

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

**Condensed interim consolidated
financial information**

for the nine month period ended 30 September 2022

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

Review report and condensed interim consolidated financial information

for the nine month period ended 30 September 2022

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

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Dubai Financial Market (DFM) P.J.S.C (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2022 and the related condensed interim consolidated statements of income and other comprehensive income for the three month and nine month periods then ended and condensed interim consolidated statements of changes in equity and cash flows for the nine month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers
27 October 2022

Rami Sarhan
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Dubai Financial Market (DFM) P.J.S.C.**Condensed interim consolidated statement of financial position**

as at 30 September 2022

	Note	As at 30 September 2022 AED'000 (Un-audited)	As at 31 December 2021 AED'000 (Audited)
ASSETS			
Non-current assets			
Goodwill	6	2,878,874	2,878,874
Other intangible assets	6	1,934,754	1,977,120
Property and equipment		322,039	335,257
Financial assets measured at fair value through other comprehensive income (FVOCI)	7	988,294	813,221
Investments at amortised cost	8	271,579	296,071
Investment deposits	9	209,153	222,225
Total non-current assets		6,604,693	6,522,768
Current assets			
Prepaid expenses and other receivables	11	381,004	124,775
Investment deposits	9	2,606,730	3,031,117
Cash and cash equivalents	12	312,922	258,990
Total current assets		3,300,656	3,414,882
Total assets		9,905,349	9,937,650
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	8,000,000	8,000,000
Treasury shares		(4,364)	(4,364)
		7,995,636	7,995,636
Investment revaluation reserve – FVOCI	14	(674,372)	(742,729)
Statutory reserve	14	478,445	478,445
Retained earnings		91,314	211,322
Equity attributable to the owners of the Company		7,891,023	7,942,674
Non-controlling interest		17,713	20,458
Net equity		7,908,736	7,963,132
LIABILITIES			
Non-current liabilities			
Subordinated loan	10	32,189	31,837
Lease liabilities		-	7,570
Provision for employees' end of service benefit		22,566	22,277
Total non-current liabilities		54,755	61,684
Current liabilities			
Payables and accrued expenses	15	1,923,666	1,798,671
Dividends payable	10,20	3,087	103,087
Due to related parties	10	15,105	11,076
Total current liabilities		1,941,858	1,912,834
Total liabilities		1,996,613	1,974,518
Total equity and liabilities		9,905,349	9,937,650

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Chairman

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

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

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

	Three month period ended		Nine month period ended		
	<i>Note</i>	30 September	30 September		
		2022	2021	2022	2021
		AED'000	AED'000	AED'000	AED'000
Income					
Trading commission fees		41,081	21,419	135,485	83,638
Brokerage fees		3,393	3,747	10,221	10,959
Clearing settlement and depositary fees		3,762	2,045	16,898	13,379
Listing and market data fees		2,461	2,318	7,345	7,374
Other fees		1,716	903	5,210	4,811
Operating income		52,413	30,432	175,159	120,161
Investment income		21,420	16,619	52,327	55,610
Dividend income		142	-	9,634	6,857
Other income		68	39	(68)	3,099
Profit income	16	722	-	3,124	-
Total income		74,765	47,090	240,176	185,727
Expenses					
General and administrative expenses		(34,891)	(33,869)	(107,280)	(106,424)
Amortisation of intangible asset		(14,122)	(14,122)	(42,366)	(42,366)
Interest expense		127	(1,040)	(1,162)	(2,570)
Operating expenses		(48,886)	(49,031)	(150,808)	(151,360)
Profit expense	16	(722)	-	(3,124)	-
Total expenses		(49,608)	(49,031)	(153,932)	(151,360)
Net profit/(loss) for the period		25,157	(1,941)	86,244	34,367
Attributable to:					
Owners of the Company		25,638	(634)	88,989	38,135
Non-controlling interest		(481)	(1,307)	(2,745)	(3,768)
		25,157	(1,941)	86,244	34,367
Basic/diluted earnings/(losses) per share - AED	17	0.0032	(0.0001)	0.0111	0.0048

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

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

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

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
Net profit/(loss) for the period	25,157	(1,941)	86,244	34,367
<i>Other comprehensive income</i>				
Items that will not be re-classified to profit or loss				
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	<u>21,735</u>	<u>4,454</u>	<u>68,357</u>	<u>39,302</u>
Total comprehensive income for the period	<u>46,892</u>	<u>2,513</u>	<u>154,601</u>	<u>73,669</u>
Attributable to:				
Owners of the Company	<u>47,373</u>	<u>3,820</u>	<u>157,346</u>	<u>77,437</u>
Non-controlling interest	<u>(481)</u>	<u>(1,307)</u>	<u>(2,745)</u>	<u>(3,768)</u>
	<u>46,892</u>	<u>2,513</u>	<u>154,601</u>	<u>73,669</u>

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

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

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

for the nine month period ended 30 September 2022

	Share capital AED'000	Treasury shares AED'000	Investments revaluation reserve FVOCI AED'000	Statutory reserve AED'000	Retained earnings AED'000	Equity attributable to owners of the Company AED'000	Non- controlling interest AED'000	Total AED'000
As at 1 January 2021	8,000,000	(4,364)	(841,395)	468,062	152,964	7,775,267	25,275	7,800,542
Net profit/ for the period	-	-	-	-	38,135	38,135	(3,768)	34,367
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	39,302	-	-	39,302	-	39,302
Total comprehensive income for the period	-	-	39,302	-	38,135	77,437	(3,768)	73,669
Appropriation of non-sharia compliant income (Note 21)	-	-	-	-	(30,914)	(30,914)	-	(30,914)
Realised loss on investment	-	-	4,213	-	(4,213)	-	-	-
Zakat	-	-	-	-	(36)	(36)	-	(36)
Other	-	-	-	-	(239)	(239)	(118)	(357)
As at 30 September 2021	<u>8,000,000</u>	<u>(4,364)</u>	<u>(797,880)</u>	<u>468,062</u>	<u>155,697</u>	<u>7,821,515</u>	<u>21,389</u>	<u>7,842,904</u>
As at 1 January 2022	8,000,000	(4,364)	(742,729)	478,445	211,322	7,942,674	20,458	7,963,132
Net profit for the period	-	-	-	-	88,989	88,989	(2,745)	86,244
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	68,357	-	-	68,357	-	68,357
Total comprehensive income for the period	-	-	68,357	-	88,989	157,346	(2,745)	154,601
Dividends declared, net of appropriation of non-sharia compliant income (Note 20)	-	-	-	-	(192,135)	(192,135)	-	(192,135)
Appropriation of non-sharia compliant income (Note 21)	-	-	-	-	(16,824)	(16,824)	-	(16,824)
Zakat	-	-	-	-	(38)	(38)	-	(38)
As at 30 September 2022	<u>8,000,000</u>	<u>(4,364)</u>	<u>(674,372)</u>	<u>478,445</u>	<u>91,314</u>	<u>7,891,023</u>	<u>17,713</u>	<u>7,908,736</u>

The accompanying notes on pages 7 to 21 form an integral part of this condensed interim consolidated financial information.
The independent auditors' report on the review of the condensed interim consolidated financial information is set out on page 1.

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

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

for the nine month period ended 30 September

	Note	Nine month period ended 30 September	
		2022 AED'000	2021 AED'000
Cash flows from operating activities			
Net profit for the period		86,244	34,367
Adjustments for:			
Depreciation of property and equipment		16,550	17,522
Provision for employees' end of service benefit		2,034	2,011
Amortisation of intangible assets	6	42,366	42,366
Interest expense		1,162	2,570
Profit expense	16	3,124	-
Profit income	16	(3,124)	-
Investment income		(52,327)	(55,610)
Dividend income		(9,634)	(6,857)
Operating cash flows before changes in operating assets and liabilities			
		86,395	36,369
Increase in prepaid expenses and other receivables	11	(3,948)	(3,510)
Decrease in payables and accrued expenses	15	(87,772)	(56,922)
Increase in due to related parties		4,029	4,541
		(1,296)	(19,522)
Employees' end of service benefit paid		(1,745)	(4,787)
Net cash used in operating activities		(3,041)	(24,309)
Cash flows from investing activities			
Purchase of property and equipment		(3,333)	(5,833)
Movement in investment deposits		437,459	(254,995)
Purchase of investment measured at amortised cost		(37,097)	(260,752)
Purchase of financial assets measured at FVOCI		(115,000)	-
Redemption of financial assets measured at FVOCI and amortised cost		67,295	214,958
Dividends received		9,492	6,857
Investment deposits income received		47,079	62,481
Net cash generated from/ (used in) investing activities		405,895	(237,284)
Cash flows from financing activities			
Lease liabilities		(9,049)	(7,990)
Dividends paid to shareholders		(339,873)	-
Net cash used in financing activities		(348,922)	(7,990)
Net increase/(decrease) in cash and cash equivalents			
		53,932	(269,583)
Cash and cash equivalents at the beginning of the period		258,990	420,675
Cash and cash equivalents at the end of the period	12	312,922	151,092

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

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

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

Notes to the condensed interim consolidated financial information

for the nine month period ended 30 September 2022

1 Establishment and operations

Dubai Financial Market (DFM) - PJSC (the “Company”) is a public joint stock company incorporated in the Emirate of Dubai – United Arab Emirates, pursuant to decree No. 62 for the year 2007 issued by the Ministry of Economy on February 6, 2007, and is subject to the provisions of the UAE Federal Decree Law No. 32 of 2021 (“Companies law”). The Company received its registration under Federal Law No. 4 of 2000 with the Securities and Commodities Authority (‘SCA’) on November 4, 2000.

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

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

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

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

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

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

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

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

**Nasdaq Dubai Limited has the following subsidiary:

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

***The remaining 33% is held by Borse Dubai Limited (Note 18).

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

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

2 Summary of significant accounting policies

2.1 Basis of preparation

This condensed interim consolidated financial information has been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting, and applicable provisions of the UAE Federal Decree Law No. 32 of 2021.

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 ("Companies Law") was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015. The company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

This condensed interim consolidated financial information does not include all the information required for full annual audited consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2021. In addition, results for the nine month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The accounting policies applied in this condensed interim consolidated financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021.

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

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

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

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

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in this condensed interim consolidated financial information. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

- **Narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 9 and IFRS 16** - Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

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

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

for the nine month period ended 30 September 2022

2 Summary of significant accounting policies *(continued)*

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

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

- **Narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 9 and IFRS 16** *(continued)*

Annual improvements make minor amendments to IFRS 9, ‘Financial instruments’, and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

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

- **Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities (Deferred until accounting periods starting not earlier than 1 January 2024)** - These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (Effective date 1 January 2023)** - The IASB amended IAS 1, ‘Presentation of Financial Statements’, to require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

To support this amendment, the Board also amended IFRS Practice Statement 2, ‘Making Materiality Judgements’, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment to IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

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

There are no other applicable new standards and amendments to published standards or IFRS-IC (Interpretations Committee) interpretations that have been issued but are not effective for the first time for the Group’s financial period beginning on 1 January 2022 that would be expected to have a material impact on the condensed interim consolidated financial information of the Group.

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

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

for the nine month period ended 30 September 2022

3 Basis of consolidation

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

The condensed interim consolidated financial information comprises the interim financial information of the Company and of the subsidiaries as disclosed in Note 1. The interim financial information of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies.

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

4 Estimates

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

In preparing this condensed interim consolidated financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2021.

5 Financial risk management

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

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

Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2022

6 Goodwill and other intangible assets

	Goodwill AED'000	License to operate as a stock exchange AED'000
Cost		
At 1 January 2021 and 2022	2,878,874	2,824,455
At 30 September 2021 and 2022	2,878,874	2,824,455
Amortization		
At 1 January 2022	-	847,335
Charge for the period	-	42,366
At 30 September 2022	-	889,701
At 1 January 2021	-	790,846
Charge for the period	-	42,366
At 30 September 2021	-	833,212
Carrying amount		
At 30 September 2022	2,878,874	1,934,754
At 30 September 2021	2,878,874	1,991,243
At 31 December 2021	2,878,874	1,977,120

Goodwill is tested for impairment annually when there is an indicator of impairment of the cash generating unit to which goodwill is allocated. DFM as a standalone entity is considered a single cash generating unit for impairment testing purpose.

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

Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2022

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

	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
<u>Designated as equity instruments (Note 7.3)</u>		
Investment in equity securities	402,435	257,564
Managed funds – Note (7.1)	322,519	275,711
Investment in sukuk – Note (7.2)	263,340	279,946
	<u>988,294</u>	<u>813,221</u>

7.1 Managed funds include funds of AED 305 million (31 December 2021: AED 258 million) managed by a shareholder of the Parent (Note 10).

7.2 The investment in sukuk are perpetual instruments, callable at the option of the issuer and are therefore measured at fair value through other comprehensive income. The sukuk carry profit rates ranging from 3.375% to 5% (31 December 2021: 3.375% to 5%) per annum, which is payable at the discretion of the issuer.

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

Investments by geographic concentration are as follows:

	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
- Within U.A.E.	912,500	734,050
- Outside U.A.E.	75,794	79,171
	<u>988,294</u>	<u>813,221</u>

8 Investments at amortised cost

	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
Investment in sukuk – Note 8.1	<u>271,579</u>	<u>296,071</u>

8.1 Investment in sukuk in the U.A.E mature in 5-9 years and carry fixed profit rates of 2.591% - 5% (31 December 2021: 3.20% - 5.112%) per annum.

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

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

for the nine month period ended 30 September 2022

9 Investment deposits

	30 September 2022	31 December 2021
	AED'000	AED'000
	(Un-audited)	(Audited)
Investment deposits maturing in less than 3 months	865,000	371,117
Investment deposits maturing up to 1 year but more than 3 months – (Note 9.1)	1,741,730	2,660,000
	2,606,730	3,031,117
Non-current:		
Investment deposits maturing above 1 year	209,153	222,225
	2,815,883	3,253,342

9.1 Investment deposits are placed with financial institutions in the UAE and carry profit rates ranging from 1.15% to 4.60% (31 December 2021: 1.20% to 1.65%) per annum.

9.2 Investment deposits of AED 36.73 million (31 December 2021: AED 136.73 million) have been pledged as collateral against unutilised bank overdraft facilities provided to the Group.

9.3 Dividends received from and payable on behalf of companies listed on DFM held in my Account and iVESTOR card balances as at 30 September 2022 aggregate AED 1,257 million (31 December 2021: AED 1,151 million), which is available for the Company to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,105 million (31 December 2021: AED 1,010 million), investment at amortised cost of AED 96 million (31 December 2021: AED 100 million) and mudarabah and current accounts of AED 56 million (31 December 2021: AED 41 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies (refer to Note 15.1). Until this obligation is discharged, the Group recognises the profit on these investments in its condensed interim consolidated statement of income.

9.4 Investment deposits include AED 150 million (31 December 2021: AED 430 million) which represents funds from margin deposits which have been placed by a related party. Refer to Notes 10.1 and 15.2.

10 Related party transactions and balances

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

Transactions during the period	Nine month period ended 30 September	
	2022	2021
	AED'000	AED'000
	(Un-audited)	(Un-audited)
<i>Fellow subsidiaries and associates</i>		
Investment income	14,969	21,568
Interest expense	352	1,034
Dividend income	9,038	6,706
Lease payments and other related expenses	6,513	6,467
Interest on lease	437	967

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

Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2022

10 Related party transactions and balances (continued)

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

	Nine month period ended 30 September	
	2022 AED'000 (Un-audited)	2021 AED'000 (Un-audited)
Compensation of key management personnel		
Salaries and short-term benefits	8,491	6,863
General pension and social security	646	684
Board of Directors		
- Remuneration to the Nasdaq Dubai Board	638	593
- Meeting allowance for the Group	595	492
- DFM Board remuneration	2,118	2,100
	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
Balances		
(a) <i>Fellow subsidiaries and associates</i>		
Managed funds managed by a shareholder of the Parent (Note 7)	304,794	257,986
Financial assets measured at FVOCI (Note 7)	493,934	352,957
Investments at amortised cost (Note 8)	196,274	208,654
Cash and cash equivalents (Note 12)	189,040	155,521
Investment deposits (Note 9)	402,694	584,273
(b) <i>Due to related parties</i>		
Dubai World Trade Centre – lease liability	8,013	14,316
Member's margin deposit (Note 10.1 and 15.2)	186,684	450,000
Parent		
Expenses paid on behalf of the Group	15,105	11,076
Subordinated loan (Note 10.2)	32,189	31,837
Dividends payable	-	100,000

10.1 Member's margin deposit comprise of investment deposits of AED 150 million (31 December 2021: AED 430 million) and mudarabah account of AED 36 million (31 December 2021: AED 20 million) placed by a related party (Note 15.2).

10.2 The subordinated loan has been provided by Borse Dubai Limited, to Nasdaq Dubai Limited through the Company (Note 1). The subordinated loan is unsecured, has no fixed repayment date and does not bear any interest effective 1 April 2022. This loan is subordinated to the rights of all other creditors of the subsidiary.

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Notes to the condensed interim consolidated financial information (continued)
for the nine month period ended 30 September 2022

11 Prepaid expenses and other receivables

	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
Accrued income on investment deposits	26,551	19,518
Central counterparty balances – (Note 11.1)	337,249	92,340
Prepaid expenses	7,649	5,948
Accrued trading commission fees	3,665	1,003
Other receivables	3,823	2,542
Due from brokers	773	1,998
VAT receivable on capital expenditure	2,095	2,641
	<u>381,805</u>	<u>125,990</u>
Less: allowance for doubtful debts	(801)	(1,215)
	<u>381,004</u>	<u>124,775</u>
	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
Net movement in allowance for doubtful debts:		
Opening balance	1,215	738
Provision/(reversal) for the period/year	(414)	477
Closing balance	<u>801</u>	<u>1,215</u>

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

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

12 Cash and cash equivalents

	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
Cash on hand	163	140
Bank balances:		
Current accounts	15,058	16,258
Savings accounts (Note 12.1)	467	2,165
Mudarabah accounts (Note 12.2)	177,844	140,422
	<u>193,532</u>	<u>158,985</u>
Investment deposits with original maturities not exceeding three months	119,390	100,005
Cash and cash equivalents	<u>312,922</u>	<u>258,990</u>

12.1 The rate of return on savings accounts is 0.30% per annum (31 December 2021: 0.30% per annum).

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

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

for the nine month period ended 30 September 2022

12 Cash and cash equivalents *(continued)*

- 12.2 The rate of return on mudarabah account is 0.08% per annum (31 December 2021: 0.09% per annum).
- 12.3 Dividends received from and payable on behalf of companies listed on DFM held in my Account and iVESTOR card balances as at 30 September 2022 aggregate AED 1,257 million (31 December 2021: AED 1,151 million), which is available for the Company to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,105 million (31 December 2021: AED 1,010 million), investment at amortised cost of AED 96 million (31 December 2021: AED 100 million) and mudarabah and current accounts of AED 56 million (31 December 2021: AED 41 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies (refer to Note 15.1). Until this obligation is discharged, the Group recognises the profit on these investments in its condensed interim consolidated statement of income
- 12.4 At 30 September 2022 and 31 December 2021, the Group has assessed the recoverability of its cash and cash equivalents and considered the provision for expected credit loss to be immaterial.

13 Share capital

	30 September 2022	31 December 2021
	AED'000	AED'000
	(Un-audited)	(Audited)
<i>Authorised, issued and paid up share capital:</i>		
8,000,000,000 shares (31 December 2021: 8,000,000,000 shares) of AED 1 each (31 December 2021: AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>

14 Reserves

(a) *Statutory reserve*

In accordance with the UAE Federal Decree Law No. 32 of 2021, the Group has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the nine month period ended 30 September 2022, as this will be effected at the year-end based on the Company's results for the year ending 31 December 2022.

(b) *Investment revaluation reserve - FVOCI*

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

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

Notes to the condensed interim consolidated financial information (continued)
for the nine month period ended 30 September 2022

15 Payables and accrued expenses

	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
Dividends payable on behalf of companies listed on the DFM ("myAccount") (Note 15.1)	872,099	820,010
iVESTOR cards (Note 15.1)	384,541	330,921
Members' margin deposits (Note 15.2)	238,867	460,549
Accrued expenses and other payables	18,487	22,064
Central counterparty balances (Note 11.1)	337,249	92,340
Unearned revenue	6,625	4,377
Brokers' retention	24,717	21,917
Due to U.A.E Securities and Commodities Authority	28,938	315
Zakat	1,086	1,048
VAT payable	2,075	4,271
Lease liabilities	8,756	9,945
Customer initial public offering ("IPO") subscriptions	226	-
Non sharia compliant income (Note 21)	-	30,914
	<u>1,923,666</u>	<u>1,798,671</u>

15.1 Dividends received from and payable on behalf of companies listed on DFM held in my Account and iVESTOR card balances as at 30 September 2022 aggregate AED 1,257 million (31 December 2021: AED 1,151 million), which is available for the Company to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,105 million (31 December 2021: AED 1,010 million), investment at amortised cost of AED 96 million (31 December 2021: AED 100 million) and mudarabah and current accounts of AED 56 million (31 December 2021: AED 41 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies. Until this obligation is discharged, the Group recognises the profit on these investments in its condensed interim consolidated statement of income

15.2 Clearing members are required to provide margins in respect of their clearing and settlement obligations to the Group. Margins are held in segregated accounts in the name of DFM at clearing banks. Margins provided by clearing members are used by the Group towards discharging the clearing members' obligations to the Group in the event of default by the clearing member in connection with trade settlements. Refer to Notes 9.4 and 10.1.

16 Profit income and profit expense

The Group has incurred a profit expense of AED 3.1 million (30 September 2021: Nil) on the members' margin deposits (Note 15) which is placed with the Group at an equivalent rate of profit.

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

Notes to the condensed interim consolidated financial information (continued)

for the nine month period ended 30 September 2022

17 Earnings per share

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2022	2021	2022	2021
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Net profit/(loss) for the period attributable to owners of the Company (AED '000)	25,638	(634)	88,989	38,135
Authorised, issued and paid up share capital - ('000)	8,000,000	8,000,000	8,000,000	8,000,000
Less: Treasury shares ('000)	(4,237)	(4,237)	(4,237)	(4,237)
Number of shares issued ('000)	7,995,763	7,995,763	7,995,763	7,995,763
Earnings/(Losses) per share – AED	0.0032	(0.0001)	0.0111	0.0048

18 Commitments

	30 September 2022 AED'000 (Un-audited)	31 December 2021 AED'000 (Audited)
Commitments for the purchase of property and equipment	2,113	1,179

In 2010, the Company entered into an agreement with Borse Dubai Limited to acquire remaining 33% (31 December 2021: 33%) shareholding of Nasdaq Dubai Limited against a consideration of AED 148 million (31 December 2021: 148 million). The exercise and completion of its acquisition is contingent upon the mutual agreement of the Company and Borse Dubai Limited and on a date to be mutually agreed between the Company and Borse Dubai Limited.

19 Segment reporting

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

20 Dividends payable

At the Annual General Meeting held on 22 March 2022, the Company declared dividends for 2021 of AED 240 million representing AED 0.03 per share including non sharia compliant income of AED 16.8 million for the year ended 31 December 2021 (31 December 2021: non sharia compliant income of AED 30.9 million for the year ended 31 December 2020 declared at the Annual General Meeting held on 22 March 2021). The Company did not declare any dividends for the year ended 31 December 2020.

Unpaid dividends to shareholders other than a related party is AED 3 million (31 December 2021: AED 3 million).

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

21 Non Sharia compliant income

Non Sharia compliant income of AED 16.8 million relating to 2021 (31 December 2021: AED 30.9 million relating to 2020 appropriated in 2021) as approved by the Company's Sharia and Fatwa Supervisory Board, has been appropriated from retained earnings during the nine month period ended 30 September 2022 and has been distributed by the Group to its shareholders towards disbursement by the shareholders for charitable purposes. Based on the ruling of the Sharia and Fatwa Supervisory Board, it is the sole responsibility of the individual shareholders to donate their respective shares of this amount for charitable purposes.

22 Fair value of financial instruments

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

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

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

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

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

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

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

There were no changes in valuation techniques during the period.

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

Notes to the condensed interim consolidated financial information (continued)
for the nine month period ended 30 September 2022

22 Fair value of financial instruments (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2022 and 31 December 2021.

	30 September 2022 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
Financial assets at fair value through other comprehensive income				
- Equities	396,008	6,427	-	402,435
- Managed funds	-	322,519	-	322,519
- Investment in sukuk	263,340	-	-	263,340
Total	659,348	328,946	-	988,294
	31 December 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
Financial assets at fair value through other comprehensive income				
- Equities	251,137	6,427	-	257,564
- Managed funds	-	275,711	-	275,711
- Investment in sukuk	279,946	-	-	279,946
Total	531,083	282,138	-	813,221

There are no transfers between levels during the period.

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

The following table summarises the amortized cost and fair value of the sukuk as at 30 September 2022 and 31 December 2021:

	30 September 2022 (Un-audited)	
	Carrying amount	Fair value
	AED'000	AED'000
Investments at amortised cost		
Investment in sukuk	271,579	261,307
	31 December 2021 (Audited)	
	Carrying amount	Fair value
	AED'000	AED'000
Investments at amortised cost		
Investment in sukuk	296,071	304,092

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

for the nine month period ended 30 September 2022

23 Subsequent events

There have been no events subsequent to the condensed interim consolidated statement of financial position date that would significantly affect the amounts reported in the condensed interim consolidated financial information as at and for the nine month period ended 30 September 2022.

24 Approval of the condensed interim consolidated financial information

The condensed interim consolidated financial information for the nine month period ended 30 September 2022 have been approved by the Board of Directors and authorized for issue on 27 October 2022.