ALPHA DHABI HOLDING PJSC

Review report and interim condensed consolidated financial statements for the nine - month period ended 30 September 2023 (unaudited)

ALPHA DHABI HOLDING PJSC

Review report and interim condensed consolidated financial statements for the nine-month period ended 30 September 2023

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ALPHA DHABI HOLDING PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Alpha Dhabi Holding PJSC (the "Company") and its subsidiaries (together referred to as "the Group"), as at 30 September 2023 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Deloitte & Touche (M.E.)



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2 November 2023
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Interim condensed consolidated statement of financial position as at 30 September 2023

	Notes	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	**13,687,648**	14,342,991
Intangible assets	**6**	**2,522,534**	5,519,512
Goodwill	**7**	**3,835,095**	4,007,444
Biological assets		**19,138**	27,008
Investment properties		**23,579,468**	23,062,483
Right-of-use assets	**8**	**1,478,593**	2,429,330
Investment in associates and joint ventures	**9**	**18,439,221**	4,714,276
Investment in financial assets		**701,325**	1,209,831
Trade and other receivables	**11**	**829,328**	832,929
Total non-current assets		**65,092,350**	56,145,804
Current assets			
Investment in financial assets		**6,414,040**	5,384,806
Contract assets	**10**	**8,793,350**	7,186,319
Trade and other receivables	**11**	**16,189,828**	20,667,141
Inventories	**12**	**13,163,443**	10,377,725
Development work-in-progress		**4,349,837**	4,139,938
Due from related parties	**13**	**404,740**	1,639,393
Cash and bank balances	**14**	**19,142,477**	25,488,098
Total current assets		**68,457,715**	74,883,420
Total assets		**133,550,065**	131,029,224
EQUITY AND LIABILITIES			
Equity			
Share capital	**15**	**10,000,000**	10,000,000
Statutory reserve		**685,408**	685,408
Merger reserve		**11,539,393**	11,539,393
Other reserves		**(1,275,700)**	(493,604)
Retained earnings		**19,935,737**	10,163,414
Equity attributable to the Owners of the Company		**40,884,838**	31,894,611
Hybrid equity instruments		**1,815,646**	1,815,646
Non-controlling interests		**31,122,802**	36,328,703
Total equity		**73,823,286**	70,038,960

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position (continued) as at 30 September 2023

	Notes	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Non-current liabilities			
Lease liabilities	8	**1,393,024**	2,365,898
Provision for employees' end of service benefits	16	**1,056,449**	2,542,495
Bank borrowings	17	**13,262,505**	13,210,294
Non-convertible sukuk	18	**5,454,292**	3,644,812
Trade and other payables	20	**5,563,489**	1,698,307
Total non-current liabilities		**26,729,759**	23,461,806
Current liabilities			
Lease liabilities	8	**74,886**	141,989
Due to related parties	13	**665,811**	2,019,205
Bank borrowings	17	**2,134,349**	1,305,266
Non-convertible sukuk	18	**63,733**	37,104
Contract liabilities	19	**9,379,010**	9,940,067
Trade and other payables	20	**20,679,231**	24,084,827
Total current liabilities		**32,997,020**	37,528,458
Total liabilities		**59,726,779**	60,990,264
Total equity and liabilities		**133,550,065**	131,029,224

Group Chief Financial Officer **Managing Director** **Chairman**

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of profit or loss for the nine-month period ended 30 September 2023

	Notes	9 months ended 30 September		3 months ended 30 September	
		2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Revenue	**21**	**32,411,942**	26,629,944	**10,271,043**	9,501,148
Direct costs		**(25,750,851)**	(19,569,260)	**(8,230,927)**	(7,434,264)
Gross profit		**6,661,091**	7,060,684	**2,040,116**	2,066,884
General, administrative, and selling expenses		**(2,861,762)**	(2,064,176)	**(617,582)**	(593,530)
Share of results of associates and joint ventures	**9**	**452,909**	(174,102)	**(16,139)**	(33,491)
(Impairment) / reversal of impairment of financial and other assets		**(510,323)**	(268,185)	**7,683**	(179,722)
Other income / (loss)	**22**	**839,636**	1,064,081	**331,525**	(33,410)
Government grant income	**23**	**330,767**	-	-	-
Gain on derecognition of a subsidiary	**26**	**7,457,394**	-	-	-
Gain on derecognition and partial disposal of investment in associates and joint ventures	**9**	-	3,714,875	-	-
Finance costs, net		**(275,948)**	(244,883)	**(102,944)**	(118,321)
Profit before tax		**12,093,764**	9,088,294	**1,642,659**	1,108,410
Income tax		**(452,130)**	(56,209)	**(337,953)**	(29,650)
Profit after tax		**11,641,634**	9,032,085	**1,304,706**	1,078,760
Profit attributable to:					
Owners of the Company		**9,759,187**	6,797,532	**877,667**	454,680
Non-controlling interests		**1,882,447**	2,234,553	**427,039**	624,080
		11,641,634	9,032,085	**1,304,706**	1,078,760
Earnings per share attributable to equity holders of the company (AED)	**30**	**0.97**	0.68	**0.08**	0.05

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of comprehensive income for the nine-month period ended 30 September 2023

	9 months ended 30 September		3 months ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Profit after tax	**11,641,634**	9,032,085	**1,304,706**	1,078,760
Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss:				
Fair value loss on debt instruments measured at FVTOCI	-	(29,121)	-	(8,017)
Fair value (loss) / gain arising on hedging instruments during the period	**(11,892)**	51,839	**(8,266)**	33,749
Exchange differences arising on translation of foreign operations	**(390,917)**	(342,402)	**(25,761)**	(92,867)
Share of other comprehensive loss of associates and joint ventures	**(63,547)**	(21,462)	**(64,124)**	(1,420)
Net (loss) / gains on debt instruments, hedging instruments and translation of foreign operations reclassified to profit or loss	**(2,437)**	21,219	**(2,765)**	2,371
Items that will not be reclassified subsequently to profit or loss:				
Fair value (loss) / gain on investments in equity instruments designated as FVTOCI	**(564,126)**	73,452	**(69,606)**	21,980
Share of other comprehensive (loss) / income of associates and joint ventures	**(2,140)**	(1,093)	**(10,342)**	3,029
Total other comprehensive loss	**(1,035,059)**	(247,568)	**(180,864)**	(41,175)
Total comprehensive income for the period	**10,606,575**	8,784,517	**1,123,842**	1,037,585
Total comprehensive income attributable to:				
Owners of the Company	**8,987,250**	6,599,765	**715,955**	424,690
Non-controlling interests	**1,619,325**	2,184,752	**407,887**	612,895
Total comprehensive income for the period	**10,606,575**	8,784,517	**1,123,842**	1,037,585

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2023

	Attributable to the Owners of the Company								
	Share capital AED '000	Statutory reserve AED '000	Merger reserve AED '000	Other reserves AED '000	Retained earnings AED '000	Total AED '000	Hybrid equity instruments AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2022 (audited)	10,000,000	318,325	8,723,368	10,880	3,964,433	23,017,006	-	2,954,575	25,971,581
Profit for the period	-	-	-	-	6,797,532	6,797,532	-	2,234,553	9,032,085
Other comprehensive loss for the period	-	-	-	(197,767)	-	(197,767)	-	(49,801)	(247,568)
Total comprehensive (loss) / income for the period	-	-	-	(197,767)	6,797,532	6,599,765	-	2,184,752	8,784,517
Equity arising from business combinations under common control (Note 24)	-	-	708,274	-	-	708,274	-	291,714	999,988
Acquisition of assets from entities under common control (Note 26)	-	-	754,820	-	-	754,820	-	-	754,820
Non-controlling interests arising from business combinations under common control (Note 24)	-	-	-	-	-	-	-	70,360	70,360
Non-controlling interests arising from acquisition of subsidiaries (Note 25)	-	-	-	-	-	-	-	19,510,392	19,510,392
Hybrid equity instruments arising on acquisition of a subsidiary (Note 25)	-	-	-	-	-	-	1,126,639	-	1,126,639
Hybrid equity instruments issued during the period	-	-	-	-	-	-	689,007	-	689,007
Coupon paid on hybrid equity instrument	-	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Transfer to non-controlling interests on dilution of ownership (Note 26)	-	-	(450,259)	-	(59,648)	(509,907)	-	509,907	-
Proceeds from disposal of non-controlling interests in subsidiaries (Note 26)	-	-	-	-	(45,481)	(45,481)	-	3,303,700	3,258,219
Dividend	-	-	-	-	-	-	-	(1,933,471)	(1,933,471)
Movement in non-controlling interests on disposal of subsidiaries (Note 28)	-	-	-	-	-	-	-	2,311	2,311
Payment to non-controlling interests towards contributed capital	-	-	-	-	-	-	-	(10,000)	(10,000)
Transfer of fair value reserve of equity instruments designated as FVTOCI	-	-	-	(26,704)	26,704	-	-	-	-
Non-controlling interests arising from formation of a new subsidiary	-	-	-	-	-	-	-	292	292
Balance at 30 September 2022 (unaudited)	10,000,000	318,325	9,736,203	(213,591)	10,631,895	30,472,832	1,815,646	26,884,532	59,173,010

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity (continued) for the nine-month period ended 30 September 2023

	Attributable to the Owners of the Company								
	Share capital AED '000	Statutory reserve AED '000	Merger reserve AED '000	Other reserves AED '000	Retained earnings AED '000	Total AED '000	Hybrid equity instruments AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2023 (audited)	10,000,000	685,408	11,539,393	(493,604)	10,163,414	31,894,611	1,815,646	36,328,703	70,038,960
Profit for the period	-	-	-	-	9,759,187	9,759,187	-	1,882,447	11,641,634
Other comprehensive loss for the period	-	-	-	(771,937)	-	(771,937)	-	(263,122)	(1,035,059)
Total comprehensive (loss) / income for the period	-	-	-	(771,937)	9,759,187	8,987,250	-	1,619,325	10,606,575
Non-controlling interests arising from acquisition of subsidiaries (Note 25)	-	-	-	-	-	-	-	463,600	463,600
Non-controlling interests arising from acquisition of assets (Note 8)	-	-	-	-	-	-	-	1,018	1,018
Derecognition of non-controlling interests of a subsidiary (Note 26)	-	-	-	-	-	-	-	(7,059,849)	(7,059,849)
Contribution in kind from a shareholder (Note 25)	-	-	-	-	208,617	208,617	-	804,383	1,013,000
Transfer to non-controlling interests on dilution of ownership (Note 26)	-	-	-	-	(101,780)	(101,780)	-	101,780	-
Acquisition of non-controlling interests (Note 26)	-	-	-	-	(571)	(571)	-	571	-
Dividend	-	-	-	-	-	-	-	(1,144,729)	(1,144,729)
Coupon paid on hybrid equity instrument	-	-	-	-	(103,289)	(103,289)	-		(103,289)
Contribution from a minority shareholder	-	-	-	-	-	-	-	18,000	18,000
Payment to non-controlling interests towards contributed capital	-	-	-	-	-	-	-	(10,000)	(10,000)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	(10,159)	10,159	-	-	-	-
At 30 September 2023 (unaudited)	**10,000,000**	**685,408**	**11,539,393**	**(1,275,700)**	**19,935,737**	**40,884,838**	**1,815,646**	**31,122,802**	**73,823,286**

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows for the nine-month period ended 30 September 2023

	Notes	9 months period ended 30 September 2023 (unaudited) AED '000	2022 (unaudited) AED '000
Cash flows from operating activities			
Profit before tax		**12,093,764**	9,088,294
Adjustments:			
Depreciation of property, plant and equipment		**941,556**	731,908
Amortisation of intangible assets		**155,220**	115,973
Depreciation of right-of-use assets		**119,963**	67,376
Depreciation of investment properties		**503,310**	328,368
Provision for employees' end of service benefits		**181,335**	142,492
Remeasurement of biological assets		**4,216**	1,564
Share of results of associates and joint ventures		**(452,910)**	174,102
(Gain) on disposal of associates		**-**	(3,715,127)
Interest expense on lease liabilities		**55,311**	28,346
Gain on disposal of property, plant and equipment		**(4,175)**	(262,615)
(Gain) / loss on lease modifications and cancellations		**(36,631)**	7,881
Net changes in fair value of derivative financial instruments		**(2,569)**	(17,302)
Net changes in fair value of investments carried at fair value through profit and loss ("FVTPL")		**(37,819)**	38,768
Gain on disposal of investment properties		**(22,865)**	(31,423)
Interest expense on non-convertible sukuk		**-**	3,222
Finance income		**(516,011)**	(120,013)
Reversal of impairment against assets of group held-for-sale		**-**	(36,169)
Finance costs		**736,648**	336,289
Gain on disposal of financial investments		**-**	21,462
Impairment of property, plant and equipment		**-**	289
Provision against Islamic financial assets		**-**	233,967
Gain on bargain purchase of a subsidiary		**-**	(9,732)
Fair value gain arising on remeasurement of an associate		**-**	(116,431)
Dividend income		**(56,428)**	(308,345)
Reversal / write off of property, plant and equipment		**(164)**	1,406
Gain on derecognition of a subsidiary	**26**	**(7,457,394)**	-
Gain on bargain purchase of associates and joint ventures	**22**	**(100,080)**	-
Goodwill written-off		**-**	265
Intangibles written-off		**878**	569
Development work-in-progress written-off		**11,510**	18,408
Provision for slow moving and obsolete inventories		**49,353**	11,658
Amortisation of borrowing costs		**5,715**	(12,024)
Other income		**(2,427)**	-
Gain on disposal of subsidiaries		**-**	(123,115)
Impairment loss allowance on financial assets		**506,246**	266,417
Operating cashflows before movement in working capital		**6,675,552**	6,866,728

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows (continued) for the nine-month period ended 30 September 2023

	9 months period ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000
Movement in working capital		
Inventories	**(333,576)**	49,705
Trade and other receivables	**(3,938,209)**	(1,561,006)
Contract assets	**(3,620,635)**	(363,825)
Due from related parties	**886,126**	384,001
Islamic financing assets	**-**	(128,119)
Development work-in-progress	**(813,562)**	(506,352)
Contract liabilities	**1,680,072**	2,554,734
Trade and other payables	**3,496,119**	(1,553,029)
Due to related parties	**(373,446)**	344,838
Margins against letters of guarantee	**-**	(101,405)
Cash generated from operating activities	**3,658,441**	5,986,270
Employees' end of service benefits paid	**(166,903)**	(84,639)
Income tax paid	**(57,052)**	(107,494)
Net cash generated from operating activities	**3,434,486**	5,794,137
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	**(1,751,119)**	(2,737,904)
Cash acquired on business combinations	**-**	9,195,804
Cash given up on derecognition of a subsidiary	**(5,502,398)**	
Proceeds from disposal of property, plant and equipment	**13,811**	310,373
Payments for purchases of investment properties	**(884,803)**	(4,575,623)
Proceeds from disposal of investment properties	**130,237**	142,861
Proceeds from disposal of investments in financial assets	**590,868**	592,518
Payments for purchases of intangible assets	**(35,520)**	(20,453)
Payments for purchases of biological assets	**-**	(552)
Proceeds from disposal of biological assets	**3,654**	-
Dividend income received	**56,428**	302,394
Dividend received from associates and joint ventures	**37,906**	3,154
Payments for purchase of investment in associate and joint venture	**(1,090,508)**	(1,031,298)
Proceeds from disposal of investment in associate and joint venture	**13,906**	17,138
Payments for investment in financial assets	**(2,262,935)**	(5,253,231)
Proceeds from disposal of intangible assets	**-**	197
Proceed from disposal of subsidiaries, net of cash disposed	**-**	105,624
Deposit placed with banks	**1,014,440**	(122,757)
Movement in restricted cash	**(1,312,100)**	(3,955,008)
Finance income received	**423,311**	86,143
Cash payment on acquisition of subsidiaries, net	**(826,427)**	(353,195)
Cash received from associate on reduction of capital	**-**	32,000
Net cash used in investing activities	**(11,381,249)**	(7,261,815)

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows (continued) for the nine-month period ended 30 September 2023

	9 months period ended 30 September	
	2023	2022
	(unaudited)	(unaudited)
	AED '000	AED '000
Cash flows from financing activities		
Repayment of bank borrowings	**(5,925,420)**	(4,733,568)
Proceeds from bank borrowings	**7,206,037**	8,814,736
Dividend paid to holders of non-controlling interests	**(1,144,729)**	(881,037)
Coupon paid on hybrid equity instrument	**(103,289)**	(51,645)
Additional contribution from non-controlling interests	**8,000**	-
Proceeds from non-convertible sukuk	**1,801,074**	-
Movement in derivative financial instruments	**183,930**	(12,850)
Issue of hybrid equity instruments	-	689,007
Repayment of loan to holders of non-controlling interests	-	(10,000)
Proceeds from disposal of non-controlling interests in subsidiaries	-	3,258,219
Finance costs paid	**(734,912)**	(308,265)
Payment of lease liabilities	**(129,162)**	(94,561)
Net cash generated from financing activities	**1,161,529**	6,670,036
Net (decrease) / increase in cash and cash equivalents	**(6,785,234)**	5,202,358
Effect of foreign exchange rate changes	**148,755**	(48,449)
Cash and cash equivalent at the beginning of the period	**16,945,182**	7,006,956
Cash and cash equivalents at the end of the period	**10,308,703**	12,160,865

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023

1 General information

Alpha Dhabi Holding PJSC (the "Company") is a public joint stock company registered in the Emirate of Abu Dhabi, United Arab Emirates. Its parent company is International Holding Company PJSC. The Company's registered address is P.O. Box 111059, Abu Dhabi, United Arab Emirates. The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange.

The principal activities of the Company and its subsidiaries (together referred to as "the Group"), associates and joint ventures carried out both in the UAE and abroad include:

- Medical services including management of hospitals, testing laboratories and medical clinics;
- Development, sale, investment, leasing, management and associated services for real estate;
- Engineering and construction contracting of buildings, infrastructure, earth and civil works;
- Engineering, procurement and dredging contracts and associated land reclamation works in the territorial waters of different countries;
- Oil and gas engineering, construction and operation management services;
- Tourism and hospitality-related investments, development and management;
- Industrial production-related investments, development and management;
- Forestry and natural vegetation management including farming, agricultural investments and management;
- Production and supply of ready-mix concrete;
- Investment in a diverse range of industries;
- Manufacturing, supply, installation and fabrication of aluminium and glass panels;
- Security services;
- Manufacturing of motor vehicles;
- Facilities management services;
- Renewable energy power plant installation and maintenance of energy equipment;
- Digital banking services; and
- Health insurance solutions.

2 Basis of preparation

Statement of compliance

These interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 have been prepared in accordance with IAS 34, *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. In addition, results for the nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

These interim condensed consolidated financial statements as at 30 September 2023 include the financial performance and position of the Group as disclosed in its annual consolidated financial statements for the year ended 31 December 2022 and new subsidiaries acquired during the period as disclosed in Note 24 and 25.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

2 Basis of preparation (continued)

Accounting convention

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial assets carried at fair value through other comprehensive income, or through profit and loss, derivative financial instruments and biological assets that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the acquired assets.

Functional and presentation currency

The interim condensed consolidated financial statements are prepared in United Arab Emirates Dirhams (AED), which is the Group's functional and presentation currency and all values are rounded to the nearest thousand (AED'000) except where otherwise stated.

3 Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

a) Amendment to standards and interpretations issued and effective during the financial period beginning 1 January 2023

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

- IFRS 17 Insurance Contracts;
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current;
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) (effective from 1 January 2023); and
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4).

The Group has applied IFRS 17 for the first time. As required by IAS 34, the nature and effect of these changes are discussed below. The other amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements.

Impact on adoption of IFRS 17

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Group adopted IFRS 17 retrospectively from 1 January 2023.

3 Summary of significant accounting policies (continued)

a) Amendment to standards and interpretations issued and effective during the financial period beginning 1 January 2023 (continued)

Impact on adoption of IFRS 17 (continued)

The adoption of IFRS 17 did not change the classification of the Group's insurance contracts. The Group was previously permitted under IFRS 4 to continue accounting using its previous accounting policies.

However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

Measurement principles
Under IFRS 17, the Group's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach ('PAA'). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The key changes in measurement principles under PAA include:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided;
- There is no requirement to discount the liabilities for remaining coverage as all premiums written by the Group are received within 12 months from the policy start date, hence no significant financing component or credit facilities;
- The measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk for onerous contracts;
- The measurement of the asset for remaining coverage reflects reinsurance premiums paid for reinsurance held and is adjusted to include a loss-recovery component for expected recovery of onerous contract loses;
- The liability for incurred claims is determined on an expected value basis and includes an explicit risk adjustment for non-financial risk. The liability also includes the Group's obligation to pay other incurred insurance expenses. There is no requirement to discount the liability for incurred claims as most claims are settled within 12 months from the date of incurrence; and
- The Group capitalises insurance acquisition cash flows for all product lines and allocates them to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. When contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement of the insurance liability.

Transition
During the transition on 1 January 2023, the Group identified, recognised, and measured each group of insurance contracts and assets for insurance acquisition cash flows as if IFRS 17 had always applied. Existing balances that would not exist under IFRS 17 were derecognised.

The measurement categories under IFRS 4 and the new measurement categories under IFRS 17 for each class of the IFRS 17-line item as of 1 January 2023 were not presented separately as they are not material.

3 Summary of significant accounting policies (continued)

b) New standards and amendments issued but not yet effective

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

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024);
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective from 1 January 2024);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (effective from 1 January 2024);
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided);
- Lack of Exchangeability (Amendments to IAS 21) (effective from 1 January 2025);
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (1 January 2024, subject to adoption by the jurisdiction); and
- IFRS S2 Climate-related Disclosures (1 January 2024, subject to adoption by the jurisdiction).

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

4 Significant accounting judgements and estimates

The preparation of these interim condensed consolidated financial statements, in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2022, except as given below:

Judgment related to derecognition of Pure Health Holding ('PHH')

As disclosed in Note 26, on the loss of control over PHH, the Group derecognised its carrying value of assets and liabilities. The results of the operations of PHH were not segregated on the face of the interim condensed consolidated statement of profit or loss, considering there is no disposal of shares of PHH and absolute holding remains the same before and after the loss of control, and the Group will be able to recover investment principally through continuing use. Accordingly, the transaction was not considered as a discontinued operation under IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

4 Significant accounting judgements and estimates (continued)

Fair valuation of retained interest on loss of control

As disclosed in Note 26, the Group fair valued its retained interest and recognised it as an investment in a joint venture and derecognised its investment as a subsidiary on the loss of control of PHH. In estimating the fair value, the Group engaged a third-party valuation expert to perform the valuation. The underlying assumptions and estimates in assessing the fair value of retained interest are mentioned in Note 26.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

5 Property, plant and equipment

	Land AED '000	Buildings and base facilities AED '000	Dredgers, machinery and equipment AED '000	Barges, support vessels and vehicles AED '000	Furniture, equipment and leasehold improvements AED '000	Capital work-in-progress AED '000	Total AED '000
At 31 December 2022 (audited)							
Cost	225,234	13,085,142	6,117,176	6,554,581	3,430,023	1,108,296	30,520,452
Less: accumulated depreciation	-	(6,241,985)	(3,527,211)	(3,890,106)	(2,507,099)	(11,060)	(16,177,461)
Net carrying value at 31 December 2022	225,234	6,843,157	2,589,965	2,664,475	922,924	1,097,236	14,342,991
Additions	40,290	30,639	185,378	320,692	149,997	1,064,413	1,791,409
Assets arising on acquisition of subsidiaries (Note 25)	5,329	147,983	22,083	2,136	36,780	100,791	315,102
Depreciation charge	-	(258,128)	(256,996)	(239,798)	(186,634)	-	(941,556)
Transfers	-	32,465	2,230	(945)	51,655	(85,405)	-
Transfer to intangible assets (Note 6)	-	-	-	-	-	(1,090)	(1,090)
Net carrying value of disposals	-	(3,839)	(518)	(1,344)	(3,935)	-	(9,636)
Reversal of impairment	-	164	-	-	-	-	164
Eliminated on derecognition of a subsidiary (Note 26)	-	(415,359)	(727,939)	(9,220)	(509,156)	(118,323)	(1,779,997)
Foreign currency translation differences	(31)	(15,816)	(1,538)	(2,185)	(3,006)	(7,163)	(29,739)
Net carrying value at 30 September 2023 (unaudited)	**270,822**	**6,361,266**	**1,812,665**	**2,733,811**	**458,625**	**2,050,459**	**13,687,648**
At 30 September 2023 (unaudited)							
Cost	270,822	12,443,853	3,465,750	6,638,664	1,973,625	2,061,519	26,854,233
Less: accumulated depreciation	-	(6,082,587)	(1,653,085)	(3,904,853)	(1,515,000)	(11,060)	(13,166,585)
Net carrying value (unaudited)	**270,822**	**6,361,266**	**1,812,665**	**2,733,811**	**458,625**	**2,050,459**	**13,687,648**

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

6 Intangible assets

	Software and licenses AED '000	Customer related intangibles AED '000	Brand and trademarks AED '000	Intangible assets under development AED '000	Total AED '000
At 31 December 2022 (audited)					
Cost	1,223,029	2,487,183	3,092,341	15,718	6,818,271
Less: accumulated amortisation	(1,059,868)	(224,495)	(14,396)	-	(1,298,759)
Net carrying value at 31 December 2022	163,161	2,262,688	3,077,945	15,718	5,519,512
Additions	33,035	-	-	2,485	35,520
Assets arising on acquisition of subsidiaries (Note 25)	8,435	251,746	-	-	260,181
Amortisation charge	(29,891)	(111,276)	(14,053)	-	(155,220)
Transfer from property, plant and equipment (Note 5)	1,090	-	-	-	1,090
Transfer	2,051	-	-	(2,051)	-
Write-off	(878)	-	-	-	(878)
Eliminated on derecognition of a subsidiary (Note 26)	(95,521)	(1,666,932)	(1,356,623)	(15,364)	(3,134,440)
Foreign currency translation differences	(172)	(3,059)	-	-	(3,231)
Net carrying value at 30 September 2023 (unaudited)	**81,310**	**733,167**	**1,707,269**	**788**	**2,522,534**
At 30 September 2023 (unaudited)					
Cost	222,245	993,467	1,732,836	788	2,949,336
Less: accumulated amortisation	(140,935)	(260,300)	(25,567)	-	(426,802)
Net carrying value (unaudited)	**81,310**	**733,167**	**1,707,269**	**788**	**2,522,534**

7 Goodwill

	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
At the beginning of the period / year	**4,007,444**	451,672
Assets arising on acquisition of subsidiaries	**1,184,085**	3,573,733
Eliminated on derecognition of a subsidiary (Note 26)	**(1,342,106)**	-
Other movements	**-**	(265)
Foreign currency translation differences	**(14,328)**	(17,696)
At the end of the period / year	**3,835,095**	4,007,444

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

8 Right-of-use assets and lease liabilities

Right-of-use assets

	Land AED '000	Building AED '000	Machinery AED '000	Total AED '000
At 31 December 2022 (audited)				
Cost	857,697	1,795,019	111,504	2,764,220
Less: accumulated depreciation	(79,505)	(197,132)	(58,253)	(334,890)
Net carrying value at 31 December 2022	778,192	1,597,887	53,251	2,429,330
Additions*	56,691	83,420	-	140,111
Assets arising on acquisition of subsidiaries (Note 25)	-	485,225	-	485,225
Depreciation for the period	(42,461)	(38,919)	(38,582)	(119,962)
Lease modifications and cancellations for the period	(4,822)	(79,481)	-	(84,303)
Eliminated on derecognition of a subsidiary**	-	(1,362,872)	(5,768)	(1,368,640)
Foreign currency translation differences	377	(3,545)	-	(3,168)
Net carrying value at 30 September 2023 (unaudited)	**787,977**	**681,715**	**8,901**	**1,478,593**
At 30 September 2023 (unaudited)				
Cost	909,978	802,778	12,744	1,725,500
Less: accumulated depreciation	(122,001)	(121,063)	(3,843)	(246,907)
Net carrying value (unaudited)	**787,977**	**681,715**	**8,901**	**1,478,593**

Lease liabilities

	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
At the beginning of the period / year	**2,507,887**	587,439
Acquired in common control business combinations	**-**	20,337
Liabilities arising on acquisition of subsidiaries	**487,273**	591,603
Additions	**113,244**	1,456,450
Finance costs	**55,311**	61,172
Lease modifications and cancellations for the period / year	**(94,067)**	2,679
Eliminations arising on business combinations	-	(83,348)
Eliminated on derecognition of a subsidiary**	**(1,469,222)**	-
Eliminations on disposal of a subsidiary	-	(1,133)
Foreign currency translation differences	**(3,354)**	(938)
Payment of lease liabilities	**(129,162)**	(126,374)
At the end of the period / year	**1,467,910**	2,507,887

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

8 Right-of-use assets and lease liabilities (continued)

* Effective 2 May 2023, ADMO, a subsidiary of the Group acquired a 95% equity interest in Monterock Investments Nedafushi Maldives Private Limited ("MNIM"), for a consideration of AED 26.35 million. MNIM is a limited liability company, registered and incorporated in Maldives and is engaged in hotel and restaurant management. The Group has control over MNIM and accordingly it has been consolidated. The acquisition also resulted in recognition of AED 1,018 thousand of non-controlling interest. In accordance with the requirements of IFRS 3 Business Combinations, it was accounted for as an asset acquisition since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset.

**Numbers are presented net of elimination at the group level.

Lease liabilities are classified as follows:

	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Amounts due for settlement within 12 months	**74,886**	141,989
Amounts due for settlement after 12 months	**1,393,024**	2,365,898
	1,467,910	2,507,887

9 Investment in associates and joint ventures

Investment in associates and joint ventures are classified in the interim condensed consolidated statement of financial position as follows:

	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Investment in associates	**5,430,973**	3,942,867
Investment in joint ventures	**13,008,248**	771,409
	18,439,221	4,714,276

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

9 Investment in associates and joint ventures (continued)

Share of results of associates and joint ventures are classified in the interim condensed consolidated statement of profit or loss as follows:

	9 months ended 30 September		3 months ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Investment in associates	**160,252**	(2,290)	**78,199**	(16,906)
Investment in joint ventures	**292,657**	(171,812)	**(94,338)**	(16,585)
	452,909	(174,102)	**(16,139)**	(33,491)

Movements in the Group's investment in associates are as follows:

	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
At the beginning of the period / year	**3,942,867**	11,617,762
Additions	**993,122**	868,585
Assets arising on acquisition of subsidiaries	**309,569**	69,365
Transfers from property, plant, and equipment	**-**	23,637
Dividends received	**(37,906)**	(22,324)
Share of other comprehensive loss	**(3,455)**	(24,579)
Foreign exchange translation difference	**(12,136)**	(105,323)
Share of results	**160,252**	(165,758)
Partial disposal during the period / year	**(13,906)**	(381,393)
Gain on acquisition of an associate (a)	**100,080**	-
Other adjustments	**(7,514)**	-
Derecognition of investment in an associate (b)	-	(9,483,875)
Increase in equity (c)	-	1,598,346
Gain arising on remeasurement (d)	-	116,430
Reduction in investment in an associate (e)	-	(32,000)
Other movements (f)	-	(136,006)
At the end of the period / year	**5,430,973**	3,942,867

a) During the period, the Group acquired 36.39% of National Corporation for Tourism and Hotels ('NCTH') for a purchase consideration of AED 730 million which resulted in a gain of AED 100 million recorded in the interim condensed consolidated financial statements on acquisition based on the finalisation of purchase price allocation ('PPA') exercise.

NCTH shares are listed on ADX with its fair value based on the quoted price as at 30 September 2023 being AED 1,027 million (2022: Nil).

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

9 Investment in associates and joint ventures (continued)

b) In 2022, the Group's interest in Aldar which was previously treated as an investment in an associate was derecognised and instead was consolidated as a subsidiary under IFRS 10, which resulted in a recognition of a gain of AED 2,621 million in the interim condensed consolidated financial statements for the period ended 30 September 2022.

c) In 2022, Q Holding PSC ("Q Holding") acquired Reem Investments PJSC ("Reem") and issued new shares to the shareholders of Reem at a premium. This resulted in an increase in the Group's shareholding of equity of Q Holding by AED 1,598 million and diluted the Group's ownership interest in Q Holding from 25.24% to 20.61% but remained an associate, this also resulted in recognition of a gain of AED 1,094 million in the interim condensed consolidated financial statements for the period ended 30 September 2022.

Q Holding shares are listed on ADX with its fair value based on the quoted price as at 30 September 2023 being AED 5,059 million (2022: AED 5,701 million).

d) The Group has incorporated an entity which involved an in-kind contribution of some of its property, plant and equipment, employees and revenue contracts. The Group disposed 51% of its interest in the entity and retained a 49% interest in the entity, which is classified as an associate and was initially recognised at a cost of AED 23.6 million. Subsequently, the interest was remeasured at fair value, resulting in a gain of AED 116.4 million.

e) In 2022, the share capital of an associate was reduced, consequently, the Group received AED 32 million which was recognised as reduction the Group's interest in the associate.

f) In 2022, the Group performed an impairment review of an associate and recorded an impairment of AED 136 million.

g) The Group's investment in associates includes Response Plus Holding PrJSC ('RPM') whose shares are listed on ADX with a fair value based on the quoted price as at 30 September 2023 being AED 323 million (2022: AED 310 million)

The latest available financial information in respect of the Group's associates up to the period ended 30 September 2023 are recognised below:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Non-current assets	**15,239,769**	13,342,068
Current assets	**12,324,669**	11,600,534
Non-current liabilities	**(2,163,514)**	(3,479,015)
Current liabilities	**(5,529,336)**	(5,010,741)
Total net equity	**19,871,588**	16,452,846

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

9 Investment in associates and joint ventures (continued)

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Attributable to:		
Owners of the Company	**18,848,766**	15,497,591
Non-controlling interests	**1,022,822**	955,255
Total net equity	**19,871,588**	16,452,846
Group's share of net assets	**4,435,523**	3,355,969
Intangible assets	**326,333**	296,961
Goodwill	**665,604**	433,453
Other adjustments	**3,513**	(143,516)
Group's share of net assets	**5,430,973**	3,942,867

The share of results of associates recognised during the period are as follows:

	9 months ended 30 September		**3 months ended 30 September**	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Revenue	**2,433,049**	5,775,542	**900,732**	2,434,292
Profit / (loss) for the period	**553,318**	(801,260)	**289,534**	(719,444)
Group's share of profit / (loss) for the period	**160,252**	(2,290)	**78,199**	(16,906)
Other comprehensive (loss) / income	**(7,296)**	(20,836)	**(34,752)**	175,120
Group's share of other comprehensive (loss) / income	**(3,455)**	(22,555)	**(9,139)**	2,024
Dividend	**(37,906)**	(3,154)	**(37,906)**	(1,564)

The investments in NCTH, WISY Holding Cyprus Ltd, Nammos World SARL, and WISY Management Cyprus Ltd are accounted for based on fair values of investment in associates.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

9 Investment in associates and joint ventures (continued)

Movements in the Group's investment in joint ventures are as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**771,409**	70,886
Additions	**97,385**	854,072
Recognition of an investment on loss of control (Note 26)	**11,957,944**	-
Assets arising on acquisition of subsidiaries	-	46,205
Foreign exchange translation differences	**(9,170)**	(7,957)
Share of results during the period / year	**292,657**	(191,797)
Share of other comprehensive loss	**(62,232)**	-
Eliminated on derecognition of a subsidiary (Note 26)	**(46,273)**	-
Others	**6,528**	-
At the end of the period / year	**13,008,248**	771,409

The latest available financial information in respect of the Group's joint ventures up to the period ended 30 September 2023 are summarised below:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Non-current assets	**8,526,236**	124,341
Current assets	**28,504,766**	3,875,351
Non-current liabilities	**(4,374,938)**	-
Current liabilities	**(19,029,469)**	(2,001,190)
Total net equity	**13,626,595**	1,998,502
Attributable to:		
Owners of the Company	**634,044**	1,352,410
Non-controlling interests	**12,992,551**	646,092
Total net equity	**13,626,595**	1,998,502

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

9 Investment in associates and joint ventures (continued)

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Group's share of net assets	**5,113,211**	686,692
Intangible assets	**2,330,027**	-
Goodwill *	**5,565,010**	84,717
Group's share of net assets	**13,008,248**	771,409

* Goodwill includes an amount of AED 5.4 billion recognised on the loss of control of a subsidiary.

The share of results of joint ventures recognised during the period are as follows:

	9 months ended 30 September		**3 months ended 30 September**	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Revenue	**8,570,045**	518,663	**4,139,840**	313,360
Profit / (loss) for the period	**766,341**	(400,767)	**(238,220)**	(47,659)
Group's share of profit / (loss) for the period	**292,657**	(171,812)	**(94,338)**	(16,585)
Other comprehensive loss	**(159,770)**	-	**(167,714)**	-
Group's share of other comprehensive loss	**(62,232)**	-	**(65,327)**	-

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

10 Contract assets

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Contract assets		
Amounts due from customers – third parties	**7,273,544**	4,267,962
Amounts due from customers – related parties (Note 13)	**783,520**	953,512
Less: allowance for ECL	**(161,483)**	(81,873)
	7,895,581	5,139,601
Contract costs	**897,769**	1,652,591
Reinsurance contract assets	**-**	394,127
	8,793,350	7,186,319

The Group measures the expected credit loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the respective industries.

The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**81,873**	96,336
Charge / (reversal) for the period / year	**82,340**	(14,463)
Write off	**(2,730)**	-
At the end of the period / year	**161,483**	81,873

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

11 Trade and other receivables

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Trade receivables	**6,363,550**	9,135,123
Due from policy holders	**-**	1,046,248
Less: allowance for ECL	**(440,123)**	(603,501)
Net trade receivables	**5,923,427**	9,577,870
Retention receivables	**1,124,552**	730,245
Less: allowance for ECL	**(66,637)**	(48,406)
Net retention receivables	**1,057,915**	681,839
Other receivables	**4,125,401**	3,553,746
Less: allowance for ECL	**(4,676)**	(226,101)
Net other receivables	**4,120,725**	3,327,645
Advances to suppliers	**4,863,591**	3,823,420
Prepayments and deposits	**941,793**	1,063,544
Deferred tax assets	**76,840**	75,502
Derivative financial instruments	**34,865**	248,792
Subsidy receivable from Government	**-**	961,380
Government funded programs receivables	**-**	1,740,078
	17,019,156	21,500,070

Allocation of total trade and other receivables into current and non-current is as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Non-current	**829,328**	832,929
Current	**16,189,828**	20,667,141
	17,019,156	21,500,070

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

11 Trade and other receivables (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**603,501**	216,039
Acquired in common control business combinations	**-**	260,487
Net re-measurement of ECL	**11,316**	46,482
Written off	**(60,984)**	(95,502)
Additions due to acquisition of subsidiaries	**27,884**	175,995
Eliminated on derecognition of a subsidiary	**(141,594)**	-
At the end of the period / year	**440,123**	603,501

The following table shows the movement in lifetime ECL that has been recognised for retention receivables in accordance with the simplified approach set out in IFRS 9.

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**48,406**	45,493
Net re-measurement of ECL	**15,309**	2,913
Additions due to acquisition of subsidiaries	**2,922**	-
At the end of the period / year	**66,637**	48,406

The following table shows the movement in lifetime ECL that has been recognised for other receivables in accordance with the simplified approach set out in IFRS 9.

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**226,101**	-
Net re-measurement of ECL	**23,319**	-
Additions due to acquisition of subsidiaries	**-**	226,101
Eliminated on derecognition of a subsidiary	**(244,744)**	-
At the end of the period / year	**4,676**	226,101

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

12 Inventories

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Land plots held-for-sale	**11,680,242**	8,115,029
Completed properties	**538,119**	940,240
Goods held-for-trading and finished goods	**26,191**	1,002,106
Materials, parts, and consumables	**985,422**	774,721
	13,229,974	10,832,096
Less: allowance for inventories obsolescence	**(66,531)**	(454,371)
	13,163,443	10,377,725

The movement in the allowance for inventories obsolescence is as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**454,371**	62,747
Acquired in common control business combinations	**-**	400,303
Charge for the period / year	**49,353**	6,168
Write-off	**(41,597)**	(14,847)
Eliminated on derecognition of a subsidiary	**(395,596)**	-
At the end of the period / year	**66,531**	454,371

Charge for the period / year has been included in general, administrative and selling expenses.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

13 Related parties

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Due from related parties:		
Entities managed by key management personnel	**379,684**	1,149,482
Entities under common control	**273,440**	413,550
Joint ventures	**379,713**	411,798
Associates	**113,422**	20,176
Others	**37,979**	43,178
	1,184,238	2,038,184
Less: allowance for ECL	**(776,890)**	(398,791)
	407,348	1,639,393

Due from related parties are classified as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Non-current (classified under trade and other receivables)	**2,608**	-
Current	**404,740**	1,639,393
	407,348	1,639,393

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the simplified approach set out in IFRS 9:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**398,791**	42,854
Assets arising on acquisition of subsidiaries	**-**	184,356
Charge during the period / year	**377,391**	155,926
Eliminated on derecognition of a subsidiary	**(3,914)**	-
Other adjustments	**4,622**	15,655
At the end of the period / year	**776,890**	398,791

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

13 Related parties (continued)

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Due to related parties:		
Entities managed by key management personnel	**5,548**	845,061
Entities under common control	**484,831**	480,053
Key management personnel	**-**	523,118
Associates	**154**	2,894
Joint ventures	**20,170**	12,971
Others	**155,108**	155,108
	665,811	2,019,205
Loan from a related party (classified under trade and other payables)	**13,300**	13,300
Contract assets (Note 10)	**783,520**	953,512
Contract liabilities (Note 19)	**15,899**	23,892

Significant transactions with related parties during the period comprise:

	9 months ended 30 September		**3 months ended 30 September**	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Revenue	**589,381**	1,236,087	**157,984**	494,405
Purchase of goods and services	**302,558**	407,409	**142,236**	61,276
Key management compensation	**58,899**	127,494	**17,386**	23,458

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

13 Related parties (continued)

Transactions with a financial institution are as follows:

	9 months ended 30 September		3 months ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Finance costs	**255,465**	74,822	**97,415**	33,482
Interest income	**141,527**	16,910	**35,077**	11,350

Balances with a financial institution are as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Balances with a financial institution	**7,465,502**	7,125,780
Borrowings	**8,752,637**	6,154,521
Drawdowns	**3,122,149**	3,739,424
Repayment of borrowings	**154,190**	900,638

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

14 Cash and bank balances

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Cash in hand and bank	**11,885,418**	15,219,324
Short-term deposits and treasury bills	**7,134,144**	10,075,863
Wakala deposits	**153,820**	223,816
	19,173,382	25,519,003
Less: impairment loss allowance	**(30,905)**	(30,905)
Cash and bank balances	**19,142,477**	25,488,098
Less:		
Bank overdrafts (Note 17)	**(13,718)**	(20,520)
Restricted cash	**(6,852,713)**	(5,540,613)
Short term deposit having maturity more than three months	**(1,998,248)**	(3,012,688)
Add:		
Allowance for ECL	**30,905**	30,905
Cash and cash equivalents	**10,308,703**	16,945,182

Interest earned on short-term deposits and wakala deposits are at market rates.

Bank overdraft facilities were availed from various local banks secured by customers approved payment certificates and are repayable on demand.

Balances with banks are assessed to have low credit risk since they are with reputable financial institutions selected by the Group. None of the balances with banks at the end of the reporting period are past due.

15 Share capital

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Authorised, issued and fully paid 10,000 million shares of AED 1 each (31 December 2022: 10,000 million shares of AED 1 each)	**10,000,000**	10,000,000

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

16 Provision for employees' end of service benefits

Movements in provision for employee's end of service benefits are as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**2,542,495**	658,645
Liabilities arising on acquisition of subsidiaries	**40,579**	1,756,242
Charge for the period / year	**181,335**	256,167
Actuarial loss recognised in other comprehensive income	**-**	35,748
Acquired in common control business combinations	**-**	8,906
Transfer from a related party	**423**	551
Liabilities of group related to discontinued operations	**-**	(2,203)
Eliminated on derecognition of a subsidiary (Note 26)	**(1,541,480)**	-
Paid during the period / year	**(166,903)**	(171,561)
At the end of the period / year	**1,056,449**	2,542,495

17 Bank borrowings

Bank borrowings included in the interim condensed consolidated statement of financial position comprise the following:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Term loan facilities	**15,383,231**	14,495,040
Bank overdrafts (Note 14)	**13,718**	20,520
	15,396,949	14,515,560

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

17 Bank borrowings

Movement in bank borrowing during the period / year is as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
At the beginning of the period / year	**14,515,560**	5,583,727
Drawdowns during the period / year	**7,211,201**	10,643,959
Liabilities arising on acquisition of subsidiaries	**1,197**	4,357,748
Acquired in common control business combinations	**-**	300,000
Amortisation of transaction costs	**(2,692)**	(9,728)
Liabilities of group related to discontinued operations (Note 28)	**-**	(3,429)
Eliminated on derecognition of a subsidiary (Note 26)	**(293,131)**	-
Foreign exchange differences	**(97,895)**	(113,280)
Repayments during the period / year	**(5,937,386)**	(6,243,437)
At the end of the period / year	**15,396,854**	14,515,560

Bank borrowings are classified as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Non-current	**13,262,505**	13,210,294
Current	**2,134,349**	1,305,266
	15,396,854	14,515,560

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

17 Bank borrowings (continued)

Details of group borrowings are as follows:

Loan type	Currency	Security	Instalments	Year of maturity	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED '000	Purpose
Term loan 1	AED	Projects proceeds	Quarterly	2023	**12,000**	24,000	Project financing
Term loan 2	AED	Projects proceeds	Quarterly	2026	**-**	442,552	Investment purpose
Term loan 3	USD	Mortgage of property, plant and equipment	Quarterly	2027	**910,829**	1,109,155	Project financing
Term loan 4	AED	Mortgage of vessels	Quarterly	2026	**193,414**	217,414	To finance purchase of hopper suction dredger
Term loan 5	USD	Mortgage of property	Annually	2025	**158,119**	194,295	To finance purchase of a hotel
Term loan 6	USD	Unsecured	Semi-annual	2028	**367,500**	367,500	To finance construction of a factory
Term loan 7	AED	Mortgage of property	Semi-annual	2028	**192,445**	234,445	To finance purchase of a hotel
Term loan 8	AED	Pledge of financial instruments having fair value of AED 5.5 billion	Bullet	2024	**1,500,000**	1,500,000	To finance purchase of shares
Term loan 9	AED	Mortgage of property	Quarterly	2023	**66,613**	78,613	Construction of factory building
Term loan 10	AED	Corporate guarantee	Quarterly	2027	**23,766**	30,557	To finance the purchase of machinery and equipment
Term loan 11	USD	Mortgage of property	Quarterly	2032	**156,560**	84,574	Project financing
Term loan 12	AED	Secured on movable assets and shares	Quarterly	2036	**-**	294,316	Investment purpose
Term loan 13	AED	Pledge of financial instruments having fair value of AED 8 billion	Half in 3 years and rest in 5 years	2027	**4,500,000**	2,760,000	Investment purpose
Term loan 14	AED	Corporate guarantee	Revolving	2023	**-**	1,207	Working capital
Term loan 15	AED	Unsecured	Revolving	2025	**419,950**	419,950	General corporate purposes
Term loan 16	AED	Unsecured	Revolving	2025	**(4,455)**	295,305	General corporate purposes
Term loan 17	AED	Unsecured	Revolving	2027	**(4,668)**	(4,427)	General corporate purposes
Term loan 18	AED	Unsecured	Bullet	2027	**995,000**	995,250	General corporate purposes
Term loan 19	AED	Unsecured	Revolving	2025	**469,282**	469,167	General corporate purposes
Term loan 20	AED	Unsecured	Revolving	2027	**(20,608)**	1,173,750	General corporate purposes
Term loan 21	AED	Unsecured	Revolving	2027	**(4,491)**	(4,306)	General corporate purposes
Term loan 22	AED	Retail and commercial assets	Bullet	2026	**297,907**	297,319	General corporate purposes
Term loan 23	AED	Assignment of receivables and insurance	Semi-annual	2027	**-**	94,626	General corporate purposes
Term loan 24	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2027	**65,368**	81,578	Project financing

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

17 Bank borrowings (continued)

Loan type	Currency	Security	Instalments	Year of maturity	30 September 2023 (unaudited) AED'000	31 December 2022 (audited) AED '000	Purpose
Term loan 25	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2031	**151,635**	189,058	Project financing
Term loan 26	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2024	**-**	29,814	Project financing
Term loan 27	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2027	**94,353**	131,618	Project financing
Term loan 28	EGP	Mortgage of property, assignment of receivables and insurance	Bullet	2028	**31,053**	37,172	Project financing and general corporate purposes
Term loan 29	AED	Mortgage of vessel	Quarterly	2032	**401,735**	436,169	To finance purchase of a vessel
Term loan 30	AED	Unsecured	Bullet	2027	**994,816**	995,055	General corporate purposes
Term loan 31	AED	Unsecured	Revolving	2027	**497,907**	497,560	General corporate purposes
Term loan 32	AED	Unsecured	Bullet	2027	**398,356**	398,055	General corporate purposes
Term loan 33	AED	Corporate guarantee	Monthly	2026	**35,512**	38,324	Project financing
Term loan 34	AED	Commercial property	Bullet	2023	**499,625**	499,555	General corporate purposes
Term loan 35	AED	Mortgage of equipment and vehicles	Various	Various	**70,057**	5,924	Vehicles finance
Term loan 36	AED	Mortgage of equipment and vehicles	Various	Various	**14,886**	20,501	Vehicles finance
Term loan 37	AED	Mortgage of property	Quarterly	2025	**41,395**	59,395	Construction of accommodation building
Term loan 38	EGP	Mortgage of property	Quarterly	2030	**54,671**	-	Project financing
Term loan 39	AED	Unsecured	Quarterly	2029	**498,625**	-	General corporate purposes
Term loan 40	AED	Pledge of financial instruments having fair value of AED 5.8 billion	Half in 3 years and rest in 5 years	2028	**1,305,000**	-	Investment purpose
Term loan 41	EGP	Secured against cash deposit	Monthly	2023	**239**	-	General corporate purposes
Term loan 42	AED	Unsecured	Bullet	2029	**(2,440)**	-	General corporate purposes
Term loan 43	EUR	Unsecured	Bullet	2023	**428**	-	General corporate purposes
Term loan 44	AED	Mortgage of equipment and vehicles	Monthly	2023	**396**	-	Vehicles finance
Term loan 45	AED	Mortgage of equipment and vehicles	Monthly	Various	**356**	-	Vehicles finance
Bank overdrafts	AED	Partially secured against approved payment certificates and invoices	-	-	**13,718**	20,520	Working capital
					15,396,854	14,515,560	

Note: The above borrowing facilities carry interest at market rates.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

18 Non-convertible sukuk

	30 September 2023 (unaudited) ---------- AED '000 ----------				31 December 2022 (audited) AED '000
	Sukuk No.1	**Sukuk No.2**	**Sukuk No.3**	**Total**	Total
At the beginning of the period / year	1,847,444	1,834,472	-	**3,681,916**	-
Issued during the period / year	-	-	1,836,250	**1,836,250**	-
Additions due to acquisition of a subsidiary	-	-	-	-	3,732,381
Accrued profits	50,640	41,511	31,580	**123,731**	99,682
Amortisation of issue costs	3,526	4,347	427	**8,300**	4,860
Other movements	-	-	(35,069)	**(35,069)**	(59,541)
Less: Paid	(73,179)	(23,924)	-	**(97,103)**	(95,466)
At the end of the period / year	1,828,431	1,856,406	1,833,188	**5,518,025**	3,681,916

Sukuks are classified as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Non-current	**5,454,292**	3,644,812
Current	**63,733**	37,104
	5,518,025	3,681,916

Sukuk No.1

The Group has issued a non-convertible sukuk ("Sukuk No. 1") for a total value of AED 1,836,750 thousand (USD 500,000 thousand). Sukuk No. 1 has a profit rate of 4.750% per annum payable semi-annually and is due for repayment in September 2025.

Sukuk No.2

The Group has also issued a non-convertible sukuk ("Sukuk No. 2") for a total value of AED 1,836,750 thousand (USD 500,000 thousand). Sukuk No. 2 has a profit rate of 3.875% per annum payable semi-annually and is due for repayment in October 2029.

Sukuk No.3

During the period, the Group has issued a non-convertible sukuk ("Sukuk No. 3") for a total value of AED1,836,250 thousand (USD 500,000 thousand). Sukuk No. 3 has a profit rate of 4.875% per annum payable semi-annually and is due for repayment in May 2033.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

19 Contract liabilities

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Amounts related to construction contracts	**5,548,780**	2,901,142
Amounts related to insurance contracts	**-**	2,500,381
Amounts received in advances from customers	**3,830,230**	4,538,544
	9,379,010	9,940,067

Amounts related to construction contracts include amounts payable to related parties amounting to AED 15.9 million (2022: AED 23.9 million) [Note 13].

20 Trade and other payables

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Accruals and other payables	**17,723,667**	14,819,787
Trade payables	**3,107,458**	3,730,956
Retention payables	**3,103,238**	2,382,564
Project related accruals and provisions	**1,621,940**	1,872,569
Government funded programs payables	**-**	1,870,022
Finance cost payable	**182,422**	207,284
Dividend payables	**18,360**	109,534
Derivative financial instruments	**29,497**	50,171
Deferred tax liabilities	**456,138**	-
Deferred government grant	**-**	42,143
Insurance and reinsurance payables	**-**	698,104
	26,242,720	25,783,134

Allocation of total trade and other payables into current and non-current is as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Non-current	**5,563,489**	1,698,307
Current	**20,679,231**	24,084,827
	26,242,720	25,783,134

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

21 Revenue

The breakdown of the Group's revenue is as follows:

	9 months ended 30 September		3 months ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Revenue by activity:				
Commercial and industrial services	**11,038,683**	6,072,317	**4,274,015**	2,534,157
Real estate development and sales	**6,437,682**	3,003,331	**2,149,889**	1,448,089
Construction contracts	**5,706,846**	4,928,968	**2,037,419**	1,646,879
Management and related services	**3,297,116**	2,900,737	**1,260,481**	1,248,849
Medical and related services	**2,571,607**	8,117,548	-	1,995,445
Insurance and related services	**1,466,282**	-	-	-
Sale of goods and others	**1,893,726**	1,607,043	**549,239**	627,729
	32,411,942	26,629,944	**10,271,043**	9,501,148
Timing of revenue recognition:				
Revenue over time	**27,122,184**	16,882,289	**9,405,799**	6,740,973
Revenue at a point in time	**5,289,758**	9,747,655	**865,244**	2,760,175
	32,411,942	26,629,944	**10,271,043**	9,501,148
Geographical markets:				
UAE	**29,230,659**	23,183,762	**9,022,754**	8,156,098
Outside the UAE	**3,181,283**	3,446,182	**1,248,289**	1,345,050
	32,411,942	26,629,944	**10,271,043**	9,501,148

The transaction price allocated to (partially) unsatisfied performance obligations at 30 September 2023 and 2022 are as set out below.

	9 months ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000
Unsatisfied performance obligations		
Commercial and industrial services	**49,700,000**	27,057,000
Real estate development and sales	**29,106,281**	14,492,461
Construction contracts	**15,925,176**	13,684,625
Management and related services	**5,401,293**	6,308,957
Medical and related services	-	18,245,250
	100,132,750	79,788,293

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

22 Other income / (loss)

The breakdown of the Group's other income / (loss) is as follows:

	9 months ended 30 September		3 months ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Dividend income	**56,428**	308,345	**10,612**	56,684
Profit for the period from discontinued operations (Note 28)	**-**	126,456	**-**	-
Gain on bargain purchase of an associate (Note 9)	**100,080**	-	**24,608**	-
Gain on bargain purchase of a subsidiary (Note 25)	**-**	9,732	**-**	628
Recovery of doubtful receivables	**65**	143,182	**60**	78,436
Others	**683,063**	476,366	**296,245**	(169,158)
	839,636	1,064,081	**331,525**	(33,410)

23 Government grant

The breakdown of the Group's government grant is as follows:

	9 months ended 30 September		3 months ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Government grant	**330,767**	-	**-**	-

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

24 Business combinations under common control

Transfers during the prior period

During the period ended 30 September 2022, the ownership interests of the following entities, along with their subsidiaries, was transferred to the Group. Each of the transfer was accounted for as a business combination under common control.

Name of subsidiary	Date of Acquisition	Proportion of effective equity acquired %	Principal activity
W Solar Investment LLC ('W Solar')	1 January 2022	75%	Clean energy business
Yas Clinic Group Sole Proprietorship LLC ('Yas Clinic')	1 January 2022	70.83%	Hospital management services
Abu Dhabi Stem Cells Center – Sole Proprietor LLC ('ADSCC')	1 January 2022	70.83%	Healthcare provider
Tamouh Healthcare LLC ('Tamouh')	1 January 2022	70.83%	Healthcare provider
Enigma Commercial Investment - Sole Proprietorship L.L.C.	5 May 2022	100%	Investment holding

Details of the assets and liabilities recognised at the date of transfer of ownership are as follows:

	W Solar AED '000	Yas Clinic AED '000	ADSCC AED '000	Tamouh AED '000	Total AED '000
Non-current assets					
Property, plant and equipment	-	380,985	60,306	468	441,759
Intangible assets	-	5,749	874	-	6,623
Right-of-use assets	-	17,752	1,437	-	19,189
	-	404,486	62,617	468	467,571
Current assets					
Inventories	-	7,433	1,280	-	8,713
Contract assets	-	-	-	6,209	6,209
Trade and other receivables	128	1,217,420	82,794	641,576	1,941,918
Due from related parties	300	54,623	-	29,257	84,180
Cash and bank balances	987	20,600	5,079	89,821	116,487
	1,415	1,300,076	89,153	766,863	2,157,507
Total assets	1,415	1,704,562	151,770	767,331	2,625,078

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

24 Business combinations under common control (continued)

	W Solar AED '000	Yas Clinic AED '000	ADSCC AED '000	Tamouh AED '000	Total AED '000
Non-current liabilities					
Lease liabilities	-	18,134	687	-	18,821
Provision for employees' end of service benefits	-	828	693	7,385	8,906
Bank borrowings	-	295,408	-	-	295,408
	-	314,370	1,380	7,385	323,135
Current liabilities					
Lease liabilities	-	766	750	-	1,516
Due to related parties	1,764	-	-	266,813	268,577
Bank borrowings	-	4,592		-	4,592
Trade and accounts payables	-	732,925	43,840	180,145	956,910
	1,764	738,283	44,590	446,958	1,231,595
Total liabilities	1,764	1,052,653	45,970	454,343	1,554,730
Net (liabilities) / assets at the date of transfer	(349)	651,909	105,800	312,988	1,070,348
Less: net assets attributable to non-controlling interests	-	-	-	(70,360)	(70,360)
Net (liabilities) / assets attributable to owners of the Group	(349)	651,909	105,800	242,628	999,988

The assets as on the date of transfer under common control were allocated as follows:

	30 September 2022 (unaudited) AED '000
Merger reserve	708,274
Non-controlling interests	291,714
	999,988

25 Business combinations under IFRS 3

Acquisition during the current period

Mustard & Linen Interior Design Holding Limited ("M&L")

Effective 14 February 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 75 % equity interest in M&L, for a consideration of AED 25 million which was accounted for using the acquisition method under IFRS 3. M&L is a limited liability company, registered and incorporated in the Abu Dhabi Global Market and is engaged in premium interior design business services. From the date of acquisition, M&L contributed revenue and profit to the Group amounting to AED 14,142 thousand and AED 8,992 thousand respectively.

Basatin Holding SPV Ltd. ("Basatin")

Effective 28 May 2023, Aldar Estate Investment – Sole Proprietorship LLC, a subsidiary of the Group acquired a 75 % equity interest in Basatin, for a consideration of AED 138 million which was accounted for using the acquisition method under IFRS 3. Basatin is a limited liability company, registered and incorporated in the Abu Dhabi Global Market and is engaged in landscaping services. From the date of acquisition, Basatin contributed revenue and profit to the Group amounting to AED 119,748 thousand and AED 9,718 thousand respectively.

ADMO Lifestyle Holding Limited ("ADMO")

Effective 1 May 2023, Alpha Dhabi Hospitality LLC, a subsidiary of the Group acquired a 51% equity interest in ADMO, for a consideration of AED 716.5 million which was accounted for using the acquisition method under IFRS 3. ADMO is a limited liability company, registered and incorporated in Abu Dhabi Global Market and is engaged in hotel and restaurant management. From the date of acquisition, ADMO contributed revenue and profit to the Group amounting to AED 59,026 thousand and AED 20,463 thousand respectively.

Eltizam Asset Management Estate - Sole Proprietorship L.L.C. ("Eltizam")

Effective 4 July 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 65% equity interest in Etizam, for a consideration of AED 1,013 million which was accounted for using the acquisition method under IFRS 3. Etizam is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, Etizam contributed revenue and profit to the Group amounting to AED 160,831 thousand and AED 6,877 thousand respectively.

Virginia International Private School - Sole Proprietorship LLC. ("Virginia")

Effective 2 August 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in Virginia, for a consideration of AED 210.5 million which was accounted for using the acquisition method under IFRS 3. Virginia is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in education. From the date of acquisition, Virginia contributed revenue and profit to the Group amounting to AED 7,389 thousand and AED 2,145 thousand respectively.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

25 Business combinations under IFRS 3 (continued)

Kent College LLC - FZ. And Kent Nursery LLC - FZ ("Kent")

Effective 1 September 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in Kent, for a consideration of AED 120 million which was accounted for using the acquisition method under IFRS 3. Kent is a limited liability company, registered and incorporated in Dubai and is engaged in education. From the date of acquisition, Kent contributed revenue and loss to the Group amounting to AED 6,363 thousand and AED 482 thousand respectively.

Mais Interior Design L.L.C. ("Mais")

Effective 15 August 2023, Trojan Construction Group, a subsidiary of the Group acquired a 60% equity interest in Mais, for a consideration of AED 24 million which was accounted for using the acquisition method under IFRS 3. Mais is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in interior designing. From the date of acquisition, Mais contributed revenue and profit to the Group amounting to AED 5,118 and AED 375 thousand respectively.

25 Business combinations under IFRS 3

Identifiable assets acquired and liabilities assumed

The provisional fair values other than ADMO and Virginia, of the identifiable assets and liabilities as at the date of acquisition were as follows:

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'000	Total AED'000
Non-current assets					s				
Property, plant and equipment	5	137	8,337	143,371	12,625	147,106	870	2,656	315,102
Intangible assets	6	-	38,276	947	167,810	13,244	39,904	-	260,181
Right-of-use-assets	8	-	-	67,093	3,057	4,901	410,174	-	485,225
Investment in associates and joint ventures	9	-	-	309,569	-	-	-	-	309,569
Deferred tax assets		-	-	552	-	-	-	-	552
		137	46,613	521,532	183,492	165,251	450,948	2,656	1,370,629
Current assets									
Contract assets		-	20,638	-	12,700	-	-	19,002	52,340
Trade and other receivables		771	65,197	93,131	383,658	10,609	12,500	32,272	598,138
Inventories		-	1,376	4,818	5,813	1,003	-	1,011	14,021
Due from a related party		1	-	243,953	-	-	-	-	243,954
Cash and bank balances		1,781	36,960	115,864	75,075	4,991	5,037	3,604	243,312
		2,553	124,171	457,766	477,246	16,603	17,537	55,889	1,151,765
Total assets		2,690	170,784	979,298	660,738	181,854	468,485	58,545	2,522,394

25 Business combinations under IFRS 3 (continued)

Identifiable assets acquired and liabilities assumed (continued)

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'000	Total AED'000
Non-current liabilities									
Lease liabilities	8	-	-	64,509	1,447	5,314	396,453	-	**467,723**
Provision for employees' end of service benefits	16	701	5,245	-	28,096	1,142	3,474	1,921	**40,579**
Trade and other payables				1,284	11,800	1,195	3,591	-	**17,870**
		701	5,245	65,793	41,343	7,651	403,518	1,921	**526,172**
Current liabilities									
Lease liabilities	8	-	-	2,584	2,413	-	14,553	-	**19,550**
Bank borrowings	17	-	-	445	-	-	-	752	**1,197**
Due to related parties		-	-	22,204	-	-	-	-	**22,204**
Trade and other payables		1,673	73,225	57,916	236,887	1,721	4,881	21,715	**398,018**
Contract liabilities		-	1,842	-	552	10,897	14,650		**27,941**
		1,673	75,067	83,149	239,852	12,618	34,084	22,467	**468,910**
Total liabilities		2,374	80,312	148,942	281,195	20,269	437,602	24,388	**995,082**

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

25 Business combinations under IFRS 3 (continued)

Identifiable assets acquired and liabilities assumed (continued)

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'00	Total AED'000
Net assets acquired		316	90,472	830,356	379,543	161,585	30,883	34,157	**1,527,312**
Less: non-controlling interests		-	-	(31,638)	(4,230)	-	-	-	**(35,868)**
Proportionate share of identifiable net assets acquired		316	90,472	798,718	375,313	161,585	30,883	34,157	**1,491,444**
Less: Additional non-controlling interests at group level		(79)	(22,618)	(391,372)	-	-	-	(13,663)	**(427,732)**
Purchase consideration		(25,000)	(138,822)	(716,466)	-	(210,509)	(120,000)	(24,000)	**(1,234,797)**
Goodwill	7	24,763	70,968	309,120	637,687	48,924	89,117	3,506	**1,184,085**
Additional contribution through a subsidiary		-	-	-	1,013,000	-	-	-	**1,013,000**

Non-controlling interests on the date of transfer under business combinations are allocated as:

	30 September 2023 (unaudited) AED '000
Non-controlling interests on acquisition	**35,868**
Additional non-controlling interests at Group level	**427,732**
	463,600

Note: The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation ('PPA') within twelve months from the date of acquisition in accordance with the requirements of IFRS 3.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

25 Business combinations under IFRS 3 (continued)

Additional contribution through a subsidiary is allocated as:

	30 September 2023 (unaudited) AED '000
Retained earnings	**208,617**
Non-controlling interests	**804,383**
	1,013,000

Following are the subsidiaries which the Group controls through its partially owned subsidiary ADMO.

Sr. no.	Name of subsidiary	Percentage of ownership	Country of incorporation	Principal activities
1	ADMO One Holding Limited	100%	United Arab Emirates	Holding company
2	Nammos Holding STA Ltd	62.47%	Cyprus	Holding company
3	MRINLON2SUB Ltd	62.47%	Cyprus	Holding company
4	Nammos Restaurant London Limited	62.47%	United Kingdom	Restaurant
5	Nammos Restaruant LLC	62.47%	United Arab Emirates	Restaurant
6	ADMO Hospitality Holding Limited	100%	United Arab Emirates	Holding company
7	Mystic Quartz Resorts Ltd	100%	Cyprus	Holding company
8	Monte London Limited	100%	United Kingdom	Hospitality
9	Damesin LTD	100%	Cyprus	Holding company
10	Benestar SA	100%	Greece	Hospitality
11	ADMO Hotel Management Holding Limited	100%	United Arab Emirates	Hotel management

Further these interim condensed consolidated financial statements include the following associates through the acquisition of ADMO and their effective ownership as at 30 September 2023 are listed below:

Sr. no.	Name of associate	Percentage of ownership	Country of incorporation	Principal activities
1	WISY Holding Cyprus Ltd	44.40%	Cyprus	Holding company
2	Nammos World SARL	44.40%	Monaco	Holding company
3	WISY Management Cyprus Ltd	44.40%	Cyprus	Holding company

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

25 Business combinations under IFRS 3 (continued)

Following are the subsidiaries which the Group controls through its partially owned subsidiary Eltizam.

Sr. no.	Name of subsidiary	Percentage of ownership	Country of incorporation	Principal activities
1	Inspire Integrated Facilities Management LLC	100%	United Arab Emirates	Facilities management
2	800TEK Facilities Management LLC	100%	United Arab Emirates	Facilities management
3	Kingfield Communities Management LLC (formerly Three Sixty Communities Estate LLC)	100%	United Arab Emirates	Property and communities' management
4	Three 60 Communities Management for Owners Associations LLC	100%	United Arab Emirates	Owners' association management
5	OrionTek Innovations LLC	100%	United Arab Emirates	Technology systems development and Utilities billing
6	OrionTek Innovations for Technology Services	60%	Egypt	Technology systems development and utilities billing
7	Inspire Building Management Services LLC	100%	United Arab Emirates	Facilities management
8	Omnius Estate Services - Sole Proprietorship LLC	100%	United Arab Emirates	Property management and real estate brokerage
9	Omnius Real Estate Brokerage - Sole Establishment LLC	100%	United Arab Emirates	Property management and real estate brokerage
10	Kingfield Community Management Co LLC - Oman (formerly "Three Sixty Communities Estate LLC - Oman")	70%	Oman	Property and community management
11	Three Sixty Communities Estate Services	60%	Egypt	Property and community management
12	Inspire Facilities Management Co LLC - Oman (formerly "Tafawuq Facilities Management Co LLC-Oman")	70%	Oman	Facilities management
13	Inspire For Facilities Management Services Egypt - Inspire Egypt (formerly "Tafawuq For Facilities Management Services Egypt - Tafawuq Egypt")	60%	Egypt	Facilities management

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

25 Business combinations under IFRS 3 (continued)

Sr. no.	Name of subsidiary	Percentage of ownership	Country of incorporation	Principal activities
14	Fixis Technical Services LLC	100%	United Arab Emirates	Facilities management
15	Kingfield Owners Association Management Services	100%	United Arab Emirates	Owners' association management
16	LITE Consulting and Developments LLC	100%	United Arab Emirates	Consultancy project development and real estate enterprises investment
17	Teslam Asset Management Estate LLC (formerly SimmaTek Energy LLC)	100%	United Arab Emirates	Project management and energy services
18	IFM Holdings Limited	100%	United Arab Emirates	Special purpose vehicle
19	East-O Holdings Limited	100%	United Arab Emirates	Special purpose vehicle
20	IREC Holdings Limited	100%	United Arab Emirates	Special purpose vehicle
21	EAMG Services Holdings Limited	100%	United Arab Emirates	Special purpose vehicle
22	Data Intelligence Technology Consultancy LLC (formerly "OS Orion Security Surveillance Systems")	100%	United Kingdom	Security and surveillance systems
23	Orion Systems Integrators Limited	100%	United Kingdom	Security and surveillance systems
24	Inspire Integmted Solutions Holding Ltd	100%	United Arab Emirates	Facility and property management services
25	Inspire Integrated Solutions Ltd	100%	United Arab Emirates	Building maintenance and real estate management
26	Inspire Integrated Services LLC (AD)	100%	United Arab Emirates	Facility management
27	Inspire Integrated Services LLC (DXB)	100%	United Arab Emirates	Facility management
28	Falcon Investments LLC	90%	United Arab Emirates	Property management, leasing and consultancy services

25 Business combinations under IFRS 3 (continued)

Sr. no.	Name of subsidiary	Percentage of ownership	Country of incorporation	Principal activities
29	MENA Real Estate Solutions LLC	100%	United Arab Emirates	Real estate brokerage and leasing and management of properties
30	Royal Ambian Management Consultancy - Sole Proprietorship LLC	100%	United Arab Emirates	Cost control and risk management services
31	National Investor Property Management LLC	100%	United Arab Emirates	Real estate consultancy
32	Professional Realtors Company LLC	100%	Kingdom of Saudi Arabia	Administrative consulting services and market research
33	Enterprise Solutions Company for Professional Consulting LLC	75%	Kingdom of Saudi Arabia	Provision of professional advisory services
34	Colliers Intemational Property Consultancy Services PJSC	99.90%	Egypt	Feasibility and consulting services
35	Colliers International Property Services Doha WLL	49%	Qatar	Provision of professional advisory services

Acquisition during the prior period

GenQore Drug store LLC ("GenQore")

Effective 1 February 2022, Pure Health Holding, a subsidiary of the Group acquired a 90% equity interest in GenQore, for a consideration of AED 1 which was accounted for using the acquisition method under IFRS 3. GenQore is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in trading of cosmetic and medical related items.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

25 Business combinations under IFRS 3 (continued)

Acquisition during the prior period (continued)

Aldar Properties PJSC ("Aldar")

Effective 11 April 2022, Alpha Dhabi Partners LLC, a subsidiary of the Group acquired another 2% ownership interest in Aldar. As a result, the Group was able to appoint four out of the seven board members at the annual general meeting held on 11 April 2022, giving the Group control over Aldar. Accordingly, this has been treated as a step acquisition under IFRS 3 and the investment in Aldar has been derecognised as an investment in an associate and has instead been consolidated as a subsidiary under IFRS 10.

Aldar is a company registered and incorporated in the Emirate of Abu Dhabi and is engaged in various businesses primarily the development, sales, investment, construction, leasing, management and associated services for real estate. From the date of acquisition, Aldar contributed revenue and income to the Group amounting to AED 5,383 million and AED 1,443 million respectively.

Al Shohub Private School LLC ("Al Shohub")

Effective 20 January 2022, Aldar Education – Sole Proprietorship LLC, a subsidiary of the Group signed an agreement to purchase Al Shohub, a limited liability company registered in Abu Dhabi, United Arab Emirates for a total consideration of AED 72 million. On 1 June 2022, the transaction was completed and is therefore the date on which the Group acquired control over Al Shohub.

Twafq Projects Development Property LLC ("Twafq")

Effective 18 April 2022, Aldar Logistic Holding LLC, a subsidiary of the Group signed an agreement for the acquisition of 70% of Twafq for a consideration of AED 331 million. Twafq is incorporated in Abu Dhabi, UAE and is involved in the development, investment, and management of industrial real estate. From the date of acquisition, Twafq contributed revenue of AED 30.4 million and net profit of AED 20.9 million towards the operations of the Group.

Spark Security Services

Effective 1 September 2022, Khidmah – Sole Proprietorship LLC, a subsidiary of the Group acquired 100% shares of Spark Securities Services Sole Proprietorship LLC, Abu Dhabi and Spark Securities Services-LLC, Dubai (together referred to as "Spark") for a consideration of AED 120 million. Spark provides a comprehensive range of security solutions to both commercial and residential clients in the UAE.

Mace Macro Technical Services LLC ("Mace")
Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary of the Group acquired 100% shares of Mace for a consideration of AED 4.4 million. Mace is incorporated in Dubai, UAE and is involved in facilities management services.

Pactive Sustainable Solutions LLC ("Pactive")

Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary of the Group acquired 100% shares of Pactive for a consideration of AED 10 million. Pactive is incorporated in Abu Dhabi, UAE and specializes in energy management, energy performance contracts and buildings automation and control systems.

25 Business combinations under IFRS 3 (continued)

Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were as follows:

	Aldar AED'000	Al Shohub AED'000	Twafq AED'000	Spark AED'000	Others AED'000	Total AED'000
Non-current assets						
Property, plant and equipment	3,533,403	71,694	2,447	12,756	85	3,620,385
Intangible assets	174,776	1,483	-	27,948	11,118	215,325
Goodwill	96,226	-	-	-	-	96,226
Investment properties	17,915,386		584,495	-	-	18,499,881
Right-of-use-assets	379,596	2,360	113,034	-	-	494,990
Investment in associates and joint ventures	108,582	-	-	-	-	108,582
Investment in financial assets	45,972	-	-	-	-	45,972
Deferred tax assets	34,510	-	-	-	-	34,510
Trade and other receivables	518,521	-	-	-	-	518,521
	22,806,972	75,537	699,976	40,704	11,203	23,634,392
Current assets						
Investment in financial assets	142,801	-	-	-	-	142,801
Contract assets	221,056	-	-	-	-	221,056
Trade and other receivables	7,549,106	2,158	5,404	98,945	11,034	7,666,647
Inventories	6,447,912	-	-	485	-	6,448,397
Development work-in-progress	3,547,814	-	-	-	-	3,547,814
Due from related parties	-	1,821	31,945	181	-	33,947
Cash and bank balances	9,060,667	-	-	17,072	1,578	9,079,317
	26,969,356	3,979	37,349	116,683	12,612	27,139,979
Total assets	49,776,328	79,516	737,325	157,387	23,815	50,774,371

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

25 Business combinations under IFRS 3 (continued)

Identifiable assets acquired and liabilities assumed (continued)

	Aldar AED'000	Al Shohub AED'000	Twafq AED'000	Spark AED'000	Others AED'000	Total AED'000
Non-current liabilities						
Lease liabilities	315,582	2,370	128,714	965	-	447,631
Provision for employees' end of service benefits	241,812	1,246	1,411	36,977	1,178	282,624
Bank borrowings	4,218,570	-	86,137	-	-	4,304,707
Non-convertible sukuk	3,639,951	-	-	-	-	3,639,951
Trade and other payables	1,914,385	-	-	-	-	1,914,385
	10,330,300	3,616	216,262	37,942	1,178	10,589,298
Current liabilities						
Lease liabilities	55,657	187	4,724	461	-	61,029
Due to related parties	-	-	-	232	81	313
Bank borrowings	36,823	-	16,218	-	-	53,041
Non-convertible sukuk	32,889	-	-	-	-	32,889
Trade and other payables	7,840,957	12,624	9,536	35,436	10,167	7,908,720
Contract liabilities	2,313,004	-	8,576	-	-	2,321,580
	10,279,330	12,811	39,054	36,129	10,248	10,377,572
Total liabilities	20,609,630	16,427	255,316	74,071	11,426	20,966,870
Net assets acquired	29,166,698	63,089	482,009	83,316	12,389	29,807,501
Less: non-controlling interests	(641,298)	-	(141,871)	-	29	(783,140)
hybrid equity instruments	(1,126,639)	-	-	-	-	(1,126,639)
Proportionate share of identifiable net assets acquired	27,398,761	63,089	340,138	83,316	12,418	27,897,722
Less: Additional non-controlling interests at group level	(18,727,252)	-	-	-	-	(18,727,252)
Purchase consideration	(12,865,365)	(72,210)	(331,034)	(120,019)	(14,400)	(13,403,028)
Goodwill*	4,193,856	9,121	-	36,703	2,610	4,242,290
Gain on bargain purchase	-	-	9,104	-	628	9,732

* The goodwill amounting to AED 265 thousand from GenQore was impaired during the period ended 30 September 2022.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

25 Business combinations under IFRS 3 (continued)

Non-controlling interests on the date of transfer under business combinations are allocated as:

	30 September 2022 (unaudited) AED '000
Non-controlling interests on acquisition	783,140
Additional non-controlling interests at Group level	18,727,252
	19,510,392

26 Group's reorganisations

a) On 1 January 2022, the Group transferred its ownership interest in Pure Health Medical Services LLC ('PHMS') to PHH, an investment holding company registered as a limited liability company in United Arab Emirates. As a result of this transaction, the Group's ownership in PHMS was reduced from 63% to 51.71% and an amount of AED 59.7 million and AED 450.2 million was transferred from the retained earnings and merger reserve, respectively, to non-controlling interests during the year ended 31 December 2022.

Merger reserves transfer are as follows:

	PHMS
31 December 2022	
Reduction in shareholding (%)	11.29%
Carrying value of the shareholding (AED'000)	509,907
Difference recognised directly in	
Retained earnings (AED'000)	59,648
Merger reserves (AED'000)	450,259

b) During the prior year, an additional 2% ownership interest in Aldar was transferred by related parties under common control without consideration and was treated as an additional contribution by the ultimate parent company, Accordingly, it was recorded at the fair value of AED 754,820 thousand as an investment in a subsidiary with the corresponding amount accounted for in merger reserve.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

26 Group's reorganisations (continued)

c) The Group holds 38.95% of PHH. On 30 March 2023, the shareholders of PHH amended shareholders' agreement, pursuant of which shareholder resolutions, which earlier required approval from majority of shareholders, has been amended to unanimous approval. As a result, the Group lost control over PHH and accordingly derecognised carrying value of assets and liabilities of PHH and recognised its interest as an investment in a joint venture at fair value.

The fair value of the retained interest in PHH was determined by a third-party valuation expert at 100% equity stake valued based on a sum of the parts ("SOTP") approach using the discounted cash flow ("DCF") methodology under the income approach as primary valuation methodology to arrive at the enterprise value of each business. The significant assumptions used in the fair value calculation include a discount rate of 9.5% to 15.2% and a terminal growth rate of 3%.

During the period, the Group completed the purchase price allocation ('PPA') of the investment and recognised an additional gain of AED 894,703 thousand (30 September 2022: Nil) for the period ended 30 September 2023. The resultant goodwill is based on the fair value of retained interest.

The carrying value of the assets and liabilities of PHH derecognised are as follows:

	Notes	30 September 2023 (unaudited) AED '000
Non-current assets		
Property, plant and equipment	5	**1,779,997**
Intangible assets	6	**3,134,440**
Goodwill	7	**1,342,106**
Right-of-use assets		**1,425,275**
Investment in associates and joint ventures	9	**46,273**
Investment properties		**3,145**
Investment in financial assets		**238,433**
Trade and other receivables		**4,757**
		7,974,426
Current assets		
Inventories		**544,640**
Due from related parties		**172,439**
Trade and other receivables		**7,944,436**
Investment in financial assets		**343,085**
Contract assets		**1,986,334**
Cash and bank balances		**5,497,768**
		16,488,702
Total assets		**24,463,128**

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

26 Group's reorgansations (continued)

	Notes	30 September 2023 (unaudited) AED '000
Non-current liabilities		
Provision for employees' end of service benefits	16	**1,541,480**
Bank borrowings	17	**288,358**
Lease liabilities		**1,409,841**
Trade and other payables		**103,019**
		3,342,698
Current liabilities		
Lease liabilities		**144,498**
Due to related parties		**1,008,357**
Contract liabilities		**2,269,070**
Bank borrowings	17	**4,773**
Trade and other payables		**6,133,333**
		9,560,031
Total liabilities		**12,902,729**
Net asset directly associated with derecognition of a subsidiary		**11,560,399**
Less: net assets attributable to non-controlling interests		**(7,059,849)**
Net assets attributable to owners of the Company		**4,500,550**
Less: fair value of retained interest	9	**(11,957,944)**
Gain on derecognition		**(7,457,394)**

d) During the prior year, a Group entity entered into a subscription agreement with an investor to acquire common equity of AED 367 million (USD 100 million) and preferred equity of AED 1,102 million (USD 300 million) of the Group entity. The preferred equity provides a fixed return for three years, following which it mandatorily converts into a fixed number of common shares. The above resulted in the Group disposing 11.121% of its shareholding in that entity for a total cash consideration of AED 1,469 million (USD 400 million). The above transaction does not result in any loss of control and hence is accounted for as an equity transaction.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

26 Group's reorgansations (continued)

During the prior year, the Group established a wholly owned subsidiary with its equity split into Class A shares (51%) and Class B shares (49%). Subsequent to its establishment the Group disposed its Class B shares against a consideration of AED 1,836 million (USD 500 million) to AHSPV, a wholly owned subsidiaries of Apollo Capital Management L.P.

	AIHR	AHSPV	Total
30 September 2022 (unaudited)			
Reduction in shareholding (%)	11.12%	49.00%	
Carrying value of the shareholding disposed-off (AED' 000)	1,489,822	1,813,878	3,303,700
Add: transaction costs paid (AED' 000)	10,536	36,495	47,031
Less: consideration (AED' 000)	(1,469,000)	(1,836,250)	(3,305,250)
Difference recognised in retained earnings (AED'000)	31,358	14,123	45,481

e) On 1 July 2023, the Group reduced its ownership in Aldar Estate Holding Limited ('AEHL') from 32% to 21% and an amount of AED 102 million was transferred to non-controlling interests from retained earnings during the period ended 30 September 2022.

	AEHL
30 September 2023 (unaudited)	
Reduction in shareholding (%)	**11.04%**
Carrying value of the shareholding (AED'000)	**921,888**
Difference recognised directly retained earnings (AED'000)	**101,780**

f) During the year, the Group acquired 25% additional ownership interest in W Solar Investment LLC for no consideration. As a result, the loss of AED 571 thousand (2022: Nil) was transferred from non-controlling interests to retained earnings in the period ended 30 September 2023.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

27 Contingent liabilities and commitments

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Letter of guarantees	**24,722,372**	18,650,662
Letters of credit	**1,030,223**	1,047,577
Capital commitments	**50,876,169**	36,624,017
Purchase commitments	**5,300,649**	4,537,861
Operating lease commitments	**7,611,887**	6,823,781

The above bank guarantees, and letters of credit are issued in the normal course of business.

Operating lease commitments of the group as a lessor

The future minimum rental receivables under non-cancellable operating leases contracted are as follows:

	30 September 2023 (unaudited) AED '000	31 December 2022 (audited) AED '000
Within one year	**1,525,380**	1,384,743
In the second to fifth year	**3,888,271**	3,403,562
After five years	**2,198,236**	2,035,476
	7,611,887	6,823,781

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

28 Discontinued operations

Discontinued operations in the prior period

On 1 April 2022, the Group sold its interests in two of its partially owned subsidiaries in separate transactions. Both deals were completed and classified as discontinued operations as at 30 September 2022.

The combined net assets of the entities sold were as follows:

	Note	30 September 2022 (unaudited) AED '000
Total assets		
Property, plant and equipment		2,061
Right-of-use assets		1,070
Inventories		523
Trade and other receivables		173,670
Due from related parties		7,035
Cash and bank balances		10,676
		195,035
Total liabilities		
Bank borrowings	17	3,429
Lease liabilities		1,133
Provision for employees' end of service benefits		1,751
Due to related parties		101,416
Trade and other payables		96,432
		204,161
Net liabilities directly associated with disposed group		(9,126)
Add: net liabilities attributable to non-controlling interests		2,311
Net liabilities attributable to owners of the Group		(6,815)
Less: consideration received		116,300
Gain on disposal		123,115

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

28 Discontinued operations (continued)

Discontinued operations in the prior period (continued)

The results of the discontinued operations, which have been included in the profit for the prior period, were as follows:

	9 months ended 30 September		3 months ended 30 September	
	2023 (unaudited) AED '000	2022 (unaudited) AED '000	**2023 (unaudited) AED '000**	2022 (unaudited) AED '000
Revenue	-	93,121	-	-
Direct costs	-	(70,483)	-	-
General, administrative and selling expenses	-	(7,648)	-	-
Investment and other income		8	-	-
Finance costs	-	(6,319)	-	-
Profit / (loss) from operations	-	8,679	-	-
Gain on disposal of investment	-	123,115	-	-
Less: inter-company eliminations	-	(5,338)	-	-
Gain / (loss) attributable to discontinued operations	-	126,456	-	-

29 Segment information

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of financial performance and internal reports about components of the Group in order to allocate resources to the segment and to assess its performance. For operating purposes, the Group is organised into the following business segments or revenue streams:

(i) Industrial, which relates to the providing of dredging and associated land reclamation works;
(ii) Construction, which provides contracting services relating to commercial and residential buildings, infrastructure development and civil construction works;
(iii) Real estate, which includes development of properties, rental income from properties and income from investment in real estate companies or sale of real estate;
(iv) Healthcare, which includes hospital and medical laboratory management services and laboratory diagnostic services; and
(v) Services and others which mainly comprise management services, hospitality income, education services, investments as well as a variety of smaller ancillary activities.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

29 Segment information (continued)

The following table presents revenue and profit information for the Group's operating segments:

	Real estate AED '000	Industrial AED '000	Healthcare AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
For the period ended 30 September 2023							
External sales	7,303,460	11,067,506	2,732,940	5,944,490	5,363,546	-	**32,411,942**
Inter-segment sales	219,196	-	-	281,929	231,021	(732,146)	**-**
Total revenue	7,522,656	11,067,506	2,732,940	6,226,419	5,594,567	(732,146)	**32,411,942**
Segment gross profit	2,742,851	1,383,961	608,795	469,865	1,615,006	(159,387)	**6,661,091**
General, administrative, and selling expenses	(742,785)	(166,018)	(974,697)	(98,024)	(1,097,382)	217,144	**(2,861,762)**
Share of results of associates and joint ventures	12,184	43,054	318,634	(846)	79,883	-	**452,909**
(Impairment) / reversal of impairment of financial and other assets	(23,395)	16,175	(18,791)	(58,531)	(425,781)	-	**(510,323)**
Other income / (loss)	238,261	249,723	(1,772)	52,009	1,036,286	(734,871)	**839,636**
Government grant income	-	-	330,767	-	-	-	**330,767**
Gain on derecognition of a subsidiary	-	-	-	-	7,457,394	-	**7,457,394**
Gain on derecognition and partial disposal of investment in associates and joint ventures	-	-	-	-	-	-	-
Finance costs, net	(145,308)	2,578	(18,076)	11,011	(138,665)	12,512	**(275,948)**
Profit before tax	2,081,808	1,529,473	244,860	375,484	8,526,741	(664,602)	**12,093,764**
Income tax	(377,369)	(16,888)	-	-	(57,873)	-	**(452,130)**
Profit after tax	**1,704,439**	**1,512,585**	**244,860**	**375,484**	**8,468,868**	**(664,602)**	**11,641,634**

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

29 Segment information (continued)

	Real estate AED '000	Industrial AED '000	Healthcare AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
For the period ended 30 September 2022							
External sales	4,362,392	6,163,155	8,333,658	4,901,493	2,869,246	-	26,629,944
Inter-segment sales	44,148	-	-	85,253	96,400	(225,801)	-
Total revenue	4,406,540	6,163,155	8,333,658	4,986,746	2,965,646	(225,801)	26,629,944
Segment gross profit	1,772,422	373,634	3,636,535	364,662	957,018	(43,587)	7,060,684
General, administrative, and selling expenses	(613,701)	(100,799)	(596,481)	(86,791)	(715,772)	49,368	(2,064,176)
Share of results of associates and joint ventures	14,134	3,205	7,991	(37,530)	(161,902)	-	(174,102)
Reversal of impairment / (impairment) of financial and other assets	-	630	(20,485)	375	(248,705)		(268,185)
Other income	36,371	652,895	90,607	56,580	232,648	(5,020)	1,064,081
Government grant income	-	-	-	-	-	-	-
Gain on derecognition of a subsidiary	-	-	-	-	-	-	-
Gain on derecognition and partial disposal of investment in associates and joint ventures	-	-	-	-	3,714,875	-	3,714,875
Finance costs, net	(112,348)	(21,625)	(16,062)	(3,598)	(104,799)	13,549	(244,883)
Profit before tax	1,096,878	907,940	3,102,105	293,698	3,673,363	14,310	9,088,294
Income tax	(14,018)	(34,231)	-	-	(7,960)	-	(56,209)
Profit after tax	1,082,860	873,709	3,102,105	293,698	3,665,403	14,310	9,032,085

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

29 Segment information (continued)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 September 2023.

	Real estate AED'000	Industrial AED'000	Healthcare AED'000	Construction AED'000	Services and other segments AED'000	Eliminations AED'000	Total AED'000
At 30 September 2023 (unaudited)							
Total assets	**74,049,982**	**18,307,924**	**13,331,665**	**9,652,908**	**23,096,833**	**(4,889,247)**	**133,550,065**
Total liabilities	**31,239,326**	**10,422,420**	**22**	**7,435,852**	**14,847,552**	**(4,218,393)**	**59,726,779**
At 31 December 2022 (audited)							
Total assets	56,341,485	16,380,194	20,507,681	6,756,092	37,051,069	(6,007,297)	131,029,224
Total liabilities	24,185,134	9,714,182	8,064,270	5,130,239	19,937,345	(6,040,906)	60,990,264

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

29 Segment information (continued)

The Group has aggregated its geographical segments into UAE and International. UAE segment includes projects in the UAE, while international segment includes operations in Egypt, Kingdom of Saudi Arabia, Bahrain, India, Kuwait, Maldives, Seychelles, East Africa, United Kingdom, Cyprus, Greece, Switzerland, France, and Monaco.

The following table shows the Group's geographical segment analysis:

	UAE **AED '000**	**International** **AED '000**	**Total** **AED '000**
30 September 2023 (unaudited)			
Revenue	**29,230,659**	**3,181,283**	**32,411,942**
Gross profit	**6,168,059**	**493,032**	**6,661,091**
Non-current assets	**62,028,481**	**3,063,869**	**65,092,350**
30 September 2022 (unaudited)			
Revenue	23,183,762	3,446,182	26,629,944
Gross profit	6,552,138	508,546	7,060,684
31 December 2022 (audited)			
Non-current assets	49,395,570	6,750,234	56,145,804

30 Earnings per share

The following reflects the profit and share data used in the earnings per share computations:

	9 months ended 30 September		**3 months ended 30 September**	
	2023 **(unaudited)**	2022 (unaudited)	**2023** **(unaudited)**	2022 (unaudited)
Profit for the period attributable to equity holders of the parent – AED '000	**9,759,187**	6,797,532	**877,667**	454,680
Weighted average number of ordinary shares issued (million)	**10,000**	10,000	**10,000**	10,000
Basic earnings per share (AED)	**0.97**	0.68	**0.08**	0.05

No figure for diluted earnings per share has been presented as the Group has not issued any instruments which would have an impact on earnings per share when exercised.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

31 Fair value of financial assets and liabilities

The Group follows the below hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair value of the Group's assets and liabilities are determined.

	Significant input	**Quoted prices in active markets (Level 1) AED '000**	**Significant observable inputs (Level 2) AED '000**	**Significant unobservable inputs (Level 3) AED '000**	**30 September 2023 Total (unaudited) AED '000**	31 December 2022 Total (audited) AED '000
Financial assets						
Investment in financial assets at FVTPL	None	**2,181,540**	**4,638,294**	-	**6,819,834**	5,330,750
Investment in financial assets at FVTOCI	Net assets value	**1,586**	**293,945**	-	**295,531**	1,095,969
Derivative financial assets	None	-	**34,865**	-	**34,865**	248,792
Financial liabilities						
Derivative financial liabilities	None	-	**29,497**	-	**29,497**	50,171
Non-financial assets						
Biological assets	None	-	-	**19,138**	**19,138**	27,008
Investment properties						
- Plots of land	Comparable transactions. Current market prices of similar assets	-	-	**663,715**	**663,715**	623,715
- Commercial and residential properties	Capitalisation approach, annual market rent, discount rate	-	-	**21,976,393**	**21,976,393**	22,324,005
- Property under construction	Capitalisation of construction costs incurred	-	-	**939,360**	**939,360**	114,763

There were no transfers between the levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 (continued)

32 Seasonality of results

No income of a seasonal nature was recorded in the interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 and 2022.

33 Corporate Income Tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Corporate Tax Law is considered enacted for the period ended 30 September 2023 based on facts, circumstances and recent development in relation to the Cabinet of Minister's Decision No. 116 of 2022.

The Group has recorded deferred income tax expense of AED 370 million (30 September 2022: Nil) for the period ended 30 September 2023 which relates to the initial recognition of a deferred tax liability in respect of PPA adjustments and accounting policy alignments carried on the Group's interim consolidated statement of financial position and attributable to certain UAE-based Group entities. While the PPA adjustments relate to a corporate transaction completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the UAE based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.

34 Events after the reporting period

Subsequent to period end, the Group has entered into the following transactions:

a) Acquisition of 99.1 % stake in L Capital KDT LTD ('L Capital'), a company incorporated in republic of Mauritius for an amount of AED 190 million by ADMO. L Capital is involved in the hospitality business.

b) Acquisition of 35.1 % stake in Em Sherif Holding LTD ('Em Sherif'), a company incorporated in Abu Dhabi, UAE on Abu Dhabi Global Market ('ADGM') for an amount of AED 139 million by ADMO. Em Sherif is involved in the hospitality business.

c) Acquisition of 51 % stake in NTS Middle East FZCO ('NTS'), a company incorporated in Jabel Ali Freezone, UAE for an amount of AED 213 million by ADH Energy RSC Ltd. NTS is involved in cutting-edge manufacturing, repair and rental solutions in oil & gas sector.

35 Approval of interim condensed consolidated financial statements

To the best of our knowledge, the financial information included in these interim condensed consolidated financial statements fairly presents in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented therein. The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 2 November 2023.