

**DAMAC Real Estate Development Limited, DIFC  
Dubai - United Arab Emirates**

**Review report and condensed consolidated  
interim financial information  
for the six month period ended  
30 June 2022**

**DAMAC Real Estate Development Limited, DIFC**

**Review report and condensed consolidated interim financial information (Unaudited)  
for the six month period ended 30 June 2022**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**The Board of Directors  
Damac Real Estate Development Limited, DIFC  
Dubai  
United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Damac Real Estate Development Limited, DIFC** (the “Company”) **and its subsidiaries** (together referred to as the “Group”) as at 30 June 2022 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three month and six month period then ended and the condensed consolidated interim statements of changes in equity and cash flows for the six month period then ended and other explanatory information. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

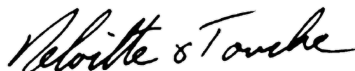
### *Scope of review*

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

### *Conclusion*

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

**Deloitte & Touche (M.E.)**



Akbar Ahmad  
29 August 2022  
Dubai  
United Arab Emirates

**Condensed consolidated interim statement of financial position  
as at 30 June 2022**

	Notes	30 June 2022 AED'000 <i>(Unaudited)</i>	30 June 2022 USD'000 Equivalent <i>(Unaudited)</i>	31 December 2021 AED'000 <i>(Audited)</i>	31 December 2021 USD'000 Equivalent <i>(Audited)</i>
<b>ASSETS</b>					
Cash and bank balances	6	6,721,880	1,829,083	4,120,345	1,121,182
Financial investments	7	504,955	137,403	2,606,169	709,162
Trade and other receivables	8	5,556,399	1,511,945	5,309,737	1,444,827
Development properties	9	10,822,436	2,944,881	8,585,233	2,336,118
Investment in associates	10	-	-	903,926	245,966
Other financial assets	11	546,882	148,811	441,972	120,264
Right-of-use assets	12	124,082	33,764	56,899	15,483
Property and equipment	13	260,099	70,775	129,702	35,293
Investment properties	14	276,592	75,263	164,522	44,768
<b>Total assets</b>		<b>24,813,325</b>	<b>6,751,925</b>	<b>22,318,505</b>	<b>6,073,063</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	16	3,980,025	1,083,000	3,980,025	1,083,000
Statutory reserve		151,883	41,329	151,883	41,329
Fair value reserve		-	-	488,369	132,889
Foreign currency translation reserve		(372,706)	(101,417)	(280,031)	(76,199)
Retained earnings		9,431,871	2,566,496	8,746,873	2,380,102
Equity attributable to owners of the Company		13,191,073	3,589,408	13,087,119	3,561,121
Non-controlling interest	15(b)	352,718	95,978	-	-
<b>Total equity</b>		<b>13,543,791</b>	<b>3,685,386</b>	<b>13,087,119</b>	<b>3,561,121</b>
<b>LIABILITIES</b>					
Trade and other payables	17	3,276,166	891,473	3,129,689	851,616
Advances from customers	18	5,946,348	1,618,054	3,373,313	917,908
Bank borrowings	19	669,362	182,139	124,834	33,969
Sukuk certificates	20	1,216,410	330,996	2,538,433	690,730
Lease liabilities	12	161,248	43,877	65,117	17,719
<b>Total liabilities</b>		<b>11,269,534</b>	<b>3,066,539</b>	<b>9,231,386</b>	<b>2,511,942</b>
<b>Total equity and liabilities</b>		<b>24,813,325</b>	<b>6,751,925</b>	<b>22,318,505</b>	<b>6,073,063</b>

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

The interim financial information was signed on 29 August 2022 by:

  
Chief Executive Officer

  
Director

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of profit or loss (Unaudited)  
for the six month period ended 30 June 2022**

	Notes	Three month period ended 30 June				Six month period ended 30 June			
		2022 (Unaudited) AED'000	2022 (Unaudited) USD'000	2021 (Unaudited) AED'000 Restated	2021 (Unaudited) USD'000 Restated	2022 (Unaudited) AED'000	2022 (Unaudited) USD'000	2021 (Unaudited) AED'000 Restated	2021 (Unaudited) USD'000 Restated
Revenue	22	810,814	220,630	716,530	194,974	1,605,544	436,883	1,359,232	369,859
Cost of sales		(463,353)	(126,082)	(514,774)	(140,075)	(1,015,778)	(276,402)	(1,018,822)	(277,230)
<b>Gross profit</b>		<b>347,461</b>	<b>94,548</b>	201,756	54,899	<b>589,766</b>	<b>160,481</b>	340,410	92,629
Other operating income	23	147,814	40,221	32,360	8,805	453,609	123,431	36,004	9,797
General, administrative and selling expenses	24	(391,432)	(106,512)	(381,477)	(103,803)	(842,584)	(229,274)	(692,719)	(188,495)
Amortisation of right-of-use assets	12	(1,036)	(282)	(690)	(188)	(1,719)	(468)	(1,373)	(374)
Depreciation on property & equipment and investment properties	13,14	(7,837)	(2,133)	(5,640)	(1,535)	(15,119)	(4,114)	(11,330)	(3,083)
Reversal for impairment on development properties -net	9	307,397	83,645	21,191	5,766	307,397	83,645	21,191	5,766
Loss allowance reversal/(charged) on trade receivables	8	25,759	7,009	(26,046)	(7,087)	58,955	16,042	(85,031)	(23,138)
(Loss) / gain on financial investments carried at FVTPL	7(b)	(39,109)	(10,642)	102,050	27,769	(130,405)	(35,484)	175,594	47,781
Other income – net	25	30,722	8,360	28,253	7,688	65,234	17,751	56,535	15,384
Finance income	26	7,258	1,975	1,603	436	11,416	3,106	5,619	1,529
Finance costs	27	(26,809)	(7,295)	(41,546)	(11,305)	(71,225)	(19,381)	(98,045)	(26,679)
Gain on net monetary position	32	64,408	17,526	16,527	4,497	91,030	24,770	54,166	14,739
Foreign exchange loss	32	(29,323)	(7,979)	(99,501)	(27,075)	(23,589)	(6,419)	(99,501)	(27,075)
Share of net loss of associates	10	-	-	(1,678)	(457)	(13,219)	(3,597)	(5,353)	(1,457)
<b>Profit / (loss) before tax</b>		<b>435,273</b>	<b>118,441</b>	(152,838)	(41,590)	<b>479,547</b>	<b>130,489</b>	(303,833)	(82,676)
Income tax expense – overseas		(2,292)	(624)	(48,405)	(13,171)	(2,292)	(624)	(48,405)	(13,171)
<b>Profit / (loss) for the period after tax</b>		<b>432,981</b>	<b>117,817</b>	(201,243)	(54,761)	<b>477,255</b>	<b>129,865</b>	(352,238)	(95,847)
<b>Attributable to:</b>									
Owners of the Company		431,799	117,495	(201,243)	(54,761)	478,372	130,169	(352,238)	(95,847)
Non-controlling interests		1,182	322	-	-	(1,117)	(304)	-	-
		<b>432,981</b>	<b>117,817</b>	(201,243)	(54,761)	<b>477,255</b>	<b>129,865</b>	(352,238)	(95,847)
<b>Earnings / (loss) per share attributable to the owners of the Company:</b>									
Basic and diluted AED / USD	30	0.3987	0.1085	(0.1858)	(0.0506)	0.4417	0.1202	(0.3252)	(0.0885)

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of comprehensive income (Unaudited)  
for the six month period ended 30 June 2022**

Notes	Three month period ended 30 June				Six month period ended 30 June				
	2022 AED'000	2022 USD'000	2021 AED'000 Restated	2021 USD'000 Restated	2022 AED'000	2022 USD'000	2021 AED'000 Restated	2021 USD'000 Restated	
<b>Profit / (loss) for the period</b>	<b>432,981</b>	<b>117,817</b>	(201,243)	(54,761)	<b>477,255</b>	<b>129,865</b>	(352,238)	(95,847)	
<b>Other comprehensive income/(loss):</b>									
<i>Item that will not be reclassified subsequently to profit or loss:</i>									
Fair value (loss) / gain on investment in equity instruments designed at fair value through other comprehensive income (FVTOCI)	7(a)	(72,121)	(19,626)	107,113	29,146	(281,743)	(76,665)	241,225	65,639
<i>Item that may be classified subsequently to profit or loss:</i>									
Foreign exchange differences on translation of financial information of foreign operations		(108,636)	(29,561)	(295,336)	(80,364)	(116,784)	(31,778)	(295,336)	(80,364)
<b>Other comprehensive loss for the period</b>		<b>(180,757)</b>	<b>(49,187)</b>	(188,223)	(51,218)	<b>(398,527)</b>	<b>(108,443)</b>	(54,111)	(14,725)
<b>Total comprehensive income / (loss) for the period</b>		<b>252,224</b>	<b>68,630</b>	(389,466)	(105,979)	<b>78,728</b>	<b>21,422</b>	(406,349)	(110,572)
<b>Total comprehensive income / (loss) attributable to</b>									
Owners of the Company		275,240	74,893	(389,466)	(105,979)	103,954	28,286	(406,349)	(110,572)
Non-controlling interests		(23,016)	(6,263)	-	-	(25,226)	(6,864)	-	-
		<b>252,224</b>	<b>68,630</b>	(389,466)	(105,979)	<b>78,728</b>	<b>21,422</b>	(406,349)	(110,572)

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of changes in equity (Unaudited)  
for the six month period ended 30 June 2022**

	Attributable to the owners of the Company							Total Equity AED'000
	Share capital AED'000	Statutory reserve AED'000	Fair value reserve AED'000	Foreign currency translation reserve AED'000	Retained earnings AED'000	Total AED'000	Non- controlling interest AED'000	
Balance at 1 January 2021	3,980,025	151,883	(43,459)	-	8,900,810	12,989,259	-	12,989,259
Restatement (note 32)	-	-	-	-	458,912	458,912	-	458,912
<b>Balance at 1 January 2021 – restated</b>	<b>3,980,025</b>	<b>151,883</b>	<b>(43,459)</b>	<b>-</b>	<b>9,359,722</b>	<b>13,448,171</b>	<b>-</b>	<b>13,448,171</b>
Hyperinflation impact (note 32)	-	-	-	(295,336)	-	(295,336)	-	(295,336)
Loss for the period	-	-	-	-	(352,238)	(352,238)	-	(352,238)
Other comprehensive income for the period	-	-	241,225	-	-	241,225	-	241,225
<b>Total comprehensive income / (loss) for the period – restated</b>	<b>-</b>	<b>-</b>	<b>241,225</b>	<b>(295,336)</b>	<b>(352,238)</b>	<b>(406,349)</b>	<b>-</b>	<b>(406,349)</b>
Transfer on derecognition of investment at FVTOCI	-	-	84,596	-	(84,596)	-	-	-
<b>Balance at 30 June 2021 – restated</b>	<b>3,980,025</b>	<b>151,883</b>	<b>282,362</b>	<b>(295,336)</b>	<b>8,922,888</b>	<b>13,041,822</b>	<b>-</b>	<b>13,041,822</b>
Balance at 1 January 2022	<b>3,980,025</b>	<b>151,883</b>	<b>488,369</b>	<b>(280,031)</b>	<b>8,746,873</b>	<b>13,087,119</b>	<b>-</b>	<b>13,087,119</b>
Acquisition of additional stake in a subsidiary (note 15)	-	-	-	-	-	-	411,487	411,487
Payment to non-controlling interests	-	-	-	-	-	-	(33,543)	(33,543)
Profit for the period	-	-	-	-	478,372	478,372	(1,117)	477,255
Other comprehensive loss for the period	-	-	(281,743)	(92,675)	-	(374,418)	(24,109)	(398,527)
<b>Total comprehensive income / loss for the period</b>	<b>-</b>	<b>-</b>	<b>(281,743)</b>	<b>(92,675)</b>	<b>478,372</b>	<b>103,954</b>	<b>(25,226)</b>	<b>78,728</b>
Transfer of fair value reserve upon disposal of investments in equity instruments designated at FVTOCI	-	-	(206,626)	-	206,626	-	-	-
<b>Balance at 30 June 2022</b>	<b>3,980,025</b>	<b>151,883</b>	<b>-</b>	<b>(372,706)</b>	<b>9,431,871</b>	<b>13,191,073</b>	<b>352,718</b>	<b>13,543,791</b>

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of cash flows (Unaudited)  
for the six month period ended 30 June 2022**

	<b>Six month period ended 30 June</b>			
	<b>2022</b> AED'000	<b>2022</b> USD'000 Equivalent	2021 AED'000 Restated	2021 USD'000 Equivalent Restated
<b>Cash flows from operating activities</b>				
Profit/(loss) for the period before tax	479,547	130,489	(303,833)	(82,676)
<i>Adjustments for:</i>				
Depreciation on property and equipment and investment properties (notes 13 and 14)	15,119	4,114	11,330	3,083
Amortisation on right-of-use assets (note 12)	1,719	468	1,373	374
Provision for employees' end-of-service indemnity (note 17)	8,984	2,445	5,289	1,439
Amortisation of issue costs on sukuk certificates (note 20)	1,823	496	2,518	685
Reversal for impairment on development properties (note 9)	(307,397)	(83,645)	(21,191)	(5,766)
Loss allowance (reversal)/charged on trade receivables (note 8)	(58,955)	(16,042)	85,031	23,138
Gain on disposal of financial investment at FVTPL [note 7(b)]	(40,977)	(11,150)	(58,812)	(16,003)
Finance costs (note 27)	71,225	19,381	98,045	26,679
Finance income (note 26)	(11,416)	(3,106)	(5,619)	(1,529)
Loss/(gain) on fair value of financial investment at FVTPL [note 7(b)]	171,382	46,635	(116,782)	(31,777)
Gain on net monetary position (note 32)	91,030	24,770	54,166	14,739
Share of net loss of associates (note 10)	13,219	3,597	5,353	1,457
Dividend income (note 25)	(23,765)	(6,467)	(21,722)	(5,911)
Loss on repurchase of sukuk certificates (note 25)	1,171	319	723	197
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>412,709</b>	<b>112,304</b>	<b>(264,131)</b>	<b>(71,871)</b>
(Increase)/decrease in trade and other receivables	(150,036)	(40,826)	1,088,108	296,084
Increase in development properties	(45,516)	(12,385)	(194,473)	(52,918)
Increase in trade and other payables	180,169	49,024	38,824	10,563
Increase in advances from customers	2,209,535	601,234	519,849	141,456
Currency translation adjustment/hyperinflation	30,248	8,231	10,504	2,858
Employee end-of-service indemnity paid (note 17)	(3,657)	(995)	(3,284)	(894)
Income tax paid – overseas	(2,292)	(624)	-	-
<b>Net cash generated from operating activities</b>	<b>2,631,160</b>	<b>715,963</b>	<b>1,195,397</b>	<b>325,278</b>
<b>Cash flows from investing activities</b>				
Purchases of property and equipment (note 13)	(20,279)	(5,518)	(9,121)	(2,482)
Acquisition of financial investment at FVTOCI and FVTPL (note 7)	(254,584)	(69,275)	(2,609,680)	(710,117)
Investment in associates	-	-	(286,650)	(78,000)
Acquisition of subsidiaries - net of cash acquired (note 15)	51,889	14,119	-	-
Purchase of investment properties (note 14)	(117,371)	(31,938)	-	-
Proceeds from disposal of financial investment at FVTPL (note 7)	1,943,650	528,884	488,312	132,874
(Increase)/decrease in other financial assets	(104,910)	(28,547)	294,301	80,082
(Increase)/decrease in deposits with an original maturity of greater than three months	(322,223)	(87,680)	438,546	119,332
Dividend income received (note 25)	23,765	6,467	21,722	5,911
Interest received	11,629	3,164	11,424	3,109
<b>Net cash generated from / (used in) investing activities</b>	<b>1,211,566</b>	<b>329,676</b>	<b>(1,651,146)</b>	<b>(449,291)</b>

The accompanying notes form an integral part of these condensed consolidated interim financial information.



**Condensed consolidated interim statement of cash flows (Unaudited)  
for the six month period ended 30 June 2022**

	<b>Six month period ended 30 June</b>			
	<b>2022</b> AED'000	<b>2022</b> USD'000 Equivalent	2021 AED'000 Restated	2021 USD'000 Equivalent Restated
<b>Cash flows from financing activities</b>				
Repayment of bank borrowings (note 19)	(124,834)	(33,968)	-	-
Proceeds from bank borrowings (note 19)	13,156	3,580	-	-
Redemption and repurchase of sukuk certificates	(1,325,017)	(360,549)	(162,725)	(44,279)
Non-controlling interests (note 15)	(33,543)	(9,127)	-	-
Payment of lease liabilities (note 12)	(438)	(119)	-	-
Finance costs paid	(83,034)	(22,594)	(107,816)	(29,338)
<b>Net cash used in financing activities</b>	<b>(1,553,710)</b>	<b>(422,777)</b>	<b>(270,541)</b>	<b>(73,617)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,289,016</b>	<b>622,862</b>	<b>(726,290)</b>	<b>(197,630)</b>
Net foreign exchange difference	(9,704)	(2,641)	-	-
Cash and cash equivalents at the beginning of the period	3,663,015	996,739	3,307,671	900,047
<b>Cash and cash equivalents at the end of the period (note 6)</b>	<b>5,942,327</b>	<b>1,616,960</b>	<b>2,581,381</b>	<b>702,417</b>

The accompanying notes form an integral part of these condensed consolidated interim financial information.

## Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2022

### 1. General information

DAMAC Real Estate Development Limited, DIFC was incorporated on 31 October 2013 as a Company Limited by shares (registration number 1476) with the Registrar of Companies of the Dubai International Financial Centre (the “DIFC”) under the DIFC Companies Law. The registered address of the Company is Unit 115, Level 1, Park Towers, Dubai International Financial Centre, P.O. Box 2195, Dubai, United Arab Emirates (U.A.E.).

The Company is 100% owned by Damac Properties Dubai Co P.S.C. (the “Company”) whose Majority Shareholder is Mr. Hussain Ali Habib Sajwani.

The Company and its subsidiaries (collectively the “Group”) are involved mainly in the development of properties in the Middle East.

### 2. Basis of preparation and statement of compliance

#### 2.1 Basis of preparation

The condensed consolidated interim financial information of the Group are prepared under the historical cost basis except for certain financial assets carried either at fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The condensed consolidated interim statement of profit or loss and other comprehensive income for the six month period ended 30 June 2022 and 30 June 2021 is not significantly affected by seasonality of the results.

The condensed consolidated interim financial information of the Group are presented in thousands of United Arab Emirates Dirhams (“AED’000”) which is the Group’s functional and reporting currency. Amounts are rounded to the nearest thousand, unless otherwise stated. The individual financial statements of Group entities are prepared in respective local currencies, being the currency in the primary economic environment in which these entities operate (the functional currency).

#### 2.2 Statement of compliance

The condensed consolidated interim financial information are prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”) issued by the International Accounting Standard Board (IASB) and also comply with the applicable requirements of Federal Law No. 2 of 2015 (as amended).

The condensed consolidated interim financial information of the Group do not include all the information and disclosures required in the full consolidated financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2021. In addition, results for the period from 1 January 2022 to 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

### 3. Summary of significant accounting policies

The principal accounting policies used in the preparation of these condensed consolidated interim financial information are consistent with those used in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2021, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period and implementation of business combination using acquisition method of accounting, non-controlling interests and goodwill policy as set out below.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**3. Summary of significant accounting policies (continued)**

**3.1 New standards, amendments and interpretations**

(a) *New and revised IFRS applied with no material effect on the condensed consolidated interim financial information*

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these condensed consolidated interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current period and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IAS 16 *Property, plant and equipment* relating to proceeds before intended use.

Amendment to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* relating to onerous contracts.

Amendments to IFRS 3 *Business Combinations* relating to reference to conceptual framework

Annual improvements to IFRS standards 2018 – 2020

(b) *New and revised IFRSs in issue but not yet effective*

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective:

Amendments to IAS 8 <i>Accounting policies, Changes in accounting estimates and errors</i>	1 January 2023
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Amendments to IAS 1 <i>Presentation of Financial Statements</i> relating to classification of Liabilities as Current or Non-Current	1 January 2023
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Amendments to IFRS 17 <i>Insurance Contracts</i>	1 January 2023
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Amendments to IAS 12 <i>Income Taxes</i> relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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Amendment to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely.
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Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application.

**3.2 Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)****3. Summary of significant accounting policies (continued)****3.2 Business combinations (continued)**

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

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

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

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**3. Summary of significant accounting policies (continued)**

**3.3 Non-controlling interests**

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**3.4 Details of subsidiaries consolidated**

The Company consolidated 100% of the operations, assets and liabilities of the subsidiaries listed below which in total are 139 (31 December 2021: 116) Companies (together the "Group"):

<u>Name of the entities</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Legal interest</u>	<u>Economic interest</u>
Damac Crescent Properties Company LLC	U.A.E.	Real estate development	0%	100%
Damac Luxury Real Estate Properties Co LLC	U.A.E.	Real estate development	100%	100%
Damac Heritage Properties Co LLC	U.A.E.	Real estate development	100%	100%
Damac General Trading (L.L.C)	U.A.E.	Holding company	0%	100%
Al Bawader Real Estate L.L.C	U.A.E.	Sales office	100%	100%
Front line Investment Management L.L.C	U.A.E.	Real estate development	100%	100%
Al Aman Investment Management Co. LLC	U.A.E.	Holding company	100%	100%
Business Tower Investment L.L.C	U.A.E.	Real estate development	100%	100%
Damac Enterprises & Management Co. (L.L.C)	U.A.E.	Trade marks	100%	100%
Damac Properties Development Co (L L C)	U.A.E.	Holding company	100%	100%
Damac Properties Co. (L.L.C)	U.A.E.	Holding company	100%	100%
Marina Terrace Co.(L.L.C)	U.A.E.	Real estate development	100%	100%
Damac Gulf Properties (L.L.C)	U.A.E.	Real estate development	100%	100%
Lake Terrace Co. L.L.C	U.A.E.	Real estate development	100%	100%
Royal Crown Properties L.L.C	U.A.E.	Real estate development	100%	100%
Damac Star Properties (L L C)	U.A.E.	Real estate development	100%	100%
Island Oasis Properties	U.A.E.	Real estate development	100%	100%
Damac Crescent Properties	U.A.E.	Real estate development	100%	100%
Damac Development (LLC)	U.A.E.	Real estate development	100%	100%
Damac Tuscan Residence L L C	U.A.E.	Real estate development	100%	100%
Damac Lake View Company Limited	U.A.E.	Real estate development	100%	100%
Damac Properties Company Limited	U.A.E.	Real estate development	100%	100%
Damac Park Towers Company Limited	U.A.E.	Real estate development	100%	100%
Excel Operations Company Limited	U.A.E.	Holding company	100%	100%

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**3. Summary of significant accounting policies (continued)**

**3.4 Details of subsidiaries consolidated (continued)**

<u>Name of the entities</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Legal interest</u>	<u>Economic interest</u>
Damac Crown Properties Company Limited	U.A.E.	Real estate development	100%	100%
Damac Investment & Properties (Jordan) LLC	Jordan	Real estate development	100%	100%
Al-Imaratieh Properties LLC	Jordan	Real estate development	100%	100%
Damac Properties Lebanon SAL	Lebanon	Real estate development	100%	100%
Damac Lebanon SAL (Holding)	Lebanon	Holding company	100%	100%
Tilal Development Holding SAL	Lebanon	Holding company	100%	100%
Damac Properties International Limited	Mauritius	Holding company	100%	100%
Damac Enterprises Co. Ltd	Mauritius	Trade marks	100%	100%
Damac Properties Company Limited	Saudi Arabia	Real estate development	100%	100%
The Waves FZ LLC	U.A.E.	Real estate development	100%	100%
Damac Real Estate Developers FZ- LLC	U.A.E.	Real estate development	100%	100%
Damac Properties FZ- LLC	U.A.E.	Real estate development	100%	100%
Damac Real Estate Services Co (L.L.C)	U.A.E.	Holding company	100%	100%
Namaa Properties Development L.L.C	U.A.E.	Real estate development	100%	100%
Damac Homes (L.L.C)	U.A.E.	Group treasury operation	100%	100%
Kings Valley Investment (L.L.C.)	U.A.E.	Holding company	100%	100%
Damac Properties Services Co. Shj LLC	U.A.E.	Sales office	49%	100%
Valencia Development Company WLL	Bahrain	Real estate development	100%	100%
Al Hikmah International Enterprises LLC	Qatar	Real estate development	0%	100%
Damac Properties Qatar WLL	Qatar	Real estate development	0%	100%
Ocean Pearl Real Estate Comp LLC	U.A.E.	Real estate development	100%	100%
Luxury Owner Association Management Services Co. L.L.C	U.A.E.	Facilities management	100%	100%
Majara Investments Limited	BVI	Investment company	100%	100%
Arjann Holdings Limited	BVI	Investment company	100%	100%
Priority Holding Limited	Cayman Islands	Trust arrangement	100%	100%
Maksab Holding Limited	BVI	Holding company	100%	100%
Damac Hotels & Resorts Management L.L.C	U.A.E.	Hotels management	100%	100%
Paramount Holiday Homes L.L.C	U.A.E.	Vacation homes rental	100%	100%
Damac FC Holding Co Ltd	U.A.E.	Holding company	100%	100%
Damac Private Real Estate Management L.L.C	U.A.E.	Investment company	100%	100%
Damac Business Real Estate Co. L.L.C	U.A.E.	Real estate development	100%	100%
Damac World Real Estate L.L.C	U.A.E.	Real estate development	100%	100%
Helios Venture Holdings Limited	BVI	Holding company	100%	100%
Damac Canal One Property Development L.L.C	U.A.E.	Real estate development	100%	100%
Damac Canal Two Property Development L.L.C	U.A.E.	Real estate development	100%	100%

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**3. Summary of significant accounting policies (continued)**

**3.4 Details of subsidiaries consolidated (continued)**

<u>Name of the entities</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Legal interest</u>	<u>Economic interest</u>
JA Parks L.L.C	U.A.E.	Real estate development	100%	100%
Damac Asset Management L.L.C	U.A.E.	Property leasing	100%	100%
Damac International Golf Club L.L.C	U.A.E.	Golf club	100%	100%
Quanta Real Estate L.L.C	U.A.E.	Real estate development	100%	100%
Alpha Star Holding III Limited	Cayman Islands	Trust arrangement	0%	100%
Avitus Investments L.L.C	U.A.E.	Shell Company	100%	100%
Alpha Star Holding V Limited	Cayman Islands	Trust arrangement	0%	100%
Damac Hills Properties Development L L C	U.A.E.	Real estate development	100%	100%
M H S Sports Academy Owned by Damac Crescent Properties One Person Company L.L.C	U.A.E.	Sports activities, tennis training	100%	100%
RICA Marketing and Support Service LLP	India	Marketing and public relations	100%	100%
Luxury Owners Association Management Services SAL	Lebanon	Facilities management	100%	100%
Proteus Hotel L.L.C	U.A.E.	Hotels management	100%	100%
Dov Luxury Co L.L.C	U.A.E.	Real estate development	100%	100%
Damac Casa Investment Co. L.L.C	U.A.E.	Real estate development	100%	100%
Pathfinder Property Development L.L.C	U.A.E.	Real estate development	100%	100%
Guangzhou Advance Consulting Service Limited.	China	Sales office	0%	100%
Zenica Property Development L.L.C	U.A.E.	Real estate development	100%	100%
Remus Hotel L.L.C	U.A.E.	Hotels management	100%	100%
Vitus Buckingham Gate Development Limited	United Kingdom	Development of Building Projects	100%	100%
Buckingham Gates Estates Limited	United Kingdom	Development of Building Projects	100%	100%
Edgnex Data Centre & Cloud Services L.L.C	U.A.E.	Cloud Service & Datacenters Providers	100%	100%
Trios Hotel Appartments L L C	U.A.E.	Hotel apartments rental	100%	100%
Prestige Turkey Gayrimenkul Yatirim Anonim Sirketi	Turkey	Real estate development	100%	100%
Elite Turkey Gayrimenkul Yatirim Anonim Sirketi	Turkey	Real estate development	100%	100%
Edgnex Turkey Gayrimenkul Bilisim Teknolojileri Anonim Sirketi	Turkey	Real estate development	100%	100%
Prive Cafe L.L.C	U.A.E.	Restaurant/Coffee shop	100%	100%
Globe An Investments LLC	U.A.E.	Investment company	100%	100%
Edgnex Data Centre & Cloud Services	Morocco	Real estate development	100%	100%
Clio Development Company Limited	United Kingdom	Real estate development	100%	100%
Ghalia Investment (Canada) Limited	Canada	Investment company	100%	100%
BB Plot 1 LLC	U.A.E.	Real estate development	100%	100%
BB Plot 2 LLC	U.A.E.	Real estate development	100%	100%

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**3. Summary of significant accounting policies (continued)**

**3.4 Details of subsidiaries consolidated (continued)**

<u>Name of the entities</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Legal interest</u>	<u>Economic interest</u>
MAEA Investment B.V.	Netherlands	Investment company	100%	100%
LETA Investment B.V.	Netherlands	Investment company	100%	100%
Martis Investment Company	France	Investment company	100%	100%
ABT Landco Limited	Ireland	Cloud Service & Datacenters Providers	90%	90%
10245 Collins Holdings, INC.	United States of America	Holding company	100%	100%
10245 COLLINS LLC	United States of America	Shell Company	100%	100%
MILON DEVELOPMENT COMPANY LIMITED	United Kingdom	Real estate development	100%	100%
Oceanside Development Company Limited	United Kingdom	Real estate development	100%	100%
Seascape Investment Company Limited	United Kingdom	Investment company	100%	100%
Kapok Investments Limited	United Kingdom	Investment company	100%	100%
Damac C S L Investment LLC	U.A.E.	Investment company	100%	100%
Damac J R ONE Investment L.L.C	U.A.E.	Investment company	100%	100%
Damac J R TWO Investment L.L.C	U.A.E.	Investment company	100%	100%
Damac J W F Investment L.L.C	U.A.E.	Investment company	100%	100%
Damac MDN Investment L.L.C	U.A.E.	Investment company	100%	100%
Damac MRY Investment L.L.C	U.A.E.	Investment company	100%	100%
Damac P S L Investment L.L.C	U.A.E.	Investment company	100%	100%
Lona Investment L.L.C	U.A.E.	Investment company	100%	100%
Pax Investment L.L.C	U.A.E.	Investment company	100%	100%
Creon Investment L.L.C	U.A.E.	Investment company	100%	100%
Luxury Star Investment L.L.C	U.A.E.	Investment company	100%	100%
East Oceanside Development, LLC	United States of America	Real estate development	100%	100%
Florida Pine Investments, LLC	United States of America	Investment company	100%	100%
Dosia Investment Limited*	British Virgin Island	Investment company	100%	100%
Viator Investment Limited*	British Virgin Island	Investment company	100%	100%
Dico International Investment L.L.C*	U.A.E.	Investment company	100%	100%
Promus Hotel LLC*	U.A.E.	Hotels management	100%	100%
Damac International Limited*	Cayman Islands	Investment company	68%	68%
Lucan Marketing and Consulting Services LTD*	Israel	Marketing and exhibitions	68%	68%



**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**3. Summary of significant accounting policies (continued)**

**3.4 Details of subsidiaries consolidated (continued)**

<u>Name of the entities</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Legal interest</u>	<u>Economic interest</u>
Darak International for Land and Real Estate Development and Management Co.*	Kuwait	Real estate development	100%	100%
DICO Eskan for Land and Real Estate Development & Management Co.-OPC*	Kuwait	Real estate development	100%	100%
DICO Housing for Land and Real Estate Leasing and rental Co.-OPC*	Kuwait	Real estate development	100%	100%
DICO International for Land and Real Estate Development & Management Co.-OPC*	Kuwait	Real estate development	100%	100%
DICO Luxury Group for Land and Real Estate Development & Management Co.-OPC*	Kuwait	Real estate development	100%	100%
House of Luxury for Land and Real Estate Development & Management*	Kuwait	Real estate development	100%	100%
Vita Heights Company Limited*	Maldives	Hotels and resort management	68%	68%
Vita Heights Company Limited*	U.A.E.	Hotels and resort management	68%	68%
AYKON International Real Estate Services Limited*	United Kingdom	Marketing services	68%	68%
NINE ELMS L.R LIMITED*	United Kingdom	Real estate development	76%	76%
Nine Elms LR 2 Limited*	United Kingdom	Real estate development	76%	76%
Nine Elms Property Limited*	United Kingdom	Real estate development	76%	76%
NINE ELMS S. R CO LTD.*	United Kingdom	Real estate development	76%	76%
NINE ELMS S.H CO LTD*	United Kingdom	Real estate development	76%	76%
DAMAC Al Marjan Real Estate LLC*	U.A.E.	Real estate development	100%	100%
Luluah Al Nujoom Real Estate LLC*	U.A.E.	Real estate development	100%	100%
Primus International GmbH*	Germany	Real estate development	100%	100%
Akoya Property Investment Company ApS*	Denmark	Real estate development	90%	90%
Akoya Development Management Company ApS*	Denmark	Real estate development	70%	70%

\* These are newly incorporated entities / acquired that became part of the Group during the period.

During the period the Group liquidated the following subsidiaries:

<u>Name of the entities</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Legal interest</u>	<u>Economic interest</u>
Bright Gulf Investments Limited	BVI	Investment company	100%	100%
Luxury Facilities Management L.L.C	U.A.E.	Facilities management	100%	100%

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**3. Summary of significant accounting policies (continued)**

**3.4 Details of subsidiaries consolidated (continued)**

There are certain entities included in the table above for which the Group's legal ownership has been less than 100%. These are entities whose shares have been held for and on behalf of the Parent and for each such entity the Parent's economic interest as listed in the above table.

The beneficial ownership of the above entities is with the Group either directly or indirectly through beneficial ownership agreements. All balances and transactions between Group entities consolidated in these condensed consolidated interim financial information have been eliminated upon consolidation. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies.

**3.5 Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2021.

**4. Critical accounting judgments and key sources of estimation of uncertainty**

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The critical judgements and estimates used in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021 with the exception of impairment assessment of development properties as detailed in note 9.

**5. Segment analysis**

The Group currently comprises a single reportable operating segment, being property development. Information reported to the Board of Directors for the purpose of the resource allocation and assessment of performance is primarily determined by the geographical location of these operations.

Revenue, operating results, assets and liabilities presented in the condensed consolidated interim financial information of the Group pertains to property development segment of the Group.

Geographic information for the Group is split between operations in the UAE "Domestic" and operations in other jurisdictions "International".

	<b>Three month period ended 30 June</b>		<b>Six month period ended 30 June</b>	
	<b>2022 (Unaudited) AED'000</b>	2021 (Unaudited) AED'000 Restated	<b>2022 (Unaudited) AED'000</b>	2021 (Unaudited) AED'000 Restated
<u>Revenue</u>				
Domestic	<b>759,050</b>	668,748	<b>1,525,152</b>	1,285,444
International	<b>51,764</b>	47,782	<b>80,392</b>	73,788
	<b>810,814</b>	716,530	<b>1,605,544</b>	1,359,232

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**5. Segment analysis (continued)**

All revenue disclosed above is generated from external customers for current and prior period.

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
<u>Development properties</u>		
Domestic	<b>7,722,505</b>	7,272,032
International	<b>3,099,931</b>	1,313,201
	<b>10,822,436</b>	8,585,233
	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
<u>Financial investments</u>		
Domestic	-	306,147
International	<b>504,955</b>	2,300,022
	<b>504,955</b>	2,606,169

**6. Cash and bank balances**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Cash on hand	<b>5,500</b>	563
Cash held in escrow	<b>3,637,155</b>	1,928,859
Bank balances	<b>938,223</b>	882,274
Fixed deposits	<b>2,141,002</b>	1,308,649
	<b>6,721,880</b>	4,120,345
Cash and bank balances	<b>6,721,880</b>	4,120,345
Fixed deposits with an original maturity of greater than six months	<b>(779,553)</b>	(457,330)
	<b>5,942,327</b>	3,663,015

Cash held in escrow represents cash received from customers which is held with banks authorised by the Real Estate Regularity Authority (“RERA”). Use of this cash is restricted to the specific development properties to which the cash receipts relate and, hence is considered as cash and cash equivalents.

Balances with banks are assessed to have low credit risk of default since these assets are held with banks that are highly regulated by the central banks of the respective countries. Accordingly, the management estimates the loss allowance at the end of the reporting period at an amount equal to 12-month ECL.

Considering the historical default experience and the current credit ratings of the banks, the management have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**6. Cash and bank balances (continued)**

Fixed deposits are financial assets held by banks with maturity period of less than and more than three months from the date of placement. As at reporting date, the fixed deposits earned interest at rates ranging from 0.6% to 2.5% (31 December 2021: 0.3% to 1.0%) per annum.

As at 30 June 2022, fixed deposits and bank balances of AED 399 million (31 December 2021: AED 592 million) are held by banks under lien against credit facilities issued to the Group.

As at 30 June 2022, cash and cash equivalents amounting to AED 1,107 million (31 December 2021: AED 1,309 million) is held with Islamic banks and the remaining balance is held with conventional banks.

**7. Financial investments**

As at the reporting date, the balances of financial investments carried at FVTPL and FVTOCI:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Financial investments at FVTOCI [7 (a)]	-	1,147,408
Financial investments at FVTPL [7 (b)]	<b>504,955</b>	1,458,761
	<b>504,955</b>	2,606,169

**a) Financial investments at FVTOCI**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Opening balance	<b>1,147,408</b>	270,457
Additions (i)	<b>55,343</b>	659,039
Disposals	<b>(921,008)</b>	-
Change in fair value (i) & (ii)	<b>(281,743)</b>	447,232
Derecognition/reclassified to investment in associates (ii)	-	(229,320)
Closing balance	<b>-</b>	1,147,408

- i. During the period ended 30 June 2022, Group acquired quoted equity instruments designated at FVTOCI amounting to AED 55 million (31 December 2021: AED 659 million). During the period ended 30 June 2022, Group has recognised a fair value loss amounting to AED 282 million (31 December 2021: fair value gain of AED 488 million). During the period, an amount of AED 206 million has been reclassified from fair value reserve to retained earnings upon disposals.
- ii. During the year ended 31 December 2021, Group acquired additional 25% equity interest in Damac International Limited ("DIL") which resulted in an overall equity interest of the Group in DIL to 45%, which resulted in reclassification from financial investment at FVTOCI to Investment in Associates amounting to AED 229 million and recognized a fair value loss of AED 41 million based on the valuation carried out by the independent valuer.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**7. Financial investments (continued)**

**b) Financial investments at FVTPL**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
<b>Opening balance</b>	<b>1,458,761</b>	492,455
Additions	<b>199,241</b>	2,738,186
Disposals (i)	<b>(1,022,642)</b>	(1,543,893)
Gain on disposal (i)	<b>40,977</b>	201,493
Change in fair value through profit or loss (ii)	<b>(171,382)</b>	(429,480)
<b>Closing balance</b>	<b>504,955</b>	1,458,761

- i. During the period ended 30 June 2022, the Group mainly invested in quoted equity securities listed on the London stock exchange and New York stock exchange. During the period ended 30 June 2022, Group has recognised a gain of AED 41 million (31 December 2021: AED 201 million) in the condensed consolidated interim statement of profit or loss upon disposal of equity investments.
- ii. The Group has fair valued the quoted equity investments based on published market prices prevailing as at 30 June 2022 and recognised a loss of AED 171 million (31 December 2021: AED 429 million) in the condensed consolidated interim statement of profit or loss.

**8. Trade and other receivables**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Unbilled receivables (i)	<b>2,444,796</b>	2,947,419
Trade receivables (ii)	<b>1,397,202</b>	1,535,090
Provision for impairment on trade receivables (iii)	<b>(183,509)</b>	(242,463)
	<b>3,658,489</b>	4,240,046
Advances and deposits	<b>742,332</b>	458,081
Other receivables, prepayments and other assets	<b>1,155,578</b>	611,610
	<b>5,556,399</b>	5,309,737

- (i) Unbilled receivables are contract assets which relates to the Group's right to receive consideration for work completed but not billed at the reporting date. These are transferred to trade receivables when invoiced as per milestones agreed in contracts with the customers.
- (ii) Trade receivables represent amounts due from customers. Customers are allowed 30 days from each invoice date to settle outstanding dues.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**8. Trade and other receivables (continued)**

(iii) Movement in loss allowance on trade receivables is as follows:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Balance at the beginning of the period/year	(242,464)	(215,215)
Reversal/(provision) for loss allowance during the period/year	<b>58,955</b>	(27,248)
Balance at the end of the period/year	<b>(183,509)</b>	(242,463)

**9. Development properties**

Development properties represent development and construction costs incurred on properties being developed for sale. Movement during the period/year is as follows:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Balance at the beginning of the period/year	<b>8,585,233</b>	8,249,609
Additions	<b>3,083,587</b>	2,184,729
Transfer to cost of sales	<b>(1,008,274)</b>	(2,149,330)
Transfer to property and equipment (note 13)	-	(79,533)
Reversal of impairment - net	<b>307,397</b>	379,758
Foreign currency translation differences	<b>(145,507)</b>	-
Balance at the end of the period/year	<b>10,822,436</b>	8,585,233

During 2021, Group entered into a Sale and Purchase Agreement ("SPA") dated 21 September 2021 with a third party for the purchase of certain land parcels (the "Parcel") amounting to AED 1,500 million. As of the reporting date, the Group has a remaining commitment of AED 681 million (31 December 2021: AED 1,022 million) relating to this SPA and will be recorded as and when the payment is made, and each Parcel is legally transferred to the Group.

Additions during the period ended 30 June 2022, includes an addition through acquisition of a subsidiary amounting to AED 2,183 million (31 December 2021: AED Nil) (Note 15).

*Impairment assessment of development properties*

At 30 June 2022, the Group reviewed the carrying value of its land held for future development, properties under development and completed properties by assessing the net realisable value of each project. The key judgment in this review was estimating the net releasable value of properties under development using residual value which is based on a discounted cash flow approach that determines the value of the property by deducting the estimated costs to complete the development from the estimated value on completion derived from the sales proceeds of the property. This method entails estimating the gross realization from the projected sales price of the properties. From this is deducted the outstanding estimated cost to service the property including a developer's margin to arrive at a residual value. This review resulted in a net reversal of impairment amounting to AED 307 million mainly on projects launched during the period due to improved market conditions (31 December 2021: AED 380 million).

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**9. Development properties (continued)**

*Assets held as development properties*

The development properties balance includes land held for future development, properties under development and completed properties held in inventory. The balance is split into the categories as follows:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Land held for future development	<b>2,866,992</b>	2,626,196
Properties under development	<b>6,528,325</b>	4,139,669
Completed properties	<b>1,427,119</b>	1,819,368
	<b><u>10,822,436</u></b>	<u>8,585,233</u>

Borrowing costs of AED 68 million have been capitalised to properties under development. The carrying value of development properties located outside the United Arab Emirates as at 30 June 2022 is AED 3,260 million (31 December 2021: AED 1,313 million).

**10. Investment in associates**

The following entities have been included in the condensed consolidated interim financial information of the Group using the equity method:

Name	Country of incorporation, principal place of business	Proportion of ownership interest held as at		Investments in associates held as at	
		30 June 2022	31 December 2021	30 June 2022 AED'000	31 December 2021 AED'000
Nine Elms S.H Co Ltd	Jersey	-	25%	-	335,469
Damac International Limited	Cayman Island	-	45%	-	568,457
<b>Closing balance</b>				<b>-</b>	<b>903,926</b>

During the period ended 30 June 2022, pursuant to the share purchase agreement dated 16 March 2022, the Group entered into a share purchase agreement with DICO International Ventures Company Limited (a related entity) to acquire an additional 23% shareholding in DIL for a consideration of AED 290 million which resulted in an overall equity interest of the Group in DIL to 68%. Accordingly, the Group has obtained control over DIL. The fair value of identified net assets of DIL as at the date of acquisition amounted to AED 1,574 million. The transaction represents a business combination under IFRS 3 'Business Combination' and had been accounted for using the acquisition method of accounting. Accordingly, the consideration paid had been allocated based on the fair values of the assets acquired and liabilities assumed.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**10. Investment in associates (continued)**

On 16 March 2022, the 25% equity interest of Nine Elms S.H Co. Ltd, Jersey (“NESH”) is representative of 25% equity interest in Nine Elms Property Ltd, Jersey (“NEPL”). The remaining 75% equity interest in NEPL is held by DIL. As a result of the Group acquiring an additional 23% equity interest in DIL, the Group’s effective equity interest in NESH is 76% and accordingly, the Group has obtained control over NESH. NEPL is engaged in developing and selling a project – DAMAC Towers Nine Elms London.

During the period ended 30 June 2022, Group recorded a share of net loss of associates amounting to AED 13 million (30 June 2021: AED 5 million).

**11. Other financial assets**

	<b>30 June 2022 (Unaudited) AED’000</b>	31 December 2021 (Audited) AED’000
Escrow retention accounts	<b>515,019</b>	424,594
Margin deposits	<b>27,156</b>	14,445
Other	<b>4,707</b>	2,933
	<b><u>546,882</u></b>	<u>441,972</u>

In accordance with applicable laws, the Group holds funds under escrow in Real Estate Regulatory Authority (“RERA”) authorised bank accounts. These funds must be held in these escrow accounts for a fixed period of one year after completion of the relevant development properties, at which point they are released to the Group. These funds earn profit or interest at relevant commercial rates.

Other financial assets are assessed to have low credit risk of default since these assets are held with banks that are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance at the end of the reporting period at an amount equal to 12-month ECL. Considering the historical default experience and the current credit ratings of the banks, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

At 30 June 2022, margin deposits are held by banks under lien against credit facilities issued to the Group and earn profit or interest at relevant commercial rates.

As at the reporting date, an amount of AED 185 million (31 December 2021: AED 175 million) is held with Islamic banks and the remaining balance is held with conventional banks.



**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**12. Right-of-use assets and lease liabilities**

	<b>Total AED'000</b>	
<b>Cost:</b>		
At 1 January 2021 and 31 December 2021 (Audited)	125,278	
Addition on acquisition of a subsidiary	68,902	
<b>At 30 June 2022 (Unaudited)</b>	<b>194,180</b>	
<b>Accumulated amortisation:</b>		
At 1 January 2021 (Audited)	65,641	
Charge for the year	2,738	
At 31 December 2021 (Audited)	68,379	
Charge for the period	1,719	
<b>At 30 June 2022 (Unaudited)</b>	<b>70,098</b>	
<b>Carrying value:</b>		
<b>At 30 June 2022 (Unaudited)</b>	<b>124,082</b>	
At 31 December 2021 (Audited)	56,899	
Amount of lease liabilities outstanding as at period / year end:		
	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Opening balance	<b>65,117</b>	65,314
Addition on acquisition of a subsidiary	<b>93,429</b>	-
Interest expense for the period / year (note 27)	<b>3,140</b>	6,425
Lease payment during the period / year	<b>(438)</b>	(6,622)
<b>Closing balance</b>	<b>161,248</b>	65,117



**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**14. Investment properties**

Investment properties represent completed properties held at cost less accumulated depreciation and any impairment losses under the cost model in accordance with IFRS. Movement during the period/year is as follows:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
<b>Cost:</b>		
Balance at the beginning of the period/ year	203,114	203,114
Additions	117,371	-
	<hr/>	<hr/>
Balance at the end of the period/ year	<b>320,485</b>	203,114
	<hr/>	<hr/>
<b>Accumulated depreciation:</b>		
Balance at the beginning of the period/ year	(38,592)	(30,467)
Charge for the period/ year	(5,301)	(8,125)
	<hr/>	<hr/>
Balance at the end of the period/ year	<b>(43,893)</b>	(38,592)
	<hr/>	<hr/>
<b>Net carrying amount</b>	<b>276,592</b>	164,522
	<hr/> <hr/>	<hr/> <hr/>

**15. Non-controlling interests**

During the period ended 30 June 2022, pursuant to the share purchase agreement dated 16 March 2022, the Group entered into a share purchase agreement with DICO International Ventures Company Limited (a related entity) to acquire an additional 23% shareholding in DIL for a consideration of AED 290 million which resulted in an overall equity interest of the Group in DIL to 68%. Accordingly, the Group has obtained control over DIL. The fair value of identified net assets of DIL as at the date of acquisition amounted to AED 1,574 million. The transaction represents a business combination under IFRS 3 '*Business Combination*' and had been accounted for using the acquisition method of accounting. Accordingly, the consideration paid had been allocated based on the fair values of the assets acquired and liabilities assumed.

Details of the purchase consideration and the net assets acquired are as follows:

	<b>16 March 2022 AED'000</b>
Purchase consideration:	
Consideration paid	290,325
Fair value of previously held equity interest	871,773
Attributable to non-controlling interests	411,487
	<hr/>
	<b>1,573,585</b>
	<hr/>

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**15. Non-controlling interests (continued)**

	<b>16 March 2022 AED'000</b>
Cash and bank balances	342,214
Development properties	2,183,487
Property and equipment	133,019
Other assets	199,712
Financial liabilities	(1,284,847)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>1,573,585</b>

a) Net cash outflow/(inflow) arising on acquisition:

	<b>30 June 2022 AED'000</b>
Cash consideration	290,325
Less: cash and cash equivalent balances acquired	(342,214)
<b>Net cash inflow arising on acquisition</b>	<b>(51,889)</b>

As at 30 June 2022, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of net identifiable assets acquired, to be adjusted within the 'measurement period' to reflect new information obtained about facts and circumstances that exists as of the acquisition date.

b) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	<b>30 June 2022 AED'000</b>	31 December 2021 AED'000
<b>Damac International Limited</b>		
Assets	2,571,293	-
Liabilities	(1,193,457)	-
Equity	1,377,836	-
Equity attributable to owners of the Company	1,025,118	-
Non-controlling interests	352,718	-

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**15. Non-controlling interests (continued)**

	<b>30 June 2022 AED'000</b>	30 June 2021 AED'000
Revenue	-	-
Expenses	<b>(4,341)</b>	-
<b>Loss for the period</b>	<b>(4,341)</b>	-
Loss attributable to owners of the Company	<b>(3,224)</b>	-
Loss attributable to the non-controlling interests	<b>(1,117)</b>	-
Other comprehensive income attributable to owners of the Company	<b>(48,635)</b>	-
Other comprehensive income attributable to the non-controlling interests	<b>(24,109)</b>	-
<b>Other comprehensive income for the period</b>	<b>(72,744)</b>	-
Total comprehensive loss attributable to owners of the Company	<b>(51,859)</b>	-
Total comprehensive loss attributable to the non-controlling interests	<b>(25,226)</b>	-
<b>Total comprehensive loss for the period</b>	<b>(77,085)</b>	-
Payment to non-controlling interests	<b>33,543</b>	-

Payment to non-controlling interests represents amount paid during the period to non-controlling interests in proportion to their interest in the subsidiary against shareholder's fund.

**16. Share capital**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Authorised share capital of 1,500,000 shares of USD 1 each	<b>5,512,500</b>	5,512,500
Issued, subscribed and fully paid 1,083,000 shares of USD 1 each	<b>3,980,025</b>	3,980,025

The above share capital has been converted from USD 1 each to AED at the rate of AED 3.675 each.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**17. Trade and other payables**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Trade payables	1,315,544	903,112
Accruals	847,419	871,714
Retentions payable (i)	833,010	907,203
Other payables	180,879	353,516
Provision for employees' end-of-service indemnity (ii)	52,044	46,717
Provision for taxation	47,270	47,427
	<u><u>3,276,166</u></u>	<u><u>3,129,689</u></u>

(i) Retentions comprise amounts due to contractors which are held for one year after the completion of a project until the defects liability period has passed and are typically between 5% and 15% of work done.

(ii) Movement in provision for employees' end-of-service indemnity during the period/year is as follows:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Balance at the beginning of the period / year	46,717	41,452
Charge for the period / year	8,984	12,515
Payments during the period / year	(3,657)	(7,250)
	<u><u>52,044</u></u>	<u><u>46,717</u></u>

**18. Advances from customers**

Advances from customers are contract liabilities which represent payments received from customers for sale of properties for which revenue has not yet been recognised.

Movement during the period/year is as follows:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Balance at the beginning of the period / year	3,373,313	2,075,369
Amounts collected / advance billing during the period / year	4,634,810	4,306,467
Revenue recognised during the period / year	(1,569,856)	(2,867,859)
Other operating income recognised during the period / year (note 23)	(465,780)	(140,664)
Foreign currency translation differences	(26,139)	-
	<u><u>5,946,348</u></u>	<u><u>3,373,313</u></u>

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**19. Bank borrowings**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Bank facilities	<b>669,362</b>	124,834

- a) The Group entered into a senior term loan facility on 8 March 2019 with a consortium of bankers led by Barclays Bank PLC amounting to AED 844 million (GBP 175 million) bearing interest at 3 months SONIA plus 3.2% per annum, repayable in October 2022, out of which AED 128 million (GBP 27 million) remained unutilised as at the reporting date. The loan is secured at full fixed and floating security over all assets of a subsidiary.

At the reporting date, bank borrowing of AED 705 million is pertaining to acquisition of a subsidiary (31 December 2021: AED Nil). This loan has decreased to AED 669 million as at reporting date because of foreign currency translation differences amounting to AED 49 million and additional drawdown amounting to AED 13 million during the period.

- b) The Group has unsecured interest-bearing term loan facility amounting to AED 367 million with a commercial bank bearing interest at 3 months LIBOR plus 3.75% per annum. The outstanding balance as of 31 December 2021 amounting to AED 125 million was fully repaid during the period ended 30 June 2022.
- c) Group had arranged for a bank overdraft facility amounting to AED 522 million (31 December 2021: AED 300 million). This facility remained unutilised as at the reporting date.
- d) As at 30 June 2022, the Group had arranged for bank facilities amounting to AED 1,528 million (31 December 2021: AED 1,217 million) in the form of letters of credit and guarantees out of which AED 338 million (31 December 2021: AED 136 million) remained unutilised as at the reporting date.
- e) The non-funded facilities are mainly secured by mortgages over certain properties owned by the Group with a market value of AED 362 million (31 December 2021: AED 370 million), corporate guarantees of the Company, pledges over bank accounts and deposits aggregating to AED 228 million (31 December 2021: AED 213 million).
- f) Repayment profile of the Group's bank borrowings at the reporting date is as follows:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Within one year	<b>669,362</b>	124,834

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**20. Sukuk certificates**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Sukuk certificates	<b>1,218,290</b>	2,542,136
Unamortised issue costs	<b>(1,880)</b>	(3,703)
Carrying amount	<b><u>1,216,410</u></b>	<u>2,538,433</u>

*Movement in unamortised issue costs is as follows:*

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Balance at the beginning of the period / year	<b>3,703</b>	8,739
Amortised during the period / year	<b>(1,823)</b>	(5,036)
Balance at the end of the period / year	<b><u>1,880</u></b>	<u>3,703</u>

On 20 April 2017, the Group issued US\$ 500 million (AED 1,838 million) Sukuk Trust Certificates (the "Certificates"). Alpha Star Holding III Limited is the Issuer and Trustee pursuant to Declaration of Trust and DRED is the Guarantor. The Certificates are listed on the Irish Stock Exchange and NASDAQ Dubai. The sukuk is structured on the basis of service agency whereby the service agent for and on behalf of the issuer enters into Ijara (leasing) and Murabaha contracts with the DRED. Holders of the Certificates from time to time (the "Certificate holders") have the right to receive certain payments arising from an undivided ownership interest in the Trust Assets and the Trustee will hold such Trust Assets upon trust absolutely for the Certificate holders pro rata according to the face amount of Certificates held by each Certificate holder in accordance with the Declaration of Trust and the terms and conditions of the Certificates. On 18 April 2022, the Group has settled the due balance of Sukuk certificates amounting to AED 1,252 million.

The Certificate holders are paid returns at the rate of 6.25% per annum.

During the period ended 30 June 2022, the Group repurchased all the sukuk certificates carrying face value of US\$ 4 million, [AED 14 million] (31 December 2021: US\$ 124 million, [AED 454 million]) at a premium.

On 18 April 2018, the Group issued US\$ 400 million, AED 1,470 million Sukuk Trust Certificates (the "Certificates") maturing on 18 April 2023. Alpha Star Holding V Limited is the Issuer and Trustee pursuant to Declaration of Trust and DRED is the Guarantor. The Certificates are listed on the Irish Stock Exchange and NASDAQ Dubai. The sukuk is structured on the basis of service agency whereby the service agent for and on behalf of the issuer enters into Ijara (leasing) and Murabaha contracts with the DRED. Holders of the Certificates from time to time (the "Certificate holders") have the right to receive certain payments arising from an undivided ownership interest in the Trust Assets and the Trustee will hold such Trust Assets upon trust absolutely for the Certificate holders pro rata according to the face amount of Certificates held by each Certificate holder in accordance with the Declaration of Trust and the terms and conditions of the Certificates.



**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**20. Sukuk certificates (continued)**

The Certificate holders are paid returns at the rate of 6.625% per annum.

During the period ended 30 June 2022, the Group repurchased sukuk certificates with a carrying face value of US\$ 16 million, [AED 58 million] (31 December 2021: US\$ 23 million, [AED 83 million]) at a premium.

*The repayment profile of sukuk certificates is as follows:*

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Amount due for settlement within 12 months	<b>1,218,290</b>	1,265,648
Amount due for settlement after 12 months	-	1,276,488
	<b>1,218,290</b>	2,542,136

**21. Related party transactions**

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24: *Related Party Disclosures*. Related parties comprise entities under common ownership and/or common management and control, their partners and key management personnel. Management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges which are substantially the same terms as those prevailing at the same time for comparable transactions with the third parties. Pricing policies and terms of all transactions are approved by the management.

Nature of significant related party transactions and amounts involved are as follows:

	<b>Three month period ended 30 June</b>		<b>Six month period ended 30 June</b>	
	<b>2022 (Unaudited) AED'000</b>	2021 (Unaudited) AED'000	<b>2022 (Unaudited) AED'000</b>	2021 (Unaudited) AED'000
<u>Entities under control of Majority Shareholder</u>				
Investment in Damac International Limited (i) (note 10)	-	-	<b>290,325</b>	286,500
Payment to non-controlling interests (ii) (note 15)	-	-	<b>33,543</b>	-
Support services fees (ii) (note 25)	<b>1,209</b>	1,209	<b>2,418</b>	2,418
Loss on fair valuation of financial investment [note 7(a)]	-	-	-	41,137

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**21. Related party transactions (continued)**

*(i) Acquisition of additional stake in DIL:*

During the period ended 30 June 2022, pursuant to the share purchase agreement dated 16 March 2022, the Group entered into a share purchase agreement with DICO International Ventures Company Limited to acquire an additional 23% shareholding in DIL for a consideration of AED 290 million which is fully paid and resulted in an overall equity interest in DIL to 68% thereby obtaining control in the subsidiary.

On 4 March 2021, the Group acquired 25% equity interest of Damac International Limited, a Company registered in Cayman Island, by way of share transfer. The cost of the acquisition amounted to AED 287 million determined based on the valuation carried out by an independent valuer of the Company as at purchase date. The consideration was paid in full and there are no amounts outstanding as at 30 June 2022.

*(ii) Payment to non-controlling interests*

Payment to non-controlling interests represents amount paid during the period to non-controlling interests in proportion to their interest in the subsidiary against shareholder's fund.

*(iii) Support services fees*

During the period, the Group received AED 2.4 million (30 June 2021: AED 2.4 million) towards support services rendered to DIL and DICO Investments Co. LLC, both related entities under the common control of Majority Shareholder.

**Remuneration of key management personnel**

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24: *Related Party Disclosures*.

	<b>Three month period ended 30 June</b>		<b>Six month period ended 30 June</b>	
	<b>2022 (Unaudited) AED'000</b>	<b>2021 (Unaudited) AED'000</b>	<b>2022 (Unaudited) AED'000</b>	<b>2021 (Unaudited) AED'000</b>
Salaries and other short-term employee benefits	<b>1,291</b>	1,652	<b>2,272</b>	3,478
Other long-term benefits	<b>44</b>	46	<b>93</b>	142
	<b>1,335</b>	1,698	<b>2,365</b>	3,620

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**22. Revenue**

Revenue recognised over time and point in time is provided as below:

	Three month period ended 30 June		Six month period ended 30 June	
	2022 (Unaudited) AED'000	2021 (Unaudited) AED'000 Restated	2022 (Unaudited) AED'000	2021 (Unaudited) AED'000 Restated
Over time	728,209	660,585	1,498,121	1,271,282
Point in time	82,605	55,945	107,423	87,950
	<b>810,814</b>	<b>716,530</b>	<b>1,605,544</b>	<b>1,359,232</b>

**23. Other operating income**

	Three month period ended 30 June		Six month period ended 30 June	
	2022 (Unaudited) AED'000	2021 (Unaudited) AED'000	2022 (Unaudited) AED'000	2021 (Unaudited) AED'000
Income from cancellation of units, net	147,814	32,360	453,609	36,004

**24. General, administrative and selling expenses**

	Three month period ended 30 June		Six month period ended 30 June	
	2022 (Unaudited) AED'000	2021 (Unaudited) AED'000 Restated	2022 (Unaudited) AED'000	2021 (Unaudited) AED'000 Restated
Staff costs	143,294	83,806	290,779	161,891
Selling and marketing expenses	146,494	192,018	303,912	349,132
Repairs and maintenance	43,656	72,862	113,095	111,797
Rent and license fees	10,156	4,618	16,020	10,644
Legal and professional	11,850	13,393	39,519	25,926
Travel and communication	9,428	4,086	16,756	6,532
Bank charges	10,017	3,883	18,569	7,928
Insurance	3,562	1,523	6,114	3,373
Social contributions	11,355	1,196	11,480	1,321
Other	1,620	4,092	26,340	14,175
	<b>391,432</b>	<b>381,477</b>	<b>842,584</b>	<b>692,719</b>

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**25. Other income – net**

	Three month period ended 30 June		Six month period ended 30 June	
	2022	2021	2022	2021
	(Unaudited) AED'000	(Unaudited) AED'000	(Unaudited) AED'000	(Unaudited) AED'000
Property management fees	10,534	10,614	21,376	24,503
Support services fees (note 21)	1,209	1,209	2,418	2,418
Dividend income	9,571	12,192	23,765	21,722
Loss on repurchase of sukuk certificates	-	(358)	(1,171)	(723)
Other	9,408	4,596	18,846	8,615
	<u>30,722</u>	<u>28,253</u>	<u>65,234</u>	<u>56,535</u>

**26. Finance income**

	Three month period ended 30 June		Six month period ended 30 June	
	2022	2021	2022	2021
	(Unaudited) AED'000	(Unaudited) AED'000	(Unaudited) AED'000	(Unaudited) AED'000
Islamic banks and financial institutions	1,780	875	3,272	1,704
Conventional banks and financial institutions	5,478	728	8,144	3,915
	<u>7,258</u>	<u>1,603</u>	<u>11,416</u>	<u>5,619</u>

**27. Finance costs**

	Three month period ended 30 June		Six month period ended 30 June	
	2022	2021	2022	2021
	(Unaudited) AED'000	(Unaudited) AED'000 Restated	(Unaudited) AED'000	(Unaudited) AED'000 Restated
Islamic banks and financial institutions	24,415	36,187	64,620	88,937
Conventional banks and financial institutions	824	3,746	3,465	5,920
Interest on lease liabilities (note 12)	1,570	1,613	3,140	3,188
	<u>26,809</u>	<u>41,546</u>	<u>71,225</u>	<u>98,045</u>

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**28. Contingent liabilities**

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Bank guarantees	<b>1,189,681</b>	1,081,402

The Group has contingent liabilities in respect of bank guarantees issued in the normal course of business from which it is anticipated that no material liabilities will arise as at 30 June 2022.

There were certain claims submitted by the contractors in lieu of various construction projects in the ordinary course of business. Based on the review of opinion provided by the internal legal team, the management has assessed that no material unprovided liabilities will arise as at reporting date. The Group also has certain claims from the customers and other parties for which the management is of the opinion that no cash outflows are expected to be paid by the Group against these legal cases and claims.

The Group has elected not to present the complete disclosures as required by IAS 37 “*Provisions, Contingent Liabilities and Contingent Assets*” as management is of the view that since the legal claims are sub-judice and are disputed, therefore this information may be prejudicial to their position on these matters.

**29. Commitments**

Commitments for the acquisition of services for the development and construction of assets classified under developments in progress:

	<b>30 June 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Contracted for	<b>1,672,028</b>	1,200,550

*Operating lease commitments – Group as a lessor*

The Group has entered into leases on its investment property portfolio whose contracted periods do not exceed one year.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**30. Earnings / (loss) per share**

Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company for the period by the weighted average number of ordinary shares in issue during the period. There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation.

	Three month period ended 30 June		Six month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited) Restated	2022 (Unaudited)	2021 (Unaudited) Restated
Profit / (loss) attributable to the owners of the Company for the period (AED'000)	<b>431,799</b>	(201,243)	<b>478,372</b>	(352,238)
Weighted average number of ordinary shares ('000)	<b>1,083,000</b>	1,083,000	<b>1,083,000</b>	1,083,000
Earnings / (loss) per ordinary share – Basic and diluted (AED)	<b>0.3987</b>	(0.1858)	<b>0.4417</b>	(0.3252)

**31. Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Differences can therefore arise between book value under historical cost method and fair value estimates.

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated interim financial information approximate their fair values.

As at 30 June 2022, financial investments carried at FVTOCI reported in Note 7(a) is classified as Level 1 (31 December 2021: Note 7(a) is classified as Level 1). The financial investments at fair value through profit or loss reported in Note 7(b) is classified as Level 1 (31 December 2021: Note 7(b) is classified as Level 1). There were no transfers between Level 1, 2 and 3 during the period ended 30 June 2022 and year ended 31 December 2021.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)****32. Hyperinflation**

The International Monetary Fund (IMF) publishes inflation forecasts. Applying the October 2020 IMF information and the indicators laid out in IAS 29 *Financial Reporting in Hyperinflationary Economies*, the Lebanese economy is considered a hyperinflationary economy for the purposes of applying IAS 29 and for retranslation of foreign operations in accordance with IAS 21 *The Effect of Changes in Foreign Exchange Rates* in the condensed consolidated interim financial information for the period ended 30 June 2022 and consolidated financial statements for the year ended 31 December 2021.

Consequently, the Group has applied IAS 29 to its subsidiary, Damac Properties Lebanon SAL effective from 1 January 2020 and for financial reporting purposes for the year ended 31 December 2020 and 2021, and for the period ended 30 June 2022 and 2021. The subsidiary did not have material operations during the period ended 30 June 2022 and the total assets of the Lebanon subsidiary are approximately 0.69% of the Group's condensed consolidated interim total assets as at 30 June 2022.

In line with IAS 29, the financial results of Damac Properties Lebanon SAL have been restated by applying a general price index to the historical cost, in order to reflect the changes in the purchasing power of the LBP, on the closing date of the financial statements. The non-monetary items of the statement of financial position as well as the profit or loss statement, statement of other comprehensive income and statement of cash flows of Damac Properties Lebanon SAL, have been adjusted for inflation and re-expressed in accordance with the variation of the consumer price index ('CPI'), at the presentation date of its financial statements. The re-expression of non-monetary items is made from the date of initial recognition in the statements of financial position and considering that the financial statements are prepared under the historical cost criterion. The consumer price index at the beginning of the reporting period 1 January 2022 was 921.40 (1 January 2021: 284.04) and closed at 30 June 2022 at 1,286.76 (30 June 2021: 414.97). The consumer price index used for reporting 1 January 2020 was 118.0, 31 December 2020 was 284.04 and 31 December 2021 at 921.4.

The gain or loss on the net monetary position which has been derived as the difference resulting from the restatement of non-monetary assets, equity and items in the statement of comprehensive income is recognised in the statement of profit or loss. During the period ended 30 June 2022, the resulting gain on net monetary position for Damac Properties Lebanon SAL amounted to AED 91 million (30 June 2021 restated: AED 54 million). The group recognised a foreign exchange loss of AED 24 million (30 June 2021 restated: AED 100 million) in the statement of profit or loss due to movement in foreign currency exchange rate. Further, an amount of AED 295 million have been recorded in foreign currency translation reserve due to Hyperinflation impact for the period ended 30 June 2021.

The Group has applied IAS 29 to its subsidiary, Damac Properties Lebanon SAL effective from 1 January 2020 which resulted in opening equity reported in the stable currency is affected by the cumulative effect of restating non-monetary items at the subsidiary level from the date they were first recognised and the effect of translating those balances to the closing rate. This resulted in a difference of AED 66 million between the closing equity of the year ended 31 December 2019 and the opening equity as at 1 January 2020 is recorded under equity against opening reserves which impacted the restated reserves as at 1 January 2021. Further, the consolidated financial statements for the year ended 31 December 2020 have been restated and an impact of AED 393 million have been recorded in the statement of profit and loss which also impacted the restated reserves as at 1 January 2021.

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**32. Hyperinflation (continued)**

	Six month period ended 30 June	
	2021 AED'000 After hyperinflation Restated	2021 AED'000 Before hyperinflation
<b>ASSETS</b>		
Cash and bank balances	3,072,403	3,077,156
Financial investments	3,071,779	3,071,779
Trade and other receivables	5,874,470	5,874,470
Development Properties	8,084,739	7,977,477
Investment in associates	803,618	803,618
Other financial assets	434,945	434,945
Right-of-use assets	58,264	58,264
Property and equipment	65,751	65,751
Investment properties	168,585	168,585
<b>Total assets</b>	<b>21,634,554</b>	<b>21,532,045</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	3,980,025	3,980,025
Statutory reserve	151,883	151,883
Fair value reserve	282,362	282,362
Foreign currency translation reserve	(295,336)	-
Retained earnings	8,922,888	8,527,510
Equity attributable to the owners of the company	13,041,822	12,941,780
Non-controlling interests	-	-
<b>Total equity</b>	<b>13,041,822</b>	<b>12,941,780</b>
<b>Liabilities</b>		
Trade and other payables	2,898,964	2,898,964
Advances from customers	2,589,992	2,587,525
Borrowings	124,834	124,834
Sukuk certificates	2,910,440	2,910,440
Lease liabilities	68,502	68,502
<b>Total liabilities</b>	<b>8,592,732</b>	<b>8,590,265</b>
<b>Total equity and liabilities</b>	<b>21,634,554</b>	<b>21,532,045</b>



**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**32. Hyperinflation (continued)**

**Condensed consolidated interim statement of profit or loss and other comprehensive income**

	<b>Six month period ended 30 June</b>	
	<b>2021 AED'000 After hyperinflation Restated</b>	<b>2021 AED'000 Before hyperinflation</b>
Revenue	1,359,232	1,377,978
Cost of sales	(1,018,822)	(1,016,705)
<b>Gross profit</b>	<b>340,410</b>	<b>361,273</b>
Other operating income	36,004	36,004
General, administrative and selling expenses	(692,719)	(694,247)
Amortisation of right-of-use asset	(1,373)	(1,373)
Depreciation on property & equipment and investment properties	(11,330)	(11,330)
Reversal for impairment on development properties	21,191	-
Loss allowance charged on trade receivables	(85,031)	(60,755)
Gain on financial investments carried at FVTPL	175,594	175,594
Other income – net	56,535	56,535
Finance income	5,619	5,619
Finance costs	(98,045)	(102,266)
Gain on net monetary position	54,166	-
Foreign exchange loss	(99,501)	-
Share of net loss of associates	(5,353)	(5,353)
<b>Loss before tax</b>	<b>(303,833)</b>	<b>(240,299)</b>
Income tax expense - overseas	(48,405)	(48,405)
<b>Loss after tax</b>	<b>(352,238)</b>	<b>(288,704)</b>
<b>Loss per share attributable to the owners of the Company:</b>		
Basic and diluted per share (AED)	(0.3252)	(0.2666)
<b>Other comprehensive income:</b>		
Fair value gain on investment in equity instruments designed at fair value through other comprehensive income (FVTOCI)	241,225	241,225
Foreign exchange differences on translation of financial information of foreign operations	(295,336)	-
<b>Total comprehensive loss for the period</b>	<b>(406,349)</b>	<b>(47,479)</b>

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**33. Impact of prior period adjustment on condensed consolidated interim financial information**

The Group has applied for the first time IAS 29 to its subsidiary in Lebanon, Damac Properties Lebanon SAL from 1 January 2020. The adoption of IAS 29 was omitted in 2020. Accordingly, it has been recorded retrospectively in accordance with IAS 8 *Accounting policies, changes in accounting estimates and errors* and consolidated financial statements of the Group for the year ended 31 December 2021 were restated to reflect the rectified balances. Due to adoption of IAS 29, the condensed consolidated interim financial information for the period ended 30 June 2022 has also been restated to reflect the rectified balances.

The effects of retrospective adoption of IAS 29 on the Group's condensed consolidated interim financial information are presented below:

	<b>As previously reported AED'000</b>	<b>Restatements AED'000</b>	<b>Restated AED'000</b>
<b><i>Condensed consolidated interim statement of financial position as at 30 June 2021</i></b>			
Cash and cash equivalents	3,077,156	(4,753)	3,072,403
Development properties	7,977,477	107,262	8,084,739
Advances from customers	2,587,525	2,467	2,589,992
Foreign currency translation reserve	-	(295,336)	(295,336)
Retained earnings	8,527,510	395,378	8,922,888
<b><i>Condensed Consolidated interim statement of profit or loss and other comprehensive income for the period ended 30 June 2021</i></b>			
Revenue	1,377,978	(18,746)	1,359,232
Cost of sales	(1,016,705)	(2,117)	(1,018,822)
General, administrative and selling expenses	(694,247)	1,528	(692,719)
Loss allowance charged on trade receivables	(60,755)	(24,276)	(85,031)
Foreign exchange loss	-	(99,501)	(99,501)
Reversal for impairment on development properties	-	21,191	21,191
Finance costs	(102,266)	4,221	(98,045)
Gain on net monetary position	-	54,166	54,166
<b>Loss for the period</b>	<b>(495,995)</b>	<b>(63,534)</b>	<b>(559,529)</b>
Foreign currency differences on translation of financial information foreign operations	-	(295,336)	(295,336)
<b>Total comprehensive loss for the period</b>	<b>(47,479)</b>	<b>(358,870)</b>	<b>(406,349)</b>
<b><i>Condensed Consolidated interim statement of cash flows for the period ended 30 June 2021</i></b>			
Loss for the period before tax	(240,299)	(63,534)	(303,833)
Loss allowance charged on trade receivables	60,755	24,276	85,031
Finance costs	102,266	(4,221)	98,045
Gain on net monetary position	-	54,166	54,166
Reversal of impairment on development properties	-	(21,191)	(21,191)
Currency translation adjustment / hyperinflation	-	10,504	10,504

**Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2022 (continued)**

**34. Subsequent events**

On 3 August 2022, an interim cash dividend of USD 0.1385 (AED 0.509) per share amounting to USD 150 million (AED 551 million) was approved by the shareholders in the general assembly. The dividend was paid on 17 August 2022.

**35. Approval of the condensed consolidated interim financial information**

The condensed consolidated interim financial information for the six month period ended 30 June 2022 was approved by the Board of Directors and authorised for issue on 29 August 2022.