and Compliance Committee	Position
Sofia Abdellatif Lasky	Committee Chairperson
Ali Saeed Abdulla Salim Al-Falasi	Member
Khalifa Abdulla Khamis Al Romaithi	Member

- The Audit, Risk and Compliance Committee was reconstituted by the decision of the BoD at its Meeting No. (03/2022) held on 11 April 2022.
- Sofia Abdellatif Lasky was appointed to assume the position of Chairperson of the Audit, Risk and Compliance Committee based on the decision issued by the BoD at its Meeting No. (03/2022) held on 11 April 2022.

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**6 BoD Committees** continued**6-1 Audit, Risk and Compliance Committee** continued

The Audit, Risk and Compliance Committee Charter defines the responsibilities of the Audit, Risk and Compliance Committee as follows:

a) Financial Reports

- Consider any important and unusual items that are or should be included in the annual, semi-annual and quarterly financial reports and statements; pay the necessary attention to them; discuss them with the Executive Management and the External Auditor; and issue recommendations thereon to the BoD for approval.
- Ensure that there is a mechanism for continuous disclosure to the SCA and the Abu Dhabi Securities Exchange.
- Ensure the integrity of the Company's financial statements and reports (annual, semi-annual and quarterly) and review them as part of its normal work during the year, with a particular focus on the following:
 - Any changes in accounting policies and practices.
 - Highlighting areas subject to management's discretion.
 - Significant modifications resulting from the audit.
 - Assuming the continuity of the Company's business.
 - Compliance with accounting standards determined by the SCA and the Abu Dhabi Securities Exchange.
 - Compliance with listing and disclosure rules and other legal requirements related to financial reporting.

b) Corporate Governance

- Supervising and controlling the internal application of the Company's governance framework and ensuring full compliance with the relevant legal and legislative systems.
- Regular periodic review of the extent of the Company's management commitment and compliance with the governance framework approved and ratified by the Company's BoD.
- Review the Corporate Governance Report sent annually to the SCA and the Abu Dhabi Securities Exchange and issue the necessary recommendations to the BoD in this regard.

c) Internal Control and Risk Management

- Appoint any third party to carry out internal control tasks in accordance with the requirements of the work, determine their fees, and consider requests for their resignations and termination of their services.
- Undertake periodic review of the Company's internal control systems, to assess their

efficiency and effectiveness.

- Discuss the Internal Control System with the Executive Management of the Company and evaluate its effectiveness and efficiency in performing its mission and tasks in a way that effectively contributes to the development of the Company's internal control systems.
- Discuss and review the policies and procedures followed at the Company with its Executive Management, to ensure the effective performance of its mission, in a way that contributes to the development of these policies and procedures.
- Monitor and follow up on the implementation of the risk management framework and internal control systems in accordance with their policies and business strategies, and follow up on and evaluate the efficiency and effectiveness of these policies and strategies by auditing records, data base, network security and control systems of the operational and strategic units of these departments.
- Study the results of major audits on internal control matters (including fraudulent cases that occur within the Company).

d) External Auditor

- Develop and implement the External Auditor appointment policy and submit a report and recommendations to the BoD specifying the issues that it deems important to take actions on, with recommendations on the steps to be taken.
- Coordinate with the Company's BoD, the Executive Management and the Chief Financial and Sustainability Officer of the Company in order to perform its duties. The Committee shall meet with the External Auditor of the Company at least once in each financial reporting period.
- Discuss the nature, scope and effectiveness of audits, taking into account their compatibility with approved auditing standards.
- Follow up on and monitor the independence of the External Auditor, the extent of his objectivity, and discuss with him the nature and scope of the audits and the extent of their effectiveness in accordance with the approved auditing standards.
- Discuss the appropriateness of accounting policies applied to financial reporting with the External Auditor.
- Review the performance of the External Auditor and make recommendations to the BoD in this regard.
- Review the External Auditor's mission and work plan, and any substantive inquiries raised by the auditor to the BoD or the Executive Management regarding the accounting records, financial accounts, or control systems, and ensure that they have been reviewed, discussed, that the necessary measures have been taken in this regard and that responses have been provided in a timely manner.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**6 BoD Committees** continued**6-1 Audit, Risk and Compliance Committee** continued**d) External Auditor** continued

- Discuss any problems that the External Auditor may face while performing the audit and financial review, including restrictions that may limit the scope of the work, or in obtaining the information necessary to complete the work.
- Ensure coordination between internal and external auditors, the availability of necessary resources to manage internal control, and review and monitor the efficiency of this department.

e) Internal Control Department

- Review the activities, resources and organisational structure of the Internal Control Department, review the Internal Control Department framework, and review and approve the annual audit plan.
- Consider the process of selecting and appointing the Head of the Internal Control and Compliance Department and the Internal Audit Service Providers, or their resignations or termination of their services.
- Review the reports submitted to the Committee by the Executive Director of the Internal Control and Compliance Department and the responses received by the Company's management thereon. Ensure that the findings and recommendations submitted by the Internal Auditor and the suggestions and responses issued by the Executive Management have been received, discussed and the necessary procedures have been taken regarding them. Discuss with the Executive Director of the Internal Control and Compliance Department whether there are any difficulties faced in carrying out the audit tasks such as restrictions imposed on the scope of his work or the difficulty of obtaining the necessary information to exercise his responsibilities.
- Evaluate the quality of the functions of the Internal Control Department and the Internal Auditor (if any), especially with regard to planning, follow up and reporting; evaluate the performance of the Director of the Internal Control Department and provide him with timely advice and guidance.
- Ensure that the Internal Control Department has a sufficient number of staff, as well as the appropriate authority and position within the Company.
- Meet with the Executive Director of the Internal Control and Compliance Department at least once a year, to ensure that there are no outstanding matters.
- Prepare reports for the BoD on all matters considered by the Committee.

f) Compliance

- Review the extent to which the Company's employees comply with the Code of Business Conduct.

- Consider the appointment, resignation or dismissal of the Compliance Officer.
- Review the appropriateness of practices and procedures for compliance with applicable laws, statutes and regulations.
- Review and follow up:
 - The effectiveness of the system to follow up on compliance with listing and disclosure rules and other legal and legislative requirements related to the Company's activity (including rules, regulations and internal regulations).
 - Developments and updates to the legislative and legal systems, which may have a material impact on the Company.
 - Efforts made by the Company's management to ensure adherence to and compliance with the Code of Business Conduct.
- Obtain regular updates from management (and from the Company's General Counsel or Compliance Officer when required) on matters related to compliance, as well as investigate and consider matters affecting the integrity of the Company's Executive Management team, including cases of conflict of interest or violation of Business Conduct, as stipulated in the policies and regulations in force within the Company.

g) Other Responsibilities and Competencies

- Create channels of free and open communication between the Audit, Risk and Compliance Committee, external auditors, internal auditors and the Company's management.
- Consider any other matters or topics based on directives issued by the BoD in this regard.

h) Employee's Reports and Disclosures

- Establish policies, procedures and controls that enable the Company's employees to report any possible irregularities in financial reports, internal control or other matters confidentially; establish steps to ensure independent and fair investigations regarding such irregularities; and conduct periodic review of these policies and procedures.
- Follow up on the procedures for investigating these irregularities, to ensure the independence and integrity of the investigations.
- Review the investigation procedures taken by the Company's management in dealing with the reported irregularities and correct any deviations in these procedures.
- At its Meeting No. (06/2023) held on 17 August 2023, the Audit, Risk and Compliance Committee reviewed the Company's Whistleblower Policy, followed up on the development and implementation of the relevant systems to ensure their effectiveness, and submitted a recommendation to the BoD in this regard, which it approved at its Meeting No. (05/2023) held on 02 October 2023.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

6 BoD Committees continued

6-1 Audit, Risk and Compliance Committee continued

h) Employee's Reports and Disclosures continued

The Audit, Risk and Compliance Committee held 8 meetings during 2023, as follows:

Meeting number	Date of the meeting
01/2023	08 February 2023
02/2023	28 February 2023
03/2023	21 March 2023
04/2023	02 May 2023
05/2023	28 July 2023
06/2023	17 August 2023
07/2023	18 October 2023
08/2023	27 October 2023

Attendance at the meetings was as follows:

Member	Position	Meeting 01/2023	Meeting 02/2023	Meeting 03/2023	Meeting 04/2023	Meeting 05/2023	Meeting 06/2023	Meeting 07/2023	Meeting 08/2023	Attendance times
Sofia Abdellatif Lasky	Committee Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	8
Ali Saeed Abdulla	Member	✓	✓	✓	✓	✓	✓	✓	✓	8
Salim Al-Falasi										
Khalifa Abdulla Khamis Al Romaihi	Member	✓	✓	✓	✓	✓	✓	✓	✓	8

- The attendance of the Members of the Board at these meetings according to this table is represented by their presence either in person at the Company's headquarters or through the use of modern technologies/video communication (Microsoft Teams application).

6-2 Nomination and Remuneration Committee

Martin Lee Edelman, Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for the system of the Committee, for reviewing its work mechanism, and for ensuring its effectiveness. The Nomination and Remuneration Committee reports to the Board on human resources management, culture, performance and compensation policies that reflect best practices. It also provides its recommendations regarding succession plans for Board positions, taking into account the challenges and opportunities facing the Company and its future needs of skills and experience.

The Nomination and Remuneration Committee consists of 3 non-executive Members, 2 of whom are independent. The Chairman of the Committee shall hold periodic meetings with the Executive Management and the Director of the Human Resources, Culture and Performance Department, to ensure that the Members of the Committee are informed of the substantive matters that fall within the competencies of the Committee.

The Nomination and Remuneration Committee comprises the following Members:

Members of the Nomination and Remuneration Committee	Position
Martin Lee Edelman	Committee Chairman
Sofia Abdellatif Lasky	Member
Hamad Salem Mohamed Al Ameri	Member

- The Nomination and Remuneration Committee was reconstituted by virtue of the resolution issued by the BoD at its Meeting No. (03/2022) held on 11 April 2022.
- Martin Lee Edelman was appointed to assume the position of Chairman of the Nomination and Remuneration Committee based on the decision of the BoD at its Meeting No. (03/2022) held on 11 April 2022.

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**6 BoD Committees** continued**6-2 Nomination and Remuneration Committee** continued

The Nomination and Remuneration Committee Charter defines the responsibilities of the Committee as follows:

- Ensure the independence of independent Members on an ongoing basis. If the Committee finds that a Member has lost the conditions of independence, it must submit the matter to the Board to take the necessary action in this regard in accordance with the laws and regulations in force.
- Prepare the policy for granting bonuses, benefits, incentives and salaries for the Members of the BoD of the Company and its employees and review this policy on an annual basis. The Committee shall verify that the bonuses and benefits granted to the senior Executive Management are reasonable and commensurate with the performance of the Company.
- Identify the Company's needs for competencies at the level of senior Executive Management and employees, and the basis for their selection.
- Prepare the Company's human resources and training policy, monitor and follow up on its implementation, and review it periodically.
- Develop and approve the policy and mechanism of nomination for membership of the Company's BoD and organise and follow up on the procedures of nomination for membership of the BoD, in accordance with the laws and regulations in force.
- Review the required needs for appropriate skills for membership of the Company's BoD and prepare a description of the capabilities and qualifications required for membership of the Board.
- Review the structure of the Company's BoD and submit the recommendations issued regarding the changes that can be made to this structure to the BoD for approval.
- Any other competencies and duties may be determined by the BoD from time to time.

In accordance with the Charter of the Nomination and Remuneration Committee, which was approved by the Company's BoD in accordance with the decision issued by the Board at its Meeting No. (07/2018) held on 14 November 2018, it was resolved that the Nomination and Remuneration Committee shall hold at least one meeting annually to carry out its responsibilities and meet its legislative requirements in accordance with the regulations and laws established and in force at the SCA. Accordingly, the Nomination and Remuneration Committee held 2 meetings during 2023, as follows:

Meeting number	Date of the meeting
01/2023	09 January 2023
02/2023	07 February 2023

Attendance at the aforementioned meetings was as follows:

Member	Position	Meeting 01/2023	Meeting 02/2023	Attendance times
Martin Lee Edelman	Committee Chairman	✓	✓	2
Sofia Abdellatif Lasky	Member	✓	-	1
Hamad Salem Mohamed Al Ameri	Member	✓	✓	2

- All excuses submitted by the Members of the Board for their inability to attend some meetings shall be considered and taken into account at the beginning of each meeting in accordance with the Company's MoA and AoA, and in accordance with the laws and regulations in force in this regard.
- The attendance of the Members of the Board at these meetings according to this table is represented by their presence either in person at the Company's headquarters or through the use of modern technologies/video communication (Microsoft Teams application).

6-3 Executive Committee

His Excellency Mohammed Khalifa Al Mubarak, Chairman of the Executive Committee, acknowledges his responsibility for the system of the Committee in the Company, for reviewing its mechanism of work, and for ensuring its effectiveness. The Executive Committee plays an advisory role to the BoD, as it provides assurance and control of the Company's strategy and sets priorities related to projects and performance.

The Executive Committee comprises 3 non-executive Members, all of whom are independent Members. The Chairman of the Committee shall hold periodic meetings with the Executive Management of the Company to ensure that the Members of the Committee are kept informed of material matters on a regular basis.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**6 BoD Committees** continued**6-3 Executive Committee** continued

Executive Committee Members	Position
H.E. Mohammed Khalifa Al Mubarak	Committee Chairman
H.E. Waleed Ahmed Salem Almokarrab Al Muhairi	Member
H.E. Mohamed Hassan Al Suwaidi	Member

- The Nomination and Remuneration Committee was reconstituted by virtue of the decision issued by the BoD at its Meeting No. (03/2022) held on 11 April 2022.
- H.E. Mohammed Khalifa Al Mubarak was appointed to assume the position of Chairman of the Executive Committee based on the decision issued by the BoD at its Meeting No. (03/2022) held on 11 April 2022.

The Executive Committee Charter set out the responsibilities of the Committee as follows:

In the field of investment strategy and policy adoption:

- Oversee Company-wide investment strategy and policies.
- Approve decisions related to investments and development projects of the Company in accordance with the limits and restrictions set out in the Delegations of Authority.
- Review and approve the policies and strategies for the Company's development projects and asset management.
- Approve the tender and procurement management strategy, and award tenders that relate to the Company's substantive tenders in accordance with the limits and restrictions set out in the Delegations of Authority.

In the field of supervision and review:

- Review and approve key performance indicators for development projects and follow up on their level of performance.
- Follow up on the performance of investments and tenders.
- Review the requirements for the need to increase the capital and issue appropriate recommendations in this regard.
- Review the impacts of investment operations.
- Review the main financial objectives and ratios set by the competent administrative committees.

The Executive Committee held 6 meetings during 2023, as follows:

Meeting	Date of meeting
01/2023	21 March 2023
02/2023	02 May 2023
03/2023	20 June 2023
04/2023	11 September 2023
05/2023	02 November 2023
06/2023	17 November 2023

Attendance at the meetings was as follows:

Member	Position	Meeting 01/2023	Meeting 02/2023	Meeting 03/2023	Meeting 04/2023	Meeting 05/2023	Meeting 06/2023	Attendance times
H.E. Mohamed Khalifa Al Mubarak	Committee Chairman	✓	✓	✓	✓	✓	✓	6
H.E. Waleed Ahmed Salem Almokarrab Al Muhairi	Member	✓	✓	✓	✓	✓	✓	6
H.E. Mohamed Hassan Al Suwaidi	Member	✓	✓	-	✓	✓	✓	5

- All excuses submitted by the Members of the Board for their inability to attend some meetings shall be considered and taken into account at the beginning of each meeting in accordance with the Company's Memorandum and AoA, and in accordance with the laws and regulations in force in this regard.
- The attendance of the Members of the Board at these meetings according to this table is represented by their presence either in person at the Company's headquarters or through the use of modern technologies/video communication (Microsoft Teams application).

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**7 Follow up on the Affairs of Insiders, and the Policy of Trades of Insiders and Members of the BoD in the Company's Shares****7-1 Insiders' Trading Policy**

The BoD has developed a policy of insiders in the shares of the Company in line with the decision of the Chairman of the SCA No. (03/J, p) of 2020 regarding the adoption of the Corporate Governance Manual of Public Joint Stock Companies. This policy allows the BoD and the employees of the Company to fulfil their legal obligations when they have material information that may affect the Company's share price in the financial market. This policy includes a detailed explanation of the controls governing the trades of insiders and places restrictions on trading in securities issued by Aldar Properties PJSC.

This policy prohibits trading if there is a reasonable possibility of exploiting unpublished or undisclosed information related to the Company's business that has an impact on trading prices. The policy applies the stock insiders' trading policy to the BoD, Executive Management, and all employees of the Company who have access to material information and data. It should be noted that the Company is fully committed to conducting a periodic review of its list of insiders and to updating it through the Abu Dhabi Securities Exchange website, the last of which was in December 2023, in line with the strategic and operational projects and plans adopted by the Company.

Under this policy, trading on the shares of the Company is prohibited by the insiders in the periods of trading restrictions imposed by the SCA and the ADX. The Members of the BoD, Executive Management, employees of the Company and subsidiaries must inform the management of ADX before submitting their applications thereto with the aim of conducting an informed trading, regardless of the value and type of transaction (sale or purchase).

Aldar Properties PJSC retains the right to prevent or restrict any trading when it deems it reasonably likely that unpublished (undisclosed) information in connection with the business of the Company will be exploited in a manner that may affect the trading price of the shares in the market. Furthermore, an additional prohibition period may be imposed during which any transactions by the insiders, whether they are Members of the BoD, the Executive Management, or employees of the Company or subsidiaries, may be prohibited, such as the prohibition period imposed in conjunction with the period of time taken for the discussions and negotiations of the acquisition by Aldar Properties of a majority stake in the Sixth of October Development and Investment Company (Sodic), the prohibition period imposed in conjunction with the negotiations and discussions of the acquisition of a number of the assets of the Tourism Development and

Investment Company, and other prohibitions periods that coincided with other substantial transactions and dealings that the Company went through.

The Members of the BoD are aware of their obligations regarding the disclosure requirements for their trading in the Company's shares and are committed to all the requirements established by the SCA and the ADX.

7-2 Committee of Insider Affairs and Trading in the Company's Share and Securities and its Duties

In accordance with the provisions of the Resolution of the Chairman of the BoD of the SCA No. (03/J, p) of 2020 regarding the adoption of the Corporate Governance Manual for Public Joint Stock Companies, the Company's management has directed the affairs of insiders and their trading in the Company's shares and the securities issued by them to a competent department of the Company. The Company's management has also specified the tasks and competencies assigned to this department, which are as follows:

- Develop a special and integrated register that includes the names and data of the insiders, including persons who can be considered temporarily insiders and who have the right or availability to access the internal information of the Company before its publication. The register also includes the prior and subsequent disclosures of the insiders.
- Manage, follow up on and supervise the transactions of insiders, their properties and maintain their own register.
- Conduct a quarterly review of the records and statements of the insiders to ensure that they are continuously updated, and consult with the Executive Management of the Company regarding any updates that need to be made to these records and statements at the time of their occurrence, in accordance with the requirements of the Company's workflow.
- Submit the insiders' periodic statements and reports to both the SCA and the Abu Dhabi Securities Exchange.
- Ensure that the Company's list of insiders on the Abu Dhabi Securities Exchange website is continuously updated and make any update to this list as soon as it occurs.
- Communicate continuously with insiders and spread awareness of their trading in the Company's shares and securities issued by the Company, including their awareness and constant reminder of the periods of prohibition of trading in the Company's shares and securities issued by the Company, in accordance with the regulations and rules established and in force at the SCA and the ADX, to ensure compliance with them and to avoid committing any violations.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**7 Follow up on the Affairs of Insiders, and the Policy of Trades of Insiders and Members of the BoD in the Company's Shares** continued**7-2 Committee of Insider Affairs and Trading in the Company's Share and Securities and its Duties** continued

- Periodically review the insider trading policy and recommend any amendments thereto to the BoD for approval in a timely manner.
- Any other competencies or tasks assigned to the Committee by the BoD of the Company from time to time.

During the year 2023, the concerned department reviewed the Charter that governs its work and regulates its competencies and responsibilities. It also reviewed the policy of insider trading to ensure its compatibility and consistency with the laws and regulations in force, in addition to the pivotal, important and effective role played by the department in managing the affairs of insiders and spreading awareness among them by educating them about the controls and procedures that govern them, and the internal and organisational policies and charters to which they are subject. They will also be notified in advance of the periods of prohibition of trading imposed by the competent authorities, and the need to not directly or indirectly exploit any internal or essential information to achieve benefit or profit through trading in securities issued by the Company. The Committee will work closely with the management of the ADX to ensure the continuous updating of the Company's list of insiders through the market's electronic services and to ensure compliance with the applicable laws and regulations.

7-3 Dealings and trades of the Members of the Company's Board and their first-degree relatives in the shares of the Company during 2023

Please refer to 2 of this Report.

8 Internal Control System**8-1 BoD's responsibility for the Internal Control System**

As explained in 3-0 of this Report, the BoD is responsible for supervision of the Company's Internal Control System and review of its adequacy, effectiveness and efficiency. The Board further acknowledges its responsibility for the Company's Internal Control System and for its responsibility to review its work mechanism and to ensure its effectiveness. In addition, the Board formed the Audit, Risk and Compliance Committee and the Internal Control Department to contribute to the performance of governance responsibilities that fall under its responsibility, with regard to the Risk Management and the Internal Control Systems. In addition, the BoD authorised and delegated

the Audit, Risk and Compliance Committee to be the administration responsible for the Internal Control Department under an official authorisation issued by the BoD in this regard. The results of such authorisation shall be presented to the Board according to the regulations and legislation prescribed by the SCA, which contributes to increasing the effectiveness of this department and reflects positively on the BoD in exercising its authorities and responsibilities.

8-2 Head of Internal Control Department

The Internal Control Department is headed by Haider Najim pursuant to a decision issued by the BoD at its Meeting No. (05/2013) held on 06 August 2013. He conducts internal audits and reviews independently and regularly. In addition, he advises the Executive Management to ensure the adequacy, effectiveness, and efficiency of the Company's internal control and governance processes. Haider Najim has over 25 years of experience in auditing, operations, compliance and auditing of irregularities. He holds a Bachelor's degree in commerce from McGill University, Montreal, Canada, and is a Certified Public Accountant (CPA) licensed by the State of Delaware in USA. He has also obtained the certificate of 'Certified Internal Auditor' (CIA) and 'Certified Fraud Examiner' (CFE).

8-3 Compliance Officer

The Compliance Officer has been appointed by virtue of a decision issued by the BoD. He is responsible for ensuring compliance by the Company and its employees with the issued laws, regulations and decisions, as well as other internal policies and measures. This step was under the decision of the Chairman of the SCA No. (03/RM) of 2020 on the standards of the Corporate Governance Manual of Public Joint Stock Companies.

The Executive Director of Internal Control and Compliance Department, Haider Najim, undertakes the functions of the Compliance Officer of the Company by virtue of a decision issued by the BoD at its Meeting No. (04/2020) held on 12 August 2020. (Please refer to 8-2 to see an overview of Haider Najim).

8-4 Company's dealing with material issues or problems disclosed in the Annual Accounts and Reports

The BoD has established standards and principles of internal control in the Company, which aim at providing objective, independent and reliable advice, as well as providing an ideal environment for internal control that meets the requirements of the BoD. It further contributes to enhancing the role of the BoD, the Audit, Risk and Compliance Committee and the Executive Committee, in order to contribute to the proper performance of their duties, functions and

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**8 Internal Control System** continued**8-4 Company's dealing with material issues or problems disclosed in the Annual Accounts and Reports** continued

responsibilities. It should further be noted that the responsibilities of the Internal Control Department are governed by the Charter approved by the Audit, Risk and Compliance Committee and the BoD, in accordance with the decision of the Chairman of the SCA No. (03/RM) of 2020 on the standards of the Corporate Governance Manual of Public Joint Stock Companies. This Charter is the policy through which the Internal Control Department operates and contributes to achieving the objectives of the Company and keeping up with its aspirations.

The Internal Control and Compliance Department reports to the Audit, Risk and Compliance Committee and works under its supervision, which enables it to operate independently and objectively. This allows it to distinctively interact with the Chief Executive Officer and the Executive Management Team, making it easier to identify the performance improvement initiatives and business development, as well as providing guarantees that the Company's objectives are effectively achieved. To ensure a high degree of independency in the Internal Control and Compliance Department's implementation of its activities and performance of its duties, the Head of Internal Control and Compliance Department communicates directly with the Members of the BoD. Functionally, he is accountable to the Audit, Risk and Compliance Committee. Administratively, he is accountable to the Chief Executive Officer.

When the Company faces certain material issues, urgent matters or issues disclosed in the annual financial statements or any other means of disclosure; the role of the Internal Control and Compliance Department in this regard is as follows:

- Inclusion of such issues and matters into the audit planning phases.
- Providing advice and advisory services (as necessary) to contribute to the identification and resolution of such issues and matters.
- Ensuring systematic follow up of the steps and actions taken to address such issues and matters.
- Submission of periodic reports to the BoD and the Audit, Risk and Compliance Committee on the development of such issues and matters.

8-5 Reports issued by the Internal Control Department of the Company's BoD

The Internal Control Department carries out its activities and tasks entrusted to it – under the direct supervision of the Audit, Risk and Compliance Committee – in an effective and constructive manner, which contributes to creating an ideal work environment characterised

by agreement, effectiveness, compliance, discipline, efficiency in performance and productivity, and encourages attracting qualified professional staff with expertise and efficiency. The Internal Control Department prepares its reports in accordance with the internal control standards and in accordance with the applicable laws and regulations, where this Department exercises its duties with integrity and impartiality without any interference or influences that may affect the quality and efficiency of its reports. The Internal Control Department reports to the Audit, Risk and Compliance Committee regularly (and when necessary) to present, discuss and submit a recommendation in this regard to the BoD to take the appropriate decisions in respect thereof. In this regard, it is worth noting that the Internal Control Department prepared and presented 15 reports to the Audit, Risk and Compliance Committee and the BoD during the year 2021, including the auditable business units with the Company, and the necessary decisions have been issued in respect thereof.

9 Risk Management

Aldar Properties PJSC considers that effective risk management is a good management practice. The Company is committed to providing a risk management system to protect shareholders' investments, the rights of the stakeholders, the assets of the Company, and the prevention of violations of the applicable laws and regulations. The BoD is responsible for approval of the risk management policy, determining the risk tolerance and reviewing the effectiveness of risk management. The Risk Management Department applies, in direct coordination with the Executive Management and the Audit, Risk and Compliance Committee, the framework of risk management in the Company and ensures the continuity of the effective performance thereof. The Committee provides advice to the BoD regarding the efficiency and effectiveness of risk management activities and efforts. In addition, the Audit, Risk and Compliance Committee enhances the role of the BoD in fulfilling its obligations and duties related to risk management, in accordance with a decision issued by the BoD at its Meeting No. (04/2013) held on 01 July 2013, under which the Risk Management Committee shall be functionally subordinate of the Audit, Risk and Compliance Committee, as expressly stated in the Charter of the Risk Management Committee, approved and adopted at the above-mentioned BoD meeting.

Enterprise Risk Management Division is considered one of the most important pillars and inputs of the Strategic Planning Department at Aldar Group. Accordingly, the Enterprise Risk Management Division was created within the Strategic Affairs and Transformation Department.

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**9 Risk Management** continued

This Division shall undertake the following main tasks:

- Govern risk management by developing policies and procedures, as well as determining acceptable risk levels at the Group level.
- Identify, analyse and manage strategic risks, and reduce their severity, in coordination with the concerned departments.
- Identify, analyse and manage the risks of various departments, and reduce the degree of its severity in coordination with the concerned departments.
- Identify and analyse available risk controls and mitigations, evaluate their degree of efficiency, and develop and improve risk controls and mitigations.
- Submit risk reports to various administrative levels, up to the Board.
- Manage business continuity, which includes the following:
 - Govern business continuity management, through developing policies and procedures and establishing strategic crisis management teams and business sectors at the Group level.
 - Identify and analyse the Group's sensitive and vital processes and procedures and their target recovery times.
 - Establish and develop strategies and business continuity plans for sensitive and vital operations and ensure their effectiveness.
 - Provide the necessary training and raise awareness to various work teams to deal with incidents and interruptions of sensitive operations.
- Review and discuss the Risk Management Committee Charter.

In addition, the Company has appointed Abdulrahman Albeshri to assume the duties of Risk Management Officer. He is a graduate of the UAE Government Leaders Programme (UAE Youth Leaders Programme Category) in 2019. He obtained a Master's degree with honours and distinction in finance and accounting in 2016, and a Bachelor's degree with honours and distinction in accounting in 2011. Abdulrahman Albeshri is a pioneer in the field of leadership, internal audit, risk management and business continuity. Moreover, he delivers business outcomes and enhancers. He has about 12 years of experience in both the semi-governmental and private sectors in the fields of internal audit, risk management, business continuity, and customer service in the field of real estate, asset and facilities management. In addition, he is an EFQM Excellence Assessor from the European Foundation for Quality Management, Brussels, Belgium and a Lead Auditor for ISO 22301:2012 BCMS standards.

10 Communication with Shareholders

The Company applies a market-specific disclosure policy, based on corporate governance standards and related requirements and procedures aimed at providing all shareholders and investors in the market with accurate information in a timely manner. The policy adopted by the Management of the Company shows the actions that the Board directed to implement and is keen to adhere to. This is for the purpose of ensuring continuous compliance and disclosure according to the requirements of the SCA and Abu Dhabi Securities Exchange.

In addition, as the Company is keen to apply the highest degree of disclosure, transparency and credibility in the information disclosed, only the following position holders are authorised to disclose any public statements on behalf of the Company, or any other statements attributable thereto:

- Chairman and Members of the BoD
- Chief Executive Officer
- Executive Management Team
- Company Secretary

From time to time, the Company shall hold meetings with analysts and investors to provide them with necessary information. In such cases, no information shall be disclosed unless it was disclosed to the market previously or at the same time. Aldar Properties PJSC does not make any comments about market expectations or rumours, unless they are related to an official question issued by regulatory bodies such as the SCA and Abu Dhabi Securities Exchange.

The General Assembly is the primary opportunity for shareholders to meet face-to-face with the BoD and Executive Directors. The shareholders receive notices of the meetings, specifying the time and place of the meeting, in addition to the subjects on the agenda of this meeting. The notice is sent by registered mail from the Company to the shareholders. The notice is accompanied by a form of power of attorney with instructions on how to complete and return it, to encourage as many shareholders as possible to participate in the meeting.

During the meeting, the attendees are given the opportunity to ask questions, and the Chairman of the meeting shall discuss as many issues and subjects as possible during the available time. The Members are encouraged to be present after the meeting to discuss with shareholders. In addition, the External Auditor shall attend the General Assembly meeting to answer any questions raised.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**11 Code of Business Conduct**

The success of the Company depends on its reputation in implementing projects, its integrity in its dealings and its professional ability. The Company adheres to the highest standards of professional and legal conduct, taking into consideration all applicable laws and regulations in conducting its business.

The Code of Business Conduct constitutes a commitment and obligation for the BoD of Aldar Properties PJSC and its employees. It shall be considered an integral part of the Company and its employees' work style. The principles and rules of Business Conduct to which Aldar Properties PJSC adheres are summarised in the Code of Business Conduct applied by the Company and approved by the BoD. In this regard, it should be noted that the BoD, in its Meeting No. (05/2023), which was held on 02 October 2023, reviewed and approved this Charter. This policy is currently under review to ensure the application of best standards and practices in this regard.

12 Employee Disclosure Mechanism

In line with the Code of Business Conduct, the Company has developed a disclosure policy for employees, in enhancing its commitment to ensure that the employees are able to disclose their fears and concerns about any inappropriate conduct without being subjected to persecution, harassment or discrimination, as well as to ensure confidentiality of investigations. The Audit, Risk and Compliance Committee at its Meeting No. (06/2023), which was held on 17 August 2023, reviewed the Company's Whistleblower Policy, as previously stated in 6-1 (h) of this Report.

This disclosure mechanism allows the employees to express their concerns in a responsible and confidential manner, without disclosing their personal data (as they wish), without fear of being subjected to retaliation. In addition, the Company takes appropriate measures to independently investigate any matters relating to this mechanism.

13 Conflict of Interest

The Company requires the Directors and Senior Executives to report any conflicts of interest that may be involved in their acts and to refrain from participating in discussion of or voting on such matters whenever necessary, in addition to the general guidelines contained in the Company's Articles of Association, Code of Business Conduct and the Charter of the BoD, in accordance with the decisions, laws and regulations issued by the SCA and other regulatory

and legislative bodies. A series of procedures for compliance with laws regarding conflict-of-interest management have been developed. The Company urges the Directors to raise any issue that may lead to a conflict of interest to the Chairman and the Directors.

14 Violations committed by the Company during 2023

The Company did not commit any material violations with respect to the regulations during the year ended 31 December 2023.

**15 Company's Sustainability and Social Responsibility
Sustainability at Aldar**

Sustainability is integral to our business strategy and long-term development. It improves the way we do business and helps us deliver a positive impact across our 4 sustainability pillars: Economy, Environment, People and Community.

Our business culture places sustainability at the heart of everything we do. It informs the way we operate, collaborate, innovate and grow.

Key highlights of 2023 include:**Environment**

- In 2023, Aldar launched a science-aligned Net Zero Plan which aims to achieve Net Zero in scope 1 and 2 emissions and 45% reduction in scope 3 emission intensity by 2030, and to achieve Net Zero for scope 1, 2 and 3 by 2050.
- In 2023, Aldar continued with a portfolio-wide energy management project including hotels, commercial, retail and residential buildings, and expect to reduce our energy emissions by 20% with a total investment of AED 49 million. The retrofit work will be completed in H1 2024.
- In 2023, Aldar partnered with Yellow Door Energy to supply 34 megawatts of solar power to 45 properties across the UAE, reducing 23,000 tonnes of CO₂ emissions in the first year and aligning with Aldar's Net Zero Plan. Over the project's lifespan, it is estimated to prevent a total of 560,000 tonnes of CO₂ emissions.
- In 2023, Aldar and ADIB closed a AED 1 billion sustainability linked financing deal.
- In 2023, Aldar and ADCB closed a AED 1 billion sustainability linked financing deals.
- Aldar Investment issued USD 500 million 10-year inaugural Green Sukuk

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**15 Company's Sustainability and Social Responsibility** continued**Sustainability at Aldar** continued**Environment** continued

- In 2023, Aldar, Tadweer, Polygreen 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 CO₂ emissions annually.
 - In 2023, Aldar partnered with Johnson Controls to Launch Abu Dhabi's first Cooling as a Service (CaaS) project. The initiative aims to reduce the annual carbon footprint by up to 30% at Al Rayyana Complex and Eastern Mangroves through Johnson Controls' CaaS solution. Over a 10-year span, the project is set to reduce 26,880 tonnes of CO₂ emissions from Aldar's owned and managed assets, marking Abu Dhabi's first CaaS implementation facilitated by Johnson Controls.
 - In 2023, Aldar and the Ministry of Climate Change and the Environment (MOCCA) launched the Real Estate Climate Pledge to support UAE Net Zero Strategic Initiative, which resulted in the commitment of 29 companies in batch 1 and 35 companies in batch 2 specialising in design, consultancy, engineering, manufacturing, construction, energy services and facilities services. The first batch pledge was initiated and signed during the National Dialogue for Climate Ambition, a platform established by MOCCA aimed at shaping and promoting the UAE Net Zero by 2050 Strategic Initiative.
 - In 2023, Aldar, Chalhoub, LVMH, Emaar Mall and MAF formed a joint taskforce, called Unity for Change to promote sustainability. The taskforce will work together to improve water and air conditioning efficiency and increase clean energy adoption in the UAE's retail spaces.
 - In 2023, Aldar introduced green lease clauses as an essential inclusion in all new commercial and retail lease agreements. Additionally, the Company formulated green fit-out guidelines aimed at assisting retail tenants in enhancing resource efficiency, in line with Aldar Tenant Initiatives Net Zero focus area.
 - In 2023, Aldar was involved in various initiatives aimed at restoring and expanding mangrove forests, recognising their significant role in biodiversity. Aldar Seed Sowing Project involves gathering and planting mangrove seeds in nearby areas, anticipating a success rate of 40-50% from the planting of over 100,000 seeds in October 2023. This initiative serves as a potentially effective alternative for establishing mangrove nurseries. To help revitalise mangroves, Aldar also undertakes proactive measures such as water recycling methods including channel excavation and soil quality assessments to support forest recovery.
- In 2023, Aldar invested in several pilot projects to treat grey wastewater on-site. AED 200,000 was invested to implement an on-site wastewater treatment plant in Eastern Mangroves. Riyadh City Development implemented an on-site wastewater recycling plant that replaces the conventional method of wastewater treatment in construction sites which brings in environmental benefits demonstrated in proven carbon emissions reduction and introduction of green spaces irrigated by the recycled water. This sustainable solution was explored during Aldar scale up innovation programme where the programme has offered AED 50 thousand to support the first pilot within Aldar. This pilot is now operational for 1.5 years with a service-fee based cost of AED 10 thousand per month, which is approximately equal to the costs of the conventional method. Another AED 362 thousand invested in a pilot in Bridges Tower No. 5 – Al Reem Island is in final stages of handing over and is ready to be launched in 2024, where it will treat 45 cubic metre per day of Grey Water facilitating the irrigation of surrounding landscaping gardens around the 3 Towers of Bridges Phase 2 Project.
 - In 2023, Aldar and Emirates Steel Arkan signed Memorandum of Understanding (MOU) to collaborate on increasing the use of Sustainable Steel Rebar across our projects. Sustainable steel will provide 60% reduction in steel related CO₂ emissions.
 - In 2023, Aldar and CEMEX signed MOU to collaborate on increasing the use of Green Cement across our projects. Green cement can help us reduce 70% of our cement related CO₂ emissions.
 - In 2023, Aldar allocated AED 2.26 million to certify 25 selected assets with LEED EBOM (Existing Buildings: Operations and Maintenance).
 - In 2023, Aldar invested AED 500 thousand for the installation of smart metres in the Al Rayyana Community as a pilot project.
 - In 2023, Aldar invested AED 100 thousand in a pilot project with Ne'ma for sustainable food waste management, resulting in a reduction of 33.2 tonnes of carbon emissions by effectively managing food waste from 8 hotels owned by Aldar. This collaboration led to the rescue and redistribution of nearly 1,500 kg of edible food that was transferred to 6 temperature-controlled vending machines at Aldar Properties and assets, resulting in nearly 4,000 meals donated.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**15 Company's Sustainability and Social Responsibility** continued**Sustainability at Aldar** continued**Social**

- Women represent 39% of our direct employees (a 5% increase compared to 2022) and held 26% of senior and middle management positions (a 4% increase compared to 2022).
- 42% UAE Nationals are within our direct employees.
- 100% of our general contractors have demonstrated an improvement in employment practices related compliance since their initial onboarding thanks to our worker welfare programme. 84% of accommodation facilities have demonstrated an improved in compliance against our checklist since their initial assessment.

Governance

- ESG Ratings Improvement:
 - Aldar achieved an improved Sustainalytics ESG Risk Rating of 15.9 in 2023 compared with 16.1 in 2022.
 - Aldar's 2023 MSCI's ESG Rating was maintained to 'BBB' in 2022.
 - Aldar maintained its position as number 1 on S&P Dow Jones Sustainability Index in the real estate sector in the GCC region, and within the top quartile among 299 screened companies in the real estate sector.

Our Corporate Social Responsibility

We recognise our responsibility towards our wider community of customers, residents, visitors, employees and other stakeholders. It is our aim to deliver positive impact for all, creating and shaping communities that thrive – now and into the future. Our aim is to shape lives for the better by creating positive and tangible impact that enrich inclusive, happy, healthy, and resilient communities through strategic partnerships. Our 3 focus areas – Live, Belong and Sustain – inform and guide our CSR decision-making, investments and targets.

- **Live:** We are focused on promoting a **healthy and happy society** for all by improving the overall quality of life of communities in the UAE and beyond.
- **Belong:** We are committed to shaping an **inclusive and accessible economy** that embraces diversity, promotes inclusion and fosters a sense of belonging.

- **Sustain:** Our goal is to build **resilient and innovative communities** by implementing solutions to achieve outcomes that respect the UAE's dynamic ecosystem, promote the country's transformation into a knowledge-based society and encourage Emiratization in the workforce.

Through our social responsibility, Aldar aims at creating sustainable value for shareholders, employees, suppliers, customers, business partners and the communities in which it operates. In 2023, we have invested an amount of **AED 24,449,564** in our CSR programmes.

A Summary of Aldar CSR Activities of the year 2023 is as follows:**Live: Promoting Healthy and Happy Living**

Driven by our purpose to promote healthy and happy living, we are committed to embedding our positive social impact strategy throughout Aldar communities and beyond to fulfil every human need.

**Access to Housing
and Safety**

**Happy and Healthy
Families**

**Access to Quality
Education**

Thrive Scholarship Programme:

Launched in 2022, the Thrive Scholarship Programme by Aldar Education serves as a beacon of hope for local and international children from low-income families. With the goal of providing access to quality education, the initiative empowers students to excel academically and thrive within a supportive school environment, fostering connectivity and familial bonding. Since its inception, the programme has positively impacted the lives of 41 students, overcoming financial barriers and paving the way for academic success. In 2023, the programme admitted 25 students, including 19 mainstream students and 6 Students of Determination, further expanding its reach and influence. The success stories emerging from Thrive highlight the transformative power of accessible education in shaping futures and fostering a sense of achievement.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**15 Company's Sustainability and Social Responsibility** continued**Our Corporate Social Responsibility** continued

Aldar investment in Bedayat social impact bond: As a social impact bond investor, the focus is on supporting families in the early stages of divorce or post-divorce. The primary objectives include empowering parents with strategies for positive child well-being and minimising parental conflict. Topics covered in the programme include understanding the impact of divorce on children, improving communication skills, promoting co-parenting awareness and providing coping strategies for parental stress. The target audience comprises parents undergoing divorce or separation, children aged 0-8, and residents and citizens of Abu Dhabi, catering to both Arabic and English speakers. In 2023, the programme benefited 57 mothers, 12 fathers and 163 children from 9 different nationalities. This initiative aligns with Aldar's commitment to social impact and community well-being, fostering a positive environment for families navigating the challenges of divorce and contributing to the resilience and positive development of children during this transitional phase.

Aldar proudly sponsors the opening of the second Bee Café, demonstrating our commitment to supporting the empowerment of talented individuals, particularly People of Determination (PoD). We believe their active participation in the economy not only provides them with purpose but also contributes to the broader UAE economy. The café employment opportunities offer a unique chance for skill development and valuable work experiences.

Belong – Inclusive and accessible communities

We are committed to shaping an inclusive and accessible economy that embraces diversity, promotes inclusion and fosters a sense of belonging.

Empower People of Determination

Relief Campaigns for Vulnerable Communities

Improve Blue Collar Workers Welfare

Aldar accessibility roadmap

Aldar strives to embed diversity and inclusion principles across assets through the development of accessible communities suitable for everyone's need.

- Aldar accessibility and inclusion roadmap was designed in 2023, to help Aldar become fully inclusive and accessible for its people and community by 2030. We started by running multiple internal pilot programmes in 2023 on a corporate level to ensure our readiness to expand and scale in the coming years.
 - Talent Capacity Development: Inclusive Leadership Training was delivered in partnership with Sedra Foundation for 30 employees from across the Group, including customer service, hospitality, community management, IT, office management and more. This was done to ensure that our workforce is ready to provide powerful and inclusive experiences to all our new hires of PoD.
 - PoD Internships: a pilot programme was delivered in collaboration with The Butterfly Foundation IEE (Inclusive Employment Ecosystem) and Zayed University over the summer to bring in students with determination to help us assess our standard processes and environment and improve our overall accessibility.

These initiatives are designed to help Aldar become accessible for a diverse workforce, which will then enable the design and delivery of inclusive and accessible experiences for our customers.

Third sector support for People of Determination – Belong:**Special Olympics UAE**

Aldar is delighted to renew the strategic partnership with Special Olympics UAE, extending our collaborative efforts until 2025. Since our initial partnership in 2019, Aldar has proudly served as an official real estate partner of Special Olympics UAE, providing comprehensive support to the team's operations and diverse programmes in sports, health and education.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**15 Company's Sustainability and Social Responsibility** continued**Our Corporate Social Responsibility** continued**Key Elements of the Strategic Partnership:**

Empowerment of PoD: The strategic partnership remains dedicated to advancing the empowerment of PoD through enrichment programmes.

Comprehensive Support: In alignment with our commitment, Aldar will continue to provide Special Olympics UAE with sponsorship, dedicated office space and essential support services.

This renewed partnership underscores Aldar's sustained commitment to corporate social responsibility and community well-being. Aldar looks forward to the continued collaboration with Special Olympics UAE as together, we strive to make a positive difference in the lives of PoD and contribute to the creation of truly inclusive and supportive communities.

The Butterfly Foundation Inclusive Ecosystem Employment Network

Aldar proudly participates in The Butterfly Foundation, an integral member of the IEE situated in Abu Dhabi and facilitated by Ma'an. This initiative serves as a collaborative platform that unites private sector employers, fostering a conducive environment for the exchange of best practices and knowledge-sharing in the realm of inclusive employment. As part of this ecosystem, Aldar actively engages in discussions and initiatives aimed at promoting diversity and inclusivity within the workforce, aligning with our commitment to corporate governance principles that prioritise equitable opportunities and social responsibility.

The Butterfly Foundation, supported by Ma'an, plays a crucial role in advancing inclusive employment practices among private sector entities in Abu Dhabi. Aldar's involvement in this initiative reflects our dedication to being an active participant in fostering a workplace culture that embraces diversity and provides equal opportunities for all. By being part of this collaborative ecosystem, we contribute to the ongoing dialogue on inclusive employment practices, ensuring that our corporate governance framework reflects the principles of fairness, equality, and social impact.

As a member of The Butterfly Foundation within the IEE, Aldar leverages its influence to contribute to the development and dissemination of good case practices. This collective effort not only reinforces our commitment to creating an inclusive work environment but also underscores our role as a responsible corporate citizen actively shaping the broader discourse on inclusive employment within the Abu Dhabi business community.

Aldar's collaboration with Zayed Higher Organisation to sponsor the Second Bee Café Branch Opening

Aldar proudly sponsors the opening of the second branch of Bee Café, demonstrating our commitment to supporting the empowerment of talented individuals, particularly PoD. We believe their active participation in the economy not only provides them with purpose but also contributes to the broader UAE economy. The café employment opportunities offer a unique chance for skill development and valuable work experiences.

Relief campaigns with Emirates Red Crescent Partnership with Emirates Red Crescent (ERC)

Aldar significantly expanded its partnership with Emirates Red Crescent (ERC), exemplifying strong corporate social responsibility. The collaboration includes a 1.5 million AED donation for a winter campaign benefiting underprivileged families in Gaza and active participation in various ERC projects throughout the year. Aldar's support extends to initiatives during Ramadan, Eid Campaigns, and empowering women entrepreneurs through partnerships with Al Ghadeer Crafts and Lamma Gourmet. Additionally, Aldar donated 127 laptops to ERC's annual campaign, emphasising its commitment to enhancing education for underprivileged students, orphans, and individuals with determination. Furthermore, around 1,700 toys were generously donated to Grace Conservation through ERC, highlighting Aldar's dedication to promoting community well-being. Overall, these initiatives showcase Aldar's commitment to corporate social responsibility and making a positive impact on the lives of those in need.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**15 Company's Sustainability and Social Responsibility** continued**Relief campaigns with Emirates Red Crescent** continued**Iftar meal distribution to workers**

During the holy month of Ramadan in 2023, Aldar Corporate, Projects and Hospitality teams partnered once again to prepare, deliver and distribute iftar meals for workers in our supply chain. Over 14,000 meals were prepared and delivered to workers at several of our project sites. The food was distributed weekly, supported by the general contractors and project management consultancies active on each site.

In 2021, when we had launched our initiative to provide iftar meals during the holy month of Ramadan, we distributed 4,500 meals. At the heart of our commitment, we pledged to increase the number of meals by 50% in 2022. In 2022, we distributed an impressive 7,500 meals, underscoring our dedication to not only meet but exceed our goals and further enhance our impact.

Sustain: Resilient and innovative communities

Our goal is to build resilient and innovative communities by implementing solutions to achieve outcomes that respect the UAE's dynamic ecosystem, promote the country's transformation into a knowledge-based society and foster local talent.

Empowering Social Enterprises

Foster UAE National Talent

Community & Youth Outreach

Aldar proudly supports the Emirates Villages project, a 1 billion AED initiative launched by the UAE in 2021 for sustainable development. The project focuses on 5 development tracks, including infrastructure, village coordination, historical awareness, commercial projects and media campaigns. Aimed at creating a micro-economy in 10 villages, the project seeks greater community involvement, private sector participation and collaboration between federal and local governments. The first development in Qidfa aims to boost tourism, educate youth and uncover unique archaeological findings, such as artefacts displayed at the Fujairah Museum. The region also boasts economic benefits, including a US \$10 billion power plant. The Emirates Villages project aligns with the UAE's goal of a sustainable development model, leveraging regional resources, promoting tourism and enhancing community involvement. This initiative serves as a key step in realising the UAE's vision for a sustainable and successful future.

Fostering UAE National Talent: As an official strategic partner of Sandooq Al Watan, Aldar has supported local research projects focused on solving environmental and social challenges, supporting local entrepreneurs, and upskilling and developing young local talent through customised programmes.

Supporting local entrepreneurs: Part of our efforts to enable a circular local economy, we empower local entrepreneurs by procuring their services and products, an example of this is working with Cation Arts, an Emirati owned board games development business to design Aldar sustainability educational board game which was launched during COP28.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

16 General Information

16-1 Company's Share Performance during 2023

Trading in the Company's shares witnessed strong activity during the year ended 31 December 2023. The following table provides an overview of the Company's share price at the end of each month of the year ended 31 December 2023:

Date	Opening (AED)	Highest Price (AED)	Lowest Price (AED)	Closing (AED)	Quantity (Share)	Value (AED)	No. of Transactions	Change	
								AED	%
January 2023	4.440	4.60	4.15	4.36	321,178,306	1,413,137,355.62	18,626	(0.070)	(1.58)
February 2023	4.390	4.79	4.33	4.70	265,125,591	1,223,233,984.87	12,409	0.340	7.80
March 2023	4.69	4.91	4.39	4.65	287,600,778	1,346,767,030.81	13,524	(0.050)	(1.06)
April 2023	4.62	5.48	4.62	5.40	230,822,851	1,169,424,241.90	11,645	0.750	16.13
May 2023	5.36	5.54	5.00	5.10	142,681,366	741,636,700.45	14,110	(0.300)	(5.56)
June 2023	5.10	5.21	5.03	5.09	84,801,119	433,246,842.60	10,957	(0.010)	(0.20)
July 2023	5.10	5.38	5.06	5.17	114,831,505	598,998,461.89	11,162	0.080	1.57
August 2023	5.22	5.45	5.07	5.26	134,324,915	706,849,359.26	15,088	0.090	1.74
September 2023	5.28	6.01	5.22	5.76	208,953,360	1,175,115,204.51	19,822	0.500	9.51
October 2023	5.79	6.00	4.76	5.20	258,390,656	1,394,952,885.32	31,500	(0.560)	(9.72)
November 2023	5.27	5.78	5.13	5.72	180,950,655	1,020,630,978.55	18,305	0.52	10.00
December 2023	5.71	5.71	5.15	5.35	116,790,290	623,384,839.09	13,059	(0.370)	(6.47)

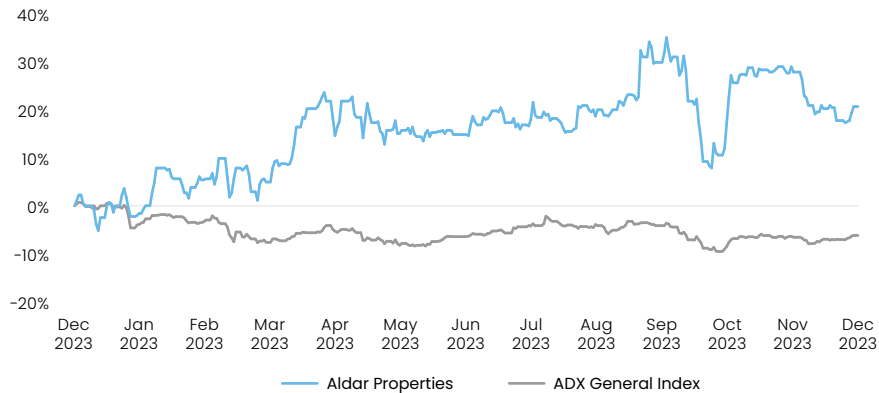
Source: Abu Dhabi Securities Exchange (ADX)

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-2 Comparative Performance of Aldar Properties' share with the General Market Index and Sector Index during 2023**

The diagram (below) shows the comparative performance of the Company's share with the general market index and the real estate sector index during the year ended 31 December 2023:

**16-3 Statement of Distribution of Shareholders' Ownership as of 31 December 2023 (Individuals – Companies – Governments), categorised as follows: (Local – Gulf – Arabic – Foreign)**

The following table shows the distribution of shareholder's ownership in Aldar Properties (Individuals – Companies – Governments) categorised as follows: (Local – Gulf – Arabic – Foreign) as of 31 December 2023:

Investor/Shareholder	Customer Type	Ownership Percentage in the Capital as per the Category	Total
Local	Government	2.55%	77.37%
	Companies	63.64%	
	Individuals	11.18%	
Gulf	Government	0.03%	1.51%
	Companies	1.33%	
	Individuals	0.16%	
Arabic	Government	0.00%	0.42%
	Companies	0.07%	
	Individuals	0.35%	
Foreign	Government	0.00%	20.71%
	Companies	20.37%	
	Individuals	0.34%	
Total		100%	100%

Source: Abu Dhabi Securities Exchange (ADX)

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued

16 General Information continued

16-4 Overview of Shareholders whose Ownership Percentage exceeds 5% of the Company's Capital as of 31 December 2023

The following table shows the shareholders whose ownership percentage exceeds 5% of the Company's capital as of 31 December 2023:

Shareholder	No. of Shares	Ownership Percentage
Al Mamoura Diversified Global Holding	1,975,408,347	25.12%
Sublime Commercial Investment – Sole Proprietorship LLC	960,000,000	12.21%
Sogno Two – Sole Proprietorship LLC	625,293,766	7.95%
Sogno Three – Sole Proprietorship LLC	500,000,000	6.36%

Source: Abu Dhabi Securities Exchange (ADX)

16-5 Statement of Distribution of Shareholders according to their Ownership Percentage as of 31 December 2023

The following table shows the distribution of shareholders according to their ownership percentage as of 31 December 2023:

Shares Ownership (Share)	No. of Shareholders	No. of Shares	Owned Shares Percentage of the Capital
Less than 50,000	41,809	111,389,900	1.42%
From 50,000 to less than 500,000	1,482	271,306,849	3.45%
From 500,000 to less than 5,000,000	596	891,791,468	11.34%
More than 5,000,000	147	6,588,141,386	83.79%
Total	44,034	7,862,629,603	100%

Source: Abu Dhabi Securities Exchange (ADX)

16-6 Controls of Investors Relationships with the Listed Companies

According to the decision of the Chairman of the SCA No. (7/RM) of 2016 on standards of institutional discipline and governance of Public Joint Stock Companies, and the circular issued by the Authority on the controls of investor relationships with listed companies. On the basis of Aldar Properties' keenness on the optimal application of the applicable rules and regulations in this regard, the Company, during 2020–2023, has stimulated and developed the Investor Relations Department. It further strengthened its role through the fulfilment of the primary and secondary requirements of the Investor Relations Department, in a manner that contributes to raising the consistency and quality in response to the external inquiries of analysts, investors and shareholders. It further strengthens the Company's investment relations and market linkage, and enhances the knowledge and awareness of the stakeholders and their understanding of the data on the performance of the Company through the application and enforcement of the best ways to communicate with the Company. In addition, it improves the quality of submitted reports, ensuring a high level of disclosure, transparency and interaction with markets through an efficient structure at the Senior Management level.

From this viewpoint, the Company has developed and updated its Investor Relations Department website to promote efficiency and effectiveness in accordance with the SCA's applicable requirements and controls of investor relations management. The shareholders, investors, stakeholders and the public can visit this website through the following link:

<https://www.aldar.com/en/investors>

<https://www.aldar.com/ar/investors>

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-6 Controls of Investors Relationships with the Listed Companies** continued

In addition, to ensure efficient and effective realisation of the role and objectives of the Investor Relations Department, the Company appointed officials specialised in investor relationships management, who have the required qualifications and experience in the fields of business, accounting and public relations, and full knowledge of the Company's activities and opportunities. Moreover, they are familiar with the relevant legal and legislative requirements of the relevant authorities. They also have the skills and ability to interact with the customers and provide them with the technical and financial information of the Company easily and smoothly, in both Arabic and English, through various channels of communication. Furthermore, in 2023, the officials of this Department conducted a series of meetings with current shareholders and potential investors, at the local and international levels, to enhance awareness and knowledge of the Company's projects and financial position, in a manner that enhances the confidence in the Company's performance, projects and portfolio of assets, as well as the Company's future expansion and growth prospects.

The following table shows the details and contact information of the Investor Relations Department Officials:

Investor Relations Department Official	Pamela Chahine
Contact Information	
Telephone	00971 2 8105555
Fax	00971 2 8105550
P.O. Box	51133 – Abu Dhabi
Email	ir@aldar.com
Address	Aldar Square – Yas Island – Abu Dhabi

16-7 Special Decisions taken in the General Assembly Meetings of Shareholders during 2023, and Actions taken in respect thereof

In accordance with the applicable laws and regulations, the special decision is: the decision issued by a majority vote of shareholders who own at least three quarters of the shares represented in the General Assembly meeting of the Joint Stock Company.

The agenda of Aldar Properties' General Assembly meeting held on 16 March 2023, included 2 clauses requiring a special decision by the shareholders, which have been unanimously approved by the shareholders present at this meeting. This clause is as follows:

- Approval of provisions of voluntary community contributions by the Company during 2023. Additionally, to authorise the BoD to determine the entities to whom such amounts will be allocated, provided that such voluntary contributions shall not exceed 2% of the average net profit of the Company achieved during the fiscal years (2021 and 2022). In addition, it is conditional that such voluntary contributions are made for the purposes of community service and subject to the provisions of Federal Law No. (32) of 2021 on commercial companies, applicable laws and regulations.

Based on the approval issued under a special resolution at the Company's General Assembly meeting, the Company has initiated the necessary measures to fulfil the procedures and legal requirements necessary to activate this resolution, amend the Company's bylaws, and publish it in the Official Gazette. In addition, the relevant departments of SCA and Abu Dhabi Securities Exchange (ADX) were communicated until the application and actual implementation of this resolution were completed.

- Approval of amending the following articles: (15.2), (18.2), (28), (29) and (39) of Aldar Properties PJSC's Articles of Association, in accordance with Federal Decree-Law No. (32) of 2021 on commercial companies, applicable laws and regulations. This is subject to obtaining the approval of the competent authority.

Based on the approval issued under a special resolution at the Company's General Assembly meeting, the Company has initiated the necessary measures to fulfil the procedures and legal requirements necessary to activate this resolution, amend the Company's bylaws, and publish it in the Official Gazette. In addition, the relevant departments of SCA and Abu Dhabi Securities Exchange (ADX) were communicated until the application and actual implementation of this resolution were completed.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-8 Company Secretary of the Meetings of the BoD and the Date of Appointment thereof**

Aldar Properties PJSC, its BoD and Executive Management believe in the role played by the Company Secretary of the BoD's meetings in organising the work of the BoD and its committees. Further, his role includes coordination of matters and issues relating to the meetings of the Board and its committees, from scheduling meetings and organising the agenda to his prominent role in organising and coordinating between Members before and during the meetings. In addition, his role includes preparing the meeting minutes and arranging for the signature and approval thereof. The Company Secretary's role also involves coordinating communication among the different departments of the Company in relation to resolutions issued by the Board and its committees and ensures the optimal implementation of such resolutions. In addition, he contributes to the continuous communication with the Members of the Board and the provision of various information and requirements related thereto, in a manner that ensures that they perform an effective role while carrying out their duties as Members of the BoD, according to the applicable laws, regulations and resolutions.

The most prominent tasks undertaken by the Company Secretary are as follows:

- Document Board meetings and prepare their minutes.
- Maintain the reports submitted to the BoD and the reports prepared by the Board.
- Provide the Members of the BoD with the agenda of the meeting of the Board, papers, documents and relevant-information, as well as any additional information related to the topics covered in the agenda items requested by any Board member.
- Ensure the compliance of the Members to the procedures approved by the BoD.
- Notify the Members of the BoD of the dates of the Board meetings sufficiently before the date set for the meeting.
- Submit the draft minutes to the Board Members to express their opinions thereon before signing it.
- Ensure that the Members of the BoD receive a complete copy of the minutes of the BoD's meetings and the information and documents related to the Company without delay.
- Communicate the decisions of the BoD and its committees to the Company's Executive Management, and submit reports on their implementation and application.
- Support the BoD's evaluation process.
- Coordinate between Members of the BoD and the Executive Management Team in the Company.

- Organise the disclosure record for the BoD and the Executive Management in accordance with the rules and provisions of the Public Shareholding Company Governance Manual and the active legislation, in addition to providing assistance and advice to them.

Mohammad Hatim Abdulrahman was appointed as a Company Secretary to the Company under the resolution issued by the BoD in its Meeting No. (04/2020) which was held on 12 August 2020. Mohammad Hatim Abdulrahman has had practical experience in the field of legal affairs and corporate compliance for a period of 14 years. He obtained a Bachelor degree from Faculty of Sharia and Law from UAE University. Moreover, he obtained certification from Hawkamah.

16-9 Material Events Experienced by the Company during 2023

The year 2023 witnessed a significant demand for sales of housing units in all projects developed by Aldar Properties PJSC. This was due to the lack of high-quality housing projects offered in the market during that period, along with the investors and buyers trust in the Company's ability, efficiency and quality of its products despite the difficult circumstances of COVID-19.

Among the most significant events that Aldar Properties experienced during the 2023 are the following:

Aldar and Diamond Developers unveil a new way of living to Abu Dhabi with the launch of The Sustainable City – Yas Island

On 06 January 2023, Aldar Properties in partnership with Diamond Developers launched The Sustainable City – Yas Island, a sustainability-centric community offering a new way of life for residents in Abu Dhabi. The family friendly development, which builds on the strengths of The Sustainable City – Dubai, is a walkable community in the surrounds of open green spaces, leisurely walkways and community farming plots.

Aldar advances its position as an environmental, social, and corporate governance leader with improved ratings across three global indexes

On 09 January 2023, Aldar Properties has announced an improvement in its ratings across 3 major global environmental, social and governance indexes as gains continued to be made as a result of the strategic integration of environmental, social and corporate governance into the Company's operating model. Aldar's success in advancing the ratings from Sustainalytics, MSCI and the Dow Jones Sustainability Index were driven by enhanced data disclosure, governance and risk management processes as well as improved supply chain and environmental management.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-9 Material Events Experienced by the Company during 2023** continued**Aldar Properties announces the resignation of Group Chief Financial and Sustainability Officer, Greg Fewer, and the appointment of Faisal Falaknaz as Acting Group CFO in addition to his current role**

On 11 January 2023, Aldar Properties PJSC announced that Greg Fewer had resigned from his position as the Group Chief Financial and Sustainability Officer to pursue another opportunity in UAE.

Aldar properties strengthens its leading position on net zero by launching comprehensive plan to decarbonise its business and assets

On 12 January 2023, Aldar Properties PJSC launched its Net Zero Plan, which includes a commitment to becoming a Net Zero carbon business ('achieving Net Zero emissions') across its scope 1, scope 2 and scope 3 Greenhouse Gas (GHG) emissions by 2050. This was in line with the objectives of the Paris Agreement and the UAE Net Zero by 2050 Strategic Initiative. Furthermore, Aldar has set climate-science-aligned 2030 interim targets to reduce emissions, under which the Company will achieve Net Zero in its scope 1 and scope 2 GHG emissions and deliver a 45% reduction in the intensity of its scope 3 GHG emissions relative to the Company's 2021 environmental footprint baseline.

Aldar and Diamond Developers sell-out first phase of 'The Sustainable City – Yas Island' within 24 hours

On 22 January 2023, The Sustainable City – Yas Island, launched by Aldar Properties in partnership with Diamond Developers, has succeeded in selling out the first phase within 24 hours of its public launch. The sales at the first phase of the sustainability-centric community reached over AED 1 billion, which promoted the Company to release the remaining 352 townhouses and condominiums for sale.

Aldar expands strategic land bank in Abu Dhabi through acquisition Al Fahid Island

On 31 January 2023, Aldar Properties has announced its acquisition of Al Fahid Island, a 3.4 million sqm island situated on the Sheikh Khalifa bin Zayed Highway (E12), the main roadway that connects Abu Dhabi's most desirable lifestyle destinations, Yas Island and Saadiyat Island.

Aldar with a strategic partnership with Dubai Holding enters in Dubai Real Estate Market

On 02 February 2023, Aldar Properties and Dubai Holding concluded a binding joint venture agreement to develop distinctive new living experiences across prime locations in Dubai. The milestone agreement marks Aldar's entry into Dubai's high-performing real estate market, as part of the Company's broader expansion into new markets. This agreement further adds considerable weight to Aldar's portfolio of projects under development, following the recent acquisitions of Al Fahid Island in Abu Dhabi and a new waterfront development in Ras Al Khaimah.

Aldar unveils its new urban collection with 'Manarat Living' – a design-led concept on Saadiyat Island

On 06 February 2023, Aldar Properties announced the launch of Manarat Living, a boutique residential development that will bring modern and aspirational living to Abu Dhabi's cultural district on Saadiyat Island. The development will provide the customers of all nationalities with a unique opportunity to live and invest in one of Aldar's most sought-after destinations, the development will feature 273 homes located near the cultural hotspot Manarat Al Saadiyat, where year-round art exhibitions, workshops and performances are enjoyed. In addition, the community is located within walking distance of many attractions including one of the UAE's best beaches, the thriving restaurant and social scene at Mamsha Al Saadiyat and Soul Beach, 5 exceptional museums, the Abrahamic Family House, and one of Abu Dhabi's premier schools in the Emirate.

Aldar and MOCCAIE launch Real Estate Climate Pledge to support UAE Net Zero Strategic Initiative

On 08 March 2023, Aldar Properties and the Ministry of Climate Change and Environment (MOCCAIE) recently co-hosted a real estate focused National Dialogue for Climate Ambition meeting where 29 real estate and construction companies from across the UAE signed Aldar and MOCCAIE's Real Estate Climate Pledge.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-9 Material Events Experienced by the Company during 2023** continued**Aldar renews partnership with Special Olympics UAE to continue empowering People of Determination**

On 09 March 2023, Aldar Properties and Special Olympics UAE announced renewing their strategic partnership until 2025. Aldar has been an official partner of Special Olympics UAE since 2019, offering broad support to the Special Olympics UAE's operations and its sports, health and education programmes. The partnership renewal was signed by Talal Al Dhiyebi, Group Chief Executive Officer of Aldar Properties, and Talal Al Hashemi, National Director of Special Olympics UAE. The strategic partnership will continue to advance the empowerment of PoD through enrichment programmes. As part of the collaboration, Aldar will provide Special Olympics UAE sponsorship, office space and support services. In addition, Aldar employees will have access to volunteering opportunities at Special Olympics UAE events.

Aldar brings its new urban collection to Alshamkha with the launch of 'Reeman Living'

On 14 March 2023, Aldar Properties has announced the launch of Reeman Living, a new residential development that brings design-led urban living to Aldar's Alreeman project in the Alshamkha neighbourhood of Abu Dhabi.

Aldar's 2022 Sustainability Report underscores importance of collaboration to achieve climate goals

On 15 March 2023, Aldar Properties PJSC published its 2022 Sustainability Report, showcasing the progress it has made across the 4 pillars of its sustainability strategy – environment, economy, community and people – as it moves forward to create a better, more sustainable future.

Aldar signs partnership with emirates red crescent to collaborate on humanitarian initiatives

On 23 March 2023, Aldar Properties PJSC and Emirates Red Crescent (ERC) have reinforced their long-standing partnership by signing a new year-long agreement to jointly cooperate on humanitarian efforts locally and internationally.

Aldar unveils first residential dedicated to holistic health and well-being with the launch of 'The Source' at Saadiyat Grove

On 27 March 2023, Aldar Properties announced the launch of a limited number of apartments at The Source, a new living experience that sits within the Company's landmark cultural destination, Saadiyat Grove. The Source is the first project of its kind in the UAE, representing Aldar's first 'Wellness' development – a community specifically designed with residents' holistic health and well-being at its core.

Aldar and Mubadala to develop new commercial assets on Al Maryah Island

On 30 March 2023, Aldar Properties and Mubadala Investment Company (Mubadala) have signed a preliminary agreement to develop office spaces on Abu Dhabi's premier lifestyle and business destination, Al Maryah Island, which will be located within the capital's award winning international financial centre and free zone Abu Dhabi Global Market (ADGM).

Aldar Investment Properties issues USD 500 Million 10-year inaugural green sukuk

On 18 May 2023, Aldar Investment Properties (AIP) had successfully raised USD 500 million through an inaugural green sukuk. The 10-year sukuk was priced with a 4.875% coupon rate and is amongst the lowest profit rates of any corporate issuance in 2023. Hence, the effective funding cost for AIP will be significantly lower than the market's average due to a successful pre-hedging strategy implemented in 2021 and 2022 when long-term rates were materially lower. As a result, the forward starting swaps secured will reduce the issuance's effective rate to 3.85%. Following a global investor roadshow, the issuance was 4 times oversubscribed, attracting a range of local, regional and international investors that placed total orders of over USD 2.3 billion.

Aldar acquires Basatin Company and expands its growing portfolio of services

On 29 May 2023, Aldar Properties has acquired Basatin, a Company specialised in landscaping, which expands the scope of Aldar Estates' integrated asset and facility management platform services. Through this transaction, which is valued at AED 150 million, Aldar will hold a majority stake of 75% in Basatin, with the remaining 25% held by a strategic partner.

Aldar launches its recent residential community 'The Source II' – consisting 148 residential units at Saadiyat Grove

On 08 June 2023, Aldar Properties announced the launch of the second building at The Source, a residential community that redefines wellness-inspired living in the heart of Saadiyat Island, the nexus of culture and nature in Abu Dhabi.

Aldar, IHC and ADNEC Group create region's largest property and facilities management Company through expanded Aldar Estates platform

On 04 July 2023, Aldar Properties PJSC, International Holding Company (IHC) and ADNEC Group have announced that they will merge their jointly owned property and facilities management businesses within the Aldar Estates platform. The merger will witness IHC and ADNEC Group (a subsidiary of ADQ) becoming strategic shareholders in Aldar Estates, with Aldar retaining a majority stake and control of the combined platform.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-9 Material Events Experienced by the Company during 2023** continued**Khaled bin Mohamed bin Zayed launches Balghaiylam residential development valued at AED 8 billion**

On 18 July 2023, H.H. Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Executive Council of the Emirate of Abu Dhabi, launched Balghaiylam, a new residential development in the northeast of Yas Island. Aldar Properties in partnership with the Abu Dhabi Housing Authority is developing the AED 8 billion project as part of Abu Dhabi Government's efforts to develop integrated and sustainable residential neighbourhoods that will further enhance well-being of the Emirati citizen.

Aldar increases investment in its retail portfolio assets to AED 1 billion with new redevelopment plans

On 25 July 2023, Aldar Properties today announced an AED 500 million investment plan to redevelop 2 of its key retail portfolio assets in the UAE: Al Jimi Mall in Al Ain and Al Hamra Mall in Ras Al Khaimah. The investment takes Aldar's committed spend on redeveloping key retail assets to AED 1 billion.

Aldar expands its education portfolio across Abu Dhabi, Dubai and Bahrain

On 31 July 2023, Aldar Properties strengthened its investment in its education business, with over AED 350 million added to the initial AED 1 billion commitment investment announced last year in 'Aldar Education'. The additional investment includes Aldar Education's expansion into Dubai and Bahrain, as well completing its acquisition of a new school in Abu Dhabi.

Aldar Properties appoints Faisal Falaknaz as Group Chief Financial and Sustainability Officer

On 02 August 2023, Aldar Properties has appointed Faisal Falaknaz as Group Chief Financial and Sustainability Officer (GCFSO), further strengthening the Emirati representation on its Senior Management team. This resolution follows his appointment as GCFSO in January 2023, where he has since led the Group's finance, treasury, investor relations, strategy, digital services and sustainability.

Aldar launches its new residential 'Gardenia Bay' in Yas Island

On 30 August 2023, Aldar Properties announced the launch of "Gardenia Bay", a residential community that connects residents with nature and brings forward urban tranquillity and waterfront living into the heart of the vibrant Yas Island.

Aldar-backed SODIC expands in Egypt with the addition of 2 Nobu-branded hotels, restaurants and residences

On 01 September 2023, Aldar Properties' Egyptian real estate platform, SODIC, announced plans for a comprehensive expansion of the global hospitality brand 'Nobu' in Egypt. The expansion will result in the development of 2 luxury hotels, branded residences and the renowned Nobu restaurant across 2 of SODIC's distinguished developments in West Cairo and on the North Coast.

Aldar sells out first phase of 'Gardenia Bay' development within 24 hours

On 08 September 2023, Aldar Properties announced the successful sell-out of 3 buildings in the first phase of Gardenia Bay in just 24 hours after being launched for sale. 23% of sales were completed by non-resident buyers, which demonstrates Abu Dhabi's appeal to global customers. Expatriate residents accounted for a further 40% and Emirati customers made up the remaining 37%. Female buyers made up 35% of sales and male buyers made up a further 65%, while 71% of all buyers were under the age of 45, highlighting Gardenia Bay's appeal to primarily younger buyers. Additionally, Aldar further diversified its customer base, as buyers investing for the first time in Aldar Properties developments reached about 80% of the total sales of the first phase of the Gardenia Bay development.

Aldar Estates expands portfolio through acquisition of FAB Properties

On 11 September 2023, Aldar Estates, the region's largest integrated property and facilities management Company, added further scale to its business with the acquisition of FAB Properties, a UAE-based provider of property management services. Hence, the platform expands its portfolio by including 22,000 residential units among 600 properties in the State.

Aldar partners with Nikki Beach Global to launch luxurious waterfront residences in Ras Al Khaimah

On 20 September 2023, Aldar Properties announced its partnership Nikki Beach Global (Nikki Beach), a luxury lifestyle hospitality Company globally renowned for its upscale branded residences, beach club and resort concepts. The partnership will witness Aldar and Nikki Beach cooperation to develop 3 Nikki Beach branded residential buildings as part of a larger beachfront community on Al Marjan Island. Residential sales are expected to set to launch later this year.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-9 Material Events Experienced by the Company during 2023** continued**Aldar's Mamoura British Academy amongst top 3 schools in the world for environmental action**

On 25 September 2023, Aldar Properties celebrated the recognition of Mamoura British Academy, an Aldar Education school, as one of the top 3 contenders for the prestigious 'World's Best School Prizes' in the environmental action category. Aldar Education was the only education provider in the UAE and the Middle East to secure a place on the final list for this year's edition of this prestigious international award.

Aldar achieves record occupancy in its premium commercial properties portfolio in Abu Dhabi

On 23 October 2023, Aldar Properties PJSC announced that it has achieved a 97% occupancy rate across its prime Grade A commercial properties, which includes its 4 buildings at ADGM, HQ and International Tower, signalling robust demand for premium office spaces in Abu Dhabi.

Aldar launches 'Haven by Aldar' – Its first residential development in Dubai

On 26 October 2023, Aldar Properties announced its first residential development in Dubai, Haven by Aldar (Haven), a community rooted in nature and wellness that creates an environment for residents to pursue an active and healthy lifestyle. Haven development is considered a distinguished launch for Aldar towards the Dubai market, in partnership with 'Dubai Holding', a diversified international investment Company that operates in more than 13 countries around the world. The development is the culmination of its long journey of success in Abu Dhabi, which was strengthened by unique developments that include one of the most famous residential complexes on Saadiyat and Yas Islands.

Aldar Properties' first residential community in Dubai achieves remarkable sell-out of first 2 phases generating AED 3.3 billion in sales

On 01 November 2023, Aldar Properties has announced the successful sell-out of the first 2 phases of Haven by Aldar (Haven), the Company's first residential development in Dubai. Aldar launched 468 units in the first phase. Due to remarkable demand on launch day, Aldar released the second phase with an additional 318 units. In total, Aldar sold 786 villas and townhouses at the development, generating AED 3.3 billion in sales. This reflects the strong appeal of the Aldar brand to homebuyers and investors.

Aldar Properties launches sales of exclusive 'Nobu Residences' on Saadiyat Island

On 14 November 2023, Aldar Properties announced the launch of unit sales for its upcoming development Nobu Residences, the first luxury residential branded development bearing the international hospitality brand Nobu in the Middle East, to investors and buyers from all over the world.

Aldar Properties launches beachfront living on Ras Al Khaimah's Al Marjan Island

On 21 November 2023, Aldar Properties announced the launch of 'Nikki Beach Residences', a new community set against the spectacular backdrop of the Arabian Gulf on Al Marjan Island, with a blend of exciting and rejuvenating leisure experiences that will redefine beach living in the Emirate.

Aldar strengthens its international expansion strategy with the acquisition of British Real Estate Developer 'London Square'

On 01 December 2023, in Aldar Properties PJSC's first international acquisition outside the Middle East and North Africa region, the Company announced its acquisition of all shares of the Real Estate Developer London Square, which is headquartered in the British capital, London. The total transaction's value for the Company is estimated at AED 1.07 billion (£230 million). This transaction comes within the framework of Aldar's ambitious strategy to expand into major and mature international markets. This step aims at accelerating the growth of the Company's portfolio, diversifying its revenue sources, enhancing business integration opportunities, in addition to increasing investment and cross-sales opportunities. Aldar's acquisition of an existing and prestigious real estate platform will enable it to transfer its expertise to the UK market. This will strengthen the Group's position in London's diverse real estate market, which enjoys strong resilience and enduring appeal for local and international investors.

Aldar Properties sells out phase one of its first residential community in Ras Al Khaimah in 48 hours

On 07 December 2023, Aldar Properties announced the successful sell-out of phase one of its first residential development in Ras Al Khaimah, which includes the highly sought-after Nikki Beach Residences. In the first 48 hours of launch, Aldar sold 420 beachfront units totalling more than AED 1 billion in sales at the development located on Al Marjan Island.

Governance

In This Section

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-9 Material Events Experienced by the Company during 2023** continued**Aldar properties launches its first 'cooling as a service' project in Abu Dhabi**

On 12 December 2023, Aldar Properties announced the launch of a Cooling as a Service (Caas) project, which will reduce the annual carbon footprint of the cooling baseline at Al Rayyana Complex and Eastern Mangroves in Abu Dhabi by up to 30% over a 10-year period. The project, managed by Johnson Controls, will utilise energy-saving measures and advanced technologies to cut approximately 26,880 tonnes of CO₂ emissions from the 2 Aldar assets. This initiative will support Aldar to deliver its Net Zero Plan, which includes a science-aligned target of being Net Zero in scopes 1 and 2 greenhouse gas (GHG) emissions by 2030. The Cooling as a Service project supports scope 2 greenhouse gas (GHG) emissions targets.

Mubadala, Aldar and Ares establish new strategic partnership to jointly invest US \$1 Billion in European Private Real Estate Credit

On 13 December 2023, Aldar Properties, Mubadala Investment Company and Ares Management announced that they have entered into a new partnership to jointly invest US \$1 billion in private real estate credit opportunities in the United Kingdom and Europe over the next 3 to 5 years. As part of this transaction, Mubadala will hold a 50% stake in the new platform, with 30% held by Aldar and the remaining 20% by Ares. Additionally, Aldar will invest US \$100 million into an existing European private real estate credit strategy first established by Mubadala and Ares in 2021. The strategy focuses on senior secured debt with a first lien on physical real estate assets, including office, multifamily residential, industrial, retail and hospitality.

Aldar, Tadweer, Ne'ma and Polygreen partner to eliminate landfill and food waste across Aldar owned and managed assets in Abu Dhabi

On 18 December 2023, Aldar Properties, Tadweer (Abu Dhabi Waste Management Company) and global circular economy solutions expert 'Polygreen' have formed a joint venture to launch 'Ecoloop'. The circular model is the first-of-its-kind in the region, will divert waste across Aldar's owned and managed assets from the landfill and transform it into valuable resources.

Aldar properties partners with yellow door energy to provide 34 mw of solar power to its properties and real estate projects in UAE

On 19 December 2023, Aldar Properties PJSC partnered with Yellow Door Energy, a leading sustainable energy organisation, to provide solar power to 45 properties belonging to Aldar across UAE. This came in line with supporting the objectives of UAE Net Zero by 2050 Strategic Initiative and Abu Dhabi's 2030 Energy Strategy.

In addition to many other significant events that were disclosed to the SCA, Abu Dhabi Securities Exchange, and through various media channels at the time during 2023.

16-10 Emiratisation Percentage in the Company for the years 2021, 2022 and 2023

Aldar Properties has adopted a policy that contributes to attract national, experienced and qualified personnel who play a fundamental and effective role in supporting the Company's progress, projects and business, in a way that enhances the Company's capabilities and resources. The policy further contributes to support the development process witnessed by the Emirate of Abu Dhabi under the approach of our wise leadership. In this regard, it is worth mentioning that the Company succeeded in raising the Emiratisation percentage during the 2023. The following table shows the Company's Emiratisation percentages for the years 2021, 2022 and 2023:

Year	2021	2022	2023
Emiratisation Percentage	35.30%	42.00%	41.90%

16-11 Statement of the deals concluded with relevant parties by the Company during 2023, which is equivalent to 5% or more of the Company's capital

Aldar Properties PJSC did not conclude any deals with relevant parties that amounted to 5% or more of the Company's capital during 2023.

Governance**In This Section**

Board of Directors	97
Executive Management	99
Corporate Governance Report	101

Corporate Governance Report for the year ended 31 December 2023 continued**16 General Information** continued**16-12 Projects and Innovative initiatives performed by the Company during 2023**

Aldar Properties is committed to fostering innovation, considering it a fundamental element that permeates our entire approach. As a prominent player in real estate development, ownership and management, as well as an investor in an expanding PropTech portfolio, we recognise innovation as a catalyst for achieving sustainable growth and as a driving force for both business and the economy.

Our organisations conviction lies in the significance of embracing groundbreaking initiatives and projects that align with the needs of communities, customers, shareholders, investors and our employees. With this commitment, Aldar is dedicated to creating a competitive and transparent investment environment that enhances the efficiency of the sectors we operate in. Our goal is not only to attract capital but to also foster professional expertise in these sectors. In this regard, throughout 2023, Aldar actively contributed to various initiatives, maintaining continuous coordination with customers and partners in Abu Dhabi across individual corporate, and governmental levels.

To go beyond ideation and innovate with confidence, we focus on specific areas centred around our values, core businesses, and communities.

Based on an in-depth analysis of Aldar's strategic pillars and innovation ambitions, as well as external market trends, we direct our innovation effort to the areas that are most relevant, show potential for expansive business growth, and allow us to serve our customers.

Our 2023 fields of play included:

- **Net Zero** – Supporting the achievement of Aldar's science-aligned decarbonisation targets,
- **Optimisation** – Innovative and efficient solutions and business models and
- **Smart Development** – New technologies that allow us to build more efficiently without compromising on quality.

Over the course of 2023 the Aldar Innovation Team oversaw the completion of several key innovation initiatives including but not limited to:

Scale Up Accelerator Programme and Manassah Incubation Programme:

Scale Up is a 4-week, equity-free annual accelerator programme that helps PropTech start-ups from around the world access tangible growth opportunities, guidance and networks in the UAE and the GCC via incentives and commercial partnerships with Aldar and other regional market leaders. Completing the third version of the programme in 2023, 3 high-potential start-ups were awarded pilots across Aldar managed communities.

Manassah is an 8-week annual retail incubation programme that allows selected small and medium-sized enterprises (SMEs) from the region to work closely with Aldar, increase their business know-how and unlock commercial opportunities within Aldar retail assets. With the third version of this programme also concluding in 2023, 3 exciting F&B concepts have signed and look forward to launching their services in Aldar assets providing enhanced options to Aldar customers.

Innovation Pilots:

The Innovation Team operates an ongoing innovation programme leveraging Aldar's interconnected ecosystem of start-ups, mentors, venture capitalists and partners. Leads are identified and filtered into an innovation pipeline through a systematic process. Relevant leads can be turned into pilot projects to test and assess, in a controlled environment, the potential impact of new technologies on the organisation. If successful, these pilots can then be developed into solutions addressing current business challenges. There were 78 active pilot projects in the 2023 pipeline with over 20 contracted pilots taking place throughout the year.

Signature:

Chairperson of the Nominations and Remunerations Committee	Chairperson of Audit, Risk and Compliance Committee	Executive Director of the Internal Control and Compliance Department
Martin Lee Edelman	Sofia Abdellatif Lasky	Haider Najim

Approval of the BoD

Approved by the BoD at its Meeting No. (01 /2024) held on 09 February 2024

H.E. Mohamed Khalifa Al Mubarak Management

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Board of Directors' Report for the year ended 31 December 2023

The Directors present their report together with the audited consolidated financial statements of Aldar Properties PJSC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2023.

Principal activities

The Group is engaged in various businesses primarily the development, sales, investment, construction, leasing, management and associated services for real estate. In addition, the Group is also engaged in development, construction, management and operation of hotels, schools, marinas, restaurants, beach clubs and golf courses.

Financial results

The financial results of the Group have been presented on page 153 of these consolidated financial statements.

Directors

H.E. Mohamed Khalifa Al Mubarak	Chairman
Mr. Waleed Ahmed Almokarrab Al Muhairi	First Vice-Chairman
H.E. Mohamed Hasssan Alsuwaidi	Second Vice-Chairman
Eng. Hamad Salem Mohamed Al Ameri	Director
Mr. Khalifa Abdullah Khamis Al Romaithi	Director
Mrs. Sofia Abdellatif Lasky	Director
Mr. Ali Saeed Abdulla Sulayem Al Falasi	Director

Release

The Directors release from liability management and the external auditor in connection with their duties for the year ended 31 December 2023.

For the Board of Directors

Mohamed Al Mubarak
Chairman

9 February 2024

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Independent Auditor's Report**To the shareholders of Aldar Properties PJSC****Report on the audit of the consolidated financial statements****Opinion**

We have audited the consolidated financial statements of Aldar Properties PJSC (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman Resolution No. 88 of 2021 regarding financial statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Codes of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. We have communicated the key audit matters to the Audit Committee but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Audit Committee. On the following pages, we have described the key audit matters we identified and have included a summary of the audit procedures we performed to address those matters.

The key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Independent Auditor's Report continued

To the shareholders of Aldar Properties PJSC continued

Key audit matter**Valuation of investment properties**

The Group's investment property portfolio amounted to AED 26,218 million as at 31 December 2023 (2022: AED 23,933 million) and the net fair value gain recorded in the consolidated statement of profit or loss amounted to AED 600 million (2022: AED 443 million). The Group measures its investment properties at fair value and engages an external valuer to determine the fair value of all its properties.

The determination of the fair value of the majority of these investment properties is performed using the income approach of valuation, while a residual valuation methodology has been used for investment properties under development.

The Group's determination of fair value for the investment properties requires management to make significant estimates and assumptions related to future rental rates, capitalisation rates and discount rates.

The valuation of the portfolio involves significant estimation uncertainty and is based on a number of assumptions. The existence of significant estimation uncertainty warrants specific audit focus in this area as any bias or error in determining the fair value could lead to a material misstatement in the consolidated financial statements.

We have identified the valuation of investment properties as a key audit matter as the fair value is determined based on level 3 valuation methodologies which requires management to make significant estimates and judgements in determining the fair value of investment property.

Refer to notes 4 and 7 for disclosures relating to this matter.

How the matter was addressed in our audit

We evaluated the design and implementation of controls in this area.

We assessed the valuer's competence and capabilities and read their terms of engagement with the Group to determine if the scope of their work was sufficient for audit purposes.

We agreed the total valuation in the reports of third party valuers to the amount reported in the consolidated statement of financial position.

We tested the data provided to the valuers by the Group, on a sample basis.

We reviewed a sample of investment properties valued by external valuers, and also involved our internal real estate valuation expert to review a sample of those properties, and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRS Accounting Standards.

Where we identified estimates that were outside acceptable parameters, we discussed these with the valuers and management to understand the rationale behind the estimates made.

We reviewed sensitivity analyses on the significant assumptions to evaluate the extent of their impact on the determination of fair values.

We reformed the arithmetical accuracy of the determination of net fair value gain.

We assessed the disclosures made in relation to this matter to determine if they were in accordance with the requirements of IFRS Accounting Standards.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Independent Auditor's Report continued

To the shareholders of Aldar Properties PJSC continued

Key audit matter**Revenue recognition for property development and sales**

Revenue recognition on property development and sales require significant judgements to be applied and estimates to be made. The Group assesses for each of its contracts with customers for property development and sales, whether to recognise revenue over time or at a point in time based on the consideration of whether the Group has created a real estate asset with no alternative use and whether the Group has an enforceable right for payment related to performance completed at any time during the life of the contract as disclosed in note 3.11 and note 4 to the consolidated financial statements.

Where revenue is recognised over time, the Group estimates total development and infrastructure costs required to meet performance obligations under the contract and recognises proportionate revenue to the extent of satisfaction of performance obligations as at the end of the reporting period.

Revenue recognition on property development and sales was assessed as a key audit matter due to the significance of the assessment of satisfaction of performance obligations and judgements made in assessing the timing of revenue recognition.

Refer to note 4 for details about judgements applied and estimates made in determining the amount of revenue to be recognised.

How the matter was addressed in our audit

We obtained an understanding of the process implemented by the Group for revenue recognition and measurement in respect of property development and sales.

We tested the design, implementation and operating effectiveness of controls established by the Group over revenue recognition for property development and sales.

We inspected a sample of contracts with customers for property development and sales and assessed management's identification of performance obligations and their determination of whether revenue should be recognised over time or at a point in time in accordance with the requirements of IFRS 15 Revenue from Contracts with Customers by making reference to the terms and conditions specified in the contracts.

We determined to what extent the resultant performance obligations had been satisfied through the inspection of supporting documentation.

We examined approved project cost budgets for significant on-going real estate developments and reviewed the projects' completion percentages as a percentage of total costs incurred. For a sample of significant projects, we recalculated the amount of revenue to be recognised.

We assessed the disclosures made in the consolidated financial statements in this area against the requirements of IFRS Accounting Standards.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Independent Auditor's Report continued

To the shareholders of Aldar Properties PJSC continued

Key audit matter**Business combination – acquisition of London Square and Eltizam**

During the year, the Group acquired the following entities:

- 100% of the share capital of London Square Developments Holding Limited ("London Square") with effect from 30 November 2023 for a total consideration of AED 557 million. Goodwill of AED 4 million was recognized as a result of this acquisition and represents the excess of the total consideration over the provisional fair value of identifiable net assets acquired of AED 493 million. The Group recognised intangible assets of AED 10 million as a result of this acquisition which were not recognised by London Square. These intangible assets include customer contracts.
- 65.1% of the share capital of Eltizam Asset Management LLC ("Eltizam") with effect from 1 July 2023 for a total consideration of AED 1,013 million. Goodwill of AED 705 million was recognised as a result of this acquisition and represents the excess of the total consideration over the provisional fair value of identifiable net assets acquired of AED 308 million. The Group recognised intangible assets of AED 161 million as a result of this acquisition which were not recognised by Eltizam. These intangible assets include brands and customer relationships.

These transactions require management to apply significant judgement in determining the acquisition-date fair values of identifiable assets acquired and liabilities assumed.

Management engaged independent professional valuers to assist them in the determination of the provisional fair values of the acquired net assets at the acquisition date. This includes the identification and valuation of intangible assets which requires judgements to be made.

Key estimates applied in the determination of provisional fair values include, inter alia, discount rates, revenue growth rates, gross margins and useful life of assets. Any significant changes in these key estimates may give rise to material changes in the provisional fair value of the acquired assets and liabilities including intangible assets, which directly impact the goodwill recognised.

We have considered this to be a key audit matter due to the significant judgements applied and estimates made in determining the acquisition-date fair values of identifiable assets acquired and liabilities assumed.

Refer to note 3.4 for the accounting policy and note 47 for related disclosures related to this matter.

How the matter was addressed in our audit

As part of our audit procedures in respect of the business combination, we have:

- assessed the controls over the accounting of the transactions to determine if they had been appropriately designed and implemented;
- assessed whether management's assumptions in relation to the accounting for the transactions are in accordance with the requirements of IFRS Accounting Standards;
- assessed the skills, independence and qualifications of the independent valuers engaged by management in relation to this matter;
- reviewed the engagement letter with the independent valuers to determine if the scope of their work was sufficient for audit purposes; and
- as part of our audit procedures in respect of the provisional purchase price allocation, we have:
 - assessed the completeness and accuracy of the assets acquired and liabilities assumed in the provisional purchase price allocation;
 - evaluated, with involvement of our internal experts, the methodologies and significant inputs used by the Group including the identification of intangible assets and the determination of the useful lives of the identified intangible assets;
 - assessed, with involvement of our internal experts, the provisional fair values of a sample of the assets acquired and liabilities assumed. Where we identified estimates that were outside acceptable parameters, we discussed these with the valuers and management to understand the rationale behind the estimates made;
 - analysed the provisional fair value adjustments recognized by management and evaluated whether the adjustments made were in accordance with the requirements of IFRS Accounting Standards;
 - reperformed the mathematical accuracy of the determination of the provisional fair values of assets acquired and liabilities assumed;
 - agreed the provisional fair values of assets acquired and liabilities assumed that were determined by the professional valuers to the amounts disclosed in the consolidated financial statements;
 - assessed, with involvement of our internal experts, provisional goodwill recognised by management and evaluated whether it was accounted for in accordance with the requirements of IFRS Accounting Standards; and
 - assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Independent Auditor's Report continued

To the shareholders of Aldar Properties PJSC continued

Other Information

The Board of Directors are responsible for the other information. The other information comprises the Board of Directors' Report, which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we will read the Group's Annual Report, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and the applicable provisions of the articles of association of the Company and the UAE Federal Law No. (32) of 2021, applicable provisions of the laws and regulations and for such internal control as management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Independent Auditor's Report continued**To the shareholders of Aldar Properties PJSC** continued**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** continued

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Independent Auditor's Report continued

To the shareholders of Aldar Properties PJSC continued

Report on other legal and regulatory requirements

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- the Company has maintained proper books of account;
- the financial information included in the Board of Directors' Report is consistent with the books of account and records of the Group;
- notes 3, 8, 46 and 47 reflect the disclosures relating to shares purchased or invested by the Group during the financial year ended 31 December 2023;
- note 38 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or in respect of the Company, its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and
- note 43 reflects the disclosures relating to social contributions made during the year.

Further, as required by the ADAA Chairman Resolution No. 88 of 2021 regarding financial statements Audit Standards for the Subject Entities, we report, in connection with our audit of the consolidated financial statements for the year ended 31 December 2023, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2023:

- Articles of Association of the Company; and
- relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Group's consolidated financial statements.

Deloitte & Touche (M.E.)**Mohammad Khamees Al Tah****Registration No. 717**

9 February 2024

Abu Dhabi

United Arab Emirates

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Financial Position at 31 December 2023

	Note	2023 AED '000	2022 AED '000
Assets			
Non-current assets			
Property, plant and equipment	5	6,513,316	5,606,522
Intangible assets and goodwill	6	1,882,835	374,944
Investment properties	7	26,217,542	23,933,024
Investment in associates and joint ventures	8	151,167	84,662
Investment in financial assets	9	718,969	98,634
Derivative financial assets	24	8,311	207,045
Trade receivables and other assets	11	805,763	578,732
Total non-current assets		36,297,903	30,883,563
Current assets			
Plots of land held for sale	12	7,787,308	4,822,121
Development work in progress	13	6,243,802	3,835,682
Inventories	14	606,334	855,049
Investment in financial assets	9	93,147	179,744
Contract assets	10	1,875,744	568,563
Trade receivables and other assets	11	8,235,672	7,583,154
Cash and bank balances	15	11,718,158	12,548,108
Total current assets		36,560,165	30,392,421
Total assets		72,858,068	61,275,984
Equity and liabilities			
Equity			
Share capital	16	7,862,630	7,862,630
Statutory reserve	18	3,931,315	3,931,315
Cash flow hedging reserve	18	165,130	190,248
Investment revaluation reserve	18	(8,790)	(2,310)
Assets revaluation reserve	18	73,623	73,623
Foreign currency translation reserve	18	(536,624)	(385,312)
Retained earnings		19,577,817	16,679,139

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements

In This Section

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Financial Position continued at 31 December 2023

	Note	2023 AED '000	2022 AED '000
Equity attributable to owners of the Company		31,065,101	28,349,333
Hybrid equity instrument	17	1,815,647	1,815,647
Non-controlling interests	46	5,302,298	4,380,218
Total equity		38,183,046	34,545,198
Non-current liabilities			
Non-convertible sukuk	19	5,456,856	3,644,812
Bank borrowings	20	5,488,558	6,005,341
Retentions payable	21	542,998	676,001
Lease liabilities	22	848,365	436,545
Employees benefits	23	339,482	296,893
Trade and other payables	26	3,918,771	897,810
Total non-current liabilities		16,595,030	11,957,402
Current liabilities			
Non-convertible sukuk	19	46,098	37,104
Bank borrowings	20	1,087,654	608,301
Retentions payable	21	723,756	1,056,294
Lease liabilities	22	78,505	48,988
Advances from customers	25	633,019	481,054
Contract liabilities	10	6,429,003	2,917,639
Trade and other payables	26	9,081,957	9,624,004
Total current liabilities		18,079,992	14,773,384
Total liabilities		34,675,022	26,730,786
Total equity and liabilities		72,858,068	61,275,984

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group.

Mohamed Al Mubarak
Chairman

Talal Al Dhiyebi
Group Chief Executive Officer

Faisal Falaknaz
Group Chief Financial &
Sustainability Officer

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Profit or Loss for the year ended 31 December 2023

	Note	2023 AED '000	2022 AED '000
Revenue and rental income	27	14,160,938	11,200,027
Direct costs	28	(8,587,565)	(6,688,516)
Gross profit		5,573,373	4,511,511
Selling and marketing expenses	29	(114,886)	(220,321)
General and administrative expenses			
Staff costs	30.2	(545,245)	(626,946)
Depreciation and amortisation	5.6	(447,625)	(342,790)
Provisions, impairments and write downs, net	31	(225,945)	(63,837)
Others	30.1	(488,850)	(464,964)
Fair value (loss)/gain on revaluation of financial assets at fair value through profit or loss (FVTPL)	9	(2,456)	4,708
Gain on revaluation of investment properties, net	7	600,157	442,797
Share of results of associates and joint ventures	8	(7,416)	(7,765)
Gain on disposal of investment properties	7.10	23,962	28,992
Gain on bargain purchase	47.9	-	9,104
Finance income	32	498,773	217,643
Finance costs	33	(621,166)	(397,348)
Other income	34	285,697	92,183
Profit for the year before tax		4,528,373	3,182,967
Income tax expense	35	(111,967)	(39,234)
Profit for the year after tax		4,416,406	3,143,733
Attributable to:			
Owners of the Company		3,922,263	2,944,464
Non-controlling interests	46.2	494,143	199,269
		4,416,406	3,143,733
Basic and diluted earnings per share (AED)	36	0.486	0.368

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

	Note	2023 AED '000	2022 AED '000
Profit for the year		4,416,406	3,143,733
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign exchange differences on translation of foreign operations	18	(252,741)	(643,689)
Fair value (loss)/gain on cash flow hedges arising during the year	24	(20,713)	193,394
Net (loss)/gain on hedging instruments reclassified to profit or loss	24, 33	(7,787)	6,947
Items that will not be reclassified to profit or loss in subsequent periods:			
Fair value (loss)/gain on revaluation of financial assets at fair value through other comprehensive income (FVTOCI)	9.1	(6,480)	52,685
Other comprehensive loss for the year		(287,721)	(390,663)
Total comprehensive income for the year		4,128,685	2,753,070
Attributable to:			
Owners of the Company		3,739,353	2,802,507
Non-controlling interests	46.2	389,332	(49,437)
		4,128,685	2,753,070

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Changes in Equity for the year ended 31 December 2023

	Share capital AED '000	Statutory reserve AED '000	Cash flow hedging reserve AED '000	Investment revaluation reserve AED '000	Assets revaluation reserve AED '000	Foreign currency translation reserve AED '000	Retained earnings AED '000	Equity attributable to owners of the Company AED '000	Hybrid equity instrument AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2023	7,862,630	3,931,315	190,248	(2,310)	73,623	(385,312)	16,679,139	28,349,333	1,815,647	4,380,218	34,545,198
Profit for the year	-	-	-	-	-	-	3,922,263	3,922,263	-	494,143	4,416,406
Other comprehensive income for the year	-	-	(25,118)	(6,480)	-	(151,312)	-	(182,910)	-	(104,811)	(287,721)
Total comprehensive income for the year	-	-	(25,118)	(6,480)	-	(151,312)	3,922,263	3,739,353	-	389,332	4,128,685
Dividends (note 37)	-	-	-	-	-	-	(1,258,022)	(1,258,022)	-	-	(1,258,022)
Gain on business combination without loss of control (note 47.1)	-	-	-	-	-	-	337,726	337,726	-	-	337,726
Coupon paid on hybrid equity instrument (note 17)	-	-	-	-	-	-	(103,289)	(103,289)	-	-	(103,289)
Dividends paid by a subsidiary against preference equity (note 46.3)	-	-	-	-	-	-	-	-	-	(101,957)	(101,957)
Dividends paid by a subsidiary to non-controlling interests (note 46.4)	-	-	-	-	-	-	-	-	-	(151,040)	(151,040)
Additional contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	18,000	18,000
Non-controlling interest arise due to change in ownership interest (note 47.1)	-	-	-	-	-	-	-	-	-	675,276	675,276
Non-controlling interest arise on business combinations and asset acquisition (note 7&47)	-	-	-	-	-	-	-	-	-	92,469	92,469
Balance at 31 December 2023	7,862,630	3,931,315	165,130	(8,790)	73,623	(536,624)	19,577,817	31,065,101	1,815,647	5,302,298	38,183,046

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023 continued

	Share capital AED '000	Statutory reserve AED '000	Cash flow hedging reserve AED '000	Investment revaluation reserve AED '000	Assets revaluation reserve AED '000	Foreign currency translation reserve AED '000	Retained earnings AED '000	Equity attributable to owners of the Company AED '000	Hybrid equity instrument AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2022	7,862,630	3,931,315	(422)	9,800	73,623	–	15,044,624	26,921,570	–	715,213	27,636,783
Profit for the year	–	–	–	–	–	–	2,944,464	2,944,464	–	199,269	3,143,733
Other comprehensive income for the year	–	–	190,670	52,685	–	(385,312)	–	(141,957)	–	(248,706)	(390,663)
Total comprehensive income for the year	–	–	190,670	52,685	–	(385,312)	2,944,464	2,802,507	–	(49,437)	2,753,070
Issuance of hybrid equity instrument (note 17)	–	–	–	–	–	–	–	–	1,815,647	–	1,815,647
Dividends (note 37)	–	–	–	–	–	–	(1,179,394)	(1,179,394)	–	–	(1,179,394)
Dividends paid by a subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	–	(973)	(973)
Dividends paid by a subsidiary against preference equity (note 46.3)	–	–	–	–	–	–	–	–	–	(20,979)	(20,979)
Coupon paid on hybrid equity instrument (note 17)	–	–	–	–	–	–	(51,645)	(51,645)	–	–	(51,645)
Reclassification of fair value reserve of financial asset at FVTOCI upon derecognition (note 9)	–	–	–	(64,795)	–	–	64,795	–	–	–	–
Movement from partial disposal of interests in subsidiaries (note 46.3 & 46.4)	–	–	–	–	–	–	(44,625)	(44,625)	–	3,302,843	3,258,218
Change in equity attributable to owners of the Company due to partial disposal of subsidiary (note 46.2)	–	–	–	–	–	–	(99,080)	(99,080)	–	99,080	–
Non-controlling interest arising on a business combination and asset acquisition	–	–	–	–	–	–	–	–	–	334,471	334,471
Balance at 31 December 2022	7,862,630	3,931,315	190,248	(2,310)	73,623	(385,312)	16,679,139	28,349,333	1,815,647	4,380,218	34,545,198

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Cash Flows for the year ended 31 December 2023

	Note	2023 AED '000	2022 AED '000
Operating activities			
Profit for the year before tax		4,528,373	3,182,967
Adjustments for:			
Depreciation and amortisation	5,6	479,189	363,570
Finance income	32	(498,773)	(217,643)
Finance cost	33	621,166	397,348
Gain on revaluation of investment properties, net	7	(600,157)	(442,797)
Share of results of associates and joint ventures (Release)/provision for onerous contracts	8	7,416	7,765
Provisions, impairments and write downs, net	31	(11,601)	14,514
Reversal of provision for impairment of investments in associates and joint ventures	31	237,546	356,992
Reversal of impairment on property, plant and equipment	31	-	(7,346)
Loss on disposal of property, plant and equipment	5,31	-	(300,323)
Gain on disposal of investment properties	5	-	165
Gain business combination	7	(23,962)	(28,992)
Gain on disposal of right of use assets	47.9	-	(9,104)
Gain on revaluation of financial assets		16,831	-
Provision for employee benefits	23	(2,604)	(5,222)
		71,481	70,486
Operating cash flows before movements in working capital		4,791,243	3,382,380
Movement in working capital:			
Increase in trade receivables and other assets		(670,011)	(1,064,706)
(Increase)/decrease in development work in progress, inventories and plots of land held for sale		(810,610)	155,707
Increase in contract assets		(1,146,696)	(262,092)
(Decrease)/increase in retentions payable		(501,299)	400,275
Increase/(decrease) in advances from customers		392,649	(87,334)
Increase in contract liabilities		3,757,039	1,119,960
(Decrease)/increase in trade and other payables		(2,108,044)	2,781,532
Cash generated from operations		3,704,271	6,425,722
Employee benefits paid	23	(71,105)	(37,614)
Income tax paid		(43,517)	(87,589)
Net cash from operating activities		3,589,649	6,300,519

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Cash Flows continued for the year ended 31 December 2023

	Note	2023 AED '000	2022 AED '000
Cash flows from investing activities			
Payments for purchases of property, plant and equipment	5	(646,856)	(2,109,872)
Payment for purchases of intangible assets	6	(82,320)	(44,015)
Additions to investment properties	7	(1,581,837)	(5,433,967)
Proceeds from disposal of investment properties and property, plant and equipment	5,7	192,177	251,628
Cash received from associate as reduction in capital	8	52,468	32,000
Acquisition of subsidiaries, net of cash acquired	47	(692,134)	(488,844)
Proceeds from disposal of financial assets at FVTOCI		-	42,891
Movement in term deposits with maturities greater than three Months		438,428	(555,000)
Investment in financial assets		(624,094)	933
Proceeds from maturity of treasury bills		635,330	478,140
Investments made in treasury bills		(557,532)	(627,939)
Movement in restricted bank balances		(1,665,699)	(1,499,512)
Investments in associates and joint ventures		(10,809)	-
Finance income received		479,381	102,480
Net cash used in investing activities		(4,063,497)	(9,851,077)

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Consolidated Statement of Cash Flows continued for the year ended 31 December 2023

	Note	2023 AED '000	2022 AED '000
Cash flows from financing activities			
Repayments of bank borrowings	20	(5,641,850)	(6,772,798)
Proceeds from bank borrowings	20	5,055,639	8,803,223
Proceeds from non-convertible sukuk	19	1,804,551	–
Payment of principal portion of lease liabilities		(50,920)	(56,637)
Finance costs paid		(730,950)	(393,820)
Dividends paid	37	(1,258,022)	(1,252,990)
Proceeds from movement in ownership interest in subsidiaries	46	–	3,258,219
Dividends paid to non-controlling interest	46	(252,998)	(21,592)
Coupon paid on hybrid equity investment	17	(103,289)	(51,645)
Additional contribution from non-controlling interests		83,542	–
Proceeds from settlement of derivatives		183,662	–
Payment for purchase of land held for sale		(622,510)	–
Proceeds from issuance of hybrid equity instruments	17	–	1,815,647
Net cash (used in)/generated from in financing activities		(1,533,145)	5,327,247
Net (decrease)/increase in cash and cash equivalents		(2,006,993)	1,776,689
Cash and cash equivalents at beginning of the year	15	7,020,318	5,383,855
Effect of foreign exchange rate changes		(50,229)	(140,226)
Cash and cash equivalents at end of the year	15	4,963,096	7,020,318

Refer to note 44 for details of non-cash transactions excluded from the consolidated statement of cash flows.

The accompanying notes form an integral part of these consolidated financial statements.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

1 General information

The establishment of Aldar Properties PJSC (the "Company" or "Aldar") was approved by Decision No. (16) of 2004 of the Abu Dhabi Department of Planning and Economy dated 12 October 2004. The Company's incorporation was declared by Ministerial Resolution No. (59) of 2005 issued by the UAE Minister of Economy dated 23 February 2005.

The Company is domiciled in the United Arab Emirates (UAE) and its registered office address is P.O. Box 51133, Abu Dhabi. The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange.

The holding company of the Group is Alpha Dhabi Holding PJSC (the "Parent Company") which is listed on Abu Dhabi Securities Exchange.

The Company and its subsidiaries (together referred to as the "Group") are engaged in various businesses primarily the development, sales, investment, construction, leasing, management and associated services for real estate. In addition, the Group is also engaged in development, construction, management and operation of hotels, schools, marinas, restaurants, beach clubs and golf courses.

2 Adoption of new and revised International Financial Reporting Standards ("IFRS Accounting Standards")

2.1 New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied the below amendments to IFRS Accounting Standards and interpretations issued by the International Accounting Standard Board (IASB) that are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements except as disclosed below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation

features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- a specific adaptation for contracts with direct participation features (the variable fee approach); and
- a simplified approach (the premium allocation approach) mainly for short-duration contracts.

The new standard had no impact on the Group's consolidated financial statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no material impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

2 Adoption of new and revised International Financial Reporting Standards ("IFRS Accounting Standards") continued

2.1 New and amended IFRS Accounting Standards that are effective for the current year continued

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception, the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

2.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

Financial Statements**In This Section**

Board of Directors' Report Independent Auditor's Report	146
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

2 Adoption of new and revised International Financial Reporting Standards ("IFRS Accounting Standards") continued

2.2 New and amended IFRS Accounting Standards in issue but not yet effective and not early adopted continued

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments must be applied prospectively. Early application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Group is currently assessing the impact of the IFRS S1 and IFRS S2 on the consolidated financial statements.

3 Summary of material accounting policy information

3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the

International Accounting Standards Board (IASB) and applicable provisions of the U.A.E. Federal Law No. (32) of 2021.

The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of investment properties, revaluation of the financial assets at fair value through other comprehensive income, revaluation of the financial assets at fair value through profit or loss, measurement of derivative financial instruments and measurement of share-based payments at fair values at the end of each reporting period, as explained in the accounting policies given below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of a financial asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is described as follows:

- level 1 inputs are quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3 inputs are unobservable inputs for the asset or liability that are derived from valuation techniques.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.1 Basis of preparation (continued)

These consolidated financial statements are presented in UAE Dirhams (AED) which is the functional and presentation currency of the Group and all values are rounded to the nearest thousand (AED '000) except when otherwise indicated. Foreign operations are included in accordance with the policies set out in note 3.14.

During the year ended 31 December 2023, the Group have changed the classification of project related marketing costs, which are costs incurred for marketing and promoting development projects, from selling and marketing expenses to direct costs, as these are costs directly related to the activities for obtaining the contracts with customers. Accordingly, the comparative numbers have been reclassified to align with the presentation of the current period amounting to AED 222,318 thousand for the year ended 31 December 2022.

3.2 Going concern

The directors have, at the time of approving the consolidated financial statements, made a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, when the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.3 Basis of consolidation continued

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

During the year Aldar Projects LLC ("Aldar Projects" a subsidiary of the Company), transferred the beneficial ownership of certain development contracts to the Government of Abu Dhabi and accordingly, derecognised the respective assets and liabilities relating to these development contracts from its statement of financial position.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.3 Basis of consolidation continued

Details of the Company's significant operating subsidiaries and effective ownership interest are given below:

Name of subsidiary	Effective ownership interest		Country of incorporation	Principal activities
	2023	2022		
Active subsidiaries				
Aldar Education – Sole Proprietorship LLC	100%	100%	UAE	Investment in, and management of entities providing educational services
Aldar Hotels and Hospitality LLC	100%	100%	UAE	Investment in, and management of, entities providing hotels and hospitality services
Aldar Marinas LLC	100%	100%	UAE	Managing and operating marinas, sports clubs and marine machinery
Provis Real Estate Management – Sole Proprietorship LLC	65.1%	100%	UAE	Management and leasing of real estate
Provis Real Estate Brokers LLC	65.1%	100%	UAE	Real estate brokerage
Yas Links LLC	100%	100%	UAE	Ownership and management of golf courses and golf clubs
Pivot Engineering & General Contracting Co. (WLL) ("Pivot")	65.2%	65.2%	UAE	Engineering and general construction works
Aldar Investment Holding Restricted Limited	88.1%	88.1%	UAE	Special purpose vehicle, proprietary asset management company
Khidmah – Sole Proprietorship LLC	65.1%	100%	UAE	Management and leasing of real estate
Saadiyat Accommodation Sole Proprietorship LLC	88.1%	88.1%	UAE	Accommodation village
Aldar Sukuk (No. 1) Ltd.	88.1%	88.1%	Cayman Islands	Funding company
Aldar Sukuk (No. 2) Ltd.	88.1%	88.1%	Cayman Islands	Funding company
Aldar Investment Properties Sukuk Limited	88.1%	88.1%	Cayman Islands	Funding company
Cloud Spaces – Sole Proprietorship LLC ("Cloud Spaces")	100%	100%	UAE	Real estate lease and management services
Aldar Lifestyle – Sole Proprietorship LLC	100%	100%	UAE	Hospitality services
Eastern Mangroves Marina – Sole Proprietorship LLC	100%	100%	UAE	Managing and operating marinas
Marsa Al Bateen – Sole Proprietorship LLC	100%	100%	UAE	Managing and operating marinas
Advanced Real Estate Services – Sole Proprietorship LLC	100%	100%	UAE	Real estate services
Aldar Investments Limited	88.1%	88.1%	UAE	Holding company
Pacific Owners Association Management Services LLC	65.1%	100%	UAE	Management of real estate
Aldar Ventures International Holding RSC Limited	100%	100%	UAE	Restricted scope company
Aldar Projects LLC	100%	100%	UAE	Project management services
Six October for Development and Investment Co. S.A.E. (SODIC)	59.9%	59.9%	Egypt	Real estate development
Tasareeh Engineer Services – Sole Proprietorship LLC	100%	100%	UAE	Development consultancy
Aldar Investment Management Limited	100%	100%	UAE	Assets management
Asteco Property Management LLC	65.1%	100%	UAE	Property management services
Aldar Logistics – Sole Proprietorship LLC	100%	100%	UAE	Real estate lease and management services
The Gateway Engineering Services – Sole Proprietorship LLC	100%	100%	UAE	Development consultancy

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.3 Basis of consolidation continued

Name of subsidiary	Effective ownership interest		Country of incorporation	Principal activities
	2023	2022		
Active subsidiaries				
Al Seih Real Estate Management LLC	91.4%	91.4%	UAE	Management and leasing of real estate; real estate projects investment
Seih Sdeirah Real Estate LLC	91.4%	91.4%	UAE	Property rental and management; real estate projects investment
Saadiyat Grove – Sole Proprietorship LLC	100%	100%	UAE	Real estate development
Mace Macro Technical Services L.L.C.	65.1%	100%	UAE	Facilities management
Spark Security Services – Sole Proprietorship LLP	65.1%	100%	UAE	Security solutions
Spark Security Services – LLC	65.1%	100%	UAE	Security solutions
Pactive Sustainable Solutions LLC	65.1%	100%	UAE	Green building consultant, buildings energy efficiency services
Saga International Owners Association Management Services LLC	65.1%	100%	UAE	Property management services
Saga OA DMCC	65.1%	100%	UAE	Property management services
Al Shohub Private School – Sole Proprietorship L.L.C.	100%	100%	UAE	Providing educational services
Twafq Projects Development Property – Sole Proprietorship L.L.C.	61.7%	61.7%	UAE	Real estate lease and management services
Abu Dhabi Business Hub LLC – Sole Proprietorship L.L.C.	61.7%	61.7%	UAE	Real estate lease and management services
Aldar Logistics Holding Limited	100%	100%	UAE	Holding company
Aldar Hansel SPV Restricted Ltd. *	51%	51%	UAE	Restricted scope company
Confluence Partners (HQ) RSC Ltd.	100%	100%	UAE	Special purpose company
Al Maryah Propert Holding Limited	52.86%	52.86%	UAE	Real estate holding
Double Tree by Hilton Resort & SPA Marjan Island LLC	100%	100%	UAE	Hospitality services
Aldar Island Hotel – Sole Proprietorship L.L.C.	100%	100%	UAE	Hospitality services
Bab Resorts LLC	100%	100%	UAE	Hospitality services
New subsidiaries incorporated/acquired during the year				
Mustard and Linen Interior Design Holdings Limited	75%	n/a	UAE	Premium interior design business
Aldar Estates Holding Limited	65.1%	n/a	UAE	Special purpose company
Aldar Estates Investment – Sole Proprietorship L.L.C.	65.1%	n/a	UAE	Real estate enterprises investment, development, institution & management
Kent College LLC – FZ	100%	n/a	UAE	Education
Kent Nursery LLC – FZ	100%	n/a	UAE	Education
Basatin Holding SPV Ltd.	48.8%	n/a	UAE	Landscaping service provider
Virgina International Private School – Sole Proprietorship LLC	100%	n/a	UAE	Education
Aurora Holding Company Limited	51%	n/a	UAE	Special purpose company
Aurora SPV 1 LLC	51%	n/a	UAE	Real estate development

* The 49% represent class B shares (refer note 46.4)

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.3 Basis of consolidation continued

New subsidiaries incorporated/acquired during the year continued

Name of subsidiary	Effective ownership interest		Country of incorporation	Principal activities
	2023	2022		
Aurora SPV 2 LLC	51%	n/a	UAE	Real estate development
Aurora SPV 3 LLC	51%	n/a	UAE	Real estate development
Aldar Development Holdings Limited	100%	n/a	UAE	Holding ownership of real estate property
The Sustainable Investment YAS – Sole Proprietorship LLC.	100%	n/a	UAE	Real estate development
The Sustainable Investment Company SPV Ltd.	100%	n/a	UAE	Special purpose company
Eltizam Asset Management Estate – Sole Proprietorship LLC	65.10%	n/a	UAE	Real estate lease and management
Fab Properties – Sole Proprietorship LLC	65.10%	n/a	UAE	Real estate lease and management
Aldar Development (LSQ) Limited	100%	n/a	England	Real estate development
London Square Development (Holdings) Limited	100%	n/a	England	Real estate development
LSQ Management Limited	100%	n/a	England	Real estate development
Aldar Development (UK) Holdings Limited	100%	n/a	UAE	Special purpose company
Aldar Hamra Holdings Limited	100%	n/a	UAE	Special purpose company
AMI Properties Holding Limited	60%	n/a	UAE	Special purpose company
Aldar Logistics Parks LLC	100%	n/a	UAE	Leasing and management of self-owned property

3.4 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability

to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.4 Business combinations continued

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3.5 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition

date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Goodwill is not amortised but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The results and assets and liabilities of associates and joint ventures are incorporated using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated financial statements at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the associate or the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.6 Investment in associates and joint ventures continued

Profit or loss reflects the Group's share of the results of operations of associates and joint ventures. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the investees are eliminated to the extent of the interest in the investees.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of profit or loss outside operating profit and represents profit or loss and non-controlling interests in the subsidiaries of the associate or joint venture.

Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group and having same accounting policies. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture upon loss of significant influence over the associate or joint control over the joint venture. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Interests in associates that are held as part of the Group's investment portfolio are carried in the consolidated statement of financial position at fair value. This treatment is permitted by IAS 28 Investments in Associates and Joint Ventures, which allows investments in associates held by venture capital organisations to be designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognised in the profit or loss in the period of the change.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.7 Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered conducting the transaction with other parties to the joint operation and profits and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation. When a Group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.8 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period;
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period; or
- the terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.9 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.10 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the

hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved for valuation of significant assets. Involvement of external valuers is determined annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

3.11 Revenue recognition

For contracts determined to be within the scope of revenue recognition, the Group is required to apply a five-step model to determine when to recognise revenue, and at what amount. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group recognises revenue from the following major sources:

- sale of properties (property development and sales) and provision of services
- service charges and expenses recoverable from tenants;
- property and facilities management services;
- hospitality;
- leisure;
- construction contracts;
- education services; and
- management fee.

Financial Statements

In This Section

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.11 Revenue recognition continued

Revenue from contracts with customers for sale of properties and provision of services

The Group constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before construction of the residential properties begins.

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1* Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2* Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3* Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4* Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5* Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and
- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Under the terms of the contracts in the UAE and England and Wales, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Therefore, revenue from construction of residential properties in the UAE and England and Wales is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. In respect of the Group's contracts for development of residential properties in Egypt, the Group has assessed that the criteria for recording revenue over time is not met and transfer of control happens only at the time of handover of completed units to the customers and accordingly the revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. The Group receives advance payments and instalments from some customers in a specific jurisdiction, before the transfer of control over contracted units to customers as agreed in the contract, accordingly there is a significant financing component in those contracts, considering the length of time between the customer's payments and the transfer of control to the customer, and the interest rate prevailing in the market. The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the Group uses the rate that would have been used in the event of a separate financing contract between the Group and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing at the time of the contract. The Group uses the exception of the practical application for short-term payments received from customers. This means the amount collected from customers will not be modified to reflect the impact of the significant financing component if the period between the transfer of control over the units, service and payment is less than a year.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.11 Revenue recognition continued

Management fee

The Group manages construction of properties under long term contracts with customers. Management fee is recognised over time using input method to recognise revenue on the basis of entity's efforts to the satisfaction of a performance obligation. Management considers that input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15. Where the outcome cannot be estimated reliably, revenue is measured based on the consideration from customers to which the Group expects to be entitled in a contract with a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date and excludes amounts collected on behalf of third parties.

Service charges and expenses recoverable from tenants

For investment properties held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16. Certain lease agreements include certain services offered to tenants (i.e., customers) including common area services (such as security, cleaning, maintenance, utilities, health and safety) as well as other support services (e.g., customer service and management) The consideration charged to tenants for these services includes fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced.

The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The contracts of the Group specifically highlight stand-alone price for the services.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

Income arising from cost recharged to tenants is recognised in the period in which the cost can be contractually recovered. The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

Hospitality

Hospitality revenue corresponds to all the revenues received from guests of the hotels. The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, which is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Leisure

Leisure businesses comprises revenue from goods sold and services provided at golf courses, beach clubs and marinas, and is recognised at the point when the goods are sold or services are rendered.

Education services

Registration fee is recognised as revenue when it is received. Tuition fee revenue is recognised over the period of tuition. Tuition fees received in advance are recorded as deferred income.

Revenue from construction contracts

The Group construct properties under long term contracts with customers. Such contracts are entered into before the construction work begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has enforceable right to payment for work done. Revenue from construction is therefore recognised over time using input method to recognise revenue on the basis of entity's efforts to the satisfaction of a performance obligation in accounting for its construction contracts. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15.

Where the outcome of a construction contract cannot be estimated reliably, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Contract costs incurred are amortised over the period of service. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue using the input method and the payment is always less than one year.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the profit or loss immediately.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.11 Revenue recognition continued

Contract costs

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment (where applicable) and costs of subcontracted works, plus an appropriate portion of construction overheads and general and administrative expenses of the year allocated to construction contracts in progress during the year at a fixed rate of the value of work done on each contract. Any under recovery at the end of the fiscal year, is charged to profit or loss as unallocated overheads.

Contract assets and liabilities

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the consolidated financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

3.12 Leases

The Group as lessee

The Group assesses at contract inception whether a contract is, or contains a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a corresponding lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use) with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-

specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.12 Leases continued

The Group as lessee continued

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

After initial recognition, the Group applies fair value model to right-of-use assets that meet the definition of investment property. For assets that meet the definition of property, plant and equipment, right of use asset is carried at cost net of depreciation and impairment and is amortised over the term of the lease. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented along with the underlying asset in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset associated with property, plant and equipment is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in the consolidated statement of profit or loss.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The relative stand-alone price of lease and non-lease components is determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

The non-lease components are accounted for in accordance with the Group's policies. For determination of the lease term, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that:

- is within the control of the Group; and
- affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

The Group as lessor

The Group enters into lease arrangements as a lessor with respect to its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all the risks and rewards incidental to ownership of an investment property. In addition, the Group subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Group's subleases are classified as operating leases.

Rental income arising from operating leases on investment property is recognised on a straight-line basis over the relevant lease term and is included in revenue in profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.12 Leases continued

Rental income continued

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when the right to receive them arises.

Amounts from leases under finance lease are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

3.13 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.13 Taxes continued

Deferred tax continued

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.14 Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions or average exchange rate of the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

3.15 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.15 Borrowing costs continued

Borrowing costs may include:

- interest expense calculated using the effective interest method as described in IFRS 9;
- interest in respect of leases liabilities recognised in accordance with IFRS 16 Leases; and
- exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connections with the borrowing of funds.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.16 Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss in the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Buildings	5 – 30
Plants and machinery	2 – 5
Labour camps	5 – 10
Furniture and fixtures	4 – 10
Office equipment	2 – 5
Computers	3
Motor vehicles	3 – 4
Leasehold improvements	2 – 10

Freehold land is not depreciated.

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Right-of-use assets are depreciated over the shorter period of lease term and the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

3.17 Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the acquisition of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment category and is accounted in accordance with the Group's policies.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.18 Investment properties

Investment properties comprise completed properties and properties under development. Completed properties are properties held to earn rentals and/or for capital appreciation and properties under development are properties being constructed or developed for future use as investment property. Investment properties under development are transferred to investment properties when they are completed and ready for their intended use.

Investment properties are measured initially at cost including transaction costs and for properties under development all direct costs attributable to the design and construction including related staff costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on annual valuations performed by accredited external independent valuers applying valuation models recommended by the International Valuation Standards Committee.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the commencement of development with a view to sale (for a transfer from investment property to development work in progress) or inception of an operating lease to another party (for a transfer from inventories to investment property).

Upon completion of construction or development, a property is transferred from properties under development to completed properties. Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefits are expected from the disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant

financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

3.19 Development work in progress

Development work in progress consists of property being developed principally for sale and is stated at the lower of cost or net realisable value. Cost comprises all direct costs attributable to the design and construction of the property including direct staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Net realisable value is the estimated selling price in the ordinary course of the business less estimated costs to complete and applicable variable selling expenses.

For single segment development projects, the Group allocates the cost of land in proportionate basis of the Gross Floor Area ("GFA") and for multi-segment development projects, the Group allocates the cost of land in proportionate basis of the residual value of each respective segment of the development project. The residual value of each segment is determined by the management of the Group using recognised valuation methods. These methods comprise the residual value method and the income capitalization method. The residual value method requires the use of estimates such as future cash flows from assets (comprising of selling and leasing rates, future revenue streams, construction costs and associated professional fees, and financing cost, etc.), targeted internal rate of return and developer's risk and targeted profit. These estimates are based on local market conditions existing at the end of the reporting period.

In respect of the Group's property development and sales contracts in Egypt, the Group records revenue at a point in time when the control of property unit is transferred to the customers. All costs relating to such contracts are recorded under development work in progress until the completion of the projects. The costs recorded under development work in progress are recognised as direct costs when the property is handed over to the customer for the sold units and to inventories for the unsold units.

In respect of consideration for plots of land which is variable and dependent on actual returns from the development projects, the Group recognises amounts actually paid as part of development work in progress. The costs of the plots of land are subsequently either increased or decreased based on actual payments made and returns on the development projects in line with the arrangement with third parties.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.20 Inventories

Inventories comprise completed properties held for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, and other operating inventories. Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method and comprises construction/acquisition costs and other charges incurred in bringing inventory to its present location and condition. Net realisable value represents the estimated selling price less all estimated selling and marketing costs to be incurred.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory properties recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

3.21 Plots of land held for sale

Plots of land held for sale is stated at the lower of cost and net realisable value. Costs include the cost of land acquired and all direct costs attributable to the infrastructure works and development expenses of the land. Net realisable value represents the estimated selling price of the land less all estimated costs necessary to make the sale. The finance costs incurred on the financial liabilities recognised in relation to land acquired on deferred consideration basis is capitalised as part of plots of land held for sale when all the applicable conditions as per IAS 23 "Borrowing Costs" are met.

3.22 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition and are recognised separately from goodwill. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense

on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives which is normally a period of 3 to 5 years.

Customer contracts/backlog

Customer contracts/backlog have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long term non-cancellable contracts with customers. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which is in the range of 5 to 10 years.

Brand name

Brand name have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent various brands acquired by the Group as part of acquisition of Eltizam (note 47.1). Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which is estimated as 5 years. Brands are valued under the relief from royalty methodology with a 5 year useful life and a royalty rate of 0.25% - 2.0% in line with comparable data on the brand name in similar sectors.

Customer relationships

Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represents the value to be derived from relationship with customers. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which is in the range of 3 to 10 years and is valued at the Transaction Date under the Multi-period excess earnings methodology considering an attrition rate of 14.9% to 65.9%.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.23 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.24 Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.25 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.25 Provisions continued

Onerous contracts

If the Group has a contract that is onerous, the present obligations under onerous contracts are recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are remeasured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of IFRS 15.

3.26 Provision for employees' benefits

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the reporting date. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law no. (2) of 2000 for Pension and Social Security; such contributions are charged to profit or loss during the employees' period of service.

3.27 Share-based payments

For cash-settled share-based payments to employees, a liability is recognised for the services acquired, at the fair value which is measured initially at grant date and at each reporting date up to and including the settlement date, with changes in fair value net of any changes in investments held, are recognised in profit or loss. The group does not have any equity-settled share-based payment.

3.28 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-monetary assets are recognised as deferred government grant in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Land granted by the Government is recognised at nominal value where there is reasonable assurance that the land will be received and the Group will comply with any attached conditions, where applicable.

3.29 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.29 Financial instruments continued

Financial assets

All financial assets under the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost, if both the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

All financial liabilities are classified and subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts; and
- commitments to provide a loan at a below-market interest rate.

At initial recognition, the Group may irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans and borrowings

Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.29 Financial instruments continued

Sukuk

The sukuk are stated at amortised cost using the effective profit rate method. The profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in note 24. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivative not designated as hedging instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value at the end of each accounting period with any gains or losses recognised through the profit and loss account.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate. Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit and loss.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at fair value through profit and loss.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

Reclassification of financial assets and financial liabilities

Where the Group changes its business model for managing financial assets, it reclassifies all affected financial assets but does not reclassify any financial liability.

Measurement of financial assets and liabilities

Initial measurement

At initial recognition, financial assets and financial liabilities are measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets

After initial recognition, an entity shall measure a financial asset in accordance with its classification at:

- amortised cost less impairment;
- fair value through other comprehensive income less impairment; or
- fair value through profit or loss.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.29 Financial instruments continued

Subsequent measurement of financial assets continued

Impairment is assessed on the financial assets measured at amortised cost and at fair value through other comprehensive income as disclosed below.

Hedge accounting requirements disclosed below applies to financial assets designated as hedged item.

Impairment of financial assets

In relation to the impairment of financial assets, the Group applies the Expected Credit Loss ("ECL") model as opposed to an incurred credit loss model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. It is not necessary for a credit event to have occurred before credit losses are recognised.

A loss allowance for expected credit losses is recognised on all classes of financial assets, other than those that are measured as fair value through profit or loss and equity instruments classified and measured at fair value through other comprehensive income. The financial assets subject to impairment requirements of IFRS 9, include:

- debt investments subsequently measured at amortised cost or at fair value through other comprehensive income;
- bank balances;
- trade receivables;
- lease receivables;
- contract assets; and
- loan commitments and financial guarantee contracts.

The Group has adopted the simplified approach for measuring the impairment on trade receivables, lease receivables and contract assets. Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime ECL.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months

ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.29 Financial instruments continued

Impairment of financial assets continued

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are highly doubtful of collection, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped for the assessment of the expected credit loss. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks

and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Hedge accounting

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

3 Summary of material accounting policy information continued

3.29 Financial instruments continued

Hedge accounting continued

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- hedges of a net investment in a foreign operation.

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other gains and losses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss as other gains and losses. For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the foreign currency forward contracts relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in 'Other gains and losses'.

4 Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, which are described in note 3 in the preparation of the Group's consolidated financial statements, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates and the uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimates (which are presented below separately), that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

4 Significant accounting judgements, estimates and assumptions continued

4.1 Critical judgements in applying the Group's accounting policies

Classification of properties

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for sale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, and in particular, the intended usage of property as determined by management.

Property lease classification – Group as lessor

The Group has entered into various property leases on its investment properties portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

Judgements in relation to contracts with customers

Determination of performance obligations

With respect to the sale of property, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output, i.e., the completed property for which the customer has contracted.

Timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. Accordingly, the Group has evaluated the timing of revenue recognition on the sale of properties based on a careful analysis of the rights and obligations under the terms of the contract and legal advice from the Group's legal counsel.

The majority of the Group's contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

For contracts relating to the sale of property under development in the UAE and England, the Group has generally concluded that the overtime criteria are met and, therefore, recognises revenue over time. These are contracts either for property sold to one customer for the entire land and building or for a multi-unit property. The Group has considered the factors contained in the contracts for the sale of property and concluded that the control of the above-mentioned property(s) is transferred to the customer over time because:

- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. That is, the Group has considered various factors that indicate that the customer controls the part-constructed property as it is being constructed; and
- the Group's performance does not create an asset with alternative use. Furthermore, the Group has an enforceable right to payment for performance completed to date. It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the property under development for another use during its development. In addition, the Group is, at all times, entitled to an amount that at least compensates it for performances for performance completed to date (usually costs incurred to date plus a reasonable profit margin). In making this determination, the Group has carefully considered the contractual terms as well as any legislation or legal precedent that could supplement or override those contractual terms.

For contracts relating to the sale of property under development in Egypt, the Group has generally concluded that the overtime criteria are not met and, therefore, recognises revenue at a point in time.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

4 Significant accounting judgements, estimates and assumptions continued

4.1 Critical judgements in applying the Group's accounting policies continued

Judgements in relation to contracts with customers continued

Timing of satisfaction of performance obligations continued

Where contracts are entered into for construction (to construct an asset for the customer), the Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

Where contracts are entered into to provide services (property management and facility management), the Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets is transferred to the customer or benefits of the services being provided is received and consumed by the customer. In the case of contracts to sell real estate assets, this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer.

Consideration of significant financing component in a contract

For some contracts involving the sale of property, the Group is entitled to receive an initial deposit. The Group concluded that this is not considered a significant financing component because it is for reasons other than the provision of financing to the Group. The initial deposits are used to protect the Group from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

Consideration of warranties

Contracts for the sale of property contain certain warranties covering a period of up to one year after completion of the property, such as the property meeting specific operational performance requirements. The Group assessed that these conditions represent 'assurance-type' warranties that are customarily provided as quality guarantees and are therefore accounted for under IAS 37.

Contract variations

Contract variations are recognised as revenues only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management considers prior experience, application of contract terms and the relationship with the customer in making their judgement.

Contract claims

Contract claims are recognised as revenue only when management believes that only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management reviews the judgement related to these contract claims periodically and adjustments are made in future periods, if assessments indicate that such adjustments are appropriate.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

4 Significant accounting judgements, estimates and assumptions continued

4.1 Critical judgements in applying the Group's accounting policies continued Identifying whether an acquisition is a business or an asset

For acquisitions made by the Group, the Group needs to make significant judgement to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making this assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Principal versus agent consideration

The Group's performance obligation in one of the subsidiaries is to arrange for the provision of the specified goods or services by another party does not control the specified goods or services provided by another party before those goods or services are transferred to the customer. When the Group satisfies a performance obligation, the Group recognises revenue in the amount of management fee to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Group's primary obligation is to arrange for development services for development projects, and accordingly, the Group acts as agent on those development projects since:

- the Group does not control the specified goods or services provided by other parties before the services are transferred to the customer;
- primary responsibility for the fulfilling the promise does not rest with the Group;
- the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the management contracts;
- the Group does not have the price risk on the development contracts; and
- customers retain the right to remove the Group as manager for the development projects based on its convenience without default from the Group.

Use of practical expedient in recognising management fee

In line with an agreement with the Government of Abu Dhabi (the "Government"), the Group is overseeing the management of all projects of an entity (the "Entity") along with managing its operations. As per the agreement between the Government, the Entity and the Group, the Group is entitled to a supervision fee calculated based on the total development cost paid of the capital projects in consideration of the provision of the management services. In line with the contractual arrangement with the Government, the Group has assessed that it has

a right to consideration from the Government for an amount which corresponds directly with the value to the customer of the performance completed to date, which is determined based on actual cash paid for projects of the Entity as agreed between the parties. Accordingly, in line with the requirements of IFRS 15, the Group uses practical expedient and recognises management fee on the basis of the invoice amount determined based on the actual cash paid for projects of the Entity.

Control assessment

The Group is overseeing management of an entity (the "Entity") along with managing its operations with a view to optimising its performance and administering the contracts with contractors and consultants in relation to its projects. Although the Group is entitled to manage all the operations of the Entity, the Group has assessed that it does not control the Entity since:

- the Group is performing management activities on behalf of the Government of Abu Dhabi (the "Government") and does not have any ownership interest in Entity;
- the Group is not exposed to variable returns of the Entity since it charges fixed management fees on the total invoice amount of the development costs which are reimbursed by the Government and the Group's responsibilities only include management of projects which are being carried by third party contractors;
- the Group does not have the right to transfer any of the projects of the Entity to itself without any prior approval of the Government;
- although the Group has the right to nominate directors to the board of the Entity, appoint its executive management and represent the Government in the General Assemblies, the Group will still require the Government approval in the performance of this role which remains overseeing the completion/handling over of projects and/or liquidation of the Entity on behalf of the Government, and this will also be the mandate of the board; and
- the Government retains the right to remove the Group as manager for the projects based on its convenience without default from the Group.

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortised cost. In judging whether investments in securities are classified as at fair value or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

4 Significant accounting judgements, estimates and assumptions continued

4.1 Critical judgements in applying the Group's accounting policies continued

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Revenue recognition for turnover rent

The Group recognises income from turnover rent on the basis of audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Consolidation of subsidiaries

The Group evaluate all the investee entities including special purpose entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 "Consolidated Financial Statements". The Group evaluate, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

4.2 Estimates and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about the future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Measurement of progress when revenue is recognised over time

For those contracts involving the sale of property under development and construction contracts that meet the overtime criteria of revenue recognition, the Group's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the property. The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. The Group generally uses the costs incurred method as a measure of progress for its contracts because it best depicts the Group's performance. Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the Group excludes the effect of those costs. Also, the Group adjusts the input method for any cost incurred that are not proportionate to the Group's progress in satisfying the performance obligation.

In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include:

- for development contracts, the cost of development and related infrastructure;
- for construction contracts, the certified works as evaluated by project consultants; and
- for services contracts, the time elapsed.

Calculation of loss allowance

The Group assesses the impairment of its financial assets based on the expected credit loss ("ECL") model. Under the ECL model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

4 Significant accounting judgements, estimates and assumptions continued

4.2 Estimates and assumptions continued

Calculation of loss allowance continued

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group has recognised an allowance for ECL on its trade and other receivables for the year ended 31 December 2023 amounting to AED 47,410 thousand (2022: AED 101,015 thousand) and the total allowance for ECL amounted to AED 472,445 thousand (2022: AED 445,064 thousand).

Fair value of investment properties and investment properties under development

The Group carries its investment properties at fair value, with changes in fair value recognised in the statement of profit or loss.

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods. These methods comprise the residual value method and the income capitalisation method.

The residual value method requires the use of estimates such as future cash flows from assets (comprising of selling and leasing rates, future revenue streams, construction costs and associated professional fees, and financing cost, etc.), targeted internal rate of return and developer's risk and targeted profit. These estimates are based on local market conditions existing at the end of the reporting period.

Under the income capitalisation method, the income receivable under existing lease agreements and projected future rental streams are capitalised at appropriate rates to reflect the investment market conditions at the valuation dates.

The Group's undiscounted future cash flows analysis and the assessment of expected remaining holding period and income projections on the investment properties requires

management to make significant estimates and judgements related to future rental yields and capitalisation rates.

The key assumptions used are as follows:

	Range %
Capitalisation rates	6.75 – 10.0
Rental yields	5.0 – 9.7

Estimation of net realisable value for inventory, plots of land held for sale and development work in progress

Inventory, plots of land held for sale and properties classified under development work in progress are stated at the lower of cost or net realisable value ("NRV"). NRV is assessed with reference to sales prices, costs of completion and advances received, development plans and market conditions existing at the end of the reporting period. For certain properties, NRV is determined by the Group having taken suitable external advice and in the light of recent market transactions, where available.

The determination of net realisable value of plots of land held for sale is based on external valuations using various valuation methodologies and techniques that take into account property-specific information such as forecast selling prices, site planning (including planning consent), build costs, cost recoveries, sales rates (per square meter) and discount rates etc., all of which contain an element of judgement and uncertainty. Forecast selling prices have inherent uncertainty due to changes in market conditions. Forecast build costs can vary with market conditions and may also be incorrectly estimated due to changes in site planning, style of build or unforeseen circumstances arising during construction.

NRV for completed inventory properties is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property in the same market serving the same real estate segment.

NRV in respect of development work in progress is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

Financial Statements**In This Section**

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

4 Significant accounting judgements, estimates and assumptions continued

4.2 Estimates and assumptions continued

Impairment of property, plant and equipment and capital work in progress

Properties classified under property, plant and equipment and capital work in progress are assessed for impairment when there is an indication that those assets have suffered an impairment loss. An impairment loss recognised in prior periods for property, plant and equipment and capital work in progress is reversed when a change has been made to estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Impairment of property, plant and equipment and capital work in progress continued

An impairment review or the reversal of impairment is carried out by determining the recoverable amount which takes into account the fair value of the property under consideration. The fair value of hotel properties classified under property, plant and equipment is determined by an independent real estate valuation expert using Discounted Cash Flow method.

Cash flows are determined with reference to recent market conditions, prices existing at the end of the reporting period, contractual agreements and estimations over the useful lives of the assets and discounted using a range of discount rates that reflects current market assessment of the time value of money and the risks specific to the asset. The net present values are compared to the carrying amounts to assess any probable impairment.

Useful lives of property, plant and equipment and intangible assets

Management reviews the residual values and estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period in accordance with IAS 16 and IAS 38. Management determined that current year expectations do not differ from previous estimates based on its review.

Income taxes

The Group's current tax provision of AED 115,479 thousand (2022: AED 127,159 thousand) relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the relevant tax authorities.

Deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant

management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The Group has AED 105,750 thousand (2022: AED 24,266 thousand) of unrecognised deferred tax asset or deductible temporary differences and tax losses carried forward. These losses relate to subsidiaries that have a history of losses, these losses do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses or deductible temporary differences as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax asset on the tax losses carried forward and deductible temporary differences.

Fair value of identifiable assets and liabilities and fair value measurement of financial instruments

As stated in note 47, the identifiable assets acquired and the liabilities assumed in business combination are recognised at their fair value. In estimating the fair value of an asset or a liability, the Group engaged third party valuation specialists to perform the valuation. The underlying assumptions and estimates in assessing the fair values are as detailed within notes 6 and 47. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

5 Property, plant and equipment

	Land and buildings AED '000	Labour camps AED '000	Furniture and fixtures AED '000	Plant and machinery AED '000	Office equipment AED '000	Computers AED '000	Motor vehicles AED '000	Lease improvements AED '000	Capital work in progress AED '000	Total AED '000
Cost										
At 1 January 2022	7,204,013	1,429,268	646,983	83,928	78,500	184,848	30,755	102,339	152,516	9,913,150
Additions	1,796,960	347	140,919	26,559	12,071	21,495	19,172	92,349	-	2,109,872
Transfers	10,263	-	-	-	-	-	-	-	(10,263)	-
Transfers to investment properties, net	(406,208)	-	-	-	-	-	-	-	-	(406,208)
Recognised as part of business combination	74,803	-	1,431	-	964	8,148	1,905	58	-	87,309
Disposals	(3,821)	-	(21,839)	(4,189)	(7,220)	(4,358)	(1,115)	(1,629)	-	(44,171)
Exchange differences	(73,181)	-	(7,402)	(7,175)	(4,744)	-	(5,866)	(8,155)	(11,762)	(118,285)
At 1 January 2023	8,602,829	1,429,615	760,092	99,123	79,571	210,133	44,851	184,962	130,491	11,541,667
Additions (note 5.1 and 5.6)	161,039	-	57,465	25,556	9,732	25,729	11,727	10,243	416,574	718,065
Transfers from investment properties (note 7.313)	26,477	-	-	-	-	-	-	-	-	26,477
Recognised as part of business combination (note 47)	575,463	-	3,106	9,100	548	7,995	651	4,810	-	601,673
Disposals (note 5.3)	(5,493)	-	(2,080)	(140)	(768)	(1,451)	(18)	(18,669)	-	(28,619)
Exchange differences	(19,632)	-	(1,429)	(1,418)	(747)	-	(1,219)	(715)	(4,307)	(29,467)
At 31 December 2023	9,340,683	1,429,615	817,154	132,221	88,336	242,406	55,992	180,631	542,758	12,829,796
Accumulated depreciation and impairment losses										
At 1 January 2022	3,958,258	1,415,606	604,770	71,233	70,673	151,568	21,000	51,930	11,060	6,356,098
Charge for the year	216,860	1,970	33,679	4,454	6,513	27,576	6,788	17,795	-	315,635
(Reversal)/charge for impairment, net	(312,362)	12,039	-	-	-	-	-	-	-	(300,323)
Transfers to investment properties	(354,478)	-	-	-	-	-	-	-	-	(354,478)
Disposals	(2,442)	-	(21,837)	(4,172)	(7,217)	(4,388)	(1,042)	(1,430)	-	(42,528)
Exchange differences	(18,620)	-	(4,153)	(3,936)	(3,262)	-	(3,310)	(5,978)	-	(39,259)
At 1 January 2023	3,487,216	1,429,615	612,459	67,579	66,707	174,756	23,436	62,317	11,060	5,935,145
Charge for the year	267,348	-	55,320	9,015	8,198	25,971	6,005	26,616	-	398,473
Disposals (note 5.3)	(3,968)	-	(1,609)	(132)	(391)	(1,372)	(18)	(5,365)	-	(12,855)
Exchange differences	(2,982)	-	(420)	(350)	(207)	-	(275)	(49)	-	(4,283)
At 31 December 2023	3,747,614	1,429,615	665,750	76,112	74,307	199,355	29,148	83,519	11,060	6,316,480
Carrying amount										
At 31 December 2023	5,593,069	-	151,404	56,109	14,029	43,051	26,844	97,112	531,698	6,513,316
At 31 December 2022	5,115,613	-	147,633	31,544	12,864	35,377	21,415	122,645	119,431	5,606,522

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

5 Property, plant and equipment continued

The depreciation charge for the year has been allocated as follows:

	2023 AED '000	2022 AED '000
Direct costs	31,563	20,780
General and administrative expenses	366,910	294,855
	398,473	315,635

5.1 During the year, Aldar Investment Properties LLC ("AIP" a subsidiary of the Group) signed an agreement for the purchase of staff accommodation building in Ras Al Khaimah, UAE for a total consideration of AED 81,600 thousand resulting in additions of AED 33,592 thousand to the property, plant and equipment being the portion of the asset occupied by the Group and the rest amounting to AED 48,008 thousand to investment properties being leased to third parties (note 7.2iii).

5.2 Capital work in progress mainly represent the cost incurred on the development of various school buildings which were under progress at the reporting date and will be transferred to the relevant asset category of property, plant and equipment when ready for intended use.

5.3 During the year, the Group sold property, plant and equipment resulting in a net gain on disposal of AED 133 thousand (2022: net loss of AED 165 thousand).

5.4 Property, plant and equipment include right-of-use assets mainly with respect to leases of plots of land and buildings with average lease term is 30 years. Following is the movement in right of use asset during the year:

	2023 AED '000	2022 AED '000
At 1 January	148,420	147,392
Recognised as part of business combination (note 47)	429,749	-
Additions during the year	54,408	13,791
Lease terminated during the year, net	(8,663)	-
Amortisation for the year	(38,962)	(10,828)
Exchange differences	(991)	(1,935)
At 31 December	583,961	148,420

5.5 Land and buildings include hotel properties having a carrying amount of AED 3,557,604 thousand as at 31 December 2023 (2022: AED 3,711,586 thousand).

5.6 The additions during the year mainly pertain to capital work in progress for a subsidiary for construction of school buildings of AED 390,756 thousand (year ended 31 December 2022: AED 6,978 thousand).

5.7 During the year, the Group conducted an impairment assessment which resulted in no impairment (2022: impairment of AED 12,039 thousand). Note 4 highlights significant estimation uncertainty related to determination of the fair value less costs to sell and significant assumptions used.

During the year, the Group carried out a review of recoverable amount of its hotel properties. The review resulted in the recoverable value in excess of carrying value and accordingly no impairment or reversal of impairment was booked (2022: a reversal of impairment loss of AED 312,362 thousand) which has been recorded in the consolidated statement of profit or loss. The recoverable value of relevant assets is based on fair value less cost to sell determined by independent valuer and has been determined by reference to the discounted cash flow method using exit yield of 7.5 % to 9.5% (2022: 7.5% to 9.5%) and a discount rate of 9.5% to 11.5% (2022: 9.5% to 11.5%).

The Group conducted a sensitivity analysis for all its hotel properties classified under property, plant and equipment. The sensitivity has been conducted on the Revenue Per Available Room (RevPAR), occupancy, discount rate and exit yield. Based on this sensitivity analysis:

- A decrease in the discount rates and exit yields by 50bps would result in AED 190,900 thousand or 4.2% increase in the recoverable value, whilst an increase in the discount rates and exit yields by 50bps would result in AED 363,300 thousand or 8.1 % decrease in the recoverable value; and
- An increase in the RevPAR by 5% would result in AED 154,500 thousand or 3.4 % increase in the recoverable value, whilst a decrease in the RevPAR by 5% would result in AED 548,600 thousand or 12.2% decrease in the recoverable value.
- An increase in occupancy by 5% would result in AED 198,100 thousand or 4.4% increase in the recoverable value, whilst a decrease in the occupancy by 5 % would result in AED 592,400 thousand or 13.1 % decrease in the recoverable value.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

6 Intangible assets and goodwill

	Goodwill AED '000	Customer contracts/ backlog AED '000	Customer relationship AED '000	Computer software AED '000	Total AED '000
Cost					
At 1 January 2022	107,287	133,090	52,106	123,645	416,128
Additions	–	–	96	43,919	44,015
Recognised as part of business combinations (note 47)	54,068	69,893	1,483	–	125,444
Exchange differences	(28,757)	(11,109)	–	(395)	(40,261)
At 1 January 2023	132,598	191,874	53,685	167,169	545,326
Additions	–	–	–	82,320	82,320
Recognised as part of business combination (note 47)	1,058,258	244,131	220,609	7,960	1,530,958
Written-off	–	–	–	(11,055)	(11,055)
Exchange differences	(10,946)	(3,846)	–	(327)	(15,119)
At 31 December 2023	1,179,910	432,159	274,294	246,067	2,132,430
Accumulated amortisation					
At 1 January 2022	–	18,989	6,715	97,229	122,933
Charge for the year	–	26,166	7,743	14,026	47,935
Exchange differences	–	(37)	–	(449)	(486)
At 1 January 2023	–	45,118	14,458	110,806	170,382
Charge for the year	–	31,407	19,642	29,667	80,716
Written off	–	–	–	(107)	(107)
Exchange differences	–	(1,159)	–	(237)	(1,396)
At 31 December 2023	–	75,366	34,100	140,129	249,595
Carrying amount					
31 December 2023	1,179,910	356,793	240,194	105,938	1,882,835
At 31 December 2022	132,598	146,756	39,227	56,363	374,944

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The majority of the goodwill recognised by the Group resulted from the merger with Eltizam (note 47.1) and the remaining is related to Estates, SODIC and education segment.

Customer contracts/backlog and customer relationship include intangible assets acquired through business combinations. The customer contracts/backlog have useful life of 2.5 to 10 years. The major assumptions used in the calculation include discount rate in the range of 11.50% to 22.2% and growth rate of up to 7%.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

7 Investment properties

Investment properties comprise completed properties and investment properties under development (IPUD). The movement during the year is as follows:

	2023			2022		
	Completed properties AED '000	Properties under development AED '000	Total AED '000	Completed properties AED '000	Properties under development AED '000	Total AED '000
Balance at the beginning of the year	23,210,472	722,552	23,933,024	16,617,678	1,408,257	18,025,935
Additions during the year (note 7.2)	563,981	1,052,880	1,616,861	5,381,955	246,973	5,628,928
Recognised as part of business combinations (note 47)	-	-	-	697,529	-	697,529
Transfers	-	-	-	377,241	(377,241)	-
Disposals (note 7.12)	(152,097)	-	(152,097)	(232,372)	-	(232,372)
Fair value gain, net (note 7.10)	594,102	6,055	600,157	396,250	46,547	442,797
Transfer from/(to):						
Property, plant and equipment (note 7.13)	(26,477)	-	(26,477)	51,730	-	51,730
Inventories (note 14)	-	-	-	-	(17,122)	(17,122)
Development work in progress (note 7.1 & 13)	34,068	282,463	316,531	24,948	(436,705)	(411,757)
Exchange differences	(38,268)	(32,189)	(70,457)	(104,487)	(148,157)	(252,644)
Balance at the end of the year	24,185,781	2,031,761	26,217,542	23,210,472	722,552	23,933,024

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

7 Investment properties continued

7.1 The transfer during the year 2023 represents transfer due to change in use as these properties are under development for lease and the management intent is to lease these properties on completion. The transfer during the year 2022 represent transfer due to change in use since the Group commenced development of such properties with a view to sell.

7.2 The major additions during the year mainly pertain to investment properties under development and cost incurred on the completed properties and the following assets acquisition:

- i) Abu Dhabi Business Hub LLC – Sole Proprietorship LLC (“ADBH” a subsidiary of the Group) acquired leasehold interest in a logistic warehouse in Dubai Industrial Park for a total gross consideration of AED 94,767 thousand;
- ii) The Group acquired two plots of land on Al Maryah Island for a total consideration of AED 163,854 thousand through a 60% owned SPV, AMI Properties Holding Limited (“AMI”). The Group has control over AMI and accordingly fully consolidated in these consolidated financial statements. The above transaction also result in recognition of AED 65,542 thousand of non-controlling interest;
- iii) Aldar Investment Properties LLC (“AIP” a subsidiary of the Group) signed an agreement for the purchase of staff accommodation property in Ras Al Khaimah for a total consideration of AED 81,600 thousand resulting in additions of AED 48,008 thousand to investment properties (note 5.1);
- iv) The Group acquired a plot of land in UAE for a total consideration of AED 211,600 thousand. The plot of land is initially recognised at cost which is the present value of consideration payable over the period of 3 years discounted using the Group incremental borrowing rate. The management intention is to develop a property on this plot for lease and accordingly classified as investment property.
- v) The Group acquired a plot of land in UAE for a total consideration of AED 276,000 thousand. The management intention is to develop a property on this plot for lease and accordingly classified as investment property.

In accordance with the requirements of IFRS 3 Business Combinations, the above acquisitions were accounted for as an assets acquisition since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset.

7.3 Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 303,888 thousand (31 December 2022: AED 323,490 thousand). The average lease term is 20 years. There are no extension or termination options on these leases except one lease which has a termination option.

7.4 Except for certain investment properties of the Group which are pledged as security against bank borrowings, the Group has no restrictions on the realisability of its investment properties (note 20).

7.5 Investment properties under development comprise of land and buildings under construction where the Group has approved plan to develop commercial, retail and residential properties. The fair values of these properties are determined using residual value method.

7.6 Investment properties represent the Group's interest in land and buildings situated in the UAE amounting to AED 25,902,573 thousand (31 December 2022: 23,579,958 thousand) and outside UAE amounting to AED 314,970 thousand (31 December 2022: AED 353,066 thousand).

7.7 The fair values of the investment properties including properties under development are arrived at on the basis of a valuation carried out by accredited independent valuers not connected with the Group. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. The valuations were mainly determined by using the income capitalisation method. The valuation has been conducted as at 30 November 2023. Management believes which is also supported by the external valuer that there have been no significant changes to the fair values of investment properties between 30 November 2023 and 31 December 2023. There has been no material change to the valuation techniques during the year. Refer to note 4 for the key assumptions used in determination of fair value of investment properties and significant estimation uncertainty related to determination of the fair value.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

7 Investment properties continued

7.7 continued

The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13. The investment properties are categorised under Level 3 in the fair value hierarchy. There were no transfers between Levels 1, 2 or 3 during 2023 or 2022.

The Group conducted a sensitivity analysis for the 20 (2022: 18) largest assets in its investment property portfolio with an aggregate value of AED 21,864,277 thousand (2022: AED 20,519,724 thousand). The sensitivity has been conducted on the capitalisation rates and rental rates. Based on this sensitivity analysis:

- a decrease in the capitalisation rates by 50bps would result in a AED 1,251,616 thousand (2022: AED 1,191,036 thousand) or 5.7% (2022: 5.8%) increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 1,082,066 thousand (2022: AED 1,040,975 thousand) or 4.9% (2022: 5.1%) decrease in the valuation; and
- an increase in the rental rates by 10% would result in an AED 1,590,274 thousand (2022: AED 1,524,388 thousand) or 7.3% (2022: 7.4%) increase in the valuation, whilst a decrease in the rental rates by 10% would result in AED 1,590,325 thousand (2022: AED 1,524,590 thousand) or 7.3% (2022: 7.4%) decrease in the valuation.

Discount rates and capitalisation rates are different than interest rates as commonly applied to borrowing rates or cost of short term and long-term debt. Discount rates and capitalisation rates are carefully derived by professional valuers in determining the fair market value of properties by using multiple valuation factors. There are interrelationships between the unobservable inputs which are generally determined by market conditions. The valuation may be affected by the interrelationship between the two noted unobservable inputs; for example, an increase in rent may be offset by an increase in the capitalisation rate, thus resulting in no net impact on the valuation. Similarly, an increase in rent in conjunction with a decrease in the capitalisation rate would amplify an increase in the value.

7.8 The property rental income earned by the Group from its investment properties, all of which is leased out under operating leases, amounted to AED 2,138,680 thousand (31 December 2022: AED 1,908,530 thousand) and direct operating cost relating to these properties amounted to AED 494,152 thousand (2022: AED 411,864 thousand).

7.9 The completed investment properties consist of the following broad categories:

- retail properties: comprising of malls and community retail spaces;
- commercial properties: comprising of properties leased as offices;
- residential properties: comprising of properties leased as residential units; and
- logistics: comprising of warehouses, industrial, and office complex.

7.10 The net fair value gain amounting to AED 600,157 thousand (year ended 31 December 2022: AED 442,797 thousand) recorded during the year resulted mainly from fair value loss amounting to AED 19,534 thousand (year ended 31 December 2022: AED 98,866 thousand) recorded on buildings held on leasehold land, netted against a fair value gain of AED 619,691 thousand (year ended 31 December 2022: AED 541,663 thousand) relates to the net fair value gain recorded on major investment properties based on valuation carried out by the accredited independent valuers not connected with the Group. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. Fair value gain or loss on investment properties are presented under the line item "gain/(loss) on revaluation of investment properties, net" in the consolidated statement of profit or loss. The investment properties are categorised under Level 3 in the fair value hierarchy.

7.12 During the year, the Group sold investment properties for AED 176,059 thousand (year ended 31 December 2022: AED 261,365 thousand) and realised a net gain of AED 23,962 thousand (year ended 31 December 2022: AED 28,992 thousand) which is recorded in consolidated statement of profit or loss under "gain on disposal of investment properties".

7.13 The transfer during the year 2023 represents transfer from investment properties to property, plant and equipment due to portion of asset being occupied by the Group. The transfer during the year 2022 represents transfer from property, plant and equipment to investment properties due to change in use.

8 Investment in associates and joint ventures

	2023	2022
	AED '000	AED '000
Investment in associates	32,888	84,007
Investments in joint ventures	118,279	655
	151,167	84,662

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

Details of each of the Group's material associates and joint ventures as at 31 December 2023 are as follows:

Investee	Place of incorporation (registration) and operation	Principal activity	Percentage holding	Voting power
Associates				
Abu Dhabi Finance PJSC ("ADF") (liquidated)	Abu Dhabi, UAE	Finance company	32%	32%
Al Sdeirah Real Estate Investment LLC ("Al Sdeirah")	Abu Dhabi, UAE	Real estate Project	30%	30%
Bunya Enterprises LLC ("Bunya") Iskandar Holdings Limited ("Iskandar Holdings") (note 8.1)	Abu Dhabi, UAE Cayman Islands	management	33%	33%
Royal Gardens for Investment Property Co.	Egypt	Real estate development	19%	19%
Joint ventures				
Al Raha International Integrated Facilities Management LLC ("Al Raha IFM") (under liquidation)	Abu Dhabi, UAE	Facilities Management Hotel	50%	50%
Royal House LLC ("Royal House") Palmyra SODIC Real Estate Development	Abu Dhabi, UAE Syria	operations Real estate development	50%	50%
Avobar Restaurant – Sole Proprietorship LLC. ("Avobar")	Abu Dhabi, UAE	Restaurant	30%	30%
South Development One DWC-LLC Richmond Hill Developments (Jersey) Limited	Dubai, UAE Jersey	Warehousing Real estate development	50%	50%
Vulcan Wharf Holdings LLP ("Vulcan Wharf")	England & Wales	Real estate development	15%	15%

All of the above associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements:

	ADF AED '000	Al Sdeirah AED '000	Iskandar Holdings AED '000	Total AED '000
As at 1 January 2022	77,121	24,497	6,086	107,704
Share of profit	–	956	–	956
Impairment reversal	7,347	–	–	7,347
Redemptions	(32,000)	–	–	(32,000)
As at 31 December 2022	52,468	25,453	6,086	84,007
Share of profit	–	1,349	–	1,349
Redemptions (note 8.2)	(52,468)	–	–	(52,468)
As at 31 December 2023	–	26,802	6,086	32,888

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

8 Investment in associates and joint ventures continued

Summarised financial information in respect of each of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements:

	Al Raha IFM AED '000	Avobar AED '000	South Development AED '000	Royal House (note 8.3) AED '000	Richmond Hill AED '000	Vulcan Wharf AED '000	Total AED '000
As at 1 January 2022	655	-	-	-	-	-	655
Share of profit/(loss)	-	-	-	(8,721)	-	-	(8,721)
Allocated to current account	-	-	-	8,721	-	-	8,721
As at 31 December 2022	655	-	-	-	-	-	655
Recognised as part of business combination (note 47.7)	-	-	-	-	232	107,000	107,232
Additions	-	529	10,000	-	-	280	10,809
Share of profit/(loss)	-	(416)	-	(8,348)	(1)	-	(8,765)
Allocated to current account	-	-	-	8,348	-	-	8,348
As at 31 December 2023	655	113	10,000	-	231	107,280	118,279

8.1 Iskandar Holdings Limited is classified as an associate of the Group although the Group owns a 19% ownership interest, as the Group has significant influence by virtue of its contractual right to appoint two out of six directors to the board of directors of the investee.

8.2 During the year, Abu Dhabi Finance PJSC (ADF), an associate of the Group is liquidated and the Group has accordingly received total distribution of AED 52,468 thousand and is recognised as a reduction in investment in associate resulting the Group investment in ADF to nil.

8.3 The Group considers that its amount receivable from Royal House LLC is part of the Company's interest in the joint venture and, accordingly, loss recognised using the equity method in excess of the Group's investment in ordinary shares amounting to AED 8,348 thousand (2022: AED 8,721 thousand) was applied to the Group's receivable from the joint venture.

Available financial information in respect of the Group's associates is summarised below:

	2023 AED '000	2022 AED '000
Total assets	103,475	270,156
Total liabilities	(14,137)	(19,605)
Net assets	89,338	250,551
Group's share of net assets of associates	32,888	84,007
Total revenue	5,287	6,421
Net profit for the year	4,507	3,187

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

8 Investment in associates and joint ventures continued

8.3 continued

Latest available financial information in respect of the Group's joint ventures is summarised below:

	2023 AED '000	2022 AED '000
Total assets	265,083	1,355
Total liabilities	(14,187)	(43)
Net assets	250,896	1,312
Group's share of net assets of joint ventures	118,279	655
Total revenue	18,877	15,227
Net loss for the year	(18,087)	(17,441)
Share of losses		
The unrecognised share of loss of associates for the year	(52,163)	(26,322)
Cumulative share of loss of associates	(177,942)	(65,779)

The Group has discontinued recognising share of losses from few associates as the Company does not have any legal or constructive obligation.

Associates and joint ventures are accounted for using the equity method in the consolidated financial statements as set out in the Group's accounting policies in note 3.6.

Others

During 2018, the Group sold an investment in joint venture. As per the agreement, the Group is entitled to further compensation which is contingent based on performance of the buyer and market conditions not within the control of the Group. As of 31 December 2023 and 31 December 2022, the fair value of the contingent consideration amounted to nil since the inflow of economic benefits are not certain. The total contracted amount of the contingent consideration is AED 82,000 thousand.

9 Investment in financial assets

	2023 AED '000	2022 AED '000
Financial assets at fair value through other comprehensive income ("FVTOCI") (9.1)	23,317	29,797
Financial assets at fair value through profit or loss ("FVTPL") (9.2)	695,652	68,837
	718,969	98,634

9.1 Financial assets at FVTOCI

	2023 AED '000	2022 AED '000
Investment in UAE quoted securities	23,315	29,795
Investment in UAE unquoted securities	2	2
	23,317	29,797

Movement during the year is as follows:

	2023 AED '000	2022 AED '000
At 1 January	29,797	20,002
Additions	-	74,692
Fair value (loss)/gain, net	(6,480)	52,685
Disposals	-	(117,582)
At 31 December	23,317	29,797

During the years 2022 and 2023, no dividend income received from these investments.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

9 Investment in financial assets continued

9.2 Financial assets at FVTPL

	2023 AED '000	2022 AED '000
Investment in international unquoted funds	695,652	68,837
Movement during the year is as follows:		
	2023 AED '000	2022 AED '000
At 1 January	68,837	21,657
Additions	624,213	41,958
Fair value (loss)/gain, net	(2,456)	4,708
Exchange gain	5,058	514
At 31 December	695,652	68,837

- i) On 16 March 2023, the Group signed an agreement with a company committing to GBP 43.2 million into an investment vehicle. During the year, the Group made contributions to capital calls amounting to AED 160,993 thousand for investments in the warehousing and logistics sector in the UK. The investment is recorded at FVTPL and is categorised under Level 3 in the fair value hierarchy. Given the Group's representation on the Board of the company, the investment was classified as an Associate. However, since the investment is carried as part of the Group's alternative investment activities, it is accounted for as investment carried at FVTPL.
- ii) On 20 November 2023, Aldar Holding 2 Limited (a subsidiary) invested via a subscription to shares of the Co-Investment platform. Aldar Holding 2 has committed EUR 42 million holding 29% equity stake and 42.6% of the total Co-Investor equity contribution, that will capitalise on the growing market opportunity in private real estate across Europe. During the year, Aldar Holding 2 made contribution to the capital call amounting to AED 83,922 thousand. Given the holding of 29% equity stake in the Limited partnership and representation on the Board of Directors, the investment was classified as an Associate. However, since the investment is carried as part of the Group's alternative investment activities, it is accounted for as investment carried at FVTPL.

- iii) On 12 December 2023, the Group entered into partnerships with Mubadala (a related party - major shareholder in the Group) and Ares Management, where the Group has committed USD 412.5 million to be deployed in medium term, that will capitalise on the growing market opportunity in private real estate credit in the United Kingdom and across Europe. During the year, the Group made contributions to capital calls amounting to AED 351,383 thousand. The investment is recorded at FVTPL and is categorised under Level 3 in the fair value hierarchy. Given the Group's holding in the partnership and representation on the Board of the partnership, the investment was classified as an Associate. However, since the investment is carried as part of the Group's alternative investment activities, it is accounted for as investment carried at FVTPL.

9.3 Financial assets at amortised cost

	2023 AED '000	2022 AED '000
Investment in treasury bills*	93,147	179,744

* This represents investment in treasury bills made by the Egypt subsidiary in Egypt and carried at amortised cost.

The Group's exposure to market and interest risk related to the financial assets is disclosed in note 40.

10 Contract assets and contract liabilities

Contract assets represents unbilled revenue arising from contracts for sale of properties which pertains to the Group's right to consideration in exchange for goods or services that the Group has transferred to the customers. Where payments from customers are received after the associated performance obligations being met and therefore revenue recognised in the profit or loss account, contract assets are recognised. These contracts have remaining performance obligations (unsatisfied or partially unsatisfied) which is expected to be recognised as revenue over the remaining tenor of these contracts. The majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over 3 to 5 years. These contract assets are fully secured against the underlying property units.

Financial Statements**In This Section**

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

10 Contract assets and contract liabilities continued

Contract liabilities represents deferred revenue arising from construction contracts and property development under off-plan sales projects. These contracts have performance obligations (unsatisfied or partially unsatisfied) which is expected to be recognised as revenue over the remaining tenor of these contracts. Where payments from customers are received in advance of the associated performance obligations being met and therefore revenue being recognised in the profit or loss, contract liabilities are recognised and these include buyer deposits. Majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over 3 to 5 years.

10.1 Contract assets

	2023 AED '000	2022 AED '000
Contract assets: gross amounts due from customer on contracts for sale of properties	1,737,975	568,563
Contract assets: gross amounts due from customer on contracts to construct assets	101,046	–
Others	36,723	–
	1,875,744	568,563

The above amount mainly represents unbilled revenue arising from contracts for sale of properties. These contracts have remaining performance obligations (unsatisfied or partially unsatisfied) with aggregated value of AED 7,764, 250 thousand (2022: AED 5,556,432 thousand) which is expected to be recognised as revenue over the remaining tenor of these contracts.

The majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over 3 to 5 years. These contract assets are fully secured against the underlying property units.

10.2 Contract liabilities

	2023 AED '000	2022 AED '000
Contract liabilities: gross amount due to customers on contracts for sale of properties	(4,607,892)	(2,012,634)
Contract liabilities: gross amount due to customers on contracts to construct assets	(1,821,111)	(905,005)
	(6,429,003)	(2,917,639)

The above amount mainly represents deferred revenue arising from construction contracts, property development under off-plan sales projects and property management. These contracts have performance obligations (unsatisfied or partially unsatisfied) having aggregated value of AED 30,348,850 thousand (2022: AED 13,089,122 thousand) which is expected to be recognised as revenue over the remaining tenor of these contracts. Majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over 3 to 5 years.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

11 Trade receivables and other assets

	2023 AED '000	2022 AED '000
Non-current portion		
Trade receivables (note 11.1)	474,366	344,187
Due from associates and joint ventures (note 11.5)	214,179	210,918
Receivables relating to project finance (note 11.3)	131,940	135,262
Deferred tax asset (note 11.7)	80,773	57,302
Others	121,605	43,726
	1,022,863	791,395
Less: allowance for expected credit loss (note 11.6)	(217,100)	(212,663)
	805,763	578,732
Current portion		
Trade receivables (note 11.1)	5,033,135	3,048,929
Advances and prepayments (note 11.9)	1,985,829	2,655,499
Refundable deposits (note 11.10)	305,293	267,638
Refundable costs (note 11.2)	236,474	736,248
Due from associates and joint ventures (note 11.5)	25,665	26,364
Accrued interest	56,813	37,420
Receivables from the Government of Abu Dhabi (note 11.4)	5,734	5,734
Receivables relating to project finance (note 11.3)	8,323	8,863
VAT recoverable	74,066	229,466
Others	759,685	799,394
	8,491,017	7,815,555
Less: allowance for expected credit loss (note 11.6)	(255,345)	(232,401)
	8,235,672	7,583,154

11.1 Trade receivables

Trade receivables mainly represent the amounts due in respect of sales of plots of land, properties, rental receivables, property and facilities management services, education fee and revenue from construction contracts. As at 31 December 2023, 6% of the trade receivables (2022: 6% of the trade receivables) are due from its top five customers (2022: five customers). Concentration of credit risk is mitigated in some cases by the fact that the customers have already made instalment payments, in some cases substantial, on the plots, which the Group would contractually be entitled to retain in the event of non-completion of the remaining contractual obligations in order to cover losses incurred by the Group.

	2023 AED '000	2022 AED '000
Trade receivables	5,507,501	3,393,116
Less: allowance for expected credit loss (note 11.6)	(234,634)	(209,511)
	5,272,867	3,183,605

Interest is charged at 12% per annum on the past due amounts in respect of sales of plots and properties.

Ageing of trade receivables

The ageing of non-impaired receivables is as follows:

	2023 AED '000	2022 AED '000
Not past due	3,390,461	2,120,033
Past due (up to 180 days)	1,065,767	507,936
Past due (more than 180 days)	816,639	555,636
	5,272,867	3,183,605

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

11 Trade receivables and other assets continued

11.2 Refundable costs

Refundable costs mainly comprise of amounts receivable from the Government of Abu Dhabi in relation to costs incurred on ongoing development projects managed by the Group and which are funded by the Government of Abu Dhabi.

11.3 Receivables relating to project finance

	Minimum payments		Present value of minimum payments	
	2023 AED '000	2022 AED '000	2023 AED '000	2022 AED '000
<i>Amounts receivable from project finance:</i>				
Within one year	14,950	14,877	8,323	8,863
In the second to fifth year	79,840	71,750	20,691	18,833
After five years	160,061	179,401	111,249	116,429
	254,851	266,028	140,263	144,125
Less: unearned finance income	(114,588)	(121,903)	–	–
Present value of minimum payments receivable	140,263	144,125	140,263	144,125

11.4 Receivable from the Government of Abu Dhabi

Receivables from the Government of Abu Dhabi represent the amounts receivable against infrastructure handed over and land plots sold.

11.5 Due from associates and joint ventures

	Non-current		Current	
	2023 AED '000	2022 AED '000	2023 AED '000	2022 AED '000
Gross receivables	214,179	210,918	25,665	26,364
Less: allowance for expected credit loss (note 11.6)	(212,972)	(210,918)	(24,839)	(24,634)
	1,207	–	826	1,730

11.6 Allowance for expected credit loss

Movement during the year in allowance of expected credit loss:

Trade receivables

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	209,511	158,807
Charge for the year (note 31)	45,152	47,956
Write off of provision, net	(20,029)	2,748
Balance at the end of the year (note 11.1)	234,634	209,511

Due from associates and joint ventures

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	235,553	182,494
Charge for the year	2,258	53,059
Balance at the end of the year (note 11.5)	237,811	235,553

The Group recognises lifetime expected credit loss ("ECL") for trade and other receivables using the simplified approach. To determine the expected credit losses all debtors were classified into four categories and the ECL rate for each category was determined using a provision matrix:

- category I – government related companies (0%);
- category II – private companies with low credit risk (1% to 20%);
- category III – private companies with high credit risk (20% to 60%); and
- category IV – debtors at default (100%)

These were adjusted for factors that are specific to the debtors and general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

11 Trade receivables and other assets continued

11.6 Allowance for expected credit loss continued

If the ECL rates on each time bucket had been 5% higher or lower as of 31 December, the loss allowance on trade receivables would have been higher or lower as follows:

	2023 AED '000	2022 AED '000
Not past due	363	32
Past due (up to 180 days)	1,371	2,343
Past due (more than 180 days)	9,998	8,100
	11,732	10,475

11.7 Deferred tax asset

The following are the major deferred tax liabilities and assets recognised by the Group. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

	2023 AED '000	2022 AED '000
Deferred tax asset		
Provisions	62,857	52,082
Carried forward tax losses	24,671	10,181
Trade and other payables	10,970	
Property, plant and equipment	225	–
Others	1,385	–
Deferred tax liabilities		
Investment properties	(11,052)	–
Development work in progress	(4,636)	–
Foreign exchange translation	(3,434)	(4,138)
Property, plant and equipment	(213)	(657)
Others	–	(166)
Net deferred tax asset	80,773	57,302

Deferred tax liabilities amounting to AED 7,773 thousand arises from the enactment of UAE corporate income tax (note 35).

Unrecognised deferred tax asset

	2023 AED '000	2022 AED '000
Deductible temporary differences	28,424	21,746
Tax losses carried forward	375	2,520
Corporate interest restriction disallowances carried forward	76,951	–
	105,750	24,266

Deferred tax asset has not been recognised in respect of the above-mentioned items due to uncertainties over the timing and recoverability in the foreseeable future.

11.8 Deferred tax liability

	2023 AED '000	2022 AED '000
Investment properties	31,451	–
Intangible assets	51,928	–
	83,379	–

Deferred tax liabilities arises from the enactment of UAE corporate income tax (note 35) and on the acquisitions made during the year amounting to AED 49,572 thousand and AED 33,807 thousand respectively.

11.9 Advances and prepayments

This represents mainly advances given to the contractors and suppliers against future work. Additionally, the balance include AED 350,000 thousand paid during 2022 as part of purchase of Nurai Island Hotel for two development islands where the seller will procure the dredging and reclamation of these islands.

11.10 Refundable deposits

This represents mainly maintenance deposits.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

11 Trade receivables and other assets continued

11.11 Contingent asset

During 2020, the Company sold its district cooling operations (the "Cooling Entities") comprising the Group's entire interest in Saadiyat Cooling LLC (a 85% owned subsidiary) and Saadiyat District Cooling LLC (a wholly owned subsidiary). As per the Sale Purchase Agreements and earn out agreement, the Group is also entitled to earn out consideration in the form of additional fee for each additional load for which the buyer contracts from these cooling operations. At 31 December 2023 and 31 December 2022, management assessed that the deferred consideration is a contingent asset as its existence will be confirmed by occurrence of future uncertain events not within the control of the Group and is accordingly not recognised as asset.

12 Plots of land held for sale

Plots of land held for sale represent plots of land intended to be sold in the normal course of business. If management determines to use these plots of land for development, these plots of land are transferred either to development work in progress or to investment properties under development on launch of the respective projects. Movement in plots of land held for sale during the year was as follows:

	2023 AED '000	2022 AED '000
Balance at beginning of the year	4,822,121	5,137,885
Additions during the year (note 12.1)	3,866,520	232,572
Borrowing cost capitalised (note 12.2)	145,207	–
Recognised in costs of properties sold (direct costs)	(358,601)	(207,784)
Transfer to development work in progress during the year (note 13)	(687,939)	(340,552)
Balance at the end of the year	7,787,308	4,822,121

As at 31 December 2023, the Group determined net realisable value of its plots of land held for sale. The estimates of net realisable values are based on the most reliable evidence available at the reporting date of the amount that the Group is expected to realise from the sale of these properties in its ordinary course of business. These estimates also take into consideration the purpose for which the inventory is held. The determination of net realisable value of plots of land held for sale is based on external valuations using various valuation methodologies and techniques (note 4). Plots of land held for sale are located in UAE.

12.1 Additions during the year

- during the year, the Group acquired 3.4 million square meters of plots of land on Al Fahid Island ("Al Fahid Land"). Al Fahid Land is classified as a "qualifying asset" as it will take a substantial period of time to get it ready for its intended use; and
- on 2 February 2023, the Group signed a subscription and shareholders' agreement with DH 3 FZ-LLC and DH Real Estate and Infra LLC to establish a special purpose vehicle in Abu Dhabi Global Market, Abu Dhabi "Aurora Holding Company Limited" ("Aurora"), a private company limited by shares for the acquisition, development and sale of development work on 3 parcels of land in Dubai, UAE. The Group holds 51% shares in Aurora. The Group controls Aurora since it is exposed, or has rights, to variable returns from its involvement with Aurora and has the ability to affect those returns through its power over Aurora. During the year, as part of the transaction, the Group acquired the above plots of lands ("DH Lands"). DH Lands are classified as a "qualifying assets" as it will take a substantial period of time to get these ready for their intended use.

Total consideration for the above lands amounts to AED 4.58 billion payable over 5 years. The plots of land are initially recognised at cost which is the present value of consideration payable over the period of 5 years discounted using the Group incremental borrowing rate. The discounted value of the lands is equal to its fair value on the date of purchase amounting to AED 3.86 billion.

12.2 Borrowing costs included in the cost of the above lands during the year, amounting to AED 145,207 thousand, arose on the unwinding of liability and are calculated by applying a capitalisation rate of Group incremental borrowing rate to expenditure on such assets.

The Group recognises the financial liabilities in relation to the purchase of land on deferred purchase consideration in accordance with IFRS 9. These financial liabilities are recorded and carried at "amortised cost" using the effective interest method described under IFRS 9. Subsequent measurement of the above financial liabilities results in finance cost (interest expense) being incurred on the unwinding of discount. As per IAS 23, borrowing cost that can be capitalised on a qualifying assets includes any interest expense calculated using the effective interest method on remeasurement of financial liabilities carried at amortised cost as "borrowing cost". The finance costs incurred on the financial liabilities recorded in relation to land acquired on deferred consideration basis meets the definition of "borrowing cost" under the definition of IAS 23 and accordingly capitalised as part of plots of land held for sale.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

13 Development work in progress

Development work in progress represents development and construction costs incurred on properties being constructed for sale in the ordinary course of business.

Movement during the year is as follows:

	2023 AED '000	2022 AED '000
Balance at beginning of the year	3,835,682	4,503,543
Development costs incurred during the year	4,845,162	3,201,316
Recognised as part of business combination (note 47.7)	1,152,558	–
Recognised in costs of properties sold	(3,345,423)	(2,524,431)
Write-off of project costs (note 13.1, 31)	(133,216)	(50,344)
Provision for impairment (note 13.2, 31)	(480)	(73,333)
Transfers from/(to):		
Inventories (note 14)	(38,209)	(688,082)
Investment properties (note 7)	(316,531)	411,757
Plots of land held for sale (note 12)	687,939	340,552
Exchange difference	(443,680)	(1,285,296)
Balance at the end of the year	6,243,802	3,835,682

Development properties are located as:

	2023 AED '000	2022 AED '000
Within UAE	2,790,457	1,614,611
Outside UAE	3,453,345	2,221,071
	6,243,802	3,835,682

13 Development work in progress continued

13.1 This represents project costs relating to projects which are either non-viable design/uses and other costs relating to projects under planning which management considers not feasible to continue and accordingly written off.

13.2 As at 31 December 2023 and 31 December 2022, the Group determined net realisable value of its development work in progress and concluded that the carrying value is higher than the net realisable value resulting in provision of impairment AED 480 thousand (2022: AED 73,333). The estimates of net realisable values are based on the most reliable evidence available at the reporting date, of the amount that the Group is expected to realise in its ordinary course of business. These estimates also take into consideration the purpose for which the asset is held.

14 Inventories

	2023 AED '000	2022 AED '000
Completed properties	504,616	823,756
Other operating inventories	101,718	31,293
	606,334	855,049

During the year, completed properties with an aggregate value of AED 38,209 thousand (2022: AED 688,082 thousand) were transferred to inventories from development work in progress upon completion (note 13). During the year, an amount of AED 321,412 thousand was recognised as direct costs (2022: AED 724,235 thousand).

Inventories are located as follow:

	2023 AED '000	2022 AED '000
Within UAE	474,245	654,835
Outside UAE	132,089	200,214
	606,334	855,049

Financial Statements

In This Section

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

14 Inventories continued

During the year, in line with terms of sale purchase agreements for development projects, the Group reacquired properties with a fair value of AED 172,128 thousand (2022: AED 119,769 thousand) due to contractual non-performance of counter parties. These properties were classified as inventories based on their nature.

As at 31 December 2023, the Group determined net realisable value of its inventories and concluded that no additional adjustment is needed in respect of bringing the carrying amount of inventories to their net realisable value.

15 Cash and cash equivalents

	2023 AED '000	2022 AED '000
Cash and bank balances	9,336,005	7,373,522
Short term deposits held with banks	2,382,153	5,174,586
Cash and bank balances	11,718,158	12,548,108

Cash and cash equivalents

	2023 AED '000	2022 AED '000
Cash and bank balances	11,718,158	12,548,108
Short term deposits with original maturities greater than three months	(116,572)	(555,000)
Restricted bank balances	(6,638,490)	(4,972,790)
Cash and cash equivalents	4,963,096	7,020,318
Cash and cash equivalents:		
Within UAE	4,625,006	6,808,589
Outside UAE	338,090	211,729
	4,963,096	7,020,318

As at 31 December 2023, cash at banks amounting to AED 270,255 thousand (2022: AED 243,456 thousand) are not included in the Group's bank balances as it is held by the Group on behalf of third parties.

Restricted cash and bank balances include balances amounting to AED 5,627,422 thousand (2022: AED 2,701,012 thousand) which are deposited into escrow accounts representing cash received from customers against sale of development properties. The remaining balance of restricted cash balances mainly represents cash balances designated against government projects and dividend payables for which separate bank accounts are maintained.

The interest rates on term deposits ranges between 2.80% and 5.72% (2022: 0.30% and 5.17%) per annum for UAE and between 4.75% and 15.2% (2022: 1.10% and 13.9%) for outside UAE. Bank deposits relating to UAE operations are placed with local banks in the UAE.

Cash and cash equivalents include an amount of AED 2,181,852 thousand (31 December 2022: AED 1,065,845 thousand) received from one of the customers against the development of certain projects. As of 31 December 2023, these balances are deposited with the local banks in the UAE and are available for the use of the development of those projects at the discretion of the Company.

16 Share capital

Share capital comprises 7,862,629,603 (2022: 7,862,629,603) authorised, issued and fully paid-up ordinary shares with a par value of AED 1 each.

17 Hybrid equity instrument

During 2022, Aldar Investment Properties LLC (a subsidiary of the Company) issued USD 500,000 thousand (AED 1,837,663 thousand) Reset Subordinated Perpetual Notes (the "Notes") to an investor (the "Noteholder") in two tranches.

The first tranche amounting to USD 310,500 thousand was received during the month of March 2022 while the second tranche amounting to USD 189,500 thousand was received in the month of April 2022.

As per the terms of the agreement, the Notes do not have any maturity date and the Group may elect at its sole discretion not to pay interest on the Notes and Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of IAS 32 Financial Instruments: Presentation.

Financial Statements

In This Section

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

17 Hybrid equity instrument continued

Transaction costs amounting to AED 22,016 thousand related to issuance of the Notes were recorded directly in equity.

Issuance period	Issued amount	Coupon rate
March 2022	USD 310,5000 thousand (AED 1,140,000 thousand)	Fixed interest rate of 5.625% with a reset after 15 years
April 2022	USD 189,500 thousand (AED 698,000 thousand)	Fixed interest rate with of 5.625% a reset after 15 years

During the year, the Group paid coupons amounting to AED 103,289 thousand (year ended 31 December 2022: AED 51,645 thousand).

18 Reserves

Statutory reserve

In accordance with Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, 10% of the annual profits are transferred to the statutory reserve that is non-distributable. Transfers to this reserve may be suspended whenever the reserve reaches 50% of the paid-up share capital of the Company. As the reserves reaches 50% of the paid-up capital, the Company has suspended further transfer.

Cash flow hedging reserve

This represents the effective portion of fair value movements of the interest rate swaps contracts that are designated by the Group as hedging instruments for cash flow hedges (note 24).

Investment revaluation reserve

This represents the cumulative unreleased gains or losses that are recognised on the financial assets at FVTOCI, net of cumulative gain/loss transferred to retained earnings on disposal.

The movement of the reserve is as follows:

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	(2,310)	9,800
Fair value (loss)/gains on revaluation through FVTOCI (note 9.1)	(6,480)	52,685
Transferred to retained earnings upon derecognition	-	(64,795)
Balance at the end of the year	(8,790)	(2,310)

Assets revaluation reserve

This represents surplus raised on the fair valuation of certain property, plant and equipment upon transfer to investment properties due to change in use.

Foreign currency translation reserve

This represents exchange difference arising from translation of the financial statements of foreign subsidiaries, associates and joint ventures. The movement during the year is given below:

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	(385,312)	-
Exchange differences on translating the net assets of foreign operations	(252,741)	(643,689)
Relating to non-controlling interests	101,429	258,377
Balance at the end of the year	(536,624)	(385,312)

19 Non-convertible sukuk

Sukuk No. 1:

On 1 October 2018, Aldar Sukuk Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Island and a wholly owned subsidiary of the Group issued non-convertible sukuk ("Sukuk No. 1") for a total value of AED 1,836,750 thousand (USD 500,000 thousand). Sukuk No. 1 is listed on Euronext Dublin and has a profit rate of 4.750% per annum payable semi-annually and is due for repayment in September 2025.

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

19 Non-convertible sukuk continued

	2023 AED '000	2022 AED '000
Proceeds from issue	1,836,750	1,836,750
Unamortised issue costs	(7,865)	(16,117)
Accrued profit	23,260	13,839
Carrying amount	1,852,145	1,834,472
Less: current portion	(23,260)	(13,839)
Non-current portion	1,828,885	1,820,633

Sukuk No. 2:

On 22 October 2019, Aldar Sukuk (No. 2) Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Island and a wholly owned subsidiary of the Group issued non-convertible sukuk ("Sukuk No. 2") for a total value of AED 1,836,750 thousand (USD 500,000 thousand). Sukuk No. 2 listed on Euronext Dublin and has a profit rate of 3.875% per annum payable semi-annually and is due for repayment in October 2029.

	2023 AED '000	2022 AED '000
Proceeds from issue	1,836,750	1,836,750
Unamortised issue costs	(11,287)	(12,571)
Accrued profit	13,638	23,265
Carrying amount	1,839,101	1,847,444
Less: current portion	(13,638)	(23,265)
Non-current portion	1,825,463	1,824,179

Sukuk No. 3:

During the year ended 31 December 2023, Aldar Investment Properties Sukuk Limited (the "Issuer"), an exempted company incorporated with limited liability under the laws of the Cayman Islands, a subsidiary of the Group, has established a trust certificate issuance programme (the "Programme") pursuant to which the Issuer may issue from time to time up to USD 2,000,000 thousand of trust certificates in series. On 17 May 2023, the Issuer had issued the first series of the trust certificates (the "Sukuk 3") amounting to USD 500,000 thousand (AED 1,836,250 thousand) under the Programme. The Sukuk 3 is listed on Euronext Dublin, carries a

profit rate of 4.875% per annum and is due for repayment in May 2033. An amount equivalent to the net proceeds of the Sukuk 3 will be allocated to finance, refinance and/or invest, in whole or in part, certain "Eligible Green Projects", as set out in the Green Framework, which specifies certain eligibility criteria for Eligible Green Projects. In addition, the Group has appointed an independent firm to assess the validity of the Green Framework and its alignment with the Green Bond Principles 2021.

	2023 AED '000	2022 AED '000
Gross value of issue	1,836,250	-
Discount on issue	(21,731)	-
Net proceeds from issue	1,814,519	-
Unamortised issue costs	(12,011)	-
Accrued profit	9,200	-
Carrying amount	1,811,708	-
Less: current portion	(9,200)	-
Non-current portion	1,802,508	-

Financial Statements

In This Section

Board of Directors' Report	146
Independent Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

20 Bank borrowings

	Outstanding amount			Security	Maturity	Purpose
	Current AED '000	Non-current AED '000	Total AED '000			
31 December 2023:						
Ijarah facility	–	420,000	420,000	Unsecured	March 2025	General corporate purpose
Term loan 1	–	1,000,000	1,000,000	Unsecured	September 2028	General corporate purpose
Revolving credit facility 1	–	–	–	Unsecured	March 2026	General corporate purpose
Revolving credit facility 2	–	500,000	500,000	Unsecured	September 2027	General corporate purpose
Revolving credit facility 3	–	–	–	Unsecured	March 2028	General corporate purpose
Revolving credit facility 4	–	469,500	469,500	Unsecured	March 2025	General corporate purpose
Revolving credit facility 5	300,000	–	300,000	Unsecured	December 2024	General corporate purpose
Revolving credit facility 6	55,935	–	55,935	Secured	December 2030	Project finance
Revolving credit facility 7	529,415	–	529,415	Secured	March 2024	General corporate purpose
Revolving credit facility 8	–	500,000	500,000	Unsecured	March 2026	General corporate purpose
Term loan 2	–	500,000	500,000	Secured	November 2027	General corporate purpose
Term loan 3	–	300,000	300,000	Secured	June 2026	General corporate purpose
Term loan 4	–	1,000,000	1,000,000	Unsecured	September 2028	General corporate purpose
Term loan 5	–	400,000	400,000	Unsecured	September 2028	General corporate purpose
Term loan 6	9,181	141,541	150,722	Secured	December 2031	Project finance
Term loan 7	–	–	–	Secured	December 2024	Project finance
Term loan 8	26,122	39,183	65,305	Secured	September 2027	Project finance
Term loan 9	22,777	9,821	32,598	Secured	June 2027	Project finance
Term loan 10	–	200,000	200,000	Unsecured	June 2028	General corporate purpose
Term loan 11	–	54,619	54,619	Secured	December 2030	Project finance
Term loan 12	111,793	–	–111,793	Secured	March 2026	General corporate purpose
Receivables discounting facility	26,429	–	26,429	Secured	September 2027	Receivables discounting
Murabaha facility	–	–	–	Unsecured	September 2027	Investment purposes
Unamortised borrowing cost	(1,292)	(46,106)	(47,398)			
Accrual for interest and profits	7,294	–	7,294			
	1,087,654	5,488,558	6,576,212			

Financial Statements

In This Section

Board of Directors' Report	146
Auditor's Report	147
Consolidated Statement of Financial Position	154
Consolidated Statement of Profit or Loss	156
Consolidated Statement of Comprehensive Income	157
Consolidated Statement of Changes in Equity	158
Consolidated Statement of Cash Flows	160
Notes to the Consolidated Financial Statements	163

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

20. Bank borrowings continued

	Outstanding amount			Security	Maturity	Purpose
	Current AED '000	Non-current AED '000	Total AED '000			
31 December 2022:						
Ijarah facility	–	420,000	420,000	Secured	March 2025	General corporate purpose
Term loan 1	–	1,000,000	1,000,000	Unsecured	September 2027	General corporate purpose
Revolving credit facility 1	–	300,000	300,000	Unsecured	March 2025	General corporate purpose
Revolving credit facility 2	–	500,000	500,000	Unsecured	September 2027	General corporate purpose
Revolving credit facility 3	–	1,180,000	1,180,000	Unsecured	March 2027	General corporate purpose
Revolving credit facility 4	–	469,500	469,500	Secured	March 2025	General corporate purpose
Term loan 2	–	400,000	400,000	Unsecured	September 2027	General corporate purpose
Term loan 3	–	1,000,000	1,000,000	Unsecured	September 2027	General corporate purpose
Term loan 4	–	300,000	300,000	Secured	June 2026	General corporate purpose
Term loan 5	500,000	–	500,000	Secured	November 2023	General corporate purpose
Term loan 6	5,734	185,414	191,148	Unsecured	December 2031	Project finance
Term loan 7	11,866	17,947	29,813	Secured	December 2024	Project finance
Term loan 8	18,355	63,223	81,578	Secured	October 2027	Project finance
Term loan 9	19,326	114,883	134,209	Secured	June 2027	Project finance
Receivables discounting facility	19,342	17,832	37,174	Secured	June 2028	Receivables discounting
Murabaha facility	17,225	77,400	94,625	Secured	September 2027	Investment purposes
Unamortised borrowing cost	(1,090)	(40,858)	(41,948)			
Accrual for interest and profits	17,543	–	17,543			
	608,301	6,005,341	6,613,642			

The above loans carry margins ranging from 0.50% to 2.95% (2022: 0.70% to 2.25%) above the base lending rate. For loans obtained in the UAE, the base lending rate used is EIBOR and for overseas subsidiary is the relevant base lending rate.

During the year ended 31 December 2023:

- the Group obtained two new Sustainability Target linked term loans of AED 500 million each with an initial maturity of 1 year extendable for up to a total of 3 years;
- the Group obtained a Sustainable Target linked revolving credit Ijarah facility of AED 1 billion with a fixed maturity of 5 years;
- the Group also entered into a Murabaha Credit facility of AED 500 million with an initial maturity of 3 years extendable to a maximum of 6 years; and
- the Group also signed a Sustainability Target linked Term loan of AED 500 million with an initial maturity of 5 years extendable for up to a maximum of 7 years.

The sustainability targets include reduction in electricity and water consumption, increase in LEED certified O&M area, workers welfare & inclusion of commercial and residential tenants in Aldar's net zero sustainability program.

All the above loans are priced at market rate.

As at 31 December 2023, the Group had AED 7,465,489 thousand of undrawn, committed term and revolving credit facilities in the form of bilateral agreements (2022: AED 3,973,864 thousand). Bank borrowings and non-convertible sukuk drawn during the year amounted to AED 6,860,190 thousand (2022: AED 8,803,223 thousand) and repaid during the year amounted to AED 5,641,850 thousand (2022: AED 6,772,798 thousand).

Financial Statements

In This Section

Board of Directors' Report	145
Independent Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

20 Bank borrowings continued

Certain bank borrowings (Term loans 2 and 3) are secured in the form of mortgage over certain immovable properties; of which operating assets under investment properties are valued at AED 1,073,281 thousand (31 December 2022: AED 2,841,584 thousand), under property, plant and equipment are valued at nil (31 December 2022: AED 37,896 thousand) and the plots of land held for sale amounting to nil (31 December 2022: AED 538,280 thousand) and carry a net worth covenant.

Term loans 6 to 9, 11, 12, receivables discounting facility and revolving Credit Facility 6 & 7 are secured against the following and relates to the Group Egypt and England & Wales subsidiaries only:

- pledge to deposit all proceeds from the sales of units in the designated accounts with the lenders;
- assignment right of the first degree on the projects account in favour of the lenders;
- mortgage on the leased assets/units and buildings and pledge over unsold units; and
- various development work in progress.

The split of bank borrowings by location are:

	2023 AED '000	2022 AED '000
Within UAE	5,552,133	6,144,401
Outside UAE	1,024,079	469,241
	6,576,212	6,613,642

21 Retentions payable

	2023 AED '000	2022 AED '000
Retentions payable within 12 months	723,756	1,056,294
Retentions payable after 12 months	542,998	676,001
	1,266,754	1,732,295

This represents amounts retained by the Group from third party contractors for construction projects.

22 Lease liabilities

Group as a lessee

The Group has entered into leases for land on which certain of the Group's buildings and investment properties are constructed. Refer to notes 5 and 7 for further information. The Group's obligations under its leases are secured by the lessor's title to the leased plots of land. Generally, the Group's leases also include restrictions on assigning and subleasing the leased assets.

Set out below are the carrying amounts and maturity analysis of lease liabilities as at 31 December:

	2023 AED '000	2022 AED '000
Maturity analysis:		
Year 1	96,673	61,096
Year 2	100,901	58,559
Year 3	92,618	56,059
Year 4	74,476	47,458
Year 5	62,351	47,418
Onwards	1,057,813	493,213
Balance at the end of the year	1,484,832	763,803
Less: finance cost	(557,962)	(278,270)
	926,870	485,533

Analysed as:

Non-current	848,365	436,545
Current	78,505	48,988

The Group does not face a liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

22 Lease liabilities continued

The following are the amounts recognised in profit or loss:

	2023 AED '000	2022 AED '000
Depreciation expense of right-of-use assets	38,961	12,696
Unwinding of interest expense on lease liabilities during the year (note 33)	23,845	15,449

The movement for the lease liability is as follows:

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	485,533	333,260
Acquired as part of business combinations (note 47)	428,514	137,422
Additions	89,437	74,360
Payments	(74,765)	(75,240)
Terminations	(25,458)	–
Finance cost	23,845	18,603
Exchange difference	(236)	(2,872)
Balance at the end of the year	926,870	485,533

The Group did not have major non-cash additions to right-of-use assets and lease liabilities during the year ended 31 December 2023 and year ended 31 December 2022.

23 Employee benefits

	2023 AED '000	2022 AED '000
Employees' end-of-service benefits	285,012	237,208
Long term incentive scheme	54,470	59,685
Balance at the end of the year	339,482	296,893

End-of-service benefits

Movements in the provision for employees' end of service benefits are as follows:

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	237,208	177,125
Charge for the year – net of reversal	55,157	48,815
Acquired in business combination (note 47)	42,213	48,882
Paid during the year	(49,566)	(37,614)
Balance at the end of the year	285,012	237,208

Long term incentive scheme

The Group's Board of Directors has approved a Long Term Incentive (LTI) scheme for certain employees of the Company and its subsidiaries. The LTI scheme is designed to provide long-term incentives for certain senior management team to deliver long-term shareholder returns. Under the LTI scheme, the eligible employee contributes 30% of their performance bonus towards the LTI fund and the Company matches the same percentage as an additional contribution. The contribution of both the employees and the Company are invested in Restricted Share Units (RSU). Participants will receive an amount based on the combined contributions which will be invested and generate a return in accordance with the investment policy set under the Discretionary Investment Portfolio Management Agreement ("DIPMA"), as mentioned below, if vesting requirements are met at the end of a 3-year retention period. A cash amount representing the value of vested portion is paid upon completion of the service condition over three years. Carrying value of LTI scheme is computed based on the relevant share price as of 31 December 2023 and 31 December 2022.

Movements in the provision for long term incentive scheme are as follows:

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	59,685	54,470
Charge for the year – net of reversal	3,482	18,133
Fair value and other movement	12,842	–
Paid during the year	(21,539)	(12,918)
Balance at the end of the year	54,470	59,685

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

23 Employee benefits continued

Long term incentive scheme continued

The Company entered into a DIPMA with a local bank whereby the Company has appointed the local bank to manage funding of distributions to be made by the Company to the beneficiaries under the LTI scheme. The amount funded in line with DIPMA is recorded under trade receivables and other assets (note 11). The Company remains the primary obligor to the beneficiaries in line with their entitlement under the employee agreements.

24 Derivative financial instruments

In prior years, the Group entered into floating to fixed interest rate swaps to partially hedge its interest rate risk in relation to its floating rate borrowings and forward starting interest rate swap contract to manage the potential interest rate risk of a forecasted debt capital markets transaction.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. Under the forward starting interest rate swap contracts, the Group fixes the interest rate of a debt capital market issuance, which was executed in the year 2023 (refer note 19). All interest rate swap contracts and forward starting interest rate swaps contracts has been concluded and realised during the year ended 31 December 2023.

Part of the acquisition of London Square (a subsidiary) which was completed during the year 2023 (note 47.7), the Group acquired Interest Rate Caps financial derivatives, which are used to manage the subsidiary exposure to interest rates risk through the proportion of fixed and variable rate debt in its total debt portfolio, the interest rate cap has been purchased to manage the subsidiary exposure to variable rate interest on borrowings, the subsidiary does not designate the interest rate cap as hedges, the fair value changes being recognised in the profit and loss.

The fair value of interest rate swaps and interest rate cap at the reporting date is based on a discounted future cash flows using the applicable yield curves derived from observable interest rates. The fair values are presented below:

	31 December 2023		31 December 2022	
	Gross carrying amount AED '000	Fair value hierarchy	Gross carrying amount AED '000	Fair value hierarchy
Derivative financial assets:				
interest rate cap	8,311	Level 2	–	–
interest rate swaps	–	–	4,138	Level 2
forward starting interest rate swaps	–	–	202,907	Level 2

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same or expected to be the same, the Group performs a qualitative assessment of effectiveness, under IFRS 9 Financial Instruments, and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. In respect of forward starting interest rate swap contracts, hedge ineffectiveness also results from changes in the timing of issuance of debt. No other sources of ineffectiveness emerged from these hedging relationships.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings or highly probable forecast transactions which are realised during the year 2023.

The following table summarises information regarding interest rate swap, cap and forward starting interest rate swaps contracts outstanding at the reporting date:

Maturity profile	Average contracted fixed interest rate		Notional amount		Carrying amount of the derivative financial asset/(liability)	
	2023	2022	2023 AED '000	2022 AED '000	2023 AED '000	2022 AED '000
Less than 1 year	2.52%	2.73%	360,098	183,625	5,761	4,138
1 to 2 years	3.00%	–	66,247	–	2,070	–
2 to 5 years	3.00%	1.11%	15,319	918,125	480	179,211
More than 5 years	–	2.73%	–	367,250	–	23,696
Total			441,664	1,469,000	8,311	207,045

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Changes in Equity	156
Consolidated Statement of Cash Flows	157
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

Movement in the cash flow hedging reserve was as following:

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	190,248	(422)
Cumulative fair value (loss)/gain arising on hedging instruments during the year classified under cash flow hedges	(20,713)	193,394
Cumulative (loss)/gain arising on hedging instruments reclassified to profit or loss on maturity	(7,787)	6,947
Attributable to non-controlling interest	3,382	(9,671)
Balance at the end of the year	165,130	190,248

25 Advances from customers

Advances from customers represent mainly security deposits, advances from customers and advances received on project management business.

26 Trade and other payables

	2023 AED '000	2022 AED '000
Non-current portion		
Payable to a government authority for purchase of land (note 26.1)	638,007	713,253
Other land acquisition creditors and payable (note 12)	3,197,385	184,557
Deferred tax liability (note 11.8, 35)	83,379	–
	3,918,771	897,810
Current portion		
Trade payables	1,721,104	1,715,099
Accrual for contractors' costs	3,840,837	5,621,893
Due to the Government of Abu Dhabi	317,312	181,703
Deferred income	698,270	586,724
Income tax payable	115,479	127,159
Provisions related to construction contracts (note 26.2)	274,334	171,703
Advances from the Government of Abu Dhabi (note 38.1)	30,292	131,582
Dividends payable	17,360	87,841
Payable to a government authority for purchase of land (note 26.1)	57,822	65,216
Provision for onerous contracts	852	14,460
Grant liability (note 26.4)	104,856	–
Deferred payable (note 47.7)	106,080	–
Other land acquisition creditors (note 12)	404,691	5,170
Other liabilities (note 26.3)	1,392,668	915,454
	9,081,957	9,624,004

The Group has financial and risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

26 Trade and other payables continued

26.1 Payable to a government authority for purchase of land

	Plot of land I AED '000	Plot of land II AED '000	Plot of land III AED '000
Total par value of the checks issued to the Egyptian New Urban Communities Authority ("NUCA")	98,744	1,257,023	79,869
Unamortised interest	(19,062)	(695,891)	(24,854)
	79,682	561,132	55,015
Less: current portion	(16,779)	(28,871)	(12,172)
Non-current portion	62,903	532,261	42,843

Plot of land I

On 1 September 2021, Egyptian New Urban Communities Authority ("NUCA") approved the request submitted by one of the indirect subsidiaries to purchase a plot of land with an area of 123.39 acres, with a total value of EGP 1,236,216 thousand (AED 146,783 thousand). The remaining price of the land and any associated interest is payable in the form of 12 semi-annual instalments over a period of five and a half years starting from 8 March 2022 and ending on 8 September 2027. On 6 April 2022, NUCA sent a letter to amend the area of the plot of land from 123.39 acres to 115.34 acres along with the adjustment of the instalments and interest values according to the new area. The value of the land has been adjusted according to the contract annex in May 2022 to be EGP 1,156,000 thousand (AED 137,353 thousand), and the land area allocated to the Company became 265.34 acres.

Plot of land II

On 21 March, 2019, a co-development agreement was signed between a subsidiary of the Company and NUCA to establish an integrated urban project with an area of 500 acres (the "Previous Plot") with a total value of EGP 11,412,974 thousand (AED 1,355,131 thousand). During 2021, based on the proposal from the Egypt Sheikh Zayed City Development Authority to amend this site, NUCA and the subsidiary exchanged the Previous Plot against a plot with an area of 464.81 acres (the "New Plot"). The New Plot was based on the same terms and conditions as was attached to the Previous Plot with a revised payment plan with a total value of EGP 11,357,000 thousand (AED 1,349,777 thousand). The co-development contract annex was signed on June 27, 2022.

Plot of land III

On 1 August 2023, a subsidiary of the Group signed a contract with the NUCA to acquire a plot of land area approximately 180 acres with a total amount of EGP 807,500 thousand (AED 95,879 thousand), the down payment amount was paid, and the rest of the price and interest will be paid over 10 consecutive semi-annual instalments.

26.2 Provisions related to construction contracts

The breakdown of provisions related to construction contracts is as follows:

	2023 AED '000	2022 AED '000
Provisions for completion of works (i)	212,052	142,515
Provision for expected claims (ii)	16,004	9,653
Others	46,278	19,535
	274,334	171,703

- (i) Provision for completion of works relate to estimated costs expected to be incurred on delivered units in the following years to complete the execution of the final stages of projects.
- (ii) Provision for expected claims is formed for existing claims related to the Group's transactions with other parties. The management reviews the provisions annually and makes any amendments if needed according to the latest agreements and negotiations with those parties.

26.3 Other liabilities include net contingent consideration payable of AED 60,990 thousand at 31 December 2023 (2022: AED 60,990 thousand). The aggregate amount of contingent consideration shall not exceed AED 75,000 thousand. The fair value of the contingent consideration is estimated at AED 60,990 thousand. There are no changes in the fair value of contingent consideration payable as at 31 December 2023 as there were no significant changes in the range of outcomes or the assumptions used to develop the estimate. The fair value of the contingent consideration was estimated by applying an income approach. The fair value measurement is based on significant inputs that are not observable in the market therefore this is a Level 3 measurement in the fair value measurement hierarchy as at 31 December 2023 and 31 December 2022. Key assumptions include a discount rate of 9.70% and probable outflow of AED 60,990 thousand

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

26 Trade and other payables continued

26.4 Grant liability represent grant received by a foreign subsidiary of the Group from a regional governance body to support the development of projects in the specified areas which is recognised as per the terms of the relevant agreement.

27 Revenue and rental income

	2023 AED '000	2022 AED '000
Revenue		
Property development	6,868,073	5,828,408
Development management	1,201,552	1,133,444
Fee and related income from schools	686,579	592,278
Property and facilities management	1,614,651	588,211
Hospitality and leisure	1,116,189	827,826
Construction contracts	717,272	346,641
Rental income		
Rental income on investment properties	1,956,622	1,883,219
	14,160,938	11,200,027

Rental income on investment properties includes contingent rental income of AED 49,218 thousand (2022: AED 45,534 thousand) and revenue from service charges of AED 130,979 thousand (2022: AED 144,590 thousand).

28 Direct costs

	2023 AED '000	2022 AED '000
Property development	4,426,692	3,934,149
Development management	692,820	648,723
Property and facilities management	1,370,663	559,669
Direct cost of investment properties	305,560	289,635
Hospitality and leisure	705,090	593,982
Construction contracts	691,113	312,250
Direct cost related to schools	395,627	350,108
	8,587,565	6,688,516

29 Selling and marketing expenses

	2023 AED '000	2022 AED '000
Projects marketing	31,901	111,558
Corporate advertising and events	39,448	66,039
Exhibitions and sponsorships	43,537	42,724
	114,886	220,321

30 General and administrative expenses

30.1 Others in general and administrative expenses include the following:

	2023 AED '000	2022 AED '000
Professional fees	140,836	115,879
Board of Directors' remuneration	34,181	40,575
General office expenses	70,960	54,690
Business travel	10,674	4,315
IT maintenance	40,572	27,183
Others	191,627	222,322
	488,850	464,964

30.2 Staff costs consist of the following:

	2023 AED '000	2022 AED '000
Salaries, bonuses and other benefits	2,482,242	2,067,578
Employees' end of service benefits (note 23)	55,157	48,815
Staff training and development	6,596	124
	2,543,995	2,116,517

Staff costs are allocated to:

Direct costs	1,948,593	1,442,473
General and administrative expenses	545,245	626,946
Projects under development (capitalised)	50,157	47,098
	2,543,995	2,116,517

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

31 Provisions, impairments and write-downs, net

	2023 AED '000	2022 AED '000
Reversal of impairment on property, plant and equipment (note 5)	–	(300,323)
Provision for expected credit losses, net (note 11.6)	45,152	47,956
Provision for impairment on due from associates and joint ventures (note 11)	2,258	37,001
Reversal of provision for impairment of investments in associates and joint ventures (note 8.2)	–	(7,347)
(Release)/provision for onerous contracts	(11,601)	14,514
Write-down of development work in progress (note 13)	133,216	50,344
Provision for impairment of development work in progress (note 13)	480	73,333
Provision against prepayments	–	30,000
Provision for impairment of other receivables and assets	–	68,631
Receivables written off	–	1,973
Others	56,440	47,755
	225,945	63,837

32 Finance income

	2023 AED '000	2022 AED '000
Interest/profit earned on:		
Sharia compliant deposits	106,342	48,524
Bank fixed deposits	66,132	39,837
Call and current accounts	194,956	46,366
Total interest/profit earned	367,430	134,727
Financing income earned on receivables	104,578	63,809
Other finance income	26,765	19,107
	498,773	217,643

* This mainly represents significant financing component implicit in the contracts with customers which provides the customer with a significant benefit of financing the transfer of properties sold.

Finance income earned on financial assets, analysed by category of asset is as follows:

	2023 AED '000	2022 AED '000
Financial assets at amortised cost		
Loans and receivables	131,343	82,916
Bank balances and deposits	367,430	134,727
	498,773	217,643

33 Finance costs

	2023 AED '000	2022 AED '000
Finance costs on bank borrowings and non-convertible sukuk	583,593	368,915
Unwinding of finance cost on operating lease liabilities (note 22)	23,845	15,449
Others	5,940	6,037
	613,378	390,401
Cumulative loss arising on hedging instruments reclassified to profit or loss (note 24)	7,788	6,947
	621,166	397,348

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

34 Other income

	2023 AED '000	2022 AED '000
Release of liabilities, accruals and provisions (i)	157,716	8,881
Insurance claim (ii)	17,136	–
Exchange gain on bank deposits	16,826	41,945
Gain/(loss) on disposal of property, plant and equipment	133	(165)
Others	93,886	41,522
	285,697	92,183

- (i) This represents reversal of provisions which were no longer required following management's assessment at reporting date of the estimated cash flows required based on latest information which highlighted that it is no longer probable that a transfer of economic benefits will be required to settle the obligation.
- (ii) This represents insurance claims received during the year mainly related to hospitality and leisure segment impacted by the Covid 19 pandemic.

35 Income tax

Income tax for the year relates to overseas operations of the Group. The Group calculates income tax expense using the tax rate that would be applicable to the expected net profit. The major components of income tax expense in the consolidated statement of profit or loss are:

	2023 AED '000	2022 AED '000
Current income tax:		
Current income tax charged	67,095	65,608
Tax expense on dividends	75	844
Deferred income tax:		
Relating to origination and reversal of temporary differences	(12,548)	(27,218)
Relating to enactment of UAE corporate income tax*	57,345	–
Income tax expense	111,967	39,234

Income tax reconciliation schedule as follows:

	2023 AED '000	2022 AED '000
Profit for the year before tax	4,528,373	3,182,967
UAE profit not subject to income tax	(4,324,014)	(3,033,445)
Non-UAE profit subject to income tax	204,359	149,522
Income tax using the domestic corporate tax rate @ 22.5% – 25%	45,686	33,642
Special tax pool (financial investment at amortised cost)	2,678	2,061
Non-deductible expenses/(income)	17,980	(18,921)
Provisions	(21,181)	20,971
Differences in amortisation and interest on lease obligations	(313)	646
Tax losses	8,158	–
Deferred income tax recognised on UAE CT enactment*	58,800	–
Other tax adjustments	159	835
Income tax expense	111,967	39,234

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The Corporate Tax Law is applicable to Tax Periods commencing on or after 1 June 2023 (where the Tax Period is generally aligned with the financial accounting period).

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The UAE CT Law is subject to further clarification by supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate.

Financial Statements**In This Section**

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

35 Income tax continued

With the publication of this Decision, the Group considers the UAE CT Law to be substantively enacted for the purposes of International Accounting Standard (IAS) 12 – Income Taxes, and accordingly the impact of the UAE CT Law is assessed on the consolidated financial statements for the year ended 31 December 2023.

Current Tax

As set out above, the UAE CT Law shall apply to the Group with effect from 1 January 2024 and it will be liable to pay corporate tax on the taxable income for the year ending 31 December 2024. Accordingly, no current tax provision is accounted for in the consolidated financial statements for the year ended 31 December 2023 relating to UAE entities.

Deferred Tax

Following assessment of the potential impact of the UAE CT Law, the Group considers that taxable temporary differences arise in respect of historical Purchase Price Allocation (PPA) adjustments and accounting policy alignments carried on the Group's consolidated statement of financial position. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the entities to which those PPA adjustments are attributed should be subject to UAE CT in the future. The Group will continue to monitor the publication of subsequent decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to this position at subsequent reporting dates.

International Tax Reform – Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules") designed to address the tax challenges arising from the digitalisation of the global economy.

The Group is in scope of Pillar Two legislation as it operates in a jurisdiction that has substantively enacted Pillar Two legislation and its consolidated revenue exceeds €750 million threshold.

UAE, where the head quarter of the Group is based, published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses on 24 November 2023, as part of its commitment to the OECD guidelines.

The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar 2 Rules. The implementation of these rules in the UAE is still pending additional Cabinet Decisions, and the specific form and manner of implementation are yet to be determined.

Additionally, Pillar Two legislation is effective in the jurisdiction in financial year ending 31 December 2024 where the Group operates. The Group will continue to monitor the Pillar Two legislations in all relevant jurisdictions and accrue any potential top-up tax when the legislation is effective in those jurisdictions in accordance with the IAS 12 Amendments and taking into consideration the transitional CbC safe harbour relief.

The Group is in the process of assessing the potential exposure to Pillar Two income taxes as at 31 December 2023. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group expects to be in a position to report the potential exposure in the year 2024.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

The Group has applied this mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

36 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

36 Earnings per share continued

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2023	2022
Earnings (AED '000)		
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	3,922,263	2,944,464
Less: distributions to the Noteholder (hybrid equity instrument – note 17)	(103,289)	(51,645)
	3,818,974	2,892,819
Weighted average number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	7,862,629,603	7,862,629,603

Basic and diluted earnings per share attributable to Owners of the Company in AED

	2023	2022
	0.486	0.368

37 Dividends

At the annual general meeting held on 16 March 2023, the shareholders approved distribution of cash dividends of AED 1,258,022 thousand for the year ended 31 December 2022, being 16 fils per share. The Board of Directors, in their meeting held on 9 February 2024, proposed a cash dividend of 17 fils per share for the year ended 31 December 2023. The proposed dividend is subject to approval of the Shareholders at the annual general assembly.

38 Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise of the Parent Company and its affiliates, major shareholders, associated companies, directors, key management personnel of the Group and their related entities. The terms of the major transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management.

Major Shareholders represent Alpha Dhabi Holding PJSC (the "Parent Company") and its affiliated entities and Mubadala Investment Company PJSC (the "Major Shareholder") and its affiliated entities. Government of Abu Dhabi is an indirect major shareholder of the Company through an entity controlled by it. The balances and transactions disclosed below with reference to Government of Abu Dhabi also include the entities controlled by Government of Abu Dhabi.

38.1 Related party balances

Significant related party balances (and the consolidated statement of financial position captions within which these are included) are as follows:

	2023 AED '000	2022 AED '000
(1) Government of Abu Dhabi		
Trade and other receivables	868,053	1,220,246
Trade and other payables	(330,254)	(185,069)
Contract assets	–	105,087
Contract liabilities	(1,053,509)	(870,081)
Advances received (note 26)	(30,292)	(131,582)
(2) Major shareholder and its affiliates		
Trade and other receivables	59,912	60,835
Retentions payable	(113,190)	(113,190)
Trade and other payables	(3,764)	(835)
(3) Parent Company and its affiliates		
Trade and other receivables	100,334	711,043
Retentions payable	(450,485)	(666,666)
Trade and other payables	(33,974)	(27,675)
(4) Associates and joint ventures		
Due from joint ventures	826	1,729

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

38 Transactions and balances with related parties continued

38.2 Transactions with related parties

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. Other than as disclosed in note 11, allowance of expected credit losses against due form associates and joint ventures, no provision has been made for doubtful debts in respect of the amounts owned by related parties. Certain receivables from joint ventures carry interest of 9% per annum and are repayable within 2 to 5 years.

During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	2023 AED '000	2022 AED '000
(1) Government of Abu Dhabi		
Revenue	1,591,411	1,478,909
Other income	2,678	11,337
Finance income from project finance	8,301	7,069
(2) Major shareholder and its affiliates		
Revenue	73,370	36,743
(3) Parent Company and its affiliates		
Revenue	53,799	17,692
Cost incurred on projects under development (i)	122,284	256,354
Cost incurred on projects under management (ii)	–	2,145,065
Other costs	39,899	20,978
(4) Associates and joint ventures		
Finance income	15,106	7,553

	2023 AED '000	2022 AED '000
(5) Key management compensation		
Salaries, bonuses and other benefits	39,475	32,777
Post-employment benefits	1,072	1,060
Long term incentives	6,576	11,252
	47,123	45,089
(6) Directors' remuneration – expense (iii), (iv)		
	34,181	40,575

- (i) This represents costs incurred during the year which is recognised as development work in progress for projects under development.
- (ii) This represents costs incurred on the projects under management on behalf of Government of Abu Dhabi. These costs are off set against "advances from the Government of Abu Dhabi".
- (iii) During the year, the Company paid Directors' remunerations amounting to AED 19,804 thousand (2022: AED 18,075 thousand).
- (iv) In line with the approved remuneration during 2022 AGM, the Company has set up a deferred remuneration scheme ("DRS") for the Directors. Under the DRS scheme, the directors contribute 30% of their remuneration towards the DRS scheme and the Company matches the same percentage (30%) as an additional contribution. The contribution of both the directors and the Company are invested in Restricted Share Units ("RSU") and payment will be made in line with Aldar Group Board Remuneration Policy. The directors will be paid in cash on the earlier of three years or end of tenure based on the value of the RSU at that time. The Group has accrued AED 7,200 thousand for this scheme related to year 2023 (for the year ended 31 December 2022: AED 7,200 thousand).

Financial Statements

In This Section

Board of Directors' Report	145
Independent Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

38 Transactions and balances with related parties continued

38.3 Other balances and transactions with related parties:

- (i) Outstanding borrowings amounted to AED 2,700,000 thousand (2022: AED 3,975,998 thousand) are due to the banks controlled by the Government of Abu Dhabi and major shareholder. Finance cost on these borrowings amounted to AED 170,216 thousand (2022: AED 105,432 thousand).
- (ii) Deposits and bank balances amounted to AED 4,608,438 thousand (2022: AED 8,887,275 thousand) are kept with banks controlled by the Government of Abu Dhabi and major shareholder. Finance income on these deposits amounted to AED 206,028 thousand (2022: AED 52,874 thousand).
- (iii) Letter of credits and bank guarantees issued through banks controlled by the Government of Abu Dhabi and major shareholder amounted to AED 4,825,916 thousand (2022: AED 553,050 thousand).
- (iv) During the year, the Group acquired two plots of land from the major shareholder (refer note 7.2ii).

39 Contingencies and commitments

39.1 Capital commitments

Capital expenditure contracted but not yet incurred at the end of the year is as follows:

	2023 AED '000	2022 AED '000
Projects under development	11,033,316	5,678,563
Projects management	6,528,144	15,783,285
Others	285,216	95,633
	17,846,676	21,557,481

Projects under management represent remaining contractual amounts relating to projects managed by the Group, of which the related agreements with contractors were entered by and continued to be under the name of the Group on behalf of the Government of Abu Dhabi. This includes AED 6,309,600 thousand (2022: AED 15,518,349 thousand) of commitment of Aldar Projects LLC (a subsidiary of the Company) which will be funded in advance by the Government of Abu Dhabi. The above commitments are spread over a period of one to five years.

39.2 Operating lease commitments

The Group as lessor

The Group has entered into operating leases on its investment property portfolio owned by the Group and have terms of between 1 and 20 years. The lessees do not have an option to purchase the property at the expiry of the lease period. The commercial property lease arrangements include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

The future minimum rentals receivable under non-cancellable operating leases contracted as at 31 December are as follows:

	2023 AED '000	2022 AED '000
Buildings:		
Within one year	1,429,281	1,353,378
In the second to fifth year	3,705,289	3,399,640
After five years	2,146,437	2,035,476
	7,281,007	6,788,494

In addition to the above lease commitments, the Group also have lease contracts where it is entitled to receive rent based on turnover of tenants and service charges.

39.3 Contingencies

Letters of credit and bank guarantees

	2023 AED '000	2022 AED '000
Letters of credit and bank guarantees	5,193,005	861,399

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

39 Contingencies and commitments continued

39.4 Legal claim contingency

In January 2022, a previous supplier filed a claim against the Group relating to a contract that was signed in 2007. In June 2022, the First Instance Court rejected the case filed by the supplier in its entirety, based on the opinion provided by a panel of court appointed experts. In July 2022, the supplier filed an appeal which introduced no further substantive facts but challenged the experts' opinion. The Appeal Court re-appointed the same panel of court appointed experts to consider this challenge. In December 2022, the Court of Appeal dismissed the appeal in the Group's favor. The supplier filed an appeal with the court of cassation which was awarded decided in the Group's favor in March 2023. There are no further appeals available to the supplier, so the claim is now closed.

40 Financial instruments

40.1 Material accounting policy information

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the consolidated financial statements.

40.2 Categories of financial instruments

	2023 AED '000	2022 AED '000
Financial assets		
Investment in financial assets at FVTOCI	23,317	29,797
Investment in financial assets at FVTPL	695,652	68,837
Derivative financial assets	8,311	207,045
Financial assets at amortised cost	93,147	179,744
Receivables, other assets and cash and bank balances (at amortised cost)	20,568,732	18,565,756
	21,389,159	19,051,179
Financial liabilities		
Financial liabilities measured at amortised cost	32,365,534	24,546,778
	32,365,534	24,546,778

40.3 Financial risk

The Group's Corporate Finance and Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages financial risks relating to operations of the Group based on internally developed models, benchmarks and forecasts which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group seeks to minimise the effects of financial risks by using appropriate risk management techniques including using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by management's analysis of market trends, liquidity position and predicted movements in interest rate and foreign currency rates which are reviewed by the management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

40.4 Capital risk

The Group manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximising return to shareholders through the optimisation of the debt and equity balance. No major changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022.

The capital structure of the Group comprises non-convertible Sukuk, borrowings, cash and bank balances and equity attributable to owners of the Company, comprising share capital, reserves, hybrid equity instrument and retained earnings as disclosed in the consolidated statement of changes in equity.

The Group monitors and adjusts its capital structure in light of changes in economic conditions and the requirements of financial covenants with a view to promote the long-term success of the business while maintaining sustainable returns for shareholders. This is achieved through a combination of risk management actions including monitoring solvency, minimising financing costs, rigorous investment appraisals and maintaining high standards of business conduct.

Key financial measures that are subject to regular review include cash flow projections and assessment of their ability to meet contracted commitments, projected gearing levels and compliance with borrowing covenants, although no absolute targets are set for these.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

40 Financial instruments continued

40.4 Capital risk continued

The Group monitors its cost of debt on a regular basis. At 31 December 2023, the weighted average cost of debt was 5.15% (2022: 5.5%). Investment and development opportunities are evaluated against an appropriate equity return in order to ensure that long-term shareholder value is created.

The covenants of seventeen (2022: twelve) borrowing arrangements require maintaining a minimum tangible net worth. Five loans require a minimum tangible net worth of AED 6 billion and seven loans require a minimum tangible net worth of AED 4 billion.

40.5 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include bank borrowings, investment in financial assets and derivative financial instruments.

a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rate.

The Group may be exposed to currency and translation related risks on its borrowings denominated in US Dollars and its investments in foreign subsidiaries. In respect of the Group's transactions and balances denominated in US Dollars and Saudi Riyal, the Group is not exposed to the currency risk as the UAE Dirham and Saudi Riyal are currently pegged to the US Dollar.

The table below summarises the sensitivity of the Group's monetary and non-monetary assets and liabilities to changes in foreign exchange movements at year end. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5% with all other variables held constant:

	Assets AED '000	Liabilities AED '000	Net exposure AED '000	Effect on net equity for +/- 5% sensitivity AED '000
2023				
Egyptian pound	4,836,316	(3,609,646)	1,226,670	+/-61,334
Pound sterling	1,573,795	(1,039,314)	480,481	+/-24,024
2022				
Egyptian pound	4,736,687	(3,482,918)	1,253,769	+/- 62,688

b) Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk as the Group borrow funds at both floating and fixed interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in notes 9, 15 and 20.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of asset or liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's net profit for the year ended 31 December 2023 would increase/decrease by AED 42,388 thousand (2022: increase/decrease by AED 15,357 thousand).

Financial Statements**In This Section**

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

40 Financial instruments continued

40.5 Market risk continued

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rate on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. All interest rate swap contracts have been realised and concluded in year 2023.

Cash flow hedges

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the payments on the loan occur simultaneously.

Interest rate cap contracts

The Group is exposed to interest rate risk on interest bearing debt and manages its exposure to interest rate risk through the proportion of fixed and variable rate debt in its total net debt portfolio.

Part of London Square business acquisition (note 47.7), the Group acquired Interest rate cap contracts which manage the London Square exposure to variable rate interest on borrowings. The subsidiary does not designate Interest rate cap contracts derivatives as hedges, the fair value changes being recognised in the Group's profit and loss in accordance with the Group's accounting policy set out in note 3 and these derivative financial instruments were contracted with counterparties operating in the England and Wales.

40.6 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Key areas where the Group is exposed to credit risk is from its operating activities (primarily trade and other receivables) and from its financing activities mainly bank balances and derivative financial assets (liquid assets).

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group attempts to control credit risk

by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue amounts. Furthermore, the Group reviews the recoverable amount of each trade receivables and other receivables on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables and other receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Details on concentration of trade receivable balances are disclosed in note 11.1. Management believes that the concentration of credit risk is mitigated by having received instalment payments, in some cases substantial, which the Group would contractually be entitled to retain in the event of non-completion of the remaining contractual obligations in order to cover the losses incurred by the Group.

At 31 December 2023, 100% (2022: 100%) of the deposits were placed with 16 local banks, 1 foreign branch of a local bank and 20 foreign banks in Egypt, England and Wales and KSA. Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the UAE, Egypt, England and Wales and KSA and are regulated by the Central bank of the respective countries.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

40 Financial instruments continued

40.6 Credit risk continued

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with receivables related to property development is mitigated because they are secured over the underlying property units. The Group is not permitted to sell or repledge the underlying properties in the absence of default by the counterparty. There have not been any significant changes in the quality of the underlying properties.

40.7 Liquidity risk

The responsibility for liquidity risk management rests with the management of the Group, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2023 and 2022.

	<1 month AED '000	1 to 3 months AED '000	3 months to 1 year AED '000	1 to 5 years AED '000	>5 years AED '000	Total AED '000
31 December 2023						
Financial liabilities						
Non-interest bearing instruments (i)	261,277	3,639,531	5,661,548	4,378,388	-	13,940,744
Non-convertible sukuk	-	-	46,098	1,783,856	3,673,000	5,502,954
Variable interest rate instruments	16,450	654,939	416,265	5,381,208	107,350	6,576,212
Lease liability	10,461	5,830	80,382	330,346	1,057,813	1,484,832
Total	288,188	4,300,300	6,204,293	11,873,798	4,838,163	27,504,742

	<1 month AED '000	1 to 3 months AED '000	3 months to 1 year AED '000	1 to 5 years AED '000	>5 years AED '000	Total AED '000
31 December 2022						
Financial liabilities						
Non-interest bearing instruments (i)	602,124	3,290,995	6,391,062	1,573,812	-	11,857,993
Non-convertible sukuk	-	-	37,105	1,808,062	1,836,750	3,681,917
Variable interest rate instruments	12,751	4,792	590,161	6,005,937	-	6,613,641
Lease liabilities	5,747	33,602	21,747	209,494	493,213	763,803
Total	620,622	3,329,389	7,040,075	9,597,305	2,329,963	22,917,354

(i) Including security deposits from customers.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as disclosed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

	2023		2022	
	Gross carrying amount AED '000	Fair value AED '000	Gross carrying amount AED '000	Fair value AED '000
Financial liabilities at amortised cost				
Sukuk No. 1 (note 19)	1,852,145	1,820,844	1,847,445	1,803,119
Sukuk No. 2 (note 19)	1,839,101	1,722,890	1,834,473	1,683,694
Sukuk No. 3 (note 19)	1,811,708	1,782,319	-	-

The non-convertible sukuk are categorised under Level 1 in the fair value hierarchy.

Financial Statements**In This Section**

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

41 Fair value of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about the fair values of these financial assets as at 31 December 2023 and 31 December 2022:

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
31 December 2023				
Investments in financial assets at FVTOCI Equities (note 9)	23,315	–	2	23,317
Investments in financial assets at FVTPL Funds (note 9)	–	–	695,652	695,652
31 December 2022				
Investments in financial assets at FVTOCI Equities (note 9)	29,795	–	2	29,797
Investments in financial assets at FVTPL Funds (note 9)	–	–	68,837	68,837

There were no transfers between level 1, level 2 or level 3 during the current or prior year.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

42 Segment information

42.1 Operating segments continued

Segment information about the Group's continuing operations is presented below:

Year ended 31 December 2023

	Aldar Development			Aldar Investment						Unallocated/ eliminations AED '000	Consolidated AED '000
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000			
Revenue and rental income from external customers											
Over a period of time	4,695,793	1,002,900	91,657	–	592,087	686,579	1,469,902	793,849	–	9,332,767	
At a point in time	872,739	205,505	1,163,955	–	524,102	–	–	–	–	2,766,301	
Leasing	–	–	7,625	2,054,245	–	–	–	–	–	2,061,870	
Inter-segments	221,174	–	–	84,435	–	–	270,974	–	(576,583)	–	
Gross revenue	5,789,706	1,208,405	1,263,237	2,138,680	1,116,189	686,579	1,740,876	793,849	(576,583)	14,160,938	
Cost of revenue excluding service charge	(3,612,175)	(695,900)	(919,720)	(363,173)	(730,702)	(395,625)	(1,370,664)	(742,391)	373,764	(8,456,586)	
Service charge expenses	–	–	–	(130,979)	–	–	–	–	–	(130,979)	
Gross profit	2,177,531	512,505	343,517	1,644,528	385,487	290,954	370,212	51,458	(202,819)	5,573,373	

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

42 Segment information continued

42.1 Operating segments continued

Segment information about the Group's continuing operations is presented below: continued

	Aldar Development			Aldar Investment						
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000	Unallocated/eliminations AED '000	Consolidated AED '000
Gross profit	2,177,531	512,505	343,517	1,644,528	385,487	290,954	370,212	51,458	(202,819)	5,573,373
Selling and marketing expenses	(70,824)	(1,157)	(10,820)	(10,994)	(2,041)	(4,867)	(4,180)	(5,909)	(4,094)	(114,886)
Depreciation and amortisation	(64,176)	(15,831)	(4,068)	(30,420)	(244,267)	(75,037)	(63,376)	(11,718)	61,268	(447,625)
Provisions, impairments and write-downs, net	(153,387)	–	(33,120)	(21,661)	–	(5,341)	(4,076)	(2,286)	(6,074)	(225,945)
General and administrative expenses	(310,312)	(57,825)	(109,633)	(128,902)	(19,696)	(101,395)	(166,180)	(90,068)	(50,084)	(1,034,095)
Gain on revaluation investment properties, net	–	–	27,944	567,913	4,300	–	–	–	–	600,157
Gain on disposal of investment property	–	–	–	23,962	–	–	–	–	–	23,962
Share of loss from associates and joint ventures	–	–	(1)	–	–	–	–	(7,415)	–	(7,416)
Fair value gain on revaluation of financial assets at FVTPL	–	–	–	–	–	–	–	4,405	(6,861)	(2,456)
Finance income	212,852	86,619	104,201	91,146	24,745	15,960	17,649	2,659	(57,058)	498,773
Finance costs	(20,189)	(1,069)	(68,136)	(478,625)	(51,906)	(6,275)	(1,769)	(9,597)	16,400	(621,166)
Other income	134,622	9,232	17,474	58,045	18,843	15,894	3,543	8	28,036	285,697
Income tax expense	–	–	(53,166)	(31,454)	–	(912)	(9,460)	–	(16,975)	(111,967)
Profit for the year	1,906,117	532,474	214,192	1,683,538	115,465	128,981	142,363	(68,463)	(238,261)	4,416,406



Financial Statements**In This Section**

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

42 Segment information continued**42.1 Operating segments** continued

Segment information about the Group's continuing operations is presented below: continued

Year ended 31 December 2022

	Aldar Development			Aldar Investment					Unallocated/ eliminations AED '000	Consolidated AED '000
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000		
Revenue and rental income from external customers										
Over a period of time	2,828,286	1,125,042	75,859	–	414,307	592,278	588,211	363,457	–	5,987,440
At a point in time	1,585,623	8,897	1,328,585	–	413,519	–	–	–	–	3,336,624
Leasing	–	–	10,055	1,839,210	–	–	–	26,698	–	1,875,963
Inter-segments	–	2,164	–	69,320	–	–	159,535	51	(231,070)	–
Gross revenue	4,413,909	1,136,103	1,414,499	1,908,530	827,826	592,278	747,746	390,2076	(231,070)	11,200,027
Cost of revenue excluding service charge	(3,071,050)	(620,298)	(892,690)	(267,274)	(593,982)	(352,198)	(563,685)	(328,767)	146,018	(6,543,926)
Service charge expenses	–	–	–	(144,590)	–	–	–	–	–	(144,590)
Gross profit	1,342,859	515,805	521,809	1,496,666	233,844	240,080	184,061	61,439	(85,052)	4,511,511



Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

42 Segment information continued

42.1 Operating segments continued

Segment information about the Group's continuing operations is presented below: continued

Year ended 31 December 2022

	Aldar Development			Aldar Investment						Consolidated AED '000
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000	Unallocated/ eliminations AED '000	
Gross profit	1,342,859	515,805	521,809	1,496,666	233,844	240,080	184,061	61,439	(85,052)	4,511,511
Selling and marketing expenses	(114,614)	(9,222)	(65,513)	(6,065)	(4,162)	(5,262)	(3,496)	(4,287)	(7,700)	(220,321)
Depreciation and amortisation	(54,843)	(9,800)	(6,228)	(35,828)	(192,658)	(49,305)	(27,980)	(10,585)	44,437	(342,790)
Provisions, impairments and write-downs, net	(103,239)	–	(97,669)	(65,393)	311,356	(1,745)	(2,184)	(2,265)	(102,698)	(63,837)
General and administrative expenses	(343,122)	(55,933)	(170,571)	(164,716)	(21,011)	(84,913)	(95,308)	(89,323)	(67,013)	(1,091,910)
Gain on revaluation investment properties, net	–	–	69,877	372,920	–	–	–	–	–	442,797
Gain on disposal of investment property	–	–	–	28,992	–	–	–	–	–	28,992
Share of loss from associates and joint ventures	–	–	–	–	–	–	–	(7,765)	–	(7,765)
Gain on bargain purchase	–	–	–	9,104	–	–	–	–	–	9,104
Fair value gain on revaluation of financial assets at FVTPL	–	–	–	–	–	–	–	–	4,708	4,708
Finance income	90,469	14,822	72,908	25,848	3,461	2,375	870	26,607	(19,717)	217,643
Finance costs	(6,766)	(713)	(48,675)	(321,895)	(56,296)	(4,741)	(4,401)	(5,316)	51,455	(397,348)
Other income	11,669	682	41,944	12,848	–	5,804	8,925	5,284	5,027	92,183
Income tax expense	–	–	(39,234)	–	–	–	–	–	–	(39,234)
Profit for the year	822,413	455,641	278,648	1,352,481	274,534	102,293	60,487	(26,211)	(176,553)	3,143,733

Financial Statements**In This Section**

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

42 Segment information continued**42.1 Operating segments** continued

Segment information about the Group's continuing operations is presented below: continued

	Aldar Development			Aldar Investment						
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000	Unallocated AED '000	Consolidated AED '000
As at 31 December 2023										
Total assets	23,334,070	2,801,555	6,020,300	28,845,459	4,362,778	2,065,190	3,461,347	1,483,501	483,865	72,858,068
Capital expenditures	4,039,680	3,509	21,481	41,392	102,279	980,790	52,797	111,287	2,298	5,355,513
Project expenditures	3,743,063	-	1,104,043	1,614,917	-	-	-	-	-	6,462,023
As at 31 December 2022										
Total assets	7,592,656	5,744,487	4,627,620	26,490,881	4,306,817	869,854	806,771	468,569	10,368,329*	61,275,984
Capital expenditures	127,942	32,628	20,175	-	1,859,991	169,206	77,176	59,805	82,830	2,429,753
Project expenditures	2,461,462	-	788,063	6,278,247	-	-	-	-	-	9,527,772

*Unallocated total assets at 31 December 2022 mainly pertain to cash and bank balances held under the corporate amounting to AED 9,310,238 thousand. During the year 2023, these balances were transferred to the respective segments.

Financial Statements**In This Section**

Board of Directors' Report	145
Independent Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

42 Segment information continued

42.1 Operating segments continued

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Chief Executive Officer, considered to be the Chief Operating Decision Maker ("CODM"). The CODM monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit, net profit and a broad range of key performance indicators in addition to segment profitability and is measured consistently with profit or loss in the consolidated financial statements.

During the year 2023, the Group realigned its operating segments to reflect the changes made in the internal reporting as a result of the acquisition of Eltizam Asset Management LLC (Eltizam), organisation restructuring of Aldar Estates Holding Limited (note 47.1) and the acquisition of London Square Development (Holdings) Limited and LSQ Management Limited (note 47.7). Accordingly the following major changes were done to the operating segments:

- previously reported "Egypt subsidiaries" sub-segment under "Aldar Development" segment is changed to "International" sub-segment, which now comprises of the overseas development operations of the Group in Egypt and England & Wales; and
- previously reported "Principal Investments" sub-segment under "Aldar Investment" segment is reorganised as "Estates" sub-segment with the exclusion of Construction business and Cloud Spaces, which are moved to "Others" along with other operations under "Aldar Investment" segment.

The comparative periods were accordingly restated to align with the current operating segments presentation.

For internal management reporting purposes, the Group's operations are aggregated into segments with similar economic characteristics. Management considers that this is best achieved with property development and sales, project management services, international subsidiaries under Aldar Development and investment properties, hospitality and leisure, education, estates and others under Aldar Investments as operating segments.

Consequently, the Group has presented 2 segments bifurcated into eight reportable sub-segments for the current and comparative year which are as follows:

Aldar Development

- property development and sales – develop and sell properties;
- project management services – dedicated project delivery arm and the manager of the Group project management businesses; and
- international – real estate development subsidiaries operating in Egypt and England and Wales that mainly develop and sell real estate properties.

Aldar Investment

- investment properties – acquires, manages and lease residential, commercial, logistics and retail properties;
- hospitality and leisure – owns, manage and operate hotels and leisure assets;
- education – own, manage and operates schools offering a wide range of curriculum and ancillary services;
- estates – includes mainly property and facilities management operations, landscaping and security services; and
- others – mainly includes Construction business and Cloud Space businesses.

Based on the information reported to the Group's senior management for the allocation of resources, marketing strategies, management reporting lines and measurement of performance of business, the reportable segments under IFRS 8 were identified according to the structure of investment activities and services to customer groups.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit or loss earned by each segment without allocation of central administration, selling and marketing costs and directors' salaries, share of results of associates and joint ventures, other gains and losses, finance income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Financial Statements**In This Section**

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

42 Segment information continued

42.1 Operating segments continued

Aldar Investment continued

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than cash and bank balances, investment in associates and joint ventures, investment in financial assets and derivative financial instruments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- finance costs, finance income, other gains and losses are allocated to the individual segments.

Capital expenditure consists of additions of property, plant and equipment, plots of land held for sale and intangible assets while project expenditure consists of additions to investment properties and properties under development. Inter-segment revenues are eliminated upon consolidation and reflected in the 'eliminations' column. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

42.2 Geographical segments

The Group operates in the UAE and a few countries outside the UAE (including Egypt and England and Wales). The domestic segment includes business activities and operations in the UAE and the international segment include business activities and operations outside the UAE.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

	31 December 2023			31 December 2022		
	UAE AED '000	International AED '000	Total AED '000	UAE AED '000	International AED '000	Total AED '000
Total assets	66,809,799	6,048,269	72,858,068	56,648,364	4,627,620	61,275,984
Consolidated statement of profit or loss						
Revenue and rental income from external customers						
Over a period of time	9,222,726	110,041	9,332,767	5,911,580	75,859	5,987,439
At a point in time	1,602,346	1,163,955	2,766,301	2,008,039	1,328,585	3,336,624
Leasing	2,054,245	7,625	2,061,870	1,865,909	10,055	1,875,964
Gross revenue	12,879,317	1,281,621	14,160,938	9,785,528	1,414,499	11,200,027
Cost of revenue excluding service charge	(7,521,214)	(935,372)	(8,456,586)	(5,651,236)	(892,690)	(6,543,926)
Service charge expenses	(130,979)	-	(130,979)	(144,590)	-	(144,590)
Gross profit	5,227,124	346,249	5,573,373	3,989,702	521,809	4,511,511
Selling and marketing expenses	(104,066)	(10,820)	(114,886)	(154,808)	(65,513)	(220,321)
Provision, impairments, and write downs, net	(192,825)	(33,120)	(225,945)	33,832	(97,669)	(63,837)
Depreciation and amortisation	(443,557)	(4,068)	(447,625)	(336,562)	(6,228)	(342,790)
General and administrative expenses	(924,923)	(109,172)	(1,034,095)	(921,339)	(170,571)	(1,091,910)
Gain on revaluation of investment properties, net	572,213	27,944	600,157	372,920	69,877	442,797
Gain on disposal of investment property	23,962	-	23,962	28,992	-	28,992
Fair value gain/(loss) on revaluation of financial assets at FVTPL	(2,456)	-	(2,456)	4,708	-	4,708
Gain on bargain purchase	-	-	-	9,104	-	9,104
Share of results of associates and joint ventures	(7,415)	(1)	(7,416)	(7,765)	-	(7,765)
Finance income	394,572	104,201	498,773	144,735	72,908	217,643
Finance costs	(553,030)	(68,136)	(621,166)	(348,673)	(48,675)	(397,348)
Other income	268,209	17,488	285,697	50,239	41,944	92,183
Income tax expense	(57,346)	(54,621)	(111,967)	-	(39,234)	(39,234)
Profit for the year	4,200,462	215,944	4,416,406	2,865,085	278,648	3,143,733

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

42 Segment information continued

42.2 Geographical segments

The major geographical areas of total assets and gross revenue under "International" sub-segment are given below:

	2023 AED '000	2022 AED '000
Egypt	4,755,317	4,627,620
England and Wales	1,264,984	-
Others	27,968	-
Total assets	6,048,269	4,627,620
	2023 AED '000	2022 AED '000
Egypt	1,182,039	1,414,499
England and Wales	81,198	-
Others	18,384	-
Gross revenue	1,281,621	1,414,499

43 Other general and administrative expenses

Other general and administrative expenses include social contributions amounting to AED 13,495 thousand (2022: AED 23,708 thousand).

44 Non-cash transactions

The following were significant non-cash transactions relating to investing and financing activities of consolidated statement cash flows:

	2023 AED '000	2022 AED '000
Transfer between investment properties and development work in progress (note 13)	316,531	411,757
Transfer between investment properties and property, plant and equipment (notes 5)	26,477	406,208
Exchange of investment in financial assets (note 9)	-	72,786

45 Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Balance at 1 January 2023 AED '000	Financing cash flows (i) AED '000	Fair value adjustments AED '000	Others (ii) AED '000	Balance at 31 December 2023 AED '000
Bank borrowings and sukuk (i)	10,295,559	487,390	-	1,296,217	12,079,166
Lease liabilities	485,533	(74,765)	-	516,102	926,870
	10,781,092	412,625	-	1,812,319	13,006,036

(i) The cash flows from bank borrowings and sukuk make up the net amount of proceeds from bank borrowings and sukuk and repayments of borrowings and sukuk (inclusive of finance cost paid) in the consolidated statement of cash flows.

(ii) Others mainly include additions due to acquisitions of businesses, finance costs incurred, lease disposal/additions and exchange gain and losses.

	Balance at 1 January 2022 AED '000	Financing cash flows (i) AED '000	Fair value adjustments AED '000	Others (ii) AED '000	Balance at 31 December 2022 AED '000
Bank borrowings and sukuk (i)	8,376,890	1,655,207	-	263,462	10,295,559
Lease liabilities	333,260	(75,240)	-	227,513	485,533
Derivative financial instruments	(13,651)	-	13,651	-	-
	8,696,499	1,579,967	13,651	490,975	10,781,092

(i) The cash flows from bank borrowings and sukuk make up the net amount of proceeds from bank borrowings and sukuk and repayments of borrowings and sukuk (inclusive of finance cost paid) in the consolidated statement of cash flows.

(ii) Others mainly include additions due to acquisitions of businesses and finance costs incurred.

Financial Statements

In This Section

Board of Directors' Report Independent Auditor's Report	145
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

46 Non-controlling interests

46.1 The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests for the year		Accumulated non-controlling interests	
		2023 (%)	2022 (%)	2023 AED '000	2022 AED '000	2023 AED '000	2022 AED '000;
Aldar Hansel SPV Restricted Limited (Hansel)	UAE	49.00	49.00	123,942	–	1,808,396	1,834,750
Aldar Investment Holding Restricted Limited (AIHR)	UAE	11.87	11.87	196,972	64,600	1,712,096	1,620,464
Six October for Development and Investment Co. S.A.E. (SODIC)	Egypt	40.14	40.14	91,254	111,845	468,510	479,428
Al Maryah Property Holdings Limited ("Al Maryah")	UAE	47.14	47.14	27,685	–	236,285	192,600
Twafq Projects Development Property – Sole Proprietorship LLC. (Twafq)	UAE	38.30	38.30	6,241	18,280	166,391	160,151
Pivot Engineering & General Contracting Co. (WLL) (PIVOT)	UAE	34.80	34.80	790	4,544	93,542	92,752
Seih Sdeirah Real Estate LLC (Seih Sdeirah)	UAE	8.60	8.60	–	–	37	37
Al Seih Real Estate Management LLC (Seih Sdeirah)	UAE	8.60	8.60	–	–	37	36
Mustard and Linen (M&L)	UAE	25.00	n/a	2,850	–	4,929	–
Aldar Estate Holding Limited (Estate)	UAE	34.90	n/a	49,746	–	751,870	–
Aurora Holding Company Limited (Aurora)	UAE	49.00		(5,337)	–	(5,337)	–
AMI Properties Holding Limited	UAE	40.00	n/a	–	–	65,542	–
Total				494,143	199,269	5,302,298	4,380,218

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

46 Non-controlling interests continued

46.2 The movement in the non-controlling interests is given below.

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	4,380,218	715,213
Share of profit for the year	494,143	199,269
Share of other comprehensive loss for the year	(104,811)	(248,706)
Total comprehensive income for the year	389,332	(49,437)
Dividends paid by a subsidiary against preference equity (note 46.3)	(101,957)	(20,979)
Dividends paid by a subsidiary to non-controlling interests (note 46.4)	(151,040)	(973)
Non-controlling interest arising on business combination and assets acquisition (note 7 and 47)	92,469	334,471
Additional contribution from non-controlling interests	18,000	–
Change in equity attributable to owners of the company due to partial disposal of a subsidiary (note 47.1 and 46.3)	675,276	99,080
Movement from partial disposal of interests in subsidiaries (note 46.3 and 46.4)	–	3,302,843
Balance at the end of the year	5,302,298	4,380,218

46.3 During the year 2022, Aldar Investment Holding Restricted Limited (“AIHR” – a subsidiary of the Company and 100% shareholder of Aldar Investment Properties LLC “AIP”) entered into a subscription agreement with Apollo Gretel Investor, L.P. (“Apollo”) relating to AIHR, where Apollo subscribed to common equity of USD 100,000 thousand and preferred equity of USD 300,000 thousand of AIHR. The preferred equity will be mandatory convertible into fixed number of shares at the third anniversary of the closing date and will carry a fixed rate of interest. The above results in Aldar disposing 11.121% of its shareholding in AIHR for a total cash consideration of USD 400,000 thousand (AED 1,469,000 thousand). The above transaction does not result in the Group’s loss of control over AIHR.

The difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration received is recognised in equity.

The schedule below shows the effects on the equity attributable to owners that resulted from the transaction:

	AED '000
Carrying amount of the interest disposed	1,568,080
Consideration received	(1,469,000)
Change in equity attributable to owners of the Company	99,080

The difference of AED 99,000 thousand represents 0.75% ownership in AIHR (the “Additional Interest”). The ultimate beneficial owner of this 0.75% will be determined pursuant to terms of a side letter agreed with Apollo and based on the final status of Corporate Income tax in UAE when implemented. Consequently, this has resulted in the recognition of a financial asset and a financial liability which are reported net as the Company has a legally enforceable right to set off and it intends to settle the asset and liability simultaneously. During the year, the Group determined the fair value of Additional Interest as of the reporting date and determined that the fair value is equal to the fair value at initial recognition of the Additional Interest.

The Company has no contractual obligation relating to the above subscription and therefore classified as equity and recorded under “non-controlling interests” in the consolidated financial statements in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

During the year, AIHR paid preference dividend amounted to AED 101,957 thousand (2022: AED 20,979 thousand).

46.4 During the year 2022, the Company established a 100% owned subsidiary Aldar Hansel SPV Restricted Limited (“Hansel”), a restricted scope company incorporated in Abu Dhabi Global Market, Abu Dhabi, UAE, comprising 51% of class A shares and 49% of class B shares. Subsequent to this, the Company entered into a 20 year Deferred Land Sale and Purchase Agreement (“DLSPA”) with Hansel where the cash flow rights over 2.6 million sqm of land was transferred to Hansel. The Company further disposed of its class B shares in Hansel against consideration of USD 500,000 thousand (AED 1,836,000 thousand) to AP Hansel SPV LLC, a 100% owned company of Apollo Capital Management LP (“Apollo Capital”). Apollo Capital’s returns will not be predetermined and will be subject to movement in land valuations or gain from sale of land, if any, over the period of the DLSPA.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023 continued

46 Non-controlling interests continued

46.4 continued

The Company has no contractual obligation attached to class B shares and therefore classified as equity and recorded under "non-controlling interests" in the consolidated financial statements in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

During the year, Hansel paid dividend of AED 150,299 thousand (2022: Nil).

2023	Hansel AED '000	AIHR AED '000	Estates AED '000	SODIC AED '000	Al Maryah AED '000	Pivot AED '000	Twafq AED '000	M&L AED '000	Aurora AED '000
Total assets	2,835,246	27,708,662	3,461,347	4,782,808	599,015	787,233	582,629	45,779	2,311,151
Total liabilities	(2,784,502)	(10,646,735)	(1,344,283)	(3,609,646)	(8,303)	(707,425)	(359,024)	(1,299)	(2,325,280)
Net assets	50,744	17,061,927	2,117,064	1,173,162	590,712	79,808	223,605	44,480	(14,129)
Revenue		2,128,511	1,740,875	1,182,039	77,763	717,272	74,046	18,741	-
Profit/(loss) for the year	194,560	1,659,270	142,363	226,332	69,212	2,269	20,802	11,401	(10,890)
Other comprehensive income/(loss) for the year	-	(28,501)	-	(252,741)	-	-	-	-	-
Total comprehensive income/(loss) for the year	194,560	1,630,769	142,363	(26,409)	69,212	2,269	20,802	11,401	(10,890)
Attributable to the owners of the company	70,618	1,437,180	92,617	(16,236)	41,527	1,479	14,561	8,551	(5,554)
Attributable to the non-controlling interests	123,942	193,589	49,746	(10,173)	27,685	790	6,241	2,850	(5,336)
Dividends paid to non-controlling interest	(150,299)	(101,957)	-	(741)	-	-	-	-	-
Net cash inflows/(outflows) from operating activities	(11)	1,750,970	1,218,533	(52,956)	19,431	(12,569)	60,847	7,277	464,473
Net cash inflows/(outflows) from investing activities	-	(354,416)	(340,963)	72,748	(34,020)	(27,233)	(118,274)	(118)	-
Net cash inflows/(outflows) from financing activities	3,665	(708,435)	(5,568)	2,562	62,500	(1,038)	18,403	7,573	-
Commitments and contingencies	-	-	208,379	791,177	-	558,211	-	-	-

46.5 The summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intergroup eliminations.

Financial Statements**In This Section**

Board of Directors' Report	145
Independent Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

46 Non-controlling interests continued**46.5** continued

2022	Hansel AED '000	AIHR AED '000	SODIC AED '000	Pivot AED '000	Twafq AED '000
Total assets	2,872,876	1,463,752	4,627,620	372,947	452,638
Total liabilities	(2,824,153)	(74,758)	(3,039,391)	(295,409)	(249,835)
Net assets	48,723	1,388,994	1,588,229	77,538	202,803
Revenue	–	792,742	1,414,499	346,641	56,757
Profit for the year	–	544,180	278,648	13,058	60,932
Other comprehensive income for the year	–	81,462	(643,689)	–	–
Total comprehensive income for the year	–	625,642	(365,041)	13,058	60,932
Attributable to the owners of the company	–	551,372	(218,968)	8,514	42,652
Attributable to the non-controlling interests	–	74,270	(146,073)	4,544	18,280
Dividends paid to non-controlling interest	–	(20,979)	(973)	–	–
Net cash inflows/(outflows) from operating activities	–	1,179,129	113,109	26,505	39,756
Net cash inflows/(outflows) from investing activities	–	(5,007,448)	(209,631)	22,514	(975)
Net cash inflows/(outflows) from financing activities	–	4,424,598	115,956	999	(11,938)
Commitments and contingencies	–	–	679,497	364,019	–

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations

Acquisitions in 2023

The summary of major additions from the acquisitions in the year ended 31 December 2023 are given below:

	Merger AED '000	Kent School AED '000	Virginia School AED '000	Basatin AED '000	Mustard & Linen AED '000	Fab Properties AED '000	LSQ AED '000	Total
Note	47.1	47.2	47.3	47.5	47.6	47.4	47.7	
Property, plant, and equipment	15,683	411,044	152,007	8,336	137	30	14,436	601,673
Intangible assets and goodwill	872,497	129,021	62,165	109,244	24,763	318,625	14,643	1,530,958
Lease liabilities	3,860	411,006	5,314	–	–	–	8,334	428,514
Non-controlling interest	4,230	–	–	22,618	79	–	–	26,927
Cash out flow, net of cash acquired	75,075	(112,745)	(183,595)	(101,862)	(23,219)	(144,299)	(201,489)	(692,134)

47.1 Merger of property and facilities management businesses

On 4 July 2023, the Group entered into a shareholders' agreement and contribution agreement (the "Agreement") to consolidate and merge the facilities management ("FM") and the property management ("PM") platform of Aldar, IHC Real Estate Holding LLC (IHC) and Abu Dhabi National Exhibitions Company PJSC (ADNEC) (together, the "Stakeholders") into Aldar Estates Holding Limited ("Aldar Estates"), a subsidiary of Aldar (the "Transaction").

As part of the Transaction, Eltizam Asset Management LLC (Eltizam), a property and facilities management services company, previously jointly owned by IHC and ADNEC Group, acquired by Aldar Estates. The Transaction was undertaken via a share transfer mechanism whereby Aldar Estates has acquired entire shares in Eltizam in exchange of 17.45% shares each issued to IHC and ADNEC.

At the date of the Transaction, Aldar Estates issued 4,854 number of shares to IHC and ADNEC that represented 34.9% of the number of shares of Aldar Estates. The fair value of Aldar Estates at the date of the Transaction was AED 2,902,579 thousand (AED 208,684 thousand per share).

The following table summarizes the acquisition date fair value of the consideration transferred:

	AED '000
Fair value of Aldar Estates (pre-Transaction)	1,889,579
Fair value of Eltizam	1,013,000
Fair value of Aldar Estates (post-Transaction)	2,902,579
Consideration transferred for the Transaction (34.9% of Aldar Estates post-Transaction)	1,013,000

The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values. The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2023 continued

47.1 Merger of property and facilities management businesses continued

	AED '000
Assets	
Property, plant and equipment	15,683
Intangible assets (i)	167,810
Contract assets	12,700
Trade and other receivables (ii)	316,658
Inventories	5,813
Cash and bank balances	75,075
Total assets	593,739
Liabilities	
Employees benefits	28,096
Lease liabilities	3,860
Advances from customers	552
Trade and other payables	248,688
Total liabilities	281,196
Total identifiable net assets at fair value	312,543
Non-controlling interest	(4,230)
Group's share of net assets acquired	308,313
Less: purchase consideration	(1,013,000)
Goodwill (iii)	(704,687)

Analysis of cashflow on acquisition

	AED '000
Cash paid for the acquisition	–
Cash acquired on business combination	75,075
Net cash inflows on acquisition (included in cash flows from investing activities)	75,075
Transaction costs of the acquisition (included in cash flows from operating activities) (iv)	(2,257)
Net cash inflow on acquisition	72,818

- i) Intangible assets includes "Brands" and "Customer relationships" which are valued using "relief from royalty" technique and "multi-period excess earnings method" respectively.
- ii) The fair value of the receivables is AED 316,658 thousand and it is comprised gross contractual amount due of AED 392,158 thousand, of which AED 75,500 thousand was expected to be uncollectable at the date of the acquisition.
- iii) The goodwill recognised is primarily attributed to:
 - Operational efficiencies which are expected to be bought from the integration, resulting in the potential for greater market presence and a wider customer demographic
 - Achievement of strategic growth goals
 - Strategic expansion of Aldar Estates market presence beyond its original geography through knowledge exchange and leveraging capabilities
 - Expected intrinsic synergies such as economies of scale that can lead Aldar Estates to secure new opportunities, compete and invest in technology that complements the existing property management and facility management businesses
 - Other intangible assets that do not qualify for separate recognition under IAS 38 (e.g., assembled work-force, processes)
- iv) Acquisition related costs amounted to AED 2,257 thousand were expensed during the year and are included in general and administrative expenses.
- v) From the date of acquisition, Eltizam contributed revenue of AED 311,495 thousand and net loss of AED 4,605 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 345,006 thousand and net profit would have been higher by AED 25,178 thousand.
- vi) The transfer of Group's interest in Aldar Estates resulted in net gain amounted to AED 337,726 thousand which represents gain on change of interest without a loss of control and hence accounted for under statement of changes in equity. The transaction also results in non-controlling interest amounted to AED 675,276 thousand.

47.2 Kent College and Nursery

On 3 May 2023, Aldar Education – Sole Proprietorship LLC ("Aldar Education" a subsidiary of the Company) signed an agreement to purchase Kent College LLC – FZ and Kent Nursery LLC – FZ ("Kent"), registered with Meydan Freezone Authority, Dubai, UAE for a total consideration of AED 120,000 thousand. On 1 September 2023, all the major conditions precedent to completion were completed and the Group acquired control over Kent. Kent's principal activity is to provide education services under British curriculum. Kent was acquired as part of the growth and expansion of Aldar Education business in the education field along with expansion to outside Abu Dhabi. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2023 continued

47.2 Kent College and Nursery continued

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED '000
Assets	
Property, plant and equipment*	411,044
Intangible assets	39,904
Trade and other receivables	12,500
Cash and bank balances	5,037
Total assets	468,485
Liabilities	
Employees benefits	3,474
Lease liabilities	411,006
Advances from customers	14,650
Trade and other payables	8,472
Total liabilities	437,602
	AED '000
Total identifiable net assets at fair value	30,883
Non-controlling interest	-
Group's share of net assets acquired	30,883
Less: purchase consideration	(120,000)
Goodwill	(89,117)

AED '000

Analysis of cashflow on acquisition

Cash paid for the acquisition**	(117,782)
Net cash acquired on business combination	5,037
Net cash outflows on acquisition (included in cash flows from investing activities)	(112,745)
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,668)
Net cash outflow on acquisition	(114,413)

* Remaining consideration of AED 2,218 thousand will be paid to the seller post reconciliation of actual adjustment amount calculation.

** Include Right of Use Asset of AED 410,174 thousand.

Acquisition related costs amounted to AED 1,668 thousand and were expensed during the year and are included in general and administrative expenses. From the date of acquisition, Kent contributed revenue of AED 28,099 thousand and net loss of AED 1,036 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 46,111 thousand and net profit would have been higher by AED 2,162 thousand. The net assets recognised in these consolidated financial statements were based on assessment of their fair values.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of KENT with Aldar Education group, as Abu Dhabi's largest and leading education provider. Intangible assets acquired as part of business combination is in the form of mainly student relationship & customer relationship. The existing student body is expected to generate revenue over a period of 15 years of full grade cycle.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2023 continued

47.3 Virginia International Private School LLC

On 2 August 2023, Aldar Education acquired 100% shares of Virginia International Private School – Sole Proprietorship LLC, a limited liability company (“Virginia”) registered in Abu Dhabi, UAE for a total consideration of AED 210,509 thousand. The Company is licensed to operate Nurseries, Kindergartens, Public Elementary Education, Preliminary (Intermediate) Education and Secondary Education. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired, and liabilities assumed, have been recognised at their respective fair values. Virginia was acquired as part of growth and expansion of Aldar Education business in the education industry.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED '000
Assets	
Property, plant and equipment	152,007
Intangible assets	13,244
Trade and other receivables	10,609
Inventories	1,003
Cash and bank balances	4,991
Total assets	181,854
Liabilities	
Employees benefits	1,142
Lease liabilities	5,314
Advances from customers	7,467
Trade and other payables	6,342
Total liabilities	20,265

	AED '000
Total identifiable net assets at fair value	161,589
Less: purchase consideration	(210,509)
Goodwill	(48,920)
	AED '000
Cash paid for the acquisition*	(188,586)
Net cash acquired on business combination	4,991
Net cash outflows on acquisition (included in cash flows from investing activities)	(183,595)
Transaction costs of the acquisition (included in cash flows from operating activities)	(923)
Net cash outflow on acquisition	(184,518)

* Remaining consideration of AED 21,923 thousand will be paid to the seller in line with SPA terms and condition.

Acquisition related costs amounted to AED 923 thousand were expensed during the year and are included in general and administrative expenses. From the date of acquisition, Virginia contributed revenue of AED 19,031 thousand and net profit of AED 6,653 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 27,417 thousand and net profit would have been higher by AED 8,260 thousand.

The net assets recognised in these consolidated financial statements were based on their fair values.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Virginia with Aldar Education group, as Abu Dhabi's largest and leading education provider.

Intangible assets acquired as part of business combination in the form of student relationship where the school has a high retention rate, whereby the existing student body is expected to generate revenues over a long period. As such, student relationship is a key revenue driver and are expected to be of value.

Financial Statements

In This Section

Board of Directors' Report	145
Independent Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2023 continued

47.4 FAB Properties LLC

On 9 September 2023, Provis Real Estate Management – Sole Proprietorship LLC (“Provis” a subsidiary of the Company) signed an agreement to acquire 100% of the issued share capital of FAB Properties – Sole Proprietorship LLC (“FAB Properties”), a limited liability company registered in Abu Dhabi, UAE for a total consideration of AED 334,960 thousand. On 1 December 2023, all the substantive conditions precedent to completion were met and therefore 1 December 2023 is the date on which the Group acquired control over FAB Properties. FAB Properties was acquired to emerge as the largest player in property management market in Abu Dhabi. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values.

The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED '000
Assets	
Property, plant and equipment	30
Intangible assets	203,031
Trade and other receivables	10,416
Cash and bank balances	190,661
Total assets	404,138
Liabilities	
Employees benefits	3,555
Trade and other payables	181,217
Total liabilities	184,772
	AED '000
Total identifiable net assets at fair value	219,366
Non-controlling interest	–
Group's share of net assets acquired	219,366
Less: purchase consideration	(334,960)
Goodwill	(115,594)

AED '000

Analysis of cashflow on acquisition

Cash paid for the acquisition	(334,960)
Net cash acquired on business combination	190,661
Net cash outflows on acquisition (included in cash flows from investing activities)	(144,299)
Transaction costs of the acquisition (included in cash flows from operating activities)	(2,565)
Net cash outflow on acquisition	(146,864)

Acquisition related costs amounted to AED 2,565 thousand were expensed during the year and are included in general and administrative expenses. From the date of acquisition, FAB Properties contributed revenue of AED 4,812 thousand and net profit of AED 2,758 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 68,238 thousand and net profit would have been higher by AED 34,801 thousand.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from the acquisition. Intangible assets acquired as part of business combination is in the form of framework agreement, which governs referral relationship with the seller, and is valued using the multi-period excess earnings method and is amortised over a period of 10 years.

47.5 Basatin Landscaping

On 28 May 2023, Aldar Estates Investment – Sole Proprietorship LLC (“Aldar Estates” a subsidiary of the Company) signed an agreement to acquire 75% of the issued share capital of Basatin Holding SPV Ltd. (“Basatin”), a limited liability company registered in Abu Dhabi, UAE for a total consideration of AED 138,822 thousand. Basatin was acquired as part of Aldar plan to further scale up and broaden its integrated property and facilities management platform, Aldar Estates. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2023 continued

47.5 Basatin Landscaping continued

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED '000
Assets	
Property, plant and equipment	8,336
Intangible assets	38,275
Contract assets	20,638
Trade and other receivables	65,197
Inventories	1,377
Cash and bank balances	36,960
Total assets	170,783
Liabilities	
Employees benefits	5,245
Retentions payable	3,709
Advances from customers	1,842
Trade and other payables	69,516
Total liabilities	80,312
	AED '000
Total identifiable net assets at fair value	90,471
Non-controlling interest	(22,618)
Group's share of net assets acquired	67,853
Less: purchase consideration	(138,822)
Goodwill	(70,969)

	AED '000
Cash paid for the acquisition	(138,822)
Net cash acquired on business combination	36,960
Net cash outflows on acquisition (included in cash flows from investing activities)	(101,862)
Transaction costs of the acquisition (included in cash flows from operating activities)	(3,017)
Net cash outflow on acquisition	(104,879)

Acquisition related costs amounted to AED 3,017 thousand were expensed during the year and are included in general and administrative expenses. From the date of acquisition, Basatin contributed revenue of AED 237,550 thousand and net profit of AED 37,173 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 104,654 thousand and net profit would have been higher by AED 8,610 thousand.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from the acquisition. Intangible assets acquired as part of business combination in the form of customers contracts and customers relationships, were identified as Basatin has entered in certain fixed contracts with customers to provide services for periods that exceed 1 year, in addition to generating revenue from several customers which have a long term relationship and the likelihood of clients to renew the contracts is highly probable as the majority of the client base of Basatin are long-standing client relationships.

Financial Statements**In This Section**

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2023 continued

47.6 Mustard and Linen

On 27 December 2022, the Group signed an agreement to acquire 75% shares of Mustard & Linen Interior Design Holdings Limited ("M&L") for a consideration of AED 25,000 thousand. M&L is incorporated in ADGM Abu Dhabi, UAE and is involved in the operation of premium interior design business services in UAE. M&L was acquired to complement the Aldar model of development, sales, construction, management and associated services for real estate in the region. The acquisition has been accounted for effective 14 February 2023 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

The acquisition has resulted in recognition of non-controlling interest of AED 79 thousand and goodwill amounting to AED 24,763 thousand which is attributable to robust business model, vertical integration benefits, synergies, and cost optimisation. The non-controlling interest shareholder has also contributed AED 2,000 thousand to the equity of M&L. As of 31 December 2023, the full amount has been paid. Cash acquired on acquisition amounted to AED 1,781 thousand.

47.7 London Square Development (Holdings) Limited and LSQ Management Limited

On 30 November 2023, Aldar Development (LSQ) Limited, a private limited company incorporated in England and Wales (a subsidiary of the Company) entered into a sale and purchase agreement ("SPA") to acquire 100% of the shares in London Square Development (Holdings) Limited and LSQ Management Limited ("London Square"), private companies limited by shares incorporated in England and Wales for a total consideration of GBP 120 thousand (AED 557,382 thousand). London Square was acquired as part of Aldar's growth and diversification strategy to bolster scale, broaden market reach, and diversify revenue streams. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed have been recognised at their respective provisional fair values.

The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED '000
Assets	
Property, plant and equipment	14,436
Intangible assets	10,436
Development work in progress	1,152,558
Investment in joint ventures	107,232
Contract assets	127,144
Trade and other receivables	160,778
Derivates financial assets	12,093
Cash and bank balances	215,525
Total assets	1,800,202
Liabilities	
Lease liabilities	8,334
Retentions payable	41,893
Bank borrowings	634,558
Contract liabilities	80,302
Advances from customers	54,970
Trade and other payables	486,667
Total liabilities	1,306,724
	AED '000
Total identifiable net assets at fair value	493,478
Less: purchase consideration	(497,685)
Goodwill	(4,207)

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2023 continued

47.7 London Square Development (Holdings) Limited and LSQ Management Limited continued

Analysis of cashflow on acquisition

	AED '000
Cash paid for the acquisition*	(417,014)
Net cash acquired on business combination	215,525
Net cash outflows on acquisition (included in cash flows from investing activities)	(201,489)
Transaction costs of the acquisition (included in cash flows from operating activities)	(23,023)
Net cash outflow on acquisition	(224,511)

* Net consideration represents the fair value of the total consideration of GBP 120,000 thousand (AED 557,382 thousand). As at 31 December 2023, GBP 90,000 thousand has been paid and the balance is payable in December 2025 and December 2026 amounting to GBP 10,000 thousand and GBP 20,000 thousand respectively.

Acquisition related costs amounted to AED 23,023 thousand were expensed during the year and are included in general and administrative expenses. From the date of acquisition, London Square contributed revenue of AED 81,220 thousand and net loss of AED 12,146 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 915,543 thousand and net profit would have been higher by AED 526,846 thousand.

The goodwill recognised is primarily attributed to the expected benefits associated with access to the London housing market. These include increased revenue growth from cross selling between Europe and Middle East investors and utilising London Square's established relationships with regional municipalities and diverse project portfolio. Intangible assets recognised on acquisition mainly represent contracted customer sales of undelivered units and have been valued using the income approach method.

Acquisitions in 2022

47.8 AI Shohub Private School LLC

On 20 January 2022, Aldar Education – Sole Proprietorship LLC ("Aldar Education" a subsidiary of the Company) signed an agreement to purchase AI Shohub Private School LLC ("AI Shohub"), a limited liability company registered in Abu Dhabi, UAE for a total consideration of AED 72,210 thousand. On 1 June 2022, all the major conditions precedent to completion were completed and therefore 1 June 2022 is the date on which the Group acquired control over AI Shohub. AI Shohub was acquired as part of the growth and expansion of Aldar Education business in the education field. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED '000
Assets	
Property, plant and equipment	74,054
Intangible assets	1,483
Trade and other receivables	2,158
Cash and bank balances	1,821
Total assets	79,516
Liabilities	
Employee benefits	1,246
Trade and other payables	12,660
Lease liabilities	2,521
Total liabilities	16,427
Total identifiable net assets at fair value	63,089
Satisfied by:	
Cash	(65,084)
Deferred consideration	(7,126)
	(72,210)
Goodwill	(9,121)

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2022 continued

47.8 Al Shohub Private School LLC continued

Analysis of cashflow on acquisition

	AED '000
Cash paid for the acquisition	(65,084)
Net cash acquired on business combination	1,821
Net cash outflows on acquisition (included in cash flows from investing activities)	(63,263)
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,098)
Net cash outflow on acquisition	(64,361)

47.9 Twafq Projects Development Property LLC

On 18 April 2022, Aldar Logistics Holding Limited ("ALH" a subsidiary of the Company) signed an agreement for the sale and purchase of 70% share of Twafq Projects Development Property LLC ("Twafq") for a consideration of AED 331,033 thousand. Twafq is incorporated in Abu Dhabi, UAE and is involved in the development, investment and management of industrial real estate. Twafq was acquired as part of the plan of Aldar Investment to diversify its portfolio and sector into industrial and logistics vertical. The acquisition has been accounted for effective 1 April 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED '000
Assets	
Investment properties	697,529
Property, plant and equipment	2,447
Trade and other receivables	5,403
Cash and bank balances	31,946
Total assets	737,325

	AED '000
Liabilities	
Employees benefits	1,411
Lease liabilities	133,439
Bank borrowings	102,355
Advances from customers	8,576
Trade and other payables	9,536
Total liabilities	255,317

	AED '000
Total identifiable net assets at fair value	482,008
Non-controlling interest	(141,871)
Group's share of net assets acquired	340,137
Less: purchase consideration	(331,033)
Bargain purchase gain	9,104

	AED '000
Cash paid for the acquisition	(331,033)
Net cash acquired on business combination	31,946

Net cash outflows on acquisition (included in cash flows from investing activities)	(299,087)
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,807)
Net cash outflow on acquisition	(300,894)

Financial Statements

In This Section

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2022 continued

47.10 Mace Macro Technical Services LLC

On 1 August 2022, Khidmah – Sole Proprietorship LLC (“Khidmah” a subsidiary of the Group) acquired 100% shares of Mace Macro Technical Services LLC (“Mace”) for a consideration of AED 4,400 thousand. Mace is incorporated in Dubai, UAE and is involved in facilities management services. Mace was acquired as part Khidmah plan to grow the facilities management business. The acquisition has been accounted for effective 1 August 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The acquisition has resulted in recognition of Gain on bargain purchase of AED 628 thousand and intangible assets (customer contracts, relationships and exclusivity contracts) of AED 4,343 thousand. Cash acquired on acquisition amounted to AED 1,132 thousand.

47.11 Pactive Sustainable Solutions LLC

On 1 August 2022, Khidmah acquired 100% shares of Pactive Sustainable Solutions LLC (“Pactive”) for a consideration of AED 10,000 thousand. Pactive is incorporated in Abu Dhabi, UAE and specializes in energy management, Energy performance contracts and buildings automation and control systems. Pactive was acquired as part of the Aldar Group plan and vision to work in and expand into the energy management services. The acquisition has been accounted for effective 1 August 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The acquisition has resulted in recognition of goodwill amounting to AED 2,345 thousand and intangible assets (customer contracts and licensees) of AED 6,206 thousand. Cash acquired on acquisition amounted to AED 185 thousand.

47.12 Spark Security Services

On 1 September 2022, Khidmah acquired 100% shares of Spark Securities Services-Sole Proprietorship LLC, Abu Dhabi and Spark Securities Services-LLC, Dubai (together referred as “Spark”) for a consideration of AED 120,000 thousand. Spark provides a comprehensive range of security solutions to both commercial and residential clients in the UAE. Spark was acquired to further strengthen Aldar’s property and integrated facilities management platform and complement the existing services providers withing the Aldar’s portfolio. The acquisition has been accounted for effective 1 September 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED '000
Assets	
Property, plant and equipment	12,756
Intangible assets	27,948
Inventories	485
Trade and other receivables	99,126
Cash and bank balances	17,072
Total assets	157,387
Liabilities	
Lease liabilities	1,426
Employee benefits	36,977
Trade and other payables	36,622
Total liabilities	75,025
Total identifiable net assets at fair value	82,362
Less: purchase consideration	(120,019)
Goodwill	(37,657)
	AED '000
Cash paid for the acquisition	(104,132)
Net cash acquired on business combination	17,072
Net cash outflow on acquisition (included in cash flows from investing activities)	(87,060)
Transaction costs of the acquisition (included in cash flows from operating activities)	(2,459)
Net cash outflow on acquisition	(89,519)

Financial Statements**In This Section**

Board of Directors' Report	145
Auditor's Report	146
Consolidated Statement of Financial Position	153
Consolidated Statement of Profit or Loss	155
Consolidated Statement of Comprehensive Income	156
Consolidated Statement of Changes in Equity	157
Consolidated Statement of Cash Flows	159
Notes to the Consolidated Financial Statements	162

Notes to the Consolidated Financial Statements for the year ended 31 December 2023 continued

47 Business combinations continued

Acquisitions in 2022 continued

47.13 SAGA OA DMCC

On 19 October 2022, Provis Owners Association Management Services LLC ("Provis OA" a subsidiary of the Group) acquired 100% of the issued share capital of SAGA International Owners Association Management Services LLC and SAGA OA DMCC ("SAGA OAs"), entities incorporated in Dubai, UAE for a consideration of AED 37,000 thousand. SAGA OAs are involved in property management services and was acquired as part of the plan of Provis to complement and expand its Owners Association portfolio. The acquisition has been accounted for effective 19 October 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The acquisition has resulted in recognition of goodwill amounting to AED 4,944 thousand and intangible assets (customer relationship) of AED 31,396 thousand.

48 Reclassification of prior year balances

Certain comparative figures have been reclassified/regrouped, wherever necessary, as to conform to the presentation adopted in these consolidated financial statements. These reclassifications do not materially change the presentation of the consolidated financial statements.

49 Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 9 February 2024.

