FINANCIAL STATEMENTS

Financial statements

FINANCIAL STATEMENTS

Board of Directors' Report
for the year ended 31 December 2024

The Directors present their report together with the audited consolidated financial statements of Aldar Properties PJSC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2024.

Principal activities
The Group is 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.

Financial results
The financial results of the Group have been presented on page 192 of these consolidated financial statements.

Directors

H.E. Mohamed Khalifa Al Mubarak	Chairman
Mr. Waleed Ahmed Almokarrab Al Muhairi	First Vice-Chairman
H.E. Mohamed Hassan Alsuwaidi	Second Vice-Chairman
Eng. Hamad Salem Mohamed Al Ameri	Director
Mr. Khalifa Abdullah Khamis Al Romaithi	Director
Mrs. Sofia Abdellatif Lasky	Director
Mr. Ali Saeed Abdulla Sulayem Al Falasi	Director

Release
The Directors release from liability management and the external auditor in connection with their duties for the year ended 31 December 2024.

For the Board of Directors

Mohamed Al Mubarak
Chairman
10 February 2025

Independent Auditor's Report
To the shareholders of Aldar Properties PJSC

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Aldar Properties PJSC (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Codes of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. We have communicated the key audit matters to the Audit Committee but these matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. On the following pages, we have described the key audit matters we identified and have included a summary of the audit procedures we performed to address those matters.

Independent Auditor's Report continued
To the shareholders of Aldar Properties PJSC continued

Report on the audit of the consolidated financial statements continued

Key audit matter	How the matter was addressed in our audit
Valuation of investment properties The Group's investment property portfolio amounted to AED 28,530 million as at 31 December 2024 (2023: AED 26,218 million) and the net fair value gain recorded in the consolidated statement of profit or loss amounted to AED 841 million (2023: AED 600 million). The Group measures its investment properties at fair value and engages an external valuer to determine the fair value of all its properties. The determination of the fair value of the majority of these investment properties is performed using the income approach of valuation, while a residual valuation methodology has been used for investment properties under development. The Group's determination of fair value for the investment properties requires management to make significant estimates and assumptions related to future rental rates, capitalisation rates and discount rates. The valuation of the portfolio involves significant estimation uncertainty and is based on a number of assumptions. The existence of significant estimation uncertainty warrants specific audit focus in this area as any bias or error in determining the fair value could lead to a material misstatement in the consolidated financial statements. We have identified the valuation of investment properties as a key audit matter as the fair value is determined based on level 3 valuation methodologies which requires management to make significant estimates and judgements in determining the fair value of investment property. Refer to notes 4 and 7 for disclosures relating to this matter.	We evaluated the controls over the valuation of investment properties to determine if they had been appropriately designed and implemented. We assessed the valuer's competence and capabilities and read their terms of engagement with the Group to determine if the scope of their work was sufficient for audit purposes. We agreed the total valuation in the reports of third party valuers to the amount reported in the consolidated statement of financial position. We tested the data provided to the valuers by the Group, on a sample basis. We reviewed a sample of investment properties valued by external valuers, and also involved our internal real estate valuation expert to review a sample of those properties, and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRSs. Where we identified estimates that were outside acceptable parameters, we discussed these with the valuers and management to understand the rationale behind the estimates made. We reviewed sensitivity analyses on the significant assumptions to evaluate the extent of their impact on the determination of fair values. We reperformed the arithmetical accuracy of the determination of net fair value gain. We assessed the disclosures made in relation to this matter against the requirements of IFRSs.

Independent Auditor's Report continued
To the shareholders of Aldar Properties PJSC continued

Report on the audit of the consolidated financial statements continued

Key audit matter continued	How the matter was addressed in our audit
Revenue recognition for property development and sales Revenue recognition on property development and sales require significant judgements to be applied and estimates to be made. The Group assesses for each of its contracts with customers for property development and sales, whether to recognise revenue over time or at a point in time based on the consideration of whether the Group has created a real estate asset with no alternative use and whether the Group has an enforceable right for payment related to performance completed at any time during the life of the contract as disclosed in Note 3.11 and Note 4 to the consolidated financial statements. Where revenue is recognised over time, the Group estimates total development and infrastructure costs required to meet performance obligations under the contract and recognises proportionate revenue to the extent of satisfaction of performance obligations as at the end of the reporting period. Revenue recognition on property development and sales was assessed as a key audit matter due to the significance of the assessment of satisfaction of performance obligations and judgements made in assessing the timing of revenue recognition. Refer to note 4 for details about judgements applied and estimates made in determining the amount of revenue to be recognized.	We obtained an understanding of the process implemented by the Group for revenue recognition and measurement in respect of property development and sales. We assessed the controls established by the Group over revenue recognition for property development and sales to determine if they were appropriately designed and implemented and were operating effectively. We inspected a sample of contracts with customers for property development and sales and assessed management's identification of performance obligations and their determination of whether revenue should be recognised over time or at a point in time in accordance with the requirements of IFRSs by making reference to the terms and conditions specified in the contracts. We determined to what extent the resultant performance obligations had been satisfied through the inspection of supporting documentation. We examined approved project cost budgets for significant on-going real estate developments and reviewed the projects' completion percentages as a percentage of total costs incurred. For a sample of significant projects, we recalculated the amount of revenue to be recognised. We assessed the disclosures made in the consolidated financial statements in this area against the requirements of IFRSs.

Independent Auditor's Report continued
To the shareholders of Aldar Properties PJSC continued

Report on the audit of the consolidated financial statements continued

Other Information

The Board of Directors are responsible for the other information. The other information comprises the Board of Directors' Report, which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we will read the Group's Annual Report, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, applicable provisions of the laws and regulations and for such internal control as management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report continued
To the shareholders of Aldar Properties PJSC continued

Report on the audit of the consolidated financial statements continued

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report continued
To the shareholders of Aldar Properties PJSC continued

Report on the audit of the consolidated financial statements continued

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements continued

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Company has maintained proper books of account;
- The financial information included in the Board of Directors' Report is consistent with the books of account and records of the Group;
- Notes 3, 8, 46 and 47 reflect the disclosures relating to shares purchased or invested by the Group during the financial year ended 31 December 2024;
- Note 38 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or in respect of the Company, its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and

Note 43 reflects the disclosures relating to social contributions made during the year.

Further, as required by the ADAA Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we report, in connection with our audit of the consolidated financial statements for the year ended 31 December 2024, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2024:

- Articles of Association of the Company; and
- relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Group's consolidated financial statements.

Deloitte & Touche (M.E.)

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

Consolidated Statement of Financial Position
as at 31 December 2024

	Note	2024 AED '000	2023 AED '000
Assets			
Non-current assets			
Property, plant and equipment	5	**6,709,415**	6,513,316
Intangible assets and goodwill	6	**1,771,308**	1,882,835
Investment properties	7	**28,529,885**	26,217,542
Investment in associates and joint ventures	8	**204,182**	151,167
Investment in financial assets	9	**919,552**	718,969
Derivative financial assets	24	**–**	8,311
Trade receivables and other assets	11	**649,520**	724,990
Deferred tax assets	11.7	**69,702**	80,773
Total non-current assets		**38,853,564**	36,297,903
Current assets			
Plots of land held for sale	12	**7,151,391**	7,787,308
Development work in progress	13	**7,604,170**	6,243,802
Inventories	14	**493,560**	606,334
Investment in financial assets	9	**4,013**	93,147
Contract assets	10	**4,448,822**	1,875,744
Trade receivables and other assets	11	**12,044,191**	8,235,672
Cash and bank balances	15	**15,135,993**	11,718,158
Total current assets		**46,882,140**	36,560,165
Total assets		**85,735,704**	72,858,068

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

Consolidated Statement of Financial Position
as at 31 December 2024 continued

	Note	2024 AED '000	2023 AED '000
Equity and liabilities			
Equity			
Share capital	16	**7,862,630**	7,862,630
Statutory reserve	18	**3,931,315**	3,931,315
Hedging reserve	18, 24	**148,945**	165,130
Investment revaluation reserve	18	**(7,225)**	(8,790)
Assets revaluation reserve	18	**73,623**	73,623
Foreign currency translation reserve	18	**(834,999)**	(536,624)
Retained earnings		**23,718,642**	19,577,817
Equity attributable to owners of the Company		**34,892,931**	31,065,101
Hybrid equity instrument	17	**1,815,647**	1,815,647
Non-controlling interests	46	**6,087,330**	5,302,298
Total equity		**42,795,908**	38,183,046
Non-current liabilities			
Non-convertible sukuk	19	**5,430,838**	5,456,856
Bank borrowings	20	**8,904,850**	5,488,558
Retentions payable	21	**591,339**	542,998
Lease liabilities	22	**919,301**	848,365
Employees benefits	23	**404,248**	339,482
Trade and other payables	26	**3,393,644**	3,937,905
Deferred tax liability	11.8	**212,159**	83,379
Derivative financial liabilities	24	**18,393**	–
Total non-current liabilities		**19,874,772**	16,697,543

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

Consolidated Statement of Financial Position
as at 31 December 2024 continued

	Note	2024 AED '000	2023 AED '000
Current liabilities			
Non-convertible sukuk	19	**1,430,324**	46,098
Bank borrowings	20	**620,445**	1,087,654
Retentions payable	21	**815,939**	723,756
Lease liabilities	22	**89,873**	78,505
Advances from customers	25	**814,990**	633,019
Income tax payable	10	**7,656,148**	6,429,003
Contract liabilities	35	**268,259**	115,479
Trade and other payables	26	**11,369,046**	8,863,965
Total current liabilities		**23,065,024**	17,977,479
Total liabilities		**42,939,796**	34,675,022
Total equity and liabilities		**85,735,704**	72,858,068

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

Mohamed Al Mubarak
Chairman

Talal Al Dhiyebi
Group Chief Executive Officer

Faisal Falaknaz
Group Chief Financial & Sustainability Officer

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

Consolidated Statement of Profit or Loss
for the year ended 31 December 2024

	Note	2024 AED '000	2023 AED '000
Revenue and rental income	27	**22,998,382**	14,160,938
Direct costs	28	**(14,953,241)**	(8,587,565)
Gross profit		**8,045,141**	5,573,373
Selling and marketing expenses	29	**(129,400)**	(114,886)
General and administrative expenses			
Staff costs	30.2	**(679,322)**	(545,245)
Depreciation and amortisation	5,6	**(578,832)**	(447,625)
Provisions, impairments and write downs, net	31	**(199,186)**	(225,945)
Others	30.1	**(540,727)**	(488,850)
Gain on revaluation of investment properties, net	7	**841,477**	600,157
Share of results of associates and joint ventures	8	**(1,903)**	(7,416)
Gain on disposal of investment properties	7	**81,286**	23,962
Profit/(loss) from financial assets at fair value through profit or loss	9	**48,972**	(2,456)
Finance income	32	**715,396**	498,773
Finance costs	33	**(943,415)**	(621,166)
Other income	34	**199,630**	285,697
Profit for the year before tax		**6,859,117**	4,528,373
Income tax expense	35	**(355,178)**	(111,967)
Profit for the year after tax		**6,503,939**	4,416,406
Attributable to:			
Equity holders of the Company		**5,596,252**	3,922,263
Non-controlling interests	46.2	**907,687**	494,143
		6,503,939	4,416,406
Basic and diluted earnings per share (AED)	36	**0.699**	0.486

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

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2024

	Note	**2024 AED '000**	2023 AED '000
Profit for the year		**6,503,939**	4,416,406
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign exchange differences on translation of foreign operations	18	**(496,343)**	(252,741)
Fair value loss on cash flow hedges arising during the year	24	**–**	(20,713)
Net movement in hedging instruments reclassified to profit or loss	24,33	**(18,366)**	(7,787)
Items that will not be reclassified to profit or loss in subsequent periods:			
Fair value gain/(loss) on revaluation of financial assets at fair value through other comprehensive income (FVTOCI)	9.1	**1,565**	(6,480)
Other comprehensive loss for the year		**(513,144)**	(287,721)
Total comprehensive income for the year		**5,990,795**	4,128,685
Attributable to:			
Equity holders of the Company		**5,283,257**	3,739,353
Non-controlling interests	46.2	**707,538**	389,332
		5,990,795	4,128,685

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

Consolidated Statement of Changes in Equity
for the year ended 31 December 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 2024	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 year	–	–	–	–	–	–	5,596,252	5,596,252	–	907,687	6,503,939
Other comprehensive income/(loss) for the year	–	–	(16,185)	1,565	–	(298,375)	–	(312,995)	–	(200,149)	(513,144)
Total comprehensive income/(loss) for the year	–	–	(16,185)	1,565	–	(298,375)	5,596,252	5,283,257	–	707,538	5,990,795
Dividends (note 37)	–	–	–	–	–	–	(1,336,648)	(1,336,648)	–	–	(1,336,648)
Coupon paid on hybrid equity instrument (note 17)	–	–	–	–	–	–	(103,289)	(103,289)	–	–	(103,289)
Dividends paid by a subsidiary against preference and common equity (note 46.3)	–	–	–	–	–	–	–	–	–	(78,291)	(78,291)
Dividends paid by a subsidiary to non-controlling interests (note 46.4)	–	–	–	–	–	–	–	–	–	(154,775)	(154,775)
Additional contribution from non-controlling interests (note 46.2)	–	–	–	–	–	–	–	–	–	311,070	311,070
Acquisition of non-controlling interests (note 46.2)	–	–	–	–	–	–	(15,490)	(15,490)	–	(510)	(16,000)
Balance at 31 December 2024	7,862,630	3,931,315	148,945	(7,225)	73,623	(834,999)	23,718,642	34,892,931	1,815,647	6,087,330	42,795,908

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

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024 continued

	Share capital AED '000	Statutory reserve AED '000	Cash flow hedging reserve AED '000	Investment revaluation reserve AED '000	Assets revaluation reserve AED '000	Foreign currency translation reserve AED '000	Retained earnings AED '000	Equity attributable to owners of the Company AED '000	Hybrid equity instrument AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2023	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 year	–	–	–	–	–	–	3,922,263	3,922,263	–	494,143	4,416,406
Other comprehensive income/(loss) for the year	–	–	(25,118)	(6,480)	–	(151,312)	–	(182,910)	–	(104,811)	(287,721)
Total comprehensive income/(loss) for the year	–	–	(25,118)	(6,480)	–	(151,312)	3,922,263	3,739,353	–	389,332	4,128,685
Dividends (note 37)	–	–	–	–	–	–	(1,258,022)	(1,258,022)	–	–	(1,258,022)
Gain on business combination without loss of control (note 47.1)	–	–	–	–	–	–	337,726	337,726	–	–	337,726
Coupon paid on hybrid equity instrument (note 17)	–	–	–	–	–	–	(103,289)	(103,289)	–	–	(103,289)
Dividends paid by a subsidiary against preference equity (note 46.3)	–	–	–	–	–	–	–	–	–	(101,957)	(101,957)
Dividends paid by a subsidiary to non-controlling interests (note 46.4)	–	–	–	–	–	–	–	–	–	(151,040)	(151,040)
Additional contribution from non-controlling interests (note 47.4)	–	–	–	–	–	–	–	–	–	18,000	18,000
Non-controlling interest arise due to change in ownership interest (note 47.1)	–	–	–	–	–	–	–	–	–	675,276	675,276
Non-controlling interest arise on business combinations and asset acquisition (note 7&47)	–	–	–	–	–	–	–	–	–	92,469	92,469
Balance at 31 December 2023	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

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

Consolidated Statement of Cash Flows
for the year ended 31 December 2024

	Note	**2024 AED '000**	2023 AED '000
Operating activities			
Profit for the year before tax		**6,859,117**	4,528,373
Adjustments for:			
Depreciation and amortization	5,6	**620,727**	479,189
Finance income	32	**(715,396)**	(498,773)
Finance costs	33	**943,415**	621,166
Gain on revaluation of investment properties, net	7	**(841,477)**	(600,157)
Share of results of associates and joint ventures	8	**1,903**	7,416
Release for onerous contracts	31	**–**	(11,601)
Provisions, impairments and write downs, net	31	**199,186**	237,546
Gain on disposal of investment properties	7	**(81,286)**	(23,962)
Gain on disposal of right of use assets		**–**	(16,831)
Fair value gain on revaluation of financial assets		**(48,972)**	(2,604)
Provision for employee benefits	23	**136,299**	71,481
Operating cash flows before movements in working capital		**7,073,516**	4,791,243
Movement in working capital:			
Increase in trade receivables and other assets		**(2,827,668)**	(670,011)
Increase in development work in progress, inventories and plots of land held for sale		**(1,585,935)**	(810,610)
Increase in contract assets		**(2,573,082)**	(1,146,696)
Increase/(decrease) in retentions payable		**161,916**	(501,299)
Increase in advances from customers		**876,186**	392,649
Increase in contract liabilities		**1,847,318**	3,757,039
Increase/(decrease) in trade and other payables		**2,300,524**	(2,108,044)
Cash generated from operations		**5,272,775**	3,704,271
Employee benefits paid	23	**(111,068)**	(71,105)
Income tax paid		**(38,964)**	(43,517)
Net cash generated from operating activities		**5,122,743**	3,589,649

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

Consolidated Statement of Cash Flows
for the year ended 31 December 2024 continued

	Note	2024 AED '000	2023 AED '000
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	5	**(635,014)**	(646,856)
Payment for purchase of intangible assets	6	**(60,612)**	(82,320)
Additions to investment properties	7	**(1,736,826)**	(1,581,837)
Proceeds from disposal of investment properties and property, plant and equipment	5,7	**364,286**	192,177
Cash received from associate as reduction in capital	8	**–**	52,468
Acquisition of subsidiaries, net of cash acquired	47	**–**	(692,134)
Movement in term deposits with maturities greater than three months		**(111,455)**	438,428
Investment in financial assets		**(243,504)**	(624,094)
Proceeds from maturity of treasury bills		**125,047**	635,330
Investments made in treasury bills		**(63,570)**	(557,532)
Movement in restricted bank balances		**1,953,176**	(1,665,699)
Investments in associates and joint ventures		**(50,214)**	(10,809)
Finance income received		**756,447**	479,381
Cash distribution from financial assets		**81,786**	–
Advance given for the acquisition of investment properties under development		**(1,885,858)**	–
Net cash used in investing activities		**(1,506,311)**	(4,063,497)
Cash flows from financing activities			
Proceeds from bank borrowings	20	**10,310,525**	5,055,639
Proceeds from non-convertible sukuk	19	**1,824,553**	1,804,551
Repayments of bank borrowings	20	**(7,189,238)**	(5,641,850)
Payment of non-convertible sukuk	19	**(455,878)**	–
Payment of principal portion of lease liabilities	22	**(80,032)**	(50,920)
Finance costs paid		**(872,878)**	(730,950)
Dividends paid	37	**(1,336,648)**	(1,258,022)
Dividends paid to non-controlling interest	46	**(233,066)**	(252,997)
Coupon paid on hybrid equity investment	17	**(103,289)**	(103,289)
Additional contribution from non-controlling interests		**311,070**	83,542
Proceeds from settlement of derivates	24	**11,525**	183,662
Payment for purchase of land held for sale	12	**(424,673)**	(622,510)
Change in ownership interest in a subsidiary		**(16,000)**	–
Net cash generated from/(used in) financing activities		**1,745,971**	(1,533,144)

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

Consolidated Statement of Cash Flows
for the year ended 31 December 2024 continued

	Note	**2024 AED '000**	2023 AED '000
Net increase/(decrease) in cash and cash equivalents		**5,362,403**	(2,006,992)
Cash and cash equivalents at beginning of the year	15	**4,963,096**	7,020,318
Effect of foreign exchange rate changes		**(102,847)**	(50,230)
Cash and cash equivalents at end of the year	15	**10,222,652**	4,963,096

Refer to note 44 for details of non-cash transactions excluded from the consolidated statement of cash flows.

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

Notes to the Consolidated Financial Statements
for the year ended 31 December 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 Adoption of new and revised International Financial Reporting Standards ("IFRS Accounting Standards") ("IFRSs")

2.1 New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied the below amendments to IFRSs and interpretations issued by the International Accounting Standard Board (IASB) that are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements except as disclosed below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures 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 above amendments had no impact on the Group's 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.

In addition, a requirement has been introduced to require disclosure 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 are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

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

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

2 Adoption of new and revised International Financial Reporting Standards (“IFRS Accounting Standards”) ("IFRSs") continued

2.1 New and amended IFRS Accounting Standards that are effective for the current year continued

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

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

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

2.2 New and amended IFRSs in issue but not yet effective and not early adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group’s consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality fund classification of cash flows from dividends and interest.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

2 Adoption of new and revised International Financial Reporting Standards ("IFRS Accounting Standards") ("IFRSs") continued

2.2 New and amended IFRSs in issue but not yet effective and not early adopted continued

In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

3 Summary of material accounting policy information

3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) as issued by the International Accounting Standards Board (IASB) and applicable provisions of the U.A.E. Federal Law No. (32) of 2021.

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, as explained in the respective accounting polices given below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of a financial asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is described as follows:

- Level 1 inputs are quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the asset or liability that are derived from valuation techniques.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.1 Basis of preparation continued

These consolidated financial statements are presented in UAE Dirhams (AED), which is the functional and presentation currency of the Group and all values are rounded to the nearest thousand (AED '000) except when otherwise indicated. Foreign operations are included in accordance with the policies set out in note 3.14.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in consolidated financial statements.

3.2 Going concern

The directors have, at the time of approving the consolidated financial statements, made a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

3 Summary of material accounting policy information continued

3.3 Basis of consolidation continued

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued
3.3 Basis of consolidation continued

Details of the Company's significant operating subsidiaries and effective ownership interest are given below:

Name of subsidiary	Effective ownership interest **2024**	Effective ownership interest 2023	Country of incorporation	Principal activities
Active subsidiaries				
Aldar Education – Sole Proprietorship LLC	**100%**	100%	UAE	Investment in, and management of entities providing educational services
Aldar Academies – Sole Proprietorship LLC	**100%**	100%	UAE	Investment in, and management of entities providing educational services
Aldar Hotels and Hospitality LLC	**100%**	100%	UAE	Investment in, and management of, entities providing hotels and hospitality services
Aldar Marinas LLC	**100%**	100%	UAE	Managing and operating marinas, sports clubs and marine machinery
Provis Real Estate Management – Sole Proprietorship LLC	**65.1%**	65.1%	UAE	Management and leasing of real estate
Provis Real Estate Brokers LLC	**65.1%**	65.1%	UAE	Real estate brokerage
Yas Links LLC	**100%**	100%	UAE	Ownership and management of golf courses and golf clubs
Provis International Limited	**65.1%**	65.1%	UAE	Real estate activities
Pivot Engineering & General Contracting Co. (WLL)	**65.2%**	65.2%	UAE	Engineering and general construction works
Aldar Investment Properties LLC	**88.1%**	88.1%	UAE	Investment, management and associated services for real estate assets and the operation of hotels
Aldar Investment Holding Restricted Limited	**88.1%**	88.1%	UAE	Special purpose vehicle, proprietary asset management company
Khidmah – Sole Proprietorship LLC	**65.1%**	65.1%	UAE	Management and leasing of real estate
Saadiyat Accommodation – Sole Proprietorship LLC	**88.1%**	88.1%	UAE	Accommodation village
Aldar Sukuk (No. 1) Ltd.	**88.1%**	88.1%	Cayman Islands	Funding company
Aldar Sukuk (No. 2) Ltd.	**88.1%**	88.1%	Cayman Islands	Funding company
Aldar Investment Properties Sukuk Limited	**88.1%**	88.1%	Cayman Islands	Funding company
Cloud Spaces – Sole Proprietorship LLC	**100%**	100%	UAE	Real estate lease and management services
C2i Holding Limited	**100%**	100%	UAE	Special purpose vehicle
C2i Holding Sole Proprietorship LLC	**100%**	100%	UAE	Real estate lease and management services
Aldar Lifestyle – Sole Proprietorship LLC	**100%**	100%	UAE	Hospitality services
Eastern Mangroves Marina – Sole Proprietorship LLC	**100%**	100%	UAE	Managing and operating marinas
Marsa Al Bateen – Sole Proprietorship LLC	**100%**	100%	UAE	Managing and operating marinas
Advanced Real Estate Services – Sole Proprietorship LLC	**100%**	100%	UAE	Real estate services
Aldar Investments Limited	**88.1%**	88.1%	UAE	Holding company
Aldar Ventures International Holding RSC Limited	**100%**	100%	UAE	Restricted scope company
Aldar Projects LLC OPC	**100%**	100%	UAE	Project management services
Six October for Development and Investment Co. S.A.E. (SODIC)	**59.9%**	59.9%	Egypt	Real estate development
Tasareeh Engineer Services – Sole Proprietorship LLC	**100%**	100%	UAE	Development consultancy

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued
3.3 Basis of consolidation continued

Name of subsidiary	Effective ownership interest 2024	2023	Country of incorporation	Principal activities
Aldar Investment Management Limited	**100%**	100%	UAE	Assets management
Asteco Property Management LLC	**65.1%**	65.1%	UAE	Property management services
Aldar Logistics – Sole Proprietorship LLC	**88.1%**	88.1%	UAE	Real estate lease and management services
The Gateway Engineering Services – Sole Proprietorship LLC	**100%**	100%	UAE	Development consultancy
Al Seih Real Estate Management LLC	**91.4%**	91.4%	UAE	Management and leasing of real estate; real estate projects investment
Seih Sdeirah Real Estate LLC	**91.4%**	91.4%	UAE	Property rental and management; real estate projects investment
Saadiyat Grove – Sole Proprietorship LLC	**100%**	100%	UAE	Real estate development
Mace Macro Technical Services L.L.C.	**65.1%**	65.1%	UAE	Facilities management
Spark Security Services – Sole Proprietorship LLC	**65.1%**	65.1%	UAE	Security solutions
Spark Security Services – LLC	**65.1%**	65.1%	UAE	Security solutions
Pactive Sustainable Solutions LLC	**65.1%**	65.1%	UAE	Green building consultant, buildings energy efficiency services
Saga International Owners Association Management Services LLC	**65.1%**	65.1%	UAE	Property management services
Falcon Investments – LLC	**65.1%**	65.1%	UAE	Real Estate Lease And Management Services
Saga OA DMCC	**65.1%**	65.1%	UAE	Property management services
Al Shohub Private School – Sole Proprietorship L.L.C.	**100%**	100%	UAE	Providing educational services
Twafq Projects Development Property – Sole Proprietorship L.L.C.	**61.7%**	61.7%	UAE	Real estate lease and management services
Abu Dhabi Business Hub LLC – Sole Proprietorship L.L.C.	**61.7%**	61.7%	UAE	Real estate lease and management services
Aldar Logistics Holding Limited	**100%**	100%	UAE	Holding company
Aldar Hansel SPV Restricted Ltd.*	**51%**	51%	UAE	Restricted scope company
Confluence Partners (HQ) RSC Ltd.	**100%**	100%	UAE	Special purpose company
Al Maryah Property Holding Limited	**52.86%**	52.86%	UAE	Real estate holding
Double Tree by Hilton Resort & SPA Marjan Island LLC	**100%**	100%	UAE	Hospitality services
Aldar Island Hotel – Sole Proprietorship L.L.C.	**100%**	100%	UAE	Hospitality services
Bab Resorts LLC	**100%**	100%	UAE	Hospitality services
Mustard and Linen Interior Design Holdings Limited	**75%**	75%	UAE	Premium interior design business
Mustard & Linen Interior Design – Sole Proprietorship L.L.C.	**75%**	75%	UAE	Premium interior design business
Aldar Estates Holding Limited	**65.1%**	65.1%	UAE	Special purpose company
Aldar Estates Investment – Sole Proprietorship L.L.C.	**65.1%**	65.1%	UAE	Real estate enterprises investment, development, institution & management

* The 49% represent class B shares (refer note 46.4)

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued
3.3 Basis of consolidation continued

Name of subsidiary	Effective ownership interest 2024	Effective ownership interest 2023	Country of incorporation	Principal activities
Kent College LLC – FZ	**100%**	100%	UAE	Education
Kent Nursery LLC – FZ	**100%**	100%	UAE	Education
Cranleigh School Abu Dhabi – Sole Proprietorship LLC	**100%**	100%	UAE	Education
Basatin Holding SPV Limited	**48.8%**	48.8%	UAE	Landscaping service provider
Virginia International Private School – Sole Proprietorship LLC	**100%**	100%	UAE	Education
Aurora Holding Company Limited	**51%**	51%	UAE	Special purpose company
Aurora SPV 1 LLC	**51%**	51%	UAE	Real estate development
Aurora SPV 2 LLC	**51%**	51%	UAE	Real estate development
Aurora SPV 3 LLC	**51%**	51%	UAE	Real estate development
Aldar Development Holdings Limited	**100%**	100%	UAE	Special purpose company
Aldar Development – LLC – OPC	**100%**	100%	UAE	Real estate development
The Sustainable Investment YAS – Sole Proprietorship L.L.C.	**58%**	100%	UAE	Real estate development
The Sustainable Investment Company SPV Limited	**58%**	100%	UAE	Special purpose company
Eltizam Asset Management Estate – Sole Proprietorship LLC	**65.10%**	65.10%	UAE	Real estate lease and management
Fab Properties – Sole Proprietorship LLC	**65.10%**	65.10%	UAE	Real estate lease and management
Aldar Development (LSQ) Limited	**100%**	100%	England	Real estate development
London Square Development (Holdings) Limited	**100%**	100%	England	Real estate development
LSQ Management Limited	**100%**	100%	England	Real estate development
Aldar Development (UK) Holdings Limited	**100%**	100%	UAE	Special purpose company
Aldar Hamra Holdings Limited	**100%**	100%	UAE	Special purpose company
AMI Properties Holding Limited	**60%**	60%	UAE	Special purpose company
Aldar Logistics Parks LLC	**100%**	100%	UAE	Leasing and management of self-owned property
Aldar Education Overseas Holding Limited	**100%**	–	UAE	Special purpose company
Noya British School – Sole Proprietorship LLC	**100%**	–	UAE	Education
Aldar Residential L.L.C – O.P.C.	**88.1%**	–	UAE	Real Estate Lease And Management Services
Aldar Retail L.L.C – O.P.C.	**88.1%**	–	UAE	Real Estate Lease And Management Services
Aldar Commercial L.L.C – O.P.C.	**88.1%**	–	UAE	Real Estate Lease And Management Services
Cloud Spaces Limited, Sole Proprietorship	**100%**	–	KSA	Integrated Office Administrative Services
Aldar Commercial 2 Property Management FZ-LLC	**100%**	–	UAE	Property management services
Aldar Holdings 4 Limited	**100%**	–	UAE	Special purpose company

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.4 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.5 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

When the Group reorganises its reporting structure in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated, the goodwill shall be reallocated to the units affected. This reallocation is performed using a relative value approach similar to that used when the Group disposes of an operation within a cash-generating unit.

3.6 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The results and assets and liabilities of associates and joint ventures are incorporated using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated financial statements at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the associate or the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.6 Investment in associates and joint ventures continued

Profit or loss reflects the Group's share of the results of operations of associates and joint ventures. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the investees are eliminated to the extent of the interest in the investees.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss and non-controlling interests in the subsidiaries of the associate or joint venture.

Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group and having same accounting policies. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture upon loss of significant influence over the associate or joint control over the joint venture. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.6 Investment in associates and joint ventures continued

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or join venture that are not related to the Group.

Interests in associates that are held as part of the Group's investment portfolio are carried in the consolidated statement of financial position at fair value. This treatment is permitted by IAS 28 Investments in Associates and Joint Ventures, which allows investments in associates held by venture capital organisations to be designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognised in the profit or loss in the period of the change.

3.7 Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

— its assets, including its share of any assets held jointly;
— its liabilities, including its share of any liabilities incurred jointly;
— its revenue from the sale of its share of the output arising from the joint operation;
— its share of the revenue from the sale of the output by the joint operation; and
— its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered conducting the transaction with other parties to the joint operation and profits and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation. When a Group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.8 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

— Expected to be realised or intended to be sold or consumed in the normal operating cycle;
— Held primarily for the purpose of trading;
— Expected to be realised within twelve months after the reporting period; or
— Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

— It is expected to be settled in the normal operating cycle;
— It is held primarily for the purpose of trading;
— It is due to be settled within twelve months after the reporting period; or
— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
— The terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.8 Current versus non-current classification continued

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

3.9 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.
Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

3.10 Fair value measurement

The Group measures financial instruments such as investment in financial assets and derivatives, and non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.10 Fair value measurement continued

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is determined annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

3.11 Revenue recognition

For contracts determined to be within the scope of revenue recognition, the Group is required to apply a five-step model to determine when to recognise revenue, and at what amount. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group recognises revenue from the following major sources:

- Sale of properties (property development and sales) and provision of services
- Service charges and expenses recoverable from tenants
- Property and facilities management services
- Hospitality
- Leisure
- Construction contracts
- Education services
- Management fee

Revenue from contracts with customers for sale of properties and provision of services

The Group constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before construction of the residential properties begins.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.11 Revenue recognition continued

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1
Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2
Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3
Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4
Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5
Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Under the terms of the contracts in the UAE and United Kingdom, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Therefore, revenue from construction of residential properties in the UAE and United Kingdom is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. In respect of the Group's contracts for development of residential properties in Egypt and certain contracts in the United Kingdom, the Group has assessed that the criteria for recording revenue over time is not met and transfer of control happens only at the time of handover of completed units to the customers and accordingly the revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.11 Revenue recognition continued

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Group receives advance payments and instalments from some customers in a specific jurisdiction, before the transfer of control over contracted units to customers as agreed in the contract, accordingly there is a significant financing component in those contracts, considering the length of time between the customer's payments and the transfer of control to the customer, and the interest rate prevailing in the market. The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the Group uses the rate that would have been used in the event of a separate financing contract between the Group and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing at the time of the contract. The Group uses the exception of the practical application for short-term payments received from customers. This means the amount collected from customers will not be modified to reflect the impact of the significant financing component if the period between the transfer of control over the units, service and payment is less than a year.

Management fee

The Group manages construction of properties under long term contracts with customers. Management fee is recognised over time using input method to recognise revenue on the basis of entity's efforts to the satisfaction of a performance obligation. Management considers that input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15. Where the outcome cannot be estimated reliably, revenue is measured based on the consideration from customers to which the Group expects to be entitled in a contract with a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date and excludes amounts collected on behalf of third parties.

Service charges and expenses recoverable from tenants

For investment properties held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16. Certain lease agreements include certain services offered to tenants (i.e., customers) including common area services (such as security, cleaning, maintenance, utilities, health and safety) as well as other support services (e.g., customer service and management) The consideration charged to tenants for these services includes fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced.

The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The contracts of the Group specifically highlight stand-alone price for the services.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

Income arising from cost recharged to tenants is recognised in the period in which the cost can be contractually recovered. The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.11 Revenue recognition continued

Hospitality

Hospitality revenue corresponds to all the revenues received from guests of the hotels. The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, which is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Leisure

Leisure businesses comprise revenue from goods sold and services provided at golf courses, beach clubs and marinas, and is recognised at the point when the goods are sold or services are rendered.

Education services

The education and other related services rendered are distinct performance obligations, for which fees invoiced to the students are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to learning, educative, schooling and training services, that is over the academic year the student is enrolled with the Group, and at a point in time for other services, when they have been delivered or rendered. The Group primarily generates revenue from tuition fees, registration fees and management fees. Provided it is probable that the economic benefits will flow to the Group, the revenue is recognised as follows:

- Tuition fee income is recognised on a monthly basis over the year. Tuition fees received in advance are recorded as deferred income.
- Registration fees are recognised as income on forfeiture when a registered student does not join the school and registration fees for the new students who join the school is adjusted against the tuition fee.
- Management fee is earned from the management services that the Group provides to certain schools under management and are recognised as revenue when the service is performed.
- Education service income is accrued on a monthly basis over the period of the service.

Revenue from construction contracts

The Group construct properties under long term contracts with customers. Such contracts are entered into before the construction work begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has enforceable right to payment for work done. Revenue from construction is therefore recognised over-time using input method to recognise revenue on the basis of entity's efforts to the satisfaction of a performance obligation in accounting for its construction contracts. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15.

Where the outcome of a construction contract cannot be estimated reliably, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Contract costs incurred are amortised over the period of service. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue using the input method and the payment is always less than one year. When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the profit or loss immediately.

Contract costs

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment (where applicable) and costs of subcontracted works, plus an appropriate portion of construction overheads and general and administrative expenses of the year allocated to construction contracts in progress during the year at a fixed rate of the value of work done on each contract. Any under recovery at the end of the year, is charged to profit or loss as unallocated overheads.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.11 Revenue recognition continued

Contract assets and liabilities

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the consolidated financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

3.12 Leases

The Group assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group recognises a right-of-use asset and a corresponding lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use) with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.12 Leases continued

— A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

After initial recognition, the Group applies fair value model to right-of-use assets that meet the definition of investment property. For assets that meet the definition of property, plant and equipment, right of use asset is carried at cost net of depreciation and impairment and is amortised over the term of the lease. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented along with the underlying asset in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset associated with property, plant and equipment is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in the consolidated statement of profit or loss.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The relative stand-alone price of lease and non-lease components is determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

The non-lease components are accounted for in accordance with the Group's policies. For determination of the lease term, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that:
— is within the control of the Group; and
— affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.12 Leases continued

Group as a lessor

The Group enters into lease arrangements as a lessor with respect to its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all the risks and rewards incidental to ownership of an investment property. In addition, the Group subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Group's subleases are classified as operating leases.

Rental income arising from operating leases on investment property is recognised on a straight-line basis over the relevant lease term and is included in revenue in profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when the right to receive them arises.

Amounts from leases under finance lease are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

3.13 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

3 Summary of material accounting policy information continued

3.13 Taxes continued

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.14 Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions or average exchange rate of the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.15 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs may include:

a. interest expense calculated using the effective interest method as described in IFRS 9;
b. interest in respect of leases liabilities recognised in accordance with IFRS 16 Leases; and
c. exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connections with the borrowing of funds.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.16 Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.17 Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss in the period in which they are incurred.
Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Buildings	5 – 30
Plants and machinery	2 – 5
Labour camps	5 – 10
Furniture and fixtures	4 – 10
Office equipment	2 – 5
Computers	3
Motor vehicles	3 – 4
Leasehold improvements	2 – 10

Freehold land is not depreciated.

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.17 Property, plant and equipment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Right-of-use assets are depreciated over the shorter period of lease term and the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

3.18 Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the acquisition of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment category and is accounted in accordance with the Group's policies.

3.19 Investment properties

Investment properties comprise completed properties and properties under development. Completed properties are properties held to earn rentals and/or for capital appreciation and properties under development are properties being constructed or developed for future use as investment property. Investment properties under development are transferred to investment properties when they are completed and ready for their intended use.

Investment properties are measured initially at cost including transaction costs and for properties under development all direct costs attributable to the design and construction including related staff costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on annual valuations performed by accredited external independent valuers applying valuation models recommended by the International Valuation Standards Committee.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the commencement of development with a view to sale (for a transfer from investment property to development work in progress) or inception of an operating lease to another party (for a transfer from inventories to investment property).

Upon completion of construction or development, a property is transferred from properties under development to completed properties. Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefits are expected from the disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.20 Development work in progress

Development work in progress consists of property being developed principally for sale and is stated at the lower of cost or net realisable value. Cost comprises all direct costs attributable to the design and construction of the property including direct staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Net realisable value is the estimated selling price in the ordinary course of the business less estimated costs to complete and applicable variable selling expenses.

For single segment development projects, the Group allocates the cost of land and related cost in proportionate basis of the Gross Floor Area ("GFA") and for multi-segment development projects, the Group allocates the cost of land and related cost in proportionate basis of the residual value of each respective segment of the development project including relative sales value of inventory units. The residual value of each segment is determined by the management of the Group using recognised valuation methods. These methods comprise the residual value method and the income capitalization method. The residual value method requires the use of estimates such as future cash flows from assets (comprising of selling and leasing rates, future revenue streams, construction costs and associated professional fees, and financing cost, etc.), targeted internal rate of return and developer's risk and targeted profit. These estimates are based on local market conditions existing at the end of the reporting period.

In respect of the Group's property development and sales contracts in Egypt and certain contracts in the United Kingdom, the Group records revenue at a point in time when the control of property unit is transferred to the customers. All costs relating to such contracts are recorded under development work in progress until the completion of the projects. The costs recorded under development work in progress are recognised as direct costs when the property is handed over to the customer for the sold units and to inventories for the unsold units.

3.21 Inventories

Inventories comprise completed properties held for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, and other operating inventories. Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method and comprises construction/acquisition costs and other costs incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory properties recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

3.22 Plots of land held for sale

Plots of land held for sale is stated at the lower of cost and net realisable value. Costs include the cost of land acquired and all direct costs attributable to the infrastructure works and development expenses of the land. Net realisable value represents the estimated selling price of the land less all estimated costs necessary to make the sale. The finance costs incurred on the financial liabilities recognised in relation to land acquired on deferred consideration basis is capitalised as part of plots of land held for sale when all the applicable conditions as per IAS 23 "Borrowing Costs" are met.

3.23 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued
3.23 Intangible assets continued

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives which is normally a period of 3 to 5 years.

Customer contracts/backlog

Customer contracts/backlog have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long term non-cancellable contracts with customers. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which is in the range of 5 to 10 years.

Brand name

Brand name have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent various brands acquired by the Group as part of acquisition of Eltizam. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which is estimated as 5 years. Brands are valued under the relief from royalty methodology with a 5 year useful life and a royalty rate of 0.25% – 2.0% in line with comparable data on the brand name in similar sectors.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued
3.23 Intangible assets continued
Customer relationships
Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represents the value to be derived from relationship with customers. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which is in the range of 3 to 10 years and is valued at the Transaction Date under the Multi-period excess earnings methodology considering an attrition rate of 14.9% to 65.9%.

3.24 Impairment of non-financial assets
At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in of profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.25 Cash and cash equivalents
Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments, are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.26 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligations under onerous contracts are recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are remeasured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of IFRS 15.

3.27 Provision for employees' benefits

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the reporting date. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law no. (2) of 2000 for Pension and Social Security; such contributions are charged to profit or loss during the employees' period of service.

3.28 Share-based payments

For cash-settled share-based payments to employees, a liability is recognised for the services acquired, at the fair value which is measured initially at grant date and at each reporting date up to and including the settlement date, with changes in fair value net of any changes in investments held, are recognised in profit or loss. The group does not have any equity-settled share-based payment.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.29 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-monetary assets are recognised as deferred government grant in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Land granted by the Government is recognised at nominal value where there is reasonable assurance that the land will be received and the Group will comply with any attached conditions, where applicable.

3.30 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

3.31 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.32 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued
3.32 Financial instruments continued

Financial assets

All financial assets under the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

— the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

All financial liabilities are classified and subsequently measured at amortised cost, except for:

— financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value
— financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies
— financial guarantee contracts
— commitments to provide a loan at a below-market interest rate

At initial recognition, the Group may irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information, because either:

— it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
— a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued
3.32 Financial instruments continued
Loans and borrowings
Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings.

Sukuk
The sukuk are stated at amortised cost using the effective profit rate method. The profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.
The repurchase of equity instruments issued by the Group is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of equity instruments issued by the Group.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derivative financial instruments
The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in note 24. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivative not designated as hedging instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value at the end of each accounting period with any gains or losses recognised through the profit and loss account.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.32 Financial instruments continued

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit and loss.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at fair value through profit and loss.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

Reclassification of financial assets and financial liabilities

Where the Group changes its business model for managing financial assets, it reclassifies all affected financial assets but does not reclassify any financial liability.

Measurement of financial assets and liabilities

Initial measurement

At initial recognition, financial assets and financial liabilities are measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets

After initial recognition, an entity shall measure a financial asset in accordance with its classification at:

- amortised cost less impairment;
- fair value through other comprehensive income less impairment; or
- fair value through profit or loss.

Impairment is assessed on the financial assets measured at amortised cost and at fair value through other comprehensive income as disclosed below.

Hedge accounting requirements disclosed below applies to financial assets designated as hedged item.

3 Summary of material accounting policy information continued

3.32 Financial instruments continued

Impairment of financial assets

In relation to the impairment of financial assets, the Group applies the Expected Credit Loss ("ECL") model as opposed to an incurred credit loss model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. It is not necessary for a credit event to have occurred before credit losses are recognised.

A loss allowance for expected credit losses is recognised on all classes of financial assets, other than those that are measured as fair value through profit or loss and equity instruments classified and measured at fair value through other comprehensive income. The financial assets subject to impairment requirements of IFRS 9, include:

- debt investments subsequently measured at amortised cost or at fair value through other comprehensive income;
- bank balances;
- trade receivables;
- lease receivables;
- contract assets; and
- loan commitments and financial guarantee contracts.

The Group has adopted the simplified approach for measuring the impairment on trade receivables, lease receivables and contract assets. Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime ECL.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- an actual or expected significant deterioration in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.32 Financial instruments continued

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are highly doubtful of collection, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped for the assessment of the expected credit loss. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.32 Financial instruments continued

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Write-off

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Hedge accounting

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

3 Summary of material accounting policy information continued

3.32 Financial instruments continued

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other gains and losses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss as other gains and losses. For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the foreign currency forward contracts relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in ‘Other gains and losses’.

Gains and losses on the hedging instrument accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, which are described in note 3 in the preparation of the Group's consolidated financial statements, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates and the uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

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.

4.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimates (which are presented below separately), that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of properties

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for sale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, and in particular, the intended usage of property as determined by management.

Property lease classification – Group as lessor

The Group has entered into various property leases on its investment properties portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

Judgements in relation to contracts with customers

Determination of performance obligations

With respect to the sale of property, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output, i.e., the completed property for which the customer has contracted.

Timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. Accordingly, the Group has evaluated the timing of revenue recognition on the sale of properties based on a careful analysis of the rights and obligations under the terms of the contract and legal advice from the Group's legal counsel.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions continued
4.1 Critical judgements in applying the Group's accounting policies continued

The majority of the Group's contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

For contracts relating to the sale of property under development in the UAE and England, the Group has generally concluded that the overtime criteria are met and, therefore, recognises revenue over time. These are contracts either for property sold to one customer for the entire land and building or for a multi-unit property. The Group has considered the factors contained in the contracts for the sale of property and concluded that the control of the above-mentioned property(s) is transferred to the customer over time because:

— The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. That is, the Group has considered various factors that indicate that the customer controls the part-constructed property as it is being constructed.
— The Group's performance does not create an asset with alternative use. Furthermore, the Group has an enforceable right to payment for performance completed to date. It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the property under development for another use during its development. In addition, the Group is, at all times, entitled to an amount that at least compensates it for performances for performance completed to date (usually costs incurred to date plus a reasonable profit margin). In making this determination, the Group has carefully considered the contractual terms as well as any legislation or legal precedent that could supplement or override those contractual terms.

For contracts relating to the sale of property under development in Egypt and some contracts in the United Kingdom, the Group has generally concluded that the overtime criteria are not met and, therefore, recognises revenue at a point in time.

Where contracts are entered into for construction (to construct an asset for the customer), the Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

Where contracts are entered into to provide services (property management and facility management), the Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions continued

4.1 Critical judgements in applying the Group's accounting policies continued

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets is transferred to the customer or benefits of the services being provided is received and consumed by the customer. In the case of contracts to sell real estate assets, this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer.

Consideration of significant financing component in a contract

For some contracts involving the sale of property, the Group is entitled to receive an initial deposit. The Group concluded that this is not considered a significant financing component because it is for reasons other than the provision of financing to the Group. The initial deposits are used to protect the Group from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

Consideration of warranties

Contracts for the sale of property contain certain warranties covering a period of up to one year after completion of the property, such as the property meeting specific operational performance requirements. The Group assessed that these conditions represent 'assurance-type' warranties that are customarily provided as quality guarantees and are therefore accounted for under IAS 37.

Contract variations

Contract variations are recognised as revenues only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management considers prior experience, application of contract terms and the relationship with the customer in making their judgement.

Contract claims

Contract claims are recognised as revenue only when management believes that only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management reviews the judgement related to these contract claims periodically and adjustments are made in future periods, if assessments indicate that such adjustments are appropriate.

Identifying whether an acquisition is a business or an asset

For acquisitions made by the Group, the Group needs to make significant judgement to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making this assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions continued

4.1 Critical judgements in applying the Group's accounting policies continued

Principal versus agent consideration

The Group's performance obligation in one of the subsidiaries is to arrange for the provision of the specified goods or services by another party does not control the specified goods or services provided by another party before those goods or services are transferred to the customer. When the Group satisfies a performance obligation, the Group recognises revenue in the amount of management fee to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Group's primary obligation is to arrange for development services for development projects, and accordingly, the Group acts as agent on those development projects since:

— the Group does not control the specified goods or services provided by other parties before the services are transferred to the customer;
— primary responsibility for the fulfilling the promise does not rest with the Group;
— the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the management contracts;
— the Group does not have the price risk on the development contracts;
— customers retain the right to remove the Group as manager for the development projects based on its convenience without default from the Group

Use of practical expedient in recognising management fee

In line with an agreement with the Government of Abu Dhabi (the "Government"), the Group is overseeing the management of all projects of an entity (the "Entity") along with managing its operations. As per the agreement between the Government, the Entity and the Group, the Group is entitled to a supervision fee calculated based on the total development cost paid of the capital projects in consideration of the provision of the management services. In line with the contractual arrangement with the Government, the Group has assessed that it has a right to consideration from the Government for an amount which corresponds directly with the value to the customer of the performance completed to date, which is determined based on actual cash paid for projects of the Entity as agreed between the parties. Accordingly, in line with the requirements of IFRS 15, the Group uses practical expedient and recognises management fee on the basis of the invoice amount determined based on the actual cash paid for projects of the Entity.

Control assessment

The Group is overseeing management of an entity (the "Entity") along with managing its operations with a view to optimising its performance and administering the contracts with contractors and consultants in relation to its projects. Although the Group is entitled to manage all the operations of the Entity, the Group has assessed that it does not control the Entity since:

- the Group is performing management activities on behalf of the Government of Abu Dhabi (the "Government") and does not have any ownership interest in Entity;
- the Group is not exposed to variable returns of the Entity since it charges fixed management fees on the total invoice amount of the development costs which are reimbursed by the Government and the Group's responsibilities only include management of projects which are being carried by third party contractors;
- the Group does not have the right to transfer any of the projects of the Entity to itself without any prior approval of the Government;
- although the Group has the right to nominate directors to the board of the Entity, appoint its executive management and represent the Government in the General Assemblies, the Group will still require the Government approval in the performance of this role which remains overseeing the completion/handing over of projects and/or liquidation of the Entity on behalf of the Government, and this will also be the mandate of the board; and
- the Government retains the right to remove the Group as manager for the projects based on its convenience without default from the Group.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions continued

4.1 Critical judgements in applying the Group's accounting policies continued

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortised cost. In judging whether investments in securities are classified as at fair value or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Revenue recognition for turnover rent

The Group recognises income from turnover rent on the basis of audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Consolidation of subsidiaries

The Group evaluate all the investee entities including special purpose entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 Consolidated Financial Statements. The Group evaluate, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

4.2 Estimates and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about the future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Measurement of progress when revenue is recognised over time

For those contracts involving the sale of property under development and construction contracts that meet the overtime criteria of revenue recognition, the Group's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the property. The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. The Group generally uses the costs incurred method as a measure of progress for its contracts because it best depicts the Group's performance. Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the Group excludes the effect of those costs. Also, the Group adjusts the input method for any cost incurred that are not proportionate to the Group's progress in satisfying the performance obligation.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions continued
4.2 Estimates and assumptions continued
In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include:
- For development contracts, the cost of development and related infrastructure;
- For construction contracts, the certified works as evaluated by project consultants; and
- For services contracts, the time elapsed.

Calculation of loss allowance
The Group assesses the impairment of its financial assets based on the expected credit loss ("ECL") model. Under the ECL model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments.

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group has recognised an allowance for ECL on its trade and other receivables for the year ended 31 December 2024 amounting to AED 10,643 thousand (2023: AED 47,410 thousand) and the total allowance for ECL amounting to AED 433,935 thousand (2023: AED 472,445 thousand).

Fair value of investment properties and investment properties under development
The Group carries its investment properties at fair value, with changes in fair value recognised in the statement of profit or loss.

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods. These methods comprise the residual value method and the income capitalisation method.

The residual value method requires the use of estimates such as future cash flows from assets (comprising of selling and leasing rates, future revenue streams, construction costs and associated professional fees, and financing cost, etc.), targeted internal rate of return and developer's risk and targeted profit. These estimates are based on local market conditions existing at the end of the reporting period.

Under the income capitalisation method, the income receivable under existing lease agreements and projected future rental streams are capitalised at appropriate rates to reflect the investment market conditions at the valuation dates.

The Group's undiscounted future cash flows analysis and the assessment of expected remaining holding period and income projections on the investment properties requires management to make significant estimates and judgements related to future rental yields and capitalisation rates.

The key assumptions used are as follows:

	Range %
Capitalisation rates	6.75 – 10.0
Rental yields	4.10 – 9.34

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions continued

4.2 Estimates and assumptions continued

Estimation of net realisable value for inventory, plots of land held for sale and development work in progress

During the year the Group has changed its method of allocation of common development cost of certain development projects in Egypt, from proportionate gross floor area to proportionate relative sales value of inventory units. Hence, resulting in providing a measurement basis in the financial statements of the Group, which is useful to its users as it more accurately reflects the financial performance from the relevant development and sale of such development inventory.

Inventory, plots of land held for sale and properties classified under development work in progress are stated at the lower of cost or net realisable value ("NRV"). NRV is assessed with reference to sales prices, costs of completion and advances received, development plans and market conditions existing at the end of the reporting period. For certain properties, NRV is determined by the Group having taken suitable external advice and in the light of recent market transactions, where available.

The determination of net realisable value of plots of land held for sale is based on external valuations using various valuation methodologies and techniques that take into account property-specific information such as forecast selling prices, site planning (including planning consent), build costs, cost recoveries, sales rates (per square meter) and discount rates etc., all of which contain an element of judgement and uncertainty. Forecast selling prices have inherent uncertainty due to changes in market conditions. Forecast build costs can vary with market conditions and may also be incorrectly estimated due to changes in site planning, style of build or unforeseen circumstances arising during construction.

NRV for completed inventory properties is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property in the same market serving the same real estate segment.

NRV in respect of development work in progress is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

Impairment of property, plant and equipment and capital work in progress

Properties classified under property, plant and equipment and capital work in progress are assessed for impairment when there is an indication that those assets have suffered an impairment loss. An impairment loss recognised in prior periods for property, plant and equipment and capital work in progress is reversed when a change has been made to estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment review or the reversal of impairment is carried out by determining the recoverable amount which takes into account the fair value of the property under consideration. The fair value of hotel properties classified under property, plant and equipment is determined by an independent real estate valuation expert using Discounted Cash Flow method.

Cash flows are determined with reference to recent market conditions, prices existing at the end of the reporting period, contractual agreements and estimations over the useful lives of the assets and discounted using a range of discount rates that reflects current market assessment of the time value of money and the risks specific to the asset. The net present values are compared to the carrying amounts to assess any probable impairment.

Useful lives of property, plant and equipment and intangible assets

Management reviews the residual values and estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period in accordance with IAS 16 and IAS 38. Management determined that current year expectations do not differ from previous estimates based on its review.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions continued
4.2 Estimates and assumptions continued
Income taxes
The Group's current tax provision of AED 268,259 thousand (2023: AED 115,479 thousand) relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the relevant tax authorities.

Deferred taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has AED 32,807 thousand (2023: AED 105,750 thousand) of unrecognised deferred tax asset (deductible temporary differences, tax losses carried forward and corporate interest restriction disallowances carried forward). These losses relate to subsidiaries that have a history of losses, these losses do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses or deductible temporary differences as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax asset on the tax losses carried forward and deductible temporary differences.

Fair value of identifiable assets and liabilities and fair value measurement of financial instruments
The identifiable assets acquired and the liabilities assumed in business combination are recognised at their fair value. In estimating the fair value of an asset or a liability, the Group engaged third party valuation specialists to perform the valuation. The underlying assumptions and estimates in assessing the fair values are as detailed within notes 6 and 47. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Leases – Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

4 Significant accounting judgements, estimates and assumptions continued

4.2 Estimates and assumptions continued

Valuation of level 3 investments at FVTPL

The Group's financial instruments include investments in international unquoted funds measured at fair value through profit or loss. These investments, not traded in active markets, are initially recognised at transaction price, net of any transaction costs incurred. At each reporting period, their fair value is assessed using widely recognised valuation techniques. The fair value is determined based on valuations provided by the funds, which estimate the fair value of each investment on a quarterly basis. In assessing the fair value, the funds apply judgment by considering factors such as the current operating performance and future expectations of the particular investment, valuations of comparable public companies, comparable acquisition values, discounted cash flow analyses, changes in market outlook, and the third-party financing environment over time. At the Group level, fair values estimated for the period by the funds are reviewed and recognised on a quarterly basis, to capture the expected future economic benefits to be derived from the ownership of these investments, with any resulting gains or losses recognised in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

5 Property, plant and equipment

	Land and Buildings AED '000	Labour camps AED '000	Furniture and fixtures AED '000	Plant and machinery AED '000	Office equipment AED '000	Computers AED '000	Motor vehicles AED '000	Lease improve-ments AED '000	Capital work in progress AED '000	Total AED '000
Cost										
At 1 January 2023	8,602,829	1,429,615	760,092	99,123	79,571	210,133	44,851	184,962	130,491	11,541,667
Additions (note 5.5)	161,039	–	57,465	25,556	9,732	25,729	11,727	10,243	416,574	718,065
Transfers from investment properties	26,477	–	–	–	–	–	–	–	–	26,477
Recognised as part of business combination (note 47)	575,463	–	3,106	9,100	548	7,995	651	4,810	–	601,673
Disposals (note 5.2)	(5,493)	–	(2,080)	(140)	(768)	(1,451)	(18)	(18,669)	–	(28,619)
Exchange differences	(19,632)	–	(1,429)	(1,418)	(747)	–	(1,219)	(715)	(4,307)	(29,467)
At 1 January 2024	**9,340,683**	**1,429,615**	**817,154**	**132,221**	**88,336**	**242,406**	**55,992**	**180,631**	**542,758**	**12,829,796**
Additions (note 5.5)	**164,774**	**–**	**74,597**	**27,727**	**8,787**	**27,531**	**12,701**	**56,303**	**291,210**	**663,630**
Transfers from development work in progress (note 13)	**33,129**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**33,129**
Transfer from investment properties (note 7)	**21,370**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**21,370**
Disposals (note 5.2)	**(3,299)**	**–**	**(99)**	**(180)**	**(253)**	**(200)**	**(132)**	**(230)**	**–**	**(4,393)**
Transfers	**276,678**	**–**	**4,085**	**–**	**1,591**	**2,780**	**–**	**–**	**(285,134)**	**–**
Exchange differences	**(32,419)**	**–**	**(2,403)**	**(2,587)**	**(1,547)**	**–**	**(2,159)**	**(1,042)**	**(11,622)**	**(53,779)**
Balance at 31 December 2024	**9,800,916**	**1,429,615**	**893,334**	**157,181**	**96,914**	**272,517**	**66,402**	**235,662**	**537,212**	**13,489,753**
Accumulated depreciation and impairment losses										
At 1 January 2023	3,487,216	1,429,615	612,459	67,579	66,707	174,756	23,436	62,317	11,060	5,935,145
Charge for the year	267,348	–	55,320	9,015	8,198	25,971	6,005	26,616	–	398,473
Disposals (note 5.2)	(3,968)	–	(1,609)	(132)	(391)	(1,372)	(18)	(5,365)	–	(12,855)
Exchange differences	(2,982)	–	(420)	(350)	(207)	–	(275)	(49)	–	(4,283)
At 1 January 2024	**3,747,614**	**1,429,615**	**665,750**	**76,112**	**74,307**	**199,355**	**29,148**	**83,519**	**11,060**	**6,316,480**
Charge for the year	**309,311**	**–**	**74,575**	**10,161**	**5,916**	**40,674**	**6,231**	**26,257**	**–**	**473,125**
Disposals (note 5.2)	**–**	**–**	**(85)**	**(159)**	**(245)**	**(200)**	**(132)**	**(231)**	**–**	**(1,052)**
Exchange differences	**(3,706)**	**–**	**(1,172)**	**(1,227)**	**(734)**	**–**	**(1,018)**	**(358)**	**–**	**(8,215)**
Balance at 31 December 2024	**4,053,219**	**1,429,615**	**739,068**	**84,887**	**79,244**	**239,829**	**34,229**	**109,187**	**11,060**	**6,780,338**
Carrying amount										
At 31 December 2024	**5,747,697**	**–**	**154,266**	**72,294**	**17,670**	**32,688**	**32,173**	**126,475**	**526,152**	**6,709,415**
At 31 December 2023	**5,593,069**	**–**	**151,404**	**56,109**	**14,029**	**43,051**	**26,844**	**97,112**	**531,698**	**6,513,316**

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

5 Property, plant and equipment continued

The depreciation charge for the year has been allocated as follows:

	2024 AED '000	2023 AED '000
Direct costs	**41,896**	31,563
General and administrative expenses	**431,229**	366,910
	473,125	398,473

5.1 Capital work in progress mainly represents the cost incurred on the development of various school buildings which were under progress at the reporting date and will be transferred to the relevant asset category of property, plant and equipment when ready for intended use.

5.2 During the year, the Group sold property, plant and equipment resulting in a net gain on disposal of AED 1,763 thousand (2023: AED 133 thousand), note 34.

5.3 Property, plant and equipment include right-of-use assets mainly with respect to leases of plots of land and buildings with an average lease term of 30 years. The following is the movement in right of use asset during the year:

	2024 AED '000	2023 AED '000
At 1 January	**583,961**	148,420
Recognised as part of business combination (note 47)	**–**	429,749
Additions during the year	**28,618**	54,408
Lease modified/terminated during the year, net	**15,038**	(8,663)
Amortisation for the year	**(42,661)**	(38,962)
Exchange differences	**(2,642)**	(991)
At 31 December	**582,314**	583,961

5.4 Land and buildings include hotel properties having a carrying amount of AED 3,532,931 thousand as at 31 December 2024 (2023: AED 3,557,604 thousand).

5.5 The additions during the year mainly pertain to refurbishment of hotels and development/refurbishment of school buildings amounting to AED 501,204 thousand.

5.6 During the year, the Group conducted an impairment assessment which resulted in no impairment (2023: Nil). Note 4 highlights significant estimation uncertainty related to determination of the fair value less costs to sell and significant assumptions used.

During the year, the Group carried out a review of recoverable amount of its hotel properties. The review resulted in the recoverable value in excess of carrying value. The recoverable value of relevant assets is based on fair value less cost to sell determined by independent valuer and has been determined by reference to the discounted cash flow method using exit yield of 7.0% to 10.0% (2023: 7.5% to 9.5%) and a discount rate of 9.0% to 12.0% (2023: 9.5% to 11.5%).

5.7 The Group conducted a sensitivity analysis for all its hotel properties classified under property, plant and equipment. The sensitivity has been conducted on the Revenue Per Available Room (RevPAR), occupancy, discount rate and exit yield. Based on this sensitivity analysis:

— A decrease in the discount rates and exit yields by 50bps would result in AED 413,924 thousand or 8.1% increase in the recoverable value, whilst an increase in the discount rates and exit yields by 50bps would result in AED 363,529 thousand or 7.1% decrease in the recoverable value; and

— An increase in the RevPAR by 5% would result in AED 647,103 thousand or 12.9% increase in the recoverable value, whilst a decrease in the RevPAR by 5% would result in AED 640,152 thousand or 12.7% decrease in the recoverable value.

— An increase in occupancy by 5% would result in AED 439,314 thousand or 8.7% increase in the recoverable value, whilst a decrease in the occupancy by 5 % would result in AED 440,242 thousand or 8.7% decrease in the recoverable value.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

6 Intangible assets and goodwill

	Goodwill AED '000	Customer contracts/ backlog AED '000	Customer relationship AED '000	Computer software AED '000	Total AED '000
Cost					
At 1 January 2023	132,598	191,874	53,685	167,169	545,326
Additions	–	–	–	82,320	82,320
Recognised as part of business combination (note 47)	1,058,258	244,131	220,609	7,960	1,530,958
Written–off	–	–	–	(11,055)	(11,055)
Exchange differences	(10,946)	(3,846)	–	(327)	(15,119)
At 1 January 2024	**1,179,910**	**432,159**	**274,294**	**246,067**	**2,132,430**
Additions	**9,218**	**15**	**–**	**51,379**	**60,612**
Written–off	**–**	**–**	**(4,963)**	**–**	**(4,963)**
Exchange differences	**(15,048)**	**(6,200)**	**–**	**(535)**	**(21,783)**
At 31 December 2024	**1,174,080**	**425,974**	**269,331**	**296,911**	**2,166,296**
Accumulated amortisation					
At 1 January 2023	–	45,118	14,458	110,806	170,382
Charge for the year	–	31,407	19,642	29,667	80,716
Written off	–	–	–	(107)	(107)
Exchange differences	–	(1,159)	–	(237)	(1,396)
At 1 January 2024	**–**	**75,366**	**34,100**	**140,129**	**249,595**
Charge for the year	**–**	**38,066**	**59,726**	**49,810**	**147,602**
Exchange differences	**–**	**(1,873)**	**–**	**(336)**	**(2,209)**
At 31 December 2024	**–**	**111,559**	**93,826**	**189,603**	**394,988**
Carrying amount					
At 31 December 2024	**1,174,080**	**314,415**	**175,505**	**107,308**	**1,771,308**
At 31 December 2023	1,179,910	356,793	240,194	105,938	1,882,835

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

6 Intangible assets and goodwill continued

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The majority of the goodwill recognised by the Group resulted from the merger with Eltizam in year 2023 (note 47.3) and the remaining is related to Estates, International and Education segment (note 42).

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. The management believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

Customer contracts/backlog and customer relationship include intangible assets acquired through business combinations. The customer contracts/backlog have useful life of 2.5 to 10 years. The major assumptions used in the calculation include discount rate in the range of 11.50% to 22.2% and growth rate of up to 7%.

During the year, Estates (a sub segment of Aldar Investment), redefined its operating segments to reflect changes in its organisation structure. Accordingly, the existing goodwill of Aldar Estates has been reallocated to align with the newly formed cash generating units ("CGU"). The reallocation was performed using a relative value approach. Under the Relative Value Approach, goodwill was first tested for impairment before determining the fair value of the newly formed CGUs and reallocating goodwill. The impairment assessment confirmed that no impairment was incurred. The fair value of each CGU was then determined based on projected cash flows, market conditions, comparable company analyses, and specific synergies arising from the integration of operations. Goodwill was subsequently reallocated to the newly formed CGUs in proportion to their respective fair values. In addition, certain intangible assets (i.e., brand architecture) have been reallocated to align with the new operating model. As part of this process, few brands have been discontinued and written off, resulting in an impairment of AED 4,963 thousand in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

7 Investment properties

Investment properties comprise completed properties and investment properties under development (IPUD). The movement during the year is as follows:

	2024			2023		
	Completed properties AED '000	**Properties under development AED '000**	**Total AED '000**	Completed properties AED '000	Properties under development AED '000	Total AED '000
Balance at the beginning of the year	**24,185,781**	**2,031,761**	**26,217,542**	23,210,472	722,552	23,933,024
Additions during the year (note 7.2)	**886,944**	**1,175,478**	**2,062,422**	563,981	1,052,880	1,616,861
Disposals (note 7.11, 7.12)	**(458,294)**	**–**	**(458,294)**	(152,097)	–	(152,097)
Fair value gain, net (note 7.10)	**841,477**	**–**	**841,477**	594,102	6,055	600,157
Transfer from/(to):						
Property, plant and equipment (note 7.1.1)	**–**	**(21,370)**	**(21,370)**	(26,477)	–	(26,477)
Development work in progress (note 7.1.2, 13)	**12,934**	**–**	**12,934**	34,068	282,463	316,531
Transfer from investment properties under development to completed properties	**109,185**	**(109,185)**	**–**	–	–	–
Exchange differences	**(69,168)**	**(55,658)**	**(124,826)**	(38,268)	(32,189)	(70,457)
Balance at the end of the year	**25,508,859**	**3,021,026**	**28,529,885**	24,185,781	2,031,761	26,217,542

7.1.1 The transfer during the year 2024 represents transfer from investment properties to property, plant and equipment due to portion of asset being occupied by the Group.

7.1.2 The transfer during the year 2024 represents transfer due to change in use as these properties are under development for lease and the management intent is to lease these properties on completion.

7.2 The major additions during the year mainly pertains to:

(i) Aldar Commercial 2 Property Management FZ-LLC (a subsidiary of the Group) signed an agreement to acquire a newly built Grade A office building located in Dubai for consideration of AED 255,000 thousand.

(ii) The Group acquired various plots of land for development as investment properties for a total consideration amounted to AED 178,858 thousand.

(iii) The Group acquired two plots of land on Al Maryah Island for a total consideration of AED 92,119 thousand through a 60% owned SPV, AMI Properties Holding Limited ("AMI"). The transaction also result in recognition of AED 36,848 thousand of non-controlling interest.

(iv) The remaining 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.

7.3 Investment properties include right-of-use assets mainly with respect to leases of land plots amounting to AED 415,135 thousand (2023: AED 303,888 thousand). The additions during the year amounted to AED 136,270 thousand (year ended 2023: AED 35,065 thousand). The average lease term is 20 years. There are no extension or termination options on these leases except one lease which has a termination option.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

7 Investment properties continued

7.4 Except for certain investment properties of the Group which were pledged as security against bank borrowings at the beginning of the year, the Group has no restrictions on the realisability of its investment properties (note 20).

7.5 Investment properties under development comprise of land and buildings under construction where the Group has approved plan to develop commercial, retail, residential and logistic properties. The fair values of these properties are determined using residual value method.

7.6 Investment properties represent the Group's interest in land and buildings situated in the UAE amounting to AED 28,309,017 thousand (2023: AED 25,902,573 thousand) and outside UAE amounting to AED 220,868 thousand (2023: AED 314,970 thousand).

7.7 The fair values of the investment properties including properties under development are arrived at on the basis of a valuation carried out by accredited independent valuers not connected with the Group. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. The valuations were mainly determined by using the income capitalisation method. The valuation has been conducted as at 30 November 2024. Management believes which is also supported by the external valuer that there have been no significant changes to the fair values of investment properties between 30 November 2024 and 31 December 2024. There has been no material change to the valuation techniques during the year. Refer to note 4 for the key assumptions used in determination of fair value of investment properties and significant estimation uncertainty related to determination of the fair value.

The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13. The investment properties are categorised under Level 3 in the fair value hierarchy. There were no transfers between Levels 1, 2 or 3 during 2024 or 2023.

The Group conducted a sensitivity analysis for the 26 (2023: 20) largest assets in its investment property portfolio with an aggregate value of AED 25,981,152 thousand (2023: AED 21,864,277 thousand). The sensitivity has been conducted on the capitalisation rates and rental rates. Based on this sensitivity analysis:

— a decrease in the capitalisation rates by 50bps would result in a AED 1,600,439 thousand (2023: AED 1,251,616 thousand) or 6.2% (2023: 5.7%) increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 1,399,257 thousand (2023: AED 1,082,066 thousand) or 5.4% (2023: 4.9%) decrease in the valuation; and
— an increase in the rental rates by 10% would result in an AED 1,919,246 thousand (2023: AED 1,590,274 thousand) or 7.4% (2023: 7.3%) increase in the valuation, whilst a decrease in the rental rates by 10% would result in AED 1,919,288 thousand (2023: AED 1,590,325 thousand) or 7.4% (2023: 7.3%) decrease in the valuation.

Discount rates and capitalisation rates are different than interest rates as commonly applied to borrowing rates or cost of short term and long-term debt. Discount rates and capitalization rates are carefully derived by professional valuers in determining the fair market value of properties by using multiple valuation factors. There are interrelationships between the unobservable inputs which are generally determined by market conditions. The valuation may be affected by the interrelationship between the two noted unobservable inputs; for example, an increase in rent may be offset by an increase in the capitalisation rate, thus resulting in no net impact on the valuation. Similarly, an increase in rent in conjunction with a decrease in the capitalisation rate would amplify an increase in the value.

7.8 The rental income earned by the Group from its investment properties, all of which is leased out under operating leases, amounted to AED 2,266,939 thousand (2023: AED 2,138,680 thousand) and direct operating cost relating to these properties amounted to AED 494,959 thousand (2023: AED 494,152 thousand).

7.9 The completed investment properties consist of the following broad categories:

— Retail properties: comprising of malls and community retail spaces
— Commercial properties: comprising of properties leased as offices
— Residential properties: comprising of properties leased as residential units
— Logistics: comprising of warehouses, industrial, and office complex

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

7 Investment properties continued

7.10 The net fair value gain amounting to AED 841,477 thousand (2023: AED 600,157 thousand) recorded during the year resulted mainly from a fair value loss amounting to AED 59,589 thousand (2023: AED 57,498 thousand) recorded on buildings held on leasehold land, netted against a fair value gain of AED 901,066 thousand (2023: AED 657,655 thousand) relates to the net fair value gain recorded on major investment properties based on valuation carried out by the accredited independent valuers not connected with the Group. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. Fair value gain or loss on investment properties are presented under the line item 'gain/(loss) on revaluation of investment properties, net' in the consolidated statement of profit or loss. The investment properties are categorised under Level 3 in the fair value hierarchy.

7.11 During the year, 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 net assets given were AED 124,166 thousand (of which investment properties carrying value amounted to AED 123,600 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 under "gain on disposal of investment properties".

7.12 During the year, the Group sold investment properties for AED 364,746 thousand (2023: AED 176,059 thousand) and realised a net gain of AED 30,052 thousand (2023: AED 23,962 thousand) which is recorded in consolidated statement of profit or loss under "gain on disposal of investment properties".

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

8 Investment in associates and joint ventures

	2024 AED '000	2023 AED '000
Investment in associates	**37,164**	32,888
Investments in joint ventures	**167,018**	118,279
	204,182	151,167

Details of each of the Group's material associates and joint ventures as at 31 December 2024 are as follows:

Investee	Place of incorporation (registration) and operation	Principal activity	Percentage holding	Voting power
Associates				
Abu Dhabi Finance PJSC ("ADF") (liquidated)	Abu Dhabi, UAE	Finance company	32%	32%
Al Sdeirah Real Estate Investment LLC ("Al Sdeirah")	Abu Dhabi, UAE	Real estate	30%	30%
Bunya Enterprises LLC ("Bunya")	Abu Dhabi, UAE	Project management	33%	33%
Iskandar Holdings Limited ("Iskandar Holdings") (note 8.1)	Cayman Islands	Real estate	19%	19%
Royal Gardens for Investment Property Co.	Egypt	Real estate development	20%	20%
Joint ventures				
Al Raha International Integrated Facilities Management LLC ("Al Raha IFM") (under liquidation)	Abu Dhabi, UAE	Facilities Management	50%	50%
Royal House LLC ("Royal House")	Abu Dhabi, UAE	Hotel operations	50%	50%
Palmyra SODIC Real Estate Development	Syria	Real estate development	50%	50%
Avobar Restaurant – Sole Proprietorship L.L.C. ("Avobar")	Abu Dhabi, UAE	Restaurant	30%	30%
South Development One DWC-LLC	Dubai, UAE	Warehousing	50%	50%
Richmond Hill Developments (Jersey) Limited	Jersey	Real estate development	15%	15%
Vulcan Wharf Holdings LLP ("Vulcan Wharf")	England & Wales	Real estate development	50%	50%
South Development One DWC-LLC	Dubai, UAE	Warehousing	50%	50%
South Development Two DWC-LLC	Dubai, UAE	Warehousing	50%	50%
South Development Three DWC-LLC	Dubai, UAE	Warehousing	50%	50%
Richmond College	England & Wales	Real estate development	50%	50%

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

8 Investment in associates and joint ventures continued

All of the above associates and joint ventures are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements:

	ADF AED '000	Al Sdeirah AED '000	Iskandar Holdings AED '000	Total AED '000
As at 1 January 2023	52,468	25,453	6,086	84,007
Share of profit	–	1,349	–	1,349
Redemptions (note 8.2)	(52,468)	–	–	(52,468)
As at 31 December 2023	**–**	**26,802**	**6,086**	**32,888**
Share of profit	**–**	**2,838**	**–**	**2,838**
Additions	**–**	**–**	**1,438**	**1,438**
As at 31 December 2024	**–**	**29,640**	**7,524**	**37,164**

Summarised financial information in respect of each of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements:

	Al Raha IFM AED '000	Avobar AED '000	South Developments AED '000	Royal House (note 8.3) AED '000	Richmond Hill AED '000	Vulcan Wharf AED '000	Richmond College AED '000	Total AED '000
As at 1 January 2023	655	–	–	–	–	–	–	655
Recognised as part of business combination (note 47.6)	–	–	–	–	232	107,000	–	107,232
Additions	–	529	10,000	–	–	280	–	10,809
Share of profit/(loss)	–	(416)	–	(8,348)	(1)	–	–	(8,765)
Allocated to current account	–	–	–	8,348	–	–	–	8,348
As at 31 December 2023	**655**	**113**	**10,000**	**–**	**231**	**107,280**	**–**	**118,279**
Additions	**–**	**–**	**48,776**	**–**	**–**	**–**	**–**	**48,776**
Share of profit/(loss)	**–**	**94**	**(877)**	**(6,290)**	**81**	**(235)**	**2,486**	**(4,741)**
Allocated to current account	**–**	**–**	**–**	**6,290**	**–**	**–**	**–**	**6,290**
Exchange differences	**–**	**–**	**–**	**–**	**(2)**	**(1,615)**	**31**	**(1,586)**
As at 31 December 2024	**655**	**207**	**57,899**	**–**	**310**	**105,430**	**2,517**	**167,018**

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

8 Investment in associates and joint ventures continued

8.1 Iskandar Holdings Limited is classified as an associate of the Group although the Group owns a 19% ownership interest, as the Group has significant influence by virtue of its contractual right to appoint two out of six directors to the board of directors of the investee.

8.2 During 2023, Abu Dhabi Finance PJSC (ADF), an associate of the Group is liquidated and the Group has accordingly received total distribution of AED 52,468 thousand and is recognised as a reduction in investment in associate which resulted in the Group's investment in ADF amounting to AED nil.

8.3 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 6,290 thousand (2023: AED 8,348 thousand) was applied to the Group's receivable from the joint venture.

Available financial information in respect of the Group's associates is summarised below:

	2024 AED '000	2023 AED '000
Total assets	**114,643**	103,475
Total liabilities	**(8,318)**	(14,137)
Net assets	**106,325**	89,338
Group's share of net assets of joint ventures	**37,164**	32,888
Total revenue	**6,978**	5,287
Net profit for the year	**5,331**	4,507

Latest available financial information in respect of the Group's joint ventures is summarised below:

	2024 AED '000	2023 AED '000
Total assets	**432,563**	265,083
Total liabilities	**(133,455)**	(14,187)
Net assets	**299,108**	250,896
Group's share of net assets of joint ventures	**167,018**	118,279
Total revenue	**55,657**	18,877
Net profit/(loss) for the year	**6,515**	(18,087)
Share of losses		
The unrecognised share of loss of associates for the year	**(420)**	(52,163)
Cumulative share of loss of associates	**(118,362)**	(117,942)

The associates and joint ventures had not commitments or contingent liabilities as at 31 December 2024 and 31 December 2023.

The Group has discontinued recognising share of losses from few associates as the Company does not have any legal or constructive obligation.

Associates and joint ventures are accounted for using the equity method in the consolidated financial statements as set out in the Group's accounting policies in note 3.6.

Others

During 2018, the Group sold an investment in joint venture. As per the agreement, the Group is entitled to further compensation which is contingent based on performance of the buyer and market conditions not within the control of the Group. As of 31 December 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.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

9 Investment in financial assets

	2024 AED '000	2023 AED '000
Non-current		
Financial assets at fair value through other comprehensive income ("FVTOCI") (9.1)	**24,882**	23,317
Financial assets at fair value through profit or loss ("FVTPL") (9.2)	**894,670**	695,652
	919,552	718,969
Current		
Financial assets at amortised cost (9.3)	**4,013**	93,147
	923,565	812,116

9.1 Financial assets at FVTOCI

	2024 AED '000	2023 AED '000
Investment in UAE quoted securities	**24,880**	23,315
Investment in UAE unquoted securities	**2**	2
	24,882	23,317
Movement during the year is as follows:		
At 1 January	**23,317**	29,797
Fair value gain/(loss)	**1,565**	(6,480)
At 31 December	**24,882**	23,317

During the years 2024 and 2023, no dividend income received from these investments.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

9 Investment in financial assets continued

9.2 Financial assets at FVTPL

	2024 AED '000	2023 AED '000
Investment in international unquoted funds	**894,670**	695,652
Movement during the year is as follows:		
At 1 January	**695,652**	68,837
Additions	**243,504**	624,213
Distributions	**(81,786)**	–
Fair value gain/(loss), net	**48,972**	(2,456)
Exchange (loss)/gain, net	**(11,672)**	5,058
At 31 December	**894,670**	695,652

(i) During 2023, the Group signed an agreement with Carlyle Europe Realty Fund II, S. C. Sp. committing to AED 242,584 thousand into an investment vehicle. As at 31 December 2024, the Group made contributions to capital calls amounting to AED 209,005 thousand for investments in the warehousing and logistics sector in the UK. The investment is recorded at FVTPL and is categorised under Level 3 in the fair value hierarchy. Given the Group's representation on the Board of the company, the investment was classified as an Associate. However, since the investment is carried as part of the Group's alternative investment activities, it is accounted for as investment carried at FVTPL.
(ii) During 2023, Aldar Holding 2 Limited (a subsidiary) invested via a subscription to shares of the Co-Investment platform (CER French Self Storage Co-Investment-B, S. C. Sp.). Aldar Holding 2 has committed AED 160,204 thousand holding 29% equity stake and 42.6% of the total Co-Investor equity contribution, that will capitalise on the growing market opportunity in private real estate across Europe. As at 31 December 2024, Aldar Holding 2 made contribution to the capital call amounting to AED 97,092 thousand. Given the holding of 29% equity stake in the Limited partnership and representation on the Board of Directors, the investment was classified as an Associate. However, since the investment is carried as part of the Group's alternative investment activities, it is accounted for as investment carried at FVTPL.

(iii) During 2023, the Group entered into partnerships with Mubadala (a related party – major shareholder in the Group) and Ares Management, where the Group has committed AED 1,514,907 to be deployed in medium term, that will capitalise on the growing market opportunity in private real estate credit in the United Kingdom and across Europe. As at 31 December 2024, Aldar Holding 2 made contribution to the capital call amounting to AED 497,220 thousand. The investment is recorded at FVTPL and is categorised under Level 3 in the fair value hierarchy. Given the Group's holding in the partnership and representation on the Board of the partnership, the investment was classified as an Associate. However, since the investment is carried as part of the Group's alternative investment activities, it is accounted for as investment carried at FVTPL.

9.3 Financial assets at amortised cost

	2024 AED '000	2023 AED '000
Investment in treasury bills*	**4,013**	93,147

* This represents investment in treasury bills made by the Egypt subsidiary in Egypt and carried at amortised cost.

The Group's exposure to market and interest risk related to the financial assets is disclosed in note 40.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

10 Contract assets and contract liabilities

Contract assets represents unbilled revenue arising from contracts for sale of properties and other services which pertains to the Group's right to consideration in exchange for goods or services that the Group has transferred to the customers. Where payments from customers are received after the associated performance obligations being met and therefore revenue recognised in the profit or loss account, contract assets are recognised. Contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Contract liabilities represents deferred revenue arising from construction contracts and property development under off-plan sales projects. These arise if a particular milestone payment exceeds the related revenue recognised to date. 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.

10.1 Contract assets

	2024 AED '000	2023 AED '000
Contract assets: gross amounts due from customer on contracts for sale of properties	**4,355,012**	1,737,975
Contract assets: gross amounts due from customer on contracts to construct assets	**–**	101,046
Others	**93,810**	36,723
	4,448,822	1,875,744

The above amount mainly represents unbilled revenue arising from contracts for sale of properties. These contracts have remaining performance obligations (unsatisfied or partially unsatisfied) with aggregated value of AED 15,170,327 thousand (2023: AED 7,764,250 thousand) 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.

10.2 Contract liabilities

	2024 AED '000	2023 AED '000
Contract liabilities: gross amount due to customers on contracts for sale of properties	**(6,527,189)**	(4,607,892)
Contract liabilities: gross amount due to customers on contracts to construct assets	**(1,128,959)**	(1,821,111)
	(7,656,148)	(6,429,003)

The above amount mainly represents deferred revenue arising from construction contracts, property development under off-plan sales projects and property management. These contracts have performance obligations (unsatisfied or partially unsatisfied) having aggregated value of AED 43,660,955 thousand (2023: AED 30,348,850 thousand) which is expected to be recognised as revenue over the remaining tenor of these contracts. Majority of the amount allocated to remaining performance obligations is expected to be recognised as revenue in the next 2 years and the remaining spread over 3 to 5 years.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

11 Trade receivables and other assets

	2024 AED '000	2023 AED '000
Non-current portion		
Trade receivables (note 11.1)	**383,187**	474,366
Due from associates and joint ventures (note 11.5)	**270,849**	214,179
Receivables relating to project finance (note 11.3)	**126,884**	131,940
Others	**86,774**	121,605
	867,694	942,090
Less: allowance for expected credit loss (note 11.6)	**(218,174)**	(217,100)
	649,520	724,990
Current portion		
Trade receivables (note 11.1)	**5,214,968**	5,033,135
Advances and prepayments (note 11.9)	**5,067,010**	1,985,829
Refundable deposits (note 11.10)	**264,884**	305,293
Refundable costs (note 11.2)	**426,881**	236,474
Due from associates and joint ventures (note 11.5)	**25,698**	25,665
Accrued interest	**15,762**	56,813
Receivables from the Government of Abu Dhabi (note 11.4)	**5,734**	5,734
Receivables relating to project finance (note 11.3)	**8,180**	8,323
VAT recoverable	**86,584**	74,066
Others	**1,144,251**	759,685
	12,259,952	8,491,017
Less: allowance for expected credit loss (note 11.6)	**(215,761)**	(255,345)
	12,044,191	8,235,672

11.1 Trade receivables

Trade receivables mainly represent the amounts due in respect of sales of plots of land, properties, rental receivables, property and facilities management services, education fee and revenue from construction contracts. As at 31 December 2024, 6% of the trade receivables (2023: 6% of the trade receivables) are due from its top five customers (2023: five customers). Concentration of credit risk is mitigated in some cases by the fact that the customers have already made instalment payments, in some cases substantial, on the plots, which the Group would contractually be entitled to retain in the event of non-completion of the remaining contractual obligations in order to cover losses incurred by the Group.

	2024 AED '000	2023 AED '000
Trade receivables	**5,598,155**	5,507,501
Less: allowance for expected credit loss (note 11.6)	**(193,923)**	(234,634)
	5,404,232	5,272,867

Interest is charged at 12% per annum on the past due amounts in respect of sales of plots and properties.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

11 Trade receivables and other assets (continued)
11.1 Trade receivables (continued)
Ageing of trade receivables

The ageing of non-impaired receivables is as follows:

	2024 AED '000	2023 AED '000
Not past due	**3,014,106**	3,390,461
Past due (up to 180 days)	**929,469**	1,065,767
Past due (more than 180 days)	**1,460,657**	816,639
	5,404,232	5,272,867

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

11.3 Receivables relating to project finance

	Minimum payments		Present value of minimum payments	
	2024 AED '000	2023 AED '000	2024 AED '000	2023 AED '000
Amounts receivable from project finance:				
Within one year	**15,024**	14,950	**8,180**	8,323
In the second to fifth year	**76,533**	79,840	**27,170**	20,691
After five years	**144,644**	160,061	**99,714**	111,249
	236,201	254,851	**135,064**	140,263
Less: unearned finance income	**(101,137)**	(114,588)	**–**	–
Present value of minimum payments receivable	**135,064**	140,263	**135,064**	140,263

11.4 Receivable from the Government of Abu Dhabi
Receivables from the Government of Abu Dhabi represent the amounts receivable against infrastructure handed over and land plots sold.

11.5 Due from associates and joint ventures

	Non-current		Current	
	2024 AED '000	2023 AED '000	2024 AED '000	2023 AED '000
Gross receivables	**270,849**	214,179	**25,698**	25,665
Less: allowance for expected credit loss (note 11.6)	**(215,155)**	(212,972)	**(24,857)**	(24,839)
	55,694	1,207	**841**	826

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

11 Trade receivables and other assets (continued)

11.6 Allowance for expected credit loss

Movement during the year in allowance of expected credit loss:

Trade receivables

	2024 AED '000	2023 AED '000
Balance at the beginning of the year	**234,634**	209,511
Charge for the year (note 31)	**8,442**	45,152
Write off of provision, net	**(49,153)**	(20,029)
Balance at the end of the year (note 11.1)	**193,923**	234,634

Due from associates and joint ventures

	2024 AED '000	2023 AED '000
Balance at the beginning of the year	**237,811**	235,553
Charge for the year	**2,201**	2,258
Balance at the end of the year (note 11.5)	**240,012**	237,811

The Group recognises lifetime expected credit loss ("ECL") for trade and other receivables using the simplified approach. To determine the expected credit losses all debtors were classified into four categories and the ECL rate for each category was determined using a provision matrix:

- Category I – government related companies (0%);
- Category II – private companies with low credit risk (1% to 20%);
- Category III – private companies with high credit risk (20% to 60%); and
- Category IV – debtors at default (100%)

These were adjusted for factors that are specific to the debtors and general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

If the ECL rates on each time bucket had been 5% higher or lower as of 31 December, the loss allowance on trade receivables would have been higher or lower as follows:

	2024 AED '000	2023 AED '000
Not past due	**92**	363
Past due (up to 180 days)	**921**	1,371
Past due (more than 180 days)	**8,683**	9,998
	9,696	11,732

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

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

	2024 AED '000	2023 AED '000
Deferred tax asset		
Provisions	**43,091**	62,857
Carried forward tax losses	**21,638**	24,671
Trade and other payables	**6,675**	10,970
Property, plant and equipment	**–**	225
Intangible assets	**14,594**	–
Investment properties	**19,718**	–
Others	**–**	1,385
Deferred tax liabilities		
Investment properties	**–**	(11,052)
Development work in progress	**–**	(4,636)
Foreign exchange differences	**(5,016)**	(3,434)
Property, plant and equipment	**(449)**	(213)
Others	**(30,549)**	–
Net deferred tax asset	**69,702**	80,773

Unrecognised deferred tax asset

	2024 AED '000	2023 AED '000
Deductible temporary differences	**17,865**	28,424
Tax losses carried forward	**228**	375
Corporate interest restriction disallowances carried forward	**14,714**	76,951
	32,807	105,750

Deferred tax asset has not been recognised in respect of the above-mentioned items due to uncertainties over the timing and recoverability in the foreseeable future.

11.8 Deferred tax liability

	2024 AED '000	2023 AED '000
Investment properties	**107,456**	31,451
Intangible assets	**83,316**	51,928
Others	**21,387**	–
	212,159	83,379

11.9 Advances and prepayments
This represents mainly advances given to the contractors and suppliers against future work. Additionally, the balance include:

(i) AED 1,885,858 thousand given as advances during 2024 for the acquisition of investment properties under development

(ii) AED 350,000 thousand paid during 2022 as part of purchase of Nurai Island Hotel for two development islands where the seller will procure the dredging and reclamation of these islands.

11.10 Refundable deposits
This represents mainly maintenance deposits.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

11 Trade receivables and other assets (continued)

11.11 Contingent asset

During 2020, the Company sold its district cooling operations (the "Cooling Entities") comprising the Group's entire interest in Saadiyat Cooling LLC (a 85% owned subsidiary) and Saadiyat District Cooling LLC (a wholly-owned subsidiary). As per the Sale Purchase Agreements and earn out agreement, the Group is also entitled to earn out consideration in the form of additional fee for each additional load for which the buyer contracts from these cooling operations. At 31 December 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.

12 Plots of land held for sale

Plots of land held for sale represent plots of land intended to be sold in the normal course of business. If management determines to use these plots of land for development, these plots of land are transferred either to development work in progress or to investment properties under development on launch of the respective projects. Movement in plots of land held for sale during the year was as follows:

	2024 AED '000	2023 AED '000
Balance at beginning of the year	**7,787,308**	4,822,121
Additions during the year (note 12.1, 12.2)	**1,070,250**	3,866,520
Borrowing cost capitalised (note 12.3)	**138,089**	145,207
Recognised in costs of properties sold (direct costs)	**(145,771)**	(358,601)
Transfer to development work in progress during the year (note 13)	**(1,689,387)**	(687,939)
Exchange differences	**(9,098)**	–
Balance at the end of the year	**7,151,391**	7,787,308

As at 31 December 2024, the Group determined net realisable value of its plots of land held for sale. 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 from the sale of these properties in its ordinary course of business. These estimates also take into consideration the purpose for which the inventory is held. The determination of net realisable value of plots of land held for sale is based on external valuations using various valuation methodologies and techniques (note 4).

Plots of land held for sale are located as:

	2024 AED'000	2023 AED'000
Within UAE	**6,557,470**	7,787,308
Outside UAE	**593,921**	–
	7,151,391	7,787,308

12.1 The additions during the year 2024 mainly relates to various plots land acquired by the Group subsidiary in United Kingdom.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

12 Plots of land held for sale continued

12.2 Additions during the year 2023

- 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.
- On 2 February 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, 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 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.

12.3 Borrowing costs included in the cost of the above lands during the year, amounting to AED 138,089 thousand (year ended 31 December 2023: AED 145,207 thousand), arose on the unwinding of liability and are calculated by applying a capitalisation rate of Group incremental borrowing rate to expenditure on such assets.

The Group recognises the financial liabilities in relation to the purchase of land on deferred purchase consideration in accordance with IFRS 9. These financial liabilities are recorded and carried at "amortised cost" using the effective interest method described under IFRS 9. Subsequent measurement of the above financial liabilities results in finance cost (interest expense) being incurred on the unwinding of discount. As per IAS 23, borrowing cost that can be capitialised on a qualifying assets includes any interest expense calculated using the effective interest method on remeasurement of financial liabilities carried at amortised cost as "borrowing cost". The finance costs incurred on the financial liabilities recorded in relation to land acquired on deferred consideration basis meets the definition of "borrowing cost" under the definition of IAS 23 and accordingly capitalised as part of plots of land held for sale.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

13 Development work in progress

Development work in progress represents land cost, development and construction costs incurred on properties being constructed for sale in the ordinary course of business. Movement during the year is as follows:

	2024 AED '000	2023 AED '000
Balance at beginning of the year	**6,243,802**	3,835,682
Development costs incurred during the year	**9,025,139**	4,845,162
Recognised as part of business combination (note 47)	**–**	1,152,558
Recognised in costs of properties sold	**(8,216,760)**	(3,345,423)
Write-off of project costs (note 13.1, 13.2, 31)	**(18,329)**	(133,216)
Reversal/(provision) for impairment (note 13.2, 31)	**29,564**	(480)
Transfers from/(to):		
Inventories (note 14)	**(148,921)**	(38,209)
Property, plant and equipment (note 5)	**(33,129)**	–
Investment properties (note 7)	**(12,934)**	(316,531)
Plots of land held for sale (note 12)	**1,689,387**	687,939
Exchange differences	**(953,649)**	(443,680)
Balance at the end of the year	**7,604,170**	6,243,802

Development properties are located as:

	2024 AED'000	2023 AED'000
Within UAE	**5,177,609**	2,790,457
Outside UAE	**2,426,561**	3,453,345
	7,604,170	6,243,802

13.1 This represents project costs relating to projects which are either non-viable design/uses and other costs relating to projects under planning which management considers not feasible to continue and accordingly written off.

13.2 As at 31 December 2024 and 31 December 2023, the Group determined net realisable value of its development work in progress and concluded that the carrying value is higher than the net realisable value resulting in reversal of provision for impairment AED 11,235 thousand (2023: provision for impairment of AED 133,696 thousand). 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.

14 Inventories

	2024 AED'000	2023 AED'000
Completed properties	**399,618**	504,616
Other operating inventories	**93,942**	101,718
	493,560	606,334

During the year, completed properties with an aggregate value of AED 148,921 thousand (2023: AED 38,209 thousand) were transferred to inventories from development work in progress upon completion (note 13). During the year, an amount of AED 213,197 thousand was recognised as direct costs (2023: AED 321,412 thousand).

Inventories are located as follows:

	2024 AED'000	2023 AED'000
Within UAE	**291,337**	474,245
Outside UAE	**202,223**	132,089
	493,560	606,334

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

14 Inventories continued

During the year, in line with terms of sale purchase agreements for development projects, the Group reacquired properties with a fair value of AED 72,059 thousand (2023: AED 172,128 thousand) due to contractual non-performance of counter parties. These properties were classified as inventories based on their nature.

As at 31 December 2024 and 31 December 2023, the Group determined net realisable value of its inventories and concluded that no additional adjustment is needed in respect of bringing the carrying amount of inventories to their net realisable value.

15 Cash and cash equivalents

	2024 AED '000	2023 AED '000
Cash and bank balances	**13,930,833**	9,336,005
Short term deposits held with banks	**1,205,160**	2,382,153
Cash and bank balances	**15,135,993**	11,718,158

Cash and cash equivalents

	2024 AED '000	2023 AED '000
Cash and bank balances	**15,135,993**	11,718,158
Short term deposits with original maturities greater than three months	**(228,027)**	(116,572)
Restricted bank balances	**(4,685,314)**	(6,638,490)
Cash and cash equivalents	**10,222,652**	4,963,096
Cash and cash equivalents:		
Within UAE	**9,878,827**	4,625,006
Outside UAE	**343,825**	338,090
	10,222,652	4,963,096

As at 31 December 2024, cash at banks amounting to AED 302,919 thousand (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 3,363,870 thousand (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 bank balances mainly represents cash balances designated against government projects and dividend payables for which separate bank accounts are maintained.

Cash and cash equivalents include balances amounting to AED 8,040,823 thousand (2023: nil) which are deposited into escrow accounts representing cash received from customers against sale of development properties, which include certain balances against which the Group has provided performance bonds and are available to the Group on demand.
The interest rate on term deposits during the year ranges between 3.50% and 5.20% (for the year ended 31 December 2023: between 0.20% and 5.72%) per annum for UAE and between 5.00% 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 banks in the UAE.

Cash and cash equivalents include an amount of AED 1,825,995 thousand (2023: AED 2,181,852 thousand) received from one of the customers against the development of certain projects. As of 31 December 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.

16 Share capital

Share capital comprises 7,862,629,603 (31 December 2023: 7,862,629,603) authorised, issued and fully paid-up ordinary shares with a par value of AED 1 each.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

17 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 1,141,189 thousand)	Fixed interest rate of 5.625% with a reset after 15 years
April 2022	USD 189,500 thousand (AED 696,474 thousand)	Fixed interest rate of 5.625% with a reset after 15 years

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

18 Reserves

Statutory reserve

In accordance with Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, 10% of the annual profits are transferred to the statutory reserve that is non-distributable. Transfers to this reserve may be suspended whenever the reserve reaches 50% of the paid-up share capital of the Company. As the reserves reaches 50% of the paid-up capital, the Company has suspended further transfer.

Hedging reserve

This represents the effective portion of fair value movements of the interest rate swaps contracts that are designated by the Group as hedging instruments for hedges (note 24).

Investment revaluation reserve

This represents the cumulative unreleased gains or losses that are recognised on the financial assets at FVTOCI, net of cumulative gain/loss transferred to retained earnings on disposal.

The movement of the reserve is as follows:

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	**(8,790)**	(2,310)
Fair value gain/(loss) on revaluation through FVTOCI (note 9.1)	**1,565**	(6,480)
Balance at the end of the year	**(7,225)**	(8,790)

Assets revaluation reserve

This represents surplus raised on the fair valuation of certain property, plant and equipment upon transfer to investment properties due to change in use.

Foreign currency translation reserve

This represents exchange difference arising from translation of the financial statements of foreign subsidiaries, associates and joint ventures. The movement during the year is given below:

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	**(536,624)**	(385,312)
Exchange differences on translating the net assets of foreign Operations	**(496,343)**	(252,741)
Relating to non-controlling interests	**197,968**	101,429
Balance at the end of the year	**(834,999)**	(536,624)

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

19 Non-convertible sukuk

	Current AED '000	Non-current AED '000	Total AED '000
Sukuk No. 1	**1,394,664**	**–**	**1,394,664**
Sukuk No. 2	**13,836**	**1,827,397**	**1,841,233**
Sukuk No. 3	**9,200**	**1,806,112**	**1,815,312**
Sukuk No. 4	**12,624**	**1,797,329**	**1,809,953**
At 31 December 2024	**1,430,324**	**5,430,838**	**6,861,162**
Sukuk No. 1	23,260	1,828,885	1,852,145
Sukuk No. 2	13,638	1,825,463	1,839,101
Sukuk No. 3	9,200	1,802,508	1,811,708
Sukuk No. 4	–	–	–
At 31 December 2023	46,098	5,456,856	5,502,954

Sukuk No. 1:

On 24 September 2018, Aldar Sukuk Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Island and a wholly owned subsidiary of the Group issued non-convertible sukuk ("Sukuk No. 1") for a total value of AED 1,836,750 thousand (USD 500,000 thousand). Sukuk No. 1 is listed on Euronext Dublin and Abu Dhabi Securities Exchange ("ADX") and has a profit rate of 4.750% per annum payable semi-annually and is due for repayment in September 2025.

	2024 AED'000	2023 AED'000
Proceeds from issue	**1,380,872**	1,836,750
Unamortised issue costs	**(3,146)**	(7,865)
Accrued profit	**16,938**	23,260
Carrying amount	**1,394,664**	1,852,145
Less: current portion	**(1,394,664)**	(23,260)
Non-current portion	**–**	1,828,885

During the year ended 31 December 2024, the Group initiated an early redemption of Sukuk No. 1, with original maturity in September 2025. As at 31 December 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.

Sukuk No. 2:

On 15 October 2019, Aldar Sukuk (No. 2) Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Island and a wholly owned subsidiary of the Group issued non-convertible sukuk ("Sukuk No. 2") for a total value of AED 1,836,750 thousand (USD 500,000 thousand). Sukuk No. 2 listed on Euronext Dublin and ADX and has a profit rate of 3.875% per annum payable semi-annually and is due for repayment in October 2029.

	2024 AED'000	2023 AED'000
Proceeds from issue	**1,836,750**	1,836,750
Unamortised issue costs	**(9,352)**	(11,287)
Accrued profit	**13,835**	13,638
Carrying amount	**1,841,233**	1,839,101
Less: current portion	**(13,836)**	(13,638)
Non-current portion	**1,827,397**	1,825,463

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

19 Non-convertible sukuk continued

Sukuk No. 3:

During the year ended 31 December 2023, Aldar Investment Properties Sukuk Limited (the "Issuer"), an exempted company incorporated with limited liability under the laws of the Cayman Islands, a subsidiary of the Group, has established a trust certificate issuance programme (the "Programme") pursuant to which the Issuer may issue from time to time up to USD 2,000,000 thousand (AED 7,345,000 thousand) of trust certificates in series. On 17 May 2023, the Issuer had issued the first series of the trust certificates (the "Sukuk 3") amounting to USD 500,000 thousand (AED 1,836,250 thousand) under the Programme. The Sukuk 3 is listed on Euronext Dublin and ADX, carries a profit rate of 4.875% per annum and is due for repayment in May 2033. An amount equivalent to the net proceeds of the Sukuk 3 are allocated to refinance certain "Eligible Green Projects", as set out in the Green Framework, which specifies certain eligibility criteria for Eligible Green Projects. This framework supports investments in sustainable projects, including green buildings, energy-efficient property upgrades, sustainable water management, pollution control measures, and renewable energy sources. In addition, the Company has appointed an independent firm to assess the validity of the Green Framework and its alignment with the Green Bond Principles 2021.

	2024 AED'000	2023 AED'000
Gross value of issue	**1,836,250**	1,836,250
Discount on issue	**(21,731)**	(21,731)
Net proceeds from issue	**1,814,519**	1,814,519
Unamortised issue costs	**(8,407)**	(12,011)
Accrued profit	**9,200**	9,200
Carrying amount	**1,815,312**	1,811,708
Less: current portion	**(9,200)**	(9,200)
Non-current portion	**1,806,112**	1,802,508

Sukuk No. 4:

During the year ended 31 December 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 (AED 7,345,000 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 (AED 7,345,000 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 (AED 1,836,250 thousand) sukuk issued in May 2023. Sukuk 4 is listed on Euronext Dublin and ADX, 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

	2024 AED'000	2023 AED'000
Gross value of issue	**1,836,250**	–
Discount on issue	**(11,697)**	–
Unamortised issue costs	**(9,611)**	–
Accrued profit	**12,624**	–
FV movement on hedge	**(18,393)**	–
Discount unwinding	**780**	–
Carrying amount	**1,809,953**	–
Less: current portion	**(12,624)**	–
Non-current portion	**1,797,329**	–

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

20 Bank borrowings

	Outstanding amount					
	Current AED '000	**Non-current AED '000**	**Total AED '000**	Security	Maturity	Purpose
31 December 2024:						
Term loan 1	**–**	**1,000,000**	**1,000,000**	Unsecured	September 2029	General Corporate Purpose
Revolving Credit Facility 1	**–**	**550,000**	**550,000**	Unsecured	March 2028	General Corporate Purpose
Revolving Credit Facility 2	**–**	**500,000**	**500,000**	Unsecured	September 2027	General Corporate Purpose
Revolving Credit Facility 5	**500,000**	**–**	**500,000**	Unsecured	December 2025	General Corporate Purpose
Revolving Credit Facility 7	**57,823**	**–**	**57,823**	Secured	December 2030	Project Finance
Term loan 4	**–**	**1,000,000**	**1,000,000**	Unsecured	September 2029	General Corporate Purpose
Term loan 6	**8,147**	**77,981**	**86,128**	Secured	December 2031	Project Finance
Term loan 8	**25,288**	**–**	**25,288**	Secured	September 2027	Project Finance
Term loan 10	**–**	**200,000**	**200,000**	Unsecured	June 2029	General Corporate Purpose
Term loan 11	**–**	**33,235**	**33,235**	Secured	December 2030	Project Finance
Revolving Credit Facility 9	**–**	**1,000,000**	**1,000,000**	Unsecured	December 2028	General Corporate Purpose
Revolving Credit Facility 10	**–**	**1,500,000**	**1,500,000**	Unsecured	July 2029	General Corporate Purpose
Revolving Credit Facility 11	**–**	**1,000,000**	**1,000,000**	Unsecured	May 2029	General Corporate Purpose
Term loan 13	**–**	**1,340,871**	**1,340,871**	Unsecured	April 2028	General Corporate Purpose
Revolving Credit Facility 12	**–**	**275,000**	**275,000**	Unsecured	December 2029	General Corporate Purpose
Revolving Credit Facility 13	**–**	**415,000**	**415,000**	Unsecured	July 2029	General Corporate Purpose
Term loan 14	**–**	**65,026**	**65,026**	Secured	December 2032	Project Finance
Receivables discounting facility	**7,060**	**–**	**7,060**	Secured	September 2027	Receivables discounting
Unamortised borrowing cost	**(117)**	**(52,263)**	**(52,380)**			
Accrual for interests and profits	**22,244**	**–**	**22,244**			
	620,445	**8,904,850**	**9,525,295**			

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

20 Bank borrowings continued

	Outstanding amount					
	Current AED '000	Non-current AED '000	Total AED '000	Security	Maturity	Purpose
31 December 2023:						
Ijarah facility	-	420,000	420,000	Unsecured	March 2025	General corporate purpose
Term loan 1	-	1,000,000	1,000,000	Unsecured	September 2026	General corporate purpose
Revolving credit facility 2	-	500,000	500,000	Unsecured	September 2027	General corporate purpose
Revolving credit facility 3	-	469,500	469,500	Unsecured	March 2025	General corporate purpose
Revolving credit facility 5	300,000	-	300,000	Unsecured	December 2024	General corporate purpose
Revolving credit facility 6	-	500,000	500,000	Unsecured	March 2026	General corporate purpose
Revolving credit facility 7	55,935	-	55,935	Secured	December 2030	Project finance
Revolving credit facility 8	529,415	-	529,415	Secured	March 2024	General corporate purpose
Term loan 2	-	500,000	500,000	Secured	November 2027	General corporate purpose
Term loan 3	-	300,000	300,000	Secured	June 2026	General corporate purpose
Term loan 4	-	1,000,000	1,000,000	Unsecured	September 2028	General corporate purpose
Term loan 5	-	400,000	400,000	Unsecured	September 2028	General corporate purpose
Term loan 6	9,181	141,541	150,722	Secured	December 2031	Project finance
Term loan 8	26,122	39,183	65,305	Secured	September 2027	Project finance
Term loan 9	22,777	9,821	32,598	Secured	June 2027	Project finance
Term loan 10	-	200,000	200,000	Secured	June 2028	Project finance
Term loan 11	-	54,619	54,619	Unsecured	December 2030	General corporate purpose
Term loan 12	111,793	-	111,793	Secured	March 2026	Project finance
Receivables discounting facility	26,429	-	26,429	Secured	September 2027	Receivables discounting
Unamortised borrowing cost	(1,292)	(46,106)	(47,398)			
Accrual for interest and profits	7,294	-	7,294			
	1,087,654	5,488,558	6,576,212			

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

20 Bank borrowings continued

The above loans carry margins ranging from 0.70% to 2.00% (2023: 0.50% to 2.95%) above the base lending rate. For loans obtained in the UAE, the base lending rate used is EIBOR and for overseas subsidiaries is the relevant base lending rates.

During the year ended 31 December 2024, the Group signed committed revolving facility agreements with local banks for a total commitment of AED 4,000,000 thousand with a maturity of 5 years out of which AED 3,190,000 thousand was utilised till 31 December 2024. In addition, the Group refinanced and upsized the term loan for an international subsidiary with GBP 325,000 thousand (AED 1,495,355 thousand) unsecured term loan with a maturity of 4 years.

As at 31 December 2024, the Group had AED 8,106,117 thousand of undrawn, committed term and revolving credit facilities in the form of bilateral agreements (2023: AED 7,465,489 thousand). Bank borrowings drawn during the year amounted to AED 10,310,525 thousand (2023: AED 5,055,639 thousand) and repaid during the year amounted to AED 7,189,238 thousand (2023: AED 5,641,850 thousand).

At the beginning of the year, certain bank borrowings were secured in the form of mortgage over certain immovable properties. As of 31 December 2024, mortgage over operating assets under investment properties are valued at nil (2023: AED 1,073,281 thousand).

Term loans 6, 8, 11, 14, receivables discounting facility and revolving Credit Facility 7 are secured against the following and relates to the Group's 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

The split of bank borrowings by location are:

	2024 AED'000	2023 AED'000
Within UAE	**7,910,650**	5,552,133
Outside UAE	**1,614,645**	1,024,079
	9,525,295	6,576,212

21 Retentions payable

	2024 AED'000	2023 AED'000
Retentions payable within 12 months	**815,939**	723,756
Retentions payable after 12 months	**591,339**	542,998
	1,407,278	1,266,754

This represents amounts retained by the Group from third party contractors for construction projects.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

22 Lease liabilities

Group as a lessee

The Group has entered into leases for land on which certain of the Group's buildings and investment properties are constructed. Refer to notes 5 and 7 for further information. The Group's obligations under its leases are secured by the lessor's title to the leased plots of land. Generally, the Group's leases also include restrictions on assigning and subleasing the leased assets.

Set out below are the carrying amounts and maturity analysis of lease liabilities as at 31 December:

	2024 AED '000	2023 AED '000
Maturity analysis:		
Year 1	**99,248**	96,673
Year 2	**90,296**	100,901
Year 3	**85,767**	92,618
Year 4	**74,758**	74,476
Year 5	**74,189**	62,351
Onwards	**1,491,668**	1,057,813
Balance at the end of the year	**1,915,926**	1,484,832
Less: finance cost	**(906,752)**	(557,962)
	1,009,174	926,870

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

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

	2024 AED '000	2023 AED '000
Depreciation expense of right-of-use assets	**42,664**	38,961
Unwinding of interest expense on lease liabilities during the year (note 33)	**44,177**	23,845

The movement for the lease liability is as follows:

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	**926,870**	485,533
Acquired as part of business combinations (note 47)	**–**	428,514
Additions*	**173,814**	89,437
Payments	**(111,859)**	(74,765)
Terminations	**(20,729)**	(25,458)
Finance cost	**44,177**	23,845
Exchange differences	**(3,099)**	(236)
Balance at the end of the year	**1,009,174**	926,870

	2024 AED'000	2023 AED'000
Analysed as:		
Non-current	**919,301**	848,365
Current	**89,873**	78,505
Total	**1,009,174**	926,870

*Include AED 8,926 thousand capitalised during the year (2023: nil).

The Group did not have major non-cash additions to right-of-use assets and lease liabilities during the year ended 31 December 2024 and year ended 31 December 2023.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

23 Employee benefits

	2024 AED '000	2023 AED '000
Employees' end-of-service benefits	**310,666**	285,012
Long term incentive scheme	**93,582**	54,470
Balance at the end of the year	**404,248**	339,482

End-of-service benefits
Movements in the provision for employees' end of service benefits are as follows:

	2024 AED '000	2023 AED '000
Balance at the beginning of the year	**285,012**	237,208
Charge for the year – net of reversal (note 30.2)	**113,195**	55,157
Acquired in business combination (note 47)	**–**	42,213
Paid during the year	**(87,541)**	(49,566)
Balance at the end of the year	**310,666**	285,012

Long term incentive scheme
The Group's Board of Directors has approved a Long-Term Incentive ("LTI") scheme for certain employees of the Company and its subsidiaries. The LTI scheme is designed to provide long-term incentives for certain senior management team to deliver long-term shareholder returns. Under the LTI scheme, the eligible employee contributes 30% of their performance bonus towards the LTI fund and the Company matches the same percentage as an additional contribution. The contribution of both the employees and the Company are invested in Restricted Share Units ("RSU"). Participants will receive an amount based on the combined contributions which will be invested and generate a return in accordance with the investment policy set under the Discretionary Investment Portfolio Management Agreement ("DIPMA"), as mentioned below, if vesting requirements are met at the end of a 3-year retention period. A cash amount representing the value of vested portion is paid upon completion of the service condition over three years. Carrying value of LTI scheme is computed based on the relevant share price as of 31 December 2024 and 31 December 2023.

Movements in the provision for long term incentive scheme are as follows:

	2024 AED '000	2023 AED '000
Balance at the beginning of the year	**54,470**	59,685
Charge for the year – net of reversal	**21,334**	3,482
Fair value and other movement	**1,771**	12,842
Transfer from bonus accrual and employee contribution	**39,534**	–
Paid during the year	**(23,527)**	(21,539)
Balance at the end of the year	**93,582**	54,470

The Company entered into a DIPMA with a local bank whereby the Company has appointed the local bank to manage funding of distributions to be made by the Company to the beneficiaries under the LTI scheme. The amount funded in line with DIPMA is recorded under trade receivables and other assets (note 11). The Company remains the primary obligor to the beneficiaries in line with their entitlement under the employee agreements.

24 Derivative financial (liabilities)/assets
The movement in derivative financial instruments is given below:

	2024 AED '000	2023 AED '000
Balance at beginning of the year	**8,311**	207,045
Recognised as part of business combination	**–**	12,093
Net fair value changes (i)	**(15,083)**	(27,165)
Realised during the year	**(11,621)**	(183,662)
Balance at the end of the year	**(18,393)**	8,311

(i) This includes an amount of AED 18,393 thousand (2023: nil) netted off against the non-convertible sukuk.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

24 Derivative financial (liabilities)/assets continued

During the year ended 31 December 2024, the Group entered into a forward starting interest rate swap ("IRS") having notional value of USD 500,000 thousand (AED 1,836,250 thousand), under which fixed interest rate is received semi-annually and floating interest rate is paid semi-annually by the Group. The fair value movements on fixed leg of the swap is designated as a hedge of fair value movements in the 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 its issued fixed rate debt and the cash flow exposures on its issued variable rate debt. 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.

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.

The fair value of interest rate derivatives at the reporting date is based on a discounted future cash flows using the applicable yield curves derived from observable interest rates. The fair values are presented below:

	31 December 2024		31 December 2023	
	Gross carrying amount AED '000	**Fair value hierarchy AED '000**	Gross carrying amount AED '000	Fair value hierarchy
Derivative financial assets:				
• interest rate cap	**–**	**–**	8,311	Level 2
• forward starting interest rate swaps	**(18,393)**	**Level 2**	–	–

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 has a derivative exposure linked to overnight USD SOFR interest rates for USD 500,000 thousand (AED 1,836,250 thousand) where it receives a fixed rate in exchange for bank receiving overnight USD SOFR. The fair values of these interest rate swaps is USD 5,008 thousand (AED 18,393 thousand) against the Group.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

24 Derivative financial (liabilities)/assets continued

The following table summarises information regarding interest rate swap and interest rate cap contracts outstanding, where the Group receives variable interest rate, at the reporting date:

	Average contracted fixed interest rate		Notional amount		Carrying amount of the derivative financial asset/ (liability)	
Maturity profile	**2024**	2023	**2024 AED '000**	2023 AED'000	**2024 AED '000**	2023 AED '000
Less than 1 year	**–**	2.52%	**–**	360,098	**–**	5,761
1 to 2 years	**–**	3.00%	**–**	66,247	**–**	2,070
2 to 5 years	**–**	3.00%	**–**	15,319	**–**	480
More than 5 years	**5.50%**	–	**1,836,250**	–	**(18,393)**	–
Total			**1,836,250**	441,664	**(18,393)**	8,311

Movement in the hedging reserve was as following:

	2024 AED '000	2023 AED '000
Balance at the beginning of the year	**165,130**	190,248
Cumulative fair value loss arising on hedging instruments during the year classified under cash flow hedges	**–**	(20,713)
Cumulative loss arising on hedging instruments reclassified to profit or loss on maturity	**(18,366)**	(7,787)
Attributable to non-controlling interest	**2,181**	3,382
Balance at the end of the year	**148,945**	165,130

25 Advances from customers

Advances from customers represent mainly security deposits, advances from customers and advances received on project management business.

26 Trade and other payables

	2024 AED '000	2023 AED '000
Non-current portion		
Payable to a government authority for purchase of land (note 26.1)	**384,876**	638,007
Other land acquisition creditors and payable (note 12)	**2,815,216**	3,197,385
Grant liability (note 26.4)	**127,186**	102,513
Payable against acquisition of subsidiary (note 47.6)	**66,366**	–
	3,393,644	3,937,905

Current portion	**2024 AED '000**	2023 AED '000
Trade payables	**2,361,905**	1,721,104
Accrual for contractors' costs	**4,630,796**	3,268,051
Deferred income	**440,784**	698,270
Provisions and accruals	**1,197,013**	847,120
Advances from the Government of Abu Dhabi (note 38.1)	**319,835**	250,072
Dividends payable	**22,258**	17,360
Payable to a government authority for purchase of land (note 26.1)	**58,494**	57,822
Due to the Government of Abu Dhabi	**371,364**	97,532
Other land acquisition creditors (note 12)	**439,685**	404,691
Payable against acquisition of subsidiary (note 47.6)	**46,011**	106,080
Grant liability (note 26.3)	**6,492**	2,343
Other liabilities (note 26.2)	**1,474,409**	1,393,520
	11,369,046	8,863,965

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

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

26 Trade and other payables continued
26.1 Payable to a government authority for purchase of land

	Plot of land I AED '000	Plot of land II AED '000	Plot of land III AED '000
Total par value of the checks issued to the Egyptian New Urban Communities Authority ("NUCA")	**44,702**	**384,603**	**37,306**
Unamortised interest	**(6,426)**	**(5,580)**	**(11,235)**
	38,276	**379,023**	**26,071**
Less: current portion	**12,743**	**38,459**	**7,292**
Non-current portion	**25,533**	**340,564**	**18,779**

Plot of land I
In May 2022 an agreement was signed between Egyptian New Urban Communities Authority ("NUCA") and one of the Group's indirect subsidiaries to purchase a plot of land covering an area of 115.34 acres with a total value of EGP 1,156,000 thousand (AED 83,522 thousand). The remaining purchase price and any associated interest are to be paid in semi-annual instalments concluding on 8 September 2027, by this agreement the total land area allocated to the Company increased to 265.34 acres.

Plot of land II
In June 2022 a co-development agreement was signed between a subsidiary of the Group and NUCA to establish an integrated urban project with an area of 464.81 acres with a total value of EGP 11,357,000 thousand (AED 820,555 thousand).

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 58,343 thousand), the down payment amount was paid, and the rest of the price and interest will be paid over 10 consecutive semi-annual instalments.

26.2 Other liabilities include net contingent consideration payable of AED 60,990 thousand at 31 December 2024 (2023: AED 60,990 thousand). The aggregate amount of contingent consideration shall not exceed AED 75,000 thousand. The fair value of the contingent consideration is estimated at AED 60,990 thousand. There are no changes in the fair value of contingent consideration payable as at 31 December 2024 as there were no significant changes in the range of outcomes or the assumptions used to develop the estimate. The fair value of the contingent consideration was estimated by applying an income approach. The fair value measurement is based on significant inputs that are not observable in the market therefore this is a Level 3 measurement in the fair value measurement hierarchy as at 31 December 2024 and 31 December 2023. Key assumptions include a discount rate of 9.7% and probable outflow of AED 60,990 thousand.

26.3 Grant liability represent grant received by a foreign subsidiary of the Group from a regional governance body to support the development of projects in the specified areas which is recognised as per the terms of the relevant agreement.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

27 Revenue and rental income

	2024 AED '000	2023 AED '000
Revenue		
Property development	**13,055,994**	6,868,073
Development management	**2,290,466**	1,201,552
Fee and related income from schools	**862,212**	686,579
Property and facilities management	**2,294,099**	1,614,651
Hospitality and leisure	**1,110,748**	1,116,189
Construction contracts	**1,123,464**	717,272
Rental income		
Rental income on investment properties	**2,261,399**	1,956,622
	22,998,382	14,160,938

Rental income on investment properties includes contingent rental income of AED 62,933 thousand (2023: AED 49,218 thousand) and revenue from service charges of AED 132,445 thousand (2023: AED 130,979 thousand).

28 Direct costs

	2024 AED '000	2023 AED '000
Property development	**8,893,950**	4,426,692
Development management	**1,580,851**	692,820
Property and facilities management	**1,621,853**	1,370,663
Direct cost of investment properties	**585,119**	305,560
Hospitality and leisure	**723,881**	705,090
Construction contracts	**1,102,488**	691,113
Direct cost related to schools	**445,099**	395,627
	14,953,241	8,587,565

29 Selling and marketing expenses

	2024 AED '000	2023 AED '000
Projects marketing	**47,138**	31,901
Corporate advertising and events	**39,953**	39,448
Exhibitions and sponsorships	**42,309**	43,537
	129,400	114,886

30 General and administrative expenses

30.1 Others in general and administrative expenses include the following:

	2024 AED '000	2023 AED '000
Professional fees	**85,665**	140,836
Board of Directors' remuneration	**41,900**	34,181
General office expenses	**64,197**	70,960
Business travel	**6,293**	10,674
IT maintenance	**51,114**	40,572
Others	**291,558**	191,627
	540,727	488,850

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

30 General and administrative expenses continued

30.2 Staff costs consist of the following:

	2024 AED '000	2023 AED '000
Salaries, bonuses and other benefits	**2,681,438**	2,482,242
Employees' end of service benefits (note 23)	**113,195**	55,157
Staff training and development	**8,931**	6,596
	2,803,564	2,543,995
Staff costs are allocated to:		
Direct costs	**2,051,842**	1,948,593
General and administrative expenses	**679,322**	545,245
Projects under development (capitalised)	**72,400**	50,157
	2,803,564	2,543,995

31 Provisions, impairments and write-downs, net

	2024 AED '000	2023 AED '000
Provision for expected credit losses, net (note 11.6)	**8,442**	45,152
Provision for impairment on due from associates and joint ventures (note 11.6)	**2,201**	2,258
Release of provision for onerous contracts	**–**	(11,601)
Write-down of development work in progress (note 13)	**18,329**	133,216
(Reversal)/provision for impairment of development work in progress (note 13)	**(29,564)**	480
Provision against other assets	**100,000**	–
Provisions against future commitments	**50,000**	–
Others	**49,778**	56,440
	199,186	225,945

32 Finance income

	2024 AED '000	2023 AED '000
Interest/profit earned on:		
Sharia compliant deposits	**46,058**	106,342
Bank fixed deposits	**81,297**	66,132
Call and current accounts	**447,482**	194,956
Total interest/profit earned	**574,837**	367,430
Financing income earned on receivables*	**123,112**	104,578
Other finance income	**17,447**	26,765
	715,396	498,773

* 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.

Finance income earned on financial assets, analysed by category of asset is as follows:

	2024 AED '000	2023 AED '000
Financial assets at amortised cost		
Loans and receivables	**140,560**	131,343
Bank balances and deposits	**574,836**	367,430
	715,396	498,773

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

33 Finance costs

	2024 AED '000	2023 AED '000
Finance costs on bank borrowings and non-convertible sukuk	**873,266**	583,593
Unwinding of finance cost on operating lease liabilities (note 22)	**44,177**	23,845
Others	**44,338**	5,941
	961,781	613,379
Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss (note 24)	**(18,366)**	7,787
	943,415	621,166

34 Other income

	2024 AED '000	2023 AED '000
Reversal of accruals and provisions (i)	**77,003**	157,716
Cooling connection fees (ii)	**36,551**	–
Exchange gain on bank deposits	**26,689**	16,826
Non-tuition education income	**25,890**	15,894
Gain on disposal of property, plant and equipment	**1,763**	133
Insurance claim	**–**	17,136
Others	**31,734**	77,992
	199,630	285,697

(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.

35 Income tax

The Group recognised income tax expense based on management's estimate. Effective 1 January 2024, the Group operations in UAE are subject to income tax. The average annual effective tax rate (ETR) used relating to UAE operations for the year ended 31 December 2024 sis 4.33%. The lower ETR than headline tax rate of 9% is due to the benefit from transitional relief issued by UAE Ministry of Finance, mainly Ministerial decision 120 for immovable properties, in relation to development projects sold before year 2024 and are still under progress and 0% tax relief for free zone commercial building related qualifying income. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	2024 AED '000	2023 AED '000
Current income tax:		
Current income tax charge	**242,942**	67,095
Tax expense on dividends	**51**	75
Deferred income tax:		
Relating to origination and reversal of temporary differences	**112,185**	(12,548)
Relating to enactment of UAE corporate income tax	**–**	57,345
Income tax expense recognised in statement of profit or loss	**355,178**	111,967

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

35 Income tax continued

Reconciliation of tax expense and the accounting profit for 2024 and 2023:

	2024 AED '000	2023 AED '000
Accounting profit for the year before income tax	**6,859,117**	4,528,373
UAE profit not subject to income tax in year 2023	**–**	(4,324,014)
Profit subject to income tax	**6,859,117**	204,359
Income tax using the domestic corporate tax rate @ 9%	**617,321**	45,686
Step up cost for properties sold under UAE CIT law	**(257,271)**	–
Profit taxed at zero rate	**(19,619)**	–
Tax effect of expenses/income not considered in determining taxable profit	**(11,684)**	66,281
Tax effect of share of results of associates and joint ventures	**365**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**26,066**	–
Income tax expense	**355,178**	111,967

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.

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.

The movement in the income tax payable is given below:

Income tax payable

	2024 AED '000	2023 AED '000
Balance at the beginning of the year	**115,479**	127,159
Charge for the year	**242,942**	67,095
Paid during the year	**(40,242)**	(43,273)
Foreign exchange differences	**(49,920)**	(35,502)
Balance at the end of the year	**268,259**	115,479

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

35 Income tax continued

International Tax Reform – Pillar Two model rules

The Organisation for Economic Co-operation and Development ("OECD") has published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules"), which includes a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. Pillar Two Legislation has not been substantively enacted at the reporting date where the Parent company is incorporated, the UAE.

The Group have conducted an assessment of the potential exposure to Pillar Two income taxes if the rules had been in effect in the current reporting period. Based on this assessment the Group does not expect the top up tax to be considered material.

The Group is continuing to assess the impact of Pillar Two income taxes legislation on future financial performance for the remaining jurisdictions in which the Group operates.

The Group will be conducting a comprehensive assessment to analyse the potential impact of the Pillar Two income tax. The assessment will be completed during the year 2025.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

36 Earnings per share

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:

	2024	2023
Earnings (AED'000)		
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	**5,596,252**	3,922,263
Less: distributions to the Noteholder (hybrid equity instrument – note 17)	**(103,289)**	(103,289)
	5,492,963	3,818,974
Weighted average number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**7,862,629,603**	7,862,629,603
Basic and diluted earnings per share attributable to Owners of the Company in AED	**0.699**	0.486

37 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. The Board of Directors, in their meeting held on 10 February 2025, proposed a cash dividend of 18.5 fils per share for the year ended 31 December 2024. The proposed dividend is subject to approval of the Shareholders at the annual general assembly.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

38 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 the major transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management.

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

38.1 Related party balances

Balances and transactions between entities in the Group have been eliminated on consolidation and are not disclosed in this note. Significant related party balances (and the consolidated statement of financial position captions within which these are included) are as follows:

	2024 AED '000	2023 AED '000
(1) Government of Abu Dhabi		
Trade and other receivables	**1,028,304**	868,053
Trade and other payables	**(646,096)**	(330,254)
Contract liabilities	**(1,016,329)**	(1,053,509)
Advances received (note 26)	**(45,110)**	(30,292)
Bank balances	**3,154,982**	4,608,438
Bank borrowings	**(4,325,000)**	(2,700,000)
Letter of credits and bank guarantees	**(7,733,204)**	(4,825,916)
(2) Major shareholder and its affiliates		
Trade and other receivables	**86,956**	59,912
Retentions payable	**(113,190)**	(113,190)
Trade and other payables	**(12,214)**	(3,764)
(3) Parent Company and its affiliates		
Trade and other receivables	**677,823**	100,334
Retentions payable	**(356,210)**	(450,485)
Trade and other payables	**(170,438)**	(33,974)
(4) Associates and joint ventures		
Due from joint ventures	**1,729**	826

38.2 Transactions with related parties

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. Other than as disclosed in note 11, allowance of expected credit losses against due form associates and joint ventures, no provision has been made for doubtful debts in respect of the amounts owned by related parties. Certain receivables from joint ventures carry interest of 9% per annum and are repayable within 2 to 5 years.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

38 Transactions and balances with related parties continued

38.2 Transactions with related parties continued

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

	2024 AED '000	2023 AED '000
(1) Government of Abu Dhabi		
Revenue	**2,325,491**	1,591,411
Other income	**32,334**	2,678
Finance income on bank deposits	**461,808**	206,028
Finance cost on bank borrowings	**(261,084)**	(170,216)
Finance income from project finance	**8,088**	8,301
(2) Major shareholder and its affiliates		
Revenue	**133,252**	73,370
(3) Parent Company and its affiliates		
Revenue	**126,086**	53,799
Cost incurred on projects under development (i)	**(31,861)**	(122,284)
Other costs	**(48,372)**	(39,899)
(4) Associates and joint ventures		
Finance income	**15,106**	15,106
(5) Key management compensation		
Salaries, bonuses and other benefits	**47,828**	39,475
Post-employment benefits	**1,350**	1,072
Long term incentives	**13,259**	6,576
	62,437	47,123
(6) Directors' remuneration – expense (ii), (iii)	**41,900**	34,181

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

(ii) During the year, the Company paid Directors' remunerations amounting to AED 31,560 thousand (2023: AED 19,804 thousand).

(iii) In line with the approved remuneration during 2022 AGM, the Company has set up a deferred remuneration scheme ("DRS") for the Directors. Under the DRS scheme, the directors contribute 30% of their remuneration towards the DRS scheme and the Company matches the same percentage (30%) as an additional contribution. The contribution of both the directors and the Company are invested in Restricted Share Units ("RSU") and payment will be made in line with Aldar Group Board Remuneration Policy. The directors will be paid in cash on the earlier of three years or end of tenure based on the value of the RSU at that time. The Group has accrued AED 9,000 thousand for this scheme related to year 2024 (2023: AED 7,200 thousand).

(iv) During the year, the Group acquired two plots of land from the major shareholder (refer note 7.2.1 iii).

39 Contingencies and commitments

39.1 Capital commitments

Capital expenditure contracted but not yet incurred at the end of the year is as follows:

	2024 AED '000	2023 AED '000
Projects under development	**19,115,398**	11,033,316
Projects management	**5,595,392**	6,528,144
Others	**1,186,995**	285,216
	25,897,785	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 5,484,575 thousand (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.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

39 Contingencies and commitments continued

39.2 Operating lease commitments

The Group as lessor

The Group has entered into operating leases on its investment property portfolio owned by the Group and have terms of between 1 and 32 years. The lessees do not have an option to purchase the property at the expiry of the lease period. The commercial property lease arrangements include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

The future minimum rentals receivable under non-cancellable operating leases contracted as at 31 December are as follows:

	2024 AED '000	2023 AED '000
Buildings:		
Within one year	**1,635,693**	1,429,281
In the second to fifth year	**4,305,620**	3,705,289
After five years	**2,314,266**	2,146,437
	8,255,579	7,281,007

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

39.3 Contingencies

	2024 AED '000	2023 AED '000
Bank guarantees for land purchase (i)	**3,102,166**	3,390,111
Other letter of credits and performance bonds (ii)	**5,211,236**	1,802,894
	8,313,402	5,193,005

(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 various business segments within the Group in the normal course of business for operational purposes. Majority of these are provided to government authorities in line with standard business practices.

40 Financial instruments

40.1 Material accounting policy information

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the consolidated financial statements.

40.2 Categories of financial instruments

	2024 AED '000	2023 AED '000
Financial assets		
Investment in financial assets at FVTOCI	**24,882**	23,317
Investment in financial assets at FVTPL	**894,670**	695,652
Derivative financial assets	**–**	8,311
Financial assets at amortised cost	**4,013**	93,147
Receivables, other assets and cash and bank balances (at amortised cost)	**27,211,515**	20,568,732
	28,135,080	21,389,159
Financial liabilities		
Financial liabilities measured at amortised cost	**32,553,194**	25,936,531
Derivative financial liabilities	**18,393**	–
	32,571,587	25,936,531

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

40 Financial instruments continued

40.3 Financial risk

The Group's principal financial liabilities, other than derivatives are non-convertible sukuk, bank borrowings, contract liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and other assets, contract assets, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and approves policies for managing each of these risks.

The Group's Corporate Finance and Treasury function provides services to the business, coordinates access to domestic and international capital and financial markets, monitors and manages financial risks relating to operations of the Group based on internally developed models, benchmarks and forecasts which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group seeks to minimise the effects of financial risks by using appropriate risk management techniques including using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by management's analysis of market trends, liquidity position and expected movements in interest rate and foreign currency rates which are reviewed by the management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

40.4 Capital risk

The Group manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximising return to shareholders through the optimisation of the debt and equity balance. No major changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

The capital structure of the Group comprises non-convertible Sukuk, bank borrowings, cash and bank balances and equity attributable to equity holders of the Company, comprising share capital, all other equity reserves, hybrid equity instrument and retained earnings as disclosed in the consolidated statement of changes in equity.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants with a view to promote the long-term success of the business while maintaining sustainable returns for shareholders. This is achieved through a combination of risk management actions including monitoring solvency, maintaining ample liquidity, minimising financing costs, rigorous investment appraisals and maintaining high standards of business conduct.

Key financial measures that are subject to regular review include cash flow projections and assessment of their ability to meet contracted commitments, projected leverage levels and compliance with borrowing covenants. The Group's policy is to maintain the leverage of the Aldar Development operating segment at less than 25 per cent and that of Aldar Investment operating segment at less than 40 per cent.

The Group monitors its cost of debt on a regular basis. At 31 December 2024, the weighted average cost of debt was 5.55% (2023: 5.15%). Investment and development opportunities are evaluated against an appropriate weighted average cost of capital to ensure that long-term shareholder value is created.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

40 Financial instruments continued
40.4 Capital risk continued
The covenants of eighteen (2023: seventeen) borrowing arrangements require maintaining a minimum tangible net worth. Two loans require a minimum tangible net worth of AED 10 billion, Seven loans require a minimum tangible net worth of AED 6 billion and nine loans require a minimum tangible net worth of AED 4 billion.

40.5 Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include bank borrowings, investment in financial assets and derivative financial instruments.

a) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rate.

The Group may be exposed to currency and translation related risks on its borrowings denominated in US Dollars and its investments in foreign subsidiaries. In respect of the Group's transactions and balances denominated in US Dollars and Saudi Riyal, the Group is not exposed to the currency risk as the UAE Dirham and Saudi Riyal are currently pegged to the US Dollar.

The table below summarises the sensitivity of the Group's monetary and non-monetary assets and liabilities to changes in foreign exchange movements at year end. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5% with all other variables held constant:

	Assets AED '000	Liabilities AED '000	Net exposure AED '000	Effect on net equity for +/- 5% sensitivity AED '000
2024				
Egyptian pound	**4,083,188**	**(3,157,023)**	**926,165**	**+/–46,308**
Pound sterling	**2,092,926**	**(2,152,106)**	**(59,180)**	**+/–2,959**
2023				
Egyptian pound	4,836,316	(3,609,646)	1,226,670	+/–61,334
Pound sterling	1,573,795	(1,093,314)	480,481	+/–24,024

b) Interest rate risk
Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk as the Group borrow funds at both floating and fixed interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in notes 9, 15 and 20.

Interest rate sensitivity analysis
The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of asset or liability outstanding at the end of the reporting period was outstanding for the whole year.
If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's net profit for the year ended 31 December 2024 would increase/decrease by AED 83,429 thousand (2023: increase/decrease by AED 42,388 thousand).

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

40 Financial instruments continued

40.5 Market risk continued

Interest rate swap contracts

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 rate on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt.

Cash flow hedges

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the payments on the loan occur simultaneously.

Interest rate cap contracts

The Group is exposed to interest rate risk on interest bearing debt and manages its exposure to interest rate risk through the proportion of fixed and variable rate debt in its debt portfolio.

40.6 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Key areas where the Group is exposed to credit risk is from its operating activities (primarily trade and other receivables) and from its financing activities mainly bank balances, bank deposits and derivative financial assets (liquid assets).

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue amounts. Furthermore, the Group reviews the recoverable amount of each trade receivables and other receivables on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables and other receivables.

Credit risk from balances with banks is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Details on concentration of trade receivable balances are disclosed in note 11.1. Management believes that the concentration of credit risk is mitigated by having received instalment payments, in some cases substantial, which the Group would contractually be entitled to retain in the event of non-completion of the remaining contractual obligations in order to cover the losses incurred by the Group.

At 31 December 2024, 100% (2023: 100%) of the deposits were placed with 14 local banks, 1 foreign branch of a local bank and 15 foreign banks in Egypt, United Kingdom, KSA and Oman. Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the UAE, Egypt, United Kingdom and KSA and are regulated by the Central bank of the respective countries.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

40 Financial instruments continued

40.6 Credit risk continued

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with receivables related to property development is mitigated because they are secured over the underlying property units. The Group is not permitted to sell or repledge the underlying properties in the absence of default by the counterparty. There have not been any significant changes in the quality of the underlying properties.

40.7 Liquidity risk

The responsibility for liquidity risk management rests with the management of the Group, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2024 and 31 December 2023.

	<1 month AED '000	1 to 3 months AED '000	3 months to 1 year AED '000	1 to 5 years AED '000	>5 years AED '000	Total AED '000
31 December 2024						
Financial liabilities						
Non-interest bearing instruments (i)	**265,471**	**4,839,274**	**7,289,167**	**3,984,983**	**–**	**16,378,895**
Non-convertible sukuk	**–**	**16,938**	**1,413,386**	**–**	**5,430,838**	**6,861,162**
Variable interest rate instruments	**4,746**	**115,699**	**500,000**	**8,904,850**	**–**	**9,525,295**
Lease liability	**5,597**	**15,788**	**77,863**	**325,010**	**1,491,668**	**1,915,926**
Derivative financial liabilities	**–**	**–**	**–**	**–**	**18,393**	**18,393**
Total	**275,814**	**4,987,699**	**9,280,416**	**13,214,843**	**6,940,899**	**34,699,671**
31 December 2023						
Financial liabilities						
Non-interest bearing instruments (i)	261,277	3,639,531	5,661,548	4,378,388	–	13,940,744
Non-convertible sukuk	–	–	46,098	1,783,856	3,673,000	5,502,954
Variable interest rate instruments	16,450	654,939	416,265	5,381,208	107,350	6,576,212
Lease liabilities	10,461	5,830	80,382	330,346	1,057,813	1,484,832
Derivative financial liabilities	–	–	–	–	–	–
Total	288,188	4,300,300	6,204,293	11,873,798	4,838,163	27,504,742

(i) Including security deposits from customers.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

40 Financial instruments continued
40.7 Liquidity risk continued
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

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 consolidated financial statements approximate their fair values.

	2024		2023	
	Gross carrying amount AED '000	Fair value AED '000	Gross carrying amount AED '000	Fair value AED '000
Financial liabilities at amortised cost				
Sukuk No. 1 (note 19)	**1,394,664**	**1,372,007**	1,852,145	1,820,844
Sukuk No. 2 (note 19)	**1,841,233**	**1,731,670**	1,839,101	1,722,890
Sukuk No. 3 (note 19)	**1,815,312**	**1,792,933**	1,811,708	1,782,319
Sukuk No. 4 (note 19)	**1,809,953**	**1,866,824**	–	–

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

41 Fair value of financial instruments
Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about the fair values of these financial assets as at 31 December 2024 and 31 December 2023:

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
31 December 2024				
Investments in financial assets at FVTOCI				
Equities (note 9)	**24,880**	**–**	**2**	**24,882**
Investments in financial assets at FVTPL				
Funds (note 9)	**–**	**–**	**894,670**	**894,670**
31 December 2023				
Investments in financial assets at FVTOCI				
Equities (note 9)	23,315	–	2	23,317
Investments in financial assets at FVTPL				
Funds (note 9)	–	–	695,652	695,652

There were no transfers between level 1, level 2 or level 3 during the current or prior year.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

42 Segment information
42.1 Operating segments
Segment information about the Group's continuing operations is presented below.

Year ended 31 December 2024

	Aldar Development			Aldar Investment						
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000	Unallocated/ eliminations AED '000	Consolidated AED '000
Revenue and rental income from external customers										
• Over a period of time	**11,004,582**	**1,971,529**	**840,163**	**–**	**597,670**	**862,212**	**1,227,905**	**1,128,658**	**(10,085)**	**17,622,634**
• At a point in time	**470,052**	**280,411**	**846,178**	**–**	**513,078**	**–**	**1,087,736**	**–**	**–**	**3,197,455**
• Leasing	**–**	**–**	**10,152**	**2,144,563**	**–**	**–**	**–**	**23,578**	**–**	**2,178,293**
Inter-segments	**286,745**	**–**	**–**	**122,376**	**–**	**–**	**306,365**	**88,065**	**(803,551)**	**–**
Gross revenue	**11,761,379**	**2,251,940**	**1,696,493**	**2,266,939**	**1,110,748**	**862,212**	**2,622,006**	**1,240,301**	**(813,636)**	**22,998,382**
Cost of revenue excluding service charge	**(7,849,450)**	**(1,552,541)**	**(1,334,369)**	**(362,514)**	**(726,437)**	**(488,351)**	**(1,983,811)**	**(1,187,091)**	**663,768**	**(14,820,796)**
Service charge expenses	**–**	**–**	**–**	**(132,445)**	**–**	**–**	**–**	**–**	**–**	**(132,445)**
Gross profit	**3,911,929**	**699,399**	**362,124**	**1,771,980**	**384,311**	**373,861**	**638,195**	**53,210**	**(149,868)**	**8,045,141**

(i) Gross revenue of investment properties includes AED 132,445 thousand (31 December 2023: AED 130,979 thousand) of revenue from service charges

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

42 Segment information continued
42.1 Operating segments continued
Segment information about the Group's continuing operations is presented below.

Year ended 31 December 2024

	Aldar Development			Aldar Investment						
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000	Unallocated/ eliminations AED '000	Consolidated AED '000
Gross profit	3,911,929	699,399	362,124	1,771,980	384,311	373,861	638,195	53,210	(149,868)	8,045,141
Selling and marketing expenses	(66,497)	(421)	(18,111)	(8,566)	(2,612)	(7,272)	(11,402)	(6,435)	(8,084)	(129,400)
Staff costs	(127,927)	(34,519)	(93,744)	(90,154)	(14,602)	(82,374)	(123,837)	(68,152)	(44,013)	(679,322)
Depreciation and amortisation	(81,816)	(5,568)	(13,144)	(33,741)	(258,115)	(109,629)	(120,964)	(18,779)	62,924	(578,832)
Provisions, impairments and write downs, net	(168,884)	–	(1,837)	(1,116)	–	(2,841)	(12,325)	–	(12,183)	(199,186)
Other general and administrative expenses	(162,245)	(19,107)	(76,579)	(56,854)	(19,074)	(49,097)	(103,973)	(53,485)	(313)	(540,727)
Gain on revaluation of investment properties, net	–	–	–	841,477	–	–	–	–	–	841,477
Share of results of associates and joint ventures	(877)	–	2,332	–	–	–	–	(3,358)	–	(1,903)
Gain on disposal of investment properties	–	–	–	81,286	–	–	–	–	–	81,286
Profit/(loss) from financial assets at fair value through profit or loss	–	–	–	–	–	–	–	56,233	(7,261)	48,972
Finance income	351,478	153,623	135,610	110,222	38,365	24,776	32,607	2,374	(133,659)	715,396
Finance costs	(213,803)	–	(125,666)	(494,852)	(101,633)	(28,149)	(5,242)	(7,329)	33,259	(943,415)
Other income	66,099	5,735	33,721	5,984	1,598	33,760	5,394	41,884	5,455	199,630
Income tax expense	(66,847)	(65,111)	(66,538)	(138,070)	(11,393)	(15,633)	(25,802)	11,420	22,796	(355,178)
Profit for the year	3,440,610	734,031	138,168	1,987,596	16,845	137,402	272,651	7,583	(230,947)	6,503,939

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

42 Segment information continued
42.1 Operating segments continued

Year ended 31 December 2023

	Aldar Development			Aldar Investment						
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000	Unallocated/ eliminations AED '000	Consolidated AED '000
Revenue and rental income from external customers										
• Over a period of time	4,695,793	1,002,900	91,657	–	592,087	686,579	1,469,902	793,849	–	9,332,767
• At a point in time	872,739	205,505	1,163,955	–	524,102	–	–	–	–	2,766,301
• Leasing	–	–	7,625	2,054,245	–	–	–	–	–	2,061,870
Inter-segments	221,174	–	–	84,435	–	–	270,974	–	(576,583)	–
Gross revenue	5,789,706	1,208,405	1,263,237	2,138,680	1,116,189	686,579	1,740,876	793,849	(576,583)	14,160,938
Cost of revenue excluding service charge	(3,612,175)	(695,900)	(919,720)	(363,173)	(730,702)	(395,625)	(1,370,664)	(742,391)	373,764	(8,456,586)
Service charge expenses	–	–	–	(130,979)	–	–	–	–	–	(130,979)
Gross profit	2,177,531	512,505	343,517	1,644,528	385,487	290,954	370,212	51,458	(202,819)	5,573,373

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

42 Segment information continued
42.1 Operating segments continued

Year ended 31 December 2023

	Aldar Development			Aldar Investment						
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000	Unallocated/ eliminations AED '000	Consolidated AED '000
Gross profit	2,177,531	512,505	343,517	1,644,528	385,487	290,954	370,212	51,458	(202,819)	5,573,373
Selling and marketing expenses	(70,824)	(1,157)	(10,820)	(10,994)	(2,041)	(4,867)	(4,180)	(5,909)	(4,094)	(114,886)
Staff cost	(135,965)	(20,929)	(63,901)	(66,405)	(12,934)	(65,014)	(98,981)	(57,639)	(23,477)	(545,245)
Depreciation and amortisation	(64,176)	(15,831)	(4,068)	(30,420)	(244,267)	(75,037)	(63,376)	(11,718)	61,268	(447,625)
Provisions, impairments and write downs, net	(153,387)	–	(33,120)	(21,661)	–	(5,341)	(4,076)	(2,286)	(6,074)	(225,945)
Other general and administrative expenses	(174,347)	(36,896)	(45,732)	(62,497)	(6,762)	(36,381)	(67,199)	(32,429)	(26,607)	(488,850)
Gain on revaluation of investment properties, net	–	–	27,944	567,913	4,300	–	–	–	–	600,157
Share of results of associates and joint ventures	–	–	(1)	–	–	–	–	(7,415)	–	(7,416)
Gain on disposal of investment properties, net	–	–	–	23,962	–	–	–	–	–	23,962
Profit/(loss) from financial assets at fair value through profit or loss	–	–	–	–	–	–	–	4,405	(6,861)	(2,456)
Finance income	212,852	86,619	104,201	91,146	24,745	15,960	17,649	2,659	(57,058)	498,773
Finance costs	(20,189)	(1,069)	(68,136)	(478,625)	(51,906)	(6,275)	(1,769)	(9,597)	16,400	(621,166)
Other income	134,622	9,232	17,474	58,045	18,843	15,894	3,543	8	28,036	285,697
Income tax expense	–	–	(53,166)	(31,454)	–	(912)	(9,460)	–	(16,975)	(111,967)
Profit for the year	1,906,117	532,474	214,192	1,683,538	115,465	128,981	142,363	(68,463)	(238,261)	4,416,406

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

42 Segment information continued
42.1 Operating segments continued

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

	Aldar Development			Aldar Investment						
	Property development and sales AED '000	Project management services AED '000	International AED '000	Investment properties AED '000	Hospitality and leisure AED '000	Education AED '000	Estates AED '000	Others AED '000	Unallocated/ eliminations AED '000	Consolidated AED '000
As at 31 December 2024										
Total assets	31,413,863	3,199,253	6,089,274	29,948,310	4,249,496	2,302,793	4,048,566	1,774,338	2,709,811	85,735,704
Capital expenditures	21,190	28,733	27,767	484	198,110	303,094	8,637	66,311	9,304	663,630
Project expenditures	6,555,150	–	2,539,487	2,023,262	–	–	–	–	–	11,117,899
As at 31 December 2023										
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
Capital expenditures	4,039,680	3,509	21,481	41,392	102,279	980,790	52,797	111,287	2,298	5,355,513
Project expenditures	3,743,063	–	1,104,043	1,614,917	–	–	–	–	–	6,462,023

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.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

42 Segment information continued

42.1 Operating segments continued

Consequently, the Group has presented 2 segments bifurcated into eight reportable sub-segments for the current and comparative year 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 accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than cash and bank balances, investment in associates and joint ventures, investment in financial assets and derivative financial instruments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- finance costs, finance income, other gains and losses are allocated to the individual segments.

Capital expenditure consists of additions of property, plant and equipment, plots of land held for sale and intangible assets while project expenditure consists of additions to investment properties and properties under development. Inter-segment revenues are eliminated upon consolidation and reflected in the 'eliminations' column. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

42.2 Geographical segments

The Group operates in the UAE and a few countries outside the UAE (including Egypt and United Kingdom). The domestic segment includes business activities and operations in the UAE and the international segment include business activities and operations outside the UAE.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

42 Segment information continued
42.2 Geographical segments continued

	31 December 2024			31 December 2023		
	UAE AED '000	International AED '000	Total AED '000	UAE AED '000	International AED '000	Total AED '000
Total assets	**79,569,149**	**6,166,555**	**85,735,704**	66,809,799	6,048,269	72,858,068
Consolidated statement of profit or loss						
Revenue and rental income from external customers						
• Over a period of time	**16,755,862**	**866,772**	**17,622,634**	9,222,726	110,041	9,332,767
• At a point in time	**2,351,277**	**846,178**	**3,197,455**	1,602,346	1,163,955	2,766,301
• Leasing	**2,168,141**	**10,152**	**2,178,293**	2,054,245	7,625	2,061,870
Gross revenue	**21,275,280**	**1,723,102**	**22,998,382**	12,879,317	1,281,621	14,160,938
Cost of revenue excluding service charge	**(13,468,557)**	**(1,352,239)**	**(14,820,796)**	(7,521,214)	(935,372)	(8,456,586)
Service charge expenses	**(132,445)**	**–**	**(132,445)**	(130,979)	–	(130,979)
Gross profit	**7,674,278**	**370,863**	**8,045,141**	5,227,124	346,249	5,573,373
Selling and marketing expenses	**(111,275)**	**(18,125)**	**(129,400)**	(104,066)	(10,820)	(114,886)
Staff costs	**(584,136)**	**(95,186)**	**(679,322)**	(481,344)	(63,901)	(545,245)
Depreciation and amortisation	**(565,203)**	**(13,629)**	**(578,832)**	(443,557)	(4,068)	(447,625)
Provisions, impairments and write downs, net	**(197,383)**	**(1,803)**	**(199,186)**	(192,825)	(33,120)	(225,945)
Other general and administrative expenses	**(461,397)**	**(79,330)**	**(540,727)**	(443,579)	(45,271)	(488,850)
Gain on revaluation of investment properties, net	**841,477**	**–**	**841,477**	572,213	27,944	600,157
Share of results of associates and joint ventures	**(4,235)**	**2,332**	**(1,903)**	(7,415)	(1)	(7,416)
Gain on disposal of investment properties	**81,286**	**–**	**81,286**	23,962	–	23,962
Profit/(loss) from financial assets at fair value through profit or loss	**48,972**	**–**	**48,972**	(2,456)	–	(2,456)
Finance income	**579,786**	**135,610**	**715,396**	394,572	104,201	498,773
Finance costs	**(817,611)**	**(125,804)**	**(943,415)**	(553,030)	(68,136)	(621,166)
Other income	**165,391**	**34,239**	**199,630**	268,209	17,488	285,697
Income tax expense	**(288,103)**	**(67,075)**	**(355,178)**	(57,346)	(54,621)	(111,967)
Profit for the year	**6,361,847**	**142,092**	**6,503,939**	4,200,462	215,944	4,416,406

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

42 Segment information continued
42.2 Geographical segments continued

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

	2024 AED '000	2023 AED '000
Egypt	**4,031,132**	4,755,317
United Kingdom	**2,058,141**	1,264,984
Others	**77,282**	27,968
Total assets	**6,166,555**	6,048,269

	2024 AED '000	2023 AED '000
Egypt	**700,955**	1,182,039
United Kingdom	**995,538**	81,198
Others	**26,609**	18,384
Gross revenue	**1,723,102**	1,281,621

	2024 AED '000	2023 AED '000
Egypt	**64,096**	52,821
United Kingdom	**2,442**	345
Others	**537**	1,455
Income tax expense	**67,075**	54,621

	2024 AED '000	2023 AED '000
Egypt	**38,964**	43,517
United Kingdom	**–**	–
Others	**–**	–
Income tax expense paid	**38,964**	43,517

43 Other general and administrative expenses
Other general and administrative expenses include social contributions amounting to AED 8,651 thousand (2023: AED 13,495 thousand).

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

	2024 AED '000	2023 AED '000
Transfer between investment properties and development work in progress (note 13)	**12,934**	316,531
Transfer between investment properties and property, plant and equipment (note 5)	**33,129**	26,477
Additions to right-of-use assets under property, plant and equipment and investment properties	**164,888**	89,437
Fair value of derivative adjusted against hedge	**18,394**	–

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

45 Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Balance at 1 January 2024 AED '000	**Financing cash flows (i) AED '000**	**Others (ii) AED '000**	**Balance at 31 December 2024 AED'000**
Bank borrowings and sukuk (i)	**12,079,166**	**3,617,084**	**690,207**	**16,386,457**
Lease liabilities	**926,870**	**(111,859)**	**194,163**	**1,009,174**
	13,006,036	**3,505,225**	**884,370**	**17,395,631**

	Balance at 1 January 2023 AED '000	Financing cash flows (i) AED '000	Others (ii) AED '000	Balance at 31 December 2023 AED '000
Bank borrowings and sukuk (i)	10,295,559	487,390	1,296,217	12,079,166
Lease liabilities	485,533	(74,765)	516,102	926,870
	10,781,092	412,625	1,812,319	13,006,036

(i) The cash flows from bank borrowings and sukuk make up the net amount of proceeds from bank borrowings and sukuk and repayments of borrowings and sukuk (inclusive of finance cost paid) in the consolidated statement of cash flows.
(ii) Others mainly include additions due to acquisitions of businesses, finance costs incurred, lease disposal/ additions and exchange gain and losses.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

46 Partly-owned subsidiaries
46.1 Financial information of subsidiaries that have material non-controlling interests is provided below:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests for the year		Accumulated non-controlling interests	
		2024 (%)	2023 (%)	**2024 AED '000**	2023 AED '000	**2024 AED '000**	2023 AED '000
Aldar Hansel SPV Restricted Limited (Hansel)	UAE	**49.00**	49.00	**124,383**	123,942	**1,778,509**	1,808,396
Aldar Investment Holding Restricted Limited (AIHR)	UAE	**11.87**	11.87	**235,294**	196,972	**1,866,918**	1,712,096
Six October for Development and Investment Co. S.A.E. (SODIC)	Egypt	**40.14**	40.14	**71,785**	91,254	**341,820**	468,510
Al Maryah Property Holdings Limited ("Al Maryah")	UAE	**47.14**	47.14	**104,419**	27,685	**402,881**	236,285
Twafq Projects Development Property – Sole Proprietorship L.L.C. (Twafq)	UAE	**30.00**	30.00	**16,607**	6,241	**182,998**	166,391
Pivot Engineering & General Contracting Co. (WLL) (PIVOT)	UAE	**34.80**	34.80	**(18,391)**	790	**32,974**	93,542
Seih Sdeirah Real Estate LLC (Seih Sdeirah-1)	UAE	**8.60**	8.60	**–**	–	**37**	37
Al Seih Real Estate Management LLC (Seih Sdeirah-2)	UAE	**8.60**	8.60	**–**	–	**37**	37
Mustard and Linen (M&L)	UAE	**25.00**	25.00	**3,299**	2,850	**8,228**	4,929
Aldar Estate Holding Limited (Estate)	UAE	**34.90**	34.90	**103,101**	49,746	**854,461**	751,870
Aurora Holding Company Limited (Aurora)	UAE	**49.00**	49.00	**21,189**	(5,337)	**15,853**	(5,337)
AMI Properties Holding Limited (AMI)	UAE	**40.00**	40.00	**284**	–	**132,897**	65,542
Sustainability City (SC)	UAE	**42.00**	42.00	**245,717**	–	**469,717**	–
Total				**907,687**	494,143	**6,087,330**	5,302,298

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

46 Partly-owned subsidiaries continued
46.2 The movement in the non-controlling interests is given below.

	2024 AED '000	2023 AED '000
Balance at the beginning of the year	**5,302,298**	4,380,218
Share of profit for the year	**907,687**	494,143
Share of other comprehensive loss for the year	**(200,149)**	(104,811)
Total comprehensive income for the year	**707,538**	389,332
Dividends paid by a subsidiary against preference and common equity (note 46.3)	**(78,291)**	(101,957)
Dividends paid by a subsidiary to non-controlling interests (note 46.4)	**(154,775)**	(151,040)
Non-controlling interest arising on business combination and assets acquisition (note 7 and 47)	**(510)**	92,469
Additional contribution from non-controlling interests (note 46.5)	**311,070**	18,000
Change in equity attributable to owners of the company due to partial disposal of a subsidiary (note 47 and 46.3)	**–**	675,276
Balance at the end of the year	**6,087,330**	5,302,298

46.3 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 99,000 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 year, the Group determined the fair value of Additional Interest as of the reporting date and determined that the fair value is equal to the fair value at initial recognition of the Additional Interest.

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

During the year, AIHR paid preference dividend amounted to AED 78,291 thousand (2023: AED 101,957 thousand).

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

46 Partly-owned subsidiaries continued

46.4 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 year, Hansel paid dividend of AED 154,775 thousand (2023: AED 150,040 thousand).

Subsequent to the reporting period, on 30 January 2025 the Group entered into class B shares repurchase deed and termination of deferred transfer of land sale and purchase agreement, to re-transfer the class B shares from AP Hansel SPV LLC to the Group pursuant to a share transfer instrument for a consideration of USD 493,226 thousand (AED 1,811,373 thousand) which is effective from 5 February 2025.

46.5 The additional contribution during the year includes an amount of AED 311,070 thousand (year ended 31 December 2023: AED 18,000 thousand) received from a non-controlling interest of the Group. As per the shareholder's agreement, the shareholder has no right to call for repayment and the amount will be repaid from the residual profits of the entity and there is no fixed repayment term nor interest payable on this contribution and hence classified as equity.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

46 Partly-owned subsidiaries continued

46.6 The summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intergroup eliminations.

2024	Hansel AED '000	AIHR AED '000	Estates AED '000	SODIC AED '000	Al Maryah AED '000	Pivot AED '000	Twafq AED '000	M&L AED '000	Aurora AED '000	SC AED '000	AMI AED '000
Total assets	2,787,834	29,948,310	4,048,566	4,054,858	892,213	850,472	972,830	36,832	4,452,342	1,103,694	288,340
Total liabilities	(2,755,957)	(10,300,105)	(1,655,674)	(3,157,023)	(29,138)	(822,032)	(364,439)	(3,880)	(4,422,231)	(257,414)	(56,669)
Net assets	31,877	19,648,205	2,392,892	897,835	863,075	28,440	608,391	32,952	30,111	846,280	231,671
Revenue	190,532	2,259,400	2,622,006	700,955	241,964	1,123,464	75,758	26,529	409,308	1,213,153	749
Profit/(loss) for the year	189,587	1,982,090	272,651	177,900	221,508	(52,848)	55,357	13,213	44,403	327,622	713
Other comprehensive income/(loss) for the year	–	(18,366)	(5,152)	(197,969)	–	–	–	–	–	–	–
Total comprehensive income/(loss) for the year	189,587	1,963,724	267,499	(20,069)	221,508	(52,848)	55,357	13,213	44,403	327,622	713
Attributable to the owners of the company	65,204	1,728,430	164,398	(91,853)	117,089	(34,457)	38,750	9,914	23,214	81,905	428
Attributable to the non-controlling interests	124,383	235,294	103,101	71,785	104,419	(18,391)	16,607	3,299	21,189	245,717	285
Dividends paid to non-controlling interest	154,270	78,291	–	505	–	–	–	–	–	–	–
Net cash inflows/(outflows) from operating activities	189,587	1,788,318	144,625	70,485	40,642	10,558	64,290	19,322	1,726,016	(197,217)	–
Net cash inflows/(outflows) from investing activities	(191,229)	(1,744,200)	(46,971)	44,569	(96,273)	(19,279)	(42,094)	(3,763)	(1,705,003)	(299,146)	–
Net cash inflows/(outflows) from financing activities	4,611	(1,875,350)	(22,184)	8,104	50,000	(1,083)	(15,716)	2,583	(20,613)	518,358	–
Contingencies and commitments	–	–	357,145	1,035,589	–	690,188	–	–	2,249,538	351,525	–

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

46 Partly-owned subsidiaries continued

2023	Hansel AED '000	AIHR AED '000	Estates AED '000	SODIC AED '000	Al Maryah AED '000	Pivot AED '000	Twafq AED '000	M&L AED '000	Aurora AED '000
Total assets	2,835,246	27,708,662	3,461,347	4,782,808	599,015	787,233	582,629	45,779	2,311,151
Total liabilities	(2,784,502)	(10,646,735)	(1,344,283)	(3,609,646)	(8,303)	(707,425)	(359,024)	(1,299)	(2,325,280)
Net assets	50,744	17,061,927	2,117,064	1,173,162	590,712	79,808	223,605	44,480	(14,129)
Revenue	–	2,128,511	1,740,875	1,182,039	77,763	717,272	74,046	18,741	–
Profit/(loss) for the year	194,560	1,659,270	142,363	226,332	69,212	2,269	20,802	11,401	(10,890)
Other comprehensive income/(loss) for the year	–	(28,501)	–	(252,741)	–	–	–	–	–
Total comprehensive income/(loss) for the year	194,560	1,630,769	142,363	(26,409)	69,212	2,269	20,802	11,401	(10,890)
Attributable to the owners of the company	70,618	1,437,180	92,617	(16,236)	41,527	1,479	14,561	8,551	(5,554)
Attributable to the non-controlling interests	123,942	193,589	49,746	(10,173)	27,685	790	6,241	2,850	(5,336)
Dividends paid to non-controlling interest	(150,299)	(101,957)	–	(741)	–	–	–	–	–
Net cash inflows/(outflows) from operating activities	(11)	1,750,970	1,218,533	(52,956)	19,431	(12,569)	60,847	7,277	464,473
Net cash inflows/(outflows) from investing activities	–	(354,416)	(340,963)	72,748	(34,020)	(27,233)	(118,274)	(118)	–
Net cash inflows/(outflows) from financing activities	3,665	(708,435)	(5,568)	2,562	62,500	(1,038)	18,403	7,573	–
Contingencies and commitments	–	–	208,379	791,177	–	558,211	–	–	–

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

47 Business combinations
Acquisitions in 2023
47.1 Kent College and Nursery

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

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

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

** Include Right of Use Asset of AED 410,174 thousand.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

47 Business combinations continued

47.2 Basatin Landscaping

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

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

	AED '000
Assets	
Property, plant and equipment	8,336
Intangible assets	38,275
Contract assets	20,638
Trade and other receivables	65,197
Inventories	1,377
Cash and bank balances	36,960
Total assets	170,783
Liabilities	
Employees benefits	5,245
Retentions payable	3,709
Advances from customers	1,842
Trade and other payables	69,516
Total liabilities	80,312
Total identifiable net assets at fair value	90,471
Non-controlling interest	(22,618)
Group's share of net assets acquired	67,853
Less: purchase consideration	(138,822)
Goodwill	(70,969)
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	(104,879)

47.3 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).

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

47 Business combinations continued

47.3 Merger of property and facilities management businesses continued

The following table summarises 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

	AED '000
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)

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

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

47 Business combinations continued

47.4 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
Total identifiable net assets at fair value	161,589
Less: purchase consideration	(210,509)
Goodwill	(48,920)
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)

47.5 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 fair values.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

47 Business combinations continued

47.5 FAB Properties LLC continued

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	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
Total identifiable net assets at fair value	219,366
Non-controlling interest	–
Group's share of net assets acquired	219,366
Less: purchase consideration	(334,960)
Goodwill	(115,594)
Analysis of cashflow on acquisition	
Cash paid for the acquisition	(334,960)
Net cash acquired on business combination	190,661
Net cash outflows on acquisition (included in cash flows from investing activities)	(144,299)
Transaction costs of the acquisition (included in cash flows from operating activities)	(2,565)
Net cash outflow on acquisition	(146,864)

47.6 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 fair values.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

47 Business combinations continued

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

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	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	1,800,202
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	1,306,724
Total identifiable net assets at fair value	493,478
Less: purchase consideration	(497,685)
Goodwill	(4,207)

	AED '000
Analysis of cashflow on acquisition	
Cash paid for the acquisition	(417,014)
Net cash acquired on business combination	215,525
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	(224,511)

48 Reclassification of prior year balances

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

49 Events after the reporting period

49.1 On 30 December 2024, Aldar Investment Properties LLC (a subsidiary of the Group) signed an agreement with effective date of 1 January 2025 to acquire 60% of the shares of Masdar Green REIT (CEIC) Limited ("MGR") (major shareholder – a related party) for a consideration of AED 1.34 billion subject to adjustments as per the terms of the agreement. MGR is a private company limited by shares incorporated in the Abu Dhabi Global Market ("ADGM"), Abu Dhabi, UAE and is involved in the ownership, management and leasing of various real estate assets located in Masdar City, Abu Dhabi comprised predominantly of offices and residential properties. At the date of issuance of these consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

Notes to the Consolidated Financial Statements
for the year ended 31 December 2024 continued

49 Events after the reporting period continued

49.2 On 30 December 2024, Aldar Properties PJSC signed an agreement with effective date of 6 January 2025 with Confluence Partners Real Estate Rsc Ltd ("Confluence") (major shareholder – a related party), to acquire 60% shares of a private company limited by shares as a special purpose vehicle to be incorporated by Confluence in ADGM, UAE ("SPV") for a consideration of AED 150,000 thousand while the remaining 40% shares will be owned by Confluence. SPV will be involved in the business of developing, managing and owning real estate assets on two land plots with a total area of 2.3 million sqm located in Al Falah, Abu Dhabi. At the date of issuance of these consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

49.3 On 10 January 2025, Aldar Properties PJSC finalised an AED 9 billion equivalent sustainability-linked syndicated senior unsecured committed multi-tranche revolving credit facility. The five-year facility comprises conventional and Islamic tranches denominated in AED and USD and is linked to a floating rate and sustainability related key performance indicators.

49.4 On 15 January 2025, Aldar Properties PJSC issued USD denominated conventional dated hybrid notes "Dated Hybrid 1", amounting to USD 1,000,000 thousand (AED 3,672,500 thousand) with a 30.25-year term and a non-call period of 7.25-year. Dated Hybrid 1 is listed on Euronext Dublin, carries an annual interest rate of 6.6227%, and is due for repayment in April 2055.

49.5 On 5 February 2025, Aldar Properties PJSC issued resettable subordinated hybrid notes private placement amounting to USD 500,000 thousand (AED 1,836,250 thousand) with a 30.25-year term and a non-call period of 10.25 years, carries an annual interest rate of 7.0%, and is due for repayment in May 2055.

49.6 On 24 January 2025, Aldar Development LLC (a subsidiary of the Group) signed an agreement with Confluence Partners Real Estate Rsc Ltd ("Confluence") (major shareholder – a related party), to acquire 60% shares of Libra Property Holding Rsc Limited, a restricted scope company organised and existing under the laws of the ADGM, UAE ("Libra"), while the remaining 40% shares will be owned by Confluence. Libra will be involved in the business of developing and selling of real estate on a land plot with a total area of 333 thousand sqm located between Saadiyat Island and Reem Island in Abu Dhabi. At the date of issuance of these consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

50 Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 10 February 2025.