

Aldar Investment Properties LLC

REVIEW REPORT AND INTERIM FINANCIAL INFORMATION

31 MARCH 2025

Aldar Investment Properties LLC

REVIEW REPORT AND INTERIM FINANCIAL INFORMATION

For the three-month period ended 31 March 2025

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF

ALDAR INVESTMENT PROPERTIES LLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Aldar Investment Properties LLC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2025, comprising of the interim consolidated statement of financial position as at 31 March 2025, and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with 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.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 February 2025. The accompanying interim condensed consolidated financial statements represent the first interim condensed consolidated financial statements prepared by the Group for three month period ended 31 March. Accordingly, the interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period ended 31 March 2024, were neither audited nor reviewed by an auditor and are presented for comparison purposes only.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.

For Ernst & Young



Ahmad Al Dali
Registration No 5548

26 May 2025
Abu Dhabi, United Arab Emirates

Aldar Investment Properties LLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
	Notes		
ASSETS			
Non-current assets			
Property and equipment	5	919	1,122
Investment properties	6	29,333,281	26,310,829
Derivative financial instruments	15	16,122	-
Deferred tax assets		8,397	7,053
Total non-current assets		29,358,719	26,319,004
Current assets			
Trade and other receivables	7	777,350	1,937,057
Cash and bank balances	8	242,773	477,543
Total current assets		1,020,123	2,414,600
Total assets		30,378,842	28,733,604
EQUITY AND LIABILITIES			
Equity			
Share capital		1	1
Capital contributions	11,18	11,730,240	11,683,924
Cash flow hedging reserve	9	148,459	153,051
Retained earnings		3,861,969	4,237,279
Equity attributable to owners of the Company		15,740,669	16,074,255
Hybrid equity instrument	10	1,815,646	1,815,646
Non-controlling interests	25	1,428,038	527,747
Total equity		18,984,353	18,417,648

Aldar Investment Properties LLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)


As at 31 March 2025

		31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
	Notes		
Non-current liabilities			
Non-convertible sukuk	12	7,292,355	5,430,839
Bank borrowings	12	1,480,372	1,594,893
Corporate loan	18	462,971	8,894
Lease liabilities	13	272,105	275,697
Employee benefits		27,464	29,418
Deferred tax liabilities		164,437	152,432
Derivative financial instrument	15	-	18,393
Total non-current liabilities		9,699,704	7,510,566
Current liabilities			
Non-convertible sukuk	12	102,951	1,430,324
Bank borrowings	12	2,106	939
Due to the Parent	18	74,074	63,582
Lease liabilities	13	96,342	39,004
Security deposits	14	364,055	338,452
Trade and other payables	16	973,245	897,327
Income tax payable	24	82,012	35,762
Total current liabilities		1,694,785	2,805,390
Total liabilities		11,394,489	10,315,956
Total equity and liabilities		30,378,842	28,733,604

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Jassem Saleh Busaibe
 Chief Executive Officer

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Christopher Wilson
 Chief Financial Officer

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

Aldar Investment Properties LLC

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three-month period ended 31 March 2025

	Notes	3 months ended 31 March	
		2025 (unaudited) AED'000	2024 (unaudited) AED'000
Revenue and rental income	20	674,222	551,584
Direct costs	20	(130,082)	(115,407)
Gross profit		544,140	436,177
<i>General and administrative expenses:</i>			
Staff costs		(28,644)	(28,949)
Depreciation expense	5	(263)	(252)
Provisions, impairments and write downs, net	7	(2,797)	(2)
Others	23	(15,487)	(16,783)
Gain on disposal of investment properties	6	5,531	58,448
Loss on revaluation of investment properties, net	6	(14,909)	(14,375)
Finance income		2,367	28,015
Finance costs	17	(128,672)	(125,533)
Other income		4,014	687
Profit for the period before tax		365,280	337,433
Income tax expense	24	(41,613)	(21,816)
Profit for the period after tax		323,667	315,617
Profit for the period attributable to:			
Owners of the Company		301,703	311,127
Non-controlling interests	25	21,964	4,490
		323,667	315,617

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

Aldar Investment Properties LLC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

		3 months ended 31 March	
		2025	2024
		(unaudited)	(unaudited)
		AED'000	AED'000
	Notes		
Profit for the period		323,667	315,617
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Cumulative loss arising on hedging instruments reclassified to profit or loss upon derecognition	9 & 17	(4,592)	(4,592)
Other comprehensive loss for the period		(4,592)	(4,592)
Total comprehensive income for the period		319,075	311,025
Total comprehensive income for the period attributable to:			
Owners of the Company		297,111	306,535
Non-controlling interests	25	21,964	4,490
		319,075	311,025

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

Aldar Investment Properties LLC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2025

	Share capital AED'000	Capital contributions AED'000	Cash flow hedging reserve AED'000	Retained earnings AED'000	Equity attributable to the Owners of the Company AED'000	Hybrid equity instrument AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2024 (audited)	1	11,674,407	171,418	2,996,174	14,842,000	1,815,646	402,676	17,060,322
Profit for the period	-	-	-	311,127	311,127	-	4,490	315,617
Other comprehensive loss for the period	-	-	(4,592)	-	(4,592)	-	-	(4,592)
Total comprehensive (loss)/income for the period	-	-	(4,592)	311,127	306,535	-	4,490	311,025
Dividends paid (note 26)	-	-	-	(654,295)	(654,295)	-	-	(654,295)
Coupon paid on hybrid equity instrument (note 10)	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Net movement in capital contributions during the period (note 11)	-	51,021	-	-	51,021	-	-	51,021
Balance at 31 March 2024 (unaudited)	1	11,725,428	166,826	2,601,361	14,493,616	1,815,646	407,166	16,716,428
Balance at 1 January 2025 (audited)	1	11,683,924	153,051	4,237,279	16,074,255	1,815,646	527,747	18,417,648
Profit for the period	-	-	-	301,703	301,703	-	21,964	323,667
Other comprehensive loss for the period	-	-	(4,592)	-	(4,592)	-	-	(4,592)
Total comprehensive (loss)/income for the period	-	-	(4,592)	301,703	297,111	-	21,964	319,075
Dividends paid (note 26)	-	-	-	(625,368)	(625,368)	-	-	(625,368)
Coupon paid on hybrid equity instrument (note 10)	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Non-controlling interest arising on asset acquisition (note 6(ii))	-	-	-	-	-	-	894,327	894,327
Net movement in capital contributions during the period (note 11)	-	46,316	-	-	46,316	-	-	46,316
Repayment of contribution to non-controlling interest (note 25)	-	-	-	-	-	-	(16,000)	(16,000)
Balance at 31 March 2025 (unaudited)	1	11,730,240	148,459	3,861,969	15,740,669	1,815,647	1,428,038	18,984,353

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

Aldar Investment Properties LLC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2025

	Notes	3 months ended 31 March	
		2025 (unaudited) AED'000	2024 (unaudited) AED'000
Operating activities			
Profit for the period before tax		365,280	337,433
<i>Adjustments for:</i>			
Depreciation	5	263	252
Loss on revaluation of investment properties, net	6	14,909	14,375
Provisions for expected credit loss	7	2,797	2
Gain on disposal of investment properties	6	(5,531)	(58,448)
Finance costs	17	128,672	125,533
Finance income		(2,367)	(28,015)
Provision for employee benefits		3,807	3,445
Other income		(4,014)	(687)
Operating cash flows before movement in working capital		503,816	393,890
Movement in working capital:			
(Increase)/decrease in trade and other receivables		(185,261)	37,916
Increase/(decrease) in due to the Parent		13,397	(49,118)
Increase in security deposits		25,603	6,899
Increase in trade and other payables		77,442	16,333
Cash generated from operating activities		434,997	405,920
Employee benefits paid		(8,666)	(7,256)
Net cash generated from operating activities		426,331	398,664
Cash flows from investing activities			
Payments for purchases of property and equipment	5	(60)	(27)
Additions to investment properties		(729,741)	(212,202)
Proceeds from disposal of investment properties	6	50,153	56,207
Finance income received		3,247	26,000
Net cash used in investing activities		(676,401)	(130,022)

Aldar Investment Properties LLC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the three-month period ended 31 March 2025

		3 months ended 31 March	
		2025 (unaudited) AED'000	2024 (unaudited) AED'000
	Notes		
Cash flows from financing activities			
Payment of lease liabilities	13	(65,677)	(15,083)
Proceeds from borrowings, net of transaction costs	12	1,034,500	300,000
Proceeds from non-convertible sukuku	12	1,825,944	-
Proceeds from corporate loan	18	835,000	-
Repayments of bank borrowings	12	(1,149,500)	(300,000)
Repayments of non-convertible sukuku	12	(1,380,872)	-
Repayments of corporate loan	18	(375,000)	(200,000)
Finance costs paid		(62,398)	(152,118)
Dividends paid	26	(625,368)	(654,295)
Coupon paid on hybrid equity investment	10	(51,645)	(51,645)
Net movement in capital contributions	11	46,316	51,021
Repayment of contribution to non-controlling interest	25	(16,000)	-
Net cash generated from/ (used in) financing activities		15,300	(1,022,120)
Net decrease in cash and cash equivalents		(234,770)	(753,478)
Cash and cash equivalents at beginning of the period		477,543	2,304,033
Cash and cash equivalents at end of the period	8	242,773	1,550,555
Non-cash transaction			
Exchange of assets classified as investment properties		-	56,800

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

1 General information

Aldar Investment Properties LLC (the “Company”) is a limited liability company incorporated in accordance with the UAE Federal Law No. (32) of 2021. The Company is controlled by Aldar Investment Holding Restricted Limited (the “Immediate Parent”), a restricted scope company incorporated in Abu Dhabi Global Market. The Immediate Parent is controlled by Aldar Properties PJSC (“Aldar” or the “Parent”), a company incorporated in Abu Dhabi, UAE and listed in Abu Dhabi Securities Exchange.

The Company is domiciled in the United Arab Emirates (UAE) and its registered office address is P.O. Box 51133, Abu Dhabi.

The Company and its subsidiaries (together, referred to as the “Group”) are involved in the management of real estate assets including offices, retail and residential units, warehousing, industrial and logistics complex which are the principal activities of the Group.

These interim condensed consolidated financial statements were approved by the Management and authorised for issue on 13 May 2025.

2 Basis of preparation

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting and the applicable requirements of the laws in the UAE.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2024. In addition, results for the three month period ended 31 March 2025 are not necessarily indicative of the results for the year ending 31 December 2025.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties, derivative financial instruments and shared-based payments which are stated at fair value.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED’000) except when otherwise indicated.

2 Basis of preparation (continued)

2.2 Basis for consolidation

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

2 Basis of preparation (continued)

2.2 Basis for consolidation (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3 Summary of material accounting policy information

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's financial statements.

4 Significant accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2024, except for the adoption of new standards and interpretations effective 1 January 2025.

5 Property and equipment

The movement during the period/year is as follows:

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Balance at the beginning of the period/year	1,122	1,848
Additions during the period/year	60	291
Depreciation charge for the period/year	(263)	(1,017)
	<u>919</u>	<u>1,122</u>
Balance at the end of the period/year	<u>919</u>	<u>1,122</u>

No impairment indicators were observed for any item of property and equipment during the period ended 31 March 2025.

6 Investment properties

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Balance at the beginning of the year	26,310,829	24,772,518
Additions during the period/year	3,081,983	1,040,922
Disposals during the period/year	(44,622)	(459,916)
Fair value (loss)/gain, net	(14,909)	957,305
	<u>29,333,281</u>	<u>26,310,829</u>
Balance at the end of the period/year	<u>29,333,281</u>	<u>26,310,829</u>

6 Investment properties (continued)

- (i) Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 411,914 thousand as at 31 March 2025 (31 December 2024: AED 300,513 thousand).
- (ii) During the period, the Group acquired 60% shares in Masdar Green REIT (CEIC) Limited (“MGR”), a limited liability company in Abu Dhabi Global Market (“ADGM”), for a total gross consideration of AED 1,341,491 thousand, while the remaining 40% shares have been retained by Masdar City Services LLC (“Masdar”), (a subsidiary of the major shareholder of the Parent – a related party) resulting in additions of AED 2,816,635 thousand in investment properties. The Group has control over and thus fully consolidates MGR in its consolidated financial statements. The acquisition also results in the recognition of AED 894,327 thousand non-controlling interest. MGR is a private company limited by shares incorporated in the Abu Dhabi Global Market (“ADGM”), Abu Dhabi, UAE and is involved in the ownership, management and leasing of various real estate assets located in Masdar City, Abu Dhabi comprised predominantly of offices and residential properties.

In accordance with the requirements of IFRS 3 Business Combinations, the above acquisition was accounted for as asset acquisition since substantially all the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets.

- (iii) During the period, the Group sold investment properties of AED 44,622 thousand (for the period ended 31 March 2024: AED 48,993 thousand) and realised a net gain of AED 5,531 thousand (for the period ended 31 March 2024: AED 7,214 thousand) that is recorded in interim consolidated statement of profit or loss under “gain on disposal of investment properties”.
- (iv) During the year 2024, the Group entered into a sale and purchase agreement to exchange a property with plots of land. The fair value of the plots of land received amounted to AED 180,400 thousand while the carrying values of the property were AED 123,600 thousand and cash consideration given were AED 5,565 thousand, resulting in a gain of AED 51,234 thousand which was recorded in the consolidated statement of profit or loss as “gain on disposal of investment properties”.
- (v) The Group recorded net fair value loss on revaluation of investment properties amounting to AED 14,909 thousand during the period (period ended 31 March 2024: AED 14,375 thousand).

Aldar Investment Properties LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

7 Trade and other receivables

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Trade receivables	537,634	501,711
Accrued income	11,553	23,763
Less: allowance for expected credit loss	(112,519)	(124,333)
	<u>436,668</u>	<u>401,141</u>
Advances and prepayments	192,103	1,491,331
Other receivables	148,579	44,585
	<u>777,350</u>	<u>1,937,057</u>

During the period, allowance for expected credit loss of AED 2,797 thousand (period ended 31 March 2024: AED 2 thousand) was made against trade receivables. Also, during the period, trade receivables along with their related allowance for expected credit loss amounting to AED 14,611 were written off (period ended 31 March 2024: AED 10,318 thousand).

8 Cash and bank balances

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Cash and bank balances	237,773	192,058
Short term deposits with original maturities of less than three months	5,000	285,485
	<u>242,773</u>	<u>477,543</u>

As at 31 March 2025, certain bank accounts are in the name of the Parent and held for the beneficial ownership of the Group.

The term deposits carry interest at 3.53% (31 December 2024: 4.30% to 4.63%) per annum.

All bank balances including fixed deposits are held with commercial banks in the United Arab Emirates.

9 Cash flow hedging reserve

This represents the effective portion of fair value movements of the interest rate swaps contracts that are designated by the Group as hedging instruments for cash flow hedges.

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Balance at the beginning of the period/year	153,051	171,418
Net gain on hedging instruments reclassified to profit or loss (note 17)	(4,592)	(18,367)
Balance at the end of the period/year	148,459	153,051

10 Hybrid equity instrument

During the year 2022, the Company issued USD 500 million (AED 1,836 million) Reset Subordinated Perpetual Notes (the "Notes") to an investor ("Noteholder") in two tranches.

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 the Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of IAS 32 *Financial Instruments: Presentation*.

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

During the period, the Group paid coupons amounting to AED 51,645 thousand (period ended 31 March 2024: AED 51,645 thousand).

Issuance period	Issued amount	Coupon rate
March 2022	USD 310.5 million (AED 1,140 million)	Fixed interest rate of 5.625% with a reset after 15 years
April 2022	USD 189.5 million (AED 696 million)	Fixed interest rate of 5.625% with a reset after 15 years

11 Capital contributions

Capital contributions mainly represent the net contribution/funding made by the Parent as a result of transfer of the Asset Management Business to the Group and transfer of properties. The amount is payable at the discretion of the Group and classified under equity. During the period, additional net capital contributions from the Parent amounted to AED 46,316 thousand (period ended 31 March 2024: AED 51,021 thousand).

12 Bank borrowings and non-convertible sukuk

	Current <1 year AED '000	Non-current >1 year AED '000	Total AED '000
<u>As at 31 March 2025 (unaudited)</u>			
Non-convertible sukuk	102,951	7,292,355	7,395,306
Bank borrowings	2,106	1,480,372	1,482,478
	<u>105,057</u>	<u>8,772,727</u>	<u>8,877,784</u>
<u>As at 31 December 2024 (audited)</u>			
Non-convertible sukuk	1,430,324	5,430,839	6,861,163
Bank borrowings	939	1,594,893	1,595,832
	<u>1,431,263</u>	<u>7,025,732</u>	<u>8,456,995</u>

As at 31 March 2025, the Group had AED 4,000,000 thousand of undrawn, committed term and revolving credit facilities in the form of bilateral agreements (31 December 2024: AED 4,385,000 thousand). Bank borrowings drawn during the period, net of transaction costs amounted to AED 1,034,500 thousand (31 March 2024: AED 300,000 thousand) and repaid during the period amounted to AED 1,149,500 thousand (31 March 2024: AED 300,000 thousand).

All the loans are priced at market rate.

During the year 2025, the Group initiated an early redemption of Sukuk No. 1, with original maturity in September 2025. During the period, Sukuk No. 1 having a carrying amount of AED 1,381,962 thousand was fully settled and cancelled at a price of 100.079 resulting in a loss of AED 1,090 thousand recognised as other costs in the interim consolidated statement of profit or loss.

During the period, Aldar Investment Properties Sukuk Limited (the "Issuer"), a subsidiary of the Group registered as an exempted company with limited liability under the laws of the Cayman Islands, issued a USD 500,000 thousand (AED 1,836,250 thousand) green sukuk as part of its USD 1,000,000 thousand (AED 3,672,500 thousand) Trust Certificate Issue Programme, established in 2023. Under this Programme, the Issuer is authorised to periodically issue trust certificates in series, with a total value of up to USD 2,000,000 thousand (AED 7,345,000 thousand). On 21 March 2025, the Issuer issued the third series of trust certificates "Sukuk 5", amounting to USD 500,000 thousand (AED 1,836,250 thousand) with a discount of USD 2,806 thousand (AED 10,306 thousand). This issuance, with a ten-year term, represents the Issuer's third green sukuk, following its inaugural USD 500,000 thousand (AED 1,836,250 thousand) sukuk issued in May 2023 and second USD 500,000 thousand (AED 1,836,250 thousand) green sukuk in May 2024. Sukuk 5 is listed on Euronext Dublin, and carries an annual profit rate of 5.25%, and is due for repayment in March 2035.

Consistent with Aldar's previous two green sukuk, the proceeds from this issuance will be allocated in accordance with Aldar's Green Finance Framework.

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For the three-month period ended 31 March 2025

12 Bank borrowings and non-convertible sukuku (continued)

The split of bank borrowings and non-convertible sukuku by location is:

	31 March 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Within UAE	1,482,478	1,595,832
Outside UAE	7,395,306	6,861,163
	8,877,784	8,456,995

13 Lease liabilities

	31 March 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Balance at the beginning of the period/year	314,701	339,954
Additions for the period/year	116,401	-
Payments made during the period/year	(65,677)	(38,355)
Finance cost for the period/year (note 17)	3,022	13,102
	368,447	314,701

Disclosed in the interim consolidated statement of financial position as follows:

	31 March 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Non-current	272,105	275,697
Current	96,342	39,004

13 Lease liabilities (continued)

The Group does not face a liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The following are the amounts recognised in the interim consolidated statement of profit or loss:

	3 months ended 31 March	
	2025	2024
	AED '000	AED '000
	(unaudited)	(unaudited)
Unwinding of finance cost on lease liabilities during the period (note 17)	3,022	3,247

14 Security deposits

As part of the lease arrangements, the Group receives refundable security deposits from tenants. These deposits are held as security and are refundable at the end of the lease term.

15 Derivative financial instruments

During the year 2024, the Group entered into a forward starting interest rate swap ("IRS") having notional value of USD 500,000 thousand (AED 1,836,250 thousand), under which fixed interest rate is received semi-annually and floating interest rate is paid semi-annually by the Group. The fair value movements on fixed leg of the swap is designated as a hedge of fair value movements in the Sukuk No. 4 attributable to movements in USD SOFR coupon curve.

During the period, the Group entered into a forward starting interest rate swap having notional value of USD 500,000 thousand (AED 1,836,250 thousand), under which fixed interest rate is received semi-annually and floating interest rate is paid semi-annually by the Group. The fair value movements on fixed leg of the swap is designated as a hedge of fair value movements in the 10-year Sukuk No. 5, attributable to movements in USD SOFR coupon curve.

The movement in derivative financial instruments is given below:

	31 March	31 December
	2025	2024
	AED '000	AED '000
	(unaudited)	(audited)
Balance at the beginning of the period/year	(18,393)	-
Net fair value changes (i)	34,515	(18,393)
Balance at the end of the period/year	16,122	(18,393)

15 Derivative financial instruments (continued)

Disclosed in the interim consolidated statement of financial position as follows:

	31 March 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Non-current liabilities	-	18,393
Non-current assets	16,122	-
Balance at the end of the period/year	16,122	18,393

- i) Net fair value changes of AED 16,122 thousand (31 December 2024: AED 18,393) are netted off against the non-convertible sukuk.

16 Trade and other payables

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Accrued expenses	289,826	277,015
Deferred income	184,045	148,482
Trade payables	123,582	92,032
Retention payables	48,358	48,400
Other payables	327,434	331,398
	973,245	897,327

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

Aldar Investment Properties LLC

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17 Finance costs

	3 months ended 31 March	
	2025 (unaudited) AED'000	2024 (unaudited) AED'000
Finance cost on bank borrowings, non-convertible sukuk and corporate loan	130,242	126,878
Unwinding of finance costs on lease liabilities (note 13)	3,022	3,247
	<hr/>	<hr/>
	133,264	130,125
Cumulative loss arising on hedging instruments reclassified to profit or loss upon derecognition (note 9)	(4,592)	(4,592)
	<hr/>	<hr/>
	128,672	125,533
	<hr/>	<hr/>

18 Transactions and balances with related parties

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*. These represent transactions with related parties, i.e. parent company, major shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and Board of Directors.

The Government of Abu Dhabi is an indirect major shareholder of the Parent 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.

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

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
The Parent		
Due to the Parent	74,074	63,582
Corporate loan	462,971	8,894
Capital contributions	11,730,240	11,683,924
Entities under common control (i)		
Trade and other receivables	2,489	13,652
Trade and other payables	6,957	18,612

18 Transactions and balances with related parties (continued)

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Government of Abu Dhabi		
Trade and other receivables	112,160	45,639
Bank borrowings	1,000,000	1,000,000
Bank deposits	234,585	369,324

Other related parties

Letter of credits and bank guarantees issued through a bank (a related party) as of 31 March 2025 amounted to AED 60,540 thousand (31 December 2024: AED 60,540 thousand).

Under the Facility Agreement executed on 2 September 2018, The Parent has provided a corporate loan facility of AED 3,000,000 thousand with a termination date at 7 years from the date of utilisation. The loan carries interest at 1% plus 3 month EIBOR. The Company has discretion to roll over the outstanding amounts under the Corporate Loan Facility and it does not require approval of the Parent if there is no event of default and that repeating representations continue to be made by the Company (which are also under control of the Company). Although the maturity of the loans as per the utilisation requests specify less than 12 months period, the Company intends to roll over the drawings under the Corporate Loan Facility at next maturity dates and at this point does not expect to repay any outstanding balances of Corporate Loan Facility as of 31 March 2025 for a period of at least 12 months. As at 31 March 2025, there were no events of default in occurrence and all the repeating representations as defined in the Corporate Loan facility remained valid. Accordingly, the entire outstanding amount of the Corporate Loan Facility as of 31 March 2025 is classified as non-current in the condensed consolidated statement of financial position.

Corporate loan drawn during the period amounted to AED 835,000 thousand (31 March 2024: nil) and repaid during the period amounted to AED 375,000 thousand (31 March 2024: AED 200,000 thousand).

The related party balances are unsecured and will be settled in cash. No guarantees have been given or received. No provision has been made for doubtful debts in respect of the amounts owned by related parties.

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

	3 months ended 31 March 2025 (unaudited) AED'000	2024 (unaudited) AED'000
The Parent		
Revenue and rental income	5,248	6,572
Finance costs	2,971	2,684
Cost recharged by the Parent (ii)	32,498	30,093
Cost recharged to the Parent (iii)	5,198	1,114
Entities under common control (i)		
Revenue and rental income	32,854	25,280
Direct costs	56,858	47,556

18 Transactions and balances with related parties (continued)

	3 months ended 31 March	
	2025 (unaudited) AED'000	2024 (unaudited) AED'000
Government of Abu Dhabi		
Revenue and rental income	92,523	97,743
Finance cost on bank borrowings	32,142	25,799
Finance income on bank deposits	131	3,577

Other related parties

During the period, the Group acquired certain assets and properties from a major shareholder of the Parent (note 6(ii)).

- (i) Entities under common control represent subsidiaries of the Parent.
- (ii) In 2022, the Parent and the Company entered into a Central Services – Service Level Agreement where the Group procures the services from the Parent and the service provider has agreed to provide those services in accordance with the terms of the agreement for a fee on a cost to company basis within agreed allocation methodology.
- (iii) In 2022, the Company has entered into an Asset and Investment Management Agreement (the “Asset Management Agreement”) with the Parent to provide asset management and reporting services.

19 Operating lease arrangements

The Group has leased out certain properties. The amounts of undiscounted committed future lease inflows are as follows:

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
<i>The Group as lessor (commitments)</i>		
Within one year	1,645,141	1,545,899
In the second to fifth year	3,998,073	3,782,903
After five years	2,281,188	2,077,140
	7,924,402	7,405,942

Set out below are the maturity analysis of lease liabilities:

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
<i>The Group as lessee</i>		
Within one year	99,807	39,754
In the second to fifth year	103,711	103,406
After five years	414,205	420,167
	617,723	563,327

20 Segment information**20.1 Operating segments**

For internal management reporting purposes, the individual investment properties are aggregated into segments with similar economic characteristics such as the nature of the property and the occupier market it serves. Management considers that this is best achieved with retail, residential, commercial and logistics investment properties operating segments.

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

- Residential – acquires and leases residential properties
- Retail – acquires and leases shopping malls, shopping centers and community retail spaces
- Commercial – acquires and leases offices
- Logistics – acquires and leases warehousing, industrial, and office complex

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

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment with allocation of finance income and finance costs. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.

Segment information about the Group's continuing operations for the three months ended 31 March 2025 (unaudited) is presented below:

	Residential AED'000	Retail AED'000	Commercial AED'000	Logistics AED'000	Total AED'000
Revenue from external customers					
Revenue and rental income (i)	178,098	210,287	265,284	20,553	674,222
Direct costs					
Cost of revenue excluding service charge	(26,306)	(27,348)	(16,055)	(2,378)	(72,087)
Service charge expenses	(3,881)	(26,980)	(27,134)	-	(57,995)
Gross profit	147,911	155,959	222,095	18,175	544,140
Staff costs	(6,105)	(12,039)	(9,403)	(1,097)	(28,644)
Depreciation and amortisation	-	-	-	(263)	(263)
Provisions, impairments and write-downs, net	(2,083)	(714)	-	-	(2,797)
General and administrative expenses - others	(4,005)	(5,608)	(5,606)	(268)	(15,487)
Gain on disposal of investment properties	5,531	-	-	-	5,531
Loss on revaluation of investment properties, net	(14,909)	-	-	-	(14,909)
Finance income	316	509	1,369	173	2,367
Finance costs	(34,225)	(42,579)	(50,161)	(1,707)	(128,672)
Other income	4,014	-	-	-	4,014
Income tax expense	(11,733)	(11,959)	(16,811)	(1,110)	(41,613)
Segment profit	84,712	83,569	141,483	13,903	323,667
Profit for the period					323,667

Aldar Investment Properties LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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20 Segment reporting (continued)

20.1 Operating segments (continued)

Segment information about the Group's continuing operations for the three months ended 31 March 2024 (unaudited) is presented below:

	Residential AED'000	Retail AED'000	Commercial AED'000	Logistics AED'000	Total AED'000
Revenue from external customers					
Revenue and rental income (i)	138,690	187,987	207,018	17,889	551,584
Direct costs					
Cost of revenue excluding service charge	(27,399)	(24,055)	(11,057)	(2,463)	(64,974)
Service charge expenses	-	(26,306)	(24,127)	-	(50,433)
Gross profit	111,291	137,626	171,834	15,426	436,177
Staff costs	(7,458)	(9,222)	(11,514)	(755)	(28,949)
Depreciation and amortisation	-	-	-	(252)	(252)
Provisions, impairments and write-downs, net	-	-	(2)	-	(2)
General and administrative expenses - others	(4,354)	(5,384)	(6,721)	(324)	(16,783)
Gain on disposal of investment properties	6,232	-	52,216	-	58,448
Loss on revaluation of investment properties, net	(14,375)	-	-	-	(14,375)
Finance income	6,729	11,081	10,145	60	28,015
Finance costs	(30,217)	(49,160)	(44,555)	(1,601)	(125,533)
Other income	-	-	7	680	687
Income tax expense	(4,198)	(5,252)	(10,589)	(1,777)	(21,816)
Segment profit	63,650	79,689	160,821	11,457	315,617
Profit for the period					315,617

(i) Revenue and rental income includes contingent rental income on investment properties of AED 14,404 thousand (period ended 31 March 2024: AED 13,451) and services charges of AED 57,995 thousand (period ended 31 March 2024: AED 13,451).

There are no sales between segments.

Aldar Investment Properties LLC

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20 Segment reporting (continued)

20.1 Operating segments (continued)

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

	Residential AED'000	Retail AED'000	Commercial AED'000	Logistics AED'000	Unallocated AED'000	Group AED'000
As at 31 March 2025 (unaudited)						
Assets	6,722,062	11,021,264	11,042,718	1,081,247	511,551	30,378,842
Period ended 31 March 2025 (unaudited)						
Capital expenditures	-	-	-	60	-	60
Project expenditures	1,255,357	173,795	1,531,887	120,226	718	3,081,983
As at 31 December 2024 (audited)						
Assets	5,493,401	10,883,402	9,359,255	970,215	2,027,331	28,733,604
Period ended 31 March 2024 (unaudited)						
Capital expenditures	-	-	-	27	-	27
Project expenditures	11,920	133,092	235,682	8,986	-	389,680

20.2 Geographical segments

The Group operated only in one geographical segment, i.e., United Arab Emirates.

Segment profit represents the profit earned by each segment after allocation of central administration, selling and marketing expenses, finance income and finance costs. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.

21 Seasonality of results

No significant income of a seasonal nature was recorded in the interim consolidated statement of profit or loss for the three-month period ended 31 March 2025 or 31 March 2024.

22 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 interim condensed consolidated financial statements approximate their fair values.

	31 March 2025		31 December 2024	
	(unaudited)		(audited)	
	Gross carrying amount	Fair value	Gross carrying amount	Fair value
	AED'000	AED'000	AED'000	AED'000
<i>Financial liabilities at amortised cost</i>				
Sukuk No.1	-	-	1,394,664	1,372,007
Sukuk No.2	1,859,506	1,754,849	1,841,234	1,731,670
Sukuk No.3	1,838,592	1,810,671	1,815,312	1,792,933
Sukuk No.4	1,874,594	1,889,575	1,809,953	1,866,824
Sukuk No.5	1,822,614	1,846,606	-	-
	7,395,306	7,301,702	6,861,163	6,763,434

The non-convertible sukuk are categorised under Level 1 in the fair value hierarchy.

23 Other general and administrative expenses

	3 months ended 31 March	
	2025	2024
	AED '000	AED '000
	(unaudited)	(unaudited)
Cost recharged by the Parent	13,480	12,002
Professional fees	777	4,153
Others	1,230	628
	15,487	16,783

24 Income tax

The Group recognised income tax expense based on management's estimate using the tax rate that would be applicable to the expected total annual earnings. Effective 1 January 2025, following the enactment of the UAE Domestic Minimum Top-up Tax ("DMTT"), the Group has recognised an additional top-up tax expense to ensure compliance with 15% global minimum effective tax rate. The Group falls within the scope of DMTT based on the applicable revenue threshold. The average annual effective tax rate (ETR) used for the period ended 31 March 2025 is 11.44%. The major components of income tax expense in the interim consolidated statement of profit or loss are:

	3 months ended 31 March	
	2025	2024
	AED '000	AED '000
	(unaudited)	(unaudited)
Current income tax*:		
Current income tax expense	30,952	21,245
Deferred income tax:		
Relating to origination and reversal of temporary differences	10,661	571
Income tax expense recognised in interim consolidated statement of profit or loss	41,613	21,816

* Current income tax expense for the period include an amount of AED 16,635 relating to DMTT (period ended 31 March 2024: AED nil).

The movement in the income tax payable is given below:

	31 March	31 December
	2025	2024
	(unaudited)	(audited)
	AED'000	AED'000
Balance at the beginning of the period/year	35,762	-
Charge for the period/year	30,952	35,762
Recognized as part of asset acquisition (note 6 (ii))	15,298	-
Balance at the end of the period/year	82,012	35,762

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25 Non-controlling interests

The table below shows the movement of non-controlling interest during the period / year:

	31 March 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Balance at the beginning of the period/year	527,747	402,676
Share of profit for the period/year	21,964	105,071
Non-controlling interest arising from asset acquisition (note 6ii)	894,327	-
(Repayment of) contribution (to)/from minority shareholder	(16,000)	20,000
Balance at the end of the period/year	1,428,038	527,747

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non- controlling interests		Profit allocated to non- controlling interests for the period/year		Accumulated non- controlling interests	
		31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
		%	%	AED' 000	AED' 000	AED' 000	AED' 000
Al Maryah Property Holdings Limited	UAE	40	40	5,436	88,945	334,666	345,230
Twafq Projects Development Property - Sole Proprietorship L.L.C	UAE	30	30	3,528	16,126	186,045	182,517
Masdar Green REIT (CEIC) Limited	UAE	40	-	13,000	-	907,327	-
				21,964	105,071	1,428,038	527,747

26 Dividends distribution

The Management in their meeting held on 25 February 2025, approved a cash dividend of AED 625,368 thousand for the year ended 31 December 2024 (2024: AED 654,295 thousand), which was paid during the period.