

INTEGRATED  
REPORT  
2022

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Dubai Investments PJSC and its subsidiaries  
Consolidated financial statements  
For the year ended 31 December 2022

Dubai Investments PJSC and its subsidiaries  
Directors' report and consolidated financial statements  
For the year ended 31 December 2022

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## Directors' report

The Board of Directors ("the Board") of Dubai Investments PJSC ("the Company") is pleased to present their report along with the audited consolidated financial statements of the Company and its subsidiaries (together, "the Group") for the year ended 31 December 2022.

### Principal activities

The Group is primarily involved in development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors, investment banking, asset management, financial investments, healthcare and education.

### Financial performance

The Group has reported profit attributable to the shareholders of the Company of AED 1,608.57 million for the year ended 31 December 2022 as compared to AED 619.49 million in the previous year.

The Group has reported higher profits as compared to the previous year mainly on gain on disposal of controlling interest and fair value gain on retained investment in Emirates District Cooling LLC amounting to AED 980.42 million.

Total assets of the Group stands at AED 20.47 billion as of 31 December 2022 (2021: AED 21.78 billion).

### Dividend

In line with its commitment to provide enhanced returns to shareholders, the Board propose to distribute cash dividend of 12.5% to the shareholders of the Company for the year 2022.

At the General Meeting held on 12 September 2022, the shareholders had approved a 7.5 % (AED 0.075 per share) interim cash dividend proposed by the Board of Directors. The dividend amounting to AED 318.90 million was distributed in October 2022.

### Proposed appropriations

The Directors propose the following appropriation from the Company's retained earnings:

	<b>AED'000</b>
Transfer to legal reserve	246,349
Proposed cash dividend	531,503

### Directors' fees

Proposed Directors' fees amounting to AED 17.5 million has been included under administrative expenses.

### Outlook 2023

The Group is cautiously optimistic about 2023. UAE economy is expected to remain strong and resilient as a result of ongoing reforms being undertaken by the UAE Government despite the challenging macro environment. The Group is well poised to capitalize on the opportunities arising out of the prevailing market conditions and making steady progress in its endeavor to expand its presence in MENA with several proposals under active consideration.

## **Director's report (continued)**

### **Directors**

The Board of Directors comprise:

Mr. Abdulrahman Ghanem Abdulrahman Almutaiwee - Chairman  
Mr. Khalid Jassim Mohammed Bin Kalban - Vice Chairman  
Mr. Ali Fardan Ali Al Fardan  
Mr. Mohammed Saif Darwish Ahmed Al Ketbi  
Mr. Khaled Mohammed Ali Al Kamda  
Mr. Abdulrahman Mohamed Rashed Al Shared  
Mr. Hussain Nasser Ahmed Lootah

### **Related parties**

The consolidated financial statements disclose material related party balances and transactions in Notes 19 and 35 respectively. All transactions are carried out in the normal course of business and in compliance with applicable laws and regulations.

### **Auditors**

PricewaterhouseCoopers ("PwC") were appointed as the auditors of Dubai Investments PJSC for the year ended 31 December 2022. The Board propose to appoint PwC for the audit for the year ending 31 December 2023 who have expressed their willingness to continue in office.

### **Acknowledgment**

The Board would like to express their gratitude and appreciation to all its shareholders, client and business partners whose continued support has been a source of great strength and encouragement.

The Board would also like to place on record their commendation for the hard work and efforts put in by Group management and staff as well as their loyalty and perseverance for the benefit of the Company and its shareholders.



On behalf of the Board

**Abdulrahman Ghanem Abdulrahman Almutaiwee**  
Chairman

**20<sup>th</sup> March 2023**

# Independent auditor's report to the shareholders of Dubai Investments PJSC

## Report on the audit of the consolidated financial statements

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### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dubai Investments PJSC (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss for the year ended 31 December 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of changes in equity for the year ended 31 December 2022;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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### Our audit approach

#### Overview

- |                   |   |
|-------------------|---|
| Key Audit Matters | <ul style="list-style-type: none"><li>• Valuation of investment properties</li><li>• Valuation of properties held for development and sale within inventories</li></ul> |
|-------------------|---|

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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

# Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

## Our audit approach (continued)

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of investment properties</b></p> <p>The Group's investment property portfolio comprises land with associated infrastructure and ancillary facilities, residential units, retail and commercial facilities, labour camps, warehouses and plots of land which are under development or are earmarked for future development.</p> <p>The Group's accounting policy is to state its investment properties at fair value at each reporting date. As at 31 December 2022, the property portfolio is valued at AED 9.69 billion. The net fair value gain recorded in the consolidated statement of profit or loss for the year ended 31 December 2022 amounted to AED 181.75 million.</p> <p>The valuation of the Group's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future market rentals and associated capitalisation yield rates for the investment properties valued under the "income capitalisation approach" or "income valuation approach" (together, the "income approach") and comparable selling prices for the investment properties that have been valued using the "sales comparison approach". The valuations of all of the investment property portfolio were carried out as at 31 December 2022 by independent registered valuers (the "Valuers"). The Valuers were engaged by management and they performed their work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards taking into account the requirements of IFRS 13 – 'Fair Value Measurements'.</p> <p>The investment properties portfolio is valued by using either the income approach or sales comparison approach. In determining a property's valuation, the Valuers take into account property specific information such as the current contracted tenancy agreements.</p> <p>The Valuers apply certain assumptions such as capitalisation yield rates, estimated future market rent, discount rates and market sales rates which are influenced by prevailing market yields and comparable market transactions and specific characteristics, such as property location and occupancy rate of each property in the portfolio, to arrive at the final valuation.</p>	<p>We assessed the competence, capabilities and objectivity of the Valuers engaged by the Group's management.</p> <p>We obtained the valuation reports for the properties valued by the Valuers and assessed whether the valuation approach used and methodology adopted by the Valuers is appropriate for determining the fair value of the investment properties for the purpose of the consolidated financial statements of the Group. Further, we determined, based on our judgement, the key valuation assumptions used within each property valuation, such as capitalisation yield rates, estimated future market rent, discount rates and market sales rate, and reviewed those for reasonableness.</p> <p>We involved our internal real estate valuation experts to review a sample of these valuation reports to assess the appropriateness of the valuation approach used, methodology adopted and to review the reasonableness of the key valuation assumptions used. Alongside our internal real estate valuation experts, we also held discussions with the Group's management and the Valuers to assess the appropriateness of the valuation approach used, methodology adopted and reasonableness of the key valuation assumptions used.</p> <p>We performed audit procedures to assess whether the property specific information used for the valuations is reasonable by comparing it, on a sample basis, to underlying supporting records such as the current contracted tenancy agreements.</p> <p>We reviewed the sensitivity analysis performed by the Group's management of the key assumptions used in the valuation models to assess the potential impact on the resultant valuations.</p> <p>We assessed the adequacy of the disclosures in Notes 12 and 39 to the consolidated financial statements.</p>

# Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

## Our audit approach (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of investment properties (continued)</b></p> <p>The significance of the estimates and judgements involved in the valuations warranted specific audit focus in this area, as any significant variation in determination of the valuation inputs could have a material impact on the value of the Group's investment properties and fair value gain or loss recognised in respect of these investment properties.</p> <p>Refer to Notes 12 and 39 to the consolidated financial statements which includes the disclosures regarding the use of estimates and judgements by management in determining the fair valuation of investment properties.</p>	
<p><b>Valuation of properties held for development and sale within inventories</b></p> <p>The Group's properties held for development and sale ("PHDS") comprises a residential project and lands earmarked for development projects and are stated at the lower of cost and net realisable value ("NRV").</p> <p>The Group engaged a Valuer to assist management in determining the NRV of all PHDS as at 31 December 2022 amounting to AED 1.22 billion.</p> <p>The valuation of the Group's PHDS is inherently subjective due to, among other factors, the individual nature of each property, its location, estimates of selling prices, construction costs for properties under development, estimated future market rent and capitalisation yield rates.</p> <p>For determining the NRV of PHDS, the Valuer used either the "sales comparison approach" or "income capitalisation approach".</p> <p>The Valuer applies certain assumptions such as capitalisation yield rates, estimated future market rent and market sales rates which are influenced by prevailing market yields and comparable market transactions and specific characteristics, such as property location of each property in the portfolio, to arrive at the estimated selling price of the Group's PHDS.</p> <p>The significance of the estimates and judgements involved in determining the NRV of PHDS, warrants specific audit focus in this area as any significant change in these estimates could have a material impact on the carrying value of the Group's PHDS.</p> <p>Refer to Notes 17 and 39 to the consolidated financial statements, which includes the disclosures regarding the use of estimates and judgements by management in determining the NRV of PHDS.</p>	<p>We assessed the competence, capabilities and objectivity of the Valuer engaged by management.</p> <p>We involved our internal real estate valuation experts to review a sample of these valuation reports to assess the appropriateness of the valuation approach used, methodology adopted and to review the reasonableness of the key valuation assumptions used. Alongside our internal real estate valuation experts, we also held discussions with the Group's management and the Valuer to assess the appropriateness of the valuation approach used, methodology adopted and to review the reasonableness of the key valuation assumptions used.</p> <p>We performed audit procedures to assess whether the source data used for the valuations is reasonable by comparing it, on a sample basis, to underlying supporting records, such as testing the costs incurred to date, costs to be incurred and recent sales rates for units sold.</p> <p>We assessed the adequacy of the disclosures in Notes 17 and 39 to the consolidated financial statements.</p>

## Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

### Other information

The Board of Directors and management are responsible for the other information. The other information comprises the Directors' report and Annual Corporate Governance Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's Annual Report and Integrated Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

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### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

### Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that:

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- v) as disclosed in Notes 13, 15 and 37 to the consolidated financial statements, the Group has purchased or invested in shares during the year ended 31 December 2022;
- vi) Note 35 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2022 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, or in respect of the Company, its Memorandum and Articles of Association, which would materially affect its activities or its financial position as at 31 December 2022; and
- viii) Note 7 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2022.

PricewaterhouseCoopers  
20 March 2023



Douglas O'Mahony  
Registered Auditor Number 834  
Dubai, United Arab Emirates

# Dubai Investments PJSC and its subsidiaries

## Consolidated statement of profit or loss

	Note	For the year ended 31 December	
		2022 AED'000	2021 AED'000
Sale of goods and provision of services		1,446,379	1,629,713
Rental income		866,679	822,004
Contract revenue		242,660	226,575
Sale of properties		437,065	508,472
Gain on fair valuation of investment properties	12	181,749	55,399
(Loss) / gain on fair valuation of investments	13	(22,934)	100,036
Gain on sale of investments	38	11,784	33,065
Share of profit from equity accounted investees	15(iii)	59,370	853
Dividend income		40,448	32,325
Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment	38	980,415	-
Bargain purchase gain	15(ii)(b)	11,479	6,900
<b>Total income</b>		<b>4,255,094</b>	<b>3,415,342</b>
Cost of sales and providing services	6	(1,959,019)	(2,269,356)
Administrative expenses	7	(506,030)	(446,229)
Finance costs	8	(249,701)	(206,786)
Net impairment losses on trade receivables	5	(161,487)	(42,422)
Finance income	8	151,753	97,563
Other income	9	34,417	64,010
<b>Profit for the year</b>		<b>1,565,027</b>	<b>612,122</b>
<b>Profit attributable to:</b>			
Owners of the Company		1,608,565	619,487
Non-controlling interests		(43,538)	(7,365)
<b>Profit for the year</b>		<b>1,565,027</b>	<b>612,122</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (AED)	31	<b>0.38</b>	0.15

# Dubai Investments PJSC and its subsidiaries

## Consolidated statement of comprehensive income

	Note	For the year ended 31 December	
		2022 AED'000	2021 AED'000
<b>Profit for the year</b>		<b>1,565,027</b>	612,122
<b>Other comprehensive income (“OCI”):</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Net change in fair value of investments at fair value through OCI	13(c)	<b>6,100</b>	(12,463)
Share of other comprehensive loss of equity accounted investees <sup>7</sup>	15	<b>(4,650)</b>	-
Total other comprehensive income for the year		<b>1,450</b>	(12,463)
<b>Total comprehensive income for the year</b>		<b>1,566,477</b>	599,659
<b>Attributable to:</b>			
Owners of the Company		<b>1,609,461</b>	608,538
Non-controlling interests		<b>(42,984)</b>	(8,879)
<b>Total comprehensive income for the year</b>		<b>1,566,477</b>	599,659

# Dubai Investments PJSC and its subsidiaries

## Consolidated statement of financial position

	Note	As at 31 December	
		2022 AED'000	2021 AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	1,693,639	3,690,304
Right-of-use-assets	23	347,774	395,607
Goodwill and intangible assets	11	252,110	676,202
Investment properties	12	9,692,168	8,977,629
Investments at fair value through other comprehensive income	13	59,542	62,768
Other financial assets at fair value through profit or loss	14	43,928	45,769
Investment in equity accounted investees <sup>1</sup>	15	1,528,464	326,112
Rent receivable	16	38,548	53,771
Inventories	17	253,680	243,305
Trade receivables	18	237,594	340,384
Due from related parties and other receivables	19	13,388	15,789
		<u>14,160,835</u>	<u>14,827,640</u>
<b>Current assets</b>			
Inventories	17	1,209,628	2,095,848
Investments at fair value through profit or loss	13	1,757,842	1,661,552
Trade receivables	18	1,794,354	1,757,918
Due from related parties and other receivables	19	581,376	603,916
Short-term deposits with banks	20	110,138	116,092
Cash and cash equivalents	20	853,082	713,326
		<u>6,306,420</u>	<u>6,948,652</u>
<b>Total assets</b>		<u><b>20,467,255</b></u>	<u><b>21,776,292</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	25	4,252,020	4,252,020
Share premium	25	46	46
Capital reserve	26	25,502	25,502
Legal reserve	27	1,491,289	1,278,017
General reserve	27	1,445,397	1,445,397
Fair value reserve	28	(192,978)	(191,854)
Proposed dividend	29	531,503	510,242
Proposed directors' fee	30	-	12,000
Retained earnings		5,287,593	4,740,221
<b>Equity attributable to owners of the Company</b>		<u><b>12,840,372</b></u>	<u><b>12,071,591</b></u>
Non-controlling interests	36	196,602	224,721
<b>Total equity</b>		<u><b>13,036,974</b></u>	<u><b>12,296,312</b></u>

# Dubai Investments PJSC and its subsidiaries

## Consolidated statement of financial position (continued)

	Note	As at 31 December	
		2022 AED'000	2021 AED'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank borrowings	21	3,754,952	4,842,434
Lease liabilities	23	342,760	378,308
Other payables	24	108,803	293,648
<b>Total non-current liabilities</b>		<b>4,206,515</b>	<b>5,514,390</b>
<b>Current liabilities</b>			
Bank borrowings	22	1,466,893	2,118,342
Lease liabilities	23	39,730	43,196
Due to related parties, trade and other payables	24	1,717,143	1,804,052
		<b>3,223,766</b>	<b>3,965,590</b>
<b>Total liabilities</b>		<b>7,430,281</b>	<b>9,479,980</b>
<b>Total equity and liabilities</b>		<b>20,467,255</b>	<b>21,776,292</b>

To the best of our knowledge, the consolidated financial statements fairly presents, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for, the year ended 31 December 2022.

These consolidated financial statements were authorised for issue by the Board of Directors on 20 March 2023 and signed on its behalf by:



Abdulrahman Ghanem Almutaiwee  
Chairman



Khalid Jassim Bin Kalban  
Vice Chairman & Chief Executive Officer

# Dubai Investments PJSC and its subsidiaries

## Consolidated statement of changes in equity

### ----- Equity attributable to owners of the Company -----

	Share capital AED'000	Share premium AED'000	Capital reserve AED'000	Legal reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Proposed dividend AED'000	Proposed directors' fee AED'000	Retained earnings AED'000	Sub-total AED'000	Non- controlling interests AED'000	Total AED'000
<b>Balance at 1 January 2022</b>	4,252,020	46	25,502	1,278,017	1,445,397	(191,854)	510,242	12,000	4,740,221	12,071,591	224,721	12,296,312
<b>Total comprehensive income for the year</b>												
Profit for the year	-	-	-	-	-	-	-	-	1,608,565	1,608,565	(43,538)	1,565,027
<b>Other comprehensive income</b>												
Net change in fair value of investments at fair value through OCI (Note 13 (c))	-	-	-	-	-	5,546	-	-	-	5,546	554	6,100
Share of other comprehensive loss of equity accounted investees	-	-	-	-	-	(4,650)	-	-	-	(4,650)	-	(4,650)
Total other comprehensive income for the year	-	-	-	-	-	896	-	-	-	896	554	1,450
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>896</b>	-	-	<b>1,608,565</b>	<b>1,609,461</b>	<b>(42,984)</b>	<b>1,566,477</b>
<b>Transactions with owners, in the capacity of owners</b>												
<i>Contributions by and distributions to owners</i>												
Dividend paid (Note 29)	-	-	-	-	-	-	(510,242)	-	(318,901)	(829,143)	-	(829,143)
Proposed dividend (Note 29)	-	-	-	-	-	-	531,503	-	(531,503)	-	-	-
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,409)	(2,409)
Total contributions by and distributions to owners	-	-	-	-	-	-	<b>21,261</b>	-	<b>(850,404)</b>	<b>(829,143)</b>	<b>(2,409)</b>	<b>(831,552)</b>
<i>Changes in ownership interests</i>												
Acquisition of non-controlling interests (Note 37 (b) (i))	-	-	-	-	-	-	-	-	463	463	(7,389)	(6,926)
Disposal of controlling interest in a subsidiary (Note 38)	-	-	-	(33,077)	-	-	-	-	33,077	-	4,118	4,118
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	20,545	20,545
Total changes in ownership interests in subsidiaries	-	-	-	<b>(33,077)</b>	-	-	-	-	<b>33,540</b>	<b>463</b>	<b>17,274</b>	<b>17,737</b>
<b>Total transactions with owners in the capacity of owners</b>	-	-	-	<b>(33,077)</b>	-	-	<b>21,261</b>	-	<b>(816,864)</b>	<b>(828,680)</b>	<b>14,865</b>	<b>(813,815)</b>
<b>Other movements</b>												
Transfer to reserves	-	-	-	246,349	-	-	-	-	(246,349)	-	-	-
Transfer of profit on disposal of equity investments at fair value through OCI to retained earnings	-	-	-	-	-	(2,020)	-	-	2,020	-	-	-
Directors' fees paid	-	-	-	-	-	-	-	(12,000)	-	(12,000)	-	(12,000)
<b>Total other movements</b>	-	-	-	246,349	-	(2,020)	-	(12,000)	(244,329)	(12,000)	-	(12,000)
<b>Balance at 31 December 2022</b>	<b>4,252,020</b>	<b>46</b>	<b>25,502</b>	<b>1,491,289</b>	<b>1,445,397</b>	<b>(192,978)</b>	<b>531,503</b>	<b>-</b>	<b>5,287,593</b>	<b>12,840,372</b>	<b>196,602</b>	<b>13,036,974</b>

# Dubai Investments PJSC and its subsidiaries

## Consolidated statement of changes in equity (continued)

### -----Equity attributable to owners of the Company-----

	Share capital AED'000	Share premium AED'000	Capital reserve AED'000	Legal reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Proposed dividend AED'000	Proposed directors' fee AED'000	Retained earnings AED'000	Sub-total AED'000	Non- controlling interests AED'000	Total AED'000
<b>Balance at 1 January 2021</b>	4,252,020	46	25,502	1,210,472	1,442,729	(180,905)	340,161	10,500	4,713,933	11,814,458	234,128	12,048,586
<b>Total comprehensive income for the year</b>												
Profit for the year	-	-	-	-	-	-	-	-	619,487	619,487	(7,365)	612,122
<b>Other comprehensive income</b>												
Net change in fair value of investments at fair value through OCI (Note 13 (c))	-	-	-	-	-	(10,949)	-	-	-	(10,949)	(1,514)	(12,463)
Total other comprehensive income for the year	-	-	-	-	-	(10,949)	-	-	-	(10,949)	(1,514)	(12,463)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(10,949)	-	-	619,487	608,538	(8,879)	599,659
<b>Transactions with owners, in the capacity of owners</b>												
<i>Contributions by and distributions to owners</i>												
Dividend paid	-	-	-	-	-	-	(340,161)	-	-	(340,161)	-	(340,161)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,005)	(1,005)
Proposed dividend (Note 29)	-	-	-	-	-	-	510,242	-	(510,242)	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	170,081	-	(510,242)	(340,161)	(1,005)	(341,166)
<i>Changes in ownership interests</i>												
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(744)	(744)	477	(267)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(744)	(744)	477	(267)
<b>Total transactions with owners in the capacity of owners</b>	-	-	-	-	-	-	170,081	-	(510,986)	(340,905)	(528)	(341,433)
<b>Other movements</b>												
Transfer to reserves	-	-	-	67,545	2,668	-	-	-	(70,213)	-	-	-
Directors' fees paid	-	-	-	-	-	-	-	(10,500)	-	(10,500)	-	(10,500)
Proposed directors' fee (Note 30)	-	-	-	-	-	-	-	12,000	(12,000)	-	-	-
<b>Total other movements</b>	-	-	-	67,545	2,668	-	-	1,500	(82,213)	(10,500)	-	(10,500)
<b>Balance at 31 December 2021</b>	4,252,020	46	25,502	1,278,017	1,445,397	(191,854)	510,242	12,000	4,740,221	12,071,591	224,721	12,296,312

# Dubai Investments PJSC and its subsidiaries

## Consolidated statement of cash flows

	Note(s)	For the year ended 31 December	
		2022 AED'000	2021 AED'000
<b>Cash flows from operating activities</b>			
Profit for the year		1,565,027	612,122
<b>Adjustments for:</b>			
Depreciation and amortisation of right of use of asset	10,23	173,435	213,252
Amortisation of intangible assets	11	20,827	19,910
Impairment losses on property, plant and equipment and intangible assets	10,11	11,673	-
Gain on disposal of property, plant and equipment	9	(780)	(56)
Gain on sale of investments		(11,784)	(33,065)
Gain on disposal of controlling interest in a subsidiary	38	(980,415)	-
Gain on fair valuation of investment properties	12	(181,749)	(55,399)
Share of profit from equity accounted investees	15(iii)	(59,370)	(853)
Loss/(gain) on fair valuation of investments	13	22,934	(100,036)
Net impairment losses on trade receivables	5	161,487	42,422
Reversal for write down of inventories to net realisable value	6	(10,329)	(5,000)
Bargain purchase gain	15(ii)(b)	(11,479)	(6,900)
Finance income	8	(151,753)	(97,563)
Finance costs	8	249,701	206,786
<b>Operating profit before changes in working capital</b>		<b>797,425</b>	<b>795,620</b>
<b>Changes in:</b>			
Investments at fair value through profit or loss and OCI		(102,764)	(53,702)
Trade receivables, due from related parties and other receivables		(321,808)	(54,656)
Inventories		370,244	402,005
Due to related parties, trade and other payables		33,918	(139,353)
Directors' fee paid		(12,000)	(10,500)
<b>Net cash generated from operating activities</b>		<b>765,015</b>	<b>939,414</b>
<b>Cash flows from investing activities</b>			
Consideration paid for acquisition of non controlling interest		(6,926)	(267)
Net cash received on disposal of controlling interest in a subsidiary	38	1,113,081	65,000
Additions to investment properties	12	(161,967)	(408,315)
Acquisition of property, plant and equipment	10	(80,519)	(150,680)
Proceeds from disposal of property, plant and equipment		7,630	500
Dividend received from equity accounted investees'	15	122,237	-
Net movement in investments in equity accounted investees'	15	(37,901)	(181,234)
Return of capital contribution by equity accounted investee	15	1,750	1,000
Movement in short term deposits		(21,395)	91,566
Additions to intangible assets	11	(1,038)	(2,711)
<b>Net cash generated from/(used) in investing activities</b>		<b>934,952</b>	<b>(585,141)</b>

# Dubai Investments PJSC and its subsidiaries

## Consolidated statement of cash flow (continued)

	Note(s)	For the year ended 31 December	
		2022 AED'000	2021 AED'000
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		1,316,260	1,820,267
Repayment of bank borrowings		(1,857,240)	(1,697,144)
Principal elements of lease payments		(30,727)	(42,736)
Interest expenses on lease liabilities	8	(29,335)	(34,558)
Equity contribution by non-controlling interests		20,545	-
Dividend paid to non-controlling interests		(2,409)	(1,005)
Dividend paid		(829,143)	(340,161)
Finance income received	8	45,443	56,095
Finance costs paid	8	(220,366)	(172,228)
<b>Net cash used in financing activities</b>		<b>(1,586,972)</b>	<b>(411,470)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>112,995</b>	<b>(57,197)</b>
Cash and cash equivalents at 1 January		509,138	566,335
<b>Cash and cash equivalents at 31 December</b>		<b>622,133</b>	<b>509,138</b>
<b>Cash and cash equivalents comprise the following:</b>			
Cash in hand, current and call account with banks	20	437,748	652,828
Short term deposits with banks (excluding those under lien)	20	415,334	60,498
Bank overdraft, trust receipt loans and bills discounted	22	(230,949)	(204,188)
		<b>622,133</b>	<b>509,138</b>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022

## 1 Reporting entity

Dubai Investments PJSC (“the Company”) was incorporated in the United Arab Emirates by Ministerial Resolution No. 46 of 1995, on 16 July 1995. The consolidated financial statements for the year ended 31 December 2022 comprise the financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and joint arrangements.

The Group is primarily involved in development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors, district cooling, investment banking, asset management, financial investments, healthcare and education.

At 31 December 2022 the Company had 15,583 shareholders (2021: 15,944 shareholders).

The registered address of the Company is P.O. Box 28171, Dubai, United Arab Emirates (“UAE”).

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 (“Companies Law”) (which repealed the UAE Federal Law No. 2 of 2015, as amended) was issued and came into effect on 2 January 2022 which is applicable to the Company.

## 2 Basis of preparation

### 2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”) and interpretations issued by the IFRS Interpretations Committee (“IFRS IC”) and the applicable requirements of the UAE Federal Decree Law No. 32 of 2021.

### 2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following which are measured at fair value:

- investment properties;
- investments at fair value through other comprehensive income;
- investments at fair value through profit or loss;
- other financial assets at fair value through profit or loss; and
- derivative financial instruments.

### 2.3 Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirate Dirham (“AED”), which is the Company’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### 2.4 Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgments in applying accounting policies, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements is included in Note 39.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 2 Basis of preparation (continued)

### 2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The management team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the significant assumptions made in measuring fair values is included in the following Notes:

- Note 12 – Investment properties; and
- Note 13 – Financial investments.

## 3 Continued impact of COVID - 19

The Group has assessed the continued impact of COVID-19 on its businesses and its reflection on its consolidated financial position and performance. This assessment involved significant judgements, estimates and assumptions that were subject to a lesser degree of certainty as compared to those made in years prior to the advent of COVID-19.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 4 Standards issued

(a) *New accounting standards, amendments and interpretations – effective for the financial year beginning 1 January 2022 adopted by the Group.*

The Group has applied the following amendments to standards for the first time for its annual reporting period commencing 1 January 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16;
- Reference to the Conceptual Framework – Amendments to IFRS 3;
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37; and
- Annual Improvements to IFRS Standards 2018–2020.

The amendments listed above did not have any impact on the amounts recognised in prior periods and current period and are not expected to significantly affect the future periods.

(b) *New standards, amendments and interpretations – not effective for the financial year beginning 1 January 2022 and not early adopted by the Group*

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 5 Financial risk management

### Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

### Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established a Risk Committee which is responsible for developing and monitoring the Group's risk management policies and processes. The Group Risk Function reports quarterly to the Risk Committee in line with its ERM Manual. The Risk Committee regularly reviews risk management policies and systems to reflect changes in market conditions and Group's activities.

The Risk Committee oversees compliance with the Group's risk management policies and procedures and reviews the adequacy and effectiveness of the risk management framework, processes and systems. Group Internal Audit undertakes an annual review of the Group Risk Function controls and procedures, the results of which are reported to the Audit Committee.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 5 Financial risk management (continued)

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, due from related parties and other receivables, retention receivables, short-term deposits with banks and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2022 AED'000	2021 AED'000
Trade receivables (net) (Note 18)	2,031,948	2,098,302
Cash and cash equivalents (excluding cash in hand) (Note 20)	851,565	711,230
Due from related parties and other receivables (Note 19)	472,931	549,274
Investments in bonds and structured funds	298,948	344,551
Short-term deposits with banks (Note 20)	110,138	116,092
Rent receivable (Note 16)	38,548	53,771
	<u>3,804,078</u>	<u>3,873,220</u>

The maximum exposure to credit risk of trade receivables at the reporting date by geographical region was:

	2022 AED'000	2021 AED'000
Domestic	1,871,669	1,941,924
Other GCC countries	82,667	64,048
Other regions	77,612	92,330
	<u>2,031,948</u>	<u>2,098,302</u>

#### (a) Trade receivables, rent receivables, due from related parties and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group seeks to limit its credit risk with respect to customers by reviewing credit to individual customers by tracking their historical business relationship and default risk. On a case-to-case basis subsidiaries operating in the property segment sell its properties subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. In case of leases, advances are received at the time of signing of the agreement and all construction, renovation or any kind of work to be carried out at the leased premises needs prior approval from the Group. The risk of default in instalment is thereby mitigated as the customer (tenant) has incurred significant capital expenditure on the leased premises which can be taken over by the Group in the event of default. In monitoring customer credit risk, customers are grouped according to their credit characteristics, history with the entity and existence of previous financial difficulties.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 5 Financial risk management (continued)

### Credit risk (continued)

#### (a) Trade receivables, rent receivables, due from related parties and other receivables (continued)

The Group applies the IFRS 9 simplified approach on trade and other receivables to measure the expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables. The identified impairment loss was considered immaterial for due from related parties.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Based on existing credit risk management practices, the default definition has been determined which aptly captures the gradual deterioration of the receivables under consideration.

The collaterals get factored through loss given default estimates and hence are used to adjust exposure while computing expected credit loss. The Group limits its exposure to credit risk by investing with counterparties that have credible market reputation. The Group's management does not expect any significant counterparty to fail to meet its obligations.

Overall, the Group has a diversified customer base with no significant concentration of credit risk within trade receivables at 31 December 2022 and 2021 except for one customer that accounts for 27% (2021: 27%) of the gross trade receivables.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2022 AED'000	2021 AED'000
As at 1 January	260,382	223,767
Impairment loss recognized	161,487	42,422
Write off during the year	(25,149)	(5,807)
On disposal of controlling interest in a subsidiary (Note 38)	(17,554)	-
As at 31 December	<u>379,166</u>	<u>260,382</u>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 5 Financial risk management (continued)

### Credit risk (continued)

(a) Trade receivables, rent receivables, due from related parties and other receivables (continued)

The impairment provision as at 31 December 2022 was determined for the trade receivables within the real estate business, as follows, based on management assessment of default period being 180 days from the date the counter party fails to make contractual payment:

AED' 000	Current	More than 180 days overdue	More than 365 days overdue	Total
<b>31 December 2022</b>				
Expected loss rate	2%	4%	11%	
Gross carrying amount – trade receivables	722,168	343,186	779,148	1,844,502
Loss allowance	13,171	13,595	88,781	115,547

AED' 000	Current	More than 180 days overdue	More than 365 days overdue	Total
<b>31 December 2021</b>				
Expected loss rate	1%	10%	17%	
Gross carrying amount – trade receivables	974,094	143,755	509,187	1,627,036
Loss allowance	10,024	14,179	84,770	108,973

In addition to the above loss allowance, the Group has recognised specific impairment provision of AED 126.2 million (2021: AED 10.6 million) as of 31 December 2022.

The impairment provision as at 31 December 2022 was determined for the trade receivables within the manufacturing and services business, as follows, based on management assessment of default period being 90 days from the date the counter party fails to make contractual payment:

AED' 000	Current	More than 180 days overdue	More than 365 days overdue	Total
<b>31 December 2022</b>				
Expected loss rate	2%	34%	47%	
Gross carrying amount – trade receivables	319,256	23,011	117,404	459,671
Loss allowance	6,918	7,724	55,156	69,798

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 5 Financial risk management (continued)

### Credit risk (continued)

(a) Trade receivables, rent receivables due from related parties and other receivables (continued)

AED' 000	Current	More than 180 days overdue	More than 365 days overdue	Total
<b>31 December 2021</b>				
Expected loss rate	4%	6%	38%	
Gross carrying amount – trade receivables	360,758	106,167	171,839	638,764
Loss allowance	15,127	6,662	64,650	86,439

In addition to the above loss allowance, the Group has recognised specific impairment provision of AED 31 million (2021: AED 11 million) as of 31 December 2022.

The impairment provision as at 31 December 2022 was determined for the trade receivables within the contracting business, as follows, based on management assessment of default period being 365 days from the date the counter party fails to make contractual payment, which is based on the customary business practice in the contracting business:

AED' 000	Current	More than 180 days overdue	More than 365 days overdue	Total
<b>31 December 2022</b>				
Expected loss rate	3%	4%	67%	
Gross carrying amount – trade receivables	56,009	5,336	45,596	106,941
Loss allowance	1,422	234	30,765	32,421

AED' 000	Current	More than 180 days overdue	More than 365 days overdue	Total
<b>31 December 2021</b>				
Expected loss rate	5%	10%	69%	
Gross carrying amount – trade receivables	35,395	3,605	53,884	92,884
Loss allowance	1,793	345	37,032	39,170

In addition to the above loss allowance, the Group has recognised specific impairment provision of AED 4.2 million (2021: AED 4.2 million) as of 31 December 2022.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 5 Financial risk management (continued)

### Credit risk (continued)

#### *(b) Investments in bonds and structured funds*

All of the Group's investments are considered to have low credit risk, and the loss allowance recognised is therefore limited to 12 months' expected losses. Management consider 'low credit risk' where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have credible market reputation.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

While investments in bonds and structured funds are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

#### *(c) Cash and cash equivalents and short-term deposits with banks*

Cash is placed with local and international banks of good credit reputation. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The cash and cash equivalents at the balance sheet date is placed with local and international banks having credit ratings A2 to Baa1.

Cash and cash equivalents and short term deposits with banks are also subject to the impairment requirements of IFRS 9. For cash and cash equivalents and short-term deposits the probability of default is derived from benchmarking and default rate studies conducted by external rating agencies. Loss given default estimate is taken from Basel guidelines. The identified impairment loss on cash and cash equivalents and short term deposits with banks were insignificant.

There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Group holds cash accounts in a number of diversified financial institutions.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

## 5 Financial risk management (continued)

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of cash and cash equivalents and other liquid investments at an amount in excess of expected cash outflows on financial liabilities. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments

	Carrying amount AED'000	Contractual cash flows AED'000	Within 1 year AED'000	1-2 years AED'000	2-3 years AED'000	More than 3 years AED'000
<b>31 December 2022</b>						
Non-derivative financial liabilities						
Borrowings (Notes 21 and 22)	5,221,845	(6,051,023)	(1,740,065)	(1,499,442)	(434,790)	(2,376,726)
Lease liabilities (Note 23)	382,490	(424,102)	(57,604)	(54,196)	(56,814)	(255,488)
Trade and other payables (Note 24)	1,373,836	(1,373,836)	(1,373,836)	-	-	-
Other long-term liabilities (Note 24)	108,803	(142,777)	(24,887)	(35,619)	(20,568)	(61,703)
	<u>7,086,974</u>	<u>(7,991,738)</u>	<u>(3,196,392)</u>	<u>(1,589,257)</u>	<u>(512,172)</u>	<u>(2,693,917)</u>
<b>31 December 2021</b>						
Non-derivative financial liabilities						
Borrowings (Notes 21 and 22)	6,960,776	(7,542,297)	(2,309,356)	(930,299)	(1,139,329)	(3,163,313)
Lease liabilities (Note 23)	421,504	(639,901)	(72,171)	(55,696)	(55,686)	(456,348)
Trade and other payables (Note 24)	1,498,497	(1,498,497)	(1,498,497)	-	-	-
Other long-term liabilities (Note 24)	228,954	(318,815)	(7,527)	(43,796)	(21,798)	(245,694)
	<u>9,109,731</u>	<u>(9,999,510)</u>	<u>(3,887,551)</u>	<u>(1,029,791)</u>	<u>(1,216,813)</u>	<u>(3,865,355)</u>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 5 Financial risk management (continued)

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives in order to manage market risks, however, the Group does not apply hedge accounting.

#### (a) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Euro. The Group does not face any foreign currency risk on transactions denominated in USD as AED is pegged to USD.

The Group manages its exposure in foreign currency exchange rates by the use of derivative instruments.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group policy is to ensure that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rate when necessary to address short term imbalances.

	<b>2022</b>	2021
	<b>Euro'000</b>	Euro'000
Trade and other receivables	-	2,913
Investments	<b>65,061</b>	65,985
Cash at bank	<b>50</b>	5
Trade and other payables	<b>(222)</b>	(714)
Borrowings	<b>(65,399)</b>	(60,926)
Net exposure	<b>(510)</b>	7,263

The following exchange rates were applied during the year:

	<u>Average rate</u>		<u>Spot rate</u>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>AED</b>	AED	<b>AED</b>	AED
Euro	<b>3.87</b>	4.34	<b>3.94</b>	4.16

### Sensitivity analysis

A limited fluctuation of AED against Euro at 31 December would not have any significant impact on profit or loss.

#### (b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the net finance cost of the Group.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 5 Financial risk management (continued)

### Market risk (continued)

#### (b) Interest rate risk (continued)

Financial assets and liabilities that are subject to fair value risk are the ones with fixed interest rate. Financial assets and liabilities that are subject to cash flow rate risk are the ones with floating interest rate.

The long-term loans attract varying rates of interest, which are, in general, varied with reference to the base lending rates of the banks at regular intervals.

The Group is exposed to interest rate risk on its interest bearing assets and liabilities. The Group manages its exposure arising due to fluctuations in interest rates by the use of derivative instruments when appropriate.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2022 AED'000	2021 AED'000
<b>Fixed rate instruments</b>		
Financial assets	814,078	574,157
Financial liabilities	<u>(382,490)</u>	<u>(421,504)</u>
<b>Variable rate instruments</b>		
Financial assets	74,021	80,620
Financial liabilities	<u>(5,221,845)</u>	<u>(6,960,776)</u>

### Fair value sensitivity analysis for fixed rate instruments

The Group accounts for certain fixed rate financial assets at fair value through profit or loss. The Group does not designate derivatives as hedging instruments under a fair value hedge accounting model.

An increase of 100 basis points ("bps") in interest rates at the reporting date not have any significant impact on profit or loss.

### Cash flow sensitivity analysis for variable rate instruments

A change of 100 bps in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

Effect in AED'000	Profit or Loss	
	100 bps Increase	100 bps Decrease
31 December 2022	<u>(51,478)</u>	<u>51,478</u>
31 December 2021	<u>(68,802)</u>	<u>68,802</u>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 5 Financial risk management (continued)

### Market risk (continued)

#### (c) Price risk

Price risk arises from marketable securities measured at fair value. Management of the Group monitors the mix of debt and equity securities in investments portfolio to maximise investment returns, which is the primary goal of the Group's investment strategy. In accordance with this strategy certain investments are designated as fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

### Fair value of financial assets and liabilities measured at amortised costs

The fair value of financial assets and liabilities measured at amortised costs approximate its carrying value at 31 December 2022 and 31 December 2021.

### Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which is defined as profit for the year attributable to equity holders of the Company divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Board has defined the Company's gearing ratio to be maintained below 1:2 level. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as the total bank borrowings less cash and cash equivalents and investments classified as Level 1 and Level 2. Total equity is calculated as shown in the statement of financial position. The analysis of the net debt of the Group is set out below:

	2022 AED'000	2021 AED'000
Cash and cash equivalents (Note 20)	853,082	713,326
Short-term deposits with banks (Note 20)	110,138	116,092
Liquid investments*	<u>1,220,710</u>	<u>1,199,912</u>
	2,183,930	2,029,330
Current portion of borrowings (Note 22)	(1,466,893)	(2,118,342)
Non-current portion of borrowings (Note 21)	<u>(3,754,952)</u>	<u>(4,842,434)</u>
Net debt	<u>(3,037,915)</u>	<u>(4,931,446)</u>

\* Liquid investments comprise investments classified as Level 1 and Level 2 (Note 13 (c)).

Under the terms of the borrowing facilities undertaken by the Group, the Group is required to comply with certain financial covenants by maintaining certain ratios as prescribed within the respective facility agreements (Note 21).

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 6 Cost of sales and providing services

	2022 AED'000	2021 AED'000
<b>These mainly include:</b>		
Materials consumed	899,323	957,467
Cost of properties sold	406,968	506,509
Depreciation and amortisation	168,680	200,921
Factory overheads	141,443	135,136
Staff costs	118,444	129,682
Government of Dubai's share of the realised profits of a subsidiary (Note 12)	109,261	111,865
Infrastructure and development works cost sharing with Roads and Transport Authority ("RTA") (Note 32)	29,077	29,077
Reversal of write down of inventories to net realisable value (Note 17)	<u>(10,329)</u>	<u>(5,000)</u>

## 7 Administrative expenses

	2022 AED'000	2021 AED'000
<b>These mainly include:</b>		
Staff costs	244,060	264,382
Selling and marketing expenses	52,305	53,829
Depreciation and amortisation	25,582	32,242
Directors' fee	17,500	-
Impairment loss on goodwill (Note 11)	10,070	-
Impairment loss on property, plant and equipment (Note 10)	<u>1,603</u>	<u>-</u>

Selling and marketing expenses include an amount of AED 1.76 million (2021: AED 1.74 million) incurred towards charity and social contributions.

## 8 Finance costs and income

	2022 AED'000	2021 AED'000
Gain fair valuation of derivative financial instruments	60,945	41,468
Gain on modification of terms of borrowings	45,365	-
Interest income	27,957	24,434
Unwinding of discount on financial assets measured at amortised cost	<u>17,486</u>	<u>31,661</u>
<b>Finance income</b>	<b><u>151,753</u></b>	<b><u>97,563</u></b>
Interest costs	(225,341)	(178,941)
Interest expenses on lease liabilities (Note 23)	(29,335)	(34,558)
Bank charges	(8,010)	(7,307)
Foreign exchange gain- net	<u>12,985</u>	<u>14,020</u>
<b>Finance costs</b>	<b><u>(249,701)</u></b>	<b><u>(206,786)</u></b>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 9 Other income

	<b>2022</b>	2021
	<b>AED'000</b>	AED'000
<b>These mainly include:</b>		
Scrap sales	<b>3,601</b>	4,014
Gain on disposal of property, plant and equipment	<b>780</b>	56
Advertisement income	<b>413</b>	228
Income from leased operations	-	13,841
Liabilities no longer required written back	-	12,439
	<hr/>	<hr/>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

## 10 Property, plant and equipment

	Land AED'000	Buildings AED'000	Plant and equipment AED'000	Office equipment and furniture AED'000	Motor vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
<b>Cost</b>							
<b>At 1 January 2021</b>	200,024	1,172,712	3,470,703	131,069	23,157	995,427	5,993,092
Additions (refer (i) below)	12,400	961	13,136	3,915	489	119,779	150,680
Disposals and write-offs	-	-	(3,852)	(15,203)	(718)	-	(19,773)
Disposal of controlling interest in a subsidiary	-	(31,034)	(241,377)	(994)	(50)	-	(273,455)
Transfers	-	510	414,914	1,778	-	(417,202)	-
Transferred to intangible assets	-	-	(201,114)	-	-	-	(201,114)
<b>At 31 December 2021</b>	<b>212,424</b>	<b>1,143,149</b>	<b>3,452,410</b>	<b>120,565</b>	<b>22,878</b>	<b>698,004</b>	<b>5,649,430</b>
Additions (refer (i) below)	-	4,235	8,497	3,538	718	63,531	80,519
Transfers	-	199,169	199,565	6,514	-	(405,248)	-
Transfer from inventories (refer (ii) below)	35,823	118,817	-	-	-	-	154,640
Transfer to investment properties (refer (ii) below)	(120)	-	-	-	-	(47,549)	(47,669)
Transfer from investment properties (refer (ii) below)	-	30,300	-	-	-	-	30,300
Disposals and write-offs	-	(35)	(11,618)	(838)	(878)	-	(13,369)
Disposal of controlling interest in a subsidiary (Note 38)	(12,164)	(182,623)	(2,428,136)	(18,980)	(2,528)	(18,582)	(2,663,013)
<b>At 31 December 2022</b>	<b>235,963</b>	<b>1,313,012</b>	<b>1,220,718</b>	<b>110,799</b>	<b>20,190</b>	<b>290,156</b>	<b>3,190,838</b>
<b>Accumulated depreciation and impairment losses</b>							
<b>At 1 January 2021</b>	-	500,559	1,381,789	119,178	21,237	10,708	2,033,471
Charge for the year	-	36,455	126,335	7,698	1,477	-	171,965
Disposals and write-offs	-	-	(3,461)	(15,172)	(696)	-	(19,329)
Disposal of controlling interest in a subsidiary	-	(25,165)	(191,614)	(994)	(50)	-	(217,823)
Transferred to intangible assets	-	-	(9,158)	-	-	-	(9,158)
<b>At 31 December 2021</b>	-	511,849	1,303,891	110,710	21,968	10,708	1,959,126
Charge for the year	-	41,872	85,587	6,082	731	-	134,272
Impairment loss (Note 7)	-	-	1,603	-	-	-	1,603
Disposals and write-offs	-	(24)	(5,386)	(231)	(878)	-	(6,519)
Disposal of controlling interest in a subsidiary (Note 38)	-	(44,116)	(530,466)	(14,995)	(1,706)	-	(591,283)
<b>At 31 December 2022</b>	-	<b>509,581</b>	<b>855,229</b>	<b>101,566</b>	<b>20,115</b>	<b>10,708</b>	<b>1,497,199</b>
<b>Net book value</b>							
<b>At 31 December 2021</b>	212,424	631,300	2,148,519	9,855	910	687,296	3,690,304
<b>At 31 December 2022</b>	<b>235,963</b>	<b>803,431</b>	<b>365,489</b>	<b>9,233</b>	<b>75</b>	<b>279,448</b>	<b>1,693,639</b>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 10 Property, plant and equipment (continued)

- (i) Additions to capital work-in-progress represents costs incurred by the subsidiaries for the construction of hotels, district cooling plants and expansion of their manufacturing facilities. Total interest capitalised during the year was AED 0.7 million (2021: AED 11.9 million). The average rate used to capitalise interest was 4.33% (2021: 3.45%).

Included in capital work-in-progress at 31 December 2022 is an amount of AED 53.4 million (2021: AED 53.4 million) for which a subsidiary has decided to temporarily put the expansion of a manufacturing facility on hold. Based on a review of the carrying values, an impairment loss of AED 10.7 million was recorded for this capital work-in-progress in previous years.

- (ii) Based on change in use, the Group reclassified an amount of AED 154.64 million from inventories to property, plant and equipment, AED 30.30 million from investment properties to property, plant and equipment and AED 47.67 million from property, plant and equipment to investment properties during the year ended 31 December 2022.
- (iii) Buildings and plant and machinery with a net book value of AED 1,234 million (2021: AED 2,640 million) are mortgaged as security against term loans obtained from banks. In certain instances, the insurance over buildings and plant and machinery is also assigned in favor of the banks against facilities availed.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 11 Goodwill and intangible assets

	Goodwill AED'000	Product registration certificates, licenses, patent and trademark AED'000	Customer contracts AED'000	Concession rights AED'000	Other intangible assets AED'000	Total AED'000
<b>Cost</b>						
<b>As at 1 January 2021</b>	124,085	230,808	233,272	-	20,099	608,264
Additions during the year	-	18	-	-	2,693	2,711
Transferred from property, plant and equipment	-	-	-	201,114	-	201,114
<b>As at 31 December 2021</b>	<b>124,085</b>	<b>230,826</b>	<b>233,272</b>	<b>201,114</b>	<b>22,792</b>	<b>812,089</b>
Additions during the year	-	-	-	107	931	1,038
Disposal of controlling interest in a subsidiary (Note 38)	-	-	(233,272)	(201,221)	-	(434,493)
<b>As at 31 December 2022</b>	<b>124,085</b>	<b>230,826</b>	<b>-</b>	<b>-</b>	<b>23,723</b>	<b>378,634</b>
<b>Accumulated amortization and impairment losses</b>						
<b>As at 1 January 2021</b>	29,659	43,169	17,943	-	16,048	106,819
Amortisation	-	12,234	5,981	-	1,695	19,910
Transferred from property, plant and equipment (Note 10)	-	-	-	9,158	-	9,158
<b>As at 31 December 2021</b>	<b>29,659</b>	<b>55,403</b>	<b>23,924</b>	<b>9,158</b>	<b>17,743</b>	<b>135,887</b>
Amortisation	-	11,978	2,991	4,187	1,671	20,827
Impairment loss (Note 7)	10,070	-	-	-	-	10,070
Disposal of controlling interest in a subsidiary (Note 38)	-	-	(26,915)	(13,345)	-	(40,260)
<b>As at 31 December 2022</b>	<b>39,729</b>	<b>67,381</b>	<b>-</b>	<b>-</b>	<b>19,414</b>	<b>126,524</b>
<b>Carrying amount</b>						
31 December 2021	94,426	175,423	209,348	191,956	5,049	676,202
<b>31 December 2022</b>	<b>84,356</b>	<b>163,445</b>	<b>-</b>	<b>-</b>	<b>4,309</b>	<b>252,110</b>

### Goodwill

The Group tests goodwill for impairment using value-in-use calculations on an annual basis. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with the industry forecasts in which each Cash Generated Units ("CGU") operates. Based on this assessment, the Group recognised an impairment loss of AED 10.07 million during the current year (2021: Nil).

The goodwill mainly relates to manufacturing and service operations of the Group.

### Product registration certificates, licenses, patent and trademark

Product registration certificates represent the value of the certificates granted by the regulatory authorities to manufacture and market certain medical and pharmaceutical products. The products registration certificates are being amortised over the remaining useful life of 15 years.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 12 Investment properties

	<b>2022</b>	2021
	<b>AED'000</b>	AED'000
At 1 January	<b>8,977,629</b>	8,489,201
Additions	<b>161,967</b>	408,315
Transferred from property, plant and equipment (Note 10)	<b>47,669</b>	-
Transferred to property, plant and equipment (Note 10)	<b>(30,300)</b>	-
Transferred from right of use of assets (Note 23)	-	14,714
Transferred from inventories (Note 17)	<b>353,454</b>	10,000
Net gain on fair valuation	<b>181,749</b>	55,399
<b>At 31 December</b>	<b><u>9,692,168</u></b>	<b><u>8,977,629</u></b>

- Based on a change in use, the Group reclassified an amount of AED 353.45 million from inventories to investment properties, AED 47.67 million from property, plant and equipment to investment properties and AED 30.30 million from investment properties to property, plant and equipment during 2022. (Notes 10 and 17)
- Additions during the year represents development work in progress on certain investment properties.
- During the previous year, the Group acquired school campuses in Ajman, UAE which have been leased back to the operator for 15 years.
- During the previous year, the Group acquired the right of use of assets for two vacant plots of land of 1,000 hectares each in the Republic of Angola for a period of 60 years. This lease interest has been classified as an investment property as the Group intends to develop infrastructure to be leased to third parties. The Group is currently in the process of conducting feasibility studies and developing a master plan for these plots of land which will assist in assessing the fair value of the leased interest.

*Investment properties comprises the following:*

	<b>2022</b>	2021
	<b>AED'000</b>	AED'000
Infrastructure and ancillary facilities	<b>5,293,183</b>	5,255,628
Plots of land for future development and under development	<b>1,585,843</b>	1,466,984
Retail and commercial facilities	<b>1,282,481</b>	987,287
Residential units	<b>968,354</b>	693,264
Labor camps and warehouses	<b>562,307</b>	574,466
	<b><u>9,692,168</u></b>	<b><u>8,977,629</u></b>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 12 Investment properties (continued)

### (a) Infrastructure and ancillary facilities:

These are built on the land (Plot number 598-0100 and 597-0100 located in Jebel Ali Industrial Area) obtained from the Government of Dubai on a renewable, non-cancellable long-term lease of 99 years. The Group was exempted to pay the lease rentals for the first ten years and thereafter, starting 1 February 2009, 20% of the net realised profits from real estate activities are payable to the Government of Dubai.

As at 31 December 2022, the Group has obtained fair values of all phases, and the valuations were carried out using the income valuation approach, after taking into consideration the cash outflows resulting from the estimated 20% share of the net realised profits due to the Government of Dubai. The fair valuation gain of AED 34.9 million (2021: fair valuation gain of AED 55.3 million) has arisen due to changes in the contractual and expected net cash flows based on the terms of the lease contracts with tenants.

Since the valuation of all completed phases by the independent registered valuer is based on future net cash flows, an adjustment has been made for rent accrued on the straight-line basis as per IFRS 16. Similarly, the unearned rent billed in advance and recognised liabilities for 20% share of the Government of Dubai at the valuation date have been included in the valuation of investment properties. The reconciliation of valuation of investment properties carried out by the independent registered valuer and the adjusted valuation included in the consolidated financial statements is as follows:

	2022 AED'000	2021 AED'000
Fair valuation of completed phases and ancillary facilities as per independent registered valuation reports	5,023,459	4,995,534
Less: adjustment for rent receivable for completed phases (Note 16)	(38,548)	(53,771)
Add: adjustment for unearned rent for completed phases (Note 24)*	199,011	202,000
Add: adjustment for recognised liabilities (included in cost of sales and providing services (Note 6))	109,261	111,865
	<u>5,293,183</u>	<u>5,255,628</u>

\* Unearned rent represents lease rentals billed in advance.

Significant unobservable inputs in the fair value measurement comprises of future contractual rental cash inflows, discount rate and outgoing expenses.

### (b) Plots of land for future development and under development:

These comprise of:

- (i) a plot of land received by a subsidiary as a grant from the Government of Fujairah; and
- (ii) other plots of land for residential and commercial development

As at 31 December 2022, the fair valuation of the plots of land has been carried out using the sales comparison approach, as appropriate, resulting in a net fair valuation gain of AED 85 million (2021: net fair valuation gain of AED 24 million).

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 12 Investment properties (continued)

### (b) *Plots of land for future development and under development:*(continued)

Significant unobservable inputs in the fair value measurement comprises of market sales rates.

Plots of land for future development and under development amounting to AED 118.7 million (2021: AED 112.6 million) are mortgaged against facilities obtained from a bank. Further, the insurance over these properties is also assigned in favor of the bank.

### (c) *Residential units.*

The residential units have been valued using the sales comparison, income capitalisation approach or income valuation approach, as appropriate, resulting in a net fair valuation gain of AED 40.9 million (2021: fair valuation gain of AED 1.8 million).

Significant unobservable inputs in the fair value measurement comprises of market sales rates.

Residential properties amounting to AED 313.2 million (2021: AED 83.3 million) are mortgaged against facilities obtained from a bank. Further, the insurance over these properties is also assigned in favor of the bank.

### (d) *Retail and commercial facilities:*

These comprise of:

- (i) A mixed-use building which has been leased on operating leases;
- (ii) A mixed-use building constructed on a plot of land granted by the Government of Fujairah, which is under construction; and
- (iii) Other retail and commercial facilities on operating leases.

The retail and commercial facilities have been valued using the income capitalisation approach or income valuation approach, as appropriate, resulting in a net fair valuation gain of AED 31.7 million (2021: fair valuation loss of AED 10.9 million).

Significant unobservable inputs in the fair value measurement mainly include future market rental cash inflows and capitalisation yield rates.

The retail and commercial facilities amounting to AED 435.25 million (2021: AED 284.63 million) are mortgaged against facilities obtained from a bank. Further, the insurance over these properties is also assigned in favor of the bank.

### (e) *Labor camps and warehouses:*

The fair valuation of labor camps and warehouses at the reporting date has been determined by using the sales comparison and income capitalisation approach resulting in a net fair valuation loss of AED 10.8 million (2021: fair valuation loss of AED 14.8 million).

Significant unobservable inputs in the fair value measurement mainly includes: future market rental cash inflows and capitalisation yield rates.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 12 Investment properties (continued)

### (e) Labor camps and warehouses (continued)

The labor camps and warehouses amounting to AED 424.95 million (2021: AED 433.65 million) are mortgaged against facilities obtained from a bank. Further, the insurance over these properties is also assigned in favor of the bank.

### Valuation processes

The Group's investment properties were valued at 31 December 2022 by independent registered valuers in accordance with the RICS Valuation – Global Standards issued by the Royal Institute of Chartered Surveyors taking into account requirements of IFRS 13 'Fair value measurements'. For all investment properties, their current use equates to the highest and best use. Management review the valuations performed by the independent registered valuers for financial reporting purposes which among other things include:

- provision and verification of all major inputs to the independent valuation reports;
- assessment of property valuation movements when compared to the prior year valuation reports; and
- discussions with the independent registered valuers.

### Valuation techniques underlying management's estimation of fair value

The valuations were determined by independent registered valuers based on below significant unobservable inputs. In determining a property's valuation, the valuers take into account property specific information such as the current contracted tenancy agreements and forecast operating expenses. They apply certain assumptions such as capitalisation yield rates, void rates, discount rates and estimated market rent, which are influenced by specific characteristics, such as property location, income return and occupancy of each property in the portfolio, to arrive at the final valuation.

The valuation basis and assumptions used for valuation of investments properties remains largely consistent with the methodology adopted as at 31 December 2021.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 12 Investment properties (continued)

### Valuation techniques underlying management's estimation of fair value (continued)

Significant unobservable inputs:

(a) *Infrastructure and ancillary facilities:*

Future contractual rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing leases, such as market rental growth and rent-free periods. If rental rates were 10% higher/lower, the valuation would have been AED 430 million higher/AED 470 million lower respectively (2021: AED 406 million higher/lower respectively), with all other variables remaining constant.

Discount rate reflecting current market assessments of the uncertainty in the amount and timing of cash flows. If discount rate was 1% higher/lower, the valuation would have been AED 587 million lower/AED 725 million higher respectively (2021: AED 560 million lower or AED 735 million higher respectively), with all other variables remaining constant.

Outgoing expenses including necessary maintenance and other expenses to maintain functionality of the properties for their expected useful life. If maintenance and operating costs were 10% higher/lower, the valuation would have been AED 124 million lower/AED 84 million higher respectively (2021: AED 103 million lower/higher respectively), with all other variables remaining constant.

(b) *Plots of land for future development and under development*

Market sales rates based on the estimated selling price of comparable properties and taking into account the market data at the date of valuation. If the market sales rate were 10% higher/lower the valuation would have been AED 152 million higher/lower respectively (2021: AED 143 million higher/lower respectively), with all other variables remaining constant.

(c) *Residential units*

Market sales rates based on the actual location, type and quality of the properties and supported by the terms of any existing leases, such as market rental growth and rent-free periods. If rental rates were 10% higher/lower, the valuation would have been AED 80 million higher/lower respectively (2021: AED 40 million higher/lower respectively), with all other variables remaining constant.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 12 Investment properties (continued)

### Valuation techniques underlying management's estimation of fair value (continued)

Significant unobservable inputs: (continued)

#### (d) Retail and commercial facilities

Future market rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing leases, such as market rental growth and rent-free periods. If rental rates were 10% higher/lower, the valuation would have been AED 47 million higher/lower respectively (2021: AED 47 million higher/AED 45 million lower respectively), with all other variables remaining constant.

Capitalisation yield rates based on the actual location, size and quality of the properties and taking into account market data at the valuation date. If capitalisation yield rates were 1% higher/lower, the valuation would have been AED 63 million lower/AED 78 million higher respectively (2021: AED 81 million lower/AED 98 million higher respectively), with all other variables remaining constant.

#### (e) Labor camps and warehouses

Future market rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing leases, such as market rental growth and rent-free periods. If rental rates were 10% higher/lower, the valuation would have been AED 49 million higher or AED 52 million lower respectively (2021: AED 52 million higher/lower respectively), with all other variables remaining constant.

Capitalisation yield rates based on the actual location, size and quality of the properties and taking into account market data at the valuation date. If capitalisation yield rates were 1% higher/lower, the valuation would have been AED 31 million lower /AED 32 million higher respectively (2021: AED 33 million lower/AED 35 million higher respectively), with all other variables remaining constant.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 12 Investment properties (continued)

### Fair value hierarchy

The fair value of investment properties is classified under level 3 fair value hierarchy.

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values.

	2022 AED'000	2021 AED'000
At 1 January	8,977,629	8,489,201
Additions	161,967	408,315
Transferred from property, plant and equipment (Note 10)	47,669	-
Transferred to property, plant and equipment (Note 10)	(30,300)	-
Transferred from right of use of assets (Note 23)	-	14,714
Transferred from inventories (Note 17)	353,454	10,000
Changes in fair value (unrealised)	181,749	55,399
<b>At 31 December</b>	<b>9,692,168</b>	<b>8,977,629</b>

## 13 Financial investments

	2022 AED'000	2021 AED'000
(i) Investments at fair value through other comprehensive income - Note 13 (a)		
Equity securities	<u>59,542</u>	<u>62,768</u>
	2022 AED'000	2021 AED'000
(ii) Investments at fair value through profit or loss - Note 13 (b)		
Held for trading quoted equity securities and funds	378,978	246,548
Funds, bonds, sukuks and unquoted equity securities	<u>1,378,864</u>	<u>1,415,004</u>
	<u>1,757,842</u>	<u>1,661,552</u>
<b>Geographical distribution of investments:</b>		
UAE	600,233	629,739
Other GCC countries	262,337	253,647
Other countries	<u>954,814</u>	<u>840,934</u>
(i)+(ii)	<u>1,817,384</u>	<u>1,724,320</u>

Investments in funds, bonds, sukuks and unquoted equity securities with a fair value of AED 338 million (2021: AED 434 million) are pledged in favor of banks against borrowings availed (Note 22).

### Sensitivity analysis – equity price risk

The Group's investments in quoted equity securities are listed on various MENA stock exchanges. For such investments classified as fair value through profit or loss, a 10 % increase/(decrease) in the equity prices at the reporting date would have increased/(decreased) profit by AED 45.93 million (2021: AED 50.29 million).

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 13 Financial investments (continued)

### (a) Investments at fair value through other comprehensive income

These mainly include 5% shareholding in SAYACORP B.S.C.(c), (formerly First Energy Bank B.S.C.) which is based in the Kingdom of Bahrain focused on investment, financing and service needs of the energy sector.

### (b) Investments at fair value through profit or loss

The major investments are in bonds, funds, quoted equity securities, sukuks and managed funds.

The Group has invested AED 298.9 million (2021: AED 344.5 million) in diversified fixed income bonds portfolio and AED 511 (2021: AED 326.3 million) in managed equity funds by utilising a related leverage facility of AED 295 (2021: AED 292 million). Most of these bonds have counterparty credit rating of investment grade and the portfolio has an average maturity of 3 years.

### (c) Measurement of fair values

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market. The fair values are based on market price at the valuation date. The Group's investment in held for trading quoted equity securities are classified in this category.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less active; broker quotes; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. The Group's investment in structured funds, sukuks and bonds are classified in this category.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

In certain cases, the valuation is also determined based on fund manager valuation reports and project progress reports. The Group's investment in unquoted equity securities and managed funds are classified in this category. Generally, a change in underlying comparative data used for estimating fair value is accompanied by a change in the fair value.

The Group has reviewed the fair value of investments classified as fair value through profit or loss and accordingly, a loss of AED 22.93 million has been recorded in the consolidated statement of profit or loss during the current year (2021: gain of AED 100.04 million).

The Group has reviewed the fair value of investments in unquoted equity securities classified as fair value through other comprehensive income and accordingly, gain on fair value of AED 6.10 million has been recorded during the current year in other comprehensive income (2021: loss of AED 12.46 million).

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 13 Financial investments (continued)

### (c) Measurement of fair values (continued)

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2022				
Financial assets at fair value through profit or loss	251,179	969,133	537,530	1,757,842
Financial assets at fair value through other comprehensive income	398	-	59,144	59,542
	<u>251,577</u>	<u>969,133</u>	<u>596,674</u>	<u>1,817,384</u>
31 December 2021				
Financial assets at fair value through profit or loss	227,245	972,144	462,163	1,661,552
Financial assets at fair value through other comprehensive income	523	-	62,245	62,768
	<u>227,768</u>	<u>972,144</u>	<u>524,408</u>	<u>1,724,320</u>

### Reconciliation of Level 3 fair values measurements of investments

	2022 AED'000	2021 AED'000
As at 1 January	524,408	438,601
Additions during the year	134,483	242,557
Redeemed/sold during the year	(64,209)	(164,239)
Transfers out of level 3	-	(2,424)
<b>Gain/(loss) recorded in OCI</b>		
- Net change in fair value (unrealised)	6,263	(12,375)
<b>(Loss)/gain recorded in profit or loss</b>		
- Net change in fair value (unrealised)	(4,271)	22,288
As at 31 December	<u>596,674</u>	<u>524,408</u>

### Sensitivity analysis

For investments classified as Level 3, a 10% increase/(decrease) in the NAV value at the reporting date would have increased/(decreased) profit by AED 53.8 million (2021: AED 46.2 million).

## 14 Other financial assets at fair value through profit or loss

	2022 AED'000	2021 AED'000
Other financial assets at fair value through profit or loss	<u>43,928</u>	<u>45,769</u>

Other financial assets at fair value through profit of loss represents a receivable from Dubai Electricity and Water Authority for a substation cost incurred by one of the subsidiaries. The fair valuation of this receivable has been determined using a present value of expected cash flows. As there are significant unobservable inputs used in determining fair value of this receivable, it has been categorised as a level 3 financial instrument.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 15 Investment in equity accounted investees'

	2022 AED'000	2021 AED'000
Investment in joint ventures (refer (i) below)	1,174,110	18,575
Investment in associates (refer (ii) below)	354,354	307,537
Total investment in equity accounted investees	<u>1,528,464</u>	<u>326,112</u>

### (i) Joint ventures

The following are the investments in joint ventures held by the Group as at 31 December 2022:

#### a) Emicool District Cooling LLC ("Emicool")

On 25 July 2022, the Group sold its 50% equity interest in the wholly owned subsidiary Emicool District Cooling LLC ("Emicool"). Subsequently, the retained investment of 50% in Emicool has been remeasured at fair value and accounted for as a joint venture under 'investment in an equity accounted investee' (Note 38).

#### b) QDI Sport Management Company LLC ("QDI")

QDI, a limited liability company incorporated in the UAE, is a joint venture between the Group and Al Qudra Sports Management LLC. The principal activities of the joint venture are to engage in sports clubs and facilities management and other sports related activities within the UAE. The Group effectively owns 50% equity in this entity.

#### c) Palisades Development Company LLC

This is a limited liability company registered in the UAE. The principal activities of the entity is management and administration of a project undertaken on plots of land located in Dubai Investments Park. The Group effectively owns 50 % equity in this entity.

The carrying amount of the interest in Palisades Development Company LLC is Nil.

The following table summarises the financial information of joint ventures as at 31 December 2022:

	2022 AED'000	2022 AED'000	2021 AED'000	2021 AED'000
	Emicool	Others	Total	
Non-current assets	2,168,415	1,845	2,170,260	3,112
Current assets	439,825	17,222	457,047	24,396
Non-current liabilities	(1,382,527)	(4,329)	(1,386,856)	(5,543)
Current liabilities	(295,197)	(3,532)	(298,729)	(7,512)
Net assets (100%)	<u>930,516</u>	<u>11,206</u>	<u>941,722</u>	<u>14,453</u>
Group's share of net assets	465,258	5,603	470,861	7,226
Goodwill and intangible assets	201,693	11,349	213,042	11,349
Fair value adjustment of retained interest upon initial recognition (Note 38)	490,207	-	490,207	-
<b>Carrying amount of interest in joint ventures</b>	<u>1,157,158</u>	<u>16,952</u>	<u>1,174,110</u>	<u>18,575</u>
Income	319,649	30,140	349,789	39,292
Expenses	(240,509)	(29,884)	(270,393)	(38,130)
Profit for the year (100%)	<u>79,140</u>	<u>256</u>	<u>79,396</u>	<u>1,162</u>
Group's share of profit	39,570	128	39,698	581
<b>Group's share of total comprehensive income</b>	<u>39,570</u>	<u>128</u>	<u>39,698</u>	<u>581</u>
Dividends received by the Group	100,000	-	100,000	-

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 15 Investment in equity accounted investees' (continued)

### (ii) Associates

The Group's associates comprise includes the following entities

	2022 Ownership %	2021 Ownership %
<b>Associate</b>		
National General Insurance PJSC ("NGI") (refer (b) below)	<b>48.34</b>	45.18
Emirates Insolaire LLC	<b>49</b>	49
Emirates Aluminium Rolling ("Emiroll") LLC	<b>30</b>	30
KCH Healthcare LLC	<b>26.75</b>	26.75
Clemenceau Medical Center FZ ("CMC Dubai")	<b>20</b>	20
Africa Crest Education ("ACE")	<b>41</b>	37
Mojavi 4 Limited (refer (a) below)	<b>40</b>	40
Mojavi 9 Limited (refer (a) below)	<b>55</b>	55
Mojavi 10 Limited (refer (a) below)	<b>36</b>	36
Mojavi 20 Limited (refer (a) below)	<b>20</b>	20

- a) Percentage ownership reflects the direct ownership through subsidiaries and is not the effective ownership of the Group. The classification of these entities as associates of the Group was done on the basis of the effective ownership and the absolute voting powers held by the Group.
- b) As at 31 December 2021, the Group held 45.18% equity interest in National General Insurance PJSC ("NGI") which was accounted for as an associate of the Group under the 'investments in equity accounted investees as the Group did not have control over NGI.

To comply with the local regulations, as a result of acquiring more than 30% of the equity interest in NGI, the Company extended an open offer to the existing shareholders for the acquisition of their shares, and acquired an additional 3.16% interest in NGI in January 2022. Upon acquisition of this additional interest, the Group's equity interest in NGI has increased to 48.34%.

Consequently, management has re-assessed whether it has control over NGI considering the size of its equity interest and voting rights relative to the size and dispersion of the equity interest and voting rights of the other shareholders.

Based on this assessment, management determined that the Group does not have control over NGI due to concentration of the voting rights with a small group of shareholders who can prevent the Group from unilaterally making decisions about the key activities of NGI. Consequently, the Group has continued to account for NGI as an associate of the Group under the 'investments in equity accounted investees' and not as a subsidiary of the Group.

Further, on the respective dates of the acquisition of the additional equity interest in NGI, the fair value of the identifiable net assets were determined provisionally, however, during the year ended 31 December 2022, the Group engaged an independent valuer to perform the fair valuation of net assets acquired, consequently, the Group recorded an additional bargain purchase gain of AED 11.48 million.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 15 Investment in equity accounted investees' (continued)

### (ii) Associates (continued)

The summarised financial information for NGI is set out as follows. The tables below also reconciles the summarised financial information to the carrying amount of the Group's interest in associates as at 31 December 2022.

	2022 AED'000	2021 AED'000
Total assets	1,519,917	1,504,462
Total liabilities	(990,900)	(971,387)
Net assets (100%)	<u>529,017</u>	<u>533,075</u>
Group's share of net assets	255,736	240,843
Fair value of identified intangibles	11,479	-
<b>Carrying amount of interest in associates</b>	<u>267,215</u>	<u>240,843</u>
Income	902,064	884,747
Expenses	(848,442)	(813,962)
Profit for the year (100%)	<u>53,622</u>	<u>70,785</u>
Group's share of profit	25,921	20,315
Group's share of other comprehensive income	(4,650)	-
<b>Group's share of total comprehensive income</b>	<u>21,271</u>	<u>20,315</u>

c) The following table summarises the financial information of other associates

	2022 AED'000	2021 AED'000
Total assets	1,382,818	1,418,888
Total liabilities	(1,202,848)	(1,211,688)
Net assets (100%)	<u>179,970</u>	<u>207,200</u>
Group's share of net assets	87,139	66,694
<b>Carrying amount of interest in associates</b>	<u>87,139</u>	<u>66,694</u>
Income	13,830	131,526
Expenses	(30,503)	(254,871)
Loss for the year (100%)	<u>(16,673)</u>	<u>(123,345)</u>
Group's share of loss	(6,249)	(20,043)
Group's share of other comprehensive income	-	-
<b>Group's share of total comprehensive income</b>	<u>(6,249)</u>	<u>(20,043)</u>
Dividends received by the Group	<u>22,237</u>	<u>-</u>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 15 Investment in equity accounted investees' (continued)

(iii) The movement in investment in equity accounted investees' is as follows:

	2022 AED'000	2021 AED'000
At 1 January	326,112	98,536
Fair value of retained interest on disposal of subsidiary (Note 38)	1,217,589	-
Investments made during the year	42,551	181,234
Dividend received during the year	(122,237)	-
Transfer from investments at fair value through profit or loss	-	39,589
Bargain purchase gain on acquisition	11,479	6,900
Return of capital contribution	(1,750)	(1,000)
Group's share of profit for the year	59,370	853
Group's share of loss in other comprehensive income	(4,650)	-
<b>At 31 December</b>	<b>1,528,464</b>	<b>326,112</b>

## 16 Rent receivable

Rent receivable represents the differential between the amount billed to tenants and the amount recognised as rental income on a straight-line basis over the term of the lease. The difference principally arises due to an initial rent-free period allowed and the rent increase agreed after the expiry of the initial term of the lease.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 17 Inventories

	2022 AED'000	2021 AED'000
Raw materials, work-in-progress and spares (net of provision for old and slow moving inventories)	181,818	203,447
Finished goods	65,421	58,328
Goods in transit	744	946
Properties held for development and sale (net of provision for write down to net realisable value)	1,215,325	2,076,432
	<u>1,463,308</u>	<u>2,339,153</u>
Less: properties held for development and sale (net of provision for write down to net realisable value) classified as non-current	<u>(253,680)</u>	<u>(243,305)</u>
	<u>1,209,628</u>	<u>2,095,848</u>
Inventories carried at net realisable value	<u>322,993</u>	<u>314,413</u>

Based on a change in use, the Group reclassified an amount of AED 353.45 million from inventories to investment properties and AED 154.64 million from inventories to property, plant and equipment during the year ended 31 December 2022. (Notes 10 and 12)

Properties held for development and sale represent cost of land and expenditure incurred towards a residential project and land ear-marked for development projects for subsequent sale. The Group intends to develop these properties for sale and has classified certain properties as long term based on future development plans.

Net realisable values for properties held for development and sale have either been estimated by independent registered valuers in accordance with the RICS Valuation – Global Standards issued by the Royal Institute of Chartered Surveyors using a combination of valuation techniques including the sales comparison approach and income capitalisation approach. Based on these valuations, a reversal of provision for write down to net realisable value of AED 10.3 million has been recognised during the current year (2021: provision for write down to net realisable value of AED 5 million).

As at 31 December 2022, the Group is carrying a provision on properties held for development and sale amounting to AED 55.4 million (2021: AED 65.7 million).

Inventories amounting to AED 1,210 million (2021: AED 914 million) are mortgaged against facilities obtained from banks. In certain instances, the insurance over inventories is also assigned in favor of banks.

## 18 Trade receivables

Gross trade receivables amount to AED 2,411.11 million (2021: AED 2,358.68 million) while provision for doubtful debts amounts to AED 379.17 million (2021: AED 260.38 million). Trade receivables that are expected to be realised after twelve months from the reporting date have been classified as non-current.

Trade receivables amounting to AED 636.44 million are assigned against the facilities availed from the banks as at 31 December 2022 (2021: AED 628.73 million).

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 19 Due from related parties and other receivables

	2022 AED'000	2021 AED'000
<b>Non – current</b>		
Capital advance	5,265	5,377
Other receivables	8,123	10,412
	<u>13,388</u>	<u>15,789</u>
<b>Current</b>		
Receivable from customers for use of margin facilities	77,648	82,851
Due from related parties	72,107	59,412
Advances paid to suppliers	65,120	24,271
Due from customers for contract work (refer (ii) below)	59,014	66,152
Prepayments	51,448	40,783
Margin and refundable deposit	25,929	34,306
Retention receivables	18,363	23,712
Others	211,747	272,429
	<u>581,376</u>	<u>603,916</u>

(i) Other receivables that are expected to be realised after twelve months from the reporting date have been classified as non-current.

(ii) Movement in due from customers for contract work is as follows:

	2022 AED'000	2021 AED'000
Balance at the beginning of the year	66,152	63,593
Additions during the year	242,660	226,575
Progress billings	(249,798)	(224,016)
Balance at the ending of the year	<u>59,014</u>	<u>66,152</u>

## 20 Short-term deposits with banks and cash and cash equivalents

	2022 AED'000	2021 AED'000
<b>Short term deposits</b>		
Short term deposits with banks having maturity of more than 3 months	-	30,112
Short term deposits within UAE under lien with banks	110,138	85,980
	<u>110,138</u>	<u>116,092</u>
<b>Cash and cash equivalents</b>		
Cash in hand	1,517	2,096
Cash at bank within UAE (current accounts)	362,460	613,605
Cash at bank outside UAE – GCC Countries (current accounts)	7,349	2,144
Cash at bank outside UAE – Other countries (current accounts)	66,422	34,983
Short term deposits within UAE having original maturity of less than 3 months	415,334	60,498
<b>Total cash and cash equivalents</b>	<u>853,082</u>	<u>713,326</u>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 21 Long-term bank borrowings

	2022	2021
	AED'000	AED'000
Borrowings	4,404,065	5,609,951
Less: current portion (Note 22)	<u>(649,113)</u>	<u>(767,517)</u>
Long-term borrowings	<u>3,754,952</u>	<u>4,842,434</u>

- (i) The terms of the bank borrowings vary from two to ten years. These are secured by a combination of the Company's corporate guarantee, mortgages over certain investment properties, inventories, trade receivables, property, plant and equipment, assignment of receivables and insurance policies over assets of the Group and lien on bank deposits. The interest rate of majority of the bank borrowings range between 1.5% to 3.5% over EIBOR/LIBOR p.a. Where there is a corporate guarantee, the Company's liability is generally restricted to its percentage of equity interest in the borrowing entity.
- (ii) A subsidiary of the Company namely Dubai Investments Real Estate LLC ("DIRC") had signed a long-term loan facility of AED 1,028 million with the banks to finance the construction of a real estate development project. The facility had a term of 10 years with the available utilisation period of up to 4 years.

During the year ended 31 December 2022, DIRC renegotiated the terms of the facility. Accordingly, the bank offered revised terms for the remaining facility amount of AED 900 million whereby the repayment terms were extended and interest rates were changed. This renegotiation resulted in modification of estimated contractual cashflows, consequently, a gain of AED 35.29 million was recognised during the year ended 31 December 2022.

The facility consists of the following covenants which needs to be complied with by DIRC at the reporting date.

- Debt service coverage ratio of 1.25x to net annual income
- Loan to value of the project not to exceed 60%

The Group has complied with all covenants mentioned above.

As at 31 December 2022, the subsidiary has utilised AED 900 million (2021: AED 1,028 million) from the loan facility. The availability period expired during the year ended 31 December 2022.

- (iii) The Group has exposure to interbank offered rates subject to reform that are yet to transition to risk-free rates in relation to the USD LIBOR denominated borrowings. The Group continues to monitor the impact of the interest rate benchmark reform on their contracts and arrangements on an ongoing basis and have either transitioned or are in the process of transitioning to alternative benchmark rates.

## 22 Bank borrowings

	2022	2021
	AED'000	AED'000
Bank overdraft, trust receipt loans and bills discounted	230,949	204,188
Short term loans	586,831	1,146,637
Current portion of long-term bank borrowings	<u>649,113</u>	<u>767,517</u>
	<u>1,466,893</u>	<u>2,118,342</u>

The bank borrowings are secured by a combination of mortgages and corporate guarantees. Where there is a corporate guarantee, the Group's liability is mostly restricted to its percentage of equity interest in the borrowing entity.

Short term loans amounting to AED 295 million (2021: AED 292 million) have been obtained for investments in bonds, funds and structured products and are secured against the pledge of those investments in favor of banks (Note 13).

The Group had access to undrawn banking facilities of AED 1,671.19 million as at 31 December 2022 (2021: AED 1,496.4 million).

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 23 Leases

The consolidated statement of financial position shows the following amounts relating to leases where the Group is a lessee:

(i) Right-of-use assets:

	<b>Land AED'000</b>	<b>Building AED'000</b>	<b>Plant and equipment AED'000</b>	<b>Total AED'000</b>
<b>Cost</b>				
<b>As at 1 January 2021</b>	125,250	61,809	372,921	559,980
Additions during the year	5,079	2,255	-	7,334
Transferred to investment properties (Note 12)	(14,714)	-	-	(14,714)
Disposals	-	(2,032)	-	(2,032)
Disposal of controlling interest in a subsidiary	(27,466)	-	-	(27,466)
<b>As at 31 December 2021</b>	<b>88,149</b>	<b>62,032</b>	<b>372,921</b>	<b>523,102</b>
Additions during the year	402	354	2,295	3,051
Disposals	(15,832)	(932)	-	(16,764)
Disposal of controlling interest in a subsidiary (Note 38)	(5,649)	-	(2,270)	(7,919)
<b>As at 31 December 2022</b>	<b>67,070</b>	<b>61,454</b>	<b>372,946</b>	<b>501,470</b>
<b>Accumulated amortisation and impairment losses</b>				
<b>As at 1 January 2021</b>	16,765	17,967	57,442	92,174
Amortisation	5,645	8,657	26,985	41,287
Disposals	-	(658)	-	(658)
Disposal of controlling interest in a subsidiary	(5,308)	-	-	(5,308)
<b>As at 31 December 2021</b>	<b>17,102</b>	<b>25,966</b>	<b>84,427</b>	<b>127,495</b>
Amortisation	6,410	5,768	26,985	39,163
Disposals	(8,538)	(120)	-	(8,658)
Disposal of controlling interest in a subsidiary (Note 38)	(3,927)	-	(377)	(4,304)
<b>As at 31 December 2022</b>	<b>11,047</b>	<b>31,614</b>	<b>111,035</b>	<b>153,696</b>
<b>Carrying amount</b>				
<b>31 December 2021</b>	<b>71,047</b>	<b>36,066</b>	<b>288,494</b>	<b>395,607</b>
<b>31 December 2022</b>	<b>56,023</b>	<b>29,840</b>	<b>261,911</b>	<b>347,774</b>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 23 Leases (continued)

(ii) Lease liabilities:

	2022 AED	2021 AED
Current	39,730	43,196
Non-current	<u>342,760</u>	<u>378,308</u>
	<u>382,490</u>	<u>421,504</u>
	2022 AED	2021 AED
Depreciation charge of right-of-use assets	<u>39,163</u>	<u>41,287</u>
Interest expense on lease liability (Note 8)	<u>29,335</u>	<u>34,558</u>

The total cash outflow for leases in 2022 was AED 30.73 million (2021: AED 42.74 million).

## 24 Due to related parties, trade and other payables

	2022 AED'000	2021 AED'000
<b>Non-current</b>		
Other payables	<u>108,803</u>	<u>293,648</u>
<b>Current</b>		
Trade payables	458,994	568,589
Unearned rent (Note 12)	199,011	202,000
Payable to Government of Dubai for their share of realised profit of a subsidiary	146,550	170,809
Provision for employees' end of service benefits	86,440	46,333
Advances received from customers	57,856	57,225
Retention payable	31,905	35,402
Due to related parties	19,208	-
Other payables and accrued expenses	<u>717,179</u>	<u>723,694</u>
	<u>1,717,143</u>	<u>1,804,052</u>

## 25 Share capital and share premium

	2022 AED'000	2021 AED'000
<i>Authorised</i>		
8,000,000,000 shares of AED 1/- each (2021: 8,000 million shares of AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>
<i>Issued and paid up</i>		
4,252,019,585 shares of AED 1/- each (2021: 4,252 million shares of AED 1 each)	<u>4,252,020</u>	<u>4,252,020</u>

In the year 1998, 5,474 unallocated shares were sold at the prevailing market price to a shareholder, at a premium of AED 46,000.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 26 Capital reserve

Capital reserve comprises the net gain on sale of the Company's own shares (treasury shares) by a subsidiary of the Company in earlier years.

## 27 Legal and general reserve

In accordance with the Articles of Association of entities within the Group and the UAE Federal Law No. 32 of 2021, 10% of the profit for the year of the individual entities, to which the law is applicable, is to be transferred to the legal reserve. Such transfer may be discontinued when the legal reserve equals 50% of the paid up share capital of the respective individual entities. This reserve is non-distributable except in certain circumstances as mentioned in the above-mentioned law.

In accordance with the Articles of Association of the Company, further allocation to general reserve has been discontinued with effect from 2020.

Further, in accordance with the Articles of Association of certain entities within the Group, 10% of the profit for the year is required to be transferred to a general reserve. However, as per the Articles of Association of these entities, the transfer may be discontinued upon a resolution passed at the Ordinary General Meeting if proposed by the Board of Directors.

Accordingly, the companies within the Group, where applicable, have transferred amounts to legal and general reserve.

## 28 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of investments classified as fair value through other comprehensive income (Note 13).

## 29 Proposed cash dividend

For the year ended 31 December 2022, the Board of Directors have proposed a final cash dividend of 12.5 % (AED 0.125 per share) to the shareholders of the Company.

At the General Meeting held on 12 September 2022, the shareholders approved a 7.5 % (AED 0.075 per share) interim cash dividend proposed by the Board of Directors. The dividend amounting to AED 318.90 million was distributed in October 2022.

Further, at the Annual General Meeting held on 11 April 2022, the shareholders approved a 12 % cash dividend (AED 0.12 per share) proposed by the Board of Directors. The dividend amounting to AED 510.24 million was distributed in May 2022.

## 30 Proposed directors' fee

Proposed directors' fees amounting to AED 12 million was proposed during the year ended 31 December 2021 which represents compensation for professional services rendered by the Directors. During the year ended 31 December 2022, the proposed directors' fees amounting to AED 17.5 million has been included under administrative expenses (Note 6).

## 31 Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to Owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	2022	2021
Profit attributable to Owners of the Company (AED '000)	<u>1,608,565</u>	<u>619,487</u>
Weighted average number of shares outstanding ('000s)	<u>4,252,020</u>	<u>4,252,020</u>
Basic and diluted earnings per share (AED)	<u>0.38</u>	<u>0.15</u>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 32 Capital commitments

	2022 AED'000	2021 AED'000
Capital commitments – contracted and committed	<u>461,476</u>	<u>523,326</u>

Capital commitments mainly includes the following:

- value of construction contracts awarded to contractors for real estate projects under development.
- One of the subsidiaries of the Group has signed an agreement with RTA to share the cost of infrastructure and development works of the adjoining areas. Total outstanding commitment as at 31 December 2022 amounts to AED 196.7 million (2021: AED 233.6 million) which will be invoiced and paid until 2029, in semi-annual instalments of AED 14.5 million each.

The Group's share of capital commitments in the equity accounted investees' amounted to AED 97.55 million (2021: AED Nil).

## 33 Contingent liabilities

The Group has contingent liabilities in respect of letters of guarantee and letters of credit amounting to AED 131.5 million (2021: AED 149.9 million) as at 31 December 2022. Further, the Group's share of contingent liabilities in the equity accounted investees' amounted to AED 11.76 million (2021: AED Nil)

## 34 Lease rentals

*Leases as lessor*

The Group leases out its investment properties under operating lease. The minimum lease payments receivable under non-cancellable leases are as follows

	2022 AED'000	2021 AED'000
Less than one year	625,452	595,521
Between one to five years	2,391,573	2,302,909
More than 5 years	<u>5,131,677</u>	<u>5,289,239</u>
	<u>8,148,702</u>	<u>8,187,669</u>

## 35 Related party transactions

The Group, in the normal course of business, carries out transactions with other business enterprises that fall within the definition of related parties contained in International Accounting Standard 24.

Related party transactions are entered at mutually agreed terms.

The aggregate value of significant transactions with related parties during the year was as follows:

	2022 AED'000	2021 AED'000
Rental income	<u>3,048</u>	-
Cooling charges	<u>21,381</u>	-

Compensation to key management personnel, including Directors' fees is as follows:

Short-term benefits (including Directors' fees)	38,642	27,890
Post-employment benefits	<u>508</u>	<u>485</u>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 36 Non-controlling interests

The Group does not have any individually material non-controlling interests in any of its subsidiaries as at 31 December 2022.

## 37 Investment in subsidiaries

(a) The following are the investments in subsidiaries held by the Company as at 31 December 2022:

Entity	Incorporated in	Ownership %
Dubai Investments Park Development Company LLC	UAE	100
Dubai Investment Real Estate LLC	UAE	100
Al Taif Investment LLC	UAE	60
Dubai Investments Industries LLC	UAE	100
Glass LLC	UAE	100
Masharie LLC (Note 37 (b) (iii))	UAE	97.85
Dubai Investments International Limited	UAE	100
Anchor Mozna Real Estate LLC	UAE	100
Al Mal Capital PSC (Note 37 (b) (i))	UAE	70.18
Al Mal Capital REIT	UAE	77.16
Properties Investment LLC	UAE	70
PID Owners Association Management LLC	UAE	70

(i) The following are investments in subsidiaries held by Dubai Investment Real Estate LLC as at 31 December 2022:

Al Mujamma Real Estate LLC	UAE	100
Anchor Ritaj Real Estate One Person Company LLC	UAE	100
Anchor Nahda One Real Estate One Person Company LLC	UAE	100
Anchor Kawther Real Estate One Person Company LLC	UAE	100

(ii) The following are the investments in subsidiaries held by Dubai Investments Industries LLC as at 31 December 2022:

Emirates Building Systems Company LLC	UAE	100
Globalpharma LLC	UAE	100
Emirates Extruded Polystyrene LLC	UAE	100
Techsource LLC	UAE	100
DIID Management DMCC	UAE	90
University of Balamand Dubai	UAE	100

(iii) The following are the investments in subsidiaries held by Glass LLC as at 31 December 2022:

Emirates Glass LLC	UAE	100
Lumi Glass Industries LLC	UAE	100
Emirates Float Glass LLC	UAE	100
Saudi American Glass Company Limited	KSA	100

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 37 Investment in subsidiaries (continued)

(iv) The following are the investments in subsidiaries held by Masharie LLC as at 31 December 2022:

Entity	Incorporated in	Ownership %
Emirates Extrusion Factory LLC	UAE	100
White Aluminum Extrusion LLC	UAE	51
Folera Beach Industrial Co LLC	UAE	80
Gulf Dynamic Services LLC	UAE	70
Labtech Interiors LLC	UAE	70
Gulf Dynamic Switchgears Company LLC	UAE	100
Gulf Metal Craft LLC	UAE	100
Technological Laboratory Furniture - Manufacturers (Labtech) LLC	UAE	70
Lite Tech Industries LLC	UAE	54

(v) The following are the investments in subsidiaries held by Al Mal Capital PSC as at 31 December 2022:

Al Mal Real Estate Fund	UAE	64
Al Mal Capital (Mauritius) Ltd.	Mauritius	100
Blue Line India Opportunities	Mauritius	100
Pearl India Opportunities	Mauritius	100
Saqer Investments Limited	Cayman Islands	100
Al Mal Fund Company BSC	Bahrain	99
AMC Venture SPC	Cayman Islands	100
AMC Venture One Ltd	Cayman Islands	100
AMC Venture Two Ltd	Cayman Islands	100
Other*	Several	100

\*Al Mal Capital PSC owns other SPEs which are either deemed dormant and insignificant.

(vi) The following are the investments in subsidiaries held by Dubai Investments International Limited as at 31 December 2022:

Dubai Investments International Angola, LDA	Angola	90
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(b) Acquisition of non-controlling interests

(i) During the current year, the Group acquired additional 3.42% equity interest in its existing subsidiary Al Mal Capital PSC. Post-acquisition of additional interest, the Company's shareholding in Al Mal Capital PSC increased to 70.18%.

(c) Subsequent to year end, the Group incorporated a new entity in Dubai International Financial Centre ("DIFC") named as DI Investment Holding Limited ("DIIHL"). The principal business activities of DIIHL are to invest in commercial enterprises.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 38 Disposal of controlling interest in subsidiaries

- (i) On 11 April 2022, the Group entered into a Sales and Purchase Agreement (“SPA”) with a third party (“Buyer”) for the disposal of the 50% equity interest in Emicool against cash consideration. Further, on 25 July 2022, the Group signed a shareholders’ agreement with the Buyer, transferred shares to the Buyer and received the consideration for the divestment of the equity interest resulting in the loss of control in Emicool.

Upon the loss of control, the Group derecognised the assets and liabilities of Emicool and its subsidiaries (“Emicool Group”) and the retained investment of 50% in Emicool Group has been remeasured at fair value and accounted for as a joint venture under ‘investment in an equity accounted investees’.

Assets and liabilities of Emicool Group on the date of loss of control were as follows:

	<b>AED’000</b>
<b>Non-current assets</b>	
Property, plant and equipment (Note 10)	2,071,730
Goodwill and intangible assets (Note 11)	394,233
Right of use assets (Note 23)	3,615
Other receivables	3,193
	<u>2,472,771</u>
<b>Current assets</b>	
Inventories	7,836
Trade receivables	195,639
Other receivables	134,912
Short-term deposits with banks	27,349
Cash and cash equivalents	104,508
	<u>470,244</u>
<b>Total assets</b>	<u>2,943,015</u>
<b>Non-current liabilities</b>	
Bank borrowings	1,073,674
Lease liabilities	1,515
Other payables	105,374
	<u>1,180,563</u>
<b>Current liabilities</b>	
Bank borrowings	105,673
Lease liabilities	1,718
Trade and other payables	200,298
	<u>307,689</u>
<b>Total liabilities</b>	<u>1,488,252</u>
<b>Carrying value of Emicool Group’s net assets</b>	<u>1,454,763</u>

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 38 Disposal of controlling interest in subsidiaries (continued)

The calculation for the gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment is as follows:

	<b>AED'000</b>
Fair value of the consideration	1,217,589
Fair value of retained investment*	1,217,589
Less: Carrying value of Emicool Group's net assets	<u>(1,454,763)</u>
<b>Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment</b>	<b><u>980,415</u></b>

*This comprises:*

Gain on disposal of controlling interest in a subsidiary	490,208
Fair value gain on retained investment	<u>490,207</u>
	<b><u>980,415</u></b>

The calculation for the net amount received from the disposal for the cash flow purposes is as follows:

	<b>AED'000</b>
Fixed consideration	1,217,589
Less: Net cash and cash equivalents transferred on disposal	<u>(104,508)</u>
<b>Net amount received from the disposal</b>	<b><u>1,113,081</u></b>

\*The fair value of retained investment was assessed by the Group to be equivalent to the consideration received for the disposal of the existing investment.

- (ii) During the current year, the Group disposed of 80% of its interest in Dubai Cranes and Technical Service LLC. This transaction has resulted in a net loss of AED 0.91 million which is netted off within the "Gain on sale of investments".
- (iii) During the prior year, the Group disposed of its entire interest in an existing subsidiary. This transaction resulted in a net gain of AED 9.37 million which was included under the "Gain on sale of investments".

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 39 Accounting estimates and judgments

Management has reviewed the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The following are the critical accounting estimates and judgment used by management in the preparation of these consolidated financial statements:

### (a) *Valuation of investment properties*

The Group fair values its investment properties. Independent registered valuers, who have the appropriate recognised professional qualification value majority of the properties annually. Note 12 contains information about the valuation methodology considered by the third party valuers.

### (b) *Net Realisable Value ("NRV") assessment of properties held for development and sale*

The Group reviews its inventories to assess any loss on account of diminution in the value of real estate inventories on a regular basis i.e. NRV assessment. A significant portion of the Group's inventories comprise property held for development and sale. For properties held for development and sale, NRV has been estimated with assistance from an independent registered valuer, who has the appropriate recognised professional qualification. There are significant estimates and judgements involved including the Group's estimate of the selling price, construction cost for properties under development, estimated future market rent and capitalisation yield rates, which due to inherent nature of estimates, cannot be determined with precision.

### (c) *Impairment of other non-current assets*

Other non-current assets such as property, plant and equipment, other intangible assets and investments in equity accounted investees are tested for impairment whenever there is an indication of impairment. Testing for impairment of these assets require management to estimate the recoverable amount of the cash generating unit.

### (d) *Determining fair values of financial investments*

The determination of fair value for financial investments for which there is no observable market price requires the use of valuation techniques as described in Note 13. For financial investments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

### (e) *Determination of incremental borrowing rate*

The Group uses the incremental borrowing rate for determination of its lease liability and right of use of asset. The Group has used the discount rate based on the rates at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

### (f) *Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to continue and/or terminate lease. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group as a lessee.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 40 Segment reporting

The Group has broadly three reportable segments as discussed below, which are the Group's strategic business units. The strategic business units operate in different sectors and are managed separately because they require different strategies. The following summary describes the operation in each of the Group's reportable segments:

<i>Property</i>	development of real estate for sale and leasing
<i>Investments</i>	strategic minority investments in associates, investment banking, asset management and financial investments
<i>Manufacturing, contracting and services</i>	manufacture and sale of materials used in construction projects, executing construction contracts, production of raw and architectural glass, pharmaceutical products, production, aluminium extruded products, laboratory furniture, healthcare and education

Information regarding the operations of each segment is included hereafter. Performance is measured based on segment revenue and profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are a few transactions between the segments and such transaction are carried out on arm's length basis and are eliminated on consolidation.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

## 40 Segment reporting (continued)

### Information about reportable segments

	Property		Investments		Manufacturing contracting and services		Total	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Sales of goods and provision of services								
(i) at a point of time	24,055	26,720	38,040	24,823	1,150,143	1,078,349	1,212,238	1,129,892
(ii) over time	-	-	-	-	234,141	499,821	234,141	499,821
Total sales of goods and provision of services (i)+(ii)	24,055	26,720	38,040	24,823	1,384,284	1,578,170	1,446,379	1,629,713
Rental income	866,679	822,004	-	-	-	-	866,679	822,004
Contract revenue (over time)	-	-	-	-	242,660	226,575	242,660	226,575
Sales of properties (at a point of time)	437,065	508,472	-	-	-	-	437,065	508,472
Gain on fair valuation of investment properties	181,749	55,399	-	-	-	-	181,749	55,399
(Loss)/ gain on fair valuation of investments	-	-	(22,934)	100,036	-	-	(22,934)	100,036
Gain on sale of investments	-	-	11,784	33,065	-	-	11,784	33,065
Share of profit from equity accounted investees	-	-	59,370	853	-	-	59,370	853
Dividend income	-	-	40,448	32,325	-	-	40,448	32,325
Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment	-	-	980,415	-	-	-	980,415	-
Bargain purchase gain	-	-	11,479	6,900	-	-	11,479	6,900
<b>Total income</b>	<b>1,509,548</b>	<b>1,412,595</b>	<b>1,118,602</b>	<b>198,002</b>	<b>1,626,944</b>	<b>1,804,745</b>	<b>4,255,094</b>	<b>3,415,342</b>
Cost of sales and providing services	(694,966)	(816,783)	-	-	(1,264,053)	(1,452,573)	(1,959,019)	(2,269,356)
Administrative expenses	(98,131)	(94,404)	(155,704)	(116,331)	(252,195)	(235,494)	(506,030)	(446,229)
Finance costs	(139,579)	(109,675)	(47,724)	(20,549)	(62,398)	(76,562)	(249,701)	(206,786)
Finance income and other income	72,775	65,898	40,588	21,240	72,807	74,435	186,170	161,573
Net impairment losses on trade receivables	(122,124)	(18,256)	-	-	(39,363)	(24,166)	(161,487)	(42,422)
<b>Profit for the year</b>	<b>527,523</b>	<b>439,375</b>	<b>955,762</b>	<b>82,362</b>	<b>81,742</b>	<b>90,385</b>	<b>1,565,027</b>	<b>612,122</b>
<b>Profit attributable to:</b>								
Owners of the Company	555,586	442,329	955,414	76,636	97,565	100,522	1,608,565	619,487
Non – controlling interests	(28,063)	(2,954)	348	5,726	(15,823)	(10,137)	(43,538)	(7,365)
<b>Profit for the year</b>	<b>527,523</b>	<b>439,375</b>	<b>955,762</b>	<b>82,362</b>	<b>81,742</b>	<b>90,385</b>	<b>1,565,027</b>	<b>612,122</b>
<b>Assets</b>	<b>13,949,196</b>	<b>13,880,561</b>	<b>4,412,595</b>	<b>2,670,988</b>	<b>2,105,464</b>	<b>5,224,743</b>	<b>20,467,255</b>	<b>21,776,292</b>
<b>Liabilities</b>	<b>4,869,290</b>	<b>4,895,080</b>	<b>1,190,753</b>	<b>1,583,372</b>	<b>1,370,238</b>	<b>3,001,528</b>	<b>7,430,281</b>	<b>9,479,980</b>

The Group's revenue is mainly earned from transactions carried out in UAE and other GCC countries.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

### 41.1 Basis of consolidation

#### (a) Business combinations

The Group accounts for business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination has been achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss.

Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

Any goodwill that arises is tested annually for impairment.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Any contingent consideration is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as an equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

#### (b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### (c) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.1 Basis of consolidation (continued)

#### (d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost. In addition, any amounts previously recognised in “other comprehensive income” in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in “other comprehensive income” are reclassified to profit or loss.

#### (e) Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby, the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Where the Group’s share of losses in equity-accounted investees equals or exceeds its interest in the equity-accounted investees, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its equity-accounted investees are eliminated to the extent of the Group’s interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

#### (f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.2 Revenue

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

- Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2 Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The sales commission paid where applicable, is recognised as prepaid commission and is amortised to the statement of comprehensive income over time upon fulfilment of the related performance obligation.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.2 Revenue (continued)

#### (a) Revenue from sale of goods

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. No element of financing is deemed present as the sales are made with a credit term of 30-60 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### (b) Revenue from sale of properties

The performance obligation with regards to sale of properties is satisfied over time, as and when construction progresses. The revenue from sale of properties is a multiple of management's total estimated cost for the construction and a percentage of completion confirmed by external consultant for each individual project.

Management estimates the cost to complete for construction of the project in order to determine the cost attributable to revenue being recognised. These estimates include the cost of constructing property, potential claims by contractors and the cost of meeting other contractual obligations to the customers. Infrastructure cost allocated to each project is released to the consolidated statement of profit or loss, as cost of properties sold within 'cost of sales and providing services', based on the percentage of construction completed confirmed by external consultants for each project and percentage of infrastructure cost incurred at each period end to the total estimated infrastructure cost.

The performance obligation with regards to the sale of properties where the construction has been completed prior to the sale is satisfied at a point in time where the sale purchase agreement is duly executed between the group and the customer.

The Group recognises a significant financing component where the timing of payment from the customer differs from the execution of the sale purchase agreement between the customer and the Group and where that difference is the result of the Group's financing of the customers' purchase of a property over a period of up to 5 years. The difference between the consideration receivable and the cash selling price of the property sold is used to determine a discount rate for the significant financing component of the non-current trade receivable on execution of each of the respective sale purchase agreements. As installment payments are received from the customer, the deferred revenue balance is drawn down and recognised as interest income. The Group has elected to apply the practical expedient not to adjust the promised consideration where the period between the sale purchase agreement execution date and the date the customer pays for the property will be less than 1 year.

#### (c) Revenue from services rendered

Revenue from services rendered is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided during the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

For supply of chilled water, revenue comprises of available capacity and variable output provided to customer and is recognised when services are provided. Connection fee is recognised on straight line basis over the term of respective customer contract, unless it represents a separately unidentifiable service and satisfies the criteria for upfront recognition in statement of profit or loss.

#### (d) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.2 Revenue (continued)

#### (e) Contract revenue

Contract revenue from construction of building facades, installation and erection of heavy machineries and steel fabrication is measured at the transaction price agreed under the contract. Revenue is recognised over time based on the cost-to-cost method. The related costs are recognised in profit or loss when they are incurred. Advances received are included in advances received from customers.

#### (f) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

### 41.3 Government grant

Government grant is initially recognised at fair value when there is a reasonable assurance that:

- (a) the Group will comply with the conditions associated to them; and
- (b) the grants will be received.

Government grant that compensates the Group for expenses incurred are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate. An unconditional government grant in the form of non-depreciable, non-monetary assets is recognised in profit or loss when the grant becomes receivable.

### 41.4 Finance income and expense

The Group's finance income and expense comprises of the following:

- interest income;
- unwinding of discount on financial assets measured at amortised cost;
- foreign exchange gains and losses on financial assets and liabilities;
- interest costs;
- unwinding of discount on financial liabilities measured at amortised cost;
- change in fair value of derivative financial instruments;
- bank charges;
- interest expenses on lease liabilities; and
- foreign exchange gain/(loss);

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised as expense in profit or loss using the effective interest method. However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. The capitalisation of borrowing costs commences from the date of incurring of expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Borrowing costs relating to real estate development for sale is accounted for as a finance cost in the consolidated statement of comprehensive income. Borrowing costs relating to the period after acquisition, construction or production are expensed. Capitalisation of borrowing costs is suspended during the extended period in which the active development of a qualifying asset has ceased.

Foreign currency gain or losses are represented on a net basis either as finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.5 Property, plant and equipment

#### (a) Recognition and measurement

The Group's property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for its intended use and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

#### (b) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the comprehensive income relating to the specific property, with any remaining loss recognised immediately in profit or loss.

#### (c) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. The costs of day-to-day servicing of property, plant and equipment is expensed as incurred.

#### (d) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component, since this mostly reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

	<b>Years</b>
Buildings	5-33
Plant and equipments	3-50
Office equipments and furniture	3-10
Motor vehicles	3-7

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## **41 Significant accounting policies** (continued)

### **41.5 Property, plant and equipment** (continued)

#### *(d) Depreciation* (continued)

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

Capital work-in-progress is stated at cost and includes assets that are being developed for future use. On completion of construction / once commissioned, capital work-in-progress is transferred to the respective category within property, plant and equipment, and depreciated in accordance with the Group's policy.

#### *(e) Leased assets*

Leases in terms of which the Group assumes all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease is stated at an amount equal to the lesser of the asset's fair value and the present value of the minimum lease payment at inception of the lease, less accumulated depreciation and impairment losses (if any).

### **41.6 Intangible assets**

#### *(a) Subsequent measurement*

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses.

#### *(b) Other intangible assets*

Other intangible assets including technical know-how, product registration certificates, licenses and patents and trademarks, concession rights and customer contracts that have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. These are amortised as per management's estimate of their useful life, which is between 5 to 39 years.

#### *(c) Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **41.7 Investment properties**

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes. Where the Group provides ancillary services to the co-occupants of a property, it treats such a property as investment property if the services are a relatively insignificant component in the arrangement as a whole.

An investment property is measured at cost on initial recognition and subsequently at fair value with any changes therein are recognised in profit or loss.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.7 Investment properties (continued)

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

The fair value adjustments on investment properties are included in profit or loss as investment returns in the period in which these gains or losses arise. In determining the carrying amount of investment properties, the Group does not double count assets or liabilities that have already been recognised as separate assets or liabilities.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the property) is recognised in profit or loss.

### 41.8 Inventories

Inventories comprise finished goods, raw materials, work-in-progress, spares and properties held for development and sale.

#### (a) *Finished goods, raw materials, work-in-progress and spares*

Inventories are measured at lower of cost and net realisable value. The cost of raw materials and spares are based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Finished goods are stated at cost of raw material and also include an appropriate proportion of overheads. Work-in-progress is stated at cost of raw materials and directly attributable overheads. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

#### (b) *Properties held for development and sale*

Properties held for development and sale are classified as inventories and stated at the lower of cost and net realisable value. Cost includes the aggregate cost of development and other direct expenses. Net realisable value is estimated by the management, taking into account the expected price which can be ultimately achieved, based on prevailing market conditions and the anticipated costs to completion.

The amount of any write down of properties held for development and sale is recognised as an expense in the period the write down or loss occurs. Any reversal of write down arising from an increase in net realisable value is recognised in profit or loss in the period in which the increase occurs.

### 41.9 Contract work-in-progress

Contract work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at contract cost incurred plus profits recognised to date less progress billing and less recognised losses. Contract work-in-progress is presented as part of other receivables in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as part of other payables in the statement of financial position.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.10 Financial instruments

#### (a) *Non-derivative financial assets*

The Group initially recognises financial assets on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. The Group subsequently measures financial assets at either amortised cost or fair value.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction when substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

#### (i) Financial assets measured at fair value

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets measured at amortised cost comprise trade receivables, due from related parties, other receivables, cash and cash equivalents, rent receivables and finance lease receivables.

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes in fair value recognised in profit or loss.

However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses in other comprehensive income on an instrument by instrument basis. For instruments measured at fair value through other comprehensive income, gains and losses are never reclassified to profit or loss and no impairments are recognised in profit or loss.

Dividends earned from such investments are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances and fixed deposits (with maturity of less than three months). Bank overdrafts, trust receipts and bills discounted that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.10 Financial instruments (continued)

#### (b) *Non-derivative financial liabilities*

The Group initially recognises debt securities issued and subordinated liabilities on the date that they originated. All other financial liabilities (including liabilities designated as fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities comprise loans and borrowings, sukuk Notes and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

### 41.11 Foreign currency

#### (a) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

#### (b) *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to AED at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to AED at the average exchange rates for current year.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to the non-controlling interests. When the Group disposes of only part of its interest in joint venture or an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.12 Trade payables and provisions

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised in the consolidated statement of comprehensive income within 'finance costs'.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

### 41.13 Impairment

#### (a) *Non-derivative financial assets*

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, economic conditions that correlated with defaults, adverse changes in the payment status of borrower or issuer, the disappearance of an active market for a security, or observable data indicating that there is a measurable decrease in expected cash flows for a group of financial assets.

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for specific impairment. Those found individually not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the related amount are written off. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.13 Impairment (continued)

#### (b) Equity-accounted investees

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

#### (c) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of the Group's non-financial assets (other than investment properties and inventories) to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite useful lives or that are not available for use are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's. Goodwill arising from business combination is allocated to CGU or group of CGU's that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds in estimated receivable amount

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses, other than in respect of goodwill is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 41.14 Provision for employee's end of service benefits

A provision is made, using actuarial techniques, for the end service benefits due to employees in accordance with the UAE Labour Law for their years of service up to balance sheet date.

Furthermore, in accordance with Federal Labour Law No.7 of 1999 for pension and social security, employers are required to contribute 12.5% of the 'contribution calculated on salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculated on salary' to the scheme. The Group's contribution is recognised as an expense in profit or loss as incurred. The employees and employers' contribution, to the extent remaining unpaid at the reporting date, has been shown under other liabilities.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.15 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involved the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At the inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### *As a lessee*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discounted rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.15 Leases (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or terminate option.

Lease liability is subsequently increased by the finance costs on the lease liability and decreased by lease payments made.

Each lease payment is allocated between the liability and finance cost. The finance costs is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-to-use assets that do not meet the definition of investment property in 'right-of-use'.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal and termination options (Note 39). The assessment of whether the Group is reasonably certain to exercise such options impacts lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The right-of-use assets within buildings includes offices, labour camps and warehouses and plant and equipment consists of a lease of a sewage treatment plant.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of vehicle that have a lease term of 12 months or less and leases of low-value assets, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *Variable lease payments*

The Group leases land from the Government of Dubai for a period of 99 years. The Group was exempted to pay the lease rentals for the first ten years and thereafter, starting 1 February 2009, rental payments that are based on variable payment terms being 20% of the share of realised profit is payable to the Government of Dubai. As the lease payments are variable, no lease liability has been recognised for this lease. The Group has recognised the right-of-use asset as an investment property and is being carried at fair value in line with its accounting policy.

# Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2022  
(continued)

## 41 Significant accounting policies (continued)

### 41.15 Leases (continued)

*As a lessor*

When the Group acts as a lessor, it determines at the lease commencement whether each lease is a finance lease or an operating lease. To classify each lease the Group makes an overall assessment of whether the lease transfer to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for major part of the economic life of the asset.

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Revenue'.

### 41.16 Earnings per share

The Group presents basic earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the year. Weighted average number of shares outstanding is retrospectively adjusted to include the effect of any increase in the number of shares without a corresponding change in resources.

### 41.17 Segment reporting

Segment results that are reported to the Board of Directors (Chief Operating Decision Maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## 42 Corporate tax law

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime will become effective for accounting periods beginning on or after 1 June 2023.

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 CT Law confirms the rate of 9% to be applied to taxable income exceeding a specified threshold still subject to a cabinet decision. The Group may be subject to application of Global Minimum Tax rate of 15% which is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Group operates and a top-up tax regime by UAE MoF.

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



## Annual Corporate Governance Report 2022

1/

## 1 Corporate Governance Practices

Dubai Investments PJSC (“DI”) is a highly regarded, innovative and a forward looking publicly listed UAE based multi-asset investment Company, managing a diverse portfolio of businesses and generating sustainable financial returns to its shareholders. With a continued strategic focus on diversification and unlocking value through an organized divestment process, Dubai Investments focuses on staying significant to business opportunities and facilitates a healthy and channeled growth with stability and consistent profitability over the last 27 years. Dubai Investments is focused on maintaining momentum and delivering consistent performance and aims to continue embarking upon new ideas and innovations as the driving force behind emerging as a leading investment company, meeting the diverse needs of the economy, both locally and internationally.

Through a cohesive and integrated approach across the Group’s operations in real estate, building materials, construction & contracting, healthcare, education, and financial investments, Dubai Investments has grown to become a diversified corporation operating across varied sectors and markets. Dubai Investments aims to contribute to the Sustainable Development Goals (SDGs) and has created a roadmap of measures and commitments, facilitating seamless integration and alignment. The Group is committed to support the UAE 2031 Vision as well as the Dubai Industrial Strategy 2030 which aims to establish the emirate as a knowledge-based, sustainable and innovation-centric global hub.

At Dubai Investments we have contributed to society through a management framework addressing seven key sustainability pillars which have the following characteristics:

- A Company with Integrity
- Amplifying Economic Impacts
- Operating Responsibly
- Protecting Natural Resources
- A Strong Workforce
- Valuable Relationships
- Supporting our communities

As a diversified company it is critical that Dubai Investments conducts its business with honesty, sincerity, and responsibility. The Group works to uphold the highest standards of corporate governance and are dedicated to eliminating all forms of corruption, and financial crime.

The Group’s ability to operate responsibly and its long-term growth strategy are directly influenced by the relationship between the Company and its stakeholders. The Company understands that the interests of its stakeholders fluctuate over time. Important stakeholders will continue to be a part of the Group’s reporting and strategic planning processes. Dubai Investments has been able to refine and confirm its target areas and impacts with the help of regular contact with its stakeholders. These contributions support the development of the Group’s programs, the verification of the Group’s material risks and opportunities, and the improvement of the Group’s communication channels. The Group primarily works with the following key stakeholder’s:





When creating its business plan, the Board of Directors (the "Board") gives stakeholder's input a high degree of priority. The Board is the ultimate decision-making body with the authority required for Dubai Investments to carry out its operations. The Non-Executive Board Committees, the External Auditor, and the Internal Control procedures described in the Ethical Governance Section of our most recent Sustainability Report represent Dubai Investments' system of checks and balances.

The three main themes impacting the Group's investments and businesses in the coming years will be centered on youth, innovation, and sustainability investments. These pillars will guide the organization's ethical investments across many industries and contribute to the creation of future value, both domestically and internationally. The Group's investments have served as the foundation stone for risk management approach, corporate vision, strategic integration of sustainability factors, and overall economic structure, and will continue to do so.



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## 2 Ownership and transactions by Board members

The ownership and transactions by Board members, their spouses, children in the Company's securities during 2022.

Sr. No.	Name/ Relationship	Title	Number of Shares as on 31/12/2022	Total Sell	Total Buy
1	Mr. Abdulrahman Ghanem Abdulrahman Al Mutaiwee	Chairman	100,000	Nil	100,000
2	Mr. Khalid Jassim Mohd Bin Kalban	Vice Chairman and Chief Executive Officer	2,532,222	Nil	Nil
	- Spouse	-	117,525	Nil	Nil
3	Mr. Ali Fardan Ali Al Fardan	Director	105,000	Nil	Nil
4	Mr. Mohamed Saif Darwish Ahmed Al Ketbi	Director	216,605,337	Nil	Nil
	- Spouse	-	105,000	Nil	Nil
5	Mr. Khaled Mohammad Ali Al Kamda	Director	Nil	Nil	Nil
	- Spouse	-	68,862	Nil	Nil
	- Son	-	93,733	Nil	Nil
	- Daughter	-	23,862	45,000	Nil
6	Mr. Hussain Nasser Ahmed Lootah	Director	8,068,449	Nil	1,110,383
	- Daughter	-	72,260	Nil	50,000
	- Daughter	-	206,640	Nil	50,000
	- Daughter	-	50,000	Nil	50,000
	- Daughter	-	163,306	Nil	50,000
7	Mr. Abdulrahman Mohamed Rashed Al Shared	Director	10,000	Nil	Nil

## 3 Board of Directors

### (a) Board of Directors Composition

The Board comprises of 6 (six) independent and non-executive Directors and the Vice-Chairman & CEO who were unanimously elected by the shareholders for a period of three years during the Annual General Meeting held on 3<sup>rd</sup> June 2020.

All the Directors are UAE nationals with requisite skills and expertise.



## Biography of the Board Members

The Board Members' experience, skills and other noteworthy offices held in publicly listed entities and Government corporations are detailed below:

Committees	
AC	Audit Committee
NRC	Nomination and Rewards Committee
RC	Risk Committee
IC	Investment Committee
<u>IC</u>	Committee Chairman



**Mr. Abdulrahman Ghanem Abdulrahman Al Mutaiwee** *INDEPENDENT*

**Chairman of the Board since June 2020 and Member for the last 6 years.**

Mr. Abdulrahman Ghanem A. Al Mutaiwee has been a high-ranking diplomat and held senior management positions in various ministries and government establishments.

He worked in the banking field for 4 years and then as Director General of the Dubai Chamber of Commerce and Industry (DCCI) for a period of 23 years. Thereafter he served as the Ambassador of the UAE to the Court of St. James and Iceland for 7 years. He was also the Director in the Ministry of Foreign Affairs and International Cooperation in Dubai for 3 ½ years till the end of 2019. He holds a Bachelor's Degree in Economics from Cairo University and Diploma in Banking and Financial Studies from New York.



**Mr. Khalid Jassim Mohd Bin Kalban**

IC

**Vice Chairman and Chief Executive Officer of DI. Board Member for the last 21 years.**

Mr. Khalid Bin Kalban has extensive experience in manufacturing and industrial sectors as well as financial, investment and real estate sectors. He holds a degree in Business Management from USA and holds Management Major from Metropolitan State College, USA. He currently holds the following positions:

- Chairman of Al Mal Capital PSC
- Board Member of National General Insurance PJSC
- Board Member of Arcapita Investment Management B.S.C.(c) – Bahrain



**Mr. Ali Fardan Ali Al Fardan**

*INDEPENDENT*

NRC

IC

AC

**Board Member for the last 21 years.**

Mr. Ali Al Fardan has significant experience in Real Estate Management, Property Investment Capital Investment Management and Hospitality Management. He holds a Bachelor of Science in Management and Information System. He currently holds the following positions:

- Chairman of Al Fardan Group and its Subsidiary
- Owner of ABF Investment LLC and Al Fardan Tourism & Travel
- Board Member of Al Mal Capital PSC
- Board Member of Commercial Bank of Dubai PJSC
- Board Member of National General Insurance PJSC





Mr. Mohamed Saif Darwish Ahmed Al Ketbi **INDEPENDENT** **AC, RC**  
**Board Member for the last 13 years.**

Mr. Mohamed Al Ketbi has experience in Investments and Projects, Real Estate and Hospitality Sectors. He holds a Bachelor Degree in Business Administration majoring in Business Management. He currently holds the following positions:

- Director – Investment & Business Development, Darwish Bin Ahmed & Sons LLC
- Board Member of Al Mal Capital PSC
- Board Member of National General Insurance PJSC



Mr. Khaled Mohammad Ali Al Kamda **INDEPENDENT** **AC** | C

**Board Member for the last 6 years**

Mr. Khaled Al Kamda has over three decades of senior management experience across a number of sectors including airlines, private equity and banking and has also held senior management positions in Government establishments. He holds a Bachelor's Degree in Electrical Engineering from Florida Institute of Technology, USA and a MBA Degree from Cranfield School of Management, England.



Mr. Hussain Nasser Ahmed Lootah **INDEPENDENT** **RC** **NRC**

**Board Member for the last 3 years**

Mr. Hussain Lootah is a prominent business figure in the UAE, holding, throughout his career, chairmanship and membership of several Government committees. Among several key positions held by him, included his association with Dubai Municipality for over 30 years, culminating in his 12 years tenure as the Director General of Dubai Municipality till the year 2018. He also played a prominent role in establishing the Society of Engineers where he chaired its Board for 4 years. Currently he is the Chairman of Hussain Lootah Group (HLG). He holds a degree in Civil Engineering from the University of Arizona.



Mr. Abdulrahman Mohamed Rashed Al Shared **INDEPENDENT** **NRC, RC**

**Board Member for the last 3 years**

Mr. Abdulrahman AlShared is a well-known businessman and a former government official in Dubai Municipality. He has held senior level positions across several sectors. He was previously employed as Secretary General by Awqaf & Minors Affairs Foundation. In addition to being the founder of Mai Real Estates, he is a Board member across various entities. He holds a Master's Degree in Environmental Sciences.

## (b) & (c) Women Representation on the Board

Whilst there is presently no woman representation on the Board, it may be noted that DI had (5) five women candidates for the Board elections at the Annual General Assembly Meeting held in June 2020.

DI strongly believes in encouraging women's participation in all levels of the business and presently women comprise 22.22% of the Executive Management team.

## (d) Board Remuneration

1. The shareholders had approved the Board of Directors remuneration amounting to AED 12 Mn (AED Twelve million) for the year 2021.
2. The Nomination & Rewards Committee and the Board of Directors have recommended an amount of AED17.5 Mn (AED Seventeen Million and Five Hundred Thousand) as remuneration for Board of Directors for the year 2022. However, the same is subject to shareholders' approval at the forthcoming Annual General Assembly Meeting.



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3. The total fixed allowances for Board committee meetings for the year is as follows:

Sr. No.	Name	Allowances for Attending the Board Committee meetings		
		Committee Name	Value of Allowances (AED)	Meetings attended
1	Mr. Ali Fardan Ali Al Fardan	Audit Committee	140,000	4
		Nomination and Rewards Committee	130,000	3
		Investment Committee	150,000	5
2	Mr. Khaled Mohammad Ali Al Kamda	Audit Committee	150,000	5
		Investment Committee	150,000	5
3	Mr. Mohamed Saif Darwish Ahmed Al Ketbi	Audit Committee	150,000	5
		Risk Committee	140,000	4
4	Mr. Khaled Jassim Mohd Bin Kalban	Investment Committee	150,000	5
5	Mr. Abdulrahman Mohamed Rashed Al Shared	Risk Committee	140,000	4
		Nomination & Rewards Committee	130,000	3
6	Mr. Hussain Nasser Ahmed Lootah	Risk Committee	140,000	4
		Nomination & Rewards Committee	130,000	3
7	Mr. Mushtaq Masood Syed Mohideena Syed Masood S M	Investment Committee	150,000	5

During 2022, no additional allowances, salaries, or fees, other than what is stated in this Report, were paid to any member of the Board of Directors.

**(e) Board meetings**

The Board of Directors convened 7 (seven) times during 2022, as follows:

Sr. No	Date of Board meeting	Number of attendees	Proxy	Names of absent Directors
1	15 <sup>th</sup> February 2022	7	None	None
2	10 <sup>th</sup> March 2022	7	None	None
3	11 <sup>th</sup> April 2022	7	None	None
4	11 <sup>th</sup> May 2022	7	None	None
5	10 <sup>th</sup> August 2022	7	None	None
6	9 <sup>th</sup> November 2022	7	None	None
7	14 <sup>th</sup> December 2022	7	None	None

**(f) Number of Board of Directors Resolution by circulation issued during the financial year 2022**

The Board of Directors approved 4 (four) Resolutions by circulation during 2022, as follows:

Sr. No	Date of Resolution	Number of Board Members who approved the Resolutions
1	29 <sup>th</sup> March 2022	7
2	19 <sup>th</sup> July 2022	7
3	12 <sup>th</sup> September 2022	7
4	12 <sup>th</sup> September 2022	7



### (g) Board Duties and Delegation to Executive Management

The powers reserved for the Board of Directors have been explicitly stated in the Board Charter in compliance with legislations and regulations inter alia, UAE Federal Decree Law No. (32) of 2021 of the Commercial Companies and its amendments, Chairman Resolution No (3/RM) of 2020 concerning Joint Stock Companies Governance Guide and the Articles of Association of the Company.

Detailed job descriptions are provided for each member of the Executive Management. During 2022 the Board did not delegate any of its reserved powers to the Executive Management.

### (h) Transactions with Related Parties

- i) A statement of the details of transactions made with the Related Parties (stakeholders) during 2022 are as follows:

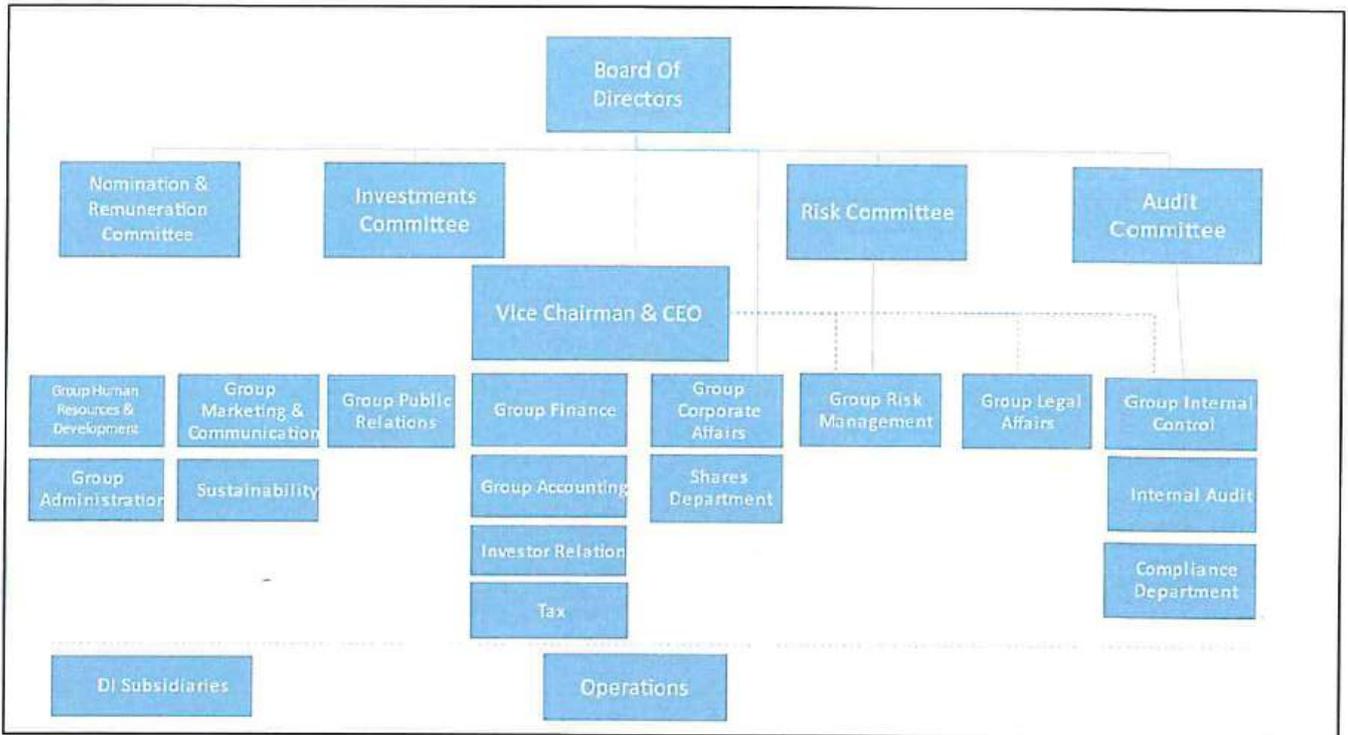
Sr. No	Company	Name of the related parties	Nature of relationship	Transaction Value (AED)	Type of transaction
1	Emirates Glass LLC	Mr. Obaid Mohamed Ahmed Alsalami	General Manager - DIR	335.22	Sale of Glass
2	Dubai Investments Real Estate	Mr. Taha Badrul Hasan Mullim	Employee – DI	35,000	Rent for lease of 1Br apartment at Al Mozna
3	Dubai Investments Real Estate	Mr. Saleh Abdelrahman Ali Omran	Employee – DI	30,000	Rent for lease of 1Br apartment at Al Mozna
4	Dubai Investments Real Estate	Mr. Alaa Eldin Mohamed Abd Elkerim Abdellah	Employee – DI	35,000	Rent for lease of 1Br apartment at Al Mozna
5	Dubai Investments Real Estate	Mr. Waheeb Yehia Mohamad	Employee – DIP	35,000	Rent for lease of 1Br apartment at Al Mozna
6	Dubai Investments Real Estate	Mr. Abdulrahman Ghanem Abdulrahman Al Mutaiwee	Chairman – DI	85,000	Rent for lease of apartment in Mirdif Hills
7	Dubai Investments Real Estate	Mr. Abdulrahman Ghanem Abdulrahman Al Mutaiwee	Chairman – DI	857,493	Purchase of C308 in Mirdif Hills, Multaqa Avenue
8	Dubai Investments Real Estate	Mr. Abdulrahman Ghanem Abdulrahman Al Mutaiwee	Chairman – DI	607,443	Purchase of C207 in Mirdif Hills, Multaqa Avenue
9	Al Mal Capital	Mr. Khaled Jassim Mohd Bin Kalban	VC & CEO- DI	32,652	Interest, Brokerage and Subscription commission
10	Gulf Dynamic Services	Mr. Mohammed Saeed Mohammed Al Raqbani	GM-Masharie & DII	27,580	Supply and Installation of Vinyl flooring, wall tiles etc
11	Gulf Dynamic Services	Ms. Asma Mohamed Ahmed	CHRO – DI	6,836.55	Supply and installation of TV Cabinet
12	Emirates District Cooling LLC – (Emicool)	Mr. Adib Youssef El Moubadder	CEO -Emicool	22,706.11	District cooling services
13	Emirates District Cooling LLC – (Emicool)	Mr. Nasser Mohammad Nasser Saeed Bin Jarsh Alsuwaidi (NMN Commercial Broker)	Employee-Emicool	14,113.13	District cooling services

- ii) There were no Related Party transactions equal to 5% or more of the Company's Capital during the year 2022.



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(i) Organization Structure of the Company



(j) Executive Management

The Vice-Chairman & CEO has been appointed by the Board of Directors to oversee the day-to-day operations of the Company and together with the executive management team they effectively implement the Board's vision, mission, and strategic initiatives.

Remuneration paid by the Company to Executive Management in 2022 is tabulated below:

Sr. No.	Designation	Date of Appointment	Total Annual Salary Paid (AED)*	Total Annual Bonus Paid (AED)**	Any Other Cash or Non-Cash Rewards in 2022 or which shall be due in the future
1	Vice Chairman and Chief Executive Officer	1 <sup>st</sup> July 1995	4,673,172	6,250,000	***
2	CEO- Industrial Platform	1 <sup>st</sup> March 1998	2,416,800	624,000	***
3	Group Chief Financial Officer	2 <sup>nd</sup> January 2008	1,472,976	400,000	***
4	Chief Corporate Affairs Officer	1 <sup>st</sup> May 2005	1,084,668	250,000	***
5	Chief Internal Controls Officer	3 <sup>rd</sup> October 2005	1,071,060	250,000	***
6	Chief Human Resources and Administration Officer	1 <sup>st</sup> November 2012	998,160	200,000	***
7	Group Marketing & Communications Manager	1 <sup>st</sup> October 2004	782,184	150,000	***
8	Group Public Relations Manager	1 <sup>st</sup> September 2004	617,664	115,000	***
9	Group Legal Advisor	23 <sup>rd</sup> May 2021	600,000	60,000	***
10	Head of Risk****	28 March 2021	234,609	68,548	***

Note: \* Includes allowances, general pension, and social security.  
 \*\* Paid in 2022 pertaining to 2021.  
 \*\*\* Bonuses for the year 2022 have not been declared as of the date of this Report.  
 \*\*\*\* Last working day 27<sup>th</sup> May 2022.



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#### 4 External Auditor

##### (a) Brief on External Auditor

PriceWaterhouseCoopers (PwC) was appointed as the Company's external auditor for the year 2022 by DI Shareholders in the Annual General Assembly Meeting held on 11<sup>th</sup> April 2022.

PwC is a network of firms in 152 countries with over 328,000 people providing assurance, advisory and tax services.

Established in the Middle East for 40 years, PwC has 23 offices across 12 countries in the region with around 7,000 people.

##### (b) Professional fees of the External Auditor for 2022 were as follows:

Name of Auditing Firm and Name of Audit Partner	PricewaterhouseCoopers (PwC) Mr. Mohamed Saad Kadiri
Number of years served as an External Auditor for the Company	5 years
Number of years served as an Audit Partner for the Company	2 years
Total fees for auditing for 2022 (in AED)	AED 408,100
The fees and costs of the special services other than the auditing of the financial statements in 2022 (in AED).	Nil
The details and nature of other services provided.	N. A
Other services performed by an External Auditor other than the Company's External Auditor in 2022.	Name of Auditor: KPMG Nature of Services provided: ERP transformation and change management - AED 929,115.

Additionally, PwC have been appointed as External Auditors by DI's subsidiaries for which fees have been agreed separately by the relevant subsidiaries.

##### (c) External Auditors' opinion

The External Auditor has not qualified its opinion on DI's 2022 interim or annual consolidated financial statements.

#### 5 Audit Committee (AC)

The Roles and Responsibilities of the Audit Committee inter alia include:

- Review the annual and quarterly Financial Statements;
- Review the effectiveness of the Internal Control Over Financial Reporting;
- Review of Related Party transactions, managing conflict of interests, and submitting recommendations concerning such transactions to the Board;
- Review the adequacy of insurance coverage and legal dispute status
- Review Internal Control reports and following up the implementation of corrective measures and
- Review and assessment of Internal Control and Risk management system.

To provide independence from management, all members of the Audit Committee are Non-Executive and the Chairman of the Board is not a member of the Audit Committee. Mr. Khaled Mohamed Ali Al Kamda was nominated as the financial expert on the Audit Committee in line with SCA requirements and also serves as the Chairman of the Audit Committee. Notably, the Audit Committee has unrestricted access to the records of the Company and can seek expert advice if required.

The Audit Committee convened 5 (five) times during 2022 on 9<sup>th</sup> March, 11<sup>th</sup> May, 9<sup>th</sup> August, 8<sup>th</sup> November and 13<sup>th</sup> December 2022 and the following table summarizes the members and their attendance:

Sr. No.	Name	Title	Meetings attended
1	Mr. Khaled Mohamed Ali Al Kamda	Chairman	5
2	Mr. Ali Fardan Ali Al Fardan	Member	4
3	Mr. Mohamed Saif Darwish Ahmed Al Ketbi	Member	5



Mr. Khaled Mohamed Ali Al Kamda, the Audit Committee Chairman, declares his responsibility for the Committee's system in the Company and that he has reviewed the mechanism of its work and that he has ensured its effectiveness.

## 6 Nomination & Rewards Committee (NRC)

The Roles and Responsibilities of the Nomination & Rewards committee inter alia include:

- *Verify the independence of the Board members by means of a Declaration of Independence form which was completed and signed by each independent member;*
- *Review and approve the Human Resources policies;*
- *Annually review the Board members' Evaluation form;*
- *Promote gender diversity at Board, Executive management and staff level and annually review the Emiratisation activities being undertaken by the Company;*
- *Review annually the ongoing suitability of the Company's policy for remuneration and benefits for the Company's Board of Directors and Executive Management.*

To provide independence from management, all members of the Nomination and Rewards Committee are Non-Executive and the Chairman of the Board is not a member of the Committee. Mr. Ali Fardan Ali Al Fardan serves as the Chairman of the Nomination and Rewards Committee.

The Nomination and Rewards Committee convened 3 (three) times in 2022 on 10<sup>th</sup> March, 10<sup>th</sup> August, 14<sup>th</sup> December 2022 and the following table summarizes the members and their attendance:

Sr. No.	Name	Title	Meetings attended
1	Mr. Ali Fardan Ali Al Fardan	Chairman	3
2	Mr. Hussain Nasser Ahmed Lootah	Member	3
3	Mr. Abdulrahman Mohamed Rashed Al Shared	Member	3

Mr. Ali Fardan Ali Al Fardan, the Nomination and Rewards Committee Chairman, declares his responsibility for the Committee's system in the Company and that he has reviewed the mechanism of its work and that he has ensured its effectiveness.

## 7 Risk Committee (RC)

The Risk Committee's objective and purpose is to assist the Board in fulfilling its oversight responsibilities in relation to Enterprise Risk Management (ERM).

*The RC oversees the ERM framework in place which provides structure to how material risk exposures are measured, monitored, managed, and mitigated; and includes appropriate policies, procedures, and controls.*

The Committee recommended the Risk Appetite Statement to the Board and reviewed 4 (four) periodic, consolidated Risk Reports, which were presented to the Committee by the Risk Department.

The RC convened 4 (four) times in 2022 on 9<sup>th</sup> March, 11<sup>th</sup> May, 9<sup>th</sup> August and 8<sup>th</sup> November 2022—and the following table summarizes the members and their attendance:

Sr. No.	Name	Title	Meetings attended
1	Mr. Hussain Nasser Ahmed Lootah	Chairman	4
2	Mr. Mohammed Saif Darwish Ahmed Al Ketbi	Member	4
3	Mr. Abdulrahman Mohamed Rashed Al Shared	Member	4

Mr. Hussain Nasser Ahmed Lootah as Chairman of the Risk Committee declares his responsibility for the Committee's system in the Company and that he has reviewed the mechanism of its work and that he has ensured its effectiveness.



## 8 Investment Committee (IC)

The Roles and Responsibilities of the Investment Committee (IC) inter alia include:

- *Appraise Investments/Divestments Proposals.*
- *Review /approve investments/divestments until transaction closure.*
- *Evaluate the Investment/Divestment Proposals to ensure alignment with overall group corporate strategy, risk limitations and return requirements, while taking into consideration impact on DI Group's capital structure and debt covenants.*
- *Responsible for Treasury investment activities including Investments in Listed Equities, Quoted Fixed Income instruments, Alternative Investments in assets other than stocks, bonds and cash, and Unquoted Equity Securities.*
- *Approve Non-binding Offers to be executed.*
- *For investments which have been approved by Board, IC provides approval of Binding Offer within the investment terms/parameters approved by the Board in the Investment Appraisal stage.*

The IC convened 5(five) meetings during 2022 on 2<sup>nd</sup> March, 23<sup>rd</sup> March, 27<sup>th</sup> April, 13<sup>th</sup> June, 6<sup>th</sup> October and the following table summarizes the members and their attendance:

Sr. No.	Name	Title	Meetings attended
1	Mr. Khalid Jassim Mohd Bin Kalban	Chairman	5
2	Mr. Ali Fardan Ali Al Fardan	Member	5
3	Mr. Khaled Mohammed Al Kamda	Member	5
4	Mr. Mushtaq Masood Syed Mohideena Syed Masood S M	Member	5

Mr. Khalid Jassim Mohd Bin Kalban as Chairman of the IC declares his responsibility for the Committee's system in the Company and that he has reviewed the mechanism of its work and that he has ensured its effectiveness.

## 9 Committee for Management and Supervision of Insiders' Trading (ITSC)

The Insider Trading Supervision Committee (ITSC) performs the following functions as detailed in its Charter:

- *Manage, follow-up and supervise insiders' trading and their shareholding in DI shares;*
- *Maintain a special and comprehensive register for all insiders, including persons who could be considered as insiders on a temporary basis and who are entitled to or have access to inside information of the Company prior to publication. The record also includes details of initial declaration and subsequent updates on the trades by insiders and their shareholding; and*
- *Submit statements and reports to the Market, when required.*

The ITSC convened (4)four meetings during 2022 on 15<sup>th</sup> February, 14<sup>th</sup> April, 14<sup>th</sup> July and 13<sup>th</sup> October 2022 and the following table summarizes the members and their attendance:

Sr. No.	Name	Title	Meetings attended
1	Mr. Abdulaziz Bin Yagub Bin Yousef AlSerkal	Chairman	4
2	Mr. Mushtaq Masood Syed Mohideena Syed Masood S M	Member	4
3	Mr. Kurian Chacko	Member	4

Mr. Abdulaziz Bin Yagub Bin Yousef AlSerkal, the ITSC Chairman, declares his responsibility for the Committee's system in the Company and that he has reviewed the mechanism of its work and that he has ensured its effectiveness.



## 10 Internal Controls System

- (a) The Board of Directors acknowledges that it has overall responsibility for ensuring the effectiveness of the internal control system. The Board of Directors receives reports quarterly from the Audit Committee on developments regarding the Group Internal Audit & Compliance functions and receives reports from Risk Committee on development regarding Risk Management. Based upon these reports, and other feedback, the Audit Committee and Board direct the Executive Management to take appropriate action to result in effective and efficient operations, accurate financial reporting and compliance with laws and regulations.
- (b) The Chief Internal Controls Officer is Mr. Saderuddin Panakkat, a Chartered Accountant and a MBA holder, appointed on 3<sup>rd</sup> October 2005. He reports to the Audit Committee.
- (c) The Compliance Officer is Mr. Mohamed Alaa Yakout El Sahwi, a Certified Management Accountant, who was appointed as Compliance Manager on 6<sup>th</sup> September 2015.
- (d) The Board is pleased to confirm to its stakeholders that in line with Article (68) of the Authority Chairman Decision No. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide, the Board has conducted its annual review of the efficiency of the Internal Control System and concluded that no material internal control breaches were recorded in 2022 requiring disclosure in a Report or to the Market.
- (e) Number of Reports – 5 (five) periodic reports were issued by Internal Controls Department to the Audit Committee during 2022.

## 11 Violations

To the best of knowledge of the Board and the Executive Management, **No Material violations were committed** during 2022 and DI is compliant with the Authority Chairman Decision No. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide.



2

## 12 Contribution towards Society and Protection of the Environment

During 2022, Dubai Investments contributed a total of approximately AED 1.764 million in more than 40 activities and initiatives and supported various local and regional community initiatives.

Benefiting the Community	Protecting the Environment	Preserving UAE's Heritage and Culture	Social Awareness Campaigns
<ul style="list-style-type: none"> <li>• Supported the nursing department of the University of Fujairah with birthing equipments.</li> <li>• Supported dental and physiotherapy treatment of a child suffering from neuro disorder.</li> <li>• Supported a needy cardio patient with medical treatment.</li> <li>• Supported treatment of children suffering with cancer through Cancer Centre of Lebanon.</li> <li>• Supported treatment of breast cancer for a patient through Emirates Cancer Society.</li> <li>• Supported Awladouna Centre with occupational therapy sponsorship.</li> <li>• Supported treatment for a cancer patient through Humanitarian Solidarity Partners.</li> <li>• Supported the 1 billion meal initiative of H.H Sheikh Mohammed bin Rashid Al Maktoum to provide food aid to vulnerable communities in 50 countries outside UAE.</li> <li>• Supported 2 paralympic athletes with companions for Umrah trip.</li> <li>• Sponsored classroom modifications of Dubai Autism Center.</li> <li>• Sponsored Wheelchair Basketball of Dubai Club for People of Determination.</li> </ul>	<ul style="list-style-type: none"> <li>• Dubai's first environment focused run 'Dubai Investments Green Run 2022', was launched reiterating the Group's adoption of sustainable practices, aimed at encouraging and promoting a healthier lifestyle.</li> <li>• Observed Earth Hour 2022 and encouraged employees to participate in the global campaign by switching off non-essential lights and appliances for one hour.</li> <li>• Marked Earth Day 2022 under the theme act, innovate and implement.</li> <li>• Marked World Environment Day 2022 by creating awareness about the importance of preserving earth and its resources.</li> <li>• Supported 'Clean UAE 2022', a clean-up drive across all seven emirates and collected 40.40 tonnes of waste with the help of 61,646 participants covering 38.5 sq kms.</li> <li>• Participated in 'Adopt a Tree' program of Emirates Environment Group and planted 200 saplings of Samar trees in Al Minae bee reserve in Ras Al Khaimah.</li> </ul>	<ul style="list-style-type: none"> <li>• Supported UAE National Day competition of Majid Al Futtaim through a jury member.</li> <li>• Celebrated UAE Flag Day 2022 with flag hoisting, playing the national anthem and taking part in flag painting.</li> <li>• Dubai Investments employees celebrated National Day with various cultural activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Celebrated International Women's Day 2022.</li> <li>• Organized pedestrian safety training in partnership with Roads &amp; Transport Authority for blue collared staff of Emirates Building Systems.</li> <li>• Organized Pink Day as part of Breast Cancer Awareness month, including specialist talks by doctors and nutritionists and creative activities.</li> <li>• Organized annual blood donation campaign in partnership with Dubai Health Authority.</li> <li>• Organized health checkup for Green Community residents in partnership with Clemenceau Medical Centre Dubai, focused on breast cancer and prostate cancer awareness.</li> <li>• Organized fitness activities for employees as part of the 30x30 fitness month.</li> <li>• Sponsored educational shows in primary schools to spread Down Syndrome awareness.</li> </ul>



		Ramadan Initiatives	Supporting Youth Development
		<ul style="list-style-type: none"> <li>• Distributed iftar meals in labour accommodations across Dubai Investments Park through Dubai Charity Association.</li> <li>• Sponsored 'Smile on the Face' campaign, distributed iftar meals and toiletries to 2000 blue collared workers across labour camps in Dubai.</li> <li>• Supported Ramadan initiatives of Beit Al Khair association's Ramadan tents and iftar meal distributions.</li> <li>• Supported Iftar meals for frontline healthcare workers in collaboration with Kings College Hospital Dubai.</li> <li>• Organized iftar for children of determination with an adapted theatre performance, iftar meals and gifts.</li> </ul>	<ul style="list-style-type: none"> <li>• Launched a year-long Youth Leadership program for school children aged 15-17 to cultivate leadership skills in young adults.</li> <li>• Sponsored a needy student with good academic scores.</li> <li>• Sponsored a student from MyMaximus centre for people of determination which provides vocational training to special needs youth.</li> <li>• Sponsored education of a student of determination at Rashid Centre.</li> <li>• Sponsored education for a child of determination at Al Noor Centre.</li> <li>• Participated in Ruya careers fair to recruit local young talents.</li> </ul>

### 13 General Information

#### (a) Share Price Movement

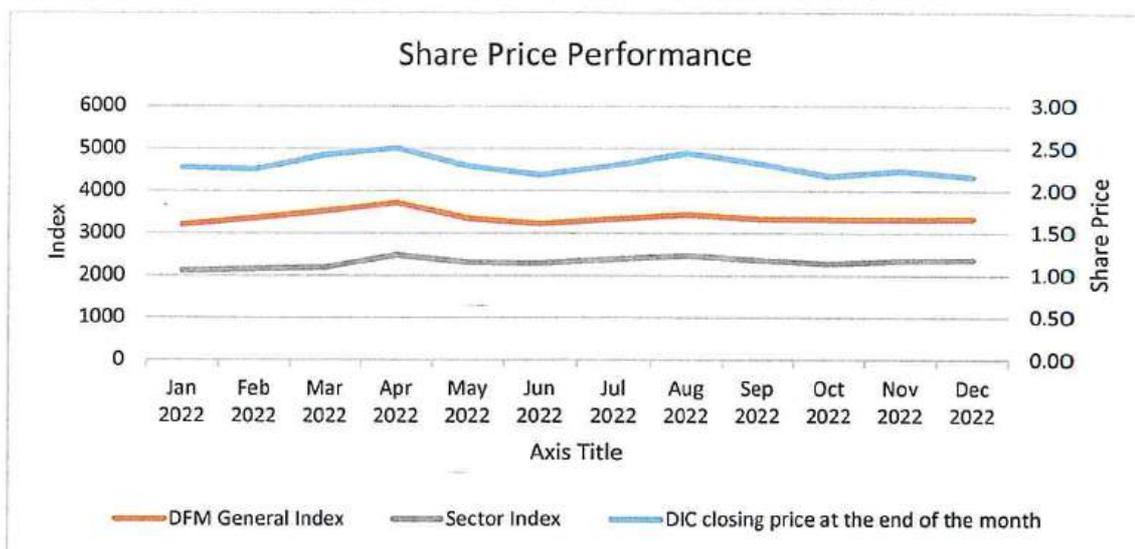
The Company's (Highest, Lowest and Closing) Share Price at the end of each month for the fiscal year ending on 31<sup>st</sup> December 2022 is given in the table below:

Month	Highest price during the month	Lowest price during the month	Closing price at the end of the month	DFM General Index	Index of Financial Investment Sector
January	2.31	1.91	2.28	3203.08	2099.17
February	2.32	2.18	2.26	3354.64	2147.25
March	2.51	2.26	2.43	3526.60	2179.61
April	2.64	2.42	2.51	3719.63	2481.33
May	2.52	2.16	2.30	3347.24	2304.69
June	2.32	2.04	2.19	3223.29	2284.19
July	2.34	2.14	2.31	3337.96	2385.93
August	2.50	2.29	2.45	3443.11	2471.77
September	2.60	2.31	2.33	3339.15	2356.22
October	2.42	2.17	2.18	3331.76	2272.10
November	2.64	2.17	2.24	3323.96	2343.23
December	2.25	2.13	2.17	3336.07	2366.56



## (b) Comparative Share Price Performance

The graph depicted below indicates the performance of the Company Closing Share Price for 2022 against the DFM General Index and the Index of Investment and Financial Services Sector for 2022.



## (c) Statement of Shareholders' Nationality

As on 31<sup>st</sup> December 2022, 4,252,019,585 shares were held by 15,583 shareholders. The shareholder mix is depicted in the table below.

Classification	Percentage of Ownership				
	Individuals	Companies	Governments & Institutions	Banks	Total %
Local	53.02%	17.99%	18.22%	0.48%	89.71%
Arab	2.81%	0.48%	0.06%	0.34%	3.69%
Foreign	0.78%	5.77%	0.00%	0.05%	6.60%
<b>Total</b>	<b>56.61%</b>	<b>24.24%</b>	<b>18.28%</b>	<b>0.87%</b>	<b>100.00%</b>

## (d) Top Shareholders

Shareholders who own 5% or more as on 31<sup>st</sup> December 2022 are as follows:

Sr. No.	Name	Number of owned shares	Percentage of the owned shares from the Company's capital
1	Investment Corporation of Dubai	490,615,372	11.54%
2	Al Fardan Real Estate	260,000,000	6.11%
3	Mr. Salem Abdulla Salem Al Hosani	240,000,000	5.64%
4	Mr. Mohamed Saif Darwish Ahmed Al Ketbi	216,605,337	5.09%



✓

(e) Shareholding distribution

The distribution of shareholders by size of shareholding as on 31<sup>st</sup> December 2022, is as follows:

Sr. No.	Ownership of shares (number of shares)	Number of shareholders	Number of owned shares	Percentage of the shares held of the Company's capital
1	Less Than 50,000	11,753	200,749,544	4.72 %
2	Between 50,000 and 500,000	3,296	443,996,677	10.44 %
3	Between 500,000 and 5,000,000	443	676,743,808	15.92 %
4	Greater than 5,000,000	91	2,930,529,556	68.92 %
<b>Total</b>		<b>15,583</b>	<b>4,252,019,585</b>	<b>100.00%</b>

(f) Investor Relations

For the purposes of Article (51) of the Authority Chairman Decision No. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide, the in charge of investors' relations and shareholder communications for the Company during the year was Mr. Ali Khalifa Abdulla Al Mheiri, Investor Relations Manager till 26<sup>th</sup> December 2022.

Contact details:

Tel +9714 8122400 Mobile No: 0563877899

Fax +9714 8122480

P.O. Box: 28171 Dubai | UAE

Email: IR@dubaiinvestments.com

Further information in relation to Investor Relations is available in the Investor Relations section of the Company's website which can be accessed at <http://www.dubaiinvestments.com/en/investor-relations/>.

(g) Special Resolutions

2 (two) special resolutions were approved at the 26<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> April 2022 by the shareholders and the Competent Authorities, as follows:

**(g-1) For Shareholders approval as per Article (67) of the Company's Article of Association:**

To note that the voluntary contributions made by the Company in the context of Corporate Social Responsibility for the Years 2020 and 2021 as set out in the financial statements for those years were AED 1.46 Mn and 1.74 Mn respectively. Further the Shareholders were requested to authorize the Board of Directors to approve voluntary contributions for the year 2022, not exceeding (0.5%) of the average net profits of the Company during the two previous financial years, at the Board discretion.

**(g-2) Articles of Association:**

To consider and approve the amendments to certain Articles of the Article of Association of Dubai Investments PJSC, in compliance with the UAE Federal Decree Law No. (32) of 2021 of the Commercial Companies, Articles Nos. 1,19 (b)(c), 20 (b), 37, 38,58 and 67. (noting that these amendments were subject to the approval of the Competent Authorities).

(h) Board Secretary

Mr. Kurian Chacko was appointed as Group Company Secretary at Dubai Investments PJSC on 22<sup>nd</sup> March 2009. He holds a B.Sc., Masters in Law (LLM) and completed ACS Intermediate. He has over 41 years' of experience in similar positions.



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## (i) Significant Events

<b>Divestments</b>	<ul style="list-style-type: none"><li>➤ Dubai Investments divested 50% stake in Emirates District Cooling LLC (Emicool).</li></ul>
<b>Growth and Expansion</b>	<ul style="list-style-type: none"><li>➤ Dubai Investments launched and announced construction commencement of Danah Bay project in Ras Al Khaimah.</li><li>➤ Dubai Investments marked 25 years in glass and steel business with Emirates Glass and Emirates Building Systems respectively.</li><li>➤ Dubai Investments signed agreement with Millennium Group of Hotels to open a 300 keys upper scale 4-star hotel in Danah Bay, Ras Al Khaimah.</li><li>➤ Dubai Investments announced the commencement of the sales of the Danah Bay project in Ras Al Khaimah.</li><li>➤ Dubai Investments Real Estate (DIR) confirmed 99% leasing of Mirdif Hills Avenue, Mirdif Hills.</li><li>➤ Al Taif Investment signed contract with Hilton and opened Double Tree by Hilton Fujairah City in Al Taif Business Center.</li><li>➤ Globalpharma signed an agreement with GSK to localize medicine manufacturing in the UAE.</li><li>➤ Globalpharma expanded the penicillin packaging plant and warehouse capacity in the UAE</li><li>➤ Emirates Building Systems awarded new contracts in the UAE, GCC, Asia &amp; African markets.</li><li>➤ Emicool commenced first district cooling plant in Fujairah to supply cooling services to Al Taif Business Centre.</li><li>➤ Emirates Float Glass expanded production capacity with an additional coater line.</li><li>➤ Emirates Float Glass commenced shipment under Comprehensive Economic Partnership Agreement (CEPA) signed between UAE and India to boost the bilateral trade.</li></ul>
<b>Recognition and Awards</b>	<ul style="list-style-type: none"><li>➤ Dubai Investments ranked first in the Islamic Market Index among the largest companies.</li><li>➤ Dubai Investments ranked second in semi-annual review of the weights of companies listed in the Dubai Financial Market General Index</li><li>➤ Al Mal Capital awarded "The Best Regional Asset Management Firm for HNWI's"</li><li>➤ Globalpharma and Emicool received the 'Great Place to Work' Certification</li></ul>

## (j) A statement of the transactions carried out by the Company with Related Parties during the year 2022 that are equal to 5% or more of the Company capital.

There were no transactions carried out by the Company with Related Parties during the year 2022 that are equal to 5% or more of the Company Capital. Please refer to item 3(h) (ii) above.

## (k) Emiratization

The Emiratization percentage in the Company as of 2020, 2021, 2022 is:

2020	16.9%
2021	15.8%
2022	17.4%

## (l) Innovative Products and Initiatives

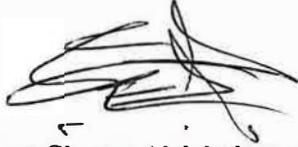
- ◀ Dubai Investments launched a major (ERP) digital transformation program in collaboration with KPMG Lower Gulf, Oracle, and Tech Mahindra.
- ◀ Emirates Glass partnered with Helsinki-based Glaston group to provide high-quality, larger tempered glass, upto 8 meters long.



1/10

- ◀ Emirates Glass expanded product offering with brand new state-of-the-art furnace.
- ◀ Emirates Glass partnered with Schott to provide internationally accredited fire-resistant glass.
- ◀ Globalpharma completed the Ministry of Industry and Advanced Technology's 4th Industrial Revolution Readiness Index.
- ◀ Masharie initiated implementation of Azentio Orion I Ij software to enhance business processes.
- ◀ Emicool announced intensifying digital transformation with Oracle Cloud.
- ◀ Emicool named first district cooling provider using Distributed Temperature Sensing Technology.
- ◀ Emicool completed energy efficiency retrofit of district cooling plants.
- ◀ Emirates Glass commissioned a new high-speed polishing line and increased productivity of polishing orders from 350 sqm per day to 1000 sqm per day.
- ◀ Emicool implemented innovative Chilled Water Leak Detection System at the company's district cooling plants with plans to extend it to other geographical locations.
- ◀ Emicool commenced remote operation of Smart Battery-Operated Shut-Off Valve to disconnect and re-connect services, reducing man-hours, resources, transportation and logistics, supporting the environment.
- ◀ Emicool completed installation of 1500 cubic meters of Reverse Osmosis plant (RO) at District Cooling Plant -3, reducing consumption of DEWA water.

Signed:



**Mr. Abdulrahman Ghanem Abdulrahman Al Mutaiwee**  
**Chairman of the Board of Directors**  
**Date: 20<sup>th</sup> March 2023**



**Mr. Khaled Mohamed Ali Al Kamda**  
**Chairman – Audit Committee**  
**Date: 20<sup>th</sup> March 2023**



**Mr. Ali Fardan Ali Al Fardan**  
**Chairman – Nomination & Rewards Committee**  
**Date: 20<sup>th</sup> March 2023**



**Mr. Sa'adruddin Panakkat**  
**Chief Internal Controls Officer**  
**Date: 20<sup>th</sup> March 2023**



Seal of the Company






**Sustainability Report  
2022**

# Welcome



We are pleased to present our Sustainability Report for 2022. This report describes our Environmental, Social, and Governance (ESG) progress in relation to our key issues and strategic focus areas, including integrity, economic impact, responsible operations, natural resources, workforce, stakeholder relationships, and communities. The report covers the calendar year from January 1 to December 31. Together with future commitments, we also give an update on our strategy, management, policy implementation and initiatives across a range of ESG issues we have determined are important for our business and our stakeholders. The report features a number of case studies and examples of good practice, and covers eight subsidiary companies in addition to the Group holding business: **Al Mal Capital, Dubai Investments Park, Dubai Investments Real Estate Company, Emirates Building Systems, Emirates District Cooling Company (Emicool), Emirates Float Glass, Emirates Glass and Globalpharma**. In reporting on these subsidiaries, we demonstrate our performance across a range of sectors, from real estate and financial services, to manufacturing and pharmaceuticals. We will continue to expand our reporting scope to incorporate all Dubai Investments subsidiaries over the coming years

Our Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Standards: Core option. The GRI Content Index can be found at the end of the report in the Appendices. Additionally, as a responsible corporate citizen, we believe we have a significant role to play in meeting the United Nations' Sustainable Development Goals (UN SDGs) and we have therefore mapped our GRI disclosure with the SDGs. Finally, the report reflects our commitment to support the UAE's latest national plan entitled 'We The UAE 2031' outlining the country's path for the next ten years, focusing on economy, society, ecosystem and diplomacy, as well as the Dubai Industrial Strategy 2030 which aims to establish

the city as a knowledge-based, sustainable and innovation-centric global hub.

We welcome all feedback or questions related to this report. You can connect with us on:

**Twitter:** @dxbinvestments

**Facebook:** @Dubaiinvestmentcompany

**Instagram:** @dubai.investments.dxb

**LinkedIn:** Dubai Investments PJSC

**Phone:** +971 4 8122400

**Email:** info@dubaiinvestments.com

## A Word from our CEO



At Dubai Investments we are increasingly taking a sustainable investment approach, and this trend will continue. We want to have a beneficial impact on our nation and make a positive contribution to both the UAE Vision and the SDGs. At Dubai Investments, maintaining and evaluating ESG performance is an essential part of how we conduct business. It not only ensures we uphold our responsibilities to our stakeholders and the environment, but it also clearly serves our business interests. To put it simply, we believe that our focus on ESG is a crucial component of our corporate philosophy that enables us to create sustainable long-term value and secure financial returns.

We are dedicated to creating long-lasting partnerships and long-term business growth. We uphold high standards of governance and fulfil our social obligations. And we consistently strive to enhance our ESG performance. Customers, employees, suppliers, regulators, investors, and the larger communities we serve are just a few of the constituent groups whose lives are impacted by our business. Building trust with these stakeholders and paying attention to their concerns is essential to our mission

of addressing sustainability.

We always try to improve and add value to our investment portfolio by utilizing techniques such as financial engineering, sound corporate citizenship, a network of external relationships, and financial resources. We are establishing a diversified workforce that places strong emphasis on leadership, fosters career progression and grows our investments, and supports our employees to ensure they are ready for the workplace of the future. Since our founding in 1995, Dubai Investments has worked across a number of industries in the United Arab Emirates and has continued to invest and expand horizons through lucrative sectors both regionally and internationally.

The advantages of our sustainable business approach in promoting and maintaining economic growth, as well as the progress we made in 2022 to advance and integrate ESG into all business areas, is something we wish to highlight in our 2022 Sustainability Report. We also want to be open and honest about our ESG goals, the different programmes we have launched in 2022, and the initiatives undertaken to lessen any unfavourable effects our activities may have had on the community or the environment.

We recognize that by inspiring collective action through a national commitment to sustainable practices, as well as global initiatives like the Sustainable Development Goals, we have a significant role to play by contributing to related projects and activities that have a focus on environmental sustainability. We have created our own sustainability policies, programmes and objectives in accordance with both national and international standards. Using the SDGs, we have mapped out our operational priority areas in this report and described how we are implementing measures to address these important issues.

Finally, I would like to thank all of our stakeholders, especially our clients, employees, and investors, for having confidence in us over the past year. Our vision, purpose, and values at Dubai Investments serve as our sustainability roadmap and inspiration. While adhering to best governance standards, conducting ourselves responsibly, and offering a safe and fulfilling workplace for all of our employees, we will continue to have a positive impact on all of our stakeholders and the environments in which we operate.

Khalid Bin Kalban  
Vice Chairman & CEO of Dubai Investments

# 01: Dubai Investments

## A Mission-Driven Business

Since our establishment in 1995 we have grown to be a significant player in the UAE. We are listed on the Dubai Financial Exchange and, have more than 15,500 shareholders and assets of AED 22 billion. In the 27 years since our founding, we have strengthened our position in a number of UAE growth markets, primarily as a result of our innovative business model and ability to identify burgeoning sectors of the economy. Our forward-looking approach has been extended to businesses in the real estate, manufacturing, financial investments, healthcare, and education sectors among others. We will keep re-imagining the future with an inclusive and sustainable business strategy. This strategy is underpinned by our mission, vision and values which take account of stakeholder expectations around integrity, corporate citizenship and excellent management performance.

### MISSION

Our mission is to add value and expand our investment portfolio through sound corporate citizenship, financial engineering, network of relationships and financial resources.

### VISION

Our vision is to provide impeccable quality by delivering superior management performance and top of the line services to our investors. An integral part of this vision is delivering superior returns to our shareholders, consistent with our pre-defined risk profile and comparable to other best-in-class corporations. We strive to increase the value of our business while maintaining high ethical values and a commitment to the development of society through integrity and fair business practices.

### VALUES

Ethics, Integrity, Accountability & Ownership, Work Excellence, Human Capital Asset and Innovation

## At a Glance



Our clear mission, vision, and values serve as our corporate compass. We empower communities and promote growth in all facets of our business. These ambitions include providing stockholders with a meaningful return and encouraging innovation, tenacity, and excellence. We have established ourselves as a dependable growth engine for several key service sectors including real estate, manufacturing, financial investments, healthcare, and education, thanks to our robust company plan, solid financial standing, and dedicated management team.

## Subsidiaries covered by this report

In addition to Dubai Investments, we report on the performance of eight additional subsidiaries. The subsidiaries that are covered in this report include Al Mal Capital, Dubai Investments Park, Dubai Investment Real Estate, Emirates Building Systems, Emirates District Cooling Company (Emicool), Emirates Float Glass, Emirates Glass, and Globalpharma.



Al Mal Capital is a diversified, multi-line investment institution providing a wide range of investment products and services for institutions, banks and high net worth individuals. Dubai Investments PJSC holds 66.76% stake in Al Mal Capital. The Company's services include Investment Banking, Brokerage and Asset



Dubai Investments Park, a wholly owned subsidiary of Dubai Investments PJSC, is a unique, self-contained mixed-use master community development spread over three synergetic zones: industrial, commercial and residential. The 2300-hectare development is designed to be a 'City Within A City' offering world-class infrastructure and exceptional facilities and services for the perfect work-life



Dubai Investments Real Estate company is a wholly owned subsidiary and the real estate arm of Dubai Investments PJSC. The Company has established its reputation through a distinctive portfolio of real estate projects with an impressive range of mixed-use developments, residential buildings, commercial projects including warehouses and land banks, across key strategic locations,



Emirates Building Systems (EBS), a wholly owned subsidiary of Dubai Investments PJSC, is one of the leading manufacturers of steel structures in the Middle East, along with being the market leader in the UAE with significant presence across the Middle East and Africa. Over the last 25 years, EBS is involved with design, manufacturing and erecting premium quality steel structures across several world-class, prestigious steel building projects across the region.



Emirates District Cooling Company (EMICOOL), the leading district cooling service provider in the UAE, is a joint venture between Dubai Investments PJSC and Actis - a leading global investor in sustainable infrastructure. Emicool provides district cooling through its efficient network providing services to different locations across the UAE.



Emirates Float Glass, a wholly owned subsidiary of Dubai Investments established in 2009, is the first state-of-the-art integrated float glass facility in the UAE. The hi-tech manufacturing unit holds a production capacity of over 190,000 tons of glass products per year and supplies top-quality float glass for architectural and automotive industry applications.



Emirates Glass, a wholly owned subsidiary of Dubai Investments, is one of the largest processors of flat architectural glass in the Middle East. Over the last 25 years, Emirates Glass through its high performance, energy-saving, reflective coated glass and a wide range of sputter-coated, solar-control and thermal insulation glass products, have been serving a wide range of projects across the region.



Globalpharma, a wholly owned subsidiary of Dubai Investments, is among UAE's leading pharmaceutical company and a market leader in key generic pharma segments with a strong regional presence. Over the last 25 years, the Company has evolved and enhanced capabilities. The Company manufactures and distributes products across almost all lifestyle disease segments with an annual production capacity of more than 770 million tablets, 300 million capsules, 3 million litres of dry suspension and approximately 280,000 units of herbal medicines.

## 2022 Highlights

**AED 4.12 bn** revenue

**32%**

reduction in total GHG emissions

**61%**

reduction in total GHG emissions intensity

**55.3%**

of water recycled or reused

**61%**

increase in total training hours

**13%**

female representation at middle and senior management

**Zero**

accident

**19%**

increase in total number of local suppliers

**AED 1.76m**

in community investment

## Awards

Dubai Investments was ranked first in the Islamic market index (among the largest firms) by the Dubai Financial Market (DFM) Index, and second in the semi-annual evaluation of companies listed on the DFM General Index.

Dubai Investments was included in the Power 100 - the Middle East's 100 most important construction leaders of 2022 - Top 20 Developers category. The Power 100 has six construction sector categories.

In MEA Markets magazine, Emirates Glass was named the Best Glass Processor 2022 - Middle East.

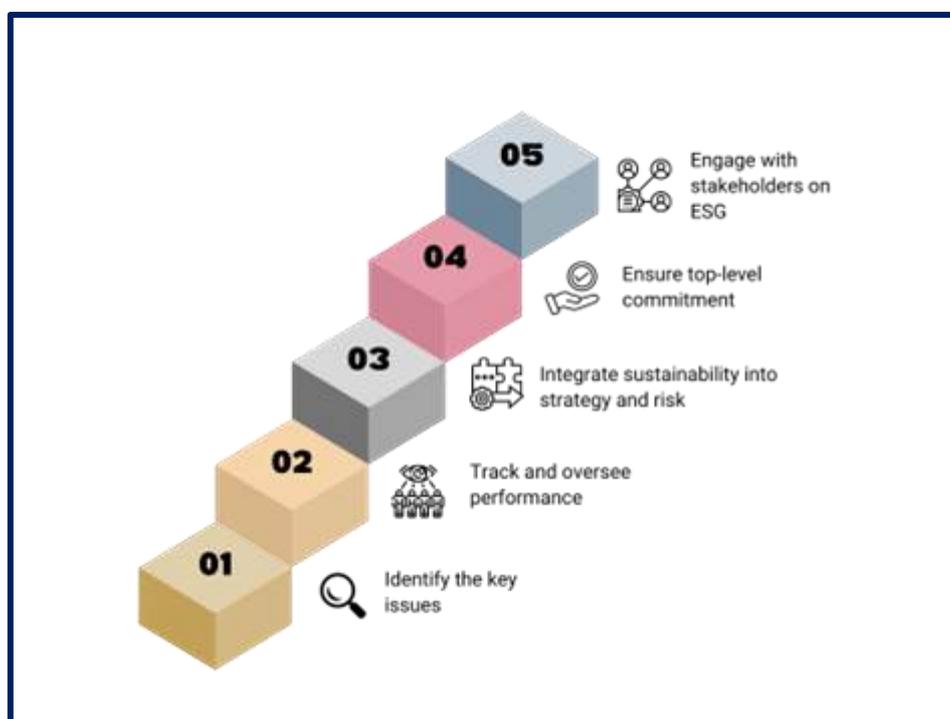
In the Wealth and Management Summit Awards 2022, Al Mal Capital was recognised as the Best Regional Asset Management Firm for HNWIs.

## 02: How we approach Sustainability

A broad range of stakeholders expects firms to take a responsible stance on social and environmental concerns in today's rapidly changing world. Modern businesses are required to recognise new areas of risk and opportunity linked to these concerns and respond accordingly. Our goal at Dubai Investments is to support the UAE's Vision 2031 and all 17 SDGs. From strategic planning to day-to-day operations, sustainability is a key component of our business model, our operations and management approach.

### ESG as a Priority

We take the view that ESG prioritisation can increase access to significant financing sources, improve access to international markets, and strengthen corporate brands. It also fosters long-term, sustainable growth that is profitable for both businesses and investors. Attention to ESG issues can help in preparedness and anticipation of future regulations and required reporting requirements. At Dubai Investments we have developed a five step approach to identify, monitor and manage ESG issues and communicate effectively on them, both internally and externally.



### Stakeholder Engagement

Our sustained growth, reputation, and licence to operate all depend on having open communications with our stakeholders. We interact regularly with our major stakeholders as part of our reporting and strategy planning - we recognise that global challenges, and consequently stakeholder concerns, are always changing and must therefore be kept under review and revised as appropriate. This conversation is crucial to our efforts to recognise and evaluate pressing problems and strategic priorities, as well as to identify and assess important risks and opportunities, develop sustainability initiatives, and improve communications.

We frequently interact with a variety of stakeholder groups, including shareholders and investors, customers, employees, regulators, local communities, and suppliers or partners. To liaise with customers and obtain feedback, we employ a variety of channels to listen to their views and gauge their feedback. Please refer to Appendix A for our detailed Stakeholder Map.

# Materiality

When conducting our most recent materiality assessment in 2020, we worked closely with important stakeholders. We updated the relevance and latest impacts of our material issues in 2021 to make sure they represent the most recent sustainability threats and areas of competitive advantage. The approach taken included:

- Examining information and data via stakeholder interactions from both internal and external sources, worldwide reputation research, employee input, and investor feedback.
- Desk-based analysis on the importance of issues via various external inputs, such as media scanning results, NGO issue monitoring, GRI and SASB reporting guidelines, the SDGs, Dow Jones Sustainability Index (DJSI), UN PRI guidance, World Federation of Exchanges (WFE), Dubai Financial Market (DFM) and UAE Vision 2021.

The materiality matrix below takes into account the ESG implications of the industries we invest in and emphasises their significance for our operational and financial sustainability. Issues are ranked in the matrix based on their significance to stakeholders and their impact on our long-term sustainability performance.



Material Topic	Rank
Governance and Compliance	1
Climate Change and Energy Management	2
Innovation and Digitisation	3
Health and Safety	4
Talent Attraction, Retention and Development	5
Economic Performance	6
ESG Investing	7
Efficient Use of Water	8
Efficient Use of Raw Materials	9
Customer Experience	10
Greener Buildings	11
Diversity and Inclusion	12
Sustainable Sourcing	13
Biodiversity	14
Community Engagements	15

# Strategic Focus Areas



Our sustainability strategy is defined by seven key pillars and we aim to be a company which acts with integrity; amplifies positive economic impacts; operates responsibly; protects natural resources; has a strong workforce preserves and develops valuable relationships; and supports our communities

To achieve our objectives and goals outlined under each pillar, we are always working hard to put programmes and initiatives into place.

## 03: Integrity and Economic Contribution

At Dubai Investments, offering outstanding management performance and first-rate services to our clients is a core component of our vision. We want to increase the value of our business while maintaining high standards and a dedication to societal advancement through ethical and honest business operations.

### A Company with Integrity

We work to enforce the robust governance and to fight financial crime while defending human rights. Dubai Investments is committed to managing and operating its business in a transparent manner while upholding the highest levels of accountability.

Material Issues Covered	Governance and Compliance
Sustainable Development Goals	

### Ethical Governance

In order to maximise shared value for all of our stakeholders, we uphold the highest level of ethical standards and sustainable governance principles. We see the timely release of our Corporate Governance Report as a means of encouraging transparency and accountability. The operations and activities of Dubai Investments and all our subsidiaries are characterised by strong ethical conduct and a persistent commitment to upholding high ethical standards. Our experienced board of directors, which is inter alia made up of six independent non-executive members, contributes to the maintenance of strong corporate governance standards and stakeholder confidence while boosting long-term business value. The Board of Directors has extensive knowledge in the following fields: hospitality, manufacturing, finance, investment, private equity, real estate, and aviation. The administration of Dubai Investments benefits from the leadership, strategic direction, and unbiased viewpoints provided by a Board with such a diversified level of expertise.

Seven (7) Board meetings were conducted in 2022, and each one saw 100% attendance. Hawkamah's mandatory event ie the Board of Directors Briefing Program, took place in November 2022. In addition, Board members were asked to list the programmes they would like to take part in. They have also requested training in strategic leadership, as well as training for planning and improvements in the industries of healthcare, manufacturing, education, direct investments, and other sectors in which the company operates to be undertaken in 2023.

We strongly believe in encouraging women's participation at all levels of the business. While we do not yet have female representation at Board level, we continue working towards gender balance at leadership level.

1.1 Board of Directors <a href="#">GRI 102-18</a>	2020	2021	2022
Percentage of Board seats occupied by women	0	0	<b>0</b>
Percentage of Board seats occupied by independent directors	85.71	85.71	<b>85.71</b>
Executive members of the Board of Directors	1	1	<b>1</b>
Non-executive members of the Board of Directors	6	6	<b>6</b>
Female members of the Board of Directors	0	0	<b>0</b>
Male members of the Board of Directors	7	7	<b>7</b>
Independent members of the Board of Directors	6	6	<b>6</b>
Non-independent members of the Board of Directors	1	1	<b>1</b>

#### Audit Committee

The Audit Committee's responsibilities include reviewing annual and quarterly financial statements, evaluating the effectiveness of the internal control system, reviewing related party transactions, managing conflicts of interest, assessing the effectiveness of the implemented Enterprise Risk Management and examining the adequacy of insurance coverage and the status of legal disputes.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for verifying the independence of the board members, evaluating and approving the human resources policies, reviewing the Board's self-evaluation forms and board members' self-assessments forms and assessing the policy for remuneration and benefits for Dubai Investments' board of directors and executive management.

#### Committee for Management and Supervision of Insider Trading

This Committee is responsible for maintaining a comprehensive register for all insiders and submitting statements and reports for the market.

#### Risk Management Committee

Risk Committee is responsible for overseeing the Company's risk management efforts. The Committee reports directly to the Board of Directors and ensures that systems are in place to measure, monitor, manage and reduce material risk exposures, including appropriate policies, procedures and controls.

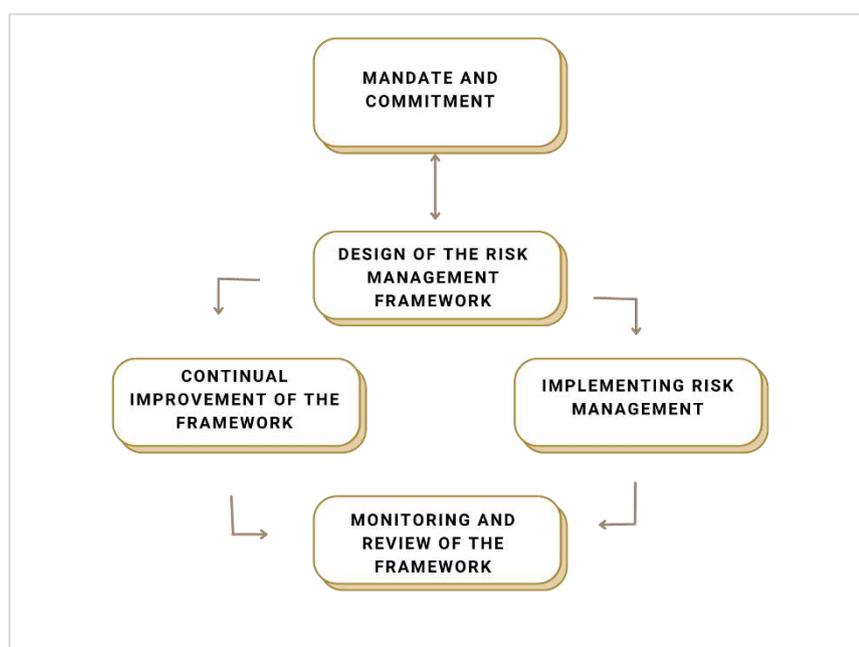
#### Investment Committee

All investment and divestment proposals for direct investments are reviewed and approved by the Investment Committee (IC), which then recommends the proposals to the Board for approval. Additionally, the IC oversees the Company's treasury investment activities, such as investments in listed securities, quoted fixed income, alternative investments and unquoted equity securities.

## Enterprise Risk Management

Our corporate risk appetite is determined by and approved by the Board of Directors. The responsibility for directing risk management activities within the company falls within the purview of the Risk Management Committee, which answers directly to the Board of Directors. This group is responsible for ensuring that there are policies in place for quantifying, monitoring, and reducing material risk exposures. In order to maximise shareholder returns while keeping a balanced perspective of risk and reward in accordance with our specified risk appetite, the Group Risk Function (GRF) uses an Enterprise Risk Management framework. For all affiliated enterprises, subsidiaries, joint ventures, and sub-holding companies, the GRF offers organised and formal Risk Management capabilities. Critical risks are identified, analysed, managed, and monitored using a suitable and reasonable risk management technique. Assessing potential risks related to Dubai Investments Group prospects is made easier with the help of this risk management process and associated toolkits.

Every year, the Group Internal Audit department examines the veracity of the GRF. This assessment aims to reassure the Board and Audit Committee about the efficacy of the risk management policies and practices.



## Code of Conduct

As we expand our business in a highly regulated environment, our corporate principles help us win the trust of our stakeholders. These company values cover seven aspects of our business which we deem important as a responsible and progressive company:

- Innovation,
- Work Excellence
- Human Capital
- Ethics
- Integrity
- Responsibility & Ownership
- Work

These principles are translated into professional standards and expected levels of employee behaviour, all of which are addressed in our Code of Conduct. This Code is supported by local laws, regulations, and systems that ensure legal compliance and deal with ethical issues such as conflict of interest, lending and borrowing, confidentiality and anti-money laundering. There is a grievance policy and procedure in place so that employees may express any

concerns about their positions without being concerned about retaliation.

## Sustainability Governance

Sustainability is overseen by senior leaders from all our various corporate functions. The Sustainability Committee, headed by the General Manager of Dubai Investment Industries also consists of senior representatives from various departments including Operations, Projects, Human Resources and Marketing. The Committee develops action plans and assesses our sustainability strategy on a regular basis. It also manages a unique task force that helps us carry out new initiatives and reach our sustainability goals.

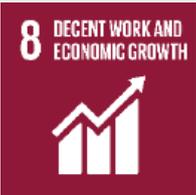
We are especially proud of our recent moves to develop an internal understanding of the need to address climate change. In 2022 awareness training was organized for Dubai Investments Sustainability Champions on the concept of net zero carbon emissions and ways in which they can deliver a roadmap for carbon reductions

Other highlights during the year included:

- The inaugural Dubai Investments Green Run which was held as a community activity highlighting the company's support for sustainable practises This event aims to develop into a hub for uniting environmentally conscious businesses, products, and runners and we were delighted that 800 people took part in this high profile annual event.
- A number of other community projects included Down's Syndrome Awareness shows, Clean UAE, and the DI Youth Leadership Program (further information on these initiatives is provided in Chapter 6).

## Amplifying Economic Impacts

As a leading investment company with 27 years of operating experience in the region, our presence has brought multiple wider economic benefits to the UAE. We are supporting the nation's sustainability objectives and we plan to support the current decadal plan, Vision 2031. We aim to maintain our growth through diverse income streams and high levels of efficiency, while ensuring capital reserves can absorb any losses and that we comply with all regulations and adapt to any adverse operating conditions.

Material Issues Covered	Economic Performance
Sustainable Development Goals	

## Performance

In 2022, total revenues stood at AED 4.26 billion, a 58.98% increase over 2020 and up 24.59% on the previous year. Net profits attributable to shareholders stood at AED 1.61 billion.

Growing our wide range of businesses and investments means we can make a vital contribution to knowledge, innovation and sustainable development in the UAE, and also helps us boost our donations and sponsorships in absolute terms year on year.

Economic Performance <sup>1</sup>	2020	2021	2022
Revenues (AED '000s)	2,676,336	3,415,342	4,255,094
Operating costs (AED '000s)	1,784,942	2,269,356	1,959,019

Donations and sponsorships (AED '000s)	1,451	1,740	1,764
Donations and sponsorships as % of pre-tax profit	0.42%	0.28%	0.11%
Net profits attributable to shareholders (AED '000s)	347,550	619,487	1,608,565

## 04: Responsible Operations and Natural Resources

Business growth can in our view be accelerated and stakeholder expectations met thanks to ethical and sustainable practices. We are committed to operating with excellence and environmental responsibility and we welcome technical and digital innovation to improve the client experience.

### Operating Responsibly

The high standards of excellence we maintain for our business operations make us proud. These standards are supported by cutting-edge technology and digital innovation, which enables us to produce goods and services in line with our principles and promote sustainable development. Additionally, we screen our investments for ESG factors.

Material Issues Covered	<ul style="list-style-type: none"> <li>Greener Buildings</li> <li>ESG Investing</li> <li>Innovation and Digitisation</li> </ul>
Sustainable Development Goals	

### Environmental Management Systems

We seek to go beyond minimum levels of compliance by setting even higher environmental performance standards in our operations than are often required by local regulations. Our Environmental Management System (EMS) is certified by recognised third party agencies and our higher-impact subsidiaries (Emirates Glass, Emirates Float Glass, Emicool, and Emirates Building Systems) hold ISO 14001 certification.

We recognise the global challenge of achieving a sustainable built environment. It is why we incorporate EMS management systems into our operations, construction and retrofitting. Our EMS policy principles support subsidiaries in addressing their environmental impacts, energy and water efficiency, pollution prevention and indoor air quality and in attaining certifications from third party organisations.

We have instituted a range of EMS initiatives at some of our main subsidiaries. Emirates Building Systems which is certified to the ISO 14001 environmental management standard, various campaigns and awareness sessions were delivered on environmental management and pollution prevention and these sessions have proved effective in helping to avoid any significant instances of pollution to air, water and land. EBS also initiated several other campaigns and awareness programmes on environmental management and pollution prevention covering the topics of paper consumption and electronic waste management. EBS disposes off electronic waste to certified electronic waste

disposal handling companies. An e-Procurement system implementation had started by the end of 2022 designed to help reduce paper consumption.

Emirates Glass enhanced its insulation technology by introducing highly innovative jumbo glass processing technologies. These are specifically designed to temper high performance coated glass with levels of lowest emissivity and highest quality.

Emirates Float Glass continued to enhance its Integrated Management System (IMS) through a variety of different initiatives such as applying 3P (People / Process / Product) and 3R (Reduce, Reuse, Recycle) concepts, setting and reviewing QEHS Objectives, controlling risks and addressing opportunities. EFG has also made a commitment to comply with all legal and other related requirements, to prevent environmental pollution, occupational injuries and ill health and to understand internal factors, needs and expectations of clients and other interested parties. Further, EFG is committed to continually improve the effectiveness of its EMS through consistent monitoring, review and implementation of Health and Safety Culture to ensure that safety requirements are promoted and communicated at all levels, by encouraging worker participation.

By achieving LEED certification, EFG significantly enhanced the sustainability of its facilities, enabling it to maximize positive impacts on the environment and human health while minimizing negative effects. To accomplish this, EFG optimized natural resource utilization, promoted regenerative and restorative practices, implemented new procedures that reduced the amount of wood used in glass packaging and eliminated printer paper use. Furthermore, EFG has offered its staff a high-quality indoor environment for them to work comfortably and safely.

## ESG Due Diligence in Investments

Based on guidance from our relevant authorities, ESG considerations are integrated into our investment activities. Our methodology for assessing ESG risks in our potential acquisitions is described in our ESG due diligence policy. These include potential liability risks. The policy is applicable to any prospective acquisitions in which Dubai Investments seeks a 100% ownership stake.

## Innovation and Digitisation

The adoption of technologies in different areas of management and production can address environmental, social and governance issues. With this in mind we have introduced a number of digital innovations to support further environmental efficiencies at various of our subsidiary operations.

Dubai Investments launched a major ERP digital transformation program in collaboration with KPMG Lower Gulf, Oracle and Tech Mahindra while Emirates Float Glass expanded production capacity with an additional coater line.

Emirates Glass partnered with Helsinki-based Glaston group for latest technology access and expanded its product offering with a brand new state-of-the-art furnace. It partnered with Schott to provide internationally accredited fire-resistant glass. Emirates Glass also commissioned a new high-speed polishing line, increasing productivity of polishing orders from 350 square meters per day to 1,000 square metres per day.

Globalpharma piloted global quality standards by publishing the first edition of its Good Manufacturing Practice (GMP) Trend Bulletin.

Emicool announced an intensification of its digital transformation partnership with Oracle Cloud. Emicool was also named as the first district cooling provider using Distributed Temperature Sensing Technology and completed an energy efficiency retrofit of its district cooling plants. Emicool implemented an innovative Chilled Water Leak Detection System at the company's district cooling plants and plans to extend it to other geographical locations. It also commenced remote operation of a Smart Battery-Operated Shut-Off Valve to disconnect and re-connect services, reducing man-hours, resources, transportation, logistics and supporting the environment. In addition Emicool completed the installation of a 1,500 cubic meter Reverse Osmosis plant (RO) reducing consumption of DEWA water.

Emirates Building Systems acquired the CE (Conformité Européenne) certification.

#### Success Story:

### Enterprise Resource Planning (ERP) project launched in 2022

Dubai Investments began a series of digital transformation projects to prioritise the needs of customers and investors and create a more user-friendly set of engagement and transactional platforms. The implementation of the new technology will facilitate reduced transactions costs, redefine business processes and optimise business organisational structures, streamlining processes across Dubai Investments entities in the long-run.

A key benefit of basing sustainability programmes on data from ERP systems is that it can assist firms in managing their externalities and impacts with the support of data, getting past the reporting side of sustainability, when promises are made without supporting evidence, leading to greenwashing. In order to put the requirements of its clients and investors first and develop a more user-friendly suite of engagement and transactional platforms, Dubai Investments has started an ERP transformation project. Together with global strategy company KPMG Lower Gulf, software and cloud specialist Oracle, and global systems integrator Tech Mahindra, this new programme was created. Due to its long-standing dedication to corporate citizenship and a committed team, together with well-developed internal goal setting, monitoring, and reporting mechanisms; and a strong focus on sustainable practices, Oracle is one of the best performers among 29 ICT equipment manufacturers and infrastructure providers evaluated by IDC using these criteria.

With this development, Dubai Investments will have access to a full, contemporary cloud applications suite, giving the team advanced capabilities like automating manual processes, using analytics to respond to market shifts in real time, and receiving automatic updates. We firmly believe that continuous change necessitates continual innovation.

## Information Security

Training was undertaken by our Information Security department during the year. 1,163 employees participated across the whole Dubai Investments Group and its subsidiaries. Topics covered included:

- Ransomware Protection
- Vishing & Phishing Attacks
- Data Security on the cloud
- Multi-Factor Authentication and Passwords
- Removable Media
- Bring Your Own Device Security
- Virtual Meeting Hygiene
- Piggybacking
- Social Engineering
- Insider Risks

A set of information security assurance standards has been developed in order to increase the level of protection for information assets and to support systems across the whole Dubai Investments Group. We have a long history of digitalization and have continuously been at the forefront of deploying new technology platforms and proper security measures. Our company follows ISO 27001 guidelines for information security processes to protect information infrastructure from new online threats including "hacktivism" and cybercrime. Two other sources of best practise recommendations that Dubai Investments is aiming to adopt are the UAE National Electronic Security Authority (NESA) and Dubai's Information Security Regulations (ISR).

These requirements are designed to enable a priority-based approach for the implementation of standards and serve as a reference catalog for common information security controls to defend against common threats that exploit Information system vulnerabilities. We established a phased implementation approach to address most commonly

encountered threats and facilitated a step-by-step adoption of these standards. The standards act as an enabler to support common and unified systems across the group.

#### Success Story:

##### An Emicool first for district cooling

Emicool became the first district cooling service provider to use a real-time leak detection system using Distributed Temperature Sensing (DTS) technology. This innovation has helped reduce chilled water network losses by almost 70% compared to previous years. Implementation of DTS technology is an excellent illustration of steps the company is taking to minimise water loss and improve water efficiencies, a critical measure in a region with high levels of water scarcity. This unique concept was developed in partnership with a European based technology provider Fast GmbH. The chilled water pipe network technology will be implemented and expanded in phases across all Emicool facilities. Emicool received two awards at the International District Energy Association (IDEA) Annual Conference 2022 in recognition of these water saving ideas. Emicool has also signed a Power Purchase Agreement with Emirates Electrical Engineering (EEE), one of the solar market leaders in the UAE. The agreement demonstrates Emicool's response to climate change and will enable it to more than double its solar capacity at its District Cooling Plant and head office facility. Emicool also has strategic plans to switch buildings away from conventional air-conditioning to district cooling, increasing the penetration of district cooling concepts in the market over the coming years. Emicool has obtained the ISO (International Organization for Standardization) global certification for quality, energy, and environmental management systems and is also the first district cooling Company in the MENA region to be green certified with the Global Conformity (GC) Mark.

#### Success Story:

##### Emicool enters R&D collaboration with innovative technology companies.

Emicool has implemented a number of initiatives to significantly reduce waste, conserve resources improve energy efficiency and lower carbon footprint. These initiatives have a strong focus on use of technology to yield environmental benefits. Predictive maintenance is one such technical advance involving use of sensors and other monitoring technologies to predict when equipment is likely to fail, so that maintenance can be scheduled in advance. This helps to extend the lifespan of equipment, avoiding the need for replacement components and parts and ensures equipment runs at optimal efficiency levels. Condition-based maintenance is bringing similar benefits, as are digital calibration and monitoring tools such as SITRANS FM and SCADA systems. We recycle and reuse components, such as cables and wiring, whenever possible, rather than buying new ones. This reduces waste and lowers the overall environmental impact of maintenance, verification and calibration activities. Use of IoT (Internet of Things) devices such as ABB smart sensors for motors enables advanced analytics and maintenance planning for motors and general machinery and can be used to monitor and collect data on the performance of equipment. This new concept is another technical advance employed to ensure that equipment is energy-efficient, identify maintenance needs and optimize maintenance schedules. We are using a DCT Help desk portal to track and manage maintenance activities, including scheduling and detecting repeated failures to reduce the use of paper documents. Internally we also promote use of sustainable products and services. Workshops and environmental impact simulations, awareness trainings for employees on the importance of sustainability are conducted regularly.

# Protecting Natural Resources

We are dedicated to supporting regional, global, and national efforts to protect natural resources. This entails taking steps to reduce our waste, energy, and water usage as well as our atmospheric emissions, while adopting a circular economy approach and safeguarding biodiversity.

We adhere to global sustainable standards and strive to become a one-stop sustainability provider of end-to-end goods and solutions that will help creating smart cities in the near future. We plan to implement ideas and techniques to promote our mission of advocating sustainability, as well as to expand our present line of innovative sustainable goods from our subsidiaries.

<p>Material Issues Covered</p>	<p>Climate Change and Energy Management</p> <p>Efficient Use of Water</p> <p>Efficient Use of Raw Materials</p> <p>Biodiversity</p>
<p>Sustainable Development Goals</p>	

## Climate Action

As noted elsewhere in this report, Emicool has signed a Power Purchase Agreement with Emirates Electrical Engineering (EEE), one of the solar market leaders in the UAE. The agreement aims to help the company increase its solar capacity by 238% within its District Cooling Plant 1 and also at its head office site. Emicool has taken steps to promote sustainable transportation modes by converting its conventional fleet to an electric fleet and installing electric vehicle charging stations to encourage the use of environmentally friendly vehicles, thereby contributing to reduced carbon emissions.

In 2022 Dubai Investment Park (DIP) launched an initiative to install Electric Vehicle (EV) charging stations across the DIP with a capacity of 44 KW and additional charging stations will be installed in phases across the development.

### Success Story:

#### EFG tackling climate change and reducing its environmental impact

Emirates Float Glass has undertaken several steps to achieve energy efficiency gains and reduce waste with a particular focus on electricity use, packaging and coatings. The EFG Operations & Engineering Team worked on various initiatives which led to a reduction of 1.9 million kWh in electricity in 2022, equivalent to a reduction of 421 Mt of Carbon emissions in addition to direct electricity cost savings. Furthermore wood is traditionally used as packaging for storage and transportation of Glass and EFG has made significant reductions in its use of wood. Open Glass shipping (shipping without any wooden packaging) now accounts for 62% of the Glass shipped from EFG. This led to a reduction of 76,801 CFT of wood in 2022 in turn lowering packaging costs and its environmental impact. The EFG Coater Team has led the development of several coating innovations to reduce reliance on energy intensive air conditions such as Double Silver low Emissivity Glass NE80 & Super vision, a Super lite Series and Vision

Cool Solar Series. Waste from Glass cullet which was previously sent to land fill due to the presence of metallic oxides can now be reused due to changes to Glass formulations. 250 MT of Coated Glass Cullet was recycled using this new formulation, with a reduction in the level of glass ending up in land fill.

Between 2021 and 2022, our overall energy consumption from diesel, petrol, and electricity decreased by 5%. Electricity use saw a slight increase as some subsidiaries stopped using diesel generators. Conversely, petrol consumption decreased over the same period by 14.5% resulting in a reduction of 31,000 litres since 2020.

Energy Consumption	2020	2021	2022
Total m3 of space across all facilities <sup>1</sup>	342,258	322,895	302,221
Total electricity consumption (kWh)	393,137,312	446,492,032	453,569,819
Total diesel consumption (litres)	3,927,685	3,277,141	320,484
Total petrol consumption (litres)	102,999	84,114	71,839
Energy consumption from electricity (GJ)	1,283,999	1,607,371	1,632,851
Energy consumption (GJ) Petrol and Diesel	153,846	128,303	14,975
Total energy consumption (GJ)	1,437,845	1,735,674	1,647,826
Energy intensity (GJ per m3 of space)	4.20	5.21	5.45

Energy consumption was calculated as per U.S. Energy Information Administration (EIA)

Total GHG emissions in 2022 were 212,768 tonnes of CO2 equivalent, with a 32% reduction over the previous year. Emissions intensity decreased from 204.9 tonnes of CO2 equivalent per employee in 2021 to 116.8 tonnes of CO2 equivalent in 2022, with a 61% fall. Emicool is on track to convert 100% of its fleet to electric cars by 2024. The very significant reductions in Scope 1 and Scope 2 emissions were in part due to Emicool ceasing to use diesel in its operations. Switching to on site PV power generation helped in lowering the emissions footprint considerably, contributing to a reduction of around 34% in Scope 2 emissions.

Emissions <sup>2</sup>	2020	2021	2022
Direct (Scope 1) GHG emissions in tonnes of CO2 equivalent	10,796	9,003	1,028
Indirect (Scope 2) GHG emissions in tonnes of CO2 equivalent	265,761	301,829	210,425
Other indirect (Scope 3) GHG emissions in tonnes of CO2 equivalent	988	1,261	1,315
Total GHG emissions in tonnes of CO2 equivalent	277,544	312,093	212,768
GHG emissions intensity <sup>2</sup> (tonnes of CO2 equivalent per employee)	192.5	204.9	116.8

<sup>1</sup> Due to improvements in computation process, the total area of spaces has been revised for 2020, 2021 and 2022. As a result, the energy intensity results have been updated as well.

<sup>2</sup> Emissions from energy consumption was calculated using emission factors provided by UK Government GHG Conversion Factors for Company Reporting.

<sup>3</sup> Emissions Intensity was calculated for Scope 1 and 2 only

## Water Efficiency

In 2022, total water consumption decreased by over 21% compared to 2020. Water recycled and reused increased in 2022 by 28% in comparison to 2020. This represented a reuse and recycling rate of over 55.3% for 2022, as against a rate of 32.8% in 2020. Water intensity also improved between 2020 and 2022 with a 21% decrease.

Water Consumption	2020	2021	2022
Total water consumption (m3)	3,283,592	2,294,131	2,586,521
Total volume of water recycled and reused by the organisation (m3)	1,078,464	1,548,977	1,385,189
Water consumption intensity (m3 per employee)	3,354	2,343	2,650.12

Operating in a region of the world that is exposed to water scarcity risk, we are taking proactive steps to reduce our

water footprint and reuse water where possible. In 2022 we built on advances in our water management efforts at our Globalpharma and Emicool subsidiaries. GlobalPharma installed a new Effluent Treatment Plant (ETP) for the treatment of waste water. Treated water is used in Dubai Investments Park for irrigation and landscaping purposes. Water saving spray guns were introduced in the washing and processing area for equipment cleaning. Emicool was the first District Cooling company to be certified to Water Efficiency Management standard ISO 46001:2019. A Chronos electro Water Treatment System was successfully installed and another was expected to be completed in Q1 of 2023. Emicool also completed the installation of a 1,500 cubic meter Reverse Osmosis plant (RO) significantly reducing use of DEWA water.

## Materials Efficiency

As well as energy and water, other raw materials are involved in our manufacturing processes. We are committed to the safe and efficient use of these resources, and we recycle wherever possible.

Effluents and Waste	2020	2021	2022
Total weight of hazardous waste (tonnes)	15,475	10,240	437
Total weight of hazardous waste reused (tonnes)	19	11	11
Total volume of wastewater generated (m3)	17,867,761	16,452,234	17,241,604
Total volume of wastewater reused (m3)	17,762,574	16,913,376	17,347,419

Historically around 95% of hazardous waste generated at group subsidiaries came from GlobalPharma, mainly in the form of 'Pharmaceutical Waste'. This type of waste is generated whenever raw or packaging material, semi-finished, finished or imported products are rejected due to expiration or failure of testing, retesting or examination. In 2022 GlobalPharma very significantly reduced the quantity of hazardous waste arising compared to previous years. There was a global recall of a product by the FDA in 2020 and Globalpharma discontinued this product. All related raw and packaging materials including finished products were sent for safe destruction and disposal, resulting in increased hazardous waste tonnage in 2020 and 2021.

At Emicool, volume of wastewater re-use increased by 31% in 2022 when compared to 2020 thanks to existing Reverse Osmosis (RO) plants. Emicool launched an RO project for District Cooling Plant 3 which completed in 2022. Overall levels of wastewater generated and re-used remained fairly steady in the three year period 2020 – 2022. In the past one to two years we have achieved further innovation in materials efficiency across our subsidiaries from recycling infrastructure improvements at Globalpharma, Dubai Investment Park and Dubai Investments Real Estate, to printing reductions at Al Mal Capital and e-documentation at Emicool.

Dubai Investments marked World Environment Day on 5 June 2022 by highlighting the importance of preserving Earth and its resources, via social media channels. Dubai Investments sponsored Clean UAE, organized by Emirates Environment Group. This event saw a very high level of interest with 61,646 participants and managed to collect 40,404 kg of recyclable waste. The event was supported by the Ministry of Climate Change.

## Biodiversity

The United Arab Emirates contains a diversity of ecosystems that includes terrestrial (desert, mountain) and marine and coastal habitats with 78 species of mammals (59 terrestrials, 19 marine) reported to occur. A national sustainable wildlife initiative has been launched with three main pillars and which aims to ensure the sustainability of wildlife in the country and raise public awareness on issues related to biodiversity, as well as contributing to the achievement of international targets such as the SDGs. The three pillars are the National Red List Project (endangered species), The Important Bird Areas Program and UAE's Natural Wonders.

It is therefore critical for Dubai Investments and our subsidiaries to contribute to this national program and work towards reducing any negative impacts we may have on nature and help to restore our natural capital and in 2023 we will work more to improve our positive impacts on the natural environment. Several initial steps have already been taken. Emicool conducted Ghaf tree plantation activity in collaboration with the International Center for Biosaline Agriculture (ICBA) to protect biodiversity and regional flora and fauna. Dubai Investments participated in an Adopt a

Tree program from the Emirates Environment Group and planted 200 saplings of Samar trees in the Al Minae bee reserve in Ras Al Khaimah.

## 05: Workforce and Stakeholder Relationships

At the heart of our business is our workforce. We realise that in order for employees to succeed in their personal and professional endeavours, they need a positive work environment as well as opportunities for career advancement and development. In order to support the Nafis programme, the official platform for Emirati Talent Competitiveness, we place strong emphasis on growing the percentage of nationals in our Group workforce. We aim to create an exceptional workforce by attracting and retaining employees and developing their skills and knowledge.

### Strong Workforce

To deliver sustainable long term performance the employee attributes needed to succeed in the future will differ from skillsets currently required. We are dedicated to giving our co-workers the skills they need to realise their potential and prosper, whether in their present position or a future role. We are equally committed to supporting local employment opportunities and Emiratization initiatives. Our company's core values include good corporate governance and effective human capital management. Our talented personnel represent a facet of our business we are proud of, and we invest in attracting, motivating, developing and retaining our employees which in turn contributes to the development of our intellectual capital. Our employment policies are geared towards education and training and promoting a safe, inclusive workplace.

Material Issues Covered	Talent Attraction, Retention, and Development Diversity and Inclusion Health and Safety
Sustainable Development Goals	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #2E8B57; color: white; padding: 5px; text-align: center;"> <b>3</b> GOOD HEALTH AND WELL-BEING   </div> <div style="background-color: #FF4500; color: white; padding: 5px; text-align: center;"> <b>5</b> GENDER EQUALITY   </div> <div style="background-color: #DC143C; color: white; padding: 5px; text-align: center;"> <b>10</b> REDUCED INEQUALITIES   </div> </div>

In 2022, our total workforce for Dubai Investments head office and eight subsidiaries stood at 1,884 employees and has grown steadily since 2020. Of these, almost all are full time employees, just under 23% were in the 23-30 age bracket and around two thirds were aged 31-50.

Total Workforce	2020	2021	2022
Total workforce	1,774	1,867	1,884
<b><u>Full-time employees</u></b>	1,774	1,865	1,875
<b><u>Part-time employees</u></b>	0	2	9
Senior management employees	58	70	71
Middle management employees	134	152	192
Non-management employees*	1582	1645	1,621
Trainees and sponsored students	2	3	11

During the year, we recruited 307 new employees, with 46% of new hires aged 23–30. Employee turnover for the year was 12%, down from 14% the previous year.

New Hires and Turnover	2020	2021	2022
Total New employee hires	176	293	307
Age 23–30	83	126	141
Age 31–50	93	161	165
Age 51+	0	6	1
Male	154	237	269
Female	22	56	38
Employee turnover	216	259	229
Employee turnover (%)	12%	14%	12%

Underscoring our commitment to diversity and inclusion, our parental leave policy provides for 45 days of fully paid maternity leave to female workers who have at least one year of continuous service (employees with less than a year of service are eligible for 45 days at half pay). We also provide flexible work schedules for new mothers, with fewer working hours each day for the first 1.5 years following childbirth. Our paternity leave policy complies with local labour rules, with male employees entitled to five days of parental leave.

## Talent Attraction, Retention and Development

We have pledged to uphold an equitable workplace culture in which everyone is given the same level of respect and the chance to grow and reach their full potential. We work hard to foster an environment where each member of our staff feels inspired, appreciated, and encouraged to contribute in their own special way. Our workplace ethos is based on a philosophy of knowledge sharing and collaboration. To ensure that this ethos is disseminated across our organisation, we provide a number of training programs which have the dual goals of instilling reflective practices and the building of skills. Below we provide some examples of our training programs delivered at various levels within our Group.

In 2022 we provided specialized programs designed to support our business leaders and managers by providing access to new techniques, helping them to refine their existing skills and to sustain our business going forward, as work environments change. Our business leaders were given access to a special leadership course that helped them comprehend the abilities, competencies, qualities, and leadership style that will be necessary for efficient, high-performance Dubai Investment. The course also helped them understand the opportunities and challenges of resilient leadership in the modern business environment.

Customized training programs are provided at several of our businesses. There is a competency training structure in place at GlobalPharma which involves defining role needs and competencies, then incorporating them into training, coaching, mentoring, and assignments, as well as quarterly and annual talent reviews. Employees can then follow a defined path, enabling them to advance in their roles. At Al Mal Capital, performance management procedures that involve goal-sharing with the line manager also take training needs into account. Employees may pursue professional certifications or higher degrees through the business education policy as part of the training programme. For the purpose of improving software and other technical skills, EBS has a highly tailored training policy in place. To encourage all employees to take part in career advancement and knowledge opportunities, one factor in employee performance reviews is training course attendance.

Training	2020	2021	2022
Total training hours delivered (hours)*	3,145	4,062	6,529
Average training per employee (hours)	26.4	32.4	47.6

During 2022, Dubai Investment and its subsidiaries activated many training campaigns to spread awareness for employees on how to work safely, efficiently and these courses also provided opportunities for up-skilling. Total training hours delivered during 2022 were 6,529 hours, a 61% increase when compared with the training hours provided the previous year. The average number of training hours per employee increased to 47.6 highlighting the importance of keeping high motivation and ensuring skills are relevant to careers.

### Emicool: Supporting our Engineers

Emicool uses cutting-edge technologies backed up by a highly qualified team of engineers and technicians. A motivated customer service team underscores Emicool's commitment to deliver superior value to customers and partners. As quality, technical know-how and customer service are vital aspects of this enterprise, there is comprehensive training options designed for the staff. There is a robust learning and development (L&D) program in place where L&D gaps are identified at the beginning of the year and a training calendar is prepared to address any gaps identified. This program is augmented by a number of specific training-based initiatives:

- Introduced a National Graduate Trainee Programme to promote Emiratization.
- Adapted a LinkedIn Learning platform as part of learning and development outreach.
- A policy to support employees by providing financial assistance to help them accomplish their academic aspirations.
- Encourage and motivate employees towards learning and development objectives through a reward and recognition program (Batl Awards) whereby employees are rewarded based on their performance on the LinkedIn learning platform.
- In-house workshops to spread awareness related to sustainability and environmental conservation, one example being a net-zero simulation workshop conducted in 2022.
- External training and workshops for employees.

### Globalpharma: (Supporting Emirati Talent)

Companies in the UAE with more than 50 employees were required to ensure that two per cent of the workforce were Emiratis before the start of 2023. This objective is in line with the government's Nafis initiative. Dubai Investments and its subsidiaries are striving for alignment with Nafis goals and have encouraged talented Emirati talented nationals to compete for job vacancies and help them strengthen their career skills.

GlobalPharma began its Emiratization program in 2022 with a clear plan also defined for future years. 4 Emirati employees were recruited in 2022.

At several of our subsidiaries and more generally across the Group we have developed career progression programmes to improve access to and retention of talented staff. The number of staff benefitting from career progression reviews has gradually been increasing and close to 100% of staff receive them each year.

Performance Reviews	2020	2021	2022
Number of employees who received a performance and career development review	1,730	1,801	1,831
Percentage of employees who received a performance and career development review	98%	96%	97%

### Diversity and Inclusion

People must feel included, valued, and empowered in order to flourish in the workplace. We take great pride in having an inclusive workplace culture at Dubai Investments that unites individuals around a shared system of values. We are an equal opportunity employer and we take all applicants into consideration irrespective of age, gender, religion or disability.

At the end of 2022, we had 9% female representation in the total workforce and 13% representation at middle and senior management level, almost double the level in 2021. Each subsidiary works to build its pipeline of female talent.

Workforce by Age and Gender	2022
Employees age 20-30	430
Employees age 31-50	1,264
Employees age 51+	181
Male employees	1,706
Female employees	169
Female employees in middle management	28
Female employees in senior management	7

We think that the foundation of a positive workplace culture is through open and honest communication. We work hard to encourage open communication among all parties and allow our staff a range of ways to voice their opinions. With the use of a grievance procedure and a whistleblowing policy, employees can express their concerns without worrying about any negative repercussions from expressing them. In the last three years, only 6 complaints were filed, and they were all settled. We believe that whistleblowing and grievance policies are preventive tools to reduce the risks of malpractice and irregularities. It allows us to efficiently monitor all our policies, workplace operations and business principles, by obtaining information on any irregularities so that they can be acted upon and handled appropriately at an early stage.

Grievances	2020	2021	2022
Number of grievances filed in the reporting period	1	2	3
Percentage of these grievance that are addressed or resolved	100%	100%	100%

## Health and Safety

We place a high value on a secure and healthy workplace. This is done not only to safeguard employees against accidents and illnesses, but also to boost morale among staff members and increase output and productivity. We manage and monitor employee performance through frequent check-ins and annual performance assessments for each workplace with an emphasis on developing a positive safety culture based on awareness, prevention, and care concepts.

Our procedures at several subsidiaries are summarised below:

**Emicool:** Emicool has shown its dedication to occupational health and safety responsibilities by developing policies and processes that are intended to promote a safe and healthy working environment for everyone. Emicool is an ISO 45001 certified firm. These policies and procedures call for the use of personal protective equipment (PPE), reporting near-misses, identifying hazards, and other safety precautions in accordance with the ISO standard.

**GlobalPharma:** GlobalPharma has a permit to work system, an adverse event management system, and an HSE risk management system. Also, there is an emergency response strategy that is supported by first aiders and fire marshals. QDCI & Near Miss Reporting, monthly safety team meetings, PASS, and a Penicillin Sensitivity Test are other HSE management practices are in place. These are in addition to monitoring indoor air quality in process areas.

**Emirates Building Systems:** EBS is accredited to the Occupational Health and Safety Management System, International Standard ISO 45001:2018. For its employees, contractors, and members of the public, company is dedicated to providing safe and healthy working conditions, prevention of all incidents, injuries, occupational illnesses and other negative impacts.

Both staff and contractors receive monthly health and safety trainings. This amounted to 2,487 hours of training spread out throughout six subsidiaries in 2022. In addition, 317 health assessments were performed at four subsidiaries. In comparison to 2021, when it was 4.20, our lost-time injury frequency rate dropped to 3.03 in 2022. From a figure of 20.39 in 2021, the frequency rate of all recordable injuries decreased significantly to 13.5 in 2022. In the past two years, no contractor or employee fatalities were reported.

Health and Safety	2020	2021	2022
Employee Fatalities	1	0	0
Contractor Fatalities	0	0	0
Employee lost-time injuries	11	14	11
Employee total recordable injuries	66	68	49
Total employee man-hours*	3,489,780	3,334,760	3,629,514
Total contractor man-hours*	828,388	636,268	543,623
Total number of HSE&S audits for contractors	27	38	40
Health screening (number completed)	295	309	317
Employee lost-time injury frequency rate (per million man-hours worked)	3.15	4.20	3.03
Employee total recordable injury frequency rate (per million man-hours worked)	18.91	20.39	13.5
Total hours of HS&E related training	4,212	7,934	2,487

Health checks for all employees at Dubai Investments Real Estate and enhanced communication committees to assess employee wellness at Emirates Building Systems are just two of the well-being measures our companies have implemented.

Women-focused employee awareness programmes, flu shot clinics for employees and their families, and Men's Day and Women's Day festivities with online employee involvement programmes are all provided by Globalpharma. They partnered with NMC and American hospital to provide free health checks for all of the employees. Also, they have set up free mammogram screening and breast cancer education for female co-workers.

Other health and wellbeing projects included various fitness sessions of 30 minutes each, organized for a month long period which encouraged Dubai Investments employees to stay fit and healthy. These sessions included fitness, yoga and stretching.

## Valuable Relationships

We work hard to build and maintain positive relationships with all stakeholders. From striving to ensure that our customers have a very positive interaction with our company, to screening suppliers for social and environmental performance, our stakeholder relations management is ongoing and shapes the successful business that we are today.

Engaging with stakeholders is crucial to the success of any organisation. To succeed, an organisation must have a clear vision derived from a robust strategic planning process that can only come from stakeholder engagement. Key stakeholder opinions and insights are incredibly valuable in the early stages of our planning and development processes. Robust consultation adds insight into our operating environment, marketplace, trends, user and customer needs, and growth opportunities, as well as to a vision of our organisation's sustainable future.

We therefore put a lot of effort into establishing and maintaining good connections with all stakeholders and an emphasis on understanding issues that are material to them. Stakeholder relations management includes everything from working to make sure that consumers have a great experience to screening suppliers for social and environmental performance.

Material Issues Covered	Customer Experience Sustainable Sourcing
Sustainable Development Goals	

We aim to ensure that we deliver 100% satisfaction rates to our customers through innovative products and services that go the extra mile to cater for their needs. Similarly, we engage with suppliers strategically since a robust supply chain is critical to business continuity and risk mitigation.

### Customer Experience

We take regular steps to enhance the client experience and our own customer servicing abilities in addition to consistently enhancing product quality and sustainability levels. Dubai Investments Park conducts customer satisfaction surveys on quarterly basis. Emicool has utilized tablets to collect input from walk-in consumers, established a customer satisfaction survey, hired a customer satisfaction specialist and improved call centre interactions. Emicool plans to launch a consumer portal project and obtained a 76% satisfaction rating. We are proud of customer satisfaction levels of 96% for Emirates Glass and 90% for EBS

### Sustainable Sourcing

Working with vendors who share our values, tenets, and dedication to sustainability is something we take very seriously. We ensure that all organisations, suppliers, subcontractors, and affiliates that work with our company follow sustainability standards. On the basis of their unique activities, our subsidiary businesses do further supply chain due diligence. For instance, all suppliers at Dubai Investments Real Estate are thoroughly screened, including for regulatory compliance. In order to fulfil the needs of our sustainability plan, our value chain is essential, and we regularly communicate with suppliers about sustainability-related matters. Innovation, efficacy, and solid risk management are necessary to drive long-term supply chain development. In our direct and indirect procurement activities, we strive to ensure that sourcing procedures are followed as well as proactively identifying and addressing ESG risks, impacts and opportunities. We also try to expand our network of suppliers while supporting companies in our region.

Introduction meetings with management and staff are performed before choosing any service provider. In order to prequalify suppliers and evaluate current vendors, Emicool uses ISO standard inspections. It is creating a supplier code of conduct. Before approving suppliers for the vendor list, Emirates Float Glass verifies their socio-environmental commitments as part of the supplier evaluation and certification process for important procurement categories.

Almost 1,700 local suppliers were engaged in 2022, up from 1,424 in 2021 with a 19% increase. While the proportion spending on local suppliers declined in 2022. Overall procurement spending has been increasing quite significantly in the past three years.

Procurement	2020	2021	2022
Total number of local suppliers engaged	2,029	1,424	1,698
Procurement spending on local suppliers (million AED)	339	402	422.73
Total procurement spending (million AED)	456	563	667.57
Proportion of spending on local suppliers (%)	76%	72%	63%

## 06: Supporting our communities

At Dubai Investments, we are committed to fostering the prosperity of the local communities where we do business by funding projects that improve wellness. We are aware that our social obligations extend beyond the walls of our business. Beyond the confines of our locations, we are involved in our communities, and we have chosen our corporate social responsibility priority areas after engaging with the local community to better understand their requirements.

### Community Engagement

While our focus issues remain youth development, innovation and environmental protection, in 2022 we also supported projects related to a wide range of community-based and local environmental initiatives like pedestrian safety awareness raising, medical treatments, support to needy students, Ramadan iftar distributions and health awareness campaigns.

Material Issues Covered	Community Engagements
Sustainable Development Goals	 

Community Investment	2020	2021	2022
Value of Investment in local community (MILLION AED)	1,500,000	1,860,000	1,764,000
Total number of Volunteers	30	47	64
Total number of employee volunteering hours	120	240	320

A thriving economy depends on thriving communities. As a leading investment company in the UAE, we believe we can make a real and positive difference to people's lives. We are committed to supporting and giving back to the communities we operate in.

By offering a diverse range of activities we hope to provide something for everyone and create appealing events for a broad section of our local communities.

During 2022, total community giving amounted to approximately AED 1.8 million across more than 40 initiatives at local and regional levels. Some key highlights in 2022 are detailed below:

- **Green Run:** The event saw enthusiastic participation from a diverse group of 600 participants including community members, employees, professional runners, youth and children. T shirts, medals and trophies were made of recycled material. The event promoted recycling of electronic waste, old clothes and shoes. It encouraged fitness and included people of all abilities. This will henceforth be an annual DI event.
- **RTA Pedestrian Safety Campaign:** DI along with RTA organized a pedestrian safety campaign for factory staff at EBS. Trainers from RTA explained how to cross the road safely and distributed pamphlets in different languages. Cooling, handheld fans were also distributed to all attendees.
- **DI Youth Leadership Program:** DI Youth Leadership is a year-long training program for the next generation of young leaders; to teach them vital skills including communications skills, teamwork, financial education, decision making etc. In 2022, 15 youth were enrolled for this program.
- **Clean UAE:** DI sponsored Clean UAE organized by Emirates Environment Group. It saw a very high level of participation with 61,646 participants who managed to collect 40,404 kg of recyclable waste. The event is supported by the Ministry of Climate Change.
- **Sustainability Champions Training:** An awareness training was organized for DI Sustainability Champions on net zero carbon emissions and how to plan roadmap for reductions.
- **Tree Plantation:** DI participated in an Adopt a Tree programme of Emirates Environment Group and planted 200 saplings of Samar trees in Al Minae bee reserve in Ras Al Khaimah.
- **Smile On The Face:** DI along with Tamquest organized a Smile on the Face campaign which distributes iftar meals along with other essentials in work accommodation across Dubai on weekends in Ramadan. 5,430 meals were distributed under this program.
- **Blood Donation:** DI along with DHA organized a blood donation drive through a mobile unit, which managed to collect 50 units of blood. This is an annual event that encourages employees to come forward and donate.
- **Bonding Iftar:** DI along with Adwar organized a bonding iftar where children of determination were welcomed by a 'buddy' and an entertainment show called Al Saada was organized for them followed by a quiz. The event gave a message of inclusivity, giving and generosity during the holy month. Children from Al Resala School and Sharjah Autism Centre attended the event.
- **Down's Syndrome Awareness:** DI supported an awareness program called The Day I met Salem which helps to educate young children about Down's Syndrome through interactive storytelling. The show was held for young children in various schools across Dubai.
- **Dubai Autism Centre:** DI supported the Dubai Autism Centre by sponsoring and helping to launch an autism awareness campaign and facilitating classroom modifications to create a more inclusive learning environment
- **Health Checkup:** DI, in partnership with Clemenceau Hospital organized a health check-up for Green Community residents focused on increasing breast cancer and prostate cancer awareness in the community.
- **Pink Day:** DI organized a Pink Day to raise breast cancer awareness among its female employees. The event featured a talk from specialist doctors and nutritionists who provided insights into breast cancer prevention and detection.

## 07: Appendices

### A: Stakeholder Map

Stakeholder Groups	Importance to Dubai Investments	Topics and Concerns	Methods of Engagement
Shareholders and Investors	Our shareholders are an integral part of our successful growth. We continuously provide high-quality services to our investors and create sustainable wealth to maximise shareholders' returns	Economic performance Sustainable wealth creation Risk management Investments in new portfolios Transparency in Corporate Governance	Annual General Meetings Corporate Annual Report Official news releases Annual Corporate Governance Report Investalk- quarterly newsletter Investor communication & Disclosure policy
Customers	We invest in diverse sectors to offer our customers sustainable products. Such products include energy efficient glass products, green buildings etc.	Innovative products with sustainable benefits Efficient customer service	Customer service offices Social media channels- Twitter, Facebook, Instagram and LinkedIn
Employees	We believe in professional development of our workforce by training them on various programmes to improve productivity and contribute to enhancing workplace happiness. We always seek to ensure that our employees are working in a healthy and a safe workplace.	Occupational health and safety Career planning and professional development Compensation and benefits Employee welfare Diversity at workplace Equal pay	Health and Safety policy Working Practices policy Training and Development programmes
Government & Regulators	We demonstrate our responsibilities through developing and enhancing the company's transparency and accountability. We are committed to comply with all applicable laws of the land. We are striving to raise our levels of corporate governance in line with the regional and global best practices.	Alignment with national strategies (UAE Vision 2031) Compliance Customer data protection Transparency and Disclosure	Internal control system Compliance unit External audits Insider trading supervision committee Corporate Annual Report Face-to-face meeting with ministries and regulators Participation in forums/ seminars

<p>Local communities</p>	<p>We aim to help people in our local communities who are facing social and economic challenges. We are committed to enhancing competencies of the youth, and continuously promote efficient energy use and environmental protection.</p>	<p>Charitable initiatives to help lesser privileged communities.</p> <p>Social initiatives and programmes to promote health, education, security, sports and culture.</p> <p>Partnerships with other organisation to address social and environmental issues.</p> <p>Initiatives to support entrepreneurial relevant skills.</p>	<p>Health and educational campaigns</p> <p>Employee volunteering</p> <p>Donations to charitable organisations</p> <p>Empowering entrepreneurs</p> <p>Sponsorship and internships to young, disadvantaged people</p> <p>Participation in cultural and national events</p>
<p>Suppliers and business partners</p>	<p>Dubai Investments aims to have strong business relationships across the supply chain. Dubai Investments values its relationships with its suppliers and contractors and is always working on improving this relationship with the objective of improving its efficiency and effectiveness.</p>	<p>On-time payment</p> <p>Integration of ESG criteria in supplier selection process</p> <p>Fair and respectful treatment with suppliers</p>	<p>Supplier surveys</p> <p>Working Practices Policy</p>

## A: Data Coverage Table

Economic Performance									
Key Performance Indicator	Dubai Investments	Al Mal Capital	Emirates Glass	Emirates Float Glass	Emicool	Dubai Investments Park	Emirates Building System	Dubai Investments Real Estate	GlobalPharma
Economic Performance									
Revenues (AED '000s)	F	N	N	N	N	N	N	N	N
Operating costs (AED '000s)	F	N	N	N	N	N	N	N	N
Donations and sponsorships (AED '000s)	F	N	N	N	N	N	N	N	N
Donations and sponsorships as % of pre-tax profit	F	N	N	N	N	N	N	N	N
Net profits attributable to shareholders (AED '000s)	F	N	N	N	N	N	N	N	N
Community Investment									
Value of investment in local community (million AED)	F	N	N	N	N	N	N	N	N
Total number of volunteers	F	N	N	N	N	N	N	N	N

Environmental Performance									
Energy Consumption and Emissions									
Total m <sup>3</sup> of space across all facilities	N	F	F	F	F	N	F	N	F
Total electricity consumption	N	F	F	F	F	N	F	N	F
Total diesel consumption	N	N	F	F	F	N	F	N	F
Total petrol consumption	N	N	N	N	F	N	N	N	N
Energy consumption from electricity	N	F	F	F	F	N	F	N	F
Total energy consumption	N	F	F	F	F	N	F	N	F
Energy Intensity	N	F	F	F	F	N	F	N	F
GHG emissions	N	N	F	F	F	N	F	N	F
Water Consumption									
Total water consumption	N	N	F	F	F	N	N	N	F
Total volume of water recycled and reused	N	N	N	N	F	N	N	N	N
Water consumption intensity	N	N	F	F	F	N	N	N	F



performance and career development review									
Percentage of employees who received a performance and career development review	F	F	F	F	F	F	F	F	F
Grievances									
Number of grievances filed in the reporting period	F	F	F	F	P2122	N	F	N	F
Percentage of these grievance that are addressed or resolved	F	F	F	F	P2122	N	F	N	F
Health and Safety									
Employee fatalities	N	P2021	F	F	F	F	F	N	F
Contractor fatalities	N	P2021	F	F	F	F	F	N	F
Employee lost-time injuries	N	N	F	F	F	P22	F	N	F
Employee total recordable injuries	N	N	F	F	N	P22	F	N	F
Total employee man-hours	N	N	F	F	N	P22	F	N	F
Total contractor man-hours	N	N	F	F	F	P22	N	N	F
Total number of HSE&S audits for contractors	N	N	F	F	F	F	N	N	F
Health screening	N	N	F	F	F	F	N	N	F
Employee lost-time injury frequency rate	N	N	F	F	F	F	F	N	F
Employee total recordable injury frequency rate	N	N	F	F	F	P22	F	N	F
Total hours of HS&E related training	N	N	F	F	F	N	F	N	F
Procurement									
Total number of local suppliers engaged	N	F	F	F	F	F	F	N	F
Procurement spending on local suppliers (million AED)	N	N	F	F	F	N	F	N	F

**F:** Full Reporting

**P19:** Partial Reporting 2019

**P20:** Partial Reporting 2020

**P21:** Partial Reporting 2021

**P1920:** Partial Reporting 2019 and 2020

**P2021:** Partial Reporting 2020 and 2021

**N:** Not Reporting

