

Management Report

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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.



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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

