

Multiply Group PJSC

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

PERIOD ENDED 31 MARCH 2022

Directors' Report Q1 - 2022

Dear Shareholders,

On behalf of the Board of Directors ("the Board"), I am pleased to present our Q1 interim condensed consolidated financial statements of Multiply Group PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2022.

Financial aspect (Consolidated):

The Group's Q1 2022 figures show revenue of AED 241.2 million (*Q1 2021: AED 3.6 million*) and gross margin of AED 120.6 million (*Q1 2021: AED 2.3 million*);

The Group recorded net profit for the period ended 31 March 2022 amounting to AED 334.9 million (*2021: net loss of AED 0.88 million*);

Investment and other income for Q1 2022 was AED 257 million (*Q1 2021: AED nil*);

The Group's total expenses (including direct expenses and general and administrative expenses) for the period ended 31 March 2022 was AED 160.1 million (*Q1 2021: AED 3.5 million*).

The Group's earnings per share for the period ended 31 March 2022 was AED 0.03 (*Q1 2021: loss per share of AED 2.96*);

Going concern basis

The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the interim condensed consolidated financial statements for the period ended 31 March 2022.

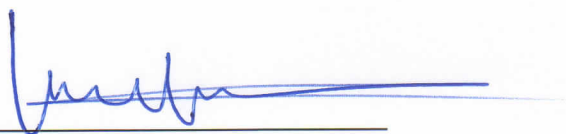
Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 12. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Auditors

Ernst & Young were appointed as external auditors for the Group for the period ended 31 March 2022. Ernst & Young have expressed their willingness to continue in office.

On behalf of the Board of Directors



Mrs. Samia Bouazza

Director

25 April 2022

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF MULTIPLY GROUP PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Multiply Group PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2022, comprising of the interim consolidated statement of financial position as at 31 March 2022, and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Other matter

The interim consolidated statements of comprehensive income, changes in equity and cash flows for the three months period ended 31 March 2021 and explanatory notes, were not reviewed by an auditor and are presented for comparison purposes only.

Signed by:
Raed Ahmad
Partner
Ernst & Young
Registration No 811



25 April 2022
Abu Dhabi

Multiply Group PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

		<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,303,363	1,260,947
Investment properties		130,398	131,682
Intangible assets and goodwill		502,501	501,428
Right-of-use assets	5	102,176	94,384
Investments carried at fair value through other comprehensive income	6	<u>68,903</u>	<u>68,903</u>
		<u>2,107,341</u>	<u>2,057,344</u>
Current assets			
Inventories		21,869	20,391
Investments carried at fair value through profit or loss	7	5,104,370	5,433,404
Advance on purchase of an investment		367,500	-
Trade and other receivables	8	219,320	207,033
Due from related parties	12	1,043,907	343,264
Cash and bank balances	9	<u>3,086,336</u>	<u>3,542,326</u>
		<u>9,843,302</u>	<u>9,546,418</u>
TOTAL ASSETS		<u>11,950,643</u>	<u>11,603,762</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	2,800,000	2,800,000
Share premium		6,703,610	6,703,610
Statutory reserve		18,642	18,642
Cumulative changes on revaluation of investments		1,384	1,384
Merger and acquisition reserve		375,353	375,353
Retained earnings		<u>538,576</u>	<u>251,512</u>
Equity attributable to owners of the Company		10,437,565	10,150,501
Non-controlling interests		<u>579,056</u>	<u>575,529</u>
Total equity		<u>11,016,621</u>	<u>10,726,030</u>
Non-current liabilities			
Employees' end of service benefit		38,673	37,383
Borrowings		325,051	314,861
Lease liabilities	5	72,816	75,409
Other payables	13	<u>106,987</u>	<u>108,303</u>
		<u>543,527</u>	<u>535,956</u>
Current liabilities			
Borrowings		114,576	118,070
Lease liabilities	5	27,857	20,321
Due to related parties	12	33,623	28,494
Trade and other payable	13	<u>214,439</u>	<u>174,891</u>
		<u>390,495</u>	<u>341,776</u>
Total liabilities		<u>934,022</u>	<u>877,732</u>
TOTAL EQUITY AND LIABILITIES		<u>11,950,643</u>	<u>11,603,762</u>

CHAIRMAN

CHIEF EXECUTIVE OFFICER

GROUP FINANCE DIRECTOR

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements

Multiply Group PJSC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) For the three months period ended 31 March 2022

	<i>Notes</i>	<i>Three months ended 31 March (Unaudited)</i>	
		<i>2022 AED'000</i>	<i>2021 AED'000</i>
Revenue	14	241,214	3,618
Cost of revenue		<u>(120,528)</u>	<u>(1,308)</u>
GROSS PROFIT		120,686	2,310
Investment and other income	15	257,084	-
Share of loss from investment in associate		-	(942)
General and administrative expenses		(39,609)	(2,257)
Finance cost		<u>(3,222)</u>	<u>-</u>
PROFIT (LOSS) AND TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		<u>334,939</u>	<u>(889)</u>
Attributable to:			
Owners of the Company		290,592	(889)
Non-controlling interests		<u>44,347</u>	<u>-</u>
		<u>334,939</u>	<u>(889)</u>
Basic earnings (loss) per share (AED)	16	<u>0.03</u>	<u>(2.96)</u>

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Multiply Group PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months period ended 31 March 2022

	Attributable to equity holders of the Company									Total equity AED'000
	Share capital AED'000	Share premium AED'000	Statutory reserve AED'000	Capital contribution AED'000	Cumulative changes on revaluation of investments AED'000	Merger and acquisition reserve AED'000	Retained earnings AED'000	Total AED'000	Non controlling-interests AED'000	
Balance at 1 January 2021 (audited)	300	-	150	33,147	-	-	56,330	89,927	-	89,927
Total comprehensive loss for the period	-	-	-	-	-	-	(889)	(889)	-	(889)
Balance at 31 March 2021 (unaudited)	<u>300</u>	<u>-</u>	<u>150</u>	<u>33,147</u>	<u>-</u>	<u>-</u>	<u>55,441</u>	<u>89,038</u>	<u>-</u>	<u>89,038</u>
Balance at 1 January 2022 (audited)	2,800,000	6,703,610	18,642	-	1,384	375,353	251,512	10,150,501	575,529	10,726,030
Total comprehensive income for the period	-	-	-	-	-	-	290,592	290,592	44,347	334,939
Additional non-controlling interest at Group level from acquisition of a subsidiary (note 10)	-	-	-	-	-	-	(3,528)	(3,528)	3,528	-
Dividends to non-controlling interest (note 17)	-	-	-	-	-	-	-	-	(44,348)	(44,348)
Balance at 31 March 2022 (unaudited)	<u>2,800,000</u>	<u>6,703,610</u>	<u>18,642</u>	<u>-</u>	<u>1,384</u>	<u>375,353</u>	<u>538,576</u>	<u>10,437,565</u>	<u>579,056</u>	<u>11,016,621</u>

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Multiply Group PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three months period ended 31 March 2022

		<i>Three months ended</i>	
		<i>31 March (Unaudited)</i>	
	<i>Notes</i>	<i>31 March 2022 AED'000</i>	<i>31 March 2021 AED'000</i>
OPERATING ACTIVITIES			
Profit (loss) for the period		334,939	(889)
Adjustments for:			
Depreciation of property, plant and equipment	4	15,237	111
Depreciation of right-of-use assets	5	6,997	-
Depreciation of investment properties		1,284	-
Amortisation of intangible assets		5,157	-
Share of loss from investment in associate		-	942
Change in fair value of investments carried at fair value through profit or loss	7&15	(246,702)	-
Gain on disposal of property, plant and equipment	15	(793)	-
Provision for employees' end of service benefit		2,571	123
Finance cost		3,222	-
Allowance for slow moving inventories		104	-
Allowance for (reversal of) expected credit losses	8&12	<u>2,296</u>	<u>(42)</u>
Operating cash flows before working capital changes		124,312	245
Working capital changes:			
Inventories		(1,422)	-
Due from related parties		1,850	(3,412)
Trade and other receivables		(14,403)	4,321
Due to related parties		5,129	(1,321)
Trade and other payables		<u>17,108</u>	<u>14,709</u>
Cash generated from operations		132,574	14,542
Finance cost paid		(1,608)	-
Employees' end of service benefit paid		<u>(1,311)</u>	<u>(123)</u>
Net cash from operating activities		<u>129,655</u>	<u>14,419</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(57,383)	(108)
Purchase of intangible assets		(110)	-
Proceeds from sale of property, plant and equipment		1,360	-
Purchase of investments carried at fair value through profit or loss	7	(102,725)	-
Advance paid to purchase investments		(367,500)	-
Proceeds from disposal of investments carried at fair value through profit or loss	7	678,461	-
Due from a related party		(702,443)	-
Cash used on acquisition of a subsidiary	10	<u>(7,200)</u>	<u>-</u>
Net cash used in investing activities		<u>(557,540)</u>	<u>(108)</u>
FINANCING ACTIVITIES			
Net proceeds from borrowings		6,696	-
Repayment of lease liabilities	5	(11,460)	-
Dividend paid	17	<u>(23,341)</u>	<u>-</u>
Net cash used in financing activities		<u>(28,105)</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
		(455,990)	14,311
Cash and cash equivalents at beginning of the period		<u>3,442,326</u>	<u>10,330</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9	<u>2,986,336</u>	<u>24,641</u>
Non-cash transactions excluded from the interim consolidated statement of cash flows:			
Dividend payables		<u>21,007</u>	<u>-</u>

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

1 GENERAL INFORMATION

Multiply Group PJSC (the “Company”) is public joint stock company under the UAE Federal Law No.(2) of 2015 (as amended). The registered office of the Company is P.O Box 34491, Abu Dhabi, United Arab Emirates.

On 27 October 2021, the shareholders resolved to change the legal form of the Company from a limited liability company to a public joint stock company and to increase the share capital of the Company to AED 2,800,000,000. On 5 December 2021, the Company listed its ordinary shares on the main market of the Abu Dhabi Securities Exchange (“ADX”).

International Holding Company PJSC is the Parent and Royal Group Holding LLC is the Ultimate Parent of the Company.

These interim condensed consolidation financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the “Group”). The main activities of the Group is to provide advertisement design and production, economic feasibility consultancy and studies, exhibition organisation and management, public relationship consultancy, organisation and event management and newspaper advertisement, management and development of motor vehicles driving training and to manage investment properties, installation of district cooling and air conditioning, repair of district cooling and investment in infrastructure projects, wholesale of cosmetics and make-up trading, women and men personal care and other grooming related services.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 25 April 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

The interim condensed financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021. In addition, results for the period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for investments carried at fair value through other comprehensive income and investments carried at fair value through profit or loss which are stated fair value.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED’000) except when otherwise indicated.

2.2 Basis for consolidation

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Details of the Company's subsidiaries as at 31 March 2022 and 31 December 2021 were as follows:

Name of subsidiary	Place of incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
Emirates Driving Company PJSC (i)	United Arab Emirates	Driving training and road safety education	48.01%	48.01%
Omorfia Group LLC	United Arab Emirates	Women and men personal care and other grooming related services, including procuring beauty products and equipment	51%	51%
Viola Communications LLC	United Arab Emirates	Communication, marketing, media and events	100%	100%
Pal Cooling Holding LLC	United Arab Emirates	District cooling and air conditioning	100%	100%
Norm Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investments holding company	100%	100%
Multiply Companies Management Sole proprietorship LLC	United Arab Emirates	Management services of companies and private institutions	100%	100%
MG Communications LLC	United Arab Emirates	Establishing, investing and managing technology projects	100%	100%
MG Wellness Holding LLC	United Arab Emirates	Investment, institute and management of health services enterprises	100%	100%
MG Digital Holding LLC	United Arab Emirates	Establishing, investing and managing technology projects	100%	100%
MG Utilities Holding LLC	United Arab Emirates	Establishing, investing and managing infrastructure projects	100%	100%
MG Ventures Holding LLC	United Arab Emirates	Establishing, investing and managing commercial projects	100%	100%
Spranza Commercial Investments SP LLC	United Arab Emirates	Establishing, investing and managing commercial projects	100%	100%
<u>Below are the subsidiaries of Emirates Driving Company PJSC:</u>				
Tabieah Property Investment – Sole Proprietorship L.L.C.	United Arab Emirates	Manage investment properties	100%	100%
<u>Below are the subsidiaries of Omorfia Group LLC:</u>				
Bedashing Holding Company LLC	United Arab Emirates	Wholesale cosmetic and make-up trading women personal care and other grooming related services	100%	100%
Dashing International Group – Sole proprietorship LLC	United Arab Emirates	Company representation	100%	100%
Bedashing Beauty Lounge – Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services	100%	100%
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services	100%	100%
Dazzling Beauty Salon – Sole Proprietorship	United Arab Emirates	Women personal care and beauty and women hairdressing, trimming and styling	100%	100%
Groovy Ladies Beauty Center	United Arab Emirates	Women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relation centre	100%	100%
Glam & Glow Beauty Lounge – Sole Proprietorship	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading	100%	100%
Stella Beauty Lounge Center	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics	100%	100%
Nippers & Scissors training Centre – Sole Proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services	100%	100%
Tips & Toes Beauty and Spa Centre LLC	United Arab Emirates	Ladies' cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club	100%	100%
Rose Water Ladies Salon – Sole Proprietorship LLC (ii)	United Arab Emirates	Women personal care and beauty, women hairdressing, trimming, styling and henna pigmentation	100%	-
Jazz Lounge Spa LLC	United Arab Emirates	Men oriental bath, gents cosmetic and personal care centre, hair fixing centre, perfumes and cosmetic trading, gents haircutting and hairdressing salon	100%	100%
Ben Suhail Distribution LLC	United Arab Emirates	Perfumes and cosmetic trading, beauty and personal care equipment trading, imitation jewellery trading, Soap and hair care products trading, and beauty and personal care requisites trading	100%	100%

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Below are the subsidiaries of Viola Communications LLC:

Purple Printing LLC	United Arab Emirates	Commercial publication printing	100%	100%
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Below are the subsidiaries of Pal Cooling Holding LLC:

PAL Cooling Services LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
PAL First Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
PAL Danat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
PAL Saraya Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
PAL Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
PAL Najmat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
PAL 4 Reem Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
PAL 4 Solar Energy LLC	United Arab Emirates	Installation and maintenance of alternative energy equipment	100%	100%
PAL 4 Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%

(i) Emirates Driving Company is a subsidiary by virtue of the Group being the single largest shareholder at 48.01% with the remaining 51.99% being dispersed amongst 458 shareholders, of which one holds 14.25% and the remaining hold no more than 5% of the voting rights.

(ii) Subsidiary acquired during the period (note 10)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of the following new standards and amendments effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture - Taxation in fair value measurements
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended to Use

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.2 Significant accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses, and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

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

4 PROPERTY, PLANT AND EQUIPMENT

During the period, additions to property, plant and equipment amounted to AED 57,383 thousand (three months period ended 31 March 2021: AED 108 thousand), excluding those acquired through business combinations, depreciation charge of AED 15,237 thousand (three month period ended 31 March 2021: AED 111 thousand) and disposals of AED 567 thousand (three months period ended 31 March 2021: nil). Property, plant and equipment acquired through business combinations amounted to AED 837 thousand (note 10) (three months period ended 31 March 2021: nil).

5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	<i>(Unaudited)</i> 31 March 2022 AED '000	<i>(Audited)</i> 31 December 2021 AED '000
<i>Right-of-use assets:</i>		
Balance at the beginning of the period / year	94,384	-
Acquired through business combination	-	92,402
Additions during the period / year	14,789	5,926
Depreciation expense	<u>(6,997)</u>	<u>(3,944)</u>
Balance at the end of the period / year	<u>102,176</u>	<u>94,384</u>
<i>Lease liabilities:</i>		
Balance at the beginning of the period / year	95,730	-
Acquired through business combination	-	91,952
Additions during the period / year	14,789	5,926
Interest expense	1,614	1,817
Payments	<u>(11,460)</u>	<u>(3,965)</u>
Balance at the end of the period / year	<u>100,673</u>	<u>95,730</u>
Lease liabilities is analysed in the interim consolidated statement of financial position as follows:		
Current	27,857	20,321
Non-current	<u>72,816</u>	<u>75,409</u>
	<u>100,673</u>	<u>95,730</u>

Multiply Group PJCS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

6 INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Quoted	38,119	38,119
Unquoted	<u>30,784</u>	<u>30,784</u>
	<u>68,903</u>	<u>68,903</u>

The geographical distribution of investments is as follows:

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Inside the UAE	38,119	38,119
Outside the UAE	<u>30,784</u>	<u>30,784</u>
	<u>68,903</u>	<u>68,903</u>

The investments are recorded at fair value using the valuation techniques as disclosed in note 19. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
At the beginning of the period / year	68,903	29,400
Acquired through business combination	-	38,119
Change in fair value during the period / year	<u>-</u>	<u>1,384</u>
At the end of the period / year	<u>68,903</u>	<u>68,903</u>

7 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Quoted	4,926,550	5,350,294
Unquoted	<u>177,820</u>	<u>83,110</u>
	<u>5,104,370</u>	<u>5,433,404</u>

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

7 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS continued

The geographical distribution of investments is as follows:

	<i>(Unaudited)</i> 31 March 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
Inside the UAE	4,926,550	5,350,294
Outside the UAE	<u>177,820</u>	<u>83,110</u>
	<u>5,104,370</u>	<u>5,433,404</u>

The investments are recorded at fair value using the valuation techniques as disclosed in note 19. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	<i>(Unaudited)</i> 31 March 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
At the beginning of the period / year	5,433,404	-
Acquired through business combination	-	38,356
Additions during the period / year	102,725	5,342,342
Change in fair value during the period / year (note 15)	246,702	56,740
Disposal during the period / year	<u>(678,461)</u>	<u>(4,034)</u>
At the end of the period / year	<u>5,104,370</u>	<u>5,433,404</u>

8 TRADE AND OTHER RECEIVABLES

	<i>(Unaudited)</i> 31 March 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
Trade receivables	173,775	159,819
Less: allowance for expected credit losses	<u>(23,901)</u>	<u>(21,555)</u>
	149,874	138,264
Advances to suppliers	21,664	24,514
Contract assets	17,649	17,647
Prepayments	17,041	15,077
VAT receivable, net	174	-
Other receivables	<u>12,918</u>	<u>11,531</u>
	<u>219,320</u>	<u>207,033</u>

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

8 TRADE AND OTHER RECEIVABLES continued

Movement in allowance for expected credit losses against trade receivables during the period / year was as follows:

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
At the beginning of the period / year	21,555	1,757
Acquired in business combinations	-	22,930
Charge (reversal) for the period / year	<u>2,346</u>	<u>(3,132)</u>
At the end of the period / year	<u>23,901</u>	<u>21,555</u>

9 CASH AND BANK BALANCES

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Cash on hand	1,856	2,526
Cash at banks	2,984,539	3,439,859
Term deposits	100,620	100,620
Less: allowance for expected credit loss	<u>(679)</u>	<u>(679)</u>
Cash and bank balances	3,086,336	3,542,326
Less: term deposits with an original maturity more than three months	<u>(100,000)</u>	<u>(100,000)</u>
Cash and cash equivalents	<u>2,986,336</u>	<u>3,442,326</u>

Term deposits are placed with commercial banks in UAE, which carry interest rate ranging from 0.5% to 2.5% per annum (31 December 2021: 0.5% to 2.5% per annum).

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

10 BUSINESS COMBINATIONS

During the period, the Group acquired the following entity, which was accounted for using the acquisition method under IFRS 3 Business Combination:

Rose Water Ladies Salon – Sole Proprietorship LLC

Effective 1 January 2022, Bedashing Holding Company LLC (“Bedashing”), a subsidiary, acquired a 100% equity interest in Rose Water Ladies Salon - Sole Proprietorship LLC (“Rose”) for consideration of AED 7,200 thousand. Rose is a sole proprietorship LLC, registered in the Emirate of Abu Dhabi, and is engaged in women personal care and beauty, women hairdressing, trimming, styling and henna pigmenting. From the date of acquisition, Rose contributed revenue and profit to the Group amounting to AED 1,172 thousand and AED 258 thousand respectively.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entity as at the date of acquisition was as follows:

	<i>AED'000</i>
Assets	
Property, plant and equipment	837
Intangible assets	577
Inventories	160
Trade and other receivables	<u>230</u>
Total assets	<u>1,804</u>
Liabilities	
Employees' end of service benefit	30
Trade and other payables	<u>117</u>
Total liabilities	<u>147</u>
Total identifiable net assets at fair value	1,657
Goodwill arising on acquisition	<u>5,543</u>
Total purchase consideration	<u>7,200</u>
Non-controlling interest on Group level	<u>3,528</u>

The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation before the end of 2022. Intangible assets comprises largely of reacquired rights relating to the acquisition which was previously under a franchise agreement with Bedashing.

Analysis of cashflows on acquisition is as follows:

	<i>AED'000</i>
Cash paid for the acquisition	7,200
Net cash acquired on business combination	<u>-</u>
Acquisition of operating business – net of cash used (included in cash flows from investing activities)	7,200
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>30</u>
Net cash used on acquisition	<u>7,230</u>

Acquisition related costs amounting to AED 30 thousand were expensed during the period and are included in general and administrative expenses.

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

11 SHARE CAPITAL

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Authorised issued and fully paid		
11,200,000,000 shares of AED 0.25 each		
(31 December 2021: 11,200,000,000 shares of AED 0.25 each)	<u>2,800,000</u>	<u>2,800,000</u>

12 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*.

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant influence in financial and operating decisions making as well as key management personnel.

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

<i>Name</i>	<i>Nature of relationship</i>	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Due from related parties:			
International Securities LLC	Entity under common control	1,015,898	313,455
Faris Suhail Ali Al Yebhoni	Other related party	-	6,753
Pal Technology Services LLC	Entity under common control	8,436	6,426
Al Ataa Investment LLC	Entity under common control	6,071	6,071
TSL Properties LLC	Entity under common control	3,581	3,581
PAL Group of Companies LLC	Entity under common control	3,308	3,308
Q Holding PJSC	Entity under common control	2,204	-
International Holding Company PJSC	Parent Company	1,204	781
Others	Entities under common control/ other related parties	<u>3,627</u>	<u>3,361</u>
		1,044,329	343,736
Less: allowance for expected credit loss		<u>(422)</u>	<u>(472)</u>
		<u>1,043,907</u>	<u>343,264</u>
Due to related parties:			
Chimera Investments LLC	Entity under common control	14,700	14,700
Tamouh Investments Company LLC	Entity under common control	8,028	3,986
RG Procurement RSC LTD	Entity under common control	3,530	2,900
Abu Dhabi Land General Contracting LLC	Entity under common control	1,608	905
Faris Suhail Ali Al Yebhoni	Other related party	1,554	-
Boudoir Interiors LLC	Entity under common control	1,256	1,761
OrionTek Innovations LLC	Other related party	1,056	391
International Holding Company PJSC	Parent Company	-	2,094
Others	Entities under common control/ other related parties	<u>1,891</u>	<u>1,757</u>
		<u>33,623</u>	<u>28,494</u>
Investments in financial assets	Entity under common control/ other related parties	<u>4,763,720</u>	<u>4,618,384</u>

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

12 RELATED PARTY BALANCES AND TRANSACTIONS continued

Loan from related parties:

Included under borrowings in the interim statement of financial position are the following related party loans:

				<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
	<i>Security</i>	<i>Interest rates</i>	<i>Maturity</i>		
Related party loan 1	Secured	5%	December 2026	41,513	41,001
Related party loan 2	Unsecured	Interest free	April 2023	7,622	7,623
Related party loan 3*	Unsecured	Interest free	December 2022	<u>25,000</u>	<u>25,000</u>
				<u>74,135</u>	<u>73,624</u>

* Related party loan 3 was obtained from the Parent Company during 2021. The loan amounted to AED 50,000 thousand, of which AED 25,000 thousand was repaid during 2021, and the balance being repayable in one bullet payment on 28 February 2022. During the period the repayment terms were amended, where the balance of AED 25,000 thousand is repayable in one bullet payment on 30 June 2022.

Balances with a financial institution (other related party):

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Balances with a financial institution	<u>2,635,132</u>	<u>3,054,807</u>
Borrowings	<u>211,258</u>	<u>205,088</u>

During the period, the Group entered into the following transactions with related parties:

	<i>(Unaudited)</i> 2022 AED'000	<i>(Unaudited)</i> 2021 AED'000
	<i>Three months ended 31 March</i>	
Revenue (<i>entities under common control</i>)	<u>4,026</u>	<u>1,955</u>
Cost of revenue (<i>entities under common control</i>)	<u>8,532</u>	<u>-</u>
General and administrative expenses (<i>entities under common control</i>)	<u>873</u>	<u>-</u>
Key management remuneration:		
Salaries and employee benefits	2,806	348
Employees end of service benefits	<u>142</u>	<u>75</u>
	<u>2,948</u>	<u>423</u>
Transactions with a financial institution (other related party):		
Interest expense for the period	<u>1,313</u>	<u>-</u>
Drawdowns of borrowings	<u>8,083</u>	<u>-</u>
Repayment of borrowings	<u>3,225</u>	<u>-</u>

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

13 TRADE AND OTHER PAYABLES

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Trade payables	47,578	44,351
Advance from customers	79,079	56,455
Deferred revenue	58,147	58,232
Accruals and other payables	98,863	90,379
Security deposits	25,170	24,639
VAT payable, net	-	794
Retention payable	<u>12,589</u>	<u>8,344</u>
	321,426	283,194
Less: non-current portion	<u>(106,987)</u>	<u>(108,303)</u>
	<u>214,439</u>	<u>174,891</u>

Non-current portion consists of the following:

Deferred revenue	33,083	49,231
Advances from customers	48,734	34,433
Security deposits	<u>25,170</u>	<u>24,639</u>
	<u>106,987</u>	<u>108,303</u>

14 REVENUE

	<i>(Unaudited)</i> 31 March 2022 AED'000	<i>(Unaudited)</i> 31 March 2021 AED'000
<i>Type of goods or services</i>		
Revenue from district cooling services	52,733	-
Revenue from consultancy, training and coaching services	76,242	-
Revenue from media and marketing services	23,286	3,618
Revenue from sale of cosmetics and rendering of related personal care services	86,900	-
Revenue from rentals	<u>2,053</u>	<u>-</u>
	<u>241,214</u>	<u>3,618</u>
<i>Timing of revenue recognition</i>		
Revenue at a point in time	185,759	3,618
Revenue over time	<u>55,455</u>	<u>-</u>
	<u>241,214</u>	<u>3,618</u>
<i>Geographical markets</i>		
UAE	<u>241,214</u>	<u>3,618</u>

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

15 INVESTMENT AND OTHER INCOME

	<i>(Unaudited)</i> 31 March 2022 <i>AED'000</i>	<i>(Unaudited)</i> 31 March 2021 <i>AED'000</i>
Change in fair value of investments carried at fair value through profit or loss (note 7)	246,702	-
Gain on disposal of property, plant and equipment	793	-
Interest and dividends income	2,110	-
Others	<u>7,479</u>	<u>-</u>
	<u><u>257,084</u></u>	<u><u>-</u></u>

16 BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are calculated by dividing the profit (loss) for the period attributed to the owners of the Company by the weighted average number of shares in issue throughout the period as follows:

	<i>(Unaudited)</i> Three months ended 31 March 2022	<i>(Unaudited)</i> 31 March 2021
Profit (loss) attributable to the owners of the Company (AED '000)	<u>290,592</u>	<u>(889)</u>
Weighted average number of shares (shares in '000)	<u>11,200,000</u>	<u>300</u>
Basic earnings (loss) per share for the period (AED)	<u><u>0.03</u></u>	<u><u>(2.96)</u></u>

17 DIVIDENDS

Dividends attributable to non-controlling interest amounting to AED 44,348 thousand was declared during the period (31 March 2021: nil), of which AED 23,341 thousand was paid.

18 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited)</i> 31 March 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
Letters of guarantee	<u>10,865</u>	<u>10,038</u>
Letters of credit	<u>5,312</u>	<u>1,260</u>
Commitment of capital expenditure	<u>172,341</u>	<u>145,318</u>

The above bank guarantees were issued in the normal course of business.

19 FAIR VALUE MEASUREMENTS

Fair value of the Group's assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<i>Financial assets</i>	<i>Fair value as at</i>		<i>Fair value hierarchy</i>	<i>Valuation techniques</i>
	<i>31 March 2022 (Unaudited) AED'000</i>	<i>31 December 2021 (Audited) AED'000</i>		
Quoted equity investments – investment in financial assets	4,964,669	5,388,413	Level 1	Quoted bid prices in an active market
Unquoted equity investments – investment in financial assets	208,604	113,894	Level 3	Market approach and latest transaction prices

There were no transfers between each of levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

20 SEGMENT REPORTING

For operating purposes, the Group is organised into business segments as follows:

Communications includes advertisement designing, production and commercial publication printing services.

Utilities includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

Driving training includes management and development of motor vehicles driving training.

Wellness includes health, wholesale cosmetics and make-up trading, women personal care and other grooming related services.

Investment activities includes investments in quoted and unquoted equity instruments.

Multiply Group PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022 (Unaudited)

20 SEGMENTAL ANALYSIS continued

	<i>Communications</i>		<i>Utilities</i>		<i>Driving training</i>		<i>Wellness</i>		<i>Investing activities</i>		<i>Total</i>	
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Revenue	23,286	3,618	52,733	-	78,295	-	86,900	-	-	-	241,214	3,618
Cost of revenue	(18,825)	(1,308)	(22,071)	-	(14,343)	-	(65,289)	-	-	-	(120,528)	(1,308)
Gross profit	4,461	2,310	30,662	-	63,952	-	21,611	-	-	-	120,686	2,310
Investment and other income	238	-	-	-	7,660	-	862	-	248,324	-	257,084	-
Share of loss from investment in Associate	-	(942)	-	-	-	-	-	-	-	-	-	(942)
Finance cost	(48)	-	(1,578)	-	(737)	-	(859)	-	-	-	(3,222)	-
General and administrative expenses	(7,972)	(2,257)	(5,991)	-	(15,690)	-	(9,956)	-	-	-	(39,609)	(2,257)
Profit (loss) for the period	(3,321)	(889)	23,093	-	55,185	-	11,658	-	248,324	-	334,939	(889)
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Segment assets	3,070,388	3,139,252	1,348,933	1,303,601	1,791,556	1,115,461	604,612	581,260	5,135,154	5,464,188	11,950,643	11,603,762
Segment liabilities	43,863	51,812	638,777	616,761	136,038	106,107	115,344	103,052	-	-	934,022	877,732