



# **ALDAR PROPERTIES PJSC**

**Review report and interim financial information**

**For the nine-months period ended  
30 September 2022**



# **ALDAR PROPERTIES PJSC**

**Review report and interim financial information  
for the nine-months period ended 30 September 2022**

**Pages**

|   |               |
|---|---------------|
| <b>Report on review of interim financial information</b>        | <b>1</b>      |
| <b>Condensed consolidated statement of financial position</b>   | <b>2 - 3</b>  |
| <b>Condensed consolidated statement of profit or loss</b>       | <b>4</b>      |
| <b>Condensed consolidated statement of comprehensive income</b> | <b>5</b>      |
| <b>Condensed consolidated statement of changes in equity</b>    | <b>6</b>      |
| <b>Condensed consolidated statement of cash flows</b>           | <b>7-8</b>    |
| <b>Notes to the condensed consolidated financial statements</b> | <b>9 - 42</b> |



Deloitte & Touche (M.E.)  
Level 11, Al Sila Tower  
Abu Dhabi Global Market Square  
Al Maryah Island  
P.O. Box 990  
Abu Dhabi  
United Arab Emirates

Tel: +971 (0) 2 408 2424  
Fax: +971 (0) 2 408 2525  
www.deloitte.com

## 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 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

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

Deloitte & Touche (M.E.)

Mohammad Khamees Al Tah  
Registration No. 717  
27 October 2022  
Abu Dhabi  
United Arab Emirates



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

|   |    | <b>30 September 2022</b><br><b>(unaudited)</b><br><b>AED'000</b> | 31 December 2021<br><b>(audited)</b><br><b>AED'000</b> |
|---|----|--|--|
| <b>Assets</b>                               |    |  |  |
| <b>Non-current assets</b>                   |    |  |  |
| Property, plant and equipment               | 5  | 5,442,902  | 3,557,052  |
| Intangible assets and goodwill              | 6  | 342,308  | 293,195  |
| Investment properties                       | 7  | 23,099,605   | 18,025,935   |
| Investment in associates and joint ventures | 8  | 76,954   | 108,359  |
| Investment in financial assets              | 9  | 115,007  | 41,659   |
| Derivative financial assets                 | 19 | 206,156  | 20,299   |
| Trade receivables and other assets          | 10 | 516,244  | 526,839  |
| <b>Total non-current assets</b>             |    | <b>29,799,176</b>  | <b>22,573,338</b>                                      |
| <b>Current assets</b>                       |    |  |  |
| Plots of land held for sale                 |    | 4,847,972  | 5,137,885  |
| Development work in progress                | 11 | 4,328,770  | 4,503,543  |
| Inventories                                 | 12 | 938,634  | 1,029,411  |
| Investment in financial assets              | 9  | 152,463  | 77,475   |
| Contract assets                             | 18 | 421,558  | 306,471  |
| Trade receivables and other assets          | 10 | 8,315,220  | 7,057,481  |
| Cash and bank balances                      | 13 | 9,305,496  | 8,857,133  |
| <b>Total current assets</b>                 |    | <b>28,310,113</b>  | <b>26,969,399</b>                                      |
| <b>Total assets</b>                         |    | <b>58,109,289</b>  | <b>49,542,737</b>                                      |



## ALDAR PROPERTIES PJSC

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

|  | Note | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|--|------|---|--|
| <b>Equity and liabilities</b>                      |      |   |  |
| <b>Equity</b>                                      |      |   |  |
| Share capital                                      |      | 7,862,630                                   | 7,862,630                                |
| Statutory reserve                                  |      | 3,931,315                                   | 3,931,315                                |
| Cash flow hedging reserve                          | 34   | 187,900                                     | (422)                                    |
| Investment revaluation reserve                     |      | (1,330)                                     | 9,800                                    |
| Assets revaluation reserve                         |      | 73,623                                      | 73,623                                   |
| Foreign currency translation reserve               | 33   | (197,591)                                   | -  |
| Retained earnings                                  |      | 15,762,726                                  | 15,044,624                               |
| <b>Equity attributable to owners of the parent</b> |      | <b>27,619,273</b>                           | <b>26,921,570</b>                        |
| Hybrid equity instrument                           | 14   | 1,815,646                                   | -  |
| Non-controlling interests                          | 35   | 4,229,578                                   | 715,213                                  |
| <b>Total equity</b>                                |      | <b>33,664,497</b>                           | <b>27,636,783</b>                        |
| <b>Non-current liabilities</b>                     |      |   |  |
| Non-convertible sukuk                              | 15   | 3,643,173                                   | 3,641,186                                |
| Bank borrowings                                    | 15   | 4,931,886                                   | 4,408,755                                |
| Retentions payable                                 |      | 511,611                                     | 533,835                                  |
| Lease liabilities                                  |      | 441,335                                     | 295,517                                  |
| Employees benefits                                 |      | 290,493                                     | 223,345                                  |
| Derivative financial liabilities                   | 19   | -   | 6,648                                    |
| Trade and other payables                           | 17   | 1,152,563                                   | 1,472,397                                |
| <b>Total non-current liabilities</b>               |      | <b>10,971,061</b>                           | <b>10,581,683</b>                        |
| <b>Current liabilities</b>                         |      |   |  |
| Non-convertible sukuk                              | 15   | 32,889                                      | 36,665                                   |
| Bank borrowings                                    | 15   | 978,702                                     | 290,284                                  |
| Retentions payable                                 |      | 1,046,054                                   | 812,919                                  |
| Lease liabilities                                  |      | 55,135                                      | 37,743                                   |
| Advances from customers                            | 16   | 1,031,464                                   | 762,357                                  |
| Contract liabilities                               | 18   | 2,010,858                                   | 1,835,151                                |
| Trade and other payables                           | 17   | 8,318,629                                   | 7,549,152                                |
| <b>Total current liabilities</b>                   |      | <b>13,473,731</b>                           | <b>11,324,271</b>                        |
| <b>Total liabilities</b>                           |      | <b>24,444,792</b>                           | <b>21,905,954</b>                        |
| <b>Total equity and liabilities</b>                |      | <b>58,109,289</b>                           | <b>49,542,737</b>                        |

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

DocuSigned by:  
  
 275CC34579784D4...

**Mohamed Al Mubarak**  
Chairman

DocuSigned by:  
  
 58B5E8D12AF748D...

**Talal Al Dhiyebi**  
Group Chief Executive Officer

DocuSigned by:  
  
 81E86FBBB6B84BF...

**Greg Fewer**  
Group Chief Financial &  
Sustainability Officer



## Condensed consolidated statement of profit or loss for the period ended 30 September 2022

|   | Note | 3 months period ended                          |  | 9 months period ended                          |  |
|---|------|--|--|--|--|
|   |      | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 |
| Revenue and rental income                                   | 30.1 | 2,713,374                                      | 2,087,430                                      | 8,065,985                                      | 6,320,085                                      |
| Direct costs  | 30.1 | (1,578,252)                                    | (1,253,397)                                    | (4,618,853)                                    | (3,885,899)                                    |
| <b>Gross profit</b>   |      | <b>1,135,122</b>                               | <b>834,033</b>                                 | <b>3,447,132</b>                               | <b>2,434,186</b>                               |
| Selling and marketing expenses                              |      | (100,458)                                      | (27,068)                                       | (275,314)                                      | (97,377)                                       |
| General and administrative expenses                         |      |  |  |  |  |
| Staff costs   |      | (145,516)                                      | (86,566)                                       | (414,614)                                      | (216,329)                                      |
| Depreciation and amortisation                               |      | (85,592)                                       | (63,521)                                       | (240,222)                                      | (189,633)                                      |
| Provisions, impairments and write downs, net                |      | (15,707)                                       | (30,887)                                       | (89,836)                                       | (90,213)                                       |
| Others  |      | (124,197)                                      | (65,590)                                       | (260,571)                                      | (140,162)                                      |
| (Loss)/gain on revaluation of investment<br>properties, net | 7    | (12,387)                                       | (37,123)                                       | 64,327   | (119,748)                                      |
| Share of results of associates and joint ventures           | 8    | (2,364)  | (1,873)  | (6,274)  | (6,488)  |
| Gain on disposal of investment properties                   | 7    | 9,253  | 8,182  | 22,888   | 10,253   |
| Gain on bargain purchase                                    | 31   | -  | -  | 9,104  | 99,469   |
| Finance income  | 20   | 57,426   | 10,841   | 132,840  | 34,316   |
| Finance costs   | 21   | (113,626)                                      | (67,012)                                       | (273,610)                                      | (199,596)                                      |
| Other income  | 22   | 10,906   | 681  | 50,398   | 20,107   |
| <b>Profit for the period before tax</b>                     |      | <b>612,860</b>                                 | <b>474,097</b>                                 | <b>2,166,248</b>                               | <b>1,538,785</b>                               |
| Income tax expense  | 32   | (11,698)                                       | -  | (35,917)                                       | -  |
| <b>Profit for the period after tax</b>                      |      | <b>601,162</b>                                 | <b>474,097</b>                                 | <b>2,130,331</b>                               | <b>1,538,785</b>                               |
| <b>Attributable to:</b>                                     |      |  |  |  |  |
| Equity holders of the Company                               |      | 556,653  | 473,225  | 2,028,550                                      | 1,536,049                                      |
| Non-controlling interests                                   |      | 44,509   | 872  | 101,781  | 2,736  |
|   |      | <b>601,162</b>                                 | <b>474,097</b>                                 | <b>2,130,331</b>                               | <b>1,538,785</b>                               |
| <b>Basic and diluted earnings per share (AED)</b>           | 23   | <b>0.064</b>                                   | <b>0.060</b>                                   | <b>0.251</b>                                   | <b>0.195</b>                                   |



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

| Note | 3 months period ended   |  | 9 months period ended                          |  |
|------|---|--|--|--|
|      | 30 September<br>2022<br>(unaudited)<br>AED'000  | 30 September<br>2021<br>(unaudited)<br>AED'000 | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 |
|      | <b>601,162</b>  | 474,097  | <b>2,130,331</b>                               | 1,538,785                                      |
|      | <b>Profit for the period</b>  |  |  |  |
|      | <i>Items that may be reclassified to profit or loss in subsequent periods:</i>                                      |  |  |  |
|      | Foreign exchange differences on translation of foreign operations   |  |  |  |
| 33   | <b>(56,348)</b>   | -  | <b>(330,089)</b>                               | -  |
|      | Fair value gain on cash flow hedges arising during the period   |  |  |  |
| 34   | <b>71,455</b>   | 24,431   | <b>192,505</b>                                 | 27,612   |
|      | Net gains on hedging instruments reclassified to profit or loss   |  |  |  |
| 21   | <b>1,775</b>  | 1,776  | <b>5,171</b>                                   | 1,531  |
|      | <i>Items that will not be reclassified to profit or loss in subsequent periods:</i>                                 |  |  |  |
|      | Fair value gain/(loss) on revaluation of financial assets at fair value through other comprehensive income (FVTOCI) |  |  |  |
| 9    | <b>380</b>  | 5,100  | <b>53,166</b>                                  | (501)  |
|      | <b>17,262</b>   | 31,307   | <b>(79,247)</b>                                | 28,642   |
|      | <b>Other comprehensive income/(loss) for the period</b>   |  |  |  |
|      | <b>618,424</b>  | 505,404  | <b>2,051,084</b>                               | 1,567,427                                      |
|      | <b>Total comprehensive income for the period</b>  |  |  |  |
|      | <b>Attributable to:</b>   |  |  |  |
|      | Equity holders of the Company   |  |  |  |
|      | <b>587,179</b>  | 504,532  | <b>2,072,447</b>                               | 1,564,691                                      |
|      | Non-controlling interests   |  |  |  |
|      | <b>31,245</b>   | 872  | <b>(21,363)</b>                                | 2,736  |
|      | <b>618,424</b>  | 505,404  | <b>2,051,084</b>                               | 1,567,427                                      |



**Condensed consolidated statement of changes in equity  
for the period ended 30 September 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 Company | 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  | -                | -                 | -                         | -                              | -                          | -                                    | 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            |
| Total comprehensive income/(loss) for the period   | -                | -                 | 29,143                    | (501)                          | -                          | -                                    | 1,536,049         | 1,564,691                                    | -                        | 2,736                     | 1,567,427         |
| Dividends (note 27)  | -                | -                 | -                         | -                              | -                          | -                                    | (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        |
| Balance at 1 January 2022 (audited)  | 7,862,630        | 3,931,315         | (422)                     | 9,800                          | 73,623                     | -                                    | 15,044,624        | 26,921,570                                   | -                        | 715,213                   | 27,636,783        |
| Profit for the period  | -                | -                 | -                         | -                              | -                          | -                                    | 2,028,550         | 2,028,550                                    | -                        | 101,781                   | 2,130,331         |
| Other comprehensive income/(loss) for the period   | -                | -                 | 188,322                   | 53,166                         | -                          | (197,591)                            | -                 | 43,897                                       | -                        | (123,144)                 | (79,247)          |
| Total comprehensive income/(loss) for the period   | -                | -                 | 188,322                   | 53,166                         | -                          | (197,591)                            | 2,028,550         | 2,072,447                                    | -                        | (21,363)                  | 2,051,084         |
| Issuance of hybrid equity instrument (note 14)   | -                | -                 | -                         | -                              | -                          | -                                    | -                 | -  | 1,815,646                | -                         | 1,815,646         |
| Dividends (note 27)  | -                | -                 | -                         | -                              | -                          | -                                    | (1,179,395)       | (1,179,395)                                  | -                        | (974)                     | (1,180,369)       |
| Dividends paid by a subsidiary against preference equity (note 35)                                       | -                | -                 | -                         | -                              | -                          | -                                    | -                 | -  | -                        | (7,093)                   | (7,093)           |
| Coupon paid on hybrid equity instrument (note 14)  | -                | -                 | -                         | -                              | -                          | -                                    | (51,644)          | (51,644)                                     | -                        | -                         | (51,644)          |
| Reclassification of fair value reserve of financial asset at FVTOCI upon derecognition (note 9)          | -                | -                 | -                         | (64,296)                       | -                          | -                                    | 64,296            | -  | -                        | -                         | -                 |
| Movement from partial disposal of interests in subsidiaries (note 35)                                    | -                | -                 | -                         | -                              | -                          | -                                    | (44,624)          | (44,624)                                     | -                        | 3,302,843                 | 3,258,219         |
| Change in equity attributable to owners of the Company due to partial disposal of subsidiary (note 35.1) | -                | -                 | -                         | -                              | -                          | -                                    | (99,081)          | (99,081)                                     | -                        | 99,081                    | -                 |
| Non-controlling interest arising on a business combination (note 31.2)                                   | -                | -                 | -                         | -                              | -                          | -                                    | -                 | -  | -                        | 141,871                   | 141,871           |
| <b>Balance at 30 September 2022 (unaudited)</b>  | <b>7,862,630</b> | <b>3,931,315</b>  | <b>187,900</b>            | <b>(1,330)</b>                 | <b>73,623</b>              | <b>(197,591)</b>                     | <b>15,762,726</b> | <b>27,619,273</b>                            | <b>1,815,646</b>         | <b>4,229,578</b>          | <b>33,664,497</b> |

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 30 September 2022**

|   | Note | 9 months period ended                           |   |
|---|------|---|---|
|   |      | 30 September<br>2022<br>(unaudited)<br>AED '000 | 30 September<br>2021<br>(Unaudited)<br>AED '000 |
| <b>Operating activities</b>   |      |   |   |
| Profit for the period before tax  |      | 2,166,248                                       | 1,538,785                                       |
| <i>Adjustments for:</i>   |      |   |   |
| Depreciation and amortisation   | 5,6  | 254,422   | 184,877   |
| Finance income  | 20   | (132,840)                                       | (34,316)  |
| Finance costs   | 21   | 273,610   | 199,596   |
| (Gain)/loss on revaluation investment properties, net   | 7    | (64,327)  | 119,748   |
| Share of results of associates and joint ventures   | 8    | 6,274   | 6,488   |
| Provisions, impairments and write downs, net  |      | 89,836  | 90,213  |
| Loss on disposal of property, plant equipment   |      | 206   | -   |
| Gain on disposal of investment properties   |      | (22,888)  | (10,253)  |
| Gain on bargain purchase  | 31   | (9,732)   | (99,469)  |
| (Gain)/loss on revaluation of financial assets  |      | (3,165)   | 991   |
| Provision for employee benefits   |      | 55,858  | 39,619  |
| Operating cash flows before movements in working capital  |      | <b>2,613,502</b>                                | <b>2,036,279</b>                                |
| <b>Movement in working capital:</b>   |      |   |   |
| (Increase)/decrease in trade and other assets   |      | (1,381,745)                                     | 755,479   |
| Decrease/(increase) in development work in progress, inventories<br>and plots of land held for sale |      | 241,993   | (145,709)                                       |
| Increase in contract assets   |      | (115,087)                                       | (164,550)                                       |
| Increase in retentions payable  |      | 225,644   | 305,068   |
| Increase in advances from customers   |      | 285,563   | 165,425   |
| Increase/(decrease) in contract liabilities   |      | 390,696   | (98,334)  |
| Increase in trade and other payables  |      | 796,502   | 243,602   |
| <b>Cash generated from operations</b>   |      | <b>443,566</b>                                  | <b>1,060,981</b>                                |
| Employee benefits paid  |      | (29,105)  | (9,217)   |
| Income tax paid   |      | (92,810)  | -   |
| <b>Net cash generated from operating activities</b>   |      | <b>2,935,153</b>                                | <b>3,088,043</b>                                |



## ALDAR PROPERTIES PJSC

### Condensed consolidated statement of cash flows for the period ended 30 September 2022 (continued)

|   | Note | 9 months period ended                          |  |
|---|------|--|--|
|   |      | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 |
| <b>Net cash generated from operating activities</b>                               |      | <b>2,935,153</b>                               | <b>3,088,043</b>                               |
| <b>Cash flows from investing activities</b>                                       |      |  |  |
| Purchases of property, plant and equipment  | 5    | (1,996,323)                                    | (49,123)                                       |
| Purchases of intangible assets, net of disposal                                   | 6    | (15,924)                                       | (12,171)                                       |
| Additions to investment properties  | 7    | (5,107,592)                                    | (183,934)                                      |
| Proceeds from disposal of investment properties and property, plant and equipment | 5,7  | 204,677  | 118,327  |
| Proceeds from disposal of investment in associates and joint ventures             |      | -  | 16,445   |
| Acquisition of subsidiaries, net of cash acquired                                 | 31   | (353,195)                                      | (62,339)                                       |
| Movement in term deposits with maturities greater than three months               |      | (55,000)                                       | 681,394  |
| Investment in financial assets  |      | (17,018)                                       | (4,847)  |
| Movement in restricted bank balances  |      | (425,707)                                      | (999,494)                                      |
| Finance income received   |      | 41,199   | 44,175   |
| Proceeds from maturity of treasury bills  |      | 323,338  | -  |
| Payments for treasury bills   |      | (417,440)                                      | -  |
| Capital repayment against investments in an associate                             | 8    | 32,000   | -  |
| Dividends received  |      | -  | 39   |
| <b>Net cash used in investing activities</b>                                      |      | <b>(7,786,985)</b>                             | <b>(451,528)</b>                               |
| <b>Cash flows from financing activities</b>                                       |      |  |  |
| Repayments of bank borrowings   | 15   | (5,435,541)                                    | (1,514,500)                                    |
| Proceeds from bank borrowings   | 15   | 6,672,788                                      | 1,303,774                                      |
| Payment of principal portion of lease liabilities                                 |      | (54,263)                                       | (25,728)                                       |
| Finance costs paid  |      | (268,983)                                      | (210,303)                                      |
| Dividends paid  |      | (1,239,106)                                    | (1,140,834)                                    |
| Proceeds from movement in ownership interest in subsidiaries                      | 35   | 3,258,219                                      | -  |
| Cash paid for settlement of derivatives   |      | -  | (1,655)  |
| Proceeds from issuance of hybrid equity instrument                                | 14   | 1,815,646                                      | -  |
| <b>Net cash generated from/(used) in financing activities</b>                     |      | <b>4,748,760</b>                               | <b>(1,589,246)</b>                             |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                       |      | <b>(103,072)</b>                               | <b>1,047,269</b>                               |
| Cash and cash equivalents at beginning of the period                              | 13   | 5,383,855                                      | 2,586,485                                      |
| Effect of foreign exchange rate changes   |      | 70,728   | -  |
| <b>Cash and cash equivalents at end of the period</b>                             | 13   | <b>5,351,511</b>                               | <b>3,633,754</b>                               |

Refer to note 28 for details of non-cash transactions excluded from the condensed consolidated statement of cash flows.



## ALDAR PROPERTIES PJSC

### Notes to the condensed consolidated financial statements for the period ended 30 September 2022

#### 1 General information

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

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

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

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

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

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

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



## ALDAR PROPERTIES PJSC

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

#### 3 Summary of significant accounting policies

##### 3.1 Statement of compliance

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

These condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021. In addition, results for the nine-months period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

##### 3.2 Basis of preparation

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

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

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those applied to the audited annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards and interpretations effective 1 January 2022.

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

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

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies, and the key sources of estimates uncertainty were the same as those applied in the Group consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of new standards and interpretations effective 1 January 2022.



## ALDAR PROPERTIES PJSC

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

#### 5 Property, plant and equipment

|  | <b>30 September 2022</b><br><b>(unaudited)</b><br><b>AED'000</b> | 31 December 2021<br>(audited)<br>AED'000 |
|--|--|--|
| Balance at the beginning of the period/year          | 3,557,052  | 2,961,523                                |
| Additions during the period/year (ii & iii)          | 1,996,323  | 96,883                                   |
| Recognised as part of business combination (note 31) | 89,323   | 230,189                                  |
| Transfer from development work in progress (note 11) | 6,252  | 259,196                                  |
| Transfer from investment properties (note 7)         | 57,850   | 262,917                                  |
| Depreciation charge for the period/year              | (220,953)  | (218,560)                                |
| Disposals during the period/year                     | (1,655)  | (6,036)                                  |
| Impairment charge for the period/year                | -  | (29,060)                                 |
| Exchange differences                                 | (41,290)   | -  |
| Balance at the end of the period/year                | <b>5,442,902</b>   | <b>3,557,052</b>                         |

- (i) Property, plant and equipment includes right-of-use assets mainly with respect to leases of plots of land and buildings amounting to AED 151,172 thousand (31 December 2021: AED 96,388 thousand).
- (ii) During the period, Aldar Hotels & Hospitality – Sole Proprietorship LLC (“AHH” a subsidiary of the Company) signed an agreement for the purchase of the entire economic interest in Bab Resorts LLC, owner of Rixos Bab Al Bahr Ras Al Khaimah hotel (“Rixos”) and Double Tree by Hilton Hotel, Ras Al-Khaimah UAE (“Double Tree”) for a total consideration of AED 770,000 thousand and AED 810,000 thousand respectively resulting in additions of AED 767,528 thousand and AED 697,978 thousand respectively to the property, plant and equipment. The above transaction also results in additions of AED 23,500 thousand and AED 103,900 thousand respectively as plots of land held for sale. In accordance with the requirements of IFRS 3 Business Combinations, these acquisitions were accounted for as an asset acquisition since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset.
- (iii) During the period, AHH signed an agreement for the purchase of hotel building of Nurai Island Hotel (“Nurai Hotel”) for a total consideration of AED 600,000 thousand resulting in additions of AED 232,966 thousand to property, plant and equipment. The above transaction also results in addition of AED 350,000 thousand as advances under trade receivables and other assets (note 10).
- (iv) The depreciation charge for the period includes AED 13,860 thousand allocated to cost of sales (for the period ended 30 September 2021: nil). No impairment indications were observed for any items of property, plant and equipment during the period ended 30 September 2022.

#### 6 Intangible assets and goodwill

|  | <b>30 September 2022</b><br><b>(unaudited)</b><br><b>AED'000</b> | 31 December 2021<br>(audited)<br>AED'000 |
|--|--|--|
| Balance at the beginning of the period/year          | 293,195  | 28,085                                   |
| Additions during the period/year                     | 16,121   | 19,107                                   |
| Recognised as part of business combination (note 31) | 88,149   | 282,123                                  |
| Amortisation charge for the period/year              | (33,469)   | (35,702)                                 |
| Disposals during the period/year                     | (197)  | (418)                                    |
| Exchange differences                                 | (21,491)   | -  |
| Balance at the end of the period/year                | <b>342,308</b>   | <b>293,195</b>                           |



## ALDAR PROPERTIES PJSC

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

#### 7 Investment properties

|  | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|--|---|--|
| Balance at the beginning of the period/year                | 18,025,935                                  | 16,462,916                               |
| Additions during the period/year (i & ii)                  | 5,107,592                                   | 255,798                                  |
| Recognised as part of business combination (note 31)       | 697,529                                     | 929,801                                  |
| Fair value gain, net                                       | 64,327                                      | 146,383                                  |
| Disposals during the period/year                           | (180,340)                                   | (144,733)                                |
| Transfers (to)/from  |   |  |
| Property, plant and equipment (note 5)                     | (57,850)                                    | (262,917)                                |
| Development work in progress (note 11)                     | (387,415)                                   | 573,662                                  |
| Revaluation on transfer from property, plant and equipment | -   | 73,623                                   |
| Write-off  | -   | (8,598)                                  |
| Exchange differences                                       | (170,173)                                   | -  |
| Balance at the end of the period/year                      | <b>23,099,605</b>                           | <b>18,025,935</b>                        |

(i) During the period, Aldar Investment Properties LLC (“AIP” a subsidiary of the Company) acquired Al Hamra Mall in Ras Al Khaimah, United Arab Emirates from Al Hamra Real Estate Development Company LLC for a total consideration of AED 410,000 thousand.

(ii) During the period, AIP signed an agreement for the sale and purchase of 100% of the issued share capital of Confluence Partners (HQ) RSC Ltd. (“Confluence”), registered in Abu Dhabi, UAE for a total consideration of AED 4,300,000 thousand. Confluence is mostly involved in the management and leases of commercial properties.

In accordance with the requirements of IFRS 3 *Business Combinations*, the above acquisitions in (i) to (ii) were accounted for as assets acquisition since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset.

(iii) During the period, the Group sold investment properties and realised a net gain of AED 22,888 thousand (for the period ended 30 September 2021: AED 10,253 thousand) that is recorded in the condensed consolidated statement of profit or loss under “gain on disposal of investment properties”.

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

(v) Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 334,400 thousand as at 30 September 2022 (31 December 2021: AED 252,408 thousand).

(vi) Investment properties represent the Group’s interest in land and buildings situated in the United Arab Emirates (AED 22,680,225 thousand) and Arab Republic of Egypt (“Egypt”) of AED 419,380 thousand.

(vii) The net fair value gain amounting to AED 64,327 thousand (30 September 2021: net fair value loss amounting to AED 119,748 thousand) recorded during the period resulted mainly from fair value loss amounting to AED 97,528 thousand (for the period ended 30 September 2021: AED 111,370 thousand) recorded on buildings held on leasehold land, netted against a fair value gain of AED 161,855 thousand (period ended 30 September 2021: AED 8,378 thousand, fair value loss) relates to the net fair value gain recorded on major investment properties based on valuation carried out by the accredited independent valuers not connected with the Group. The valuers are members of professional valuers’ associations and have appropriate qualification and experience in the valuation of properties at the relevant locations. Fair value gain or loss on investment properties are presented under the line item “gain/(loss) on revaluation of investment properties, net” in the condensed consolidated statement of profit or loss. The investment properties are categorised under Level 3 in the fair value hierarchy.





## ALDAR PROPERTIES PJSC

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

#### 7 Investment properties (continued)

(viii) The Group conducted sensitivity analysis on the capitalisation rates and rental rates for the major investment properties on which net fair value gain was recognised. Based on this sensitivity analysis:

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

#### 8 Investment in associates and joint ventures

During the period, the share capital of an associate of the Group is reduced and the Group has accordingly received AED 32,000 thousand and is recognised as reduction in share capital. The other major movement relates to net share of losses amounting to AED 6,274 thousand (for the period ended 30 September 2021: profit of AED 6,488 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 6,868 thousand (period ended 30 September 2021: AED 7,153 thousand) was applied to the Group's receivable from the joint venture.

#### 9 Investment in financial assets

|  | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|--|---|--|
| <b>Financial assets at fair value through other comprehensive income</b> |   |  |
| Investment in UAE quoted securities                                      | 55,988                                      | 20,000                                   |
| Investment in UAE unquoted securities                                    | 2   | 2  |
| <b>Financial assets at fair value through profit or loss</b>             |   |  |
| Investment in international unquoted funds                               | 59,017                                      | 21,657                                   |
| <b>Financial assets at amortised cost</b>                                |   |  |
| Investment in treasury bills   | 152,463                                     | 77,475                                   |
|  | <b>267,470</b>                              | <b>119,134</b>                           |

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

As at 30 September 2022 and 31 December 2021, the fair value hierarchy for financial investments is as follows:

|  | Level 1<br>AED'000 | Level 2<br>AED'000 | Level 3<br>AED'000 | Total<br>AED'000 |
|--|--------------------|--------------------|--------------------|------------------|
| <b>30 September 2022 (unaudited)</b>       |                    |                    |                    |                  |
| Investment in UAE quoted securities        | 55,988             | -                  | 2                  | 55,990           |
| Investment in international unquoted funds | -                  | -                  | 59,017             | 59,017           |
| Investment in treasury bills               | -                  | -                  | 152,463            | 152,463          |
|  | <b>55,988</b>      | <b>-</b>           | <b>211,482</b>     | <b>267,470</b>   |
| <b>31 December 2021 (audited)</b>          |                    |                    |                    |                  |
| Investment in UAE quoted securities        | 20,000             | -                  | 2                  | 20,002           |
| Investment in international unquoted funds | -                  | -                  | 21,657             | 21,657           |
| Investment in treasury bills               | -                  | -                  | 77,475             | 77,475           |
|  | <b>20,000</b>      | <b>-</b>           | <b>99,134</b>      | <b>119,134</b>   |

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





## ALDAR PROPERTIES PJSC

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

#### 9 Investment in financial assets (continued)

During the period, the Group swapped its 1,000 thousand shares held in Al Reem Investments PJSC for 17,330 thousand shares in Q Holding PJSC. Al Reem Investment PJSC was fair valued at AED 74,692 thousand as of transaction date. Cumulative fair value changes in Al Reem Investment PJSC amounting to AED 64,492 thousand were transferred from the investment revaluation reserve to retained earnings upon derecognition. Subsequently, during the period, 4,031 thousands of shares in Q Holding PJSC were sold. The proportionate fair value difference of AED 196 thousand transferred from investment revaluation reserve to retained earnings.

#### 10 Trade receivables and other assets

|   | 30 September<br>2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|---|--|--|
| <b>Non-current portion</b>                                |  |  |
| Trade receivables   | 285,259  | 275,292                                  |
| Due from associates and joint ventures                    | 182,658  | 181,576                                  |
| Receivables relating to project finance                   | 136,570  | 137,663                                  |
| Deferred tax assets (note 32)                             | 39,947   | 47,368                                   |
| Others  | 44,585   | 51,304                                   |
|   | <b>689,019</b>                                 | <b>693,203</b>                           |
| Less: allowance for expected credit loss                  | <b>(172,775)</b>                               | <b>(166,364)</b>                         |
|   | <b>516,244</b>                                 | <b>526,839</b>                           |
| <b>Current portion</b>                                    |  |  |
| Trade receivables   | 3,234,542                                      | 4,208,111                                |
| Advances and prepayments                                  | 2,439,533                                      | 1,565,475                                |
| Refundable deposits                                       | 304,954  | 342,266                                  |
| Refundable costs  | 1,368,708                                      | 314,701                                  |
| Tax recoverable   | 162,875  | 40,227                                   |
| Due from associates and joint ventures                    | 26,387   | 26,280                                   |
| Accrued interest  | 32,226   | 18,468                                   |
| Receivables from the Government of Abu Dhabi              | 5,734  | 13,324                                   |
| Receivables relating to project finance                   | 8,863  | 7,738                                    |
| Receivable related to sale of subsidiaries and businesses | -  | 8,217                                    |
| Others  | 924,147  | 687,611                                  |
|   | <b>8,507,969</b>                               | <b>7,232,418</b>                         |
| Less: allowance for expected credit loss                  | <b>(192,749)</b>                               | <b>(174,937)</b>                         |
|   | <b>8,315,220</b>                               | <b>7,057,481</b>                         |

During the period, allowance for expected credit loss of AED 24,222 thousand (for the period ended 30 September 2021: AED 21,798 thousand) was made against trade and other receivables. Trade and other receivables amounting to Nil were written off (period ended 30 September 2021: AED 55,386 thousand).

Advances and prepayments include AED 350,000 thousand paid during the period as part of purchase of Nurai Island (note 5 iii) for two development islands where the seller will procure the dredging and reclamation of these islands.

During 2020, the Company sold its district cooling operations (the "Cooling Entities") comprising the Group's entire interest in Saadiyat Cooling LLC (a 85% owned subsidiary) and Saadiyat District Cooling LLC (a wholly owned subsidiary). As per the Sale Purchase Agreements and earn out agreement, the Group is also entitled to earn out consideration in the form of additional fee for each additional load for which the buyer contracts from these cooling operations. At 30 September 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.



## ALDAR PROPERTIES PJSC

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

#### 11 Development work in progress

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

|  | <b>30 September 2022</b><br><b>(unaudited)</b><br><b>AED'000</b> | 31 December 2021<br><b>(audited)</b><br><b>AED'000</b> |
|--|--|--|
| Balance at beginning of the period/year              | 4,503,543  | 2,719,770  |
| Development costs incurred during the period/year    | 2,303,355  | 1,901,420  |
| Recognised in direct costs of properties sold        | <b>(1,837,789)</b>   | (1,690,359)  |
| Recognised as part of business combination (note 31) | -  | 3,222,129  |
| Write-off of project costs                           | <b>(31,038)</b>  | (90,852)   |
| Transfers from/(to):                                 |  |  |
| Inventories (note 12)                                | <b>(540,975)</b>   | (725,707)  |
| Investment properties (note 7)                       | 387,415  | (573,662)  |
| Property, plant and equipment (note 5)               | <b>(6,252)</b>   | (259,196)  |
| Plot of land held for sale                           | 210,502  | -  |
| Exchange differences                                 | <b>(659,991)</b>   | -  |
| Balance at the end of the period/year                | <b>4,328,770</b>   | 4,503,543  |

Development properties are located as:

|             |                  |           |
|-------------|------------------|-----------|
| Within UAE  | <b>1,385,740</b> | 1,281,414 |
| Outside UAE | <b>2,943,030</b> | 3,222,129 |
|             | <b>4,328,770</b> | 4,503,543 |

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

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

#### 12 Inventories

|                             | <b>30 September 2022</b><br><b>(unaudited)</b><br><b>AED'000</b> | 31 December 2021<br><b>(audited)</b><br><b>AED'000</b> |
|-----------------------------|--|--|
| Completed properties        | <b>902,044</b>   | 979,640  |
| Other operating inventories | <b>36,590</b>  | 49,771   |
|                             | <b>938,634</b>   | 1,029,411  |
| Inventories are located as: |  |  |
| Within UAE                  | <b>812,671</b>   | 1,014,050  |
| Outside UAE                 | <b>125,963</b>   | 15,361   |
|                             | <b>938,634</b>   | 1,029,411  |

During the period/year, properties with a value of AED 540,975 thousand (31 December 2021: AED 725,707 thousand) were transferred to inventories upon completion (note 11). An amount of AED 536,597 thousand (31 December 2021: AED 566,374 thousand) was recognised as direct costs during the period/year.



## ALDAR PROPERTIES PJSC

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

#### 13 Cash and bank balances

|                                     | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|-------------------------------------|---|--|
| Cash and bank balances              | 6,530,983                                   | 6,582,349                                |
| Short term deposits held with banks | 2,774,513                                   | 2,274,784                                |
| Cash and bank balances              | <u>9,305,496</u>                            | <u>8,857,133</u>                         |

#### Cash and cash equivalents

|  | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|--|---|--|
| Cash and bank balances   | 9,305,496                                   | 8,857,133                                |
| Short term deposits with original maturities greater than three months | (55,000)                                    | -  |
| Restricted bank balances   | (3,898,985)                                 | (3,473,278)                              |
| Cash and cash equivalents  | <u>5,351,511</u>                            | <u>5,383,855</u>                         |
| Cash and cash equivalents:   |   |  |
| Within UAE   | 5,117,751                                   | 5,015,734                                |
| Outside UAE  | 233,760                                     | 368,121                                  |
|  | <u>5,351,511</u>                            | <u>5,383,855</u>                         |

As at 30 September 2022, cash at banks amounting to AED 306,313 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 2,784,818 thousand (31 December 2021: AED 1,278,074 thousand) which are deposited into escrow accounts representing cash received from customers against sale of development properties. The remaining balance of restricted cash balances mainly represents cash balances designated against government projects and dividend payables for which separate bank accounts are maintained.

The interest rate on term deposits during the period ranges between 0.14% and 4.13% (for the year ended 31 December 2021: between 0.12% and 1%) per annum for UAE and between 5.75% and 10% (for the year ended 31 December 2021: between 7% and 9%) for Egypt. Bank deposits relating to UAE operations are placed with local banks in the UAE.

#### 14 Hybrid equity instrument

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

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



## ALDAR PROPERTIES PJSC

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

#### 14 Hybrid equity instrument (continued)

Transaction costs amounting to AED 22,017 thousand related to issuance of the Notes were recorded directly in equity.

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

During the period, the Group paid coupons amounting to AED 51,644 thousand.

#### 15 Bank borrowings and non-convertible sukuk

|  | Current             | Non-current         | Total            |
|--|---------------------|---------------------|------------------|
|  | < 1 year<br>AED'000 | > 1 year<br>AED'000 | AED'000          |
| <b>As at 30 September 2022 (unaudited)</b> |                     |                     |                  |
| Non-convertible Sukuk                      | 32,889              | 3,643,173           | 3,676,062        |
| Bank borrowings                            | 978,702             | 4,931,886           | 5,910,588        |
|  | <b>1,011,591</b>    | <b>8,575,059</b>    | <b>9,586,650</b> |
| <b>As at 31 December 2021</b>              |                     |                     |                  |
| Non-convertible Sukuk                      | 36,665              | 3,641,186           | 3,677,851        |
| Bank borrowings                            | 290,284             | 4,408,755           | 4,699,039        |
|  | <b>326,949</b>      | <b>8,049,941</b>    | <b>8,376,890</b> |

As at 30 September 2022, the Group had AED 4,905,289 thousand of undrawn, committed revolving credit facilities in the form of bilateral agreements (31 December 2021: AED 3,996,226 thousand). Bank borrowings drawn during the period amounted to AED 6,673 million (period ended 30 September 2021: AED 1,304 million) and repaid during the period amounted to AED 5,436 million (period ended 30 September 2021: AED 1,515 million).

During the period ended 30 September 2022:

- the Group refinanced 2 of its existing facilities of AED 500 million each with a local bank by entering into 2 new term loans of AED 1 billion each for an initial period of 5 years with an option to extend its maturity by a further 2 years. Both facilities were fully utilised in September 2022.
- the Group signed and utilised a new revolving credit facility of AED 500 million with a local bank in September 2022 and matures in 5 years with an option to extend it by a further 2 years.
- the Group signed a new Term loan of AED 400 million with a repayment period of 5 years extendable by a further tenor of 2 years. This loan was entered to refinance the bank's existing term loan facility which expires in 2023. The refinancing was completed in the first week of October 2022 by utilising the new facility and repaying the old loan.
- the remaining movement represent the drawdown and repayment of existing facilities.

All the above loans are priced at market rate.

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 4,995,256 thousand (31 December 2021: AED 4,950,904 thousand) and property, plant and equipment amounting to AED 38,619 thousand (31 December 2021: AED 40,495 thousand).

Few bank borrowings are secured against the following which relates to the Group Egypt subsidiary only:

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



## ALDAR PROPERTIES PJSC

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

#### 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

|  | <b>30 September 2022<br/>(unaudited)<br/>AED'000</b> | 31 December 2021<br>(audited)<br>AED'000 |
|--|--|--|
| <b>Non-current</b>   |  |  |
| Payable to a government authority for purchase of land (note 17.1) | <b>906,458</b>                                       | 1,173,377                                |
| Other land acquisition creditors                                   | <b>246,105</b>                                       | 299,020                                  |
|  | <b>1,152,563</b>                                     | 1,472,397                                |
| <b>Current</b>   |  |  |
| Trade payables   | <b>1,171,152</b>                                     | 997,488                                  |
| Accrual for contractors' costs                                     | <b>5,241,906</b>                                     | 4,142,301                                |
| Deferred income  | <b>615,275</b>                                       | 253,273                                  |
| Income tax payable   | <b>121,150</b>                                       | 215,900                                  |
| Advances from the Government of Abu Dhabi (note 24.1)              | <b>97,632</b>  | 112,848                                  |
| Dividends payable  | <b>88,009</b>  | 88,242                                   |
| Payable to a government authority for purchase of land (note 17.1) | <b>48,084</b>  | 45,883                                   |
| Due to the Government of Abu Dhabi                                 | <b>18,375</b>  | 957,210                                  |
| Provision for onerous contracts                                    | <b>8,347</b>   | 6,003                                    |
| Other land acquisition creditors                                   | <b>5,682</b>   | 3,864                                    |
| Other liabilities  | <b>903,017</b>                                       | 726,140                                  |
|  | <b>8,318,629</b>                                     | 7,549,152                                |

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

#### 17.1 Payable to a government authority for purchase of land

##### *Plot of land I*

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

##### *Plot of land II*

On 21 March 2019, a co-development agreement was signed between a subsidiary of the Company and NUCA to establish an integrated urban project with an area of 500 acres (the "Previous Plot") with a total value of AED 2,229 million. During 2021, based on the proposal from the Egypt Sheikh Zayed City Development Authority to amend this site, NUCA and the subsidiary exchanged the Previous Plot against a plot with an area of 464.81 acres (the "New Plot"). The New Plot was based on the same terms and conditions as was attached to the Previous Plot with a revised payment plan. Any advance payments made against the Previous Plot were agreed to be adjusted against the liabilities of the New Plot.



## ALDAR PROPERTIES PJSC

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

#### 18 Contract assets and liabilities

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

Contract liabilities represents deferred revenue arising from construction contracts and property development under off-plan sales projects. These contracts have performance obligations (unsatisfied or partially unsatisfied) which is expected to be recognised as revenue over the remaining tenor of these contracts. Majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over 3 to 5 years.

#### 19 Derivative financial instruments

The Group entered into floating to fixed interest rate swaps to partially hedge its interest rate risk in relation to its floating rate borrowings. The movement in derivative financial instruments is given below:

|   | <b>30 September 2022<br/>(unaudited)<br/>AED'000</b> | 31 December 2021<br>(audited)<br>AED'000 |
|---|--|--|
| Balance at beginning of the period/year | 13,651   | (13,675)                                 |
| Net fair value changes                  | 192,505  | 27,326                                   |
| Balance at the end of the period/year   | <b>206,156</b>                                       | <b>13,651</b>                            |
| Disclosed as:                           |  |  |
| Non-current assets                      | 206,156  | 20,299                                   |
| Non-current liabilities                 | -  | (6,648)                                  |
|   | <b>206,156</b>                                       | <b>13,651</b>                            |

#### 20 Finance income

|                                      | <b>3 months ended</b>                                    |  | <b>9 months ended</b>                                    |  |
|--------------------------------------|--|--|--|--|
|                                      | <b>30 September<br/>2022<br/>(unaudited)<br/>AED'000</b> | 30 September<br>2021<br>(unaudited)<br>AED'000 | <b>30 September<br/>2022<br/>(unaudited)<br/>AED'000</b> | 30 September<br>2021<br>(unaudited)<br>AED'000 |
| <b>Interest/profit earned on:</b>    |  |  |  |  |
| Sharia compliant deposits            | 12,449   | 3,096  | 26,916   | 10,000   |
| Bank fixed deposits                  | 8,574  | 233  | 17,789   | 932  |
| Call and current accounts            | 12,044   | 1,487  | 24,241   | 4,563  |
|                                      | <b>33,067</b>  | 4,816  | <b>68,946</b>  | 15,495   |
| Finance income earned on receivables | 18,216   | 2,177  | 51,888   | 7,368  |
| Other finance income                 | 6,143  | 3,848  | 12,006   | 11,453   |
|                                      | <b>57,426</b>  | 10,841   | <b>132,840</b>   | 34,316   |



## ALDAR PROPERTIES PJSC

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

#### 21 Finance costs

|   | 3 months ended                                 |  | 9 months ended                                 |  |
|---|--|--|--|--|
|   | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 |
| Finance costs on bank borrowings and non-convertible sukuk                    | 105,487  | 60,445   | 250,615  | 183,653  |
| Finance cost on operating lease liabilities (note 25.2)                       | 3,941  | 3,482  | 11,525   | 10,594   |
| Others  | 2,423  | 1,309  | 6,299  | 3,818  |
|   | <b>111,851</b>                                 | <b>65,236</b>                                  | <b>268,439</b>                                 | <b>198,065</b>                                 |
| Cumulative loss arising on hedging instruments reclassified to profit or loss | 1,775  | 1,776  | 5,171  | 1,531  |
|   | <b>113,626</b>                                 | <b>67,012</b>                                  | <b>273,610</b>                                 | <b>199,596</b>                                 |

#### 22 Other income

|  | 3 months ended                                 |  | 9 months ended                                 |  |
|--|--|--|--|--|
|  | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 |
| Fair value (loss)/gain on revaluation of financial assets at FVTPL | (996)  | (281)  | 5,461  | (991)  |
| Income recognised upon handover of infrastructure                  | -  | -  | 3,329  | 3,323  |
| Release of liability, accruals and provisions                      | -  | -  | -  | 447  |
| Others   | 11,902   | 962  | 41,608   | 17,328   |
|  | <b>10,906</b>                                  | <b>681</b>                                     | <b>50,398</b>                                  | <b>20,107</b>                                  |





## ALDAR PROPERTIES PJSC

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

#### 23 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                      |                                     | 9 months ended                      |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | 30 September<br>2022<br>(unaudited) | 30 September<br>2021<br>(unaudited) | 30 September<br>2022<br>(unaudited) | 30 September<br>2021<br>(unaudited) |
| <b>Earnings (AED'000)</b>  |                                     |                                     |                                     |                                     |
| Earnings for the purposes of basic and diluted earnings per share:               |                                     |                                     |                                     |                                     |
| Profit for the period attributable to equity holders of the Company              | 556,653                             | 473,225                             | 2,028,550                           | 1,536,049                           |
| Less: distributions to the Noteholder (hybrid equity instrument – note 14)       | (51,644)                            | -                                   | (51,644)                            | -                                   |
|  | <b>505,009</b>                      | <b>473,225</b>                      | <b>1,976,906</b>                    | <b>1,536,049</b>                    |
| <b>Weighted average number of shares</b>   |                                     |                                     |                                     |                                     |
| Weighted average number of ordinary shares for basic and diluted EPS             | 7,862,629,603                       | 7,862,629,603                       | 7,862,629,603                       | 7,862,629,603                       |
| <b>Basic and diluted EPS attributable to equity holders of the Company (AED)</b> | <b>0.064</b>                        | <b>0.060</b>                        | <b>0.251</b>                        | <b>0.195</b>                        |

#### 24 Transactions and balances with related parties

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

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



## ALDAR PROPERTIES PJSC

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

#### 24 Transactions and balances with related parties (continued)

##### 24.1 Related party balances:

|   | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|---|---|--|
| <b>Government of Abu Dhabi</b>              |   |  |
| Trade and other receivables                 | 2,018,939                                   | 809,762                                  |
| Trade and other payables                    | (24,035)                                    | (987,907)                                |
| Advances received (note 17)                 | (97,632)                                    | (112,848)                                |
| Contract assets                             | 105,087                                     | 41,987                                   |
| Contract liabilities                        | (501,141)                                   | (9,934)                                  |
| <b>Major shareholder and its affiliates</b> |   |  |
| Trade and other receivables                 | 37,573                                      | 34,825                                   |
| Trade and other payables                    | (1,994)                                     | (5,822)                                  |
| Retentions payable                          | (113,185)                                   | (139,915)                                |
| <b>Parent Company and its affiliates</b>    |   |  |
| Trade and other receivables                 | 461,543                                     | 372,188                                  |
| Trade and other payables                    | (26,442)                                    | (322,720)                                |
| Retentions payable                          | (383,003)                                   | (485,290)                                |
| <b>Associates and joint ventures</b>        |   |  |
| Due from joint venture                      | 20,793                                      | 25,361                                   |

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



## ALDAR PROPERTIES PJSC

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

#### 24 Transactions and balances with related parties (continued)

##### 24.2 Significant transactions with related parties:

|   | 9 months ended                              |   |
|---|---|---|
|   | 30 September 2022<br>(unaudited)<br>AED'000 | 30 September 2021<br>(unaudited)<br>AED'000 |
| <b>Government of Abu Dhabi</b>                  |   |   |
| Revenue   | 1,149,393                                   | 1,393,858                                   |
| Other income                                    | 3,329                                       | 3,323                                       |
| Finance income from project finance             | 6,361                                       | 6,564                                       |
| <b>Major shareholder and its affiliates</b>     |   |   |
| Revenue   | 11,667                                      | 23,086                                      |
| Other income                                    | -   | 9,203                                       |
| <b>Parent Company and its affiliates</b>        |   |   |
| Revenue   | 14,438                                      | -   |
| Cost incurred on projects under development (i) | 111,939                                     | -   |
| Cost incurred on projects under management (ii) | 1,707,034                                   | -   |
| Other costs                                     | 14,759                                      | -   |
| <b>Associates and joint ventures</b>            |   |   |
| Finance income from joint venture               | 5,649                                       | 5,649                                       |
| <b>Key management compensation</b>              |   |   |
| Salaries, bonuses and other benefits            | 24,716                                      | 14,295                                      |
| Post-employment benefits                        | 794   | 707   |
| Long term incentives                            | 7,817                                       | 8,669                                       |
| <b>Directors</b>                                |   |   |
| Directors' remuneration                         | 20,131                                      | 12,000                                      |

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

(ii) This represents costs incurred on the projects under management on behalf of Government of Abu Dhabi. These costs are off set against "advances from the Government of Abu Dhabi".

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

##### 24.3 Other balances and transactions with related parties:

(i) Outstanding borrowings as of 30 September 2022 AED 3,154,626 thousand (31 December 2021: AED 2,703,774 thousand) are due to the banks controlled by the Government of Abu Dhabi, parent company and major shareholder. Finance cost on these borrowings amounted to AED 63,579 thousand for the period ended 30 September 2022 (period ended 30 September 2021: AED 38,439 thousand).

(ii) Deposits and bank balances as of 30 September 2022 AED 5,850,817 thousand (31 December 2021: AED 5,666,299 thousand) are kept with banks controlled by the Government of Abu Dhabi, parent company and major shareholder. Finance income on these deposits amounted to AED 24,208 thousand for the period ended 30 September 2022 (period ended 30 September 2021: AED 5,495 thousand).

(iii) Letter of credits and bank guarantees issued through banks controlled by the Government of Abu Dhabi, parent company and major shareholder amounted to AED 477,484 thousand for the period ended 30 September 2022 (31 December 2021: AED 290,910 thousand).



## ALDAR PROPERTIES PJSC

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

#### 25 Commitments and contingencies

##### 25.1 Capital commitments

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

|                            | 30 September<br>2022<br>(unaudited)<br>AED'000 | 31 December<br>2021<br>(audited)<br>AED'000 |
|----------------------------|--|---|
| Projects under development | 6,036,303                                      | 1,814,665                                   |
| Projects under management  | 15,960,568                                     | 9,235,913                                   |
| Others                     | 103,963  | 93,446                                      |
|                            | <b>22,100,834</b>                              | <b>11,144,024</b>                           |

Projects under management represent remaining contractual amounts relating to projects managed by the Group, of which the related agreements with contractors were entered by and continued to be under the name of the Group on behalf of the Government of Abu Dhabi. This includes AED 15,700,343 thousand (31 December 2021: AED 8,746,856 thousand) of commitment of Aldar Projects LLC (a subsidiary of the Company) which will be funded in advance by the Government of Abu Dhabi. The above commitments are spread over a period of one to five years.

##### 25.2 Operating lease commitments

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

|                              | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|------------------------------|---|--|
| <b>The Group as a lessor</b> |   |  |
| Within one year              | 1,099,079                                   | 992,440                                  |
| One to five years            | 2,792,032                                   | 2,421,609                                |
| After five years             | 1,833,060                                   | 1,692,257                                |
|                              | <b>5,724,171</b>                            | <b>5,106,306</b>                         |

Set out below are the maturity analysis of lease liabilities:

|                              | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|------------------------------|---|--|
| <b>The Group as a lessee</b> |   |  |
| Within one year              | 44,723                                      | 51,124                                   |
| One to five years            | 220,957                                     | 161,410                                  |
| After five years             | 493,570                                     | 293,339                                  |
|                              | <b>759,250</b>                              | <b>505,873</b>                           |

|  | 9 months ended                              |   |
|--|---|---|
|  | 30 September 2022<br>(unaudited)<br>AED'000 | 30 September 2021<br>(unaudited)<br>AED'000 |
| <b>The Group as a lessee</b>   |   |   |
| Unwinding of interest expense on operating lease liabilities (note 21) | 11,525                                      | 10,594                                      |
| Expense relating to short-term leases                                  | 1,123                                       | -   |
|  | <b>12,648</b>                               | <b>10,594</b>                               |

The total cash outflow for leases amounted to AED 56,643 thousand (period ended 30 September 2021: AED 35,351 thousand).



## ALDAR PROPERTIES PJSC

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

#### 25 Commitments and contingencies (continued)

##### 25.3 Contingencies

|   | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|---|---|--|
| <b>Letters of credit and bank guarantees</b>                    |   |  |
| Issued by the Group   | 725,736                                     | 740,195                                  |
| Group's share in contingencies of joint ventures and associates | 2   | 2  |
|   | <b>725,738</b>                              | <b>740,197</b>                           |

Bank guarantees and letters of credit include AED 364,600 thousand (31 December 2021: AED 395,937 thousand) pertaining to a construction related subsidiary.

##### 25.4 Legal claim contingency

In January 2022, a previous supplier filed a claim against the Group relating to a contract that was signed in 2007. On 28 June 2022, the First Instance Court rejected the case filed by the supplier in its entirety, based on the opinion provided by a panel of court appointed experts. In July, the supplier filed an appeal which introduced no further substantive facts but challenged the experts' opinion. The Appeal Court re-appointed the same panel of court appointed experts to consider this challenge. At present, the panel of experts is due to issue a further opinion in early November 2022.

#### 26 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.

#### 27 Dividends

At the annual general meeting held on 11 April 2022, the shareholders approved distribution of cash dividends of AED 1,179,395 thousand for the year ended 31 December 2021, being 15 fils per share (for the year 2020: cash dividends of AED 1,140,082 thousand, being 14.5 fils per share), which was paid during the period.

#### 28 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    |                                |
|--|--------------------------------|--------------------------------|
|  | 2022<br>(unaudited)<br>AED'000 | 2021<br>(unaudited)<br>AED'000 |
| Transfer between investment properties and development work in progress (note 7) | 387,415                        | 449,572                        |
| Transfer between investment properties and PPE (note 7)                          | 57,850                         | 16,694                         |
| Exchange of investment in financial assets (note 9)                              | 72,786                         | -                              |



## ALDAR PROPERTIES PJSC

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

#### 29 Fair value of financial instruments

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

|  | 30 September 2022 (unaudited)    |                       | 31 December 2021 (audited)       |                       |
|--|----------------------------------|-----------------------|----------------------------------|-----------------------|
|  | Gross carrying amount<br>AED'000 | Fair value<br>AED'000 | Gross carrying amount<br>AED'000 | Fair value<br>AED'000 |
| <b>Financial liabilities at amortised cost</b> |                                  |                       |                                  |                       |
| <i>Non-convertible Sukuk</i>                   |                                  |                       |                                  |                       |
| Sukuk No. 1 (note 15)                          | 1,824,477                        | 1,814,250             | 1,842,615                        | 2,012,858             |
| Sukuk No. 2 (note 15)                          | 1,851,585                        | 1,715,231             | 1,835,236                        | 1,987,198             |
|  | <b>3,676,062</b>                 | <b>3,529,481</b>      | <b>3,677,851</b>                 | <b>4,000,056</b>      |

#### 30 Segment information

##### 30.1 Operating segments

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

##### *Aldar Development*

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

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

##### *Aldar Investment*

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

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

# ALDAR PROPERTIES PJSC



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

### 30.1 Operating segments

|  | Aldar Development                               |  |                                  | Aldar Investment                    |                                       |                      |                                     | Unallocated/<br>eliminations<br>AED'000 | Consolidated<br>AED'000 |
|--|---|--|----------------------------------|-------------------------------------|---------------------------------------|----------------------|-------------------------------------|---|-------------------------|
|  | Property<br>development<br>and sales<br>AED'000 | Project<br>management<br>services<br>AED'000 | Egypt<br>subsidiaries<br>AED'000 | Investment<br>properties<br>AED'000 | Hospitality<br>and leisure<br>AED'000 | Education<br>AED'000 | Principal<br>investment*<br>AED'000 |   |                         |
| <b>Nine months ended 30 September 2022 (unaudited)</b> |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| Revenue and rental income from external customers      |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| - Over a period of time                                | 1,986,758                                       | 894,550                                      | 65,917                           | -                                   | 214,989                               | 436,485              | 638,408                             | -                                       | 4,237,107               |
| - At a point in time                                   | 1,372,148                                       | 3,227  | 849,899                          | -                                   | 244,808                               | -                    | -                                   | -                                       | 2,470,082               |
| - Leasing  | -   | -  | 8,038                            | 1,350,758                           | -                                     | -                    | -                                   | -                                       | 1,358,796               |
| Inter-segments   | -   | 394  | -                                | 48,721                              | -                                     | -                    | 121,867                             | (170,982)                               | -                       |
| <b>Gross revenue (i)</b>                               | <b>3,358,906</b>                                | <b>898,171</b>                               | <b>923,854</b>                   | <b>1,399,479</b>                    | <b>459,797</b>                        | <b>436,485</b>       | <b>760,275</b>                      | <b>(170,982)</b>                        | <b>8,065,985</b>        |
| Cost of revenue excluding service charge               | (2,130,686)                                     | (520,518)                                    | (549,871)                        | (192,246)                           | (381,295)                             | (256,888)            | (601,193)                           | 115,699                                 | (4,516,998)             |
| Service charge expenses                                | -   | -  | -                                | (101,855)                           | -                                     | -                    | -                                   | -                                       | (101,855)               |
| <b>Gross profit</b>                                    | <b>1,228,220</b>                                | <b>377,653</b>                               | <b>373,983</b>                   | <b>1,105,378</b>                    | <b>78,502</b>                         | <b>179,597</b>       | <b>159,082</b>                      | <b>(55,283)</b>                         | <b>3,447,132</b>        |
| <b>Nine months ended 30 September 2021 (unaudited)</b> |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| 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                                   | 638,996   | 31,434                                       | -                                | -                                   | 130,916                               | -                    | -                                   | -                                       | 801,346                 |
| - Leasing  | -   | -  | -                                | 1,242,847                           | -                                     | -                    | -                                   | -                                       | 1,242,847               |
| Inter-segments   | -   | -  | -                                | 11,514                              | -                                     | 4,604                | 87,957                              | (104,075)                               | -                       |
| <b>Gross revenue (i)</b>                               | <b>2,682,068</b>                                | <b>1,108,369</b>                             | <b>-</b>                         | <b>1,254,361</b>                    | <b>248,715</b>                        | <b>400,296</b>       | <b>730,351</b>                      | <b>(104,075)</b>                        | <b>6,320,085</b>        |
| Cost of revenue excluding service charge               | (1,743,097)                                     | (783,534)                                    | -                                | (178,912)                           | (241,752)                             | (276,428)            | (658,232)                           | 88,231                                  | (3,793,724)             |
| Service charge expenses                                | -   | -  | -                                | (92,175)                            | -                                     | -                    | -                                   | -                                       | (92,175)                |
| <b>Gross profit</b>                                    | <b>938,971</b>                                  | <b>324,835</b>                               | <b>-</b>                         | <b>983,274</b>                      | <b>6,963</b>                          | <b>123,868</b>       | <b>72,119</b>                       | <b>(15,844)</b>                         | <b>2,434,186</b>        |

(i) Gross revenue of investment properties includes AED 101,855 thousand (period ended 30 September 2021 AED 92,715 thousand) of revenue from service charges and contingent rent of AED 38,252 thousand (period ended 30 September 2021: AED 24,411 thousand).

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



# ALDAR PROPERTIES PJSC



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

### 30 Segment information (continued)

#### 30.1 Operating segments (continued)

|  | Aldar Development                               |  |                                  | Aldar Investment                    |                                       |                      |                                     | Unallocated/<br>eliminations<br>AED'000 | Consolidated<br>AED'000 |
|--|---|--|----------------------------------|-------------------------------------|---------------------------------------|----------------------|-------------------------------------|---|-------------------------|
|  | Property<br>development<br>and sales<br>AED'000 | Project<br>management<br>services<br>AED'000 | Egypt<br>subsidiaries<br>AED'000 | Investment<br>properties<br>AED'000 | Hospitality<br>and leisure<br>AED'000 | Education<br>AED'000 | Principal<br>investments<br>AED'000 |   |                         |
| <b>Nine months ended 30 September 2022 (unaudited)</b> |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| <b>Gross profit</b>                                    | <b>1,228,220</b>                                | <b>377,653</b>                               | <b>373,983</b>                   | <b>1,105,378</b>                    | <b>78,502</b>                         | <b>179,597</b>       | <b>159,082</b>                      | <b>(55,283)</b>                         | <b>3,447,132</b>        |
| Selling and marketing expenses                         | (182,160)                                       | (446)  | (79,409)                         | (3,296)                             | (43)                                  | (3,623)              | (4,096)                             | (2,241)                                 | (275,314)               |
| General and administrative expenses                    | (281,752)                                       | (50,883)                                     | (113,166)                        | (159,034)                           | (141,949)                             | (98,920)             | (109,589)                           | (49,950)                                | (1,005,243)             |
| Gain on revaluation of investment properties           | -   | -  | -                                | 64,327                              | -                                     | -                    | -                                   | -                                       | 64,327                  |
| Gain on disposal of investment properties, net         | -   | -  | -                                | 22,888                              | -                                     | -                    | -                                   | -                                       | 22,888                  |
| Share of results of associates and joint ventures      | -   | -  | -                                | (6,274)                             | -                                     | -                    | -                                   | -                                       | (6,274)                 |
| Gain on bargain purchase                               | -   | -  | -                                | 9,104                               | -                                     | -                    | -                                   | -                                       | 9,104                   |
| Finance income   | 36,143  | 4,167  | 58,207                           | 59,606                              | 508                                   | 278                  | 99                                  | (26,168)                                | 132,840                 |
| Finance costs  | (9,811)   | (550)  | (34,894)                         | (245,243)                           | (6,984)                               | (3,568)              | (7,077)                             | 34,517                                  | (273,610)               |
| Other income   | 11,386  | 50   | 18,127                           | 13,000                              | -                                     | 171                  | 856                                 | 6,808                                   | 50,398                  |
| Income tax expense                                     | -   | -  | (35,917)                         | -                                   | -                                     | -                    | -                                   | -                                       | (35,917)                |
| <b>Profit for the period</b>                           | <b>802,026</b>                                  | <b>329,991</b>                               | <b>186,931</b>                   | <b>860,456</b>                      | <b>(69,966)</b>                       | <b>73,935</b>        | <b>39,275</b>                       | <b>(92,317)</b>                         | <b>2,130,331</b>        |
| <b>Nine months ended 30 September 2021 (unaudited)</b> |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| <b>Gross profit</b>                                    | <b>938,971</b>                                  | <b>324,835</b>                               | <b>-</b>                         | <b>983,274</b>                      | <b>6,963</b>                          | <b>123,868</b>       | <b>72,119</b>                       | <b>(15,844)</b>                         | <b>2,434,186</b>        |
| Selling and marketing expenses                         | (85,910)  | -  | -                                | (250)                               | -                                     | (3,623)              | (5,264)                             | (2,330)                                 | (97,377)                |
| General and administrative expenses                    | (262,901)                                       | (25,152)                                     | -                                | (89,390)                            | (104,374)                             | (42,311)             | (32,162)                            | (80,047)                                | (636,337)               |
| Loss on revaluation of investment properties, net      | -   | -  | -                                | (119,748)                           | -                                     | -                    | -                                   | -                                       | (119,748)               |
| Gain on disposal of investment properties              | -   | -  | -                                | 10,253                              | -                                     | -                    | -                                   | -                                       | 10,253                  |
| Share of results of associates and joint ventures      | -   | -  | -                                | (6,488)                             | -                                     | -                    | -                                   | -                                       | (6,488)                 |
| Gain on bargain purchase                               | -   | 99,469                                       | -                                | -                                   | -                                     | -                    | -                                   | -                                       | 99,469                  |
| Finance income   | 27,303  | -  | -                                | 2,330                               | -                                     | 1                    | 2                                   | 4,680                                   | 34,316                  |
| Finance costs  | (11,894)  | (348)  | -                                | (175,513)                           | (11,886)                              | (3,368)              | (2,270)                             | 5,683                                   | (199,596)               |
| Other income   | 12,697  | -  | -                                | 560                                 | 30                                    | -                    | 4,501                               | 2,319                                   | 20,107                  |
| <b>Profit for the period</b>                           | <b>618,266</b>                                  | <b>398,804</b>                               | <b>-</b>                         | <b>605,028</b>                      | <b>(109,267)</b>                      | <b>74,567</b>        | <b>36,926</b>                       | <b>(85,539)</b>                         | <b>1,538,785</b>        |

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

# ALDAR PROPERTIES PJSC



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

### 30 Segment information (continued)

#### 30.1 Operating segments (continued)

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

|   | Aldar Development                               |  |                                  | Aldar Investment                    |                                       |                      |                                     | Unallocated/<br>eliminations<br>AED'000 | Consolidated<br>AED'000 |
|---|---|--|----------------------------------|-------------------------------------|---------------------------------------|----------------------|-------------------------------------|---|-------------------------|
|   | Property<br>development<br>and sales<br>AED'000 | Project<br>management<br>services<br>AED'000 | Egypt<br>subsidiaries<br>AED'000 | Investment<br>properties<br>AED'000 | Hospitality<br>and leisure<br>AED'000 | Education<br>AED'000 | Principal<br>investments<br>AED'000 |   |                         |
| <b>As at 30 September 2022 (unaudited)</b>        |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| Total assets                                      | 8,599,411                                       | 4,879,861                                    | 5,358,858                        | 25,224,953                          | 3,946,153                             | 914,163              | 1,148,396                           | 8,037,494*                              | 58,109,289              |
| <b>Period ended 30 September 2022 (unaudited)</b> |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| Capital expenditures                              | 18,463  | 30,263                                       | 11,859                           | 266,818                             | 1,704,046                             | 82,989               | 42,667                              | 55,941                                  | 2,213,046               |
| Project expenditures                              | 1,763,768                                       | -  | 591,957                          | 5,752,750                           | -                                     | -                    | -                                   | -                                       | 8,108,475               |
| <b>As at 31 December 2021 (audited)</b>           |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| 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              |
| <b>Period ended 30 September 2021 (unaudited)</b> |   |  |                                  |                                     |                                       |                      |                                     |   |                         |
| Capital expenditures                              | 128   | 5,110  | -                                | 3,648                               | 10,705                                | 10,671               | 5,853                               | 18,839                                  | 54,954                  |
| Project expenditures                              | 1,507,885                                       | -  | -                                | 183,934                             | -                                     | -                    | -                                   | -                                       | 1,691,819               |

\*Unallocated total assets mainly pertain to cash and bank balances held under the corporate amounting to AED 6,852,454 thousand (31 December 2021: 4,179,296 thousand).

# ALDAR PROPERTIES PJSC



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

### 30 Segment information (continued)

#### 30.2 Geographical segments

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

|  | 9 months ended 30 September 2022 |                          |                  | 9 months ended 30 September 2021 |                          |                  |
|--|----------------------------------|--------------------------|------------------|----------------------------------|--------------------------|------------------|
|  | UAE<br>AED'000                   | International<br>AED'000 | Total<br>AED'000 | UAE<br>AED'000                   | International<br>AED'000 | Total<br>AED'000 |
| <b>Total assets as at 30 September 2022 and 31 December 2021</b> | 52,750,431                       | 5,358,858                | 58,109,289       | 43,145,668                       | 6,397,069                | 49,542,737       |
| <b>Consolidated statement of profit or loss (unaudited)</b>      |                                  |                          |                  |                                  |                          |                  |
| Revenue and rental income from external customers                |                                  |                          |                  |                                  |                          |                  |
| - Over a period of time  | 4,171,190                        | 65,917                   | 4,237,107        | 4,275,892                        | -                        | 4,275,892        |
| - At a point in time   | 1,620,183                        | 849,898                  | 2,470,081        | 801,346                          | -                        | 801,346          |
| - Leasing  | 1,350,758                        | 8,039                    | 1,358,797        | 1,242,847                        | -                        | 1,242,847        |
| <b>Gross revenue</b>   | <b>7,142,131</b>                 | <b>923,854</b>           | <b>8,065,985</b> | <b>6,320,085</b>                 |                          | <b>6,320,085</b> |
| Cost of revenue excluding service charge                         | (3,967,127)                      | (549,871)                | (4,516,998)      | (3,793,724)                      | -                        | (3,793,724)      |
| Service charge expenses  | (101,855)                        | -                        | (101,855)        | (92,175)                         | -                        | (92,175)         |
| <b>Gross profit</b>  | <b>3,073,149</b>                 | <b>373,983</b>           | <b>3,447,132</b> | <b>2,434,186</b>                 |                          | <b>2,434,186</b> |
| Selling and marketing expenses                                   | (195,905)                        | (79,409)                 | (275,314)        | (97,377)                         | -                        | (97,377)         |
| General and administrative expenses                              | (892,077)                        | (113,166)                | (1,005,243)      | (636,338)                        | -                        | (636,338)        |
| Gain/(loss) on revaluation of investment properties, net         | 64,327                           | -                        | 64,327           | (119,748)                        | -                        | (119,748)        |
| Gain on disposal of investment properties                        | 22,888                           | -                        | 22,888           | 10,253                           | -                        | 10,253           |
| Gain on bargain purchase   | 9,104                            | -                        | 9,104            | 99,469                           | -                        | 99,469           |
| Share of results of associates and joint ventures                | (6,274)                          | -                        | (6,274)          | (6,488)                          | -                        | (6,488)          |
| Finance income   | 74,633                           | 58,207                   | 132,840          | 34,316                           | -                        | 34,316           |
| Finance costs  | (238,716)                        | (34,894)                 | (273,610)        | (199,595)                        | -                        | (199,595)        |
| Other income   | 32,271                           | 18,127                   | 50,398           | 20,107                           | -                        | 20,107           |
| Income tax expense   | -                                | (35,917)                 | (35,917)         | -                                | -                        | -                |
| <b>Profit for the period</b>                                     | <b>1,943,400</b>                 | <b>186,931</b>           | <b>2,130,331</b> | <b>1,538,785</b>                 |                          | <b>1,538,785</b> |

## ALDAR PROPERTIES PJSC

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

#### 31 Business combinations

##### Acquisitions in 2022

##### 31.1 Al Shohub Private School LLC

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

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

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

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

|   | <u>AED’000</u>  |
|---|-----------------|
| Cash paid for the acquisition   | (65,084)        |
| Net cash acquired on business combination   | 1,821           |
| Net cash outflows on acquisition (included in cash flows from investing activities)     | (63,263)        |
| Transaction costs of the acquisition (included in cash flows from operating activities) | (845)           |
| <b>Net cash outflow on acquisition</b>  | <u>(64,108)</u> |

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

## ALDAR PROPERTIES PJSC

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

#### 31 Business combinations (continued)

##### Acquisitions in 2022 (continued)

##### 31.1 Al Shohub Private School LLC (continued)

Acquisition related costs amounted to AED 1,098 thousand were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Al Shohub contributed revenue of AED 7,491 thousand and net loss of AED 387 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 9,056 thousand and net loss would have been higher by AED 3,928 thousand. The net assets recognised in these consolidated financial statements were based on a provisional assessment of their fair values.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Al Shohub with Aldar Education group. Intangible assets acquired as part of business combination in the form of student relationship where the Al Shohub has a moderate retention rate, whereby the existing student body is expected to generate revenues over a prolonged period. As such, student relationship is a key revenue driver and are expected to be of value.

##### 31.2 Twafq Projects Development Property LLC

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

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

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

## ALDAR PROPERTIES PJSC

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

#### 31 Business combinations (continued)

##### Acquisitions in 2022 (continued)

#### 31.2 Twafq Projects Development Property LLC (continued)

##### Analysis of cashflow on acquisition

|   | <u>AED'000</u>          |
|---|-------------------------|
| Cash paid for the acquisition   | <b>(331,033)</b>        |
| Net cash acquired on business combination   | <b>31,946</b>           |
| Net cash outflows on acquisition (included in cash flows from investing activities)     | <b>(299,087)</b>        |
| Transaction costs of the acquisition (included in cash flows from operating activities) | <b>(1,807)</b>          |
| <b>Net cash outflow on acquisition</b>  | <b><u>(300,894)</u></b> |

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

Acquisition related costs amounted to AED 1,807 thousand were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Twafq contributed revenue of AED 30,447 thousand and net profit of AED 20,907 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 15,062 thousand and net profit would have been higher by AED 10,145 thousand. The net assets recognised in these consolidated financial statements were based on a provisional assessment of their fair values.

#### 31.3 Mace Macro Technical Services LLC

On 1 August 2022, Khidmah – Sole Proprietorship LLC (“Khidmah” a subsidiary of the Company) acquired 100% shares of Mace Macro Technical Services LLC (“Mace”) for a consideration of AED 4.4 million. Mace is incorporated in Dubai, UAE and is involved in facilities management services. Mace was acquired as part Khidmah plan to grow the facilities management business. The acquisition has been accounted for effective 1 August 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values. The acquisition has resulted in recognition of Gain on bargain purchase of AED 628 thousand and intangible assets (customer contracts, relationships and exclusivity contracts) of AED 4,343 thousand. As of 30 September 2022, AED 2,390 thousand is paid and the balance is payable. Cash acquired on acquisition amounted to AED 1,132 thousand.

#### 31.4 Pactive Sustainable Solutions LLC

On 1 August 2022, Khidmah acquired 100% shares of Pactive Sustainable Solutions LLC (“Pactive”) for a consideration of AED 10 million. Pactive is incorporated in Abu Dhabi, UAE and specializes in energy management, Energy performance contracts and buildings automation and control systems. Pactive was acquired as part of the Aldar Group plan and vision to work in and expand into the energy management services. The acquisition has been accounted for effective 1 August 2022 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values. The acquisition has resulted in recognition of goodwill amounting to AED 2,345 thousand and intangible assets (customer contracts and licensees) of AED 6,207 thousand. As of 30 September 2022, AED 6,844 thousand is paid and the balance is payable. Cash acquired on acquisition amounted to AED 185 thousand.



## ALDAR PROPERTIES PJSC

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

#### 31 Business combinations (continued)

##### Acquisitions in 2022 (continued)

##### 31.5 Spark Security Services

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

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

|   | <u>AED’000</u>   |
|---|------------------|
| <b>Assets</b>   |                  |
| Property, plant and equipment   | 12,756           |
| Intangible assets   | 27,948           |
| Inventories   | 485              |
| Trade and other receivables   | 99,126           |
| Cash and bank balances  | 17,072           |
| <b>Total assets</b>   | <u>157,387</u>   |
| <b>Liabilities</b>  |                  |
| Lease liabilities   | 1,426            |
| Employee benefits   | 36,977           |
| Trade and other payables  | 35,667           |
| <b>Total liabilities</b>  | <u>74,070</u>    |
| Total identifiable net assets at fair value   | 83,317           |
| Less: purchase consideration  | <u>(120,019)</u> |
| <b>Goodwill</b>   | <u>36,702</u>    |
| <b>Analysis of cashflow on acquisition</b>  |                  |
|   | <u>AED’000</u>   |
| Cash paid for the acquisition*  | -                |
| Net cash acquired on business combination   | <u>17,072</u>    |
| Net cash inflow on acquisition (included in cash flows from investing activities)       | 17,072           |
| Transaction costs of the acquisition (included in cash flows from operating activities) | <u>(2,459)</u>   |
| <b>Net cash inflow on acquisition</b>   | <u>14,613</u>    |

\* Subsequently on 3 October 2022, Khidmah paid AED 104,124 thousands to the seller, the remaining amount of AED 15,895 thousand is retained which is contingent on certain terms and conditions as per the agreement.





## ALDAR PROPERTIES PJSC

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

#### 31 Business combinations (continued)

##### Acquisitions in 2022 (continued)

##### 31.5 Spark Security Services (continued)

Acquisition related costs amounted to AED 2,459 thousand were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Spark contributed revenue of AED 21,775 thousand and net profit of AED 759 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 172,637 thousand and net profit would have been higher by AED 5,453 thousand. The net assets recognised in these consolidated financial statements were based on a provisional assessment of their fair values.

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

##### Acquisitions in 2021

##### 31.6 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 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 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:



## ALDAR PROPERTIES PJSC

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

### 31 Business combinations (continued)

#### Acquisitions in 2021 (continued)

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

Provisional fair values recognised on acquisition as at 31 December 2021

|   | <u>AED'000</u>   |
|---|------------------|
| <b>Assets</b>                               |                  |
| 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          |
| <b>Total assets</b>                         | <u>6,311,656</u> |
| <b>Liabilities</b>                          |                  |
| 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          |
| <b>Total liabilities</b>                    | <u>4,773,715</u> |
| Total identifiable net assets at fair value | 1,537,941        |
| Non-controlling interest                    | (626,473)        |
| <b>Group's share of net assets acquired</b> | <u>911,468</u>   |
| Purchase consideration                      | (996,881)        |
| <b>Goodwill</b>                             | <u>(85,413)</u>  |



## ALDAR PROPERTIES PJSC

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

#### 31 Business combinations (continued)

##### Acquisitions in 2021 (continued)

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

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

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

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

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

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

##### 31.7 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 PROPERTIES PJSC

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

### 31 Business combinations (continued)

#### Acquisitions in 2021 (continued)

##### 31.7 Aldar Projects LLC (continued)

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> |
|---|----------------|
| <b>Assets</b>                               |                |
| Property, plant and equipment               | 5,453          |
| Intangible assets *                         | 103,687        |
| Trade and other receivables                 | 537,776        |
| <b>Total assets</b>                         | <u>646,916</u> |
| <b>Liabilities</b>                          |                |
| Employees benefits                          | 1,076          |
| Trade and other payables                    | 538,426        |
| <b>Total liabilities</b>                    | <u>539,502</u> |
| Total identifiable net assets at fair value | 107,414        |
| Less: purchase consideration                | (7,945)        |
| <b>Bargain purchase gain</b>                | <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) | (5,666)         |
| <b>Net cash outflow on acquisition</b>  | <u>(13,611)</u> |



## ALDAR PROPERTIES PJSC

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

#### 31 Business combinations (continued)

##### Acquisitions in 2021 (continued)

##### 31.8 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>  |
|---|-----------------|
| <b>Assets</b>                               |                 |
| Property, plant and equipment               | 377             |
| Intangible assets*                          | 43,300          |
| Trade and other receivables                 | 19,734          |
| Cash and bank balances                      | 3,415           |
| <b>Total assets</b>                         | <u>66,826</u>   |
| <b>Liabilities</b>                          |                 |
| Employees benefits                          | 9,657           |
| Trade and other payables                    | 8,141           |
| <b>Total liabilities</b>                    | <u>17,798</u>   |
| Total identifiable net assets at fair value | 49,028          |
| Less: purchase consideration                | <u>(66,991)</u> |
| <b>Goodwill</b>                             | <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>    |
| <b>Net cash outflow on acquisition</b>  | <u>(55,217)</u> |



## ALDAR PROPERTIES PJSC

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

#### 32 Income tax

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

|   | 3 months ended                                 |  | 9 months ended                                 |  |
|---|--|--|--|--|
|   | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 | 30 September<br>2022<br>(unaudited)<br>AED'000 | 30 September<br>2021<br>(unaudited)<br>AED'000 |
| <b>Income taxes</b>   |  |  |  |  |
| Current income tax expense  | 15,479   | -  | 36,836   | -  |
| Tax expense on dividend   | 95   | -  | 95   | -  |
| Deferred income tax expense   | (3,876)  | -  | (1,014)  | -  |
| <b>Income tax expense recognised in statement of profit or loss</b> | <b>11,698</b>                                  | <b>-</b>                                       | <b>35,917</b>                                  | <b>-</b>                                       |

#### Deferred tax asset

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

|                                 | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|---------------------------------|---|--|
| <b>Deferred tax assets</b>      |   |  |
| Provisions                      | 20,359                                      | 27,895                                   |
| Carried forward tax losses      | 23,088                                      | 21,355                                   |
|                                 | <b>43,447</b>                               | <b>49,250</b>                            |
| <b>Deferred tax liabilities</b> |   |  |
| Foreign exchange translation    | (2,343)                                     | (1,383)                                  |
| Property, plant and equipment   | (935)                                       | (254)                                    |
| Others                          | (222)                                       | (245)                                    |
| <b>Net deferred tax assets</b>  | <b>39,947</b>                               | <b>47,368</b>                            |

#### Unrecognised deferred tax asset

|                                  | 30 September 2022<br>(unaudited)<br>AED'000 | 31 December 2021<br>(audited)<br>AED'000 |
|----------------------------------|---|--|
| Deductible temporary differences | 25,344                                      | 31,522                                   |
| Tax losses carried forward       | 3,194                                       | 4,508                                    |
|                                  | <b>28,538</b>                               | <b>36,030</b>                            |

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



## ALDAR PROPERTIES PJSC

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

#### 33 Foreign exchange translation reserve

|  | <b>30 September 2022</b><br><b>(unaudited)</b><br><b>AED'000</b> | 31 December 2021<br><b>(audited)</b><br><b>AED'000</b> |
|--|--|--|
| Balance at the beginning of the period/year                              | -  | -  |
| Exchange differences on translating the net assets of foreign operations | <b>330,089</b>   | -  |
| Relating to non-controlling interests                                    | <b>(132,498)</b>   | -  |
| Balance at the end of the period/year                                    | <b>197,591</b>   | -  |

#### 34 Cash flow hedging reserve

|   | <b>30 September 2022</b><br><b>(unaudited)</b><br><b>AED'000</b> | 31 December 2021<br><b>(audited)</b><br><b>AED'000</b> |
|---|--|--|
| Balance at the beginning of the period                                | <b>(422)</b>   | (31,054)   |
| Fair value gain on cash flow hedges arising during the period         | <b>192,505</b>   | 27,326   |
| Net gain/(loss) on hedging instruments reclassified to profit or loss | <b>5,171</b>   | 3,306  |
| Attributable to non-controlling interest                              | <b>(9,354)</b>   | -  |
| Balance at the end of the period                                      | <b>187,900</b>   | (422)  |

#### 35 Non-controlling interests

See below the major transactions during the period affecting the non-controlling interests:

##### *Movement in ownership in subsidiaries*

- 35.1 During the period, Aldar Investment Holding Restricted Limited (“AIHR” – a subsidiary of the Group and 100% shareholder of Aldar Investment Properties LLC “AIP”) entered into a subscription agreement with Apollo Gretel Investor, L.P. (“Apollo”) relating to AIHR, where Apollo subscribed to common equity of USD 100 million and preferred equity of USD 300 million of AIHR. The preferred equity will be mandatory convertible into fixed number of shares at the third anniversary of the closing date and will carry a fixed rate of interest. The above results in Aldar disposing 11.121% of its shareholding in AIHR for a total cash consideration of USD 400 million (1,469 million AED). The above transaction does not result in the Group’s loss of control over AIHR and hence is accounted for as an equity transaction. The difference between the amount by which the non-controlling interest is adjusted of AED1,568 million and the fair value of the consideration received of AED1,469 million is recognised in equity. The difference of AED 99 million represents approximately 0.75% ownership in AIHR. The ultimate beneficial owner of this 0.75% will be determined pursuant to terms of a side letter agreed with Apollo and based on the final status of Corporate Income tax in UAE when implemented. Consequently, this has resulted in the recognition of a financial asset and a financial liability which are reported net as the Company has a legally enforceable right to set off and it intends to settle the asset and liability simultaneously.

During the period, AIHR paid an interim preference dividend amounted to AED 7,093 thousand.





## ALDAR PROPERTIES PJSC

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

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

##### *Movement in ownership in subsidiaries (continued)*

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

|  | AED'000            |
|--|--------------------|
| Carrying amount of the interest disposed               | 1,568,081          |
| Consideration received                                 | <u>(1,469,000)</u> |
| Change in equity attributable to owners of the Company | <u>99,081</u>      |

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

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

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

Transaction related costs incurred for the issuance and disposal of class B shares amounted to AED 36,492 thousand adjusted against retained earnings.

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

#### 36 Events after the reporting period

36.1 Subsequent to the reporting period, during October 2022, Provis Owners Association Management Services LLC (“Provis OA” a subsidiary of the Group) signed an agreement for the sale and purchase of SAGA International Owners Association Management Services LLC and SAGA OA DMCC (“SAGA OAs”), entities incorporated in Dubai, UAE for an initial consideration of AED 37 million subject to adjustments as per the terms of the agreement. SAGA OAs are involved in property management services and was acquired as part of the plan of Provis to complement and expand its Owners Association portfolio. At the date of issuance of these consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

#### 37 Approval of condensed consolidated financial statements

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