INDUSTRY CONTEXT AND PERFORMANCE

MANAGEMENT DISCUSSION AND ANALYSIS

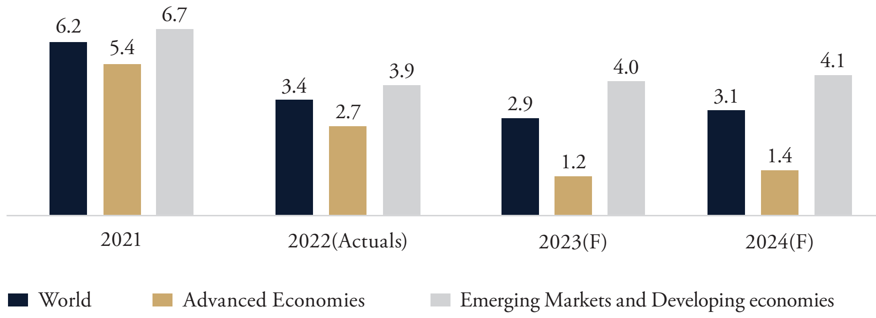
According to the IMF, the world economy grew at 3.4% in 2022 and is expected to slow down to 2.9% in 2023 before rebounding to 3.1% in 2024.

Global Economy

The Global economy has been experiencing volatility over the past year, but emerged all the more resilient. The world witnessed the most rapid economic recovery post-pandemic in 2021, backed by massive stimulus packages offered by governments across the world, resulting in strong consumer spending and some uptake in investment. This rebound started to lose momentum in 2022 as inflation pressures emerged in most economies, led by disruptions in energy, food and commodity markets. High energy prices and fuel shortages limited manufacturing of key materials and intermediate goods; and bottlenecks in production and supply chains spread to more generalised shortages of goods.

According to the IMF, the world economy grew at 3.4% in 2022 and is expected to slow down to 2.9% in 2023 before rebounding to 3.1% in 2024. The rapid removal of monetary accommodation and increase in policy rates by central banks to control high inflation are having the desired effect of restraining demand. The slowdown will be more pronounced in the advanced economies while growth in emerging markets and developing economies is expected to increase after bottoming out in 2022. Growth is expected to pick up in China in 2023 with the full reopening post pandemic-related lockdowns. Similar to global demand, world trade growth is expected to moderate in 2023 to 2.4%, despite an easing of supply bottlenecks, before rising to 3.4% in 2024.

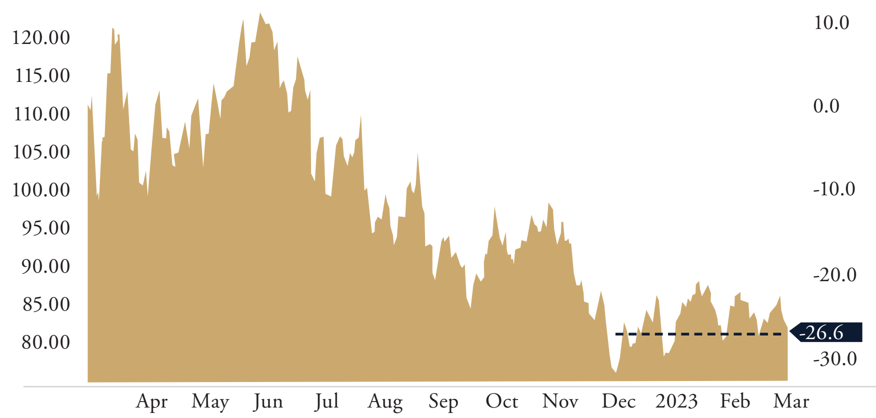
World Economic Outlook Projections (GDP growth %)



Source: World Economic Outlook, January update 2023, IMF *(F) – Forecast*

The IMF projects global inflation to fall from an average of 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024.

Oil (Brent) Price Movement



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

After rising sharply over 2021 and much of 2022, global inflation is slowing driven by falling energy and food prices. As per the IMF, oil prices are projected to fall by about 16% in 2023, while non-fuel commodity prices are expected to decline by 6.3%. Increased activity in China may also ease supply chain pressures and keep commodity prices lower.

The IMF projects global inflation to fall from an average of 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024. This is paving the way for a reduction in the pace and intensity of interest rate hikes by the world's major central banks. However, given continued underlying inflationary pressures on account of cost increase, tight labour market and resilient consumer demand, interest rates will remain elevated for a longer period of time.

The International energy agency estimates world oil demand to rise more than 2%, recording a high of 101.6 Mn barrels per day in 2023. This growth might be hindered by tightening measures by central banks as well as continued supply chain disruptions; however, a resolution of the geopolitical conflict in Eastern Europe and a relaxation of China's zero-Covid policy provides some upside potential. Continued proactive and pre-emptive efforts are expected in the global market amid a rapidly evolving market.

UAE Economy

The UAE continues to maintain its status as one of the most competitive and highly advanced economies in the world, leveraging innovative strategies to boost economic growth and diversification. The country's continued economic growth and progress across major economic development indicators showcase the stability of the UAE's financial ecosystem and the resilience of the national economy.

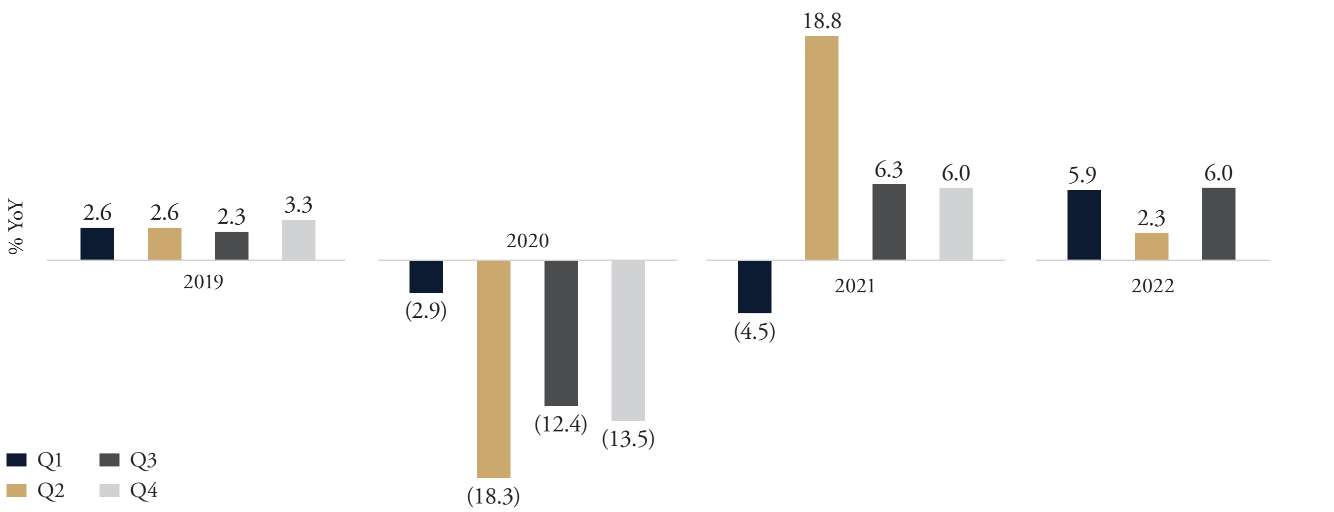
One noteworthy highlight was Dubai's continued smooth post-pandemic recovery, as evidenced by 6% Q3 2022 GDP growth. Looking ahead, Dubai is projected to play an increasingly significant role in the UAE's growth due to the recent unveiling of the Dubai government's AED 32 trillion (US$ 8.7 trillion) economic plan.

The UAE economy grew 7.6%[1] in 2022 on the back of easing of COVID restrictions leading to robust tourism, momentum from Expo 2020 Dubai, strong recovery in construction industries, as well as higher oil production. Additionally, global uncertainty led to larger financial inflows, contributing to rapid real estate price growth in some segments. Trade crossed AED 2 trillion and re-exports surpassed AED 600 Bn for the first time ever.

According to the UAE Central Bank, along with the oil price boost, increased government and private sector spending is driving GDP growth. Given the rally in oil and gas prices and the higher oil production, higher government revenue boosted public spending further in 2022.

The UAE is projected to be the fastest growing country in the Arabian Gulf in 2023 with a real GDP growth rate of 4.2%[1] with moderating inflation and non-oil sector delivering healthy growth. The inflation forecast for 2022 was 5.6% and is projected to easing down to 2.1% in 2023. The UAE's Purchasing Managers' Index (PMI) is 56.6 portraying the expanding market.

Dubai GDP grew 6.0% YoY



Source: Haver Analytics, Dubai Statistics Center. Emirates NBD Research and ICAEW Economic Update: Middle East

[1] UAE central bank

While there are increasing global economic headwinds of a strong US dollar and interest rates being at 15-year highs, the UAE's economic outlook remains healthy. The UAE's fiscal position and ease of doing business are expected to dampen the impact of global macroeconomic conditions. The Government's strategic measures, including the relaxation of foreign ownership laws and visa reforms, helped the growth momentum continue. The UAE's economy benefits from solid oil revenues in Abu Dhabi and from the dynamism of a diversified economy in Dubai, notably in the tourism, real estate, and transportation sectors. The Middle East region as a whole is more integrated than it has been for years both socially and economically, as seen during the FIFA World Cup, and 2023 is likely to bring a raft of cross-border investments along with a number of IPOs to boost capital markets, another area in which it could be an exception to the global trend.

UAE has an ambitious strategy to diversify its economy across sectors and achieve sustainable growth. These strategies are based on promoting advanced technologies including Industry 4.0, circularity, artificial intelligence, green energy, among others, and leveraging on talent and skills of its vibrant and diverse workforce. UAE remains a destination of choice for work and living for significant numbers of youth from other Arab and non-Arab countries. It is also developing its domestic capital market to support growth.

UAE Government strategies to drive sustainable growth include

01
UAE Centennial 2071

02
The Fifty Economic Plan

03
Emirates Blockchain Strategy

04
Green Growth Strategy

05
Strategy for the Fourth Industrial Revolution

06
Circular Economy Policy

07
National Program for Artificial Intelligence 2031

08
Energy Strategy 2050

The UAE is projected to be the fastest growing country in the Arabian Gulf in 2023 with a real GDP growth rate of 4.2% with moderating inflation and non-oil sector delivering healthy growth.

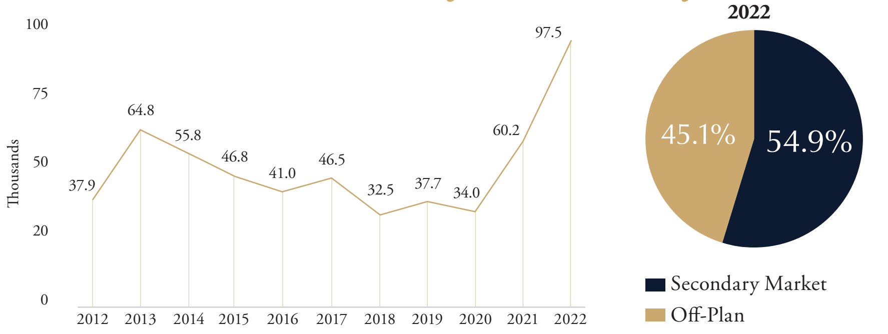
Realty Industry

The UAE's real estate and construction sector is expected to continue its growth trajectory, especially in Dubai, as the UAE government's strategies promoting industry and tourism continue to attract new talent, generate employment and strengthen its international standing. The reversion to pre-Covid employment levels, the Golden Visa laws and residency through real estate investment initiatives are drawing more investors and residents to Dubai. Dubai became the only real estate market in the MENA region to enter the "most transparent markets" category in JLL's Global Real Estate Transparency Index.

Residential Market

Dubai's real estate industry demonstrated remarkable strength in 2022, outperforming global cities despite weak global markets as investor confidence in the city remains robust. It ended the year with a record of over 97,000 transactions valued at AED 265 Bn, 78% higher than in 2021 (source: Emirates NBD).

Sales transactions: Dubai's swift Covid recovery



Source: Dubai Land Department

Opportunities and challenges in the UAE Real Estate market

Opportunities

- **Improvement in affordability**
- **Need for larger spaces**
- **Higher foreign investment**

As per JLL on the supply side, 38,000 residential units were delivered in Dubai in 2022 compared to the previous year's 40,000 units and the total residential stock of Dubai was 680,000 units with 41,000 units scheduled for completion in 2023.

The robust supply by developers was insufficient to meet the surge in demand caused by a strong economic recovery, introduction of the golden visa laws, and Expo 2020 Dubai which resulted in soaring prices.

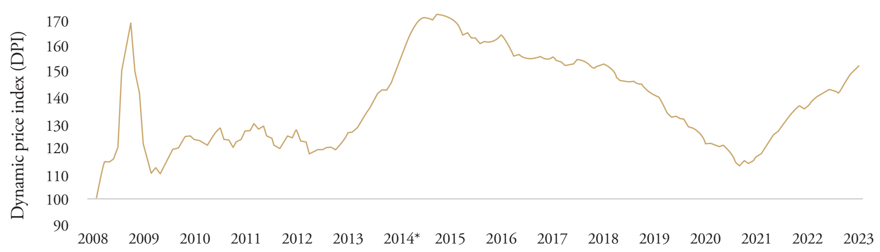
As a result, Dubai stood out in the global property marketplace with a 11% price surge in 2022. According to CBRE, as of December 2022, Dubai's average apartment prices reached AED 1,168 per sq ft and its average villa prices reached AED 1,365 per sq ft, which were 9.0% and 12.8% higher than last year respectively.

Dubai's prime real estate continued to outperform the overall market with branded residences finding favour with buyers. The average villa or townhouse sold for AED 5 Mn (US$ 1.36 Mn) in 2022, a significant increase of 28% from the previous year.

Challenges

- **Rising construction cost**
- **Inflationary trends**
- **Global economic headwinds**
- **Rising mortgage rates**

Dubai Real Estate upcycle



**Prices still lower than previous peak, however, several communities have already surpassed their 2014 figures as on March 2023*

Source: Property monitor, CBRE

Dubai's prime residential prices are forecasted to experience the strongest growth globally in 2023, with prices expected to increase by 13.5%. This is largely attributable to the influx of foreign buyers and high-net-worth individuals enticed by Dubai's safe-haven status and the abundance of luxury residences. In addition, the government's successful management of the pandemic has generated business optimism that is pushing up prime values.

Key Drivers behind Strong Residential Performance in Dubai

Dubai's long held belief of 'build and they will come' is gradually evolving into a 'build it and they will come and stay' philosophy. The city's appeal stretches right across the world. Adding to the city's appeal is its relative affordability, with prime homes transacting for around US$ 800 per sq ft, making Dubai one of the most affordable luxury residential markets in the world.

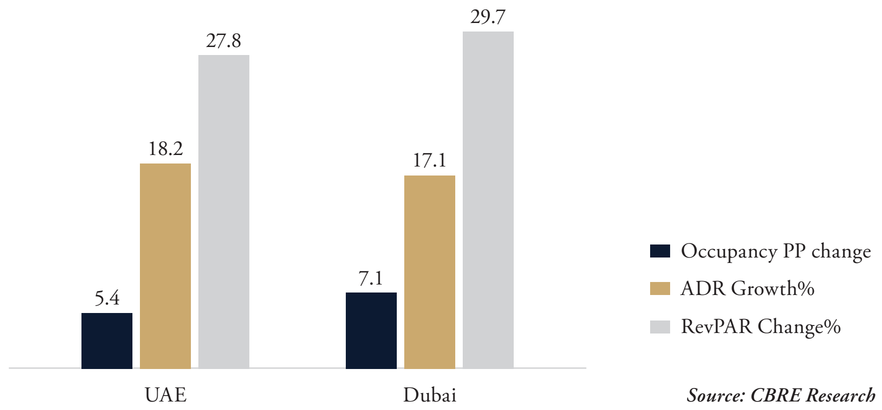
As per CBRE, in the year ahead, both the average price and rental growth rates in Dubai's real estate market will remain strong, albeit with a tendency towards moderation. In certain emerging neighbourhoods with ample supply, prices are expected to decline. Despite this, the growth rate for prime markets globally is predicted to remain the highest at 13.5% in 2023. The real estate market's fundamentals remain unchanged, and a return to stable and sustainable growth will bolster the confidence of homeowners and investors. Overall, city-wide prices remain 21.4% below the last peak in 2014.

13.5%
Increase in average prices in the year to December 2022 - Dubai

AED 1,385
Average villa price per sq ft in Dubai

AED 1,168
Average apartment price per sq ft in Dubai

Key Performance Indicators, YoY % Change



Source: CBRE Research

Hospitality Market

Based on data by Dubai's Department of Economy and Tourism, there was an impressive 97% YoY increase in international overnight visitors in 2022 compared to 2021. Dubai received 14.4 Mn arrivals, almost reaching the pre-pandemic rate of 16.7 Mn seen in 2019. On top of that, the average hotel occupancy rate stood at 73%, one of the highest in the world and just shy of its 75% level in 2019 prior to the pandemic.

This positive momentum, despite lower global travel as compare to pre-Covid levels, strengthens Dubai's position as one of the world's top business and tourism destinations, driving the goal of Dubai Economic Agenda D33.

With rebounding tourism boosting the hotel sector's prospects, 2022 saw the average occupancy rate increased by 5.4%. Over the same period, Average Daily Rate (ADR) increased by 18.2%. UAE's average Revenue Per Available Room (RevPAR) increased by 27.8% First quarter of 2022 was also positively impacted due to Expo 2020 Dubai related demand have pushed up the occupancy rates to record levels.

In Dubai with the completion of around 6,800 keys in 2022, its hotel stock rose to 148,000 keys with most deliveries comprising four and five-star properties. In 2023, approximately 13,000 keys are scheduled to be added in Dubai.

The UAE now hosts one of the richest hospitality markets in the world with an expected 25% growth in the industry by 2030 and 40 Mn new visitors staying at hotels in Dubai by 2031.This growth is backed by the UAE's tourism plan to market the county as one of the world's hottest destination.
In November 2022, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, launched a new UAE tourism strategy to increase investment to the tune of US$ 27 Bn in the sector and draw 40 Mn visitors to the country by 2031 and raise the sector's contribution to GDP to US$ 122 Bn from the current US$ 99 Bn. Also following the success of Expo 2020 Dubai, the UAE will host COP 28 in November 2023.

13,000 keys
Planned deliveries in Dubai in 2023

148,000 keys
In Dubai as at 2022

Source: JLL MENA, Arabian Business

Retail Market

The retail property sector was hit hard by the pandemic and the increase in online shopping was thought to keep the sector subdued. On the positive side, the segment showed signs of resilience since the second half of 2021 and rents have stabilised. The demand for retail space is rising in the UAE's prime locations with average rents for super-regional malls in Dubai up by 3% YoY towards the end of the year, underpinned by increasing tourist footfalls.

Developers continue to add supply given positive market dynamics. The delivery of around 200,000 sq m of retail floorspace last year raised Dubai's total stock to 4.63 Mn sq m.

The retail market is anticipated to grow over the next few years with rising support from tourism and increasing household consumption supporting growth. More than 80 Mn visitors visit Dubai Mall alone each year.

In the retail segment, luxury, food, beverage, and entertainment sectors are the major demand drivers. Demand for Beach Clubs and Family Entertainment centres is also on the rise. Given the greater competition, malls are introducing more experiential retail concepts and are seeking to have a greater variety of outlets for visitors to their properties.

Total retail stock in 2022

+

4.63 Mn sq m
Dubai

Egypt's economy

The start of 2022 marked an impressive recovery from COVID-19 for Egypt, owing to its economic resilience. The Russia-Ukraine conflict provided an additional challenge to the economy, with Egypt being a net commodity importer, resulting in higher domestic prices and budgetary pressures. Despite this, Egypt's GDP is projected to remain steady at 4.5% in FY 2023.

Egypt's strategic monetary tightening, including raising interest rates to 16.2%, has helped to reduce inflation to 24.4% in 2022. Furthermore, the government has provided LE130 Bn in social mitigation packages to protect vulnerable populations from rising prices. The healthy government expenditure to GDP ratio stood at 23.1% in FY 2022 demonstrates the government's ongoing dedication to addressing the current situation.

Egyptian Real Estate Sector

Real estate is one of the hottest sectors to invest in Egypt. To improve living standards and appeal to investors, the Egyptian government has invested approximately US$ 400 Bn in infrastructure. It is now looking to increase the size of private sector from 30% to 65% by 2025 in order to increase investments. Growing population and economic expansion will keep the demand in the real estate sector buoyant. The hospitality and residential sector is recovering, boosted by public and private events and flexible payment plans in the wake of the pandemic and geo-political tensions.

Egypt's New Urban Communities Authority (NUCA) of the Ministry of Housing is currently building 20 fourth-generation cities on a total area of 243,600 hectares, expected to accommodate about 30 Mn people and provide millions of jobs. The cities are integrated in terms of the availability of services and advanced technologies in infrastructure and facilities.

Office

As per the JLL report, the Gross Leasable Area (GLA) of office space delivered was 193,000 sq m in 2022 bringing the total office stock to almost 1.9 Mn sq m. In 2021, 253,000 sq m office space was delivered. The drop in deliveries in 2022 is mainly attributed to work from home policies as well as rise in online businesses. The expected completion in 2023 is 400,000 sq m. The rent increased by 5% to US$ 347 per sq m. Over the same period Cairo's office vacancy rate dropped to 8% (from 10% in Q4 2021) due to businesses moving to a new, more modern look, mirroring the global flight to quality.

The major driver for demand for office space came from outsourcing companies looking to operate in Cairo. Since the Egyptian pound is a floating currency, landlords are also open to taking rent in USD. Also, since the cost of fit-out is expensive, tenants are looking for a long-term lease and undertaking fit-out work.

Residential

In the residential segment, the total stock stood at 246,000 units at the end of 2022 with completion of 18,000 units for the year, similar to last year, and 35,000 units are expected to be completed in 2023. Rising inflation and currency devaluation has led to a doubling of construction materials costs, causing delays in deliveries and a hike in prices.

Retail

The Egyptian retail real estate sector benefits from the continuing popularity of brick-and-mortar stores, despite a recent rise in e-commerce. Retail Space stock stood at 2.9 Mn sq m post completion of 93,000 sq m in 2022, and 0.4 Mn sq m is projected to be added in 2023. The majority of the upcoming regional and super-regional malls are located in New Cairo. Vacancy rates reduced to 10% towards the end of the year. Average rental rates in primary and secondary malls remained mostly stable and increased by 1% during 2022.

Retail Stock

+

2.9 Mn sq m
As on 2022

+

0.4 Mn sq m
To-be-delivered in 2023

India

In the past couple of years, India has emerged as the fastest-growing major economy in the world. It is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

The government of India's initiatives such as Make in India, Digital India, and PLI schemes are promoting Indian manufacturing, and digital infrastructure as well as making India a prime destination for investments.

India's real GDP grew by 8.7% in 2021 led by improvement in private consumption and resilient investment activity. As per World Bank, India is expected to grow at 6.9% in 2022 and 6.6% in 2023. The annual inflation rate in India increased to 5.72% in December 2022.

Indian Real Estate Sector

India's real estate is witnessing a healthy recovery. It contributes about 6-7% to the Indian GDP and is expected to contribute about 13% by 2025. Despite pandemic exigencies, the sector has continued to show resilience and steady growth in 2022. Covid has helped in bringing about a paradigm shift in how customers view residential properties and has reinforced the importance of home ownership. New trends emerged as a result of the pandemic are preference for larger-sized apartments, an inclination towards reputed developers, and a rising demand for township projects.

Government policy initiatives like Smart Cities Mission and AMRUT (Atal Mission for Rejuvenation and Urban Transformation) are expected to ramp up demand in residential and commercial real estate. Increasing NRI and FDI investments are also helping boost the office space segment. The Real estate industry has witnessed holistic growth across tier I, II & III cities with Tier II cities expected to show more demand backed by increasing employment opportunities.

Company Overview

Emaar Properties PJSC is one of the world's most valuable and admired real estate development companies. Emaar focuses on design excellence, build quality, and timely delivery. Emaar brand signifies the epitome of luxury and beauty. A pioneering developer of integrated master-planned communities, Emaar Group has transformed the real estate sector in Dubai.

We are a global company with a significant presence in the Middle East, Asia, and North Africa. Emaar has a land bank of 1.7 Bn sq ft in the UAE and key international markets.

As of 2022, Emaar has delivered over 92,000 residential units in Dubai and other global markets since 2002 backed by strong consumer confidence and superior project execution capabilities. Emaar has strong recurring revenue-generating assets with ~1.3 Mn sq m of leasing revenue-generating assets and 37 hotels and resorts with over 8,100 rooms (including owned as well as managed hotels). Today, 53% of Emaar's revenue is from its shopping malls & retail, hospitality & leisure, and international subsidiaries.

Downtown Dubai is Emaar's flagship development and is the world's one of the most visited lifestyle destination. It is a 500 acre neighborhood which is home to some of world's iconic mega structures like Burj Khalifa, Dubai Mall, and Dubai Fountain. Emaar's other established communities in Dubai include Arabian Ranches, Emaar Beachfront, Emirates Living, and Dubai Marina.

Emaar's strong balance sheet and revenue growth is a testament to its resilient business model with strong future growth potential. Its development, malls, hospitality, and entertainment business have strong upside potential and growing recurring revenues.

Over the years, Emaar has positioned itself as the preferred development partner in multiple markets.
The Company is recognised for its superior quality and consistent delivery. Its credibility has enabled partnerships with GREs, giving the company access to desirable land banks across the UAE using a land acquisition model that requires minimum upfront cash payments.

Emaar aspires to be one of the world's most valuable, innovative, and admired companies. Its goal is to be an unstoppable company that creates enormous value for the company's shareholders, stakeholders, and the economy. It wishes to deliver sustainable long-term growth and value creation. Each of our development and attractions has its unique design aesthetic, providing an aspirational lifestyle within a thriving community.

World-Renowned Architectures

Burj Khalifa
The tallest building in the world with a height of 829.8 m

Dubai Mall
One of the most visited malls in the world. Over 80 Mn visitors each year

Dubai Fountain
World's tallest choreographed musical fountain

Financial Overview

An overview of the Consolidated Results for 2022

Financial Summary

AED Mn	2022	2021 (Restated)	% YoY Change
Revenue	24,926	27,896	(11%)
Gross profit	12,587	11,592	9%
Gross profit margin %	50.5%	41.6%	-
EBITDA	9,816	8,309	18%
EBITDA Margin (%)	39.4%	29.8%	-
Net profit*	6,832	3,801	80%
Profit margin (%)	27.4%	13.6%	-
Earnings Per Share (EPS)	0.83	0.52	60%

**Attributable to Owners*

Important Consolidated KPIs for 2022

AED 35.1 Bn
(US$ 9.5 Bn)
Overall property sales (including sales related to non-consolidated JVs/JDAs)

AED 24.9 Bn
(US$ 6.8 Bn)
Revenue

AED 9.8 Bn
(US$ 2.7 Bn)
EBITDA

AED 4.3 Bn
(US$ 1.2 Bn)
International property sales

AED 6.8 Bn
(US$ 1.9 Bn)
Total Net Profit attributable to Owners

137 Mn
Footfall at Emaar Malls (Up 35.6% from 101 Mn in 2021)

Net Asset Value (NAV)

AED 138 Bn
Fair value

AED 69 Bn
Book value

AED 15.62
per share

AED 7.81
per share

53%
Recurring EBITDA

36%
Recurring revenues

Emaar Properties PJSC saw robust property sales, growth of recurring revenue business, and increased profitability in all businesses.

Consolidated Financial Analysis for 2022

Revenue

2022 saw robust property sales, increased growth of recurring revenue business, and improved profitability. Emaar's property sales backlog reached AED 53.2 Bn (US$ 14.5 Bn) as compared to AED 46.1 Bn (US$ 12.5 Bn) in 2021. Of this, AED 41.4 Bn (US$ 11.2 Bn) is in the UAE.

Gross Profit

The YoY increase of 9% in the Group's gross profit was the result of change in revenue mix with a record increase in recurring revenues.

EBITDA

The YoY increase of 18% in the Company's EBITDA was the result of a significant growth in the margins in addition to and management's judicious control of expenses. This increase in EBITDA is further supported by a higher other income and share of profit from associate entities.

Net Profit*

Emaar reported a net profit of AED 6.8 Bn (US$ 1.9 Bn) for 2022, compared to AED 3.8 Bn (US$ 1.0 Bn) for 2021, registering a YoY growth of 80%.

Debt

Emaar has a debt of AED 14.5 Bn as of Dec-22 and cash of AED 18.3 Bn.

Attributable to Owners

Divisional Financial Analysis

Emaar Development's Financial Performance

Property Sales and Revenue:

Emaar Development recorded revenue during 2022 amounting to AED 11.5 Bn (US$ 3.1 Bn) supported by the uptrend of the Dubai property market. Led by new project launches, Emaar Development has recorded property sales of AED 30.7 Bn (US$ 8.4 Bn) in 2022. Property sales backlog of Emaar Development reached to AED 41.3 Bn (US$ 11.2 Bn), which will be recognised as revenue in the coming years.

Gross Profit

Emaar Development has achieved gross profit of AED 5.2 Bn (US$ 1.4 Bn) supported by improved margins due to change in revenue mix, increase in pricing and control over cost. Gross margin has improved to 45% in 2022 as compared to 37% in 2021.

EBITDA

Emaar Development was able to sustain its EBITDA level despite decrease in revenue due to improved margins and significant control over expenses achieved through various cost control measures. Emaar Development achieved EBITDA of AED 4.2 Bn (US$ 1.1 Bn) in 2022 compared to AED 4.4 Bn (US$ 1.1 Bn) in 2021.

Net Profit*

Net profit increased by 17% in 2022 to reach AED 3.8 Bn (US$ 1.03 Bn), as compared to a net profit of AED 3.2 Bn (US$ 883 Mn) in 2021.

Increase in net profit is led by sustained EBITDA, savings in finance costs primarily due to settlement of debts and higher contribution to revenue from 100% owned projects resulting in lower minority interests.

International Operations' Financial Performance

Revenue

Emaar's international real estate operations recorded property sales of AED 4.3 Bn (US$ 1.2 Bn) for 2022 and contributed revenue of AED 4.2 Bn (US$ 1.1 Bn)for 2022, representing 17% of Emaar's total revenue. Property sales backlog of Emaar's international real estate operations reached AED 11.8 Bn, which will be recognised as revenue in coming years. The performance of international operations was led by successful operations in Egypt and India.

Gross Profit

The increase in the International Operations' gross profit was led by an increase in margins from a change in revenue mix. The gross profit for 2022 stood at AED 1.4 Bn (US$ 381 Mn).

Net Profit*

Net profit contribution of the International Operations increased by over 5X due to increase in gross profits as well as other income and exercising significant control over expenses. Net profit for 2022 is AED 424 Mn (US$ 115 Mn), against net loss of AED 108 Mn (US$ 29 Mn) in 2021.

Important KPIs for Emaar Development

12%
YoY increase in property sales (including sales related to non-consolidated JVs)

45%
YoY increase in revenue backlog from property sales

6,100
Units handed over in 2022

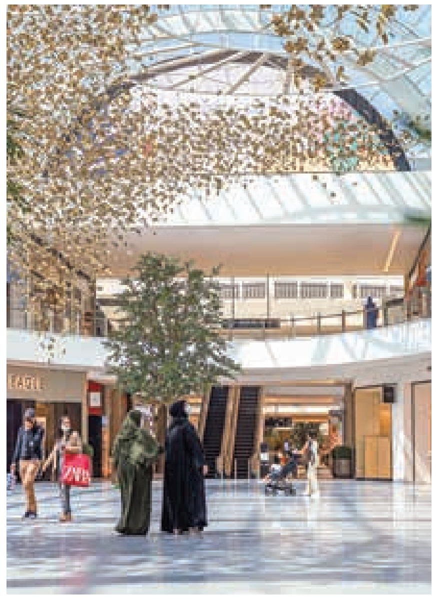
17%
YoY growth in net profit for Emaar Development

Important KPIs for Emaar International

AED 4.3 Bn
Property sales in 2022 for International Operations

5X
Net profit* growth compared to previous financial year

Attributable to Owners



Emaar Malls

Property Sales and Revenue

Emaar Malls Management LLC (Emaar Malls), the wholly owned shopping malls and retail arm of Emaar, recorded 8% increase in revenues compared to the same period last year, reaching AED 5.4 Bn (US$ 1.5 Bn). All the assets of Emaar Malls have achieved record tenant sales during 2022, surpassing 2019 pre-Covid tenant sales. Leasing occupancy of Dubai Mall stood at 99% at the end of 2022.

Gross Profit

The increase in the Emaar Mall's gross profit from AED 3.6 Bn (US$ 980 Mn) in 2021 to AED 3.8 Bn (US$ 1.1 Bn) in 2022 was led by the increase in revenue.

EBITDA

Emaar Mall's 2022 EBITDA stood at 3.1 Bn (US$ 844 Mn), which was 21% higher than 2021 due to higher gross profit complemented by significant control over cost.

Net Profit*

Net profit increased by 41% in 2022 to AED 2.5 Bn (US$ 681 Mn), as compared to a net profit of AED 1.7 Bn (US$ 463 Mn) in 2021.

Important KPIs for EMAAR Malls

+ 9.7 Mn sq ft
Malls and retail centres

+ 137 Mn
Footfall in 2022
35% YoY in 2022

+ **Dubai Hills Mall**
Commenced operations in Feb '22 - Iconic lifestyle destination with 1.8 Mn sq ft GLA

Dubai Hills Mall

Dubai Hills Mall with ~1.8 Mn sq ft GLA, which was unveiled on 17 February 2022, features an unmatched selection of retail, dining, and entertainment concepts and has in no time become an iconic lifestyle destination. As of the end of December 2022, the Dubai Hills Mall was leased 91%.

Emaar Hospitality, Leisure & Entertainment

Revenue

The hospitality, leisure, entertainment and commercial leasing businesses of Emaar recorded revenue of AED 3.4 Bn (US$ 929 Mn) in 2022, a growth of 57% compared to last year. Emaar's hotels in the UAE, achieved strong ADRs with average occupancy levels of 69% in 2022, providing further proof of robust post-pandemic recovery.

Gross Profit

The increase in the gross profit of these businesses was led by the increase in revenue, as well as increase in margins from significant savings achieved in operating expenses through various initiatives, resulting in gross profit reaching to AED 1.9 Bn (US$ 517 Mn) in 2022, a growth of 58% compared to 2021.

Emaar's recurring revenue-generating businesses of malls, hospitality, leisure, entertainment, commercial leasing and others, together achieved revenue of AED 8.8 Bn (US$ 2.4 Bn) in 2022, recording a growth of 23% compared to the same period last year. These businesses represent 36% of Emaar's total revenue and 53% of Emaar's total EBITDA.

+ Emaar's Share Capital has increased by 8% to AED 8.8 Bn (US$ 2.4 Bn) subsequent to issuance of new shares on acquisition of Dubai Creek Harbour
+ The Company has also increased the foreign ownership limit of its shares to 100%, from 49% to capitalise on high interest from international investors

**Attributable to Owners*

Summary of the Financial Position as at the end of 2022

AED Mn	2022	2021
Total Assets	132,364	120,614
Total Equity Including Minority Interest	75,426	67,742
Cash	18,289	8,539
Debt	14,498	17,872
Net Debt	(3,791)	9,333

Emaar has worked consistently over recent years to achieve a robust financial footing, positioning it well to meet the challenges of 2022 and 2023 and to pursue market opportunities. The Company has benefitted from the steps it has taken over several years to strengthen its financial position. The scale of Emaar's business, combined with the quality of its assets, rental income, and a healthy debt to equity ratio, means that the company is able to approach a diverse range of debt providers to arrange finance at attractive terms. Easy access to the equity and debt markets allows the Company to take advantage of opportunities when they arise. It monitors its debt requirement by reviewing current and projected borrowing levels, available facilities, debt maturities and interest rate exposure. The Company undertakes sensitivity analysis to assess the impact of proposed transactions, movements in interest rates and changes in property values on key balance sheet, liquidity and profitability ratios. In addition to Emaar's drawn debt, the Company always aims to have a good level of undrawn, committed, unsecured revolving bank facilities to maintain adequate liquidity. These facilities provide financial liquidity, reduce the need to hold resources in cash and deposits, and minimise costs arising from the difference between borrowing and deposit rates, while reducing credit exposure. The Company arranges these revolving credit facilities in excess of its committed and expected requirements to ensure that it has adequate financing availability to support business requirements and new opportunities.

Business Outlook

Demand for residential property remains strong and we are uniquely positioned to make significant progress backed by our strategic initiatives to scale and enhance our returns in the future.

We are well-positioned in the markets we operate in and remain focused on developing high-margin projects and continue to create value for our shareholders. Fundamental demand drivers for real estate remain strong. The demand for housing in particular is expected to continue upwards in the medium to long term. Even in the retail and hospitality segment, with economies opening up post-pandemic, countries are witnessing increased tourists and footfall.

RISK MANAGEMENT

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.

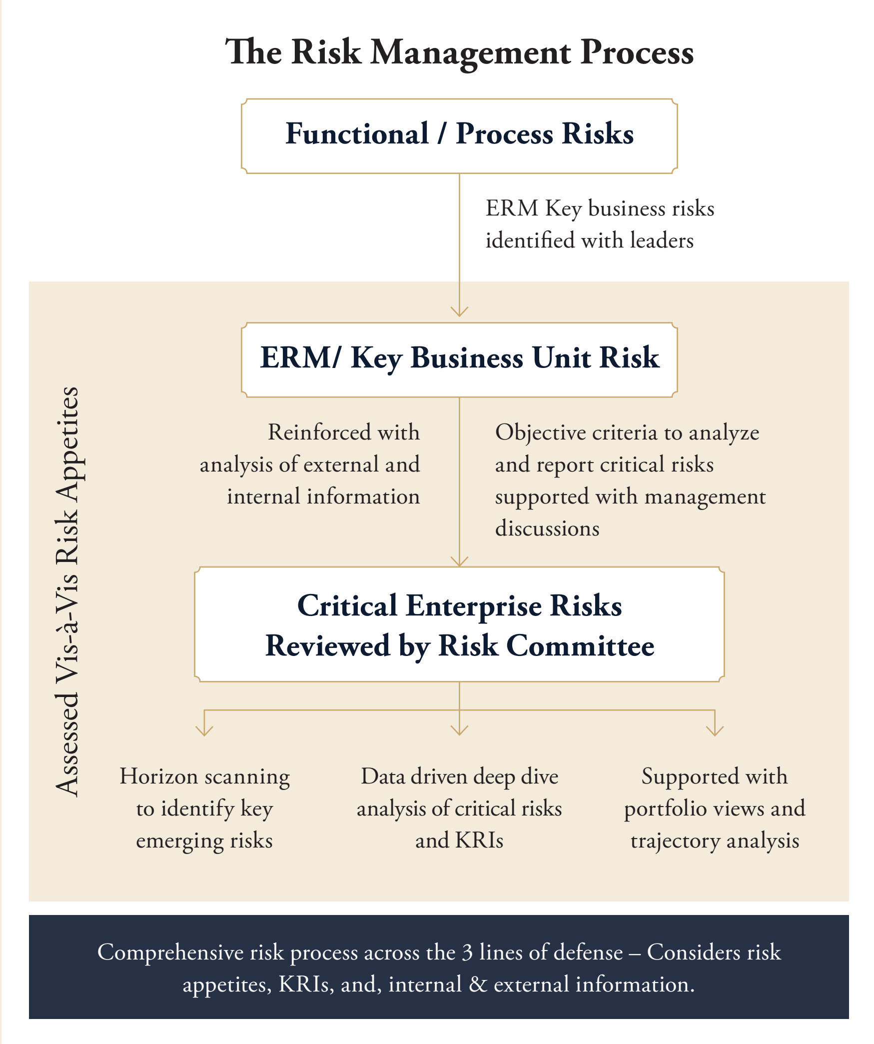
Our rigorous assessment process allows us to pinpoint risks and gauge their significance, reduce their effect, and equip us to adapt and create a secure and stable business climate, to construct our future. We have incorporated a comprehensive and holistic enterprise-wide risk management (ERM) framework 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.



Key risks and mitigation

Key risks	Risk description	Mitigation strategy	
Market Cyclicality	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.	Page 96 ↗
Access to liquidity	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.	Page 101 ↗
Operational Risk and Hazards	Failure to provide an environment that promotes health, safety, and well-being impacts our ability to achieve our corporate and social responsibilities	Emaar is committed to the health, safety, and well-being of our people. Through various initiatives that target both physical safety and health & well-being, we empower our people to operate at a consistent standard across all our operations.	Page 70 ↗
Technology	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.	Page 44 ↗
Talent & People management	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 & effective, and are supported by applicable systems and technologies.	Page 71 ↗
Regulatory Compliance	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.	Page 80 ↗