

A large, abstract geometric pattern in shades of gray and black, consisting of overlapping lines that form a series of triangles and diamonds, creating a sense of depth and perspective.

ALDAR PROPERTIES PJSC

Review report and interim financial information

**For the three-months period ended
31 March 2022**



ALDAR PROPERTIES PJSC

Review report and interim financial information for the three-months period ended 31 March 2022

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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 31 March 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-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
27 April 2022
Abu Dhabi
United Arab Emirates



Condensed consolidated statement of financial position
As at 31 March 2022

| | | 31 March 2022 | 31 December 2021 |
|---|------|----------------------|-------------------|
| | | (unaudited) | (audited) |
| | Note | AED'000 | AED'000 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 3,680,795 | 3,557,052 |
| Intangible assets and goodwill | 6 | 271,002 | 293,195 |
| Investment properties | 7 | 18,266,991 | 18,025,935 |
| Investment in associates and joint ventures | 8 | 108,582 | 108,359 |
| Investment in financial assets | 9 | 45,972 | 41,659 |
| Derivative financial assets | | 82,810 | 20,299 |
| Trade receivables and other assets | 10 | 470,221 | 526,839 |
| Total non-current assets | | 22,926,373 | 22,573,338 |
| Current assets | | | |
| Plots of land held for sale | | 5,139,523 | 5,137,885 |
| Development work in progress | 11 | 3,547,814 | 4,503,543 |
| Inventories | 12 | 1,308,389 | 1,029,411 |
| Investment in financial assets | 9 | 142,801 | 77,475 |
| Contract assets | | 221,056 | 306,471 |
| Trade receivables and other assets | 10 | 7,549,106 | 7,057,481 |
| Cash and bank balances | 13 | 9,060,667 | 8,857,133 |
| Total current assets | | 26,969,356 | 26,969,399 |
| Total assets | | 49,895,729 | 49,542,737 |



ALDAR PROPERTIES PJSC

Condensed consolidated statement of financial position
As at 31 March 2022 (continued)

| | | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|--|----|---|--|
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | | 7,862,630 | 7,862,630 |
| Statutory reserve | | 3,931,315 | 3,931,315 |
| Cash flow hedging reserve | | 68,164 | (422) |
| Investment revaluation reserve | | 9,800 | 9,800 |
| Assets revaluation reserve | | 73,623 | 73,623 |
| Foreign currency translation reserve | 31 | (139,904) | - |
| Retained earnings | | 15,712,534 | 15,044,624 |
| Equity attributable to owners of the parent | | 27,518,162 | 26,921,570 |
| Hybrid equity instrument | 14 | 1,126,639 | - |
| Non-controlling interests | | 641,298 | 715,213 |
| Total equity | | 29,286,099 | 27,636,783 |
| Non-current liabilities | | | |
| Non-convertible sukuk | 15 | 3,639,951 | 3,641,186 |
| Bank borrowings | 15 | 4,218,570 | 4,408,755 |
| Retentions payable | | 662,786 | 533,835 |
| Lease liabilities | | 315,582 | 295,517 |
| Employees benefits | | 241,812 | 223,345 |
| Derivative financial liabilities | | 2,244 | 6,648 |
| Trade and other payables | 17 | 1,249,355 | 1,472,397 |
| Total non-current liabilities | | 10,330,300 | 10,581,683 |
| Current liabilities | | | |
| Non-convertible sukuk | 15 | 32,889 | 36,665 |
| Bank borrowings | 15 | 36,823 | 290,284 |
| Retentions payable | | 761,084 | 812,919 |
| Lease liabilities | | 55,657 | 37,743 |
| Advances from customers | 16 | 700,945 | 762,357 |
| Contract liabilities | 18 | 1,612,059 | 1,835,151 |
| Trade and other payables | 17 | 7,079,873 | 7,549,152 |
| Total current liabilities | | 10,279,330 | 11,324,271 |
| Total liabilities | | 20,609,630 | 21,905,954 |
| Total equity and liabilities | | 49,895,729 | 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 consolidated financial position, financial performance and cash flows of the Group.

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Mohamed Al Mubarak
Chairman

DocuSigned by:

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Talal Al Dhiyebi
Group Chief Executive Officer

DocuSigned by:

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Greg Fewer
Group Chief Financial &
Sustainability Officer



Condensed consolidated statement of profit or loss
For the period ended 31 March 2022

| | Note | 3 months period ended | |
|---|------|---|---|
| | | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
| Revenue and rental income | 28.1 | 2,683,205 | 2,041,019 |
| Direct costs | 28.1 | (1,564,957) | (1,264,605) |
| Gross profit | | 1,118,248 | 776,414 |
| Selling and marketing expenses | | (82,615) | (37,881) |
| General and administrative expenses | | | |
| Staff costs | | (130,819) | (60,248) |
| Depreciation and amortisation | | (70,892) | (61,936) |
| Provisions, impairments and write downs, net | | (31,073) | (47,494) |
| Others | | (53,898) | (44,957) |
| Loss on revaluation of investment properties, net | 7 | (34,985) | (46,990) |
| Share of results of associates and joint ventures | 8 | (1,783) | (1,958) |
| Gain on disposal of investment properties | 7 | 6,740 | 1,374 |
| Gain on bargain purchase | 29.2 | - | 99,469 |
| Finance income | 19 | 38,644 | 12,270 |
| Finance costs | 20 | (74,958) | (64,344) |
| Other income | 21 | 27,100 | 20,136 |
| Profit for the period before tax | | 709,709 | 543,855 |
| Income tax expense | 30 | (21,899) | - |
| Profit for the period after tax | | 687,810 | 543,855 |
| Attributable to: | | | |
| Equity holders of the parent | | 667,910 | 542,746 |
| Non-controlling interests | | 19,900 | 1,109 |
| | | 687,810 | 543,855 |
| Basic and diluted earnings per share (AED) | 22 | 0.085 | 0.069 |



Condensed consolidated statement of comprehensive income
For the period ended 31 March 2022

| | Note | 3 months period ended | |
|---|------|---|---|
| | | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
| Profit for the period | | 687,810 | 543,855 |
| <i>Items that may be reclassified to profit or loss in subsequent periods:</i> | | | |
| Exchange differences on translation of foreign operations | 31 | (233,719) | - |
| Fair value gain on cash flow hedges arising during the period | | 66,914 | 877 |
| Net gains/(losses) on hedging instruments reclassified to profit or loss | 20 | 1,672 | (1,969) |
| <i>Items that will not be reclassified to profit or loss in subsequent periods:</i> | | | |
| Fair value loss on revaluation of financial assets at FVOCI | | - | (6,702) |
| Other comprehensive loss for the period | | (165,133) | (7,794) |
| Total comprehensive income for the period | | 522,677 | 536,061 |
| Attributable to: | | | |
| Equity holders of the parent | | 596,592 | 534,952 |
| Non-controlling interests | | (73,915) | 1,109 |
| | | 522,677 | 536,061 |

Condensed consolidated statement of changes in equity
For the period ended 31 March 2022

| | Share capital | Statutory reserve | Cash flow hedging Reserve | Investment revaluation reserve | Assets revaluation reserve | Foreign currency translation reserve | Retained earnings | Equity attributable to Owners of the parent | Hybrid equity instrument | Non-controlling interests | Total equity |
|---|---------------|-------------------|---------------------------|--------------------------------|----------------------------|--------------------------------------|-------------------|---|--------------------------|---------------------------|--------------|
| | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | 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 | - | - | - | - | - | - | 542,746 | 542,746 | - | 1,109 | 543,855 |
| Other comprehensive loss for the period | - | - | (1,092) | (6,702) | - | - | - | (7,794) | - | - | (7,794) |
| Total comprehensive income for the period | - | - | (1,092) | (6,702) | - | - | 542,746 | 534,952 | - | 1,109 | 536,061 |
| Dividends (note 26) | - | - | - | - | - | - | (1,140,082) | (1,140,082) | - | - | (1,140,082) |
| Balance at 31 March 2021 (unaudited) | 7,862,630 | 3,931,315 | (32,146) | 11,440 | - | - | 13,252,424 | 25,025,663 | - | 72,001 | 25,097,664 |
| 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 | - | - | - | - | - | - | 667,910 | 667,910 | - | 19,900 | 687,810 |
| Other comprehensive loss for the period | - | - | 68,586 | - | - | (139,904) | - | (71,318) | - | (93,815) | (165,133) |
| Total comprehensive income for the period | - | - | 68,586 | - | - | (139,904) | 667,910 | 596,592 | - | (73,915) | 522,677 |
| Hybrid equity instrument (note 14) | - | - | - | - | - | - | - | - | 1,126,639 | - | 1,126,639 |
| Balance at 31 March 2022 (unaudited) | 7,862,630 | 3,931,315 | 68,164 | 9,800 | 73,623 | (139,904) | 15,712,534 | 27,518,162 | 1,126,639 | 641,298 | 29,286,099 |

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



ALDAR PROPERTIES PJSC

Condensed consolidated statement of cash flows For the period ended 31 March 2022

| | 3 months period ended | |
|---|--|--|
| | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
| Net cash generated from operating activities | 258,654 | 314,784 |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | 5 (159,717) | (19,635) |
| Purchases of intangible assets | 6 (3,707) | (2,550) |
| Additions to investment properties | 7 (531,969) | (22,998) |
| Proceeds from disposal of investment properties and property, plant and equipment | 71,037 | 16,032 |
| Acquisition of subsidiaries, net of cash acquired | 29 - | (62,339) |
| Decrease in term deposits with maturities greater than three months | (901,755) | 177,182 |
| Proceeds from maturity of treasury bills | 102,576 | - |
| Payments for treasury bills | (185,902) | - |
| Decrease in restricted bank balances | 363,156 | 1,524 |
| Finance income received | 7,723 | 10,146 |
| Net cash (used in)/generated from investing activities | (1,238,558) | 97,362 |
| Cash flows from financing activities | | |
| Repayments of bank borrowings | (1,579,934) | (1,014,500) |
| Proceeds from bank borrowings | 1,220,797 | 803,774 |
| Payment of principal portion of lease liabilities | (18,464) | (10,466) |
| Finance costs paid | (60,359) | (80,094) |
| Dividends paid | - | (372) |
| Cash paid for settlement of the derivatives | - | (1,655) |
| Issue of hybrid equity instrument | 14 1,126,639 | - |
| Net cash generated from/(used in) financing activities | 688,679 | (303,313) |
| Net (decrease)/increase in cash and cash equivalents | (291,225) | 108,833 |
| Cash and cash equivalents at beginning of the period | 13 5,383,855 | 2,586,485 |
| Effect of foreign exchange rate changes | (43,840) | - |
| Cash and cash equivalents at end of the period | 5,048,790 | 2,695,318 |
| Non-cash transactions | | |
| Transfer between investment properties and development work in progress (note 7) | (4,694) | 443,316 |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements For the period ended 31 March 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 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 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)***



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

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 three-months period ended 31 March 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 functional and 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.



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

5 Property, plant and equipment

| | 31 March 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 | 159,821 | 96,883 |
| Acquisition of subsidiaries (note 29) | - | 230,189 |
| Transfer from development work in progress (note 11) | - | 259,196 |
| Transfer from investment properties (note 7) | 57,850 | 262,917 |
| Depreciation charge for the period/year | (62,718) | (218,560) |
| Disposals | (81) | (6,036) |
| Impairment charge for the period/year | - | (29,060) |
| Exchange differences | (31,129) | - |
| Balance at the end of the period/year | <u>3,680,795</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 147,393 thousand (31 December 2021: AED 96,388 thousand).

The depreciation charge for the period includes AED 2,184 thousand allocated to cost of sales (for the period ended 31 March 2021: AED 722 thousand). No impairment indications were observed for any items of property, plant and equipment during the period ended 31 March 2022.

6 Intangible assets and goodwill

| | 31 March 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 | 3,707 | 19,107 |
| Acquisition of subsidiaries (note 29) | - | 282,123 |
| Amortisation charge for the period/year | (10,472) | (35,702) |
| Disposals | - | (418) |
| Exchange differences | (15,428) | - |
| Balance at the end of the period/year | <u>271,002</u> | <u>293,195</u> |

7 Investment properties

| | 31 March 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* | 531,969 | 255,798 |
| Recognised as part of business combination (note 29) | - | 929,801 |
| Fair value (loss)/gain, net | (34,985) | 146,383 |
| Disposals | (67,097) | (144,733) |
| Transfers to property, plant and equipment (note 5) | (57,850) | (262,917) |
| Transfers from development work in progress (note 11) | 4,694 | 573,662 |
| Revaluation on transfer from property, plant and equipment | - | 73,623 |
| Write-off | - | (8,598) |
| Exchange differences | (135,675) | - |
| Balance at the end of the period/year | <u>18,266,991</u> | <u>18,025,935</u> |

*During the period, the Group 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 million. In accordance with the requirements of IFRS 3 *Business Combinations*, the above acquisition was accounted for as an asset acquisition.



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

7 Investment properties (continued)

During the period, the Group made transfers to property, plant and equipment due to change in use. Transfer from development work in progress also relate to change in use since the Group entered into operating leases with other parties for the properties on their completion during the period/year.

Gains and losses recorded in the condensed consolidated statement of profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to AED 34,985 thousand (for the period ended 31 March 2021: AED 46,990 thousand) and are presented under the line item "gain/(loss) on revaluation of investment properties, net".

During the period, the Group sold investment properties of AED 67,097 thousand and realised a net gain of AED 6,740 thousand (for the period 31 March 2021: AED 1,374 thousand) that is recorded in condensed consolidated statement of profit or loss under "gain on disposal of investment properties".

Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 232,204 thousand as at 31 March 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 17,432 million) and Arab Republic of Egypt ("Egypt") of AED 835 million.

8 Investment in associates and joint ventures

The movement in the investment in associates and joint ventures relates to share of the loss amounting to AED 1,783 thousand (for the period ended 31 March 2021: loss of AED 1,958 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 2,006 thousand (for the period ended 31 March 2021: AED 2,441 thousand) was applied to the Group's receivable from the joint venture.

9 Investment in financial assets

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|--|---|---|
| Financial assets at fair value through other comprehensive income | | |
| Investment in UAE quoted securities | 20,000 | 20,000 |
| Investment in UAE unquoted securities | 2 | 2 |
| Financial assets at fair value through profit or loss | | |
| Investment in international unquoted funds | 25,970 | 21,657 |
| Financial assets at amortised cost | | |
| Investment in treasury bills | 142,801 | 77,475 |
| | <u>188,773</u> | <u>119,134</u> |

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



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

9 Investment in financial assets (continued)

As at 31 March 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 |
|--|--------------------|--------------------|--------------------|------------------|
| 31 March 2022 (unaudited) | | | | |
| Investment in UAE securities | 20,000 | - | 2 | 20,002 |
| Investment in international unquoted funds | - | - | 25,970 | 25,970 |
| | 20,000 | - | 25,972 | 45,972 |
| 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.

10 Trade receivables and other assets

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|---|---|--|
| Non-current portion | | |
| Trade receivables | 234,576 | 275,292 |
| Due from associates and joint ventures | 183,295 | 181,576 |
| Receivables relating to project finance | 136,979 | 137,663 |
| Deferred tax assets | 34,510 | 47,368 |
| Others | 49,086 | 51,304 |
| | 638,446 | 693,203 |
| Less: allowance for expected credit loss | (168,225) | (166,364) |
| | 470,221 | 526,839 |
| Current portion | | |
| Trade receivables | 3,899,351 | 4,208,111 |
| Advances and prepayments | 1,919,751 | 1,565,475 |
| Refundable deposits | 292,774 | 342,266 |
| Refundable costs | 667,589 | 314,701 |
| Due from associates and joint ventures | 26,280 | 26,280 |
| Accrued interest | 21,019 | 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 | 868,881 | 727,838 |
| | 7,725,465 | 7,232,418 |
| Less: allowance for expected credit loss | (176,359) | (174,937) |
| | 7,549,106 | 7,057,481 |

During the period, allowance for expected credit loss of AED 3,245 thousand (for the period ended 31 March 2021: AED 4,567 thousand) was made against trade and other receivables. Trade receivables amounting to AED 265 thousand were written off (for the period ended 31 March 2021: AED 10,457 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 31 March 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.



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Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

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:

| | 31 March 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 | 781,674 | 1,901,420 |
| Recognised in direct costs of properties sold | (777,029) | (1,690,359) |
| Exchange differences | (461,248) | - |
| Recognised as part of business combination | - | 3,222,129 |
| Write-off of project costs | (12,630) | (90,852) |
| Transfers to: | | |
| Inventories (note 12) | (481,802) | (725,707) |
| Investment properties (note 7) | (4,694) | (573,662) |
| Property, plant and equipment (note 5) | - | (259,196) |
| Balance at the end of the period/year | <u>3,547,814</u> | <u>4,503,543</u> |
| Development properties are located as: | | |
| Within UAE | 719,603 | 1,281,414 |
| Outside UAE | 2,828,211 | 3,222,129 |
| | <u>3,547,814</u> | <u>4,503,543</u> |

As at 31 March 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 12,630 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

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|-----------------------------|--|--|
| Completed properties | 1,267,916 | 979,640 |
| Other operating inventories | 40,473 | 49,771 |
| | <u>1,308,389</u> | <u>1,029,411</u> |
| Inventories are located as: | | |
| Within UAE | 1,287,660 | 1,014,050 |
| Outside UAE | 20,729 | 15,361 |
| | <u>1,308,389</u> | <u>1,029,411</u> |

During the period/year, properties with a value of AED 481,802 thousand (31 December 2021: AED 725,707 thousand) were transferred to inventories upon completion (note 11). An amount of AED 163,855 thousand (31 December 2021: AED 566,374 thousand) was recognised as direct costs during the period/year.



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Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

13 Cash and cash equivalents

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|--|---|--|
| Cash and bank balances | 5,961,365 | 6,582,349 |
| Short term deposits held with banks | 3,099,302 | 2,274,784 |
| Cash and bank balances | 9,060,667 | 8,857,133 |
| Short term deposits with original maturities greater than three months | (901,755) | - |
| Restricted bank balances | (3,110,122) | (3,473,278) |
| Cash and cash equivalents | <u>5,048,790</u> | <u>5,383,855</u> |

As at 31 March 2022, cash at banks amounting to AED 411,195 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 1,873,348 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/year ranges between 0.12% and 1.65% (31 December 2021: between 0.12% and 1%) per annum for UAE and between 6% and 9% (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 Group) issued USD 500 million (AED 1,836 million) Reset Subordinated Perpetual Notes (the "Notes") to an investor ("Noteholder") in two tranches. The first tranche amounting to USD 310.5 million was received during March 2022 while the second tranche amounting to USD 189.5 million was received subsequently in 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 13,672 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 |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

15 Bank borrowings and non-convertible sukuk

| | Current < 1 year AED'000 | Non-current > 1 year AED'000 | Total AED'000 |
|--|--------------------------------|------------------------------------|------------------|
| As at 31 March 2022 (unaudited) | | | |
| Non-convertible Sukuk | 32,889 | 3,639,951 | 3,672,840 |
| Bank borrowings | 36,823 | 4,218,570 | 4,255,393 |
| | 69,712 | 7,858,521 | 7,928,233 |
| 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 31 March 2022, the Group had AED 4,921,792 thousand of undrawn, committed revolving credit facilities in the form of bilateral agreements.

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 4,953,080 thousand (31 December 2021: AED 4,950,904 thousand) and property, plant and equipment amounting to AED 39,876 thousand (31 December 2021: AED 40,495 thousand). Few bank borrowings are secured against the following:

- 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.

17 Trade and other payables

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|--|---|--|
| Non-current | | |
| Payable to a government authority for purchase of land (note 17.1) | 982,841 | 1,173,377 |
| Other land acquisition creditors | 266,514 | 299,020 |
| | 1,249,355 | 1,472,397 |
| Current | | |
| Trade payables | 847,606 | 997,488 |
| Accrual for contractors' costs | 4,387,372 | 4,142,301 |
| Advances from the Government of Abu Dhabi (note 23.1) | 315,951 | 112,848 |
| Due to the Government of Abu Dhabi | 309,886 | 957,210 |
| Deferred income | 273,623 | 253,273 |
| Income tax payable | 203,079 | 215,900 |
| Dividends payable | 88,226 | 88,242 |
| Payable to a government authority for purchase of land (note 17.1) | 55,756 | 45,883 |
| Provision for onerous contracts | 4,125 | 6,003 |
| Other land acquisition creditors | 4,228 | 3,864 |
| Other liabilities | 590,021 | 726,140 |
| | 7,079,873 | 7,549,152 |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

17 Trade and other payables (continued)

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 (“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 288,988 thousand. 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 and NUCA to establish an integrated urban project with an area of 500 acres (the “Previous Plot”). 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.

19 Finance income

| | 3 months ended | |
|---|--|--|
| | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
| Interest/profit earned on: | | |
| Islamic deposits | 4,093 | 3,832 |
| Bank fixed deposits | 8,484 | 32 |
| Call and current accounts | 3,715 | 1,853 |
| | 16,292 | 5,717 |
| Finance income earned on receivables from project finance | 2,152 | 3,006 |
| Other finance income | 20,200 | 3,547 |
| | 38,644 | 12,270 |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

20 Finance costs

| | 3 months ended | |
|---|---|---|
| | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
| Finance costs on bank borrowings and non-convertible sukuk | 68,897 | 61,404 |
| Unwinding of finance cost on operating lease liabilities (note 24.2) | 3,771 | 3,625 |
| Others | 618 | 1,284 |
| | <u>73,286</u> | <u>66,313</u> |
| Loss/(gain) arising on hedging instruments reclassified to profit or loss | 1,672 | (1,969) |
| | <u>74,958</u> | <u>64,344</u> |

21 Other income

| | 3 months ended | |
|---|---|---|
| | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
| Loss on financial assets at FVTPL | (2,030) | - |
| Income recognised upon handover of infrastructure | 3,329 | 3,323 |
| Others | 25,801 | 16,813 |
| | <u>27,100</u> | <u>20,136</u> |

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 | |
|--|------------------------------|------------------------------|
| | 31 March 2022 (unaudited) | 31 March 2021 (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 | 667,910 | 542,746 |
| Less: distributions payable to the Noteholder | - | - |
| | <u>667,910</u> | <u>542,746</u> |
| Weighted average number of shares | | |
| Weighted average number of ordinary shares for basic and diluted EPS | 7,862,629,603 | 7,862,629,603 |
| Basic and diluted EPS attributable to equity holders of the Company | <u>0.085</u> | <u>0.069</u> |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

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 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. Government of Abu Dhabi is an indirect major shareholder of the Company. The balances and transactions disclosed below with reference to Government of Abu Dhabi also include the entities controlled by Government of Abu Dhabi.

Major Shareholder I represents Mubadala Investment Company PJSC and its affiliated entities. As of 31 March 2022, Mubadala Investment Company PJSC, through its subsidiaries, has an indirect 25.12% ownership interest in the Company.

Major Shareholder II represents Alpha Dhabi Holding PJSC and its affiliated entities. As of 31 March 2022, Alpha Dhabi Holding PJSC, through its subsidiaries, has an indirect 29.78% ownership interest in the Company.

23.1 Related party balances:

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|--|---|--|
| Government of Abu Dhabi: | | |
| Trade and other receivables | 1,434,702 | 809,762 |
| Trade and other payables | (312,540) | (987,907) |
| Advances received (note 16) | (315,951) | (112,848) |
| Contract assets | 17,988 | 41,987 |
| Contract liabilities | (7,154) | (9,934) |
| Major shareholder I and its affiliates | | |
| Trade and other receivables | 21,079 | 34,825 |
| Trade and other payables | (6,072) | (5,822) |
| Retentions payable | (139,915) | (139,915) |
| Major shareholder II and its affiliates | | |
| Trade and other receivables | 436,607 | 372,188 |
| Trade and other payables | (406,458) | (322,720) |
| Retentions payable | (557,405) | (485,290) |
| Associates and joint ventures | | |
| Due from joint venture | 25,219 | 25,361 |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued)
For the period ended 31 March 2022

23 Transactions and balances with related parties (continued)

23.2 Significant transactions with related parties

| | 3 months ended | |
|--|---|---|
| | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
| Government of Abu Dhabi: | | |
| Revenue | 351,813 | 485,193 |
| Other income | 3,329 | 3,323 |
| Finance income from project finance | 2,152 | 2,201 |
| Major shareholder I and its affiliates | | |
| Revenue | 7,430 | 9,932 |
| Other income | - | 9,203 |
| Major shareholder II and its affiliates | | |
| Revenue | 382 | - |
| Cost incurred | 650,188 | - |
| Joint venture | | |
| Finance income from joint venture | 1,862 | 1,862 |
| Key management compensation | | |
| Salaries, bonuses and other benefits | 8,295 | 4,979 |
| Post-employment benefits | 264 | 231 |
| Long term incentives | 3,810 | 2,839 |
| Directors | | |
| Directors' remuneration | 4,000 | 4,000 |

Subsequent to the reporting date, the Company paid Directors' remunerations amounting to AED 18,075 thousand (31 March 2021: AED 20,700 thousand).

24 Commitments and contingencies

24.1 Capital commitments

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

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|----------------------------|---|--|
| Projects under development | 3,359,999 | 1,814,665 |
| Projects under management | 14,070,148 | 9,235,913 |
| Others | 106,750 | 93,446 |
| | 17,536,897 | 11,144,024 |

Projects under management mainly 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 13,606,548 thousand (31 December 2021: AED 8,746,856 thousand) of commitment of Aldar Projects LLC (a subsidiary) 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.



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Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

24 Commitments and contingencies (continued)

24.2 Operating lease commitments

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

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|--|---|---|
| The Group as a lessor | | |
| Within one year | 984,814 | 992,440 |
| One to five years | 2,413,673 | 2,421,609 |
| After five years | 1,712,051 | 1,692,257 |
| | <u>5,110,538</u> | <u>5,106,306</u> |
| | 3 months ended | |
| | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
| The Group as a lessee | | |
| Unwinding of interest expense on operating lease liabilities (note 20) | 3,771 | 3,625 |
| Expense relating to short-term leases | 567 | - |
| | <u>4,338</u> | <u>3,625</u> |

The total cash outflow for leases amounted to AED 18,464 thousand (period ended 31 March 2021: AED 14,650 thousand)

24.3 Contingencies

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|---|---|---|
| Letters of credit and bank guarantees | | |
| Issued by the Group | 767,781 | 740,195 |
| Group's share in contingencies of joint ventures and associates | 2 | 2 |
| | <u>767,783</u> | <u>740,197</u> |

Bank guarantees and letters of credit include AED 412,232 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. The case is at preliminary stage and the Company is assessing both the claim and the potential risks to the Company, however, based on the latest information available, the Company has good, arguable defenses to all of the claims made against it both in terms of liability and quantum.

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.



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued) For the period ended 31 March 2022

26 Dividends

Subsequent to the reporting period, at the annual general meeting held on 11 April 2022, the shareholders approved distribution of cash dividends of AED 1,179,394 thousand for the year ended 31 December 2021, being 15 fils per share (for the year 2020: cash dividends of AED 1,140,082 thousand, being 14.5 fils per share).

27 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.

| | 31 March 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 | | | | |
| Sukuk No. 1 (note 15) | 1,822,190 | 1,912,828 | 1,842,615 | 2,012,858 |
| Sukuk No. 2 (note 15) | 1,850,650 | 1,845,805 | 1,835,236 | 1,987,198 |
| | 3,672,840 | 3,758,633 | 3,677,851 | 4,000,056 |

28 Segment information

28.1 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 2 segments bifurcated into seven reportable sub-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 and was acquired in 2021.

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 and commercial properties;
- Hospitality and leisure – portfolio of hotels, golf courses, beach clubs and marinas;
- Education – provider of private and public K-12 (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 (continued)
For the period ended 31 March 2022 (continued)

28.1 Operating segments

| | Aldar Development | | Aldar Investment | | | | Unallocated/ eliminations | Consolidated |
|---|--------------------------------|-----------------------------|--------------------|-----------------------|-------------------------|----------------|------------------------------|------------------|
| | Property development and sales | Project management services | Egypt subsidiaries | Investment properties | Hospitality and leisure | Education | | |
| | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 |
| Three months ended 31 March 2022 (unaudited) | | | | | | | | |
| Revenue and rental income from external customers | | | | | | | | |
| - Over a period of time | 939,122 | 262,200 | 39,542 | - | 61,004 | 139,118 | 205,407 | 1,646,393 |
| - At a point in time | 295,433 | - | 237,743 | - | 68,178 | - | - | 601,354 |
| - Leasing | - | - | 3,109 | 432,349 | - | - | - | 435,458 |
| Inter-segments | - | - | - | 9,201 | - | - | 33,803 | (43,004) |
| Gross revenue (i) | 1,234,555 | 262,200 | 280,394 | 441,550 | 129,182 | 139,118 | 239,210 | 2,683,205 |
| Cost of revenue excluding service charge | (817,856) | (135,567) | (173,956) | (60,999) | (105,287) | (79,718) | (193,603) | (1,531,415) |
| Service charge expenses | - | - | - | (33,542) | - | - | - | (33,542) |
| Gross profit | 416,699 | 126,633 | 106,438 | 347,009 | 23,895 | 59,400 | 45,607 | 1,118,248 |
| Three months ended 31 March 2021 (unaudited) | | | | | | | | |
| Revenue and rental income from external customers | | | | | | | | |
| - Over a period of time | 659,644 | 382,082 | - | - | 49,407 | 126,994 | 216,586 | 1,434,713 |
| - At a point in time | 142,798 | 1,580 | - | - | 43,412 | - | - | 187,790 |
| - Leasing | - | - | - | 418,516 | - | - | - | 418,516 |
| Inter-segments | - | - | - | 1,422 | - | 4,604 | 31,639 | (37,665) |
| Gross revenue (i) | 802,442 | 383,662 | - | 419,938 | 92,819 | 131,598 | 248,225 | 2,041,019 |
| Cost of revenue excluding service charge | (523,058) | (293,797) | - | (54,689) | (78,599) | (90,057) | (228,681) | (1,235,021) |
| Service charge expenses | - | - | - | (29,584) | - | - | - | (29,584) |
| Gross profit | 279,384 | 89,865 | - | 335,665 | 14,220 | 41,541 | 19,544 | 776,414 |

(i) Gross revenue of investment properties includes AED 33,542 thousand (for the period ended 31 March 2021 AED 29,584 thousand) of revenue from service charges.

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



ALDAR PROPERTIES PJSC



Notes to the condensed consolidated financial statements (continued)
For the period ended 31 March 2022 (continued)

28 Segment information (continued)

28.1 Operating segments (continued)

| | Aldar Development | | | | Aldar Investment | | | | Unallocated/ eliminations | Consolidated | |
|---|--------------------------------|----------------|-----------------------------|---------|-------------------------|-----------------|---------------|---------------|------------------------------|----------------|-----------------------|
| | Property development and sales | | Project management services | | Hospitality and leisure | | Education | | | | Principal investments |
| | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | | | |
| Three months ended 31 March 2022 (unaudited) | | | | | | | | | | | |
| Gross profit | 416,699 | 126,633 | 106,438 | | 347,009 | 23,895 | 59,400 | 45,607 | (7,433) | 1,118,248 | |
| Selling and marketing expenses | (60,084) | (147) | (18,845) | | (1,253) | - | (868) | (1,138) | (280) | (82,615) | |
| General and administrative expenses | (80,293) | (13,366) | (43,396) | | (38,309) | (34,465) | (33,842) | (32,534) | (10,477) | (286,682) | |
| Loss on revaluation of investment properties | - | - | - | | (34,985) | - | - | - | - | (34,985) | |
| Gain on disposal of investment properties | - | - | - | | 6,740 | - | - | - | - | 6,740 | |
| Share of results of associates and joint ventures | - | - | - | | (1,783) | - | - | - | - | (1,783) | |
| Finance income | 8,495 | 4 | 24,569 | | 3,140 | 144 | 129 | 8 | 2,155 | 38,644 | |
| Finance costs | (4,288) | (197) | (9,942) | | (64,452) | - | (1,129) | (80) | 5,130 | (74,958) | |
| Other income | 3,329 | - | 11,986 | | 13,000 | - | - | (22) | (1,193) | 27,100 | |
| Income tax expense | - | - | (21,899) | | - | - | - | - | - | (21,899) | |
| Profit for the period | 283,858 | 112,927 | 48,911 | | 229,107 | (10,426) | 23,690 | 11,841 | (12,098) | 687,810 | |
| Three months ended 31 March 2021 (unaudited) | | | | | | | | | | | |
| Gross profit | 279,384 | 89,865 | - | | 335,665 | 14,220 | 41,541 | 19,544 | (3,805) | 776,414 | |
| Selling and marketing expenses | (40,498) | - | - | | (47) | - | (985) | (955) | 4,604 | (37,881) | |
| General and administrative expenses | (89,333) | (4,228) | - | | (28,208) | (34,704) | (12,921) | (11,157) | (34,084) | (214,635) | |
| Loss on revaluation of investment properties | - | - | - | | (46,990) | - | - | - | - | (46,990) | |
| Gain on disposal of investment properties | - | - | - | | 1,374 | - | - | - | - | 1,374 | |
| Share of results of associates and joint ventures | - | - | - | | (1,958) | - | - | - | - | (1,958) | |
| Gain on bargain purchase | - | 99,469 | - | | - | - | - | - | - | 99,469 | |
| Finance income | 9,645 | - | - | | 1,005 | - | - | (2) | 1,622 | 12,270 | |
| Finance costs | (5,100) | (172) | - | | (58,738) | - | (1,045) | (382) | 1,093 | (64,344) | |
| Other income | 12,525 | - | - | | 560 | - | - | 4,501 | 2,550 | 20,136 | |
| Profit for the period | 166,623 | 184,934 | - | | 202,663 | (20,484) | 26,590 | 11,549 | (28,020) | 543,855 | |

Certain expenses under investment properties and principal investments for the period ended 31 March 2021 have been reclassified to make it comparable to the 2022 presentation.

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Notes to the condensed consolidated financial statements (continued)
For the period ended 31 March 2022 (continued)

28 Segment information (continued) 28.1 Operating segments (continued)

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

| | 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 | AED'000 | AED'000 |
| As at 31 March 2022 (unaudited) | | | | | | | | | |
| Total assets | 9,718,574 | 3,773,593 | 5,502,598 | 20,089,708 | 2,102,513 | 761,768 | 934,605 | 7,012,370* | 49,895,729 |
| Period ended 31 March 2022 (unaudited) | | | | | | | | | |
| Capital expenditures | 3,804 | 14,197 | 2,943 | 60,871 | 29,129 | 4,423 | 1,628 | 44,360 | 161,355 |
| Project expenditures | 781,674 | - | - | 531,969 | - | - | - | - | 1,313,643 |
| 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 31 March 2021 (unaudited) | | | | | | | | | |
| Capital expenditures | - | 5,453 | - | 2,144 | 3,592 | 8,657 | 5,192 | 427 | 25,465 |
| Project expenditures | 485,099 | - | - | 22,998 | - | - | - | - | 508,097 |

*Unallocated total assets mainly pertain to cash and bank balances held under the corporate amounting to AED 5,633,054 thousand (31 December 2021: 4,179,296 thousand).

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Notes to the condensed consolidated financial statements (continued)
For the period ended 31 March 2022 (continued)

28 Segment information (continued) 28.2 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:

| | 3 months ended 31 March 2022 | | | 3 months ended 31 March 2021 | | |
|--|------------------------------|------------------|-------------------|------------------------------|------------------|-------------------|
| | UAE | International | Total | UAE | International | Total |
| | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 |
| Total assets as at 31 March 2022 and 31 December 2021 | 44,393,131 | 5,502,598 | 49,895,729 | 43,145,668 | 6,397,069 | 49,542,737 |
| Revenue and rental income from external customers | | | | | | |
| - Over a period of time | 1,606,851 | 39,542 | 1,646,393 | 1,434,713 | - | 1,434,713 |
| - At a point in time | 363,610 | 237,743 | 601,353 | 187,790 | - | 187,790 |
| - Leasing | 432,350 | 3,109 | 435,459 | 418,516 | - | 418,516 |
| Gross revenue | 2,402,811 | 280,394 | 2,683,205 | 2,041,019 | - | 2,041,019 |
| Cost of revenue excluding service charge | (1,357,459) | (173,956) | (1,531,415) | (1,235,021) | - | (1,235,021) |
| Service charge expenses | (33,542) | - | (33,542) | (29,584) | - | (29,584) |
| Gross profit | 1,011,810 | 106,438 | 1,118,248 | 776,414 | - | 776,414 |
| Selling and marketing expenses | (63,770) | (18,845) | (82,615) | (37,881) | - | (37,881) |
| General and administrative expenses | (243,287) | (43,395) | (286,682) | (214,635) | - | (214,635) |
| Loss on revaluation of investment properties | (34,985) | - | (34,985) | (46,990) | - | (46,990) |
| Gain on disposal of investment properties | 6,740 | - | 6,740 | 1,374 | - | 1,374 |
| Gain on bargain purchase | - | - | - | (1,958) | - | (1,958) |
| Share of results of associates and joint ventures | (1,783) | - | (1,783) | 99,469 | - | 99,469 |
| Finance income | 14,075 | 24,569 | 38,644 | 12,270 | - | 12,270 |
| Finance costs | (65,016) | (9,942) | (74,958) | (64,344) | - | (64,344) |
| Other income | 15,114 | 11,986 | 27,100 | 20,136 | - | 20,136 |
| Income tax expense | - | (21,899) | (21,899) | - | - | - |
| Profit for the period | 638,898 | 48,912 | 687,810 | 543,855 | - | 543,855 |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued)
For the period ended 31 March 2022 (continued)

29 Business combinations

Acquisitions in 2021

29.1 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

| | <u>AED’000</u> |
|--------------------------------|------------------|
| 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 | <u>6,311,656</u> |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued)
For the period ended 31 March 2022 (continued)

29 Business combinations (continued)

29.1 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 | (626,473) |
| Group's share of net assets acquired | <u>911,468</u> |
| Purchase consideration | (996,881) |
| 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 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) | (14,108) |
| Net cash outflow on acquisition | <u>(640,922)</u> |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued)
For the period ended 31 March 2022 (continued)

29 Business combinations (continued)

29.2 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:

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

*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

| | <u>AED'000</u> |
|---|-----------------|
| Cash paid for the acquisition | (7,945) |
| Net cash acquired on business combination | <u>-</u> |
| 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) | <u>(5,666)</u> |
| Net cash outflow on acquisition | <u>(13,611)</u> |



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements (continued)
For the period ended 31 March 2022 (continued)

29 Business combinations (continued)

29.3 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:

| | <u>AED'000</u> |
|---|-----------------|
| 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

| | <u>AED'000</u> |
|---|-----------------|
| 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 (continued)
For the period ended 31 March 2022 (continued)

30 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:

| | 31 March 2022 (unaudited) AED'000 | 31 March 2021 (unaudited) AED'000 |
|---|---|---|
| Income taxes | | |
| Current income tax expense | 14,834 | - |
| Deferred income tax expense | 7,065 | - |
| Income tax expense recognised in statement of profit or loss | 21,899 | - |

Deferred tax asset

The following are the major deferred tax liabilities and assets recognised by the Group's subsidiary in Egypt. 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.

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|---------------------------------|---|--|
| Deferred tax assets | | |
| Provisions | 20,820 | 27,895 |
| Carried forward tax losses | 16,086 | 21,355 |
| | 36,906 | 49,250 |
| Deferred tax liabilities | | |
| Foreign exchange translation | (2,082) | (1,383) |
| Property, plant and equipment | (81) | (254) |
| Others | (233) | (245) |
| | 34,510 | 47,368 |

Unrecognised deferred tax asset

| | 31 March 2022 (unaudited) AED'000 | 31 December 2021 (audited) AED'000 |
|----------------------------------|---|--|
| Deductible temporary differences | 27,091 | 31,522 |
| Tax losses carried forward | 3,414 | 4,508 |
| | 30,505 | 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 (continued)
For the period ended 31 March 2022 (continued)

31 Foreign exchange translation reserve

| | 31 March 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 | 233,719 | - |
| Adjustment for non-controlling interests | (93,815) | - |
| Balance at the end of the period/year | <u>139,904</u> | <u>-</u> |

32 Events after the reporting period

32.1 Al Shohub Private School LLC

On 20 January 2022, Aldar Education - Sole Proprietorship LLL (a subsidiary of the Group) 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 80 million. Al Shohub was acquired as part of the plan of Aldar Education to expand by acquiring existing entities in the related field. At the date of issuance of these consolidated financial statements, the control of the investee was not obtained by the Group as substantive conditions precedent was not met.

32.2 Bab Resorts LLC

Subsequent to the reporting period, during April 2022, 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 Bab Resorts LLC owner of Rixos Bab Al Bahr Ras Al Khaimah hotel ("Rixos") for a total consideration of AED 770 million. Rixos was acquired as part of the plan of Aldar Investment to complement and 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.

32.3 Twafq Projects Development Property LLC

Subsequent to the reporting period, during April 2022, Aldar Logistics Holding Limited ("ALH" a subsidiary of the Group) signed an agreement for the sale and purchase of the entire issued share capital of Twafq Projects Development Property LLC ("Twafq") for a total consideration of AED 459 million. At the date of issuance of these consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

32.4 Land acquisition

Subsequent to the reporting period, during April 2022, the Group acquired 6.2 million square meters of land on Saadiyat Island, Abu Dhabi, UAE. The land will be developed into a world class integrated community.

33 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 27 April 2022.