ALDAR INVESTMENT PROPERTIES LLC

Review report and interim financial information for the six-months period ended 30 June 2023

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF ALDAR INVESTMENT PROPERTIES LLC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aldar Investment Properties LLC (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2023 and the related condensed consolidated statement of profit or loss, comprehensive income, changes in equity and cash flows for the six-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Deloitte & Touche (M.E.)

Mohammad Khamees Al Tah
Registration No. 717
6 September 2023
Abu Dhabi
United Arab Emirates

Condensed consolidated statement of financial position as at 30 June 2023

	Notes	30 June 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	**2,285**	2,641
Investment properties	**6**	**24,092,776**	23,773,399
Derivative financial instruments	**15**	**2,598**	202,907
Total non-current assets		**24,097,659**	23,978,947
Current assets			
Trade and other receivables	**7**	**562,582**	736,901
Derivative financial instruments	**15**	**-**	4,138
Cash and bank balances	**8**	**2,349,823**	1,609,403
Total current assets		**2,912,405**	2,350,442
Total assets		**27,010,064**	26,329,389

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

Condensed consolidated statement of financial position as at 30 June 2023 (continued)

	Notes	**30 June 2023 (unaudited) AED '000**	31 December 2022 (audited) AED '000
EQUITY AND LIABILITIES			
Equity			
Share capital		**1**	1
Capital contributions	**11,18**	**11,702,177**	11,729,495
Cash flow hedging reserve	**9**	**179,468**	199,919
Retained earnings		**2,182,622**	2,041,042
Equity attributable to owners of the parent		**14,064,268**	13,970,457
Hybrid equity instrument	**10**	**1,815,646**	1,815,646
Non-controlling interests	**25**	**373,216**	352,751
Total equity		**16,253,130**	16,138,854
Non-current liabilities			
Non-convertible sukuk	**12**	**5,451,586**	3,644,812
Bank borrowings	**12**	**3,147,446**	3,406,189
Corporate loan	**18**	**652,008**	1,152,008
Lease liabilities	**13**	**279,975**	291,847
Employee benefits		**12,336**	11,980
Total non-current liabilities		**9,543,351**	8,506,836
Current liabilities			
Non-convertible sukuk	**12**	**46,098**	37,104
Bank borrowings	**12**	**45,129**	576,205
Due to the Parent	**18**	**26,454**	121,689
Lease liabilities	**13**	**35,045**	38,130
Advances and security deposits	**14**	**293,926**	271,923
Trade and other payables	**16**	**766,931**	638,648
Total current liabilities		**1,213,583**	1,683,699
Total liabilities		**10,756,934**	10,190,535
Total equity and liabilities		**27,010,064**	26,329,389

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Jassem Saleh Busaibe
Chief Executive Officer

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Christopher Wilson
Chief Financial Officer

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

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Condensed consolidated statement of profit or loss for the six-months period ended 30 June 2023

	Notes	6 months ended 30 June 2023 (unaudited) AED'000	2022 (unaudited) AED'000
Revenue and rental income	**20**	**1,057,662**	825,243
Direct costs	**20**	**(222,996)**	(180,002)
Gross profit		**834,666**	645,241
General and administrative expenses:			
Staff cost		**(55,005)**	(40,069)
Depreciation expense	**5**	**(526)**	(4,163)
Provisions and reversals of impairments	**7**	**(11,634)**	(4,737)
Others		**(36,734)**	(22,503)
Gain on disposal of investment properties	**6**	**8,090**	13,635
Fair value gain on investment properties, net	**6**	**231,296**	160,715
Finance income		**17,667**	8,538
Finance costs	**17**	**(224,811)**	(127,390)
Gain on bargain purchase	**24**	-	9,104
Other income		-	13,654
Profit for the period		**763,009**	652,025
Profit for the period attributable to:			
Owners of the Company		**758,544**	646,431
Non-controlling interests		**4,465**	5,594
		763,009	652,025

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

Condensed consolidated statement of comprehensive income for the six-months period ended 30 June 2023

	6 months ended 30 June	
	2023 (unaudited) AED'000	2022 (unaudited) AED'000
Profit for the period	**763,009**	652,025
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Fair value (loss)/gain arising on hedging instruments during the period classified under cash flow hedges (note 15)	**(20,785)**	121,051
Cumulative loss arising on hedging instruments reclassified to profit or loss upon derecognition (note 17)	**334**	3,396
Other comprehensive (loss)/income for the period	**(20,451)**	124,447
Total comprehensive income for the period	**742,558**	776,472
Total comprehensive income for the period attributable to:		
Owners of the Company	**738,093**	770,878
Non-controlling interests	**4,465**	5,594
	742,558	776,472

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

Condensed consolidated statement of changes in equity for the six-months period ended 30 June 2023

	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 2022 (audited)	1	10,030,533	(422)	1,446,217	11,476,329	-	-	11,476,329
Profit for the period	-	-	-	646,431	646,431	-	5,594	652,025
Other comprehensive income for the period	-	-	124,447	-	124,447	-	-	124,447
Total comprehensive income for the period	-	-	124,447	646,431	770,878	-	5,594	776,472
Dividends paid (note 26)	-	-	-	(621,000)	(621,000)	-	-	(621,000)
Hybrid equity instrument (note 10)	-	-	-	-	-	1,815,646	-	1,815,646
Additional capital contributions made during the period (note 11)	-	256,250	-	-	256,250	-	-	256,250
Non-controlling interest arising on a business combination (note 25)	-	-	-	-	-	-	141,871	141,871
Balance at 30 June 2022 (unaudited)	1	10,286,783	124,025	1,471,648	11,882,457	1,815,646	147,465	13,845,568
Balance at 1 January 2023 (audited)	1	11,729,495	199,919	2,041,042	13,970,457	1,815,646	352,751	16,138,854
Profit for the period	-	-	-	758,544	758,544	-	4,465	763,009
Other comprehensive income for the period	-	-	(20,451)	-	(20,451)	-	-	(20,451)
Total comprehensive income for the period	-	-	(20,451)	758,544	738,093	-	4,465	742,558
Dividends paid (note 26)	-	-	-	(565,319)	(565,319)	-	-	(565,319)
Coupon paid on hybrid equity instrument (note 10)			-	(51,645)	(51,645)	-	-	(51,645)
Net movement in capital contributions during the period (note 11)	-	(27,318)	-	-	(27,318)	-	-	(27,318)
Contribution from minority shareholder	-	-	-	-	-	-	16,000	16,000
Balance at 30 June 2023 (unaudited)	**1**	**11,702,177**	**179,468**	**2,182,622**	**14,064,268**	**1,815,646**	**373,216**	**16,253,130**

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

Condensed consolidated statement of cash flows for the six-months period ended 30 June 2023

	Notes	6 months ended 30 June 2023 (unaudited) AED'000	2022 (unaudited) AED'000
Operating activities			
Profit for the period		**763,009**	652,025
Adjustments for:			
Depreciation	**5**	**526**	4,163
Fair value gain on investment properties, net	**6**	**(231,296)**	(160,715)
Provisions for expected credit loss	**7**	**(8,400)**	4,737
Gain on disposal of investment properties	**6**	**(8,090)**	(13,635)
Finance costs	**17**	**224,811**	127,390
Finance income		**(17,667)**	(8,538)
Gain on business combination	**24**	**-**	(9,104)
Provision for employee benefits		**3,479**	8,809
Operating cash flows before movements in working capital		**726,372**	605,132
Movement in working capital:			
Decrease/(increase) in trade and other receivables		**271,607**	(73,585)
Decrease in due to the Parent		**(188,698)**	(158,418)
Increase in advances and security deposits		**22,004**	15,188
Increase in trade and other payables		**128,283**	23,436
Cash generated from operating activities		**959,568**	411,753
Employee benefits paid		**(3,124)**	(477)
Net cash generated from operating activities		**956,444**	411,276

Condensed consolidated statement of cash flows
for the six-months period ended 30 June 2023 (continued)

	Notes	6 months ended 30 June 2023 (unaudited) AED'000	2022 (unaudited) AED'000
Cash flows from investing activities			
Payments for purchases of property, plant and equipment	**5**	**(170)**	(1,271)
Additions to investment properties	**6**	**(141,754)**	(200,372)
Proceeds from disposal of investment properties	**6**	**61,763**	124,574
Acquisition of subsidiaries, net of cash acquired	**24**	**-**	(299,088)
Net movement in term deposits with original maturities greater than three months		**(367,250)**	(650,780)
Movement in restricted bank balances		**-**	(10,819)
Finance income received		**22,242**	3,406
Net cash used in investing activities		**(425,169)**	(1,034,350)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	**13**	**(14,957)**	(9,538)
Proceeds from borrowings, net of transaction costs	**12**	**2,150,000**	300,000
Proceeds from non-convertible sukuk	**12**	**1,813,213**	-
Proceeds from corporate loan from the Parent		**-**	859,258
Repayments of bank borrowings	**12**	**(2,924,626)**	(859,258)
Repayments of corporate loan to the Parent	**18**	**(500,000)**	(300,000)
Finance costs paid		**(237,115)**	(110,524)
Dividends paid	**26**	**(565,319)**	(621,000)
Issuance of hybrid equity instrument	**10**	**-**	1,815,646
Coupon paid on hybrid equity investment	**10**	**(51,645)**	-
Net movement in capital contributions	**11**	**(27,318)**	-
Additional contribution from non-controlling interests		**16,000**	-
Proceeds from settlement of derivatives	**15**	**183,662**	-
Net cash (used in)/generated from financing activities		**(158,105)**	1,074,584
Net increase/(decrease) in cash and cash equivalents		**373,170**	451,510
Cash and cash equivalents at beginning of the period	**8**	**1,609,403**	1,013,185
Cash and cash equivalents at end of the period	**8**	**1,982,573**	1,464,695

Notes to the condensed consolidated financial statements
for the six-months period ended 30 June 2023

1 General information

Aldar Investment Properties LLC (the "Company") is a limited liability company incorporated in accordance with the UAE Federal Law No. (2) of 2015. The Company is owned by Aldar Investment Holding Restricted Limited (the "Immediate Parent"), a restricted scope company incorporated in Abu Dhabi Global Market. Aldar Properties PJSC, a company incorporated in Abu Dhabi, UAE and listed in Abu Dhabi Securities Exchange, is the "Parent" of the Company. ("Aldar" or the "Parent").

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 management of real estate assets including offices, malls, warehousing, industrial, logistics and office complex which are the principal activities of the Group.

The Company has not purchased or invested in any shares during the year. Also, the Company has not made any social contribution during the period.

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

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

IFRS 17 - Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach.

The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

Notes to the condensed consolidated financial statements
for the six-months period ended 30 June 2023 (continued)

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

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements (continued)

IFRS 17 - Insurance Contracts (continued)

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9-Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

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

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements (continued)

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error;
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities;
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.
- The cumulative effect of initially applying the amendments as an adjustment to the` opening balance of retained earnings (or other component of equity, as appropriate) at that date.

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

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements (continued)

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 *Insurance Contracts* from applying IFRS 9 *Financial Instruments*, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments in International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) are:

- An exception to the requirements in IAS 12 that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes. An entity has to disclose that it has applied the exception.
- A disclosure requirement that an entity has to disclose separately its current tax expense (income) related to pillar two income taxes.
- A disclosure requirement that state that in periods in which pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity’s exposure to pillar two income taxes arising from that legislation.

The requirement that an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

Notes to the condensed consolidated financial statements
for the six-months period ended 30 June 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.	Effective date not yet decided
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1) The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	1 January 2024

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

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	**Effective for annual periods beginning on or after**
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments supplement requirements already in IFRS Accounting Standards and require an entity to disclose:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

The above stated new standards and amendments are not expected to have any significant impact on the condensed consolidated financial statements of the Group. There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the condensed consolidated financial statements of the Group.

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" (IAS 34)*.

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 2022. In addition, results for the six-months period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Notes to the condensed consolidated financial statements
for the six-months period ended 30 June 2023 (continued)

3 Summary of significant accounting policies (continued)

3.2 Basis of preparation

These condensed consolidated financial statements are presented in UAE Dirhams ("AED") which is the 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 2022, except for the adoption of new standards and interpretations effective 1 January 2023.

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 2022, except for the adoption of new standards and interpretations effective 1 January 2023.

Notes to the condensed consolidated financial statements
for the six-months period ended 30 June 2023 (continued)

5 Property, plant and equipment

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	**2,641**	20,338
Additions during the period/year	**170**	2,147
Recognised as part of business combination (note 24)	**-**	2,447
Depreciation charge for the period/year	**(526)**	(7,262)
Impairment for the period/year	**-**	(13,399)
Transfer from investment properties (note 6)	**-**	(1,630)
Balance at the end of the period/year	**2,285**	2,641

6 Investment properties

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	**23,773,399**	17,321,070
Additions during the period/year	**141,754**	5,636,744
Recognised as part of business combination (note 24)	**-**	697,529
Disposals	**(53,673)**	(221,153)
Fair value gain/(loss), net	**231,296**	337,579
Transfer to property, plant and equipment (note 5)	**-**	1,630
Balance at the end of the period/year	**24,092,776**	23,773,399

(i) Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 316,851 thousand as at 30 June 2023 (31 December 2022: AED 326,013 thousand).

(ii) During the period, the Group sold investment properties of AED 53,673 thousand (for the period ended 30 June 2022: AED 110,939 thousand) and realised a net gain of AED 8,090 thousand (for the period ended 30 June 2022: AED 13,635 thousand) that is recorded in condensed consolidated statement of profit or loss under "Gain on disposal of investment properties".

Notes to the condensed consolidated financial statements
for the six-months period ended 30 June 2023 (continued)

6 Investment properties (continued)

(iii) The Group recorded net fair value gain amounting to AED 231,296 thousand (30 June 2022: net fair value gain amounting to AED 160,715 thousand).

(iv) The Group conducted sensitivity analysis on the capitalisation rates and rental rates for the major investment properties on which net fair value gain was recognised as of 30 June 2023. Based on this sensitivity analysis:

- A decrease in the capitalisation rates by 50bps would result in AED 1,002,005 thousand (30 June 2022:AED 687,332 thousand) increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 875,319 thousand (30 June 2022: AED 603,633 thousand) decrease in the valuation of those properties; and

- An increase in the rental rates by 10% would result in AED 1,258,613 thousand (30 June 2022: AED 972,003 thousand) increase in the valuation, whilst a decrease in the rental rates by 10% would result in AED 1,258,717 (30 June 2022: AED 971,480 thousand) thousand decrease in the valuation of those properties.

7 Trade and other receivables

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Trade receivables	**547,833**	645,645
Accrued income	**25,398**	59,107
Less: allowance for expected credit loss	**(132,779)**	(141,179)
	440,452	563,573
Advances and prepayments	**92,298**	85,821
Other receivables	**29,832**	87,507
	562,582	736,901

(i) During the period, allowance for expected credit loss of AED 11,634 thousand (30 June 2022: AED 4,737 thousand) was made against trade and other receivables and trade and other receivables amounting to AED 20,034 thousand were written off against allowance (30 June 2022: AED 2,709 thousand).

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

8 Cash and bank balances

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Cash and bank balances	**281,067**	302,308
Short term deposits with banks	**2,068,756**	1,307,095
Cash and cash equivalents	**2,349,823**	1,609,403
Short term deposits with original maturities greater than three months	**(367,250)**	-
Cash and cash equivalents	**1,982,573**	1,609,403

As at 30 June 2023, certain bank accounts are in the name of the Parent.

The interest rate on term deposits during the period is 5.15% to 5.50% (31 December 2022: between 4.5% to 5.169%) per annum. All bank balances and deposits are held with local banks in the United Arab Emirates.

9 Cash flow hedging reserve

This represent 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 (note 15).

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	**199,919**	(422)
Fair value (loss)/gain on cash flow hedges arising during the period/year	**(20,785)**	193,394
Net loss on hedging instruments reclassified to profit or loss during the period/year	**334**	6,947
Balance at the end of the period/year	**179,468**	199,919

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

10 Hybrid equity instrument

During the year 2022, the Group issued USD 500 million (AED 1,836 million) Reset Subordinated Perpetual Notes (the "Notes") to an investor ("Noteholder") in two tranches. The first tranche amounting to USD 310.5 million was received during March 2022 while the second tranche amounting to USD 189.5 million was received in April 2022.

As per the terms of the agreement, the Notes do not have any maturity date and the Group may elect at its sole discretion not to pay interest on the Notes and Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of IAS 32 *Financial Instruments: Presentation*. Transaction costs amounting to AED 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 (Dec 2022: AED 51,645 thousand).

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 696 million)	Fixed interest rate with a reset after 15 years

11 Capital contributions

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Balance at the beginning of the period/year	**11,729,495**	10,030,533
Transfer of properties and related working capital (note 18)	**-**	256,250
Other movements	**(27,318)**	1,442,712
Balance at the end of the period/year	**11,702,177**	11,729,495

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.

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

12 Non-convertible sukuk and bank borrowings

	Non-convertible sukuk		Bank borrowings	
	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000	**30 June 2023 (unaudited) AED'000**	31 December 2022 (audited) AED'000
Non-current				
More than one year	**5,451,586**	3,644,812	**3,147,446**	3,406,189
Current				
Within one year	**46,098**	37,104	**45,129**	576,205
	5,497,684	3,681,916	**3,192,575**	3,982,394

As at 30 June 2023, the Group had AED 3,030,500 thousand of undrawn, committed term and revolving credit facilities in the form of bilateral agreements (31 December 2022: AED 1,350,500 thousand). Bank borrowings and sukuk drawn during the period amounted to AED 3,963,213 thousand (30 June 2022: AED 300,000 thousand) and repaid during the period amounted to AED 2,924,626 thousand (30 June 2022: AED 859,258 thousand).

During the period ended 30 June 2023, Aldar Investment Properties Sukuk Limited (the "Issuer"), an exempted company incorporated with limited liability under the laws of the Cayman Islands and a wholly owned subsidiary of the Group, has established a trust certificate issuance programme (the "Programme") pursuant to which the Issuer may issue from time to time up to USD 2,000,000 thousands of trust certificates in series. On 17 May 2023, the Issuer had issued the first series of the trust certificates (the "Sukuk 3") amounting to USD 500,000 thousands (AED 1,836 thousands) under the Programme. The Sukuk 3 is listed on Euronext Dublin, carries a profit rate of 4.875% per annum and is due for repayment in May 2033. An amount equivalent to the net proceeds of the Sukuk 3 will be allocated to finance, refinance and/or invest, in whole or in part, certain "Eligible Green Projects", as set out in the Green Framework, which specifies certain eligibility criteria for Eligible Green Projects. In addition, Aldar has appointed an independent firm to assess the validity of the Green Framework and its alignment with the Green Bond Principles 2021.

During the period ended 30 June 2023, the Company signed an Islamic revolving credit facility of AED 500 million with a repayment period extendable up to a maximum of 6 years which was fully utilised in June 2023.

Further the Company also signed a new Sustainability Target linked Term loan of AED 500 million in June 2023 with a repayment period extendable up to a maximum of 7 years. This loan was not utilised as of June 2023.

All the loans are priced at market rate.

Certain bank borrowings carry a net worth covenant and are secured in the form of mortgage over operating assets under investment properties having fair value of AED 1,078,871 thousand (31 December 2022: AED 2,917,400 thousand).

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

13 Lease liabilities

	30 June 2023 AED '000 (unaudited)	31 December 2022 AED '000 (audited)
Balance at the beginning of the period/year	**329,977**	220,974
Acquired as part of business combination (note 24)	**-**	133,439
Payments made during the period/year	**(21,553)**	(37,410)
Finance cost for the period/year	**6,596**	12,974
Balance at the end of the period/year	**315,020**	329,977

Analysed as:

	30 June 2023 AED '000 (unaudited)	31 December 2022 AED '000 (audited)
Non-current	**279,975**	291,847
Current	**35,045**	38,130

The Group does not face a liquidity risk with regard to its lease liabilities.

The following are the amounts recognised in profit or loss:

	30 June 2023 AED '000 (unaudited)	30 June 2022 AED '000 (unaudited)
Unwinding of interest expense on lease liabilities during the year (note 17)	**6,596**	5,887

The Group had total cash outflows for principal portion of lease of AED 14,957 thousand and finance cost of AED 6,596 thousand (June 2022: principal portion of lease AED 9,538 thousand and finance cost of AED 5,887 thousand). The Group did not have major non-cash additions to right-of-use assets and lease liabilities during 2023 and 2022.

14 Advances and security deposits

Advances and security deposits represent mainly instalments collected from customers for security deposits.

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

15 Derivative financial instruments

The Group entered into 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:

	30 June 2023 AED '000 (unaudited)	31 December 2022 AED '000 (audited)
Balance at the beginning of the period/year	**207,045**	13,651
Net fair value changes	**(20,785)**	193,394
Realised during the period/year*	**(183,662)**	-
Balance at the end of the period/year	**2,598**	207,045

Disclosed as:

Non-current assets	**2,598**	202,907
Current assets	**-**	4,138
Balance at the end of the period/year	**2,598**	207,045

*During the prior periods, the Group entered into forward starting interest rate swap contracts with a notional amount of USD 350,000 thousand (AED 1,285,375 thousand) to manage the potential interest rate risk of a forecasted debt capital markets transaction. During the period, the Group early terminated these forward starting interest rate swaps and received an amount of USD 50,010 thousand (AED 183,662 thousand).

16 Trade and other payables

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Trade payables	**84,419**	66,312
Accrued expenses	**371,742**	339,975
Deferred income	**121,239**	57,390
Retention payable	**25,076**	26,463
Other payables	**164,455**	148,508
	766,931	638,648

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

17 Finance costs

	6 months ended 30 June	
	2023 (unaudited) AED'000	2022 (unaudited) AED'000
Finance cost on bank borrowings, non-convertible sukuk and corporate loan from the Parent	**217,881**	118,107
Finance costs on lease liabilities (note 13)	**6,596**	5,887
	224,477	123,994
Cumulative loss arising on hedging instruments reclassified to profit or loss upon derecognition (Note 9)	**334**	3,396
	224,811	127,390

18 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, Immediate Parent, major shareholders of the Parent, associated companies, directors, key management personnel of the Parent and Immediate Parent its affiliates and related entities. The terms of related party transactions are approved by the Management. Government of Abu Dhabi is an indirect major shareholder of the Parent. The balances and transactions disclosed below with reference to Government of Abu Dhabi also include the entities controlled by Government of Abu Dhabi.

Related party balances:

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
The Parent		
Due to the Parent	**26,454**	121,689
Corporate loan	**652,008**	1,152,008
Capital contributions	**11,702,177**	11,729,495
Other related parties (i)		
Trade and other receivables	**13,670**	32,850
Trade and other payables	**23,885**	11,139
Government of Abu Dhabi:		
Trade and other receivables	**59,801**	81,355

18 Transactions and balances with related parties (continued)

Outstanding bank borrowings as of 30 June 2023 amounting to AED 1,400,000 thousand (31 December 2022: AED 2,580,000 thousand) are due to banks ultimately controlled by the Government of Abu Dhabi. Finance cost on these bank borrowings amounted to AED 51,679 thousand for the period ended 30 June 2023 (period ended 30 June 2022: AED 15,630 thousand).

Deposits and bank balances as of 30 June 2023 amounting to AED 366,921 thousand (31 December 2022: AED 296,185 thousand) are kept with banks ultimately controlled by the Government of Abu Dhabi. Finance income on these deposits amounted to AED 3,593 thousand for the period ended 30 June 2023 (30 June 2022: AED 405 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 expects to repay any outstanding balances of Corporate Loan Facility as of 30 June 2023 for a period of at least 12 months. As at 30 June 2023 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 30 June 2023 is classified as non-current in the condensed consolidated statement of financial position.

Corporate loan drawn during the period amounted to AED Nil thousand (30 June 2022: AED 859,258 thousand) and repaid during the period amounted to AED 500,000 (30 June 2022: AED 300,000 thousand). The amounts outstanding 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.

Transactions with related parties:

	6 months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	AED'000	AED'000
The Parent		
Revenue and rental income	**9,391**	13,583
Finance costs	**(35,480)**	(18,029)
Cost recharged by the Parent (ii)	**49,883**	37,551
Cost recharged to the Parent (iii)	**10,032**	10,186
Contribution made during the period (iv)	**-**	256,250

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

18 Transactions and balances with related parties (continued)

Transactions with related parties:

	6 months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	AED'000	AED'000
Other related parties (i)		
Revenue and rental income	**50,709**	44,423
Direct costs	**(95,277)**	(69,921)
Cost recharged by other related parties	**3,243**	2,408
Government of Abu Dhabi		
Revenue and rental income	**203,582**	156,074

(i) Other related parties 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.

(iv) In 2022, 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. These were recorded against additional capital contributions amounting to AED 256,250 thousand from the Parent (note 11) and remaining amount was financed through corporate loan facility amounting to AED 153,750 thousand.

19 Operating lease arrangements

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

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
The Group as lessor (commitments)		
Within one year	**1,420,355**	1,318,883
In the second to fifth year	**3,579,425**	3,330,938
After five years	**1,931,719**	1,966,713
	6,931,499	6,616,534

Set out below are the maturity analysis of lease liabilities:

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
The Group as lessee		
Within one year	**22,445**	38,130
In the second to fifth year	**118,679**	146,291
After five years	**341,771**	346,878
	482,895	531,299

	6 months ended 30 June	
	2023 (unaudited) AED'000	2022 (unaudited) AED'000
The Group as lessee		
Unwinding of interest expense during the period on lease liabilities (note 17)	**6,596**	5,887
Payments made against lease liabilities	**21,553**	15,425

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

20 Segment information

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 and 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 and residential / commercial retail spaces
- Commercial – acquires and leases offices
- Logistics - warehousing, industrial, and office complex

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Management, considered to be the Chief Operating Decision Maker. The Management 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. This is the measure used by the management for the purposes of resource allocation and assessment of segment performance.

Segment information about the Group's continuing operations for the six months ended 30 June 2023 (unaudited) is presented below:

	Residential AED'000	Retail AED'000	Commercial AED'000	Logistics AED'000	Total AED'000
Revenue					
Revenue and rental income (i)	291,658	356,439	379,355	30,210	**1,057,662**
Direct costs					
Cost of revenue excluding service charge	(51,997)	(45,245)	(26,690)	(3,243)	**(127,175)**
Service charge expenses	-	(53,489)	(42,332)	-	**(95,821)**
Gross profit	239,661	257,705	310,333	26,967	**834,666**
Depreciation and amortisation	-	-	-	(526)	**(526)**
Provisions, impairments and write-downs, net	(3,263)	(8,271)	(100)	-	**(11,634)**
Staff costs	(15,943)	(17,143)	(20,644)	(1,275)	**(55,005)**
Others	(10,766)	(11,575)	(13,939)	(454)	**(36,734)**
Fair value (loss)/gain on investment properties, net	(64,299)	12,604	282,991	-	**231,296**
Gain on disposal of investment properties	8,090	-	-	-	**8,090**
Finance income	4,548	6,744	6,203	172	**17,667**
Finance costs	(56,844)	(84,277)	(79,375)	(4,315)	**(224,811)**
Segment profit	101,184	155,787	485,469	20,569	**763,009**
Profit for the period					**763,009**

(i) Gross revenue of investment properties includes AED 95,821 thousand of revenue from service charges and contingent rent of AED 21,786 thousand.

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

20 Segment reporting (continued)

20.1 Business segments (continued)

Segment information about the Group's continuing operations for the six months ended 30 June 2022 (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)	292,147	343,355	174,761	14,980	825,243
Direct costs					
Cost of revenue excluding service charge	(53,965)	(45,584)	(16,351)	(2,461)	(118,361)
Service charge expenses	-	(51,996)	(9,645)	-	(61,641)
Gross profit	238,182	245,775	148,765	12,519	645,241
Depreciation and amortisation	(1,831)	(1,258)	(985)	(89)	(4,163)
Provisions, impairments and write-downs, net	-	(1,966)	-	-	(1,966)
Staff costs	(15,083)	(15,564)	(9,422)	-	(40,069)
Others	(8,471)	(8,741)	(5,291)	-	(22,503)
Fair value (loss)/gain on investment properties, net	(1,971)	133,003	30,518	(835)	160,715
Gain on disposal of investment properties	12,907	-	728	-	13,635
Finance income	2,921	4,076	1,541	-	8,538
Finance costs	(43,748)	(58,922)	(22,666)	(2,054)	(127,390)
Segment profit	182,906	296,403	143,188	9,541	632,038
Provisions, impairments and write-downs, net					(2,771)
Gain on bargain purchase (note 24)					9,104
Other income					13,654
Profit for the period					652,025

(i) Gross revenue of investment properties includes AED 61,641 thousand of revenue from service charges and contingent rent of AED 26,560 thousand.

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

20 Segment reporting (continued)

20.1 Business segments (continued)

The segment assets and liabilities 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 30 June 2023 (unaudited)						
Assets	**5,879,315**	**9,358,868**	**9,334,665**	**807,779**	**1,629,437**	**27,010,064**
Period ended 30 June 2023 (unaudited)						
Capital expenditures	**-**	**-**	**-**	**170**	**-**	**170**
Project expenditures	**18,614**	**99,713**	**22,964**	**463**	**-**	**141,754**
As at 31 December 2022 (audited)						
Assets	6,005,174	9,236,207	8,692,717	783,671	1,611,620	26,329,389
Period ended 30 June 2022 (unaudited)						
Capital expenditures	566	-	-	706	-	1,272
Project expenditures	20,460	585,274	4,638	-	-	610,372

20.2 Geographical segments

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

21 Seasonality of results

No significant income of a seasonal nature was recorded in the condensed consolidated income statement for the six-months period ended 30 June 2023.

22 Non-cash transactions

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

	6 months ended 30 June	
	2023 (unaudited) AED'000	2022 (unaudited) AED'000
Addition to investment properties from the Parent (note 18)	-	410,000
Transfer between property, plant and equipment and investment properties	-	57,850

23 Fair value of financial instruments

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

	30 June 2023 (unaudited)		31 December 2022 (audited)	
	Gross carrying amount AED'000	**Fair value AED'000**	Gross carrying amount AED'000	Fair value AED'000
Financial liabilities at amortised cost				
Sukuk No.1	**1,849,785**	**1,817,629**	1,847,444	1,803,119
Sukuk No.2	**1,838,134**	**1,729,814**	1,834,472	1,683,694
Sukuk No.3	**1,809,765**	**1,815,776**	-	-
	5,497,684	**5,363,219**	3,681,916	3,486,813

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

24 Business combinations

Acquisitions in 2022

24.1 Twafq Projects Development Property LLC

On 18 April 2022, Aldar Logistics Holding Limited ("ALH" a subsidiary of the Group) signed an agreement for the purchase of 70% share of Twafq Projects Development Property LLC ("Twafq") for a consideration of AED 331 million. Twafq was acquired as part of the plan of the Group 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 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:

	AED'000
Assets	
Investment properties	**697,529**
Property, plant and equipment	**2,447**
Trade and other receivables	**5,404**
Cash and bank balances	**31,945**
Total assets	**737,325**
Liabilities	
Employees benefits	**1,411**
Lease liabilities	**133,439**
Bank borrowings	**102,355**
Advances from customers	**8,576**
Trade and other payables	**9,536**
Total liabilities	**255,317**
Total identifiable net assets at fair value	**482,008**
Non-controlling interest	**(141,871)**
Group's share of net assets acquired	**340,137**
Less: purchase consideration	**(331,033)**
Gain on bargain purchase	**9,104**

Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition	**(331,033)**
Net cash acquired on business combination	**31,945**
Net cash outflows on acquisition (included in cash flows from investing activities)	**(299,088)**
Transaction costs of the acquisition (included in cash flows from operating activities)	**(1,807)**
Net cash outflow on acquisition	**(300,895)**

Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2023 (continued)

25 Non-controlling interests

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/(loss) allocated to non-controlling interests for the period/year		Accumulated non-controlling interests	
		Jun 2023	Dec 2022	**June 2023**	Dec 2022	**Jun 2023**	Dec 2022
		%	%	**AED (000)**	AED (000)	**AED (000)**	AED (000)
Al Maryah Property Holdings Limited	UAE	**40**	40	**(1,412)**	-	**207,188**	192,600
Twafq Projects Development Property - Sole Proprietorship L.L.C.	UAE	**30**	30	**5,877**	18,280	**166,028**	160,151
				4,465	**18,280**	**373,216**	**352,751**

26 Dividends distribution

The Management in their meeting held on 27 February 2023, approved a cash dividend of AED 565.3 million for the year ended 31 December 2022 (2021: AED 621 million), which was paid during the period.

27 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Management and authorised for issue on 6 September 2023.