

Emaar Malls PJSC and its subsidiaries

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Emaar Malls PJSC and its subsidiaries

**Unaudited Interim Condensed Consolidated Financial Statements
For the period ended 30 September 2021**

Table of Contents

	<u>Pages</u>
Report on Review of Interim Condensed Consolidated Financial Statements	1-2
Interim Condensed Consolidated Statement of Comprehensive Income	3
Interim Condensed Consolidated Statement of Financial Position	4
Interim Condensed Consolidated Statement of Cash Flows	5
Interim Condensed Consolidated Statement of Changes in Equity	6
Notes to the Interim Condensed Consolidated Financial Statements	7 – 26



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Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of Emaar Malls PJSC

Introduction

We have reviewed the accompanying 30 September 2021 interim condensed consolidated financial statements of Emaar Malls PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the interim condensed consolidated statement of comprehensive income for the three month and nine month periods ended 30 September 2021;
- the interim condensed consolidated statement of financial position as at 30 September 2021;
- the interim condensed consolidated statement of cash flows for the nine month period ended 30 September 2021;
- the interim condensed consolidated statement of changes in equity for the nine month period ended 30 September 2021; and
- notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2021 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Emilio Pera
Registration No.: 1146
Dubai, United Arab Emirates

Date: **09 NOV 2021**

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2021 (Unaudited)

(US \$1.00 = AED 3.673)

	Notes	<u>Nine-month period ended</u>		<u>Three-month period ended</u>	
		<u>30 September</u> <u>2021</u> <u>AED'000</u>	<u>30 September</u> <u>2020</u> <u>AED'000</u>	<u>30 September</u> <u>2021</u> <u>AED'000</u>	<u>30 September</u> <u>2020</u> <u>AED'000</u>
Revenue	4	3,191,222	2,499,109	1,142,780	839,166
Cost of revenue	5	(976,966)	(821,910)	(323,774)	(256,591)
GROSS PROFIT		2,214,256	1,677,199	819,006	582,575
Sales and marketing expenses		(387,460)	(366,329)	(121,723)	(108,347)
General and administrative expenses		(204,886)	(245,196)	(64,063)	(73,364)
Depreciation and amortisation		(391,686)	(336,761)	(132,525)	(114,164)
OPERATING PROFIT FOR THE PERIOD		1,230,224	728,913	500,695	286,700
Finance income		8,133	14,475	4,165	4,960
Finance costs	6	(168,081)	(157,397)	(56,213)	(50,897)
PROFIT FOR THE PERIOD	7	1,070,276	585,991	448,647	240,763
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,070,276	585,991	448,647	240,763
ATTRIBUTABLE TO:					
Equity holders of the parent		1,070,276	585,991	448,647	240,763
		1,070,276	585,991	448,647	240,763
Earnings per share (AED):					
Equity holders of the parent					
basic and diluted	8	0.08	0.05	0.03	0.02

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

(US \$1.00 = AED 3.673)

		30 September 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	9	181,314	140,618
Investment properties	10	22,112,827	22,176,399
Goodwill and intangible assets	11	538,774	546,422
Right-of-use assets	12	1,164,271	519,415
		<u>23,997,186</u>	<u>23,382,854</u>
Current assets			
Inventories		431,573	291,395
Trade and unbilled receivables	13	274,602	378,569
Advances, prepayments and other receivables		110,031	216,538
Due from related parties	14	186,073	163,184
Bank balances and cash	15	2,111,621	558,949
		<u>3,113,900</u>	<u>1,608,635</u>
TOTAL ASSETS		<u><u>27,111,086</u></u>	<u><u>24,991,489</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	13,014,300	13,014,300
Reserves	17	2,343,554	2,343,554
Retained earnings		4,767,969	3,702,118
Equity attributable to the equity holders of the parent		<u>20,125,823</u>	<u>19,059,972</u>
Non-current liabilities			
Provision for employees' benefits		44,224	32,698
Interest bearing loans and borrowings	18	-	3,550
Sukuk	19	2,747,875	2,746,118
Retentions payable after 12 months		13,436	14,483
Lease liabilities payable after 12 months	12	1,046,319	480,996
		<u>3,851,854</u>	<u>3,277,845</u>
Current liabilities			
Due to related parties	14	101,417	145,293
Accounts payable and accruals	20	1,309,111	1,234,210
Interest bearing loans and borrowings	18	54,565	-
Advances and security deposits		1,109,559	1,129,073
Retentions payable within 12 months		17,431	16,779
Lease liabilities payable within 12 months	12	104,651	49,204
Deferred income		436,675	79,113
		<u>3,133,409</u>	<u>2,653,672</u>
TOTAL LIABILITIES		<u><u>6,985,263</u></u>	<u><u>5,931,517</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>27,111,086</u></u>	<u><u>24,991,489</u></u>

To the best of our knowledge, the interim condensed consolidated financial statements fairly presents, in all material respects, the interim condensed consolidated financial position, consolidated results of operations and interim condensed consolidated cash flows of the Group as of, and for, the period ended 30 September 2021. These interim condensed consolidated financial statements were authorised for issue by Board of Directors and signed on their behalf by:

Director

Director

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2021 (Unaudited)

(US \$1.00 = AED 3.673)

		<i>1 January 2021 to 30 September 2021 AED '000</i>	<i>1 January 2020 to 30 September 2020 AED '000</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Profit for the period		1,070,276	585,991
Adjustments for:			
Depreciation of property, plant and equipment	9	16,822	17,144
Depreciation of investment properties	10	311,920	290,093
Amortisation of intangible assets with definite useful life	11	7,648	8,605
Depreciation of right-of-use assets	12	55,296	20,919
Provision for doubtful debts	13	-	78,410
Provision for employees' end of service benefits		4,845	3,358
Provision/ (reversal) of employees' equity option plan		9,000	7,200
Finance costs	6	168,081	157,397
Finance income		(8,133)	(14,475)
		<u>1,635,755</u>	<u>1,154,642</u>
Working capital changes:			
Inventories		(140,178)	(112,308)
Trade receivables		103,967	(483,296)
Due from related parties		(22,889)	2,514
Advances, prepayments and other receivables		107,460	(5,735)
Due to related parties		(44,597)	130,258
Accounts payable and accruals		42,391	181,822
Advances and security deposits		(19,514)	(65,243)
Retentions payable		(395)	836
Deferred income		357,562	226,328
		<u>2,019,562</u>	<u>1,029,818</u>
Net cash flows from operations		2,019,562	1,029,818
Employees' end of service benefits paid		(2,319)	(4,995)
		<u>2,017,243</u>	<u>1,024,823</u>
Net cash flows from operating activities		2,017,243	1,024,823
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	9	(48,049)	(8,149)
Amounts incurred on investment properties	10	(257,518)	(267,224)
Interest received		7,180	14,475
		<u>(298,387)</u>	<u>(260,898)</u>
Net cash flows used in investing activities		(298,387)	(260,898)
FINANCING ACTIVITIES			
Proceeds from interest bearing loans and borrowings		-	1,836,500
Repayment of interest bearing loans and borrowings		-	(2,482,948)
Proceeds from facilities repayable on demand		48,160	-
Finance cost paid		(85,506)	(103,961)
Payment of lease liabilities	12	(124,413)	(1,551)
Bonus paid to Board of Directors	14(c)	(4,425)	(2,275)
		<u>(166,184)</u>	<u>(754,235)</u>
Net cash flows used in financing activities		(166,184)	(754,235)
INCREASE IN CASH AND CASH EQUIVALENTS		<u>1,552,672</u>	<u>9,690</u>
Cash and cash equivalents at 1 January		558,949	195,202
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	15	<u>2,111,621</u>	<u>204,892</u>
SUPPLEMENTAL NON-CASH INFORMATION			
Investment properties project cost accruals		<u>299</u>	<u>19,269</u>

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2021 (Unaudited)

	<i>Equity attributable to equity holders of the Parent</i>			
	<i>Share capital AED'000</i>	<i>Reserves AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>
<i>1 January 2021 to 30 September 2021</i>				
As at 1 January 2021 (Audited)	13,014,300	2,343,554	3,702,118	19,059,972
Profit for the period	-	-	1,070,276	1,070,276
Total comprehensive income for the period	-	-	1,070,276	1,070,276
Directors' bonus [note 14(c)]	-	-	(4,425)	(4,425)
As at 30 September 2021	13,014,300	2,343,554	4,767,969	20,125,823

	<i>Equity attributable to equity holders of the Parent</i>			
	<i>Share capital AED'000</i>	<i>Reserves AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>
<i>1 January 2020 to 30 September 2020</i>				
As at 1 January 2020 (Audited)	13,014,300	2,202,832	3,143,781	18,360,913
Profit for the period	-	-	585,991	585,991
Total comprehensive income for the period	-	-	585,991	585,991
Directors' bonus [note 14(c)]	-	-	(4,550)	(4,550)
As at 30 September 2020	13,014,300	2,202,832	3,725,222	18,942,354

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

1 CORPORATE INFORMATION

Emaar Malls Public Joint Stock Company (the "Company") and its subsidiaries (together the "Group") was established as a public joint stock company by Ministerial Decree number 922 of the year 2014 dated 30 September 2014.

The Company is a subsidiary of Emaar Properties PJSC (the "Parent Company"), a company incorporated in the United Arab Emirates and listed on the Dubai Financial Market. During the year ended 31 December 2014, the Parent Company converted the legal status of the Company from that of a limited liability company to public joint stock company and sold 15.37% of their shareholding in the Company through an Initial Public Offering ("IPO"). The Company is listed on the Dubai Financial Market and its shares were traded with effect from 2 October 2014.

The principal activities of the Group are retail development and management of shopping malls and online retail.

The address of the registered office of the Group is P.O. Box 191741, Dubai, United Arab Emirates.

During the current period, the respective Board of Directors of the Company and the Parent Company have recommended an all share merger to their respective shareholders. As part of the transaction, the existing business of the Company will be reconstituted as a wholly owned subsidiary of Parent Company which will continue to develop and hold a portfolio of premium shopping malls and retail assets. This transaction is subject to completion of necessary legal and statutory formalities. Subsequent to the reporting date, respective shareholders' have approved the all share merger and the merger is expected to come into effect before 31 December 2021. Post completion of the transaction, the Company's shares will be delisted from the Dubai Financial Market.

The interim condensed consolidated financial statements were authorised for issue on 9th November 2021.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the period ended 30 September 2021 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* and applicable requirements of United Arab Emirates law.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

Results for the nine-months period and three-months period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the year ending 31 December 2021.

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

The interim condensed consolidated financial statements have been prepared on a historical cost basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries) as at 30 September 2021. Control is achieved where all the following criteria are met:

- (a) the Company has power over an entity;
- (b) the Company has exposure, or rights, to variable returns from its involvement with the entity; and
- (c) the Company has the ability to use its power over the entity to affect the amount of the Company's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition or incorporation, 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 Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interest are measured at their proportionate share of acquiree's identifiable net asset at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Share of comprehensive income/ (loss) within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit and loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The details of the Company's significant subsidiaries are as follows:

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Legal Ownership</i>	
			<i>2021</i>	<i>2020</i>
The Dubai Mall LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	99%	99%
Emaar Dubai Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	99%	99%
Emaar International Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	99%	99%
Namshi Holding Limited	UAE	Holding company for Namshi group companies engaged in online retail business and related services	100%	100%

These entities are 100% beneficially owned by the Company.

Special purpose entities

Special purpose entities are entities that are created to accomplish a narrow and well-defined objective. The financial information of special purpose entities is included in the Group's interim condensed consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity and hence, they are accounted for as subsidiaries.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2020.

2.3 SIGNIFICANT ESTIMATES AND JUDGMENTS

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

2.4 NEW STANDARDS AND AMENDMENTS

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these interim condensed consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's interim condensed consolidated financial statements.

- Reference to Conceptual Framework - Amendments to IFRS 3
- Onerous contract: cost of fulfilling a contract (Amendments to IAS 37)
- Annual improvements to IFRS standards 2018-2020
- Property, plant and equipment: proceeds before intended use (Amendments to IAS 16)
- Classification of liabilities as current or Non-current (Amendments to IAS 1)
- Definition of accounting estimates (Amendments to IAS 8)

3 SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the net profit or loss in the interim condensed consolidated financial statements.

Geographic segment

The Group is currently operating only in the UAE, hence the operating results, assets and liabilities presented in the interim condensed consolidated financial statements relates to its operations in the UAE.

Business segments

For management purposes, the Group is organised into six segments, namely:

Super Regional Malls:

Super regional malls include shopping centres which individually hold gross leasable area of more than 800 thousands sq. ft.

Regional Malls:

Regional malls include shopping centres individually holds gross leasable area of more than 400 thousands sq. ft. but less than 800 thousands sq. ft.

Community Retail:

Community Retail includes shopping centres or retail outlets individually hold gross leasable area of less than 400 thousands sq. ft.

Specialty Retail:

Specialty retail includes shopping centres mainly offering specialty stores for fine and casual dining, commercial offices or retail outlets of manufacturers.

Online Retail:

Namshi, a regional online fashion portal, constitutes the online retail business segment of the Group.

Others:

Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 *Operating Segments* and head office balances.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

3 SEGMENT INFORMATION (continued)

Business segments (continued)

The following tables include revenue, results and other segment information from 1 January 2021 to 30 September 2021, 1 July 2021 to 30 September 2021, 1 January 2020 to 30 September 2020 and 1 July 2020 to 30 September 2020. Assets and liabilities information regarding business segments are presented as at 30 September 2021 and 31 December 2020.

	<i>Super Regional Malls AED'000</i>	<i>Regional Malls AED'000</i>	<i>Community Retail AED'000</i>	<i>Specialty Retail AED'000</i>	<i>Online Retail AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>1 January 2021 to 30 September 2021:</i>							
Revenue:							
Rental income from leased properties	1,823,076	110,223	151,248	65,661	-	35,769	2,185,977
Online retail	-	-	-	-	1,005,245	-	1,005,245
Total Revenue	1,823,076	110,223	151,248	65,661	1,005,245	35,769	3,191,222
Results:							
Profit/(loss) for the period	1,169,116	59,663	70,011	31,699	(97,297)	(162,916)	1,070,276
Other segment information							
Capital expenditure:							
(Property, plant and equipment and investment properties)	243,353	7,052	5,899	47,311	1,365	886	305,866
Depreciation and amortisation:							
(Property, plant and equipment, investment properties, right-of-use asset and intangible assets)	299,561	24,638	36,490	15,489	11,953	3,555	391,686
Finance costs	45,688	-	-	-	385	122,008	168,081

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	<i>Super Regional Malls AED'000</i>	<i>Regional Malls AED'000</i>	<i>Community Retail AED'000</i>	<i>Specialty Retail AED'000</i>	<i>Online Retail AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>1 July 2021 to 30 September 2021:</i>							
Revenue:							
Rental income from leased properties	696,215	35,242	52,014	23,020	-	16,498	822,989
Online retail	-	-	-	-	319,791	-	319,791
Total Revenue	<u><u>696,215</u></u>	<u><u>35,242</u></u>	<u><u>52,014</u></u>	<u><u>23,020</u></u>	<u><u>319,791</u></u>	<u><u>16,498</u></u>	<u><u>1,142,780</u></u>
Results:							
Profit/(loss) for the period	<u><u>476,118</u></u>	<u><u>16,903</u></u>	<u><u>23,846</u></u>	<u><u>11,280</u></u>	<u><u>(28,012)</u></u>	<u><u>(51,488)</u></u>	<u><u>448,647</u></u>
Other segment information							
Capital expenditure: (Property, plant and equipment and investment properties)							
	<u><u>66,469</u></u>	<u><u>2,558</u></u>	<u><u>352</u></u>	<u><u>1,621</u></u>	<u><u>543</u></u>	<u><u>165</u></u>	<u><u>71,708</u></u>
Depreciation and amortisation: (Property, plant and equipment, investment properties, right-of-use assets and intangible assets)							
	<u><u>101,260</u></u>	<u><u>8,541</u></u>	<u><u>12,043</u></u>	<u><u>5,311</u></u>	<u><u>3,937</u></u>	<u><u>1,433</u></u>	<u><u>132,525</u></u>
Finance costs	<u><u>15,057</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>188</u></u>	<u><u>40,968</u></u>	<u><u>56,213</u></u>
<i>Assets and liabilities</i>							
<i>As at 30 September 2021:</i>							
Segment assets	<u><u>20,673,092</u></u>	<u><u>1,273,800</u></u>	<u><u>1,378,260</u></u>	<u><u>1,493,701</u></u>	<u><u>710,150</u></u>	<u><u>1,582,083</u></u>	<u><u>27,111,086</u></u>
Segment liabilities	<u><u>2,949,597</u></u>	<u><u>113,695</u></u>	<u><u>270,407</u></u>	<u><u>112,670</u></u>	<u><u>1,327,436</u></u>	<u><u>2,211,458</u></u>	<u><u>6,985,263</u></u>

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	<i>Super Regional Malls</i>	<i>Regional Malls</i>	<i>Community Retail</i>	<i>Specialty Retail</i>	<i>Online Retail</i>	<i>Others</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>1 January 2020 to 30 September 2020:</i>							
Revenue:							
Rental income from leased properties	1,309,064	83,107	118,253	41,205	-	8,652	1,560,281
Online retail	-	-	-	-	938,828	-	938,828
	<u>1,309,064</u>	<u>83,107</u>	<u>118,253</u>	<u>41,205</u>	<u>938,828</u>	<u>8,652</u>	<u>2,499,109</u>
Total Revenue							
Results:							
Profit/(loss) for the period	697,835	35,485	39,850	3,065	(35,601)	(154,643)	585,991
	<u>697,835</u>	<u>35,485</u>	<u>39,850</u>	<u>3,065</u>	<u>(35,601)</u>	<u>(154,643)</u>	<u>585,991</u>
Other segment information							
Capital expenditure:							
(Property, plant and equipment and investment properties)	221,787	10,269	55,229	5,876	97	1,384	294,642
	<u>221,787</u>	<u>10,269</u>	<u>55,229</u>	<u>5,876</u>	<u>97</u>	<u>1,384</u>	<u>294,642</u>
Depreciation and amortisation:							
(Property, plant and equipment, investment properties, right-of-use asset and intangible assets)	253,815	24,533	27,174	15,392	13,609	2,238	336,761
	<u>253,815</u>	<u>24,533</u>	<u>27,174</u>	<u>15,392</u>	<u>13,609</u>	<u>2,238</u>	<u>336,761</u>
Finance costs	20,286	-	-	-	286	136,825	157,397
	<u>20,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286</u>	<u>136,825</u>	<u>157,397</u>

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	<i>Super Regional Malls AED'000</i>	<i>Regional Malls AED'000</i>	<i>Community Retail AED'000</i>	<i>Specialty Retail AED'000</i>	<i>Online Retail AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>1 July 2020 to 30 September 2020:</i>							
Revenue:							
Rental income from leased properties	488,618	25,727	39,847	12,845	-	53	567,090
Online retail	-	-	-	-	272,076	-	272,076
Total Revenue	<u>488,618</u>	<u>25,727</u>	<u>39,847</u>	<u>12,845</u>	<u>272,076</u>	<u>53</u>	<u>839,166</u>
Results:							
Profit/(loss) for the period	<u>286,103</u>	<u>9,710</u>	<u>10,804</u>	<u>(506)</u>	<u>(12,808)</u>	<u>(52,539)</u>	<u>240,763</u>
Other segment information							
Capital expenditure: (Property, plant and equipment and investment properties)	<u>38,488</u>	<u>6,935</u>	<u>19,702</u>	<u>689</u>	<u>14</u>	<u>206</u>	<u>66,034</u>
Depreciation and amortisation: (Property, plant and equipment, investment properties, right-of-use asset and intangible assets)	<u>86,589</u>	<u>8,326</u>	<u>8,984</u>	<u>5,057</u>	<u>4,461</u>	<u>747</u>	<u>114,164</u>
Finance costs	<u>6,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87</u>	<u>44,124</u>	<u>50,897</u>
Assets and liabilities							
<i>As at 31 December 2020 (Audited):</i>							
Segment assets	<u>20,502,640</u>	<u>1,270,364</u>	<u>947,041</u>	<u>1,411,392</u>	<u>561,000</u>	<u>299,052</u>	<u>24,991,489</u>
Segment liabilities	<u>1,625,471</u>	<u>92,222</u>	<u>198,170</u>	<u>99,075</u>	<u>1,076,906</u>	<u>2,839,673</u>	<u>5,931,517</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

4 REVENUE

	<u>Nine-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Rental income from leased properties				
Base rent	1,642,958	822,809	617,057	170,750
Turnover rent	25,915	365,271	25,915	278,098
Services charges	258,258	194,062	86,858	74,050
Promotion and marketing contribution	43,450	38,850	13,886	15,763
Specialty leasing	93,391	64,735	33,766	12,790
Multimedia	25,851	25,312	9,680	5,920
Others	96,154	49,242	35,827	9,719
	<u>2,185,977</u>	<u>1,560,281</u>	<u>822,989</u>	<u>567,090</u>
Online retail	<u>1,005,245</u>	<u>938,828</u>	<u>319,791</u>	<u>272,076</u>
	<u>3,191,222</u>	<u>2,499,109</u>	<u>1,142,780</u>	<u>839,166</u>

5 COST OF REVENUE

	<u>Nine-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Operating cost of leasing activities				
Housekeeping and facility management	101,993	100,561	23,468	30,899
Direct staff costs	40,668	38,805	14,103	13,142
Utilities – net	66,032	46,348	36,026	26,396
Security	24,590	23,062	8,567	7,474
Others	75,471	42,916	29,536	13,767
	<u>308,754</u>	<u>251,692</u>	<u>111,700</u>	<u>91,678</u>
Cost of online retail revenue	<u>668,212</u>	<u>570,218</u>	<u>212,074</u>	<u>164,913</u>
	<u>976,966</u>	<u>821,910</u>	<u>323,774</u>	<u>256,591</u>

6 FINANCE COSTS

	<u>Nine-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Interest on loans and borrowings	22,340	39,011	7,528	11,073
Interest on sukuk	96,200	95,796	32,200	32,173
Interest expense on lease liabilities	45,870	20,542	15,104	6,764
Others	3,671	2,048	1,381	887
	<u>168,081</u>	<u>157,397</u>	<u>56,213</u>	<u>50,897</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

7 PROFIT/(LOSS) FOR THE PERIOD

The profit/(loss) for the period is stated after charging:

	<u>Nine-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Indirect staff costs	<u>92,916</u>	<u>84,564</u>	<u>30,091</u>	<u>30,594</u>

8 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to the equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	<u>Nine-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Earnings:				
Profit attributable to the shareholders for basis or diluted earnings per share	<u>1,070,276</u>	<u>585,991</u>	<u>448,647</u>	<u>240,763</u>
No of shares:				
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>13,014,300</u>	<u>13,014,300</u>	<u>13,014,300</u>	<u>13,014,300</u>
Earnings per share (AED):				
- basic and diluted	<u>0.08</u>	<u>0.05</u>	<u>0.03</u>	<u>0.02</u>

9 PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 September 2021, the Group purchased property, plant and equipment of AED 48,049 thousands (period ended 30 September 2020: AED 8,149 thousands) and charged depreciation expense to the interim condensed consolidated income statement of AED 16,822 thousands (period ended 30 September 2020: AED 17,144 thousands). During the period, cost of AED 9,387 thousands was reclassified from Investment properties to Property, Plant and Equipment and accumulated depreciation of AED 82 thousands was reclassified from Property, Plant and Equipment to Investment Properties.

10 INVESTMENT PROPERTIES

During the period ended 30 September 2021, the Group had additions of AED 257,817 thousands (period ended 30 September 2020: AED 286,493 thousands) and charged depreciation expense to the interim condensed consolidated income statement of AED 311,920 thousands (period ended 30 September 2020: AED 290,093 thousands). During the period, cost of AED 9,387 thousands was reclassified from Investment properties to Property, Plant and Equipment and accumulated depreciation of AED 82 thousands was reclassified from Property, Plant and Equipment to Investment Properties.

Based on the fair valuation of investment properties as at 31 December 2020, there were significant headroom in the fair value of these investment properties. The fair value of Group's freehold interests in investment properties at 31 December 2020 amounting to AED 45,295,970 thousands was determined by management based on valuations performed by independent valuer. Based on management assessment, there was no material change in fair value of the group's investment properties for the period ended 30 September 2021.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

11 GOODWILL AND INTANGIBLE ASSETS

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Goodwill	365,012	365,012
Other intangible assets	173,762	181,410
	<u>538,774</u>	<u>546,422</u>

During the period ended 30 September 2021, the Group charged amortisation expense to interim condensed consolidated statement of comprehensive income of AED 7,648 thousands (period ended 30 September 2020: AED 8,605 thousands).

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period / year is as follows:

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
<i>Right-of-use assets</i>		
As at 1 January	519,415	9,012
Adjustments during the period / year (refer (i) below)	259,105	(4,650)
Additions during the period / year (refer (ii) below)	441,047	544,502
Depreciation expense	(55,296)	(29,449)
Balance as at period / year end	<u>1,164,271</u>	<u>519,415</u>
<i>Lease liabilities</i>		
As at 1 January	530,200	10,229
Adjustments during the period / year (refer (i) below)	258,266	(2,333)
Additions during the period / year (refer (ii) below)	441,047	544,502
Interest expense	45,870	27,295
Deferred lease liabilities (refer note 14 (b))	-	(45,521)
Payments during the period / year	(124,413)	(3,972)
Balance as at period / year end	<u>1,150,970</u>	<u>530,200</u>
<i>Lease liabilities are payable as below:</i>		
Lease liabilities payable after 12 months	1,046,319	480,996
Lease liabilities payable within 12 months	104,651	49,204
Balance as at period / year end	<u>1,150,970</u>	<u>530,200</u>

- (i) These include lease modification adjustment of AED 259,105 thousands in relation to change in lease consideration for one of the lease agreements.
- (ii) During the current period the Group has recognized lease liabilities of AED 441,047 thousands and corresponding right-of-use assets in relation to a new lease agreement with a related party.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Set out below, are the amounts recognised in interim condensed consolidated statement of comprehensive income:

	<u>Nine-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Depreciation expense of right-of-use assets	55,296	20,919	18,438	8,529
Interest expense on lease liabilities	45,870	20,542	15,104	6,764
	<u>101,166</u>	<u>41,461</u>	<u>33,542</u>	<u>15,293</u>

13 TRADE AND UNBILLED RECEIVABLES

	<u>30 September</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>
		<i>(Audited)</i>
Trade receivables – net	161,187	78,064
Unbilled receivables	113,415	300,505
	<u>274,602</u>	<u>378,569</u>

Trade receivables include amounts due from related parties amounting to AED 13,306 thousands (31 December 2020: AED 47,173 thousands) [note 14 (b)].

The above trade receivables are net of allowance for doubtful debts of AED 203,078 thousands (31 December 2020: AED 203,078 thousands) representing management's best estimate of doubtful trade receivables.

Movement in the allowance for doubtful debts is as follows:

	<u>30 September</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>
		<i>(Audited)</i>
Balance at 1 January	203,078	115,843
Net charge for the period / year	-	220,694
Write off / adjustments during the period / year -net	-	(133,459)
Balance at period / year end	<u>203,078</u>	<u>203,078</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

14 RELATED PARTY DISCLOSURES

- (a) During the period, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	<i>1 January 2021 to 30 September 2021 AED'000</i>	<i>1 January 2020 to 30 September 2020 AED'000</i>
<i>Revenue</i>		
Parent Company	3,872	15,398
Affiliated entities	58,264	67,420
Entities owned or controlled by Directors and other related parties	<u>67,107</u>	<u>105,657</u>
<i>Cost of revenue</i>		
Parent Company	33,319	23,957
Affiliated entities	146,476	280,407
Entities owned or controlled by Directors and other related parties	<u>(2,017)</u>	<u>(2,185)</u>
<i>Cost of online retail revenue</i>		
Entities owned or controlled by Directors and other related parties	<u>5,316</u>	<u>60,552</u>
<i>Sales and marketing expenses</i>		
Parent Company	2,969	1,842
Affiliated entities	223	520
Entities owned or controlled by Directors and other related parties	<u>48,024</u>	<u>32,817</u>
<i>General and administrative expense</i>		
Parent Company	44,811	40,109
Affiliated entities	551	218
Entities owned or controlled by Directors and other related parties	<u>1,194</u>	<u>839</u>
<i>Finance income</i>		
Entities owned or controlled by Directors and other related parties	<u>2,758</u>	<u>75</u>
<i>Finance costs</i>		
Parent Company	-	20,286
Entities owned or controlled by Directors and other related parties	<u>4,100</u>	<u>2,756</u>

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

14 RELATED PARTY DISCLOSURES (continued)

(b) Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<i>Bank balances and cash AED '000</i>	<i>Due from related parties AED '000</i>	<i>Trade and unbilled receivables AED '000</i>	<i>Due to related parties* AED '000</i>	<i>Deferred income AED '000</i>	<i>Accounts payable and accruals AED '000</i>	<i>Right-of- use assets AED'000</i>	<i>Lease liabilities AED'000</i>
30 September 2021								
<i>Non-current</i>								
Parent Company	-	-	-	-	-	-	1,161,125	1,045,029
Entities owned or controlled by Directors and other related parties	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,161,125</u>	<u>1,045,029</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,161,125</u>	<u>1,045,029</u>
<i>Current</i>								
Parent Company	-	-	-	73,370	1,224	-	-	102,720
Affiliated entities	-	186,073	-	28,047	21,230	-	-	-
Entities owned or controlled by Directors and other related parties	1,087,508	-	13,306	-	13,069	146	-	-
	<u>1,087,508</u>	<u>186,073</u>	<u>13,306</u>	<u>101,417</u>	<u>35,523</u>	<u>146</u>	<u>-</u>	<u>102,720</u>

* This includes deferred lease liabilities payable to the Parent Company amounting to AED Nil (31 December 2020: AED 45,521 thousands).

During the period, interest expense of AED 45,870 thousands (period ended 30 September 2020: AED 20,542 thousands) has been booked as unwinding of the lease liability.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

14 RELATED PARTY DISCLOSURES (continued)

(b) Balances with related parties included in the interim consolidated statement of financial position are as follows (continued):

	<i>Bank balances and cash AED '000</i>	<i>Due from related parties AED '000</i>	<i>Trade and unbilled receivables AED '000</i>	<i>Due to related parties AED '000</i>	<i>Deferred income AED '000</i>	<i>Accounts payable and accruals AED '000</i>	<i>Right-of- use assets AED'000</i>	<i>Lease liabilities AED'000</i>
<i>31 December 2020 (Audited)</i>								
<i>Non-current</i>								
Parent Company	-	-	-	-	-	-	513,784	479,948
Entities owned or controlled by Directors and other related parties	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>513,784</u>	<u>479,948</u>
<i>Current</i>								
Parent Company	-	-	-	92,980	1,333	-	-	45,521
Affiliated entities	-	163,184	-	52,313	22,789	-	-	-
Entities owned or controlled by Directors and other related parties	2,187	-	47,173	-	13,646	120	-	-
	<u>2,187</u>	<u>163,184</u>	<u>47,173</u>	<u>145,293</u>	<u>37,768</u>	<u>120</u>	<u>-</u>	<u>45,521</u>

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

14 RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

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

	<i>1 January 2021 to 30 September 2021 AED'000</i>	<i>1 January 2020 to 30 September 2020 AED'000</i>
Short term benefits	10,429	12,939
End of service benefits	785	2,221
	<u> </u>	<u> </u>

As at 30 September 2021, the number of key management personnel was 12 (30 September 2020: 16).

The shareholders of the Company approved a bonus to the members of the Board of Directors for the year 2020 at the Annual General Meeting of the Company held on 04 May 2021.

15 BANK BALANCES AND CASH

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Cash in hand	3,170	205
Bank balances:		
Current and call accounts	153,451	248,744
Deposits maturing within three months	1,955,000	310,000
	<u> </u>	<u> </u>
Balance at period / year end	2,111,621	558,949
	<u> </u>	<u> </u>

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for a period of less than three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Impairment on cash and cash equivalents have been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. The Group considers that its balances with banks have low credit risk based on the external credit ratings of the counter parties and hence no credit losses are required to be recognized as at the reporting date.

Included in the bank balances and cash is an amount of AED 1,087,508 thousands (31 December 2020: AED 2,187 thousands) as balance held with related party [note 14(b)].

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

16 SHARE CAPITAL

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Authorised capital – 13,014,300,000 shares of AED 1 each (2020: 13,014,300,000 shares of AED 1 each)	13,014,300	13,014,300
Issued and fully paid – 13,014,300,000 shares of AED 1 each (2020: 13,014,300,000 shares of AED 1 each)	13,014,300	13,014,300

17 RESERVES

Movement in reserves is as follows:

	<i>Statutory reserve AED'000</i>	<i>Legal reserve AED'000</i>	<i>Total AED'000</i>
<i>1 January 2021 to 30 September 2021:</i>			
As at 1 January 2021 (Audited) and 30 September 2021 (Unaudited)	1,218,770	1,124,784	2,343,554
<i>1 January 2020 to 30 September 2020:</i>			
As at 1 January 2020 (Audited) and 30 September 2020 (Unaudited)	1,148,409	1,054,423	2,202,832

As required by the UAE Federal Commercial Companies Law No. (2) of 2015 and the Article number 57 of the Company's Article of Association, 10% of the net profit for the year shall be transferred to legal reserve until it reaches 50% of the share capital. Further, 10% of the net profit for the year shall be transferred to statutory reserve until it reaches 50% of the paid-up share capital. These reserves are not available for distribution except in the circumstances stipulated by the law.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

18 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Interest bearing loans and borrowings (refer note (i) below)	7,346	7,346
Add: Facilities payable in demand (refer note (ii) below)	48,160	-
Less: unamortised portion of loan arrangement fee	(941)	(3,796)
Net interest bearing loans and borrowings	<u>54,565</u>	<u>3,550</u>

Movement for the period/year is as follows:

Balance as at 1 January	7,346	789,695
Less: Repaid during the period/year	-	(2,618,849)
Add: Borrowed during the period/year	-	1,836,500
Balance as at period/ year end	<u>7,346</u>	<u>7,346</u>

(i) The Group has availed Revolving Islamic Finance facility of USD 2 billion (AED 7,346,000 thousands) from the commercial banks in the UAE. The facility is unsecured and carries profit rate at 3 months LIBOR + 1.25% pa.

(ii) AED 48,160 thousands represent facilities obtained from a commercial bank in the United Arab Emirates bearing interest of EIBOR plus 1% per annum and is repayable on demand.

19 SUKUK

EMG Sukuk Limited (the “Issuer”), a limited liability company registered in the Cayman Islands and a wholly owned subsidiary of the Group, has issued trust certificates (the “Sukuk”) amounting to USD 750,000 thousands (AED 2,754,750 thousands) on 18 June 2014. The Sukuk is listed on NASDAQ Dubai and is due for repayment in 2024. The Sukuk carries a profit distribution rate of 4.564% per annum to be paid semi-annually. The carrying value of the Sukuk is as follows:

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Proceeds from the issuance of the Sukuk	2,754,750	2,754,750
Less: Sukuk issuance cost	(21,587)	(21,587)
Sukuk liability on initial recognition	<u>2,733,163</u>	<u>2,733,163</u>
Amortisation of issuance cost	14,712	12,955
Sukuk liability as at period / year-end	<u>2,747,875</u>	<u>2,746,118</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

20 ACCOUNTS PAYABLE AND ACCRUALS

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Trade payables	351,757	224,516
Accrued expenses	859,164	950,859
Interest payable	36,754	5,478
Other payables	61,436	53,357
	<u>1,309,111</u>	<u>1,234,210</u>

Included in the trade payables is an amount of AED 146 thousands (31 December 2020: AED 120 thousands) due to related parties [note 14(b)].

21 COMMITMENTS AND CONTINGENCIES**Commitments**

At 30 September 2021, the Group had commitments of AED 398,440 thousands (31 December 2020: AED 417,707 thousands) which includes project commitments of AED 379,320 thousands (31 December 2020: AED 404,513 thousands). This represents the value of contracts issued as at reporting date net of invoices received and accruals made as at that date.

Operating lease commitments - Group as lessor

The Group leases out its property under operating leases as a lessor. The future minimum lease payments receivable (base rent) under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Within one year	2,429,749	1,792,918
After one year but not more than five years	4,319,621	4,297,220
More than five years	533,961	810,333
	<u>7,283,331</u>	<u>6,900,471</u>

In addition to the base rent, the Group also charges annual service charges to its tenants. The total amount of service charges for the period ended 30 September 2021 was AED 258,258 thousands (period ended 30 September 2020: AED 194,062 thousands).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2021 (Unaudited)

21 COMMITMENTS AND CONTINGENCIES (continued)**Operating lease commitments - Group as lessee**

The Group has obtained certain properties under operating lease as a lessee. The maturity analysis of the undiscounted contractual cash flows is as follows:

	<i>30 September 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Within one year	104,651	49,204
After one year but not more than five years	514,890	228,654
More than five years	1,111,398	517,507
	1,730,939	795,365

Legal claims

As at 30 September 2021, legal proceedings are in progress against certain tenants to recover outstanding rents amounting to AED 13,001 thousands (31 December 2020: AED 34,694 thousands). Based on the advice of legal advisors, outcome of these claims will have no material adverse impact on the interim condensed consolidated financial statements of the Group.

22 COMPARATIVE INFORMATION

During the current period, the following figures have been reclassified/ regrouped and accordingly, in order to conform the current period presentation, the comparative figures have been reclassified/ regrouped. The regrouping does not affect the previously reported net profit, net assets, total equity and the statement of comprehensive income:

	<i>As previously reported AED'000</i>	<i>Reclassification AED'000</i>	<i>Reclassified AED'000</i>
<i>Nine months period ended 30 September 2020:</i>			
Online retail revenue	932,662	6,166	938,828
Cost of online retail revenue	737,695	(167,477)	570,218
Sales and marketing expenses	183,433	182,896	366,329
General and administrative expenses	254,449	(9,253)	245,196
<i>Three months period ended 30 September 2020:</i>			
Online retail revenue	269,032	3,044	272,076
Cost of online retail revenue	212,206	(47,293)	164,913
Sales and marketing expenses	53,799	54,548	108,347
General and administrative expenses	77,575	(4,211)	73,364

The above mainly include reclassification of cost of delivery from cost of online retail revenue to sales and marketing expenses.