

ALDAR PROPERTIES PJSC

**Review report and interim
financial information
for the nine-months period ended
30 September 2021**

ALDAR PROPERTIES PJSC

Review report and interim financial information for the nine-months period ended 30 September 2021

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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 30 September 2021 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte & Touche (M.E.)



Georges F. Najem
Registration No. 809
3 November 2021
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
as at 30 September 2021**

		30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
ASSETS	Notes		
Non-current assets			
Property, plant and equipment	5	2,868,999	2,961,523
Intangible assets and goodwill	6	182,506	28,085
Investment properties	7	16,851,906	16,462,916
Investment in associates and joint ventures	8	108,071	123,889
Investment in financial assets	9	57,260	53,905
Trade and other receivables	10	242,077	238,321
Total non-current assets		20,310,819	19,868,639
Current assets			
Land held for sale		5,152,449	4,788,652
Development work in progress	11	1,751,210	2,719,770
Inventories	12	1,135,378	892,288
Contract assets		1,182,416	1,017,866
Trade and other receivables	10	5,206,516	5,447,615
Cash and bank balances	13	6,863,187	5,497,818
Total current assets		21,291,156	20,364,009
TOTAL ASSETS		41,601,975	40,232,648

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


ALDAR PROPERTIES PJSC

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**Condensed consolidated statement of financial position
as at 30 September 2021 (continued)**

	Notes	30 September 2021 (unaudited) AED'000	31 December 2020 (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		(1,911)	(31,054)
Investment revaluation reserve		17,641	18,142
Retained earnings		14,245,727	13,849,760
Equity attributable to the owners of the Company		26,055,402	25,630,793
Non-controlling interests		73,628	70,892
Total equity		26,129,030	25,701,685
Non-current liabilities			
Non-convertible sukuk	14	3,638,514	3,634,684
Bank borrowings	14	4,097,151	3,764,392
Retentions payable		471,998	270,252
Lease liabilities		286,169	304,611
Employees benefits		223,801	182,665
Derivative financial instruments		10,610	13,675
Total non-current liabilities		8,728,243	8,170,279
Current liabilities			
Non-convertible sukuk	14	32,647	36,423
Bank borrowings	14	5,883	569,662
Retentions payable		712,630	609,309
Lease liabilities		31,825	35,087
Derivative financial instruments		-	1,655
Advances from customers	15	540,594	375,169
Contract liabilities		152,163	250,497
Trade and other payables	16	5,268,960	4,482,882
Total current liabilities		6,744,702	6,360,684
Total liabilities		15,472,945	14,530,963
TOTAL EQUITY AND LIABILITIES		41,601,975	40,232,648

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.

DocuSigned by:

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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

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

**Condensed consolidated statement of profit or loss
for the nine-months period ended 30 September 2021**

	Notes	3 months ended 30 September		9 months ended 30 September	
		2021 (unaudited) AED'000	2020 (unaudited) AED'000	2021 (unaudited) AED'000	2020 (unaudited) AED'000
Revenue	23.1	2,087,430	2,094,161	6,320,085	5,858,003
Direct costs	23.1	(1,253,397)	(1,398,425)	(3,885,899)	(3,747,861)
Gross profit		834,033	695,736	2,434,186	2,110,142
Selling and marketing expenses		(27,068)	(25,696)	(97,377)	(68,684)
<i>General and administrative expenses</i>					
Staff costs		(86,566)	(54,998)	(216,329)	(171,553)
Depreciation and amortisation		(63,521)	(65,620)	(189,633)	(197,506)
Provisions, impairments and write downs - net		(30,887)	(55,495)	(90,213)	(98,926)
Others		(65,590)	(24,880)	(140,162)	(58,869)
Loss on revaluation of investment properties	7	(37,123)	(38,190)	(119,748)	(211,308)
(Loss)/gain on transfer from development work in progress to investment properties due to change in use		-	(512)	-	3,343
Share of results of associates and joint ventures	8	(1,873)	(110)	(6,488)	(7,281)
Gain/(loss) on disposal of investment properties		8,182	(295)	10,253	1,996
Gain on bargain purchase	28.1	-	-	99,469	-
Fair value loss on revaluation of financial assets at fair value through profit or loss (FVTPL)		(281)	-	(991)	-
Finance income	17	10,841	20,713	34,316	56,834
Finance costs	18	(67,012)	(71,435)	(199,596)	(244,144)
Other income	19	962	37,137	21,098	88,917
Profit for the period		474,097	416,355	1,538,785	1,202,961
Attributable to:					
Owners of the Company		473,225	426,238	1,536,049	1,209,702
Non-controlling interests		872	(9,883)	2,736	(6,741)
		474,097	416,355	1,538,785	1,202,961
Basic and diluted earnings per share (AED)	20	0.060	0.054	0.195	0.154

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

**Condensed consolidated statement of comprehensive income
for the nine-months period ended 30 September 2021**

	3 months ended 30 September		9 months ended 30 September	
	2021 (unaudited) AED'000	2020 (unaudited) AED'000	2021 (unaudited) AED'000	2020 (unaudited) AED'000
Profit for the period	474,097	416,355	1,538,785	1,202,961
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value gain/(loss) on revaluation of FVTOCI	5,100	1,850	(501)	(1,957)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Fair value gain/(loss) arising on hedging instruments during the period classified under cash flow hedges	24,431	(93)	27,612	(6,960)
Cumulative loss arising on hedging instruments reclassified to profit or loss (note 18)	1,776	1,775	1,531	5,223
Other comprehensive income/(loss) for the period	31,307	3,532	28,642	(3,694)
Total comprehensive income for the period	505,404	419,887	1,567,427	1,199,267
Total comprehensive income attributable to:				
Owners of the Company	504,532	429,770	1,564,691	1,206,008
Non-controlling interests	872	(9,883)	2,736	(6,741)
	505,404	419,887	1,567,427	1,199,267

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

**Condensed consolidated statement of changes in equity
for the nine-months period ended 30 September 2021**

	Share capital AED'000	Legal reserve AED'000	Cash flow hedging reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Equity attributable to Owners of the Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2020 (audited)	7,862,630	3,931,315	(33,482)	19,439	13,057,604	24,837,506	113,744	24,951,250
Profit for the period	-	-	-	-	1,209,702	1,209,702	(6,741)	1,202,961
Other comprehensive loss for the period	-	-	(1,737)	(1,957)	-	(3,694)	-	(3,694)
Dividends (note 25)	-	-	-	-	(1,140,082)	(1,140,082)	-	(1,140,082)
Balance at 30 September 2020 (unaudited)	7,862,630	3,931,315	(35,219)	17,482	13,127,224	24,903,432	107,003	25,010,435
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	-	-	-	-	1,536,049	1,536,049	2,736	1,538,785
Other comprehensive income/(loss) for the period	-	-	29,143	(501)	-	28,642	-	28,642
Dividends (note 25)	-	-	-	-	(1,140,082)	(1,140,082)	-	(1,140,082)
Balance at 30 September 2021 (unaudited)	7,862,630	3,931,315	(1,911)	17,641	14,245,727	26,055,402	73,628	26,129,030

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

**Condensed consolidated statement of cash flows
for the nine-months period ended 30 September 2021**

	Notes	9 months ended 30 September	
		2021 (unaudited) AED'000	2020 (unaudited) AED'000
Net cash generated from operating activities		3,088,043	359,608
Cash flows from investing activities			
Purchases of property, plant and equipment	5	(49,123)	(69,170)
Purchases of intangible assets	6	(12,171)	(9,118)
Additions to investment properties	7	(183,934)	(51,194)
Acquisition of subsidiaries, net of cash acquired	28	(62,339)	-
Proceeds from disposal of investment properties		118,327	55,209
Proceeds from disposal of investment in associates and joint ventures	8	16,445	-
Investment in financial assets at FVTPL		(4,847)	-
Decrease/(increase) in term deposits with original maturities greater than three months		681,394	(243,691)
(Increase)/decrease in restricted bank balances		(999,494)	1,056,783
Finance income received		44,175	78,673
Dividends received	8	39	4,900
Net cash (used in)/generated from investing activities		(451,528)	822,392
Cash flows from financing activities			
Repayments of bank borrowings		(1,514,500)	(681,250)
Proceeds from bank borrowings		1,303,774	531,250
Payment of principal portion of lease liabilities		(25,728)	(42,578)
Finance costs paid		(210,303)	(216,742)
Dividends paid		(1,140,834)	(1,141,602)
Cash paid due to the settlement of the derivative financial instruments used to hedge interest rate risk		(1,655)	-
Net cash used in financing activities		(1,589,246)	(1,550,922)
Net increase/(decrease) in cash and cash equivalents		1,047,269	(368,922)
Cash and cash equivalents at beginning of the year	13	2,586,485	2,290,112
Cash and cash equivalents at end of the period	13	3,633,754	1,921,190

Refer to note 26 for details of non-cash transactions excluded from the condensed consolidated statement of cash flows.

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

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021****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.

Aldar is leading a consortium of investors that aims to acquire a majority stake in one of Egypt’s leading listed real estate development companies, Sixth of October Development and Investment Company (SODIC). On 14 September 2021, the consortium submitted an all-cash mandatory tender offer for up to 90% and a minimum of 51% of the outstanding share capital of SODIC to the Egyptian Financial Regulatory Authority for its approval. This proposed acquisition of a majority stake in SODIC is part of Aldar’s overall expansion strategy into the attractive Egyptian real estate market.

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 2021, have been applied in these condensed consolidated financial statements:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

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

The Phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

*Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
(continued)*

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e., the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications set out above to the additional changes.

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

Finally, the Phase 2 amendments provide a series of temporary exceptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permit the hedge relationship to be continued without interruption. The Group applies the following reliefs as and when uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

While uncertainty persists in the timing or amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, the Group continues to apply the existing accounting policies.

Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. These amendments didn't have any material impact on the condensed consolidated financial statements of the Group.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (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 2020. In addition, results for the three months and nine-months period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

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.

These condensed consolidated financial statements have been prepared on the historical cost basis, except for the measurement at fair value of certain financial instruments and investment properties.

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 2020, except for the adoption of new standards and interpretations effective 1 January 2021.

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 2020, except for the adoption of new standards and interpretations effective 1 January 2021.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

5 Property, plant and equipment

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Balance at the beginning of the period/year	2,961,523	3,504,590
Additions during the period/year	49,123	95,877
Acquisition of subsidiaries (note 28)	5,830	-
Transfer from investment properties (note 7)	16,694	-
Depreciation charge for the period/year	(163,209)	(260,334)
Disposals	(962)	(597)
Impairment for the period/year	-	(1,396)
Derecognised on sale of subsidiaries	-	(302,883)
Derecognised on sale of businesses	-	(73,734)
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Balance at the end of the period/year	2,868,999	2,961,523
	<hr/> <hr/>	<hr/> <hr/>

Property, plant and equipment includes right-of-use assets mainly with respect to leases of plots of land amounting to AED 86,111 thousand (31 December 2020: AED 86,609 thousand).

No impairment indications were observed for any items of property, plant and equipment during the period ended 30 September 2021.

6 Intangible assets and goodwill

During the period, the Group recognised intangible assets and goodwill amounting to AED 164,950 thousand (30 September 2020: nil) as part of business combinations (Note 28). The remaining movement in the intangible assets and goodwill relates to amortisation for the period amounting to AED 22,281 thousand (30 September 2020: AED 10,480 thousand) and additions amounting to AED 12,171 thousand (30 September 2020: AED 9,118 thousand).

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

7 Investment properties

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Balance at the beginning of the period/year	16,462,916	16,782,476
Additions during the period/year	183,934	69,010
Fair value loss, net	(119,748)	(399,850)
Disposals	(108,074)	(72,116)
<i>Transfers from/(to):</i>		
Development work in progress* (note 11)	449,572	83,396
Property, plant and equipment ** (note 5)	(16,694)	-
	<hr/>	<hr/>
Balance at the end of the period/year	16,851,906	16,462,916
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* This represents transfer of a property from development work in progress on completion due to change in use since the Group entered into operating leases with third parties for the property. The Group didn't record any fair value gain (for the period ended 30 September 2020: AED 3,343 thousand) on the transfer.

** This represents transfer from investment properties to property, plant and equipment due to commencement of owner-occupation relating to a leased-out space.

Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 258,617 thousand as at 30 September 2021 (31 December 2020: AED 290,400 thousand).

The net fair value loss amounting to AED 119,748 thousand (for the period ended 30 September 2020: AED 211,308 thousand) recorded during the period resulted mainly from fair value loss amounting to AED 111,370 thousand (for the period ended 30 September 2020: AED 116,448 thousand) recorded on buildings held on leasehold land. Remaining AED 8,378 thousand fair value loss (for the period ended 30 September 2020: AED 94,860 thousand) relates to net fair value loss recorded on major investment properties based on external valuations performed.

The investment properties are categorised under Level 3 in the fair value hierarchy.

The Group also conducted sensitivity analysis on the capitalisation rates and rental rates for the major investment properties on which net fair value loss was recognised during the period ended 30 September 2021. Based on this sensitivity analysis:

- a decrease in the capitalisation rates by 50bps would result in AED 763,609 thousand (30 September 2020: AED 805,478 thousand) increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 677,601 (30 September 2020: AED 686,783 thousand) decrease in the valuation of those properties; and
- an increase in the rental rates by 10% would result in AED 1,125,540 thousand (30 September 2020: AED 951,091 thousand) increase in the valuation, whilst a decrease in the rental rates by 10% would result in AED 1,125,501 thousand (30 September 2020: AED 951,091 thousand) decrease in the valuation of those properties.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

8 Investment in associates and joint ventures

The movement in the investment in associates and joint ventures relates to share of the profit amounting to AED 665 thousand (for the period ended 30 September 2020: losses of AED 551 thousand) and dividends received amounting to AED 39 thousand (for the period ended 30 September 2020: AED 3,500 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 7,153 thousand (for the period ended 30 September 2020: AED 6,730 thousand) was applied to the Group's receivable from the joint venture.

During the period, a Joint Venture of the Company has been liquidated. The net proceeds received by the Company of AED 16,445 thousand was adjusted against the carrying value amounted to AED 16,445 on the date of disposal.

9 Investment in financial assets

9.1 Financial assets at fair value through other comprehensive income (FVTOCI)

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Investment in UAE quoted securities	42,750	37,500
Investment in UAE unquoted securities	10,654	16,405
	<u>53,404</u>	<u>53,905</u>

During the period, dividend income of nil was received from financial assets at FVTOCI (for the period ended 30 September 2020: AED 1,400 thousand).

Subsequent to the reporting date, the Company sold an investment in a local unquoted security having a fair value of AED 10,652 thousand.

9.2 Financial assets at fair value through profit or loss (FVTPL)

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Investment in international unquoted fund	3,856	-
	<u>3,856</u>	<u>-</u>

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

9.2 Financial assets at fair value through profit or loss (FVTPL) (continued)

During the period, the Company entered into a subscription agreement to invest in an international real estate technology fund with a total commitment of Euro 5 million (AED 23 million).

As at 30 September 2021 and 31 December 2020, the fair value hierarchy are as follows:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 September 2021 (unaudited)				
<i>Investments in financial assets at FVTOCI</i>	42,750	-	10,654	53,404
Equities				
<i>Investments in financial assets at FVTPL</i>				
Funds	-	-	3,856	3,856
	=====	=====	=====	=====
31 December 2020 (audited)				
<i>Investments in financial assets at FVTOCI</i>				
Equities	37,500	-	16,405	53,905
	=====	=====	=====	=====

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

10 Trade and other receivables

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Non-current portion		
Due from associates and joint ventures	179,382	176,476
Receivables relating to project finance	137,882	137,226
Derivative financial instruments	24,548	-
Others	64,725	83,430
	=====	=====
	406,537	397,132
Less: allowance for expected credit loss	(164,460)	(158,811)
	=====	=====
	242,077	238,321
	=====	=====

During the period, the Group entered into forward starting interest rate swaps with notional amount of USD 250 million to hedge the exposure to changes in the interest rates. As per the terms of the swap, the Group receives variable interest payments relating to USD 250 million notional amount and pays based on a fixed rate.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

10 Trade and other receivables

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Current portion		
Trade receivables	2,986,519	3,059,385
Advances and prepayments	1,286,014	590,251
Refundable costs	242,638	248,831
Receivables from the Government of Abu Dhabi	100,734	97,408
Due from associates and joint ventures	26,270	26,272
Accrued interest	17,741	20,232
Receivable related to sale of subsidiaries and businesses*	8,217	999,560
Receivables relating to project finance	6,484	9,099
Others	698,223	602,138
	<hr/>	<hr/>
	5,372,840	5,653,176
Less: allowance for expected credit loss	(166,324)	(205,561)
	<hr/>	<hr/>
	5,206,516	5,447,615
	<hr/> <hr/>	<hr/> <hr/>

* Subsequent to the reporting period, the Company received AED 4,332 thousand relating to sale of subsidiaries.

During the period, allowance for expected credit loss of AED 21,798 thousand (for the period ended 30 September 2020: AED 52,093 thousand) was made against trade and other receivables. Trade receivables amounting to AED 55,386 thousand were written off against allowance (30 September 2020: AED 21,671 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 September 2021 and 31 December 2020, 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 nine-months period ended 30 September 2021 (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 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Balance at beginning of the period/year	2,719,770	2,546,972
Development costs incurred during the period/year	1,507,886	2,556,156
Recognised in direct costs of properties sold	(1,389,074)	(1,600,469)
Write-off of project costs	(57,811)	(101,961)
<i>Transfers to:</i>		
Land held for sale	-	(37,320)
Inventories (note 12)	(579,989)	(563,555)
Investment properties (note 7)	(449,572)	(80,053)
	<hr/>	<hr/>
Balance at the end of the period/year	1,751,210	2,719,770
	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2021, the Group determined net realisable value of its development work in progress and recorded a write-down of AED 57,811 thousand (30 September 2020: AED 6,048 thousand) relating to projects under planning. 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.

All development work in progress projects are located in the United Arab Emirates.

12 Inventories

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Completed properties	1,082,674	848,716
Other operating inventories	52,704	43,572
	<hr/>	<hr/>
Balance at the end of the year	1,135,378	892,288
	<hr/> <hr/>	<hr/> <hr/>

During the period/year, properties with a value of AED 579,989 thousand (31 December 2020: AED 563,555 thousand) were transferred to inventories upon completion (note 11).

Completed properties in inventories are located in the United Arab Emirates.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

13 Cash and cash equivalents

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Cash and bank balances	4,618,329	3,819,959
Short term deposits held with banks	2,244,858	1,677,859
	<hr/>	<hr/>
Cash and bank balances	6,863,187	5,497,818
Short term deposits with original maturities greater than three months	(20,020)	(701,414)
Restricted bank balances	(3,209,413)	(2,209,919)
	<hr/>	<hr/>
Cash and cash equivalents	3,633,754	2,586,485
	<hr/> <hr/>	<hr/> <hr/>

Restricted bank balances include balances amounting to AED 1,220,059 thousand (31 December 2020: AED 1,350,791 thousand) which are deposited into escrow accounts representing cash received from customers against sale of development properties.

The interest rate on term deposits during the period/year ranges between 0.12% and 1.15% (31 December 2020: between 0.0033% and 1.43%) per annum. All bank deposits are placed with local banks in the United Arab Emirates.

14 Bank borrowings and non-convertible sukuk

	Non-convertible Sukuk		Bank borrowings		Total borrowings	
	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
<i>Current</i>						
Within one year	32,647	36,423	5,883	569,662	38,530	606,085
<i>Non-current</i>						
More than one year	3,638,514	3,634,684	4,097,151	3,764,392	7,735,665	7,399,076
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,671,161	3,671,107	4,103,034	4,334,054	7,774,195	8,005,161
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Certain bank borrowings are secured in the form of mortgage over plots of land included in land held for sale amounting to AED 948,736 thousand (31 December 2020: AED 1,021,737 thousand) and operating assets under investment properties amounting to AED 3,272,307 thousand (31 December 2020: AED 2,736,712 thousand) and under property, plant and equipment amounting to nil (31 December 2020: AED 483,080 thousand) and carry a net worth covenant.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

14 Bank borrowings and non-convertible sukuk (continued)

During the period, the Group cancelled the outstanding AED 4.79 billion Revolving Credit Facility (RCF) of May 2018 and entered into four new revolving credit facilities totaling AED 5 billion for general corporate purposes with two financial institutions. Two of the facilities with one bank totaling AED 3 billion are unsecured, carrying an interest rate at 1% plus relevant EIBOR for loans outstanding up to 66% of total commitments. An interest rate of 1.30% plus relevant EIBOR applies to both loans once total outstanding exceed 66% of total commitments. These two revolving facilities are repayable at three and five years respectively from agreement dates with an option to extend each of them by a maximum of a further two years. The other two revolving credit facilities totaling AED 2 billion with another financial institution carry interest rate at relevant EIBOR plus a minimum margin of 1.10% based on the value of secured assets provided as collateral. Both of these revolving facilities are repayable at five years from agreement date with an option to extend each of them by a maximum of a further two years.

During the period, the Group also cancelled a RCF of AED 240 million previously signed with a local bank on 30 June 2014 and having a maturity date of 31 March 2023. At the time of cancelation, the facility remained fully undrawn.

In June 2021, the Company signed a 5-year sustainability linked term loan amounting to AED 300,000 thousand with the local arm of an International bank making the Company the first Real Estate entity in the MENA region to enter into this type of financing. The loan aligns with the Company's sustainability commitments by linking the interest margin payable to the achievement of a number of sustainability targets related to water intensity, waste recycling and worker welfare. The loan is priced at 1.30% over relevant EIBOR and this margin is due for review in July 2022 based on sustainability KPI targets achieved in the relevant financial year. The loan is for a period of 5 years and is due for a bullet repayment in June 2026.

As at 30 September 2021, the Group had AED 3,996,226 thousand of undrawn, committed revolving credit facilities in the form of bilateral agreements with two financial institutions having a maturity for AED 839,731 thousand in March 2024 and for AED 2,856,495 thousand in March 2026 and AED 300,000 thousand in June 2026.

15 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 nine-months period ended 30 September 2021 (continued)**

16 Trade and other payables

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Trade payables	398,939	387,917
Accrual for contractors' costs	3,633,808	2,796,945
Deferred income	279,258	275,392
Advances from the Government of Abu Dhabi (note 21.1)	144,041	178,025
Due to the Government of Abu Dhabi	95,865	67,028
Dividends payable (note 25)	88,671	89,059
Provision for onerous contracts	14,628	16,430
Other liabilities	613,750	672,086
	<hr/>	<hr/>
	5,268,960	4,482,882
	<hr/> <hr/>	<hr/> <hr/>

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

17 Finance income

	3 months ended 30 September		9 months ended 30 September	
	2021 (unaudited) AED'000	2020 (unaudited) AED'000	2021 (unaudited) AED'000	2020 (unaudited) AED'000
Interest/profit earned on:				
Islamic deposits	3,096	3,584	10,000	17,163
Term deposits	233	457	932	4,051
Call and current accounts	1,487	2,998	4,563	11,984
	<hr/>	<hr/>	<hr/>	<hr/>
Total interest/profit earned	4,816	7,039	15,495	33,198
Finance income earned on receivables from project finance	2,177	3,028	7,368	9,102
Other finance income	3,848	10,646	11,453	14,534
	<hr/>	<hr/>	<hr/>	<hr/>
	10,841	20,713	34,316	56,834
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

18 Finance costs

	3 months ended 30 September		9 months ended 30 September	
	2021 (unaudited) AED'000	2020 (unaudited) AED'000	2021 (unaudited) AED'000	2020 (unaudited) AED'000
Finance costs on bank borrowings and non-convertible sukuk	60,445	64,603	183,653	224,456
Unwinding of finance cost on operating lease liabilities (note 22.2)	3,482	3,939	10,594	11,111
Others	1,309	1,118	3,818	3,354
Cumulative loss arising on hedging instruments reclassified to profit or loss	1,776	1,775	1,531	5,223
	67,012	71,435	199,596	244,144

19 Other income

	3 months ended 30 September		9 months ended 30 September	
	2021 (unaudited) AED'000	2020 (unaudited) AED'000	2021 (unaudited) AED'000	2020 (unaudited) AED'000
Release of liability, accruals and provisions (note 19.1)	-	-	447	45,576
Others (note 19.2)	962	37,137	20,651	43,341
	962	37,137	21,098	88,917

19.1 The amount for the period ended 30 September 2020 represent reversal of portion of liabilities which were no longer payable.

19.2 Others include AED 9,203 thousand received from an affiliate of a major shareholder in respect of costs incurred previously by the Company (note 21.2).

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

20 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Parent 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 earnings per share attributable to the owners of the Company is given below:

	3 months ended 30 September		9 months ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Earnings (AED'000)				
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to Owners of the Company)	473,225	426,238	1,536,049	1,209,702
Weighted average number of shares (000)				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	7,862,630	7,862,630	7,862,630	7,862,630
Basic and diluted earnings per share attributable to owners of the Company in AED	0.060	0.054	0.195	0.154

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

21 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 shareholder, 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.

21.1 Related party balances:

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
(1) Government of Abu Dhabi:		
Trade and other receivables	783,655	604,190
	<u> </u>	<u> </u>
Trade and other payables	(95,865)	(67,049)
	<u> </u>	<u> </u>
Contract liabilities	(32,796)	(74,466)
	<u> </u>	<u> </u>
Advances (note 16)	(144,041)	(178,025)
	<u> </u>	<u> </u>
(2) Major shareholder and its affiliates *:		
Trade and other receivables	27,857	1,008,558
	<u> </u>	<u> </u>
Trade and other payables	(3,013)	(4,635)
	<u> </u>	<u> </u>
Retentions payable	(139,997)	(140,093)
	<u> </u>	<u> </u>
(3) Due from associates and joint ventures		
Trade and other receivables	25,061	27,806
	<u> </u>	<u> </u>

Certain receivables from joint ventures carry interest of 9% per annum and are repayable within 2 to 5 years.

* Major shareholder represents Mubadala Investment Company PJSC.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

21 Transactions and balances with related parties (continued)

21.2 Related party transactions:

Significant transactions with related parties during the period are as follows:

	9 months ended 30 September	
	2021 (unaudited) AED'000	2020 (unaudited) AED'000
(1) Government of Abu Dhabi:		
Revenue	1,393,858	1,059,694
Other income (note 19.2)	3,323	39,323
Finance income from project finance	6,564	6,671
	<hr/> <hr/>	<hr/> <hr/>
(2) Major shareholder and its affiliates:		
Revenue	23,086	29,079
Other income	9,203	-
	<hr/> <hr/>	<hr/> <hr/>
(3) Finance income from joint ventures	5,649	5,649
	<hr/> <hr/>	<hr/> <hr/>
(4) Key management compensation:		
Salaries, bonuses and other benefits	14,295	11,278
Post-employment benefits	707	464
Long term incentives	8,669	4,181
	<hr/> <hr/>	<hr/> <hr/>
	23,671	15,923
	<hr/> <hr/>	<hr/> <hr/>
(5) Directors' remuneration	12,000	4,500
	<hr/> <hr/>	<hr/> <hr/>

During the period, the Company paid Directors' remunerations amounting to AED 20,700 thousand (30 September 2020: AED 13,950 thousand).

(6) During the period, the Group acquired Aldar Projects LLC from Modon Properties PJSC, a Government of Abu Dhabi owned entity (note 28.1).

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

22 Commitments and contingencies

22.1 Capital commitments

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

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
Projects under development	1,156,068	1,294,780
Projects management	9,807,494	1,146,918
Others	22,310	3,861
	<u>10,985,872</u>	<u>2,445,559</u>

Projects 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 include AED 9,189,961 thousand of commitment of Aldar Projects LLC 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.

22.2 Operating lease commitments

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

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
<i>The Group as a lessor</i>		
Within one year	977,729	871,763
In the second to fifth year	2,680,645	1,838,969
After five years	1,629,735	1,500,663
	<u>5,288,109</u>	<u>4,211,395</u>
	9 months ended 30 September (unaudited) 2021 AED'000	(unaudited) 2020 AED'000
<i>The Group as a lessee</i>		
Unwinding of interest expense on operating lease liabilities (note 18)	10,594	11,111
	<u>35,351</u>	<u>42,578</u>

Cash outflow in respect of leases

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

22 Commitments and contingencies (continued)

22.3 Contingencies

	30 September 2021 (unaudited) AED'000	31 December 2020 (audited) AED'000
<i>Letters of credit and bank guarantees:</i>		
Issued by the Group	833,017	953,119
	<hr/>	<hr/>
Group's share in contingencies of joint ventures and associates	2	3
	<hr/>	<hr/>

Included in the above are bank guarantees and letters of credit amounting to AED 446,470 thousand (31 December 2020: AED 586,564 thousand) pertaining to a construction related subsidiary.

23.1 Operating segments

During the period, the Group adopted a new group operating model. The new model promotes agility and accountability throughout the organisation, identifies key responsibilities of management and internal management reporting, with two core businesses: Property Development and Management (Aldar Development), and Assets Management (Aldar Investment). As a result of the above, the Group realigned its segments reflecting the new operating model. Following the realignment, education and principal investments activities which were grouped under 'Adjacencies' operating segment previously were identified as separate operating segments and development management was rebranded as 'Project management services'. Comparative periods were restated accordingly.

For internal management reporting purposes, the Group's operations are aggregated into segments with similar economic characteristics. Management considers that this is best achieved with Property development and sales, project management services, investment properties, hospitality and leisure, education and principal investments as operating segments.

Consequently, the Group has presented six reportable segments for the current and comparative periods which are as follows:

- Property development and sales – develop and sell properties
- Project management services – manage various projects
- Investment properties – acquires, manages and leases residential, commercial and retail properties
- Hospitality and leisure – hotels and leisure activities
- Education – provides education services
- Principal investments – includes mainly construction, property and facilities management operations

In keeping with the requirements of IFRS 8 (management approach), this reorganisation led to a restatement in the segment report for the comparable periods. Based on the information reported to the Group's senior management for the allocation of resources, marketing strategies, management reporting lines and measurement of performance of business, the reportable segments under IFRS 8 were identified according to the structure of investment activities and services to customer groups.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

23 Segment information

23.1 Operating segments

Segment information about the Group's operations is presented below:

Nine months ended 30 September 2021 (unaudited):

	Aldar Development		Aldar Investment				Eliminations AED'000	Consolidated AED'000
	Property development and sales AED'000	Project management services AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Education AED'000	Principal investments AED'000		
Revenue and rental income from external customers								
- Over a period of time	2,043,072	1,076,935	-	117,799	395,692	642,394	-	4,275,892
- At a point in time	649,564	20,866	-	130,916	-	-	-	801,346
- Leasing	-	-	1,242,847	-	-	-	-	1,242,847
Inter-segments	-	-	11,514	-	4,604	87,957	(104,075)	-
Gross revenue (i)	2,692,636	1,097,801	1,254,361	248,715	400,296	730,351	(104,075)	6,320,085
Cost of revenue excluding service charge	(1,753,665)	(772,966)	(178,912)	(241,752)	(276,428)	(658,232)	88,231	(3,793,724)
Service charge expenses	-	-	(92,175)	-	-	-	-	(92,175)
Gross profit	938,971	324,835	983,274	6,963	123,868	72,119	(15,844)	2,434,186

(i) Gross revenue of investment properties include AED 92,175 thousand of revenue from service charges.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

23 Segment information (continued)

23.1 Operating segments (continued)

Nine months ended 30 September 2020 (unaudited)-as restated:

	Aldar Development			Aldar Investment				Eliminations AED'000	Consolidated AED'000
	Property development and sales AED'000	Project management services AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Education AED'000	Principal investments AED'000			
Revenue and rental income from external customers									
- Over a period of time	1,705,294	728,270	-	135,378	347,232	670,758	-	3,586,932	
- At a point in time	924,559	5,588	-	123,311	-	-	-	1,053,458	
- Leasing	-	-	1,217,613	-	-	-	-	1,217,613	
Inter-segments	-	-	1,574	246	4,604	56,399	(62,823)	-	
Gross revenue (i)	2,629,853	733,858	1,219,187	258,935	351,836	727,157	(62,823)	5,858,003	
Cost of revenue excluding service charge	(1,744,856)	(616,349)	(160,915)	(283,424)	(269,814)	(653,646)	68,679	(3,660,325)	
Service charge expenses	-	-	(87,536)	-	-	-	-	(87,536)	
Gross profit/(loss)	884,997	117,509	970,736	(24,489)	82,022	73,511	5,856	2,110,142	

(i) Gross revenue of investment properties include AED 87,536 thousand of revenue from service charges.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

23 Segment information (continued)

23.1 Operating segments (continued)

Nine months ended 30 September 2020 (unaudited)-as restated (continued):

	Aldar Investment						Eliminations AED'000	Consolidated AED'000
	Property development and sales AED'000	Project management services AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Education AED'000	Principal investments AED'000		
Gross profit/(loss)	884,997	117,509	970,736	(24,489)	82,022	73,511	5,856	2,110,142
Depreciation and amortisation	-	-	(6,525)	(117,285)	(32,679)	(29,353)	958	(184,884)
Provisions, impairments and write downs-net	(12,853)	-	(28,996)	(9)	(14,253)	(26,984)	24,761	(58,334)
Loss on revaluation of investment properties	-	-	(211,308)	-	-	-	-	(211,308)
Gain on transfer from development work in progress to investment properties	-	-	3,343	-	-	-	-	3,343
Gain on disposal of investment properties	-	-	1,942	54	-	-	-	1,996
Other income	39,324	-	45,576	1,394	130	-	(36,576)	49,848
Selling and marketing expenses	-	-	-	-	-	-	4,604	4,604
Segment profit/(loss)	911,468	117,509	774,768	(140,335)	35,220	17,174	(397)	1,715,407
Share of results of associates and joint ventures								(7,281)
Selling and marketing expenses								(73,288)
Provisions, impairments and write downs-net								(40,592)
General and administrative expenses								(230,422)
Depreciation and amortisation								(12,622)
Finance income								56,834
Finance costs								(244,144)
Other income								39,069
Profit for the period								1,202,961

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

23 Segment information (continued)

23.2 Geographical segments

The Group operate mainly in one geographical segment, i.e., United Arab Emirates.

Segment profit represents the profit or loss earned by each segment without allocation of central administration, selling and marketing costs and directors' salaries, share of results of associates and joint ventures, gain on bargain purchase, other gains and losses, finance income and finance costs. These are not allocated to individual segments as these are managed on an overall group basis. This is the measure reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance.

24 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.

25 Dividends

At the annual general meeting held on 24 March 2021, the shareholders approved distribution of cash dividend of AED 1,140,082 thousand for the year ended 31 December 2020, being 14.5 fils per share (for the year 2019: cash dividend of AED 1,140,082 thousand, being 14.5 fils per share), which was paid during the period.

26 Non-cash transactions

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

	9 months ended 30 September	
	2021	2020
	(unaudited)	(unaudited)
	AED'000	AED'000
Transfer between investment properties and development work in progress (note 7)	449,572	80,053
Transfer between investment properties and property, plant and equipment (note 7)	16,694	-

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

27 Fair value of financial instruments

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

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 September 2021 (unaudited)		31 December 2020 (audited)	
	Gross carrying amount AED'000	Fair value AED'000	Gross carrying amount AED'000	Fair value AED'000
<i>Financial liabilities at amortised cost</i>				
Sukuk No. 1 (note 14)	1,819,660	2,039,270	1,837,805	2,058,611
Sukuk No. 2 (note 14)	1,851,501	2,006,098	1,833,302	1,991,974

28 Business combinations

28.1 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.

Subsequently 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 provisional fair values. The condensed consolidated financial statements include the results of Aldar Projects for the eight months period from the acquisition date.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

28 Business combinations (continued)

28.1 Aldar Projects 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:

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

Acquisition related costs amounted to AED 5,666 thousand were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Aldar Projects contributed revenue of AED 237,703 thousand and net profit of AED 169,490 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the period, revenue of the Group would have been higher by AED 7,278 thousand and net profit would have been higher by AED 3,145 thousand. The net assets recognised in these condensed consolidated financial statements were based on a provisional assessment of their fair values.

* 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.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

28 Business combinations (continued)

28.1 Aldar Projects LLC (continued)

Analysis of cashflow on acquisition:

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

28.2 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.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

28 Business combinations (continued)

28.2 Asteco Property Management LLC (continued)

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

	Fair values recognised on acquisition AED'000
Assets	
Property, plant and equipment	377
Intangible assets *	43,300
Trade and other receivables	19,734
Cash and bank balances	3,415
	<hr/>
Total assets	66,826
	<hr/> <hr/>
Liabilities	
Employees benefits	9,657
Trade and other payables	8,141
	<hr/>
Total liabilities	17,798
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Total identifiable net assets at fair value	49,028
Less: purchase consideration	(66,991)
	<hr/>
Goodwill	(17,963)
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Acquisition related costs amounted to AED 823 thousand. From the date of acquisition, Asteco contributed revenue of AED 38,961 thousand and net profit of AED 5,565 thousand towards the operations of the Group. The net assets recognised in these condensed consolidated financial statements were based on their fair values. The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Asteco with those of the Provis and assembled work force.

* 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.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

28 Business combinations (continued)

28.2 Asteco Property Management LLC (continued)

Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition	(57,809)
Net cash acquired on business combination	3,415
	<hr/>
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)	(823)
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Net cash outflow on acquisition	(55,217)
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29 Impact of COVID-19 pandemic

The business outlook for 2021 may be impacted by significant risks and uncertainties caused by a diverse range of factors, some of which will be beyond the Group's control. In this context, the Group highlights the COVID-19 pandemic, caused by the rapid global spread of the coronavirus, as being one such factor. Since the World Health Organization proclaimed this a global pandemic in March 2020, governments around the world, including in the United Arab Emirates, have responded to this outbreak with various temporary restrictions to help contain the spread of the virus and support measures to mitigate the adverse implications on communities and economies.

As it stands, the full impact remains unclear and will be determined by factors that continue to evolve, such as the success of the local vaccination campaigns, worldwide vaccination rate and the timing and manner of the easing of restrictions, including lockdowns, social distancing and travel. Due to some success in the efforts to flatten the infection curve, many countries started easing gradually the lock down restrictions starting mid-2020, and Abu Dhabi authorities have eased travel restrictions since 5 September 2021.

As the effect of COVID-19 on businesses continues to evolve, there are potential risks and uncertainties on future business impact, the Group continues to monitor the global situation and updates its plans, accordingly.

The Group has a documented business continuity plan (BCP) that has been activated to ensure the safe and stable continuation of its business operations as well as the safety of its employees and customers. The Group is continuously assessing the impact of COVID-19 on its operations particularly the effect on the retail, hospitality and leisure business operations and responds to all liquidity and funding requirements through its plan reflecting the current economic scenarios.

**Notes to the condensed consolidated financial statements
for the nine-months period ended 30 September 2021 (continued)**

29 Impact of COVID-19 pandemic (continued)

The Group believes that, as at 30 September 2021, liquidity position of the Group remains strong and its existing balances of cash and cash equivalents, along with undrawn borrowings and revolving credit facilities will be sufficient to satisfy its working capital needs, capital expenditures, debt repayments and other liquidity requirements associated with its existing operations.

The Group is taking proactive measures to monitor and manage the situation to the best of its abilities to support the long-term continuity of its business and make the necessary judgements and estimates as may be required.

30 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 3 November 2021.