



Aldar Green Sukuk Allocation Report

May 2024

Introduction to Aldar Investment Properties



Aldar Investment Properties, the largest real estate management company in Abu Dhabi and subsidiary of Aldar Properties PJSC (Aldar) issued its first Green Sukuk on 17th May 2023, a US\$ 500m 10-year RegS Green Sukuk under the Company's US\$ 2bn Trust Certificate Issuance Programme. More recently in May 2024, Aldar issued its second US\$ 500m 10-year Regs Green Sukuk. The decision to integrate Green instruments into Aldar's international debt strategy reinforces Aldar's commitment to its Net Zero Plan, through which it aims to achieve net zero carbon emissions across its operations by 2050.

Aldar has disclosed below, as per the commitments outlined in Aldar's Green Finance Framework (May 2023), the allocation of net proceeds from the inaugural Green Sukuk issued in 2023.

Green Finance Framework

Aldar's Green Finance Framework ("Framework") and the Second Party Opinion by Sustainalytics can be found on Aldar's website . As per the Framework, The Green Financing Instruments will fund Eligible Green Projects that conform to the green finance principles listed below:

(a)

The Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1) as published by the International Capital Market Association ("ICMA")²; and/or

(b)

Loan Market Association ("LMA") Green Loan Principles ("GLP") 2023 ³

In aligning with the above principles and guidelines, the Company's Green Finance Framework is presented through the GBP's/GLP's following four core components as well as its recommendation for external review:

¹ <https://www.aldar.com/en/investors/debt/issuances>

² In alignment with Green Bond Principles 2021 (with June 2022 Appendix 1), <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ In alignment with LMA Green Loan Principles, Feb 2023, https://www.lma.eu.com/application/files/4716/7715/0338/Green_Loan_Principles_23_February_2023.pdf



Use of Proceeds:

Aldar will allocate an amount at least equivalent to the net proceeds of the Green Financing Instruments issued under this Framework to finance and/or re-finance, in whole or in part, green projects which meet the eligibility criteria of the following Eligible Green Project categories (“Eligible Green Projects”), as defined in the Framework. A maximum 3-year look-back period would apply for refinanced projects and Aldar expects each issuance under this framework to be fully allocated within 2 years from the date of issuance.

Process for Project Evaluation and Selection:

Aldar’s Sustainability Strategic Forum will be responsible for governing and implementing the initiatives set out in the Framework. The Council is comprised of certain Company management personnel with a cross-functional representation.

Management of Proceeds:

The proceeds of each of Aldar’s Green Financing Instrument will be deposited in Aldar’s general funding accounts and earmarked for allocation towards the Eligible Green Projects.

Reporting:

On an annual basis, Aldar will publish an allocation report and an impact report on its Eligible Green Projects. This reporting will be updated annually until full allocation of the net proceeds of any Green Financing Instrument issued, or until the Green Financing Instrument is no longer outstanding.

Aldar's Inaugural Green Sukuk Issuance⁴



ISIN	XS2627338580
Pricing Date	17 May 2023
Issuance Date	24 May 2023
Net Proceeds	US\$ 493,660,000 ⁵
Coupon	4.875%
Tenor	10-year
Maturity Date	24 May 2033
Ranking	Senior Unsecured
Shariah Structure	Green Sukuk (Al-Wakala / Murabaha)



⁴ Deloitte's Limited Assurance Report in relation to the respective disclosed amounts is included on pages 8 and 9

⁵ The issue price of the inaugural Green Sukuk was 98.732.

Aldar's Eligible Green Building Portfolio as of 31 December 2023



Project name ⁴	Abu Dhabi Global Market ⁶
Eligible Green Project Category ⁴	Green Buildings
Gross Floor Area	268,728 sqm
Total Project Cost ⁴	US\$ 1,170,864,500 ⁷
Year of Acquisition ⁴	2022 ^(a)
Location ⁴	Abu Dhabi, United Arab Emirates
Floor area	180,000 sqm
Certification type ⁴	LEED Shell and Core
Certification level ⁴	GOLD
Total Allocated Proceeds ⁴	US\$ 493,660,000
Total Unallocated Proceeds ⁴	US\$ 0
Share of Financing vs Refinancing ⁴	100% Refinancing

⁴ Deloitte's Limited Assurance Report in relation to the respective disclosed amounts is included on pages 8 and 9

⁶ Abu Dhabi Global Market includes four main office towers in ADGM located on Al Maryah Island namely Al Sila, Al Sarab, Al Maqam, and Al Khatem. In addition, it includes North and South car parks, which serve the office towers, and other mixed-use space.

⁷ The United States Dollar (US\$) amounts are presented for the convenience of the reader only, by converting the AED balances at the pegged exchange rate of 1 US \$ = 3.6725 AED



Energy and Water Consumption in Aldar's Eligible Green Building Portfolio

	Key Performance Indicator	2023 Performance
Baseline Energy Performance	2023 energy consumption (MWh)	29,697
Baseline Water Performance	2023 water consumption (cubic metres)	39,841





DISCLAIMER

This document has been prepared by the Aldar Properties PJSC (“Aldar”) solely in connection with the Aldar’s Green Finance Framework. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This document does not constitute a recommendation regarding any securities of Aldar and/or its affiliates.

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**Thank
you**

Independent Limited Assurance Report to the Directors of Aldar Investment Properties LLC

We have been engaged by the Directors of Aldar Investment Properties LLC ('Aldar' or the "Company" or "you") to perform a limited assurance engagement relating to the Aldar Green Sukuk Allocation Report (the "Report") which discloses the reported use of the proceeds of the Green Sukuk issued on 17 May 2023 and the Eligible Portfolio (the "Selected Information").

Use of report

This report is made to the Directors of Aldar in accordance with the International Standard on Assurance Engagements ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) ("ISAE 3000 (Revised)") and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of Aldar those matters we are required to state to them in this limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aldar and the Directors of Aldar for our work, for this report, or for the conclusion we have formed.

Our conclusion

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the Selected Information, as set out on pages 3 and 4 has not been prepared, in all material respects, in accordance with the applicable criteria defined within the Report ("Technical Eligibility Criteria").

Respective responsibilities

Aldar management is responsible for:

- Establishing the Technical Eligibility Criteria for preparing the Selected Information;
- Designing, implementing and maintaining internal processes and controls over information relevant to the preparation of the Selected Information that are free from material misstatement, whether due to fraud or error; and
- Measuring and reporting the Selected Information based on the applicable criteria.

Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with ISAE 3000 (Revised), in order to state whether anything had come to our attention that causes us to believe that the Selected Information has not been prepared, in all material respects, in accordance with the applicable criteria as defined within the Report.

Our procedures consisted primarily of:

- Performing enquiries with management to understand how the Allocation Reporting Criteria have been applied in the preparation of the Selected Information;
- Obtaining an understanding of the key systems, processes and controls for managing and reporting the Selected Information;
- Inspecting issuance documentation to confirm the total reported value of net proceeds;
- Inspecting minutes of Aldar’s Sustainability Council and Assets & Liabilities Committee to confirm the value of portfolio allocations during the period and that allocated projects were considered against the eligible categories and approved;
- Substantive testing to confirm that a sample of identified assets from the approved listing were funded in line with the approach set out in the Allocation Reporting Criteria;
- Obtaining a listing of assets to confirm this is consistent with the disclosure relating to proportion of total proceeds refinanced;
- For a sample of assets refinanced, inspecting operational records or other appropriate project documentation to confirm the amounts refinanced and that refinancing eligibility is in line with the Allocation Reporting Criteria; and
- Accumulating misstatements and control deficiencies identified and assessing whether material.

Criteria

The Allocation Reporting Criteria is published within the Aldar Green Finance Framework (Section 2) issued in 2023. The self-defined applicable criteria; the nature of the Selected Information; and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Inherent limitations

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Our work does not involve testing the operating effectiveness of controls over the underlying data, nor have we sought to review systems and controls beyond those relevant to the Selected Information.

Our independence and competence

We complied with Deloitte’s independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

We applied the International Standard on Quality Management (“ISQM”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. Accordingly, we maintained a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The logo for Deloitte & Touche, featuring the company name in a stylized, handwritten-style font.