EMAAR DEVELOPMENT PJSC

INTEGRATED ANNUAL REPORT 2023

Emaar Development PJSC (DFM: EMAARDEV) is a developer of residential and commercial build-to-sell (BTS) assets in the UAE. As pioneers in developing master-planned communities and bespoke lifestyle destinations, we continue to shape new lifestyles and experiences in the UAE.

2023 Highlights

Financial

AED 37.4 Bn 22% ↑
Property sales (US$ 10.2 Bn)

AED 8 Bn 89% ↑
EBITDA (US$ 2.2 Bn)

AED 57.1 Bn 38% ↑
Revenue backlog (US$ 15.5 Bn)

AED 6.6 Bn 74% ↑
Net profit* (US$ 1.8 Bn)

Operational

Master-planned development at The Oasis – a luxury lifestyle destination

Successful launches of 27 new projects across various master plans

ESG

ESG sections - Page 34

48.7%
Emissions avoided during the construction of The Oasis using alternative grading methodology

Zero
Fatalities

BB ↑
ESG rating by MSCI for Emaar Properties (Parent)

31.5%
Reduction in waste generated (y-o-y)

117 Mn hours
Total safe manhours worked

93.4%
Customer satisfaction score

↑ y-o-y growth/Improvement

* Attributable to Owners

Contents

The Integrated Annual Report 2023 provides a comprehensive view of our strategic, financial, and operational performance, along with an overview of our Environmental, Social, and Governance (ESG) performance.

Reporting Period

01 January 2023 → 31 December 2023

How to Read this Report

Jump marks are linked to content within the document

The number inside the icon represents the relevant material topics in order of priority.

Scope of the Report

Scope and Boundary

This Report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Financial: All reported financial and operational numbers in the strategic report section are on a consolidated basis, unless specified otherwise.

Non-Financial: All reported non-financial numbers in the strategic report section are on a consolidated basis, unless specified otherwise.

Reporting Framework and Standards

This Report has been prepared in accordance with the <IR> framework published by the International Financial Reporting Standards (IFRS) Foundation.

This Report has also been made with reference to the following standards and frameworks:

- GRI 2021 Standards
- United Nations Sustainable Development Goals (UN SDGs)
- Dubai Financial Market's (DFM) Guide to ESG Reporting

Restatements of Information

This Report contains restatements of some non-financial information that was disclosed in the previous year's report. Please refer to the GRI content index for more information on the same.

Materiality

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In 2023, we conducted a comprehensive materiality assessment at the Group level, refreshing our key material topics in alignment with current stakeholder expectations and the evolving business and sustainability landscape. This process allowed us to identify and prioritise key topics that significantly impact our business and are of utmost importance to our stakeholders.

Forward-looking Statement

The Report includes forward-looking information, such as 'future-oriented financial information' and 'financial outlook,' as defined by applicable securities laws. Except for historical facts, the content may contain forward-looking statements intended to provide insight into management's beliefs. While based on reasonable assumptions, actual results may differ. The Company undertakes no obligation to update forward-looking statements unless required by securities laws. Readers are cautioned not to place undue reliance on such statements.

Integrated Thinking

We are driven by

Purpose

Our purpose is to be the most admired real estate group that transforms the lives of its occupiers by delivering spaces that engage, excite, and enrich, and thus deliver sustainable long-term income and wealth creation

Vision

To redefine engineering excellence

Mission

To create futuristic residential, retail, entertainment & leisure assets transforming the lifestyles of people

Enabled by our *development strategy*

Page 24

Consolidate and prepare for the next growth phase

Delivering value through our *ESG Strategy*

Page 30

Sustainability Purpose: Our purpose is to create and sustain spaces and landmarks with a commitment to sustainability at the forefront, enhancing community wellbeing, safeguarding the environment and creating long-term value for all our stakeholders

With a consistent eye on

Opportunities

Navigating challenges, embracing change, and cultivating business resilience

Risks

Page 72

Proactively mitigating threats, adapting our strategies, and implementing safeguards

Supported by governance

A foundation of expertise, prudence and cooperation and creating a legacy of success and unity.

Page 64

Creating positive impact

Environment

Page 34

Focussing on responsible practices, conservation, and mitigating our environmental impact

Social

Page 48

Cultivating empathy, fostering connection, and building a shared ecosystem of progress

For *our stakeholders*

Page 26

Investors and Shareholders	Suppliers and Contractors
Financial Institutions	Industry Associates
Customers	Government and Regulators
People	NGO, Advocacy Groups, and Communities

Creating Enduring Value for All

I believe the momentum we have built up is remarkable, and I am hopeful of further strengthening it. We have a clear purpose and an ambitious growth strategy. We also have one of the best teams in the industry to help translate our vision into action.

Adnan Kazim
Chairman

Dear Shareholders,

The year 2023 proved to be a remarkable year for us here at Emaar, and a truly transformative year for the UAE. Amidst a dynamic global environment, our country remained a symbol of hope and positive change. Perhaps the most hopeful outcome of all was the renewed focus on climate change and sustainable development. Dubai stood at the centre of this focus as it became the stage for the United Nations Climate Change Conference COP28.

Having evolved truly into a 'live, work, play' metropolis, Dubai's stature levels up to that of any other major global hub. Its phenomenal growth has been backed by its consistent focus on economic diversification, public safety, social harmony, and sustainability.

Living Up to a Legacy

Dubai's hosting of the COP28 summit built on the legacy of the UAE's Founding Father, the late Sheikh Zayed bin Sultan Al Nahyan. The global meeting succeeded in uniting the world around a landmark response to the Global Stocktake, named 'The UAE Consensus', which highlighted the principles of inclusivity as much as ambition and change.

Now is the opportune time for all of us, particularly the corporate world, to work together to put the UAE Consensus into action. This is not going to be an easy task, but the need of the hour makes consolidated and constructive action imperative.

At Emaar, we are embarking on a journey to define a comprehensive strategy that underscores our commitment to transforming our business practices for the sustainable future of our planet and the betterment of all our stakeholders. Each member of our team plays a vital role in this pursuit, ensuring that our efforts are directed towards achieving significant, positive outcomes in key areas of focus.

A Year of Strong Performance

Despite multiple challenges facing the global economy, the UAE's economy has demonstrated remarkable resilience, growing by 3.1% in 2023. This growth has been primarily driven by robust performance in non-oil sectors, notably real estate and tourism. The year 2023 marked a milestone for the UAE's real estate market, achieving the largest number of transactions ever recorded.

At Emaar, we delivered industry-beating growth in 2023, thus living up to our promise and demonstrating both our operational excellence and the success of our strategy to diversify our portfolio in a sustained manner. The year saw us achieve revenues of AED 11.9 billion, together with a remarkable 74% increase in net profit attributable to owners in comparison to the previous year.

Given our deep understanding of new and emerging market trends, such as the demand for co-living spaces, sustainable buildings, and diversified consumer segments, we were able to cater to the increasing customer demand with our state-of-the-art and multifaceted spaces suited for multifarious uses, be it for work, living, or leisure. With new property launches, we continued to shape skylines and lifestyles, developing vibrant communities that redefined real estate development.

Emaar Development is backed by a solid portfolio of assets that have the potential for a strong upside, and this will enable us to further consolidate our market leadership. Our robust gross land bank of 349 million square feet further solidifies our standing.

Making Responsible Choices

We have always been aware of our impact on the environment and society, and as a responsible market leader, we have, over the years, taken a series of initiatives to embed sustainability in our operations. The year 2023 saw us update our materiality assessment to ensure relevance of our material topics to our stakeholders.

The year also saw us bolster our sustainability governance through the establishment of an ESG Steering Committee. This will enable us to embed ESG considerations within our business and ensure an appropriate level of oversight of ESG issues.

Looking Ahead

I believe the momentum we have built up is remarkable, and I am hopeful of further strengthening it. We have a clear purpose and an ambitious growth strategy. We also have one of the best teams in the industry to help translate our vision into action.

In 2024, we aim to make further progress on our business strategy, advance our sustainability goals, and deliver on our key projects. We also intend to continue empowering our people by strengthening their competencies and making them ready for the challenges of the workplace of the future. Another key focus area for us will be to continue creating enduring value for our shareholders.

As we move towards meeting the goals and objectives that are part of the 'We the UAE 2031' vision, and the UAE's economy becomes more diversified and admired the world over, we aim to continue our contributions toward shaping its development and enhancing the quality of life for its residents. We also aim to build sustainable spaces, where our investments will support the creation of resilient and prosperous communities, contributing to economic development. We are confident of making the UAE's cities the cities of tomorrow–smart, sustainable, and inclusive.

I take this opportunity to express my sincere gratitude to our shareholders, customers, business associates, and partners for standing by us and supporting us in all our endeavours. I thank you all for your cooperation, and hope that you will continue to support us as we continue to build a future-ready company.

Adnan Kazim
Chairman

Celebrating Joyful Spaces

We specialise in creating and managing highly-amenitised luxury properties, where we give residents and users an unparalleled taste of comfort and the good life. Backed by our de-risked business model, we cater to diverse market needs, trigger new aspirations, and grow our business. The year saw us delight our customers once again with our unrivalled execution ability. 2023 also marked a major transition in our sustainability journey.

QUARTER 1

A Significant ROI Uptick

Successful Property Launches Set to Boost Growth

We successfully launched seven projects, establishing a robust revenue pipeline for the future. This signified consistent progress toward our strategic initiatives, further solidifying our position as a trusted developer.

Launch of New Projects

Arabian Ranches III
Anya | Anya 2

Dubai Creek Harbour
Savanna | Cedar | Palace Residence North

The Valley
Elora

Dubai Hills Estate
Elvira

QUARTER 2

Promise of More Refined Lifestyle

Emaar Properties's (Parent) Ratings Affirmed with Stable Outlook

Major rating agencies, including S&P, Moody's, and Fitch, have reaffirmed Emaar's financial reliability with upgraded ratings (BBB, Baa2, and BBB, respectively) and a stable outlook. These endorsements signify our solid financial performance and improved market position.

Emaar's Newest Jewel, the Oasis, Takes Center Stage

We unveiled our newest lifestyle destination, The Oasis by Emaar, one of Dubai's largest and most prestigious developments, covering a total land area of ~100 million sq. ft. With a total development value of ~US$ 20 billion, the development exemplifies our commitment to delivering exceptional quality.

Launch of New Projects

Dubai Creek Harbour
Creek Water | Creek Water 2

Arabian Ranches III
May

Emaar Beachfront
Seapoint | Bayview By Address

The Valley
Rivana

Dubai Hills Estate
Golf Grand

Rashid Yachts & Marina
Sunridge

Emaar South
Fairway Villas 2 JV

JV Joint Venture

In the second half of the year, we had a clear focus on new property launches. With sustained growth in property sales and a late surge in tourism, driven by events such as COP 28, we ended the year with a strong financial and operational performance.

QUARTER 3

Sustained Momentum

Navigating Growth

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We maintained our strong performance in the second half of the year, witnessing growth in both revenue and profitability, a testament to our commitment to excellence and keen market insight. The upward trajectory in our sales backlog signifies the trust that clients place in our ventures, reaffirming that our developments resonate with the market's aspirations.

Launch of New Projects

The Oasis
Palmiera

The Valley
Nima

Dubai Hills Estate
Greenside

Rashid Yachts & Marina
Clearpoint

QUARTER 4

Our ESG Progress

Materiality Assessment Refresh

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We conducted a materiality refresh to capture evolving trends in the business and sustainability landscape. We streamlined our material topics and identified 24 material topics, which will form the basis of our ESG strategy.

Embedding ESG within our Governance Framework

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We established an ESG Steering Committee to embed ESG considerations within our existing corporate governance framework and ensure an appropriate level of oversight of ESG topics. We also appointed a dedicated ESG head to develop and drive our ESG strategy.

Launch of New Projects

Dubai Hills Estate
Parkside Views | Club Drive | Park Gate

Ras Al Kheimah
Address Marjan

Rashid Yachts & Marina
Avonlea | Bayline

The Valley
Alana

Building the Dreams of Tomorrow

In line with Dubai's vision for a greener future, our projects embody our dedication to environmental stewardship, demonstrating our determination to contribute to a sustainable future.

Mohamed Ali Alabbar

Executive Board Director

Dear Shareholders,

Emaar achieved many milestones in 2023, and following a prosperous year, our achievements are indeed gratifying. Since inception, we successfully sold around 95,000 units and delivered around 70,000 units. However, what is of significance is the path that lies ahead. We find ourselves in an era of change, transitioning towards a more sustainable, connected, and efficient future.

We acknowledge that the future of real estate is closely linked with technological advancements that improve operational efficiencies and enhance our customers' living experiences. Our investment in digital platforms and cutting-edge technologies is a testament to our commitment to pioneering progress.

As we continue our journey, our strategic initiatives and plans are in lockstep with Dubai and its ambitious D33 economic agenda. We are not just participants in this transformative era but key contributors, fully committed to Dubai's vision of becoming a preeminent global centre for economic, cultural, and technological progress. In line with Dubai's vision for a greener future, our projects embody our dedication to environmental stewardship, demonstrating our determination to contribute to a sustainable future.

As Dubai extends its global reach, we see a horizon filled with possibilities to export our expertise and experience, always guided by our enduring principles of sustainability, innovation, and excellence.

Building Places People Prefer

For nearly three decades, Emaar has stood as a synonym for excellence in real estate. When you invest with us, you are not just acquiring property; you are embracing a legacy of quality that stands the test of time. At Emaar, we see our role as not just builders but also dream weavers for our customers and youth, shaping spaces for today and tomorrow. Every decision at Emaar is a step towards fulfilling this grand vision.

Our pride extends beyond constructing iconic skylines. We create experiences that resonate with our customers, tuning into the changing needs of the people who bring our communities to life. The profound connections we foster between our customers, communities, and people make our places more than just spaces – they thrive.

As we reflect on the year 2023, Emaar has demonstrated unwavering dedication to the growth of the UAE's economy and the enrichment of our society.

Our financial contributions across the board have been both significant and impactful.

Our investment in our people, a cornerstone of our success, was evident with over AED 155+ million directed towards our employees' salaries and related costs.

We maintained the vitality of local services by disbursing AED 190+ million to utility and telecommunication services, ensuring our operations' seamless connectivity and sustainability.

We have successfully completed the payment of AED 6+ billion for the acquisition of land parcels from Government and quasi-government institutions in the UAE. This is a significant milestone in our strategic expansion plan and demonstrates our commitment to the development and prosperity of the nation. Through these land purchases, we aim to create value for our shareholders, customers, and partners by developing innovative and sustainable projects that cater to the diverse needs and preferences of the market.

Our engagements with contractors and supplier reached a remarkable AED 4+ billion, reflecting our role in propelling the construction industry forward and supporting an extensive network of businesses and contributing to the local economy. Additionally, we have awarded construction contract of around AED 15 billion in 2023 reaffirming our commitment to delivering world-class projects.

We spent AED ~100 million towards fulfilling our contractual obligations with the Road and Transport Authority (RTA), affirming our commitment to the development of Dubai's enduring infrastructure projects. In tandem, our disbursements to various government departments totalled AED ~1.7 billion, illustrating our positive contribution to Dubai's economy.

Our unwavering commitment to operational excellence has yielded impressive results for Emaar, with our bank balance soaring to AED 18 billion, over 60% increase compared to previous year. This milestone underscores our robust financial performance and sound management practices. By maintaining robust cash flows, we're empowered to fuel further investments in projects that drive value and prosperity for our stakeholders. Our success not only reinforces our market leadership but also enhances the overall liquidity of the banking system, thus contributing significantly to the economic prosperity of our nation.

Each figure represents not just monetary transactions but the essence of our commitment to the UAE's prosperity.

Our concerted efforts have reinforced our role as a catalyst for economic and social development.

Contributing to Dubai's Prosperity

From the outset, Emaar has aspired to be more than a business entity; we have aimed to catalyse positive transformation. In partnership with Dubai's visionary leaders, we have played a pivotal role in metamorphosing Dubai into a vibrant hub of commerce, trade, tourism, and entertainment. Our destiny is entwined with that of Dubai, our beloved home.

As we embrace Dubai's D33 Economic Agenda, Emaar is poised to play a pivotal role in this ambitious journey. Our path is aligned with Dubai's dynamic aspirations, mirroring our shared commitment to innovation, sustainable development, and the spirit of community.

The 'Sandbox Dubai' initiative (founder-based startup program) under the D33 agenda resonates with our ethos of innovation. We are excited about exploring new technologies and business models that have the potential to revolutionise the way we live and work, creating intelligent, interconnected communities.

In 2023, our contributions to Dubai's property landscape were significant. Our financial engagements extended across various sectors, making substantial payments worth billions to stakeholders, suppliers, contractors, and key government bodies such as Dubai Land Department, DEWA, RTA, Dubai Civil Defence, and the Department of Economic Development.

Our cultural ethos is mirrored in our customer base, where around 40% of our residential property buyers are non-residents, symbolising Dubai's diverse and dynamic nature. They pledged AED 14.7+ billion of foreign direct investment of which around AED 4 billion has already been invested. As we continue to grow, our core aim remains steadfast – to be integral to the continued success of Dubai and the United Arab Emirates.

Furthermore, our commitment to nurturing local talent aligns seamlessly with the D33 agenda's focus on integrating young Emiratis into the job market. At present, approximately 17% of our Dubai workforce comprises Emirati talent, and we are persistently striving to enhance their participation within our overarching human resources framework. Our human capital strategy is centred on training and developing the youth, preparing them for the challenges and opportunities of the future.

EXECUTIVE BOARD DIRECTOR'S STATEMENT

"Our ambition is both bold and clear: to keep Dubai at the top of the global city rankings. We aim to achieve this by harnessing cutting-edge technology not only to comprehend but also to anticipate and influence future trends."

The Year That Was

Navigating through various economic cycles, Emaar's brand has consistently demonstrated resilience and strength.

For me, the journey has always been about nurturing and sustaining an incredible brand; this year has reaffirmed that commitment.

Our performance this year is a testament to Dubai's enduring appeal. The success of our newly launched projects, with a high percentage of units already sold, reflects this allure.

We sustained our momentum in 2023. With the successful launch of 27 new projects across all master plans in the UAE, we achieved sales of AED 37.4 billion and net profit attributable to owners of AED 6.6 billion, marking a growth of 22% and 74% respectively, compared to 2022. Led by a strong Dubai property market, we delivered over 12,000 units in 2023, with over 25,500 units in the pipeline for delivery.

In 2023, Emaar showcased its ability to adapt and thrive amidst challenges. Our strategic focus areas have kept us agile, resilient, and efficient, reflected in our robust performance.

Notably, we announced a significant expansion of our flagship residential development, "The Oasis". This growth not only increases its size but also enhances its vision, introducing new projects and further elevating Emaar's sales. The master plan, which has a value of AED 73 billion, embodies our goal of creating luxury living spaces with sustainability, establishing The Oasis as a model for opulent living in Dubai's dynamic landscape.

We have also launched our inaugural project in Ras Al Khaimah, featuring over 1,100 units, with an anticipated completion slated for 2028.

Much Done, Much More to Do

The financial year we have just closed has been strong in many ways. We have a significant revenue backlog of AED 57.1 billion, creating a foundation for future stable revenue.

Our ambition is both bold and clear: to keep Dubai at the top of the global city rankings. We aim to achieve this by harnessing cutting-edge technology not only to comprehend but also to anticipate and influence future trends. As a reflection of this commitment, we have launched two new destinations in the city, namely The Heights Country Club and Grand Club Resort (adjacent to the recently unveiled The Oasis), with a combined development value of AED 96 billion. These new ventures not only demonstrate our vision to create the highest standards of high-end living experiences but also strategically position us to launch a substantial number of villas and townhouses, which are expected to boost sales and profitability.

As we move forward, I am confident that we have the right strategy to deliver on our purpose. Our consistent performance in enhancing sales and profitability reflects our strategic focus on developing premier residential environments. Our commitment to excellence resonates with our clientele, reinforcing their confidence in our brand. In 2024, our robust project pipeline, brand positioning, and market insights will ensure we remain on a path of sustained growth and success.

I am confident that the alignment and commitment of our shareholders, Board, and management will help us navigate these dynamic times, and deal with the ever-evolving business landscape. Moreover, the unwavering support and visionary guidance from the UAE Leadership will continue to further enhance our performance, enabling us to achieve and surpass our goals.

Our progress during the year was made possible by the ongoing support of our shareholders, and I would like to thank them for their commitment. I extend my sincere appreciation to the team at Emaar for their dedication and pursuit of excellence. I also express my heartfelt gratitude to the Board of Directors for their continued guidance.

Finally, I would also like to thank all our stakeholders for their support and look forward to their constant support as we embark on our journey to propel the Company to greater heights.

Mohamed Ali Alabbar
Executive Board Director

TRANSFORMING LIFESTYLES

Emaar Development is one of the world's most admired real estate development companies. The architects of modern Dubai, we give shape to aspirations and transform lifestyles with a focus on design excellence, building quality, and timely delivery.

IN THIS SECTION

26 YEARS OF EXCELLENCE

For over two decades, Emaar has been setting benchmarks in the real estate industry with our innovative developments, iconic structures, and commitment to quality. Our transformative projects have reshaped landscapes, offering unparalleled living experiences to communities worldwide.

A Legacy Defined by Our Creations

We are the largest masterplan developer in the UAE. Beyond iconic buildings, we craft self-contained microcities integrating residential, commercial, and recreational spaces, embodying a commitment to sustainable and harmonious urban living.

Emaar Development in a Snapshot

Proven Execution Track Record	Strong Revenue Visibility	Strong Financial Performance
70,000 Residential units delivered since 2002 in the UAE	**AED 57.1 Bn** (US$15.5 Bn) Revenue backlog	**22%** Growth in property sales compared to 2022
349 Mn sq. ft. Remaining gross land bank (GLA) in the UAE	**AED 37.4 Bn** (US$10.2 Bn) Property sales in 2023	**74%** Growth in net profit* compared to 2022

What differentiates us

Preferred Development Partner
- Access to prime land bank in the UAE. through partnership (JVs/JDAs) with GREs1, Government and large owners of land banks
- Existing JVs/JDAs with leading GREs – Dubai Holding, Dubai Aviation City Corporation, P&O Marinas

Diversified Customer Base
- Healthy customer mix of international and UAE residents
- International residents come from all over the world, indicating global appeal for our masterplan developments

De-risked Business Model
- Availability of Adequate prime land bank
- Construction cost is funded through pre-sales
- Minimal default rate of ~0.5% of sales value

Sufficient Land Bank
- Limited incremental investment in new land
- Maintained an average lank bank of 300 Mn sq. ft. GLA over the last five years

* Attributable to owners

Developer of Iconic Masterplans Transforming Dubai

Downtown Dubai

- 500-acre flagship mega-development
- One of the most visited destinations in the world
- Includes world's tallest building and world's most visited mall

Dubai Marina

- Largest man-made Marina (3.5 sq.km.) development of its kind
- Total development area of 66 Mn sq. ft.
- Includes c.0.4 Mn sq. ft. Dubai Marina Mall

INPUTS → VALUE CREATION PROCESS → OUTPUTS → CONTRIBUTION TO UN SDGS

INPUTS

Financial Capital

Development properties:	AED 12,467 Mn
Bank balances and cash:	AED 18,422 Mn
Gross debt:	AED 4 Mn
Total equity:	AED 26,471 Mn

Manufactured Capital

Total gross landbank:	349 Mn. sq. ft.
Units under construction:	25,500+

Human Capital

Total employees:	363*
Average training hours per year per employee:	5.17 hours
Safety audits conducted:	3,277

Social and Relationship Capital

Active suppliers:	164
Total customer service requests raised:	48,736

Natural Capital and Environmental Stewardship

Total energy consumption:	436.76 GWh
Total water consumption:	357.56 Mn IG

* Includes permanent employees, temporary workers and interns

^ The figure mentioned is for UAE only

* Attributable to Owners

VALUE CREATION PROCESS

Creation of master-plan communities

Designing world-renowned landmarks

Building assets

(from inviting residential havens to vibrant shopping malls and beyond)

STRATEGY

Maintain leadership

Focus on execution

Maximise stakeholder returns

OUTCOMES

Projects completed

- 12,000 units delivered in 2023^

OUTPUTS

Financial Capital

Property sales growth:	22%
Net profit* growth:	74%
RoCE:	27%

Manufactured Capital

Units delivered:	70,000

Human Capital

Proportion of female workforce (FTEs):	35%
Fatalities:	Zero
Lost Time Injury Frequency Rate:	0.025%
Employee engagement score:	4.6/5

Social and Relationship Capital

Customer satisfaction score:	93.4%
Total service requests resolved:	100%

Natural Capital and Environmental Stewardship

YoY reduction in waste generated:	31.5%
Number of EV chargers installed across communities:	80+

BUSINESS REVIEW

Emaar Development

Backed by our focus on customer-centricity and the primacy we give to exclusivity and convenience, we are able to drive sustained business growth and success. In 2023, we launched 27 new projects in the UAE across all masterplans, further expanding our portfolio and reinforcing our dedication to quality and excellence.

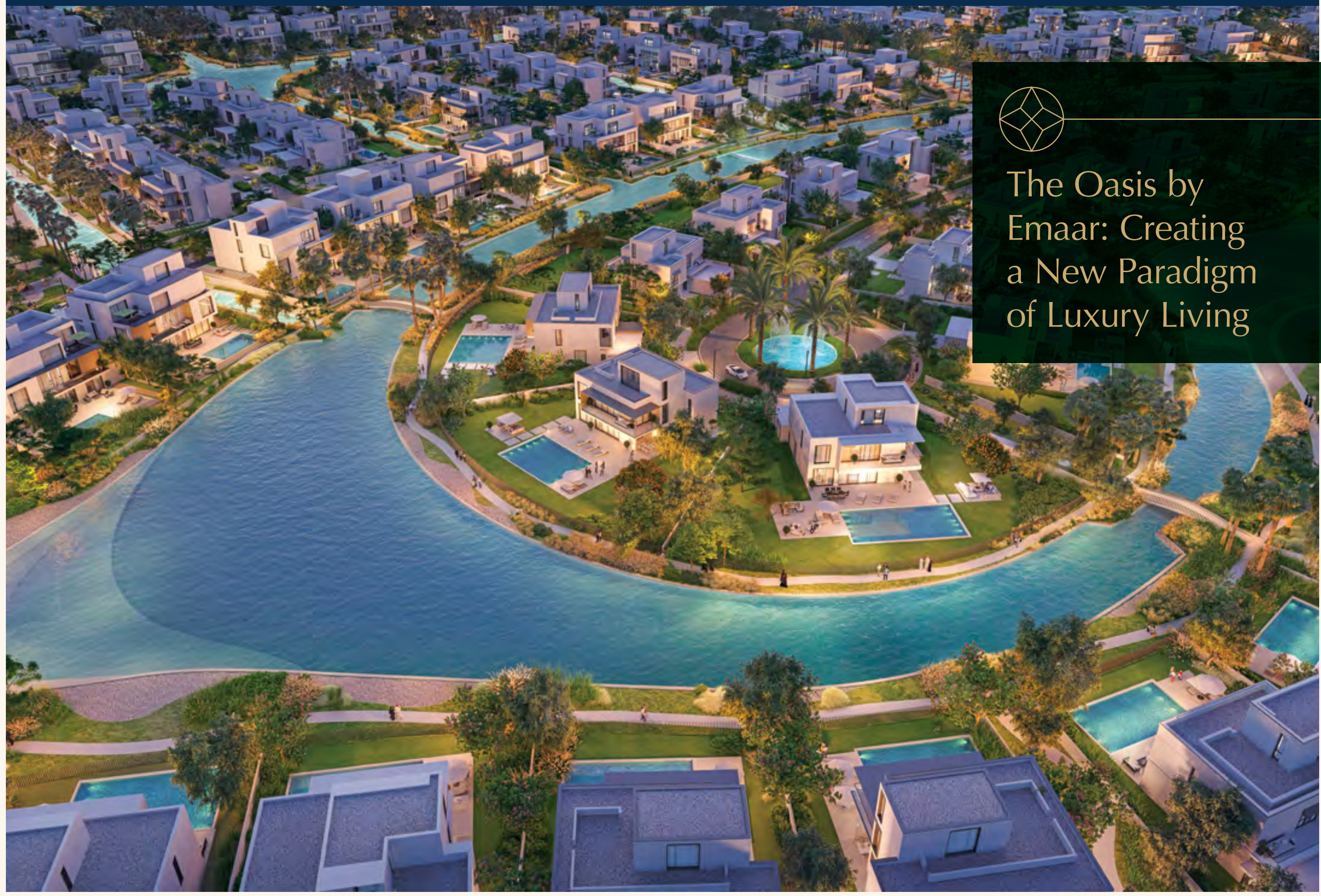
Key Strengths

I. Long-term value creation through integrated master developments centred around iconic assets

II. Pre-sales model utilised - cash inflows from customers' instalments finance construction costs

III. Development projects in prime locations commanding premium prices

IV. Strong customer trust and brand loyalty



The Oasis by Emaar: Creating a New Paradigm of Luxury Living

100 Mn sq. ft.
Total land area

25%
Open spaces of total land

7,000+
Residential units

Palmiera
Featured property

Our latest launch of a uniquely crafted masterpiece, ***The Oasis***, is a sprawling ~100 million sq. ft. development that redefines opulence in Dubai. This US$ 20 billion project showcases architectural brilliance and top-tier services. Surrounded by lush greenery and flowing waterways, the meticulously designed mansions, and villas, crafted by world-renowned architects and interior designers, are an epitome of sophistication. Unobstructed, open spaces seamlessly connect indoors to outdoors. A case study in refined waterside living, The Oasis embodies the future of luxurious residences. Positioned as a golfer's haven near four international courses, The Oasis is set to emerge as a lifestyle destination of unparalleled grandeur, offering breathtaking views of water canals, lakes, and parks.

Key Numbers

~0.5%
Customer default rate of sales value

12,000
Units delivered

25,500
Units under construction

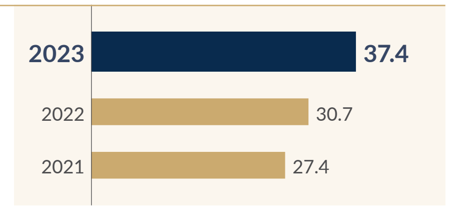
349 Mn sq. ft.
Gross land bank

AED 18.4 Bn
Cash balance

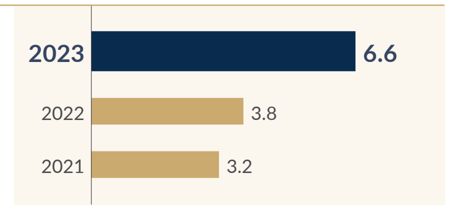
Business Performance in 2023

- Recorded revenue of AED 11.9 billion
- Maintained strong property sales momentum, achieving sales valued at AED 37.4 billion, reflecting a y-o-y growth of 22%
- Revenue backlog stands at AED 57.1 billion, ensuring a solid foundation for future growth
- EBITDA reached AED 8 billion, with a y-o-y growth of 89%
- Net profit* reached AED 6.6 billion, registering a 74% y-o-y growth

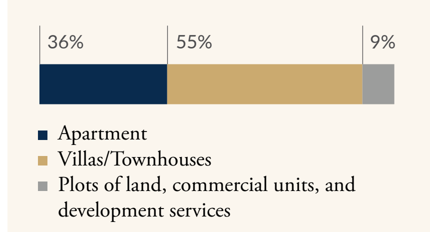
Property sales
(AED Bn)



Net profit*
(AED Bn)



Revenue breakup, 2023
(%)



Outlook

The UAE residential market is expected to remain strong, and we are uniquely positioned to make significant progress backed by our strategic initiatives to scale and enhance our returns in the future. Capitalising on Dubai's reputation as a city of 'live, work, and play', we are sharpening our strategy to be one of the world's most valuable, most innovative, and most admired companies.

*Attributable to Owners

2023: THE YEAR OF SUSTAINABILITY IN THE UAE

"Effective climate action requires a shared vision and collective will. As host of COP 28, we are committed to fulfilling our role as a global convener and will continue to support action and innovation in the field of sustainability."

His Highness Sheikh Mohamed bin Zayed Al Nahyan
President of UAE

IN THIS SECTION

Sustainability Discussion

Emaar launched the Emaar Sustainability Hub at WETEX and Dubai Solar Show 2023, underscoring its deep commitment to sustainability in urban development. This initiative, a key part of Emaar's strategic focus, acts as a hub for fostering discussions and showcasing innovations in sustainable practices.

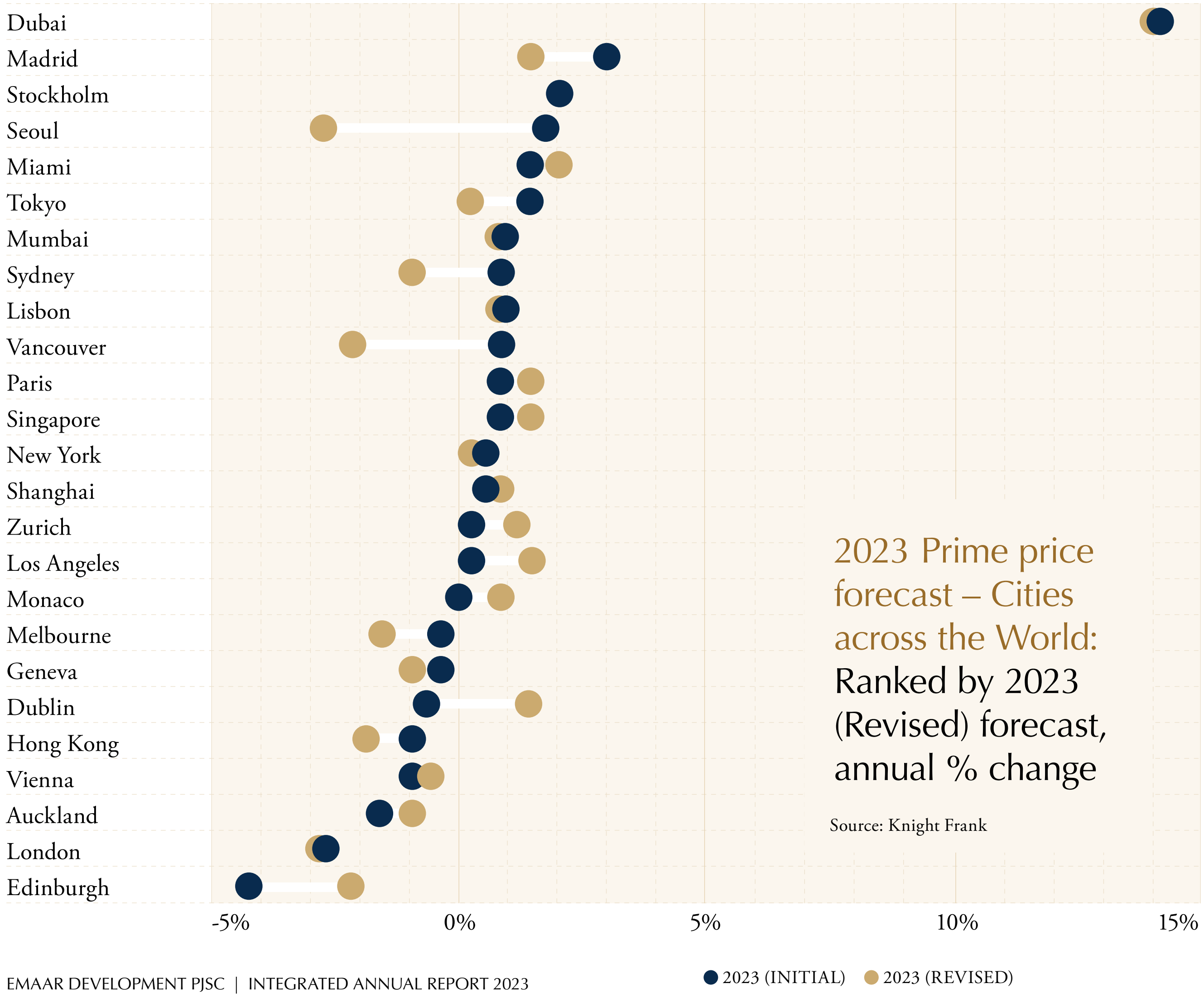
In the debut edition, the Emaar Sustainability Hub brought together various collaborations with partners like Ginco, Innovo, China Railway, Alesca Life, and ECC Group, highlighting advancements in eco-friendly construction and urban development. The hub is a testament to Emaar's dedication to embedding sustainability into its core business activities, setting a new standard in sustainable urban living.

Staying Future-Focused

While adapting to new and emerging market trends, we continue to leverage our strengths and focus on de-risking and diversifying our business so that we can further consolidate our position in the UAE.

Notwithstanding the geopolitical challenges and staggered economic recovery across the world, the real estate sector is predicted to continue its phenomenal run in the next few years. As in other industries, smart technology and emphasis on sustainability will influence the sector, driving it towards greater transformation and more diversification.

At Emaar, we are ready for the challenges ahead with clear strategic priorities and carefully devised business strategy. Moreover, with revenue streams from diverse real estate assets, our financial strength is reinforced by careful debt management and access to equity markets. Our strategic vision is backed by a resilient and thriving business model that helps us seize opportunities for sustained growth and success.



2023 Prime price forecast – Cities across the World: Ranked by 2023 (Revised) forecast, annual % change

Source: Knight Frank

Development Strategy

Consolidate and Prepare for the Next Growth Phase

Leverage the strength of master developments

- Leverage on the existing master community developments to launch new projects
- Provide 'city within a city' experience to our customers

Product innovations

- Unique product offering for Millennials
- Optimised unit size with larger community facilities
- Wider price-product range

Marketing to International Customers

- Targeting international customers
- Seen increase demand from Chinese customers

Well-planned execution and delivery

- Timely completion of projects under development
- Healthy cash flow generation

Development through JV/JDAs

- Access to premium land through JV with GREs
- Preferred Development Partner for GREs
- Expansion and penetration of the Emaar Brand in existing and new markets over the longer term
- Return on Capital Accretive – lower capital (minimum immediate cash outlay for land purchase)
- Earn development profit share and project management fees
- Conserved cash to be used for judicious purchase of prime land

Aligning Perspectives, Identifying Priorities

Engaging with stakeholders is crucial to successful strategic planning. The materiality assessment we undertook during the year gave us a clear understanding of stakeholder concerns and helped us prioritise our ESG agenda.

Stakeholder Engagement Framework

Stakeholder identification and prioritisation

Assess the stakeholder groups who impact and are impacted by our organisation

Prioritisation based on influence, interdependency, and responsibility

Stakeholder engagement

Customised engagement strategies for every stakeholder group

Diverse communication and interaction platforms

For materiality 2023, we utilised online questionnaires

Strategic response

Developing action plans to align business activities with expectations

Key stakeholder concerns raised

Robust mechanisms for stakeholders to express concerns

Committed to addressing those concerns

Our Key Stakeholder Groups

Why are they important to us?	How do we engage with them?	Their most material topics	Value created in 2023
Investors and Shareholders			
Providers of capital to the business, as well as valuable feedback on our financial and strategic performance.	• Quarterly presentations • Annual General Meetings • Feedback on annual disclosures	• Data Privacy and Security • Climate Change Adaptation • Climate Change Mitigation • Water Management • Waste Management • Sustainable Material Use, Design, and Construction • Board Oversight and Accountability • Anti-Corruption and Bribery Prevention • Legal and Regulatory Compliance	• Return on capital employed: 27% • Earnings per share: AED 1.66
Financial Institutions			
Play a crucial role by providing funding, investment opportunities, and financial expertise, supporting our growth and strategic initiatives.	• Quarterly presentations • Annual General Meetings • Feedback on annual disclosures	• Data Privacy and Security • Climate Change Adaptation • Climate Change Mitigation • Water Management • Waste Management • Sustainable Material Use, Design, and Construction • Board Oversight and Accountability • Anti-Corruption and Bribery Prevention • Legal and Regulatory Compliance	• Total shareholder return: AED 3.29 per share (75% return on shareholder's investment)
Customers			
Serving our customers is the reason we exist. At the core of Emaar's culture is meeting the needs of all our customers.	• Customer relationship management programmes on digital platforms • Community events • E-mailers and newsletters	• Health, Safety, and Wellbeing • Customer Satisfaction • Ethics and Transparency • Legal and Regulatory Compliance	• Customer service requests resolved: 100% • Customer satisfaction score: 93.4%
People			
Our people put our strategy into practice, live our culture, and enable us to achieve our purpose. Ultimately, they create value for our stakeholders.	• Employee forums • Training and development sessions • Employee townhalls • E-mailers and newsletters	• Talent Attraction and Retention • Health, Safety and Wellbeing • Legal and Regulatory Compliance • Risk Management • Customer Satisfaction	• Average training hour per employee per year: 5.17 hours • H&S related job specific training provided to workers: 11,274 hours

Why are they important to us?	How do we engage with them?	Their most material topics	Value created in 2023
Suppliers and Contractors			
Their vital contributions to our business range from providing goods and services, ensuring project success, cost efficiency, and adherence to sustainability standards in our operations.	• Supplier screenings and assessments • Surveys and audits	• Health, Safety, and Wellbeing • Human Rights • Waste Management • Water Management • Anti-Corruption and Bribery Prevention	• Business from local suppliers: 99.5%
Industry Associates			
Industry associations provide strategic insights into real estate trends. Collaborating with sector peers, we contribute to policy formulation, engaging with institutions for informed decision-making and sustainable urban development.	• Joint projects and research funds • Multi-stakeholder forums • Partnerships • Seminars	• Climate Change Adaptation • Climate Change Mitigation • Water Management • Green Building Certifications • Biodiversity Conservation	• With the launch of the Emaar Sustainability Hub at WETEX 2023, we collaborated with industry leaders such as Ginco to host discussions on sustainable urban development.
Government and Regulators			
Ensures adherence to laws, zoning regulations, and environmental standards, crucial for our development projects and community wellbeing.	• Meetings with officials • Regulatory filings • Industry forums • Conferences • E-mails and letters	• Data Privacy and Security • Climate Change Mitigation • Board Oversight and Accountability • Anti-Corruption and Bribery Prevention • Legal and Regulatory Compliance	• Fee paid to Government Departments: AED ~1.7 Bn
NGO, Advocacy Groups & Communities			
We want our buildings and activities to have a positive impact on the local communities; to achieve this, we need to have good relationships and understand the needs of locals.	• Community development activities • Working committees and consultations • Multi-stakeholder meetings • Seminars for feedback on development projects	• Climate Change Adaptation • Climate Change Mitigation • Water Management • Waste Management • Sustainable Material Use, Design, and Construction • Customer Satisfaction • Board Oversight and Accountability • Anti-Corruption and Bribery Prevention	• Community investment: AED 85 Mn

Materiality in 2023

We undertook an extensive stakeholder engagement and materiality assessment during 2023 to deeply understand evolving stakeholder expectations and concerns. This yielded valuable insights, enabling us to bolster our business strategy and embed sustainability as a core element in our operations. Through active stakeholder involvement and the incorporation of their perspectives, we aligned our actions with their needs. Our refreshed material topics were categorised into three main pillars, which serve as the foundation of our ESG strategy.

Materiality Methodology

Our materiality assessment has been conducted in line with the GRI standards. The objective of this exercise is to determine which environmental, social, and governance (ESG) topics are most material for Emaar to focus on and report. We consulted with internal and external stakeholders to determine the material ESG topics.

We conducted a comprehensive survey involving 100 stakeholders. External stakeholder insights from the survey enhance our understanding of Emaar's impact on environmental, social, and economic parameters, while the internal stakeholder perspective carries valuable implications from a business standpoint, ensuring we have a comprehensive view of stakeholder concerns that have and will inform our strategic decisions.

I

Identification of Potential Material Topics

Conducted horizon scanning of 100+ topics selected from GRI and other best practice standards and rating indices, including SASB, DJSI, and regional ESG guidelines, viz., DFM and Abu Dhabi Security Exchange, and regional and international peers; based on this, a consolidated list of the most important topics was prepared for Emaar's review.

II

Collecting and Analysing Stakeholder Responses

A quantitative analysis was conducted with both internal and external stakeholders; for the survey, a likert scale of 1-5 was adopted for all the selected topics to assess the significance of each material topics.

III

Prioritisation

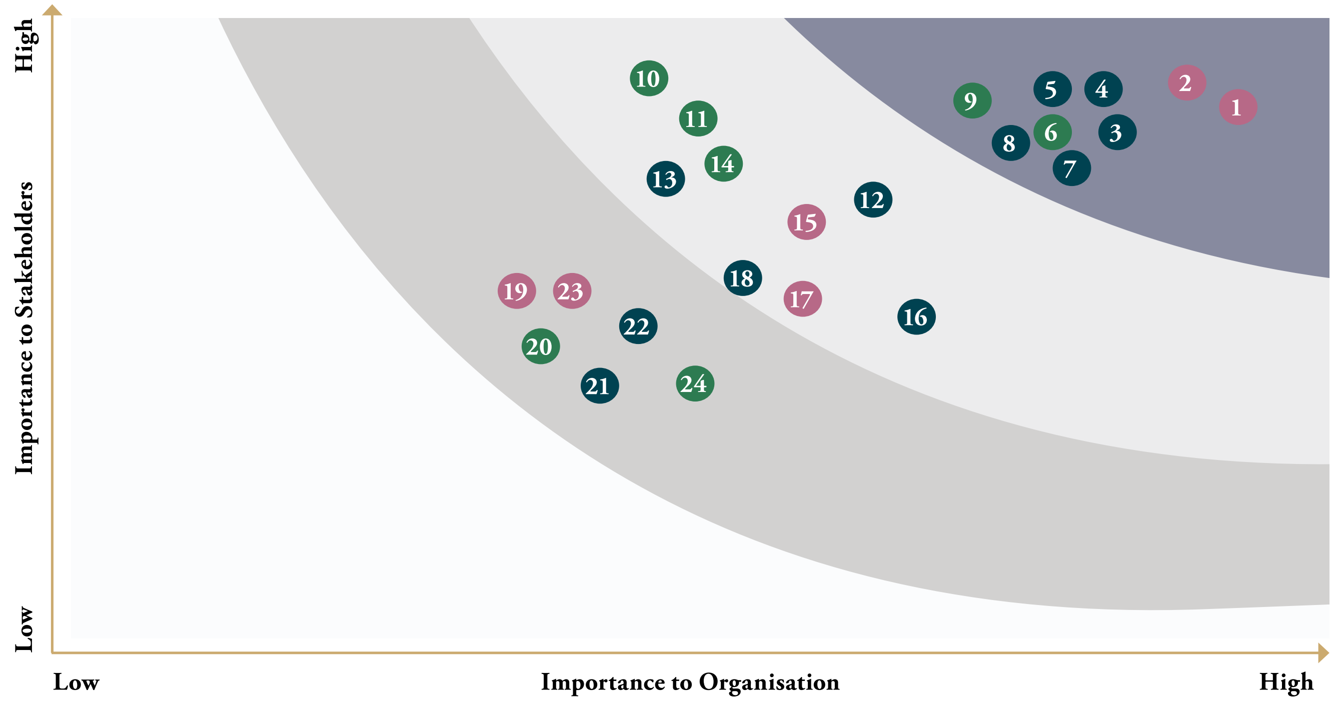
Based on the assessment, the material topics were prioritised based on their averaged scores.

IV

Validation

To ensure accuracy and relevance we validated our material topics with senior management representatives.

Materiality Matrix



Material Topics for 2023

1 Customer Satisfaction
2 Health, Safety, and Wellbeing
3 Legal and Regulatory Compliance
4 Anti-Corruption and Bribery Prevention
5 Data Privacy and Security
6 Climate Change Mitigation
7 Ethics and Transparency
8 Human Rights
9 Water Management
10 Waste Management
11 Climate Change Adaptation
12 Risk Management
13 Board Oversight and Accountability
14 Sustainable Material Use, Design, and Construction
15 Talent Attraction and Retention
16 Economic Performance and Resilience*
17 Training and Development
18 Stakeholder Engagement#
19 Community Impacts
20 Green Building Certifications
21 Innovation and Digital Transformation
22 Responsible Procurement
23 Diversity and Inclusion
24 Biodiversity Conservation

Environment Social Governance

* For discussion on economic performance and resilience, refer to business review section on page 20.
# For more details on our stakeholder engagement processes, refer to page 26.

Adjustments in 2023

We streamlined our material topics list, consolidating topics from 2021 to enable targeted and strategic decision-making in our materiality considerations. This process eliminates redundancy and provides distinct definitions for each topic. Among the 24 material topics identified for 2023, there are four new additions: sustainable material use, design and construction, talent attraction and retention, green building certifications, and innovation and digital transformation.

In the 2023 assessment, we have identified nine topics as our high-priority focus areas, with the rest forming part of responsible business practices. Topics such as human rights and water management have gained greater priority in the recent materiality analysis. Customer satisfaction, health, safety, and wellbeing, data privacy and security, ethics, and transparency continue to remain high-priority areas.

ESG STRATEGY

Our Path to Responsible Growth

Our ESG strategy focuses on safeguarding the environment, maximising social value and ensuring strong governance and business ethics.

Our ESG Framework

Following our materiality refresh this year, we developed an ESG strategy framework and categorised the most material topics in accordance with the three ESG pillars: safeguarding the environment, maximising social value, and ensuring strong governance and business ethics. The high-priority material topics serve as key focus areas under each pillar. Through the implementation of our strategy, we will integrate ESG considerations into all aspects of our operations to ensure responsible action across the business.

Aligning with UAE's Ambitions for a Better World

- United Nations Sustainable Development Goals (SDGs)
- UAE Net Zero 2050
- The Dubai Economic Agenda D33
- Dubai 2040 Urban Master Plan
- UAE Green Agenda 2015-2030
- Dubai Green Energy Strategy 2050

Sustainability Purpose

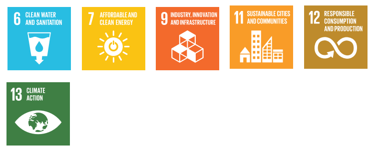
Our purpose is to create and sustain spaces and landmarks with a commitment to sustainability at the forefront, enhancing community wellbeing, safeguarding the environment, and creating long-term value for all our stakeholders.

ESG Pillars

Safeguarding the Environment	Maximising Social Value	Strong Governance and Business Ethics

Material Topics

Safeguarding the Environment	Maximising Social Value	Strong Governance and Business Ethics
Climate Change Mitigation	Health, Safety and Wellbeing	Board Oversight and Accountability
Climate Change Adaptation	Talent Attraction and Retention	Ethics and Transparency
Water Management	Training and Development	Human Rights
Waste Management	Diversity and Inclusion	Anti-Corruption and Bribery Prevention
Sustainable Material Use, Design, and Construction	Customer Satisfaction	Legal and Regulatory Compliance
Green Building Certifications	Community Impacts	Responsible Procurement
Biodiversity Conservation		Innovation and Digital Transformation
		Data Privacy and Security
		Risk Management



CONTRIBUTION TO THE UN SDGS

Growing in Step with Global Goals

In alignment with the United Nations Sustainable Development Goals (SDGs), we prioritise environmental and social responsibility as core pillars of our ESG strategy.

Wellbeing in Communities

3 GOOD HEALTH AND WELL-BEING

- A total of 264 WELL certifications renewed across communities in 2023.

Training and Opportunity Creation

4 QUALITY EDUCATION

- Delivered an average of 5.17 hours of training per employee per year in 2023.
- Provided 1,801 training courses for employees in 2023.

Sustainable Water Management

6 CLEAN WATER AND SANITATION

- Bio-enzymes application in 31 lakes reduced sludge thickness by 60-80% in Emirates Living, Arabian Ranches, and The Greens & Views.
- Processed 6,000 m^3 of sewage water daily through an STP for irrigation in Emaar Communities.

EV Charging Infrastructure

7 AFFORDABLE AND CLEAN ENERGY

- A cumulative total of 80+ EV chargers installed across communities.

Employee Engagement

8 DECENT WORK AND ECONOMIC GROWTH

- All employees receive regular performance and career development reviews.

Protecting our Workers

- We recorded 117 million safety man-hours without a single fatality and conducted 3,277 safety audits.

Sustainable District Cooling

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Through an installed capacity of 104,600 tonnes, we achieved CO_2 savings of 108,031 $MTCO_2$ in 2023.

Green Building Certifications in 2023

11 SUSTAINABLE CITIES AND COMMUNITIES

- LEED Gold certification for twin tower mid-rise residence in Dubai Hills (concept stage).
- Al Sa'fat Platinum for residential mid-rise building in Dubai Hills (concept stage).

Waste Reduction Initiatives

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Achieved a 31.5% reduction in total waste generated, including general and organic waste, compared to 2022.

Energy Management Programme

13 CLIMATE ACTION

- Targeting 15-20% carbon emissions and utility cost reduction through innovative Energy Service programmes, leveraging ESCO partnership and concept of 'Shared Savings'.

Alternative Grading Methodology at The Oasis

- Use of alternate grading methodology for construction.
- Avoided 1,184.95 $MTCO_2eq$ during the construction of The Oasis.

Emaar Sustainability Hub

17 PARTNERSHIPS FOR THE GOALS

- With the launch of the Emaar Sustainability Hub at WETEX 2023, we collaborated with industry leaders such as Ginco to host discussions on sustainable urban development.

ENVIRONMENT

Safeguarding the Environment

As one of the world's major real estate developers, we play a decisive role in shaping the built environment.

We not only focus on better resource use, waste management, water stewardship, and responsible sourcing but also on embedding a sense of greater environmental responsibility through various initiatives.

1,184.95 MT CO_2eq

Emissions avoided during the construction of The Oasis using alternative grading methodology

31.5%

Reduction in waste generated (y-o-y)*

264

WELL certification renewed in 2023

*The waste categories include general and organic waste.

Material Topics

- Climate Change Mitigation
- Climate Change Adaptation
- Water Management
- Waste Management
- Biodiversity Conservation
- Sustainable Material Use, Design, and Construction
- Green Building Certifications

6

Climate Change Mitigation

As a leading real estate developer in the UAE, understanding our environmental impacts is crucial to mitigating climate risks and ensuring long-term sustainability.

To ensure business continuity, we remain committed to enhancing the resilience of our properties and processes, upholding the highest environmental sustainability standards in all our operations.

Our Approach

Ongoing initiatives within our projects and established communities are geared towards reducing emissions, optimising energy consumption, adopting clean energy solutions, optimising processes, and efficiently managing resources as part of our broader commitment to climate change mitigation.

We have implemented various quality management systems to be more disciplined in our operations and be more effective in our transition towards sustainability. With the re-certification of the ISO 14001 Environmental Management System for operations related to Emaar Facility Management (EFM) in 2023, we seek to uphold the rigorous standards that we apply to our operations.

Certifications for EFM Operations

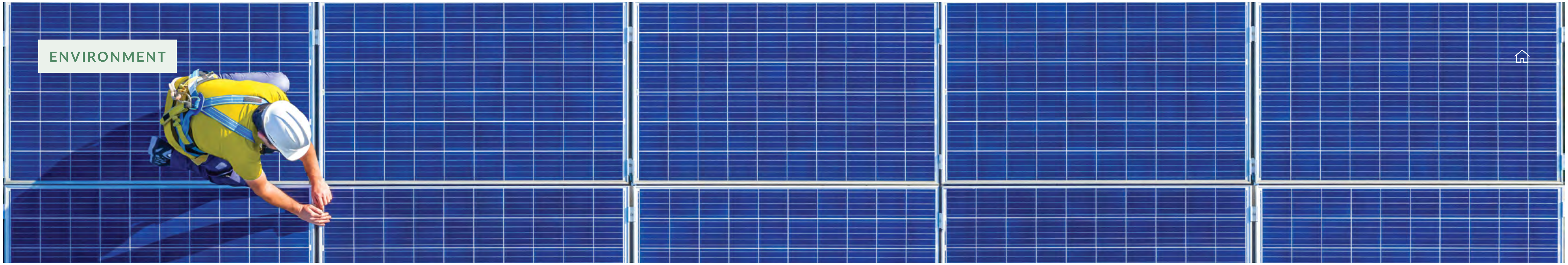
ISO 14001
Environment Management System

ISO 55001
Asset Management System

ISO 50001
Energy Management System

ISO 9001
Quality Management System

ISO 41001
Facility Management System



A Triumphant Debut at WETEX & DSS 25th Edition

The Water, Energy, Technology, and Environment Exhibition (WETEX) and Dubai Solar Show (DSS) celebrated their 25th session with unprecedented success, drawing 2,600 companies from 62 nations and 76 sponsors. The exhibition held in November 2023 included 24 international pavilions from 16 countries. Emaar, as a jubilee sponsor, marked its inaugural presence, showcasing avant-garde sustainable solutions that are redefining urban living globally.

Emaar's Sustainability Hub

We marked our participation at WETEX 2023 with the launch of the Emaar Sustainability Hub. In collaboration with industry leaders such as Ginco and China Railway, the Hub hosted impactful discussions, aligning with Emaar's commitment to sustainability. From green buildings to energy-efficient designs, the discussions emphasised the importance of sustainability in urban development, reducing the sector's carbon footprint, and enhancing residents' wellbeing.

Our Partners

Energy and Emission Management

Our energy and emission management strategy aims to reduce emissions and optimise asset efficiency while keeping a resolute focus on improving operational efficiency and the use of renewable energy. To ensure that the lighting systems in Emaar projects are designed and installed efficiently, all projects in Dubai adhere to lighting power density (LPD) standards outlined in ASHRAE 90.1 and the Dubai Building Code requirements.

Through our Energy Management Programme, we have implemented a number of initiatives to enhance energy efficiency and reduce our GHG emissions. Currently, we monitor Scope 2 emissions, which are attributed to purchased electricity and district cooling. We are planning on establishing greenhouse gas monitoring practices across our operations.

In 2023, energy consumption reached 436.7 GWh, showing a 5.9% increase from the previous year's consumption of 412.2 GWh* and GHG emissions (Scope 2) increased to 225,576.9 $MTCO_2eq$, marking a 3.3% rise from the previous year's total of 218,353.6 $MTCO_2eq$. This increase in emissions is attributed to expanding asset scope, rising occupancy levels in existing buildings, and annual project handovers.

436.7 GWh

Total energy consumption in 2023

225,576.9 $MTCO_2eq$

Total Scope 2 emissions in 2023 (FM operations)

* This number has been restated. Please refer to the GRI content index for more information.

Energy Efficiency Initiatives

- **Deployment of motion sensors**
  - Implementation in shared spaces such as common corridors, lift lobbies, and back-of-house areas across master communities in Downtown, Dubai Hills Estate, Dubai Creek Harbour, Emirates Living, and Arabian Ranches
- **Astronomical timers for efficient outdoor and street lighting**
  - Successful installation in Arabian Ranches, Emirates Living, and DHE Horizontal communities
- **HVAC efficiency**
  - Replacement of conventional valves with Pressure Independent Control Valves (PICVs) in common area Fan Coil Units (FCUs) in selected buildings
  - Observed 10-20% post-retrofit decrease in chilled water flow rate
- **Focus on retrofitting and optimising chilled water pump in Downtown**
  - Estimated average savings of 40%
  - RoI in less than two years
- **Energy recovery systems for Fresh Air Handling Unit (FAHU)**
  - Reduces cooling load requirement and carbon footprint
  - Implemented in all Emaar residential and commercial buildings
- **VFD-equipped car park ventilation fans**
  - Real-time adjustments based on CO levels reduce energy consumption significantly across communities
- **Demand control ventilation installment in communities**
  - Optimises air conditioning based on building occupancy
  - Monitored sensors provide feedback on CO_2 levels

Operational Excellence Strategy of Emaar Facility Management (FM)

- Design for maintainability and circularity – updated FM design guidelines/checklist
- Standardised Scope 2 emissions monthly reporting
- Developed guidelines to integrate circular economy principles into FM
- Sustainability management plan for FM
- Developed a waste management plan for all assets to maximise waste diversion from landfill

Energy Management Programme

Although our footprint is expanding for our existing buildings across Emaar Development, we have developed a customised energy management strategy and programme encompassing retrofit and control initiatives to reduce energy consumption and enhance energy efficiency. The implementation of this programme will commence in 2024.

Under this programme, multiple tender packages/phases have been developed for energy management projects across our assets based on the overall age of buildings and the highest potential for energy savings. Top-tier Energy Service Companies (ESCOs) are invited to be strategic partners in these projects.

The overall aim is to achieve a substantial reduction in energy consumption of 14,000 MTCO_2eq per annum in the next 5 years through energy retrofits and energy efficiency optimisation across our portfolio.

Approach towards energy management

ECM | Saving: 14,000 Tonnes CO_2eq per annum

ECM	
• Dubai Marina – eight sub-communities – 25 buildings • The Greens & Views – 24 sub-communities – 57 buildings	Chiller replacement Chiller plant optimisation Optimisation of PACs/AHU/FAHU/FCU Replacement of three way/faulty two way valves with PICVs as applicable Replacement of lights with LED Inverter type heat/cool pump for swimming pool Heat pump for jaccuzi pool

Powering Sustainable Mobility Solutions

As part of our effort to redefine eco-conscious living, we have installed 80+ electric vehicle (EV) chargers across residential communities in partnership with Tesla and BMW. Furthermore, our upcoming projects will also incorporate EV charging facilities.

These efforts exemplify our commitment to advancing sustainable transportation solutions and promoting eco-friendly practices within the community.

80+

EV chargers installed across communities

Smart Asset Management

Emaar's Smart Asset Management (ESAM), as an Internet of Things (IoT) platform, has been meticulously designed to oversee and govern the building management system (BMS) across all ECM-managed communities. This sophisticated system performs fault detection and diagnostics, generating alarms, trend analysis graphs, and seamlessly integrates with the work order management platform. ESAM consists of comprehensive dashboards for alarms, energy data, chilled water consumption analysis, utilities consumption, and more. Notably, advanced machine learning algorithms have been incorporated to facilitate predictive maintenance, report generation, and the generation of artificial intelligence (AI) outputs.

Reducing GHG Emissions: Alternative Grading Methodology

While developing The Oasis, Emaar's infrastructure team identified an opportunity for GHG reduction during grading design for Al Rassi Lake by adopting two approaches:

1. Reducing cut-fill quantities for land levelling by optimising overall site grading
2. Adopting a direct material shifting approach

Approach 1

Initial grading quantities
Cut: 19,991, 671 m^3
Fill: 20,010,854 m^3

Optimised grading quantities:
Cut: 18,414, 269 m^3
Fill: 18,541,421 m^3

Result

Reduced GHG emissions by 515.58 MTCO_2eq through minisiming the overall quantity to be loaded, transported, and graded.

+

Approach 2

- Conventional method involved shifting material from location A and stockpiling it in interim location B before filling final site C
  A to B to C : Releases 2,430.89 MTCO_2eq GHG emissions
- Grading phases 1 and 2 of The Oasis simultaneously to directly use excess cut material from phase 1 in location A and fill it in final location C in phase 2
  A to C : Releases 1,245.94 kg CO_2eq GHG emissions

Result

Reduced GHG emissions by 1,184.95 MTCO_2eq through minimising double handling of soil and distance traversed, accounting for 48.7% emission reduction compared to conventional method. This also led to reduced fuel consumption by 356,055 litres

Equivalent to

- 1,700.53 MTCO_2eq emissions reduced
- 2,323 trees planted
- 365 vehicles off-road for 1 year
- 331 homes electricity usage for 1 year

These methods significantly reduced our emissions, optimised resource consumption and minimised costs. Similar approach reduced ~12 MTCO_2eq of GHG emissions during the construction of The Valley.

11

Climate Change Adaptation

At Emaar, we implement climate change adaptation measures across operations, focusing on resilience and sustainable development. These include energy-efficient building design initiatives, water conservation measures, and green infrastructure development. By prioritising climate resilience, we ensure operational continuity and minimise environmental impacts, contributing to a more sustainable future.

2023 Initiatives

Native Plant Selection and Biodiversity Promotion

- Use of native plants suited to the local climate to reduce water and maintenance needs, promoting biodiversity and supporting local ecosystems
- Avoid invasive species in plant palettes

Water Efficiency Measures

- Implement efficient drip irrigation systems and rainwater harvesting
- Select drought-tolerant plants and employ smart irrigation controllers to optimise water usage

Sustainable Material Sourcing and Design

- Use permeable materials for hardscapes, such as permeable pavers or gravel, to allow water infiltration and reduce stormwater runoff
- Incorporate recycled or upcycled materials in hardscape and furniture design to reduce the environmental impact of resource extraction and manufacturing
- Use of reflective, light-coloured, and high-albedo surfaces for walkways and street furniture. As such, at least 70% of hardscape area could have a minimum Solar Reflectance Index (SRI) of 29
- Explore opportunities for reusing or salvaging materials from demolition or construction activities to reduce waste
- We are installing photovoltaic panels on the roofs of villas to produce renewable energy for tenants' consumption and to reduce heating due to solar radiation

Long-term Maintenance and Community Engagement

- Develop sustainable maintenance plans incorporating eco-friendly practices
- Involve the local community in landscape planning and maintenance, fostering ownership and responsibility

Modular Design and Accessibility

- Embrace modular design principles that allow for flexibility and adaptability, reducing the need for extensive renovations in the future

ENVIRONMENT

9

Water Management

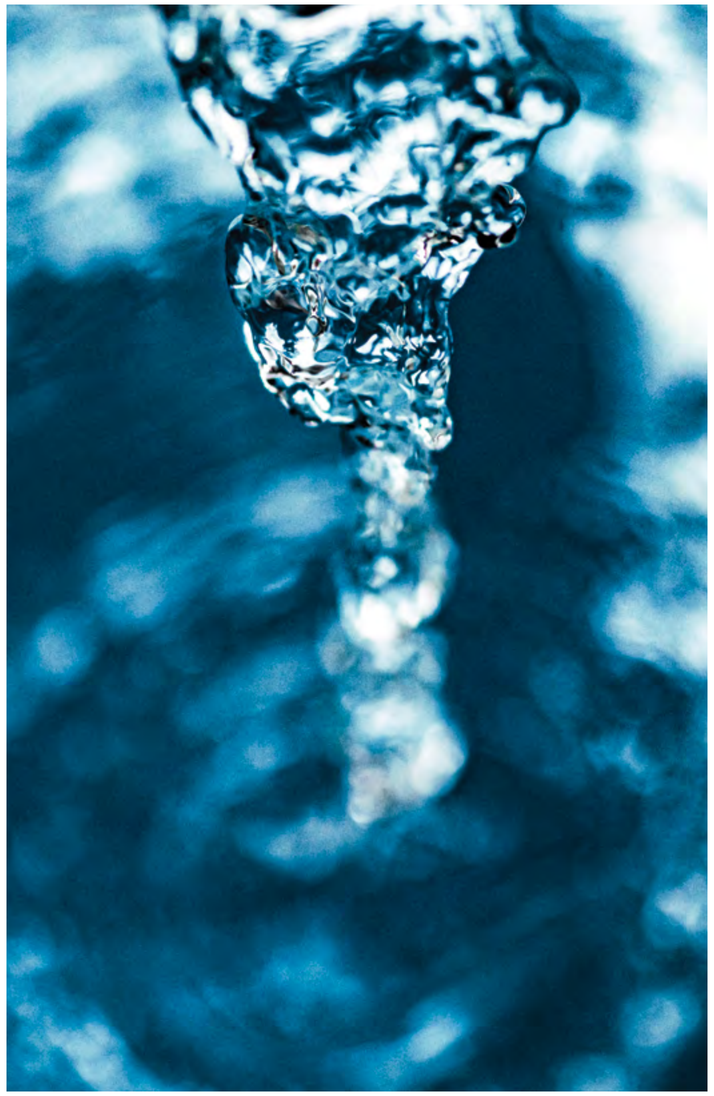
Efficient water management is a priority for Emaar. In 2023, our properties used over 300 million imperial gallons of water. We monitor our water consumption and associated costs. Measures to reduce water usage include sub-metering to limit use and detect leaks. Sub-metering enables our tenants to track their water usage, save water and reduce costs.

Our water consumption has increased over the years due to rising occupancy levels in existing buildings, annual project handovers and asset expansion. In 2023, our water consumption increased by 9.1% compared to the previous year's consumption of 327.6 million IG for FM operations*.

357.56 Mn IG

Total amount of water consumed in 2023 (FM operations)

* This number has been restated. Please refer to the GRI content index for more information.



Water Efficiency Initiatives

Backwash water utilisation

Repurposing backwash water for swimming pools across 30+ Emaar communities, including Dubai Marina Towers, Marina Promenade, Al Sahab, Al Majera, Emirates Living, Arabian Ranches and more

Eco-friendly chemicals

Replaced hazardous cleaning chemicals with eco-friendly alternatives across Emaar communities

Bio-enzymes for lakes

Use of bio-enzymes across 31 lakes reduced sludge thickness by 60-80% in lakes in Emirates Living, Arabian Ranches, and The Greens & Views

Substantial decrease in use of chemicals by 75%

Sewage treatment plant

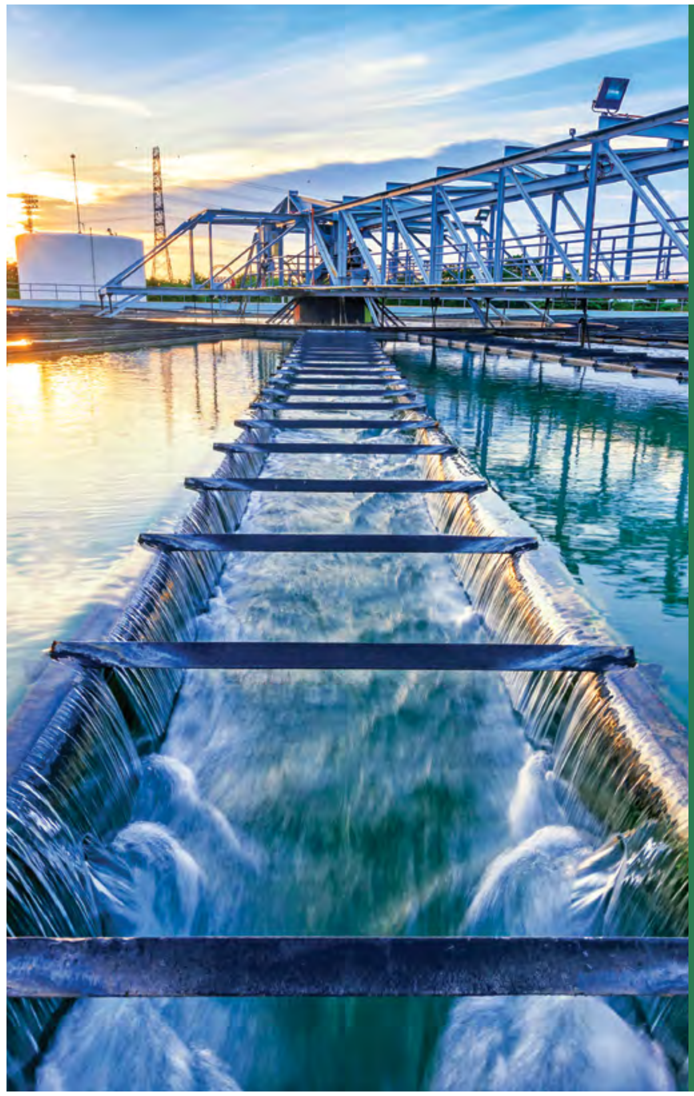
6,000 m^3 of sewage water processed through STPs for irrigation in Emaar Communities daily

Low-volume aerators for showerheads

Installed low-volume aerators for showerheads in swimming pool amenities at communities

Leak detection system

Implemented leak detection systems with remote monitoring for swimming pool pump rooms at Emirates Living



Case Study

Waste Not, Want Not: Water Re-use Solutions at Emaar

We have implemented innovative water reuse initiatives across locations in keeping with our commitment to embrace sustainable practices. We reuse condensate water at Hills Business Park, Acacia, Park Square, Park Heights, Collective 1, Collective 2, Socio, Golf Suites, and Park Ridge.

The condensate drainpipes (DHE-CDP) in these properties are connected to a treated sewage effluent (TSE) tank, where the water is repurposed for use in irrigation within the respective properties. The impact of this measure has been significant. Approximately 15% of the daily irrigation demand is now met by condensate recovery.

10

Waste Management

Our approach to waste management aims at reducing waste generated across our communities, hospitality, and retail sectors through waste reduction initiatives. Each initiative is customised to target specific waste streams from our diversified portfolio of assets.

109,882.9 MT

Total amount of waste generated in 2023

31.5%

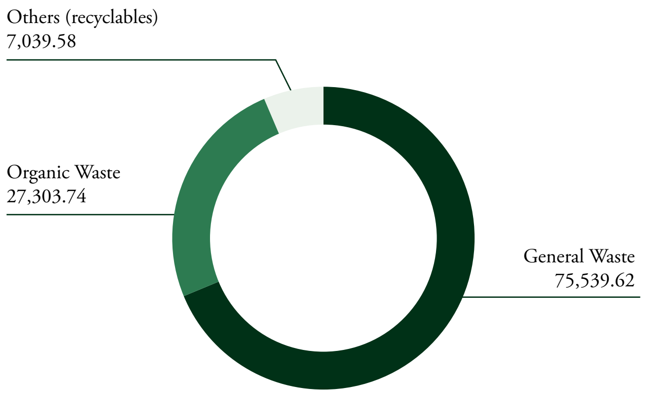
Reduction in waste generated

31%

Waste segregation rate in 2023

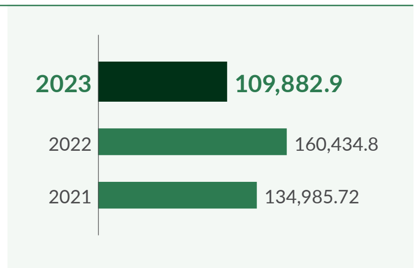
Waste generation by type

(MT)



Total waste generated

(MT)



Waste Management Initiatives across Communities

Implementation of recycling programme for Emaar communities

Segregation of waste at the source in all communities into general waste, green waste, and mixed recyclable waste

Provision of two waste collection bin systems in community villas. Waste is being sorted and green waste is collected separately

Collected waste is sent to a material recovery facility for further processing and recovery

Use of biodegradable items in operations

Adoption of eco-friendly and biodegradable chemicals for cleaning purposes

Repair and reuse centres

Establishment of a dedicated workshop for repairing and reusing various types of machinery and equipment to minimise waste through refurbishment

Community clean-up events

Organising annual community clean-up events

Creating awareness and emphasising the importance of waste segregation to residents

14

Sustainable Design, Construction, and Material Use

We are working to integrate more sustainable construction practices across our projects. Through our incorporation of sustainable practices in planning, designing, and construction, we are setting new benchmarks in responsible urban development. Emaar's mechanical, electrical and plumbing (EMEP) team plays a pivotal role in overseeing and implementing sustainable practices across projects.

Key Considerations by EMEP Team

- Energy-efficient building envelopes
- Energy-efficient HVAC equipment and systems
- Control systems for HVAC systems
- Reduced lighting power densities and control strategies
- Energy replacement through renewable energy
- Effective water management

Further, we ensure sustainable construction practices by appointing environmental consultants. They study site conditions, develop construction environmental management plans, and ensure compliance with environmental control plans. Regular reviews, site visits, and quarterly summaries contribute to our commitment to environmentally responsible practices across all our projects.

Sustainable Design

Our Building Design Standards and Guidelines act as the foundation for incorporating sustainable features into new developments and renovations.

Our planning strategies, soft and hard landscape specifications, soil and water management, and lighting standards adhere to our strict design guidelines. From plant selection to street furniture, these guidelines ensure the creation of sustainable, aesthetically pleasing spaces that uphold both functionality and environmental responsibility.

ENVIRONMENT

21

Green Building Certifications

In order to enhance the sustainability standards followed for our buildings and communities, we are targeting green building certifications. Ongoing projects include pursuing LEED ND or BREEAM certification for The Oasis and The Valley West semi-detached community 01, as well as achieving LEED or Al Sa'fat Platinum for a residential apartment block in Dubai Hills Estate.

In our upcoming projects, we are exploring the implementation of Al Sa'fat Platinum on a pilot basis. Further, we remain committed to targeting green certifications, including local standards such as Al Sa'fat and Estidama, as well as global benchmarks like LEED and BREEAM across our portfolio.

Green Building Certifications Achieved in 2023

Certification	Status
Al Sa'fat Platinum for residential mid-rise building in Dubai Hills	Concept stage
264 WELL Certifications	Renewed

24

Biodiversity Conservation

Biodiversity conservation is crucial as it sustains ecosystems vital for community wellbeing. By preserving biodiversity, we safeguard essential services, minimising environmental impacts and enhancing our properties' attractiveness and resilience.

We remain mindful of potential impacts on ecosystems during infrastructure development and maintenance. Our commitment includes compliance with environmental regulations and practising stewardship in siting, construction, and operation. We strive to incorporate components of nature into our buildings to promote healthy lifestyles.

Further, we actively seek to enhance biodiversity through various initiatives. These include habitat restoration projects and native species planting programmes. We also foster employee participation in biodiversity conservation through employee engagement initiatives and awareness campaigns.

Biodiversity Preservation through Landscape Planning

At Emaar, we go beyond conventional landscaping to create unique open spaces and parks that seamlessly blend in innovative technology with aesthetic design, and construction and maintenance best practices. Our Building Design Standards underscore building and maintaining viable community landscapes while conserving the environment. Employing a Landscape Design Intensity (LDI) strategy, our zoning hierarchy categorises spaces into four intensity levels, optimising costs and allowing distinctions within developments. We use plant species that are well-suited for the UAE, which includes both salinity-tolerant varieties and indigenous species cultivated at local nurseries.

Winning Laurels for Unique Landscaping

Dubai Hills Estate Park (DHEP) won the Landscape Middle East Sustainability Award 2023 in the category of 'Parks & Recreation'. DHEP combines a vibrant community space with innovative stormwater management and sustainable design, showcasing the convergence of aesthetics, functionality, and sustainability in a rapidly growing urban environment. Be it in its unique stormwater management, material selection, or the selection of local plant species and smart irrigation systems, the project has embedded sustainability principles at every level. Only locally sourced materials were used and plants were carefully selected to preserve the area's biodiversity. DHEP has an integrated storm retention pond that can store up to 90,000 m^3 of stormwater runoff.

SOCIAL

Maximising Social Value

As a responsible business, we are committed to supporting and providing value for our stakeholders, including our employees, customers and communities and suppliers.

4.6/5 ↑
Employee engagement score

Zero
Fatalities

93.4%
Customer satisfaction score

Material Topics

- Health, Safety, and Wellbeing
- Talent Attraction and Retention
- Training and Development
- Diversity and Inclusion
- Customer Satisfaction
- Community Impacts

↑ y-o-y growth

Our People

Prioritising the wellbeing and growth of our team is a strategic goal for us. In our dedicated efforts, we foster a safe, conducive, and inclusive work environment, recognising the invaluable contributions of our diverse workforce. This commitment ensures the cultivation of a skilled and empowered workforce, integral to sustaining our market leadership.

Objectives of our 2023 People Strategy

- Managing attrition
- Improving retention and attracting talent
- Improving employee satisfaction
- Enhancing efficiency and organisational effectiveness
- Creating a sense of purpose and belonging as 'One Emaar'

363
Total employees*

Extending Care to Workers

We engage workers in our projects and community management operations through our main contractors and subcontractors. While they are not our direct employees, we uphold our responsibility to oversee their wellbeing. This involves ensuring our policies are communicated to contractors and that labour rights are respected throughout our operations.

* Includes permanent employees, temporary workers and interns

SOCIAL

Health, Safety, and Wellbeing

Our goal is to establish a workplace free from injuries, prioritising the safety and wellbeing of our people, and fostering motivation for optimal performance. Implementing a rigorous Health, Safety, Security, and Environment (HSSE) Standard, we streamline operations to safeguard our workforce. Our HSE management strategy entails regulatory compliance, risk assessments, incident investigations, and emergency and crisis management. We have seven specialised committees across all business units to maintain the highest standards of safety and compliance.

- Risk assessment/management
- Legal and standard compliance
- HSE training and competency development
- Inspection and field visit observations
- Emergency and crisis management
- Contractor management
- Incident management and investigation

Adherence to National and International Standards

- Dubai Municipality Technical guidelines
- Dubai Municipality Construction Code of Practice
- UAE Fire and Life Safety Code of Practice 2020
- ISO 9001:2015 ISO 14001:2015 ISO 45001:2019

Emergency and Crisis Management

Crisis Management Plans are prepared for all our assets to ensure that all teams are equipped to handle real emergencies effectively. Simulations of reasonably foreseeable emergency situations are conducted to familiarise all involved parties with the procedures and to address any potential lapses.

Worker Health and Safety

The HSE function oversees the management of the health and safety systems. Quarterly management review meetings with our senior leadership are held to assess performance, focusing on major H&S risks and mitigation plans.

For contractors, prior to contract execution, we engage with contractors and consultants, securing their acknowledgement of Emaar's HSSE standards. We provide a comprehensive HSSE document encompassing protocols, site management, implementation details, and performance monitoring requirements. Project safety is paramount at Emaar, with daily inspections by contractors and consultants supplemented by bimonthly HSE audits, monthly welfare and health campaigns, and equipment audits. In case of incidents, prompt reporting is done within 10 minutes, followed by thorough documentation, assessments, investigations, transparent disclosure, and communication of lessons learned.

SOCIAL

Workers' Welfare

We ensure worker welfare and uphold their rights from recruitment to employment, in accordance with labour laws in jurisdictions where Emaar operates. The UAE accounts for more than 86% of the construction activity.

Regular safety and awareness programmes are conducted across construction sites to educate our workers. We ensure high hygiene standards are maintained through the regular upkeep of our facilities. Our workers in the UAE are provided with accommodation, food and transportation.

We conduct various initiatives to ensure the safety of our workers. Monthly initiatives, managed by contractors under consultant supervision, cover health campaigns, on-the-spot training, heat stress management, and safety awards. This has reduced incidents and improved worker welfare.

Voluntary health promotion services and monthly audits also play a significant role in addressing non-work-related health risks and risk prevention. In the UAE, monthly health, wellbeing and hygiene audits cover the safety aspects.

634

Voluntary health campaigns organised

H&S Training for Workers

Occupational H&S training in construction equips our workers with essential skills and heightened awareness. The training builds a steady foundation of safety by addressing diverse topics such as working at heights, dealing with electrical hazards, fire controls, excavation safety, confined space entry and work permits. It also encompasses PPE, defensive driving, machinery operations, concrete works, cradle and spider kit safety, scaffolding, welding, hot work, and rigging, amongst others.

In 2023, 11,274 hours of training were conducted for workers.

11,274 hours

H&S-related job-specific training provided to workers

3,277

Safety Audits Conducted

Health and Safety Performance in 2023

In 2023, total manhours decreased compared to 2022, resulting in the Lost Time Injury Frequency Rate (LTIFR) rising from 0.014 to 0.025. However, the year reported no fatalities and recorded only three lost-time incidents, with a Total Recordable Incident Frequency Rate (TRIFR) of 0.006.

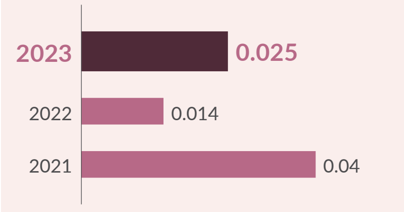
To avoid the reoccurrence of incidents and as part of our commitment to prioritising health and safety, we have implemented rigorous safety protocols with adequate review of processes and comprehensive training programmes to mitigate the risk in the workplace.

Zero

Fatalities

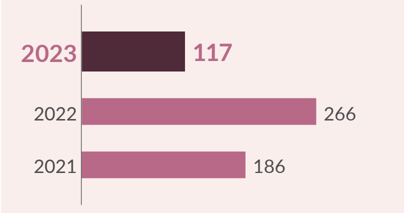
Lost time injury frequency rate

(Ratio)



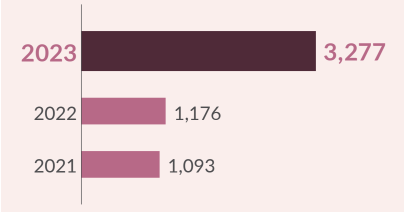
Total safety manhours

(Mn Hours)



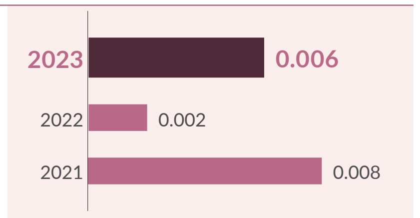
Safety audits conducted

(Number)



Total Recordable Incident Frequency Rate (UAE)

(Ratio)



Talent Attraction and Retention

Securing and engaging a skilled workforce is our approach to fostering a responsible work culture. Our Group-wide induction programme, talent mapping and top talent initiatives have further facilitated our engagements. Stay interviews are held as part of our retention process.

As part of our Group-wide Induction Programme, we have launched a weekly induction plan for all new joiners. A buddy is assigned to employees in junior and middle management categories for orientation and joining processes, and senior management and above go through personal one-on-one induction with the Head of People & Performance on their day of joining.

In 2023, we welcomed a total of 149 new hires. During this period, our total workforce increased, while our employee turnover rate decreased slightly to 14.8% from 20% in 2022. An objective of our 2024 HR Strategy is to manage employee turnover through initiatives like talent retention, employee engagement, training and development, and managing employee grievances.

New employees hired by age group in 2023

	Male	Female
<30 Years	20.1%	19.5%
30-50 Years	32.9%	24.8%
>50 Years	2.7%	-

Employee turnover by age group in 2023

	Male	Female
<30 Years	7.1%	19.4%
30-50 Years	14.6%	16.7%
>50 Years	14.8%	-

New employees hired by category in 2023

	Male	Female
Senior Management	2.0%	-
Middle Management	22.8%	8.7%
Junior Management	24.8%	28.9%
Trainees	3.4%	0.0%
Temporary employees	2.7%	6.7%

Employee turnover by category in 2023

	Male	Female
Senior Management	38.5%	-
Middle Management	12.5%	15.8%
Junior Management	12.7%	17.3%

Employee Engagement

We are dedicated to fostering a sense of belonging among our employees, implementing various initiatives for their holistic involvement and satisfaction. In 2023, we conducted 42 employee engagement programmes, including awareness days, health and fitness and community events. These initiatives contributed to our employees' wellbeing and fostered a cohesive sense of community.

Communication about the events was sent to all the employees, ensuring 100% coverage, leading to higher participation.

Engagement Programmes

Emaar Health Camps

- Dental check
- Body check
- Optical check
- Blood donation
- Breast cancer check-ups
- Vaccination drives

Health Webinars

- Mental health
- Cervical cancer
- Men's health
- Melanoma
- Life coach sessions
- Heart health
- Kidney wellness
- Breast cancer

Fitness Sessions

- Sports tournaments - football, basketball, badminton, bowling, cricket and volleyball
- Fitness classes
- Dubai Fitness Challenge activations

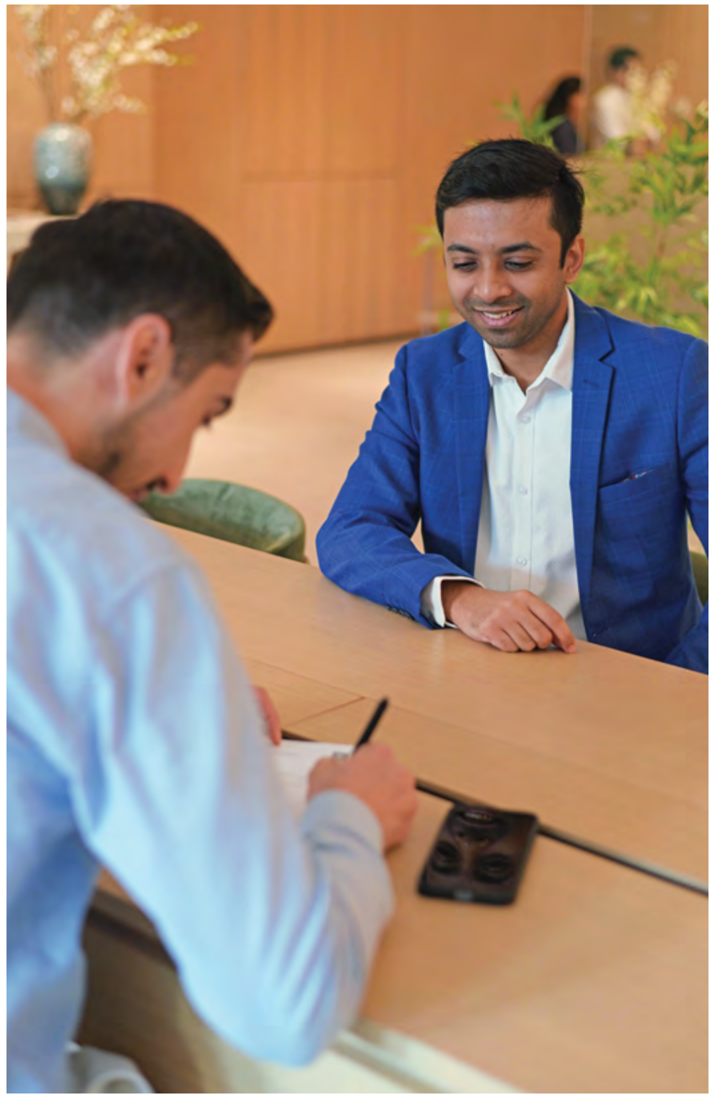
Awareness Posters

- Earth Hour
- Flag Day
- International Women's Day
- World Tourism Day
- Emirati Women's Day

Community-Related Events

- Community Clean-up Drive
- Iftar Meal for Workers
- Clean-up Campaign
- Donation Drives
- Plant a Tree Campaign

↑ y-o-y growth



Employee Engagement Score

We conduct an Employee Satisfaction Survey (eNPS) every year and streamline our operations in the identified areas of concern to ensure employee satisfaction.

4.6/5 ↑

Employee Engagement Score

Employee Benefits

Emaar offers a benefits package that includes life insurance, health care, accidental insurance, retirement provisions and disability support. Our commitment to employee wellbeing extends to encouraging work-life balance, supported by our inclusive parental leave policy, creating a harmonious and supportive workplace.

100%

Employees covered under benefit schemes (UAE)

17

Training and Development

We firmly believe in the correlation between employee skill development and driving organisational growth. Our workforce engages in a variety of tailored training programmes, both classroom and online learning, designed to encourage ongoing professional development. This commitment nurtures individual aspirations, enhances overall wellbeing, and facilitates efficient knowledge exchange. The average of training hours per employee via online learning platforms per year in 2023 was 5.17 hours in the UAE.

Succession Planning

Successors are identified internally for critical positions in the organisation. To ensure they are prepared for the roles, a monitoring and reviewing process is undertaken by the learning and development team and their respective managers, as part of their individual development plans (IDPs).

Talent Development

Talent and Mentorship Programmes

The 'Top Talent' international development programme aims to provide our employees with opportunities to work with business leaders globally. It is a talent mapping exercise that helps us identify our best performers.

We organise mentorship programmes for members of the talent development programme and young UAE nationals, providing them with career-specific perspectives through regular interactions with mentors.

Addressing Employee Concerns

At Emaar, we have mechanisms for investigating reported incidents to ensure that issues are addressed appropriately. Our Standards of Conduct policy and Grievance policy support these mechanisms, and we facilitate employee feedback in person via a dedicated HR representative and through grievance channels including an internal HR platform and email, surveys and internal feedback forums.

While our policy outlines a comprehensive list of grievance categories, it is constantly evaluated and updated, considering the dynamic and diverse work culture of Emaar. All investigations at Emaar undergo a robust and thorough review and validation to ensure compliance with regulatory requirements and to undertake operational improvements when needed.

In 2023, zero grievances were reported and closed.

Learning and Development Platforms

- Partnered with Coursera to offer a one-year online programme for 122 of our managers, senior managers, and leaders. The platform has users completing 440 lessons in 1,180 learning hours for UAE.
- Partnered with LinkedIn Learning to offer two-year online programmes for 106 mid-level management employees. The employees have completed 1,352 LinkedIn learning courses.
- We teamed up with RapL, rapid micro bite-sized learning for our junior level management, and 83% released test questions were completed in UAE.

Employee Training and Development KPIs

Average hours of training per year per employee

2023	5.17
2022	0.5
2021	0.4

Number of training courses

2023	1,801
2022	2,506
2021	206

100%

Employees receiving performance and career development reviews annually since 2021

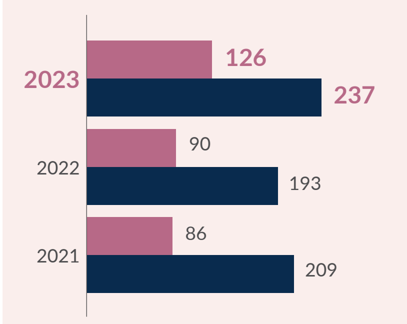
SOCIAL

23

Diversity and Inclusion

A diverse workforce is a significant strength of our expanding Company. We prioritise inclusivity in our hiring process, welcoming applicants from diverse backgrounds, religions, genders, and ethnicities, possessing varied skills and perspectives. The requirements of our Standards of Conduct policy safeguard the rights of our employees. We strive to maintain an inclusive workplace and empower our employees to raise their concerns in cases of discrimination or harassment.

Total employees by gender

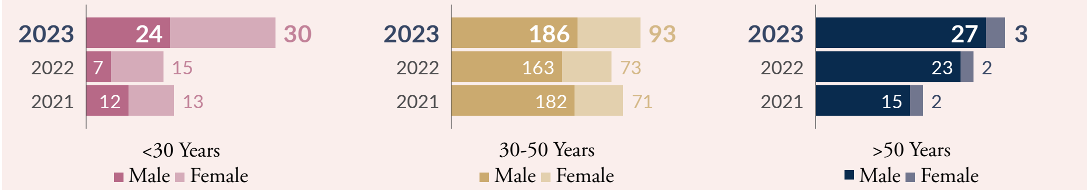


■ Male
■ Female

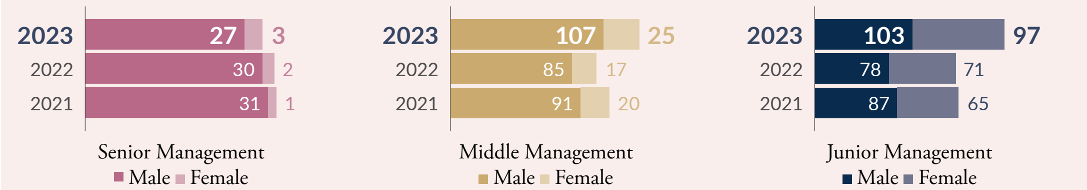
35%

Total female employees (FTE)

Total employees by age



Total employees by category



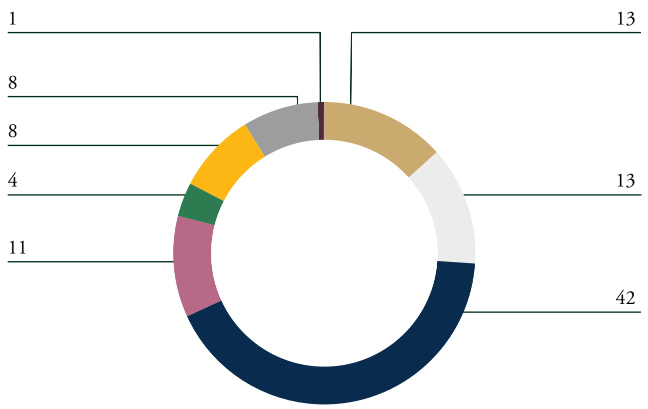
Note: In 2023, out of a total of 363 employees, there was one female temporary employee.

Emiritisation

Aligned with the UAE's vision to establish itself as a global talent hub, Emaar has strengthened its commitment to invest in local talent. Our ongoing efforts focus on empowering young Emiratis, enabling them to actively contribute to the nation's continuous development. To complement our efforts, we have a Mentorship and Training Program for Emiratis to support their professional development and success within our organisation.

Employee ethnic groups in 2023

(%)



■ UAE
■ Middle East & other GCC
■ Indian subcontinent
■ South-East Asia
■ Other Asian countries
■ Africa
■ UK and Europe
■ America and South America

SOCIAL

Customers

Emaar takes pride in being a customer-centric business. We endeavour to comprehend our customers intimately and to create products, facilities and experiences that exceed their expectations. The customer's relationship with Emaar is a long one, beginning with the search for a home and continuing through the living experience. We endeavour to make this entire journey enjoyable and long-lasting.

Customer Excellence

Our customer excellence department aims to create an exceptional customer experience through seamless automated processes and digital innovations. We ensure the swift resolution of customer issues, enabling us to maintain the overall quality of services provided.

Emaar's Customer Satisfaction (CSAT) is assessed through automated surveys triggered at the conclusion of each ECM-managed interaction. These surveys provide valuable insights into customer experiences. Leveraging online surveys, automatically initiated post-interaction, we gather real-time feedback. Additionally, at community events, QR codes facilitate immediate feedback collection, ensuring a comprehensive understanding of customer satisfaction across various touchpoints.

We implemented several initiatives during the reporting year to empower our customers and enhance the efficiency of our service delivery.

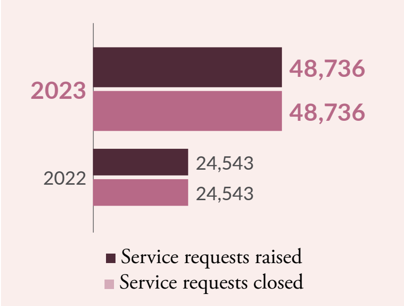
Emaar Customer Happiness Centres are walk-in contact centres that help to address customer issues. However, the launch of the Emaar One app has reduced centre walk-ins and improved waiting and serving times. Customer Happiness Centres handled 39% more service requests in 2023 than in 2022. Relationship Managers proactively contacted signature clients via phone, email and through in-person meetings to resolve issues before these were escalated. These offline and online channels have helped to improve customer satisfaction scores across all business assets.

48,500+

Customer walk-ins at the Emaar Customer Happiness Centre

Service requests raised vs service requests closed

(Number)

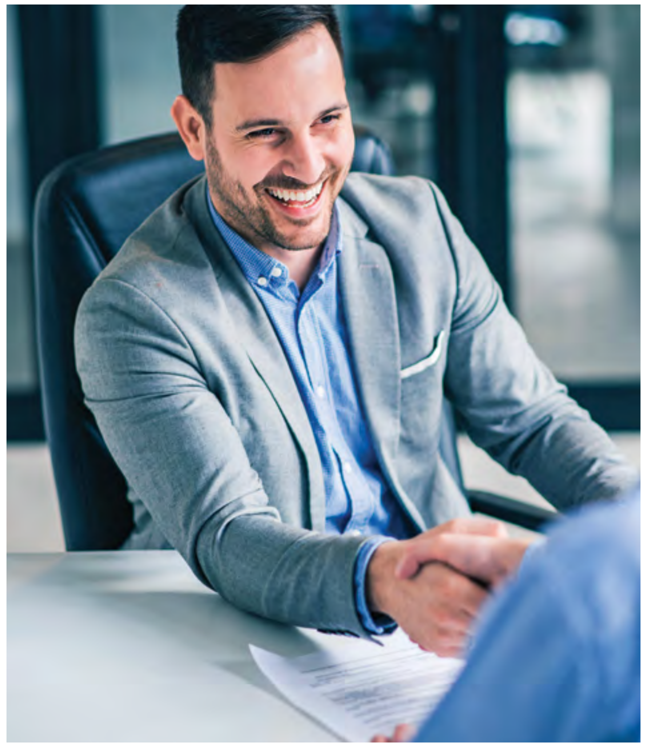


93.4%

Customer satisfaction score

Key Features to Enhance the Customer Experience

- Three new and enhanced lounges for customers (Signature Lounge, Handover Lounge, Customer Happiness Centre)
- Customer forums with Emaar management
- QuickPay services to facilitate faster customer payments
- Golden Visa service counter for customers
- Integrated social media platform to capture customer feedback efficiently



Emaar One Mobile Application

We are committed to digitally empowering our customers to conduct real-time interactions by offering abundant self-service options to streamline transactions. The Emaar One App offers a comprehensive solution, enabling a unified customer experience. It allows users to apply for services, such as property transfers, updates, move-in and move-out permits, maintenance requests, advance payments for properties, and home services. Additionally, the app facilitates convenient payments for instalments and service fees.

56,000+

Emaar One application users with 39% y-o-y increase in active users AED 2 billion+ payments through Emaar One

Initiatives under Emaar One application

Digital token

Paperless token system for walk-in customers at the Customer Happiness Centre.

Property related services

Enhanced self-service experience of property related services such as registration, transfer, maintenance and other request types with hassle-free user journey and smart tracking mechanism.

Community services

Customers can now raise online request pertaining to their community services with status tracking conveniently.

Payment services

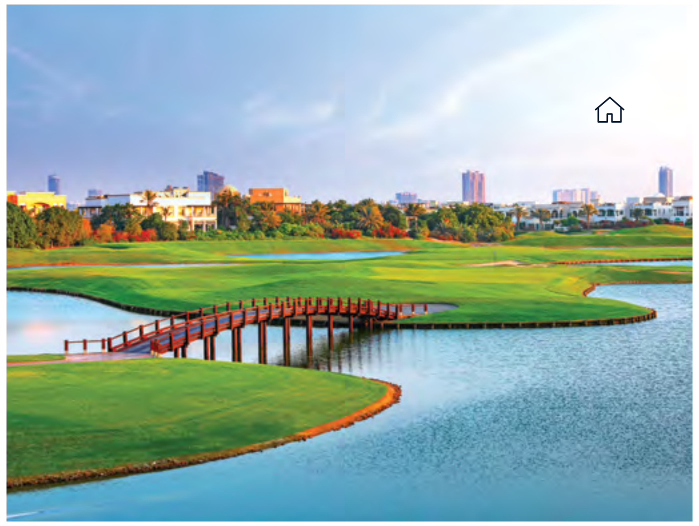
Significant improvements to the payment experience by adding advance payment and quick payment options.

App Design revamp

Design revamped to enable customers to navigate features with ease, in addition to a personalised menu listing based on usage.

Automated guest entry systems

Visitor access feature introduced facilitating the entry process in the communities through QR code-based pass, instead of email request.



Communities

We are committed to fostering positive change and making a meaningful impact in the communities we serve. We strive to address social, environmental, and economic challenges while driving sustainability awareness and creating shared value for the communities we serve.

19

Community Impacts

We focus on nurturing positive engagement and meaningful change within our communities. We organise social interaction and community-building events, enhancing the experience for residents. Additionally, our Corporate Social Responsibility (CSR) initiatives aim to foster positive changes in the local communities around us, contributing to the holistic wellbeing of the society.

Community Engagement and Events

Our commitment to sustainable community living extends to crafting activities tailored to meet the diverse needs of our residents, spearheaded by Emaar Community Management (ECM). In 2023, over 40,000 individuals participated in 54 events, celebrating various cultural festivities such as Hag El Leila, Eid Al Fitr, Eid Al Adha, and Diwali. Events like the UAE National Day, attended by approximately 13,130 people, serve to bolster community cohesion. Through these initiatives, we aim to foster awareness and appreciation for our residents of diverse nationalities. Additionally, to promote community health and fitness, we organise tournaments in squash, badminton, billiards, chess, and cricket.

54

Community events organised with over 40,000 attendees

Sustainable and Innovative Solutions

Emaar is committed to actively promoting environmental stewardship and awareness. In pursuit of this, we have instituted a range of initiatives and campaigns aimed at cultivating a collective sense of responsibility for sustainability.

Ditch the Plastic Bag Campaign

We encourage our residents to replace plastic bags with cloth alternatives while shopping. Through a community-wide design contest, residents crafted their unique cloth bags, sharing images on social media. Promoted across our channels, top winners not only received exciting prizes but were also prominently featured on our social media pages.

Lights Off, Impact On

All ECM communities participated in Earth Hour in March 2023. During this hour, they were encouraged to switch off all non-essential lights in the common areas of our communities.

Best Out of Waste

The 'Best Out of Waste' campaign was held on World Environment Day. It encouraged residents to repurpose recyclable household items into decorative pieces, promoting innovation, upscaling and waste reduction.

Spreading Sustainability Awareness

Our approach to promoting sustainable practices and raising awareness involves informing and engaging customers through various events. These are communicated to our residents through mass emails, newsletters, messages, and social media. Activities organised by ECM, such as green drives, sustainability campaigns, and contests, emphasise the importance of sustainable living.

To further promote eco-friendly living, ECM hosts events on significant international days like Earth Hour and World Environment Day. These events feature competitions to encourage and reward residents for adopting green practices. Additionally, to educate residents about sustainable habits and inspire positive societal change, information related to resource conservation, such as water conservation tips, among others, is published in newsletters. This approach demonstrates our commitment to fostering environmental awareness and sustainable living within our communities.

Driving Social Impact

We believe a better society can only flourish on a healthier planet. The Emaar Foundation serves as the Emaar Group's apex entity to lead and mobilise our social development initiatives in the UAE. During 2023, the Foundation has embraced its role as a catalyst for positive change, guiding community, environmental, and cultural initiatives with a steady hand. Our activities address immediate challenges and invest in the long-term wellbeing of our communities. We share the results of our efforts with pride as we continue to build on Emaar's legacy of contributions across the UAE, India, and Egypt.

Objectives of our Corporate Social Responsibility (CSR) Strategy

- Providing sustainable benefits for our stakeholders
- Minimising our impact on the environment, both directly and through what we do for our stakeholders
- Providing support for the wellbeing and development of staff
- Improving the positive impact on the communities we live and work in and reducing the negative impact
- Continuous development of our governance and transparency

GOVERNANCE

Strong Governance and Business Ethics

Our corporate governance philosophy, underpinned by our commitment to transparency, integrity, and accountability, aligns with global standards. The Board's keen oversight ensures that we grow both sustainably and responsibly while remaining compliant with the Governance Guide by the Securities and Commodities Authority. A robust governance framework reinforces sound practices across the Company.

- Standards of Conduct Policy
- Anti-corruption and Bribery Policy
- Anti-fraud and Whistle-blower Policy

57%
Independent Directors

100%
New suppliers screened for environmental and social parameters in the UAE

Material Topics

- Board Oversight and Accountability
- Ethics and Transparency
- Human Rights
- Anti-corruption and Bribery Prevention
- Legal and Regulatory Compliance
- Responsible Procurement
- Economic Performance and Resilience
- Risk Management
- Innovation and Digital Transformation
- Data Privacy and Security

Corporate Governance Framework

Transparency and accountability

Board of Directors

Provide strategic direction and evaluate overall performance

Ensure the long-term interests of the stakeholders are served

Board Committees

Audit Committee | Investment Committee | Nomination and Remuneration Committee | Committee for monitoring insider trading

Management reporting to the Board

Board Snapshot 2023

7
Directors

1
Woman Director

5
Board meetings

1
Executive Director

60 years
Average age of Board members

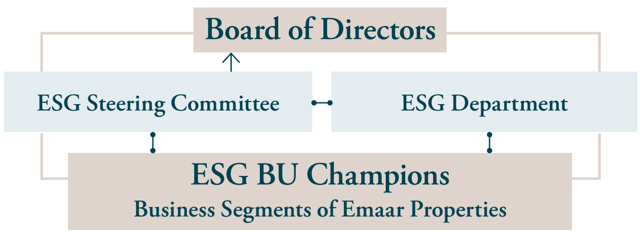
100%
Board meeting attendance

Board Oversight and Accountability

To ensure effective governance and compliance, the Board monitors the implementation of all strategic decisions and upholds strict accountability across the organisation. Our corporate governance framework, while establishing the foundation of a strong internal control mechanism, ensures best practices and builds trust by safeguarding stakeholders' best interests.

ESG Governance (Emaar Properties – Parent level)

In 2023, we hired a Head of ESG and established an ESG Steering Committee to embed ESG considerations within our existing corporate governance framework and ensure an appropriate level of oversight of ESG topics. The Committee comprises Executive Management team members who report to the Board of Directors. The Committee is responsible for setting and overseeing our ESG strategy, ensuring effective assessment and management of ESG risks and opportunities, and aligning the ESG strategy with Emaar's business strategy. The Committee members also have ESG KPIs linked to their performance and remuneration.



→ Reports to ↔ Collaborates

Audit Committee

- Monitors external auditor appointment, independence, and audit process effectiveness
- Monitors financial statement integrity, reviews internal controls, risk management, and policies
- Ensures compliance with the Standards of Conduct policy
- Reviews and approves related party and/or conflicted transactions

5 Meetings held | 100% Meeting attendance

Investment Committee

- Reviews the Company's new investments, feasibility studies, and related financial transactions

4 Meetings held | 81% Meeting attendance

Nomination and Remuneration Committee

- Reviews structure, size and composition of the Board and its committees
- Recommends to the Board the Remuneration Policy
- Determines remuneration packages of Board members and employees
- Regulates, organises, and monitors Board member nomination procedures

5 Meetings held | 100% Meeting attendance

Committee for Monitoring Insiders Trading

- Manages, monitors, and supervises insider trading and ownership of securities

Internal Control System

The Board of Directors has established an internal control system in the form of an internal control policy to assess risk management methods and procedures, ensure adherence to the Governance Guide, comply with relevant laws, regulations, and internal policies, and review financial information used in the preparation of the Company's financial statements. The Board of Directors acknowledges its responsibility for the Company's internal control system, for reviewing its methods of operation and confirming the effectiveness of the internal control system. The Audit Committee supports the Board of Directors in overseeing the application of the internal control system. The Internal Audit Department under the supervision of the Audit Committee follows a systematic and disciplined approach to assess and improve the effectiveness of the internal control system.

The internal control policy requires that the Board of Directors periodically review the Company's internal control system.

Ethics and Transparency

Emaar Properties' Standards of Conduct Policy, Anti-corruption and Bribery Policy, Anti-fraud and Whistleblower Policy, and programme apply to personnel (including all Directors, officers, and employees) and business partners of Emaar's UAE and international offices and subsidiaries of Emaar. They serve as our unifying guide, anchored in our core values, and provide details on the standards of integrity that Emaar Properties expects all employees and Directors to follow. They cover several key principles of ethical conduct, including anti-corruption and anti-bribery practices. The purpose of the Code is to:

- Help employees recognise ethical and legal issues
- Guide employees in the resolution of ethical and legal issues
- Provide procedures for reporting violations of the Code
- Support a wholesome and productive work environment
- Assure compliance with the law and governmental rules and regulations

Furthermore, these policies provide clear guidelines for all legal entities and personnel within to ensure compliance with Anti-Corruption Laws and Emaar Group's business standards and expectations. Emaar Properties employees are required to sign a non-conflict of interest (COI) declaration at the time of joining, which is mandatorily refreshed through quarterly updates. Additionally, a Board-approved 'Related Party and Conflict of Interest Transaction Policy' is in place, which governs any potential scenarios of Conflict of Interest and ensures that all business transactions are dealt with at arm's length.

Employees are made aware of the requirements of the policies on joining the Group through sign-off on our Standards of Conduct. Regular internal refreshers (such as in the form of annual internal communications) are also provided to reinforce our expectations of them. Suppliers are made aware of the requirements through communication of our Standards of Conduct Policy, Whistleblowing line and relevant clauses in our contracts.

Any suspected cases of wrongdoing and/or non-compliance are independently reviewed by the Internal Audit Department, and appropriate disciplinary actions are taken. Applicable, suspected cases are then referred to the relevant authorities. The Board of Directors has oversight of ethical issues through the Audit Committee. Audits of processes and operations and those relating to Emaar's ethical standards are carried out annually in accordance with an approved audit plan.

Our focus on human rights encompasses dedication to workforce wellbeing, safety, and the eradication of discrimination and harassment at Emaar. Our primary operations are within the UAE, and our policies and procedures reflect relevant applicable UAE Federal Laws and the protection they offer towards human rights. Our commitment extends to prohibiting forced and child labour across our supply chains. Through our Standards of Conduct and child protection policy, we maintain the highest standards of professionalism, integrity and fairness to drive business improvement.

Worker welfare (Page 52)

GOVERNANCE

Anti-Corruption and Bribery Prevention

We are committed to conducting business with honesty and integrity and in compliance with all legal and regulatory requirements.

Anti Corruption and Bribery Policy

Our Anti-Corruption and Bribery policy and Standards of Conduct Policy prohibit employees from offering, promising, giving or receiving anything of value to improperly influence a decision or to gain an improper or unfair advantage in promoting, enhancing, obtaining or retaining business. This policy extends to our Board and management team and all our employees.

Corporate Anti-Fraud and Whistleblower Policy

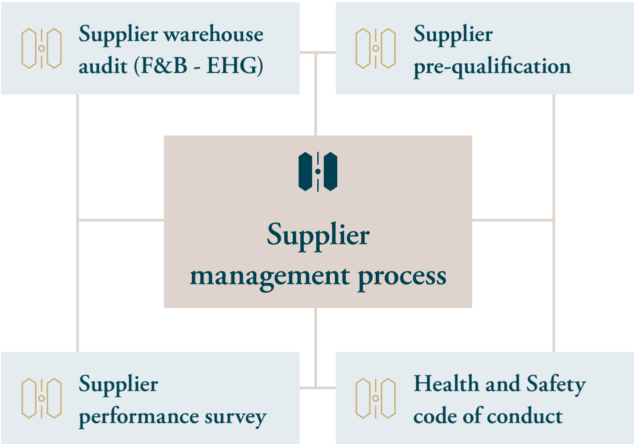
To strengthen the governance framework around Anti-Corruption and Bribery, we have established a comprehensive Corporate Anti-Fraud and Whistleblower Policy, which is approved by the Board of Directors. Furthermore, the Audit Committee, as mandated by the Board of Directors, is responsible for the administration, revision, interpretation and application of this Policy. Although no organisation or administrative process is fully free of fraud risk, which is the vulnerability or exposure to acts of fraud and irregularity, Emaar Management is committed to providing a process for reporting and investigating complaints, concerns and suspected violations of policies and laws through Emaar's Whistleblower Programme.

Legal and Regulatory Compliance

We have integrated compliance controls across our operational and strategic processes, and we employ a multi-tiered governance structure with Board-nominated committees and comprehensive policy documentation. The Audit Committee, Compliance Officer, Internal Audit, and Legal teams ensure continuous compliance monitoring. Vigilant on legal and regulatory changes, we proactively align our businesses, processes, and systems for effective compliance, including environmental regulations and considerations.

Responsible Procurement

Responsible Procurement is central to our operations. Suppliers are onboarded after qualifying in supplier assessments, and regular audits are undertaken to ensure quality and consistency. We provide a safe working environment and fully automated digital (paperless) procurement processes. Suppliers are also made aware of our anti-corruption and bribery policy through communication of our Standards of Conduct Policy, Whistleblowing line and relevant clauses in our contracts.



Supplier ESG Criteria

The environmental and social criteria against which suppliers are screened include:

- Labour Standards Policy
- Ethics Policy
- Sustainability Policy/Energy Policy and Plan (ISO 50001)
- Environmental Policy and Plan (ISO 14001)
- Quality management systems (ISO 9001
- Occupational health and safety management systems (ISO 45001)

As we progress towards integrating our ESG priorities within our supply chain, we are increasing our focus on local suppliers, minimising GHG emissions and supporting the local economy.

In 2023, with 164 active suppliers in the UAE, 99.5% of our business was from local suppliers.

100%

New suppliers screened for environmental and social parameters (UAE)

164

Total active suppliers (UAE)

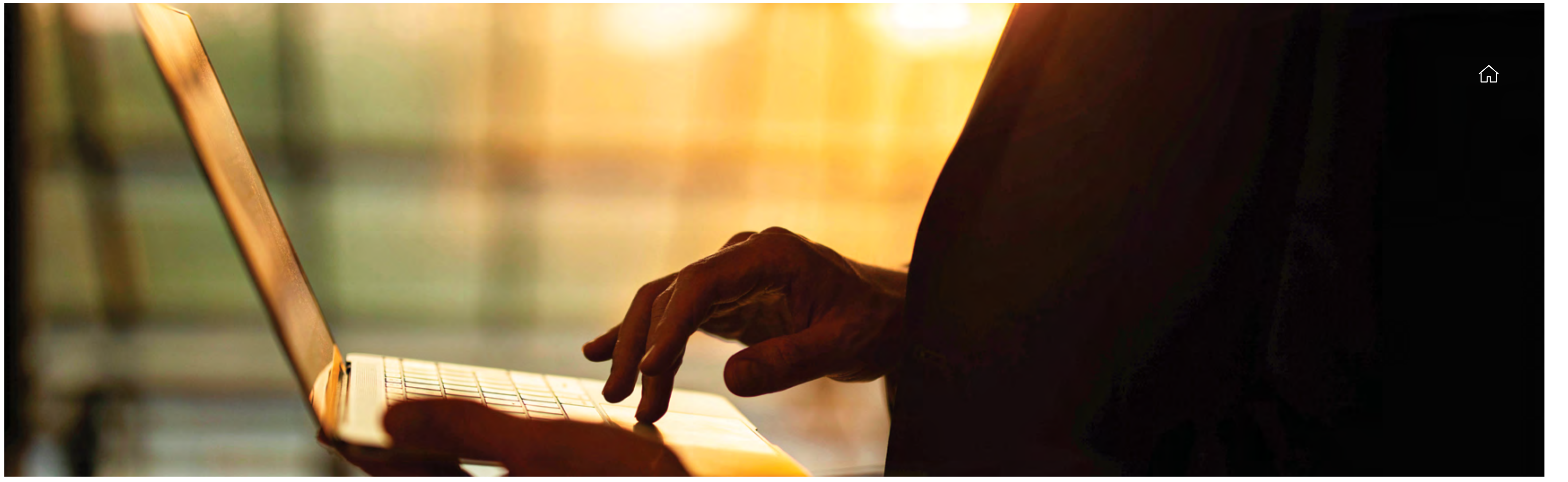
16

Economic Performance and Resilience

A rigorous governance system and a robust portfolio strategy assure our economic resilience, which is also bolstered by integrating innovation into our business and delivering best-in-class offerings. This approach helps us provide customer value, generate earnings, and thus create lasting value for both our shareholders and our communities. Financial discipline, risk assessment, and adaptability are key pillars of our portfolio management, ensuring high-quality assets and strong financials. This proactive stance enables us to navigate economic complexities while maximising shareholder returns and maintaining stakeholder commitment.

Economic Value Distributed and Retained	(AED '000)
A) Direct Economic Value Generated	
Total revenue from operations	11,921,378
Share of profit of Associate/ Joint Venture companies	123,609
Other Income	1,303,303
Total	**13,348,290**
B) Economic Value Distributed	
Total operating costs	4,453,052
Employee wages and benefits	158,561
Payments to providers of capital	2,248,128
Community investments	85,013
Total	**6,944,754**
Economic Value Retained (A-B)	**6,403,536**

Business review of our business segments (Page 20)



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Innovation and Digital Transformation

We have been at the forefront of digital innovation and transformation in the industry. Our digitalisation strategy enables us to drive value creation by leveraging the latest technologies in order to transform our business operations, enhance the customer experience, and generate growth.

Our technology team at Emaar offers a comprehensive range of services, encompassing application and infrastructure services such as consulting, project management, application development and support, and process engineering. These services are designed to cater to a broad spectrum of industries and provide highly scalable end-to-end solutions.

Technology Strategy

- **Enriched digital experience for our customers and stakeholders**
- **Enable self-service capabilities on digital channels/ platforms for faster and seamless customer delivery**
- **Strengthen cyber resilience by adopting and implementing best-in-class solutions**
- **Invest in scalable and future-ready products and platforms**
- **Drive efficiencies in business processes through Robotic Process Automation (RPA)**
- **Leverage advanced analytics for driving business processes and decision-making.**
- **Drive digital transformation for end-to-end project development lifecycle**

5

Data Privacy and Security

We prioritise data security and privacy in our commitment to sustainability. As technology advances, safeguarding sensitive information is crucial to maintaining stakeholder trust. Through stringent measures and continual investments, we fortify system resilience, ensuring the protection of valuable data assets and fostering a secure digital ecosystem for a sustainable future.

100%

Compliance with data privacy and security measures

Our Approach to Cyber Security and Data Management

Cyber-risk and Threat Management

Committed to proactive cyber-risk management

Safeguarding valuable information and upholding stakeholder trust with top-tier cybersecurity standards

Cyber-risk vigilance

Employing industry best practices to identify and mitigate risks that may compromise system integrity, data security, and reputation

Pre-launch security

Before introducing any products, services, or sensitive data, thorough information security assessments are conducted, ensuring robust processes and controls

Data Management

Comprehensive data approach

Leveraging diverse data sources for comprehensive insights and informed decision-making, our data approach emphasises transparency and honesty in all aspects of data management

Holistic data utilisation

Utilising various data sources to gauge performance and gain insights across financial, operational, customer, and people perspectives

Data Protection

Prioritising data protection practices

12

Risk Management at Emaar

Amidst the challenges of an uncertain and evolving business environment, it is imperative to have in place a robust framework that systematically assesses the risks to our business, both external and internal, along with stringent measures to address them effectively. Our rigorous assessment process allows us to pinpoint risks and gauge their significance, reduce their effect, and equip us to adapt and create a secure and stable business climate to construct our future. We have incorporated a comprehensive and holistic enterprise-wide risk management (ERM) framework that unites external best practices and our strategic objectives while keeping our stakeholders' values and interests in mind.

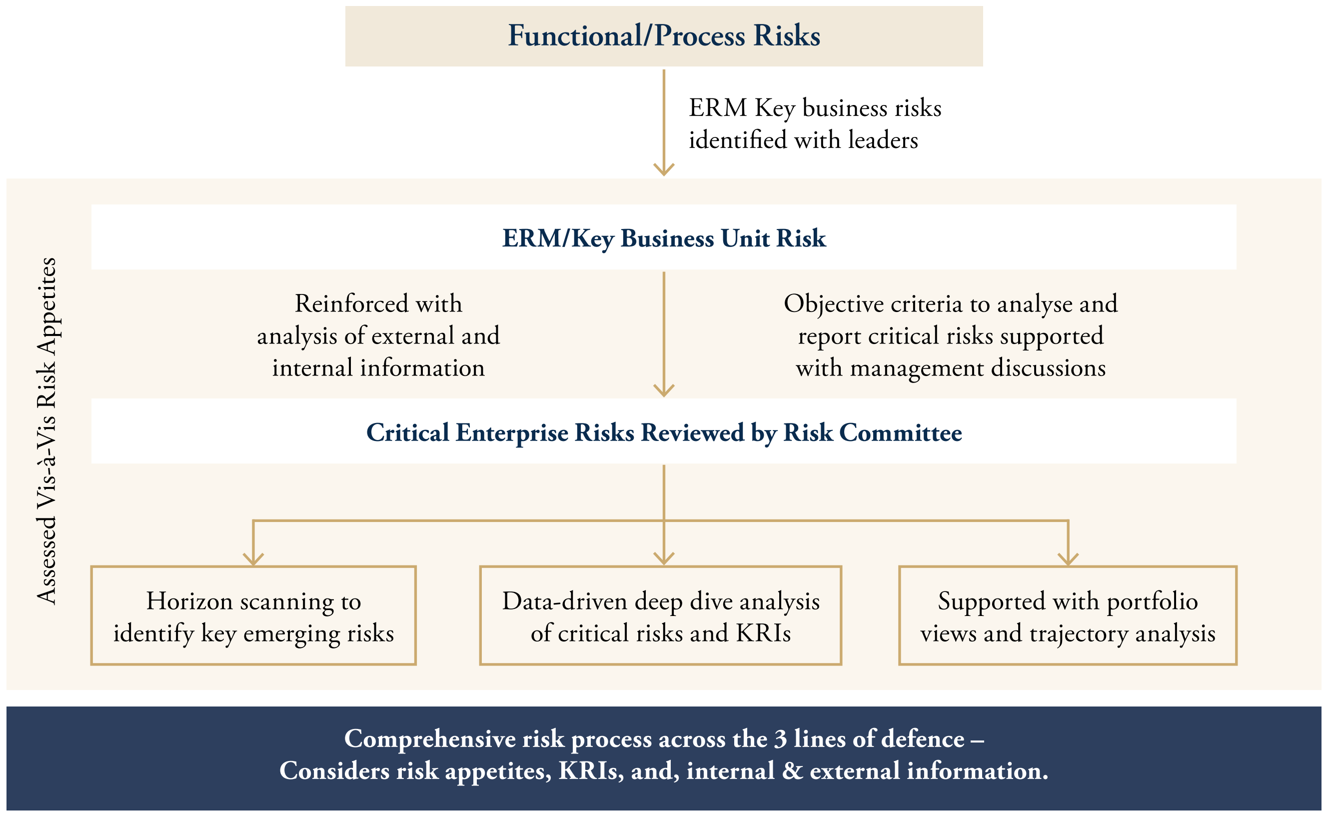
Holistic Risk Management Process

Our Board of Directors drives our risk management process, through the risk committee (consisting of board members) and ERM team, to create a collaborative process with three lines of defence – risk appetite, KRIs, and internal and external information. Our risk principles are reinforced by risk appetite statements that are tailored to our strategic objectives and business context, which are operationalised through our ongoing risk monitoring.

We have adopted a comprehensive approach to identify and evaluate both process/operational risks and enterprise-wide risks, assessing and prioritising each risk based on an impact and likelihood matrix vis-à-vis our risk appetite and KRIs performance. All risks and their mitigation plans are identified, monitored, and communicated across all levels of the organisation to create a holistic risk profile and provide organisation-wide visibility.

To further enhance our risk processes and maturity, we are actively implementing practices to develop our internal control environment and integrate risk management principles into our daily operations. The ERM team remains dedicated to the systematic implementation of our ERM framework and engages with the first line of defence to ensure that risks are managed proactively.

The Risk Management Process



Key Risks and Mitigation

Description	Mitigation
Market Cyclicality	Page 86
Unable to identify and respond to changing market dynamics	Emaar reviews its business unit and geographical location strategies and continuously scans for potential market/economic events that can negatively impact its businesses. It monitors business performance across its portfolio on a regular basis and where necessary, it takes agile risk-informed decisions to realign its business and strategic trajectory vis-à-vis changing trends. The risk management process includes research-driven horizon scanning exercises to identify and mitigate any material adverse events. Further, Emaar maintains adequate liquidity to ensure that any adverse events can be successfully managed.
Access to Liquidity	Page 94
Unable to maintain adequate levels of liquidity to support Group operations and strategic ambitions	Emaar utilises liquidity monitoring and management controls to ensure that the Group has continuous access to capital. This includes maintaining an investment grade rating, earmarking cash against project development costs, and ensuring active lines of credit with reputable financial institutes. Further monitoring processes are embedded to ensure that changes in the Group's liquidity profile are timely identified and mitigated.
Operational Risk Hazards	Page 50
Failure to provide an environment that promotes health, safety, and wellbeing impacts our ability to achieve our corporate and social responsibilities	Emaar is committed to the health, safety, and wellbeing of our people. Through various initiatives that target both physical safety and health & wellbeing, we empower our people to operate at a consistent standard across all our operations.
Technology	Page 70
Failure of cyber resilience and defence systems. Leakage, misappropriation, or unauthorised storage of data	Physical and data security continue to be key focus areas globally. Emaar invests in preventative technology, continuous assessment and testing of IT controls, and education of employees to achieve a sustainable security culture.
Talent and People Management	Page 53
Inability to attract, retain and upskill key talent necessary to deliver strategic objectives; or lack of scalable processes to support predictable growth.	To deliver the desired level of performance, Emaar continues to invest in growing core capabilities through active talent recruitment, people management through effective engagement, and professional development, especially of key/high-calibre employees. Emaar's talent strategies focus on attracting, retaining, and growing the best people. Emaar's processes are designed to be consistent, scalable and effective, and are supported by applicable systems and technologies.
Regulatory Compliance	Page 68
Failure to actively comply with internal and external regulations	Emaar has embedded compliance controls throughout its operational and strategic processes. It has further developed a multi-tiered governance structure, with established Board-nominated committees and policy documentation. Ongoing compliance is monitored by the Audit Committee, Compliance Officer, Internal Audit, and Legal teams. It also continuously scans legal and regulatory environments to identify any material changes that could negatively impact its businesses. It takes timely pre-emptive actions to align its businesses, processes, and systems to ensure effective compliance.

Board of Directors

Mr. Adnan Kazim
Chairman
Non-executive, Independent

6 years on the Board
Appointed on 20.11.17

Dr. Ayesha Binlootah
Vice-Chairman
Non-Executive, Independent

9 months on the Board
Appointed on 18.04.23

Mr. Mohamed Ali Alabbar
Executive Board Member
Executive, Non-Independent

6 years on the Board
Appointed on 20.11.17

Mr. Jamal Bin Theniyah
Board Member
Non-executive, Non-independent

6 years on the Board
Appointed on 20.11.17

Mr. Ahmed Jawa
Board Member
Non-executive, Non-independent

6 years on the Board
Appointed on 20.11.17

Mr. Mohammad Al Muallem
Board Member
Non-executive, Independent

9 months on the Board
Appointed on 18.04.23

Mr. Ali Ibrahim
Board Member
Non-executive, Independent

9 months on the Board
Appointed on 18.04.23

Core Board Skill Matrix

	Mr. Adnan Kazim	Dr. Ayesha Binlootah	Mr. Mohamed Ali Alabbar	Mr. Jamal Bin Theniyah	Mr. Ahmed Jawa	Mr. Mohammad Al Muallem	Mr. Ali Ibrahim
Entrepreneur/leadership	★	★	★	★		★	★
Innovation and technology			★		★		
Finance management	★	★	★	★	★		★
Global exposure	★	★	★	★	★	★	★
Real estate industry experience	★		★	★	★		
Mergers and acquisitions			★	★	★	★	
Strategic management	★	★	★	★	★	★	★
Building customer experience	★		★				

★ - Indicates Board Skills

Principal Officers

Mr. Amit Jain

Group CEO

Mr. Sunil Grover

Chief Financial Officer

Mr. Ashraf Dorgham

Head - Procurement, Contracts & Cost Management

Ms. Rama W. Husamddine

Director, Design

Mr. Fabio Grilli

Director, Design

Ms. Jacqueline Shaddock

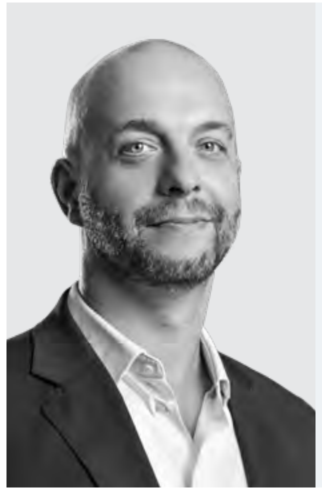
Director, Interior Design

Ms. Leanne Corcoran

Director, Interior Design

Mr. Bhaskara Santosh Punuru

Head of Sales



Mr. Koen Meert

Co-Head of Projects

Mr. Abdulqader Abusoud

Co-Head of Projects

List of Abbreviations and Units

List of Key Abbreviations

<IR> – Integrated Reporting

AHU – Air Handling Unit

AI – Artificial Intelligence

ASHRAE – American Society of Heating, Refrigerating and Air–Conditioning Engineers, Inc

BMS – Building Management System

BREAAM – Building Research Establishment Environmental Assessment Methodology

BTS – Build–to–sell

CEO – Chief Executive Officer

COI – Conflict of Interest

COP – Conference of the Parties

COVID – Corona Virus Disease

CSAT – Customer Satisfaction

CSR – Corporate Social Responsibility

DEWA – Dubai Electricity & Water Authority

DFM – Dubai Financial Market

DHE – Dubai Hills Estate

DHE–CDP – Domestic Household Effluent – Condensate Drain Pipeline

DHEP – Dubai Hills Estate Park

DJSI – Dow Jones Sustainability World Index

DSS – Dubai Solar Show

EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortisation.

ECC – Engineering Contracting Company

ECM – Emaar Community Management

ECM – Energy Conservation Measures

EFM – Emaar Facility Management

EHG – Emaar Hospitality Group

EMAARDEV – EMAAR Development

EMEP – Emaar's Mechanical, Electrical and Plumbing

eNPS – Employer Net Promoter Score

ERM – Enterprise Risk Management

ESAM – Emaar's Smart Asset Management

ESCO – Energy Service Company

ESG – Environmental, Social and Governance

ESG BU – Environmental, Social, and Governance Business Unit

EV – Electric Vehicle

FAHU – Fresh Air Handling Unit

FCUs – Fan Coil Units

FM – Facility Management

FTE – Full Time Equivalent

GCC – Gulf Cooperation Council

GHG – Green House Gas

GLA – Gross Land Bank

GREs – Government–Related Entities

GRI – Global Reporting Initiative

H&S – Health and Safety

HR – Human Resource

HSE – Health Safety and Environment

HSSE – Health, Safety, Security & Environment

HVAC – Heating, Ventilation, and Air Conditioning

IDP – Individual Development Plan

IFRS – International Financial Reporting Standards

IoT – Internet of Things

ISO – International Organisation for Standardisation

IT – Information Technology

JDA – Joint Development Agreement

JV – Joint Venture

KPI – Key Performance Indicator

KRI – Key Risk Indicator

LDI – Landscape Design Intensity

LED – Light Emitting Diode

LEED – Leadership in Energy and Environmental Design

LEED ND – Leadership in Energy and Environmental Design Neighbourhood Development

LPD – Lighting Power Density

LTIFR – Lost Time Injury Frequency Rate

MSCI – Morgan Stanley Capital International

NGO – Non–Governmental Organisation

PAC – Precision Air Conditioner

PDF – Portable Document Format

PICV – Pressure Independent Control Valve

PJSC – Public Joint Stock Company

QR – Quick Response

RoCE – Return on Capital Employed

ROI – Return on Investment

RTA – Roads and Transport Authority

SASB – Sustainability Accounting Standards Board

SRI – Solar Reflectance Index

STP – Sewage Treatment Plant

TSE – Treated Sewage Effluent

UAE – United Arab Emirates

UN SDGs – United Nations Sustainable Development Goals

US – United States

VFD – Variable Frequency Drives

WELL – WELL Building Standard

WETEX – Water, Energy, Technology, and Environment Exhibition or World Energy Technology Exhibition

y-o-y – Year over Year

List of Units

AED – United Arab Emirates Dirham

Bn – Billion

CO – Carbon Monoxide

CO_2 – Carbon Dioxide

GWh – Gigawatt hour

IG – Imperial Gallons

Kg – Kilogram

m^3 – Cubic Meter

Mn – Million

MT – Metric Ton

$MTCO_2$ – Metric Ton Carbon Dioxide

sq. ft. – Square Feet

GRI Content Index

GRI 1: Foundation 2021

Statement of Use	Emaar Development PJSC has reported the information cited in this GRI content index for the period 01 January 2023 - 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI 2: General Disclosures

Disclosure	Location		
	Section	Page No.	UN SDGs
The organisation and its reporting practices			
2-1 Organisational details	At a Glance	3, 16-17	
2-2 Entities included in the organisation's sustainability reporting	About the Report	2-3	
2-3 Reporting period, frequency and contact point	About the Report	2-3	
2-4 Restatements of information	The energy and water consumption figures for 2022 have been restated due to adjustments in overall electricity and water consumption, as they previously excluded common areas in communities.		
Activities and workers			
2-6 Activities, value chain and other business relationships	At a Glance Business Review Strategic Priorities	16-17, 20-21, 24-25	
2-7 Employees	Social	49, 53-57	
2-8 Workers who are not employees	Social	49-52	
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2-9 Governance structure and composition	Governance Corporate Governance Report	64-67, 74-77, 100-102, 109-110	
2-11 Chair of the highest governance body	Governance	74-75	
2-12 Role of the highest governance body in overseeing the management of impacts	Governance	65-66	
2-13 Delegation of responsibility for managing impacts	Governance	65-66	
2-14 Role of the highest governance body in sustainability reporting	Stakeholder Engagement and Materiality Governance	28, 66	
2-15 Conflicts of interest	Governance	67	
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2-19 Remuneration policies	Corporate Governance Report	107	
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3-2 List of material topics	Stakeholder Engagement and Materiality	29	
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3-3 Management of material topics	Business Review Governance	20-21, 70	8
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GRI 204: Procurement Practices 2016			
3-3 Management of material topics	Governance	68	8
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3-3 Management of material topics		35-39	7, 9, 11, 13
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302-4 Reduction of energy consumption	Environment	36	
GRI 303: Water and Effluents 2018			
3-3 Management of material topics	Environment	42-43	6
303-1 Interactions with water as a shared resource	Environment	42-43	
303-5 Water consumption	Environment	42	
GRI 304: Biodiversity 2016			
3-3 Management of material topics	Environment		
GRI 305: Emissions 2016			
3-3 Management of material topics	Environment	35-36	7, 13
305-2 Energy indirect (Scope 2) GHG emissions	Environment	36	
305-5 Reduction of GHG emissions	Environment	36	
GRI 306: Waste 2020			
3-3 Management of material topics	Environment	44	12
306-1 Waste generation and significant waste-related impacts	Environment	44	
306-2 Management of significant waste-related impacts	Environment	44	
306-3 Waste generated	Environment	44	
GRI 308: Supplier Environmental Assessment 2016			
3-3 Management of material topics	Governance	68	
308-1 New suppliers that were screened using environmental criteria	Governance	69	

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401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Social	54	
GRI 403: Occupational Health and Safety 2018			
3-3 Management of material topics	Social	50-52	3
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403-2 Hazard identification, risk assessment, and incident investigation	Social	50-52	
403-3 Occupational health services	Social	50-52	
403-4 Worker participation, consultation, and communication on occupational health and safety	Social	51-52	
403-5 Worker training on occupational health and safety	Social	52	
403-6 Promotion of worker health	Social	52	
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GRI 404: Training and Education 2016			
3-3 Management of material topics	Social	55	4
404-1 Average hours of training per year per employee	Social	55	
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404-3 Percentage of employees receiving regular performance and career development reviews	Social	55	
GRI 405: Diversity and Equal Opportunity 2016			
3-3 Management of material topics	Social	56-57	5
405-1 Diversity of governance bodies and employees	Social Governance	56, 74-75	10

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3-3 Management of material topics	Social	56	8
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408-1 Operations and suppliers at significant risk for incidents of child labour	Governance	67	
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409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Governance	67	
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GRI 414: Supplier Social Assessment 2016			
3-3 Management of material topics	Governance	68-69	
414-1 New suppliers that were screened using social criteria	Governance	69	
GRI 418: Customer Privacy 2016			
3-3 Management of material topics	Governance	71	
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Global Economic Review

The global economy has been showing signs of consistent recovery, and the predicted slowdown has been less severe than expected amidst strong labour markets, robust household consumption, better-than-expected adaptation to the energy crisis in Europe, and a gradual weakening of inflation. In fact, the economic resilience has been remarkable.

Despite the impact of the Russia-Ukraine conflict on energy and food markets and measures by central banks worldwide that led to the tightening of monetary policies and restricted credit flow to combat inflation, the global economic recovery faltered but did not stall altogether. However, the road ahead remains uncertain, given the challenges posed by the unabated Ukraine crisis, conflicts in the Middle East, and the persistence of core inflation.

> According to the International Monetary Fund (IMF), the world economy grew by 3.1% in 2023 and is expected to remain at this rate in 2024.

This is primarily attributed to the weak rebound in Advanced Economies (AEs), where weak manufacturing activity offset the strong recovery of the services sector. Growth is expected to be marginally lower at 1.5% in 2024. In contrast, Emerging Market and Developing Economies (EMDEs) are projected to see growth over 2024, with a slight pickup in 2025, although the recovery will be fragmented across regions.

The IMF predicts a steady deceleration of headline inflation – from 9.2% in 2022, on a year-on-year basis, to 6.8% in 2023 and 5.8% in 2024. Core inflation, excluding food and energy prices, is also projected to decline, albeit more gradually than headline inflation in 2024.

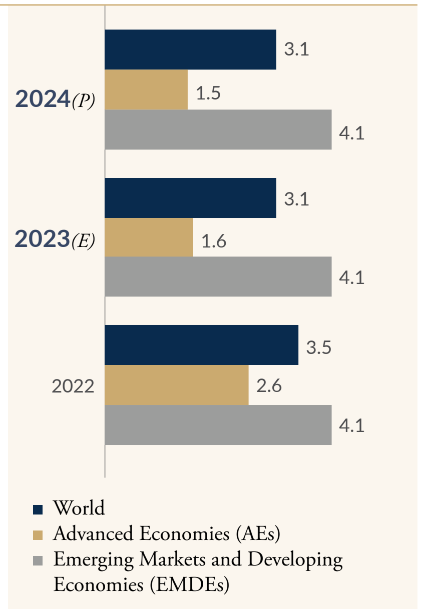
In the US, the likelihood of a 'soft landing' has increased, with the US Fed expected to cut interest rates in the second half of 2024 without triggering a recession. Such possibilities have become evident given the consistent decline in CPI inflation in the United States, together with predictions of a steady increase in US GDP and a strong labour market.

GDP growth: Global

(%)

Source:
World Economic Outlook, January update 2024, IMF

Note:
E: Estimated
P: Projected

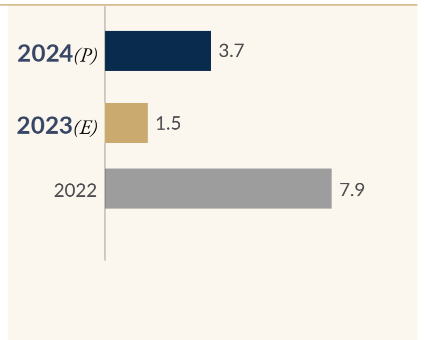


Real GDP growth: GCC

(%)

Source:
Quarterly Economic Review, Q3 2023, CBUAE

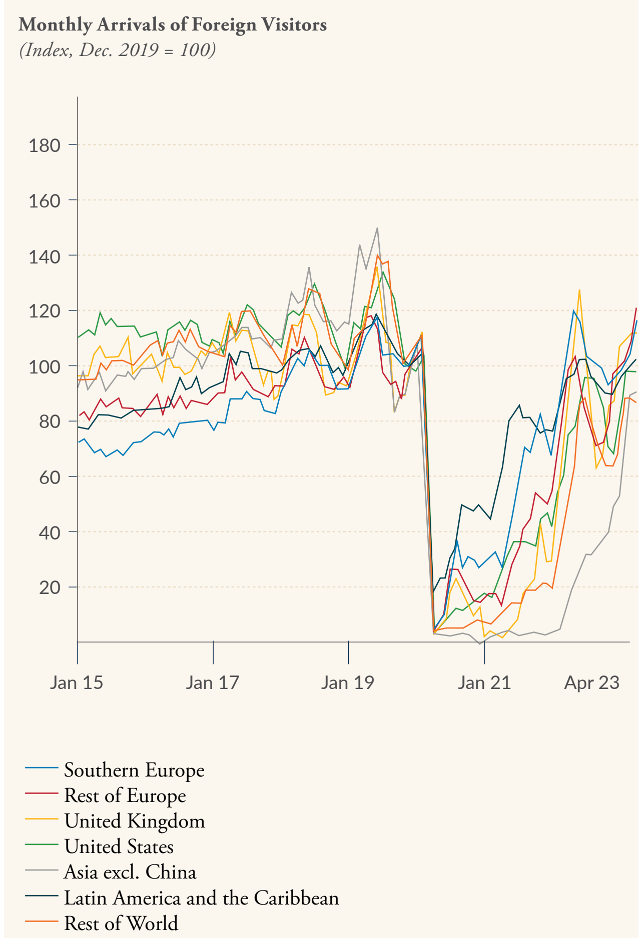
Note:
E: Estimated
P: Projected



However, significant divergences in economic recovery are becoming evident due to the uneven effects of tighter monetary policy across countries. Also, countries find themselves at varying stages in their rate-hike cycles. AEs (excluding Japan) are approaching the peak, whereas certain EMDEs, such as Brazil and Chile, have already initiated monetary easing measures. Furthermore, the interplay between inflation and activity is influenced by the lingering impact of last year's commodity price shock. Economies heavily reliant on Russian energy imports have witnessed a more significant surge in energy prices, leading to a more pronounced economic slowdown.

Tourism returning to normal

(US$)



Source:
World Economic Outlook, October update 2023, IMF

Oil (Brent) Price Movement, 2023

(US$)

Source:
https://markets.businessinsider.com/commodities/oil-price

Outlook

Several factors pose potential downside risks to the near-term outlook. Geopolitical tensions in the Middle East and monetary policy tightening have had an unexpected impact. Positive factors include increased spending by households, lower inflation, a strong labour market, and fast-growing Asian economies contributing to the global economic recovery.

United Arab Emirates (UAE) Economic Review

In 2023, the UAE continued to defy global trends, demonstrating a remarkable economic performance amid global challenges. This success can be attributed to its well-balanced policies that focus on economic diversification backed by market deregulation, support for foreign trade, infrastructure development, and encouragement of private sector participation. As a result, the non-oil sector has evolved into a cornerstone of the GDP, with significant state investments driving economic growth.

> The UAE economy grew by 3.1% in 2023, with much of the momentum coming from non-oil sectors such as real estate and tourism. Notably, Dubai's residential real estate market saw 118,993 transactions during the year, up 29.6% from a year earlier. Additionally, tourists arrivals in Dubai grew to 17.1 million in 2023, outperforming pre-pandemic levels of 16.7 million in 2019.

'We the UAE 2031' vision

As the second-largest economy within the Gulf Cooperation Council (GCC) region, the UAE has established ambitious goals to become an AED 3 trillion economy by 2031. The country is proactively addressing the challenges and opportunities by leveraging advanced technologies to strengthen its research capabilities and institutions, nurture emerging industries, and attract foreign direct investment.

As part of its 2031 vision, the UAE aims to*:

- Generate AED 800 billion in non-oil exports
- Raise tourism's contribution to the GDP to AED 450 billion
- Raise the value of the UAE's foreign trade to AED 4 trillion
- Rank the UAE as:
  - #1 globally in developing proactive legislations for new economic sectors
  - One of the top 10 countries globally in the 'Human Development Index'
  - One of the top 10 countries globally in the quality of healthcare
- Position of the Emirati cities among the top 10 globally in terms of quality of life
- Position of the UAE globally:
  - Among the top 10 countries in attracting global talent
  - As #1 in the 'Safety' index
  - As one of the top 10 countries in the 'Global Food Security Index'
  - As one of the top three countries in the 'Global Cybersecurity Index'

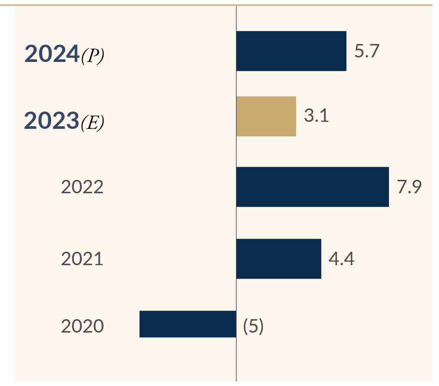
* Source: Click this link to view

The S&P Global's UAE Purchasing Managers' Index (PMI) reached a high of 57.4 in December 2023, the second highest reading since June 2019, driven by a rise in new orders, output, new sales pipelines, and strong domestic market conditions despite the slowing momentum of the external markets. Employment in the UAE has exhibited steady growth throughout 2023, surpassing pre-COVID levels. This trend was reinforced by the growing number of private companies operating in the economy. Additionally, initiatives from the Ministry of Human Resources & Emiratisation, such as allowing employers to offer temporary roles and allowing employees to work for two employers, have helped increase the labour participation rate.

Consumer Price Index (CPI) is estimated to have moderated to 2.9% in 2023, marking a decrease from the 4.8% recorded in 2022. This is attributable to several factors, including fuel subsidies and price caps on essential items and food. Notably, in 2023, the Central Bank of the UAE (CBUAE) implemented several base interest rate hikes, bringing it to 5.40%. This strategic move played a significant role in containing inflation.

UAE GDP Growth

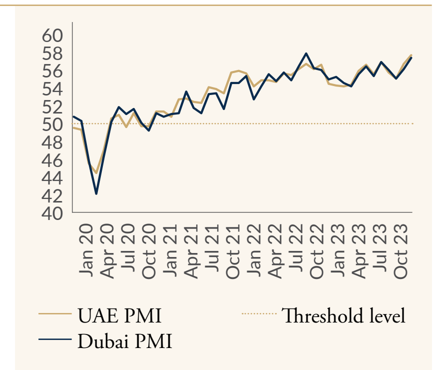
(%)



Source:
Quarterly Economic Review, Q3 2023, CBUAE

Note:
E: Estimated
P: Projected

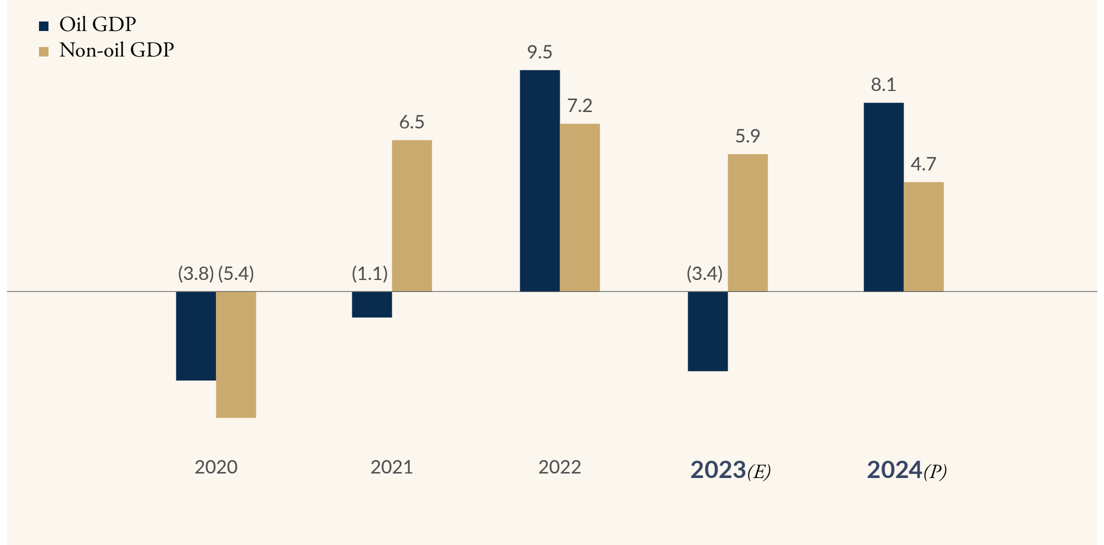
UAE PMI (above 50 means expansion)



Source:
S&P Global

UAE, key economic indicators, y-o-y change

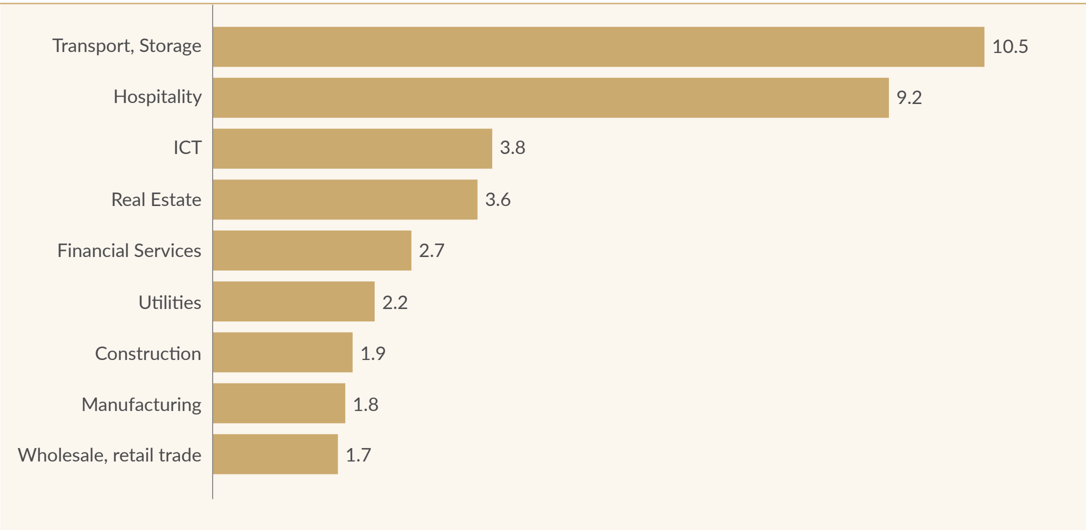
(%)



Source:
Quarterly Economic Review, Q3 2023, CBUAE

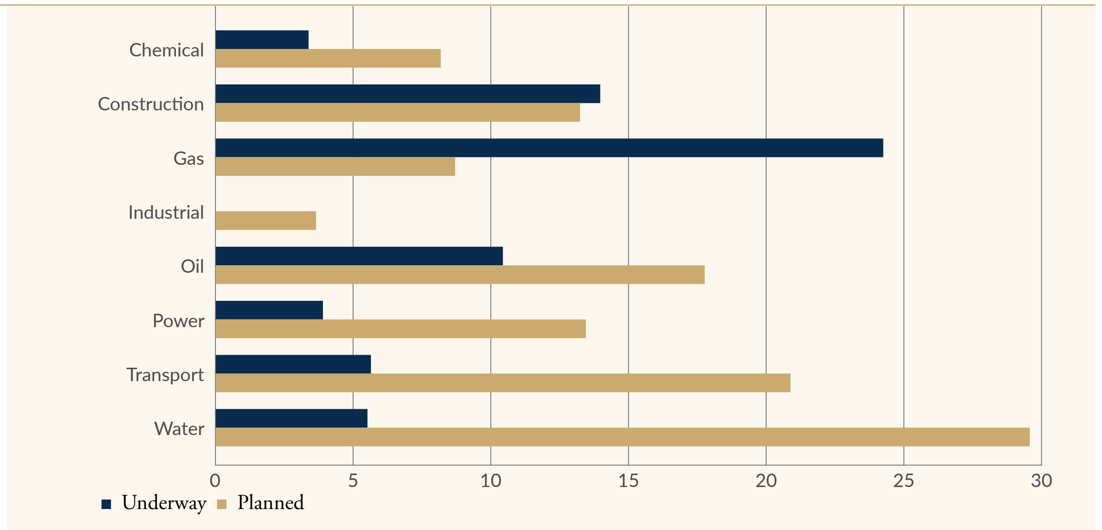
Note:
E: Estimated
P: Projected

Dubai: key sector growth rates in 2023
(%)



Source:
Haver Analytics, Emirates NBD Research

UAE infrastructure projects pipeline through 2030
(AED Bn)



Source:
MEED, Emirates NBD Research

Flagship Comprehensive Economic Partnership Agreements (CEPA) Programme

Enacted in May 2022, the UAE's CEPA programme made major headway in 2023, with the successful implementation of three deals, the signing of two additional agreements awaiting implementation, and an agreement on four more partnerships. This brings the total number of CEPA partners to 10 across four continents since the programme's launch. The programme has secured access to markets that encompass ~2 billion people and will deliver long-term benefits to the UAE economy. It is projected to increase the UAE's exports by 33% and contribute more than AED 153 billion to the UAE's GDP by 2031.

Outlook

The Central Bank of the UAE (CBUAE) forecasts GDP growth to be 5.7% on the back of an expected rise in oil production next year. Growth in the non-oil sectors will continue to support the economy's expansion trajectory. The CBUAE, in its latest report, has pointed to the significant expansions in financial services, insurance, construction, wholesale, and retail trade.

Continuing investments in infrastructure and diversification of the non-oil sector are expected to sustain economic growth over the medium and long term. The CBUAE is likely to continue with its measures to control inflation and is expected to go for rate cuts in the second half of 2024. Overall, the UAE's macroeconomic prospects are positive and its status as a global hub is expected to trigger both domestic and foreign investments.

UAE Real Estate Sector

In 2023, the UAE's real estate sector achieved numerous milestones and surpassed several international benchmarks, solidifying the country's standing as a pre-eminent global hub for real estate and construction.

Throughout 2023, the real estate market witnessed an increase in transaction volumes in both Dubai and Abu Dhabi. This positive trend can be attributed to various government initiatives, such as the introduction of residency permits for retired and remote workers and the golden visa programme, coupled with overall economic growth in the region.

The 2040 Urban Master Plan was formulated to prepare Dubai for a population of 5.8 million, focusing on sustainability and connectivity. Key outcomes include*:

- Green and recreational spaces will double in size
- Nature reserves and rural natural areas will constitute 60% of the emirate's total area
- Several green corridors will be established to link the service areas, residential areas, and workplaces
- Movement of pedestrians, bicycles, and sustainable mobility across the city will be facilitated
- Land area for hotels and tourist activities will increase by 134%, and for commercial activities, it will increase to 168 sq. km.
- Land area for education and health facilities will increase by 25%
- Length of public beaches will increase by 400%

* Source: Click this link to view

Residential Market

In 2023, Dubai's residential market experienced notable growth, driven by the substantial number of off-plan projects and recent launches in key urban areas, such as Dubai Hills Estate, Emaar Beach Front, and Expo City. According to CBRE, the year saw 118,993 transactions, surpassing the 2022 record figure by 29.6%. This is the highest figure ever recorded, with off-plan sales increasing by 31.9% and secondary market sales increasing by 26.3%.

According to CBRE, transaction volumes in Dubai's AED 5 Mn+ residential real estate market reached record levels in 2023. Sales of properties within the prime segment (5 Mn) and super-prime (10 Mn+) segment of the market reached 10,296 and 3,806, up 54.5% and 68.4% from a year earlier, respectively, in 2023.

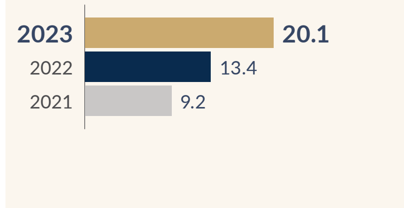
According to JLL, in terms of supply, 36,000+ residential units were delivered in Dubai in 2023. At the end of the year, the total residential stock in Dubai was 719,000+ units, with 34,000 units scheduled for completion in 2024.

Luxury Living at a Competitive Price

The Dubai prime real estate market remains competitive by global standards, offering a relatively low cost of living, a relatively easy visa process, and an appealing warm climate that continues to attract both international and domestic buyers.

According to Knight Frank, US$ 1 million can fetch 17 sq. mtr. of prime property in Monaco, 33 sq. mtr. in New York, 34 sq. mtr. in Singapore and London, and 105 sq. mtr. in Dubai.

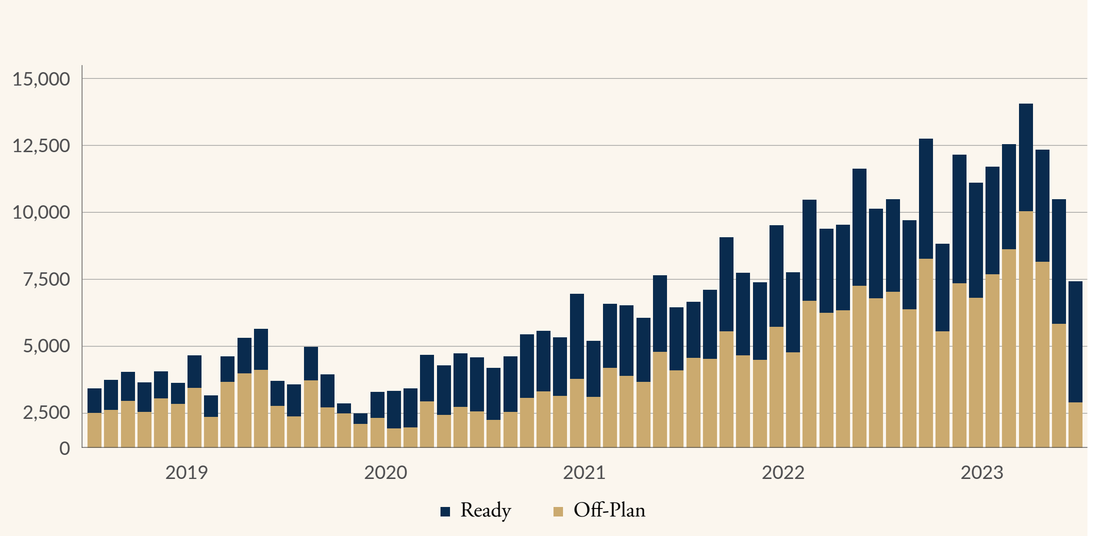
Average rise in residential prices
(%)



Source: CBRE and Knight Frank

Dubai residential transactions

(Numbers)

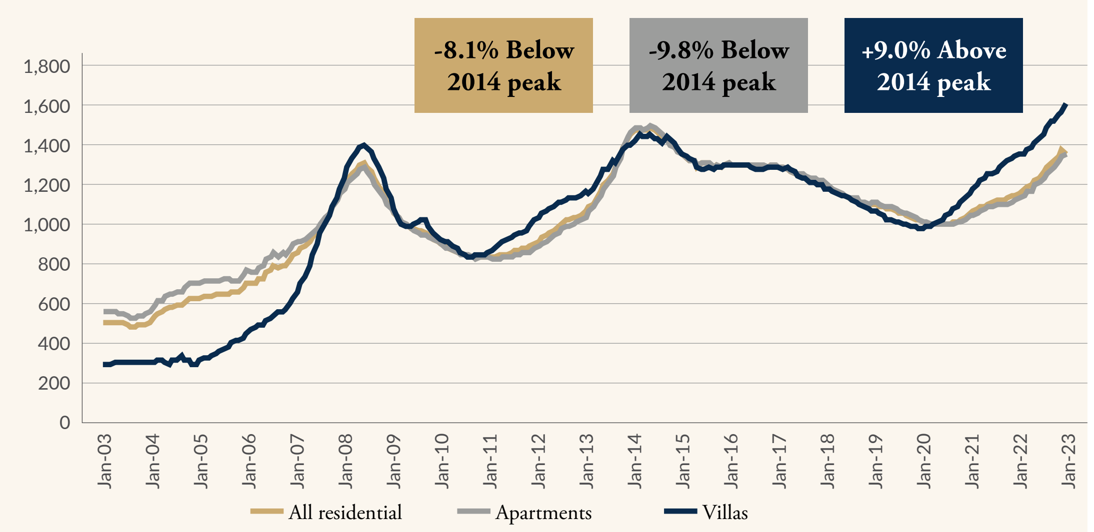


Source: CBRE research/ REIDINE

Note: Prime and super-prime areas are defined as follows: Downtown Dubai, Emirates Hills, Jumeirah Bay Island, Palm Jumeirah and District One. Prime properties refer to properties sold in these areas for more than AED 5 million, and super-prime properties are those sold for more than AED 10 million.

Average value of residential transactions (by property type)

(AED psf)



Source: Knight Frank, REIDIN

Residential Market Snapshot

20.1%
YoY Increase in average prices

18.9%
YoY Increase in average rents

19.8%
YoY Increase in average apartment prices

21.8%
YoY Increase in average villa prices

AED 1,399
Average apartment price per square foot*

AED 1,686
Average villa price per square foot*

* As at December 2023

Dubai: A City Redefining 'Live, Work, Play'

Work

Dubai's office market continues to buck global trends, with healthy growth in demand; the city continues to witness an influx of new companies establishing regional offices there.

0.92
Ease of doing business score (on a scale of 1)
Source: World Bank

Live

According to Knight Frank, Dubai has emerged as one of the world's most targeted luxury home markets for second home buyers. Additionally, the city is one of the world's best connected cities, with a track record of exceptional public safety.

12.16 Min
Average travel time per 10 km
Source: TomTom

Play

Over the last 23 years, Dubai's residential market has continued to evolve exponentially, with micro-market drivers such as world-class schools, healthcare, and shopping malls to macroeconomic policy decisions, all together raising the city's global standing.

#2
Ranking of Dubai International Airport in the 2023 list of the world's busiest airports
Source: OAG

The robust supply of housing units from developers was insufficient to meet the demand in the market. As a result, sales prices rose by 20.1% and rental rates increased by 18.9% in 2023 compared to the previous year.

According to CBRE, as of December 2023, Dubai's average apartment prices reached AED 1,399 per sq. ft., and its average villa prices reached AED 1,686 per sq. ft., which were 19.8% and 21.8% higher than last year, respectively.

Outlook

According to CBRE, both the average prices and rents in Dubai's residential market are expected to remain strong in 2024, albeit with a tendency towards moderation. The market dynamic of the sector remains intact, with the city's worldclass infrastructure, excellent connectivity and proactive government policies becoming attractive to investors beyond Europe, East Asia and the Americas, particularly within the luxury residential property category. Also, given that people from all over the world are looking at the possibility of relocating to Dubai, spurring both job and wealth creation, the real estate market is likely to remain stable and attractive. According to CBRE, compared to the highs witnessed in late 2014, these average apartment sales rates are still 5.9% below this peak, although several key and prime submarkets have long surpassed their 2014 benchmark.

Company Review

Emaar Development PJSC (EMAARDEV), listed on the Dubai Financial Market, is a leading realty player with significant residential and commercial projects under its wings.

> We are the driving force behind the iconic freehold master-planned communities in Dubai, including Emirates Living, Downtown Dubai, Dubai Marina, Arabian Ranches, Dubai Creek Harbour, Dubai Hills Estate, Emaar Beachfront, Rashid Yachts & Marina, and Emaar South.

Since 2002, we have successfully delivered more than 70,000 residential units and currently hold a revenue backlog of AED 57.1 Bn. Our strategic alliances with Government Related Entities (GREs) and other major landowners grant us access to gross land bank totaling 349 Mn sq. ft. in the UAE.

Our reputation is built on the delivery of high-quality, innovative developments tailored to meet the diverse needs of our customers. We oversee the entire lifecycle of community creation, from design and construction to sales and promotion. Our brand is synonymous with integrated master developments, strategically centred around iconic assets, establishing a unique identity in the market.

*Attributable to Owners

Strong Financial Performance

AED 11.9 Bn (US$ 3.2 Bn)
Revenue

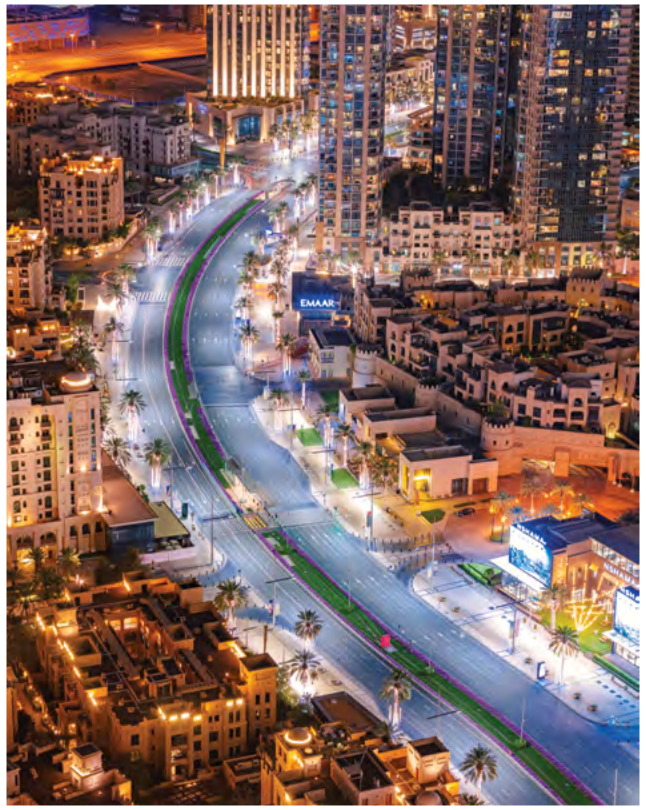
AED 8 Bn (US$ 2.2 Bn)
EBITDA

AED 6.6 Bn (US$ 3.2 Bn)
Net profit*

Proven Execution Track Record

70,000
Residential units delivered since 2002

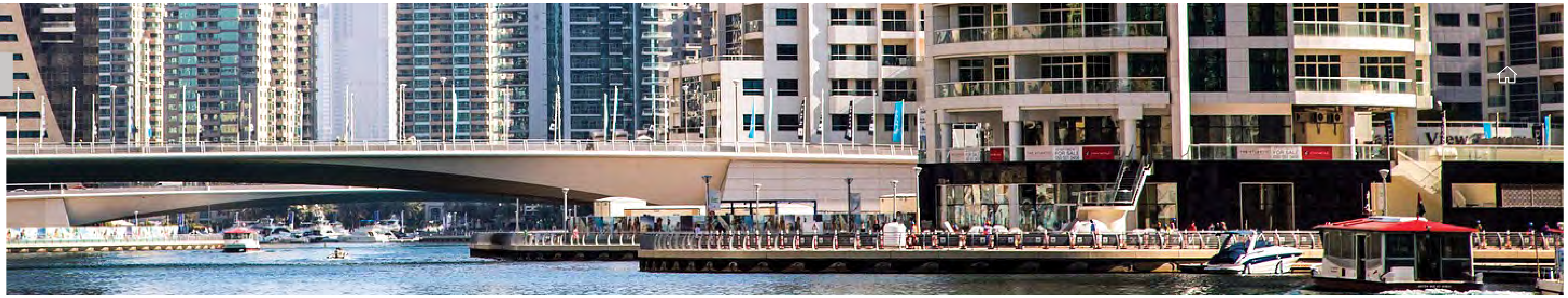
349 Mn Sq. Ft.
Gross land bank remaining in UAE



Strong Revenue Visibility

AED 57.1 Bn (US$ 15.5 Bn)
Robust revenue backlog from property sales

25,500
Residential units under construction



Financial Review

Property Sales and Revenue

Emaar Development recorded property sales of AED 37.4 billion (US$ 10.2 billion) in 2023, which reflected a growth of 22% compared to the previous year. This was driven by the launch of 27 new projects in the UAE across all master plans. Emaar Development achieved revenues amounting to AED 11.9 billion (US$ 3.2 billion). This was driven by superior project execution on the ground. The property revenue backlog of Emaar Development reached AED 57.1 billion (US$ 15.5 billion), indicating positive outlook for revenue recognition in the coming years.

Net Profit*

Net profit attributable to owners increased by 74% in 2023 to reach AED 6.6 billion (US$ 1.8 billion), compared to a net profit attributable to owners of AED 3.8 billion (US$ 1.03 billion) in 2022. This was led by higher margins, savings in finance cost, and higher interest income.

Financial Summary of 2023 Consolidated Results

AED Mn

	2023	2022	% YoY Change
Revenue	**11,921**	11,541	3%
EBITDA	**7,987**	4,224	89%
EBITDA Margin (%)	**67%**	37%	30%
Net profit*	**6,629**	3,808	74%
Net profit* margin (%)	**56%**	33%	23%
Earnings Per Share (EPS) (AED)	**1.66**	0.95	75%

*Attributable to Owners

Important Consolidated KPIs for 2023

AED 37.4 Bn
(US$ 10.2 Bn)
Overall property sales (including sales related to non-consolidated JVs)

22%
YoY increase in property sales (including sales related to non-consolidated JVs)

74%
YoY increase in Net Profit*

12,000
Units delivered in 2023

25,500
Units under construction

Projects Launched in 2023

We are behind iconic freehold master-planned communities in Dubai, including Emirates Living, Downtown Dubai, Dubai Marina, Arabian Ranches, Dubai Creek Harbour, Dubai Hills Estate, Rashid Yachts & Marina, and Emaar South.

- Anya
- Anya II
- May

- Seapoint
- Bayview by Address

- Sunridge
- Clearpoint
- Avonlea
- Bayline

- Palace Residence North
- Savanna
- Cedar
- Creek Waters
- Creek Waters 2

Projects Launched in 2023 Contd.

- Elvira
- Golf Grand
- Greenside
- Parkside Views
- Club Drive
- Park Gate

- Elora
- Rivana
- Nima
- Alana

Fairway Villas 2

Address Al Marjan

Palmiera

Summary of the Financial Position as at the end of 2023

AED Mn

	2023	2022
Total assets	**48,868**	42,474
Total equity including minority interest	**26,471**	20,072
Cash	**18,422**	11,363
Debt	**4**	892
Net Cash	**18,418**	10,471

Consolidated Cash Flows Movements as at the end of 2023

AED Mn

	2023	2022
Net cash flows from operating activities	**9,765**	8,616
Net cash flows from investing activities	**1,172**	232
Net cash flows (used in) financing activities	**(3,836)**	(3,133)
Cash and Cash equivalents at the beginning of the year	**11,321**	5,605
Cash and cash equivalents at the end of the year	**18,422**	11,321

We have had a robust sales trend over the past few years and are in a strong position to benefit from future positive momentum in the Dubai real estate market. Our cash reserves have increased substantially throughout the year, backed by superior operational performance. With an increase in net cash flow from operating and investing activities, which was offset by net cash used in financing activities, closing cash rose by 60% to reach AED 18,422 million at the end of 2023.

We have a strong balance sheet with a healthy debt profile and huge cash reserves, enabling us to undertake numerous projects. We monitor our debt levels closely. Additionally, we also have a Revolving Credit facility (RCF) with various banks for any requirement.

Outlook

Emaar Development has a wide network of businesses in the UAE and is witnessing an increase in property values. The demand for residential property in Dubai remains strong, as evidenced by our robust revenue backlog of AED 57.1 billion. We find ourselves uniquely positioned to make significant progress. Our strategic initiatives to scale the business and improve returns lay a solid foundation for future success.

Positioned strategically in the real estate market, we maintain our focus on developing high-margin projects to continually create value for our shareholders. The fundamental demand drivers for real estate remain robust, with a particularly optimistic outlook for the long-term demand for housing.

CORPORATE GOVERNANCE

IN THIS SECTION

CORPORATE GOVERNANCE REPORT

This report is issued annually by Emaar Development PJSC (the "**Company**") pursuant to the provisions of Article 77 of Resolution No. (3/R.M.) of 2020 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority concerning the Approval of Public Joint Stock Companies Governance Guide ("**Governance Guide**").

1 A clarification of the procedures adopted by the Company to satisfy the requirements of the Governance Guide in 2023, and how they were implemented:

Regarding the procedures adopted by the Company to satisfy the requirements of the Governance Guide in 2023, we would like to confirm that the corporate governance framework adopted by the Company in 2023 complied with all main requirements, and provisions, of the Governance Guide.

As for the Company's approach in applying the provisions of the Governance Guide, the Company implemented the various policies adopted by the board of directors of the Company ("**Board of Directors**" or "**Board**") in relation to governance, taking into account the interests of the Company, the shareholders and all other stakeholders, as follows:

A. Board of Directors:

The composition of the Board of Directors and its terms of reference comply with the requirements of the Commercial Companies Law, the Governance Guide and the articles of association of the Company ("**AOA**"), as well as with other relevant laws and resolutions. Best practices and standards related to the functioning of the Board are also applied to the extent possible to increase its effectiveness.

The Company adheres to the terms of reference set out by the Board of Directors in relation to its composition, operating procedures and responsibilities as follows:

1. The Board of Directors has generally complied with the main requirements of its terms of reference with regard to various matters including, but not limited to, the number of Board members and the balance required among its members according to the specified standards, the terms of membership and the responsibilities of the chairman of the Board ("**Chairman**"), and the number of meetings to be held, the quorum required for meetings, and the majority needed to make decisions, the conditions for decision-making and the technical skills required for membership of the Board.
2. The independent Board members confirmed their independent status during the year 2023 and the Company verified that the legal requirements regarding the minimum number of independent Board members are satisfied.
3. The Board of Directors recommended the payment of an annual bonus to directors for the year 2023 as outlined in section c.2 of this report, subject to approval by the Company's Annual General Meeting in accordance with the relevant laws, regulations and the AOA.
4. The Board acknowledged the responsibilities, duties, powers and other requirements necessary for its functioning through the terms of reference of the Board of Directors.
5. The duties and responsibilities of the Chairman of the Board of Directors include the duties enumerated in the Governance Guide and have been specified in the terms of reference of the Board of Directors.
6. The terms of reference of the Board of Directors outline the duties of the Company's management toward the Board of Directors. These duties include, but are not limited to, organising an induction program for new Board members and providing the Board with regular information to enable the Board to carry out its duties efficiently in accordance with the relevant laws, regulations and the Company's policies.
7. Some of the powers of the Board of Directors are delegated by way of a clearly defined authority matrix approved by the Board. This authority matrix is periodically reviewed and communicated to the relevant members of the management to comply with it.
8. Board members are subject to special disclosure obligations, including, but not limited to, disclosure of any positions they hold in other joint stock companies, any change to their independent status, dealings in the Company's securities and any changes to the information they are required to submit annually as soon as such changes occur. Moreover, a Board member is required to provide full disclosures in respect of any matter being reviewed by the Board or any of its committees in which he has a conflict of interests.

B. Committees of the Board of Directors:

The Board of Directors established four committees, as follows:

(1) Audit Committee

(2) Nomination and Remuneration Committee

(3) Investment Committee

(4) Committee for monitoring Insiders Trading

Other committees may be established as may be decided by the Board. Each Board committee acts in accordance with its own terms of reference.

All terms of reference of the committees are approved either by the Board of Directors or by the committee concerned and these terms of reference are all consistent with the requirements of the Governance Guide. The terms of reference of the Board committees include, but are not limited to, the role of the committee, the requirements for its constitution, the duration of its membership, the duties and powers of its members and its operating procedures.

The requirements relating to independent and non-executive members in the composition of the Audit Committee and the Nomination and Remuneration Committee as provided in the terms of reference of these committees have been complied with.

C. Internal Control

The Board of Directors has established an internal control system in the form of an internal control policy to assess risk management methods and procedures, ensure adherence to the Governance Guide, comply with relevant laws, regulations, and internal policies, and review financial information used in the preparation of the Company's financial statements. The Board of Directors acknowledges its responsibility for the Company's internal control system, for reviewing its methods of operation and confirms the effectiveness of the internal control system. The Audit Committee supports the Board of Directors in overseeing the application of the internal control system. Internal Audit Department under the supervision of the Audit Committee follows a systematic and disciplined approach to assess and improve the effectiveness of the internal control system.

The internal control policy requires that the Board of Directors periodically reviews the Company's internal control system.

D. External Audit

The external auditor is selected in accordance with the requirements of the Governance Guide, the AOA and the applicable laws and regulations.

Once the general meeting approves the appointment of auditors, the Audit Committee informs the external auditors of the conditions and restrictions related to their tasks, considering the requirements of the Governance Guide.

E. Code of Professional Conduct

The Company adopted a code of professional conduct outlining the ethical standards of the Company, its duties toward different stakeholders, its due diligence obligations and its commitment towards compliance with all relevant laws and regulations.

Members of the Board of Directors, employees and internal auditors abide by these rules in the performance of their duties.

F. Policy for dealing in securities issued by the Company

The Board of Directors established a policy governing all dealings in securities issued by the Company by Board members and employees to ensure compliance with applicable laws and regulations.

This policy requires Board members and employees to comply with the restrictions on dealing in securities, outlines the disclosure requirements related to permitted transactions and clarifies the prohibited acts in accordance with the provisions of such policy.

G. Policy Outlining Shareholders' Rights

The Board of Directors established a policy clarifying the shareholders' rights including those certain rights provided by applicable laws and regulations and the rights stated in the AOA.

The purpose of this policy is to enable and encourage the shareholders to exercise their rights effectively.

H. Disclosure Committee

A Disclosure Committee has been established by the Company comprising senior members of the management team. The objectives of the Disclosure Committee are to develop systems to ensure compliance with applicable laws and regulations related to disclosure, upholding the Company's image, providing transparency to the Company's current and future shareholders and other stakeholders and preventing exploitation of the stock market.

2 Statement of ownership and transactions of Board members, and their spouses, their children, in the Company's securities during 2023:

There are neither ownership nor transactions for the Board members or their spouses or children in the Company's securities during the year of 2023.

3 Composition of the Board of Directors:

a. The Board of Directors of the Company consists of seven members (7) as follows:

Name/Designation	Category (Executive/Non-Executive, Independent/Non-Independent)	Memberships and Positions in Other Joint Stock Companies (in UAE) and Government Entities	Date of Appointment
Mr. Adnan Kazim Chairman	Non-Executive, Independent	Emirates - Chief Commercial Officer	*Date of Appointment: 20 November 2017* *Duration of his term as a board member: 6 years*
Dr. Ayesha Binlootah Vice Chairman	Non-Executive, Independent	1. Virtual Assets Regulatory Authority 2. Department of Economy and Tourism 3. SALIK	*Date of Appointment: 18 April 2023* *Duration of her term as a board member: 9 months*
Mr. Mohamed Ali Alabbar Executive Board Member	Executive, Non-Independent	Emaar Properties PJSC – Managing Director	*Date of Appointment: 20 November 2017* *Duration of his term as a board member: 6 years*
Mr. Jamal Bin Theniyah Board Member	Non-Executive, Non-Independent	Emaar Properties PJSC – Chairman	*Date of Appointment: 20 November 2017* *Duration of his term as a board member: 6 years*
Mr. Ahmed Jawa Board Member	Non-Executive, Non-Independent	Emaar Properties PJSC – Vice Chairman	*Date of Appointment: 20 November 2017* *Duration of his term as a board member: 6 years*
Mr. Ali Ibrahim Board Member	Non-Executive, Independent	1. Amlak Finance – Chairman 2. E I I Capital – Chairman 3. Emirates Payment Services Company – Chairman	*Date of Appointment: 18 April 2023* *Duration of his term as a board member: 9 months*
Mr. Mohammad Al Muallem Board Member	Non-Executive, Independent	DP World – Executive Vice President	*Date of Appointment: 18 April 2023* *Duration of his term as a board member: 9 months*

Experience and Qualifications of the Board of Directors:

The members of the Board of Directors have the below experience and qualifications:

Mr. Adnan Kazim, Chairman:

Adnan Kazim is Emirates airline Chief Commercial Officer reporting to the President Emirates Airline.

He leads Emirates' Commercial Operations across the airline's vast network of nearly 160 destinations in 86 countries including e-Commerce, Retail & Contact Centres, the Emirates Skywards loyalty programme and Emirates SkyCargo.

He also heads the airline's Strategic Planning and Revenue Optimisation teams, which are critical functions that play an integral role in the airline's commercial success.

Adnan joined Emirates in 1992. His career graph rose quickly, and he went on to successfully lead the airline's commercial regions in senior management roles that included Senior Vice President Gulf, M.E. & Iran, and Senior Vice President Africa.

His broad experience helped him transition into a leadership role to shape the airline's strategy of growth in the areas of Fleet Planning, market expansion and governmental relations. Prior to his current role, he held the position of Divisional Senior Vice President, Strategic Planning, Revenue Optimisation & Aeropolitical Affairs.

Adnan graduated from the UAE University in Al Ain.

Adnan is on the Board of Emirates Airline Foundation, a non-profit charity organisation which aims to improve the quality of life for children caught in extreme poverty worldwide.

In December 2020, Emaar Development, a leading property and lifestyle developer owned by Dubai-based Emaar Properties, named Adnan as the new chairman of the Company's Board.

In September 2022, Adnan was appointed to the Board of Directors of the Transguard Group, the UAE's leading provider of business support and outsourcing solutions, and a joint venture company between the Emirates Group and Al Hail Holding.

Dr. Ayesha Binlootah, Vice Chairman:

Dr. Ayesha Binlootah is a highly accomplished and self-driven leader with over 14 years of diverse experience in Licensing, Supervision, Assurance, Inspection, Internal Audit, Risk Management, Information Security, Internal Control, Excellence, Service Improvement, Governance, Business Continuity Management, Crisis Management, and Global & City Crisis Communication.
Dr. Binlootah has consistently excelled in steering organisations towards success with a proven track record in various industries, including Financial Institutions, Virtual Assets, Tourism, Hospitality, Economic Development, and the Public Sector.

As an experienced board member, Dr. Binlootah has played a pivotal role at the Institute of Internal Auditors (IIA) – UAE Chapter, chairing several committees and contributing to the record-breaking International Audit Conference. Additionally, Dr. Binlootah has held committee positions as an independent director in publicly listed companies at the Dubai Financial Market (DFM).

Dr. Binlootah holds a Doctorate in Business Administration in Tourism Investments and is a Certified Corporate Governance Practitioner from the UK Affiliation of Corporate Governance Practitioner & COSO Certified. Her academic achievements include executive education from prestigious institutions such as Oxford Said School of Business, London Business School, Jack Welsh Management Institute, and Ashridge School of Business.

Dr. Binlootah holds a position of Assistant Vice President at VARA and has been instrumental in positioning Dubai as a global and regional hub for Virtual Assets, Economic Development, Tourism, and as a Financial Sector Hub and related services.

Prior to this, Dr. Binlootah served as the Portfolio Sponsor for Financial Sector Development at the Economic Accelerator Unit – Government of Dubai, where she contributed to elevating Dubai's financial ecosystem as a global hub for business, in addition to her multiple roles at Dubai government.

Before joining the government sector, Dr. Binlootah gained valuable experience at Dubai Islamic Bank as the Finance & Operations Audit manager, overseeing critical audits and risk assessments, resulting in significant cost savings and operational improvements.

Throughout her career, Dr. Binlootah has been actively engaged in various national federal and international committees, contributing to essential initiatives and government agenda related to anti-money laundering, Combating the Financing of Terrorism, and more.

With her vast knowledge, expertise, and leadership skills, Dr. Binlootah has consistently driven organisations and government entities towards excellence while making valuable contributions to the professional community, private sector, and public sector through her involvement with industry associations and committees.

Mr. Mohamed Ali Alabbar, Executive Board Member:

Founder & Managing Director of Emaar Properties
https://www.emaar.com/

Founder & Director of Noon.com
https://www.noon.com/

Chairman of Eagle Hills
https://www.eaglehills.com/

Chairman of Americana Group
https://www.americanarestaurants.com/

Mr. Mohamed Ali Alabbar is a global entrepreneur with active interests in real estate, retail, hospitality, e-commerce, technology, logistics, F&B and venture capital.

Experience

Since 1997, he has been at the forefront of global real estate, leading marquee real-estate development companies such as Emaar Properties (developer of world's tallest building) and Eagle Hills (leading emerging markets real estate developer). He has spearheaded the growth of Emaar Properties attaining unmatched track records of successfully developing iconic futuristic residential, retail, entertainment, hospitality & leisure assets transforming the lifestyles of people globally. Over the years he has developed world-class mixed used projects, including his retail businesses, across 20+ markets of Middle East, North & Sub Saharan Africa, Central & Eastern and Southern Europe & South East Asia and US.

Business Acumen

In addition, he has driven the growth of several regional players into world-renown sector champions including Americana Group (a multibillion-dollar food business, the largest integrated food company in the Middle East) and noon.com (the leading e-commerce platform in the region). He was also the Chairman and Co-founder of RSH Limited, a leading pan-Asian and Middle Eastern marketer, distributor, and retailer of internationally renowned sports, golf, active lifestyle, and fashion brands with a portfolio of over 70 brands and a distribution network spanning more than 40 countries in the Asia-Pacific and Middle East region, as well as more than 1000 freestanding stores and shops-in-shops. Mr. Alabbar is also shareholder in Artstreet Limited which owns interests in real estate business. He is the Chairman of Zand, one of the world's first combined digital corporate and retail bank to launch from the UAE.

Education

A graduate in Finance and Business Administration from the Seattle University in the US, also holds an Honorary Doctorate from Seattle University, an Honorary Doctorate from London School of Economics and Political Science and an Honorary Doctorate from Sun Moon University in South Korea.

Mr. Jamal Bin Theniyah, Board Member:

Mr. Jamal Bin Theniyah, born in 1958, holds a bachelor's degree in Public Management.

Mr. Bin Theniyah joined Port Rashid in October 1981 and has progressed through management up until May 1991 when Dubai Government merged port Rashid with Jebel Ali port under Dubai Ports Authority (DPA) and was appointed as Assistant Managing Director.

In the year 1999, one of the first initiatives of Mr. Theniyah along with DPA chairman in the international port operation market encompassing, Beirut, Djibouti and Jeddah led to the creation of Dubai Ports International (DPI).

In 2001, he has been appointed as a Managing Director to master plan the development of Jebel Ali as one of the biggest terminals in the world increasing its capacity from 20 million TEUs at that time to 50 million TEUs.

In 2004, Mr. Bin Theniyah played a major role in the acquisition of Sealand world terminals to give DPI a real international footprint.

Jamal Majed Bin Theniyah is the Co- Founder of DP World, the 4th largest port operator in the world with a capacity of 100 million TEUs as in the year 2006, DPI concluded the acquisition of P&O Ports to become the 3rd largest port operator in the world and DPW was created to become a real international port operator company worth USD 22 billion.

In 2006, Mr. Bin Theniyah has been appointed a Vice Chairman and GCEO of Ports & Freezone world, which include DP World, Freezone world and P&O Ferries until his retirement in January 2017.

In 2008, following the global crisis, Mr. Bin Theniyah led the restructuring of Dubai World, a conglomerate in the real estate (Nakheel), private equity (Istithmar) and Dry dock world.

Since 2012, Mr. Bin Theniyah sits as an independent member on the Board of Directors of Emaar Properties, and have previously served as a board member in different entities.

In September 2017, Mr. Bin Theniyah has been elected as a non-executive board member of Emaar, the Economic City.

Mr. Bin Theniyah is a common speaker in the international ports and maritime conferences and is amongst few who won 3 international prestigious awards:

In 2006, he won Lloyds list personality of the year,

In 2007, he won the personality of the year by Seatrade,

In 2010, he won the highest lifetime award by Seatrade "the life time achievement award".

Mr. Bin Theniyah is known and well respected by the major international ports operators and shipping lines and has the knowledge of developing large scale port operation and logistic zone including the business knowledge process in the shipping line routs and rotations.

Mr. Ahmed Jamal Hassan Jawa, Board Member:

Chairman, Starling Holding Limited

Mr. Ahmed Jawa embodies the Middle East's success story. As Chairman of Starling Holding Limited, Mr. Jawa has continually set business and entrepreneurial excellence standards.

The renowned Saudi Arabian entrepreneur established Starling Holding, an international investment group dedicated to private equity and venture capital, just after graduating from college, when private equity was in its infancy in the Middle East region.

Mr. Jawa's impeccable corporate expertise in oil and gas, healthcare, hospitality, home entertainment, and real estate development helped grow Starling Holding into a global investment leader, with business interests in the Middle East, Europe, USA, North Africa, and South Asia.

His business acumen was recognised in 1996, at the highest level, when he was honoured as one of the 'Global Leaders of Tomorrow' at the World Economic Forum in Davos, Switzerland.

Mr. Jawa's expertise and entrepreneurial skills have seen him become a trusted advisor for global companies that operate in the Middle East.

He is the Vice-Chairman of Emaar Properties, the developer of global icons including Burj Khalifa and Downtown Dubai, and Chairman of its Emaar Properties' Risk Committee. He is also a member of its Audit Committee and its Nomination & Remuneration Committee and Investment Committee, offering advice on Emaar's global expansion plans.

Mr. Jawa is also a Board Member of Emaar Development, the leading developer of residential and commercial build-to-sell assets in the UAE, and a member of its Investment Committee and Audit Committee. In addition, Mr. Jawa is also on the Board of National Pipe Company Ltd (NPC), a joint-venture between Saudi-based enterprises and Sumitomo Corporation Group of Japan that manufactures and supplies quality pipes for the oil, gas, water and construction services.

Mr. Jawa is a former Chairman of Emaar Middle East (KSA), developer of high-value projects in the Kingdom of Saudi Arabia.

He is a former Chairman of Emaar Turkey and a former Board member of Emaar Misr's in Egypt, he was also the Chairman of its Audit Committee and a member of its Investment Committee.

In addition, he is a former Board member of RAK Petroleum, an Oslo Børs-listed oil and gas investment company and had served as the Chairman of its Audit Committee.

He is a former member of the Board of 'Emaar, The Economic City' and its Nomination & Remuneration Committee. A public joint-stock company listed on the Saudi Stock Exchange (Tadawul), 'Emaar, The Economic City' is undertaking the modernisation and execution of King Abdullah Economic City, the largest master-planned community of its kind in the Middle East region.

Mr. Jawa was previously Chairman of Disney Jawa Enterprises, which introduced a range of Walt Disney licenced products to the Middle East region. He was the Chairman & CEO of Stallions Home Video, which redefined home entertainment in the region, and Coflexip, a joint venture with France's Elf Aquitane, to lay underwater pipes for crude oil distribution.

Mr. Jawa holds a Master's in Business Administration (MBA) and a Bachelor of Science in Business Administration from the University of San Francisco. He is fluent in Arabic, English, and French.

Mr. Ali Ibrahim, Board Member:

As Deputy Director General at Dubai Economy and Tourism in Dubai ("DET") (Department of Economic Development previously), before his retirement in February 2023, Ali Ibrahim is entrusted with enhancing DET's role in the emirate's strategy to remain in the forefront of countries applying the highest standards in doing business across the economic, social and cultural domains.

Mr. Ibrahim is also responsible for evaluating regional and global economic developments as well as their impact on Dubai and its competitiveness. In addition, he supervises surveys and the collection and publication of economic indicators in Dubai and business-related statistics and Islamic Economy strategy and initiatives.

Mr. Ibrahim participated in the working groups, which prepared Dubai Strategic Plan 2007-2015, and also supervised DET's working team, which updated the economic plan 2013 -2015.

Mr. Ibrahim started his career with the UAE Central Bank in 1983 in Abu Dhabi where he rose through the ranks to become Assistant Manager for Research and Statistics. Since joining DET previously in 1993, he has held several positions including Head of Studies and Planning Department, Head of Commercial Registration Department, Acting Head of compliance department and Deputy Director General for Executive Affairs.

Key positions currently held by Mr. Ibrahim include Chairman of Amlak Finance; Chairman of E I I Capital, and Chairman of Emirates Payment Services Company. Earlier, he was also Board Member of Dubai Financial Market, Board Member of Emaar Malls, Member of the Supreme Insurance Committee and Chairman of Emaar Financial Brokerage, and Member of Commercial Agencies Committee.

He was also the General Co-ordinator of the Economic Development Committee of the Executive Council of Dubai, and Technical Co-ordinator of the Dubai Islamic Economy Development Centre.

Mr. Ibrahim holds a Bachelor's Degree in Business Administration and English Language from the UAE University. He has also participated in several courses and conferences and attended working groups in global bodies such as the International Monetary Fund and the World Bank. He was one of the first graduates of the Government Leadership Programme of the Mohammed Bin Rashid Centre for Leadership Development.

Mr. Mohammad Al Muallem, Board Member:

With more than three decades of experience in port and terminal operations and management, Mohammed Al Muallem has led the growth and development of the region's most important seaport, Jebel Ali Port through a period of major expansions, defining and driving its strategic vision.

Al Muallem was appointed Chairman of the Executive Merging Team of Dubai Ports Authority, Dubai Customs and the Free Zone in 2000 and in 2004, Executive Coordinator for the Terminal 2 development at Jebel Ali Port.

In 2005, Dubai Ports Authority (DPA) and Dubai Ports International (DPI) merged to form DP World, and Al Muallem was appointed as the Senior Vice President (SVP) and Managing Director (MD) of DP World, UAE Region.

Al Muallem assumed the position of Chief Executive Officer and Managing Director of DP World, UAE Region and CEO of Jafza in 2017 to lead the smart trade enabler's key assets and companies under Ports and Terminals, Parks and Zones, Trade Enablement and Security Solutions in the UAE.

In 2021, Al Muallem took on the role of Executive Vice President of DP World to work closely with Sultan Ahmed Bin Sulayem, Group Chairman and CEO of DP World, to provide key leadership and explore a new world of opportunities for DP World's global portfolio.

Mohammed Al Muallem holds a Bachelor of Science in Industrial Engineering from the University of Portland, Oregon, in the US. He has completed extensive training at the University of Manchester, Cranfield College, in the UK.

b. A clarification on women's representation in the Board of Directors in 2023:

Dr. Ayesha Binlootah represents women in the Board of Directors for the year 2023 and was originally appointed by the Annual General Meeting of the Company on 18 April 2023.

The Company further confirms its continuous support and commitment to provide equal opportunities to women. The Company has always believed in the capabilities, skills and expertise of women and this was demonstrated through the appointment of women in the highest positions within the management of the Company.

c.1. Total remuneration paid to members of the Board of Directors of the Company for the year 2022:

The total remuneration of the Board members of the Company for the year 2022 was paid as approved by the annual general meeting of the Company and set out in 2022 Corporate Governance Report of the Company.

c.2. Total remuneration proposed to be paid to members of the Board of Directors for the year 2023:

The Board of Directors propose six hundred fifty thousand UAE Dirhams (AED 650,000) for each non-executive director as the remuneration to be paid to them for the year 2023, subject to approval by the Annual General Meeting of the Company.

c.3. Allowances paid to Board members during the year 2023 for attending meetings of the Board committees:

It was decided to pay an amount of four hundred fifty four thousand UAE Dirhams (AED 454,000) as allowances for attending meetings of the Board committees for the year 2023 as shown in Annex B-1, at the rate of twelve thousand UAE Dirhams (AED 12,000) per meeting for chairmen of committees and ten thousand UAE Dirhams (AED 10,000) per meeting for members of the committees. No allowances will be paid to any executive Board member for attending meetings of committees. Allowances were distributed as shown in Annex B-1.

c.4. Details of the additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees and their reasons:

There are no additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees.

d. **Number of Board Meetings held during the year of 2023:**

The Board of Directors held five (5) meetings during the fiscal year 2023 on the following dates to discuss matters that do not require disclosure as per the relevant disclosure and transparency regulation issued by the Securities and Commodities Authority:

- 16 March 2023
- 18 April 2023
- 21 June 2023
- 20 September 2023
- 12 December 2023

The personal attendance of Board members is indicated in Annex B-2 attached to this report.

e. **Number of the Board resolutions passed by circulation during the 2023 fiscal year, along with convening dates:**

The Board of Directors issued two resolutions by circulation during the fiscal year 2023, on 13 June 2023 and on 27 November 2023 regarding matters that do not require disclosure as per the relevant disclosure and transparency regulation issued by the Securities and Commodities Authority.

f. **Delegation of Authority:**

The Board of Directors delegated to the executive management powers relating to various matters such as the powers to approve construction contracts, consultancy services, operating expenses and banking transactions within certain financial limits. This delegation of powers is reviewed each year.

g. **Related Party Transactions:**

Please refer to Annex L attached to this report which provides the key related party transactions which are equal to 5% or more of the Company's capital, in accordance with the definitions provided for these terms in both IFRS and Governance Guide during 2023.

h. **Organisational structure of the Company:**

Please refer to Annex C attached to this report which includes the Company's organisational structure as of 31 December 2023.

i. **Senior Executive Employees:**

Please refer to Annex D attached to this report which includes a list of the Company's senior executive employees, date of appointment, total salaries and allowances paid in 2023.

4 External Auditor:

a) **Brief Background on the External Auditor:**

For almost 50 years, KPMG Lower Gulf Limited has been providing audit, tax and advisory services to a broad range of domestic and international, public and private sector clients across all major aspects of business and the economy in the United Arab Emirates (UAE) and in the Sultanate of Oman (Oman). KPMG works alongside its clients by building trust, mitigating risks and identifying business opportunities.

KPMG Lower Gulf is part of KPMG International Cooperative's global network of professional member firms. KPMG firms operate in 143 countries and territories, and employs more than 273,000 partners and people, serving the needs of business, governments, public-sector agencies, not-for-profits and through KPMG firms' audit and assurance practices, the capital markets. KPMG in the UAE and Oman is well connected with its global member network and combines its local knowledge with international expertise, providing the sector and specialist skills required by its clients.

KPMG is widely represented in the Middle East: along with offices in the UAE and Oman, the firm operates in Saudi Arabia, Bahrain, Kuwait, Qatar, Egypt, Jordan, Lebanon, Palestine and Iraq. Established in 1973, the Lower Gulf firm now employs more than 1,700 people, including over 150 partners and directors across the UAE and Oman.

b) **Audit Fees:**

A table is attached to this report (Annex A) showing the total fees and costs related to the audit and other services provided by external auditors, including the details and nature of the services provided, and a statement of the other services provided by external auditors other than the Company's auditor in 2023, in addition to the number of years served as an external auditor of the Company.

c) **A clarification of any qualified opinion provided by the Company's external auditor:**

The auditor's report did not provide any qualified opinion regarding the interim or annual financial statements for the year 2023.

5 Audit Committee:

a) Mr. **Ali Ibrahim**, as the Chairman of the Audit Committee, acknowledges his responsibility for the committee's system in the Company, for reviewing its working mechanism and for ensuring its effectiveness.

b) **Composition and Functions:**

The composition of the Company's Audit Committee during the year 2023 was as follows:

1. Mr. Ali Ibrahim (chairman)
2. Mr. Ahmed Jawa (member)
3. Mr. Mohammad Al Muallem (member)

The committee has many functions, including developing and implementing the policy for appointment of external auditor and following up and monitoring its independence, as well as discussing the nature and scope of the audit process and its effectiveness in accordance with the applicable auditing standards. It also monitors the integrity of the Company's financial statements and reports, considers any significant and/or unusual items that are or must be included in these reports, and reviews the financial controls, internal controls and risk management systems, as well as the Company's financial and accounting policies and procedures.

The Audit Committee oversees the Company's compliance with the code of professional conduct, ensures the proper discharge of its duties as set out in its terms of reference in accordance with the powers entrusted to it by the Board. The Audit Committee established practical tools to enable the employees to report any potential violations related to financial reports, internal controls or other violations and takes the necessary actions in this regard; it also reviews and approves related party transactions in accordance with the policies adopted by the Board in this regard.

c) **Meetings and Attendance:**

The committee held its meetings during 2023 to discuss matters relating to financial statements and other matters as follows:

- 6 February 2023
- 13 March 2023
- 25 May 2023
- 7 August 2023
- 6 November 2023

The personal attendance of the members of the committee is shown in Annex B-1 attached to this report.

6 Nomination and Remuneration Committee:

a) **Dr. Ayesha Binlootah**, as the Chairman of the Nomination and Remuneration Committee, acknowledges her responsibility for the committee's system in the Company, for reviewing its working mechanism and for ensuring its effectiveness.

b) **Composition and Functions:**

The composition of the Company's Nomination and Remuneration Committee during the year 2023 was as follows:

1. Dr. Ayesha Binlootah (chairman)
2. Mr. Jamal Bin Theniyah (member)
3. Mr. Ali Ibrahim (member)

The committee's principal role consists of reviewing several issues, including, but not limited to, monitoring the independent status of independent Board members on a continuing basis, setting out the policy for granting bonuses, benefits, incentives and salaries to Board members and employees, determining the Company's requirements for various skills and competencies, preparing the Company's policies on human resources, and regulating, organising and monitoring the procedures for nomination of Board members.

c) **Meetings and Attendance:**

The committee held its meeting during 2023 as follows:

- 20 February 2023
- 9 March 2023
- 7 April 2023
- 20 June 2023
- 18 September 2023

The personal attendance of the members of the committee is shown in Annex B-1 attached to this report.

7 Investment Committee:

a) Mr. **Mohamed Ali Alabbar**, as the Chairman of the Investment Committee, acknowledges his responsibility for the committee's system in the Company, for reviewing its working mechanism and for ensuring its effectiveness.

b) **Composition and Functions:**

The composition of the Company's Investment Committee during the year 2023 was as follows:

1. Mr. Mohamed Ali Alabbar (chairman)
2. Mr. Adnan Kazim (member)
3. Mr. Jamal Bin Theniyah (member)
4. Mr. Ahmed Jawa (member)

The committee's principal role consists of reviewing several issues, including, but not limited to, the Company's new investments, feasibility studies and related financing transactions.

c) **Meetings and Attendance:**

The committee held its meetings during 2023 as follows:

- 14 March 2023
- 14 June 2023
- 19 September 2023
- 11 December 2023

The personal attendance of the members of the committee is shown in Annex B-1 attached to this report.

8 Committee for Monitoring Insiders Trading:

a) **Dr. Ayesha Binlootah,** as the Chairman of the Committee for Monitoring Insiders Trading, acknowledges her responsibility for the committee's system in the Company, for reviewing its working mechanism and for ensuring its effectiveness.

b) **Names of members of the Committee for Monitoring Insiders Trading, its scope of work and responsibilities**

c) The members of the committee during the year 2023 were Dr. Aisha Bint Butti Bin Bishr and Mr. Richard Nigel Shirley (Head of Projects) until 17 April 2023 and from 18 April 2023 onwards Dr. Ayesha Binlootah and Mr. Richard Nigel Shirley (Head of Projects).

The committee is responsible for managing, monitoring and supervising trading and ownership of securities of the Company by insiders, maintaining a register of their names and submitting periodic statements and reports to the stock market.

d) **Summary of the Committee's activities report for 2023**

The committee prepared and updated the register of insiders and informed the individuals named in the register about the requirements to comply with the insiders trading policy and requested them to ensure compliance with these requirements and to notify the committee when they trade in the Company's shares.

9 Internal Control System:

The Board of Directors has established an internal control system in the form of an internal control policy to assess risk management methods and procedures, ensure adherence to the Governance Guide, comply with relevant laws, regulations, and internal policies, and review financial information used in the preparation of the Company's financial statements. The Board of Directors acknowledges its responsibility for the Company's internal control system, for reviewing its methods of operation and confirms the effectiveness of the internal control system. The Audit Committee supports the Board of Directors in overseeing the application of the internal control system. It has provided the Board with details of the Internal Audit Department's reports and memorandums, along with the minutes from the Audit Committee's meetings.

The Internal Audit Department provides independent and objective assurance and advisory services designed to add value and improve the Company's operations. This is achieved through performing a systematic and disciplined approach that assesses and improves the effectiveness and efficiency of risk management, control systems and governance processes.

Mr. Saeed Almadani leads the Internal Audit Department and serves as the Group Chief Audit Officer and Group Chief Risk & Compliance Officer since his appointment in April 2023. He holds the following qualifications:

- Chartered Accountant (ACA) from the Institute of Chartered Accountants in England & Wales, UK.
- Chartered Public Finance Accountant (CPFA) from the Chartered Institute of Public Finance and Accountancy, UK.
- Associate Financial Accountant (AFA) from the Institute of Financial Accountants, UK.
- Member of the Institute of Public Accountants (MIPA), Australia.
- UAE Chartered Accountant (UAECA) from the Accountants and Auditors Association of the UAE.

Mr. Almadani is also a graduate of the Mohammed Bin Rashid Leadership Program and holds a Master of Laws in International Business Law and a Bachelor's degree in Accounting.

In the event of material violations under the purview of the Internal Audit Department, or if issues arise that require disclosure in the annual report, a detailed report on these matters is prepared and presented to the Audit Committee. The Audit Committee then undertakes appropriate actions to address each incident, including soliciting explanations from Executive Management or directing them to take necessary steps for proper resolution.

In 2023, the Audit Committee received 20 reports and memorandums from the Internal Audit Department concerning operational effectiveness, financial reporting, and compliance with Company policies and relevant laws and regulations.

10 Violations:

The Company did not commit significant violations of the Governance Guide during 2023.

11 Local community development and environmental conservation:

In 2023, the company's in-kind contributions to community development and environmental preservation totaled AED 1,700,503 across all Emaar business units, including Emaar Properties, Emaar Development, Emaar Entertainment, Emaar Malls Management, Emaar Hospitality Group, Emaar Communities Management, and Emaar International. The company's cash contributions through Emaar Foundation (CAD) in 2023 amounted to AED 20,315,000.

12 General Information:

a. Please refer to Annex E of this report for information on the Company's share price in the financial market at the end of each month during the year 2023.

b. Please refer to Annex F regarding the comparative performance of the Company's shares as opposed to the market index and the sector index to which the company belongs, during the year 2023.

c. Please refer to Annex G for categories of shareholders as of 31 December 2023.

d. Please refer to Annex H for categories of shareholders by reference to the size of their percentage shareholding as of 31 December 2023.

e. Please refer to Annex I for a list of shareholders holding 5% or more of the Company's capital.

f. There were no significant events that took place in the Company in 2023.

g. Please refer to Annex L for Related Party transactions carried out in 2023 and which value is 5% or more of the Company's capital.

h. Emiratisation percentage in the Company at the end of 2022 and 2023 are as follows:

- 2022: 7.27%
- 2023: 13.26%

i. Please refer to Appendix J for the list of innovative projects and initiatives implemented by the Company or which were under development during 2023.

j. Investor Relations Guidelines:

The name and contact information of the Investors' Relations Manager:

Mr. Abhay Singhvi
Contact Information:

- Tel No.: 04 362 7466
- Email: investor-relations@emaar.ae

The Investor Relations webpage link on the Company's website:

Link: https://www.emaar.com/en/investor-relations

k. Special Resolutions presented to the Annual General Meeting held in 2023 and the procedures taken in relation to the same:

There were no Special Resolutions presented to the Annual General Meeting held in 2023.

The name of the Company Secretary and the date of his appointment:

Mr. Khalfan Al Falasi was appointed as the Company Secretary of Emaar Development P.J.S.C on 1 September 2023. Mr. Al Falasi has contributed to Emaar's legal department since September 2019. He began in 2009 at Dubai Customs, followed by a pivotal role at the Ministry of Interior in 2014.

Academically, Mr. Al Falasi holds a bachelor's degree in law from the American University in the Emirates and an Executive MBA from the Institute of Technology Management in Dubai. His qualifications are further enhanced by a corporate secretary "governance" certificate issued by Hawkamah.

Adnan Kazim
Chairman

Ayesha Binlootah
Chairman of the Nomination and Remuneration Committee

Ali Ibrahim
Chairman of the Audit Committee

Saeed Almadani
Group Chief Audit Officer

Date: 29 March 2024

ANNEX A

Audit fees Table Report

Name of the audit firm and partner auditor	KPMG – Sidharth Mehta
Number of years served as external auditor of the Company	KPMG (5 years)
Total audit fees for 2023 (in AED)	262,500
Fees and costs of other special services other than auditing the company's financial statements for 2023 (in AED)	372,175
Details and nature of other services provided	2023 mainly represents audit/review fees paid to KPMG for Group entities and review of Integrated Report for 2023.
Statement of other services that an external auditor other than the company accounts auditor provided during 2023	Auditor name: Ernst & Young 2023 audit fees & outlays of Dubai Hills Estate LLC: AED 155,150

ANNEX B-1

Board members' attendance to the committee meetings and the allowances[1] paid to the Board members for the year 2023

	Nomination & Remuneration Committee		Audit Committee		Investment Committee	
Name	Attendance	Allowance	Attendance	Allowance	Attendance	Allowance
1. Mr. Adnan Kazim	-	-	-	-	4	40,000
2. Dr. Ayesha Binlootah	2	24,000	-	-		-
3. Mr. Mohamed Ali Alabbar	-	-	-	-	1	-
4. Mr. Jamal Bin Theniyah	2	20,000	-	-	4	44,000
5. Mr. Ahmed Jawa	3	30,000	3	30,000	4	40,000
6. Mr. Ali Ibrahim	2	20,000	3	36,000	-	-
7. Mr. Mohammad Al Muallem	-	-	3	30,000	-	-
8. Dr. Aisha Bin Bishr	3	36,000	2	20,000	-	-
9. Mr. Abdulla Alawar	3	30,000	2	24,000	-	-
10. Mr. Khalid Al-Halyan	-	-	2	20,000	1	10,000

- All meetings were attended in person and there was no attendance by proxy.

[1] Allowances amount in AED

ANNEX B-2

Attendance of Board Meetings

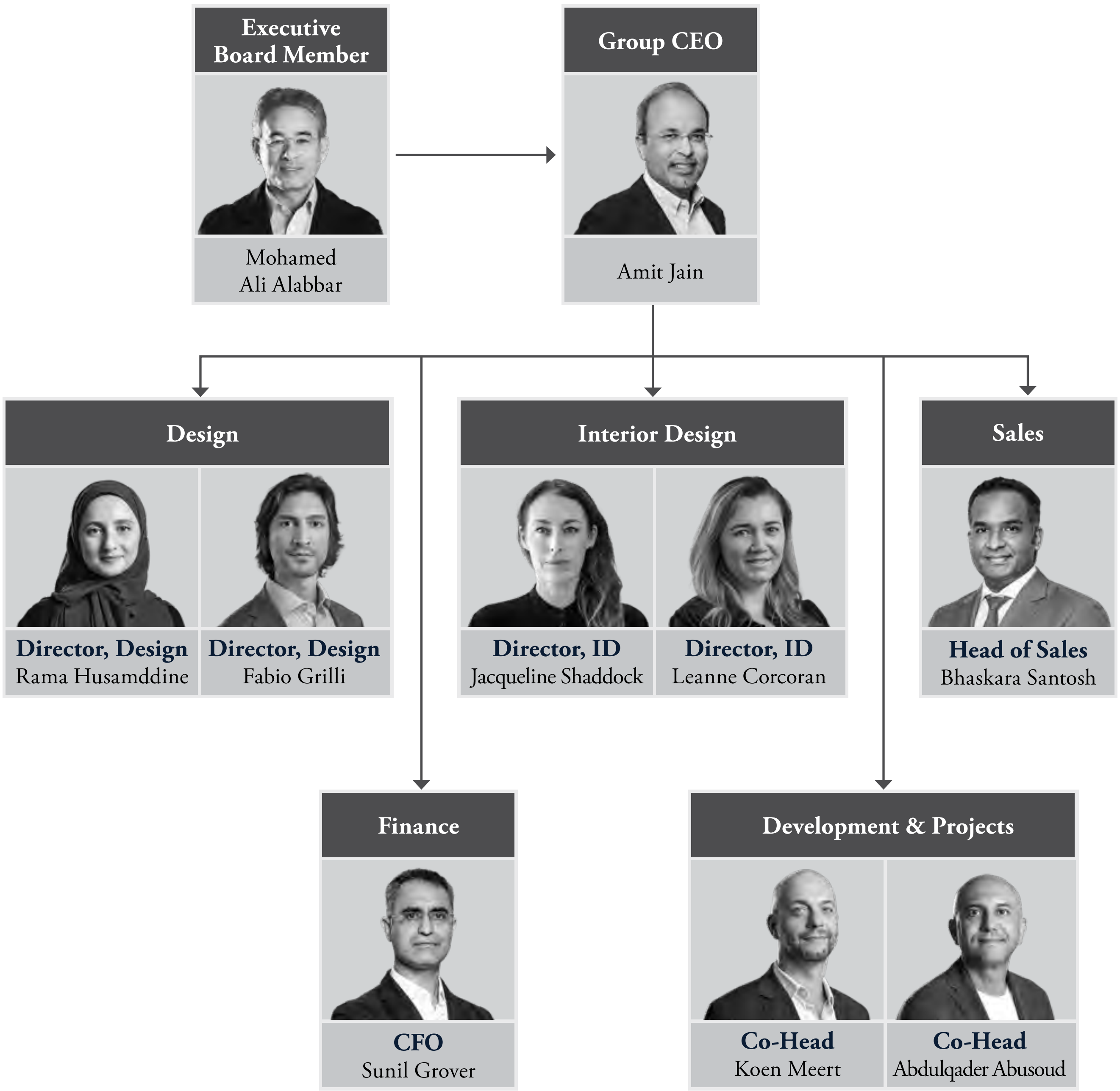
Name	Attendance
Mr. Adnan Kazim	5
Dr. Ayesha Binlootah	4
Mr. Mohamed Ali Alabbar	5
Mr. Jamal Bin Theniyah	5
Mr. Ahmed Jawa	5
Mr. Ali Ibrahim	4
Mr. Mohammad Al Muallem	4
Dr. Aisha Bin Bishr	1
Mr. Abdulla Alawar	1
Mr. Khalid Al-Halyan	1

- All meetings were attended in person and there was no attendance by proxy.

[1] Allowances amount in AED

ANNEX C

Organisational Structure of the Company as of 31 December 2023



ANNEX D

Senior Executive Employees

SN	Position	Date of Appointment	Total Salaries and Allowances paid in 2023 (AED)	Total Bonuses paid in 2023 (AED)
1.	Chief Financial Officer	26-Mar-00	1,832,128	947,616
2.	Head of Projects (till 26.05.2023)	28-Dec-21	632,902	968,182
3.	Director, Design	29-Oct-17	834,175	126,961
4.	Director, Design	21-Feb-21	806,930	244,272
5.	Director, Interior Design	14-Oct-19	1,106,454	400,000
6.	Senior Manager, Interior Design	05-Sep-21	462,169	96,544
7.	Senior Director, Structural Design	30-Sep-18	1,652,017	583,790

The Board of Directors of the Company has authorized a Long-Term Incentive Plan (LTIP) applicable from 2023 for selected Company employees. The LTIP scheme aims to offer long-term rewards for selected members of the senior management team to achieve long-term shareholder returns. The Company has granted Phantom Shares (PS) to its eligible employees under the LTIP scheme, which will vest on the last day of the 3-year term based on the achievement of 3-year forward financial matrices. The amount payable to eligible employees in respect of any PS is linked to the share price of the Company. The below table shows the PS's granted in 2023 to eligible senior management team:

Position	Phantom Shares Granted in 2023
Senior Director, Structural Design	113,234
Director, Interior Design	61,540
Head - Procurement, Contracts & Cost Management	50,955

The above listed senior management employees were also granted PS which are linked to the share price of Emaar Properties PJSC, a DFM listed parent of the Company. The below table shows such PS granted:

Position	Phantom Shares Granted in 2023
Senior Director, Structural Design	34,529
Director, Interior Design	18,766
Head - Procurement, Contracts & Cost Management	15,538

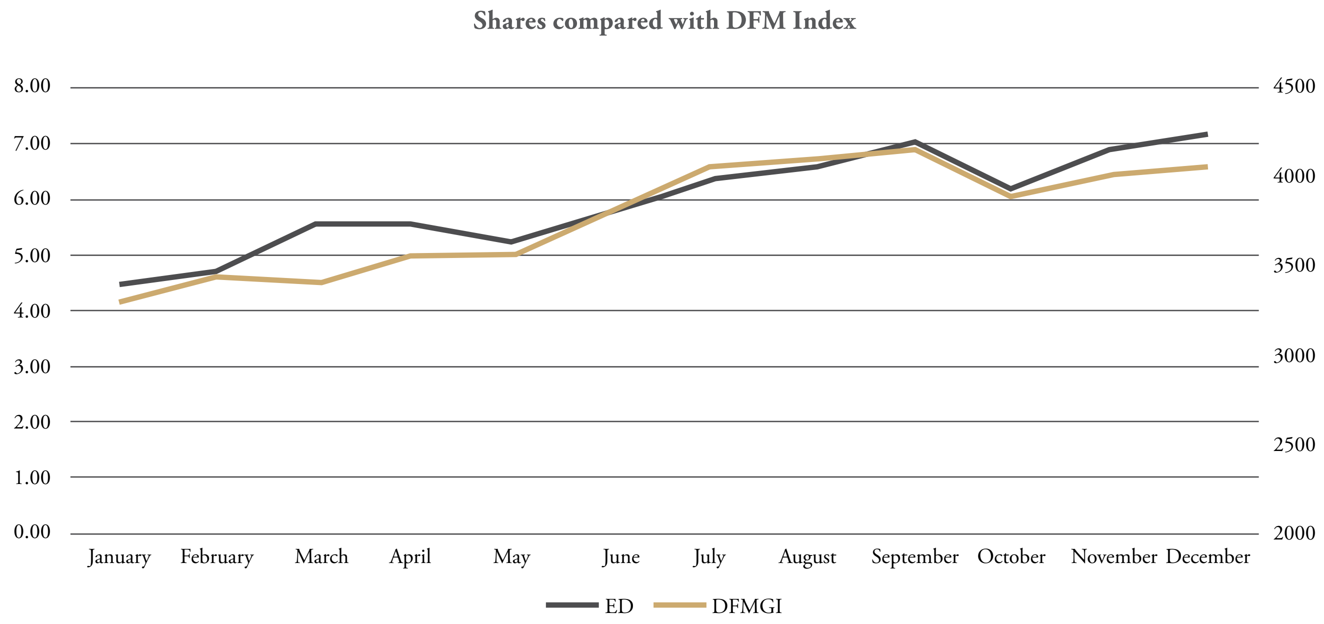
ANNEX E

Company Share Price in the Market (Closing Price, Highest Price, Lowest Price) at the end of each month during the year 2023.

2023	Highest price	Lowest price	Closing price
January	4.57	4.31	4.45
February	5.16	4.45	4.73
March	5.78	4.74	5.51
April	6.04	5.45	5.51
May	5.6	5.07	5.19
June	5.79	5.19	5.78
July	6.78	5.75	6.34
August	6.59	6.24	6.55
September	7.25	6.47	7
October	7.6	5.45	6.2
November	6.95	6.11	6.83
December	7.19	6.43	7.15

ANNEX F

Comparative performance of the Company's shares with the market index and the sector index to which the Company belongs during 2023



ANNEX G

Categories of Shareholders as of 31 December 2023 (Individuals, Companies and Governments) classified as follows: UAE, GCC, Arab, Foreign

Shareholder Category	Percentage of Shares Owned			
	Individual	Companies	Government	Total
UAE	2.77%	82.83%	0.14%	85.75%
GCC	0.14%	4.82%	-	4.96%
Arab	0.18%	0.00%	-	0.19%
Foreign	0.18%	8.92%	-	9.10%
Total	**3.2712%**	**96.5805%**	**0.1395%**	**100%**

ANNEX H

Categories of Shareholders According to the Size of their Percentage Shareholding as of 31 December 2023

Share(s) Owned	Number of Shareholders	Number of Share Held	% of Shares Held of the Capital
Less than 50,000	2,312	17,203,902	0.43%
From 50,000 to less than 500,000	431	68,139,526	1.70%
From 500,000 to less than 5,000,000	164	256,640,456	6.42%
More than 5,000,000	32	3,658,016,116	91.45
Total	**2,939**	**4,000,000,000**	**100%**

ANNEX I

Shareholders holding 5% or more of the capital of the Company as of 31 December 2023

Name of Shareholder	Number of Share Held	% of Shares Held of the Capital
Emaar Properties PJSC	3,166,451,142	79.1613%
Total	**3,166,451,142**	**79.1613%**

ANNEX J

Innovative Projects and Initiatives implemented by the Company during 2023

- Emaar's Pioneering Ventures and Endeavours in 2023

  In 2023, the HR and People & Performance departments at Emaar embarked on a transformative journey, implementing a series of specialised programs and initiatives. This report highlights our innovative approach to talent development and organisational growth.

  Group Wide Talent Mapping: Through meticulous assessment, we pinpointed and appraised mid-management talent within Emaar. This vital initiative helped in ensuring business resilience and succession readiness, evaluating the talent spectrum, strengths, and areas for development.

- Employee Engagement Dialogues: Proactive discussions were held between HR/Leadership and key talent to gauge job satisfaction, commitment, and retention factors. These dialogues aimed to address employee concerns early, offer solutions, and sustain our talent pool.
- Mentorship Programme: We introduced a structured mentorship scheme to cultivate a learning and growth culture, benefiting both individual careers and our collective organisational triumph.
- Top Talent Programme: Building on our talent overview, we identified high achievers and potential leaders worldwide, offering them chances to engage in real-time business projects with leaders.
- Skill Cloud Generation: We created an extensive skills ecosystem and detailed job profiles, enhancing recruitment, performance management, and skill development, thereby addressing current and future talent needs.
- Strategic Succession Planning: We identified key roles and potential internal successors, developing individual growth plans. This strategy bolstered our business continuity and internal talent mobility.
- Online Learning Access: All staff members have access to various learning platforms:

  i. Senior staff (Grades 7+): Coursera access for a comprehensive range of courses and certifications from top universities.

  ii. Intermediate staff (Grades 5&6): LinkedIn Learning access for diverse modules and learning videos.

  iii. Junior staff (Grades 1-4): Rapid Learning platform for personalised learning queues and extensive quizzes.

- Graduate and Internship Programmes: We have implemented robust programs for graduates and interns, fostering future talent and providing practical experience in our business environment.

Emiratisation timeline throughout 2023

During 2023, significant strides were made in advancing Emiratisation efforts within our organization. Key highlights include:

- The launch of Graduate Trainee Programme 1.0: This initiative involved the recruitment of fresh graduate UAE nationals across our group, resulting in the enrolment of 29 Emiratis who successfully completed the full-time training program.
- Participation in American University of Sharjah Career Fairs: We successfully piloted an AI-based recruitment tool at these fairs, enhancing our recruitment processes.
- Launch of Emirati Graduate Management programme: This program welcomed 4 Emirati top graduates from top tier universities.
- Launch of Emirati Summer Internship Programme: 13 Emirati students from leading universities in the UAE were offered internship opportunities ranging from 8 to 11 weeks, providing valuable experiential learning experiences.
- Precipitation in Ru'ya Career Fair the largest UAE national based career fair, where we successfully received over 1600 applicants.
- Launch of Graduate Trainee Programme 2.0: Building on the success of the initial program, we expanded our efforts by hiring 71 fresh graduate UAE nationals across the organization.
- Launch of Mentorship Programme 2.0: This initiative pairs graduate trainees and UAE nationals within Emaar, with 23 Emirati mentors identified to guide and develop the mentees. Overall, 147 are enrolled within the program and distributed to 23 mentors.

ANNEX K

Statement of the Related Parties Transactions in accordance with the International Financial Reporting Standards (IFRS) as listed in the Consolidated Financial Statements of the Company for the year 2023

For the purpose of these consolidated financial statements, parties are related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control (Affiliated entities). Related parties may be individuals or other entities.

The Group in the normal course of business enters into transactions with individuals and other entities that falls within the definition of related party. The Group's related parties include key management personnel, entities held under common control, joint ventures and others.

The Group's parent company is partly owned by Investment Corporate of Dubai ("ICD"), an entity owned by the Government of Dubai ("Government"). The Group enters into transactions, in the normal course of business, with Government-owned entities and entities wherein ICD has control, joint control or significant influence. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions, which are primarily in nature of financing and operational related activities and entered in the normal course of business at commercial terms.

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:

Parent:	2023 AED '000	2022 AED '000
Revenue (refer (ii) below)	761,228	640,899
Selling, general and administrative expenses (refer (i) below)	379,750	368,131
Finance cost (refer (iii) below)	109,338	86,220
Borrowing (refer (iii) below)	5,256,000	-
Repayment of borrowing (refer (iii) below)	(5,930,750)	-

	2023 AED '000	2022 AED '000
Affiliated entities:		
Revenue (refer (ii) below)	130,326	-
Selling, general and administrative expenses	81,337	66,503
Property development expenses	194,803	72,418
Joint Ventures:		
Revenue	15,793	21,987
Directors, Key management personnel and their related parties:		
Selling, general and administrative expenses	422	328

Significant related party balances (and the consolidated statement of financial position captions within which these are included) are as follows:

Parent:	2023 AED '000	2022 AED '000
Other assets, receivables, deposits and prepayments (refer (ii) below)	133,887	1,299,008
Trade and other payables (refer (i) and (iii) below)	3,918,730	3,057,228
Affiliated entities:		
Other assets, receivables, deposits and prepayments	2,216,205	118,551
Trade and other payables	54,434	31,685

(i) **Allocation of corporate expenses:**

The Parent Company has provided certain corporate services to the Group and costs associated with these services were allocated to the Group. These services included human resources, treasury, investor relations, finance and accounting, compliance, information technology, corporate and legal compliance, business development and marketing. As per Relationship Agreement, corporate expenses are allocated by the Parent on the basis of 3% of revenue of the Group. This net balance is recoverable on demand.

(ii) **Recoverable from the Parent:**

This mainly represents balances recoverable from the Parent Company with respect to the development costs incurred for the Build-to-sell (BTS) developments in Dubai Creek Harbour project (DCH project). As agreed in the Master Transfer Agreement (MTA), the Parent Company has transferred the development services and profit relating to the BTS development in DCH project to the Company, for which the development costs including infrastructure costs are incurred by the Company prior to acquisition.

Subsequent to the Parent Company's acquisition of 100% shareholding in Dubai Creek Harbour LLC in 2022, the aforesaid arrangement is amended wherein the transactions for development services and entitlement of profits will now be directly between the Company and Dubai Creek Harbour LLC, a wholly owned subsidiary of the Parent Company and a related party of the Company.

(iii) **Payable to the Parent Company:**

Amount due to the Parent Company is unsecured and is repayable on demand. This includes AED 1,910,000 thousands (31 December 2022: AED 2,584,750 thousands) which carries interest rate at 3 months EIBOR plus 1% per annum (31 December 2022: 3 months LIBOR plus 1.4% per annum). Also refer note 16 The Group has total credit facility of USD 1,350,000 thousands (AED 4,958,550 thousands).

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2023 AED '000	2022 AED '000
Short-term benefits	14,372	6,178
Employees' end-of-service benefits	811	638
	15,183	**6,816**

During the year, the number of key management personnel is 9.

During the current year, the Company has considered key roles as key management personnel's (KMPs). Accordingly, comparative financial information also been updated to confirm to the presentation in the current year.

During the year, the Company has paid a bonus of AED 3,900 thousands to the non-executive members of the Board of Directors for the year 2022 as approved by the shareholders at the Annual General Meeting of the Company held on 18 April 2023 (31 December 2022: AED 3,900 thousands).

ANNEX L

Related Party Transactions in 2023 Equal to 5% or More of the Capital of the Company

AED '000

Related Party Name	Nature of Relationship	Nature of Transaction	Value of transaction
Emaar Properties PJSC	Ultimate Parent	Revenue (Management Fees)	761,228
		Selling, general and administrative expenses	379,750
		Borrowing	5,256,000
		Repayment of borrowing	(5,930,750)

CONSOLIDATED FINANCIAL STATEMENTS

IN THIS SECTION

DIRECTORS' REPORT

The Board of Directors of Emaar Development PJSC (the "Company") has pleasure in submitting the consolidated statement of financial position of the Company and its subsidiaries (the "Group") as at 31 December 2023 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2023.

Principal activities

The principal activities of the Group are property development and to provide development management services in the UAE.

Financial results

The Group has recorded a net profit attributable to the owners of the Company of AED 6.6 billion for the year ended 31 December 2023.

In accordance with the Articles of Association of the Company and UAE Federal Decree Law No. (32) of 2021, an appropriation of AED 440 million is made to legal reserve from the distributable profit of AED 6.6 billion, reaching the threshold of 50% of its paid-up share capital.

The Board of Directors of the Company has proposed a cash dividend of AED 0.52 per share (52% of share capital), which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The balance of the distributable profit after considering appropriation to legal reserve and proposed dividend (subject to approval of the shareholders at the Annual General Meeting) will be transferred to retained earnings. Total shareholders' funds attributable to the owners of the Company as at 31 December 2023 amount to AED 22.8 billion.

Outlook for 2024

The Group has recorded property sales of AED 37.4 billion (including joint ventures and development agreements) in 2023 led by 27 successful project launches across existing and new masterplans which is testament of customers' trust in the Emaar brand. The Group now has a significant revenue backlog of over AED 57.1 billion to be recognised as revenue over the coming years and robust development pipeline which is the backbone for delivering sustainable future growth.

The Group's consistent performance in enhancing sales and profitability reflects our strategic focus on developing premier residential environments. Our commitment to excellence resonates with our clientele, reinforcing their confidence in our brand. In 2024, the Group's robust project pipeline, our brand positioning and our market insights will ensure we remain on a path of sustained growth and success.

Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 25. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors	
Mr. Adnan Kazim	(Chairman)
Dr. Ayesha Binlootah	(Vice Chairman)
Mr. Mohamed Ali Alabbar	(Executive Board Director)
Mr. Jamal Majid Bin Theniyah	(Director)
Mr. Ahmed Jawa	(Director)
Mr. Mohammad Al Muallem	(Director)
Mr. Ali Ibrahim	(Director)

Auditors

KPMG were appointed as external auditors of the company for the year ended 31 December 2023. The Board of Directors has recommended KPMG as the auditors for 2024 for approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Adnan Kazim
Chairman

Dubai, United Arab Emirates

14 March 2024

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Emaar Development PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emaar Development PJSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory 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 consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These 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.

Revenue recognition on sale of development properties ("properties")

See Note 2.2, 2.4 and 4 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group recognizes revenue on sale of properties in accordance with IFRS 15 "Revenue from Contracts with Customers". The Group recognises revenue on sale of properties either at point in time or over time depending on the terms of contracts with its customer and the relevant laws and regulations of the jurisdiction in which it has entered into the contract with its customers. Revenue recognition on sale of properties was considered a key audit matter due to following key elements of judgement and estimation involved that warrant additional audit focus: • determining whether the performance obligations are satisfied over time or at a point in time; and • estimation of total costs required to meet performance obligations under the contracts with customers and for performance obligations satisfied over time, recognize revenue in proportion to the extent and upon satisfactory fulfillment of performance obligations.	• We have assessed the appropriateness of the revenue recognition accounting policies adopted by the Group and its compliance with International Financial Reporting Standards ("IFRS"); • Obtained an understanding of the revenue process implemented by the Group; • We have performed test of design and implementation of relevant controls; • On a sample basis, we have assessed the contracts for sale of properties to identify the performance obligations of the Group under these contracts and assessed whether these performance obligations are satisfied over time or at a point in time based on the criteria specified under IFRS 15; • On a sample basis, we have assessed the appropriateness of percentage of completion of the construction of properties by reference to costs incurred to date compared to the estimated total costs where the performance obligation is satisfied over time; • On a sample basis, we have assessed the adequacy of the total estimated cost to complete through the management appointed cost consultant's report, supporting agreements, retrospective evaluation of budgets and other relevant information. We have also evaluated, on a sample basis, the qualification and competence of the management appointed cost consultants;

Independent Auditors' Report (continued)

The key audit matter	How the matter was addressed in our audit
	• For costs incurred to date, we have tested, on a sample basis, significant items of cost components by comparing these to the relevant supporting documents including payment certificates to ascertain the existence and accuracy of the costs of work done; and • We assessed the adequacy of the Group's disclosure in relation to the requirements of IFRS 15.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Integrated Annual Report (including Directors' Report), but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Directors' Report prior to the date of our auditors' report, and we expect to obtain the remaining Integrated Annual Report after the date of auditor's report.

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 identified above 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 have obtained prior to the date of this auditors' 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.

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 Standards, and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines 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 has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 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.

As part of an audit in accordance with ISAs, 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.

Independent Auditors' Report (continued)

- Conclude on the appropriateness of management's 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 auditors' 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.
- 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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.

Report on Other Legal and Regulatory Requirements

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

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) 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;

iii) the Group has maintained proper books of account;

iv) the financial information included in the Directors' Report is consistent with the books of account of the Group;

v) as disclosed in note 1 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 December 2023;

vi) note 25 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

vii) 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 Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2023; and

viii) note 5 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2023.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 14 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

(US$ 1.00 = AED 3.673)

	Notes	2023 AED'000	2022 AED'000
Revenue	4	**11,921,378**	11,540,904
Cost of revenue	4	**(3,513,128)**	(6,357,238)
GROSS PROFIT		**8,408,250**	5,183,666
Selling, general and administrative expenses	5	**(1,183,498)**	(1,229,242)
Finance income	6	**842,802**	381,198
Finance costs	7	**(333,172)**	(330,157)
Other income	8	**626,085**	85,242
Share of results of joint ventures	14	**123,609**	174,371
PROFIT FOR THE YEAR		**8,484,076**	4,265,078
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,484,076**	4,265,078
ATTRIBUTABLE TO:			
Owners of the Company		**6,628,996**	3,808,248
Non-controlling interest	29	**1,855,080**	456,830
		8,484,076	4,265,078
Earnings per share attributable to			
the owners of the Company:			
- basic and diluted earnings per share (AED)	22	**1.66**	0.95

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(US$ 1.00 = AED 3.673)

	Notes	2023 AED'000	2022 AED'000
ASSETS			
Bank and cash balances	9	**18,421,670**	11,362,760
Trade and unbilled receivables	10	**12,020,373**	15,445,904
Other assets, receivables, deposits and prepayments	11	**4,479,910**	2,956,661
Development properties	12	**12,466,983**	10,850,819
Loans to joint ventures	13	**700,608**	912,518
Investments in joint ventures	14	**761,705**	925,620
Property, plant and equipment	15	**16,524**	20,156
TOTAL ASSETS		**48,867,773**	42,474,438
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	16	**8,747,019**	10,939,604
Advances from customers	17	**12,716,232**	9,627,012
Retentions payable	18	**905,801**	920,583
Interest-bearing loans and borrowings	19	**3,673**	892,076
Provision for employees' end-of-service benefits		**24,318**	23,609
TOTAL LIABILITIES		**22,397,043**	22,402,884
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	**4,000,000**	4,000,000
Reserves	21	**2,000,150**	1,560,615
Retained earnings		**16,841,099**	12,736,538
		22,841,249	18,297,153
Non-controlling interest	29	**3,629,481**	1,774,401
TOTAL EQUITY		**26,470,730**	20,071,554
TOTAL LIABILITIES AND EQUITY		**48,867,773**	42,474,438

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for, the year ended 31 December 2023.

The consolidated financial statements were authorised for issue by Board of Directors and signed on their behalf by:

Director

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to the owners of the Company					
	Share capital AED'000	Reserves AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance as at 1 January 2023	**4,000,000**	**1,560,615**	**12,736,538**	**18,297,153**	**1,774,401**	**20,071,554**
Profit for the year	-	-	**6,628,996**	**6,628,996**	**1,855,080**	**8,484,076**
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	**6,628,996**	**6,628,996**	**1,855,080**	**8,484,076**
Director's bonus (note 25)	-	-	**(3,900)**	**(3,900)**	-	**(3,900)**
Dividend paid to shareholders (note 27)	-	-	**(2,081,000)**	**(2,081,000)**	-	**(2,081,000)**
Transfer to reserve (note 21)	-	**439,535**	**(439,535)**	-	-	-
Balance as at 31 December 2023	**4,000,000**	**2,000,150**	**16,841,099**	**22,841,249**	**3,629,481**	**26,470,730**
Balance as at 1 January 2022	4,000,000	1,179,790	9,313,015	14,492,805	1,922,571	16,415,376
Profit for the year	-	-	3,808,248	3,808,248	456,830	4,265,078
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	3,808,248	3,808,248	456,830	4,265,078
Director's bonus (note 25)	-	-	(3,900)	(3,900)	-	(3,900)
Dividend paid by a subsidiary (note 29)	-	-	-	-	(605,000)	(605,000)
Transfer to reserve (note 21)	-	380,825	(380,825)	-	-	-
Balance as at 31 December 2022	4,000,000	1,560,615	12,736,538	18,297,153	1,774,401	20,071,554

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
		(US$ 1.00 = AED 3.673)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**8,484,076**	4,265,078
Adjustments for:			
Share of results of joint ventures	14	**(123,609)**	(174,371)
Depreciation (including right-of use assets)	5	**12,515**	9,627
Provision for employees' end-of-service benefits, net		**709**	2,574
Finance costs	7	**333,172**	330,157
Finance income	6	**(842,802)**	(381,198)
Cash from operations before working capital changes		**7,864,061**	4,051,867
Trade and unbilled receivables		**3,591,115**	(600,223)
Other assets, receivables, deposits and prepayments		**195,372**	(13,424)
Development properties		**(1,616,164)**	321,608
Advances from customers		**3,089,220**	5,162,423
Trade and other payables (note 2.2)		**(3,343,594)**	(422,681)
Retentions payable		**(14,782)**	116,747
Net cashflows generated from operating activities		**9,765,228**	8,616,317
CASH FLOWS FROM INVESTING ACTIVITIES			
Finance income received		**653,926**	130,703
Loans repaid by joint ventures		**239,208**	103,871
Dividend received from joint ventures	14	**287,524**	-
Amounts incurred on property, plant and equipment	15	**(8,883)**	(2,852)
Net cashflows generated from investing activities		**1,171,775**	231,722
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid		**(226,297)**	(200,345)
Borrowings from financial institutions		**850,090**	4,556,668
Repayment of loans to financial institutions		**(1,700,000)**	(6,880,223)
Borrowings from Parent	25	**5,256,000**	-
Repayment of loans to Parent	25	**(5,930,750)**	-
Dividends paid to shareholders	27	**(2,081,000)**	-
Dividends paid to non-controlling interest	29	**-**	(605,000)
Director's bonus paid	25	**(3,900)**	(3,900)
Net cashflows used in financing activities		**(3,835,857)**	(3,132,800)
INCREASE IN CASH AND CASH EQUIVALENTS		**7,101,146**	5,715,239
Cash and cash equivalents at the beginning of the year		**11,320,524**	5,605,285
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,19	**18,421,670**	11,320,524

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1 Corporate Information

The incorporation of Emaar Development PJSC (the "Company") as a Public Joint Stock Company was approved by the Securities and Commodities Authority according to Federal Law No.4 of 2000 on 20 November 2017 and the registration certificate was issued on 21 November 2017. The Company's registered office is at P.O. Box 9440, Dubai, United Arab Emirates ("UAE").

The Company is a subsidiary of Emaar Properties PJSC (the "Parent Company" or "Parent" or "Ultimate Parent") a company incorporated in the UAE and listed on the Dubai Financial Market. The Company is also listed on the Dubai Financial Market. The Company and its subsidiaries constitute the Group (the "Group").

The principal activities of the Group are property development and development management services in the UAE.

The Group has not invested in shares or stocks during 2023 and 2022.

The consolidated financial statements were authorised for issue on 14 March 2024.

2.1 Basis of Preparation

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and applicable requirements of the UAE Federal Decree Law No. (32) of 2021.

On 20 September 2021, the UAE Federal Decree Law No. (32) of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. (2) of 2015. Companies have (1) one year from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No. (32) of 2021. The Company's annual general assembly approved in its last meeting held on 21 April 2022 the amendments to its Articles of Association, in order to be fully compliant with the UAE Federal Decree Law No. (32) of 2021.

The consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of consolidated financial statements on the basis described above requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Certain comparative amounts have been reclassified to conform to the presentation used in these consolidated financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company as at 31 December 2023. Control is achieved where all the following criteria are met:

(a) the Group has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(b) the Group has exposure, or rights, to variable returns from its involvement with the entity; and

(c) the Group has the ability to use its power over the entity to affect the amount of the Company's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and a potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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 period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control (irrespective of percentage of shareholding), and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Share of comprehensive income/loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the consolidated statement of comprehensive income; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the consolidated statement of comprehensive income or retained earnings, as appropriate.

Details of the Company's subsidiaries are as follows:

Subsidiaries	Place of incorporation	Principal activities	Percentage of effective holding
Dubai Hills Estate LLC	UAE	Property development	50%
Emaar Mina Rashid Development Owned By Emaar Development L.L.C	UAE	Buying, selling and development of real estate and leasing and management of self-owned property	100%
Mina Rashid Properties L.L.C	UAE	Buying, selling and development of real estate	100% (Refer note 24)
Emaar Gardens L.L.C	UAE	Real Estate Development, Investment in Commercial Enterprises & Management	100%

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities even if the shareholding is 50% or more.

The Group's investment in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments in joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the joint venture companies, less any impairment in value.

The consolidated statement of comprehensive income reflects the Group's share of results of its joint ventures. Unrealised profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 Key Accounting Judgements, Estimates and Assumptions

The preparation of these consolidated financial statements requires management 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 at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgements and estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Judgements

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 of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

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 assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract 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 Revenue from Contracts with Customers 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 asset that is the subject of the contract is transferred to 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. The title will be transferred to the customer only upon 100% collection, resulting in a low risk of default and loss thereof.

Estimations and assumptions

Consolidation of subsidiary

The Group has evaluated 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 has evaluated, 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.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

Split of real estate components

The consolidated financial statements of the Group include certain assets, liabilities, income, expenses and cash flows which are allocated to the Group based on management assumptions and estimates. This mainly includes development properties, trade and other payables, retention payable, advance from customers and selling, general and administrative expenses. These are allocated based on evaluation by project consultant and management best estimate of use of corporate resources by the Group.

Recognition of forfeiture income from sales cancellation

Upon termination or cancellation of contracts with customers, amounts received from customers become refundable subject to forfeiture clauses contained in the original sale contract documents and as per local real estate regulations. Forfeited amounts are carried as liability on the consolidated statement of financial position upon cancellation/termination of the contract. Amounts forfeited on cancelled/terminated property units (net of customer refunds, where applicable) are subsequently recognised in the consolidated income statement of comprehensive income based on management's judgement on whether the Group expects any future/continuing association with the erstwhile customer whose amounts are being forfeited.

Measurement of progress when revenue is recognised over time

The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognised over time. 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 the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised.

Cost to complete the projects and Project cost accruals

The Group estimates the cost to complete of the projects and project cost accruals in order to determine the cost attributable to revenue being recognised. These estimates include the value attributable to work done till date, cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

During the current year, management has reassessed the adequacy of project accruals of certain projects and accordingly has written back AED 1,727,365 thousands for projects which are fully completed and wherein final settlement is either obtained or management estimates no further contractor claims. Additionally, due to revisions in the master plan of a project, management has written back accruals related to infrastructure costs amounting to AED 837,779 thousands. Also refer notes 4, 12 and 16.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Development properties are stated at the lower of cost and estimated net realisable value. The cost of work-in-progress comprises construction costs and other related direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses.

NRV was determined based on valuations performed by professionally qualified external valuers. The valuation was performed in accordance with the RICS valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The value of the development properties has been determined using market comparable and residual cost method. Key observable inputs include market prices of similar transactions, margins derived and discount rates, any movement in the assumptions would result in the lower/higher fair value of these assets.

The external valuer report on the valuation of the Group's development properties has drawn attention to the fact that a combination of global inflationary pressures, higher interest rates and recent geopolitical events have heightened the potential for greater volatility in property markets over the short-to-medium term, requiring management to closely monitor the valuation and track how market participants respond to current market volatility.

Management has critically assessed asset valuations and, in the current environment, are satisfied with the assumptions adopted and valuations reported.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

Management will continue to closely monitor the impact of this evolving situation to assess its impact to the Group, if any.

Fair value measurement of financial instruments

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.

2.3 Changes in the Accounting Policies and Disclosures

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new or amended standards that are adopted in annual periods beginning on 1 January 2023:

(a) New standards, interpretations and amendments adopted by the Group	Effective date
Definition of Accounting Estimate, Amendments to IAS 8	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12	23 May 2023

* The amendments to IAS 1 and IFRS Practice Statement 2 require the disclosure of 'material', rather than 'significant' accounting policies. The amendments did not result in any changes to the accounting polices themselves, they impacted the accounting policy information disclosed in the consolidated financial statements.

The other amendments or improvements has no impact on the consolidated financial statements of the group.

(b) Standards, amendments and interpretations in issue but not effective

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

Forthcoming requirements	Effective date
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current liability with covenants – Amendments to IAS 1 and Classification of Liabilities as Current and Non-current (Amendments to IAS 1)	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures*	1 January 2024
Sale or Contribution of Assets between an Investor its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely
Supplier Finance Arrangements – Amendments to IAS 7 & IFRS 7	1 January 2024
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

* Effective upon adoption by applicable regulatory authority.

The Group does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future consolidated financial statements of the Group.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

2.4 Summary of Material Accounting Policies

Revenue recognition

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1. Identify the 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 the 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 will allocate 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 entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, 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 asset based 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. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised in the consolidated statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Revenue from sale of land

The performance obligation with regards to sale of land is satisfied at a point in time when customer has access to the plot.

Upon recognition of revenue against a certain plot, the infrastructure cost allocated to the plot of land is released to the statement of comprehensive income, as cost of revenue.

Development services

Revenue from rendering of development management services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Notes to The Consolidated Financial Statements (continued)
For the year ended 31 December 2023

Borrowing costs
Borrowing costs directly attributable to the acquisition or construction 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 connection with the borrowing of funds.

All other borrowing costs are recognised in the consolidated income statement in the year in which they are incurred.

Income tax
On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ('the CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law will be effective for financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Group, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024.

The Group has assessed the deferred tax implications for the year ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that deferred tax implications are not material.

The Group shall continue to monitor critical Cabinet Decisions to determine the impact on the Group, from deferred tax perspective.

Global Minimum Top-up Tax

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws.

As of 31 December 2023, the jurisdiction in which the Group operates has not enacted or substantively enacted the tax legislation related to the top-up tax. Management is closely monitoring the progress of the legislative process and as at 31 December 2023, the Group did not have sufficient information to determine the potential quantitative impact.

Property, plant and equipment
Property, plant and equipment are measured at cost (which includes capitalised borrowing costs) less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Sales centers (included in land and building)	1 - 10 years
Computers and office equipment	2 - 5 years
Motor vehicles	3 - 5 years
Furniture and fixtures	2 - 5 years

No depreciation is charged on land and capital work-in-progress. The useful lives, depreciation method and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use.

Notes to The Consolidated Financial Statements (continued)
For the year ended 31 December 2023

The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

Development properties
Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost includes:

- Freehold rights for land;
- Amounts paid to contractors and project cost accrual for construction; and
- Borrowing cost, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other directly attributable costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of development properties recognised in the consolidated statement of comprehensive income on sale is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Common infrastructure cost is allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised. The development span of some of the development properties is estimated to be over 10 years.

The management reviews the carrying values of the development properties on an annual basis.

Investment in joint ventures
The consolidated income statement reflects the Group's share of the results of operations of its joint ventures. Where there has been a change recognised directly in the other comprehensive income, the Group recognises its share of any changes, when applicable, in the consolidated statement of comprehensive income or the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the interest in the joint venture.

The financial statement of joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture, and its carrying value and recognises the impairment losses in the consolidated income statement.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated income statement. When the remaining investment in joint venture constitutes significant influence, it is accounted for as an investment in associate.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is

Notes to The Consolidated Financial Statements (continued)
For the year ended 31 December 2023

reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. Trade receivables are initially recognised when they are originated. Trade and unbilled receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Trade and unbilled receivables

Trade receivables are stated at original invoice amount (unless there is a significant financing component) less expected credit losses. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

Services rendered but not billed at the reporting date are accrued as per the terms of the agreements as unbilled receivables.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, and
- The Group has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - 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 right 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 the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. 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.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments and contract assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

For trade and unbilled receivables and other receivables, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated income statement.

The Group consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset (other than inventories, contract assets and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in

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For the year ended 31 December 2023

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 or CGU. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses are recognised in the consolidated income statement in those expense categories consistent with the function of the impaired asset. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement.

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.

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.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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 method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

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.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

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.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in consolidated income statement.

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.

End-of-service benefits

The Group provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its eligible UAE and GCC national employees, the Group makes contributions to a pension fund established by the UAE General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation 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 the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Fair value measurement

The Group measures financial instruments, such as investment in securities and hedges, 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 the most advantageous market for the asset or liability.

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.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

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 consolidated 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 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from 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).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3 Segment Information

For management purposes, the Group is organised into one segment based on its products and services, which is the real estate development business. Accordingly, the Group only has one reportable segment. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

Business segments

Revenue, operating results, assets and liabilities presented in the consolidated financial statements relates to the real estate development business of the Group.

Geographic segment

The Group is currently operating only in the UAE, hence the operating results, assets and liabilities presented it the consolidated financial statements relates to its operation in the UAE.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

4 Revenue and Cost of Revenue

	2023 AED'000	2022 AED'000
Revenue		
Sale of residential units (net, refer note 23)	**10,863,411**	10,227,256
Sale of commercial units, plots of land and income from development services (note 25)	**1,057,967**	1,313,648
	11,921,378	11,540,904
Cost of revenue (note 2.2)		
Cost of residential units	**3,454,046**	6,161,970
Cost of commercial units and plots of land	**59,082**	195,268
	3,513,128	6,357,238

Trade and unbilled receivables are included in note 10.

Below is the split of revenue recognised over a period of time and single point in time:

	2023 AED'000	2022 AED'000
- Over a period of time	**11,862,213**	10,945,336
- Single point in time	**59,165**	595,568
	11,921,378	11,540,904

5 Selling, General and Administrative Expenses

	2023 AED'000	2022 AED'000
Sales and marketing expenses	**406,421**	459,563
Payroll and related expenses	**158,561**	136,363
Property management expenses	**125,440**	101,926
Depreciation (including right-of use assets) (note 15)	**12,515**	9,627
Other expenses (note 25)	**480,561**	521,763
	1,183,498	1,229,242

During the year ended 31 December 2023, no social contribution has been made by the Group (31 December 2022: Nil).

6 Finance Income

	2023 AED'000	2022 AED'000
Finance income on fixed, current and call deposits with banks	**677,218**	131,141
Other finance income (i)	**165,584**	250,057
	842,802	381,198

(i) This relates to finance income on unwinding of long-term receivable.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

7 Finance Costs

	2023 AED'000	2022 AED'000
Finance costs – bank and related party borrowings (note 25)	**167,128**	173,606
Other finance costs (i)	**166,044**	156,551
	333,172	330,157

(i) During the year, the Group has recorded finance cost on unwinding of long-term payables amounting to AED 106,463 thousands (31 December 2022: AED 131,594 thousands).

8 Other Income

	2023 AED'000	2022 AED'000
Forfeiture income from sales cancellations (note 17)	**343,318**	-
Other income*	**282,767**	85,242
	626,085	85,242

* Primarily comprising of write back of provisions, administrative fees charged to customer etc.

9 Bank and Cash Balances

	2023 AED'000	2022 AED'000
Cash in hand	**1,317**	788
Current and call bank deposit accounts	**15,580,883**	10,591,523
Fixed deposits maturing within three months	**2,839,470**	770,449
	18,421,670	11,362,760

As at 31 December 2023, cash and cash equivalents amount to AED 18,421,670 thousands (2022: AED 11,320,524 thousands), net of facilities availed from various commercial banks in the UAE which are repayable on demand. Also refer note 19.

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

As at 31 December 2023, an amount of AED 15,147,563 thousands (2022: AED 10,567,498 thousands) are with banks against advances received from customers on sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

10 Trade and Unbilled Receivables

	2023 AED'000	2022 AED'000
Trade receivables		
Amounts receivables within 12 months, net	**564,780**	568,847
Unbilled receivables		
Unbilled receivables within 12 months	**4,983,934**	5,207,495
Unbilled receivables after 12 months, net	**6,471,659**	9,669,562
	11,455,593	14,877,057
Total trade and unbilled receivables	**12,020,373**	15,445,904

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

The above trade and unbilled receivables are net of AED 20,977 thousands (2022: AED 20,977 thousands) relating to provision for doubtful debts representing management's best estimate of expected loss on trade receivables which are past due for more than 90 days. All other receivables are considered recoverable.

Movement in the provision for doubtful debts during the year is as follows:

	2023 AED'000	2022 AED'000
Balance at the beginning of the year	**20,977**	48,497
Written off during the year	**-**	(27,520)
Balance at the end of the year	**20,977**	20,977

At 31 December, the ageing analysis of net trade and unbilled receivables is as follows:

			Past due			
	Total AED'000	Neither past due nor impaired AED'000	Less than 30 days AED'000	Between 31 to 60 days AED'000	Between 61 to 90 days AED'000	More than 90 days AED'000
2023	**12,020,373**	**11,455,593**	**202,938**	**109,672**	**40,227**	**211,943**
2022	15,445,904	**14,877,057**	151,881	49,265	32,451	335,250

Trade and unbilled receivables aged more than 90 days includes a provision of impairment loss of AED 20,977 thousands (2022: AED 20,977 thousands).

Refer note 28(a) on credit risks of trade and unbilled receivables, which discusses how the Group manages and measures credit quality of trade and unbilled receivables that are neither past due nor impaired.

11 Other Assets, Receivables, Deposits and Prepayments

	2023 AED'000	2022 AED'000
Due from related parties (note 25)	**2,350,092**	1,417,559
Deferred sales commission (i)	**1,188,618**	934,159
Advances to contractors and others (ii)	**725,538**	497,418
Value added tax recoverable (net) (note 23)	**146,412**	60,202
Prepayments	**3,861**	5,208
Other receivables and deposits	**65,389**	42,115
	4,479,910	2,956,661

Other assets, receivables, deposits and prepayments are realisable within 12 months from the reporting date.

(i) The deferred sales commission expense incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations, where applicable.

(ii) Advance paid to contractors at the commencement are adjusted against progress billings issued by the contractors throughout the project construction period.

Notes to The Consolidated Financial Statements (continued)
For the year ended 31 December 2023

12 Development Properties

	2023 AED'000	2022 AED'000
Balance at the beginning of the year	10,850,819	11,179,609
Add: Costs incurred during the year	7,694,436	6,026,296
Less: Costs transferred to cost of revenue during the year*	(6,078,272)	(6,355,086)
Balance at the end of the year	12,466,983	10,850,819

* Gross of write back related to project cost and infrastructure cost accrual (refer note 2.2)

During the year 31 December 2023, an amount of AED 6,210 thousands (31 December 2022: AED 7,716 thousands) was capitalised as cost of borrowings for the construction of development properties.

13 Loans to Joint Ventures

	2023 AED'000	2022 AED'000
Emaar Dubai South DWC LLC*	692,758	837,483
Old Town Views LLC	850	75,035
Zabeel Square LLC *	7,000	-
	700,608	912,518

Loans to joint ventures are unsecured and are repayable as per the terms of the agreement and do not carry any interest.

* This includes AED 631,700 thousands (2022: AED 769,483 thousands) which is expected to be recovered after 12 months from the reporting date.

14 Investments in Joint Ventures

	2023 AED'000	2022 AED'000
Emaar Dubai South DWC LLC (i)	502,657	406,302
Zabeel Square LLC (ii)	234,538	234,538
Old Town Views LLC (iii)	24,510	284,780
Net investment in joint ventures as at year end	761,705	925,620

(i) During 2015, the Parent Company entered into a joint venture agreement with Dubai Aviation City Corporation for the development of the Emaar South project. The joint venture was incorporated in the UAE on 9 May 2016 and operates under the name of Emaar Dubai South DWC LLC ("Emaar South"), in which the Parent has a 50% interest. The entity is primarily involved in property development activities. As agreed in the Master Transfer Agreement (MTA), the Parent Company has transferred it's share in the joint venture relating to the BTS development (including all the rights and obligation) to the Group.

(ii) On 9 January 2017, the Parent Company entered into a joint venture agreement with Meraas Zabeel Owned by Meraas Venture One Person Company LLC for the purpose of mix-use development in the UAE. The Parent has 50% equity interest in the joint venture company, Zabeel Square LLC ("Zabeel Square"). As agreed in the Master Transfer Agreement (MTA), the Parent Company has transferred it's share in the joint venture relating to the BTS development (including all the rights and obligation) to the Group.

Notes to The Consolidated Financial Statements (continued)
For the year ended 31 December 2023

(iii) On 15 May 2018, the Group entered into a joint venture agreement with certain land-owners of Burj Khalifa Master Community with the objective of developing the land and selling properties in the UAE. The Group has 61.25% equity interest in the joint venture company, Old Town Views LLC ("Old Town").

The Group has the following effective ownership interest in its joint ventures:

	Country of incorporation	Ownership 2023	Ownership 2022
Emaar Dubai South DWC LLC	UAE	50.00%	50.00%
Zabeel Square LLC	UAE	50.00%	50.00%
Old Town Views LLC	UAE	61.25%	61.25%

The following table summarises the statement of comprehensive income of the Group's joint ventures for the year ended 31 December 2023 based on the amounts reported in the preparation of Group's consolidated financial statements:

	Emaar Dubai South DWC LLC AED'000	Zabeel Square LLC AED'000	Old Town Views LLC AED'000	Total AED'000
Revenue	793,992	-	24,993	818,985
Total comprehensive income for the year	192,710	-	44,496	237,206
Profit attributable to owners of the entities	192,710	-	44,496	237,206
Group's share of profit for the year	96,355	-	27,254	123,609

The following table summarises the statement of comprehensive income of the Group's joint ventures for the year ended 31 December 2022 based on the amounts reported in the preparation of Group's consolidated financial statements:

	Emaar Dubai South DWC LLC AED'000	Zabeel Square LLC AED'000	Old Town Views LLC AED'000	Total AED'000
Revenue	868,355	-	215,386	1,083,741
Total comprehensive income for the year	214,064	-	109,942	324,006
Profit attributable to owners of the entities	214,064	-	109,942	324,006
Group's share of profit for the year	107,032	-	67,339	174,371

Dividend received during the year from Old Town LLC amounting to AED 287,524 thousands (2022: Nil).

The following table summarises the statements of financial position of the Group's joint ventures as at 31 December 2023 based on the amounts reported in the preparation of Group's consolidated financial statements:

	Emaar Dubai South DWC LLC AED'000	Zabeel Square LLC AED'000	Old Town Views LLC AED'000	Total AED'000
Total assets (including cash and cash equivalents of AED 959,781 thousands)	2,335,737	874,162	101,745	3,311,644
Total liabilities	1,330,422	405,085	61,730	1,797,237
Net assets	1,005,315	469,077	40,015	1,514,407
Group's share of net assets	502,657	234,538	24,510	761,705

Notes to The Consolidated Financial Statements (continued)
For the year ended 31 December 2023

The following table summarises the statements of financial position of the Group's joint ventures as at 31 December 2022 based on the amounts reported in the preparation of Group's consolidated financial statements:

	Emaar Dubai South DWC LLC AED'000	Zabeel Square LLC AED'000	Old Town Views LLC AED'000	Total AED'000
Total assets (including cash and cash equivalents of AED 902,550 thousands)	2,198,309	643,984	674,536	3,516,829
Total liabilities	1,385,705	174,909	209,589	1,770,203
Net assets	812,604	469,075	464,947	1,746,626
Group's share of net assets	406,302	234,538	284,780	925,620

As at 31 December 2023, the Group's share of commitments in relation to its joint ventures amount to AED 1,215,355 thousands (2022: AED 1,193,058 thousands).

15 Property, Plant and Equipment

2023:	Land and building AED'000	Computers and office equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Right-of-use of assets AED'000	Total AED'000
Cost:						
At 1 January 2023	**58,357**	**16,361**	**24,588**	**97**	**18,511**	**117,914**
Additions	**-**	**1,385**	**4,369**	**388**	**2,741**	**8,883**
At 31 December 2023	**58,357**	**17,746**	**28,957**	**485**	**21,252**	**126,797**
Accumulated depreciation:						
At 1 January 2023	**40,365**	**15,577**	**23,282**	**23**	**18,511**	**97,758**
Depreciation charge	**5,835**	**1,675**	**2,264**	**-**	**2,741**	**12,515**
for the year (note 5)						
At 31 December 2023	**46,200**	**17,252**	**25,546**	**23**	**21,252**	**110,273**
Net carrying amount:						
At 31 December 2023	**12,157**	**494**	**3,411**	**462**	**-**	**16,524**

2022:	Land and building AED'000	Computers and office equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Right-of-use of assets AED'000	Total AED'000
Cost:						
At 1 January 2022	58,357	16,161	24,484	52	16,008	115,062
Additions	-	200	104	45	2,503	2,852
At 31 December 2022	58,357	16,361	24,588	97	18,511	117,914
Accumulated depreciation:						
At 1 January 2022	34,529	14,540	23,034	20	16,008	88,131
Depreciation charge	5,836	1,037	248	3	2,503	9,627
for the year (note 5)						
At 31 December 2022	40,365	15,577	23,282	23	18,511	97,758
Net carrying amount:						
At 31 December 2022	17,992	784	1,306	74	-	20,156

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16 Trade and other Payables

	2023 AED'000	2022 AED'000
Project contract cost accruals (note 2.2)	**2,293,592**	4,277,366
Payable to related parties (note 25)	**3,973,164**	3,088,913
Creditors for land purchase	**1,254,830**	2,241,891
Trade payables (i)	**727,763**	647,014
Payable to authorities	**99,110**	115,542
Sales commission payable	**130,009**	113,339
Other payables and accruals	**268,551**	455,539
	8,747,019	10,939,604

(i) During the prior year, the Group obtained a Supplier factoring facility amounting to AED 71,516 thousands, under which its suppliers elected to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. There was no outstanding amount against the facility as at the year end.

Trade and other payables (other than payable to related parties (refer note 25(iii)) are non-interest bearing and for explanations on the Group's liquidity risk management process and maturity profile of financial liabilities, refer note 28(c).

17 Advances from Customers

	2023 AED'000	2022 AED'000
Balance at the beginning of the year	**9,627,012**	4,464,589
Add: Additions during the year	**14,906,689**	16,027,852
Less: Revenue recognised during the year	**(11,474,151)**	(10,865,429)
Less: Other Income recognised during the year (forfeiture income) (note 8)	**(343,318)**	-
Balance at the end of the year	**12,716,232**	9,627,012

The aggregate amount of the sale price allocated to the performance obligations of the Group that are unsatisfied/partially unsatisfied as at 31 December 2023 is AED 46,894,145 thousands (2022: AED 31,745,969 thousands). The Group expects to recognise these unsatisfied performance obligations as revenue over a period of 1-5 years.

18 Retentions Payable

	2023 AED'000	2022 AED'000
Retentions payable within 12 months	**472,394**	600,127
Retentions payable after 12 months	**433,407**	320,456
	905,801	920,583

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

19 Interest-Bearing Loans and Borrowings

	2023 AED'000	2022 AED'000
Balance at the beginning of the year	**895,819**	3,260,508
Add: Borrowings drawn down during the year	**850,090**	4,598,904
Less: Repaid during the year	**(1,742,236)**	(6,963,593)
Balance at the end of the year	**3,673**	895,819
Less: Unamortised portion of directly attributable costs	**-**	(3,743)
Net interest-bearing loans and borrowings at the end of the year	**3,673**	892,076
Interest-bearing loans and borrowings maturity profile:		
Within 12 months	**-**	42,236
After 12 months	**3,673**	849,840
	3,673	**892,076**

During 2019, the Group had availed 6-year Revolving credit facility ("RCF facility" or "old facility") of USD 1,000,000 thousands (AED 3,673,000 thousands). This unsecured RCF facility carried interest rate at 3 months LIBOR plus 1.25% per annum. During 2022, the outstanding amount from old facility was settled in full.

During 2022, the Group had obtained two new facilities aggregating to AED 3,673,000 thousands. The tenure of these new facilities is for a period of six years from the date of the agreements and carry profit rates of 1 or 3 month EIBOR plus a margin of 1%. These facilities are guaranteed by the Parent Company. The outstanding amount from these facilities as at 31 December 2023 is AED 3,673 thousands (2022: AED 853,583 thousands).

During 2022, the Group also executed short term facility of AED 600,000 thousands. This facility carries interest of EIBOR plus 1% per annum and is secured by a corporate guarantee from the Parent Company. As at 31 December 2023 and as at 31 December 2022, the Group has neither drawn down nor availed any amount from the facility.

During 2022, the Group obtained facilities from various commercial banks in the UAE amounting to AED 42,236 thousands, which were payable on demand. There is no amount outstanding amount from these facilities as at 31 December 2023.

20 Share Capital

	2023 AED'000	2022 AED'000
Authorised capital: 8,000,000,000 shares of AED 1 each (2022: 8,000,000,000 shares of AED 1 each)	**8,000,000**	8,000,000
Issued and fully paid-up: 4,000,000,000 shares of AED 1 each (2022: 4,000,000,000 shares of AED 1 each)	**4,000,000**	4,000,000

21 Reserves

(i) According to Article 61 of the Articles of Association of the Company and Article 241 of the UAE Federal Decree Law No. (32) of 2021, 10% of the annual net profit shall be allocated to legal reserve until it reaches 50% of the paid-up share capital. The Company has transferred AED 439,535 thousands (31 December 2022: AED 380,825 thousands) to legal reserve from net profit for the year. The Legal Reserve as at 31 December 2023 is AED 2,000,000 thousands (2022: AED 1,560,465 thousands)

(ii) The General Reserve as at 31 December 2023 is AED 150 thousands (2022: AED 150 thousands)

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

22 Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2023 AED'000	2022 AED'000
Earnings:		
Profit attributable to the owners of the Company	**6,628,996**	3,808,248

	2023 AED'000	2022 AED'000
Number of shares in thousands		
Weighted-average number of ordinary shares for basic earnings per share	**4,000,000**	4,000,000

	2023 AED'000	2022 AED'000
Earnings per share:		
- basic and diluted earnings per share (AED)	**1.66**	0.95

23 Guarantees and Contingencies

The Group has provided a performance guarantee of AED 4,246,307 thousands (2022: AED 5,587,887 thousands) to the Real Estate Regulatory Authority (RERA), Dubai for its projects as per RERA regulations.

During the current year, UAE Federal Tax Authority (FTA) issued a tax assessment order of AED 563,649 thousand mainly towards VAT on serviced residential units along with an administrative fine of AED 673,085 thousand. As at the reporting date, the demand of assessment order for AED 563,649 thousand is duly paid and a portion thereof adequately provided/adjusted from revenue (also refer note 4 and note 11). However, management, based on opinion of their tax advisors, has filed a tax assessment review application with FTA to review their assessment order mainly to reflect their earlier clarification about VAT on serviced apartments. Accordingly, management do not expect the demand for aforesaid fine to materialise and hence no provision towards the same has been recognised.

24 Commitments

As at 31 December 2023, the Group has commitments of AED 9,858,958 thousands (2022: AED 5,997,623 thousands). This represents the value of contracts entered into by the Group including contracts entered for purchase of plots of land at year end, net of invoices received, and accruals made at that date.

Furthermore, in accordance with the Development Agreement entered by the Group with Mina Rashid Properties LLC, the Group has a commitment to pay 30% of future profits over the project life cycle of Mina Rashid Properties LLC Project.

There are certain claims submitted by contractors relating to various projects of the Group in the ordinary course of business from which it is anticipated that no material unprovided liabilities will arise.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

25 Related Party Disclosures

For the purpose of these consolidated financial statements, parties are related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control (Affiliated entities). Related parties may be individuals or other entities.

The Group in the normal course of business enters into transactions with individuals and other entities that falls within the definition of related party. The Group's related parties include key management personnel, entities held under common control, joint ventures and others.

The Group's parent company is partly owned by Investment Corporate of Dubai ("ICD"), an entity owned by the Government of Dubai ("Government"). The Group enters into transactions, in the normal course of business, with Government-owned entities and entities wherein ICD has control, joint control or significant influence. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions, which are primarily in nature of financing and operational (power, utilities and infrastructure services) related activities and entered in the normal course of business at commercial terms.

Related party transactions

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
Parent:		
Revenue (refer (ii) below)	**761,228**	640,899
Selling, general and administrative expenses (refer (i) below)	**379,750**	368,131
Finance cost (refer (iii) below)	**109,338**	86,220
Borrowing (refer (iii) below)	**5,256,000**	-
Repayment of borrowing (refer (iii) below)	**(5,930,750)**	-

Related party balances

	2023 AED'000	2022 AED'000
Affiliated entities:		
Revenue (refer (ii) below)	**130,326**	-
Selling, general an d administrative expenses	**81,337**	66,503
Property development expenses	**194,803**	72,418
Joint Ventures:		
Revenue	**15,793**	21,987
Directors, Key management personnel and their related parties:		
Selling, general and administrative expenses	**422**	328

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
Parent:		
Other assets, receivables, deposits and prepayments (refer (ii) below)	**133,887**	1,299,008
Trade and other payables (refer (i) and (iii) below)	**3,918,730**	3,057,228
Affiliated entities:		
Other assets, receivables, deposits and prepayments	**2,216,205**	118,551
Trade and other payables	**54,434**	31,685

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

(i) Allocation of corporate expenses:

The Parent Company has provided certain corporate services to the Group and costs associated with these services were allocated to the Group. These services included human resources, treasury, investor relations, finance and accounting, compliance, information technology, corporate and legal compliance, business development and marketing. As per Relationship Agreement, corporate expenses are allocated by the Parent on the basis of 3% of revenue of the Group. This net balance is recoverable on demand.

(ii) Recoverable from the Parent:

This mainly represents balances recoverable from the Parent Company with respect to the development costs incurred for the Build-to-sell (BTS) developments in Dubai Creek Harbour project (DCH project). As agreed in the Master Transfer Agreement (MTA), the Parent Company has transferred the development services and profit relating to the BTS development in DCH project to the Company, for which the development costs including infrastructure costs are incurred by the Company prior to acquisition.

Subsequent to the Parent Company's acquisition of 100% shareholding in Dubai Creek Harbour LLC in 2022, the aforesaid arrangement is amended during the year wherein the transactions for development services and entitlement of profits are now be directly between the Company and Dubai Creek Harbour LLC, a wholly owned subsidiary of the Parent Company and a related party of the Company.

(iii) Payable to the Parent Company:

Amount due to the Parent Company is unsecured and is repayable on demand. This includes AED 1,910,000 thousands (31 December 2022: AED 2,584,750 thousands) which carries interest rate at 3 months EIBOR plus 1% per annum (31 December 2022: 3 months LIBOR plus 1.4% per annum). Also refer note 16 The Group has total credit facility from the Parent Company of USD 1,350,000 thousands (AED 4,958,550 thousands).

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2023 AED'000	2022 AED'000
Short-term benefits	**14,372**	6,178
Employees' end-of-service benefits	**811**	638
	15,183	6,816

During the year, the number of key management personnel is 9 (2022: 5).

During the current year, the Company has considered key roles as key management personnel's (KMPs). Accordingly, comparative financial information also been updated to confirm to the presentation in the current year.

During the year, the Company has paid a bonus of AED 3,900 thousands to the non-executive members of the Board of Directors for the year 2022 as approved by the shareholders at the Annual General Meeting of the Company held on 18 April 2023 (2022: AED 3,900 thousands).

26 Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade and unbilled receivables, loans to joint ventures, other receivables, deposits and due from related parties. Financial liabilities of the Group include interest-bearing loans and borrowings, trade payable, retentions payable, payable to related parties and other payables.

Fair value of the financial instruments is included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially different from their carrying values largely due to the short-term maturities of these instruments.

Notes to The Consolidated Financial Statements (continued)
For the year ended 31 December 2023

27 Dividend
A cash dividend of AED 0.5205 per share for the year ended 31 December 2023 is proposed by the Board of Directors of the Company subject to the approval of shareholders in the forthcoming Annual General Meeting.

The Company has paid cash dividend of AED 2,081,000 thousands (AED 0.52025 per share) for the year ended 31 December 2022 as approved by the shareholders of the Company at the Annual General Meeting held on 18 April 2023.

28 Financial Risk Management Objectives and Policies
Overview

The Group has exposure to the following risks from its use of financial instruments:

a) Credit risk;
b) Market risk; and
c) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in others. The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's principal financial liabilities comprise interest-bearing loans and borrowings, retentions payable, amount due to related parties and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as bank balances and cash, trade and unbilled receivables, loan to joint ventures, amount due from related parties and other receivables and deposits, which arise directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

a) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its receivables from customers, related parties including joint ventures, other receivables and from its financing activities, including deposits with banks and financial institutions.

Trade, unbilled and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk.

Notes to The Consolidated Financial Statements (continued)
For the year ended 31 December 2023

The Group has entered into contracts for the sale of residential and commercial units and plots of land on an instalment basis. The instalments are specified in the contracts. The Group is exposed to credit risk in respect of instalments due. However, the legal ownership of residential, commercial units and plots of land is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment at each reporting date that represents its estimate of expected credit losses in respect of trade, unbilled and other receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk.

Other financial assets and cash deposits

With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances and cash, loans to joint ventures, other receivables and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

Total financial assets at amortised cost amounted to AED 33,549,994 thousands (2022: AED 29,198,551 thousands).

Guarantees

The Group's policy is to provide financial guarantees to its subsidiaries and certain joint ventures. For details of guarantees outstanding as at the reporting date refer note 23 to the consolidated financial statements.

Excessive risk of concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

b) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Group's income or the value of its holdings of financial instruments. Financial instruments affected by market risk include interest-bearing loans and borrowings and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest on financial instruments having floating rates is re-priced at intervals of less than one year. Other than commercial and overall business conditions, the Group's exposure to market risk for changes in interest rate environment relates mainly to its borrowing from financial institutions.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

	2023		2022	
	Change in basis points	Sensitivity of interest income/expense AED'000	Change in basis points	Sensitivity of interest income/expense AED'000
Interest on current and call deposits	± 100	155,809	± 100	105,915
Interest-bearing loans and borrowings	± 100	36	± 100	8,958
Trade and other payables	± 100	19,100	± 100	25,848

The interest rate sensitivity set out above relates primarily to the AED denominated financial assets and financial liabilities as the Group does not have any significant net exposure for financial assets and financial liabilities denominated in currencies other than the AED.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. trade receivables, other financial assets) and projected cash flows from operations.

The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities from Parent, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 December 2023

Financial liabilities	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	Total AED'000
Interest-bearing loans and borrowings	211	3,884	-	4,095
Retentions payable	472,393	433,408	-	905,801
Trade and other payables	6,499,749	2,134,096	280,773	8,914,618
Total undiscounted financial liabilities	6,972,353	2,571,388	280,773	9,824,514

As at 31 December 2022

Financial liabilities	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	Total AED'000
Interest-bearing loans and borrowings	86,648	941,324	-	1,027,972
Retentions payable	600,127	320,456	-	920,583
Trade and other payables	5,820,307	4,853,338	456,097	11,129,742
Total undiscounted financial liabilities	6,507,082	6,115,118	456,097	13,078,297

d) Capital management

Capital includes equity attributable to the equity holders of the Parent. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt interest bearing loans and borrowings less cash and cash equivalents. Capital includes equity attributable to the owners of the Parent less the net unrealised gains/(losses) reserve. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board of Directors also monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to shareholders, the return on capital to shareholders or issuance of new shares to maintain or adjust the capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements other than the statutory requirements in the jurisdictions where the Company or Group entities are incorporated.

Notes to The Consolidated Financial Statements (continued)

For the year ended 31 December 2023

29 Non-Controlling Interest (NCI)

Financial information of major subsidiary of the Group that have material non-controlling interest (NCI) are provided below:

	Country of incorporation	NCI holding 2023	NCI holding 2022
Dubai Hills Estate LLC	UAE	**50%**	50%

The following table summarises the statement of financial position of a partially owned material subsidiary as at 31 December. This information is based on the amounts before inter-company elimination.

	Dubai Hills Estate LLC	
	2023 AED'000	2022 AED'000
Total assets	**11,096,706**	8,490,926
Total liabilities	**3,899,029**	4,942,124
Total equity	**7,197,677**	3,548,802
Attributable to:		
Owners of the Company	**3,598,839**	1,774,401
Non-controlling interest	**3,598,839**	1,774,401
Other non-material Non-Controlling Interest (note 24)	**30,642**	-
Total	**3,629,481**	1,774,401

The following table summarises the income statement of this subsidiary as at 31 December. This information is based on the amounts before inter-company elimination.

	Dubai Hills Estate LLC	
	2023 AED'000	2022 AED'000
Revenue	**3,587,412**	1,936,888
Profit for the year (refer note 2.2)	**3,648,876**	913,660
Total comprehensive income for the year	**3,648,876**	913,660
Attributable to:		
Owners of the Company	**1,824,438**	456,830
Non-controlling interest	**1,824,438**	456,830
Other non-material Non-Controlling Interest (note 24)	**30,642**	-
Total	**1,855,080**	456,830

The was no dividend paid to non-controlling interest in the current year (31 December 2022: AED 605,000 thousands).

The following table summarises the cash flow statement of this subsidiary as at 31 December. This information is based on the amounts before inter-company elimination.

	Dubai Hills Estate LLC	
	2023 AED'000	2022 AED'000
Cash from operating activities	**3,488,934**	4,193,638
Cash from investing activities	**290,357**	43,122
Cash used in financing activities	**(7,423)**	(1,210,000)
Net increase in cash and cash equivalents	**3,771,868**	3,026,760

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