

ALDAR PROPERTIES PJSC

Review report and interim financial information

For the six-months period ended
30 June 2022

ALDAR PROPERTIES PJSC



Review report and interim financial information for the six-months period ended 30 June 2022

	Pages
Report on review of interim financial information	1
Condensed consolidated statement of financial position	2 - 3
Condensed consolidated statement of profit or loss	4
Condensed consolidated statement of comprehensive income	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7
Notes to the condensed consolidated financial statements	8 - 38

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 June 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-months 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
28 July 2022
Abu Dhabi
United Arab Emirates



**Condensed consolidated statement of financial position
as at 30 June 2022**

		30 June 2022	31 December 2021
		(unaudited)	(audited)
	Note	AED'000	AED'000
Assets			
Non-current assets			
Property, plant and equipment	5	4,482,874	3,557,052
Intangible assets and goodwill	6	270,807	293,195
Investment properties	7	18,747,396	18,025,935
Investment in associates and joint ventures	8	108,869	108,359
Investment in financial assets	9	120,103	41,659
Derivative financial assets		134,702	20,299
Trade receivables and other assets	10	472,736	526,839
Total non-current assets		24,337,487	22,573,338
Current assets			
Plots of land held for sale		4,784,090	5,137,885
Development work in progress	11	4,257,748	4,503,543
Inventories	12	1,227,806	1,029,411
Investment in financial assets	9	104,165	77,475
Contract assets		468,693	306,471
Trade receivables and other assets	10	6,212,745	7,057,481
Cash and bank balances	13	10,228,526	8,857,133
Total current assets		27,283,773	26,969,399
Total assets		51,621,260	49,542,737



ALDAR PROPERTIES PJSC

Condensed consolidated statement of financial position as at 30 June 2022 (continued)

		30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
	Note		
Equity and liabilities			
Equity			
Share capital		7,862,630	7,862,630
Statutory reserve		3,931,315	3,931,315
Cash flow hedging reserve	33	124,025	(422)
Investment revaluation reserve		(1,906)	9,800
Assets revaluation reserve		73,623	73,623
Foreign currency translation reserve	32	(163,862)	-
Retained earnings		15,401,619	15,044,624
Equity attributable to owners of the parent		27,227,444	26,921,570
Hybrid equity instrument	14	1,815,646	-
Non-controlling interests		803,502	715,213
Total equity		29,846,592	27,636,783
Non-current liabilities			
Non-convertible sukuk	15	3,641,546	3,641,186
Bank borrowings	15	4,350,194	4,408,755
Retentions payable		607,160	533,835
Lease liabilities		456,603	295,517
Employees benefits		249,814	223,345
Derivative financial liabilities		-	6,648
Trade and other payables	17	1,179,709	1,472,397
Total non-current liabilities		10,485,026	10,581,683
Current liabilities			
Non-convertible sukuk	15	36,907	36,665
Bank borrowings	15	86,449	290,284
Retentions payable		944,035	812,919
Lease liabilities		67,277	37,743
Advances from customers	16	665,055	762,357
Contract liabilities	18	1,601,678	1,835,151
Trade and other payables	17	7,888,241	7,549,152
Total current liabilities		11,289,642	11,324,271
Total liabilities		21,774,668	21,905,954
Total equity and liabilities		51,621,260	49,542,737

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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Greg Fewer
Group Chief Financial &
Sustainability Officer



**Condensed consolidated statement of profit or loss
for the period ended 30 June 2022**

	Note	3 months period ended		6 months period ended	
		30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000	30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000
Revenue and rental income	29.1	2,669,406	2,191,636	5,352,611	4,232,655
Direct costs	29.1	(1,475,645)	(1,367,897)	(3,040,602)	(2,632,502)
Gross profit		1,193,761	823,739	2,312,009	1,600,153
Selling and marketing expenses		(92,241)	(32,428)	(174,856)	(70,309)
General and administrative expenses					
Staff costs		(138,279)	(69,515)	(269,098)	(129,763)
Depreciation and amortisation		(83,738)	(64,176)	(154,629)	(126,112)
Provisions, impairments and write downs, net		(43,057)	(11,832)	(74,130)	(59,326)
Others		(82,452)	(29,616)	(136,373)	(74,573)
Gain/(loss) on revaluation of investment properties, net	7	111,699	(35,635)	76,714	(82,625)
Share of results of associates and joint ventures	8	(2,127)	(2,657)	(3,910)	(4,615)
Gain on disposal of investment properties	7	6,895	697	13,635	2,071
Gain on bargain purchase	30	9,104	-	9,104	99,469
Finance income	19	36,770	11,205	75,414	23,475
Finance costs	20	(85,026)	(68,240)	(159,984)	(132,584)
Other income	21	12,370	(710)	39,492	19,426
Profit for the period before tax		843,679	520,832	1,553,388	1,064,687
Income tax expense	31	(2,320)	-	(24,219)	-
Profit for the period after tax		841,359	520,832	1,529,169	1,064,687
Attributable to:					
Equity holders of the Company		803,987	520,078	1,471,898	1,062,824
Non-controlling interests		37,372	754	57,271	1,863
		841,359	520,832	1,529,169	1,064,687
Basic and diluted earnings per share (AED)	22	0.102	0.066	0.187	0.135



Condensed consolidated statement of comprehensive income for the period ended 30 June 2022

	Note	3 months period ended		6 months period ended	
		30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000	30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000
Profit for the period		841,359	520,832	1,529,169	1,064,687
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>					
Foreign exchange differences on translation of foreign operations	32	(40,022)	-	(273,742)	-
Fair value gain on cash flow hedges arising during the period	33	54,136	2,304	121,050	3,181
Net gains/(losses) on hedging instruments reclassified to profit or loss	20	1,724	1,724	3,397	(245)
<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)	9	52,786	1,102	52,786	(5,601)
Other comprehensive income/(loss) for the period		68,624	5,130	(96,509)	(2,665)
Total comprehensive income for the period		909,983	525,962	1,432,660	1,062,022
Attributable to:					
Equity holders of the Company		888,677	525,208	1,485,269	1,060,159
Non-controlling interests		21,306	754	(52,609)	1,863
		909,983	525,962	1,432,660	1,062,022

ALDAR PROPERTIES PJSC

Condensed consolidated statement of changes in equity for the period ended 30 June 2022

	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 2021 (audited)	7,862,630	3,931,315	(31,054)	18,142	-	-	13,849,760	25,630,793	-	70,892	25,701,685
Profit for the period	-	-	-	-	-	-	1,062,824	1,062,824	-	1,863	1,064,687
Other comprehensive income/(loss) for the period	-	-	2,936	(5,601)	-	-	-	(2,665)	-	-	(2,665)
Total comprehensive income/(loss) for the period	-	-	2,936	(5,601)	-	-	1,062,824	1,060,159	-	1,863	1,062,022
Dividends (note 26)	-	-	-	-	-	-	(1,140,082)	(1,140,082)	-	-	(1,140,082)
Balance at 30 June 2021 (unaudited)	7,862,630	3,931,315	(28,118)	12,541	-	-	13,772,502	25,550,870	-	72,755	25,623,625
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	-	-	-	-	-	-	1,471,898	1,471,898	-	57,271	1,529,169
Other comprehensive income/(loss) for the period	-	-	124,447	52,786	-	(163,862)	-	13,371	-	(109,880)	(96,509)
Total comprehensive income/(loss) for the period	-	-	124,447	52,786	-	(163,862)	1,471,898	1,485,269	-	(52,609)	1,432,660
Dividends (note 26)	-	-	-	-	-	-	(1,179,395)	(1,179,395)	-	(973)	(1,180,368)
Hybrid equity instrument (note 14)	-	-	-	-	-	-	-	-	1,815,646	-	1,815,646
Reclassification of fair value reserve of financial asset at FVTOCI upon derecognition	-	-	-	(64,492)	-	-	64,492	-	-	-	-
Non-controlling interest arising on a business combination (note 30.2)	-	-	-	-	-	-	-	-	-	141,871	141,871
Balance at 30 June 2022 (unaudited)	7,862,630	3,931,315	124,025	(1,906)	73,623	(163,862)	15,401,619	27,227,444	1,815,646	803,502	29,846,592

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

**Condensed consolidated statement of cash flows
for the period ended 30 June 2022**

		6 months period ended	
		30 June 2022	30 June 2021
		(unaudited)	(unaudited)
	Note	AED'000	AED'000
Net cash generated from operating activities		3,094,337	2,643,132
Cash flows from investing activities			
Purchases of property, plant and equipment	5	(967,513)	(28,859)
Purchases of intangible assets	6	(6,427)	(11,363)
Additions to investment properties	7	(645,693)	(98,384)
Proceeds from disposal of investment properties and property, plant and equipment	5,7	128,030	29,476
Acquisition of subsidiaries, net of cash acquired	30	(362,350)	(62,339)
Movement in term deposits with maturities greater than three months		(1,226,755)	680,800
Investment in financial assets		(63,943)	(2,247)
Movement in restricted bank balances		(747,863)	(234,006)
Finance income received		20,862	31,513
Net cash (used in)/generated from investing activities		(3,871,652)	304,591
Cash flows from financing activities			
Repayments of bank borrowings		(2,418,819)	(1,629,000)
Proceeds from bank borrowings		2,162,069	1,418,274
Payment of principal portion of lease liabilities		(23,939)	(14,755)
Finance costs paid		(145,800)	(145,312)
Dividends paid		(1,180,368)	(1,140,832)
Cash paid for settlement of the derivatives		-	(1,655)
Issuance of hybrid equity instrument	14	1,837,662	-
Net cash generated from/(used in) financing activities		230,805	(1,513,280)
Net (decrease)/increase in cash and cash equivalents		(546,510)	1,434,443
Cash and cash equivalents at beginning of the period	13	5,383,855	2,586,485
Effect of foreign exchange rate changes		(56,714)	-
Cash and cash equivalents at end of the period	13	4,780,631	4,020,928

Refer to note 27 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 June 2022

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 (IFRSs)

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been applied in these condensed consolidated financial statements:

- ***Reference to the Conceptual Framework (Amendments to IFRS 3)***
The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.
- ***Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)***
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in the statement of profit or loss.
- ***Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)***
The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- ***Annual Improvements to IFRS Standards 2018–2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)***
The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)****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 2021. In addition, results for the six-months period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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 2021, except for the adoption of new standards and interpretations effective 1 January 2022.

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 the same as those applied in the Group consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of new standards and interpretations effective 1 January 2022.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

5 Property, plant and equipment

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Balance at the beginning of the period/year	3,557,052	2,961,523
Additions during the period*/year	967,513	96,883
Recognised as part of business combination (note 30)	76,501	230,189
Transfer from development work in progress (note 11)	2,764	259,196
Transfer from investment properties (note 7)	57,850	262,917
Depreciation charge for the period/year	(138,986)	(218,560)
Disposals during the period/year	(3,466)	(6,036)
Impairment charge for the period/year	-	(29,060)
Exchange differences	(36,354)	-
Balance at the end of the period/year	<u>4,482,874</u>	<u>3,557,052</u>

Property, plant and equipment includes right-of-use assets mainly with respect to leases of plots of land and buildings amounting to AED 159,946 thousand (31 December 2021: AED 96,388 thousand).

*During the period, Aldar Hotels & Hospitality – Sole Proprietorship LLC (“AHH” a subsidiary of the Company) signed an agreement for the sale and purchase of the entire economic interest in Bab Resorts LLC, owner of Rixos Bab Al Bahr Ras Al Khaimah hotel (“Rixos”) for a total consideration of AED 767,528 thousand. In accordance with the requirements of IFRS 3 *Business Combinations*, the above acquisition was accounted for as an asset acquisition since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset.

The depreciation charge for the period includes AED 5,733 thousand allocated to cost of sales (for the period ended 30 June 2021: AED 2,758 thousand). No impairment indications were observed for any items of property, plant and equipment during the period ended 30 June 2022.

6 Intangible assets and goodwill

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Balance at the beginning of the period/year	293,195	28,085
Additions during the period/year	6,427	19,107
Recognised as part of business combination (note 30)	10,604	282,123
Amortisation charge for the period/year	(21,376)	(35,702)
Disposals during the period/year	-	(418)
Exchange differences	(18,043)	-
Balance at the end of the period/year	<u>270,807</u>	<u>293,195</u>

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

7 Investment properties

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Balance at the beginning of the period/year	18,025,935	16,462,916
Additions during the period*/year	645,693	255,798
Recognised as part of business combination (note 30)	697,529	929,801
Fair value gain, net	76,714	146,383
Disposals during the period/year	(110,939)	(144,733)
Transfers (to)/from		
Property, plant and equipment (note 5)	(57,850)	(262,917)
Development work in progress (note 11)	(376,075)	573,662
Revaluation on transfer from property, plant and equipment	-	73,623
Write-off	-	(8,598)
Exchange differences	(153,611)	-
Balance at the end of the period/year	<u>18,747,396</u>	<u>18,025,935</u>

*During the period, Aldar Investment Properties LLC ("AIP" a subsidiary of the Company) acquired Al Hamra Mall in Ras Al Khaimah, United Arab Emirates from Al Hamra Real Estate Development Company LLC for a total consideration of AED 410,000 thousand. In accordance with the requirements of IFRS 3 *Business Combinations*, the above acquisition was accounted for as an asset acquisition.

During the period, the Group sold investment properties of AED 110,939 thousand and realised a net gain of AED 13,635 thousand (for the period 30 June 2021: AED 2,071 thousand) that is recorded in the condensed consolidated statement of profit or loss under "gain on disposal of investment properties".

During the period, the Group transferred certain investment properties to property, plant and equipment due to change in use. Transfer to development work in progress relate to change in use during the period since the Group commenced development of such properties with a view to sell.

Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 336,679 thousand as at 30 June 2022 (31 December 2021: AED 239,535 thousand).

Investment properties represent the Group's interest in land and buildings situated in the United Arab Emirates (AED 18,314,166 thousand) and Arab Republic of Egypt ("Egypt") of AED 433,230 thousand.

The net fair value gain amounting to AED 76,714 thousand (30 June 2021: net fair value loss amounting to AED 82,625 thousand) recorded during the period resulted mainly from fair value loss amounting to AED 72,423 thousand (for the period ended 30 June 2021: AED 74,246 thousand) recorded on buildings held on leasehold land, netted against a fair value gain of AED 149,137 thousand (for the period ended 30 June 2021: AED 8,379 thousand, fair value loss) 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 qualification 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.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

7 Investment properties (continued)

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 June 2022. Based on this sensitivity analysis:

- A decrease in the capitalisation rates by 50bps would result in AED 687,332 thousand increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 603,633 thousand decrease in the valuation of those properties; and
- an increase in the rental rates by 10% would result in AED 972,003 thousand increase in the valuation, whilst a decrease in the rental rates by 10% would result in AED 971,480 thousand decrease in the valuation of those properties.

8 Investment in associates and joint ventures

The movement in the investment in associates and joint ventures relates to net share of losses amounting to AED 3,910 thousand (for the period ended 30 June 2021: loss of AED 4,615 thousand).

The Company considers that its amount receivable from one of the joint venture is part of the Company'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 4,420 thousand (for the period ended 30 June 2021: AED 4,871 thousand) was applied to the Group's receivable from the joint venture.

9 Investment in financial assets

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Financial assets at fair value through other comprehensive income		
Investment in UAE quoted securities (note 9.1)	72,786	20,000
Investment in UAE unquoted securities	2	2
Financial assets at fair value through profit or loss		
Investment in international unquoted funds	47,315	21,657
Financial assets at amortised cost		
Investment in treasury bills	104,165	77,475
	224,268	119,134

Carrying values for investments carried at amortised cost approximate their fair values as at 30 June 2022 and 31 December 2021.

As at 30 June 2022 and 31 December 2021, 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
30 June 2022 (unaudited)				
Investment in UAE securities	72,786	-	2	72,788
Investment in international unquoted funds	-	-	47,315	47,315
	72,786	-	47,317	120,103
31 December 2021 (audited)				
Investment in UAE securities	20,000	-	2	20,002
Investment in international unquoted funds	-	-	21,657	21,657
	20,000	-	21,659	41,659

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 June 2022 (continued)**

9 Investment in financial assets (continued)

- 9.1 During the period, the Group swapped its 1,000 thousand shares held in Al Reem Investments PJSC for 17,330 thousand shares in Q Holding PJSC. Al Reem Investment PJSC was fair valued at AED 74,692 thousand as of transaction date. Cumulative fair value changes in Al Reem Investment PJSC amounting to AED 64,492 thousand were transferred from the investment revaluation reserve to retained earnings upon derecognition.

10 Trade receivables and other assets

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Non-current portion		
Trade receivables	240,542	275,292
Due from associates and joint ventures	182,819	181,576
Receivables relating to project finance	136,979	137,663
Deferred tax assets (note 31)	37,616	47,368
Others	45,128	51,304
	<u>643,084</u>	<u>693,203</u>
Less: allowance for expected credit loss	<u>(170,348)</u>	<u>(166,364)</u>
	<u>472,736</u>	<u>526,839</u>
Current portion		
Trade receivables	3,096,240	4,208,111
Advances and prepayments	1,723,342	1,565,475
Refundable deposits	283,205	342,266
Refundable costs	302,758	314,701
Tax recoverable	150,677	40,227
Due from associates and joint ventures	26,280	26,280
Accrued interest	32,516	18,468
Receivables from the Government of Abu Dhabi	13,324	13,324
Receivables relating to project finance	8,279	7,738
Receivable related to sale of subsidiaries and businesses	8,217	8,217
Others	744,393	687,611
	<u>6,389,231</u>	<u>7,232,418</u>
Less: allowance for expected credit loss	<u>(176,486)</u>	<u>(174,937)</u>
	<u>6,212,745</u>	<u>7,057,481</u>

During the period, allowance for expected credit loss of AED 5,044 thousand (for the period ended 30 June 2021: AED 10,376 thousand) was made against trade and other receivables. Trade receivables amounting to AED 489 thousand were written off (for the period ended 30 June 2021: AED 55,727 thousand).

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 June 2022 and 31 December 2021, 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.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (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:

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Balance at beginning of the period/year	4,503,543	2,719,770
Development costs incurred during the period/year	1,542,671	1,901,420
Recognised in direct costs of properties sold	(1,302,154)	(1,690,359)
Recognised as part of business combination	-	3,222,129
Write-off of project costs	(31,038)	(90,852)
Transfers from/(to):		
Inventories (note 12)	(495,679)	(725,707)
Investment properties (note 7)	376,075	(573,662)
Property, plant and equipment (note 5)	(2,764)	(259,196)
Plot of land held for sale	210,502	-
Exchange differences	(543,408)	-
Balance at the end of the period/year	<u>4,257,748</u>	<u>4,503,543</u>
Development properties are located as:		
Within UAE	1,177,104	1,281,414
Outside UAE	3,080,644	3,222,129
	<u>4,257,748</u>	<u>4,503,543</u>

As at 30 June 2022, the Group determined net realisable value of its development work in progress and concluded that carrying value is lower than the net realisable value and recognised a write down of AED 31,038 thousand (31 December 2021: AED 90,852 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 Inventories

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Completed properties	1,191,081	979,640
Other operating inventories	36,725	49,771
	<u>1,227,806</u>	<u>1,029,411</u>
Inventories are located as:		
Within UAE	1,135,472	1,014,050
Outside UAE	92,334	15,361
	<u>1,227,806</u>	<u>1,029,411</u>

During the period/year, properties with a value of AED 495,679 thousand (31 December 2021: AED 725,707 thousand) were transferred to inventories upon completion (note 11). An amount of AED 286,698 thousand (31 December 2021: AED 566,374 thousand) was recognised as direct costs during the period/year.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**
13 Cash and cash equivalents

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Cash and bank balances	5,643,347	6,582,349
Short term deposits held with banks	4,585,179	2,274,784
Cash and bank balances	10,228,526	8,857,133
Short term deposits with original maturities greater than three months	(1,226,755)	-
Restricted bank balances	(4,221,140)	(3,473,278)
Cash and cash equivalents	4,780,631	5,383,855
Cash and cash equivalents:		
Within UAE	4,462,702	5,015,734
Outside UAE	317,929	368,121
	4,780,631	5,383,855

As at 30 June 2022, cash at banks amounting to AED 343,944 thousand (31 December 2021: AED 417,373 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 1,512,006 thousand (31 December 2021: AED 1,278,074 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 0.14% and 2.06% (for the year ended 31 December 2021: between 0.12% and 1%) per annum for UAE and between 6% and 10% (for the year ended 31 December 2021: between 7% and 9%) for Egypt. Bank deposits relating to UAE operations are placed with local banks in the UAE.

14 Hybrid equity instrument

During the period, Aldar Investment Properties LLC (a subsidiary of the Company) issued USD 500 million (AED 1,838 million) Reset Subordinated Perpetual Notes (the "Notes") to an investor (the "Noteholder") in two tranches. The first tranche amounting to USD 310.5 million was received during the month of March 2022 while the second tranche amounting to USD 189.5 million was received in the month of April 2022.

As per the terms of the agreement, the Notes do not have any 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 22,017 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 with a reset after 15 years
April 2022	USD 189.5 million (AED 698 million)	Fixed interest rate with a reset after 15 years

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

15 Bank borrowings and non-convertible sukuk

	Current < 1 year AED'000	Non-current > 1 year AED'000	Total AED'000
As at 30 June 2022 (unaudited)			
Non-convertible Sukuk	36,907	3,641,546	3,678,453
Bank borrowings	86,449	4,350,194	4,436,643
	123,356	7,991,740	8,115,096
As at 31 December 2021			
Non-convertible Sukuk	36,665	3,641,186	3,677,851
Bank borrowings	290,284	4,408,755	4,699,039
	326,949	8,049,941	8,376,890

As at 30 June 2022, the Group had AED 4,917,952 thousand of undrawn, committed revolving credit facilities in the form of bilateral agreements (31 December 2021: AED 3,996,226 thousand). Bank borrowings drawn during the period amounted to AED 2,162,069 thousand (period ended 30 June 2021: AED 1,418,274 thousand) and repaid during the period amounted to AED 2,418,819 thousand (period ended 30 June 2021: AED 1,629,000 thousand).

Certain bank borrowings carry a net worth covenant and are secured in the form of mortgage over plots of land held for sale amounting to AED 1,097,200 thousand (31 December 2021: AED 1,097,200 thousand), operating assets under investment properties amounting to AED 4,989,213 thousand (31 December 2021: AED 4,950,904 thousand) and property, plant and equipment amounting to AED 39,251 thousand (31 December 2021: AED 40,495 thousand).

Few bank borrowings are secured against the following which 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 & buildings and pledge over unsold units.

16 Advances from customers

Advances from customers represent mainly instalments collected from customers for the sale of the Group's property developments and security deposits.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

17 Trade and other payables

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Non-current		
Payable to a government authority for purchase of land (note 17.1)	932,940	1,173,377
Other land acquisition creditors	246,769	299,020
	<u>1,179,709</u>	<u>1,472,397</u>
Current		
Trade payables	943,814	997,488
Accrual for contractors' costs	4,326,912	4,142,301
Advances from the Government of Abu Dhabi (note 23.1)	233,374	112,848
Due to the Government of Abu Dhabi	1,193,004	957,210
Deferred income	290,678	253,273
Income tax payable	114,154	215,900
Dividends payable	88,032	88,242
Payable to a government authority for purchase of land (note 17.1)	50,269	45,883
Provision for onerous contracts	9,972	6,003
Other land acquisition creditors	5,004	3,864
Other liabilities	633,028	726,140
	<u>7,888,241</u>	<u>7,549,152</u>

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

17.1 Payable to a government authority for purchase of land

Plot of land I

On 1 September 2021, New Urban Community Authority Egypt ("NUCA") approved the request submitted by one of the indirect subsidiaries to purchase a plot of land with an area of 123.38 acres, with a total value of AED 241 million. The remaining price of the land and any associated interest is payable in the form of 12 semi-annual instalments over a period of 6 years starting from 8 March 2022 and ending on 8 September 2027.

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 AED 2,229 million. 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. Any advance payments made against the Previous Plot were agreed to be adjusted against the liabilities of the New Plot.

18 Contract liabilities

This mainly 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 3 to 5 years.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

19 Finance income

	3 months ended		6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	AED'000	AED'000	AED'000	AED'000
Interest/profit earned on:				
Sharia compliant deposits	10,374	3,071	14,468	6,904
Bank fixed deposits	731	667	9,214	699
Call and current accounts	8,483	1,223	12,197	3,076
	19,588	4,961	35,879	10,679
Finance income earned on receivables	15,299	2,185	33,672	5,191
Other finance income	1,883	4,059	5,863	7,605
	36,770	11,205	75,414	23,475

20 Finance costs

	3 months ended		6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	AED'000	AED'000	AED'000	AED'000
Finance costs on bank borrowings and non-convertible sukuk	76,231	61,804	145,128	123,207
Finance cost on operating lease liabilities (note 24.2)	3,813	3,486	7,584	7,111
Others	3,258	1,226	3,875	2,511
	83,302	66,516	156,587	132,829
Cumulative loss/(gain) arising on hedging instruments reclassified to profit or loss	1,724	1,724	3,397	(245)
	85,026	68,240	159,984	132,584

21 Other income

	3 months ended		6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	AED'000	AED'000	AED'000	AED'000
Fair value gain/(loss) on revaluation of financial assets at FVTPL	8,487	(710)	6,457	(710)
Income recognised upon handover of infrastructure	-	-	3,329	3,323
Others	3,883	-	29,706	16,813
	12,370	(710)	39,492	19,426



**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

22 Earnings per share (EPS)

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

The calculation of basic and diluted EPS attributable to the owners of the Company based on the following data:

	3 months ended		6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings (AED'000)				
Earnings for the purposes of basic and diluted earnings per share:				
Profit for the period attributable to equity holders of the Company	803,987	520,078	1,471,898	1,062,824
Less: distributions payable to the Noteholder	-	-	-	-
	803,987	520,078	1,471,898	1,062,824
Weighted average number of shares				
Weighted average number of ordinary shares for basic and diluted EPS	7,862,629,603	7,862,629,603	7,862,629,603	7,862,629,603
Basic and diluted EPS attributable to equity holders of the Company	0.102	0.066	0.187	0.135

23 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. 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 June 2022 (continued)

23 Transactions and balances with related parties (continued)

23.1 Related party balances:

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Government of Abu Dhabi		
Trade and other receivables	798,109	809,762
Trade and other payables	(1,197,484)	(987,907)
Advances received (note 17)	(233,374)	(112,848)
Contract assets	107,767	41,987
Contract liabilities	-	(9,934)
Major shareholder and its affiliates		
Trade and other receivables	107,628	34,825
Trade and other payables	(1,007)	(5,822)
Retentions payable	(139,915)	(139,915)
Parent Company and its affiliates		
Trade and other receivables	514,287	372,188
Trade and other payables	(26,990)	(322,720)
Retentions payable	(621,791)	(485,290)
Associates and joint ventures		
Due from joint venture	22,858	25,361

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% per annum and are repayable within 2 to 5 years.

Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)

23 Transactions and balances with related parties (continued)

23.2 Significant transactions with related parties:

	6 months ended	
	30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000
Government of Abu Dhabi		
Revenue	790,490	950,156
Other income	3,329	3,323
Finance income from project finance	4,288	4,387
Major shareholder and its affiliates		
Revenue	10,360	15,466
Other income	-	9,203
Parent Company and its affiliates		
Revenue	10,557	-
Cost incurred on projects under development*	(1,434,406)	-
Cost incurred on projects under management**	(944,040)	-
Other costs	(11,443)	-
Associates and joint ventures		
Finance income from joint venture	3,746	3,746
Key management compensation		
Salaries, bonuses and other benefits	16,596	10,334
Post-employment benefits	529	462
Long term incentives	5,639	3,610
Directors		
Directors' remuneration	8,000	8,000

During the period, the Company paid Directors' remunerations amounting to AED 18,075 thousand (30 June 2021: AED 20,700 thousand).

*This represents costs incurred during the period which is recognised as development work in progress (DWIP) for projects under development.

**This represents costs incurred on the project under management on behalf of Government of Abu Dhabi. These costs are off set against "advances from the Government of Abu Dhabi".

23.3 Other balances and transactions with related parties:

- (1) Outstanding borrowings as of 30 June 2022 AED 2,172,355 thousand (2021: AED 2,703,774 thousand) are due to the banks controlled by the Government of Abu Dhabi, parent company and major shareholder. Finance cost on these borrowings amounted to AED 29,653 thousand for the period ended 30 June 2022 (period ended 30 June 2021: AED 24,331 thousand).
- (2) Deposits and bank balances as of 30 June 2022 AED 5,648,362 thousand (2021: AED 5,666,299 thousand) are kept with banks controlled by the Government of Abu Dhabi, parent company and major shareholder. Finance income on these deposits amounted to AED 12,734 thousand for the period ended 30 June 2022 (period ended 30 June 2021: AED 3,458 thousand).
- (3) Letter of credits and bank guarantees issued through banks controlled by the Government of Abu Dhabi, parent company and major shareholder amounted to AED 318,613 thousand for the period ended 30 June 2022 (2021: AED 290,910 thousand).

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

24 Commitments and contingencies

24.1 Capital commitments

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

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Projects under development	4,522,469	1,814,665
Projects under management	14,825,321	9,235,913
Others	97,796	93,446
	19,445,586	11,144,024

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 14,430,104 thousand (31 December 2021: AED 8,746,856 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.

24.2 Operating lease commitments

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

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
The Group as a lessor		
Within one year	1,094,141	992,440
One to five years	2,688,483	2,421,609
After five years	1,697,185	1,692,257
	5,479,809	5,106,306

Set out below are the maturity analysis of lease liabilities:

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
The Group as a lessee		
Within one year	70,810	51,124
One to five years	190,828	161,410
After five years	536,611	293,339
	798,249	505,873

	6 months ended 30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000
The Group as a lessee		
Unwinding of interest expense on operating lease liabilities (note 20)	7,584	7,111
Expense relating to short-term leases	861	-
	8,445	7,111

The total cash outflow for leases amounted to AED 28,454 thousand (period ended 30 June 2021: AED 20,173 thousand).

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

24 Commitments and contingencies (continued)

24.2 Operating lease commitments (continued)

24.3 Contingencies

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Letters of credit and bank guarantees		
Issued by the Group	753,777	740,195
Group's share in contingencies of joint ventures and associates	2	2
	<u>753,779</u>	<u>740,197</u>

Bank guarantees and letters of credit include AED 393,107 thousand (31 December 2021: AED 395,937 thousand) pertaining to a construction related subsidiary.

24.4 Legal claim contingency

In January 2022, a previous supplier filed a claim against the Company relating to a contract that was signed in 2007. On 28 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. The supplier has 30 days from 28 June 2022 to file an appeal against the judgement. As of the date of issuance of these condensed consolidated financial statements no such appeal has been filed.

25 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.

26 Dividends

At the annual general meeting held on 11 April 2022, the shareholders approved distribution of cash dividends of AED 1,179,395 thousand for the year ended 31 December 2021, being 15 fils per share (for the year 2021: cash dividends of AED 1,140,082 thousand, being 14.5 fils per share), which was paid during the period.

27 Non-cash transactions

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

	6 months ended 30 June	
	2022 (unaudited) AED'000	2021 (unaudited) AED'000
Transfer between investment properties and development work in progress (note 7)	376,075	443,316
Transfer between investment properties and PPE (note 7)	57,850	-
Exchange of investment in financial assets (note 9)	72,786	-
	<u> </u>	<u> </u>

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)**

28 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.

	30 June 2022 (unaudited)		31 December 2021(audited)	
	Gross carrying amount AED'000	Fair value AED'000	Gross carrying amount AED'000	Fair value AED'000
Financial liabilities at amortised cost				
<i>Non-convertible Sukuk</i>				
Sukuk No. 1 (note 15)	1,845,145	1,869,058	1,842,615	2,012,858
Sukuk No. 2 (note 15)	1,833,308	1,760,580	1,835,236	1,987,198
	3,678,453	3,629,638	3,677,851	4,000,056

29 Segment information

29.1 Operating segments

The Group's operations are aggregated into segments with similar economic characteristics. Reportable segments under IFRS 8 were identified according to the structure of investment activities and services to customer groups. Consequently, the Group has presented seven reportable segments for the current and comparative periods which are as follows:

Aldar Development

Aldar Development represents the developing and marketing of Aldar's diverse and strategic landbank and Aldar's fee-based development management business, including government housing and infrastructure projects.

- * Property development and sales – develop and sell properties;
- * Project management services – manage various projects; and
- * Egypt subsidiaries – mainly a real estate development subsidiary which operates in Egypt.

Aldar Investment

Aldar Investment represents the Group's core asset management platform focused on investing and managing real estate assets, along with operating businesses including the following:

- * Investment properties – portfolio of investment grade and income generating real estate assets diversified across retail, residential, commercial and logistics properties;
- * Hospitality and leisure – portfolio of hotels, golf courses, beach clubs and marinas;
- * Education – provider of private and public Kindergarten through 12th grade education services; and
- * Principal investments – the Group's strategic investments which mainly include property management, facilities management and construction.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)

29.1 Operating segments

	Aldar Development			Aldar Investment				Unallocated/ eliminations	Consolidated
	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 investments* AED'000	Principal investments* AED'000		
Six months ended 30 June 2022 (unaudited)									
Revenue and rental income from external customers									
- Over a period of time	1,448,021	603,551	37,873	-	124,911	281,273	403,060	-	2,898,689
- At a point in time	921,059	1,373	521,048	-	141,553	-	-	-	1,585,033
- Leasing	-	-	4,950	863,939	-	-	-	-	868,889
Inter-segments	-	-	-	29,638	-	-	77,134	(106,772)	-
Gross revenue (i)	2,369,080	604,924	563,871	893,577	266,464	281,273	480,194	(106,772)	5,352,611
Cost of revenue excluding service charge	(1,481,245)	(365,254)	(317,642)	(124,632)	(217,637)	(159,521)	(384,711)	78,759	(2,971,883)
Service charge expenses	-	-	-	(68,719)	-	-	-	-	(68,719)
Gross profit	887,835	239,670	246,229	700,226	48,827	121,752	95,483	(28,013)	2,312,009
Six months ended 30 June 2021 (unaudited)									
Revenue and rental income from external customers									
- Over a period of time	1,305,279	734,612	-	-	85,457	262,498	438,336	-	2,826,182
- At a point in time	472,272	22,234	-	-	81,525	-	-	-	576,031
- Leasing	-	-	-	830,442	-	-	-	-	830,442
Inter-segments	-	-	-	3,155	-	4,604	57,951	(65,710)	-
Gross revenue (i)	1,777,551	756,846	-	833,597	166,982	267,102	496,287	(65,710)	4,232,655
Cost of revenue excluding service charge	(1,162,273)	(558,487)	-	(126,507)	(158,856)	(178,528)	(449,298)	62,341	(2,571,608)
Service charge expenses	-	-	-	(60,894)	-	-	-	-	(60,894)
Gross profit	615,278	198,359	-	646,196	8,126	88,574	46,989	(3,369)	1,600,153

(i) Gross revenue of investment properties includes AED 68,719 thousand (for the period ended 30 June 2021 AED 60,894 thousand) of revenue from service charges and contingent rent of AED 26,560 thousand (for the period ended 30 June 2021 AED 16,284 thousand).

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

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)

29 Segment information (continued)

29.1 Operating segments (continued)

	Aldar Development			Aldar Investment				Unallocated/ eliminations	Consolidated
	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		
Six months ended 30 June 2022 (unaudited)									
Gross profit	887,835	239,670	246,229	700,226	48,827	121,752	95,483	(28,013)	2,312,009
Selling and marketing expenses	(121,652)	(193)	(46,669)	(1,995)	-	(1,571)	(2,064)	(712)	(174,856)
General and administrative expenses	(187,570)	(27,029)	(79,712)	(93,094)	(88,574)	(63,124)	(64,697)	(30,430)	(634,230)
Gain on revaluation of investment properties	-	-	-	76,714	-	-	-	-	76,714
Gain on disposal of investment properties, net	-	-	-	13,635	-	-	-	-	13,635
Share of results of associates and joint ventures	-	-	-	(3,910)	-	-	-	-	(3,910)
Gain on bargain purchase	-	-	-	9,104	-	-	-	-	9,104
Finance income	14,352	756	35,169	8,537	526	128	46	15,900	75,414
Finance costs	(8,755)	(377)	(19,733)	(141,807)	(4,843)	(2,271)	(1,721)	19,523	(159,984)
Other income	3,344	50	15,497	13,000	-	-	-	7,601	39,492
Income tax expense	-	-	(24,219)	-	-	-	-	-	(24,219)
Profit for the period	587,554	212,877	126,562	580,410	(44,064)	54,914	27,047	(16,131)	1,529,169
Six months ended 30 June 2021 (unaudited)									
Gross profit	615,278	198,359	-	646,196	8,126	88,574	46,989	(3,369)	1,600,153
Selling and marketing expenses	(65,391)	-	-	(153)	-	(1,816)	(2,158)	(791)	(70,309)
General and administrative expenses	(128,338)	(11,884)	-	(59,013)	(70,048)	(28,591)	(22,939)	(68,961)	(389,774)
Loss on revaluation of investment properties, net	-	-	-	(82,625)	-	-	-	-	(82,625)
Gain on disposal of investment properties	-	-	-	2,071	-	-	-	-	2,071
Share of results of associates and joint ventures	-	-	-	(4,615)	-	-	-	-	(4,615)
Gain on bargain purchase	-	99,469	-	-	-	-	-	-	99,469
Finance income	17,922	-	-	1,600	-	1	-	3,952	23,475
Finance costs	(9,291)	(433)	-	(115,476)	(7,022)	(2,075)	(1,790)	3,503	(132,584)
Other income	12,525	-	-	560	-	-	4,501	1,840	19,426
Profit for the period	442,705	285,511	-	388,545	(68,944)	56,093	24,603	(63,826)	1,064,687

Certain expenses under investment properties and principal investments for the period ended 30 June 2021 have been reclassified to make it comparable to the 2022 presentation.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)

29 Segment information (continued)

29.1 Operating segments (continued)

The segment assets and capital and project expenditures are as follows:

	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 investments AED'000		
As at 30 June 2022 (unaudited)									
Total assets	7,785,809	5,390,543	5,423,909	21,531,020	2,868,597	765,834	944,107	6,911,441*	51,621,260
Period ended 30 June 2022 (unaudited)									
Capital expenditures	8,670	29,057	8,432	101,798	772,356	87,068	16,182	47,652	1,071,215
Project expenditures	1,542,671	-	-	1,343,222	-	-	-	-	2,885,893
As at 31 December 2021 (audited)									
Total assets	11,209,522	4,071,997	6,397,069	18,996,384	2,116,305	728,210	870,955	5,152,295*	49,542,737
Period ended 30 June 2021 (unaudited)									
Capital expenditures	128	5,109	-	2,653	7,552	13,162	4,765	1,320	34,689
Project expenditures	1,034,950	-	-	98,384	-	-	-	-	1,133,334

*Unallocated total assets mainly pertain to cash and bank balances held under the corporate amounting to AED 5,541,224 thousand (31 December 2021: 4,179,296 thousand).

** Certain expenses under investment properties and principal investments for the period ended 30 June 2021 have been reclassified to make it comparable to the current presentation.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2022 (continued)

29 Segment information (continued)

29.2 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:

	6 months ended 30 June 2022			3 months ended 30 June 2021		
	UAE AED'000	International AED'000	Total AED'000	UAE AED'000	International AED'000	Total AED'000
Total assets as at 30 June 2022 and 31 December 2021	46,197,351	5,423,909	51,621,260	43,145,668	6,397,069	49,542,737
Revenue and rental income from external customers						
- Over a period of time	2,860,816	37,873	2,898,689	2,826,182	-	2,826,182
- At a point in time	1,063,985	521,048	1,585,033	576,031	-	576,031
- Leasing	863,939	4,950	868,889	830,442	-	830,442
Gross revenue	4,788,740	563,871	5,352,611	4,232,655	-	4,232,655
Cost of revenue excluding service charge	(2,654,241)	(317,642)	(2,971,883)	(2,571,608)	-	(2,571,608)
Service charge expenses	(68,719)	-	(68,719)	(60,894)	-	(60,894)
Gross profit	2,065,780	246,229	2,312,009	1,600,153	-	1,600,153
Selling and marketing expenses	(128,187)	(46,669)	(174,856)	(70,309)	-	(70,309)
General and administrative expenses	(554,518)	(79,712)	(634,230)	(389,774)	-	(389,774)
Gain on revaluation of investment properties	76,714	-	76,714	(82,625)	-	(82,625)
Gain on disposal of investment properties	13,635	-	13,635	2,071	-	2,071
Gain on bargain purchase	9,104	-	9,104	99,469	-	99,469
Share of results of associates and joint ventures	(3,910)	-	(3,910)	(4,615)	-	(4,615)
Finance income	40,245	35,169	75,414	23,475	-	23,475
Finance costs	(140,251)	(19,733)	(159,984)	(132,584)	-	(132,584)
Other income	23,995	15,497	39,492	19,426	-	19,426
Income tax expense	-	(24,219)	(24,219)	-	-	-
Profit for the period	1,402,607	126,562	1,529,169	1,064,687	-	1,064,687

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

30 Business combinations

Acquisitions in 2022

30.1 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 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 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:

	<u>AED'000</u>
Assets	
Property, plant and equipment	74,054
Intangible assets	1,483
Trade and other receivables	2,158
Cash and bank balances	1,821
Total assets	<u>79,516</u>
Liabilities	
Employees benefits	1,246
Lease liabilities	2,521
Trade and other payables	12,660
Total liabilities	<u>16,427</u>
 Total identifiable net assets at fair value	 <u>63,089</u>
Satisfied by:	
Cash	65,084
Deferred consideration*	7,126
	<u>72,210</u>
 Goodwill	 <u>9,121</u>

Analysis of cashflow on acquisition

	<u>AED'000</u>
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)	(845)
Net cash outflow on acquisition	<u>(64,108)</u>

* The remaining payable amount of AED 7,126 thousand is payable upon completion of certain conditions as per the agreement.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

30 Business combinations (continued)

Acquisitions in 2022 (continued)

30.1 Al Shohub Private School LLC (continued)

Acquisition related costs amounted to AED 1,098 thousand were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Al Shohub contributed revenue of AED 1,816 thousand and net loss of AED 576 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 9,056 thousand and net loss would have been higher by AED 3,928 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 Al Shohub with Aldar Education group. Intangible assets acquired as part of business combination in the form of student relationship where the Al Shohub has a moderate retention rate, whereby the existing student body is expected to generate revenues over a prolonged period. As such, student relationship is a key revenue driver and are expected to be of value.

30.2 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 provisional fair values.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

30 Business combinations (continued)

Acquisitions in 2022 (continued)

30.2 Twafq Projects Development Property LLC (continued)

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
Assets	
Investment properties	697,529
Property, plant and equipment	2,447
Trade and other receivables	5,403
Cash and bank balances	31,946
Total assets	737,325
Liabilities	
Employees benefits	1,411
Lease liabilities	133,439
Bank borrowings	102,355
Advances from customers	8,576
Trade and other payables	9,536
Total liabilities	255,317
Total identifiable net assets at fair value	482,008
Non-controlling interest	(141,871)
Group's share of net assets acquired	340,137
Less: purchase consideration	(331,033)
Bargain purchase gain	9,104
Analysis of cashflow on acquisition	
	AED'000
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)	(88)
Net cash outflow on acquisition	(299,175)

The non-controlling interests recognised at the acquisition date was measured by reference to the proportionate share of net assets acquired and amounted to AED 141,871 thousand.

Acquisition related costs amounted to AED 1,807 thousand were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Twafq contributed revenue of AED 14,980 thousand and net profit of AED 9,541 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 15,062 thousand and net profit would have been higher by AED 10,145 thousand. The net assets recognised in these consolidated financial statements were based on a provisional assessment of their fair values.



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

30 Business combinations (continued)

Acquisitions in 2021

30.3 Sixth of October for Development and Investment Company (SODIC)

On 14 March 2021, the Company and Abu Dhabi Development Holding Company PJSC ("ADQ") entered into a consortium bid agreement (the CBA) and formed a consortium (the "Consortium"). The Company has 70% interest in the consortium whereas the remaining is held by ADQ. The Consortium was formed in connection with the proposed takeover offer bid through launching a mandatory tender offer ("MTO") in accordance with Chapter XII of the Executive Regulations of the Egyptian Capital Market Law No. 95 of the year 1992 (Chapter XII) for not less than 51% of the issued share capital of Sixth October for Development and Investment Company S.A.E. (SODIC) (the Takeover Offer).

On 16 December 2021, the consortium acquired approximately 85.52% of the outstanding share capital of SODIC following successful MTO. The all-cash mandatory tender offer, at a purchase price of EGP 20.0 per share, valued SODIC at EGP 7.1 billion. Accordingly, the Company acquired approximately 59.86% interest in SODIC by paying consideration amounting to AED 997 million. Shares were transferred to the Consortium on 16 December 2021 after completing all legal and regulatory formalities therefore this date is the date on which the Consortium acquired control over SODIC.

Based on the terms of the Shareholders Agreement between the Company and ADQ for the Consortium, the Company also concluded that it controls the Consortium and accordingly controls SODIC. SODIC is headquartered in Cairo, Egypt and listed on the Egyptian Exchange (EGX). SODIC was acquired as part of the Company's overall expansion strategy into the Egyptian real estate market. 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 initial accounting for acquisition of SODIC (which was assessed as a business acquisition in line with IFRS 3) was incomplete as at 31 December 2021 therefore the Group has recognised identifiable assets acquired and liabilities assumed using provisional amounts.

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:

Provisional fair values recognised on acquisition as at 31 December 2021

	AED'000
Assets	
Property, plant and equipment	224,359
Intangible assets *	31,108
Investment properties	929,801
Development work in progress	3,222,129
Inventories	15,361
Deferred tax assets	47,368
Investment in financial assets	77,475
Trade and other receivables	1,393,988
Cash and bank balances	370,067
Total assets	6,311,656



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

30 Business combinations (continued)

30.3 Sixth of October for Development and Investment Company (SODIC) (continued)

Provisional fair values recognised on acquisition as at 31 December 2021

	AED'000
Liabilities	
Advances from customers	127,532
Contract liabilities	1,530,756
Trade and other payables	2,212,760
Borrowings	596,417
Lease liabilities	14,004
Retentions payable	92,830
Income tax payable	199,416
Total liabilities	<u>4,773,715</u>
Total identifiable net assets at fair value	1,537,941
Non-controlling interests	<u>(626,473)</u>
Group's share of net assets acquired	911,468
Purchase consideration	<u>(996,881)</u>
Goodwill	<u>(85,413)</u>

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the activities of SODIC with those of the Group. The Group recognised a contingent liability of AED 95,992 thousand in the course of the acquisition of SODIC related to various tax exposures which were assessed to be highly probable by the Group.

* Intangible assets mainly represent customer contract backlogs acquired as part of business combination. Customer contract backlogs represent contracted sales of undelivered units and have been valued using multi-period earning method.

The non-controlling interests (40.14% ownership interest in SODIC) recognised at the acquisition date was measured by reference to the proportionate share of net assets acquired and amounted to AED 626,473 thousand.

Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition	(996,881)
Net cash acquired on business combination	<u>370,067</u>
Net cash outflows on acquisition (included in cash flows from investing activities)	(626,814)
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>(14,108)</u>
Net cash outflow on acquisition	<u>(640,922)</u>



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

30 Business combinations (continued)

30.4 Aldar Projects LLC

On 25 October 2020, Abu Dhabi Development Holding Company PJSC ("ADQ") and the Company signed a Memorandum of Understanding ("MoU") under which the Company or any of its subsidiary will take over development and management of certain capital projects for and on behalf of the Government of Abu Dhabi by acquiring a subsidiary of Modon Properties PJSC ("Modon"). As part of the MoU, the Company will also have management oversight of the projects carried out by Musanada. The Government of Abu Dhabi will continue to fund the projects and Aldar will earn management fees for project management services.

In January 2021, the Abu Dhabi Executive Council has approved a framework between Abu Dhabi Government and the Company for the development of capital projects as mentioned above in the Emirate of Abu Dhabi. Further on 1 February 2021, the Company signed an agreement with Modon and acquired 100% of its wholly owned subsidiary, Aldar Projects LLC ("Aldar Projects") for a total consideration of AED 7,945 thousand.

Aldar Projects is a limited liability company incorporated in the Emirate of Abu Dhabi. Aldar Projects is a project manager mandated by the Government of Abu Dhabi to build vibrant and sustainable communities in the Emirate of Abu Dhabi with principal activities mainly of managing and providing options of housing complex projects, housing design, management and follow-up of housing construction projects. The business acquired qualifies as a business combination under IFRS 3. 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:

	AED'000
Assets	
Property, plant and equipment	5,453
Intangible assets *	103,687
Trade and other receivables	537,776
Total assets	646,916
Liabilities	
Employees benefits	1,076
Trade and other payables	538,426
Total liabilities	539,502
Total identifiable net assets at fair value	107,414
Less: purchase consideration	(7,945)
Bargain purchase gain	99,469

*Intangible assets represent customer contracts acquired as part of business combination and have historically contributed to revenue and generating independent cash flows and have been valued using multi-period excess earning method.

Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition	(7,945)
Net cash acquired on business combination	-
Net cash outflows on acquisition (included in cash flows from investing activities)	(7,945)
Transaction costs of the acquisition (included in cash flows from operating activities)	(5,666)
Net cash outflow on acquisition	(13,611)



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

30 Business combinations (continued)

30.5 Asteco Property Management LLC

On 6 January 2021, Provis Real Estate Management - Sole Proprietorship LLC, Dubai Branch ("Provis", a subsidiary of the Company) acquired 100% of Asteco Property Management LLC, a limited liability company ("Asteco") registered in Dubai, United Arab Emirates assuming control of Asteco for a total consideration of AED 66,991 thousand. Asteco is mainly involved in property management and owners' association management services, brokerage and real estate advisory services and manages different types of residential, commercial, retail, hotels and mixed used prestigious properties across UAE. 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. Asteco was acquired as part of plan of Provis to expand by acquiring existing entities in the related 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
Assets	
Property, plant and equipment	377
Intangible assets*	43,300
Trade and other receivables	19,734
Cash and bank balances	3,415
Total assets	<u>66,826</u>
Liabilities	
Employees benefits	9,657
Trade and other payables	8,141
Total liabilities	<u>17,798</u>
Total identifiable net assets at fair value	49,028
Less: purchase consideration	<u>(66,991)</u>
Goodwill	<u>(17,963)</u>

* Intangible assets mainly represent brand and customer relationships acquired as part of business combination. Brand represents the name of the company acquired "Asteco" and is valued using relief from royalty method. Customer relationships represent various customer relationships in relation to owners association, property management, valuation advisory and licensing and have been valued using multi-period excess earning method.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Asteco with those of the Provis and assembled work force.

Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition	(57,809)
Net cash acquired on business combination	<u>3,415</u>
Net cash outflows on acquisition (included in cash flows from investing activities)	(54,394)
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>(823)</u>
Net cash outflow on acquisition	<u>(55,217)</u>

ALDAR PROPERTIES PJSC



Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

31 Income tax

Income tax for the period relates to overseas operations of the Group. 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		6 months ended	
	30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000	30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000
Income taxes				
Current income tax expense	6,523	-	21,357	-
Deferred income tax expense	(4,203)	-	2,862	-
Income tax expense recognised in statement of profit or loss	2,320	-	24,219	-

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.

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Deferred tax assets		
Provisions	19,979	27,895
Carried forward tax losses	20,631	21,355
	40,610	49,250
Deferred tax liabilities		
Foreign exchange translation	(2,164)	(1,383)
Property, plant and equipment	(604)	(254)
Others	(226)	(245)
	37,616	47,368

Unrecognised deferred tax asset

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Deductible temporary differences	26,342	31,522
Tax losses carried forward	3,320	4,508
	29,662	36,030

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.



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

32 Foreign exchange translation reserve

	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
Balance at the beginning of the period/year	-	-
Exchange differences on translating the net assets of foreign operations	273,742	-
Relating to non-controlling interests	(109,880)	-
Balance at the end of the period/year	163,862	-

33 Cash flow hedging reserve

	30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000
Balance at the beginning of the period	(422)	(31,054)
Fair value gain on cash flow hedges arising during the period	121,050	3,181
Net gain/(loss) on hedging instruments reclassified to profit or loss	3,397	(245)
Balance at the end of the period	124,025	(28,118)

34 Events after the reporting period

- 34.1 Subsequent to the reporting period, Aldar Hotels & Hospitality Sole Proprietorship LLC ("AHH", a subsidiary of the Company) entered into an agreement with a third party to purchase the entire equity of Nurai Island Hotel ("Nurai Hotel") along with two additional new islands that are intended for residential development for a total consideration of AED 600 million. Nurai Island is a private island located approximately two kilometres north of Saadiyat Island, Abu Dhabi. Nurai Island was acquired to complement and diversify the Group's hospitality and leisure portfolio acquiring a niche island hotel catering to a selected high-income and stable clientele. Further, the transaction includes a prime development opportunity of high-end residential new product offering for Abu Dhabi. At the date of issuance of these consolidated financial statements, the initial acquisition accounting of this transaction is not complete.
- 34.2 Subsequent to the reporting period, Aldar Investment Properties LLC ("AIP" a subsidiary of the Group) signed an agreement for the sale and purchase of 100% of the issued share capital of Confluence Partners (HQ) RSC Ltd. ("Confluence"), registered in Abu Dhabi, UAE for a total consideration of AED 4.3 billion. Confluence is mainly involved in the management and leasing of commercial properties. Confluence was acquired as part of the plan of AIP to diversify its commercial portfolio. At the date of issuance of these consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

ALDAR PROPERTIES PJSC



Notes to the condensed consolidated financial statements for the period ended 30 June 2022 (continued)

34 Events after the reporting period (continued)

- 34.3 Subsequent to the reporting period, Aldar Hotels & Hospitality - Sole Proprietorship LLC ("AHH" a subsidiary of the Group) signed an agreement for the sale and purchase of the entire economic interest in Double Tree by Hilton Hotel, Ras Al-Khaimah UAE ("Double Tree") and an adjacent vacant land plot of 28,233 sqm for a total consideration of AED 810 million. Double Tree was acquired as part of the plan of AHH to complement, expand and diversify AHH portfolio. At the date of issuance of these consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

35 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 28 July 2022.