



ALDAR PROPERTIES PJSC

Review report and interim financial information

**For the three-months period ended
31 March 2024**



ALDAR PROPERTIES PJSC

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALDAR PROPERTIES PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aldar Properties PJSC (the “Company”) and its subsidiaries (the “Group”) as at 31 March 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-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
29 April 2024
Abu Dhabi
United Arab Emirates


**Condensed consolidated statement of financial position
as at 31 March 2024**

	Note	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Assets			
Non-current assets			
Property, plant and equipment	5	6,633,250	6,513,316
Intangible assets and goodwill	6	1,841,934	1,882,835
Investment properties	7	26,646,922	26,217,542
Investment in associates and joint ventures	8	168,218	151,167
Investment in financial assets	9	778,114	718,969
Derivative financial assets	20	7,143	8,311
Trade receivables and other assets	10	662,118	805,763
Total non-current assets		36,737,699	36,297,903
Current assets			
Development work in progress	11	5,486,386	6,243,802
Plots of land held for sale	12	7,733,912	7,787,308
Inventories	13	544,454	606,334
Investment in financial assets	9	45,385	93,147
Contract assets	19	1,821,193	1,875,744
Trade receivables and other assets	10	8,933,961	8,235,672
Cash and bank balances	14	12,083,471	11,718,158
Total current assets		36,648,762	36,560,165
Total assets		73,386,461	72,858,068

**Condensed consolidated statement of financial position
as at 31 March 2024 (continued)**

	Note	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Equity and liabilities			
Equity			
Share capital		7,862,630	7,862,630
Statutory reserve		3,931,315	3,931,315
Cash flow hedging reserve	36	161,084	165,130
Investment revaluation reserve		(9,535)	(8,790)
Assets revaluation reserve		73,623	73,623
Foreign currency translation reserve	35	(799,474)	(536,624)
Retained earnings		19,506,170	19,577,817
Equity attributable to owners of the Company		30,725,813	31,065,101
Hybrid equity instrument	15	1,815,647	1,815,647
Non-controlling interests	37	5,489,984	5,302,298
Total equity		38,031,444	38,183,046
Non-current liabilities			
Non-convertible sukuk	16	5,459,421	5,456,856
Bank borrowings	16	4,999,085	5,488,558
Retentions payable		546,087	542,998
Lease liabilities	27.3	960,106	848,365
Employees benefits		338,074	339,482
Trade and other payables	18	3,512,591	3,918,771
Total non-current liabilities		15,815,364	16,595,030
Current liabilities			
Non-convertible sukuk	16	63,975	46,098
Bank borrowings	16	2,318,836	1,087,654
Retentions payable		734,440	723,756
Lease liabilities	27.3	110,656	78,505
Advances from customers	17	690,129	633,019
Contract liabilities	19	5,959,491	6,429,003
Trade and other payables	18	9,662,126	9,081,957
Total current liabilities		19,539,653	18,079,992
Total liabilities		35,355,017	34,675,022
Total equity and liabilities		73,386,461	72,858,068

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

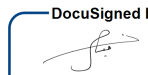
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Mohamed Al Mubarak
Chairman

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Talal Al Dhiyebi
Group Chief Executive Officer

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Faisal Falaknaz
Group Chief Financial &
Sustainability Officer

**Condensed consolidated statement of profit or loss
for the period ended 31 March 2024**

	Note	3 months period ended	
		31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Revenue and rental income	32.1	5,615,666	3,065,593
Direct costs	32.1	(3,590,157)	(1,811,144)
Gross profit		2,025,509	1,254,449
Selling and marketing expenses		(23,533)	(42,875)
General and administrative expenses			
Staff costs		(165,291)	(155,463)
Depreciation and amortization	5,6	(137,464)	(100,894)
Provisions, impairments and write downs, net		(8,858)	(15,052)
Others	24	(128,321)	(111,206)
Loss on revaluation of investment properties, net	7	(14,375)	(14,375)
Share of results of associates and joint ventures	8	(788)	(1,415)
Gain on disposal of investment properties	7	58,448	7,741
Income from financial assets at FVTPL		15,809	1,155
Finance income	21	179,452	109,972
Finance costs	22	(209,128)	(129,490)
Other income	23	45,718	39,752
Profit for the period before tax		1,637,178	842,299
Income tax expense	34	(66,445)	(6,502)
Profit for the period after tax		1,570,733	835,797
Attributable to:			
Owners of the Company		1,316,645	725,654
Non-controlling interests		254,088	110,143
		1,570,733	835,797
Basic and diluted earnings per share (AED)	25	0.161	0.086

**Condensed consolidated statement of comprehensive income
for the period ended 31 March 2024**

	Note	3 months period ended	
		31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Profit for the period		1,570,733	835,797
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations	35	(437,179)	(248,123)
Fair value gain on cash flow hedges arising during the period	36	-	(24,624)
Net (loss)/gains on hedging instruments reclassified to profit or loss	22	(4,590)	1,671
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value loss on revaluation of financial assets at fair value through other comprehensive income (FVTOCI)	9	(746)	(10,874)
Other comprehensive loss for the period		(442,515)	(281,950)
Total comprehensive income for the period		1,128,218	553,847
Attributable to:			
Owners of the Company		1,049,004	546,027
Non-controlling interests		79,214	7,820
		1,128,218	553,847

**Condensed consolidated statement of changes in equity
for the period ended 31 March 2024**

	Share capital AED'000	Statutory reserve AED'000	Cash flow hedging Reserve AED'000	Investment revaluation reserve AED'000	Assets revaluation reserve AED'000	Foreign currency translation reserve AED'000	Retained earnings AED'000	Equity attributable to owners of the Company AED'000	Hybrid equity instrument AED'000	Non-controlling interests AED'000	Total equity AED'000
Balance at 1 January 2023 (audited)	7,862,630	3,931,315	190,248	(2,310)	73,623	(385,312)	16,679,139	28,349,333	1,815,647	4,380,218	34,545,198
Profit for the period	-	-	-	-	-	-	725,654	725,654	-	110,143	835,797
Other comprehensive income/(loss) for the period	-	-	(20,227)	(10,874)	-	(148,526)	-	(179,627)	-	(102,323)	(281,950)
Total comprehensive income/(loss) for the period	-	-	(20,227)	(10,874)	-	(148,526)	725,654	546,027	-	7,820	553,847
Dividends (note 29)	-	-	-	-	-	-	(1,258,021)	(1,258,021)	-	-	(1,258,021)
Coupon paid on hybrid equity instrument (note 15)	-	-	-	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Dividends paid by a subsidiary against preference equity (note 37.1)	-	-	-	-	-	-	-	-	-	(60,453)	(60,453)
Dividends paid by a subsidiary to a non-controlling interests (note 37.2)	-	-	-	-	-	-	-	-	-	(73,676)	(73,676)
Non-controlling interest arising on a business combination	-	-	-	-	-	-	-	-	-	2,080	2,080
Balance at 31 March 2023 (unaudited)	7,862,630	3,931,315	170,021	(13,184)	73,623	(533,838)	16,095,127	27,585,694	1,815,647	4,255,989	33,657,330
Balance at 1 January 2024 (audited)	7,862,630	3,931,315	165,130	(8,790)	73,623	(536,624)	19,577,817	31,065,101	1,815,647	5,302,298	38,183,046
Profit for the period	-	-	-	-	-	-	1,316,645	1,316,645	-	254,088	1,570,733
Other comprehensive loss for the period	-	-	(4,046)	(745)	-	(262,850)	-	(267,641)	-	(174,874)	(442,515)
Total comprehensive income/(loss) for the period	-	-	(4,046)	(745)	-	(262,850)	1,316,645	1,049,004	-	79,214	1,128,218
Dividends (note 29)	-	-	-	-	-	-	(1,336,647)	(1,336,647)	-	-	(1,336,647)
Additional contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	222,223	222,223
Coupon paid on hybrid equity instrument (note 15)	-	-	-	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Dividends paid by a subsidiary against preference and common equity (note 37.1)	-	-	-	-	-	-	-	-	-	(36,787)	(36,787)
Dividends paid by a subsidiary to a non-controlling interests (note 37.2)	-	-	-	-	-	-	-	-	-	(76,964)	(76,964)
Balance at 31 March 2024 (unaudited)	7,862,630	3,931,315	161,084	(9,535)	73,623	(799,474)	19,506,170	30,725,813	1,815,647	5,489,984	38,031,444

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

**Condensed consolidated statement of cash flows
for the period ended 31 March 2024**

	Note	3 months period ended	
		31 March 2024 (unaudited) AED '000	31 March 2023 (unaudited) AED '000
Operating activities			
Profit for the period before tax		1,637,178	842,299
<i>Adjustments for:</i>			
Depreciation and amortisation	5,6	145,780	104,533
Finance income	21	(179,452)	(109,972)
Finance costs	22	209,128	129,490
Loss on revaluation investment properties	7	14,375	14,375
Share of results of associates and joint ventures	8	788	1,415
Provisions, impairments and write downs, net		8,858	15,051
Gain on disposal of property, plant equipment		-	(41)
Gain on disposal of investment properties		(58,448)	(7,741)
Gain/(loss) on revaluation of financial assets		1,546	(1,155)
Provision for employee benefits		21,400	8,810
Operating cash flows before movements in working capital		1,801,153	997,064
Movement in working capital:			
Increase in trade receivable and other assets		(1,203,242)	(1,688,338)
Increase in development work in progress, inventories and plots of land held for sale		(329)	(2,327,180)
Decrease/(increase) in contract assets		54,547	(564,640)
Increase in retentions payable		30,593	160,329
Increase in advances from customers		589,390	564,940
Increase/(decrease) in contract liabilities		19,243	(246,385)
(Decrease)/increase in trade and other payables		(924,498)	2,308,815
Cash generated from/(used in) operations		366,857	(795,395)
Employee benefits paid		(37,334)	(14,869)
Income tax paid		(109)	(164)
Net cash generated from/(used in) operating activities		329,414	(810,428)

**Condensed consolidated statement of cash flows
for the period ended 31 March 2024 (continued)**

	Note	3 months period ended	
		31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Net cash generated from/(used in) operating activities		329,414	(810,428)
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	5	(185,014)	(60,059)
Payment for purchase of intangible assets	6	(14,001)	(18,579)
Additions to investment properties	7	(469,444)	(73,596)
Proceeds from disposal of investment properties and property, plant and equipment	5,7	110,239	39,620
Acquisition of subsidiaries, net of cash acquired	33	-	(23,220)
Cash received from associate as reduction in capital	8	-	38,432
Investment in financial assets		(61,436)	(8,582)
Movement in term deposits with maturities greater than three months		(202,645)	555,000
Proceeds from maturity of treasury bills		66,444	138,620
Investment in treasury bills		(47,683)	(161,628)
Movement in restricted bank balances		(1,401,716)	729,518
Investments in associates and joint ventures		(17,094)	-
Finance income received		179,499	74,200
Net cash (used in)/generated from investing activities		(2,042,851)	1,229,726
Cash flows from financing activities			
Repayments of bank borrowings	16	(448,010)	(2,018,482)
Proceeds from bank borrowings	16	1,306,907	2,027,227
Payment of principal portion of lease liabilities		(37,900)	(24,552)
Finance costs paid		(177,368)	(125,573)
Dividends paid to non-controlling interest		(113,751)	(99,129)
Coupon paid on hybrid equity investment		(51,645)	(51,645)
Additional contribution from non-controlling interest		222,223	2,000
Proceeds from settlement of derivatives		2,763	-
Payment for purchase of land held of sale		(150,000)	-
Net cash generated from/(used in) financing activities		553,219	(290,154)
Net (decrease)/increase in cash and cash equivalents		(1,160,218)	129,144
Cash and cash equivalents at beginning of the period/year	14	4,963,096	7,020,318
Effect of foreign exchange rate changes		(78,829)	(53,853)
Cash and cash equivalents at end of the period	14	3,724,049	7,095,609

Refer to note 30 for details of non-cash transactions excluded from the condensed consolidated statement of cash flow.

Notes to the condensed consolidated financial statements for the period ended 31 March 2024

1 General information

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

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

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

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

2.1 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 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

- ***Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7***

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group’s interim condensed consolidated financial statements.

- ***Amendments to IFRS 16: Lease Liability in a Sale and Leaseback***

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group’s interim condensed consolidated financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)****2.1 New standards, interpretations and amendments adopted by the Group (continued)*****Amendments to IAS 1: Classification of Liabilities as Current or Non-current (continued)***

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

2.2 New standards, interpretations and amendments issued but not effective and adopted by the Group***IFRS 18 Presentation and Disclosure in Financial Statements***

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024. IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.

IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred to IFRS 18 and other Standards. IFRS 18 will affect the presentation and disclosure of financial performance in the Group's consolidated financial statements when adopted.

Amendments to IAS 21: Lack of Exchangeability

The IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates which require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendment apply to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier.

3 Summary of material accounting policy information**3.1 Statement of compliance**

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and comply with the applicable requirements of the laws in the UAE. The Group has prepared the condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption.

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 2023. In addition, results for the three-months period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3.2 Basis of preparation

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

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

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those applied to the audited annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective 1 January 2024.

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**
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 majorly the same as those applied in the Group consolidated financial statements as at and for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective 1 January 2024.

5 Property, plant and equipment

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	6,513,316	5,606,522
Additions during the period/year *	233,347	718,065
Recognised as part of business combination (note 33)	-	601,673
Transfer during the period/year	33,000	26,477
Depreciation charge for the period/year	(111,236)	(398,473)
Disposals during the period/year	(6)	(15,764)
Exchange differences	(35,171)	(25,184)
Balance at the end of the period/year	6,633,250	6,513,316

* The additions during the period mainly pertain to construction of school buildings of a subsidiary of the Group.

The depreciation charge for the period includes AED 8,317 thousand allocated to cost of sales (for the period ended 31 March 2023: AED 3,639 thousand). No impairment indications were observed for any items of property, plant and equipment during the period ended 31 March 2024.

Property, plant and equipment include right-of-use assets mainly with respect to leases of plots of land and buildings. Following is the movement in right of use assets during the period/year:

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
At 1 January	583,961	148,420
Recognised as part of business combination (note 33)	-	429,749
Additions during the period/year	48,333	54,408
Lease modified/terminated during the period/year, net	37,668	(8,663)
Amortisation for the period/year	(29,669)	(38,962)
Exchange differences	(1,983)	(991)
Balance at the end of the period/year	638,310	583,961

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**
6 Intangible assets and goodwill

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	1,882,835	374,944
Additions during the period/year	14,001	82,320
Recognised as part of business combination (note 33)	-	1,530,958
Amortisation for the period/year	(34,545)	(80,716)
Written off during the period/year	-	(10,948)
Exchange differences	(20,357)	(13,723)
Balance at the end of the period/year	1,841,934	1,882,835

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Based on management assessment, the goodwill is not impaired at 31 March 2024.

7 Investment properties

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	26,217,542	23,933,024
Additions during the period/year	729,314	1,616,861
Fair value (loss)/gain, net	(14,375)	600,157
Disposals during the period/year (iii & iv)	(175,238)	(152,097)
Transfers (to)/from		
Property, plant and equipment (note 5)	-	(26,477)
Development work in progress (note 11)	-	316,531
Exchange differences	(110,321)	(70,457)
Balance at the end of the period/year	26,646,922	26,217,542

- (i) Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 438,410 thousand as at 31 March 2024 (31 December 2023: AED 303,888 thousand). The additions during the period amounted to AED 136,270 thousand (year ended 31 December 2023: AED 35,065 thousand).
- (ii) Investment properties represent the Group's interest in land and buildings situated in the United Arab Emirates amounting to AED 26,439,242 thousand as at 31 March 2024 (31 December 2023: AED 25,902,573 thousand) and outside UAE amounting to AED 207,680 thousand (31 December 2023: AED 314,970 thousand).
- (iii) During the period, Aldar Investment Properties LLC (a subsidiary of 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 and consideration given were AED 129,166 thousand, resulting in a gain of AED 51,234 thousand which was recorded in the consolidated income statement as "gain on disposal of investment properties".
- (iv) The Group also sold investment properties for AED 58,852 thousand (for the period ended 31 March 2023: AED 39,616 thousand) and realised a net gain of AED 7,214 thousand (for the period ended 31 March 2023: AED 7,741 thousand) which is recorded in condensed consolidated statement of profit or loss under "gain on disposal of investment properties".

8 Investment in associates and joint ventures

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at beginning of the period/year	151,167	84,662
Recognised as part of business combination (note 33)	-	107,232
Additions	17,094	10,809
Share of results for the period/year	(788)	(7,416)
Redemptions	-	(52,468)
Exchange differences	(832)	-
Allocated to current account	1,577	8,348
Balance at the end of the period/year	168,218	151,167

The Group considers that its amount receivable from one of the joint venture is part of the Group's interest in the joint venture and, accordingly, loss recognised using the equity method in excess of the Group's investment in ordinary shares amounting to AED 1,577 thousand (period ended 31 March 2023: AED 1,953 thousand) was applied to the Group's receivable from the joint venture.

During 2018, the Group sold an investment in joint venture. As per the agreement, the Group is entitled to further compensation which is contingent based on performance of the buyer and market conditions not within the control of the Group. As of 31 March 2024 and 31 December 2023, the fair value of the contingent consideration amounted to nil since the inflow of economic benefits are not certain. The total contracted amount of the contingent consideration is AED 82,000 thousand.

9 Investment in financial assets

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Financial assets at fair value through other comprehensive income ("FVTOCI") (9.1)	22,571	23,317
Financial assets at fair value through profit or loss ("FVTPL") (9.2)	755,543	695,652
Financial assets at amortised cost (9.3)	45,385	93,147
	823,499	812,116

9.1 Financial assets at FVTOCI

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Investment in UAE quoted securities	22,569	23,315
Investment in UAE unquoted securities	2	2
	22,571	23,317

Movement during the period/year is as follows:

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
At 1 January	23,317	29,797
Fair value loss	(746)	(6,480)
At 31 March/ 31 December	22,571	23,317



Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)

9 Investment in financial assets (continued)

9.2 Financial assets at FVTPL

	31 March 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
At 1 January	695,652	68,837
Additions	61,436	624,213
Fair value gain/(loss), net	2,478	(2,456)
Exchange (loss)/gain, net	(4,023)	5,058
At 31 March/ 31December	755,543	695,652

9.3 Financial assets at amortised cost

Investment in treasury bills (i)	45,385	93,147
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(i) This represents investment in treasury bills made by the Egypt subsidiary in Egypt and carried at amortised cost which approximates the fair value.

9.4 Fair value hierarchy

As at 31 March 2024 and 31 December 2023, the fair value hierarchy for financial investments is as follows:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 March 2024 (unaudited)				
Investment in UAE securities	22,569	-	2	22,571
Investment in international unquoted funds	-	-	755,543	755,543
Investment in treasury bills	-	-	45,385	45,385
	22,569	-	800,930	823,499
31 December 2023 (audited)				
Investment in UAE securities	23,315	-	2	23,317
Investment in international unquoted funds	-	-	695,652	695,652
Investment in treasury bills	-	-	93,417	93,417
	23,315	-	789,071	812,386

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

10 Trade receivables and other assets

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Non-current portion		
Trade receivables	317,585	474,366
Due from associates and joint ventures	230,821	214,179
Receivables relating to project finance	131,940	131,940
Deferred tax assets (note 34)	83,949	80,773
Others	115,453	121,605
	879,748	1,022,863
Less: allowance for expected credit loss	(217,630)	(217,100)
	662,118	805,763
Current portion		
Trade receivables	5,424,909	5,033,135
Advances and prepayments*	2,199,342	1,985,829
Refundable deposits	229,262	305,293
Refundable costs**	297,668	236,474
VAT recoverable	119,506	74,066
Due from associates and joint ventures	25,628	25,665
Accrued interest	17,058	56,813
Receivables relating to project finance	8,323	8,323
Others	858,187	765,419
	9,179,883	8,491,017
Less: allowance for expected credit loss	(245,922)	(255,345)
	8,933,961	8,235,672

* Advances and prepayments include AED 350,000 thousand paid during 2022 as part of purchase of Nurai Island for two development islands where the seller will procure the dredging and reclamation of these islands.

** Refundable costs mainly comprise of amounts receivable from the Government of Abu Dhabi in relation to ongoing development projects costs incurred which are funded by the Government of Abu Dhabi.

During the period, allowance for expected credit loss of AED 7,500 thousand (for the period ended 31 March 2023: AED 8,613 thousand) was made against trade and other receivables. Trade and other receivables amounting to AED 16,392 thousand were written off (period ended 31 March 2023: AED 3,511 thousand).

During 2020, the Company sold its district cooling operations (the "Cooling Entities") comprising the Group's entire interest in Saadiyat Cooling LLC (a 85% owned subsidiary) and Saadiyat District Cooling LLC (a wholly owned subsidiary). As per the Sale Purchase Agreements and earn out agreement, the Group is also entitled to earn out consideration in the form of additional fee for each additional load for which the buyer contracts from these cooling operations. At 31 March 2024 and 31 December 2023, management assessed that the deferred consideration is a contingent asset as its existence will be confirmed by occurrence of future uncertain events not within the control of the Group and is accordingly not recognised as asset.

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**
11 Development work in progress

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

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at beginning of the period/year	6,243,802	3,835,682
Development costs incurred during the period/year	2,502,052	4,845,162
Recognised as part of business combination (note 33)	-	1,152,558
Recognised in direct costs of properties sold	(2,509,846)	(3,345,423)
Write-off of project costs	(1,445)	(133,216)
Provision for impairment	(287)	(480)
Transfers from/(to):		
Inventories (note 13)	-	(38,209)
Investment properties (note 7)	-	(316,531)
Property, plant and equipment	(33,000)	-
Plot of land held for sale (note 12)	80,626	687,939
Exchange differences	(795,516)	(443,680)
Balance at the end of the period/year	5,486,386	6,243,802

Development properties are located as:

Within UAE	2,168,389	2,790,457
Outside UAE	3,317,997	3,453,345
	5,486,386	6,243,802

As at 31 March 2024, the Group determined net realisable value of its development work in progress and concluded that carrying value is lower than the net realisable value and recognised a write down of AED 287 thousand (31 December 2023: AED 480 thousand) of its development project in progress. The estimates of net realisable values are based on the most reliable evidence available at the reporting date, of the amount that the Group is expected to realise in its ordinary course of business. These estimates also take into consideration the purpose for which the asset is held.

12 Plots of land held for sale

Movement in plots of land held for sale during the period/year was as follows:

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at beginning of the period/year	7,787,308	4,822,121
Adjustment/additions during the period/year	-	3,866,520
Borrowing cost capitalized	39,437	145,207
Recognised in costs of properties sold (direct costs)	(5,305)	(358,601)
Others	(6,902)	-
Transfer to development work in progress during the period/year (note 11)	(80,626)	(687,939)
Balance at the end of the period/year	7,733,912	7,787,308

Borrowing costs included in the cost of the above lands during the period, amounting to AED 39,437 thousand (for the year ended 31 December 2023: AED 145,207 thousand), arose on the unwinding of liability and are calculated by applying a capitalisation rate of Group incremental borrowing rate to expenditure on such assets.

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**
13 Inventories

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Completed properties	439,572	504,616
Other operating inventories	104,882	101,718
	544,454	606,334
Inventories are located as:		
Within UAE	468,637	474,245
Outside UAE	75,817	132,089
	544,454	606,334

During the period, completed properties with a value of nil (for the year ended 31 December 2023: AED 38,209 thousand) were transferred from inventories to development work in progress upon completion (note 11). An amount of AED 25,936 thousand was recognised as direct costs during the period (for the year ended 31 December 2023: AED 321,412 thousand).

14 Cash and bank balances

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Cash and bank balances	9,897,724	9,336,005
Short term deposits held with banks	2,185,747	2,382,153
Cash and bank balances	12,083,471	11,718,158

Cash and cash equivalents

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Cash and bank balances	12,083,471	11,718,158
Short term deposits with original maturities greater than three months	(319,217)	(116,572)
Restricted bank balances	(8,040,205)	(6,638,490)
Cash and cash equivalents	3,724,049	4,963,096
Cash and cash equivalents:		
Within UAE	3,503,743	4,625,006
Outside UAE	220,306	338,090
	3,724,049	4,963,096

As at 31 March 2024, cash at banks amounting to AED 275,277 thousand (31 December 2023: AED 270,255 thousand) are not included in the Group's bank balances as it is held by the Group on behalf of third parties since the Group is not acting as a principal.

Restricted cash and bank balances include balances amounting to AED 7,360,516 thousand (31 December 2023: AED 5,627,422 thousand) which are deposited into escrow accounts representing cash received from customers against sale of development properties. The remaining balance of restricted cash balances mainly represents cash balances designated against government projects and dividend payables for which separate bank accounts are maintained.



**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**

14 Cash and bank balances (continued)

The interest rate on term deposits during the period ranges between 0.20% and 5.55% (for the year ended 31 December 2023: between 0.20% and 5.72%) per annum for UAE and between 6.00% and 23.05% (for the year ended 31 December 2023: between 4.75% and 15.2%) for outside UAE. Bank deposits relating to UAE operations are placed with local banks in the UAE.

Cash and cash equivalents include an amount of AED 2,096,172 thousand (31 December 2023: AED 2,181,852 thousand) received from one of the customers against the development of certain projects. As of 31 March 2024, these balances are deposited with the local banks in the UAE and are available for the use of the development of those projects at the discretion of the Company.

15 Hybrid equity instrument

During 2022, Aldar Investment Properties LLC (a subsidiary of the Company) issued USD 500,000 thousand (AED 1,837,663 thousand) Reset Subordinated Perpetual Notes (the “Notes”) to an investor (the “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 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 22,016 thousand related to issuance of the Notes were recorded directly in equity.

Issuance period	Issued amount	Coupon rate
March 2022	USD 310,5000 thousand (AED 1,140,000 thousand)	Fixed interest rate of 5.625% with a reset after 15 years
April 2022	USD 189,500 thousand (AED 698,000 thousand)	Fixed interest rate of 5.625% a reset after 15 years

During the period, the Group paid coupons amounting to AED 51,645 thousand (year ended 31 December 2023: AED 103,289 thousand).

16 Bank borrowings and non-convertible sukuk

	Current	Non-current	Total
	< 1 year	> 1 year	
	AED'000	AED'000	AED'000
As at 31 March 2024 (unaudited)			
Non-convertible Sukuk	63,975	5,459,421	5,523,396
Bank borrowings	2,318,836	4,999,085	7,317,921
	2,382,811	10,458,506	12,841,317
As at 31 December 2023 (audited)			
Non-convertible Sukuk	46,098	5,456,856	5,502,954
Bank borrowings	1,087,654	5,488,558	6,576,212
	1,133,752	10,945,414	12,079,166



**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**

16 Bank borrowings and non-convertible sukuk (continued)

As at 31 March 2024, the Group had AED 6,020,483 thousand of undrawn, committed term and revolving credit facilities in the form of bilateral agreements (31 December 2023: AED 7,465,489 thousand). Bank borrowings and non-convertible sukuk drawn during the period amounted to AED 1,306,907 thousand (31 March 2023: AED 2,027,227 thousand) and repaid during the period amounted to AED 448,010 thousand (31 March 2023: AED 2,018,482 thousand).

All the loans are priced at market rate.

During the period, the Group repaid and terminated a facility amounted to AED 300,000 thousand.

Certain bank borrowings are secured in the form of mortgage over certain immoveable properties; of which operating assets under investment properties are valued at AED 950,225 thousand (31 December 2023: AED 1,073,281 thousand) and carry a net worth covenant.

Certain loans are secured against the following and relates to the Group Egypt and England & Wales subsidiaries only:

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

The split of bank borrowings by location are:

	31 March 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
Within UAE	6,560,407	5,552,133
Outside UAE	757,514	1,024,079
	7,317,921	6,576,212

17 Advances from customers

Advances from customers represent mainly instalments collected from customers for the sale of the Group's property developments and security deposits.

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**
18 Trade and other payables

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Non-current		
Other land acquisition creditors and payable	3,006,954	3,197,385
Payable to a government authority for purchase of land (note 18.1)	423,087	638,007
Deferred tax liability	82,550	83,379
	3,512,591	3,918,771
Current		
Trade payables	1,485,466	1,721,104
Accrual for contractors' costs	3,093,907	3,268,051
Provisions and accruals related to construction contracts	742,847	847,120
Deferred income	627,559	698,270
Income tax payable	163,168	115,479
Due to the Government of Abu Dhabi	323,476	317,312
Dividends payable (note 29)	1,358,905	17,360
Advances from the Government of Abu Dhabi (note 26.1)	97,065	30,292
Payable to a government authority for purchase of land (note 18.1)	40,436	57,822
Other land acquisition creditors	267,516	404,691
Deferred payable	106,080	106,080
Grant liability	103,957	104,856
Provision for onerous contracts	852	852
Other liabilities	1,250,892	1,392,668
	9,662,126	9,081,957

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

18.1 Payable to a government authority for purchase of land
Plot of land I

On 1 September 2021, Egyptian New Urban Communities Authority (“NUCA”) approved the request submitted by one of the indirect subsidiaries to purchase a plot of land with an area of 123.39 acres, with a total value of EGP 1,236,216 thousand (AED 95,781 thousand). The remaining price of the land and any associated interest is payable in the form of 12 semi-annual instalments over a period of five and a half years starting from 8 March 2022 and ending on 8 September 2027. On 6 April 2022, NUCA sent a letter to amend the area of the plot of land from 123.39 acres to 115.34 acres along with the adjustment of the instalments and interest values according to the new area. The value of the land has been adjusted according to the contract annex in May 2022 to be EGP 1,156,000 thousand (AED 89,566 thousand), and the land area allocated to the Company became 265.34 acres.

Plot of land II

On 21 March, 2019, a co-development agreement was signed between a subsidiary of the Company and NUCA to establish an integrated urban project with an area of 500 acres (the “Previous Plot”) with a total value of EGP 11,412,974 thousand (AED 884,266 thousand). During 2021, based on the proposal from the Egypt Sheikh Zayed City Development Authority to amend this site, NUCA and the Group exchanged the Previous Plot against a plot with an area of 464.81 acres (the “New Plot”). The New Plot was based on the same terms and conditions as was attached to the Previous Plot with a revised payment plan with a total value of EGP 11,357,000 thousand (AED 879,929 thousand). The co-development contract annex was signed on June 27, 2022.

Plot of land III

On 1 August 2023, a subsidiary of the Group signed a contract with the NUCA to acquire a plot of land area approximately 180 acres with a total amount of EGP 807,500 thousand (AED 62,564 thousand), the down payment amount was paid, and the rest of the price and interest will be paid over 10 consecutive semi-annual instalments.

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**

19 Contract assets and liabilities

Contract assets

Contract assets represents unbilled revenue arising from contracts for sale of properties which pertains to the Group's right to consideration in exchange for goods or services that the Group has transferred to the customers. Where payments from customers are received after the associated performance obligations being met and therefore revenue recognised in the profit or loss account, contract assets are recognised. These contracts have remaining performance obligations (unsatisfied or partially unsatisfied) which is expected to be recognised as revenue over the remaining tenor of these contracts. The majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over 3 to 5 years. These contract assets are fully secured against the underlying property units.

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Contract assets: gross amounts due from customer on contracts for sale of properties	1,696,241	1,737,975
Contract assets: gross amounts due from customer on contracts to construct assets	76,378	101,046
Others	48,574	36,723
	1,821,193	1,875,744

Contract liabilities

Contract liabilities represents deferred revenue arising from construction contracts and property development under off-plan sales projects. These contracts have performance obligations (unsatisfied or partially unsatisfied) which is expected to be recognised as revenue over the remaining tenor of these contracts. Where payments from customers are received in advance of the associated performance obligations being met and therefore revenue being recognised in the profit or loss, contract liabilities are recognised and these include buyer deposits. Majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over 3 to 5 years.

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Contract liabilities: gross amount due to customers on contracts for sale of properties	4,175,984	4,607,892
Contract liabilities: advance received from customers on contracts to construct assets	1,783,507	1,821,111
	5,959,491	6,429,003

20 Derivative financial instruments

The Group entered into floating to fixed interest rate swaps to partially hedge its interest rate risk in relation to its floating rate borrowings. The Group also entered into a forward starting interest rate swap contract to manage the potential interest rate risk of a forecasted debt capital markets transaction.

The movement in derivative financial instruments is given below:

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at beginning of the period/year	8,311	207,045
Net fair value changes	(1,168)	(198,734)
Balance at the end of the period/year	7,143	8,311



21 Finance income

	3 months period ended	
	31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Sharia compliant deposits	27,266	26,097
Bank fixed deposits	11,138	23,993
Call and current accounts	99,090	28,381
Total interest/profit earned	137,494	78,471
Finance income earned on trade receivables*	38,172	26,045
Other finance income	3,786	5,456
	179,452	109,972

* This mainly represents significant financing component implicit in the contracts with customers which provides the customer with a significant benefit of financing the transfer of properties sold.

22 Finance costs

	3 months period ended	
	31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Finance costs on bank borrowings and non-convertible sukuk	192,165	122,599
Unwinding of finance cost on operating lease liabilities (note 27.2)	12,373	4,600
Others	-	620
	204,538	127,819
Cumulative loss arising on hedging instruments reclassified to profit or loss on maturity (note 36)	4,590	1,671
	209,128	129,490

23 Other income

	3 months period ended	
	31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Exchange gain on deposits	18,856	11,003
Cooling connection fees	13,660	-
Insurance claim	-	17,136
Education non-tuition income	4,798	2,122
Others	8,404	9,491
	45,718	39,752

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**

24 Other general and administrative expenses

	3 months period ended	
	31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Professional fees	22,476	22,033
General office expenses	17,566	14,697
IT maintenance	16,681	14,238
Board of Directors remuneration	10,827	8,100
Business travel	4,459	1,223
Others	56,312	50,915
	128,321	111,206

25 Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing profit for the period/year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period/year. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	3 months period ended	
	31 March 2024 (unaudited)	31 March 2023 (unaudited)
Earnings (AED'000)		
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the period/year attributable to owners of the Company	1,316,645	725,654
Less: distributions to the Noteholder (hybrid equity instrument - note 15)	(51,645)	(51,645)
	1,265,000	674,009
Weighted average number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	7,862,629,603	7,862,629,603
Basic and diluted EPS attributable to owners of the Company (AED)	0.161	0.086

26 Transactions and balances with related parties

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

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

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**

26 Transactions and balances with related parties (continued)

26.1 Related party balances:

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

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Government of Abu Dhabi		
Trade and other receivables	1,037,963	868,053
Trade and other payables	(356,288)	(330,254)
Advances received (note 18)	(97,065)	(30,292)
Contract assets	1,991	-
Contract liabilities	(1,783,507)	(1,053,509)
Major shareholder and its affiliates		
Trade and other receivables	48,318	59,912
Trade and other payables	(3,475)	(3,764)
Retentions payable	(113,190)	(113,190)
Parent Company and its affiliates		
Trade and other receivables	91,332	100,334
Trade and other payables	(29,431)	(33,974)
Retentions payable	(386,961)	(450,485)
Associates and joint ventures		
Due from joint venture	1,729	826

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. Other than as disclosed in note 10, allowance of expected credit losses against due form associates and joint ventures, no provision has been made for doubtful debts in respect of the amounts owned by related parties. Certain receivables from joint ventures carry interest of 9% (31 December 2023: 9%) per annum and are repayable within 2 to 5 years.

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**

26 Transactions and balances with related parties (continued)

26.2 Significant transactions with 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 period ended	
	31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Government of Abu Dhabi:		
Revenue	303,794	378,411
Other income	-	302
Finance income from project finance	2,051	2,104
Major shareholder and its affiliates		
Revenue	21,940	11,146
Parent Company and its affiliates		
Revenue	27,297	9,516
Cost incurred on projects under development (i)	11,663	22,559
Cost incurred on projects under management (ii)	-	882,651
Other costs	9,759	4,915
Associates and joint ventures		
Finance income from joint venture	3,725	3,725
Key management compensation		
Salaries, bonuses and other benefits	11,844	9,826
Post-employment benefits	337	265
Long term incentives	1,240	2,408
	13,421	12,499
Directors		
Directors' remuneration - expense (iii)	10,827	8,100

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

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

(iii) Directors' remunerations paid during the period amounting to AED 31,020 thousand (31 March 2023: AED 21,192 thousand).

26.3 Other balances and transactions with related parties:

(i) Outstanding borrowings as of 31 March 2024 AED 3,200,000 thousand (31 December 2023: AED 2,700,000 thousand) are due to the banks controlled by the Government of Abu Dhabi and the Major Shareholder. Finance cost on these borrowings amounted to AED 51,377 for the period ended 31 March 2024 (period ended 31 March 2023: AED 43,618 thousand).

(ii) Deposits and bank balances as of 31 March 2024 AED 10,114,692 thousand (31 December 2023: AED 4,608,438 thousand) are kept with banks controlled by the Government of Abu Dhabi and the Major shareholder. Finance income on these deposits amounted to AED 90,435 thousand for the period ended 31 March 2024 (period ended 31 March 2023: AED 42,662 thousand).



**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**

26 Transactions and balances with related parties (continued)

26.3 Other balances and transactions with related parties:

(iii) Letter of credits and bank guarantees issued through banks controlled by the Government of Abu Dhabi and the Major shareholder amounted to AED 4,916,327 thousand (31 December 2023: AED 4,825,916 thousand).

27 Commitments and contingencies

27.1 Capital commitments

Capital expenditure contracted and investment committed is as follows:

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Projects under development	18,591,475	11,033,316
Projects under management*	5,566,034	6,528,144
Others	217,741	285,216
	24,375,250	17,846,676

* Projects under management represent remaining contractual amounts relating to projects managed by the Group, of which the related agreements with contractors were entered by and continued to be under the name of the Group on behalf of the Government of Abu Dhabi. This includes AED 5,352,064 thousand (31 December 2023: AED 6,309,600 thousand) of commitment of Aldar Projects LLC (a subsidiary of the Company) which will be funded in advance by the Government of Abu Dhabi. The above commitments are spread over a period of one to five years.

27.2 Operating lease commitments

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

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
The Group as a lessor (Buildings)		
Within one year	1,504,781	1,429,281
In the second to fifth year	4,116,341	3,705,289
After five years	2,191,937	2,146,437
	7,813,059	7,281,007

In addition to the above lease commitments, the Group also has lease contracts where it is entitled to receive rent based on turnover of tenants and service charges.

Set out below are the maturity analysis of lease liabilities for the Group acting as lessee:

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
The Group as a lessee		
Within one year	142,384	96,673
In the second to fifth year	367,897	330,346
After five years	1,186,428	1,057,813
	1,696,709	1,484,832

Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)

27 Commitments and contingencies (continued)

27.2 Operating lease commitments (continued)

The following are the amounts recognised in profit or loss:

	3 months period ended	
	31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
The Group as a lessee		
Depreciation expense of right-of-use assets	29,669	4,014
Unwinding of interest expense on operating lease liabilities (note 22)	12,373	4,600
Expense relating to short-term leases	258	255

The total cash outflow for leases amounted to AED 52,643 thousand (period ended 31 March 2023: AED 18,464 thousand).

27.3 Lease liabilities

The movement for the lease liability is as follows:

	31 March 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
Balance at the beginning of the period/year	926,870	485,533
Acquired as part of business combination (note 33)	-	428,514
Additions during the period/year	184,603	89,437
Payments during the period/year	(52,643)	(74,765)
Terminations/adjustment	2,345	(25,458)
Finance cost	12,373	23,845
Exchange difference	(2,786)	(236)
Balance at the end of the period/year	1,070,762	926,870

Analysed as:

Non-current	960,106	848,365
Current	110,656	78,505
Total	1,070,762	926,870

27.4 Contingencies

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Letters of credit and bank guarantees	5,268,933	5,193,005

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)**

28 Seasonality of results

The seasonal nature of the Group's activities only concerns the hospitality and leisure segment, whose revenue has variability during the first and last quarters of the year.

29 Dividends

At the annual general meeting held on 19 March 2024, the shareholders approved distribution of cash dividends of AED 1,336,647 thousand for the year ended 31 December 2023, being 17 fils per share (for the year 2023: cash dividends of AED 1,258,021 thousand, being 16 fils per share), which was paid subsequent to the period end in April 2024.

30 Non-cash transactions

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

	3 months period ended 31 March	
	2024 (unaudited) AED'000	2023 (audited) AED'000
Transfer from development work in progress to property, plant & equipment (note 11)	33,000	-

31 Fair value of financial instruments

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

	31 March 2024 (unaudited)		31 December 2023 (audited)	
	Gross carrying amount AED'000	Fair value AED'000	Gross carrying amount AED'000	Fair value AED'000
Financial liabilities at amortised cost				
<i>Non-convertible Sukuk</i>				
Sukuk No. 1 (note 15)	1,831,034	1,817,005	1,852,145	1,820,844
Sukuk No. 2 (note 15)	1,857,373	1,720,171	1,839,101	1,722,890
Sukuk No. 3 (note 15)	1,834,989	1,797,744	1,811,708	1,782,319

32 Segment information

32.1 Operating segments

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 ("CODM"). The CODM 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, net profit and a broad range of key performance indicators in addition to segment profitability and is measured consistently with profit or loss in the consolidated financial statements.

**Notes to the condensed consolidated financial statements
for the period ended 31 March 2024 (continued)****32 Segment information (continued)****32.1 Operating segments (continued)**

For internal management reporting purposes, the Group's operations are aggregated into segments with similar economic characteristics. Management considers that this is best achieved with property development and sales, project management services, International subsidiaries under Aldar Development and investment properties, hospitality and leisure, education, estates and others under Aldar Investments as operating segments.

The Group has presented two segments bifurcated into eight reportable sub-segments for the current and comparative period which are as follows:

Aldar Development

- Property development and sales - develop and sell properties
- Project management services - dedicated project delivery arm and the manager of the Group project management businesses including land sales and property development
- International - real estate development subsidiaries operating in Egypt and United Kingdom that mainly develop and sell real estate properties

Aldar Investment

- Investment properties - owns, manages and lease residential, commercial, logistics and retail properties
- Hospitality and leisure - owns, manage and operate hotels and leisure assets
- Education - owns, manage and operates schools offering a wide range of curriculum and ancillary services
- Estates - includes mainly property and facilities management operations, landscaping, security and advisory services
- Others - mainly includes Construction business and coworking and ventures businesses

Based on the information reported to the Group's senior management for the allocation of resources, marketing strategies, management reporting lines and measurement of performance of business, the reportable segments under IFRS 8 were identified according to the structure of investment activities and services to customer groups.

The information for the comparative period (period ended 31 March 2023) were restated to align with the current operating segments presentation, for details please refer to the Group annual consolidated financial statements for the year ended 31 December 2023.

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Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

32 Segment information (continued)

32.1 Operating segments (continued)

Period ended 31 March 2024 (unaudited)

	Aldar Development			Aldar Investment					Unallocated/ eliminations AED'000	Consolidated AED'000
	Property development and sales AED'000	Project management services AED'000	International AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Education AED'000	Estates AED'000	Others AED'000		
Revenue and rental income from external customers										
- Over a period of time	3,102,780	203,914	175,520	-	163,424	199,219	220,558	313,040	(11,290)	4,367,165
- At a point in time	44,810	49,349	211,830	-	135,056	-	265,420	-	-	706,465
- Leasing	-	-	1,852	534,273	-	-	-	5,911	-	542,036
Inter-segments	97,312	-	-	21,474	-	-	67,356	-	(186,142)	-
Gross revenue	3,244,902	253,263	389,202	555,747	298,480	199,219	553,334	318,951	(197,432)	5,615,666
Cost of revenue excluding service charge	(2,112,907)	(145,960)	(341,236)	(84,126)	(185,434)	(114,891)	(417,754)	(309,568)	154,765	(3,557,111)
Service charge expenses	-	-	-	(33,046)	-	-	-	-	-	(33,046)
Gross profit	1,131,995	107,303	47,966	438,575	113,046	84,328	135,580	9,383	(42,667)	2,025,509

Period ended 31 March 2023

(unaudited)

Revenue and rental income from external customers										
- Over a period of time	1,221,828	266,415	13,379	-	152,702	153,620	100,627	87,262	-	1,995,833
- At a point in time	129,312	22,576	162,224	-	130,146	-	104,672	-	-	548,930
- Leasing	-	-	1,798	513,212	-	-	-	5,820	-	520,830
Inter-segments	99,929	-	-	18,679	-	-	56,631	-	(175,239)	-
Gross revenue	1,451,069	288,991	177,401	531,891	282,848	153,620	261,930	93,082	(175,239)	3,065,593
Cost of revenue excluding service charge	(926,534)	(171,577)	(115,744)	(76,570)	(179,191)	(87,665)	(202,534)	(83,950)	64,005	(1,779,760)
Service charge expenses	-	-	-	(31,384)	-	-	-	-	-	(31,384)
Gross profit	524,535	117,414	61,657	423,937	103,657	65,955	59,396	9,132	(111,234)	1,254,449

(i) Gross revenue of investment properties includes AED 33,046 thousand (period ended 31 March 2023: AED 31,384 thousand) of revenue from service charges and contingent rent of AED 13,451 thousand (period ended 31 March 2023: AED 8,163 thousand).

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Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)



32 Segment information (continued)

32.1 Operating segments (continued)

Period ended 31 March 2024 (unaudited)

	Aldar Development			Aldar Investment					Unallocated / eliminations AED'000	Consolidated AED'000
	Property development and sales AED'000	Project management services AED'000	International AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Education AED'000	Estates AED'000	Others AED'000		
	Gross profit	1,131,995	107,303	47,966	438,575	113,046	84,328	135,580		
Selling and marketing expenses	(14,606)	(80)	(2,176)	(1,046)	(869)	(1,073)	(2,113)	(565)	(1,005)	(23,533)
Depreciation and amortization	(20,355)	(1,464)	(3,236)	(8,652)	(62,355)	(25,997)	(27,775)	(3,479)	15,849	(137,464)
Provisions, impairments and write -downs, net	(1,445)	-	(446)	674	-	(2,791)	(2,987)	-	(1,863)	(8,858)
Staff costs	(33,768)	(9,224)	(22,931)	(28,949)	(3,904)	(19,131)	(30,927)	(16,050)	(407)	(165,291)
Other general and administrative expenses	(37,320)	(4,254)	(14,886)	(13,495)	(993)	(11,240)	(28,802)	(12,100)	(5,231)	(128,321)
Loss on revaluation of investment properties	-	-	-	(14,375)	-	-	-	-	-	(14,375)
Gain on disposal of investment properties	-	-	-	58,448	-	-	-	-	-	58,448
Share of results of associates and joint ventures	(183)	-	(128)	-	-	-	-	(477)	-	(788)
Income from financial assets at FVTPL	-	-	-	-	-	-	-	16,250	(441)	15,809
Finance income	79,446	36,835	40,026	33,304	8,778	5,636	8,207	556	(33,336)	179,452
Finance costs	(26,313)	(59)	(27,652)	(129,050)	(24,284)	(7,800)	(212)	(1,895)	8,137	(209,128)
Other income	179	3,361	22,214	11	-	4,798	5	13,842	1,308	45,718
Income tax expense	(26,409)	(10,633)	(10,452)	(21,001)	(4,841)	(2,394)	(3,773)	853	12,205	(66,445)
Profit for the period	1,051,221	121,785	28,299	314,444	24,578	24,336	47,203	6,318	(47,451)	1,570,733

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Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)



32 Segment information (continued)

32.1 Operating segments (continued)

Period ended 31 March 2023 (unaudited)

	Aldar Development			Aldar Investment					Unallocated/ eliminations AED'000	Consolidated AED'000
	Property development and sales AED'000	Project management services AED'000	International AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Education AED'000	Estates AED'000	Others AED'000		
	Gross profit	524,535	117,414	61,657	423,937	103,657	65,955	59,396		
Selling and marketing expenses	(31,581)	(404)	(1,535)	(3,061)	(265)	(1,226)	(950)	(2,146)	(1,707)	(42,875)
Depreciation and amortisation	(13,564)	(3,671)	(774)	(7,561)	(57,671)	(15,584)	(10,861)	(6,291)	15,083	(100,894)
Provisions, impairments and write -downs, net	(450)	-	(3,479)	(5,988)	-	(246)	259	-	(5,148)	(15,052)
Staff costs	(39,028)	(6,568)	(19,255)	(33,731)	(3,052)	(16,986)	(18,209)	(10,128)	(8,506)	(155,463)
Other general and administrative expenses	(35,454)	(10,666)	(17,292)	(13,685)	(1,647)	(8,338)	(11,651)	(7,529)	(4,944)	(111,206)
Loss on revaluation of investment properties	-	-	-	(14,375)	-	-	-	-	-	(14,375)
Gain on disposal of investment properties	-	-	-	7,741	-	-	-	-	-	7,741
Share of results of associates and joint ventures	-	-	-	-	-	-	-	(1,415)	-	(1,415)
Income from financial assets at FVTPL	-	-	-	-	-	-	-	-	1,155	1,155
Finance income	56,807	19,829	25,205	7,475	4,219	2,356	1,566	968	(8,453)	109,972
Finance costs	(1,214)	(150)	(12,987)	(119,194)	(13,746)	(1,155)	(1,998)	(1,371)	22,325	(129,490)
Other income	8,283	1,456	11,001	-	17,136	2,123	84	233	(564)	39,752
Income tax expense	-	-	(6,502)	-	-	-	-	-	-	(6,502)
Profit for the period	468,334	117,240	36,039	241,558	48,631	26,899	17,636	(18,547)	(101,993)	835,797

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Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)



32 Segment information (continued)

32.1 Operating segments (continued)

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

	Aldar Development			Aldar Investment						
	Property development and sales AED'000	Project management services AED'000	International AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Education AED'000	Estates AED'000	Others AED'000	Unallocated AED'000	Group AED'000
<u>As at 31 March 2024 (unaudited)</u>										
Total assets	26,352,818	1,999,870	4,478,846	28,237,582	4,297,638	2,519,788	3,497,243	1,461,489	541,187	73,386,461
<u>Period ended 31 March 2024 (unaudited)</u>										
Capital expenditures	17,627	85	2,240	523	44,797	148,630	3,529	9,220	6,696	233,347
Project expenditures	1,590,138	-	914,945	726,283	-	-	-	-	-	3,231,366
<u>As at 31 December 2023</u>										
Total assets	23,334,070	2,801,555	6,020,300	28,845,459	4,362,778	2,065,190	3,461,347	1,483,501	483,868	72,858,068
<u>Period ended 31 March 2023 (unaudited)</u>										
Capital expenditures	2,137,220	696	1,021	74	29,626	12,844	2,669	4,350	1,224	2,189,724
Project expenditures	955,169	-	125,475	73,596	-	-	-	-	-	1,154,240

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Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)



32 Segment information (continued)

32.2 Geographical segments

	3 months period ended 31 March 2024 (unaudited)			3 months period ended 31 March 2023 (unaudited)		
	UAE AED'000	International AED'000	Total AED'000	UAE AED'000	International AED'000	Total AED'000
Total assets as at 31 March 2024 and 31 December 2023	68,887,735	4,498,726	73,386,461	66,809,799	6,048,269	72,858,068
Condensed consolidated statement of profit or loss:						
Revenue and rental income from external customers						
- Over a period of time	4,454,349	178,236	4,632,585	2,087,126	13,379	2,100,505
- At a point in time	229,215	211,830	441,045	282,034	162,224	444,258
- Leasing	540,184	1,852	542,036	519,032	1,798	520,830
Gross revenue	5,223,748	391,918	5,615,666	2,888,192	177,401	3,065,593
Cost of revenue excluding service charge	(3,213,988)	(343,123)	(3,557,111)	(1,664,016)	(115,744)	(1,779,760)
Service charge expenses	(33,046)	-	(33,046)	(31,384)	-	(31,384)
Gross profit	1,976,714	48,795	2,025,509	1,192,792	61,657	1,254,449
Selling and marketing expenses	(21,357)	(2,176)	(23,533)	(41,341)	(1,534)	(42,875)
Provision, impairments, and write downs, net	(8,412)	(446)	(8,858)	(11,573)	(3,479)	(15,052)
Staff cost	(142,360)	(22,931)	(165,291)	(136,208)	(19,255)	(155,463)
General and administrative expenses	(113,371)	(14,950)	(128,321)	(93,914)	(17,292)	(111,206)
Depreciation and amortisation	(134,219)	(3,245)	(137,464)	(100,120)	(774)	(100,894)
Loss on revaluation of investment properties	(14,375)	-	(14,375)	(14,375)	-	(14,375)
Gain on disposal of investment properties	58,448	-	58,448	7,741	-	7,741
Share of results of associates and joint ventures	(660)	(128)	(788)	(1,415)	-	(1,415)
Income from financial assets at FVTPL	15,809	-	15,809	1,155	-	1,155
Finance income	139,426	40,026	179,452	84,767	25,205	109,972
Finance costs	(181,476)	(27,652)	(209,128)	(116,503)	(12,987)	(129,490)
Other income	23,504	22,214	45,718	28,751	11,001	39,752
Income tax expense	(55,993)	(10,452)	(66,445)	-	(6,502)	(6,502)
Profit for the period	1,541,678	29,055	1,570,733	799,757	36,040	835,797

The Group operates in the UAE and countries outside the UAE (including Egypt and United Kingdom).

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Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

32.2 Geographical segments (continued)

The major geographical areas of total assets and gross revenue under "International" sub-segment are given below:

	31 March 2024 (unaudited)	31 December 2023 (audited)
	AED'000	AED'000
Egypt	3,304,579	4,755,317
United Kingdom	1,174,267	1,264,984
Others	19,880	27,968
Total assets	4,498,726	6,048,269
	3 months period ended 31 March 2024 (unaudited)	3 months period ended 31 March 2023 (audited)
	AED'000	AED'000
Egypt	166,448	177,401
United Kingdom	222,754	-
Others	2,716	-
Gross revenue	391,918	177,401

Acquisitions in 2023

33.1 Merger of property and facilities management businesses

On 4 July 2023, the Group entered into a shareholders' agreement and contribution agreement (the "Agreement") to consolidate and merge the facilities management ("FM") and the property management ("PM") platform of Aldar, IHC Real Estate Holding LLC (IHC) and Abu Dhabi National Exhibitions Company PJSC (ADNEC) (together, the "Stakeholders") into Aldar Estates Holding Limited ("Aldar Estates"), a subsidiary of Aldar (the "Transaction").

As part of the Transaction, Eltizam Asset Management LLC (Eltizam), a property and facilities management services company, previously jointly owned by IHC and ADNEC Group, acquired by Aldar Estates. The Transaction was undertaken via a share transfer mechanism whereby Aldar Estates has acquired entire shares in Eltizam in exchange of 17.45% shares each issued to IHC and ADNEC.

At the date of the Transaction, Aldar Estates issued 4,854 number of shares to IHC and ADNEC that represented 34.9% of the number of shares of Aldar Estates. The fair value of Aldar Estates at the date of the Transaction was AED 2,902,579 thousand (AED 208,684 thousand per share).

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.1 Merger of property and facilities management businesses (continued)

The following table summarizes the acquisition date fair value of the consideration transferred:

	AED'000
Fair value of Aldar Estates (pre-Transaction)	1,889,579
Fair value of Eltizam	1,013,000
Fair value of Aldar Estates (post-Transaction)	2,902,579
Consideration transferred for the Transaction (34.9% of Aldar Estates post-Transaction)	1,013,000

The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values. The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	AED'000
Assets	
Property, plant and equipment	15,683
Intangible assets	167,810
Contract assets	12,700
Trade and other receivables	316,658
Inventories	5,813
Cash and bank balances	75,075
Total assets	593,739
Liabilities	
Employees benefits	28,096
Lease liabilities	3,860
Advances from customers	552
Trade and other payables	248,688
Total liabilities	281,196
Total identifiable net assets at fair value	312,543
Non-controlling interest	(4,230)
Group's share of net assets acquired	308,313
Less: purchase consideration	(1,013,000)
Goodwill (iii)	(704,687)

Analysis of cashflow on acquisition

	AED'000
Cash paid for the acquisition	-
Cash acquired on business combination	75,075
Net cash inflows on acquisition (included in cash flows from investing activities)	75,075
Transaction costs of the acquisition (included in cash flows from operating activities) (iv)	(2,257)
Net cash inflow on acquisition	72,818

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.2 Kent College and Nursery

On 3 May 2023, Aldar Education - Sole Proprietorship LLC ("Aldar Education" a subsidiary of the Company) signed an agreement to purchase Kent College LLC - FZ and Kent Nursery LLC - FZ ("Kent"), registered with Meydan Freezone Authority, Dubai, UAE for a total consideration of AED 120,000 thousand. On 1 September 2023, all the major conditions precedent to completion were completed and the Group acquired control over Kent. Kent's principal activity is to provide education services under British curriculum. Kent was acquired as part of the growth and expansion of Aldar Education business in the education field along with expansion to outside Abu Dhabi. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

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

	AED'000
Assets	
Property, plant and equipment	411,044
Intangible assets	39,904
Trade and other receivables	12,500
Cash and bank balances	5,037
Total assets	468,485
Liabilities	
Employees benefits	3,474
Lease liabilities	411,006
Advances from customers	14,650
Trade and other payables	8,472
Total liabilities	437,602
	AED'000
Total identifiable net assets at fair value	30,883
Less: purchase consideration	(120,000)
Goodwill	(89,117)
	AED'000
Analysis of cashflow on acquisition	
Cash paid for the acquisition	(117,782)
Net cash acquired on business combination	5,037
Net cash outflows on acquisition (included in cash flows from investing activities)	(112,745)
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,668)
Net cash outflow on acquisition	(114,413)

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.3 Virginia International Private School LLC

On 2 August 2023, Aldar Education acquired 100% shares of Virginia International Private School – Sole Proprietorship LLC, a limited liability company (“Virginia”) registered in Abu Dhabi, UAE for a total consideration of AED 210,509 thousand. The Company is licensed to operate Nurseries, Kindergartens, Public Elementary Education, Preliminary (Intermediate) Education and Secondary Education. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired, and liabilities assumed, have been recognised at their respective fair values. Virginia was acquired as part of growth and expansion of Aldar Education business in the education industry.

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

	<u>AED’000</u>
Assets	
Property, plant and equipment	152,007
Intangible assets	13,244
Trade and other receivables	10,609
Inventories	1,003
Cash and bank balances	4,991
Total assets	<u><u>181,854</u></u>
Liabilities	
Employees benefits	1,142
Lease liabilities	5,314
Advances from customers	7,467
Trade and other payables	6,342
Total liabilities	<u><u>20,265</u></u>
	<u>AED’000</u>
Total identifiable net assets at fair value	161,589
Less: purchase consideration	<u>(210,509)</u>
Goodwill	<u>(48,920)</u>
	<u>AED’000</u>
Cash paid for the acquisition	(188,586)
Net cash acquired on business combination	4,991
Net cash outflows on acquisition (included in cash flows from investing activities)	(183,595)
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>(923)</u>
Net cash outflow on acquisition	<u><u>(184,518)</u></u>

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.4 FAB Properties LLC

On 9 September 2023, Provis Real Estate Management - Sole Proprietorship LLC (“Provis” a subsidiary of the Company) signed an agreement to acquire 100% of the issued share capital of FAB Properties - Sole Proprietorship LLC (“FAB Properties”), a limited liability company registered in Abu Dhabi, UAE for a total consideration of AED 334,960 thousand. On 1 December 2023, all the substantive conditions precedent to completion were met and therefore 1 December 2023 is the date on which the Group acquired control over FAB Properties. FAB Properties was acquired to emerge as the largest player in property management market in Abu Dhabi. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values.

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

	AED'000
Assets	
Property, plant and equipment	30
Intangible assets	203,031
Trade and other receivables	10,416
Cash and bank balances	190,661
Total assets	<u>404,138</u>
Liabilities	
Employees benefits	3,555
Trade and other payables	181,217
Total liabilities	<u>184,772</u>
	AED'000
Total identifiable net assets at fair value	219,366
Less: purchase consideration	(334,960)
Goodwill	<u>(115,594)</u>
Analysis of cashflow on acquisition	AED'000
	AED'000
Cash paid for the acquisition	(334,960)
Net cash acquired on business combination	190,661
Net cash outflows on acquisition (included in cash flows from investing activities)	(144,299)
Transaction costs of the acquisition (included in cash flows from operating activities)	(2,565)
Net cash outflow on acquisition	<u>(146,864)</u>

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.5 Basatin Landscaping

On 28 May 2023, Aldar Estates Investment - Sole Proprietorship LLC (“Aldar Estates” a subsidiary of the Company) signed an agreement to acquire 75% of the issued share capital of Basatin Holding SPV Ltd. (“Basatin”), a limited liability company registered in Abu Dhabi, UAE for a total consideration of AED 138,822 thousand. Basatin was acquired as part of Aldar plan to further scale up and broaden its integrated property and facilities management platform, Aldar Estates. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

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

	AED'000
Assets	
Property, plant and equipment	8,336
Intangible assets	38,275
Contract assets	20,638
Trade and other receivables	65,197
Inventories	1,377
Cash and bank balances	36,960
Total assets	170,783
Liabilities	
Employees benefits	5,245
Retentions payable	3,709
Advances from customers	1,842
Trade and other payables	69,516
Total liabilities	80,312
	AED'000
Total identifiable net assets at fair value	90,471
Non-controlling interest	(22,618)
Group's share of net assets acquired	67,853
Less: purchase consideration	(138,822)
Goodwill	(70,969)
	AED'000
Cash paid for the acquisition	(138,822)
Net cash acquired on business combination	36,960
	AED'000
Net cash outflows on acquisition (included in cash flows from investing activities)	(101,862)
Transaction costs of the acquisition (included in cash flows from operating activities)	(3,017)
Net cash outflow on acquisition	(104,879)



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.6 Mustard and Linen

On 27 December 2022, the Group signed an agreement to acquire 75% shares of Mustard & Linen Interior Design Holdings Limited ("M&L") for a consideration of AED 25,000 thousand. M&L is incorporated in ADGM Abu Dhabi, UAE and is involved in the operation of premium interior design business services in UAE. M&L was acquired to complement the Aldar model of development, sales, construction, management and associated services for real estate in the region. The acquisition has been accounted for effective 14 February 2023 using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values.

The acquisition has resulted in recognition of non-controlling interest of AED 79 thousand and goodwill amounting to AED 24,763 thousand which is attributable to robust business model, vertical integration benefits, synergies, and cost optimisation. The non-controlling interest shareholder has also contributed AED 2,000 thousand to the equity of M&L. As of 31 December 2023, the full amount has been paid. Cash acquired on acquisition amounted to AED 1,781 thousand.

33.7 London Square Development (Holdings) Limited and LSQ Management Limited

On 30 November 2023, Aldar Development (LSQ) Limited, a private limited company incorporated in United Kingdom (a subsidiary of the Company) entered into a sale and purchase agreement ("SPA") to acquire 100% of the shares in London Square Development (Holdings) Limited and LSQ Management Limited ("London Square"), private companies limited by shares incorporated in United Kingdom for a total consideration of GBP 120,000 thousand (AED 557,382 thousand). London Square was acquired as part of Aldar's growth and diversification strategy to bolster scale, broaden market reach, and diversify revenue streams. The acquisition has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed have been recognised at their respective provisional fair values.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.7 London Square Development (Holdings) Limited and LSQ Management Limited (continued)

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

	AED'000
Assets	
Property, plant and equipment	14,436
Intangible assets	10,436
Development work in progress	1,152,558
Investment in joint ventures	107,232
Contract assets	127,144
Trade and other receivables	160,778
Derivative financial assets	12,093
Cash and bank balances	215,525
Total assets	<u>1,800,202</u>
Liabilities	
Lease liabilities	8,334
Retentions payable	41,893
Bank borrowings	634,558
Contract liabilities	80,302
Advances from customers	54,970
Trade and other payables	486,667
Total liabilities	<u>1,306,724</u>
	<u>AED'000</u>
Total identifiable net assets at fair value	493,478
Less: purchase consideration	<u>(497,685)</u>
Goodwill	<u>(4,207)</u>
Analysis of cashflow on acquisition	
	<u>AED'000</u>
Cash paid for the acquisition	(417,014)
Net cash acquired on business combination	<u>215,525</u>
Net cash outflows on acquisition (included in cash flows from investing activities)	(201,489)
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>(23,022)</u>
Net cash outflow on acquisition	<u>(224,511)</u>

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

34 Income tax

The Group recognised income tax expense based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year that would be applicable to the expected total annual earnings. The estimated average annual tax rate used for the period ended 31 March 2024 is 4.06%. Effective 1 January 2024, the Group operations in UAE are subject to income tax. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	3 months period ended	
	31 March 2024 (unaudited) AED'000	31 March 2023 (unaudited) AED'000
Current income tax:		
Current income tax expense	74,830	3,198
Deferred income tax:		
Relating to origination and reversal of temporary differences	(8,385)	3,304
Income tax expense recognised in statement of profit or loss	66,445	6,502

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The Corporate Tax Law is applicable to Tax Periods commencing on or after 1 June 2023 (where the Tax Period is generally aligned with the financial accounting period).

The UAE CT Law is applicable to the Group with effect from 1 January 2024. The UAE CT Law is subject to further clarification by supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate.

International Tax Reform - Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules") designed to address the tax challenges arising from the digitalisation of the global economy.

The Group is in scope of Pillar Two legislation as it operates in a jurisdiction that has substantively enacted Pillar Two legislation and its consolidated revenue exceeds €750 million threshold.

UAE, where the head quarter of the Group is based, published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses on 24 November 2023, as part of its commitment to the OECD guidelines.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

34 Income tax (continued)

International Tax Reform - Pillar Two model rules (continued)

The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. The implementation of these rules in the UAE is still pending additional Cabinet Decisions, and the specific form and manner of implementation are yet to be determined.

Additionally, Pillar Two legislation is effective in the jurisdiction in financial year ending 31 December 2024 where the Group operates. The Group will continue to monitor the Pillar Two legislations in all relevant jurisdictions and accrue any potential top-up tax when the legislation is effective in those jurisdictions in accordance with the IAS 12 Amendments and taking into consideration the transitional CbC safe harbour relief.

The Group is in the process of assessing the potential exposure to Pillar Two income taxes as at 31 March 2024. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group expects to be in a position to report the potential exposure in the second half of 2024.

Recently, the UAE issued a public consultation on Pillar II rules, the global minimum tax framework, with the expectation that a law will be issued later this year that explain how and when UAE would implement Pillar II. The Group expects to be in a position to report the potential exposure in the second half of 2024.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

The Group has applied this mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

35 Foreign exchange translation reserve

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	(536,624)	(385,312)
Exchange differences on translating the net assets of foreign operations	(437,179)	(252,741)
Relating to non-controlling interests	174,329	101,429
Balance at the end of the period/year	(799,474)	(536,624)

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

36 Cash flow hedging reserve

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	165,130	190,248
Cumulative fair value gain arising on hedging instruments during the period/year classified under cash flow hedges	-	(20,713)
Cumulative net loss arising on hedging instruments reclassified to profit or loss (note 22)	(4,590)	(7,787)
Attributable to non-controlling interest	544	3,382
Balance at the end of the period/year	161,084	165,130

37 Non-controlling interests

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	5,302,298	4,380,218
<i>Share of profit for the period/year</i>	254,088	494,143
<i>Share of other comprehensive loss for the period/year</i>	(174,874)	(104,811)
Total comprehensive income for the period/year	79,214	389,332
Dividends paid by a subsidiary against preference and common equity (note 37.1)	(36,787)	(101,957)
Dividends paid by a subsidiary to non-controlling interests (note 37.2)	(76,964)	(151,040)
Non-controlling interest arising on business combination and assets acquisition	-	92,469
Additional contribution from non-controlling interests (note 37.3)	222,223	18,000
Change in equity attributable to owners of the company due to partial disposal of a subsidiary	-	675,276
Balance at the end of the period/year	5,489,984	5,302,298

37.1 During the year 2022, Aldar Investment Holding Restricted Limited (“AIHR” - a subsidiary of the Company and 100% shareholder of Aldar Investment Properties LLC “AIP”) entered into a subscription agreement with Apollo Gretel Investor, L.P. (“Apollo”) relating to AIHR, where Apollo subscribed to common equity of USD 100,000 thousand and preferred equity of USD 300,000 thousand of AIHR. The preferred equity will be mandatory convertible into fixed number of shares at the third anniversary of the closing date and will carry a fixed rate of interest. The above results in Aldar disposing 11.121% of its shareholding in AIHR for a total cash consideration of USD 400,000 thousand (AED 1,469,000 thousand). The above transaction does not result in the Group’s loss of control over AIHR. The difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration received is recognised in equity.

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

	AED'000
Carrying amount of the interest disposed	1,568,080
Consideration received	(1,469,000)
Change in equity attributable to owners of the Company	99,080

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 31 March 2024 (continued)

37 Non-controlling interests (continued)

37.1 The difference of AED 99,080 thousand represents 0.75% ownership in AIHR (the “Additional Interest”). The ultimate beneficial owner of this 0.75% will be determined pursuant to terms of a side letter agreed with Apollo and based on the final status of Corporate Income tax in UAE when implemented. Consequently, this has resulted in the recognition of a financial asset and a financial liability which are reported net as the Company has a legally enforceable right to set off and it intends to settle the asset and liability simultaneously. During the period, the Group determined the fair value of Additional Interest as of the reporting date and determined that the fair value is equal to the fair value at initial recognition of the Additional Interest.

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

During the period, AIHR declared and paid dividend amounted to AED 36,787 thousand (31 March 2023: AED 60,453 thousand).

37.2 During the year 2022, the Company established a 100% owned subsidiary Aldar Hansel SPV Restricted Limited (“Hansel”), a restricted scope company incorporated in Abu Dhabi Global Market, Abu Dhabi, UAE, comprising 51% of class A shares and 49% of class B shares. Subsequent to this, the Company entered into a 20 year Deferred Land Sale and Purchase Agreement (“DLSPA”) with Hansel where the cash flow rights over 2.6 million sqm of land was transferred to Hansel. The Company further disposed of its class B shares in Hansel against consideration of USD 500,000 thousand (AED 1,836,000 thousand) to AP Hansel SPV LLC, a 100% owned company of Apollo Capital Management L.P (“Apollo Capital”). Apollo Capital's returns will not be predetermined and will be subject to movement in land valuations or gain from sale of land, if any, over the period of the DLSPA.

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

During the period, Hansel paid dividend of AED 76,964 thousand (31 March 2023: AED 73,676 thousand).

37.3 The additional contribution during the period include an amount of AED 192,000 thousand received from a non-controlling interest of the Group. As per the shareholder’s agreement, the shareholder has no right to call for repayment and the amount will be repaid from the residual profits of the entity and there is no fixed repayment term nor interest payable on this contribution and hence classified as equity.

38 Reclassification of prior period balances

Certain comparative figures have been reclassified/regrouped, wherever necessary, to conform to the presentation adopted in these condensed consolidated financial statements. These reclassifications do not materially change the presentation of the condensed consolidated financial statements

39 Approval of condensed consolidated financial statements

The condensed consolidated financial statements of the Group for the period ended 31 March 2024 were approved by the Board of Directors and authorised for issue on 29 April 2024.