

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

**Review report and condensed interim
consolidated financial information
For the nine-month period ended 30 September 2023**

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

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REVIEW REPORT ON CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors
Dubai Financial Market (DFM) P.J.S.C.
Dubai
United Arab Emirates

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 2023 and the related condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 – *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Other matter

The consolidated financial statements for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 31 January 2023. The interim financial information for the nine-month period ended 30 September 2022 was reviewed by another auditor who expressed an unmodified conclusion on that information on 27 October 2022.

Deloitte & Touche (M.E.)



Firas Anabtawi
Registered No. 5482
30 October 2023
Dubai
United Arab Emirates

**Condensed interim consolidated statement of financial position
as at 30 September 2023**

	Notes	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
ASSETS			
Non-current assets			
Goodwill	6	2,878,874	2,878,874
Other intangible assets	6	1,878,265	1,920,631
Property and equipment		325,980	320,469
Financial assets measured at fair value through other comprehensive income (FVOCI)	7	1,035,844	969,455
Investments at amortised cost	8	261,856	273,990
Investment deposits	9	156,903	204,189
Total non-current assets		6,537,722	6,567,608
Current assets			
Prepaid expenses and other receivables	11	260,583	143,750
Investment deposits	9	2,939,122	2,313,230
Cash and cash equivalents	12	106,965	469,401
Total current assets		3,306,670	2,926,381
Total assets		9,844,392	9,493,989
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	(621,880)	(693,211)
Statutory reserve	14	493,156	493,156
Retained earnings		186,270	134,727
Equity attributable to the owners of the Company		8,053,182	7,930,308
Non-controlling interest		17,379	17,241
Total equity		8,070,561	7,947,549
LIABILITIES			
Non-current liabilities			
Subordinated loan	10	32,189	32,189
Lease liabilities		3,479	-
Provision for employees' end of service benefit		22,183	23,162
Total non-current liabilities		57,851	55,351
Current liabilities			
Payables and accrued expenses	15	1,700,907	1,470,424
Dividends payable	19	86	3,087
Due to related parties	10	14,987	17,578
Total current liabilities		1,715,980	1,491,089
Total liabilities		1,773,831	1,546,440
Total equity and liabilities		9,844,392	9,493,989

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial statements present fairly in all material respects for financial position, financial performance and cash flows of the Group.


Chairman

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

**Condensed interim consolidated statement of income
for the nine-months period ended 30 September 2023 (Unaudited)**

	Notes	Three-month period ended		Nine-month period ended	
		30 September		30 September	
		2023	2022	2023	2022
		AED'000	AED'000	AED'000	AED'000
Operating income					
Trading commission fees		70,047	41,081	160,030	135,485
Brokerage fees		3,389	3,393	9,591	10,221
Clearing settlement and depository Fees		8,396	3,762	28,911	16,898
Listing and market data fees		2,578	2,461	8,483	7,345
Other fees		1,784	1,716	9,380	5,210
		86,194	52,413	216,395	175,159
Investment income		48,922	21,420	119,713	52,327
Dividend income		3,048	142	20,060	9,634
Other income		(259)	68	(372)	(68)
Profit income		-	722	226	3,124
Total income		137,905	74,765	356,022	240,176
Operating expenses					
General and administrative expenses		(35,425)	(34,891)	(112,849)	(107,280)
Amortisation of intangible asset		(14,122)	(14,122)	(42,366)	(42,366)
Interest expense		-	127	(37)	(1,162)
Impairment of financial asset		(14,165)	-	(14,165)	-
Profit expense		-	(722)	(226)	(3,124)
Total expenses		(63,712)	(49,608)	(169,643)	(153,932)
Net profit for the period		74,193	25,157	186,379	86,244
Attributable to:					
Owners of the Company		74,063	25,638	186,241	88,989
Non-controlling interest		130	(481)	138	(2,745)
		74,193	25,157	186,379	86,244
Basic/diluted earnings per share - AED	16	0.0093	0.0032	0.0233	0.0111

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

**Condensed interim consolidated statement of comprehensive income
for the nine-months period ended 30 September 2023 (Unaudited)**

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Net profit for the period	74,193	25,157	186,379	86,244
<i>Other comprehensive income</i>				
<i>Items that will not be re-classified to profit or loss</i>				
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	62,228	21,735	71,331	68,357
Total comprehensive income for the period	136,421	46,892	257,710	154,601
Attributable to:				
Owners of the Company	136,291	47,373	257,572	157,346
Non-controlling interest	130	(481)	138	(2,745)
	136,421	46,892	257,710	154,601

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

**Condensed interim consolidated statement of changes in equity
for the nine-months period ended 30 September 2023**

	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 2022 (Audited)	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 19)	-	-	-	-	(192,135)	(192,135)	-	(192,135)
Appropriation of non-sharia compliant income (Note 20)	-	-	-	-	(16,824)	(16,824)	-	(16,824)
Zakat	-	-	-	-	(38)	(38)	-	(38)
As at 30 September 2022 (Unaudited)	8,000,000	(4,364)	(674,372)	478,445	91,314	7,891,023	17,713	7,908,736
As at 1 January 2023 (Audited)	8,000,000	(4,364)	(693,211)	493,156	134,727	7,930,308	17,241	7,947,549
Net profit for the period	-	-	-	-	186,241	186,241	138	186,379
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	71,331	-	-	71,331	-	71,331
Total comprehensive income for the period	-	-	71,331	-	186,241	257,572	138	257,710
Dividends declared, net of appropriation of non- sharia compliant income (Note 19)	-	-	-	-	(109,974)	(109,974)	-	(109,974)
Appropriation of non-sharia compliant income (Note 20)	-	-	-	-	(24,683)	(24,683)	-	(24,683)
Zakat	-	-	-	-	(41)	(41)	-	(41)
As at 30 September 2023 (Unaudited)	8,000,000	(4,364)	(621,880)	493,156	186,270	8,053,182	17,379	8,070,561

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

**Condensed interim consolidated statement of cash flows
for the nine-months period ended 30 September 2023 (Unaudited)**

	Notes	Nine-month period ended 30 September	
		2023 AED'000	2022 AED'000
Cash flows from operating activities			
Net profit for the period		186,379	86,244
Adjustments for:			
Depreciation of property and equipment		15,330	16,550
Provision for employees' end of service benefit		1,943	2,034
Amortisation of intangible assets	6	42,366	42,366
Interest expense		37	1,162
Profit expense		226	3,124
Profit income		(226)	(3,124)
Investment income		(119,713)	(52,327)
Dividend income		(20,060)	(9,634)
Impairment of financial asset		14,165	-
Operating cash flows before changes in operating assets and liabilities		120,447	86,395
Decrease in prepaid expenses and other receivables	11	(4,702)	(3,948)
Increase / (decrease) in payables and accrued expenses	15	160,150	(87,772)
(Decrease) / increase in due to related parties		(2,591)	4,029
Cash generated from / (used in) operations		273,304	(1,296)
Employees' end of service benefit paid		(2,984)	(1,745)
Net cash generated from / (used in) operating activities		270,320	(3,041)
Cash flows from investing activities			
Purchase of property and equipment		(27,660)	(3,333)
Movement in investment deposits		(578,606)	437,459
Purchase of investment measured at amortised cost		-	(37,097)
Purchase of financial assets measured at FVOCI		(5,000)	(115,000)
Redemption of financial assets measured at FVOCI and amortised cost		20,215	67,295
Dividends received		17,560	9,492
Investment deposits income received		88,513	47,079
Net cash (used in) / generated from investing activities		(484,978)	405,895
Cash flows from financing activities			
Lease liabilities		(10,122)	(9,049)
Dividends paid to shareholders		(137,656)	(339,873)
Net cash used in financing activities		(147,778)	(348,922)
Net (decrease) / increase in cash and cash equivalents		(362,436)	53,932
Cash and cash equivalents at the beginning of the period		469,401	258,990
Cash and cash equivalents at the end of the period	12	106,965	312,922

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

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023**

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 6 February 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 Emirates Securities and Commodities Authority (‘ESCA’) on 4 November 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 17).

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

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

2.1 New and revised IFRS applied with no material effect on the condensed interim consolidated financial information

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these condensed interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 8 Accounting policies, Changes in accounting estimates and errors;
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current; and
- Amendment to IFRS 17 Insurance contracts.

2.2 New and revised IFRSs in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

<u>New and revised IFRS</u>	<u>Effective for annual periods beginning on or after</u>
IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	1 January 2024
IFRS S2 <i>Climate-related Disclosures</i>	1 January 2024
Amendment to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s interim consolidated financial information for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the interim consolidated financial information of the Group in the period of initial application.

3. Summary of significant accounting policies

3.1 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 Commercial Companies (the “New Companies Law”) which was issued on 20 September 2021 and has come into effect on 2 January 2022.

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)****3. Summary of significant accounting policies (continued)****3.1 Basis of preparation (continued)**

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 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements as at and for the year ended 31 December 2022. In addition, results for the nine month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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 2022.

This condensed interim consolidated financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments at measured at fair value through other comprehensive income (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.

3.2 Basis of consolidation

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

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

Where necessary, adjustments are made to the condensed interim 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. Judgments and 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 2022.

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

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 2022.

6. Goodwill and other intangible assets

	Goodwill AED'000	License to operate as a stock exchange AED'000
Cost		
At 1 January 2022 and 2023 (Audited)	2,878,874	2,824,455
At 30 September 2022 and 2023 (Unaudited)	2,878,874	2,824,455
Amortization		
At 1 January 2023 (Audited)	-	903,824
Charge for the period	-	42,366
At 30 September 2023 (Unaudited)	-	946,190
At 1 January 2022 (Audited)	-	847,335
Charge for the period	-	42,366
At 30 September 2022 (Unaudited)	-	889,701
Carrying amount		
At 30 September 2023 (Unaudited)	2,878,874	1,878,265
At 30 September 2022 (Unaudited)	2,878,874	1,934,754
At 31 December 2022 (Audited)	2,878,874	1,920,631

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

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

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

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
<u>Designated as equity instruments</u>		
Investment in equity securities	714,167	393,547
Managed funds – (Note 7.1)	61,082	313,678
Investment in sukuk – (Note 7.2)	260,595	262,230
	<u>1,035,844</u>	<u>969,455</u>

7.1 Managed funds include funds of AED 43 million (31 December 2022: AED 296 million) managed by a related party (Note 10).

7.2 The investment in sukuks are perpetual instruments, callable at the option of the issuers and measured at fair value through other comprehensive income. The sukuks carry profit rates ranging from 3.375% to 5% (31 December 2022: 3.375% to 5%) per annum, which is payable at the discretion of the issuers.

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

Investments by geographic concentration are as follows:

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
- Within U.A.E.	955,625	893,043
- Outside U.A.E.	80,219	76,412
	<u>1,035,844</u>	<u>969,455</u>

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

8. Investments at amortised cost

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
Investment in sukuk	261,856	273,990

8.1 Investments in sukuk in the UAE mature in 4-9 years and carry fixed profit rates ranging from 2.591% - 5% per annum (31 December 2022: 2.591% - 5%) per annum.

8.2 As at 30 September 2023, investment in Sukuks amounting to AED 187 million were invested in related parties (31 December 2022: AED 198 million) Refer to (Note 10).

9. Investment deposits

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
Investment deposits maturing in less than 3 months	583,500	36,730
Investment deposits maturing up to 1 year but more than 3 months - (Note 9.1)	2,355,622	2,276,500
	2,939,122	2,313,230
Non-current:		
Investment deposits maturing after 1 year	156,903	204,189
	3,096,025	2,517,419

9.1 Investment deposits are placed with financial institutions in the UAE and carry profit rates ranging from 4.85% to 5.75% (31 December 2022: 2.80% to 5.50%) per annum.

9.2 Investment deposits of AED 36.73 million (31 December 2022: AED 36.73 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 30 September 2023 aggregate AED 1,465 million (31 December 2022: AED 1,266 million), which is available for the Group to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,320 million (31 December 2022: AED 1,130 million), investment at amortised cost of AED 91 million (31 December 2022: AED 93 million) and mudarabah and current accounts of AED 54 million (31 December 2022: AED 43 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.

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

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:

	Nine-month period ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	AED'000	AED'000
Transactions during the period		
<i>Fellow subsidiaries and associates</i>		
Investment income	35,764	14,969
Interest expense	-	352
Dividend income	19,531	9,038
Lease payments and other related expenses	6,457	6,513
Interest on lease	57	437

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

	Nine-month period ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	AED'000	AED'000
Compensation of key management personnel		
Short-term benefits	10,656	8,491
General pension and social security	614	646
<i>Board of Directors:</i>		
Remuneration to the Nasdaq Dubai Board	653	638
Meeting allowance for the Group	626	595
DFM Board remuneration	2,700	2,118

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

10. Related party transactions and balances (continued)

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
<i>Fellow subsidiaries and associates</i>		
Managed funds (Note 7)	43,361	295,953
Financial assets measured at FVTOCI	735,983	482,085
Investments at amortised cost (Note 8)	186,761	198,206
Investment deposits (Note 9)	529,806	432,845
Cash and cash equivalents (Note 12)	102,517	142,228
<i>Due to related parties</i>		
Dubai World Trade Centre – lease liability (Company under common control)	423	8,114
Member's margin deposits (Notes 10.1) (Company under common control)	-	38,917
Expenses paid on behalf of the Group - (Parent)	14,987	17,578
Subordinated loan (Note 10.2) - (Parent)	32,189	32,189

10.1 Member's margin deposits comprise mudarabah account of AED nil (31 December 2022: AED 39 million) placed on behalf of a related party.

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 rate effective 1 April 2022. This loan is subordinated to the rights of all other creditors of the subsidiary.

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

11. Prepaid expenses and other receivables

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
Accrued income on investment deposits	69,257	37,677
Central counterparty balances (Note 11.1)	169,019	91,174
Prepaid expenses	7,365	5,956
Accrued trading commission fees	2,715	1,134
Other receivables	7,512	5,312
Due from brokers	2,804	1,041
VAT receivable on capital expenditure	2,459	2,210
	261,131	144,504
Less: Expected credit losses provision	(548)	(754)
	260,583	143,750
	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
Net movement in expected credit losses provision:		
Opening balance	754	1,215
Reversal of provision for the period/year	(206)	(461)
Closing balance	548	754

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

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

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

12. Cash and cash equivalents

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000	30 September 2022 (Unaudited) AED'000
Cash on hand	165	150	163
Bank balances:			
Current accounts	15,086	14,128	15,058
Savings accounts (Note 12.1)	21	21	467
Mudarabah accounts (Notes 12.2 & 9.3)	91,693	134,310	177,844
	106,965	148,609	193,532
Add: Investment deposits with original maturities not exceeding three months	-	320,792	119,390
Cash and cash equivalents	106,965	469,401	312,922

12.1 The rate of return on savings accounts is 1% per annum (31 December 2022: 0.30% per annum).

12.2 The rate of return on mudarabah account is 2.12% per annum (31 December 2022: 1% per annum).

12.3 At 30 September 2023 and 31 December 2022, the Group has assessed the recoverability of its cash and cash equivalents and considered the provision for expected credit loss to be immaterial.

12.4 As at 30 September 2023, an amount of cash and cash equivalent of AED 103 million were deposited with related parties (31 December 2022: AED 142 million). Refer to (Note 10).

13. Share capital

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
Authorised, issued and paid up share capital: 8,000,000,000 shares (31 December 2022: 8,000,000,000 shares) of AED 1 each (31 December 2022: AED 1 each)	8,000,000	8,000,000

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

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 months period ended 30 September 2023, as this will be effected at the year-end based on the Company's results for the year ending 31 December 2023.

(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.

15. Payables and accrued expenses

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
Dividends payable on behalf of companies listed on the DFM ("MyAccount") (Note 9.3)	997,857	877,499
iVESTOR cards (Note 9.3)	467,924	388,866
Central counterparty balances (Note 11.1)	169,019	91,174
Customer initial public offering ("IPO") subscriptions (Note 15.2)	7	18
Brokers' retention	-	26,270
Accrued expenses and other payables	19,051	19,787
Unearned revenue	6,778	4,818
Members' margin deposits (Note 15.1)	17,024	48,403
Due to UAE Securities and Commodities Authority	17,262	545
Zakat	1,124	1,086
VAT payable	3,529	3,073
Current lease liabilities	1,332	8,885
	1,700,907	1,470,424

15.1 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 (Note 11.1).

15.2 Customer IPO subscriptions represent funds payable to investors as refund of excess subscription amount for the IPOs.

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

16. Earnings per share

	Three month period ended 30-September		Nine month period ended 30-September	
	2023 (Un-audited)	2022 (Un-audited)	2023 (Un-audited)	2022 (Un-audited)
Net profit for the period attributable to owners of the Company (AED '000)	74,063	25,638	186,241	88,989
Authorised, issued and paid up share capital – (AED'000)	8,000,000	8,000,000	8,000,000	8,000,000
Less: Treasury shares ('000)	(4,237)	(4,237)	(4,237)	(4,237)
Number of shares issued ('000)	7,995,763	7,995,763	7,995,763	7,995,763
Earnings per share – AED	0.0093	0.0032	0.0233	0.0111

17. Commitments

	30 September 2023 (Unaudited) AED'000	31 December 2022 (Audited) AED'000
Commitments for the purchase of property and equipment	3,754	10,147
Unutilized Bank overdraft	136,730	136,730

In 2010, the Company entered into an agreement with Borse Dubai Limited to acquire remaining 33% (31 December 2022: 33%) shareholding of Nasdaq Dubai Limited against a consideration of AED 148 million (31 December 2022: 148 million). The exercise and completion of its acquisition is contingent upon the mutual agreement of the Company and Borse Dubai Limited and on a date to be mutually agreed between the Company and Borse Dubai Limited.

18. Segment reporting

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

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)****19. Dividends payable**

On 21 March 2023, the Company has declared dividends for 2022 of AED 134.7 million representing AED 0.016841 per share including non sharia compliant income of AED 24.7 million for the year ended 31 December 2022 (31 December 2021 dividends AED 240 million representing AED 0.03 per share including non sharia compliant income of AED 16.8 million and AED 30.9 million for the year ended 31 December 2020). Unpaid dividends to shareholders is AED 86 thousand (31 December 2022: AED 3 million).

20. Non Sharia compliant income

Non Sharia compliant income of AED 24.7 million relating to 2022 (2022: AED 16.8 million relating to 2021) and (2021 AED 30.9 million relating to 2020) 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 2023 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.

21. Fair value of financial instruments

The Group's financial assets and financial liabilities comprise of cash and cash equivalents, investment deposits, financial assets measured at fair value through other comprehensive income (FVOCI), 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.

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

22. Fair value of financial instruments (continued)

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

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

There were no changes in valuation techniques during the period.

The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2023 and 31 December 2022.

	30 September 2023 (Unaudited)			
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through other comprehensive income				
- Equities	707,740	6,427	-	714,167
- Managed funds	-	61,082	-	61,082
- Investment in sukuk	260,595	-	-	260,595
Total	968,335	67,509	-	1,035,844
	31 December 2022 (Audited)			
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through other comprehensive income				
- Equities	387,120	6,427	-	393,547
- Managed funds	-	313,678	-	313,678
- Investment in sukuk	262,230	-	-	262,230
Total	649,350	320,105	-	969,455

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

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

**Notes to the condensed interim consolidated financial information
for the nine months period ended 30 September 2023 (continued)**

22. Fair value of financial instruments (continued)

The following table summarises the amortized cost and fair value of the sukuk as at 30 September 2023 and 31 December 2022:

	Carrying amount AED'000	Fair value AED'000
30 September 2023 (Unaudited)		
Investments at amortised cost		
Investment in sukuk	261,856	240,397
	<hr/>	<hr/>
	Carrying amount AED'000	Fair value AED'000
31 December 2022 (Audited)		
Investments at amortised cost		
Investment in sukuk	273,990	247,640
	<hr/>	<hr/>

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 months period ended 30 September 2023.

24. Corporate tax law

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 September 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

As the Group's accounting year ends on 31 December, accordingly the effective implementation date for the Group will start from 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as they come into effect.

25. Seasonality of results

No income of seasonal nature was recorded in the condensed interim consolidated statement of income for the nine-month periods ended 30 September 2023 and 30 September 2022.

26. Approval of the condensed interim consolidated financial information

The condensed interim consolidated financial information for the nine months period ended 30 September 2023 have been approved by the Board of Directors and authorized for issue on 30 October 2023.