



ALDAR PROPERTIES PJSC

Review report and interim financial information

**For the six-months period ended
30 June 2024**



ALDAR PROPERTIES PJSC

Review report and interim financial information for the six-months period ended 30 June 2024

	Pages
Report on review of interim financial information	1
Condensed consolidated statement of financial position	2 - 3
Condensed consolidated statement of profit or loss	4
Condensed consolidated statement of comprehensive income	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7 - 8
Notes to the condensed consolidated financial statements	9 - 49

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aldar Properties PJSC (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

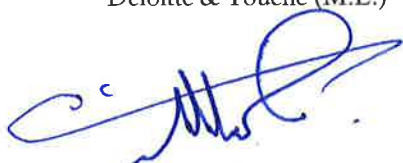
Scope of Review

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

Conclusion

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

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration No. 717
29 July 2024
Abu Dhabi
United Arab Emirates

ALDAR PROPERTIES PJSC
**Condensed consolidated statement of financial position
as at 30 June 2024**

	Note	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Assets			
Non-current assets			
Property, plant and equipment	5	6,632,880	6,513,316
Intangible assets and goodwill	6	1,810,494	1,882,835
Investment properties	7	27,407,832	26,217,542
Investment in associates and joint ventures	8	178,427	151,167
Investment in financial assets	9	778,039	718,969
Derivative financial assets	20	11,255	8,311
Trade receivables and other assets	10	585,207	724,990
Deferred tax assets		45,681	80,773
Total non-current assets		37,449,815	36,297,903
Current assets			
Development work in progress	11	6,567,285	6,243,802
Plots of land held for sale	12	7,194,654	7,787,308
Inventories	13	407,732	606,334
Investment in financial assets	9	13,307	93,147
Contract assets	19	2,938,252	1,875,744
Trade receivables and other assets	10	8,930,983	8,235,672
Cash and bank balances	14	12,686,210	11,718,158
Total current assets		38,738,423	36,560,165
Total assets		76,188,238	72,858,068

ALDAR PROPERTIES PJSC


**Condensed consolidated statement of financial position
as at 30 June 2024 (continued)**

	Note	30 June 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
Hedging reserve	36	155,702	165,130
Investment revaluation reserve		(10,801)	(8,790)
Assets revaluation reserve		73,623	73,623
Foreign currency translation reserve	35	(805,198)	(536,624)
Retained earnings		21,057,783	19,577,817
Equity attributable to owners of the Company		32,265,054	31,065,101
Hybrid equity instrument	15	1,815,647	1,815,647
Non-controlling interests	37	5,760,583	5,302,298
Total equity		39,841,284	38,183,046
Non-current liabilities			
Non-convertible sukuk	16	6,833,005	5,456,856
Bank borrowings	16	6,490,243	5,488,558
Retentions payable		555,849	542,998
Lease liabilities	27.3	903,008	848,365
Employees benefits		382,837	339,482
Trade and other payables	18	3,488,964	3,937,905
Deferred tax liability		83,232	83,379
Total non-current liabilities		18,737,138	16,697,543
Current liabilities			
Non-convertible sukuk	16	52,587	46,098
Bank borrowings	16	839,758	1,087,654
Retentions payable		773,231	723,756
Lease liabilities	27.3	106,306	78,505
Advances and deposits from customers	17	822,222	633,019
Contract liabilities	19	6,375,811	6,429,003
Trade and other payables	18	8,639,901	8,979,444
Total current liabilities		17,609,816	17,977,479
Total liabilities		36,346,954	34,675,022
Total equity and liabilities		76,188,238	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.

Signed by:

275CC34579784D4

Mohamed Al Mubarak
Chairman

DocuSigned by:

58B5E8D12AF748D...

Talal Al Dhiyebi
Group Chief Executive Officer

DocuSigned by:

5BBDAA28AA584C0...

Faisal Falaknaz
Group Chief Financial &
Sustainability Officer

Condensed consolidated statement of profit or loss for the period ended 30 June 2024

	Note	3 months period ended		6 months period ended	
		30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000
Revenue and rental income	32.1	5,302,686	3,239,808	10,918,352	6,305,400
Direct costs	32.1	(3,477,943)	(1,807,086)	(7,068,100)	(3,618,231)
Gross profit		1,824,743	1,432,722	3,850,252	2,687,169
Selling and marketing expenses		(31,619)	(10,028)	(55,152)	(52,902)
General and administrative expenses					
Staff costs		(165,396)	(136,457)	(330,687)	(291,921)
Depreciation and amortisation	5,6	(137,848)	(110,412)	(275,312)	(211,306)
Provisions, impairments and write downs, net		(7,768)	(123,042)	(16,626)	(138,094)
Others	24	(83,858)	(95,573)	(212,179)	(206,778)
Gain on revaluation of investment properties, net	7	405,005	240,925	390,630	226,551
Share of results of associates and joint ventures	8	1,655	(2,386)	867	(3,802)
Gain on disposal of investment properties	7	6,866	5,531	65,314	13,272
(Loss)/income from financial assets at FVTPL	9.2	(1,641)	(803)	14,168	352
Finance income	21	170,803	104,197	350,255	214,169
Finance costs	22	(235,627)	(141,283)	(444,755)	(270,773)
Other income	23	80,597	124,540	126,315	164,293
Profit for the period before tax		1,825,912	1,287,931	3,463,090	2,130,230
Income tax expense	34	(75,318)	(5,997)	(141,763)	(12,499)
Profit for the period after tax		1,750,594	1,281,934	3,321,327	2,117,731
Attributable to:					
Equity holders of the company		1,551,614	1,198,149	2,868,259	1,923,804
Non-controlling interests		198,980	83,785	453,068	193,927
		1,750,594	1,281,934	3,321,327	2,117,731
Basic and diluted earnings per share (AED)	25	0.197	0.152	0.358	0.238

Condensed consolidated statement of comprehensive income for the period ended 30 June 2024

	Note	3 months period ended		6 months period ended	
		30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000
Profit for the period		1,750,594	1,281,934	3,321,327	2,117,731
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>					
Foreign exchange differences on translation of foreign operations	35	(10,011)	(3,362)	(447,190)	(251,484)
Fair value gain/(loss) on cash flow hedges arising during the period	20,36	-	3,839	-	(20,785)
Net (losses)/gains on hedging instruments reclassified to profit or loss	22	(4,593)	(1,336)	(9,183)	335
<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	(1,265)	(1,342)	(2,011)	(12,216)
Other comprehensive loss for the period		(15,869)	(2,201)	(458,384)	(284,150)
Total comprehensive income for the period		1,734,725	1,279,733	2,862,943	1,833,581
Attributable to:					
Equity holders of the company		1,539,242	1,195,746	2,588,246	1,741,773
Non-controlling interests		195,483	83,987	274,697	91,808
		1,734,725	1,279,733	2,862,943	1,833,581

ALDAR PROPERTIES PJSC



Condensed consolidated statement of changes in equity for the period ended 30 June 2024

	Share capital AED'000	Statutory reserve AED'000	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	-	-	-	-	-	-	1,923,804	1,923,804	-	193,927	2,117,731
Other comprehensive income/(loss) for the period	-	-	(19,277)	(12,216)	-	(150,538)	-	(182,031)	-	(102,119)	(284,150)
Total comprehensive income/(loss) for the period	-	-	(19,277)	(12,216)	-	(150,538)	1,923,804	1,741,773	-	91,808	1,833,581
Dividend (note 29)	-	-	-	-	-	-	(1,258,022)	(1,258,022)	-	-	(1,258,022)
Dividends paid by a subsidiary against preference equity (note 37)	-	-	-	-	-	-	-	-	-	(74,186)	(74,186)
Coupon paid on hybrid equity instrument (note 15)	-	-	-	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Dividends paid by a subsidiary to non-controlling interests (note 37)	-	-	-	-	-	-	-	-	-	(73,678)	(73,678)
Additional contribution from non-controlling interests (note 37)	-	-	-	-	-	-	-	-	-	18,000	18,000
Non-controlling interest arising on a business combinations (note 33.3 and 33.4)	-	-	-	-	-	-	-	-	-	22,697	22,697
Balance at 30 June 2023 (unaudited)	7,862,630	3,931,315	170,971	(14,526)	73,623	(535,850)	17,293,276	28,781,439	1,815,647	4,364,859	34,961,945
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	-	-	-	-	-	-	2,868,259	2,868,259	-	453,068	3,321,327
Other comprehensive loss for the period	-	-	(9,428)	(2,011)	-	(268,574)	-	(280,013)	-	(178,371)	(458,384)
Total comprehensive income/(loss) for the period	-	-	(9,428)	(2,011)	-	(268,574)	2,868,259	2,588,246	-	274,697	2,862,943
Dividend (note 29)	-	-	-	-	-	-	(1,336,648)	(1,336,648)	-	-	(1,336,648)
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)	-	-	-	-	-	-	-	-	-	(50,521)	(50,521)
Dividends paid by a subsidiary to non-controlling interests (note 37.2)	-	-	-	-	-	-	-	-	-	(76,961)	(76,961)
Additional contribution from non-controlling interests (note 37)	-	-	-	-	-	-	-	-	-	311,070	311,070
Balance at 30 June 2024 (unaudited)	7,862,630	3,931,315	155,702	(10,801)	73,623	(805,198)	21,057,783	32,265,054	1,815,647	5,760,583	39,841,284

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

**Condensed consolidated statement of cash flows
for the period ended 30 June 2024**

	Note	6 months period ended	
		30 June 2024 (unaudited) AED '000	30 June 2023 (unaudited) AED '000
Operating activities			
Profit for the period before tax		3,463,090	2,130,230
Adjustments for:			
Depreciation and amortisation	5,6	292,915	217,832
Finance income	21	(350,255)	(214,169)
Finance costs	22	444,755	270,773
Gain on revaluation investment properties, net	7	(390,630)	(226,551)
Share of results of associates and joint ventures	8	(867)	3,802
Provisions, impairments and write downs, net		16,626	138,094
Loss on disposal and write-off of property, plant, equipment and intangibles		-	1,657
Gain on disposal of investment properties	7	(65,314)	(13,272)
Fair value gain on revaluation of financial assets		(14,168)	(1,154)
Provision for employee benefits		72,614	33,228
Operating cash flows before movements in working capital		3,468,766	2,340,470
Movement in working capital:			
Increase in trade receivable and other assets		(1,270,578)	(2,459,723)
Increase in development work in progress, inventories and plots of land held for sale		(431,576)	(4,181,250)
Increase in contract assets		(1,062,512)	(997,742)
Increase in retentions payable		79,240	359,874
Increase in advances and deposits from customers		726,540	695,424
Increase in contract liabilities		440,337	194,603
(Decrease)/increase in trade and other payables		(460,268)	3,829,115
Cash generated from/(used in) operations		1,489,949	(219,229)
Employee benefits paid		(54,731)	(43,495)
Income tax paid		(41,049)	(44,210)
Net cash generated from/(used in) operating activities		1,394,169	(306,934)

**Condensed consolidated statement of cash flows
for the period ended 30 June 2024 (continued)**

	Note	6 months period ended	
		30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000
Net cash generated from/(used in) operating activities		1,394,169	(306,934)
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	5	(328,618)	(237,557)
Payment for purchase of intangible assets	6	(17,816)	(29,511)
Additions to investment properties	7	(818,967)	(141,228)
Proceeds from disposal of investment properties and property, plant and equipment	5,7	112,626	91,868
Acquisition of subsidiaries, net of cash acquired		-	(125,078)
Cash received from associate as reduction in capital		-	38,432
Movement in term deposits with maturities greater than three months		(89,993)	187,750
Proceeds from maturity of treasury bills		112,368	327,428
Investments in associates and joint ventures		(23,776)	(650)
Payment for treasury bills		(60,914)	(328,724)
Cash distribution received from financial assets		24,756	-
Investment in financial assets		(80,267)	(169,999)
Derivatives realised during the period/year		11,621	-
Movement in restricted bank balances		3,748,800	(667,745)
Finance income received		371,630	154,094
Net cash generated from/(used) in investing activities		2,961,450	(900,920)
Cash flows from financing activities			
Proceeds from bank borrowings	16	4,483,019	3,177,943
Proceeds from non-convertible sukuk	16	1,824,553	1,826,282
Repayments of bank borrowings	16	(3,608,607)	(4,265,177)
Payment of non-convertible sukuk	16	(465,060)	-
Payment of principal portion of lease liabilities		(73,431)	(48,236)
Finance costs paid		(393,573)	(245,437)
Dividends paid		(1,336,647)	(1,258,022)
Dividends paid to non-controlling interest		(127,482)	(147,864)
Coupon paid on hybrid equity investment	15	(51,645)	(51,645)
Additional contribution from non-controlling interests	37	311,070	18,000
Proceeds from settlement of derivatives		-	183,662
Payment for purchase of land held for sale		(212,945)	-
Net cash generated from/(used in) financing activities		349,252	(810,494)
Net increase/(decrease) in cash and cash equivalents		4,704,871	(2,018,348)
Cash and cash equivalents at beginning of the period	14	4,963,096	7,020,318
Effect of foreign exchange rate changes		(78,012)	(49,868)
Cash and cash equivalents at end of the period	14	9,589,955	4,952,102

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



Notes to the condensed consolidated financial statements for the period ended 30 June 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 30 June 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.

• IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. IFRS 19 was issued in May 2024 and applies to an annual reporting period beginning on or after 1 January 2027.

• 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 six-months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

3 Summary of material accounting policy information (continued)

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.

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

	30 June 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 *	346,609	718,065
Recognised as part of business combination (note 33)	-	601,673
Transfer from development work in progress (note 11)	33,000	-
Transfer from investment properties (note 7)	-	26,477
Depreciation charge for the period/year	(221,602)	(398,473)
Disposals during the period/year	(75)	(15,764)
Exchange differences	(38,368)	(25,184)
Balance at the end of the period/year	6,632,880	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 17,603 thousand allocated to direct costs (period ended 30 June 2023: AED 6,526 thousand).

No impairment indications were observed for any items of property, plant and equipment during the period ended 30 June 2024 and year ended 31 December 2023.

Property, plant and equipment include right-of-use assets mainly with respect to leases of plots of land and buildings.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**
5 Property, plant and equipment (continued)

Following is the movement in right of use assets during the period/year:

	30 June 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	17,992	54,408
Lease modified/terminated during the period/year, net	22,266	(8,663)
Depreciation for the period/year	(50,394)	(38,962)
Exchange differences	(1,998)	(991)
Balance at the end of the period/year	571,827	583,961

6 Intangible assets and goodwill

	30 June 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	17,816	82,320
Recognised as part of business combination (note 33)	-	1,530,958
Amortisation for the period/year	(71,313)	(80,716)
Written-off during the period/year	-	(10,948)
Exchange differences	(18,844)	(13,723)
Balance at the end of the period/year	1,810,494	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 30 June 2024 and 31 December 2023.

7 Investment properties

	30 June 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 (i)	1,140,100	1,616,861
Disposals during the period/year (iv), (v)	(227,382)	(152,097)
Fair value gain, net (vi), (vii)	390,630	600,157
Transfers (to)/from		
Property, plant and equipment (note 5)	-	(26,477)
Development work in progress (note 11)	-	316,531
Exchange differences	(113,058)	(70,457)
Balance at the end of the period/year	27,407,832	26,217,542

(i) The additions primarily represent cost incurred on the construction of properties under development including land acquired for development as investment properties and redevelopment of completed properties.



**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

7 Investment properties (continued)

- (ii) Investment properties include right-of-use assets mainly with respect to leases of land plots amounting to AED 432,144 thousand as at 30 June 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).
- (iii) Investment properties represent the Group's interest in land and buildings situated in the UAE amounting to AED 27,200,241 thousand as at 30 June 2024 (31 December 2023: AED 25,902,573 thousand) and outside UAE amounting to AED 207,591 thousand. (31 December 2023: AED 314,970 thousand).
- (iv) 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 AED 124,166 thousand and cash consideration given were AED 5,000 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".
- (v) During the period, the Group also sold investment properties for AED 117,862 thousand (period ended 30 June 2023: AED 81,144 thousand) and realised a net gain of AED 14,080 thousand (period ended 30 June 2023: AED 13,272 thousand) which is recorded in condensed consolidated statement of profit or loss under "gain on disposal of investment properties".
- (vi) The net fair value gain amounting to AED 390,630 thousand (period ended 30 June 2023: AED 226,551 thousand) recorded during the period resulted mainly from fair value gain of AED 420,424 thousand (period ended 30 June 2023: AED 255,300 thousand) relates to the net fair value gain recorded on major investment properties based on valuation carried out by the accredited external independent valuers not connected with the Group netted against a fair value loss amounting to AED 29,794 thousand (period ended 30 June 2023: AED 28,749 thousand) recorded on buildings held on leasehold land. The valuers are members of professional valuers' associations and have appropriate qualification and experience in the valuation of properties at the relevant locations. Fair value gain or loss on investment properties are presented as "gain on revaluation of investment properties, net" in the condensed consolidated statement of profit or loss. The investment properties are categorised under Level 3 in the fair value hierarchy.
- (vii) The Group conducted sensitivity analysis on the capitalisation rates and rental rates for the major investment properties on which net fair value gain was recognised as of 30 June 2024. Based on this sensitivity analysis:
- A decrease in the capitalisation rates by 50bps would result in AED 1,098,006 thousand (30 June 2023: AED 1,002,005 thousand) increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 950,861 thousand (30 June 2023: AED 875,319 thousand) decrease in the valuation of those properties; and
 - An increase in the rental rates by 10% would result in AED 1,384,414 thousand (30 June 2023: AED 1,258,613 thousand) increase in the valuation, whilst a decrease in the rental rates by 10% would result in AED 1,384,477 thousand (30 June 2023: AED 1,258,717 thousand) decrease in the valuation of those properties.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

8 Investment in associates and joint ventures

	30 June 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	23,776	10,809
Share of results for the period/year	867	(7,416)
Redemptions	-	(52,468)
Exchange differences	(718)	-
Allocated to current account	3,335	8,348
Balance at the end of the period/year	178,427	151,167

The Group considers that its amount receivable from one of the joint ventures 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 3,335 thousand (period ended 30 June 2023: AED 4,237 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 30 June 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

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Non-current		
Financial assets at fair value through other comprehensive income ("FVTOCI") (9.1)	21,306	23,317
Financial assets at fair value through profit or loss ("FVTPL") (9.2)	756,733	695,652
	778,039	718,969
Current		
Financial assets at amortised cost (9.3)	13,307	93,147
Total	791,346	812,116

Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)

9 Investment in financial assets (continued)

9.1 Financial assets at FVTOCI

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Investment in UAE quoted securities	21,304	23,315
Investment in UAE unquoted securities	2	2
	21,306	23,317

Movement during the period/year is as follows:

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
At 1 January	23,317	29,797
Fair value loss	(2,011)	(6,480)
At 30 June/31 December	21,306	23,317

9.2 Financial assets at FVTPL

	30 June 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
At 1 January	695,652	68,837
Additions	80,267	624,213
Distributions	(24,756)	-
Fair value gain/(loss)	10,858	(2,456)
Exchange (loss)/gain, net	(5,288)	5,058
At 30 June/31December	756,733	695,652

9.3 Financial assets at amortised cost

Investment in treasury bills (i)	13,307	93,147
----------------------------------	---------------	---------------

(i) This represents investment in treasury bills made by a subsidiary of the company in Egypt and carried at amortised cost which approximates the fair value.



Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)

9 Investment in financial assets (continued)

9.4 Fair value hierarchy

As at 30 June 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
30 June 2024 (unaudited)				
Investment in UAE securities	21,304	-	2	21,306
Investment in international unquoted funds	-	-	756,733	756,733
Investment in treasury bills	-	-	13,307	13,307
	21,304	-	770,042	791,346
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	-	-	93,147	93,147
	23,315	-	788,801	812,116

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

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Non-current portion		
Trade receivables	318,785	474,366
Due from associates and joint ventures	257,454	214,179
Receivables relating to project finance	129,067	131,940
Others	98,889	121,605
	804,195	942,090
Less: allowance for expected credit loss	(218,988)	(217,100)
	585,207	724,990
Current portion		
Trade receivables	5,777,570	5,033,135
Advances and prepayments*	1,870,684	1,985,829
Refundable deposits	248,572	305,293
Refundable costs**	342,397	236,474
VAT recoverable	124,711	74,066
Due from associates and joint ventures	25,698	25,665
Accrued interest	13,896	56,813
Receivables relating to project finance	8,323	8,323
Others	765,241	765,419
	9,177,092	8,491,017
Less: allowance for expected credit loss	(246,109)	(255,345)
	8,930,983	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.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

10 Trade receivables and other assets (continued)

During the period, allowance for expected credit loss of AED 15,462 thousand (period ended 30 June 2023: AED 24,268 thousand) was made against trade and other receivables. Trade and other receivables amounting to AED 22,810 thousand were written off (period ended 30 June 2023: AED 20,733 thousand).

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

11 Development work in progress

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

	30 June 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	4,753,058	4,845,162
Recognised as part of business combination (note 33)	-	1,152,558
Recognised in direct costs of properties sold during the period/year	(4,221,253)	(3,345,423)
Write-off of project costs incurred during the period/year	(3,021)	(133,216)
Provision for impairment recognised during the period/year	(639)	(480)
Transfers from/(to):		
Inventories (note 13)	(8,805)	(38,209)
Investment properties (note 7)	-	(316,531)
Property, plant and equipment (note 5)	(33,000)	-
Plot of land held for sale (note 12)	656,173	687,939
Exchange differences	(819,030)	(443,680)
Balance at the end of the period/year	6,567,285	6,243,802
Development properties are located as:		
Within UAE	2,585,467	2,790,457
Outside UAE	3,981,818	3,453,345
	6,567,285	6,243,802

As at 30 June 2024, the Group determined net realisable value of its development work in progress and concluded that carrying value is higher than the net realisable value and recognised provisions and write-off of AED 3,660 thousand (31 December 2023: AED 133,696 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.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**
12 Plots of land held for sale

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

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at beginning of the period/year	7,787,308	4,822,121
Additions during the period/year	-	3,866,520
Borrowing cost capitalized	76,576	145,207
Others	(7,751)	-
Recognised in costs of properties sold (direct costs)	(5,306)	(358,601)
Transfer to development work in progress during the period/year (note 11)	(656,173)	(687,939)
Balance at the end of the period/year	7,194,654	7,787,308

During 2023, the Group acquired 3.4 million square meters of plots of land on Al Fahid Island (“Al Fahid Land”). Al Fahid Land is classified as a “qualifying asset” as it will take a substantial period of time to get it ready for its intended use.

In addition, during the year 2023, the Group signed a subscription and shareholders’ agreement with DH 3 FZ-LLC and DH Real Estate and Infra LLC to establish a special purpose vehicle in Abu Dhabi Global Market, Abu Dhabi, Aurora Holding Company Limited (“Aurora”), a private company limited by shares for the acquisition, development and sale of development work on 3 parcels of land in Dubai, UAE. The Group holds 51% shares in Aurora. The Group controls Aurora since it is exposed, or has rights, to variable returns from its involvement with Aurora and has the ability to affect those returns through its power over Aurora. During the year 2023, as part of the transaction the Group acquired the above plots of lands (“DH Lands”). DH Lands are classified as a “qualifying assets” as it will take a substantial period of time to get these ready for their intended use.

Total consideration for the above plots of lands amounts to AED 4.58 billion payable over 5 years. The plots of land are initially recognised at cost which is the present value of consideration payable over the period of 5 years discounted using the Group incremental borrowing rate. The discounted value of the lands is equal to its fair value on the date of purchase amounting to AED 3.86 billion.

Borrowing costs included in the cost of the above lands during the period, amounting to AED 76,576 thousand (for the period ended 30 June 2023: AED 57,133 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.

13 Inventories

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Completed properties	305,018	504,616
Other operating inventories	102,714	101,718
	407,732	606,334
Inventories are located as:		
Within UAE	344,798	474,245
Outside UAE	62,934	132,089
	407,732	606,334



Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)

13 Inventories (continued)

During the period, completed properties with a value of AED 8,805 thousand were transferred from development work in progress to inventories (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 113,521 thousand was recognised as direct costs during the period (for the period ended 30 June 2023: AED 144,318 thousand).

14 Cash and bank balances

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Cash and bank balances	10,449,632	9,336,005
Short term deposits held with banks	2,236,578	2,382,153
Cash and bank balances	<u>12,686,210</u>	<u>11,718,158</u>

Cash and cash equivalents

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Cash and bank balances	12,686,210	11,718,158
Short term deposits with original maturities greater than three months	(206,565)	(116,572)
Restricted bank balances	(2,889,690)	(6,638,490)
Cash and cash equivalents	<u>9,589,955</u>	<u>4,963,096</u>
Cash and cash equivalents:		
Within UAE	9,173,801	4,625,006
Outside UAE	416,154	338,090
	<u>9,589,955</u>	<u>4,963,096</u>

As at 30 June 2024, cash at banks amounting to AED 221,446 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 bank balances include balances amounting to AED 2,169,936 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.

Cash and cash equivalent includes balances amounting to AED 6,188,436 thousand which are deposited into escrow accounts representing cash received from customers against sale of development properties, which include certain balances against which the Group have provided bank guarantees and are available to the Group on demand.



Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)

14 Cash and bank balances (continued)

The interest rate on term deposits during the period ranges between 0.26% and 5.50% (for the year ended 31 December 2023: between 0.20% and 5.72%) per annum for UAE and between 10.00% and 23.05% (for the year ended 31 December 2023: between 4.75% and 15.20%) for Egypt. Bank deposits relating to UAE operations are placed with local banks in the UAE.

Cash and cash equivalents include an amount of AED 2,039,513 thousand (31 December 2023: AED 2,181,852 thousand) received from one of the customers against the development of certain projects. As of 30 June 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 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 310,500 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% with 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 < 1 year AED'000	Non-current > 1 year AED'000	Total AED'000
As at 30 June 2024 (unaudited)			
Non-convertible Sukuk	52,587	6,833,005	6,885,592
Bank borrowings	839,758	6,490,243	7,330,001
	892,345	13,323,248	14,215,593
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 30 June 2024 (continued)**

16 Bank borrowings and non-convertible sukuk (continued)

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Bank borrowings and non-convertible sukuk split by location are:		
Within UAE	12,833,238	11,055,087
Outside UAE	1,382,355	1,024,079
	14,215,593	12,079,166

As at 30 June 2024, the Group had AED 7,639,583 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 6,307,572 thousand (30 June 2023: AED 5,004,225 thousand) and repaid during the period amounted to AED 4,073,667 thousand (30 June 2023: AED 4,265,177 thousand).

During the period ended 30 June 2024, Aldar Investment Properties Sukuk Limited (the “Issuer”), a subsidiary of the Group registered as an exempted company with limited liability under the laws of the Cayman Islands, issued a USD 500,000 thousand (AED 1,836,250 thousand) green sukuk as part of its USD 2,000,000 thousand Trust Certificate Issue Programme, established in 2023. Under this Programme, the Issuer is authorised to periodically issue trust certificates in series, with a total value of up to USD 2,000,000 thousand. On May 8, 2024, the Issuer issued the second series of trust certificates “Sukuk 4”, amounting to USD 500,000 thousand (AED 1,836,250 thousand). This issuance, with a ten-year term, represents the Issuer's second green sukuk, following its inaugural USD 500,000 thousand sukuk issued in May 2023. Sukuk 4 is listed on Euronext Dublin, carries an annual profit rate of 5.50%, and is due for repayment in May 2034.

Consistent with Aldar's initial green sukuk, the proceeds from this issuance will be allocated in accordance with Aldar's Green Finance Framework. This framework supports investments in sustainable projects, including green buildings, energy-efficient property upgrades, sustainable water management, pollution control measures, and renewable energy sources.

During the period the Group initiated an early redemption of Sukuk No. 1, with original maturity in September 2025. As at 30 June 2024, USD 124,133 thousand (AED 455,878 thousand) of Sukuk No. 1 was redeemed at discount on the face value resulting in a gain of AED 4,559 thousand recognised as other income in the condensed consolidated statement of profit or loss.

During the period, the Group signed a revolving facility agreement with a local bank for a total commitment of AED 1 billion with a maturity after 5 years. AED 200 million of this facility was utilised till 30 June 2024. In addition, the Group refinanced and upsized the term loan for an international subsidiary with GBP 250 million unsecured term loan.

All the loans are priced at market rate.

Certain bank borrowings are secured in the form of mortgage over certain immovable properties; of which operating assets under investment properties are valued at AED 742,344 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 subsidiary only:

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

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**
17 Advances and deposits from customers

This mainly represent security deposits relating to properties leased by the Group and other advances and deposits received from the customers.

18 Trade and other payables

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Non-current		
Payable to a government authority for purchase of land (note 18.1)	426,655	638,007
Other land acquisition creditors and payable (note 12)	2,960,493	3,197,385
Grant liability	101,816	102,513
	3,488,964	3,937,905
Current		
Trade payables	1,514,889	1,721,104
Accrual for contractors' costs	3,741,299	3,268,051
Provisions and accruals	996,408	847,120
Deferred income	352,604	698,270
Income tax payable	162,064	115,479
Advances from the Government of Abu Dhabi (note 26.1)	49,483	30,292
Dividends payable	22,258	17,360
Payable to a government authority for purchase of land (note 18.1)	41,428	57,822
Due to the Government of Abu Dhabi	363,920	317,312
Other land acquisition creditors (note 12)	250,960	404,691
Payable against acquisition of subsidiary	107,453	106,080
Grant liability	5,195	2,343
Other liabilities	1,031,940	1,393,520
	8,639,901	8,979,444

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 subsidiary of the Group to purchase a plot of land with an area of 123.39 acres, with a total value of EGP 1,236,216 thousand (AED 94,525 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 88,391 thousand), and the land area allocated to the Company became 265.34 acres."

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

18 Trade and other payables (continued)

18.1 Payable to a government authority for purchase of land (continued)

Plot of land II

On 21 March, 2019, a co-development agreement was signed between a subsidiary of the Group 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 872,670 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 868,390 thousand). The co-development contract annex was signed in June 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 61,744 thousand), the down payment amount was paid, and the rest of the price and interest will be paid over 10 consecutive semi-annual instalments.

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 have been 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.

	30 June 2024 (unaudited)	31 December 2023 (audited)
	AED'000	AED'000
Contract assets: gross amounts due from customer on contracts for sale of properties	2,724,197	1,737,975
Contract assets: gross amounts due from customer on contracts to construct assets	120,956	101,046
Others	93,099	36,723
	2,938,252	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.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

19 Contract assets and liabilities (continued)

Contract liabilities (continued)

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Contract liabilities: gross amount due to customers on contracts for sale of properties	4,711,740	4,607,892
Contract liabilities: advance received from customers on contracts to construct assets	1,664,071	1,821,111
	6,375,811	6,429,003

20 Derivative financial instruments

The movement in derivative financial instruments is given below:

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Balance at beginning of the period/year	8,311	207,045
Recognised as part of business combination	-	12,093
Net fair value changes (i)	14,565	(27,165)
Realised during the period/year	(11,621)	(183,662)
Balance at the end of the period/year	11,255	8,311

(i) This include an amount of AED 11,255 thousand (31 December 2023: nil) netted off against the non-convertible sukuk.

During the period the Group entered into a forward starting interest rate swap ("IRS") having notional value of USD 500 million, under which fixed interest rate is received semi-annually and floating interest rate is paid by the Group semi-annually. The fair value movements on fixed leg of the swap is designated as a hedge of fair value movements in the 10-year Sukuk attributable to movements in USD SOFR coupon curve.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The fair value of interest rate swaps at the reporting date is based on discounted future cash flows using the applicable yield curves derived from observable interest rates. The Group's USD SOFR interest rate exposure is USD 500,000 thousand (AED 1,836,250 thousand) of the borrowings or debt capital markets issuance are at a fixed rate in exchange for the bank paying overnight USD SOFR. The fair values of these interest rate swaps is USD 3,078 thousand (AED 11,255 thousand).

As the critical terms of the IRS and its corresponding hedged item is the same, the Group performed a qualitative assessment of effectiveness and it is expected that the value of the IRS and the value of the corresponding hedged item will systematically change in opposite direction in response to movements in the underlying interest rates. This qualitative assessment resulted in no hedge ineffectiveness.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

21 Finance income

	3 months ended		6 months ended	
	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000
Sharia compliant deposits	15,804	24,262	43,070	50,359
Bank fixed deposits	19,765	15,058	30,903	39,051
Call and current accounts	105,209	36,985	204,299	65,366
Total interest/profit earned	140,778	76,305	278,272	154,776
Finance income earned on receivables*	24,642	22,868	62,814	48,913
Other finance income	5,383	5,024	9,169	10,480
	170,803	104,197	350,255	214,169

* 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 ended		6 months ended	
	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000
Finance costs on bank borrowings and non-convertible sukuk	209,203	135,042	401,366	257,641
Finance cost on operating lease liabilities (note 27.2)	15,649	6,922	24,958	11,522
Others	6,182	655	9,248	1,275
	231,034	142,619	435,572	270,438
Cumulative gain/(loss) arising on hedging instruments reclassified to profit or loss (note 36)	4,593	(1,336)	9,183	335
	235,627	141,283	444,755	270,773

23 Other income

	3 months ended		6 months ended	
	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000
Reversal of accruals and provisions (i)	52,748	118,283	52,748	126,336
Insurance claim	-	-	-	17,136
Exchange gain on bank deposits	1,180	820	20,036	11,824
Cooling connection fees (ii)	9,644	-	23,304	-
Non-tuition income	6,809	2,916	11,607	5,037
Others	10,216	2,521	18,620	3,960
	80,597	124,540	126,315	164,293

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

23 Other income (continued)

(i) This represents reversal of provisions which were no longer required following management's assessment at reporting date of the estimated cash flows required based on latest information which highlighted that it is no longer probable that a transfer of economic benefits will be required to settle the obligation

(ii) This represents earn-out consideration recognized as an additional fee for each additional connection load in relation to cooling operations sold by the Group in 2020.

24 Other general and administrative expenses

	3 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	(unaudited) AED'000	(unaudited) AED'000	(unaudited) AED'000	(unaudited) AED'000
Professional fees	30,179	30,013	52,655	52,046
IT maintenance	15,268	15,103	31,948	29,340
General office expenses	19,515	8,906	37,081	22,835
Board of Directors remuneration	11,697	9,315	22,525	17,844
Business travel	1,556	2,278	6,015	3,336
Others	5,643	29,958	61,955	81,377
	83,858	95,573	212,179	206,778

25 Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the 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 ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings (AED'000)				
Earnings for the purposes of basic and diluted earnings per share:				
Profit for the period attributable to equity holders of the Company	1,551,614	1,198,149	2,868,259	1,923,804
Less: distributions to the Noteholder (note 15)	-	-	(51,645)	(51,645)
	1,551,614	1,198,149	2,816,614	1,872,159
Weighted average number of shares				
Weighted average number of ordinary shares for basic and diluted EPS	7,862,629,617	7,862,629,617	7,862,629,617	7,862,629,617
Basic and diluted EPS attributable to equity holders of the Company (AED)	0.197	0.152	0.358	0.238

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)**

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.

26.1 Related party balances:

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

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Government of Abu Dhabi		
Trade and other receivables	1,081,137	868,053
Trade and other payables	(367,244)	(330,254)
Advances received (note 18)	(49,483)	(30,292)
Contract liabilities	(1,664,071)	(1,053,509)
Bank balances	11,309,584	4,608,438
Bank borrowings	(4,090,000)	(2,700,000)
Letter of credits and bank guarantees	(6,655,580)	(4,825,916)
Major shareholder and its affiliates		
Trade and other receivables	23,492	59,912
Trade and other payables	(1,138)	(3,764)
Retentions payables	(113,190)	(113,190)
Parent Company and its affiliates		
Trade and other receivables	88,664	100,334
Trade and other payables	(27,047)	(33,974)
Retentions payables	(386,340)	(450,485)
Associates and joint ventures		
Due from joint ventures	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 from associates and joint ventures, no provision has been made for doubtful debts in respect of the amounts owned by related parties. Certain receivables from joint ventures carry interest of 9% (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 30 June 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:

	6 months ended	
	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000
Government of Abu Dhabi		
Revenue	720,069	755,787
Other income	-	384
Finance income from project finance	4,067	4,168
Finance income on bank deposits	207,100	82,954
Finance costs on bank borrowings	(124,538)	(87,173)
Major shareholder and its affiliates		
Revenue	31,387	23,522
Parent Company and its affiliates		
Revenue	52,452	22,809
Cost incurred on projects under development (i)	(17,602)	(66,366)
Cost incurred on projects under management (ii)	-	(1,223,705)
Other costs	(12,727)	(21,366)
Associates and joint ventures		
Finance income from joint venture	7,491	7,491
Key management compensation		
Salaries, bonuses and other benefits	23,732	19,557
Post-employment benefits	674	533
Long term incentives	3,692	2,879
	28,098	22,969
Directors		
Directors' remuneration - expense (iii), note 24	22,525	17,844

- (i) This represents costs incurred during the period which is recognised as development work in progress for projects under development.
- (ii) This represents costs incurred on the projects under management on behalf of Government of Abu Dhabi. These costs are off set against "Advances from the Government of Abu Dhabi".
- (iii) During the period, the Company paid Directors' remunerations amounting to AED 31,560 thousand (period ended 30 June 2023: AED 19,804 thousand).



Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)

27 Commitments and contingencies

27.1 Capital commitments

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

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Projects under development	18,489,558	11,033,316
Projects under management*	6,123,679	6,528,144
Others	341,307	285,216
	24,954,544	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 5,950,831 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:

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
The Group as a lessor		
Within one year	1,499,891	1,429,281
One to five years	4,174,752	3,705,289
After five years	2,304,585	2,146,437
	7,979,228	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:

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
The Group as a lessee		
Within one year	94,397	96,673
One to five years	344,792	330,346
After five years	1,500,675	1,057,813
	1,939,864	1,484,832

Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)

27 Commitments and contingencies (continued)

27.2 Operating lease commitments (continued)

The following are the amounts recognised in profit or loss:

	6 months ended	
	30 June 2024 (unaudited) AED'000	30 June 2023 (unaudited) AED'000
The Group as a lessee		
Depreciation expense of right-of-use assets	50,394	16,219
Unwinding of interest expense on operating lease liabilities (note 22)	24,958	11,522
Expense relating to short-term leases	543	555

The total cash outflow for leases amounted to AED 94,432 thousand (period ended 30 June 2023: AED 48,895 thousand).

27.3 Lease liabilities

The movement for the lease liability is as follows:

	30 June 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	154,262	89,437
Payments during the period/year	(94,432)	(74,765)
Terminations/adjustment	(4,291)	(25,458)
Finance cost (note 22), (i)	29,421	23,845
Exchange difference	(2,516)	(236)
Balance at the end of the period/year	1,009,314	926,870

Analysed as:

Non-current	903,008	848,365
Current	106,306	78,505
Total	1,009,314	926,870

(i) Include AED 4,463 thousand capitalised during the period (period ended 30 June 2023: nil).

27.4 Contingencies

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Bank guarantees for land purchase (i)	3,214,666	3,390,111
Other letter of credits and performance bonds (ii)	3,888,184	1,802,894

(i) This represent bank guarantees provided for various lands acquired on deferred payment plan.

(ii) This pertains to letters of credit and performance bonds issued for diverse business operations within the Group.

**Notes to the condensed consolidated financial statements
for the period ended 30 June 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 1,336,648 thousand for the year ended 31 December 2023, being 17 fils per share (for the year 2023: cash dividends of AED 1,258,022 thousand, being 16 fils per share), which was paid during the period.

30 Non-cash transactions

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

	6 months period ended 30 June	
	2024 (unaudited) AED'000	2023 (unaudited) AED'000
Transfer between property, plant and equipment and development work in progress (note 11)	33,000	36,175
Additions to right-of-use assets under property, plant and equipment and investment properties	154,262	-
Fair value of derivative adjusted against hedge item	11,255	-

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.

	30 June 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 16)	1,392,487	1,367,534	1,852,145	1,820,844
Sukuk No. 2 (note 16)	1,840,072	1,710,896	1,839,101	1,722,890
Sukuk No. 3 (note 16)	1,813,510	1,759,623	1,811,708	1,782,319
Sukuk No. 4 (note 16)	1,839,523	1,837,609	-	-
	6,885,592	6,675,662	5,502,954	5,326,053

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)****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.

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, 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 30 June 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.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)



32 Segment information

32.1 Operating segments

Period ended 30 June 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	5,710,185	577,625	371,002	-	289,254	402,476	438,663	546,098	(11,292)	8,324,011
- At a point in time	222,394	106,702	363,781	-	256,856	-	546,784	-	-	1,496,517
- Leasing	-	-	3,316	1,081,488	-	-	-	13,020	-	1,097,824
Inter-segments	166,295	-	-	41,827	-	-	129,494	-	(337,616)	-
Gross revenue	6,098,874	684,327	738,099	1,123,315	546,110	402,476	1,114,941	559,118	(348,908)	10,918,352
Cost of revenue excluding service charge	(4,014,351)	(432,782)	(640,870)	(171,881)	(356,833)	(228,938)	(872,310)	(554,285)	269,195	(7,003,055)
Service charge expenses	-	-	-	(65,045)	-	-	-	-	-	(65,045)
Gross profit (i)	2,084,523	251,545	97,229	886,389	189,277	173,538	242,631	4,833	(79,713)	3,850,252

Period ended 30 June 2023 (unaudited)

Revenue and rental income from external customers										
- Over a period of time	2,179,627	534,366	26,066	-	278,808	312,162	427,575	212,957	-	3,971,561
- At a point in time	693,653	42,934	305,846	-	250,046	-	-	-	-	1,292,479
- Leasing	-	-	3,587	1,026,133	-	-	-	11,640	-	1,041,360
Inter-segments	99,929	-	-	37,391	-	-	124,744	-	(262,064)	-
Gross revenue	2,973,209	577,300	335,499	1,063,524	528,854	312,162	552,319	224,597	(262,064)	6,305,400
Cost of revenue excluding service charge	(1,821,588)	(343,182)	(196,825)	(163,694)	(355,083)	(174,933)	(429,374)	(200,761)	131,489	(3,553,951)
Service charge expenses	-	-	-	(64,280)	-	-	-	-	-	(64,280)
Gross profit	1,151,621	234,118	138,674	835,550	173,771	137,229	122,945	23,836	(130,575)	2,687,169

(i) Gross revenue of investment properties includes AED 65,045 thousand (period ended 30 June 2023: AED 64,280 thousand) of revenue from service charges and contingent rent of AED 31,601 thousand (period ended 30 June 2023: AED 22,421 thousand).

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)



32 Segment information (continued)

32.1 Operating segments (continued)

Period ended 30 June 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	2,084,523	251,545	97,229	886,389	189,277	173,538	242,631	4,833	(79,713)	3,850,252
Selling and marketing expenses	(30,438)	(173)	(7,115)	(2,378)	(1,180)	(3,058)	(6,828)	(1,781)	(2,201)	(55,152)
Staff costs	(67,052)	(18,022)	(44,859)	(46,119)	(7,554)	(38,161)	(50,600)	(33,195)	(25,125)	(330,687)
Depreciation and amortisation	(39,123)	(2,819)	(5,933)	(17,454)	(126,260)	(52,659)	(54,508)	(6,994)	30,438	(275,312)
Provisions, impairments and write -downs, net	(3,225)	-	(2,312)	(3,638)	-	(5,022)	724	(28)	(3,125)	(16,626)
Other general and administrative expenses	(62,004)	(8,908)	(33,650)	(23,751)	(2,357)	(22,558)	(31,176)	(24,424)	(3,351)	(212,179)
Gain on revaluation of investment properties, net	-	-	-	390,630	-	-	-	-	-	390,630
Share of results of associates and joint ventures	(268)	-	2,924	-	-	-	-	(1,789)	-	867
Gain on disposal of investment properties, net	-	-	-	65,314	-	-	-	-	-	65,314
Income/(loss) from financial assets at FVTPL	-	-	-	-	-	-	-	17,284	(3,116)	14,168
Finance income	160,719	76,366	71,647	60,878	18,318	11,381	16,275	1,105	(66,434)	350,255
Finance costs	(70,259)	-	(54,137)	(254,397)	(62,049)	(14,714)	(1,067)	(4,123)	15,991	(444,755)
Other income	53,184	4,047	26,589	5,524	-	11,607	70	23,605	1,689	126,315
Income tax expense	(52,252)	(25,252)	(16,276)	(54,859)	(6,310)	(5,450)	(9,771)	6,761	21,646	(141,763)
Profit for the period	1,973,805	276,784	34,107	1,006,139	1,885	54,904	105,750	(18,746)	(113,301)	3,321,327

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)



32 Segment information (continued)

32.1 Operating segments (continued)

Period ended 30 June 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	1,151,621	234,118	138,674	835,550	173,771	137,229	122,945		
Selling and marketing expenses	(33,689)	(723)	(2,931)	(5,069)	(435)	(1,804)	(2,240)	(3,101)	(2,910)	(52,902)
Staff costs	(75,340)	(11,645)	(33,684)	(63,247)	(6,287)	(30,831)	(41,124)	(23,444)	(6,319)	(291,921)
Depreciation and amortisation	(29,266)	(7,415)	(1,502)	(15,041)	(116,652)	(31,066)	(24,833)	(13,528)	27,997	(211,306)
Provisions, impairments and write-downs, net	(108,020)	-	(4,572)	(11,501)	-	(5)	(4,755)	-	(9,241)	(138,094)
Other general and administrative expenses	(68,619)	(23,411)	(31,413)	(23,745)	(2,808)	(16,835)	(15,377)	(13,603)	(10,967)	(206,778)
Gain on revaluation of investment properties	-	-	-	226,551	-	-	-	-	-	226,551
Share of results of associates and joint ventures	-	-	-	-	-	-	-	(3,802)	-	(3,802)
Gain on disposal of investment properties, net	-	-	-	13,272	-	-	-	-	-	13,272
(loss)/income from financial assets at FVTPL	-	-	-	-	-	-	-	(119)	471	352
Finance income	105,381	38,416	47,535	24,386	9,889	6,665	3,011	1,713	(22,827)	214,169
Finance costs	(2,980)	(291)	(25,821)	(248,021)	(29,015)	(2,201)	(4,368)	(2,731)	44,655	(270,773)
Other income	126,810	2,706	11,823	-	17,136	5,038	81	26	673	164,293
Income tax expense	-	-	(12,499)	-	-	-	-	-	-	(12,499)
Profit for the period	1,065,898	231,755	85,610	733,135	45,599	66,190	33,340	(34,753)	(109,043)	2,117,731

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 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						Consolidation 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	Unallocated/ eliminations AED'000	
<u>As at 30 June 2024 (unaudited)</u>										
Total assets	27,116,092	2,453,535	5,317,934	29,231,723	4,314,221	2,351,500	3,827,706	1,560,514	15,013	76,188,238
<u>Period ended 30 June 2024 (unaudited)</u>										
Capital expenditures	19,181	20,224	2,792	593	88,787	171,975	7,498	29,073	6,486	346,609
Project expenditures	2,924,628	-	1,834,110	1,134,420	-	-	-	-	-	5,893,158
<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 30 June 2023 (unaudited)</u>										
Capital expenditures	3,951,293	1,405	7,418	498	25,076	151,364	26,720	43,975	1,292	4,209,041
Project expenditures	1,840,505	-	301,146	141,228	-	-	-	-	-	2,282,879

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)



32 Segment information (continued)

32.2 Geographical segments

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

	6 months period ended 30 June 2024			6 months period ended 30 June 2023		
	UAE	International	Total	UAE	International	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Total assets as at 30 June 2023 and 31 December 2023	70,825,614	5,362,624	76,188,238	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	7,939,026	384,985	8,324,011	3,945,495	26,066	3,971,561
- At a point in time	1,132,736	363,781	1,496,517	986,633	305,846	1,292,479
- Leasing	1,094,508	3,316	1,097,824	1,037,773	3,587	1,041,360
Gross revenue	10,166,270	752,082	10,918,352	5,969,901	335,499	6,305,400
Cost of revenue excluding service charge	(6,353,217)	(649,838)	(7,003,055)	(3,357,126)	(196,825)	(3,553,951)
Service charge expenses	(70,060)	5,015	(65,045)	(64,280)	-	(64,280)
Gross profit	3,742,993	107,259	3,850,252	2,548,495	138,674	2,687,169
Selling and marketing expenses	(48,019)	(7,133)	(55,152)	(49,971)	(2,931)	(52,902)
Staff costs	(284,954)	(45,733)	(330,687)	(258,237)	(33,684)	(291,921)
Depreciation and amortization	(269,255)	(6,057)	(275,312)	(209,804)	(1,502)	(211,306)
Provisions, impairments and write downs, net	(14,348)	(2,278)	(16,626)	(133,522)	(4,572)	(138,094)
Other general and administrative expenses	(177,456)	(34,723)	(212,179)	(175,365)	(31,413)	(206,778)
Gain on revaluation of investment properties, net	390,630	-	390,630	226,551	-	226,551
Share of results of associates and joint ventures	(2,057)	2,924	867	(3,802)	-	(3,802)
Gain on disposal of investment properties, net	65,314	-	65,314	13,272	-	13,272
Income from financial assets at FVTPL	14,168	-	14,168	352	-	352
Finance income	278,608	71,647	350,255	166,634	47,535	214,169
Finance costs	(390,618)	(54,137)	(444,755)	(244,952)	(25,821)	(270,773)
Other income	99,715	26,600	126,315	152,470	11,823	164,293
Income tax expense	(125,487)	(16,276)	(141,763)	-	(12,499)	(12,499)
Profit for the period	3,279,234	42,093	3,321,327	2,032,121	85,610	2,117,731

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

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

32 Segment information (continued)

32.2 Geographical segments (continued)

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

	30 June 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Egypt	3,488,076	4,755,317
United Kingdom	1,829,858	1,264,984
Others	44,690	27,968
Total assets	5,362,624	6,048,269
	6 months period ended 30 June 2024 (unaudited) AED'000	6 months period ended 30 June 2023 (unaudited) AED'000
Egypt	309,288	335,499
United Kingdom	428,811	-
Others	13,983	-
Gross revenue	752,082	335,499
	6 months period ended 30 June 2024 (unaudited) AED'000	6 months period ended 30 June 2023 (unaudited) AED'000
Egypt	17,912	12,499
United Kingdom	(1,636)	-
Income tax expense	16,276	12,499

33 Business combinations

Acquisitions in 2023

33.1 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.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

33 Business combinations (continue)

Acquisitions in 2023

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	<u>468,485</u>
Liabilities	
Employees benefits	3,474
	411,006
Lease liabilities	
Advances from customers	14,650
Trade and other payables	8,472
Total liabilities	<u>437,602</u>
	AED’000
Total identifiable net assets at fair value	30,883
Less: purchase consideration	(120,000)
Goodwill	<u>(89,117)</u>
	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	<u>(114,413)</u>

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

33 Business combinations (continue)

Acquisitions in 2023 (continue)

33.3 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:

	<u>AED’000</u>
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	<u>170,783</u>
Liabilities	
Employees benefits	5,245
Retentions payable	3,709
Advances from customers	1,842
Trade and other payables	69,516
Total liabilities	<u>80,312</u>
	<u>AED’000</u>
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	<u>(70,969)</u>
	<u>AED’000</u>
Cash paid for the acquisition	(138,822)
Net cash acquired on business combination	36,960
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	<u>(104,879)</u>

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

33 Business combinations (continue)

Acquisitions in 2023 (continue)

33.4 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).

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 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	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	(704,687)

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)

33 Business combinations (continue)

Acquisitions in 2023 (continue)

33.4 Merger of property and facilities management businesses (continue)

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

33.5 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:

AED'000

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	181,854
Liabilities	
Employees benefits	1,142
Lease liabilities	5,314
Advances from customers	7,467
Trade and other payables	6,342
Total liabilities	20,265

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.5 Virginia International Private School LLC (continued)

	AED'000
Total identifiable net assets at fair value	161,589
Less: purchase consideration	(210,509)
Goodwill	(48,920)
	AED'000
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)	(923)
Net cash outflow on acquisition	(184,518)

33.6 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	404,138
Liabilities	
Employees benefits	3,555
Trade and other payables	181,217
Total liabilities	184,772

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements
for the period ended 30 June 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

33.6 FAB Properties LLC (continued)

	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
Cash paid for the acquisition	(334,960)
Net cash acquired on business combination	<u>190,661</u>
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>

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.

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><u>1,800,202</u></u>

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

33 Business combinations (continued)

Acquisitions in 2023 (continued)

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

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	(497,685)
Goodwill	<u>(4,207)</u>

Analysis of cashflow on acquisition

	AED'000
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)	(23,022)
Net cash outflow on acquisition	<u>(224,511)</u>

34 Income tax

The Group recognised income tax expense for the interim period 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, adjusted certain items fully applicable to the interim period, if needed, to profit or loss before tax. Effective 1 January 2024, the Group operations in UAE are subject to income tax. The estimated average annual effective tax rate (ETR) used for the period ended 30 June 2024 is 4.09%. The lower ETR than headline tax rate of 9% is due to the benefit from transition exemption of land fair values which is part of the direct costs of properties sold as at 31 December 2023 for development projects and exemption of free zone commercial building entities. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	3 months ended		6 months ended	
	30 June 2024 (unaudited)	30 June 2023 (unaudited)	30 June 2024 (unaudited)	30 June 2023 (unaudited)
	AED'000	AED'000	AED'000	AED'000
Current income tax:				
Current income tax expense	58,448	5,560	133,278	8,758
Deferred income tax:				
Relating to origination and reversal of temporary differences	16,870	437	8,485	3,741
Income tax expense recognised in statement of profit or loss	<u>75,318</u>	<u>5,997</u>	<u>141,763</u>	<u>12,499</u>



ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

34 Income tax (continue)

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.

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 30 June 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 the year 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.

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

35 Foreign exchange translation reserve

	30 June 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	(447,190)	(252,741)
Relating to non-controlling interests	178,616	101,429
Balance at the end of the period/year	(805,198)	(536,624)

36 Hedging reserve

	30 June 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 movement 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)	(9,183)	(7,787)
Attributable to non-controlling interest	(245)	3,382
Balance at the end of the period/year	155,702	165,130

37 Non-controlling interests

	30 June 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>	453,068	494,143
<i>Share of other comprehensive loss for the period/year</i>	(178,371)	(104,811)
Total comprehensive income for the period/year	274,697	389,332
Dividends paid by a subsidiary against preference and common equity (note 37.1)	(50,521)	(101,957)
Dividends paid by a subsidiary to non-controlling interests (note 37.2)	(76,961)	(151,040)
Non-controlling interest arising on business combination and assets acquisition (note 33)	-	92,469
Additional contribution from non-controlling interests (note 37.3)	311,070	18,000
Change in equity attributable to owners of the company due to partial disposal of a subsidiary (note 33.4)	-	675,276
Balance at the end of the period/year	5,760,583	5,302,298

ALDAR PROPERTIES PJSC



Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

37 Non-controlling interests (continued)

37.1 During 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

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

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 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 condensed 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 50,521 thousand (30 June 2023: AED 74,186 thousand).

37.2 During 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 76,961 thousand (30 June 2023: AED 73,678 thousand).

ALDAR PROPERTIES PJSC

Notes to the condensed consolidated financial statements for the period ended 30 June 2024 (continued)

37 Non-controlling interests (continued)

37.3 The additional contribution during the period include an amount of AED 311,070 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 Events after the reporting period

Subsequent to the reporting period, Aldar Commercial 2 Property Management FZ-LLC (a subsidiary of the Group) signed an agreement to acquire "6 Falak", a newly built Grade A office building located in Dubai for a consideration of AED 255,000 thousand. At the date of issuance of these condensed consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

40 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 29 July 2024.