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

	Pages
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.

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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

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2021 (Unaudited)

(US $1.00 = AED 3.673)

	Notes	***Nine-month period ended***		***Three-month period ended***	
		30 September 2021	*30 September 2020*	***30 September 2021***	*30 September 2020*
		AED'000	*AED'000*	***AED'000***	*AED'000*
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

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	*(US $1.00 = AED 3.673)* *30 September 2021 AED'000 (Unaudited)*	*31 December 2020 AED'000 (Audited)*
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
		23,997,186	23,382,854
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
		3,113,900	1,608,635
TOTAL ASSETS		**27,111,086**	24,991,489
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		**20,125,823**	19,059,972
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
		3,851,854	3,277,845
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
		3,133,409	2,653,672
TOTAL LIABILITIES		**6,985,263**	5,931,517
TOTAL EQUITY AND LIABILITIES		**27,111,086**	24,991,489

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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2021 (Unaudited)

	Notes	*(US $1.00 = AED 3.673)*	
		1 January 2021 to 30 September 2021 AED'000	*1 January 2020 to 30 September 2020 AED'000*
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
Amoritisation 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)
		1,635,755	1,154,642
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
Net cash flows from operations		**2,019,562**	1,029,818
Employees' end of service benefits paid		**(2,319)**	(4,995)
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
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)
Net cash flows used in financing activities		**(166,184)**	(754,235)
INCREASE IN CASH AND CASH EQUIVALENTS		**1,552,672**	9,690
Cash and cash equivalents at 1 January		**558,949**	195,202
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	15	**2,111,621**	204,892
SUPPLEMENTAL NON-CASH INFORMATION			
Investment properties project cost accruals		**299**	19,269

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2021 (Unaudited)

	Equity attributable to equity holders of the Parent			
1 January 2021 to 30 September 2021	***Share capital AED'000***	***Reserves AED'000***	***Retained earnings AED'000***	***Total AED'000***
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**

	Equity attributable to equity holders of the Parent			
1 January 2020 to 30 September2020	*Share capital AED'000*	*Reserves AED'000*	*Retained earnings AED'000*	*Total AED'000*
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.

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.

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.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

Name of the subsidiary	*Country of incorporation*	*Principal activity*	*Legal Ownership*	
			2021	*2020*
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.

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.

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.

	Super Regional Malls AED'000	*Regional Malls AED'000*	*Community Retail AED'000*	*Specialty Retail AED'000*	*Online Retail AED'000*	*Others AED'000*	*Total AED'000*
1 January 2021 to 30 September 2021:							
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**

3 SEGMENT INFORMATION (continued)

Business segments (continued)

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

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Super Regional Malls	*Regional Malls*	*Community Retail*	*Specialty Retail*	*Online Retail*	*Others*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
1 January 2020 to 30 September 2020:							
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
Total Revenue	1,309,064	83,107	118,253	41,205	938,828	8,652	2,499,109
Results:							
Profit/(loss) for the period	697,835	35,485	39,850	3,065	(35,601)	(154,643)	585,991
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
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
Finance costs	20,286	-	-	-	286	136,825	157,397

3 SEGMENT INFORMATION (continued)

Business segments (continued)

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

4 REVENUE

	Nine-month period ended		*Three-month period ended*	
	30 September 2021 AED'000	*30 September 2020 AED'000*	***30 September 2021 AED'000***	*30 September 2020 AED'000*
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
	2,185,977	1,560,281	**822,989**	567,090
Online retail	**1,005,245**	938,828	**319,791**	272,076
	3,191,222	2,499,109	**1,142,780**	839,166

5 COST OF REVENUE

	Nine-month period ended		*Three-month period ended*	
	30 September 2021 AED'000	*30 September 2020 AED'000*	***30 September 2021 AED'000***	*30 September 2020 AED'000*
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
	308,754	251,692	**111,700**	91,678
Cost of online retail revenue	**668,212**	570,218	**212,074**	164,913
	976,966	821,910	**323,774**	256,591

6 FINANCE COSTS

	Nine-month period ended		*Three-month period ended*	
	30 September 2021 AED'000	*30 September 2020 AED'000*	***30 September 2021 AED'000***	*30 September 2020 AED'000*
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
	168,081	157,397	**56,213**	50,897

7 PROFIT/(LOSS) FOR THE PERIOD

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

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

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:

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

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.

11 GOODWILL AND INTANGIBLE ASSETS

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

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:

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
Right-of-use assets		
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	**1,164,271**	519,415
Lease liabilities		
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	**1,150,970**	530,200
Lease liabilities are payable as below:		
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	**1,150,970**	530,200

(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.

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

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

	Nine-month period ended		***Three-month period ended***	
	30 September 2021 AED'000	*30 September 2020 AED'000*	***30 September 2021 AED'000***	*30 September 2020 AED'000*
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
	101,166	41,461	**33,542**	15,293

13 TRADE AND UNBILLED RECEIVABLES

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

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:

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
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	**203,078**	203,078

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:

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

14 RELATED PARTY DISCLOSURES (continued)

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

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

* 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.

14 RELATED PARTY DISCLOSURES (continued)

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

31 December 2020 (Audited)	*Bank balances and cash AED '000*	*Due from related parties AED '000*	*Trade and unbilled receivables AED '000*	*Due to related parties AED '000*	*Deferred income AED '000*	*Accounts payable and accruals AED '000*	*Right-of-use assets AED'000*	*Lease liabilities AED'000*
Non-current								
Parent Company	-	-	-	-	-	-	513,784	479,948
Entities owned or controlled by Directors and other related parties	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	513,784	479,948
Current								
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	-	-
	2,187	163,184	47,173	145,293	37,768	120	-	45,521

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:

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

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

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
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
Balance at period / year end	**2,111,621**	558,949

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)].

16 SHARE CAPITAL

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
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:

	Statutory reserve AED'000	***Legal reserve AED'000***	***Total AED'000***
1 January 2021 to 30 September 2021:			
As at 1 January 2021 *(Audited)* and 30 September 2021 *(Unaudited)*	**1,218,770**	**1,124,784**	**2,343,554**

	Statutory reserve AED'000	*Legal reserve AED'000*	*Total AED'000*
1 January 2020 to 30 September 2020:			
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.

18 INTEREST BEARING LOANS AND BORROWINGS

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
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	**54,565**	3,550

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	**7,346**	7,346

(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:

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
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	**2,733,163**	2,733,163
Amortisation of issuance cost	**14,712**	12,955
Sukuk liability as at period / year-end	**2,747,875**	2,746,118

20 ACCOUNTS PAYABLE AND ACCRUALS

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

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:

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
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
	7,283,331	6,900,471

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).

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:

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
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:

	As previously reported AED'000	***Reclassification AED'000***	***Reclassified AED'000***
Nine months period ended 30 September 2020:			
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
Three months period ended 30 September 2020:			
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.