



# **ALDAR PROPERTIES PJSC**

**Review report and interim financial information**

**For the nine-months period ended  
30 September 2023**



# **ALDAR PROPERTIES PJSC**

## **Review report and interim financial information for the nine-months period ended 30 September 2023**

### **Pages**

<b>Report on review of interim financial information</b>	<b>1</b>
<b>Condensed consolidated statement of financial position</b>	<b>2 - 3</b>
<b>Condensed consolidated statement of profit or loss</b>	<b>4</b>
<b>Condensed consolidated statement of comprehensive income</b>	<b>5</b>
<b>Condensed consolidated statement of changes in equity</b>	<b>6</b>
<b>Condensed consolidated statement of cash flows</b>	<b>7 - 8</b>
<b>Notes to the condensed consolidated financial statements</b>	<b>9 - 55</b>

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALDAR PROPERTIES PJSC

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Aldar Properties PJSC (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration No. 717  
30 October 2023  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated statement of financial position  
as at 30 September 2023**

		<b>30 September 2023</b> <b>(unaudited)</b> <b>AED'000</b>	31 December 2022 (audited) AED'000
	Note		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	<b>6,311,449</b>	5,606,522
Intangible assets and goodwill	6	<b>1,471,650</b>	374,944
Investment properties	7	<b>25,120,106</b>	23,933,024
Investment in associates and joint ventures	8	<b>33,480</b>	84,662
Investment in financial assets	9	<b>267,112</b>	98,634
Derivative financial assets	20	<b>1,332</b>	207,045
Trade receivables and other assets	10	<b>607,303</b>	578,732
<b>Total non-current assets</b>		<b>33,812,432</b>	30,883,563
<b>Current assets</b>			
Plots of land held for sale	12	<b>8,434,559</b>	4,822,121
Development work in progress	11	<b>4,132,735</b>	3,835,682
Inventories	13	<b>559,907</b>	855,049
Investment in financial assets	9	<b>146,412</b>	179,744
Contract assets	19	<b>2,171,741</b>	568,563
Trade receivables and other assets	10	<b>9,491,464</b>	7,583,154
Cash and bank balances	14	<b>12,086,806</b>	12,548,108
<b>Total current assets</b>		<b>37,023,624</b>	30,392,421
<b>Total assets</b>		<b>70,836,056</b>	61,275,984

**Condensed consolidated statement of financial position  
as at 30 September 2023 (continued)**

	Note	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		7,862,630	7,862,630
Statutory reserve		3,931,315	3,931,315
Cash flow hedging reserve	36	168,673	190,248
Investment revaluation reserve		(5,140)	(2,310)
Assets revaluation reserve		73,623	73,623
Foreign currency translation reserve	35	(535,852)	(385,312)
Retained earnings		18,373,515	16,679,139
<b>Equity attributable to owners of the Company</b>		<b>29,868,764</b>	<b>28,349,333</b>
Hybrid equity instrument	15	1,815,647	1,815,647
Non-controlling interests	37	5,044,696	4,380,218
<b>Total equity</b>		<b>36,729,107</b>	<b>34,545,198</b>
<b>Non-current liabilities</b>			
Non-convertible sukuk	16	5,454,292	3,644,812
Bank borrowings	16	5,375,590	6,005,341
Retentions payable		1,331,621	676,001
Lease liabilities	27.3	812,830	436,545
Employees benefits		341,617	296,893
Trade and other payables	18	3,786,822	897,810
<b>Total non-current liabilities</b>		<b>17,102,772</b>	<b>11,957,402</b>
<b>Current liabilities</b>			
Non-convertible sukuk	16	63,733	37,104
Bank borrowings	16	73,802	608,301
Retentions payable		957,100	1,056,294
Lease liabilities	27.3	63,730	48,988
Advances from customers	17	695,151	481,054
Contract liabilities	19	4,510,564	2,917,639
Trade and other payables	18	10,640,097	9,624,004
<b>Total current liabilities</b>		<b>17,004,177</b>	<b>14,773,384</b>
<b>Total liabilities</b>		<b>34,106,949</b>	<b>26,730,786</b>
<b>Total equity and liabilities</b>		<b>70,836,056</b>	<b>61,275,984</b>

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

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**Mohamed Al Mubarak**  
Chairman

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**Talal Al Dhiyebi**  
Group Chief Executive Officer

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**Faisal Falaknaz**  
Group Chief Financial &  
Sustainability Officer

## Condensed consolidated statement of profit or loss for the period ended 30 September 2023

	Note	3 months period ended		9 months period ended	
		30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000
Revenue and rental income	32.1	3,457,760	2,713,374	9,763,160	8,065,985
Direct costs	32.1	(2,151,228)	(1,638,356)	(5,769,459)	(4,778,235)
<b>Gross profit</b>		<b>1,306,532</b>	<b>1,075,018</b>	<b>3,993,701</b>	<b>3,287,750</b>
Selling and marketing expenses		(28,968)	(40,354)	(81,870)	(115,932)
General and administrative expenses					
Staff costs		(131,411)	(145,516)	(423,332)	(414,614)
Depreciation and amortisation	5.6	(106,821)	(85,592)	(318,127)	(240,222)
Provisions, impairments and write downs, net		(30,714)	(15,707)	(168,808)	(89,836)
Others	24	(94,165)	(124,197)	(300,943)	(260,571)
(Loss)/gain on revaluation of investment properties, net	7	(14,375)	(12,387)	212,176	64,327
Share of results of associates and joint ventures	8	(2,091)	(2,364)	(5,893)	(6,274)
Gain on disposal of investment properties	7	6,113	9,253	19,385	22,888
Gain on bargain purchase	33.8	-	-	-	9,104
Finance income	21	132,553	57,426	346,722	132,840
Finance costs	22	(161,681)	(113,626)	(432,454)	(273,610)
Other income	23	74,091	10,906	238,736	50,398
<b>Profit for the period before tax</b>		<b>949,063</b>	<b>612,860</b>	<b>3,079,293</b>	<b>2,166,248</b>
Income tax expense	34	(62,335)	(11,698)	(74,834)	(35,917)
<b>Profit for the period after tax</b>		<b>886,728</b>	<b>601,162</b>	<b>3,004,459</b>	<b>2,130,331</b>
<b>Attributable to:</b>					
Equity holders of the Company		794,157	556,653	2,717,961	2,028,550
Non-controlling interests		92,571	44,509	286,498	101,781
		<b>886,728</b>	<b>601,162</b>	<b>3,004,459</b>	<b>2,130,331</b>
<b>Basic and diluted earnings per share (AED)</b>	25	<b>0.098</b>	0.064	<b>0.336</b>	0.251

## Condensed consolidated statement of comprehensive income for the period ended 30 September 2023

Note	3 months period ended		9 months period ended	
	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000
<b>Profit for the period</b>	<b>886,728</b>	601,162	<b>3,004,459</b>	2,130,331
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>				
Foreign exchange differences on translation of foreign operations	-	(56,348)	<b>(251,485)</b>	(330,089)
Fair value gain/(loss) on cash flow hedges arising during the period	<b>(1,267)</b>	71,455	<b>(22,052)</b>	192,505
Net gain/(loss) on hedging instruments reclassified to profit or loss	<b>(2,765)</b>	1,775	<b>(2,430)</b>	5,171
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>				
Fair value gain/(loss) on revaluation of financial assets at fair value through other comprehensive income (FVTOCI)	<b>9,385</b>	380	<b>(2,830)</b>	53,166
<b>Other comprehensive income/(loss) for the period</b>	<b>5,353</b>	17,262	<b>(278,797)</b>	(79,247)
<b>Total comprehensive income for the period</b>	<b>892,081</b>	<b>618,424</b>	<b>2,725,662</b>	<b>2,051,084</b>
<b>Attributable to:</b>				
Equity holders of the Company	<b>801,243</b>	587,179	<b>2,543,016</b>	2,072,447
Non-controlling interests	<b>90,838</b>	31,245	<b>182,646</b>	(21,363)
	<b>892,081</b>	<b>618,424</b>	<b>2,725,662</b>	<b>2,051,084</b>

## Condensed consolidated statement of changes in equity for the period ended 30 September 2023

	Share capital AED'000	Statutory reserve AED'000	Cash flow hedging reserve AED'000	Investment revaluation reserve AED'000	Assets revaluation reserve AED'000	Foreign currency translation reserve AED'000	Retained earnings AED'000	Equity attributable to owners of the Company AED'000	Hybrid equity instrument AED'000	Non-controlling interests AED'000	Total equity AED'000
Balance at 1 January 2022 (audited)	7,862,630	3,931,315	(422)	9,800	73,623	-	15,044,624	26,921,570	-	715,213	27,636,783
Profit for the period	-	-	-	-	-	-	2,028,550	2,028,550	-	101,781	2,130,331
Other comprehensive income/(loss) for the period	-	-	188,322	53,166	-	(197,591)	-	43,897	-	(123,144)	(79,247)
Total comprehensive income/(loss) for the period	-	-	188,322	53,166	-	(197,591)	2,028,550	2,072,447	-	(21,363)	2,051,084
Issuance of hybrid equity instrument (note 15)	-	-	-	-	-	-	-	-	1,815,646	-	1,815,646
Dividends (note 29)	-	-	-	-	-	-	(1,179,395)	(1,179,395)	-	(974)	(1,180,369)
Dividends paid by a subsidiary against preference equity (note 37.1)	-	-	-	-	-	-	-	-	-	(7,093)	(7,093)
Coupon paid on hybrid equity instrument (note 15)	-	-	-	-	-	-	(51,644)	(51,644)	-	-	(51,644)
Reclassification of fair value reserve of financial asset at FVTOCI upon derecognition	-	-	-	(64,296)	-	-	64,296	-	-	-	-
Movement from partial disposal of interests in subsidiaries (note 37)	-	-	-	-	-	-	(44,624)	(44,624)	-	3,302,843	3,258,219
Change in equity attributable to owners of the Company due to partial disposal of subsidiary (note 37)	-	-	-	-	-	-	(99,081)	(99,081)	-	99,081	-
Non-controlling interest arising on a business combination (note 33)	-	-	-	-	-	-	-	-	-	141,871	141,871
Balance at 30 September 2022 (unaudited)	7,862,630	3,931,315	187,900	(1,330)	73,623	(197,591)	15,762,726	27,619,273	1,815,646	4,229,578	33,664,497
Balance at 1 January 2023 (audited)	7,862,630	3,931,315	190,248	(2,310)	73,623	(385,312)	16,679,139	28,349,333	1,815,647	4,380,218	34,545,198
Profit for the period	-	-	-	-	-	-	2,717,961	2,717,961	-	286,498	3,004,459
Other comprehensive loss for the period	-	-	(21,575)	(2,830)	-	(150,540)	-	(174,945)	-	(103,852)	(278,797)
Total comprehensive income/(loss) for the period	-	-	(21,575)	(2,830)	-	(150,540)	2,717,961	2,543,016	-	182,646	2,725,662
Dividends (note 29)	-	-	-	-	-	-	(1,258,022)	(1,258,022)	-	-	(1,258,022)
Gain on business combination without loss of control (note 33.1)	-	-	-	-	-	-	337,726	337,726	-	-	337,726
Coupon paid on hybrid equity instrument (note 15)	-	-	-	-	-	-	(103,289)	(103,289)	-	-	(103,289)
Dividends paid by a subsidiary against preference equity (note 37.1)	-	-	-	-	-	-	-	-	-	(88,072)	(88,072)
Dividends paid by a subsidiary to non-controlling interests (note 37.3)	-	-	-	-	-	-	-	-	-	(150,299)	(150,299)
Additional contribution from non-controlling interests (note 37)	-	-	-	-	-	-	-	-	-	18,000	18,000
Non-controlling interest arise due to change in ownership interest in Aldar Estates (note 33.1)	-	-	-	-	-	-	-	-	-	675,276	675,276
Non-controlling interest arise on business combinations (note 33)	-	-	-	-	-	-	-	-	-	26,927	26,927
Balance at 30 September 2023 (unaudited)	7,862,630	3,931,315	168,673	(5,140)	73,623	(535,852)	18,373,515	29,868,764	1,815,647	5,044,696	36,729,107

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



**Condensed consolidated statement of cash flows  
for the period ended 30 September 2023**

		<b>9 months period ended</b>	
		<b>30 September 2023 (unaudited) AED '000</b>	<b>30 September 2022 (unaudited) AED '000</b>
Note			
<b>Operating activities</b>			
	Profit for the period before tax	3,079,293	2,166,248
	<i>Adjustments for:</i>		
	Depreciation and amortisation	342,267	254,422
5,6	Finance income	(346,722)	(132,840)
21	Finance costs	432,454	273,610
22	Gain on revaluation investment properties, net	(212,176)	(64,327)
7	Share of results of associates and joint ventures	5,893	6,274
8	Provisions, impairments and write downs, net	168,808	89,836
	Loss on disposal of property, plant equipment	12,142	206
	Gain on disposal of investment properties	(19,385)	(22,888)
7	Gain on bargain purchase	-	(9,732)
33	Loss/(gain) on revaluation of financial assets	5,637	(3,165)
	Capitalised finance costs on lands held for sale	100,742	-
	Provision for employee benefits	61,684	55,858
	Operating cash flows before movements in working capital	<b>3,630,637</b>	<b>2,613,502</b>
<b>Movement in working capital:</b>			
	Increase in trade and other assets	(1,714,077)	(1,381,745)
	(Increase)/decrease in development work in progress, inventories and plots of land held for sale	(492,497)	241,993
	Increase in contract assets	(1,569,841)	(115,087)
	Increase in trade and other payables	205,738	796,502
	Increase in contract liabilities	1,838,219	482,291
	Increase in retentions payable	562,587	225,644
	Increase in advances from customers	458,085	193,968
	<b>Cash generated from operations</b>	<b>2,918,851</b>	<b>3,057,068</b>
	Employee benefits paid	(55,620)	(29,105)
	Income tax paid	(44,307)	(92,810)
	<b>Net cash generated from operating activities</b>	<b>2,818,924</b>	<b>2,935,153</b>

**Condensed consolidated statement of cash flows  
for the period ended 30 September 2023 (continued)**

	Note	9 months period ended	
		30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000
<b>Net cash generated from operating activities</b>		<b>2,818,924</b>	<b>2,935,153</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	5	(395,811)	(1,996,323)
Purchases of intangible assets, net of disposal	6	(43,308)	(15,924)
Additions to investment properties	7	(844,803)	(5,107,592)
Proceeds from disposal of investment properties and property, plant and equipment	5,7	151,296	204,677
Acquisition of subsidiaries, net of cash acquired	33	(346,345)	(353,195)
Cash received from associate as reduction in capital	8	52,467	32,000
Movement in term deposits with maturities greater than three months		187,750	(55,000)
Investment in financial assets		(176,827)	(17,018)
Movement in restricted bank balances		(1,879,922)	(425,707)
Finance income received		250,048	41,199
Proceeds from maturity of treasury bills		495,482	323,338
Investments made in treasury bills		(476,947)	(417,440)
Investments in associates and joint ventures		(650)	-
<b>Net cash used in investing activities</b>		<b>(3,027,570)</b>	<b>(7,786,985)</b>
<b>Cash flows from financing activities</b>			
Repayments of bank borrowings	16	(5,070,914)	(5,435,541)
Proceeds from bank borrowings – net	16	4,006,260	6,672,788
Proceeds from non-convertible sukuk – net	16	1,803,969	-
Payment of principal portion of lease liabilities	27.3	(77,602)	(54,263)
Finance costs paid		(490,543)	(268,983)
Dividends paid	29	(1,258,022)	(1,239,106)
Dividends paid to non-controlling interest		(238,370)	-
Coupon paid on hybrid equity investment	15	(103,289)	-
Additional contribution from non-controlling interests		18,000	-
Proceeds from settlement of derivatives	20	183,661	-
Payment for purchase of land held for sale		(666,974)	-
Proceeds from movement in ownership interest in subsidiaries	37	-	3,258,219
Proceeds from issuance of hybrid equity instrument	15	-	1,815,646
<b>Net cash (used in)/generated from financing activities</b>		<b>(1,893,824)</b>	<b>4,748,760</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,102,470)</b>	<b>(103,072)</b>
Cash and cash equivalents at beginning of the period	14	7,020,318	5,383,855
Effect of foreign exchange rate changes		(51,005)	70,728
<b>Cash and cash equivalents at end of the period</b>	14	<b>4,866,843</b>	<b>5,351,511</b>

Refer to note 30 for details of non-cash transactions excluded from the condensed consolidated statement of cash flows.



## Notes to the condensed consolidated financial statements for the period ended 30 September 2023

### 1 General information

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

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

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

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

### 2 Application of new and revised International Financial Reporting Standards (IFRS)

#### 2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

##### *IFRS 17 - Insurance Contracts*

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach.

The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders’ options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9-Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)**

**2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements (continued)**

*Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively.

*Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies*

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

*Amendments to IAS 8 - Definition of Accounting Estimates*

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error;
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.



**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)**

**2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements (continued)**

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities;
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

***Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)***

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 *Insurance Contracts* from applying IFRS 9 *Financial Instruments*, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)**

**2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements (continued)**

*International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)*

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments in International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) are:

- An exception to the requirements in IAS 12 that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes. An entity has to disclose that it has applied the exception.
- A disclosure requirement that an entity has to disclose separately its current tax expense (income) related to pillar two income taxes.
- A disclosure requirement that state that in periods in which pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to pillar two income taxes arising from that legislation.

The requirement that an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

**2.2 New and revised IFRS in issue but not yet effective**

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

<u><b>New and revised IFRSs</b></u>	<u><b>Effective for annual periods beginning on or after</b></u>
<i>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date not yet decided

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)**

**2.2 New and revised IFRS in issue but not yet effective (continued)**

<u><b>New and revised IFRSs</b></u>	<u><b>Effective for annual periods beginning on or after</b></u>
<i>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</i>	1 January 2024
<p>The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.</p>	
<i>Non-current Liabilities with Covenants (Amendments to IAS 1)</i>	1 January 2024
<p>The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.</p>	
<i>Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)</i>	1 January 2024
<p>The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments supplement requirements already in IFRS Accounting Standards and require an entity to disclose:</p> <ul style="list-style-type: none"> <li>• the terms and conditions;</li> <li>• the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;</li> <li>• ranges of payment due dates; and</li> <li>• liquidity risk information.</li> </ul>	

The above stated new standards and amendments are not expected to have any significant impact on the condensed consolidated financial statements of the Group. There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the condensed consolidated financial statements of the Group.

**3 Summary of significant accounting policies**

**3.1 Statement of compliance**

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and comply with the applicable requirements of the laws in the UAE.

These condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2022. In addition, results for the nine-months period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**3 Summary of significant accounting policies (continued)**

**3.2 Basis of preparation**

These condensed consolidated financial statements are presented in UAE Dirhams (“AED”) which is presentation currency of the Group and all values are rounded to the nearest thousand except when otherwise indicated.

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

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those applied to the audited annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective 1 January 2023.

During the period ended 30 September 2023, the Group have changed the classification of project related marketing costs, which are costs incurred for marketing and promoting development projects, from selling and marketing expenses to direct costs, as these are costs directly related to the activities for obtaining the contracts with customers. Accordingly, the comparative numbers have been reclassified to align with the presentation of the current period (3 months period ended 30 September 2022: AED 60,104 thousand and 9 months period ended 30 September 2022: AED 159,382 thousand).

**4 Critical accounting judgments and key sources of estimation uncertainty**

The preparation of these condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies, and the key sources of estimates uncertainty were majorly the same as those applied in the Group consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective 1 January 2023.

**5 Property, plant and equipment**

	<b>30 September 2023 (unaudited) AED’000</b>	31 December 2022 (audited) AED’000
Balance at the beginning of the period/year	5,606,522	3,557,052
Additions during the period/year (i)	448,876	2,109,872
Recognised as part of business combination (note 33)	587,207	87,309
Transfer to investment properties (note 7)	-	(51,730)
Depreciation charge for the period/year (ii)	(290,475)	(315,635)
Disposals during the period/year	(15,750)	(1,643)
Impairment reversal for the period/year	-	300,323
Exchange differences	(24,931)	(79,026)
Balance at the end of the period/year	<b>6,311,449</b>	<b>5,606,522</b>



**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**
**5 Property, plant and equipment (continued)**

- (i) The additions during the period mainly pertain to capital work in progress for a subsidiary for construction of school buildings including right of use assets of AED 53,064 thousand (period ended 30 September 2022: AED 74,360 thousand).
- (ii) The depreciation charge for the period includes AED 24,140 thousand allocated to direct cost (period ended 30 September 2022: AED 13,860 thousand). No impairment indications were observed for any items of property, plant and equipment during the period ended 30 September 2023 and for the period ended 30 September 2022.
- (iii) Property, plant and equipment includes right-of-use assets mainly with respect to leases of plots of land and buildings having carrying amount of AED 584,792 thousand (31 December 2022: AED 148,420 thousand).

**6 Intangible assets and goodwill**

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	374,944	293,195
Additions during the period/year	43,308	44,015
Recognised as part of business combination (note 33)	1,130,690	125,444
Amortisation for the period/year	(51,792)	(47,935)
Written-off	(12,395)	-
Exchange differences	(13,105)	(39,775)
Balance at the end of the period/year	<b>1,471,650</b>	<b>374,944</b>

**7 Investment properties**

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	23,933,024	18,025,935
Additions during the period/year (i)	844,803	5,628,928
Recognised as part of business combination (note 33)	-	697,529
Fair value gain, net (ii, iii)	212,176	442,797
Disposals during the period/year (iv)	(115,907)	(232,372)
Transfers (to)/from		
Property, plant and equipment (note 5)	-	51,730
Development work in progress (note 11), (v)	316,166	(411,757)
Exchange differences	(70,156)	(269,766)
Balance at the end of the period/year	<b>25,120,106</b>	<b>23,933,024</b>

- (i) The additions during the period mainly pertain to investment properties under development and cost incurred on the completed properties.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**7 Investment properties (continued)**

- (ii) The net fair value gain amounting to AED 212,176 thousand (period ended 30 September 2022: AED 64,327 thousand) recorded during the period resulted mainly from fair value loss amounting to AED 43,124 thousand (period ended 30 September 2022: AED 97,528 thousand) recorded on buildings held on leasehold land, netted against a fair value gain of AED 255,300 thousand (period ended 30 September 2022: AED 161,855 thousand,) relates to the net fair value gain recorded on major investment properties based on valuation carried out by the accredited independent valuers not connected with the Group. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. Fair value gain or loss on investment properties are presented under the line item "gain/(loss) on revaluation of investment properties, net" in the condensed consolidated statement of profit or loss. The investment properties are categorised under Level 3 in the fair value hierarchy.
- (iii) The Group conducted sensitivity analysis on the capitalisation rates and rental rates for the major investment properties on which net fair value gain was recognised as of 30 September 2023. Based on this sensitivity analysis:
- A decrease in the capitalisation rates by 50bps would result in AED 1,002,005 thousand (30 September 2022: AED 687,332 thousand) increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 875,319 thousand (30 September 2022: AED 603,633 thousand) decrease in the valuation of those properties; and
  - An increase in the rental rates by 10% would result in AED 1,258,613 thousand (30 September 2022: AED 972,003 thousand) increase in the valuation, whilst a decrease in the rental rates by 10% would result in AED 1,258,717 (30 September 2022: AED 971,480 thousand) thousand decrease in the valuation of those properties.
- (iv) During the period, the Group sold investment properties for AED 135,292 thousand (period ended 30 September 2022: AED 203,228 thousand) and realised a net gain of AED 19,385 thousand (period ended 30 September 2022: AED 22,888 thousand) which is recorded in condensed consolidated statement of profit or loss under "gain on disposal of investment properties".
- (v) This represents transfer due to change in use as these properties are under development for lease and the management intent is to lease these properties on completion.
- (vi) Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 312,572 thousand as at 30 September 2023 (31 December 2022: AED 323,490 thousand).
- (vii) Investment properties represent the Group's interest in land and buildings situated in the United Arab Emirates amounting to AED 24,835,003 thousand as at 30 September 2023 (31 December 2022: 23,579,958 thousand) and Arab Republic of Egypt ("Egypt") amounting to AED 285,103 thousand (31 December 2022: AED 353,066 thousand).

**8 Investment in associates and joint ventures**

During the period, the share capital of Abu Dhabi Finance PJSC (ADF), an associate of the Group is further reduced as part of its liquidation and the Group has accordingly received final distribution of AED 52,467 thousand and is recognised as a reduction in investment in associate resulting the Group investment in ADF to nil. The other major movement relates to net share of losses amounting to AED 5,893 thousand (period ended 30 September 2022: loss of AED 6,274 thousand).

The Group considers that its amount receivable from one of the joint ventures is part of the Group's interest in the joint venture and, accordingly, loss recognised using the equity method in excess of the Group's investment in ordinary shares amounting to AED 6,528 thousand (period ended 30 September 2022: AED 6,868 thousand) was applied to the Group's receivable from the joint venture.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**9 Investment in financial assets**

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
<b>Financial assets at fair value through other comprehensive income</b>		
Investment in UAE quoted securities	26,964	29,795
Investment in UAE unquoted securities	2	2
	<b>26,966</b>	<b>29,797</b>
<b>Financial assets at fair value through profit or loss</b>		
Investment in international unquoted funds (i)	240,146	68,837
<b>Financial assets at amortised cost</b>		
Investment in treasury bills (ii)	146,412	179,744

- (i) On 16 March 2023, the Group signed an agreement with a company committing to AED 153 million into an investment vehicle. During the period, the Group made contributions to capital calls amounting to AED 153 million. The investment is recorded at fair value through profit or loss. The investment is categorised under Level 3 in the fair value hierarchy. Given the Group's representation on the Board of the company, the investment was classified as an Associate. However, since the investment is carried as part of the Group's venture capital activities, it is accounted for as investment carried at fair value through profit or loss ("FVTPL").
- (ii) This represents investment in treasury bills made by the Egypt subsidiary in Egypt and carried at amortised cost.
- (iii) The movement during the period represents net fair value loss of AED 2,830 thousand (period ended 30 September 2022: net gain of AED 53,166 thousand).

As at 30 September 2023 and 31 December 2022, the fair value hierarchy for financial investments is as follows:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>30 September 2023 (unaudited)</b>				
Investment in UAE quoted securities	26,964	-	2	26,966
Investment in international unquoted funds	-	-	240,146	240,146
Investment in treasury bills	-	-	146,412	146,412
	<b>26,964</b>	<b>-</b>	<b>386,560</b>	<b>413,524</b>
<b>31 December 2022 (audited)</b>				
Investment in UAE quoted securities	29,795	-	2	29,797
Investment in international unquoted funds	-	-	68,837	68,837
Investment in treasury bills	-	-	179,744	179,744
	<b>29,795</b>	<b>-</b>	<b>248,583</b>	<b>278,378</b>

There were no transfers during the period from level 1 and level 2 or transfer in or out of level 3.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**10 Trade receivables and other assets**

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
<b>Non-current portion</b>		
Trade receivables	317,217	344,187
Due from associates and joint ventures	213,607	210,918
Receivables relating to project finance	136,218	135,262
Deferred tax assets (note 34)	42,441	57,302
Others	112,193	43,726
	<b>821,676</b>	791,395
Less: allowance for expected credit loss	<b>(214,373)</b>	(212,663)
	<b>607,303</b>	578,732
<b>Current portion</b>		
Trade receivables	3,403,679	3,048,929
Advances and prepayments	3,080,260	2,655,499
Refundable costs*	2,128,337	736,248
Refundable deposits	281,944	267,638
VAT recoverable	100,093	229,466
Due from associates and joint ventures	26,327	26,364
Accrued interest	50,156	37,420
Receivables from the Government of Abu Dhabi	5,734	5,734
Receivables relating to project finance	8,863	8,863
Others	636,580	799,394
	<b>9,721,973</b>	7,815,555
Less: allowance for expected credit loss	<b>(230,509)</b>	(232,401)
	<b>9,491,464</b>	7,583,154

During the period, allowance for expected credit loss of AED 20,142 thousand (period ended 30 September 2022: AED 24,222 thousand) was made against trade and other receivables. Trade and other receivables amounting to AED 20,323 thousand were written off (period ended 30 September 2022: Nil).

Advances and prepayments include AED 350,000 thousand paid during 2022 as part of purchase of Nurai Island Hotel for two development islands where the seller will procure the dredging and reclamation of these islands.

During 2020, the Company sold its district cooling operations (the "Cooling Entities") comprising the Group's entire interest in Saadiyat Cooling LLC (a 85% owned subsidiary) and Saadiyat District Cooling LLC (a wholly owned subsidiary). As per the Sale Purchase Agreements and earn out agreement, the Group is also entitled to earn out consideration in the form of additional fee for each additional load for which the buyer contracts from these cooling operations. At 30 September 2023 and 31 December 2022, management assessed that the deferred consideration is a contingent asset as its existence will be confirmed by occurrence of future uncertain events not within the control of the Group and is accordingly not recognised as asset.

\* Refundable costs mainly comprise of amounts receivable from the Government of Abu Dhabi in relation to costs incurred on ongoing development projects managed by the Group and which are funded by the Government of Abu Dhabi.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**11 Development work in progress**

Development work in progress represents development and construction costs incurred on properties being constructed for sale. Movement during the period/year is as follows:

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Balance at beginning of the period/year	3,835,682	4,503,543
Development costs incurred during the period/year	3,334,660	3,201,316
Recognised in direct costs of properties sold during the period/year	(2,282,182)	(2,524,431)
Write-off of project costs incurred during the period/year	(127,748)	(123,677)
Transfers from/(to):		
Inventories	3,421	(688,082)
Investment properties (note 7)	(316,166)	411,757
Plot of land held for sale (note 12)	127,588	340,552
Exchange differences	(442,520)	(1,285,296)
Balance at the end of the period/year	<b>4,132,735</b>	<b>3,835,682</b>
Development properties are located as:		
Within UAE	2,028,449	1,614,611
Outside UAE	2,104,286	2,221,071
	<b>4,132,735</b>	<b>3,835,682</b>

As at 30 September 2023, the Group determined net realisable value of its development work in progress and concluded that carrying value is higher than the net realisable value and recognised provisions and write down of AED 127,748 thousand (period ended 30 September 2022: AED 31,038 thousand) of its development project in progress.

The estimates of net realisable values are based on the most reliable evidence available at the reporting date, of the amount that the Group is expected to realise in its ordinary course of business. These estimates also take into consideration the purpose for which the asset is held.

**12 Plots of land held for sale**

Movement in plots of land held for sale during the period/year was as follows:

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Balance at beginning of the period/year	4,822,121	5,137,885
Additions during the period/year	3,966,363	232,572
Recognised in costs of properties sold (direct costs)	(226,337)	(207,784)
Transfer to development work in progress during the period/year (note 11)	(127,588)	(340,552)
Balance at the end of the period/year	<b>8,434,559</b>	<b>4,822,121</b>

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**12 Plots of land held for sale (continued)**

During the period, the Group acquired 3.4 million square meters of plots of land on Al Fahid Island (“Al Fahid Land”). Al Fahid Land is classified as a “qualifying asset” as it will take a substantial period of time to get it ready for its intended use.

On 2 February 2023, the Group signed a subscription and shareholders’ agreement with DH 3 FZ-LLC and DH Real Estate and Infra LLC to establish a special purpose vehicle in Abu Dhabi Global Market, Abu Dhabi “Aurora Holding Company Limited (“Aurora”), a private company limited by shares for the acquisition, development and sale of development work on 3 parcels of land in Dubai, UAE. The Group holds 51% shares in Aurora. The Group controls Aurora since it is exposed, or has rights, to variable returns from its involvement with Aurora and has the ability to affect those returns through its power over Aurora. During the period, as part of the transaction the Group acquired the above plots of lands (“DH Lands”). DH Lands are classified as a “qualifying assets” as it will take a substantial period of time to get these ready for their intended use.

Total consideration for the above lands amounts to AED 4.58 billion payable over 5 years. The plots of land are initially recognised at cost which is the present value of consideration payable over the period of 5 years discounted using the Group incremental borrowing rate. The discounted value of the lands is equal to its fair value on the date of purchase amounting to AED 3.86 billion.

Borrowing costs included in the cost of the above lands during the period, amounting to AED 100,742 thousand, arose on the unwinding of liability and are calculated by applying a capitalisation rate of 5.50% to expenditure on such assets.

**13 Inventories**

	<b>30 September 2023 (unaudited) AED’000</b>	31 December 2022 (audited) AED’000
Completed properties	486,949	823,756
Other operating inventories	72,958	31,293
	<b>559,907</b>	<b>855,049</b>
Inventories are located as:		
Within UAE	419,117	654,835
Outside UAE	140,790	200,214
	<b>559,907</b>	<b>855,049</b>

An amount of AED 279,474 thousand (for the period ended 30 September 2022: AED 536,597 thousand) was recognised as direct costs during the period.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**14 Cash and bank balances**

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Cash and bank balances	<b>8,587,899</b>	7,373,522
Short term deposits held with banks	<b>3,498,907</b>	5,174,586
Cash and bank balances	<b>12,086,806</b>	12,548,108

***Cash and cash equivalents***

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Cash and bank balances	<b>12,086,806</b>	12,548,108
Short term deposits with original maturities greater than three months	<b>(367,250)</b>	(555,000)
Restricted bank balances	<b>(6,852,713)</b>	(4,972,790)
Cash and cash equivalents	<b>4,866,843</b>	7,020,318
Cash and cash equivalents:		
Within UAE	<b>4,607,426</b>	6,808,589
Outside UAE	<b>259,417</b>	211,729
	<b>4,866,843</b>	7,020,318

As at 30 September 2023, cash at banks amounting to AED 261,704 thousand (31 December 2022: AED 243,456 thousand) are not included in the Group's bank balances as it is held by the Group on behalf of third parties since the Group is not acting as a principal.

Restricted cash and bank balances include balances amounting to AED 4,607,310 thousand (31 December 2022: AED 2,701,012 thousand) which are deposited into escrow accounts representing cash received from customers against sale of development properties. The remaining balance of restricted cash balances mainly represents cash balances designated against government projects and dividend payables for which separate bank accounts are maintained.

The interest rate on term deposits during the period ranges between 0.2% and 5.57% (for the year ended 31 December 2022: between 0.30% and 5.17%) per annum for UAE and between 4.75% and 15.20% (for the year ended 31 December 2022: between 1.1% and 13.9%) for Egypt. Bank deposits relating to UAE operations are placed with local banks in the UAE.

Cash and cash equivalents include an amount of AED 1,287,770 thousand (31 December 2022: AED 1,065,845 thousand) received from one of the customers against the development of certain projects. As of 30 September 2023, these balances are deposited with the local banks in the UAE and are available for the use of the development of those projects at the discretion of the Company.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**15 Hybrid equity instrument**

During 2022, Aldar Investment Properties LLC (a subsidiary of the Company) issued USD 500 million (AED 1,837,663 thousand) Reset Subordinated Perpetual Notes (the “Notes”) to an investor (the “Noteholder”) in two tranches.

As per the terms of the agreement, the Notes do not have maturity date and the Group may elect at its sole discretion not to pay interest on the Notes and Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of IAS 32 *Financial Instruments: Presentation*.

Transaction costs amounting to AED 22,016 thousand related to issuance of the Notes were recorded directly in equity.

Issuance period	Issued amount	Coupon rate
March 2022	USD 310.5 million (AED 1,140 million)	Fixed interest rate of 5.625% with a reset after 15 years
April 2022	USD 189.5 million (AED 698 million)	Fixed interest rate of 5.625% with a reset after 15 years

During the period, the Group paid coupons amounting to AED 103,289 thousand (year ended 31 December 2022: AED 51,645 thousand).

**16 Bank borrowings and non-convertible sukuk**

	Current < 1 year AED'000	Non-current > 1 year AED'000	Total AED'000
<b>As at 30 September 2023 (unaudited)</b>			
Non-convertible Sukuk	63,733	5,454,292	5,518,025
Bank borrowings	73,802	5,375,590	5,449,392
	<b>137,535</b>	<b>10,829,882</b>	<b>10,967,417</b>
<b>As at 31 December 2022 (audited)</b>			
Non-convertible Sukuk	37,104	3,644,812	3,681,916
Bank borrowings	608,301	6,005,341	6,613,642
	<b>645,405</b>	<b>9,650,153</b>	<b>10,295,558</b>

	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Bank borrowings and non-convertible sukuk located:		
Within UAE	10,570,098	9,826,317
Outside UAE	397,319	469,241
	<b>10,967,417</b>	<b>10,295,558</b>

As at 30 September 2023, the Group had AED 5,878,243 thousand of undrawn, committed term and revolving credit facilities in the form of bilateral agreements (31 December 2022: AED 3,973,862 thousand). Bank borrowings and non-convertible sukuk drawn during the period amounted to AED 5,810,229 thousand (period ended 30 September 2022: AED 6,672,788 thousand) and repaid during the period amounted to AED 5,070,914 thousand (period ended 30 September 2022: AED 5,435,541 thousand).



**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)****16 Bank borrowings and non-convertible sukuk (continued)**

During the period ended 30 September 2023, Aldar Investment Properties Sukuk Limited (the “Issuer”), an exempted company incorporated with limited liability under the laws of the Cayman Islands, a subsidiary of the Group, has established a trust certificate issuance programme (the “Programme”) pursuant to which the Issuer may issue from time to time up to USD 2,000,000 thousand of trust certificates in series. On 17 May 2023, the Issuer had issued the first series of the trust certificates (the “Sukuk 3”) amounting to USD 500,000 thousand (AED 1,836,250 thousand) under the Programme. The Sukuk 3 is listed on Euronext Dublin, carries a profit rate of 4.875% per annum and is due for repayment in May 2033. An amount equivalent to the net proceeds of the Sukuk 3 will be allocated to finance, refinance and/or invest, in whole or in part, certain "Eligible Green Projects", as set out in the Green Framework, which specifies certain eligibility criteria for Eligible Green Projects. In addition, the Company has appointed an independent firm to assess the validity of the Green Framework and its alignment with the Green Bond Principles 2021.

During the period ended 30 September 2023, the Group signed and utilised an Islamic revolving credit facility of AED 500 million with an initial repayment period of 3 years, extendable up to a maximum of 6 years.

Further, the Group also signed a new Sustainability Target linked Term loan of AED 500 million in June 2023 with an initial repayment period of 5 years, extendable up to a maximum of 7 years. This loan was not utilised as of 30 September 2023.

All the loans are priced at market rate.

Certain bank borrowings are secured in the form of mortgage over certain immovable properties; of which operating assets under investment properties are valued at AED 1,079,925 thousand (31 December 2022: AED 2,841,584 thousand), under property, plant and equipment are valued at nil (31 December 2022: AED 37,896 thousand) and the plots of land held for sale amounting to nil (31 December 2022: AED 538,280 thousand) and carry a net worth covenant.

Certain loans are secured against the following and relates to the Group Egypt subsidiary only:

- Pledge to deposit all proceeds from the sales of units in the designated accounts with the lenders;
- Assignment right of the first degree on the projects account in favour of the lenders; and
- Mortgage on the leased assets/units and buildings and pledge over unsold units.

**17 Advances from customers**

Advances from customers represent mainly security deposits, advances from customers and advances received on project management business.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**18 Trade and other payables**

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
<b>Non-current</b>		
Payable to a government authority for purchase of land (note 18.1)	656,452	713,253
Other land acquisition creditors and payable (note 12)	3,059,595	184,557
Deferred tax liability (note 34)	70,775	-
	<b>3,786,822</b>	<b>897,810</b>
<b>Current</b>		
Trade payables	1,408,738	1,715,099
Accrual for contractors' costs	6,881,348	5,621,893
Deferred income	560,915	586,724
Income tax payable	72,776	127,159
Provisions	152,027	171,703
Advances from the Government of Abu Dhabi (note 26.1)	77,377	131,582
Dividends payable	17,360	87,841
Payable to a government authority for purchase of land (note 18.1)	44,031	65,216
Due to the Government of Abu Dhabi	235,194	181,703
Provision for onerous contracts	852	14,460
Other land acquisition creditors (note 12)	395,071	5,170
Other liabilities	794,408	915,454
	<b>10,640,097</b>	<b>9,624,004</b>

The Group has financial and risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

**18.1 Payable to a government authority for purchase of land**

*Plot of land I*

On 1 September 2021, Egyptian New Urban Communities Authority (“NUCA”) approved the request submitted by one of the indirect subsidiaries to purchase a plot of land with an area of 123.39 acres, with a total value of EGP 1,236 million (AED 146,926 thousand). The remaining price of the land and any associated interest is payable in the form of 12 semi-annual installments over a period of five and a half years starting from 8 March 2022 and ending on 8 September 2027. On 6 April 2022, NUCA sent a letter to amend the area of the plot of land from 123.39 acres to 115.34 acres along with the adjustment of the instalments and interest values according to the new area. The value of the land has been adjusted according to the contract annex in May 2022 to be EGP 1,156 million (AED 137,353 thousand), and the land area allocated to the Company became 265.34 acres.

*Plot of land II*

On 21 March, 2019, a co-development agreement was signed between a subsidiary of the Company and NUCA to establish an integrated urban project with an area of 500 acres (the “Previous Plot”) with a total value of EGP 11,412 million (AED 1,356,443 thousand). During 2021, based on the proposal from the Egypt Sheikh Zayed City Development Authority to amend this site, NUCA and the subsidiary exchanged the Previous Plot against a plot with an area of 464.81 acres (the “New Plot”). The New Plot was based on the same terms and conditions as was attached to the Previous Plot with a revised payment plan with a total value of EGP 11,357 million (AED 1,349,777 thousand). The co-development contract annex was signed on June 27, 2022.

*Plot of land III*

On 1 August 2023, a subsidiary of the Group signed a contract with the NUCA to acquire a plot of land area approximately 180 acres with a total amount of EGP 807.5 million (AED 95,972 thousand), the down payment amount was paid, and the rest of the price and interest will be paid over 10 consecutive semi-annual installments.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**19 Contract assets and liabilities**

Contract assets represent unbilled revenue arising from contracts for sale of properties which pertains to the Group's right to consideration in exchange for goods or services that the Group has transferred to the customers. These contracts have remaining performance obligations (unsatisfied or partially unsatisfied) which is expected to be recognised as revenue over the remaining tenor of these contracts. Majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over next 5 years. These contract assets are fully secured against the underlying property units.

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Contract assets: gross amounts due from customer on contracts for sale of properties	2,074,961	568,563
Contract assets: gross amounts due from customer on contracts to construct assets	96,780	-
	<b>2,171,741</b>	<b>568,563</b>

Contract liabilities represents deferred revenue arising from construction contracts and property development under off-plan sales projects. These contracts have performance obligations (unsatisfied or partially unsatisfied) which is expected to be recognised as revenue over the remaining tenor of these contracts. Majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over next 5 years.

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Contract liabilities: gross amount due to customers on contracts for sale of properties	(3,511,270)	(2,012,634)
Contract liabilities: advance received from customers on contracts to construct assets	(999,294)	(905,005)
	<b>(4,510,564)</b>	<b>(2,917,639)</b>

**20 Derivative financial instruments**

The Group entered into interest rate swaps to partially hedge its interest rate risk in relation to its floating rate borrowings.

The movement in derivative financial instruments is given below:

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Balance at beginning of the period/year	207,045	20,299
Net fair value changes	(22,052)	186,746
Realised during the period*	(183,661)	-
Balance at the end of the period/year	<b>1,332</b>	<b>207,045</b>

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**20 Derivative financial instruments (continued)**

\*During the prior periods, the Group entered into forward starting interest rate swap contracts with a notional amount of USD 350,000 thousand (AED 1,285,550 thousand) to manage the potential interest rate risk of a forecasted debt capital markets transaction. During the period, the Group early terminated these forward starting interest rate swaps and received an amount of USD 50,010 thousand (AED 183,661 thousand).

**21 Finance income**

	3 months ended		9 months ended	
	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000
<b>Interest/profit earned on:</b>				
Sharia compliant deposits	31,098	12,449	81,456	26,916
Bank fixed deposits	17,049	8,574	56,100	17,789
Call and current accounts	55,093	12,044	120,460	24,241
	<b>103,240</b>	<b>33,067</b>	<b>258,016</b>	<b>68,946</b>
Finance income earned on receivables	1,770	18,216	10,755	51,888
Other finance income*	27,543	6,143	77,951	12,006
	<b>132,553</b>	<b>57,426</b>	<b>346,722</b>	<b>132,840</b>

\* Other finance income mainly represents significant financing component implicit in the contracts with customers which provides the customer with a significant benefit of financing the transfer of properties sold.

**22 Finance costs**

	3 months ended		9 months ended	
	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000
Finance costs on bank borrowings and non-convertible sukuk	153,229	105,487	410,870	250,615
Finance cost on operating lease liabilities (note 27.2)	7,498	3,941	19,276	11,525
Others	3,719	2,423	4,738	6,299
	<b>164,446</b>	<b>111,851</b>	<b>434,884</b>	<b>268,439</b>
Cumulative (gain)/ loss arising on hedging instruments reclassified to profit or loss (note 36)	(2,765)	1,775	(2,430)	5,171
	<b>161,681</b>	<b>113,626</b>	<b>432,454</b>	<b>273,610</b>

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**23 Other income**

	3 months ended		9 months ended	
	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000
Fair value (loss)/gain on revaluation of financial assets at FVTPL	(1,167)	(996)	(815)	5,461
Insurance claim (i)	-	-	17,136	-
Reversal of accruals and provisions (ii)	82	-	126,418	-
Exchange gain on bank deposits	2,315	2,229	14,138	14,534
Income recognised upon handover of infrastructure	2,678	-	2,678	3,329
Others	70,183	9,673	79,181	27,074
	<b>74,091</b>	<b>10,906</b>	<b>238,736</b>	<b>50,398</b>

- (i) This represents insurance claims received during the period mainly related to hospitality and leisure segment impacted by the Covid 19 pandemic.
- (ii) This represents reversal of provisions which were no longer required following management's assessment at reporting date of the estimated cash flows required based on latest information which highlighted that it is no longer probable that a transfer of economic benefits will be required to settle the obligation.

**24 Other general and administrative expenses**

	3 months ended		9 months ended	
	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000
Professional fees	27,817	26,012	79,862	63,231
IT maintenance	18,363	11,725	47,703	23,146
General office expenses	28,773	38,330	51,608	56,778
Board of Directors remuneration	8,244	9,880	26,088	22,156
Business travel	2,442	1,255	5,777	2,868
Others	8,976	36,995	89,905	92,392
	<b>94,615</b>	<b>124,197</b>	<b>300,943</b>	<b>260,571</b>

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**25 Earnings per share (EPS)**

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	3 months ended		9 months ended	
	30 September 2023 (unaudited)	30 September 2022 (unaudited)	30 September 2023 (unaudited)	30 September 2022 (unaudited)
<b>Earnings (AED'000)</b>				
Earnings for the purposes of basic and diluted earnings per share:				
Profit for the period attributable to equity holders of the Company	794,157	556,653	2,717,961	2,028,550
Less: distributions to the Noteholder (hybrid equity instrument)	(25,821)	(51,644)	(77,467)	(51,644)
	<b>768,336</b>	<b>505,009</b>	<b>2,640,494</b>	<b>1,976,906</b>
<b>Weighted average number of shares</b>				
Weighted average number of ordinary shares for basic and diluted EPS	<b>7,862,629,603</b>	7,862,629,603	<b>7,862,629,603</b>	7,862,629,603
<b>Basic and diluted EPS attributable to equity holders of the Company (AED)</b>	<b>0.098</b>	0.064	<b>0.336</b>	0.251

**26 Transactions and balances with related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise of the Parent Company and its affiliates, major shareholders, associated companies, directors, key management personnel of the Group and their related entities. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management.

Major Shareholders represent Alpha Dhabi Holding PJSC (the "Parent Company") and its affiliated entities and Mubadala Investment Company PJSC (the "Major Shareholder") and its affiliated entities. The Government of Abu Dhabi is an indirect major shareholder of the Company through an entity controlled by it. The balances and transactions disclosed below with reference to Government of Abu Dhabi also include the entities controlled by Government of Abu Dhabi.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**26 Transactions and balances with related parties (continued)**

**26.1 Related party balances:**

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

	<b>30 September 2023</b> <b>(unaudited)</b> <b>AED'000</b>	31 December 2022 <b>(audited)</b> <b>AED'000</b>
<b>Government of Abu Dhabi</b>		
Trade and other receivables	2,763,656	1,220,246
Trade and other payables	(257,408)	(185,069)
Advances (note 18)	(77,377)	(131,582)
Contract assets	-	105,087
Contract liabilities	(999,294)	(870,081)
<b>Major shareholder and its affiliates</b>		
Trade and other receivables	74,207	60,835
Trade and other payables	(6,105)	(835)
Retentions payables	(113,190)	(113,190)
<b>Parent Company and its affiliates</b>		
Trade and other receivables	600,113	711,043
Trade and other payables	(39,517)	(27,675)
Retentions payables	(874,053)	(666,666)
<b>Associates and joint ventures</b>		
Due from joint ventures	1,501	1,729

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. Other than as disclosed in note 10, allowance of expected credit losses against due from associates and joint ventures, no provision has been made for doubtful debts in respect of the amounts owned by related parties. Certain receivables from joint ventures carry interest of 9% (31 December 2022: 9%) per annum and are repayable within 2 to 5 years.

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**26 Transactions and balances with related parties (continued)**

**26.2 Significant transactions with related parties:**

During the period, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	<b>9 months ended</b>	
	<b>30 September 2023 (unaudited) AED'000</b>	<b>30 September 2022 (unaudited) AED'000</b>
<b>Government of Abu Dhabi</b>		
Revenue	1,204,524	1,149,393
Other income	2,678	3,329
Finance income from project finance	6,233	6,361
<b>Major shareholder and its affiliates</b>		
Revenue	45,039	11,667
<b>Parent Company and its affiliates</b>		
Revenue	42,212	14,438
Cost incurred on projects under development (i)	(102,128)	(111,939)
Cost incurred on projects under management (ii)	(2,072,609)	(1,707,034)
Other costs	(30,397)	(14,759)
<b>Associates and joint ventures</b>		
Finance income from joint venture	11,299	5,649
<b>Key management compensation</b>		
Salaries, bonuses and other benefits	29,657	24,716
Post-employment benefits	803	794
Long term incentives	4,010	7,817
<b>Directors</b>		
Directors' remuneration	25,975	20,131

- (i) This represents costs incurred during the period which is recognised as development work in progress for projects under development.
- (ii) This represents costs incurred on the projects under management on behalf of Government of Abu Dhabi. These costs are off set against "Advances from the Government of Abu Dhabi".
- (iii) During the period, the Company paid Directors' remunerations amounting to AED 19,804 thousand (period ended 30 September 2022: AED 18,075 thousand).

**26.3 Other balances and transactions with related parties:**

- (i) Outstanding borrowings as of 30 September 2023 of AED 2,400,000 thousand (31 December 2022: AED 3,975,998 thousand) are due to the banks controlled by the Government of Abu Dhabi and the Major Shareholder. Finance cost on these borrowings amounted to AED 128,169 thousand for the period ended 30 September 2023 (period ended 30 September 2022: AED 63,579 thousand).
- (ii) Deposits and bank balances as of 30 September 2023 of AED 7,865,758 thousand (31 December 2022: AED 8,887,275 thousand) are kept with banks controlled by the Government of Abu Dhabi and the Major shareholder. Finance income on these deposits amounted to AED 138,781 thousand for the period ended 30 September 2023 (period ended 30 September 2022: AED 24,208 thousand).



**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**26 Transactions and balances with related parties (continued)**

**26.3 Other balances and transactions with related parties: (continued)**

(iii) Letter of credits and bank guarantees issued through banks controlled by the Government of Abu Dhabi and the Major shareholder amounted to AED 4,178,320 thousand for the period ended 30 September 2023 (31 December 2022: AED 553,050 thousand).

**27 Commitments and contingencies**

**27.1 Capital commitments**

Capital expenditure contracted for but not yet incurred is as follows:

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Projects under development	9,881,398	5,678,563
Projects under management	26,779,918	15,783,285
Others	97,435	95,633
	<b>36,758,751</b>	<b>21,557,481</b>

Projects under management represent remaining contractual amounts relating to projects managed by the Group, of which the related agreements with contractors were entered by and continued to be under the name of the Group on behalf of the Government of Abu Dhabi. This includes AED 26,530,194 thousand (31 December 2022: AED 15,518,349 thousand) of commitment of Aldar Projects LLC (a subsidiary of the Company) which will be funded in advance by the Government of Abu Dhabi. The above commitments are spread over a period of one to five years.

**27.2 Operating lease commitments**

The future minimum rentals receivable under non-cancellable operating leases contracted are as follows:

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
<b>The Group as a lessor</b>		
Within one year	1,499,438	1,353,378
One to five years	3,883,639	3,399,640
After five years	2,198,236	2,035,476
	<b>7,581,313</b>	<b>6,788,494</b>

In addition to the above lease commitments, the Group also has lease contracts where it is entitled to receive rent based on turnover of tenants and service charges.

Set out below are the maturity analysis of lease liabilities for the Group acting as lessee:

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
<b>The Group as a lessee</b>		
Within one year	81,937	61,096
One to five years	325,380	209,494
After five years	980,044	493,213
	<b>1,387,361</b>	<b>763,803</b>

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**27 Commitments and contingencies (continued)**

**27.2 Operating lease commitments (continued)**

The following are the amounts recognised in profit or loss:

	<b>9 months ended</b>	
	<b>30 September 2023 (unaudited) AED'000</b>	<b>30 September 2022 (unaudited) AED'000</b>
<b>The Group as a lessee</b>		
Unwinding of interest expense on operating lease liabilities (note 22)	19,276	11,525
Expense relating to short-term leases	602	1,123
	<b>19,878</b>	<b>12,648</b>

The total cash outflow for leases amounted to AED 77,602 thousand (period ended 30 September 2022: AED 56,643 thousand).

**27.3 Lease liabilities**

The movement for the lease liability is as follows:

	<b>30 September 2023 (unaudited) AED '000</b>	<b>31 December 2022 (audited) AED '000</b>
Balance at the beginning of the period/year	485,533	333,260
Additions	53,064	74,360
Acquired as part of business combinations (note 33)	420,180	137,422
Terminations	(23,641)	-
Payments made during the period/year	(77,602)	(75,240)
Finance costs	19,276	18,603
Exchange differences	(250)	(2,872)
Balance at the end of the period/year	<b>876,560</b>	<b>485,533</b>

The Group did not have major non-cash additions to right-of-use assets and lease liabilities during the period ended 30 September 2023 and year ended 31 December 2022.

**Analysed as:**

Non-current	<b>812,830</b>	436,545
Current	<b>63,730</b>	48,988

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**27 Commitments and contingencies (continued)**

**27.4 Contingencies**

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
<b>Letters of credit and bank guarantees</b>		
Issued by the Group	4,622,557	861,399
	<b>4,622,557</b>	<b>861,399</b>

**27.5 Legal claim contingency**

In January 2022, a previous supplier filed a claim against the Group relating to a contract that was signed in 2007. In June 2022, the First Instance Court rejected the case filed by the supplier in its entirety, based on the opinion provided by a panel of court appointed experts. In July 2022, the supplier filed an appeal which introduced no further substantive facts but challenged the experts' opinion. The Appeal Court re-appointed the same panel of court appointed experts to consider this challenge. In December 2022, the Court of Appeal dismissed the appeal in the Group's favor. The supplier filed an appeal with the court of cassation which was awarded decided in the Group's favor in March 2023. There are no further appeals available to the supplier, so the claim is now closed.

**28 Seasonality of results**

The seasonal nature of the Group's activities only concerns the hospitality and leisure segment, whose revenue has variability during the first and last quarters of the year.

**29 Dividends**

At the annual general meeting held on 16 March 2023, the shareholders approved distribution of cash dividends of AED 1,258,022 thousand for the year ended 31 December 2022, being 16 fils per share (for the year 2021: cash dividends of AED 1,179,395 thousand, being 15 fils per share), which was paid during the period.

**30 Non-cash transactions**

The following were significant non-cash transactions relating to investing and financing activities of condensed consolidated statement of cash flows:

	<b>9 months ended</b>	
	<b>30 September 2023 (unaudited) AED'000</b>	30 September 2022 (unaudited) AED'000
Transfer between investment properties and development work in progress (note 7)	316,166	387,415
Transfer between investment properties and property, plant and equipment (note 7)	-	57,850
Exchange of investment in financial assets (note 9)	-	72,786

**Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)**

**31 Fair value of financial instruments**

Except as disclosed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated financial statements approximate their fair values.

	<b>30 September 2023 (unaudited)</b>		31 December 2022 (audited)	
	<b>Gross carrying amount</b>	<b>Fair value</b>	Gross carrying amount	Fair value
	<b>AED'000</b>	<b>AED'000</b>	AED'000	AED'000
<b>Financial liabilities at amortised cost</b>				
<i>Non-convertible Sukuk</i>				
Sukuk No. 1 (note 16)	1,828,432	1,797,205	1,847,444	1,803,119
Sukuk No. 2 (note 16)	1,856,406	1,653,314	1,834,472	1,683,694
Sukuk No. 3 (note 16)	1,833,187	1,744,731	-	-
	<b>5,518,025</b>	<b>5,195,250</b>	<b>3,681,916</b>	<b>3,486,813</b>

**32 Segment information**

**32.1 Operating segments**

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Group Chief Executive Officer, considered to be the Chief Operating Decision Maker ("CODM"). The CODM monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit, net profit and a broad range of key performance indicators in addition to segment profitability and is measured consistently with profit or loss in the condensed consolidated financial statements.

The Group has presented 2 segments bifurcated into seven reportable sub-segments for the current and comparative period which are as follows:

***Aldar Development***

- Property development and sales - develop and sell properties
- Project management services – dedicated project delivery arm and the manager of the Group project management businesses
- Egypt subsidiaries – a real estate development subsidiary operates in Egypt that mainly develop and sell real estate properties

***Aldar Investment***

- Investment properties – acquires, manages and lease residential, commercial, logistics and retail properties
- Hospitality and leisure – owns, manage and operate hotels and leisure assets
- Education – own, manage and operates schools offering a wide range of curriculum and ancillary services
- Principal investments – includes mainly property and facilities management operations, construction and security services

# ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)



## 32 Segment information

### 32.1 Operating segments

	Aldar Development			Aldar Investment				Unallocated/ eliminations AED'000	Consolidated AED'000
	Property development and sales AED'000	Project management services AED'000	Egypt subsidiaries AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Education AED'000	Principal investment* AED'000		
<b>Nine months ended 30 September 2023 (unaudited)</b>									
Revenue and rental income from external customers									
- Over a period of time	3,477,930	805,986	42,609	-	388,455	487,894	1,294,731	-	6,497,605
- At a point in time	703,634	115,098	517,525	-	355,358	-	-	-	1,691,615
- Leasing	-	-	5,499	1,568,441	-	-	-	-	1,573,940
Inter-segments	152,795	-	-	58,037	-	-	193,382	(404,214)	-
<b>Gross revenue (i)</b>	<b>4,334,359</b>	<b>921,084</b>	<b>565,633</b>	<b>1,626,478</b>	<b>743,813</b>	<b>487,894</b>	<b>1,488,113</b>	<b>(404,214)</b>	<b>9,763,160</b>
Cost of revenue excluding service charge	(2,635,957)	(545,187)	(400,891)	(274,194)	(522,878)	(278,251)	(1,256,876)	239,511	(5,674,723)
Service charge expenses	-	-	-	(94,736)	-	-	-	-	(94,736)
<b>Gross profit</b>	<b>1,698,402</b>	<b>375,897</b>	<b>164,742</b>	<b>1,257,548</b>	<b>220,935</b>	<b>209,643</b>	<b>231,237</b>	<b>(164,703)</b>	<b>3,993,701</b>
<b>Nine months ended 30 September 2022 (unaudited)</b>									
Revenue and rental income from external customers									
- Over a period of time	1,986,758	894,550	65,917	-	214,989	436,485	638,408	-	4,237,107
- At a point in time	1,372,148	3,227	849,899	-	244,808	-	-	-	2,470,082
- Leasing	-	-	8,038	1,350,758	-	-	-	-	1,358,796
Inter-segments	-	394	-	48,721	-	-	121,867	(170,982)	-
<b>Gross revenue (i)</b>	<b>3,358,906</b>	<b>898,171</b>	<b>923,854</b>	<b>1,399,479</b>	<b>459,797</b>	<b>436,485</b>	<b>760,275</b>	<b>(170,982)</b>	<b>8,065,985</b>
Cost of revenue excluding service charge	(2,250,549)	(520,518)	(589,391)	(192,246)	(381,295)	(256,888)	(601,193)	115,700	(4,676,380)
Service charge expenses	-	-	-	(101,855)	-	-	-	-	(101,855)
<b>Gross profit</b>	<b>1,108,357</b>	<b>377,653</b>	<b>334,463</b>	<b>1,105,378</b>	<b>78,502</b>	<b>179,597</b>	<b>159,082</b>	<b>(55,282)</b>	<b>3,287,750</b>

(i) Gross revenue of investment properties includes AED 94,736 thousand (period ended 30 September 2022: AED 101,855 thousand) of revenue from service charges and contingent rent of AED 32,709 thousand (period ended 30 September 2022: AED 38,252 thousand).

\* Principal investments also include Pivot Engineering & General Contracting Co. WLL.

# ALDAR PROPERTIES PJSC

## Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)



### 32 Segment information (continued)

#### 32.1 Operating segments (continued)

	Aldar Development			Aldar Investment				Unallocated/ Eliminations AED'000	Consolidated AED'000
	Property development and sales	Project management services	Egypt subsidiaries	Investment properties	Hospitality and leisure	Education	Principal investments		
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000		
<b>Nine months ended 30 September 2023 (unaudited)</b>									
<b>Gross profit</b>	<b>1,698,402</b>	<b>375,897</b>	<b>164,742</b>	<b>1,257,548</b>	<b>220,935</b>	<b>209,643</b>	<b>231,237</b>	<b>(164,703)</b>	<b>3,993,701</b>
Selling and marketing expenses	(51,845)	(836)	(5,811)	(12,575)	(739)	(3,168)	(5,031)	(1,865)	(81,870)
General and administrative expenses	(188,237)	(55,332)	(76,794)	(140,418)	(13,656)	(74,583)	(138,598)	(36,657)	(724,275)
Depreciation and amortisation	(46,050)	(11,689)	(2,602)	(25,192)	(178,504)	(50,517)	(46,746)	43,173	(318,127)
Provisions, impairments and write downs, net	(133,672)	-	(15,054)	(11,502)	-	(1,427)	(3,546)	(3,607)	(168,808)
Gain on revaluation of investment properties, net	-	-	-	212,176	-	-	-	-	212,176
Gain on disposal of investment properties	-	-	-	19,385	-	-	-	-	19,385
Share of results of associates and joint ventures	-	-	-	(5,700)	-	-	(193)	-	(5,893)
Finance income	158,447	60,322	75,689	58,557	16,671	9,613	8,261	(40,838)	346,722
Finance costs	(4,667)	(833)	(39,013)	(426,701)	(6,063)	(4,002)	(5,312)	54,137	(432,454)
Other income	134,243	3,951	14,139	63,062	17,137	10,704	814	(5,314)	238,736
Income tax expense	-	-	(20,643)	-	-	-	-	(54,191)	(74,834)
<b>Profit for the period</b>	<b>1,566,621</b>	<b>371,480</b>	<b>94,653</b>	<b>988,640</b>	<b>55,781</b>	<b>96,263</b>	<b>40,886</b>	<b>(209,865)</b>	<b>3,004,459</b>
<b>Nine months ended 30 September 2022 (unaudited)</b>									
<b>Gross profit</b>	<b>1,108,357</b>	<b>377,653</b>	<b>334,463</b>	<b>1,105,378</b>	<b>78,502</b>	<b>179,597</b>	<b>159,082</b>	<b>(55,282)</b>	<b>3,287,750</b>
Selling and marketing expenses	(62,297)	(446)	(39,889)	(3,296)	(43)	(3,623)	(4,096)	(2,242)	(115,932)
General and administrative expenses	(185,231)	(29,145)	(105,741)	(115,841)	(3,121)	(63,208)	(88,900)	(83,998)	(675,185)
Depreciation and amortisation	(24,079)	(21,738)	(5,232)	(29,797)	(138,719)	(34,586)	(20,119)	34,048	(240,222)
Provisions, impairments and write downs, net	(72,442)	-	(2,193)	(13,396)	(109)	(1,126)	(570)	-	(89,836)
Gain on revaluation of investment properties	-	-	-	64,327	-	-	-	-	64,327
Gain on disposal of investment properties, net	-	-	-	22,888	-	-	-	-	22,888
Share of results of associates and joint ventures	-	-	-	(6,274)	-	-	-	-	(6,274)
Gain on bargain purchase	-	-	-	9,104	-	-	-	-	9,104
Finance income	36,143	4,167	58,207	59,606	508	278	99	(26,168)	132,840
Finance costs	(9,811)	(550)	(34,894)	(245,243)	(6,984)	(3,568)	(7,077)	34,517	(273,610)
Other income	11,386	50	18,127	13,000	-	171	856	6,808	50,398
Income tax expense	-	-	(35,917)	-	-	-	-	-	(35,917)
<b>Profit for the period</b>	<b>802,026</b>	<b>329,991</b>	<b>186,931</b>	<b>860,456</b>	<b>(69,966)</b>	<b>73,935</b>	<b>39,275</b>	<b>(92,317)</b>	<b>2,130,331</b>

# ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)



## 32 Segment information (continued)

### 32.1 Operating segments (continued)

	Aldar Development			Aldar Investment				Unallocated/ Eliminations AED'000	Consolidated AED'000
	Property development and sales	Project management services	Egypt subsidiaries	Investment properties	Hospitality and leisure	Education	Principal investments		
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000		
<b>As at 30 September 2023 (unaudited)</b>									
Total assets	20,990,293	7,810,997	4,463,044	27,780,259	4,055,578	1,848,322	3,593,918	293,645	70,836,056
<b>Period ended 30 September 2023 (unaudited)</b>									
Capital expenditures	3,997,161	6,379	7,468	3,172	46,613	825,909	114,165	1,579	5,002,446
Project expenditures	2,767,120	-	567,563	844,780	-	-	-	-	4,179,463
<b>As at 31 December 2022 (audited)</b>									
Total assets	7,592,656	5,744,487	4,627,620	26,490,881	4,306,817	869,854	1,275,340	10,368,329	61,275,984
<b>Period ended 30 September 2022 (unaudited)</b>									
Capital expenditures	18,463	30,263	11,859	266,818	1,704,046	82,989	42,667	55,941	2,213,046
Project expenditures	1,763,768	-	591,957	5,752,750	-	-	-	-	8,108,475

\*Unallocated total assets at 31 December 2022 mainly pertain to cash and bank balances held under the corporate amounting to AED 9,310,238 thousand. During the year 2023, these balances were transferred to the respective segments.

# ALDAR PROPERTIES PJSC

## Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)



### 32 Segment information (continued)

#### 32.2 Geographical segments

The Group operates in the UAE and a few countries outside the UAE (including Egypt). Segment information about the Group's operations is presented below:

	9 months period ended 30 September 2023			9 months period ended 30 September 2022		
	UAE AED'000	International AED'000	Total AED'000	UAE AED'000	International AED'000	Total AED'000
<b>Total assets as at 30 September 2023 and 31 December 2022</b>	<b>66,345,112</b>	<b>4,490,944</b>	<b>70,836,056</b>	<b>56,648,364</b>	<b>4,627,620</b>	<b>61,275,984</b>
<b>Condensed consolidated statement of profit or loss:</b>						
Revenue and rental income from external customers						
- Over a period of time	6,444,350	53,255	6,497,605	4,171,190	65,917	4,237,107
- At a point in time	1,174,090	517,525	1,691,615	1,620,183	849,899	2,470,082
- Leasing	1,568,441	5,499	1,573,940	1,350,758	8,038	1,358,796
<b>Gross revenue</b>	<b>9,186,881</b>	<b>576,279</b>	<b>9,763,160</b>	<b>7,142,131</b>	<b>923,854</b>	<b>8,065,985</b>
Cost of revenue excluding service charge	(5,264,869)	(409,854)	(5,674,723)	(4,086,990)	(589,390)	(4,676,380)
Service charge expenses	(94,736)		(94,736)	(101,855)	-	(101,855)
<b>Gross profit</b>	<b>3,827,276</b>	<b>166,425</b>	<b>3,993,701</b>	<b>2,953,286</b>	<b>334,464</b>	<b>3,287,750</b>
Selling and marketing expenses	(76,059)	(5,811)	(81,870)	(76,042)	(39,890)	(115,932)
General and administrative expenses	(647,037)	(77,238)	(724,275)	(569,444)	(105,741)	(675,185)
Depreciation and amortisation	(315,525)	(2,602)	(318,127)	(234,990)	(5,232)	(240,222)
Provisions, impairments and write downs, net	(153,755)	(15,053)	(168,808)	(87,643)	(2,193)	(89,836)
Gain on revaluation of investment properties	212,176	-	212,176	64,327	-	64,327
Gain on disposal of investment properties	19,385	-	19,385	22,888	-	22,888
Gain on bargain purchase	-	-	-	9,104	-	9,104
Share of results of associates and joint ventures	(5,893)	-	(5,893)	(6,274)	-	(6,274)
Finance income	271,033	75,689	346,722	74,633	58,207	132,840
Finance costs	(393,441)	(39,013)	(432,454)	(238,716)	(34,894)	(273,610)
Other income	224,597	14,139	238,736	32,271	18,127	50,398
Income tax expense	(54,191)	(20,643)	(74,834)	-	(35,917)	(35,917)
<b>Profit for the period</b>	<b>2,908,566</b>	<b>95,893</b>	<b>3,004,459</b>	<b>1,943,400</b>	<b>186,931</b>	<b>2,130,331</b>





## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 33 Business combinations

##### Acquisitions in 2023

The summary of major additions from the acquisitions in the period ended 30 September 2023 are given below:

AED '000	Merger (note 33.1)	Kent School (note 33.2)	Virginia School (note 33.3)	Basatin (note 33.5)	Mustard & Linen (note 33.6)	Total
Property, plant, and equipment	15,683	411,044	152,007	8,336	137	587,207
Intangible assets and goodwill	805,497	129,021	62,165	109,244	24,763	1,130,690
Lease liabilities	3,860	411,006	5,314	-	-	420,180
Non-controlling interest	4,230	-	-	22,618	79	26,927

##### 33.1 Merger of property and facilities management businesses

On 4 July 2023, the Group entered into a shareholders' agreement and contribution agreement (the "Agreement") to consolidate and merge the facilities management ("FM") and the property management ("PM") platform of Aldar, IHC Real Estate Holding LLC (IHC) and Abu Dhabi National Exhibitions Company PJSC (ADNEC) (together, the "Stakeholders") into Aldar Estates Holding Limited ("Aldar Estates"), a subsidiary of Aldar (the "Transaction").

As part of the Transaction, Eltizam Asset Management LLC (Eltizam), a property and facilities management services company, previously jointly owned by IHC and ADNEC Group, acquired by Aldar Estates. The Transaction was undertaken via a share transfer mechanism whereby Aldar Estates has acquired entire shares in Eltizam in exchange of 17.45% shares each issued to IHC and ADNEC.

At the date of the Transaction, Aldar Estates issued 4,854 number of shares to IHC and ADNEC that represented 34.9% of the number of shares of Aldar Estates. The fair value of Aldar Estates at the date of the Transaction was AED 2,902,579 thousand (AED 208,684 thousand per share).

The following table summarizes the acquisition date fair value of the consideration transferred:

	AED'000
Fair value of Aldar Estates (pre-Transaction)	1,889,579
Fair value of Eltizam	1,013,000
<b>Fair value of Aldar Estates (post-Transaction)</b>	<b>2,902,579</b>
<b>Consideration transferred for the Transaction (34.9% of Aldar Estates post-Transaction)</b>	<b>1,013,000</b>



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 33 Business combinations (continued)

##### Acquisitions in 2023 (continued)

##### 33.1 Merger of property and facilities management businesses (continued)

The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values. The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED'000
<b>Assets</b>	
Property, plant and equipment	15,683
Intangible assets (i)	167,810
Contract assets	12,700
Trade and other receivables (ii)	383,658
Inventories	5,813
Cash and bank balances	75,075
<b>Total assets</b>	<b>660,739</b>
<b>Liabilities</b>	
Employees benefits	28,096
Lease liabilities	3,860
Advances from customers	552
Trade and other payables	248,688
<b>Total liabilities</b>	<b>281,196</b>
<b>Total identifiable net assets at fair value</b>	<b>379,543</b>
Non-controlling interest	(4,230)
<b>Group's share of net assets acquired</b>	<b>375,313</b>
Less: purchase consideration	(1,013,000)
<b>Goodwill (iii)</b>	<b>(637,687)</b>

##### Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition	-
Cash acquired on business combination	75,075
Net cash inflows on acquisition (included in cash flows from investing activities)	75,075
Transaction costs of the acquisition (included in cash flows from operating activities) (iv)	(2,257)
<b>Net cash inflow on acquisition</b>	<b>72,818</b>



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 33 Business combinations (continued)

##### Acquisitions in 2023 (continued)

##### 33.1 Merger of property and facilities management businesses (continued)

- i) Intangible assets includes “Brands” and “Customer relationships” which are valued using “relief from royalty” technique and “multi-period excess earnings method” respectively.
- ii) The fair value of the receivables is AED 383,658 thousand and it is comprised gross contractual amount due of AED 392,158 thousand, of which AED 8,500 thousand was expected to be uncollectable at the date of the acquisition.
- iii) The goodwill recognised is primarily attributed to:
  - Operational efficiencies which are expected to be bought from the integration, resulting in the potential for greater market presence and a wider customer demographic
  - Achievement of strategic growth goals
  - Strategic expansion of Aldar Estates market presence beyond its original geography through knowledge exchange and leveraging capabilities
  - Expected intrinsic synergies such as economies of scale that can lead Aldar Estates to secure new opportunities, compete and invest in technology that complements the existing property management and facility management businesses
  - Other intangible assets that do not qualify for separate recognition under IAS 38 (e.g., assembled work-force, processes)
- iv) Acquisition related costs amounted to AED 2,257 thousand were expensed during the period and are included in general and administrative expenses.
- v) From the date of acquisition, Eltizam contributed revenue of AED 160,831 thousand and net profit of AED 6,877 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 345,006 thousand and net profit would have been higher by AED 25,178 thousand.
- vi) The transfer of Group’s interest in Aldar Estates resulted in net gain amounted to AED 337,726 thousand which represents gain on change of interest without a loss of control and hence accounted for under statement of changes in equity. The transaction also results in non-controlling interest amounted to AED 675,276 thousand.

##### 33.2 Kent College and Nursery

On 3 May 2023, Aldar Education - Sole Proprietorship LLC (“Aldar Education” a subsidiary of the Company) signed an agreement to purchase Kent College LLC - FZ and Kent Nursery LLC - FZ (“Kent”), registered with Meydan Freezone Authority, Dubai, United Arab Emirates for a total consideration of AED 120,000 thousand. On 1 September 2023, all the major conditions precedent to completion were completed and the Group acquired control over Kent. Kent’s principal activity is to provide education services under British curriculum. Kent was acquired as part of the growth and expansion of Aldar Education business in the education field along with expansion to outside Abu Dhabi. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.



## ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)

### 33 Business combinations (continued)

#### Acquisitions in 2023 (continued)

#### 33.2 Kent College and Nursery (continued)

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED'000
<b>Assets</b>	
Property, plant and equipment	411,044
Intangible assets	39,904
Trade and other receivables	12,500
Cash and bank balances	5,037
<b>Total assets</b>	<b>468,485</b>
<b>Liabilities</b>	
Employees benefits	3,474
Lease liabilities	411,006
Advances from customers	14,650
Trade and other payables	8,472
<b>Total liabilities</b>	<b>437,602</b>
	<b>AED'000</b>
<b>Total identifiable net assets at fair value</b>	<b>30,883</b>
Non-controlling interest	-
<b>Group's share of net assets acquired</b>	<b>30,883</b>
Less: purchase consideration	<b>(120,000)</b>
<b>Goodwill</b>	<b>(89,117)</b>

#### **Analysis of cashflow on acquisition**

	AED'000
Cash paid for the acquisition*	(117,782)
Net cash acquired on business combination	5,037
Net cash outflows on acquisition (included in cash flows from investing activities)	(112,745)
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,668)
<b>Net cash outflow on acquisition</b>	<b>(114,413)</b>

\*Remaining consideration of AED 2,218 thousand will be paid to the seller post reconciliation of actual adjustment amount calculation.



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 33 Business combinations (continued)

##### Acquisitions in 2023 (continued)

#### 33.2 Kent College and Nursery (continued)

Acquisition related costs amounted to AED 1,668 thousand were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Kent contributed revenue of AED 6,363 thousand and net loss of AED 482 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 46,111 thousand and net loss would have been higher by AED 2,162 thousand. The net assets recognised in these consolidated financial statements were based on a provisional assessment of their fair values.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of KENT with Aldar Education group, as Abu Dhabi's largest and leading education provider. Intangible assets acquired as part of business combination is in the form of mainly student relationship & customer relationship. The existing student body is expected to generate revenue over a period of 15 years of full grade cycle.

#### 33.3 Virginia International Private School LLC

On 2 August 2023, Aldar Education acquired 100% shares of Virginia International Private School – Sole Proprietorship LLC, a limited liability company ("Virginia") registered in Abu Dhabi, United Arab Emirates for a total consideration of AED 210,509 thousand. The Company is licensed to operate Nurseries, Kindergartens, Public Elementary Education, Preliminary (Intermediate) Education and Secondary Education. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired, and liabilities assumed, have been recognised at their respective fair values. Virginia was acquired as part of growth and expansion of Aldar Education business in the education industry.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED'000
<b>Assets</b>	
Property, plant and equipment	152,007
Intangible assets	13,244
Trade and other receivables	10,609
Inventories	1,003
Cash and bank balances	4,991
<b>Total assets</b>	<b>181,854</b>
<b>Liabilities</b>	
Employees benefits	1,142
Lease liabilities	5,314
Advances from customers	7,467
Trade and other payables	6,342
<b>Total liabilities</b>	<b>20,265</b>



## ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)

### 33 Business combinations (continued)

#### Acquisitions in 2023 (continued)

#### 33.3 Virginia International Private School LLC (continued)

	AED'000
<b>Total identifiable net assets at fair value</b>	161,589
Less: purchase consideration	(210,509)
<b>Goodwill</b>	<b>(48,920)</b>

#### Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition*	(188,586)
Net cash acquired on business combination	4,991
Net cash outflows on acquisition (included in cash flows from investing activities)	(183,595)
Transaction costs of the acquisition (included in cash flows from operating activities)	(923)
<b>Net cash outflow on acquisition</b>	<b>(184,518)</b>

\* Remaining consideration of AED 21,923 thousand will be paid to the seller in line with SPA terms and condition.

Acquisition related costs amounted to AED 923 thousand were expensed during the year and are included in general and administrative expenses. From the date of acquisition, Virginia contributed revenue of AED 7,389 thousand and net profit of AED 2,145 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 27,417 thousand and net profit would have been higher by AED 8,260 thousand.

The net assets recognised in these condensed consolidated financial statements were based on their fair values.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Virginia with Aldar Education group, as Abu Dhabi's largest and leading education provider.

Intangible assets acquired as part of business combination in the form of student relationship where the school has a high retention rate, whereby the existing student body is expected to generate revenues over a long period. As such, student relationship is a key revenue driver and are expected to be of value.

#### 33.4 FAB Properties LLC

On 9 September 2023, Provis Real Estate Management - Sole Proprietorship LLC ("Provis" a subsidiary of the Company) signed an agreement to acquire 100% of the issued share capital of FAB Properties - Sole Proprietorship LLC ("FAB Properties"), a limited liability company registered in Abu Dhabi, United Arab Emirates. At 30 September 2023 certain substantive conditions to complete the transaction were not fulfilled and hence the transaction is not complete and accordingly not consolidated in these interim condensed consolidated financial statements.



## ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)

### 33 Business combinations (continued)

#### Acquisitions in 2023 (continued)

##### 33.5 Basatin Landscaping

On 28 May 2023, Aldar Estates Investment - Sole Proprietorship LLC (“Aldar Estates” a subsidiary of the Company) signed an agreement to acquire 75% of the issued share capital of Basatin Holding SPV Ltd. (“Basatin”), a limited liability company registered in Abu Dhabi, United Arab Emirates for a total consideration of AED 138,822 thousand. Basatin was acquired as part of Aldar plan to further scale up and broaden its integrated property and facilities management platform, Aldar Estates. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values.

The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED'000
<b>Assets</b>	
Property, plant and equipment	8,336
Intangible assets	38,275
Contract assets	20,638
Trade and other receivables	65,197
Inventories	1,377
Cash and bank balances	36,960
<b>Total assets</b>	<b>170,783</b>
<b>Liabilities</b>	
Employees benefits	5,245
Retentions payable	3,709
Advances from customers	1,842
Trade and other payables	69,516
<b>Total liabilities</b>	<b>80,312</b>
	<b>AED'000</b>
<b>Total identifiable net assets at fair value</b>	<b>90,471</b>
Non-controlling interest	(22,618)
<b>Group's share of net assets acquired</b>	<b>67,853</b>
Less: purchase consideration	(138,822)
<b>Goodwill</b>	<b>(70,969)</b>



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 33 Business combinations (continued)

##### Acquisitions in 2023 (continued)

#### 33.5 Basatin Landscaping (continued)

##### Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition	(138,822)
Net cash acquired on business combination	36,960
Net cash outflows on acquisition (included in cash flows from investing activities)	(101,862)
Transaction costs of the acquisition (included in cash flows from operating activities)	(3,017)
<b>Net cash outflow on acquisition</b>	<b>(104,879)</b>

Acquisition related costs amounted to AED 3,017 thousand were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Basatin contributed revenue of AED 119,748 thousand and net profit of AED 9,718 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 104,654 thousand and net profit would have been higher by AED 8,610 thousand.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from the acquisition. Intangible assets acquired as part of business combination in the form of customers contracts and customers relationships, were identified as Basatin has entered in certain fixed contracts with customers to provide services for periods that exceed 1 year, in addition to generating revenue from several customers which have a long term relationship and the likelihood of clients to renew the contracts is highly probable as the majority of the client base of Basatin are long-standing client relationships.

#### 33.6 Mustard and Linen

On 27 December 2022, the Group signed an agreement to acquire 75% shares of Mustard & Linen Interior Design Holdings Limited ("M&L") for a consideration of AED 25,000 thousand. M&L is incorporated in ADGM Abu Dhabi, UAE and is involved in the operation of premium interior design business services in UAE. M&L was acquired to complement the Aldar model of development, sales, construction, management and associated services for real estate in the region. The acquisition has been accounted for effective 14 February 2023 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values.

The acquisition has resulted in recognition of non-controlling interest of AED 79 thousand and goodwill amounting to AED 24,763 thousand which is attributable to robust business model, vertical integration benefits, synergies, and cost optimisation. The non-controlling interest shareholder has also contributed AED 2,000 thousand to the equity of M&L. As of 30 September 2023, the full amount has been paid. Cash acquired on acquisition amounted to AED 1,781 thousand.





## ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)

### 33 Business combinations (continued)

#### Acquisitions in 2022

##### 33.7 Al Shohub Private School LLC

On 20 January 2022, Aldar Education - Sole Proprietorship LLC (“Aldar Education” a subsidiary of the Company) signed an agreement to purchase Al Shohub Private School LLC (“Al Shohub”), a limited liability company registered in Abu Dhabi, United Arab Emirates for a total consideration of AED 72,210 thousand. On 1 June 2022, all the major conditions precedent to completion were completed and therefore 1 June 2022 is the date on which the Group acquired control over Al Shohub. Al Shohub was acquired as part of the growth and expansion of Aldar Education business in the education field. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	<u>AED'000</u>
<b>Assets</b>	
Property, plant and equipment	74,054
Intangible assets	1,483
Trade and other receivables	2,158
Cash and bank balances	1,821
<b>Total assets</b>	<u>79,516</u>
<b>Liabilities</b>	
Employee benefits	1,246
Trade and other payables	12,660
Lease liabilities	2,521
<b>Total liabilities</b>	<u>16,427</u>
Total identifiable net assets at fair value	63,089
Satisfied by:	
Cash	(65,084)
Deferred consideration	(7,126)
	<u>(72,210)</u>
<b>Goodwill</b>	<u>(9,121)</u>
<b>Analysis of cashflow on acquisition</b>	
Cash paid for the acquisition	(65,084)
Net cash acquired on business combination	1,821
Net cash outflows on acquisition (included in cash flows from investing activities)	(63,263)
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,098)
<b>Net cash outflow on acquisition</b>	<u>(64,361)</u>



## ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements  
for the period ended 30 September 2023 (continued)

### 33 Business combinations (continued)

#### Acquisitions in 2022 (continued)

#### 33.8 Twafq Projects Development Property LLC

On 18 April 2022, Aldar Logistics Holding Limited (“ALH” a subsidiary of the Company) signed an agreement for the sale and purchase of 70% share of Twafq Projects Development Property LLC (“Twafq”) for a consideration of AED 331,033 thousand. Twafq is incorporated in Abu Dhabi, UAE and is involved in the development, investment and management of industrial real estate. Twafq was acquired as part of the plan of Aldar Investment to diversify its portfolio and sector into industrial and logistics vertical. The acquisition has been accounted for effective 1 April 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	<b>AED'000</b>
<b>Assets</b>	
Investment properties	697,529
Property, plant and equipment	2,447
Trade and other receivables	5,403
Cash and bank balances	31,946
<b>Total assets</b>	<b>737,325</b>
<b>Liabilities</b>	
Employees benefits	1,411
Lease liabilities	133,439
Bank borrowings	102,355
Advances from customers	8,576
Trade and other payables	9,536
<b>Total liabilities</b>	<b>255,317</b>
	<b>AED'000</b>
Total identifiable net assets at fair value	482,008
Non-controlling interest	(141,871)
<b>Group's share of net assets acquired</b>	<b>340,137</b>
Less: purchase consideration	(331,033)
<b>Bargain purchase gain</b>	<b>9,104</b>
	<b>AED'000</b>
<b>Analysis of cashflow on acquisition</b>	
Cash paid for the acquisition	(331,033)
Net cash acquired on business combination	31,946
Net cash outflows on acquisition (included in cash flows from investing activities)	(299,087)
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,807)
<b>Net cash outflow on acquisition</b>	<b>(300,894)</b>



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 33 Business combinations (continued)

##### Acquisitions in 2022 (continued)

#### 33.9 Mace Macro Technical Services LLC

On 1 August 2022, Khidmah – Sole Proprietorship LLC (“Khidmah” a subsidiary of the Company) acquired 100% shares of Mace Macro Technical Services LLC (“Mace”) for a consideration of AED 4.4 million. Mace is incorporated in Dubai, UAE and is involved in facilities management services. Mace was acquired as part Khidmah plan to grow the facilities management business. The acquisition has been accounted for effective 1 August 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The acquisition has resulted in recognition of Gain on bargain purchase of AED 628 thousand and intangible assets (customer contracts, relationships and exclusivity contracts) of AED 4,343 thousand. Cash acquired on acquisition amounted to AED 1,132 thousand.

#### 33.10 Pactive Sustainable Solutions LLC

On 1 August 2022, Khidmah acquired 100% shares of Pactive Sustainable Solutions LLC (“Pactive”) for a consideration of AED 10 million. Pactive is incorporated in Abu Dhabi, UAE and specializes in energy management, Energy performance contracts and buildings automation and control systems. Pactive was acquired as part of the Aldar Group plan and vision to work in and expand into the energy management services. The acquisition has been accounted for effective 1 August 2022 using the acquisition method of accounting, and accordingly, the

identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The acquisition has resulted in recognition of goodwill amounting to AED 2,345 thousand and intangible assets (customer contracts and licensees) of AED 6,206 thousand. Cash acquired on acquisition amounted to AED 185 thousand.

#### 33.11 Spark Security Services

On 1 September 2022, Khidmah acquired 100% shares of Spark Securities Services-Sole Proprietorship LLC, Abu Dhabi and Spark Securities Services-LLC, Dubai (together referred as “Spark”) for a consideration of AED 120 million. Spark provides a comprehensive range of security solutions to both commercial and residential clients in the UAE. Spark was acquired to further strengthen Adar’s property and integrated facilities management platform and complement the existing services providers withing the Aldar’s portfolio. The acquisition has been accounted for effective 1 September 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 33 Business combinations (continued)

##### Acquisitions in 2022 (continued)

##### 33.11 Spark Security Services (continued)

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	<u>AED'000</u>
<b>Assets</b>	
Property, plant and equipment	12,756
Intangible assets	27,948
Inventories	485
Trade and other receivables	99,126
Cash and bank balances	17,072
<b>Total assets</b>	<u>157,387</u>
<b>Liabilities</b>	
Lease liabilities	1,426
Employee benefits	36,977
Trade and other payables	36,622
<b>Total liabilities</b>	<u>75,025</u>
Total identifiable net assets at fair value	82,362
Less: purchase consideration	(120,019)
<b>Goodwill</b>	<u>(37,657)</u>

##### **Analysis of cashflow on acquisition**

	<u>AED'000</u>
Cash paid for the acquisition	(104,132)
Net cash acquired on business combination	17,072
Net cash outflow on acquisition (included in cash flows from investing activities)	(87,060)
Transaction costs of the acquisition (included in cash flows from operating activities)	(2,459)
<b>Net cash outflow on acquisition</b>	<u>(89,519)</u>

##### 33.12 SAGA OA DMCC

On 19 October 2022, Provis Owners Association Management Services LLC ("Provis OA" a subsidiary of the Group) acquired 100% of the issued share capital of SAGA International Owners Association Management Services LLC and SAGA OA DMCC ("SAGA OAs"), entities incorporated in Dubai, UAE for a consideration of AED 37 million. SAGA OAs are involved in property management services and was acquired as part of the plan of Provis to complement and expand its Owners Association portfolio. The acquisition has been accounted for effective 19 October 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The acquisition has resulted in recognition of goodwill amounting to AED 4,944 thousand and intangible assets (customer relationship) of AED 31,396 thousand.



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 34 Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	3 months ended		9 months ended	
	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000	30 September 2023 (unaudited) AED'000	30 September 2022 (unaudited) AED'000
<b>Current income tax:</b>				
Current income tax charged	8,067	15,479	16,825	36,836
Tax expense on dividend	-	95	-	95
<b>Deferred income tax:</b>				
Relating to origination and reversal of temporary differences	31,380	(3,876)	35,121	(1,014)
Relating to enactment of UAE corporate income tax*	22,888	-	22,888	-
<b>Income tax expense recognised in statement of profit or loss</b>	<b>62,335</b>	<b>11,698</b>	<b>74,834</b>	<b>35,917</b>

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 Law) to enact a Federal corporate tax regime in the UAE. The CT regime becomes effective for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The Ministry of Finance continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

\* This relates to the initial recognition of deferred tax liabilities in respect of historical Purchase Price Allocation (PPA) adjustments and accounting policy alignments carried on the Group's interim consolidated statement of financial position. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE corporate tax (CT) Law in the UAE, and on the basis that the entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 34 Income tax (continued)

##### *Deferred tax asset*

The following are the major deferred tax assets and liabilities recognised by the Group. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

	<b>30 September 2023</b> <b>(unaudited)</b> <b>AED'000</b>	31 December 2022 <b>(audited)</b> <b>AED'000</b>
<b>Deferred tax assets</b>		
Provisions	38,685	52,082
Carried forward tax losses	8,452	10,181
	<b>47,137</b>	<b>62,263</b>
<b>Deferred tax liabilities</b>		
Foreign exchange translation	(4,355)	(4,138)
Property, plant, and equipment	(238)	(657)
Others	(103)	(166)
<b>Net deferred tax assets</b>	<b>42,441</b>	<b>57,302</b>

##### **Unrecognised deferred tax asset**

	<b>30 September 2023</b> <b>(unaudited)</b> <b>AED'000</b>	31 December 2022 <b>(audited)</b> <b>AED'000</b>
Deductible temporary differences	18,274	21,746
Tax losses carried forward	1,734	2,520
	<b>20,008</b>	<b>24,266</b>

Deferred tax asset has not been recognised in respect of the above-mentioned items as it is not considered probable that there will be future taxable profits available to justify the recognition of a deferred tax asset.

##### *Deferred tax liability*

	<b>30 September 2023</b> <b>(unaudited)</b> <b>AED'000</b>	31 December 2022 <b>(audited)</b> <b>AED'000</b>
Relating to enactment of UAE corporate income tax	22,888	-
Relating to origination and reversal of temporary differences	31,302	-
Relating to acquisitions	16,585	-
	<b>70,775</b>	<b>-</b>



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 35 Foreign exchange translation reserve

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	(385,312)	-
Exchange differences on translating the net assets of foreign operations Relating to non-controlling interests	(251,485) 100,945	(643,689) 258,377
Balance at the end of the period/year	<b>(535,852)</b>	<b>(385,312)</b>

#### 36 Cash flow hedging reserve

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	190,248	(422)
Cumulative fair value movement arising on hedging instruments during the period/year classified under cash flow hedges	(22,052)	193,394
Cumulative gain/(loss) arising on hedging instruments reclassified to profit or loss (note 22)	(2,430)	6,947
Attributable to non-controlling interest	2,907	(9,671)
Balance at the end of the period/year	<b>168,673</b>	<b>190,248</b>

#### 37 Non-controlling interests

	<b>30 September 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	4,380,218	715,213
Share of profit for the period/year	286,498	199,269
Share of other comprehensive loss for the period/year	(103,852)	(248,706)
Dividends paid by a subsidiary against preference equity (note 37.1)	(88,072)	(20,979)
Dividends paid by a subsidiary to non-controlling interests (note 37.3)	(150,299)	(973)
Non-controlling interest arising on business combination (note 33)	702,203	334,471
Additional contribution from non-controlling interests	18,000	-
Change in equity attributable to owners of the company due to partial disposal of a subsidiary (note 37.1)	-	99,080
Movement from partial disposal of interests in subsidiaries (note 37.1, 37.2)	-	3,302,843
Balance at the end of the period/year	<b>5,044,696</b>	<b>4,380,218</b>



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)

#### 37 Non-controlling interests (continued)

**37.1** During the year 2022, Aldar Investment Holding Restricted Limited (“AIHR” – a subsidiary of the Group and 100% shareholder of Aldar Investment Properties LLC “AIP”) entered into a subscription agreement with Apollo Gretel Investor, L.P. (“Apollo”) relating to AIHR, where Apollo subscribed to common equity of USD 100 million and preferred equity of USD 300 million of AIHR. The preferred equity will be mandatory convertible into fixed number of shares at the third anniversary of the closing date and will carry a fixed coupon. The above results in Aldar disposing 11.88% of its shareholding in AIHR for a total cash consideration of USD 400 million (AED 1,469 million). The above transaction does not result in the Group’s loss of control over AIHR and hence is accounted for as an equity transaction. The difference between the amount by which the non-controlling interest is adjusted of AED 1,568 million and the fair value of the consideration received of AED 1,469 million is recognised in equity. The difference of AED 99 million represents approximately 0.75% ownership in AIHR. The ultimate beneficial owner of this 0.75% will be determined pursuant to terms of a side letter agreed with Apollo and based on the final status of Corporate Income tax in UAE when implemented. Consequently, this has resulted in the recognition of a financial asset and a financial liability which are reported net as the Company has a legally enforceable right to set off and it intends to settle the asset and liability simultaneously.

During the period, AIHR paid preference dividend amounted to AED 88,072 thousand.

**37.2** The schedule below shows the effects on the equity attributable to owners that resulted from the transaction:

	AED’000
Carrying amount of the interest disposed	1,568,080
Consideration received	(1,469,000)
Change in equity attributable to owners of the Company	99,080

The Company has no contractual obligation relating to the above subscription and therefore classified as equity and recorded under “non-controlling interests” in the condensed consolidated financial statements in accordance with the requirements of IAS 32 *Financial Instruments: Presentation*.

Transaction cost is charged against the retained earnings and non-controlling interest.

**37.3** During the year 2022, the Company established a 100% owned subsidiary Aldar Hansel SPV Restricted Limited (“Hansel”), a restricted scope company incorporated in Abu Dhabi Global Market, Abu Dhabi, UAE, comprising 51% of class A shares and 49% of class B shares. Subsequent to the establishment of Hansel, the Company entered into a 20 year Deferred Land Sale and Purchase Agreement (“DLSPA”) with Hansel where 2.6 million sqm of land was transferred to Hansel for an amount of AED 2,830 million. The Company further disposed of its class B shares against consideration of USD 500 million (AED 1,836 million) to AP Hansel SPV LLC, a 100% owned company of Apollo Capital Management L.P (“Apollo Capital”). Apollo Capital’s returns will not be predetermined and will be subject to movement in land valuations or gain from sale of land, if any, over the period of the DLSPA.

The Company has no contractual obligation attached to class B shares and therefore classified as equity and recorded under “non-controlling interests” in the condensed consolidated financial statements in accordance with the requirements of IAS 32 *Financial Instruments: Presentation*.

During the period, Hansel paid dividend of AED 150,299 thousand to Apollo Capital.





## **ALDAR PROPERTIES PJSC**

### **Notes to the condensed consolidated financial statements for the period ended 30 September 2023 (continued)**

#### **38 Reclassification of prior year balances**

Certain comparative figures have been reclassified/regrouped, wherever necessary, as to conform to the presentation adopted in these interim condensed consolidated financial statements. These reclassifications do not materially change the presentation of the condensed consolidated financial statements.

#### **39 Approval of condensed consolidated financial statements**

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 30 October 2023.