

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

**Review report and condensed consolidated  
interim financial information  
for the three month period ended  
31 March 2022**

**DAMAC Real Estate Development Limited, DIFC**

**Review report and condensed consolidated interim financial information (Unaudited)  
for the three month period ended 31 March 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 31 March 2022 and the related condensed consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three month period then ended and other explanatory notes. 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.

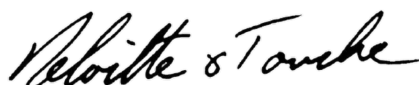
### *Scope of review*

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  
30 June 2022  
Dubai  
United Arab Emirates

**Condensed consolidated interim statement of financial position  
as at 31 March 2022**

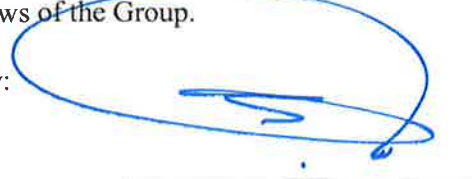
	Notes	31 March 2022 AED'000 (Unaudited)	31 March 2022 USD'000 Equivalent (Unaudited)	31 December 2021 AED'000 (Audited)	31 December 2021 USD'0000 Equivalent (Audited)
<b>ASSETS</b>					
Cash and bank balances	6	5,553,706	1,511,213	4,120,345	1,121,182
Financial investments	7	1,834,490	499,181	2,606,169	709,162
Trade and other receivables	8	5,392,218	1,467,270	5,309,737	1,444,827
Development properties	9	10,739,456	2,922,301	8,585,233	2,336,118
Investment in associates	10	-	-	903,926	245,966
Other financial assets	11	506,044	137,699	441,972	120,264
Right-of-use assets	12	125,118	34,046	56,899	15,483
Property and equipment	13	255,444	69,509	129,702	35,293
Investment properties	14	170,635	46,431	164,522	44,768
<b>Total assets</b>		<b>24,577,111</b>	<b>6,687,650</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		278,747	75,850	488,369	132,889
Foreign currency translation reserve		(288,268)	(78,440)	(280,031)	(76,199)
Retained earnings		8,793,446	2,392,773	8,746,873	2,380,102
Equity attributable to owners of the Company		12,915,833	3,514,512	13,087,119	3,561,121
Non-controlling interest	15(b)	375,734	102,241	-	-
<b>Total equity</b>		<b>13,291,567</b>	<b>3,616,753</b>	<b>13,087,119</b>	<b>3,561,121</b>
<b>LIABILITIES</b>					
Trade and other payables	17	3,362,249	914,898	3,129,689	851,616
Advances from customers	18	4,579,795	1,246,203	3,373,313	917,908
Bank borrowings	19	715,739	194,759	124,834	33,969
Sukuk certificates	20	2,467,645	671,468	2,538,433	690,730
Lease liabilities	12	160,116	43,569	65,117	17,719
<b>Total liabilities</b>		<b>11,285,544</b>	<b>3,070,897</b>	<b>9,231,386</b>	<b>2,511,942</b>
<b>Total equity and liabilities</b>		<b>24,577,111</b>	<b>6,687,650</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 30 June 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 three month period ended 31 March 2022**

	Notes	Three month period ended 31 March			
		2022 AED'000 <i>(Unaudited)</i>	2022 USD'000 Equivalent <i>(Unaudited)</i>	2021 AED'000 Restated <i>(Unaudited)</i>	2021 USD'000 Equivalent Restated <i>(Unaudited)</i>
Revenue	22	794,730	216,253	642,702	174,885
Cost of sales		(552,425)	(150,320)	(504,048)	(137,156)
<b>Gross profit</b>		<b>242,305</b>	<b>65,933</b>	138,654	37,729
Other operating income	23	305,795	83,210	3,643	991
General, administrative and selling expenses	24	(451,152)	(122,763)	(311,242)	(84,691)
Amortisation of right-of-use asset	12	(683)	(186)	(683)	(186)
Depreciation on property & equipment	13	(5,224)	(1,421)	(3,659)	(996)
Depreciation on investment properties	14	(2,058)	(560)	(2,031)	(553)
Loss allowance reversal/(charged) on trade receivables	8	33,196	9,033	(58,985)	(16,050)
(Loss)/gain on financial investments carried at FVTPL	7(b)	(91,296)	(24,842)	73,544	20,012
Other income - net	25	34,512	9,391	28,282	7,696
Finance income	26	4,158	1,131	4,015	1,093
Finance costs	27	(44,416)	(12,086)	(56,498)	(15,374)
Share of net loss of associates	10	(13,219)	(3,597)	(3,675)	(1,000)
Foreign exchange gain	32	5,734	1,560	-	-
Gain on net monetary position	32	26,622	7,244	37,639	10,242
<b>Profit / (loss) for the period</b>		<b>44,274</b>	<b>12,047</b>	(150,996)	(41,087)
<b>Attributable to:</b>					
Owners of the Company		46,573	12,673	(150,996)	(41,087)
Non-controlling interests		(2,299)	(626)	-	-
		<b>44,274</b>	<b>12,047</b>	(150,996)	(41,087)
<b>Earnings / (loss) per share attributable to the owners of the Company:</b>					
Basic and diluted per share (AED/USD)	30	<b>0.0430</b>	<b>0.0117</b>	(0.1394)	(0.0379)

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

**Condensed consolidated interim statement of comprehensive income (Unaudited)  
for the three month period ended 31 March 2022**

	Notes	Three month period ended 31 March			
		2022 AED'000 <i>(Unaudited)</i>	2022 USD'000 Equivalent <i>(Unaudited)</i>	2021 AED'000 Restated <i>(Unaudited)</i>	2021 USD'000 Equivalent Restated <i>(Unaudited)</i>
<b>Profit / (loss) for the period</b>		<b>44,274</b>	<b>12,047</b>	(150,996)	(41,087)
<b>Other comprehensive (loss) / income :</b>					
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Fair value (loss) / gain on investment in equity instruments designated at fair value through other comprehensive income (FVTOCI)	7(a)	(209,622)	(57,040)	134,112	36,493
<i>Item that may be classified subsequently to profit or loss:</i>					
Foreign exchange differences on translation of financial statements of foreign operations.		(8,148)	(2,217)	-	-
<b>Other comprehensive (loss) / income for the period</b>		<b>(217,770)</b>	<b>(59,257)</b>	134,112	36,493
<b>Total comprehensive loss for the period</b>		<b>(173,496)</b>	<b>(47,210)</b>	(16,884)	(4,594)
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(171,286)	(46,609)	(16,884)	(4,594)
Non-controlling interests		(2,210)	(601)	-	-
		<b>(173,496)</b>	<b>(47,210)</b>	(16,884)	(4,594)

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 three months period ended 31 March 2022**

	Attributable to the owners of the Company							Non-controlling interest AED'000	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			
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)	-	-	-	66,926	-	66,926	-	66,926	
Loss for the period	-	-	-	-	(150,996)	(150,996)	-	(150,996)	
Other comprehensive income	-	-	134,112	-	-	134,112	-	134,112	
<b>Total comprehensive loss for the period – restated</b>	<b>-</b>	<b>-</b>	<b>134,112</b>	<b>-</b>	<b>(150,996)</b>	<b>(16,884)</b>	<b>-</b>	<b>(16,884)</b>	
Transfer on derecognition of investment at FVTOCI	-	-	84,596	-	(84,596)	-	-	-	
<b>Balance at 31 March 2021 - restated</b>	<b>3,980,025</b>	<b>151,883</b>	<b>175,249</b>	<b>66,926</b>	<b>9,124,130</b>	<b>13,498,213</b>	<b>-</b>	<b>13,498,213</b>	
Balance at 1 January 2022	3,980,025	151,883	488,369	(280,031)	8,746,873	13,087,119	-	13,087,119	
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	-	-	-	-	46,573	46,573	(2,299)	44,274	
Other comprehensive loss	-	-	(209,622)	(8,237)	-	(217,859)	89	(217,770)	
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(209,622)</b>	<b>(8,237)</b>	<b>46,573</b>	<b>(171,286)</b>	<b>(2,210)</b>	<b>(173,496)</b>	
<b>Balance at 31 March 2022</b>	<b>3,980,025</b>	<b>151,883</b>	<b>278,747</b>	<b>(288,268)</b>	<b>8,793,446</b>	<b>12,915,833</b>	<b>375,734</b>	<b>13,291,567</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 three month period ended 31 March 2022**

	<b>Three month period ended 31 March</b>			
	<b>2022</b> <b>AED'000</b> <i>(Unaudited)</i>	<b>2022</b> <b>USD'000</b> <b>Equivalent</b> <i>(Unaudited)</i>	2021 AED'000 Restated <i>(Unaudited)</i>	2021 USD'000 Equivalent Restated <i>(Unaudited)</i>
<b>Cash flows from operating activities</b>				
Profit/(loss) for the period	44,274	12,047	(150,996)	(41,087)
<i>Adjustments for:</i>				
Depreciation on property and equipment and investment properties (notes 13 and 14)	7,282	1,981	5,690	1,548
Amortisation on right-of-use assets (note 12)	683	186	683	186
Provision for employees' end-of-service indemnity (note 17)	5,095	1,386	4,101	1,116
Amortisation of issue costs on sukuk certificates (note 20)	1,259	343	1,259	343
(Reversal) / provision of loss allowance on trade receivables (note 8)	(33,196)	(9,033)	58,985	16,050
Finance costs (note 27)	44,416	12,086	56,498	15,374
Finance income (note 26)	(4,158)	(1,131)	(4,015)	(1,093)
Dividend income (note 25)	(14,194)	(3,862)	(9,530)	(2,593)
Gain on net monetary position (note 32)	(26,622)	(7,244)	(37,639)	(10,242)
Share of net loss of associates (note 10)	13,219	3,597	3,675	1,000
Loss/(gain) on fair value of financial investments at FVTPL [note 7 (b)]	136,503	37,144	(41,969)	(11,420)
Loss on repurchase of sukuk certificates (note 25)	1,171	319	365	99
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>175,732</b>	<b>47,818</b>	<b>(112,893)</b>	<b>(30,719)</b>
(Increase)/decrease in trade and other receivables	(11,364)	(3,092)	458,805	124,845
Decrease/(increase) in development properties	43,231	11,764	(48,172)	(13,108)
Increase in trade and other payables	191,325	52,061	67,555	18,382
Increase in advances from customers	834,959	227,200	220,286	59,942
Employee end-of-service indemnity paid (note 17)	(1,750)	(476)	(2,135)	(581)
Currency translation adjustment / hyperinflation	8,148	2,217	1,374	374
<b>Net cash generated from operating activities</b>	<b>1,240,281</b>	<b>337,492</b>	<b>584,820</b>	<b>159,135</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 three month period ended 31 March 2022**

	<b>Three month period ended 31 March</b>			
	<b>2022</b> <b>AED'000</b> <i>(Unaudited)</i>	<b>2022</b> <b>USD'000</b> <b>Equivalent</b> <i>(Unaudited)</i>	<b>2021</b> <b>AED'000</b> Restated <i>(Unaudited)</i>	<b>2021</b> <b>USD'000</b> Equivalent Restated <i>(Unaudited)</i>
<b>Cash flows from investing activities</b>				
Purchases of property and equipment (note 13)	<b>(4,106)</b>	<b>(1,117)</b>	(2,523)	(686)
Decrease / (increase) in financial investments- net	<b>425,554</b>	<b>115,797</b>	(1,591,785)	(433,139)
Increase in investment in associates	-	-	(515,970)	(140,400)
(Increase)/decrease in other financial assets	<b>(64,072)</b>	<b>(17,435)</b>	68,340	18,596
Increase in investment properties (note 14)	<b>(8,171)</b>	<b>(2,223)</b>	-	-
Acquisition of subsidiaries - net of cash acquired (note 15)	<b>51,889</b>	<b>14,120</b>	-	-
Dividend income received (note 25)	<b>14,194</b>	<b>3,862</b>	9,530	2,593
(Increase) / decrease in deposits with an original maturity of greater than three months	<b>(85,148)</b>	<b>(23,170)</b>	115,448	31,414
Interest received	<b>4,253</b>	<b>1,157</b>	4,239	1,153
<b>Net cash generated from / (used in) investing activities</b>	<b>334,393</b>	<b>90,991</b>	(1,912,721)	(520,469)
<b>Cash flows from financing activities</b>				
Bank borrowings draw down	<b>11,011</b>	<b>2,996</b>	-	-
Repayment of bank borrowings	<b>(124,834)</b>	<b>(33,968)</b>	-	-
Repurchase of sukuk certificates	<b>(73,218)</b>	<b>(19,923)</b>	(92,545)	(25,182)
Finance costs paid	<b>(5,877)</b>	<b>(1,599)</b>	(5,493)	(1,495)
Payment to non-controlling interest (note 15)	<b>(33,543)</b>	<b>(9,127)</b>	-	-
<b>Net cash used in financing activities</b>	<b>(226,461)</b>	<b>(61,621)</b>	(98,038)	(26,677)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,348,213</b>	<b>366,862</b>	(1,425,939)	(388,011)
Cash and cash equivalents at the beginning of the period	<b>3,663,015</b>	<b>996,739</b>	3,307,671	900,047
<b>Cash and cash equivalents at the end of the period (note 6)</b>	<b>5,011,228</b>	<b>1,363,601</b>	1,881,732	512,036

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

## Notes to the condensed consolidated interim financial information for the three month period ended 31 March 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. PJSC (the “Parent”) whose Majority Shareholder is Mr. Hussain Ali Habib Sajwani.

The Parent 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 three month period ended 31 March 2022 and 31 March 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 31 March 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 three month period ended 31 March 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
Amendments to IAS 1 <i>Presentation of Financial Statements</i> relating to classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to IFRS 17 <i>Insurance Contracts</i>	1 January 2023
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
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.

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 three month period ended 31 March 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 three month period ended 31 March 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 138 (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%
Luxury Facilities Management L.L.C	U.A.E.	Facilities management	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 three month period ended 31 March 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%
Bright Gulf Investments Limited	BVI	Investment company	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 three month period ended 31 March 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 Apartments 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 three month period ended 31 March 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	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 three month period ended 31 March 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%
Luluah 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%

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

No subsidiaries has been liquidated during the period by the Group.

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.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

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

**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.

**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 31 March</b>	
	<b>2022 (Unaudited) AED'000</b>	<b>2021 (Unaudited) AED'000 Restated</b>
<u>Revenue</u>		
Domestic	<b>766,102</b>	616,696
International	<b>28,628</b>	26,006
	<b>794,730</b>	642,702

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

	<b>31 March 2022 (Unaudited) AED'000</b>	<b>31 December 2021 (Audited) AED'000</b>
	<u>Development properties</u>	
Domestic	<b>7,235,033</b>	7,272,032
International	<b>3,504,423</b>	1,313,201
	<b>10,739,456</b>	8,585,233

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**5. Segment analysis (continued)**

<u>Financial investments</u>	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Domestic	<b>263,999</b>	306,147
International	<b>1,570,491</b>	2,300,022
	<b>1,834,490</b>	2,606,169

**6. Cash and bank balances**

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Cash on hand	<b>667</b>	563
Cash held in escrow	<b>2,480,584</b>	1,928,859
Bank balances	<b>1,044,503</b>	882,274
Fixed deposits	<b>2,027,952</b>	1,308,649
Cash and bank balances	<b>5,553,706</b>	4,120,345
Fixed deposits with an original maturity of greater than three months	<b>(542,478)</b>	(457,330)
Cash and cash equivalents	<b>5,011,228</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.

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 0.2% to 1.0% (31 December 2021: 0.3% to 1.0%) per annum.

As at 31 March 2022, fixed deposits and bank balances of AED 570 million (31 December 2021: AED 592 million) are held by banks under lien against credit facilities issued to the Group.

As at 31 March 2022, cash and cash equivalents amounting to AED 1,833 million (31 December 2021: AED 1,309 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 three month period ended 31 March 2022 (continued)**

**7. Financial investments**

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

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Financial investments at FVTOCI [7 (a)]	<b>993,129</b>	1,147,408
Financial investments at FVTPL [7 (b)]	<b>841,361</b>	1,458,761
	<b><u>1,834,490</u></b>	<u>2,606,169</u>

**a) Financial investments at FVTOCI**

	<b>31 March 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
Change in fair value	<b>(209,622)</b>	447,232
Derecognition/reclassified to investment in associates (ii)	<b>-</b>	(229,320)
Closing balance	<b><u>993,129</u></b>	<u>1,147,408</u>

- i. During the period ended 31 March 2022, Group acquired quoted equity instrument designated at FVTOCI amounting to AED 55 million (31 December 2021: AED 659 million). As at 31 March 2022, Group has recognised a fair value loss amounting to AED 210 million (31 December 2021: fair value gain of AED 488 million).
- 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.

**b) Financial investments at FVTPL**

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
<b>Opening balance</b>	<b>1,458,761</b>	492,455
Additions	<b>56,225</b>	2,738,186
Disposals (i)	<b>(537,122)</b>	(1,342,400)
Change in fair value through profit or loss (ii)	<b>(136,503)</b>	(429,480)
<b>Closing balance</b>	<b><u>841,361</u></b>	<u>1,458,761</u>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**7. Financial investments (continued)**

**b) Financial investments at FVTPL (continued)**

- i. During the period ended 31 March 2022, the Group mainly invested in quoted equity securities listed on the London stock exchange, New York stock exchange and Dubai financial market. During the period ended 31 March 2022, Group has recognised a gain of AED 46 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 31 March 2022 and recognised a loss of AED 137 million (31 December 2021: AED 429 million) in the condensed consolidated interim statement of profit or loss.

**8. Trade and other receivables**

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Unbilled receivables (i)	<b>2,840,203</b>	2,947,419
Trade receivables (ii)	<b>1,389,848</b>	1,535,090
Provision for impairment on trade receivables (iii)	<b>(209,267)</b>	(242,463)
	<b>4,020,784</b>	4,240,046
Advances and deposits	<b>446,140</b>	458,081
Other receivables, prepayments and other assets	<b>925,294</b>	611,610
	<b>5,392,218</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.

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

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Balance at the beginning of the period / year	<b>(242,463)</b>	(215,215)
Reversal / (provision) for loss allowance during the period / year	<b>33,196</b>	(27,248)
Balance at the end of the period / year	<b>(209,267)</b>	(242,463)

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**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>31 March 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>2,707,726</b>	2,184,729
Transfer to cost of sales	<b>(553,503)</b>	(2,149,330)
Transfer to property and equipment (note 13)	-	(79,533)
Reversal for impairment - net	-	379,758
	<b>10,739,456</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 (each the "Parcel") amounting to AED 1,500 million. As of the reporting date, the Group has a remaining commitment of 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 31 March 2022, includes additions through acquisition of a subsidiary amounting to AED 2,173 million (31 December 2021: AED Nil) (Note 15).

*Impairment of development properties*

At 31 March 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. This review resulted in an impairment provision of AED Nil (31 December 2021: reversal of impairment provision of AED 380 million).

*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>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Land held for future development	<b>2,910,132</b>	2,626,196
Properties under development	<b>6,065,797</b>	4,139,669
Completed properties	<b>1,763,527</b>	1,819,368
	<b>10,739,456</b>	8,585,233

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 31 March 2022 is AED 3,504 million (31 December 2021: AED 1,313 million).

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**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	
		31 March 2022	31 December 2021	31 March 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>				-	903,926

During the period ended 31 March 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.

As of the reporting date and 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 31 March 2022, Group recorded a share of net loss of associates amounting to AED 13 million (31 March 2021: AED 4 million).

**11. Other financial assets**

	31 March 2022 (Unaudited) AED'000	31 December 2021 (Audited) AED'000
Escrow retention accounts	472,171	424,594
Margin deposits	29,262	14,445
Other	4,611	2,933
	<b>506,044</b>	<b>441,972</b>

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.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**11. Other financial assets**

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 31 March 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 182 million (31 December 2021: AED 175 million) is held with Islamic banks and the remaining balance is held with conventional banks.

**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
	<hr/>
<b>At 31 March 2022 (Unaudited)</b>	<b>194,180</b>
	<hr/>
<b>Accumulated amortisation:</b>	
At 1 January 2021 (Audited)	65,641
Charge for the year	2,738
	<hr/>
At 31 December 2021 (Audited)	68,379
Charge for the period	683
	<hr/>
<b>At 31 March 2022 (Unaudited)</b>	<b>69,062</b>
	<hr/>
<b>Carrying value:</b>	
<b>At 31 March 2022 (Unaudited)</b>	<b>125,118</b>
	<hr/> <hr/>
At 31 December 2021 (Audited)	56,899
	<hr/> <hr/>

Amount of lease liabilities outstanding as at period / year end:

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Opening balance	65,117	65,314
Addition on acquisition of a subsidiary	93,429	-
Interest expense for the period / year (note 27)	1,570	6,425
Lease payment during the period / year	-	(6,622)
	<hr/>	<hr/>
<b>Closing balance</b>	<b>160,116</b>	65,117
	<hr/> <hr/>	<hr/> <hr/>



**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**13. Property and equipment**

	<b>Buildings AED'000</b>	<b>Furniture and fixtures AED'000</b>	<b>Tools and office equipment AED'000</b>	<b>Motor vehicles AED'000</b>	<b>Capital work in progress AED'000</b>	<b>Total AED'000</b>
<b>Cost:</b>						
At 1 January 2021	92,059	81,978	124,157	8,291	-	306,485
Additions	3,613	5,556	12,889	2,805	-	24,863
Transfer from development properties (note 9)	79,533	-	-	-	-	79,533
Write-off	(6,439)	(5,918)	(7,703)	(897)	-	(20,957)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021 (Audited)	168,766	81,616	129,343	10,199	-	389,924
Additions	-	734	3,372	-	-	4,106
Arising on acquisition of a subsidiary	-	1,480	6,803	-	126,823	135,106
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022 (Unaudited)</b>	<b>168,766</b>	<b>83,830</b>	<b>139,518</b>	<b>10,199</b>	<b>126,823</b>	<b>529,136</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation and impairment</b>						
At 1 January 2021	74,359	64,685	98,620	4,923	-	242,587
Charge for the year	20,431	2,791	7,541	1,422	-	32,185
Write off	(32)	(5,918)	(7,703)	(897)	-	(14,550)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021 (Audited)	94,758	61,558	98,458	5,448	-	260,222
Charge for the period	2,236	702	2,058	228	-	5,224
Arising on acquisition of a subsidiary	-	1,480	6,766	-	-	8,246
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022 (Unaudited)</b>	<b>96,994</b>	<b>63,740</b>	<b>107,282</b>	<b>5,676</b>	<b>-</b>	<b>273,692</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Carrying value</b>						
<b>At 31 March 2022 (Unaudited)</b>	<b>71,772</b>	<b>20,090</b>	<b>32,236</b>	<b>4,523</b>	<b>126,823</b>	<b>255,444</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021 (Audited)	74,008	20,058	30,885	4,751	-	129,702
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Capital work in progress during the period pertains to newly acquired subsidiary (note 15).

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 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>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
<b>Cost:</b>		
Balance at the beginning of the period/ year	<b>203,114</b>	203,114
Additions	<b>8,171</b>	-
Balance at the end of the period/ year	<b>211,285</b>	203,114
<b>Accumulated depreciation:</b>		
Balance at the beginning of the period/ year	<b>(38,592)</b>	(30,467)
Charge for the period/ year	<b>(2,058)</b>	(8,125)
Balance at the end of the period/ year	<b>(40,650)</b>	(38,592)
<b>Net carrying amount</b>	<b>170,635</b>	164,522

**15. Non-controlling interests**

During the period ended 31 March 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
	<b>1,573,585</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

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

	<b>16 March 2022 <u>AED'000</u></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)
	<hr/>
Total identifiable assets acquired and liabilities assumed	<b>1,573,585</b> <hr/>

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

	<b>31 March 2022 <u>AED'000</u></b>
Cash consideration	290,325
Less: cash and cash equivalent balances acquired	(342,214)
	<hr/>
<b>Net cash inflow arising on acquisition</b>	<b>(51,889)</b> <hr/> <hr/>

As at 31 March 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>31 March 2022 AED'000</b>	31 December 2021 AED'000
<b>Damac International Limited</b>		
Assets	2,735,825	-
Liabilities	(1,270,132)	-
	<hr/>	<hr/>
Equity	<b>1,465,693</b>	-
	<hr/> <hr/>	<hr/> <hr/>
Equity attributable to owners of the Company	<b>1,089,959</b>	-
Non-controlling interests	<b>375,734</b>	-
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

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

	<b>31 March 2022 AED'000</b>	31 March 2021 AED'000
Revenue	-	-
Expenses	<b>(7,919)</b>	-
<b>Loss for the period</b>	<b>(7,919)</b>	-
Loss attributable to owners of the Company	<b>(5,620)</b>	-
Loss attributable to the non-controlling interests	<b>(2,299)</b>	-
Other comprehensive income attributable to owners of the Company	<b>273</b>	-
Other comprehensive income attributable to the non-controlling interests	<b>89</b>	-
<b>Other comprehensive income for the period</b>	<b>362</b>	-
Total comprehensive loss attributable to owners of the Company	<b>(5,347)</b>	-
Total comprehensive loss attributable to the non-controlling interests	<b>(2,210)</b>	-
<b>Total comprehensive loss for the period</b>	<b>(7,557)</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>31 March 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 three month period ended 31 March 2022 (continued)**

**17. Trade and other payables**

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Trade payables	1,209,940	903,112
Accruals	877,640	871,714
Retentions payable (i)	922,100	907,203
Other payables	255,080	353,516
Provision for employees' end-of-service indemnity (ii)	50,062	46,717
Provision for taxation	47,427	47,427
	<b>3,362,249</b>	<b>3,129,689</b>

(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>31 March 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	5,095	12,515
Payments during the period / year	(1,750)	(7,250)
	<b>50,062</b>	<b>46,717</b>

**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>31 March 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	2,312,088	4,306,467
Revenue recognised during the period / year	(799,811)	(2,867,859)
Other operating income recognised during the period / year (note 23)	(305,795)	(140,664)
	<b>4,579,795</b>	<b>3,373,313</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**19. Bank borrowings**

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Bank facilities	<b>715,739</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 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 716 million is pertaining to acquisition of a subsidiary (31 December 2021: AED Nil).

- 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 31 March 2022.
- c) Group had arranged for a bank overdraft facility amounting to AED 300 million (31 December 2021: AED 300 million). This facility remained unutilised as at the reporting date.
- d) As at 31 March 2022, the Group had arranged for bank facilities amounting to AED 1,188 million (31 December 2021: AED 1,217 million) in the form of letters of credit and guarantees out of which AED 68 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 213 million (31 December 2021: AED 213 million).
- f) Repayment profile of the Group's bank borrowings at the reporting date is as follows:

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Within one year	<b>715,739</b>	124,834

**20. Sukuk certificates**

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Sukuk certificates	<b>2,470,089</b>	2,542,136
Unamortised issue costs	<b>(2,444)</b>	(3,703)
Carrying amount	<b>2,467,645</b>	2,538,433

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**20. Sukuk certificates (continued)**

*Movement in unamortised issue costs is as follows:*

	<b>31 March 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>(1,259)</b>	(5,036)
Balance at the end of the period / year	<b><u>2,444</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.

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

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

Subsequent to the reporting date, on 18 April 2022, the Group has settled the due balance of Sukuk certificates amounting to AED 1,252 million.

On 18 April 2018, the Group issued US\$ 400 million, AED 1,470 million Sukuk Trust Certificates (the "Certificates") maturing in 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.

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

During the period ended 31 March 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.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**20. Sukuk certificates (continued)**

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

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Amount due for settlement within 12 months	<b>1,251,799</b>	1,265,648
Amount due for settlement after 12 months	<b>1,218,290</b>	1,276,488
	<b>2,470,089</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 31 March</b>	
	<b>2022 (Unaudited) AED'000</b>	2021 (Unaudited) AED'000
<u>Entities under the 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 (iii) (note 25)	<b>1,209</b>	1,209
Loss on fair valuation of financial investment (note 10)	-	41,137

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

During the period ended 31 March 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 31 March 2022.



**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

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

*(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 1.2 million (31 March 2021: AED 1.2 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 31 March</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>AED'000</b>	AED'000
Salaries and other short-term employee benefits	<b>981</b>	1,826
Other long-term benefits	<b>49</b>	96
	<b>1,030</b>	1,922

**22. Revenue**

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

	<b>Three month period ended 31 March</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>AED'000</b>	AED'000
		Restated
Over time	<b>769,912</b>	610,697
Point in time	<b>24,818</b>	32,005
	<b>794,730</b>	642,702

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**23. Other operating income**

	<b>Three month period ended 31 March</b>	
	<b>2022 (Unaudited) AED'000</b>	<b>2021 (Unaudited) AED'000</b>
Income from cancellation of units - net (note 18)	<b>305,795</b>	3,643

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

	<b>Three month period ended 31 March</b>	
	<b>2022 (Unaudited) AED'000</b>	<b>2021 (Unaudited) AED'000 Restated</b>
Staff costs	<b>147,485</b>	78,085
Selling and marketing expenses	<b>157,418</b>	157,114
Repairs and maintenance	<b>69,439</b>	38,935
Legal and professional	<b>27,669</b>	12,533
Bank charges	<b>8,552</b>	4,045
Travel and communication	<b>7,328</b>	2,446
Rent and license fees	<b>5,864</b>	6,026
Insurance	<b>2,552</b>	1,850
Social contributions	<b>125</b>	125
Other	<b>24,720</b>	10,083
	<b>451,152</b>	311,242

**25. Other income - net**

	<b>Three month period ended 31 March</b>	
	<b>2022 (Unaudited) AED'000</b>	<b>2021 (Unaudited) AED'000</b>
Property management fees	<b>10,842</b>	13,889
Support services fees (note 21)	<b>1,209</b>	1,209
Loss on repurchase of sukuk certificates	<b>(1,171)</b>	(365)
Dividend income	<b>14,194</b>	9,530
Other	<b>9,438</b>	4,019
	<b>34,512</b>	28,282

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**26. Finance income**

	<b>Three month period ended 31 March</b>	
	<b>2022 (Unaudited) AED'000</b>	<b>2021 (Unaudited) AED'000</b>
Islamic banks and financial institutions	1,492	829
Conventional banks and financial institutions	2,666	3,186
	<b>4,158</b>	<b>4,015</b>

**27. Finance costs**

	<b>Three month period ended 31 March</b>	
	<b>2022 (Unaudited) AED'000</b>	<b>2021 (Unaudited) AED'000 Restated</b>
Islamic banks and financial institutions	40,205	52,750
Conventional banks and financial institutions	2,641	2,173
Interest on lease liabilities (note 12)	1,570	1,575
	<b>44,416</b>	<b>56,498</b>

**28. Contingent liabilities**

	<b>31 March 2022 (Unaudited) AED'000</b>	<b>31 December 2021 (Audited) AED'000</b>
Bank guarantees	<b>1,230,900</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 31 March 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.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**29. Commitments**

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

	<b>31 March 2022 (Unaudited) AED'000</b>	31 December 2021 (Audited) AED'000
Contracted for	<b>1,086,296</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.

**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.

	<b>Three month period ended 31 March</b>	
	<b>2022 (Unaudited)</b>	2021 (Unaudited) Restated
Profit / (loss) attributable to the owners of the Company for the period (AED'000)	<b>46,573</b>	(150,996)
Weighted average number of ordinary shares ('000)	<b>1,083,000</b>	1,083,000
Profit / (loss) per ordinary share – Basic and diluted (AED)	<b>0.0430</b>	(0.1394)

**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.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)****31. Fair value of financial instruments (continued)**

As at 31 March 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 31 March 2022 and year ended 31 December 2021.

**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 31 March 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 31 March 2022 and 2021. The subsidiary did not have material operations during the period ended 31 March 2022 and the total assets of the Lebanon subsidiary are approximately 0.85% of the Group's condensed consolidated interim total assets as at 31 March 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 31 March 2022 at 1,019.81 (31 March 2021: 330.97). 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 31 March 2022, the resulting gain on net monetary position for Damac Properties Lebanon SAL amounted to AED 27 million (31 March 2021 restated: AED 38 million). The Group recognised a foreign exchange loss of AED 6 million (31 March 2021 restated: AED Nil) in the statement of profit or loss due to movement in foreign currency exchange rate. Further, an amount of AED 67 million have been recorded in foreign currency translation reserve due to hyperinflation impact for the period ended 31 March 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 three month period ended 31 March 2022 (continued)**

**32. Hyperinflation (continued)**

**Condensed consolidated interim statement of financial position**

	<b>Three month period ended 31 March</b>	
	<b>2021 AED'000 After hyperinflation Restated</b>	<b>2021 AED'000 Before hyperinflation</b>
<b>ASSETS</b>		
Cash and bank balances	3,069,037	3,069,037
Financial investments	2,530,778	2,530,778
Trade and other receivables	6,511,124	6,511,124
Development properties	8,406,575	7,831,177
Investment in associates	805,295	805,295
Other financial assets	660,907	660,907
Right-of-use assets	58,954	58,954
Property and equipment	62,762	62,762
Investment properties	170,616	170,616
<b>Total assets</b>	<b>22,276,048</b>	<b>21,700,650</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	175,249	175,249
Foreign currency translation reserve	66,926	-
Retained earnings	9,124,130	8,627,334
Equity attributable to owners of the Company	13,498,213	12,934,491
Non-controlling interests	-	-
<b>Total equity</b>	<b>13,498,213</b>	<b>12,934,491</b>
<b>Liabilities</b>		
Trade and other payables	2,939,012	2,939,036
Advances from customers	2,299,664	2,287,964
Bank borrowings	493,267	493,267
Sukuk certificates	2,979,003	2,979,003
Lease liabilities	66,889	66,889
<b>Total liabilities</b>	<b>8,777,835</b>	<b>8,766,159</b>
<b>Total equity and liabilities</b>	<b>22,276,048</b>	<b>21,700,650</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2022 (continued)**

**32. Hyperinflation (continued)**

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

	<b>Three month period ended 31 March</b>	
	<b>2021 AED'000 After hyperinflation Restated</b>	<b>2021 AED'000 Before hyperinflation</b>
Revenue	<b>642,702</b>	642,226
Cost of sales	<b>(504,048)</b>	(503,523)
<b>Gross profit</b>	<b>138,654</b>	138,703
Other operating income	<b>3,643</b>	3,643
General, administrative and selling expenses	<b>(311,242)</b>	(311,209)
Amortisation of right-of-use assets	<b>(683)</b>	(683)
Depreciation on property & equipment	<b>(3,659)</b>	(3,659)
Depreciation on investment properties	<b>(2,031)</b>	(2,031)
Loss allowance charged on trade receivables	<b>(58,985)</b>	(59,529)
Gain on financial investments carried at FVTPL	<b>73,544</b>	73,544
Other income - net	<b>28,282</b>	28,282
Finance income	<b>4,015</b>	4,015
Finance costs	<b>(56,498)</b>	(56,281)
Share of net loss of associates	<b>(3,675)</b>	(3,675)
Gain on net monetary position	<b>37,639</b>	-
<b>Loss for the period</b>	<b>(150,996)</b>	(188,880)
Loss per share attributable to the owners of the Company: Basic and diluted (AED)	<b>(0.1394)</b>	(0.1744)
<b>Other comprehensive income/(loss):</b>		
Fair value gain on investment in equity instruments designed at fair value through other comprehensive income (FVTOCI)	<b>134,112</b>	134,112
Foreign currency differences on translation of financial statements of foreign operations	-	-
<b>Total comprehensive loss for the period</b>	<b>(16,884)</b>	(54,768)

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 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 31 March 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 31 March 2021</i></b>			
Development properties	7,831,152	575,423	8,406,575
Advances from customers	2,287,963	11,701	2,299,664
Foreign currency translation reserve	-	66,926	66,926
Retained earnings	8,627,334	496,796	9,124,130
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><i>Condensed consolidated interim statement of profit or loss for the period ended 31 March 2021</i></b>			
Revenue	642,226	476	642,702
Cost of sales	(503,523)	(525)	(504,048)
General, administrative and selling expenses	(311,209)	(33)	(311,242)
Loss allowance charged on trade receivables	(59,529)	544	(58,985)
Finance costs	(56,281)	(217)	(56,498)
Gain on net monetary position	-	37,639	37,639
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Loss for the period	(289,059)	37,884	(251,175)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><i>Condensed consolidated interim statement of cash flows for the period ended 31 March 2021</i></b>			
Loss for the period before tax	(188,880)	37,884	(150,996)
Loss allowance charged on trade receivables	59,529	(544)	58,985
Finance costs	56,282	216	56,498
Gain on net monetary position	-	(37,639)	(37,639)
Decrease in trade and other receivables	458,262	544	458,806
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

The condensed consolidated interim financial information for the three month period ended 31 March 2022 was approved by the Board of Directors and authorised for issue on 30 June 2022.