

Dubai Financial Market (DFM) P.J.S.C.

**Condensed interim consolidated
financial information**

for the nine month period ended 30 September 2021

Dubai Financial Market (DFM) P.J.S.C.

Review report and condensed interim consolidated financial information

for the nine month period ended 30 September 2021

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Review report on condensed interim consolidated financial information to the Board of Directors of Dubai Financial Market (DFM) P.J.S.C.

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Dubai Financial Market (DFM) P.J.S.C (“the Company”) and its subsidiaries (together referred to as “the Group”) as at 30 September 2021 and the related condensed interim consolidated statements of income and comprehensive income for the three month and nine month periods then ended and the condensed interim consolidated statements of changes in equity and cash flows for the nine month period then ended and other explanatory information. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this condensed interim consolidated 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 the condensed interim consolidated 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 interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

PricewaterhouseCoopers
27 October 2021

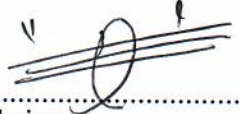
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Dubai Financial Market (DFM) P.J.S.C.**Condensed interim consolidated statement of financial position***as at 30 September 2021*

	<i>Note</i>	As at 30 September 2021 AED'000 (Un-audited)	As at 31 December 2020 AED'000 (Audited)
ASSETS			
Non-current assets			
Goodwill	6	2,878,874	2,878,874
Other intangible assets	6	1,991,243	2,033,609
Property and equipment		340,168	351,858
Financial assets measured at fair value through other comprehensive income (FVOCI)	7	758,910	800,635
Investment at amortised cost	8	294,238	166,075
Investment deposits	9	226,428	241,054
Total non-current assets		6,489,861	6,472,105
Current assets			
Prepaid expenses and other receivables	11	131,114	157,005
Investment deposits	9	3,121,122	2,851,501
Cash and cash equivalents	12	151,092	420,675
Total current assets		3,403,328	3,429,181
Total assets		9,893,189	9,901,286
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	8,000,000	8,000,000
Treasury shares		(4,364)	(4,364)
		7,995,636	7,995,636
Investment revaluation reserve – FVOCI	14	(797,880)	(841,395)
Statutory reserve	14	468,062	468,062
Retained earnings		155,697	152,964
Equity attributable to the owners of the Company		7,821,515	7,775,267
Non-controlling interest		21,389	25,275
Total equity		7,842,904	7,800,542
LIABILITIES			
Non-current liabilities			
Subordinated loan	10	31,524	30,490
Lease liabilities		8,504	17,156
Provision for employees' end of service benefit		22,768	25,545
Total non-current liabilities		62,796	73,191
Current liabilities			
Payables and accrued expenses	15	1,500,956	1,545,561
Dividends payable	10,19	469,588	469,588
Due to related parties	10	16,945	12,404
Total current liabilities		1,987,489	2,027,553
Total liabilities		2,050,285	2,100,744
Total equity and liabilities		9,893,189	9,901,286


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Chairman

The accompanying notes on pages 7 to 21 form an integral part of this condensed interim consolidated financial information.

The independent auditors' report on the review of the condensed interim consolidated financial information is set out on page 1.

Dubai Financial Market (DFM) P.J.S.C.**Condensed interim consolidated statement of income (Un-audited)***for the nine month period ended 30 September*

	<i>Note</i>	Three month period ended		Nine month period ended	
		30 September		30 September	
		2021	2020	2021	2020
		AED'000	AED'000	AED'000	AED'000
Income					
Trading commission fees		21,419	43,639	83,638	124,966
Brokerage fees		3,747	3,896	10,959	11,666
Clearing settlement and depository fee		2,045	9,028	13,379	38,716
Listing and market data fee		2,318	2,485	7,374	7,537
Other fees		903	1,585	4,811	4,912
Operating income		30,432	60,633	120,161	187,797
Investment income		16,619	25,033	55,610	81,482
Dividend income		-	-	6,857	9,999
Other income		39	4,747	3,099	5,326
Total income		47,090	90,413	185,727	284,604
Expenses					
General and administrative expenses		(33,869)	(35,812)	(106,424)	(113,473)
Amortisation of intangible assets		(14,122)	(14,122)	(42,366)	(42,366)
Interest expense		(1,040)	(900)	(2,570)	(2,588)
Operating expenses		(49,031)	(50,834)	(151,360)	(158,427)
Net profit/(loss) for the period		(1,941)	39,579	34,367	126,177
Attributable to:					
Owners of the Company		(634)	41,115	38,135	120,068
Non-controlling interest		(1,307)	(1,536)	(3,768)	6,109
		(1,941)	39,579	34,367	126,177
Basic/diluted earnings per share - AED	16	(0.0001)	0.0051	0.0048	0.0150

The accompanying notes on pages 7 to 21 form an integral part of this condensed interim consolidated financial information.

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Dubai Financial Market (DFM) P.J.S.C.**Condensed interim consolidated statement of comprehensive income (Un-audited)***for the nine month period ended 30 September*

	Three month period ended 30 September		Nine month period ended 30 September	
	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000
Net profit/(loss) for the period	(1,941)	39,579	34,367	126,177
<i>Other comprehensive income</i>				
Items that will not be re-classified to profit or loss				
Fair value changes on financial assets measured at fair value through other comprehensive income/(loss) (FVOCI)	4,454	26,631	39,302	(92,486)
Total comprehensive income for the period	2,513	66,210	73,669	33,691
Attributable to:				
Owners of the Company	3,820	67,746	77,437	27,582
Non-controlling interest	(1,307)	(1,536)	(3,768)	6,109
	2,513	66,210	73,669	33,691

The accompanying notes on pages 7 to 21 form an integral part of this condensed interim consolidated financial information.

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Dubai Financial Market (DFM) P.J.S.C.

Condensed interim consolidated statement of changes in equity (Un-audited)

for the nine month period ended 30 September 2021

	Share capital AED'000	Treasury shares AED'000	Investments revaluation reserve FVOCI AED'000	Statutory reserve AED'000	Retained earnings AED'000	Equity attributable to owners of the Company AED'000	Non- controlling interest AED'000	Total AED'000
As at 1 January 2020	8,000,000	(4,364)	(803,542)	454,272	224,424	7,870,790	20,576	7,891,366
Net profit for the period	-	-	-	-	120,068	120,068	6,109	126,177
Fair value changes on financial assets measured at fair value through other comprehensive loss (FVOCI)	-	-	(92,486)	-	-	(92,486)	-	(92,486)
Total comprehensive income/(loss) for the period	-	-	(92,486)	-	120,068	27,582	6,109	33,691
Dividend approved, net of appropriation of non-sharia compliant income (Note 19)	-	-	-	-	(152,554)	(152,554)	-	(152,554)
Appropriation of non-sharia compliant income (Note 20)	-	-	-	-	(22,539)	(22,539)	-	(22,539)
Realised loss on investment	-	-	20,441	-	(20,441)	-	-	-
Zakat	-	-	-	-	(36)	(36)	-	(36)
As at 30 September 2020	<u>8,000,000</u>	<u>(4,364)</u>	<u>(875,587)</u>	<u>454,272</u>	<u>148,922</u>	<u>7,723,243</u>	<u>26,685</u>	<u>7,749,928</u>
As at 1 January 2021	8,000,000	(4,364)	(841,395)	468,062	152,964	7,775,267	25,275	7,800,542
Net profit/(loss) for the period	-	-	-	-	38,135	38,135	(3,768)	34,367
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	39,302	-	-	39,302	-	39,302
Total comprehensive income/(loss) for the period	-	-	39,302	-	38,135	77,437	(3,768)	73,669
Appropriation of non-sharia compliant income (Note 20)	-	-	-	-	(30,914)	(30,914)	-	(30,914)
Realised loss on investment	-	-	4,213	-	(4,213)	-	-	-
Zakat	-	-	-	-	(36)	(36)	-	(36)
Other	-	-	-	-	(239)	(239)	(118)	(357)
As at 30 September 2021	<u>8,000,000</u>	<u>(4,364)</u>	<u>(797,880)</u>	<u>468,062</u>	<u>155,697</u>	<u>7,821,515</u>	<u>21,389</u>	<u>7,842,904</u>

The accompanying notes on pages 7 to 21 form an integral part of this condensed interim consolidated financial information.

The independent auditors' report on the review of the condensed interim consolidated financial information is set out on page 1.

Dubai Financial Market (DFM) P.J.S.C.

Condensed interim consolidated statement of cash flows (Un-audited)

for the nine month period ended 30 September

	Nine month period ended 30 September	
	2021	2020
	AED'000	AED'000
	<i>Note</i>	
Cash flows from operating activities		
Net profit for the period	34,367	126,177
Adjustments for:		
Depreciation of property and equipment	17,522	17,274
Provision for employees' end of service benefit	2,011	1,600
Amortisation of intangible assets	6 42,366	42,366
Interest expense	2,570	2,588
Investment income	(55,610)	(81,482)
Dividend income	(6,857)	(9,999)
Operating cash flows before changes in operating assets and liabilities	36,369	98,524
(Increase) / decrease in prepaid expenses and other receivables	(3,510)	29,785
(Decrease) / Increase in payables and accrued expenses	(56,922)	286,625
Movement in due to related party	4,541	4,149
	(19,522)	419,083
Employee's end of service benefit paid	(4,787)	(55)
Net cash (used in) / generated from operating activities	(24,309)	419,028
Cash flows from investing activities		
Purchase of property and equipment	(5,833)	(30,347)
Movement in investment deposits	(254,995)	(33,876)
Redemption of investments measured at FVOCI and at amortised cost	214,958	21,793
Investment in Sukuk	(260,752)	-
Dividends received	6,857	9,999
Investment deposit income received	62,481	102,425
Net cash (used in) / generated from investing activities	(237,284)	69,994
Cash flows from financing activities		
Lease liabilities	(7,990)	(11,104)
Dividends paid to shareholders	-	(196,806)
Net cash used in financing activities	(7,990)	(207,910)
Net (decrease) / increase in cash and cash equivalents	(269,583)	281,112
Cash and cash equivalents at the beginning of the period	420,675	209,101
Cash and cash equivalents at the end of the period	12 151,092	490,213

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Dubai Financial Market (DFM) P.J.S.C.

Notes to the condensed interim consolidated financial information

for the nine month period ended 30 September 2021

1 Establishment and operations

Dubai Financial Market (DFM) - PJSC (the “Company”) is a public joint stock company incorporated in the Emirate of Dubai – United Arab Emirates, pursuant to decree No. 62 for the year 2007 issued by the Ministry of Economy on February 6, 2007, and is subject to the provisions of the U.A.E. Federal Law No. 2 of 2015 (“Companies law”). The Company received its registration under Federal Law No. 4 of 2000 with the Emirates Securities and Commodities Authority (‘ESCA’) on November 4, 2000.

The licensed activities of the Company are trading in financial instruments, acting as commercial, industrial and agricultural holding and trust company, financial investment consultancy, and brokerage in local and foreign shares and bonds. In accordance with its Articles of Association, the Company complies in all its activities, operations and formalities with the provisions of Islamic Shari’a and shall invest its entire fund in accordance with these provisions.

The Company’s shares are listed on the Dubai Financial Market (“DFM”).

The Company currently operates the Dubai stock exchange, related clearing house and carries out investment activities on its own behalf. The registered address of the Company is Dubai World Trade Center, Sheikh Zayed Road, P.O. Box 9700, Dubai, United Arab Emirates.

The ultimate parent and controlling party is the Government of Dubai which owns 80.66 % of DFM through Borse Dubai Limited (the “parent”), a Government of Dubai entity.

The condensed interim consolidated financial information incorporates the financial information of Dubai Financial Market (DFM) - PJSC and its subsidiaries (together the “Group”). Details of the subsidiaries are as follows:

<u>Company name</u>	<u>Activity</u>	<u>Country of incorporation</u>	<u>Ownership held</u>
Dubai Central Clearing and Depository Holding LLC*	Holding Company	U.A.E	100%
Nasdaq Dubai Limited**	Electronic Financial Market	U.A.E	67% ***

*Dubai Central Clearing and Depository Holding LLC has the following subsidiaries:

<u>Company name</u>	<u>Activity</u>	<u>Country of incorporation</u>	<u>Ownership held</u>
Dubai Clear LLC	Securities Central Clearing Service	U.A.E	100%
Dubai Central Securities Depository LLC	Securities Depository Services	U.A.E	100%

**Nasdaq Dubai Limited has the following subsidiary:

<u>Company name</u>	<u>Activity</u>	<u>Country of incorporation</u>	<u>Ownership held</u>
Nasdaq Dubai Guardian Limited	Bare nominee solely on behalf of Nasdaq Dubai Limited	U.A.E	100%

***The remaining 33% is held by Borse Dubai Limited (Note 17).

Dubai Financial Market (DFM) P.J.S.C.

Notes to the condensed interim consolidated financial information *(continued)*
for the nine month period ended 30 September 2021

2 Summary of significant accounting policies

2.1 Basis of preparation

This condensed interim consolidated financial information has been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting, and applicable provisions of the UAE Federal law No. 2 of 2015 (“UAE Companies Law of 2015”) as amended.

Federal Decree Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

This condensed interim consolidated financial information does not include all the information required for full annual audited consolidated financial statements and should be read in conjunction with the Group’s consolidated financial statements as at and for the year ended 31 December 2020. In addition, results for the nine month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

The accounting policies applied in this condensed interim consolidated financial information are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2020.

This condensed interim consolidated financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments at FVOCI.

The condensed interim consolidated financial information is prepared and presented in United Arab Emirates Dirham (AED) which is the Group’s functional and presentation currency and are rounded off to the nearest thousands (“000”) unless otherwise indicated.

2.2 Application of new and revised International Financial Reporting Standards (“IFRS”)

(a) New and revised IFRS adopted in the condensed interim consolidated financial information

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2021, have been adopted in this interim financial information. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

- **Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – interest rate benchmark (IBOR) reform** - The Phase 2 amendments that were issued on 27 August 2020 address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. For instruments to which the amortised cost measurement applies, the amendments require entities, as a practical expedient, to account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate using the guidance in paragraph B5.4.5 of IFRS 9. As a result, no immediate gain or loss is recognised. This practical expedient applies only to such a change and only to the extent it is necessary as a direct consequence of IBOR reform, and the new basis is economically equivalent to the previous basis. Insurers applying the temporary exemption from IFRS 9 are also required to apply the same practical expedient. IFRS 16 was also amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of IBOR reform (for example, where lease payments are indexed to an IBOR rate).

Dubai Financial Market (DFM) P.J.S.C.

Notes to the condensed interim consolidated financial information *(continued)*

for the nine month period ended 30 September 2021

2 Summary of significant accounting policies *(continued)*

2.2 Application of new and revised International Financial Reporting Standards (“IFRS”) *(continued)*

(a) *New and revised IFRS adopted in the condensed interim consolidated financial Information (continued)*

- **Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – interest rate benchmark (IBOR) reform (continued)**

The Group has put in place a plan to oversee the approach to LIBOR transition in coordination with international developments. The transition has implications for the Group's borrowing and its stakeholders ranging from legal, financial, technical and operational considerations. The Group expects to commence engaging relevant stakeholders at relevant points over the course of 2021.

- **Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions** - As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

(b) *New and revised IFRS in issue but not yet effective and not early adopted*

- **Narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 9 and IFRS 16 (Effective date 1 January 2022)** - Amendments to IFRS 3, ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 9, ‘Financial instruments’, and the Illustrative Examples accompanying IFRS 16, ‘Leases’.
- **Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities (Effective date 1 January 2023)** - These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

Dubai Financial Market (DFM) P.J.S.C.

Notes to the condensed interim consolidated financial information *(continued)*

for the nine month period ended 30 September 2021

2 Summary of significant accounting policies *(continued)*

2.2 Application of new and revised International Financial Reporting Standards (“IFRS”) *(continued)*

(b) New and revised IFRS in issue but not yet effective and not early adopted *(continued)*

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (Effective date 1 January 2023)** - The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The Group is currently assessing the impact of these standards, interpretations and amendments on the future financial statements and intends to adopt these, if applicable, when they become effective.

There are no other applicable new standards and amendments to published standards or IFRS IC interpretations that have been issued but are not effective for the first time for the Group’s financial period beginning on 1 January 2021 that would be expected to have a material impact on the condensed interim consolidated financial information of the Group.

Dubai Financial Market (DFM) P.J.S.C.

Notes to the condensed interim consolidated financial information *(continued)*

for the nine month period ended 30 September 2021

3 Basis of consolidation

The condensed interim consolidated financial information incorporates the interim financial information of the Company and the entities controlled by the Group (its subsidiaries, together the “Group”). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The results of subsidiaries incorporated during the period are included in the condensed interim consolidated statement of income from the effective date of incorporation.

Where necessary, adjustments are made to the condensed interim consolidated financial statements of the subsidiaries to bring the accounting policies in line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

4 Estimates

The preparation of condensed interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim consolidated financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2020.

4.1 Impact of COVID-19

Since early January 2020, the COVID-19 outbreak has spread across the globe and is causing ongoing disruption to business and economic activity, resulting in substantial government and central bank relief actions and support measures in many countries to protect the economy. There has not been any material impact on the Group’s business performance as of 30 September 2021, however the Company will continue to monitor the situation as it evolves in order to assess any potential financial impact.

5 Financial risk management

The Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2020.

Dubai Financial Market (DFM) P.J.S.C.

Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2021

6 Goodwill and other intangible assets

	Goodwill AED'000	License to operate as a stock exchange AED'000
Cost		
At 1 January 2020 and 2021	2,878,874	2,824,455
At 30 September 2020 and 2021	2,878,874	2,824,455
Amortization		
At 1 January 2021	-	790,846
Charge for the period	-	42,366
At 30 September 2021	-	833,212
At 1 January 2020	-	734,357
Charge for the period	-	42,366
At 30 September 2020	-	776,723
Carrying amount		
At 30 September 2021	2,878,874	1,991,243
At 30 September 2020	2,878,874	2,047,732
At 31 December 2020	2,878,874	2,033,609

Goodwill is tested for impairment annually and when there is an indicator of impairment of the cash generating unit to which goodwill is allocated. DFM as a standalone entity is considered a single cash generating unit for impairment testing purpose. Management of the Company does not believe that there is any impairment of Goodwill as at the reporting date.

Dubai Financial Market (DFM) P.J.S.C.

Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2021

7 Financial assets measured at fair value through other comprehensive income (FVOCI)

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
<u>Designated as equity instruments</u>		
Investment in equity securities	226,643	199,194
Managed funds – Note (7.1)	250,733	241,321
Investment in sukuk – Note (7.2)	281,534	360,120
	<u>758,910</u>	<u>800,635</u>

7.1 Managed funds include funds of AED 233 million (31 December 2020: AED 218 million) managed by a shareholder of the parent (Note 10).

7.2 The investment in sukuks are perpetual instruments, callable at the option of the issuers and measured at fair value through other comprehensive income. The sukuks carry profit rates ranging from 3.375% to 5% (31 December 2020: 4.625% to 6.75%) per annum, which is payable at the discretion of the issuers.

7.3 The Group has made an irrevocable election to designate investment in equity securities, managed funds and investment in Tier 1 Bank sukuk as FVOCI at initial recognition as per IFRS 9 and subsequent changes in fair value are presented in Other Comprehensive Income (“OCI”). These are strategic investments which are not held for trading and the group considers this classification to be more relevant. All investments have been assessed and were classified as equity instruments in the underlying entities. The entities were not subject to classification as equity merely because of the puttable exemption in IAS 32.

Investments by geographic concentration are as follows:

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
- Within U.A.E.	680,896	773,619
- Outside U.A.E.	78,014	27,016
	<u>758,910</u>	<u>800,635</u>

8 Investment at amortised cost

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
Investment in sukuks – Note 8.1	<u>294,238</u>	<u>166,075</u>

8.1 Investment in sukuks in the U.A.E mature in 1-10 years and carry fixed profit rates of 3.2% - 5.112% (31 December 2020: 4.50% - 5.112%) per annum.

Dubai Financial Market (DFM) P.J.S.C.

Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2021

9 Investment deposits

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
Current:		
Investment deposits maturing in less than 3 months	1,150,000	186,730
Investment deposits maturing up to 1 year but more than 3 months – (Note 9.1)	1,971,122	2,664,771
	3,121,122	2,851,501
Non-current:		
Investment deposits maturing above 1 year	226,428	241,054
	3,347,550	3,092,555

9.1 Investment deposits are placed with financial institutions in the UAE and carry profit rates ranging from 1.20% to 1.65 % (31 December 2020: 1.50% to 2.90%) per annum.

9.2 Investment deposits of AED 136.73 million (31 December 2020: AED 136.73 million) have been pledged as collateral against unutilised bank overdraft facilities provided to the Group.

9.3 Dividends received from and payable on behalf of companies listed on DFM held in myAccount and iVESTOR card balances as at 30 September 2021 aggregate AED 1,307 million (31 December 2020: AED 1,357 million), which is available for the Company to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,185 million (31 December 2020: AED 1,050 million), investment at amortised cost of AED 101 million (31 December 2020: AED 37 million) and mudarabah and current accounts of AED 21 million (31 December 2020: AED 270 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies (refer to Note 15.1). Until this obligation is discharged, the Group recognises the profit on these investments in its statement of income.

9.4 Dividends declared and payable by the Group to the Parent Company amounting to AED 467 million (31 December 2020: AED 467 million) have been invested in investment deposits by the Company, pending distribution to the Parent Company.

10 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include associates, joint ventures, holding company, ultimate parent, subsidiaries and key management personnel (KMP) or close family members. The transactions with related parties and balances arising from these transactions are as follows:

Transactions during the period	Nine month period ended 30 September	
	2021 AED'000 (Un-audited)	2020 AED'000 (Un-audited)
<i>Fellow subsidiaries and associates</i>		
Investment income	21,568	38,568
Interest expense	1,034	990
Dividend income	6,706	8,754
Lease payments and other related expenses	6,467	6,721
Interest on lease	967	1,257

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Notes to the condensed interim consolidated financial information (continued)
for the nine month period ended 30 September 2021

10 Related party transactions and balances (continued)

The remuneration of directors and other members of key management during the period were as follows:

	Nine month period ended 30 September	
	2021 AED'000 (Un-audited)	2020 AED'000 (Un-audited)
Compensation of key management personnel		
Short-term benefits	6,863	6,450
General pension and social security	684	720
Board of Directors		
- Remuneration to the Nasdaq Dubai Board	593	709
- Meeting allowance for the Group	492	520
- DFM Board remuneration	2,100	2,100
Balances	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
<i>(a) Fellow subsidiaries and associates</i>		
Managed funds managed by a shareholder of the Parent (Note 7)	233,008	218,271
Other financial assets measured at FVOCI (Note 7)	322,447	432,655
Investment at amortised cost (Note 8)	206,471	116,283
Cash and cash equivalents (Note 12)	137,195	321,691
Investment deposits (Note 9)	660,010	1,245,550
<i>(b) Due to related parties</i>		
Dubai World Trade Centre – lease liability	15,673	21,457
Parent		
Expenses paid on behalf of the Group	16,945	12,404
Subordinated loan (Note 10.1)	31,524	30,490
Dividends payable	466,500	466,500

10.1 The subordinated loan has been provided by Borse Dubai Limited, to Nasdaq Dubai Limited through the Company (Note 1). The subordinated loan is unsecured, has no fixed repayment date and bears interest at market rate and is subordinated to the rights of all other creditors of the subsidiary.

10.2 Investment deposits include AED 100 million (31 December 2020: AED 100 million) placed as collateral with a related party.

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Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2021

11 Prepaid expenses and other receivables

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
Accrued income on investment deposits	26,135	34,606
Central counterparty balances – (Note 11.1)	89,342	109,815
Prepaid expenses	7,696	5,883
Accrued trading commission fees	992	1,062
Other receivables	3,107	3,005
Due from brokers	2,332	738
VAT receivable on capital expenditure	2,705	2,634
	<u>132,309</u>	<u>157,743</u>
Less: allowance for doubtful debts	<u>(1,195)</u>	<u>(738)</u>
	<u>131,114</u>	<u>157,005</u>

Net movement in allowance for doubtful debts:

Opening balance	738	93
Provision for the period/year	457	645
Closing balance	<u>1,195</u>	<u>738</u>

11.1 These balances relate to Dubai Clear LLC and Nasdaq Dubai Limited which act as central counterparties for all the trades which are usually settled on a T+2 basis. The balance represents receivable from brokers against unsettled trades at reporting period end. The corresponding payable balance of the same amount has been recorded as a liability as at period end (note 15).

11.2 The Company does not hold any collateral over prepaid expenses and other receivables.

12 Cash and cash equivalents

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
Cash on hand	158	148
Bank balances:		
Current accounts	11,406	209,694
Savings accounts (Note 12.1)	17,837	10
Mudarabah accounts (Note 12.2)	111,688	112,823
	<u>141,089</u>	<u>322,675</u>
Investment deposits with original maturities not exceeding three months	10,003	98,000
Cash and cash equivalents	<u>151,092</u>	<u>420,675</u>

12.1 The rate of return on savings accounts is 0.30% per annum (31 December 2020: 0.40% per annum).

12.2 The rate of return on mudarabah account is 0.07% per annum (31 December 2020: 0.35% per annum).

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Notes to the condensed interim consolidated financial information (continued)
for the nine month period ended 30 September 2021

12 Cash and cash equivalents (continued)

12.3 Dividends received from and payable on behalf of companies listed on DFM held in myAccount and iVESTOR card balances as at 30 September 2021 aggregate AED 1,307 million (31 December 2020: AED 1,357 million), which is available for the Company to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,185 million (31 December 2020: AED 1,050 million), investment at amortised cost of AED 101 million (31 December 2020: AED 37 million) and mudarabah and current accounts of AED 21 million (31 December 2020: AED 270 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies (refer to note 15.1). Until this obligation is discharged, the Group recognises the profit on these investments in its statement of income.

12.4 At 30 September 2021, the Group has assessed the recoverability of its cash and cash equivalents and has considered the provision for expected credit loss to be immaterial.

13 Share capital

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
Authorised, issued and paid up share capital:		
8,000,000,000 shares (31 December 2020: 8,000,000,000 shares) of AED 1 each (31 December 2020: AED 1 each)	8,000,000	8,000,000

14 Reserves

(a) Statutory reserve

In accordance with the U.A.E. Federal Commercial Companies Law No. 2 of 2015, as amended, the Group has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the nine month period ended 30 September 2021, as this will be effected at the year-end based on the Company's results for the year ending 31 December 2021.

(b) Investments revaluation reserve

The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of financial assets at fair value through other comprehensive income.

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Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2021

15 Payables and accrued expenses

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
Dividends payable on behalf of companies listed on the DFM ("myAccount") (Note 15.1)	947,689	1,004,189
iVESTOR cards (Note 15.1)	360,000	352,374
Members' margin deposits	11,132	18,572
Accrued expenses and other payables	15,388	18,650
Central counterparty balances (Note 11)	89,342	109,815
Unearned revenue	6,709	2,567
Brokers' retention	21,992	22,573
Due to U.A.E Securities and Commodities Authority	5,628	6,071
Zakat	1,048	1,012
VAT payable	804	1,268
Lease liabilities	10,310	8,470
Non sharia compliant income (Note 20)	30,914	-
	<u>1,500,956</u>	<u>1,545,561</u>

15.1 Dividends received from and payable on behalf of companies listed on DFM held in myAccount and iVESTOR card balances as at 30 September 2021 aggregate AED 1,307 million (31 December 2020: AED 1,357 million), which is available for the Company to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,185 million (31 December 2020: AED 1,050 million), investment at amortised cost of AED 101 million (31 December 2020: AED 37 million) and mudarabah and current accounts of AED 21 million (31 December 2020: AED 270 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies. Until this obligation is discharged, the Group recognises the profit on these investments in its statement of income.

16 Earnings per share

	Three month period ended 30 September		Nine month period ended 30 September	
	2021	2020	2021	2020
Net profit/(loss) for the period attributable to owners of the Company (AED '000)	(634)	41,115	38,135	120,068
Authorised, issued and paid up share capital - (AED '000)	8,000,000	8,000,000	8,000,000	8,000,000
Less: Treasury shares ('000)	(4,237)	(4,237)	(4,237)	(4,237)
	<u>7,995,763</u>	<u>7,995,763</u>	<u>7,995,763</u>	<u>7,995,763</u>
Earnings per share – AED	<u>(0.0001)</u>	<u>0.0051</u>	<u>0.0048</u>	<u>0.0150</u>

17 Commitments

	30 September 2021 AED'000 (Un-audited)	31 December 2020 AED'000 (Audited)
Commitments for the purchase of property and equipment	<u>1,536</u>	<u>11,848</u>

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Notes to the condensed interim consolidated financial information *(continued)*

for the nine month period ended 30 September 2021

17 Commitments (continued)

In 2010, the Company entered into an agreement with Borse Dubai Limited to acquire remaining 33% (2020: 33%) shareholding of Nasdaq Dubai Limited against a consideration of AED 148 million (2020: 148 million). The exercise and completion of its acquisition is contingent upon the mutual agreement of the Company and Borse Dubai Limited and on a date to be mutually agreed between the Company and Borse Dubai Limited.

18 Segment reporting

Following the management approach to IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Board of Directors (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance. The Group is managed as one unit and therefore the Board of Directors are of the opinion that the Group is engaged in a single segment of operating stock exchanges and related clearing house.

19 Dividends payable

The Company has not declared any dividends for 2020 but has appropriated non-sharia compliant income of AED 30.9 million for 2020. Dividends declared for 2019 were AED 200 million representing AED 0.025 per share, including non-sharia compliant income of AED 22.5 million for the year ended 31 December 2019 and AED 24.8 million for the year ended 31 December 2018.

Unpaid dividends for shareholders other than related party is AED 3 million (2020: AED 3 million).

20 Non Sharia compliant income

Non Sharia compliant income of AED 30.9 million relating to 2020 (2020: AED 22.5 million relating to 2019) as approved by the Company's Sharia and Fatwa Supervisory Board, has been appropriated from retained earnings during the nine month period ended 30 September 2021 and will be distributed by the Group to its shareholders towards disbursement by the shareholders for charitable purposes. Based on the ruling of the Sharia and Fatwa Supervisory Board, it is the sole responsibility of the individual shareholders to donate their respective shares of this amount for charitable purposes.

21 Fair value of financial instruments

The Group's financial assets and financial liabilities comprise of cash and cash equivalents, investment deposits, financial assets measured at fair value through other comprehensive income (FVOCI), investment at amortized cost, subordinated loan, receivables and payables whose maturity is short term. Long term investment deposits carry market rates of return. Consequently, their fair value approximates the carrying value, after taking into account impairment stated in the condensed interim consolidated statement of financial position.

The Group has classified fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments and investment in sukuk classified as fair value through other comprehensive income.

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Notes to the condensed interim consolidated financial information (continued)
for the nine month period ended 30 September 2021

21 Fair value of financial instruments (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. These investments comprise funds, the fair values of which are based on the net asset value provided by the fund managers.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 assets represent unquoted equity and mutual fund investments whose fair value is determined based on varying unobservable assumptions which depend on a broad range of macroeconomic factors. The carrying values of these investments are adjusted as follows:

- Managed funds - based on the net asset value derived from the EBITDA/PE multiple or value per share provided by the fund managers.
- Unquoted equity investments and other financial instruments - using the latest available net book value and market approach based on prevailing secondary market prices of similar instruments.

There were no changes in valuation techniques during the period.

The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2021 and 31 December 2020.

	30 September 2021 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
Financial assets at fair value through other comprehensive income				
- Equities	220,217	6,426	-	226,643
- Managed funds	-	250,733	-	250,733
- Investment in sukuk	281,534	-	-	281,534
Total	501,751	257,159	-	758,910
	31 December 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
Financial assets at fair value through other comprehensive income				
- Equities	193,872	5,322	-	199,194
- Managed funds	-	241,321	-	241,321
- Investment in sukuk	360,120	-	-	360,120
Total	553,992	246,643	-	800,635

There are no transfers between Level 1 and Level 2 during the period.

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Notes to the condensed interim consolidated financial information (continued)
for the nine month period ended 30 September 2021

21 Fair value of financial instruments (continued)

The fair value of the following financial assets and liabilities approximate their carrying amount due to their short-term nature: cash and cash equivalents, investment deposits, accrued income on investment deposits, accrued trading commission fees, central counterparty balances, due from brokers, other receivables, brokers' retention, due to U.A.E Securities and Commodities Authority, dividends payable on behalf of companies listed on the DFM, iVESTOR cards, members' margin deposits, accrued expenses and other payables, dividends payable, due to related parties and subordinated loan.

The following table summarises the amortized cost and fair value of the sukuk as at 30 September 2021 and 31 December 2020:

	30 September 2021 (Un-audited)	
	Carrying amount	Fair value
	AED'000	AED'000
Investment at amortised cost		
Investment in sukuk	294,238	304,835

	31 December 2020 (Audited)	
	Carrying amount	Fair value
	AED'000	AED'000
Investment at amortised cost		
Investment in sukuk	166,075	168,734

22 Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the condensed interim consolidated financial information as at and for the nine month period ended 30 September 2021.

23 Approval of the condensed interim consolidated financial information

The condensed interim consolidated financial information for the nine month period ended 30 September 2021 have been approved by the Board of Directors and authorized for issue on 27 October 2021.