DARGLOBAL

PROSPECTUS

February 2023

This document constitutes a prospectus (the **Prospectus**) for the purposes of Article 3 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**) relating to Dar Global PLC (the **Company**), prepared in accordance with the prospectus regulation rules (the **Prospectus Regulation Rules**) of the Financial Conduct Authority (the **FCA**) made under section 73A of the Financial Services and Markets Act 2000, as amended (**FSMA**). The Prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulation. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of the Prospectus. Investors should make their own assessment as to the suitability of investing in the ordinary shares in the capital of the Company with a nominal value of US$0.01 each (the **Ordinary Shares**).

As at the date of this document, no Ordinary Shares are admitted to trading on a regulated market. Application has been made to the FCA, in its capacity as competent authority under FSMA, and to London Stock Exchange plc (the **London Stock Exchange**) respectively for admission of all of the Ordinary Shares: (i) to the standard listing segment (**Standard Listing**) of the Official List of the FCA (the **Official List** and **Admission to Listing**, respectively); and (ii) to the London Stock Exchange's main market for listed securities (**Admission to Trading**, and together with Admission to Listing, **Admission**). The London Stock Exchange is a regulated market for the purposes of the UK Prospectus Regulation. It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence, on the London Stock Exchange at 8.00 a.m. (London time) on 28 February 2023. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or traded on any other stock exchange. This Prospectus is not an offer or invitation to the public to subscribe for or purchase Ordinary Shares but is issued solely in connection with Admission.

The Company and the directors of the Company (together, the **Directors**), whose names appear in the section of this Prospectus headed *Directors, Company Secretary, Registered Office and Advisers*, accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in the Prospectus is in accordance with the facts, and the Prospectus makes no omission likely to affect its import.

You should read the Prospectus in its entirety and, in particular, the section of this document headed *Risk Factors*, when considering an investment in the Company. See pages 11 to 27 for a discussion of certain risks and other factors that should be considered prior to any investment in the Ordinary Shares. You should be aware that an investment in the Company involves a high degree of risk and that, if certain of the risks described in this document occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Ordinary Shares is only suitable for investors who are particularly knowledgeable in investment matters, and who are able to bear the loss of the whole or part of their investment.

DARGLOBAL

DAR GLOBAL PLC

(Incorporated under the Companies Act and registered under the laws of England and Wales with registered no. 14388348)

Admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange

Capital Markets Adviser

Liberum Capital Limited

ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Nominal Value	Number
US$0.01 each	180,021,612

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, Liberum Capital Limited or any of their respective representatives or affiliates that any recipient of this document should subscribe for or purchase Ordinary Shares.

None of the Company, the Directors, the Capital Markets Adviser or any of their respective representatives or affiliates is making any representation to any subscriber or purchaser of the Ordinary Shares regarding the legality of an investment by such subscriber or purchaser. The contents of this document are not to be construed as legal, tax, business and/or financial advice. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of subscribing for or purchasing Ordinary Shares.

The Capital Markets Adviser

Liberum Capital Limited (the **Capital Markets Adviser**) is regulated by the FCA. The Capital Markets Adviser is acting exclusively for the Company and no one else in connection with Admission and will not regard any other person(s) (whether or not a recipient of this document) as a client in relation to Admission, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for the giving of advice in relation to Admission or any transaction, matter, or arrangement referred to in this document. The contents of this document have not been verified by the Capital Markets Adviser, nor any of its subsidiary undertakings or affiliates, or subsidiary undertakings' or affiliates' directors, officers, employees, advisers, representatives or agents.

Apart from the responsibilities and liabilities, if any, which may be imposed by FSMA or the regulatory regime established thereunder, neither the Capital Markets Adviser nor any of its representatives or affiliates, accepts any responsibility whatsoever for the contents of this document or its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, or by any other person(s) in connection with the Company, the Ordinary Shares, and Admission. The Capital Markets Adviser and its respective representatives and affiliates each accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this document and/or any such statement(s). No representation or warranty, express or implied, is made by the Capital Markets Adviser, or any of its respective representatives or affiliates as to the accuracy, completeness or sufficiency of the information set out in this document.

Notice to overseas investors

This Prospectus does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer or invitation to purchase or subscribe for, any Ordinary Shares or any other securities in the Company to any person in any jurisdiction.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and in accordance with applicable securities laws of any state or other jurisdiction of the United States.

Neither the US Securities and Exchange Commission, nor any other US federal or state securities commission or regulatory authority in the United States has approved or disapproved the Ordinary Shares or reviewed or passed judgement upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required, or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering or publicity material may be distributed or published in any jurisdiction, other than in the United Kingdom, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

No incorporation of website information

The information contained on the Company's website is not incorporated into and does not form a part of this Prospectus.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended or that directive as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as applicable (**MiFID II**); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II or that directive as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as applicable; and (c) local implementing measures (together, the **MiFID II Product Governance Requirements**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any manufacturer (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares (as defined below) have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II or paragraph 3 of the FCA Handbook Conduct of Business Sourcebook (**COBS**), as applicable; and (ii) eligible for distribution through all permitted distribution channels as are permitted by MiFID II (the **Target Market Assessment**). Notwithstanding the Target Market Assessment, distributors (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to Admission.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or Chapters 9A or 10A respectively of the COBS; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Ordinary Shares has led to the conclusion that: (i) the target market for the Ordinary Shares is only eligible counterparties, as defined in the COBS, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Ordinary Shares to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Ordinary Shares (a distributor) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Ordinary Shares (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

GENERAL

Capitalised terms have the meanings ascribed to them in Part XII (*Definitions*) of this Prospectus.

The Company is a newly-incorporated holding company formed in anticipation of Admission for the purpose of holding certain subsidiaries of Dar Global UAE. Shortly before Admission, the Company acquired those subsidiaries through the Reorganisation (or, in the case of two subsidiaries in Bosnia which hold no real estate or other material assets, such entities are expected to be acquired shortly following Admission). For further information regarding the Reorganisation, see paragraph 4 (*Reorganisation*) of Part XI (*Additional Information*). This Prospectus is dated 23 February 2023.

CONTENTS

SUMMARY INFORMATION

1. INTRODUCTION AND WARNINGS

1.1 Name and ISIN of the securities

Ordinary shares in the capital of the Company with a nominal value of US$0.01 each (the **Ordinary Shares**) with ISIN: GB00BQXNJY41.

1.2 Identity and contact details of the issuer

The issuer's name is Dar Global PLC (the **Company** and, together with its subsidiaries and subsidiary undertakings on completion of the Reorganisation, the **Group**). Its registered office is at Link Company Matters Limited, 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom. The Company's telephone number is +44(0)333 300 1950 and its LEI is 213800XRFXQ1KEWACW80.

1.3 Identity and contact details of the competent authority

This Prospectus has been approved by the Financial Conduct Authority, with its head office at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number +44 (0) 20 7066 1000.

1.4 Date of approval of the Prospectus

23 February 2023.

1.5 Warnings

This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities of the Company should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the issuer of the securities?

Domicile and legal form, LEI, applicable legislation and country of incorporation

The Company is incorporated under the laws of England and Wales with its registered office in the United Kingdom and its Legal Entity Identifier (**LEI**) is 213800XRFXQ1KEWACW80. The Company was incorporated on 30 September 2022 under the Companies Act as a private limited company with the name Dar Al Arkan Global Real Estate Development Limited with registered number 14388348. On 3 October 2022, the Company changed its name to Dar Global Limited. On 9 February 2023, the Company re-registered as a public limited company and changed its name to Dar Global PLC. The principal law and legislation under which the Company operates is the Companies Act.

Principal activities

The Group's business model focuses on development of real estate projects comprising second homes typically in prime locations in the Middle East and Europe. The high quality of developed properties and excellent location of its projects in some of the most desirable places to live, such as downtown Dubai or the Costa del Sol region in southern Spain, are expected by the Directors to attract customers, a portion of which are not only interested in making one purchase from the Group, but may consider purchasing more than one property in different locations for investment purposes or personal use. In the near future, the Group also intends to expand its focus to hospitality assets with the aim to acquire or build hotels and sell them after a period of three to five years of operation once the hotel's or resort's revenue stream stabilises. Target markets in this case include Southern Spain, Dubai, Maldives, Athens, Marrakesh and London.

The Group launched its first residential development project in Dubai in 2017 and, as of the date of this Prospectus, the Group has expanded its portfolio of projects to eleven, four of which are located in Dubai, three in Spain and one each in Oman, Qatar, Bosnia and the United Kingdom. The first three of these projects, Urban Oasis and the Da Vinci Tower by Pagani in Dubai and Sidra in Bosnia, are currently expected to be completed in December 2023.

Beginning with the six months ended 30 June 2022, the Group started recognising revenue from contracts with customers for the sale of development properties. The Group reported revenue for the first time for the six months ended 30 June 2022 of AED 104.1 million (US$28.3 million). The Group's assets amounted to AED 833.0 million (US$226.8 million) as of 31 December 2021 and AED 1,406.7 million (US$383.0 million) as of 30 June 2022. Of these amounts, development properties accounted for AED 649.3 million (US$176.8 million) as of 31 December 2021 and AED 802.9 million (US$218.6 million) as of 30 June 2022.

Major Shareholders

In so far as it is known to the Company as at the date of this document, the following persons will, on Admission, be directly or indirectly interested (within the meaning of the Companies Act) in 3 per cent. or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders as of Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):

	Ordinary Shares held immediately prior to Admission		**Ordinary Shares held immediately after Admission**	
Name of Shareholder	**Number of Ordinary Shares**	**Percentage of Ordinary Shares**	**Number of Ordinary Shares**	**Percentage of Ordinary Shares**
Dar Al Arkan Real Estate Development Company PJSC*...	158,400,000	100	158,400,000	88

* Interest is held indirectly through various subsidiaries. Dar Al Arkan Global Real Estate Development LLC (Dar Global UAE) is the immediate controlling shareholder of the Company.

Key managing Directors

Ziad El Chaar is the Chief Executive Officer of the Company and Shivaraman Iyer is the Chief Financial Officer of the Company.

Statutory auditors

The statutory auditor of the Company is KPMG Audit LLC, Heritage Court, 41 Athol Street, Douglas, IM1 1LA, Isle of Man.

2.2 **What is the key financial information regarding the issuer?**

Selected historical key financial information

The following tables set out selected historical combined financial information of the Group as at the dates and for the periods indicated.

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
				Unaudited
		(in AED)		
Combined statement of financial condition data				
Assets				
Cash and bank balances	40,748,515	45,708,556	68,210,483	272,113,075
Advances, deposits and other receivables	52,688,437	57,896,873	107,867,395	311,942,380
Development properties	200,146,169	220,717,562	649,284,864	802,878,495
Escrow Retentions	1,889,584	2,246,492	6,256,000	18,382,630
Property and equipment	2,445,919	1,938,696	1,394,793	1,427,698
Right-of-use assets	243,148	—	—	—
Total assets	**298,161,772**	**328,508,179**	**833,013,535**	**1,406,744,278**
Liabilities and Equities				
Liabilities				
Accounts payable and provisions	7,656,225	9,478,243	13,497,677	42,518,747
Advances from Customers	39,276,148	45,259,161	124,861,981	327,967,013
Retention Payable	732,464	840,554	6,300,738	10,515,016
Development Property Liabilities	—	—	277,270,384	396,724,645
Due to related parties	185,475,289	212,253,245	336,688,772	501,548,982
Employees' end of service benefits	359,243	322,838	392,259	483,316
Total liabilities	**233,499,369**	**268,154,041**	**759,011,811**	**1,279,757,719**
Equity				
Other reserves	3,000,000	3,000,000	3,000,000	3,000,000
Capital Contribution	61,662,403	57,354,138	71,001,724	114,638,961
Statutory Reserve	—	—	—	934,760
Retained earnings	—	—	—	8,412,838
Total equity	**64,662,403**	**60,354,138**	**74,001,724**	**126,986,559**
Total equity and liabilities	**298,161,722**	**328,508,179**	**833,013,535**	**1,406,744,278**

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
				Unaudited	
			(in AED)		
Combined statement of profit or loss data					
Revenue	—	—	—	—	104,109,395
Cost of sales	—	—	—	—	(58,643,208)
Gross Profit	—	—	—	**—**	**45,466,187**
Other income	67,181	102,531	72,670	38,271	55,306
Selling and distribution expenses	(1,138,307)	(1,677,098)	(8,323,608)	(1,212,236)	(7,094,589)
General and Administrative expenses	(12,697,576)	(11,810,248)	(12,586,734)	(4,497,897)	(16,719,190)
Finance costs	(525)	(9,088,289)	(40,845,321)	(5,138,016)	(17,886,647)
Profit/Loss before tax	**(13,769,227)**	**(22,473,104)**	**(61,682,993)**	**(11,259,878)**	**3,821,067**
Income tax (expenses) / credit	—	—	—	—	—
Profit/Loss for the year	**(13,769,227)**	**(22,473,104)**	**(61,682,993)**	**(11,259,878)**	**3,821,067**

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
				Unaudited	
			(in AED)		
Combined statement of cash flows data					
Net cash used in operating activities	(9,413,641)	(30,673,739)	(91,363,133)	(32,028,132)	(1,654,486)
Net cash used in investing activities	(129,537)	(220,726)	(218,705)	(102,179)	(316,671)
Net cash generated from financing activities	26,516,303	35,854,506	114,083,765	20,566,051	205,873,749
Cash and cash equivalents at the end of the year	40,748,515	45,708,556	68,210,483	34,144,296	272,113,075

Accountants' report on Historical Financial Information

There are no qualifications to KPMG Audit LLC's accountant's report on the historical financial information of the Group as at and for the years ended 31 December 2021, 2020 and 2019 included in this Prospectus.

2.3 The Company was incorporated on 30 September 2022 and has a financial year end of 31 December. As at 31 December 2022, the Company had not yet become the holding company of the Group as the Reorganisation was in the process of being implemented and Admission had not yet occurred. As such, in accordance with requirements under the Companies Act and the Disclosure Guidance and Transparency Rules, the first set of audited financial statements required to be published by the Company after Admission will be its full year results for the financial year from 1 January 2023 until 31 December 2023. In accordance with applicable Companies Act requirements, the Company will publish these audited financial statements by 31 March 2024.

Between Admission and the date on which such audited financial statements of the Company are published, in order to update the market and investors on the Group's performance, the Company therefore intends to make the following financial information public during 2023:

- the Company intends to publish a trading update before the end of April 2023, including information on the status and/or performance of each of its projects. This trading update will include key unaudited financial information in respect of the Group's financial position and performance for the year ended 31 December 2022, and
- as required under the Disclosure Guidance and Transparency Rules, by 30 September 2023, the Company will make public its half year unaudited financial results for the six month period ended 30 June 2023.

2.4 **What are the key risks that are specific to the issuer?**

Risks relating to the Group and its Business

- The Group may not be able to complete the projects in its development pipeline, the majority of which are in the planning or early construction stage, in the anticipated time frame or at all.
- The total estimated costs of the Group's development projects may be subject to unanticipated increases.
- The Group depends on the ability of its contractors to complete projects on schedule and to maintain a consistent standard of quality.
- The continued success of the Group's business is dependent, in part, upon the wealth of the Group's potential customers seeking second homes.
- The Group is subject to joint development and joint venture risks.
- The Group's performance in part depends on the reputation and awareness of the brands used in its co-branded projects.
- As the Group executes its strategy to acquire, develop and own hospitality assets, it will become subject to the risks common to the hospitality industry, many of which are beyond its control.
- The Group has a limited operating history.
- The Group may incur a variety of costs to engage in future growth or expansion of its operations and the anticipated benefits may never be realised.

- The economies of GCC countries are dependent on the prices of oil and natural gas, which have been volatile.
- The Group is exposed to the risk of customers defaulting on their purchase price instalments.
- The due diligence process that the Group undertakes in connection with new projects may not reveal all relevant facts.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

Type, class and ISIN of the securities

When admitted to trading, the Ordinary Shares (which are ordinary shares) will be registered with ISIN number GB00BQXNJY41.

Currency, denomination, par value, number of securities issued and term of the securities

The Ordinary Shares are denominated in U.S. Dollars with nominal value of US$0.01 each. On Admission, the Company will have an issued share capital of US$1,800,216.12, divided into 180,021,612 Ordinary Shares with a nominal value of US$0.01.

Rights attached to the securities

The Ordinary Shares have the following rights attaching to them:

- on a show of hands at a general meeting every member present in person has one vote and every proxy or representative present who has been duly appointed by a member entitled to vote has one vote; and on a poll every member (whether present in person or by proxy or representative) has one vote per Ordinary Share;
- the right to receive dividends on a *pari passu* basis; and
- if the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided amongst the members in the proportion to the capital which at the start of the winding-up is paid up on the Ordinary Shares held by them, respectively.

Restrictions on free transferability of the securities

The Ordinary Shares are free from any restriction on transfer, subject to compliance with applicable securities laws.

Dividends and dividend policy

Given the early stages of development of most of the Group's assets, the Company is focused on investing to deliver future growth. As such, the Company does not expect to declare or pay any dividends in the near future. However, the Company will continue to review its dividend policy on an ongoing basis as the Directors believe dividends to be an important component of long term total shareholder returns.

3.2 Where will the securities be traded?

Application has been made to the FCA for the Ordinary Shares to be admitted to the standard listing segment of the Official List of the FCA, and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange.

No offering of the Ordinary Shares is being made in any jurisdiction.

3.3 What are the key risks that are specific to the securities?

- There is no existing market for the Ordinary Shares, and an active or liquid trading market for the Ordinary Shares may not develop or be sustained.
- The Ordinary Shares may be subject to market price volatility and the market price of the Ordinary Shares may decline disproportionately in response to developments that are unrelated to the Group's operating performance.

- The Major Shareholder will retain significant interests in, and will continue to exercise significant influence over the Group following Admission and its interests may differ from those of the other shareholders.

4. KEY INFORMATION ON ADMISSION

4.1 Under which conditions and timetable can I invest in this security?

General terms and conditions

Not applicable. This Prospectus does not constitute an offer or an invitation to any person to subscribe for or purchase any Ordinary Shares. The Ordinary Shares are not being offered to the public.

Expected timetable

It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence on the London Stock Exchange at 08.00 a.m. London time on 28 February 2023.

Details of admission to trading on a regulated market

Application has been made to the FCA for the Ordinary Shares to be admitted to the standard listing segment of the Official List of the FCA and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange.

4.2 Why is this Prospectus being produced?

This Prospectus has been prepared solely in connection with the application to the FCA for all of the Ordinary Shares to be admitted to the standard listing segment of the Official List of the FCA and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. The Company is applying for Admission in order to consolidate the international (non-Kingdom of Saudi Arabia based) real estate assets of the Dar Al Arkan Real Estate Development Company into a separately listed vehicle in order to develop a platform for future international growth.

Material conflicts of interest

There are no material conflicts of interest pertaining to Admission.

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Prior to investing in the Ordinary Shares, investors should carefully consider the factors and risks associated with any investment in the Ordinary Shares, the business of the Group and the Group's industry as a whole, together with all other information contained in this Prospectus, including in particular the risks described below, and consult with their professional advisers.

The following is not an exhaustive list or explanation of all risks that investors may face when making an investment in the Ordinary Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Directors, or that the Directors currently deem to be immaterial, could also, individually or cumulatively, have a material adverse effect on the business, financial condition, results of operations or prospects of the Group and, if any such risks or uncertainties should materialise, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should carefully consider whether an investment in the Ordinary Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

All these risk factors and events are contingencies that may or may not occur. The Group may face a number of these risks simultaneously, and one or more risks described below may be interdependent. In accordance with Article 16 of the Prospectus Regulation, the most material risk factors have been presented first in each category, but the order in which the remaining risk factors are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the business, financial condition, results of operations or prospects of the Group.

Risks Relating to the Group and its Business

1. The Group may not be able to complete the projects in its development pipeline, the majority of which are in the planning or early construction stage, in the anticipated time frame or at all

The Group is currently mostly focused on the development of a small number of large-scale projects, each representing a significant portion of the Group's total portfolio valuation and the majority of these projects are at a relatively preliminary stage of development. Completion of the Group's current and planned development projects is subject to a number of risks, including uncertainties as to market demand or a reduction in market demand after construction has begun, delays or refusals in obtaining all necessary building, occupancy and other required governmental and regulatory permits and authorisations, a requirement to make significant current capital expenditures for certain properties while receiving revenue from these properties over future periods, resulting in possible mismatches between expenditure and income and the possible shortage of available cash to fund construction and capital improvements and the related possibility that financing for these capital improvements and construction costs may not be available to the Group on suitable terms or at all, each of which may result in certain of the Group's projects not being profitable and hence halted or re-planned for other uses.

There can be no assurance that any or all of the Group's current or future projects will be completed in the anticipated time frame or at all. For instance, the Group launched and commenced construction of its first project (known at the time as "I Love Florence") in 2017. However, the construction contractor subsequently ran into financial difficulties, which resulted in significant delays in construction, and eventually defaulted on its obligations. The initial brand partner for this project was acquired by a UAE-based developer, which made further cooperation impracticable. The initial contractor was dismissed and a new contractor was selected in 2020. However, the impact of the COVID-19 pandemic further delayed construction on this project. After an agreement with a new brand partner was signed in March 2021, this project was re-launched under a new name ("Urban Oasis"). All of these developments resulted in a delay with respect to the completion of this project, which is currently expected to be completed in December 2023. The inability to complete a project in the anticipated time frame or at all could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Although the Group does not act as a contractor itself, its projects are exposed to a number of construction risks, including, without limitation:

- delays in obtaining all, or refusals of any, necessary zoning, land use, building, development, occupancy and other required governmental permits, licences, approvals and authorisations (including due to new regulatory frameworks);
- unforeseen engineering, environmental or geological problems;

- inability to obtain necessary financing arrangements on acceptable terms, or at all, and otherwise fund construction and capital improvements;
- default or failure, for any reason, by the Group's contractors to finish projects on time and within budget;
- financial difficulties, defaults and insolvencies encountered by the Group's contractors, as discussed above with respect to the initial contractor for the "I Love Florence" project (subsequently re-branded as "Urban Oasis"), which is a risk that may be increased in the current inflationary climate;
- an inability to find a suitable contractor either at the commencement of a project or following a default by an appointed contractor, whether on favourable terms or at all;
- disputes with sub-contractors (although the Group does not have any sub-contractors at the moment, it may use them on its future projects);
- disputes between contractors and/or sub-contractors and their employees;
- defective building methods;
- shortages of, or defective, materials and/or equipment, (including, in particular, cranes), labour and/or other necessary supplies (due to rising commodity prices or inflation or otherwise);
- escalating costs of construction materials (for example, raw materials such as steel and other commodities common in the construction industry, the cost of which has increased in the last 12 months as a result of logistical issues being experienced worldwide) and global commodity and energy prices (the costs of which have also increased recently);
- adverse weather conditions and/or natural disasters;
- accidents; and
- other unforeseen circumstances.

In a situation in which an appointed contractor defaults and the Group needs to find a replacement contractor, even if the Group were able to find such a replacement in a timely manner, it is likely that the cost to the Group would increase given that the terminated contractor would need to transfer the building permit to the new contractor and exit the construction site with its equipment and machinery, and any new contractor would need time to familiarise itself with the ongoing project, including with respect to liability for partly completed structures, which, in turn, might cause further delays to the completion of the project and disruption in service and access to third parties.

Any of these factors, either alone or in combination, could materially delay the completion of a project or materially increase the costs associated with a project which could, in turn, have a material adverse effect on the Group's business, financial condition, and results of operations or prospects, including reputational damage that may adversely affect future sales.

2. The total estimated costs of the Group's development projects may be subject to unanticipated increases

The total estimated costs of the Group's development projects could increase unexpectedly due to a number of factors, including increases in the cost of construction materials and/or labour where the Group has not entered into a fixed price contract with its contractor, defects in construction materials, discovery of defects in the land (latent conditions), shortages of project managers, contractors and construction specialists to ensure that planned projects are delivered both on time and on budget, strikes and work stoppages or other labour disputes or disturbances affecting the Group's projects, contractors, sub-contractors or suppliers, design or construction defects and otherwise failing to complete projects according to design specification, changes or modifications in the design of the project based on market demand or regulatory requirements, changes in demand trends due to, among other things, a shift in buyer preferences, a downturn in the economy, failure of contractors, sub-contractors or other third parties to perform their obligations adequately and/or on time, contractors, sub-contractors or other third parties seeking to re-negotiate their agreements and government authorities applying additional requirements on development of projects.

The price of construction materials has fluctuated considerably in recent years, due to a range of factors including supply chain disruptions caused by the COVID-19 pandemic, increased international uncertainty driven by Russia's invasion of Ukraine in February 2022, exchange rate variations and inflation. In addition, the cost of labour has increased in several jurisdictions in which the Group has its projects due to, in part, the contraction of the foreign labour population is such locations as Dubai as a result of the impact of the

COVID-19 pandemic. As a result, more recent contracts entered into by the Group reflect this higher cost environment. There can be no assurance that these costs will not continue to increase or that the Group will be able to reflect such costs increases in its sale or rental (for commercial properties) prices or that such sale or rental prices will be sufficient to allow the Group to recover its costs for affected development projects. In addition, in relation to its existing contracts, although the Group typically enters into fixed price contracts with its contractors, it may, from time to time, agree to increases in the contract price where costs have increased materially since the price was agreed due to material changes to the scope of the work required from the contractor by the Group. In addition, contractors and consultants operating in the UAE are expected to increase their rates following the expected introduction of a 9 per cent. tax on corporate profits in the UAE from January 2024, which is likely to increase the costs of the Group's new projects in this jurisdiction. Any of the factors referred to above could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

3. The Group depends on the ability of its contractors to complete projects on schedule and to maintain a consistent standard of quality

The Group relies on the ability of its contractors to construct its development projects, who, in turn, rely on suppliers of construction materials. The ability of contractors to perform their obligations is subject to numerous factors that are beyond the control of the Group, such as the possible insolvency of such contractors, their ability to hire adequate labour and to otherwise manage their own businesses efficiently. In addition, the ability of suppliers of construction materials to perform their obligations is subject to periodic shortages and price volatility in raw materials. A failure to complete projects on time or to maintain a consistent standard of quality may lead to difficulties in marketing the Group's products, rescissions of sales or rental (with respect to commercial properties) contracts and increased liabilities pursuant to customer warranty claims, each of which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4. The continued success of the Group's business is dependent, in part, upon the wealth of the Group's potential customers seeking second homes

Given its focus on the development of high quality second homes in attractive locations, the Group's business is highly dependent on levels of disposable income and disposable capital of high net worth and other affluent individuals and investors in the GCC countries and in various other jurisdictions, including from fast-growing emerging markets. Since many of these individuals and investors operate in the global financial markets, their levels of wealth may depend, to some extent, on the performance of the international property, financial and consumer markets. In addition, the disposable income levels of such individuals and investors are affected by factors in their home countries, such as, for example, interest rates, inflation and tax rates. The poor performance of financial markets in 2022 in many countries and high inflation that affected not only emerging markets, but also many developed markets in 2022 may have a material adverse effect on levels of disposable income and wealth of individuals world-wide, including potential customers of the Group seeking second homes. The Group expects that demand for its properties will continue to depend, to some extent, on the condition of the global markets and that any further international or regional financial crises or economic downturns could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

5. The Group is subject to joint development and joint venture risks

A significant portion of land plots, on which the Group's projects are located, is sourced through the contribution of land by the Group's joint development partners, which allows the Group to secure land for its projects with minimal upfront cash contributions. Three of the Group's eleven current projects (W Residences Dubai – Downtown, Les Vagues in Qatar and Aida in Oman) are based on such contribution of land by the Group's joint development partners. In line with this strategy, the Directors expect a significant portion of land plots for its future projects to be sourced through similar arrangements.

One of the current projects of the Group (the Fourth Floor Flat of 149 Old Park Lane) is a joint venture, through which the Group will share the costs of acquiring and refurbishing the property and, likewise, the Directors expect to pursue this strategy in respect of other projects. Therefore, co-operation and agreement with the Group's joint development and joint venture partners on existing and future projects, where applicable, are essential for the smooth operation and financial success of such projects and of the Group's business. However, the Group's joint development and joint venture partners may have economic or business interests or goals that are inconsistent with those of the Group's and/or may be unable or unwilling to fulfil their obligations under the relevant joint development or other agreements or may experience financial or other difficulties. Furthermore, the Group may not be able to control the decision-making process for the joint developments or joint ventures. In addition, disputes with joint development or joint venture partners may arise in the future, which could adversely affect the Group's joint development or joint venture projects. Some of the Group's joint development partners are directly or indirectly owned by government-related entities, which exposes the Group to additional risks, including the need to satisfy both political and regulatory demands and the need to react to differences in focus or priorities, both of which can lead to delays in decision making, thereby increasing costs and exposure to competition.

The Group cannot give any assurance that it will be successful in establishing any future joint developments or joint ventures or that, once established, such joint developments or joint ventures will be profitable. If a joint development or a future joint venture is unsuccessful, the Group may be unable to recoup its initial investment. In addition, the Group's inability to realise future joint development opportunities or joint venture opportunities may result in it losing access to premium plots of land that might be developed by competitors and/or require it to incur significant capital expenditure to acquire land plots in the future. Any of these factors, alone or in combination, could lead to a decline in construction quality, delays in project delivery, reputational risks and higher capital expenditure and/or funding costs, which could have a material adverse effect on the Group's business, financial condition, and results of operations or prospects.

6. The Group's operations may be subject to delays due to the inability of utility and infrastructure providers to provide services and connections to its developments at the required levels and within the specified project delivery time

Access to some of the Group's projects is dependent on the completion of connecting infrastructure, such as roads and utilities for which third parties are responsible. There can be no assurance that material delays in delivering the Group's projects will not occur in the future as a result of delays in the connection of infrastructure. As a result, the Group's current projects may be delayed and future projects may be hindered due to the inability of utility providers to provide the required levels of roads, telecommunications, water and power generation and connections for the utilities in a timely manner. In addition, a breakdown in the Group's relationships with third-party utility and infrastructure providers could cause further delays. Any delays in the Group's projects, even if beyond its control, may adversely affect its brand and reputation, which, in turn, could materially adversely affect its business, financial condition, results of operations or prospects.

7. A large portion of the Group's current projects (by value) is concentrated in Oman and Dubai

Most of the Group's current projects are located in developing or emerging markets. Investors in developing and emerging markets should be aware that these markets are subject to greater risks than more developed markets, including, in some cases, significant transparency, legal, economic and political risks. In particular, currently, a large portion of the Group's current projects (by value) is located in Oman and Dubai. The Aida project in Oman is the Group's largest project with an estimated gross development value of AED 8,829 million (US$2,404 million) and accounts for 56.5 per cent. of the total estimated costs of all of the Group's projects. The four projects of the Group in Dubai have a combined estimated gross development value of AED 3,549 million (US$966 million) and collectively account for 21.5 per cent. of the total estimated costs of all of the Group's projects. As a result of this geographic concentration, the Group is particularly sensitive to geopolitical conditions affecting the region, economic conditions in Oman and Dubai, changes in the laws or regulatory environment applicable to its business in these jurisdictions, as well as any weakness in the local real estate markets or softening of demand for luxury second homes in these areas.

According to a real estate transparency survey conducted by Jones Lang LaSalle in 2020, the real estate markets in the UAE are categorised as "semi-transparent" in the case of the UAE and "opaque" in the case of Oman. The degree of transparency of a real estate market is determined by reference to a number of factors, including comparable transactions, accessibility of information relating to counterparties and land title, reliability of market data, clarity of regulations relating to all matters of real estate conveyance and access to government agencies to verify information provided by counterparties in connection with real estate transactions. Although the Group endeavours to undertake comprehensive due diligence with respect to all of its projects in order to mitigate any risks in connection with the markets in which it operates, there can be no assurance that the factors described above will not result in its discovery at a later date of information or liabilities in association with its projects in Dubai or Oman that could affect their value or returns on investment, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, in Oman, the market for luxury second homes is much less developed than, for instance, in Dubai and, while the residential market is open to expatriates, the issue of long-term visas has not kept pace with innovations in the UAE, particularly Dubai.

In Dubai, the property and construction markets, similar to many other locations, are affected by macroeconomic factors that are beyond the Group's control, such as real estate market conditions generally, changes in interest rates, consumer spending, inflation rates, real estate taxes and the availability and cost of financing. After a boom during the 2003 to 2007 period, the 2008 global financial crisis hit the real estate market in Dubai very hard. In 2009 to 2011, residential real estate values fell by as much as 50 per cent. Nevertheless, Dubai experienced a recovery in demand and pricing between 2011 and 2015. Subsequently, the real estate market slowed down due to the weak macroeconomic conditions and later due to the impact of the COVID-19 pandemic. There can be no assurance that the current demand and pricing levels for the residential real estate in Dubai (or the other markets in which the Group operates) will persist.

Moreover, the economies of the UAE and Dubai, in particular, are heavily dependent upon expatriate workers, who have historically made up a significant portion of the residential real estate purchasers. If the conditions for expatriate workers in Dubai become less favourable, or if government intervention fails to support or otherwise restricts or limits the growth of the expatriate or general real estate investment community, the Group's business, financial condition, results of operations or prospects could be adversely affected.

Recently, the Financial Action Task Force included the UAE on a list of jurisdictions subject to increased monitoring, known as its "grey" list. In addition, to further the Financial Action Task Force scrutiny on the UAE, companies which operate in countries on the "grey" list may face increased risk of reputational damage, ratings adjustments, trouble obtaining global finance, higher transaction costs and additional compliance issues.

Furthermore, the Group is subject to risks associated with disruption of the development work taking place in Oman or Dubai including, for example, as a result of natural disasters, industrial accidents, geopolitical developments or changes in national government or local authorities. Any such changes or disruptions in Oman or Dubai generally, or in the areas in which the Group's projects are located in particular, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

8. The Group's performance in part depends on the reputation and awareness of the brands used in its co-branded projects

Co-branding projects with luxury and fashion brands, hoteliers and others constitute an important element in the marketing of several of the Group's current projects, as well as the price at which residential units in those projects are sold to customers. Consequently, brand awareness, image and loyalty in relation to the brands used in its co-branded projects are critical to the Group's ability to market such projects and to the execution of its business strategy. The awareness of these brands and the reputation of the brand partners, in cooperation with which the Group develops any of its projects, are affected by a number of factors, including factors outside the Group's control, such as changes in customer preferences and customer perceptions of a brand. An event that materially damages the reputation of a brand partner, in cooperation with which the Group develops any of its projects, or a failure to sustain the appeal of the relevant brand to its potential customers, may have a material adverse effect on the value of that brand and would adversely affect the marketability and the selling price of residential units in the affected project, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

While a re-branding exercise may be possible, it would have cost and timing implications for the affected project, which could adversely affect the project's profitability. For example, the Group launched its very first project in 2017 under the "I Love Florence" name in cooperation with a well-known high-end Italian fashion brand. However, this initial brand partner was subsequently acquired by a UAE-based developer, which made further cooperation impracticable. The project was re-launched in cooperation with a different brand partner at a later stage, but this change in the branding partner resulted in delays and extra costs with respect to the completion of this project.

In addition, the Group relies on the owners of the brands it uses to maintain and protect their trademarks against infringement or misappropriation. Any failure by the owners to protect such trademarks may cause the reputation of the brands to suffer.

9. As the Group executes its strategy to acquire, develop and own hospitality assets, it will become subject to the risks common to the hospitality industry, many of which are beyond its control

The Group's Aida project in Oman includes a hospitality component with 450 hotel rooms and related facilities. In addition, the Group is also looking into various target markets for future hospitality projects that include Dubai, Spain, Maldives, Athens, Marrakesh and London. The aim is to acquire or build hotels or resorts and sell them after a period of three to five years of operation once such hotel's or resort's revenue stream stabilises. While the Group intends to engage third-party operators of its hospitality assets, its business, including its ability to realise the targeted value of its hospitality assets upon their sale, will become subject to a number of factors that could adversely affect its results of operation and financial condition. Many of these are common to the hospitality industry and the Directors believe the most significant factors are as follows:

- the adverse effects of any global or regional economic downturn, which might adversely affect the ability of the Group to sell its hospitality assets at the price the Group seeks either because of the downward pressure on valuations or because of liquidity constraints affecting potential purchasers of such hospitality assets;
- a downturn in international travel market conditions, resulting from, for example, epidemics, travel-related accidents, travel-related industrial action, increased transportation and fuel costs or natural disasters in the countries in which the Group operates, which may diminish the demand for leisure and business travel;
- increased competition and local oversupply of guest accommodation in the locations where the Group has hospitality assets;
- changes in travel patterns or in the structure of the travel industry, including any increase in, or the imposition of new taxes on, air travel;
- increases in operating expenses as a result of inflation, increased personnel costs and healthcare related costs, higher utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs as a result of acts of nature and their consequences and other factors that may not be capable of being offset by increased room rates;
- changes in governmental laws and regulations, including those relating to employment, the preparation and sale of food and beverages, smoking, health and alcohol licensing laws and environmental concerns, fiscal policies and zoning ordinances and the related costs of compliance; and
- changes in customer preferences and customer perception of the brands under which the Group's hospitality assets are operated and the operators' ability to consistently achieve high levels of customer satisfaction.

The impact of any of these factors (or a combination of them) may adversely affect room rates, occupancy levels, revenues and profitability of the Group's hospitality assets, which, in turn, may adversely affect the value of these assets, as well as the Group's revenues from them, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

10. The Group has a limited operating history

Dar Global UAE was incorporated relatively recently – on 24 May 2017, and the Company (which pursuant to the Reorganisation became the holding company of the Group in January 2023) was incorporated on 30 September 2022. The Group's operating history is, therefore, limited and the Group's financial track record and financial statements relate only to this limited operating period. Moreover, the Group recognised revenue for the first time in its history only in the first half of 2022. Therefore, the Group is providing only limited performance and financial data to assist in the evaluation of its prospects, including its ability to acquire desirable land plots or enter into joint development agreements with respect to such land plots, develop these land plots and market the Group's properties at the expected margin. This makes assessing the Group's potential future operating results difficult, and will limit the comparability of the Group's operating results from period to period until it has a longer, more established track record. In addition, the Directors cannot provide any assurances that the Group's past experience will be sufficient to enable the Group to operate its business successfully or implement its operating policies and business strategies as described in this Prospectus.

In relation to provision of financial information after the Company becomes listed, there will also be a significant period of time after Admission before investors are able to review audited financial results of the Company. As at 31 December 2022 (being the Company's financial year end), the Company had not yet become the holding company of the Group as the Reorganisation was in the process of being implemented and Admission had not yet occurred. As such, in accordance with requirements under the Companies Act and the Disclosure Guidance and Transparency Rules, the first set of audited financial statements required to be published by the Company after Admission will be its full year results for the financial year from 1 January 2023 until 31 December 2023. In accordance with applicable Companies Act requirements, the Company will publish these audited financial statements by 31 March 2024, which is approximately thirteen months after the date of Admission.

In the intervening period, the Company (i) intends to publish a trading update before the end of April 2023, including information on the status and/or performance of each of its projects, and key unaudited financial information in respect of the Group's financial position and performance for the year ended 31 December 2022, and (ii) will, by 30 September 2023, make public its half year unaudited financial results for the six month period ended 30 June 2023. However, all of such financial information will be unaudited and accordingly investors may derive a lesser degree of comfort than they would from audited financial information.

11. The Group may incur a variety of costs to engage in future growth or expansion of its operations and the anticipated benefits may never be realised

The Group intends to grow its operations in many of its existing markets and also plans to expand into new markets. The Group may be unable to achieve the anticipated benefits of any such growth or expansion (including through acquisitions, if any) or it may incur greater costs than expected in attempting to achieve the anticipated benefits. Growth or expansion could disrupt the Group's ongoing operations and divert management resources that would otherwise focus on developing the Group's existing business, in which case the Group may need to employ additional personnel or consultants that are knowledgeable of such markets. There can be no assurance that the Group will be able to employ or retain the necessary personnel, to successfully implement a disciplined management process and culture with local management, or that its expansion operations will be successful. Accordingly, any such expansion could expose the Group to significant risks, beyond those associated with operating its existing business, and may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

12. The economies of GCC countries are dependent on the prices of oil and natural gas, which have been volatile

The economies of Oman and Qatar, in which the Group's Aida and Les Vagues projects are located, are dependent on the price of oil (and, in the case of Qatar, also on the price of natural gas). Moreover, the economies of other GCC countries are also exposed to oil price volatility, which is important for the Group because most of the Group's customers come from GCC countries. Oil (and, in the case of Qatar, natural gas) represents a sizeable segment of the economies of GCC countries and has contributed to the increase in economic activity in the region, including the demand for properties and property development. Oil prices are highly volatile and extremely sensitive to political and economic turmoil. In addition, the price of oil and its volatility depend on factors including global economic and weather conditions; actions by OPEC; government regulations, both domestic and foreign; price inflation of raw materials; the price of foreign imports of oil and gas; the cost of exploring for, producing, and delivering oil and natural gas; the discovery rate of new oil and natural gas reserves; the rate of decline of existing and new oil and natural gas reserves; the ability of oil and gas companies to raise capital; and the overall supply and demand for oil and natural gas.

Since most of the Group's customers are nationals of the GCC region, should there be a significant decrease in oil prices negatively affecting the economies of the region, this could limit the interest or ability of customers and potential customers who are based in the GCC region to buy the Group's properties, which could result in a material adverse effect on the Group's business, financial condition, results of operations and prospects. Any decrease in the rate of growth of the economies in the region could also result in a reduction in investment in infrastructure, which may directly affect the value of the Group's development properties and the Group's ability to undertake new projects.

13. The Group is exposed to the risk of customers defaulting on their purchase price instalments

The Group typically begins selling its projects when they are still off-plan. Upon agreeing to buy a residential unit, the customer undertakes to pay the Group the purchase price in instalments on a pre-agreed payment schedule. The Group typically commences main construction works once it receives a sufficient portion of deposits and it uses the cash collected to cover a significant portion or all of its construction costs for the project. If, due to poor economic conditions, declines in property values or otherwise, a significant portion of customers were to default on paying their instalments at any particular stage in the construction of a project, the Group would be required to rely on local laws and regulations to seek to recover monies owed, which can be a costly and time consuming process. If the Group is unsuccessful, and is unable to obtain the relevant funds, this could jeopardise the completion of the project, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

14. The due diligence process that the Group undertakes in connection with new projects may not reveal all relevant facts

The Group conducts due diligence and feasibility studies, sometimes with the assistance of outside consultants, by evaluating a number of important development, market, regulatory, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with a new project. Nevertheless, when conducting due diligence and making an assessment regarding a project, the Group can only rely on resources available to it at the time, including information provided by third-party investigations. In some cases, information cannot be verified by reference to the underlying sources to the same extent as the Group could for information produced from its own internal sources. The Group can offer no assurance that any due diligence investigation it carries out with respect to any project opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity. Any failure by the Group to identify relevant facts through the due diligence process may cause it to make inappropriate business decisions, and may expose it to significant liabilities, of which the Group may not have been aware, all of which could have a material and adverse effect on the Group's business, financial condition, results of operations or prospects.

15. The Group's off-plan sales model exposes it to reputational risks and liabilities

The Group's business model is based on selling a significant number of its residential units "off-plan" or in the early stages of construction. The completion of a given project is dependent on a number of factors, including macroeconomic conditions and timely delivery on the part of contractors. If a project with pre-sale commitments from customers is delayed or cancelled, customers may bring civil claims against the Group. Under Dubai laws, for instance, if the Group fails to deliver a residential unit, a customer may claim reimbursement from the Group together with interest. Delays in completion or cancellation of all or a portion of a project could also adversely affect the Group's reputation and ability to attract future customers. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

16. Competition in the real estate industry may increase

The Group faces competition from a number of local, national and international real estate developers. Significant competitive pressures exist in the international markets in which Group operates, most notably in Dubai, where numerous large national and international developers operate. The Group faces competition from such large property developers that have greater expertise and financial, technical and marketing resources than the Group. Most importantly, the Group's competitors may lower their pricing for properties that are comparable to those being sold by the Group, which may result in pressure on the Group's pricing of units in its projects. Failure to compete effectively with such competitors could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

17. Property valuation is inherently subjective and uncertain owing to the individual nature of each property and is based on a number of assumptions which may not turn out to be accurate

Property valuations are complex and involve data that is not publicly available. In determining the value of properties, the valuers are required to make assumptions in respect of matters including, but not limited to, the existence of willing buyers and sellers, title, condition of structure and services, deleterious materials, environmental matters, statutory requirements and planning, expected future rental revenues from the property, market-based yields, unit sale prices and other information. In respect of properties that require development, redevelopment or refurbishment, the development considered achievable, assumed timescale, the assumed future development cost and an appropriate finance rate and profit rate and/or discount rate are also used to determine the property value together with market evidence and recent comparable properties where appropriate. Such assumptions may prove to be inaccurate. Incorrect assumptions underlying the valuation reports could negatively affect the valuation of any property assets and thereby have a material adverse effect on the Group's financial condition. This is particularly so in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

To the extent valuations of the Group's properties do not fully reflect the underlying value, whether due to the above factors or otherwise, this may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

18. The Group's development projects could be subject to material physical damage due to natural disasters and other causes beyond the Group's control and may not have adequate insurance

The Group's development projects could be subject to material physical damage caused by fire, storms, earthquakes or other natural disasters, or by other causes such as terrorist attacks. Should any such event occur, the Group could lose some or all of the capital it has invested in the development project as well as anticipated revenues from the sale or lease (with respect to commercial properties) of units on such projects. Despite that, the Group may also remain obligated to pay any debt or other financial obligations related to the development of the project. Although the Group seeks to ensure that its projects are appropriately insured against such risks, the occurrence of any of the above risks to the Group's projects could result in losses that may not be fully compensated by its existing insurance or for which insurance coverage may not be available on commercially attractive terms. Moreover, certain types of risks and losses (for example, among others, risks or losses relating to war, terrorism, geopolitical climate, threats to cyber security, currency fluctuation, general economic crisis and inadequate succession planning) are not economically insurable or generally insured. In addition, where the Group experiences an insured-against event, it cannot be certain that the proceeds of insurance which it receives will fully cover its loss. The Group's insurance policies may be subject to deductibles or exclusions that could materially reduce the amount that the Group recovers and, in certain circumstances, the policies could be void or voidable at the option of the insurer. In addition, the Group's insurers may become insolvent and, therefore, not be able to satisfy any claim in full or at all. Therefore, no assurance can be given that any of the Group's existing insurance policies will be sufficient to cover losses arising from certain events or will be renewed on equivalent, commercially reasonable terms or at all. Furthermore, it may be difficult to identify appropriate insurance solutions to cover certain types of risks. Any of the above occurrences could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

19. The Group relies on project consultants for significant support of its operations

The Group currently receives significant assistance with respect to the planning and development of its residential or residential and commercial projects from project consultants. The decreased availability of suitable project consultants and any delay or failure of these project consultants in meeting their commitments to the Group could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

20. The Group relies on certain key personnel to operate its business

The Group relies on the efforts, diligence, skill, network of business contacts and close supervision of its senior management team and other key personnel for the implementation of its strategy and its day-to-day operations. As of the date of this Prospectus, the Group has been successful in attracting appropriately qualified individuals with significant experience to fill management roles. However, competition for appropriately qualified personnel with the relevant expertise in the real estate sector in Dubai and in other jurisdictions in which the Group has offices is high. If one or more members of the Group's senior management team or key personnel were to resign, the loss of such personnel could result in, among other things, a loss of organisational focus, poor execution of operations and a failure or delay to achieve some or all of its business strategies and may require the diversion of management resources. In addition, the Group's future success as it expands its scope of operations will depend, in part, on its ability to attract, retain and motivate qualified personnel. Failure to retain current key personnel or to attract and retain additional qualified personnel could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

21. Failure of its system of internal controls may render the Group unable to accurately prepare and report its financial results or identify or prevent fraud

Effective internal controls are necessary for the Group to provide reliable financial reports and effectively prevent fraud. While the Directors know of no issues that would impact the ability of the Company to comply with listing principle as set out in Chapter 7 of the Listing Rules, as required by the FCA, the Group may in the future discover areas of its internal controls that need improvement. Furthermore, as the

Group grows its business, its internal controls will become more complex, and the Group will require significantly more resources to ensure that its internal controls remain effective. In addition, the existence of any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate any such material weakness or significant deficiency and management may not be able to remediate any such material weakness or significant deficiency in a timely manner. The existence of any material weakness in the Group's internal controls over financial reporting could also result in errors in the Group financial statements that could require it to restate its financial statements and cause it to fail to meet its reporting obligations, all of which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

22. The Group could be subject to cyber-attacks which could significantly disrupt its business

In common with other major businesses based in the GCC region and globally, the threat to the security of the Group's information and customer data from security breaches and cyber-attacks presents a real and growing risk to its business. Activists, rogue states and cyber criminals are among those targeting information technology ("**IT**") systems around the world. Risks to technology and cyber-security evolve and change rapidly and require continued focus, monitoring and investment in preventative measures. Given the increasing sophistication and scope of potential cyber-attacks, it is possible that future attacks may lead to significant breaches of security. A failure to adequately manage cyber-security risk and continually monitor, review and update current processes in response to new threats could have a number of adverse effects on the Group, including disruption to its business, unauthorised disclosure of confidential information, significant financial and/or legal exposure and damage to its reputation, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

23. The IT systems that the Group relies on to run its business could fail

Historically, the Major Shareholder provided complete IT support to the Group. The Major Shareholder's IT systems utilised by the Group include applications of financial management (financial reports, accounting and treasury), supplies and management (administrative directives, procurement and stock control/ management), human resources, production planning and project and project-related stock control/ management (work in progress and completed units). In anticipation of Admission, during 2022, the Group started recruiting experienced IT staff. However, certain IT support will continue to be provided by the Major Shareholder for a period of up to six months following Admission under the Services Agreement (which period may be extended by an additional six months up to three times at the election of the Company) until the Group's equivalent systems are fully operational, including transitioning to Oracle Fusion and a new Customer Relationship Management (**CRM)** system. Therefore, the Group is already, and will continue to be, subject to the risks associated with the separation of the Group's IT systems from the Major Shareholder's IT systems, including the temporary running of clone systems during the separation process, which may lead to risk of failures due to unforeseen causes. More generally, any significant failure of the IT systems, on which the Group relies to run its business, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

24. The Group's business requires substantial capital investment and there can be no assurance that necessary financing will be available

Historically, the Group financed its operations primarily with non-interest bearing funding from the Major Shareholder. Prior to Admission, all of the historic loans provided by the Major Shareholder have been assigned to members of the Group, thus eliminating all funds due to related parties. Going forward, instead of non-interest bearing loans from the Major Shareholder, the Group intends principally to rely initially upon the net proceeds of the Private Placement, as well as off-plan sales and, over time, profits from sales. Additionally, to provide further flexibility in the Group's funding structure, the Major Shareholder has, conditional on Admission, made available the DAA Facility for the Group's general corporate and working capital purposes, such facility comprising a commitment for a three year period on an unsecured but interest bearing basis. The Group will also fund itself through third party debt if it is available on attractive commercial terms (which may include the Major Shareholder providing further funding on arms-length commercial terms).

The Group's ability to obtain external financing and the cost of such financing are dependent on numerous factors, including general economic and capital markets conditions, credit ratings, financing costs, credit availability from banks or other lenders, the success of the Group's business and tax and securities laws that may be applicable to capital raising activities. Additionally, the Directors anticipate that the Group's financing arrangements may need to be supported by guarantees provided by the Major Shareholder (as they have been at times in the past). While the Company and the Major Shareholder have entered into an agreement pursuant to which the Major Shareholder has agreed to provide such support so long as the Major Shareholder owns Ordinary Shares representing 10 per cent. or more of the total issued Shares and the Company remains listed (in consideration for being indemnified in respect of any payments made or losses incurred in connection therewith), there can be no assurance that the agreement will remain in place indefinitely, and the absence of such support from the Major Shareholder could make it more difficult for the Company to obtain financing on attractive terms or at all. In short, there can be no assurance that future financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. If in the medium to longer term the Group does not successfully obtain further financing, this may constrain the Group's ability to grow by limiting further land acquisitions and investments in new development projects, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

25. The Group is exposed to interest rate volatility and inflation

Interest rates may impact the attractiveness of real estate as an investment opportunity. Recently, interest rates set by central banks have been rising to counter the risk of rising inflation. Generally, when interest rates increase, an investment in, or the demand for, real estate becomes less attractive. This is due to a number of factors, including the attractiveness of real estate as an alternative to traditional financial investment products, and because potential purchasers of units in the projects which the Group develops could be deterred due to the resulting increase in the cost of funding. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, the Group will become increasingly exposed to interest rate volatility as it switches from funding all of its projects through shareholder loans from the Major Shareholder to financing a portion of its future projects through raising debt from independent third parties when it deems terms commercially attractive. Once such debt financing is in place, if interest rates increase, the Group may be required to pay a higher rate of interest on its debt that is not subject to a fixed rate of interest or that is not sufficiently hedged. Paying a higher rate of interest on such debt would result in an increase in the Group's cost of operations and may have a material adverse effect on its business, financial condition, results of operations or prospects.

Inflation can also adversely affect the Group's business, for example by increasing the cost for materials and labour, which it may not be able to subsequently pass on to its customers. In addition, inflation is, as described above, often accompanied by higher interest rates, which could have a negative impact on demand for its properties amongst potential investors and customers, and on the Group's cost of funding its operations. Any increase in inflation in the future in the markets in which the Group operates could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

26. Failure to obtain and comply with regulatory approvals could result in interruption or termination of the Group's development projects

The Group is required to obtain zoning, building, occupancy and certain other regulatory approvals for its development projects. There can be no assurance that all regulatory approvals in connection with existing or proposed development projects will be obtained in a timely manner, or at all. Moreover, the terms of regulatory approvals could impose unanticipated conditions and costs on development projects. In addition, violation of the terms of any such regulatory approvals may lead to their cancellation, withdrawal, suspension or the imposition of financial and/or non-financial penalties by relevant authorities. Any of the above factors may result in the interruption or termination of the Group's development projects, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

27. The Group is subject to a range of environmental and health and safety laws and regulations

The Group has adopted safety standards to comply with applicable laws and regulations in the countries in which it does business. In addition, safety requirements are contractually agreed to by the Group's contractors. If the Group and/or one or more of its contractors fails to comply with the relevant standards, any of them may be liable to penalties and the business and/or reputation of the Group might be materially and adversely affected, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Any significant health and safety incident at one of the Group's projects or a general deterioration in its health and safety standards could place the Group's employees, contractors and/or the general public at risk and lead to penalties or significant damage to the Group's reputation. Compliance with health and safety regulatory requirements and the management of health and safety performance at all of the Group's projects are critical to the success of the Group's business. The imposition of stricter health and safety regulations or enforcement policies in the UAE or in the other jurisdictions in which the Group operates could result in substantial costs and liabilities.

The Group seeks to ensure that it complies with all applicable environmental laws. While the Directors believe that the Group is in compliance with applicable environmental laws, there can be no assurance that the Group will not be subject to environmental liability. If an environmental liability arises in relation to any project owned by the Group, particularly in a marine or brownfield environment, and it is not remedied or not capable of being remedied, or is required to be remedied at the cost of the Group, this could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. Moreover, it may result in a reduction of the value of the relevant project or affect the ability of the Group to dispose of such project.

Furthermore, any amendments to the existing laws and regulations relating environmental standards may impose more burdensome and costlier requirements and the Group's compliance with such laws or regulations may require it to incur significant capital expenditure or other obligations or liabilities, which could have a material adverse effect on the Group's business, financial condition, and results of operations or prospects.

28. The Group is subject to risks relating to legal and regulatory proceedings

In the ordinary course of its business, the Group is subject to risks relating to legal and regulatory proceedings. For example, the Group is involved in an arbitration proceeding filed by a customer in September 2022 at the Dubai International Arbitration Centre with respect to the off-plan sales contract for one of the apartments at the I Love Florence project (subsequently re-branded as Urban Oasis). In this arbitration proceeding, the customer is claiming the repayment of AED 597 thousand (with interest on this amount) already paid by such customer for the apartment due to the delay in the completion of this project. Litigation and regulatory proceedings are unpredictable and legal or regulatory proceedings in which the Group is or becomes involved (or settlements thereof) could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, the Company is, as at the date of this prospectus, wholly owned by the Major Shareholder and will, on Admission continue to be majority owned by the Major Shareholder (with the Major Shareholder expected to hold 88% of its Ordinary Shares on Admission). Yousef Al-Shelash is the chairman of the Major Shareholder and a non-executive director of the Company. In 2013, the Major Shareholder was a claimant in civil proceedings brought in the High Court in London against certain defendants for, among other things, defamation. At issue in those proceedings was, amongst others, that the defendants had made certain allegations against the Major Shareholder and Yousef Al-Shelash including, among other things, that they had engaged in fraudulent activities. Such allegations were not proven and the claims were settled and/or abandoned in 2015. However, given the association of the Major Shareholder and its chairman with the Company, any further legal or regulatory proceedings with which the Major Shareholder is or becomes involved (either as claimant or defendant) could result in damage, including reputational damage, being suffered by the Company which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

29. The ongoing military action between Russia and Ukraine could adversely affect the Group's business, financial condition, results of operations or prospects

On 24 February 2022, Russian military forces invaded Ukraine and, as of the date of this Prospectus, the conflict is still ongoing. Although the length, impact and outcome of the conflict in Ukraine is highly unpredictable, this conflict has resulted in, and could lead to further, significant market and other disruptions, including significant volatility in commodity prices due to the impact on the supply of energy resources and other commodities, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as an increase in cyberattacks and espionage.

Although, to date, the Group has not experienced any material interruptions in its infrastructure, supplies, technology systems or networks needed to support its operations, the sanctions programmes and other measures imposed on Russia, as well as the existing and potential further responses from Russia to such sanctions, as well as any increase in political tensions and military actions, could adversely affect the global economy and financial markets and could, as a result, adversely affect the demand for the Group's properties or the value of its investments, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

30. The success of the Group's business is dependent on a number of factors affecting the real estate markets that are beyond its control

The most significant of the Group's current projects are located in Oman and Dubai and its future performance is, therefore, dependent on a number of economic and other factors relating to Oman and Dubai that are beyond its control. In the near future, the Group's revenue and net income are expected to be principally based on demand for second homes in these two jurisdictions. Such demand is affected by economic conditions in these jurisdictions and global economic conditions. Adverse economic developments in Dubai and/or Oman could cause a loss of investor confidence, which may negatively impact the real estate markets in these jurisdictions and reduce demand for the Group's properties.

In addition, property values are affected by factors such as political developments, government regulations, planning laws, tax laws, interest and profit rate margins, inflation, wage rates, levels of unemployment and the availability of credit. Any negative change in such factors could negatively affect demand for second homes in Dubai or Oman and the prices at which the Group can sell residential units in its projects in these jurisdictions. Many countries in the GCC region have experienced significant volatility in their real estate markets in recent years. The Group cannot assure future investors that similar volatility will not be experienced in Dubai or Oman in the future. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

31. Real estate investments are illiquid

Because real estate investments are generally illiquid, and due to the cyclicality of real estate markets, the Group's ability to promptly sell residential units in one or more of its projects in response to changing political, economic, financial and investment conditions is limited. Moreover, the Group is also looking into various target markets for future hospitality projects that include Dubai, Spain, Maldives, Athens, Marrakesh and London. The aim is to acquire or build hotels or resorts and sell them after a period of three to five years of operation once such hotel's or resort's revenue stream stabilises. The Group's ability to promptly sell its future hospitality assets is also adversely affected by the general illiquidity of real estate investments and the cyclicality of real estate markets. The real estate market is affected by many factors that are beyond the Group's control. In addition, to the extent that the Group may require third-party funding to develop its future projects, it may be required to grant a mortgage over certain projects, or parts thereof, to secure its payment obligations, which could preclude the Group from selling such projects or affected residential units or its future hospitality assets in the event of a default under such financing arrangements. There can be no assurance that the sale of units in any of the Group's projects or the Group's hospitality assets will be at a price which reflects the most recent valuation of the relevant project or hospitality asset, particularly if the Group is forced to sell in adverse economic conditions. In addition, if the Group has to hold inventory for longer than planned it is likely to incur unplanned holding costs. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

32. The contractual arrangements relating to the Les Vagues project may not be as effective in providing control over Dar Qatar as direct ownership and may be subject to challenge

The appraised market value of the property held for development as the Les Vagues project in Qatar is QAR 467.5 million (approximately US$128.4 million), which represents approximately 13% of the total market value of the eleven properties owned by the Group or in respect of which the Group has contractual rights. The estimated gross development value of the Les Vagues project represents approximately 8% of the estimated gross development value of the Group's current projects. The Group will rely on contractual arrangements with the Major Shareholder and The First Doha Corporation LLC to develop the Les Vagues project and to operate its business in Qatar, where foreign investment is restricted. These contractual arrangements may not be as effective as direct ownership in providing the Group with control over Dar Qatar. Under those arrangements, legal ownership of the capital of Dar Qatar is 49% by the Major Shareholder and 51% by The First Doha Corporation LLC. However, under the terms of the memorandum of incorporation of Dar Qatar, the Major Shareholder is entitled to 99 per cent. of the profits and is responsible for 99% of the losses of Dar Qatar. Pursuant to an investment and management agreement, the Group will invest directly in Dar Qatar and provide Dar Qatar with management and technical support services in exchange for a fee calculated as the sum of (i) an initial amount calculated at 10 per cent. of gross income of Dar Qatar and (ii) an additional amount calculated at 90 per cent. of net profits of Dar Qatar after tax. Dar Qatar will provide certain management rights to the Group through power of attorney (which could in practice be revocable without consent). In addition, as security for the payment of the management fees to which the Group is entitled, the Major Shareholder will assign its share of the net profits in Dar Qatar constituting 99 per cent. of the net profits of Dar Qatar to the Group and will guarantee the assigned profits and repayment of the amounts invested by the Group in Dar Qatar. If the Group had direct ownership of Dar Qatar, it would be able to exercise its rights as an equity holder directly to, for example, effect changes in the board of directors of Dar Qatar. The equity holders of Dar Qatar may have conflicts of interest with the Group, and they may not act in the best interests of the Group or may not perform their obligations under the contracts that have been put in place. If any dispute relating to the contracts arises and remains unresolved, the Group will have to enforce its rights under the contractual arrangements through the operations of Qatari law and arbitral or judicial agencies, which may be costly and time-consuming and will be subject to uncertainties in any legal system. Consequently, the contractual arrangements may not be as effective as direct ownership would be.

The Group has received Qatari legal advice that the ownership structure of and related arrangements concerning Dar Qatar do not and will not violate any applicable Qatari law, regulation or rule currently in effect. However, there are uncertainties regarding the interpretation and application of current Qatari laws, rules and regulations. Accordingly, the Qatari regulatory authorities and Qatari courts may in the future take a view that is contrary to the opinion of the Group's Qatari legal counsel. If the Group or the equity holders of Dar Qatar are found to be in violation of any existing or future Qatari laws, rules or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant Qatari regulatory authorities would have discretion to take action in dealing with such violations or failures, including revoking the business and operating licenses of Dar Qatar, requiring the Group to discontinue, restrict or restructure its operations in Qatar or taking other regulatory or enforcement actions against the Group.

33. *Either the Reorganisation or the disclosure of certain matters in this Prospectus arguably could trigger provisions contained in the Group's agreements with third parties that could permit such parties to seek to terminate or renegotiate those agreements*

Members of the Group are party to agreements that arguably permit a counterparty to terminate one or more agreements or take other actions because the Reorganisation or the disclosure of certain matters in this Prospectus would cause a default or violate a change of control or confidentiality clause in such agreement. While the Group has obtained such consents for the Reorganisation or such disclosures where the Directors believe it is required, as an example, there are contracts with one brand partner where the position in relation to its consent to the Reorganisation and the disclosure of a summary of the relationship is not free from doubt. Consequently, the Group has sought the consent of the brand partner as a matter of good faith even though the Major Shareholder will retain ultimate beneficial ownership over the Group. The project being developed with that brand partner accounts for less than 10% of the estimated gross development value of the Group's current projects. Although the Group knows of no reason why such consent would not be given, the brand counterparty has not yet responded to the Group's request and there can be no assurance that a response or such consent will ultimately be obtained. Were the brand counterparty to take the position that its consent to the Reorganisation or the disclosure in the Prospectus of a summary of the terms of their relationship with the Group is required, the brand counterparty could seek to terminate or renegotiate its agreements with the Group or seek other remedies for breach, such as damages. Were this to happen, the Group may be unable to renegotiate or replace the terminated agreements on comparable terms or at all and therefore be required to rebrand the project. While a renegotiation of existing terms or, if necessary, a re-branding exercise may be possible, it would likely have cost and timing implications for the affected project, which could adversely affect the project's profitability.

34. *The Group's business may be adversely affected if the UAE dirham / US dollar peg, or Omani riyal / US dollar peg or Qatari riyal / US dollar peg were to be removed or adjusted*

Currently, the Arab Emirates Dirham, Omani Rial and Qatari Riyal remain pegged to the US dollar. However, there can be no assurance that these currencies will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that negatively impacts the level of economic activity in the UAE, Oman or Qatar or negatively impacts the attractiveness of the UAE, Oman or Qatar as a tourist or second home destination, both of which are important factors that could affect interest in the Group's properties there. Any such de-pegging or adjustment could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

35. Local currency fluctuations could affect the Group's operating results

Each of the Group's subsidiaries earns or will earn revenue and incurs operating expenses principally in the local currency of the markets in which it operates. As such, the Group's operating results, which following Admission will be presented in U.S. dollars, will be affected by exchange rate fluctuations between the U.S. dollar and a number of local currencies. Although a significant portion of the Group's revenues are expected to be earned in currencies pegged to the US dollar, de-pegging of a local currency against the U.S. dollar, or an adjustment to the pegged rate, could result in gains or losses. For example, although the Arab Emirates Dirham has been pegged to the U.S. dollar at 3.6725 dirhams per dollar since November 1997, there can be no assurance this will continue to be the case due to economic, geopolitical or other factors that impact the UAE. Any negative effect of local currency fluctuations on the Group's cash flows could adversely impact its ability to pay certain obligations, which could adversely affect its business, financial condition, results of operations or prospects.

Risks Relating to the Ordinary Shares

36. There is no existing market for the Ordinary Shares, and an active or liquid trading market for the Ordinary Shares may not develop or be sustained

Prior to Admission, there has been no public trading market for the Ordinary Shares. Although the Company will apply to the FCA for admission of the Ordinary Shares to the standard listing segment of the Official List of the FCA and have applied to the London Stock Exchange for admission to trading on its Main Market for listed securities, the Company can give no assurance that an active trading market for the Ordinary Shares will develop or, if developed, could be sustained following Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected.

37. The Ordinary Shares may be subject to market price volatility and the market price of the Ordinary Shares may decline disproportionately in response to developments that are unrelated to the Group's operating performance

The market price of the Ordinary Shares following Admission may be volatile and subject to wide fluctuations, and such volatility may bear little or no relation to the Group's performance. The price of the Ordinary Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to elsewhere in this section, as well as market appraisal of the Group's strategy or if the Group's results of operations and/or prospects are below the expectations of market analysts or the Shareholders or changes in revenue or profit estimates by the Group, industry participants or financial analysts.

The market price of the Ordinary Shares could also be adversely affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Group in the press or the investment community, unfavourable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions, regulatory changes and broader market volatility and movements. In addition, sales of a substantial number of Ordinary Shares in the public market, or the perception that such sales might occur, could depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the sale of additional equity securities. Shareholders are not restricted from granting security over their Ordinary Shares in connection with lending arrangements. In the event that security is granted over certain Ordinary Shares and that security is enforced, the lender under those arrangements may become interested in certain Ordinary Shares and may effect the sale of some or all of those Ordinary Shares in the public markets in short order.

Other factors which may affect the price of the Ordinary Shares include but are not limited to:

- announcements by the Group of new significant projects, land acquisitions, joint development agreements, joint ventures or capital commitments or speculation, whether or not founded, regarding the same;
- speculation, whether or not well-founded, regarding the intentions of the Major Shareholder with respect to sales of Ordinary Shares;
- speculation, whether or not well-founded, regarding short-selling of Ordinary Shares
- speculation, whether or not founded, regarding future issues or sales of Ordinary Shares;
- speculation, whether or not-founded, regarding possible changes in the Group's management team;

- the publication of research reports by analysts;
- strategic actions by the Group or its competitors, such as mergers, acquisitions, divestitures, partnerships and restructurings;
- speculation, whether or not well-founded, about the Group's business in the press, media or investment community; and
- general market conditions and regulatory changes.

Any or all of these factors could result in material fluctuations in the price of the Ordinary Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

38. The Major Shareholder will retain significant interests in, and will continue to exercise significant influence over the Group following Admission and its interests may differ from those of the other shareholders

As at the date of this Prospectus, the Major Shareholder owns 100 per cent. of the Ordinary Shares. Immediately following Admission, the Major Shareholder will hold 88 per cent. of the Ordinary Shares and voting rights in the Company. As a result, the Major Shareholder will possess sufficient voting power to exercise significant influence over all matters requiring shareholder approval, including the election or removal of directors, the declaration of dividends, whether to accept the terms of a takeover offer and other matters to be determined by the Shareholders. In exercising its voting rights, the Major Shareholder may be motivated by interests that are different from those of other shareholders of the Company.

The Company has entered into the Relationship Agreement with the Major Shareholder to regulate the Major Shareholder's relationship with the Company following Admission in order to ensure that the Company will be capable of complying with its obligations under the Listing Rules from Admission. Notwithstanding the Relationship Agreement, the ownership levels of the Major Shareholder may have the effect of delaying, deferring or preventing a change of control, merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have an adverse effect on the trading price of the Ordinary Shares.

39. The Company's ability to pay dividends in the future depends, among other things, on the Group's financial performance

There can be no guarantee that the Group's historic performance will be repeated in the future, particularly given the competitive nature of the industry in which it operates, and its sales, profit and cash flow may significantly underperform market expectations. If the Group's cash flow underperforms market expectations, then its capacity to pay a dividend will suffer. Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, restrictions on the payment of dividends in the Group's financing arrangements, the Group's financial position, the Company's distributable reserves, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

40. Substantial future sales of Ordinary Shares, or the perception of such sales, could impact the market price of Ordinary Shares

On Admission, the Major Shareholder will hold 158,400,000 Ordinary Shares, representing 88 per cent. of the issued Ordinary Shares. The Company cannot predict what effect, if any, future sales of Ordinary Shares, or the availability of Ordinary Shares for future sale, will have on the market price of Ordinary Shares. Sales of substantial numbers of Ordinary Shares in the public market following Admission, or the perception or any announcement that such sales could occur, could adversely affect the market price of Ordinary Shares and may make it more difficult for investors to sell their Ordinary Shares at a time and price which they deem appropriate. Such sales may also make it more difficult for the Company to issue equity securities in the future at a time and at a price that it deems appropriate.

41. The Company is a holding company with substantially all of its operations conducted through its subsidiaries. Its ability to pay dividends on the Ordinary Shares depends on its ability to obtain dividends and other cash payments or obtain loans from the Group's subsidiaries

As a matter of English law, the Company can pay dividends only to the extent that it has distributable reserves available. The Company conducts substantially all of its operations through subsidiaries that generate substantially all of the Group's operating income and cash flow and, in the case of Dar Qatar, the management fees it will earn under its contractual arrangements. Because the Company has no direct operations or significant assets other than the share capital of its subsidiaries and its contractual arrangements relating to Dar Qatar, it relies on those entities for cash flows to create distributable reserves in order to pay dividends, if any, on the Ordinary Shares. The ability of the Company's subsidiaries and Dar Qatar to make payments to the Company depends largely on their financial condition and ability to generate profits. In addition, because the Company's subsidiaries and Dar Qatar are separate and distinct legal entities, they will have no obligation to pay dividends or to lend or advance the Company funds and may be restricted from doing so by contract (including financing arrangements), or the applicable laws and regulations of the countries in which they operate. There can, therefore, be no assurances that the Group's subsidiaries or Dar Qatar will generate sufficient profits and cash flows to enable the Company to pay dividends or lend or advance to the Company sufficient funds to pay dividends, if any, on the Ordinary Shares.

42. The proposed standard listing of the Ordinary Shares will afford the shareholders of the Company a lower level of regulatory protection than a premium listing

Application has been made for the Ordinary Shares to be admitted to the standard listing segment of the Official List of the FCA. A standard listing will afford the Shareholders a lower level of regulatory protection than that afforded to investors in companies listed on the premium listing segment of the Official List of the FCA, where companies are subject to additional obligations under the Listing Rules. In particular, as a company with a standard listing, the Company will not be required to comply with the requirements of the Corporate Governance Code following Admission. The Company will not be required to give the Shareholders the opportunity to vote on any future acquisitions, even if Ordinary Shares are being issued as consideration for such acquisitions, save to the extent shareholder approval is required pursuant to the Companies Act to issue such Ordinary Shares. Similarly, the Group will not be required to comply with the requirements of Chapter 10 of the Listing Rules relating to the announcement and, in some cases, the approval, of significant transactions (as defined in the Listing Rules) and Chapter 11 of the Listing Rules relating to the announcement and, in some cases, the approval, of related party transactions (as defined in the Listing Rules).

43. The rights, including the pre-emptive rights, of non-UK holders of Ordinary Shares may be limited or not capable of exercise, which could have a material adverse effect on the Group's business as well as on the liquidity and price of the Ordinary Shares and may dilute the holdings of the shareholders of the Company

The Company could undertake future equity issues that could have a material adverse effect on the market price of the Ordinary Shares and may reduce the percentage ownership and voting interests of the Shareholders. Moreover, the Company may issue new shares that have rights, preferences or privileges senior to those of the Ordinary Shares.

In the case of certain increases in the Company's share capital, existing holders of the Ordinary Shares generally would be entitled to pre-emption rights pursuant to the Companies Act unless such rights have been waived by a special resolution of the Shareholders at a general meeting, or, in certain circumstances, pursuant to the Articles of Association. Holders of Ordinary Shares outside the United Kingdom may not be able to exercise their pre-emption rights in respect of Ordinary Shares unless exemptions from any overseas securities law requirements are available and the Company decides to comply with local law and regulations. The Company can give no assurances that any exemption from such overseas securities law requirements would be available to enable U.S. or other non-UK holders to exercise such pre-emption rights or, if available, that the Company will utilise any such exemption.

44. The issuance of additional Ordinary Shares in the Company in connection with any future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings

The Group may, in the medium to longer term, seek to raise financing to fund future acquisitions and other growth opportunities, invest in its business, or for general purposes and for these reasons may issue additional equity or convertible equity securities in the medium-term. Any of such additional issuances or top-up may result in the dilution of the percentage ownership of the Company's existing Shareholders or may materially adversely affect the price of the Ordinary Shares.

IMPORTANT INFORMATION

General

Investors should only rely on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with Admission, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Group, the Directors and/or the Capital Markets Adviser. No representation or warranty, expressed or implied, is made by the Capital Markets Adviser or its affiliates as to the accuracy, completeness or verification of such information, and nothing contained in this Prospectus is, or will be relied upon as, a promise or representation by the Capital Markets Adviser or its affiliates as to the past, present or future. Apart from the responsibilities and liabilities, if any, which may be imposed on the Capital Markets Adviser by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, the Capital Markets Adviser assumes no responsibility for its accuracy, completeness or verification and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, neither the delivery of this Prospectus nor any distribution of Ordinary Shares shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or the Group since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Prospectus are not to be construed as legal, business, financial and/or tax advice. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Capital Markets Adviser and/or any of their respective representatives and/or affiliates that any recipient(s) of this Prospectus should subscribe for the Ordinary Shares.

None of the Company, the Directors and the Capital Markets Adviser and/or any of their respective representatives and/or affiliates is making any representation to any subscriber or purchaser of the Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

The Capital Markets Adviser is acting exclusively for the Company and no one else in connection with Admission. The Capital Markets Adviser will not regard any other person (whether or not a recipient of this Prospectus) as its respective customer in relation to Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for giving advice in relation to Admission or any transaction or arrangement referred to herein. The contents of this document have not been verified by the Capital Markets Adviser, nor any of its subsidiary undertakings or affiliates, or subsidiary undertakings' or affiliates' directors, officers, employees, advisers, representatives or agents.

Forward-looking statements

Certain statements contained in this Prospectus constitute forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms targets, believes, estimates, plans, prepares, anticipates, expects, intends, may, will or should or, in each case, their negative or other variations or comparable terminology.

Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances which may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Actual results, performance or achievements of the Group, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In addition, even if the actual performance, results of operations, internal rate of return, financial condition, distributions to the Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Key risks, uncertainties and other factors that could cause actual results to differ from those expected are set out more fully in the section of this Prospectus headed *Risk Factors*. You should specifically and carefully consider these factors, which could cause actual results to differ, before making an investment decision.

Each forward-looking statement speaks only as of the date of the particular statement and is not intended to provide any representation, assurance or guarantee as to future events or results. To the extent required by the UK Prospectus Regulation, the Market Abuse Regulation (Regulation (EU) 596/2014) as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK MAR** or **UK Market Abuse Regulation**), the listing rules made by the FCA under part VI of FSMA (as set out in the FCA Handbook) as amended from time to time (the **Listing Rules**), the Disclosure Guidance and Transparency Rules and other applicable regulation, the Company will update or revise the information in this Prospectus. Otherwise, the Company undertakes no obligation to update or revise any forward-looking statements or other information, and will not publicly release any revisions it may make to any forward-looking statements or other information that may result from events or circumstances arising after the date of this Prospectus.

Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this Prospectus.

Presentation of financial information

Historical Financial Information

Unless otherwise indicated, the financial information presented in this Prospectus has been derived from the combined historical financial information of the Group for the three years ended 31 December 2021, 2020 and 2019 included in Section B of Part IX (*Historical Financial Information*) of this Prospectus which has been prepared in accordance with the requirements of the UK Prospectus Regulation and the Listing Rules and in accordance with UK adopted IFRS. The basis of preparation and significant accounting policies are set out within Note 2 of the Group's combined historical financial information in Section B of Part IX (*Historical Financial Information*). The Company was recently incorporated and, as at the date of this Prospectus, has no historical operations of its own. Therefore, this Prospectus does not present any standalone financial information for the Company.

The historical financial information for the Group included in Section B (*Historical Financial Information*) of Part IX (*Historical Financial Information*) is covered by the accountant's report from KPMG Audit LLC included in Section A (*Accountant's Report in respect of the Historical Financial Information*), which was prepared in accordance with the Standards for Investment Reporting issued by the FRC.

None of the historical financial information used in this Prospectus has been audited in accordance with auditing standards generally accepted in the United States of America ("**US GAAS**") or auditing standards of the Public Company Accounting Oversight Board (United States) ("**PCAOB**"). In addition, there could be other differences between the auditing standards issued by the FRC and those required by US GAAS or the auditing standards of the PCAOB. Potential investors should consult their own professional advisers to gain an understanding of the historical financial information in Part IX (*Historical Financial Information*) and the implications of differences between the auditing standards noted herein.

Unless otherwise stated, all financial information relating to the Group in this document has been prepared in accordance with UK adopted IFRS.

The financial information relating to the Group contained in this Prospectus does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act.

Gross Development Value

Gross development value is a metric the Group uses with respect to its developments. Gross development value is the Group's estimate of the development value of the land or project, being the Directors' estimates of total revenue which could potentially be generated from sales of units in that development and is based solely on assumptions of the Group. The Group calculates gross development value for its developments by multiplying the number of units the Group expects to sell in a given development by the average estimated sales price of each unit.

In preparing the Condensed Valuation Reports contained in Part IV of this Prospectus (*Condensed valuation reports on real estate assets (owned) and properties in respect of which the Group has contractual rights*), CBRE Limited has independently estimated a gross development value for seven of the properties, all of which estimates differ from the gross development values estimated by the Group. CBRE Limited's estimated gross development values for two of the developments − Les Vagues and Benahavis − are higher than those of the Group. CBRE Limited's estimated gross development values for six of the developments − W Residences Dubai, Urban Oasis, Da Vinci Tower by Pagani, Sidra, Aida and Finca Cortesin − are lower than those of the Group. These differences reflect the fact that the gross development values presented are estimates independently determined by each of the Group and CBRE Limited based on a variety of assumptions that necessarily involve commercial judgments, which may differ for a variety of reasons, including for example the assessment of the estimated sales price of units yet to be sold in the development.

Gross development value is only an estimate as at a given date (and not a management forecast), reflecting what revenues the Group may be able to achieve as at the date of the estimate were its developments to be completed as planned and sold at the then assumed sales values per unsold unit. Gross development value for each development may materially change in the future based on a number of factors, such as changes in demand and open market prices, changes in legislation, changes in the design of the relevant development, the terms of the actual planning consents obtained and general economic conditions. The estimate may not be accurate and there is no certainty that it indicates actual future receipts from the developments. Gross development value is focused solely on the possible receipts from the development and does not include cost items such as estimated costs of sale and general Group expenses. As a result, gross development value should not be taken as an indication of actual future returns on development or the Group's financial prospects.

Alternative Performance Measures

The Group utilises certain alternative performance measures (**APMs**) to assess its performance, as described below.

The Group presents EBITDA and EBITDA Margin as alternative performance measures to enhance the understanding of our operating results. **EBITDA** is defined as earnings/loss before finance costs, income tax (expenses/credit) and depreciation and amortization, as derived from the financial statements. **EBITDA Margin** is defined as EBITDA as a percentage of revenues. Neither EBITDA nor EBITDA Margin is a measure of performance under IFRS. EBITDA should not be considered by prospective investors as an alternative to operating profit/(loss), net cash flows from operating activities or any other measure of performance under IFRS. Accordingly, prospective investors should not place undue reliance on any non-IFRS measure contained in this Prospectus. Additionally, the non-IFRS measures disclosed herein may not be comparable to those disclosed by other companies because such terms are not uniformly defined.

The Directors consider EBITDA and EBITDA Margin to be the non-IFRS measures used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies in relation to the Group. The Directors believe that such non-IFRS measures provide an enhanced understanding of the Group's results and related trends and, therefore, increased transparency and clarity in respect of the results of the business of the Group.

The APMs used in this Prospectus should not be considered superior to, or a substitute for, measures calculated in accordance with UK adopted IFRS. Readers should not consider these APMs in isolation, but in conjunction with measures calculated in accordance with UK adopted IFRS. APMs reported by the Group may not be comparable to similarly titled measures reported by other companies as those companies may define and calculated such measures differently from the Group.

The APMs alone do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for revenue or any other measure as an indicator of operating performance or as an alternative to cash generated from operating activities as a measure of liquidity. In addition, these measures should not be used instead of, or considered as an alternative to, the Group's historical financial results.

The Group's presentation of the APMs should not be construed as an implication that its future results will be unaffected by non-recurring items. The Group encourages you to evaluate these items and the limitations for purposes of analysis in excluding them.

Please see Part VIII (*Operating and Financial Review*) of this Prospectus for further explanation and reconciliation of the APMs.

Market, Economic and Industry Data

This Prospectus contains historical market data and forecasts which have been obtained from industry publications, market research and other publicly available information. Certain information regarding market size, market share, market position, growth rates and other industry data pertaining to the Group and its business contained in this Prospectus consists of estimates based on data compiled by professional organisations and on data from other external sources, including publications and independent market research.

Industry publications and market research generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions.

The Company does not intend, and does not assume any obligation, to update industry or market data set forth in this Prospectus. Because market behaviour, preferences and trends are subject to change, you should be aware that market and industry information in this Prospectus and estimates based on any data therein may not be reliable indicators of future market performance or the Group's future results of operations.

Where third-party information has been used in this Prospectus, the source of such information has been identified. The Company confirms that all the information contained in this Prospectus which has been extracted from third party sources has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading. Where third party information has been used in this Prospectus, the source of such information has been identified.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to **pounds, pound sterling, £, pence** or **p** are to the lawful currency of the United Kingdom, all references to dollars, U.S. dollars and US$ are to the lawful currency of the United States and all references to Arab Emirates dirham or AED are to the lawful currency of the United Arab Emirates.

For the convenience of the reader, in this Prospectus, certain translations from AED into U.S. dollars were made at the rate of AED 3.6725 to 1 U.S. dollar which is the pegged exchange rate established by the Central Bank of the United Arab Emirates.

Rounding

Certain figures contained in this Prospectus, including financial and numerical information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Prospectus or incorporated into this Prospectus by reference may not conform exactly to the total figure given for that column or row.

No profit forecast or estimates

Unless otherwise stated, no statement in this Prospectus is intended as a profit forecast or estimate for any period and no statement in this Prospectus should be interpreted to mean that earnings for the Company for the current or future financial years would necessarily match or exceed the historical published earnings for the Company.

CONSEQUENCES OF A STANDARD LISTING

APPLICATION HAS BEEN MADE FOR THE ORDINARY SHARES TO BE ADMITTED TO THE STANDARD LISTING SEGMENT OF THE OFFICIAL LIST. A STANDARD LISTING AFFORDS SUBSCRIBERS AND PURCHASERS OF ORDINARY SHARES WITH A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WHOSE SECURITIES ARE ADMITTED TO THE PREMIUM LISTING SEGMENT OF THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES.

The Ordinary Shares will be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The Company will comply with listing principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the FCA. An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapter 2 of the Listing Rules, which specifies the requirements for listing for all securities, and there are a number of continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company.

These include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through the national storage mechanism, and related notification to a Regulatory Information Service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- Regulatory Information Service notification obligations in relation to a range of debt and equity capital issues; and
- compliance with, in particular, Chapters 4, 5 (if applicable) and 6 of the Disclosure Guidance and Transparency Rules.

While the Company has a Standard Listing, it will not be required to comply with the provisions of, amongst other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a premium listing;
- Chapter 7 of the Listing Rules, to the extent they refer to the premium listing principles;
- Chapter 8 of the Listing Rules regarding the appointment of, and consultation with, a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. In particular, the Company is not required to appoint a sponsor in relation to the publication of this document or Admission;
- Chapter 9 of the Listing Rules containing provisions relating to transactions, including, amongst other things, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules regarding significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding dealings by the Company in its own securities and treasury shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to shareholders.

A company with a Standard Listing is not currently eligible for inclusion in any of the FTSE indices (i.e., FTSE100, FTSE250, FTSE 350, FTSE All-Share, etc.). This may mean that certain institutional investors are unable or unwilling to invest in the Ordinary Shares.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND KEY STATISTICS

Publication of this Prospectus	23 February 2023
Admission and commencement of dealings in Ordinary Shares on the London Stock Exchange	8.00 a.m. on 28 February 2023
Issued Ordinary Share Capital as at the date of this Prospectus	158,400,000
New Ordinary Shares issued pursuant to the Private Placement	21,621,612
Total number of Ordinary Shares following the Private Placement	180,021,612
Private Placement Price	US$3.33 per share
Market capitalisation of the Company at the Private Placement Price on Admission	c.US$600 million

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	David Hunter, Independent Non-Executive Chair Ziad El Chaar, Chief Executive Officer Shivaraman Iyer, Chief Financial Officer Yousef Al-Shelash, Vice Chair and Non-Executive Director Maurice Horan, Independent Non-Executive Director Richard Stockdale, Senior Independent Non-Executive Director
Company Secretary	Link Company Matters Limited 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL
Registered Office	Link Company Matters Limited 6th Floor 65 Gresham Street London, EC2V 7NQ United Kingdom
Capital Markets Adviser	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY United Kingdom
Financial Adviser	CBRE Indirect Investment Services Limited Henrietta House Henrietta Place London, W1G 0NB United Kingdom
Legal Adviser to the Company as to English law	Norton Rose Fulbright LLP 3 More London Riverside London, SE1 2AQ United Kingdom
Legal Adviser to the Capital Markets Adviser as to English law	Ashurst LLP London Fruit & Wool Exchange 1 Duval Square London, E1 6PW United Kingdom
Joint Reporting Accountants	KPMG Audit LLC Heritage Court 41 Athol Street Douglas IM1 1LA Isle of Man
	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL United Kingdom

Registrar	Link Group 10th Floor Central Square 29 Wellington Street Leeds, LS1 4DL United Kingdom
Auditor	KPMG Audit LLC Heritage Court 41 Athol Street Douglas IM1 1LA Isle of Man
External Valuer	CBRE Limited Henrietta House Henrietta Place London, W1G 0NB United Kingdom

PART I

INDUSTRY OVERVIEW

1 UAE

1.1 Overview of The United Arab Emirates

1.1.1 Introduction

The United Arab Emirates consists of seven emirates: Abu Dhabi, Dubai, Sharjah, Umm al-Quwain, Fujairah, Ajman and Ra's al-Khaimah. In 1971, the first president of the United Arab Emirates, Sheikh Zayed bin Sultan Al Nahyan, unified the seven emirates into a federation, the only one in the Arab world. Under his leadership, oil wealth was used to develop the UAE into one of the world's most open and successful economies.

Abu Dhabi is the largest emirate by area and the richest in terms of oil resources. Its capital, the city of Abu Dhabi, is also the federal capital of the United Arab Emirates. Dubai is the second-largest emirate by size, with just over 5 per cent. of the total land area, but the largest by population.

The UAE economy is significantly exposed to commodities revenues from oil and natural gas. However, there has been a significant effort over the last decades to diversify the country's economy. In 2021, a year that registered soaring oil prices, non-oil activities contributed an estimated 72.6 per cent. of GDP, up from 71.3 per cent. the year before (Source: UAE Federal Competitiveness & Statistics Centre, 2021 National Account Estimates 2012-2021, Table 4: Gross Domestic Product at Constant Prices for the Base Year 2010). Abu Dhabi, which has the richest oil reserves in the country, generated 57.9 per cent. of its GDP from non-oil activities in 2021. (Source: Abu Dhabi Statistics Centre, Economic Statistics, National Accounts)

The UAE has one of the most favourable business environments in the world and it was ranked 16th by the World Bank in terms of ease of doing business in its Doing Business 2020 report (Source: World Bank, Doing Business 2020, page 4). No corporate income taxes are applied in the majority of UAE business sectors, other than for oil-producing companies and foreign banks. In addition to a benign fiscal environment for businesses, the UAE has a politically stable environment, no personal income taxes and no exchange controls on repatriation of capital.

Moreover, the UAE enjoys low tariffs and there are few restrictions on foreign trade. The UAE enjoys good relations with the other states in the GCC region. As a member of the Gulf Cooperation Council ("**GCC**") (formed of Bahrain, Qatar, Saudi Arabia, Oman, Kuwait and the UAE), the UAE applies low external tariffs with its neighbours and is working towards a common market. The GCC has also entered negotiations for free trade agreements with the EU, India, Japan and the UK.

The UAE is considered one of the best places for expatriates to work and live in the world. According to InterNations, the largest expatriate network, Dubai is the third best city in the world for expatriates to work, with very high rankings across various parameters including, but not limited to, parameters that constitute the Getting Settled Index (ease of living in Dubai without speaking the local language, local people being friendly towards foreign residents and ease of getting used to the local culture). Expats also benefit from an above-average quality of life in Dubai (Source: InterNations, Expat Insider 2021, The Best and Worst Cities for Expats).

1.1.2 Macroeconomic Overview

The UAE has one of the highest GDP per capita levels and one of the lowest unemployment rates in the world. The UAE is heavily reliant on expatriates, which accounted for approximately 88.52 per cent. of the total population of the UAE (Source: Global Media Insights, United Arab Emirates Population Statistics 2022, 18 March 2022) and Unemployment, total (% of total labor force) (modelled ILO estimate)). Dubai, the second largest emirate, had one of the lowest unemployment level in the world as of 2019 at around 0.5 per cent. (Source: Dubai Statistics Center News, "Dubai Unemployment Rate is 0.5 Percentage Point", 14 July 2020).

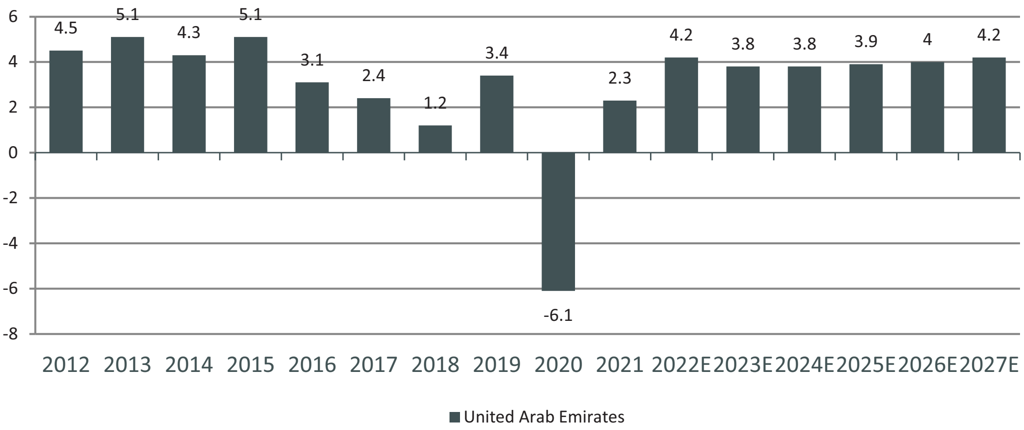
In January 2022, the Ministry of Finance announced a new corporate income tax system to be effective as of June 2023. The new regime is applicable to all seven emirates and applicable to all commercial activities except on extraction of natural resources, that continue to be subject to the local tax regimes, personal income, businesses registered in free trade zones that do not conduct business with mainland UAE. The new tax rates of 9 per cent. are applicable to taxable profits above 375,000 AED, (Source: KPMG, "UAE: New corporate income tax system, scheduled to be effective 1 June 2023", 1 February 2023).

UAE's economy is exposed to oil prices, with oil-related GDP accounting for just less than 30 per cent. of the country's GDP (non-oil sector represented an estimated 72.6 per cent. of GDP in 2021 (Source: UAE Federal Competitiveness & Statistics Centre, 2021 National Account Estimates 2012-2021, Table 4: Gross Domestic Product at Constant Prices for the Base Year 2010). The UAE is committed to diversifying its economy and its other major contributing sectors include Hotels & Restaurants sector (2.0 per cent. of 2021 GDP); Wholesale, Retail and Motor Vehicles Repair Sector (13.3 per cent. of 2021 GDP) and the Health & Social Services sectors (1.4 per cent. of 2021 GDP) (Source: Federal Competitiveness and Statistics Centre, 1- GDP 2021_2012 (Arabic reference)).

1.1.2.1 *Recovery from the Covid-19 Pandemic*

In 2021, the UAE's economy grew following a temporary downturn caused by the COVID-19 pandemic. The pandemic impacted global economic activity resulting in lower oil prices and reduced oil production in 2020. The UAE promptly reacted with a series of state-aid measures to support the economy and continued its accommodative fiscal policy. During the pandemic, the UAE rolled-out one of the successful vaccination programmes to contain the negative impact of reduced economic activity and put the country back on track to host the Dubai Expo 2020 from October 2021 to March 2022. The government's successful measures to boost economic activity have resulted in a quick recovery. In spite of lower oil prices in 2021, the economy grew by 2.3 per cent. in 2021 after declining by 6.1 per cent. in 2020, and is expected to grow by 4.2 per cent. in 2022, according to the IMF (Source: IMF, World Economic Outlook (October 2022), Real GDP Growth).

United Arab Emirates - GDP Growth % (In constant prices)



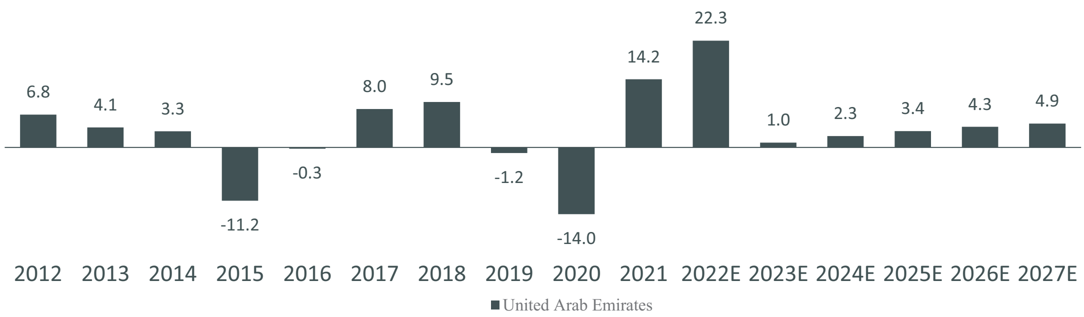
Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

1.1.2.2 *U.S. Dollar Pegged Currency*

The currency of the UAE is the Arab Emirates dirham, which has been pegged to the U.S. dollar since June 1986. The peg to the U.S. dollar helps provide stability to its oil-driven economy and ensures that the country's savings are in the world's reserve currency.

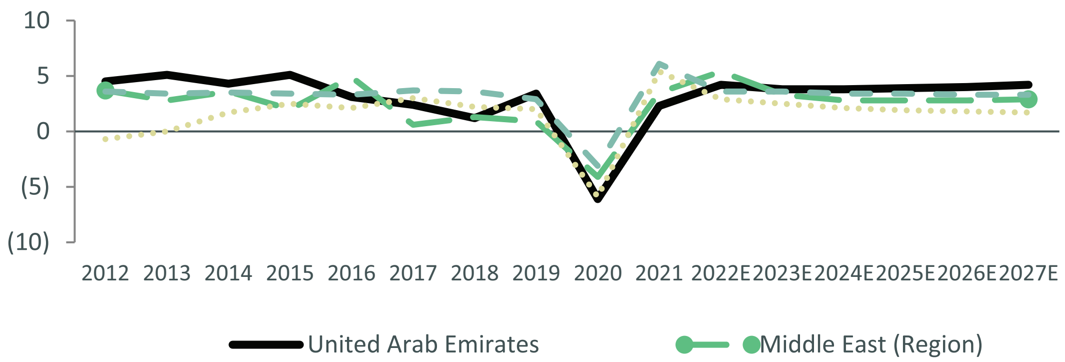
The UAE has recently registered a significantly higher GDP growth in 2021 (14.2 per cent. vs. -14.0 per cent. in 2020) at current prices and the IMF expects to see a further 22.3 per cent. growth in 2022.

United Arab Emirates - GDP Growth % (In current prices)



Source: IMF, World Economic Outlook (October 2022); GDP, Current Prices

Real GDP Growth % in selected regions (In constant prices)



Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

1.1.2.3 *Foreign Direct Investment*

The UAE's economic growth post COVID-19 pandemic, according to the IMF, is expected to continue to grow at a quicker pace than in other economies in the region. A combination of high oil prices in the international markets, which have increased liquidity in the region, and the re-opening of international travel place the country's economy for strong rebound. Dubai, the second largest economy in the country, highly services-led and with high concentration on Hotels & Tourism and Real Estate (the two sectors combined have captured 57 per cent. of the Dubai's foreign direct investment in 2021), is expected to be a big contributor to this growth, bolstered by a series of post-pandemic initiatives aimed at the private sector and foreign investment in the region.

Total Foreign Direct Investment in Dubai, by sector, 2021

Economic Sector	**Investment**	**Share of Total**
	(in AED millions)	*(in %)*
Hotels and Tourism	6,317.6	35.49
Real Estate	3,830.2	21.52
Software and IT services	3,676.7	20.65
Alternative/Renewable energy	2,373.2	13.33
Business Services	1,603.7	9.01

Source: Dubai FDI Monitor, Interactive Report, September 2022

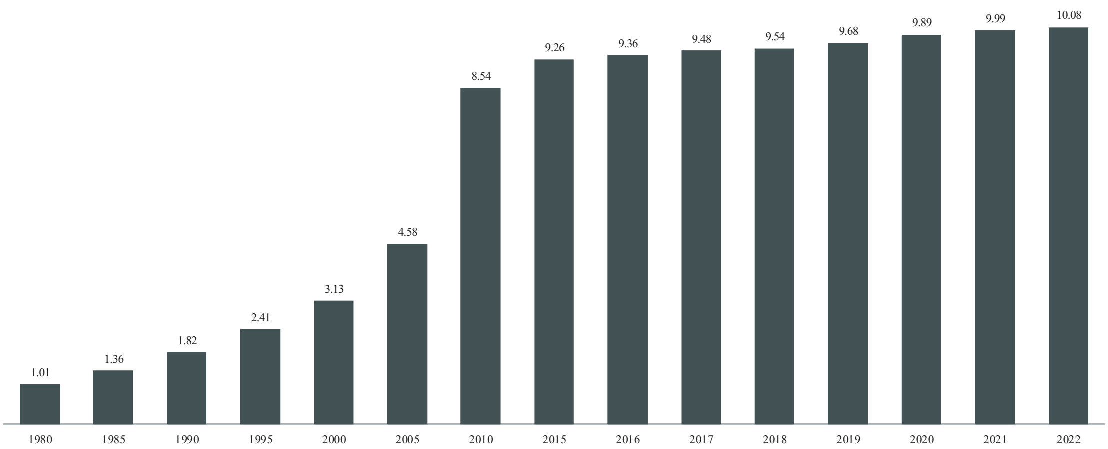
Dubai's economic recovery from the COVID-19 pandemic has been boosted by a strong rebound of air traffic which underpinned tourism and services sectors in the region. According to the data published in August 2022 by the government of Dubai, occupied room nights in Dubai for the period from 1 January 1 to 31 July 31 2022 outpaced the ones in the same period in 2019 by 17 per cent. (21.13 million in seven months ended 31 July 2022) vs. 18.09 million in the seven months ended 31 July 2019). Revenue per available room has also increased significantly to 386 AED compared with 313 AED in 2019 (Source: Government of Dubai, Tourism Performance Report, January-July 2022).

The strong recovery in the hotel and tourism sector, as mentioned, has been enhanced by the re-opening of air traffic. Dubai is one of the key beneficiaries of global air traffic. In the first half of 2022, Dubai International Airport reported 27.9 million passengers, up 161.9 per cent. compared to the first half of 2021. This traffic volume represents 67.5 per cent. of Dubai International Airport's pre-pandemic passenger traffic during the same period in 2019 (Source: Dubai Airports press release, "Strong second quarter propels DXB's H1 traffic to 27.9m passengers", 17 August).

1.1.2.4 *Demographics and Immigration*

The UAE population as of 31 December 2021 stood at 9.991 million people (Source: United Nations, database). In 1950, when the UAE was born from the coalition of the Trucial States, the population of the UAE was approximately 70,000. After the discovery of extensive oil reserves in the late 1950's the country started to go through a significant transformation, leading to economic prosperity and significant increases in the population. Soon after the discovery of oil reserves, the population of the UAE began to increase significantly with a large migration of expatriate and foreign workers coming to the region attracted by a wide variety of job opportunities within the oil-related sector. Today the expatriate population in the UAE accounts for 8.9 million, or 88.5 per cent. of the country's total population (Source: Global Media Insights, United Arab Emirates Population Statistics 2022, 18 March 2022).

UAE population (in millions)



Source: Global Media Insights, United Arab Emirates Population Statistics 2022, 18 March 2022

The current population of UAE is split in 68.76 per cent. male (6.93 million) and 31.24 per cent. female (3.15 million) (Source: Global Media Insights, United Arab Emirates Population Statistics 2022, 18 March 2022). Just over 27 per cent. of the population is younger than 24 years old and 65 per cent. of the population is between 25-54 years old, representing a strong active population as compared to other developed countries.

Age Group	Population	Share of Total
	(in millions)	*(in %)*
0-14 years old	1.52	14.94
15-24 years old	1.26	12.36
25-54 years old	6.52	64.15
55-64 years old	0.67	6.59
65+ years old	0.20	1.96

Source: Global Media Insights, United Arab Emirates Population Statistics 2022, 18 March 2022

1.2 Residential Market Overview

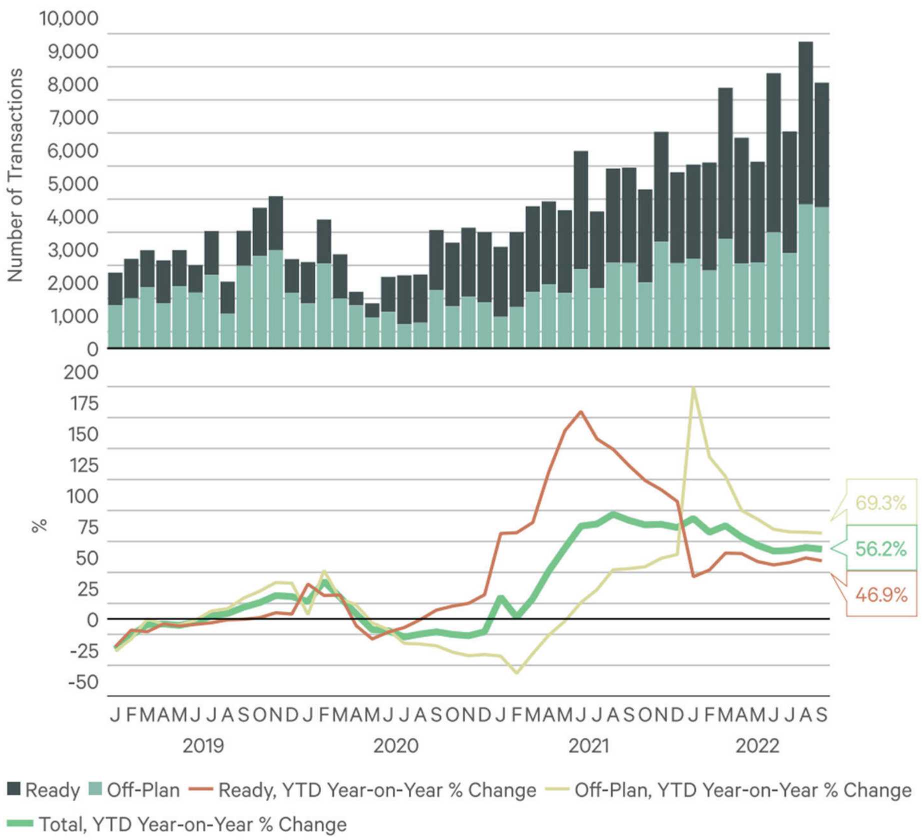
The Group has secured four projects in the Dubai market over recent years with a combined estimated gross development value of AED 3,549 million. These include W Residences Dubai – Downtown with the estimated gross development value of AED 1,050 million, Urban Oasis with the estimated gross development value of AED 948 million, the Da Vinci Tower by Pagani with the expected gross development value of AED 970 million and Plot 210 (346-05610) in Business Bay with the estimated gross development value of AED 581 million.

1.2.1 **Dubai Residential Market Overview**

The Dubai residential market has seen robust activity in 2022, coming back from a temporary dip during the COVID-19 pandemic. The total volume of transactions in Dubai's residential market reached 8,662 in December 2022, up by 63.0 per cent. compared with the previous year. Over this period, off-plan sales increased by 92.5 per cent. and secondary market sales by 35.4 per cent.. (Source: CBRE Research, UAE Real Estate Market Review Q3 2022, November 2022, page 8).

The total transaction volumes for the year reached 90,881, exceeding the historic record high of 81,182. (Source: CBRE Research, Dubai Residential Market Snapshot, January 2023).

In 2022, there has been a clear change in payment plan structures compared to previous years. This is most evident in the post-handover component of payment plans, which now, on average, only account for 7.6 per cent. of payment plan phases down from 23.1 per cent. in 2021 and 49.0 per cent. in 2020. This change in payment plans, combined with increasing interest rates, may moderate the rate of price growth over the course on the year. (Source: CBRE Research, UAE Real Estate Market Review Q3 2022, November 2022, page 8).

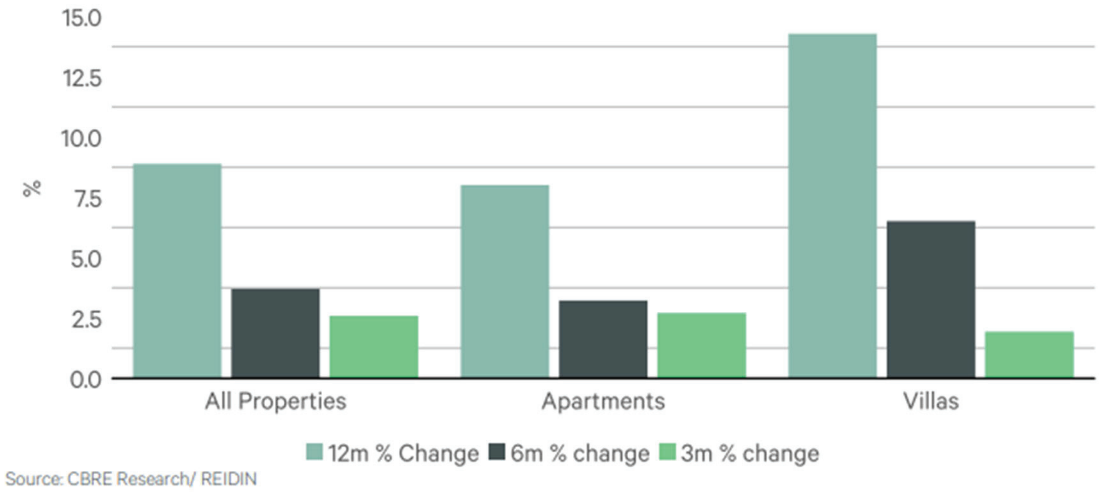


Source: CBRE Research, UAE Real Estate Market Review Q3 2022, November 2022, page 8

Average prices in Dubai's residential market increased by 9.5 per cent. in the year to December 2022, with average apartment prices increasing by 9.0 per cent. and average villa prices increasing by 12.8 per cent. As of December 2022, average apartment prices in Dubai stood at AED 1,168 per square foot and average villa prices stood at AED 1,385 per square foot. Compared to the record highs witnessed in 2014, these rates per square foot are 21.5 per cent. and 4.2 per cent.. below the peak for apartments and villas, respectively (Source: CBRE Research, Dubai Residential Market Snapshot, January 2023, page 2).

Average rental rates increased by 26.9 per cent. in the year to December 2022. Over this period, average apartment and villa rents increased by 27.1 per cent. and 24.9 per cent., respectively. (Source: CBRE Research, Dubai Residential Market Snapshot, January 2023, page 2).As of September 2022, new supply completed and delivered in Dubai totalled 20,847 units, with an additional 33,756 units under-construction and scheduled to be completed by the end of 2022 with some expected to be pushed into 2023. (Source: CBRE Research, UAE Real Estate Market Review Q3 2022, November 2022, page 7).

Dubai, Residential Price Performance, % change to September 2022



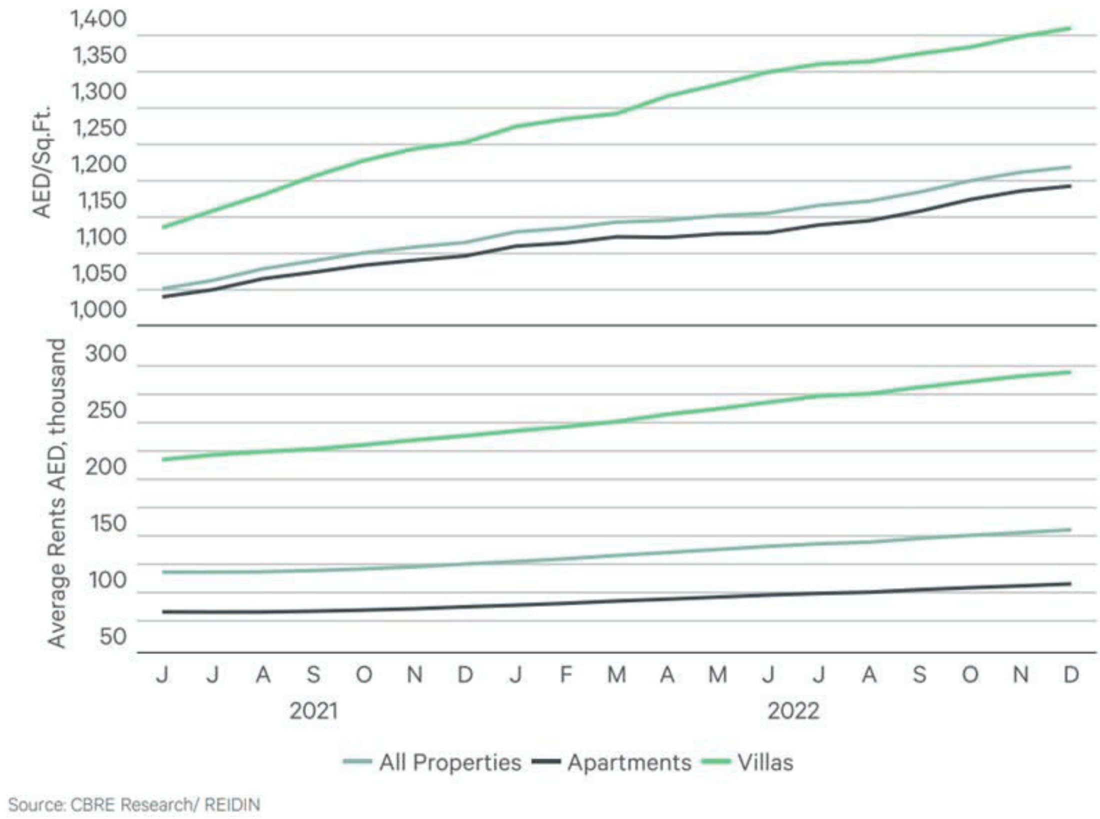
Dubai, Residential Rents Performance, % change to September 2022

Source: CBRE Research, UAE Real Estate Market Review Q3 2022, November 2022, page 7

1.2.2 **Residential Demand Considerations**

Dubai residential market has seen the highest total volume of transactions since the 2008/2009 global financial crisis. According to data published by CBRE Research, 2023 average property prices rose by 9.5% in the year to December 2022 (Source: CBRE Research, Dubai Residential Market Snapshot, January 2023, page 2).

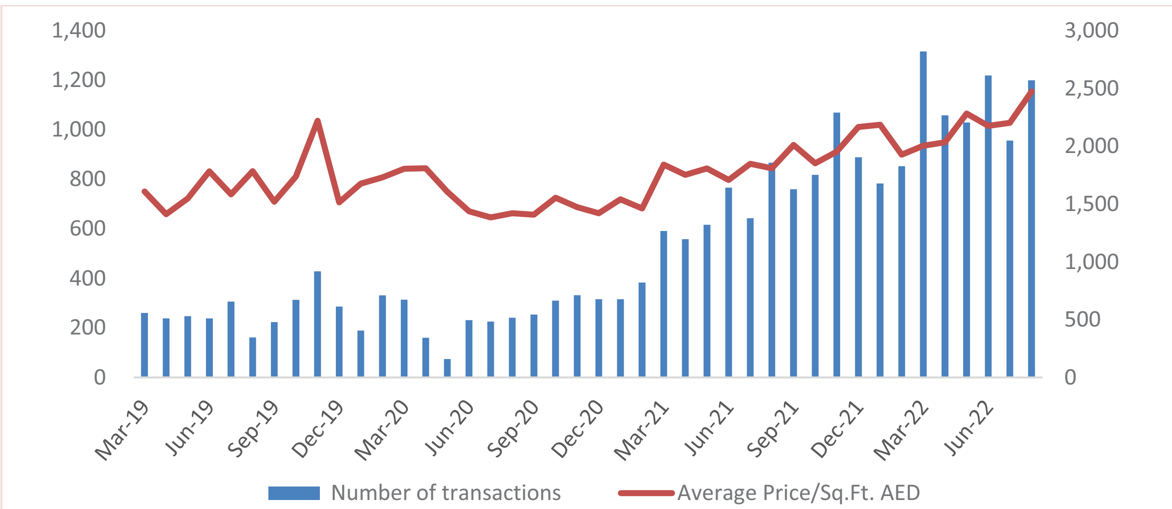
Dubai Residential Prices, AED per square foot and average rents



Source: CBRE Research, Dubai Residential Market Snapshot, January 2023, page 2

The UAE, in particular Dubai residential market, has seen strong price growth as well as strong volume of transactions, particularly evidenced in the high-end segment of the market.

Dubai Homes trading at over $1,000,000



Source: REIDIN.

1.2.3 Residential Supply Considerations

In Dubai, the main source of land for development for the Group going forward is local partners who have a strong presence and experience in the market. The Group enters into joint development agreements with developers and land owners, which enables it to reduce early land acquisition cash exposure and enhance the financial performance of its projects.

In addition to local partners, the Group also sources its investment opportunities through its internal business development team, as well as local brokers who, together with legal and technical expertise (in-house or external), also contribute to the due diligence process of every potential project.

The land development market in Dubai is highly concentrated in the hands of the master developers that undertake all the infrastructure and utilities development work on existing undeveloped land, acquiring it from the government of Dubai, often by way of government grants, transfers or sales for nominal value. Once infrastructure development is completed, they retain a portion of the land to develop their projects and then sell the remainder to other property developers.

The most relevant, government-linked master developers in the UAE are Aldar, Emaar, Nakheel and Dubai Properties which, due to the nature of their government agreements, control the supply and location of land for new developments. It is in the master developers' best interests to partner with other local and international developers which have the capacity to deliver better lifestyle communities to their masterplans by developing their plots. Hence, as a fundamental part of their business model, master developers make revenue from selling plots to other developers in the open market as way of funding their own masterplans.

With a valuable experience in the market, the Group is at the forefront of residential development in Dubai and is well positioned to establish local partnerships with these master developers in the foreseeable future. The Group's competition in the market for this land is principally from DAMAC and Omniyat, two independently-owned real estate developers that also have a track record of building high-end/luxury developments for second home investors, sometimes also affiliated to brands.

2 OMAN

2.1 Overview of Oman

2.1.1 Introduction

Oman is a monarchy located on the south-eastern coast of the Arabian Peninsula at the confluence of the Persian Gulf and Arabian Sea. Oman shares frontiers with Saudi Arabia, the United Arab Emirates and Yemen, while sharing maritime borders with Iran and Pakistan. In 1981, Oman became a founding member of the six-nation Gulf Cooperation Council.

In 1970-2000, Sultan Qaboos opened up the country, embarked on economic reforms and followed a policy of modernisation marked by increased spending on health, education and welfare (Source: The Economist, "Happy and rich in an Omani toytown", 31 August 2000). On 11 January 2020, Sultan Qaboos was succeeded by his first cousin Sultan Haitham bin Tariq, who has changed the Basic Law of Oman to grant citizens and residents freedom of expression and opinion, removed a law that allowed the state to monitor private phone conversations, social media or postal correspondence and granted the freedom to practice religious rites according to recognized customs (Source: Library of Congress, "Oman: New Basic law Issued Creating a Mechanism for Appointing a Crown Prince", 4 February 2021).

Muscat is the capital and largest city in Oman and forms the second largest governorate in the country, after Al Batinah, accounting for 29 per cent. of the total population of Oman (Source: National Centre for Statistics and Information).

Oman has ambitions to diversify its economy, but it remains heavily reliant on oil exports. Oman liberalised its markets in an effort to accede to the World Trade Organization and gained membership in 2000 (Source: World Trade Organization, Member Information, Oman and the WTO). In addition, in 2006, the U.S. Congress approved the U.S.-Oman Free Trade Agreement Implementation Act (Source: Congress.gov, H.R. 5684United States-Oman Free Trade Agreement Implementation Act). This free trade agreement became effective on 1 January 2009, eliminating tariff barriers on all consumer and industrial products (Source: Office of the United States Trade Representative, Oman Free Trade Agreement).

The government also undertook important policy measures during 2018 with the establishment of a commercial arbitration centre, the adoption of a new commercial companies law and a further streamlining of licensing processes through Invest Easy in order to improve the business and investment climate and promote private sector-led growth in Oman (Source: Central Bank of Oman, "CBO Releases Annual Report 2018", 20 August 2019).

Oman has made active plans to diversify its economy and is placing a greater emphasis on other areas of industry, namely tourism and infrastructure. Oman continues to prioritise diversifying its economy as laid out in its recently published Oman 2040 Vision (Source: Oman, 2040 Vision Document, 2021).

On 21 March 2022, Oman's Ministry of Energy and Minerals announced that it would increase oil production to its maximum level of just over one million barrels per day ("**b/d**"), up from an estimated average of 971,000 b/d in 2021. The move is expected to boost Oman's external and fiscal balances amid an elevated global oil price environment (Source: EIU, "High oil process will boost Oman's revenue", 25 March 2022).

Located within a region with geopolitical tensions, Oman has so far maintained a neutral position, which has proven to be a valuable strategic asset, enabling the country to pursue trade relationships with all countries in the region, as well as various international allies.

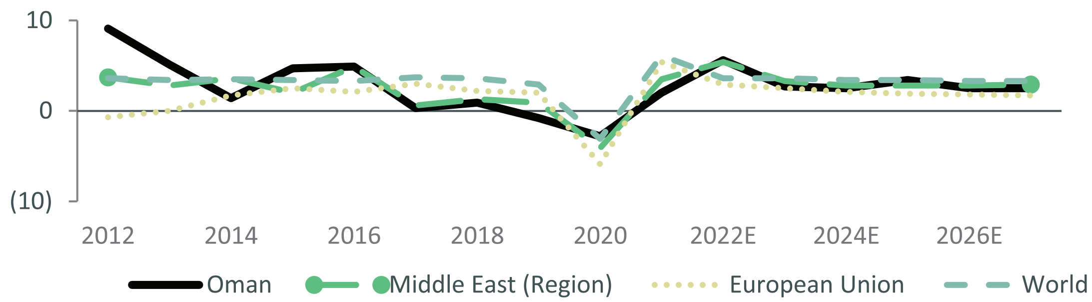
2.2 Macroeconomic Overview

2.2.1 Impact of the COVID-19 Pandemic and High Dependency on Oil

Following the oil price shock in 2014, which severely and adversely affected the economy of Oman that remains to this day largely dependent on oil and hydrocarbons, Oman was in the middle of an austerity plan to guarantee access to international financial markets.

In 2019, prior of the COVID-19 pandemic, Oman's gross government debt to GDP ratio was 60.5 per cent. as compared to just 15.8 per cent. in 2015. This ratio further increased to 71.4 per cent. in 2020 (Source: IMF, World Economic Outlook (October 2022), General Government Gross Debt). The economy contracted at a rate of 2.8 per cent. in 2020 (Source: IMF, World Economic Outlook (October 2022), Real GDP Growth), a modest decrease in GDP compared to other regions of the world like Europe, but also a lower decrease in GDP than that of the Middle East region according to the IMF. Driven by strong effort to diversify its economy and by an expected oil price above break-even, Oman and other Middle East regions are expected to continue to grow at a higher pace than developed economies in Europe.

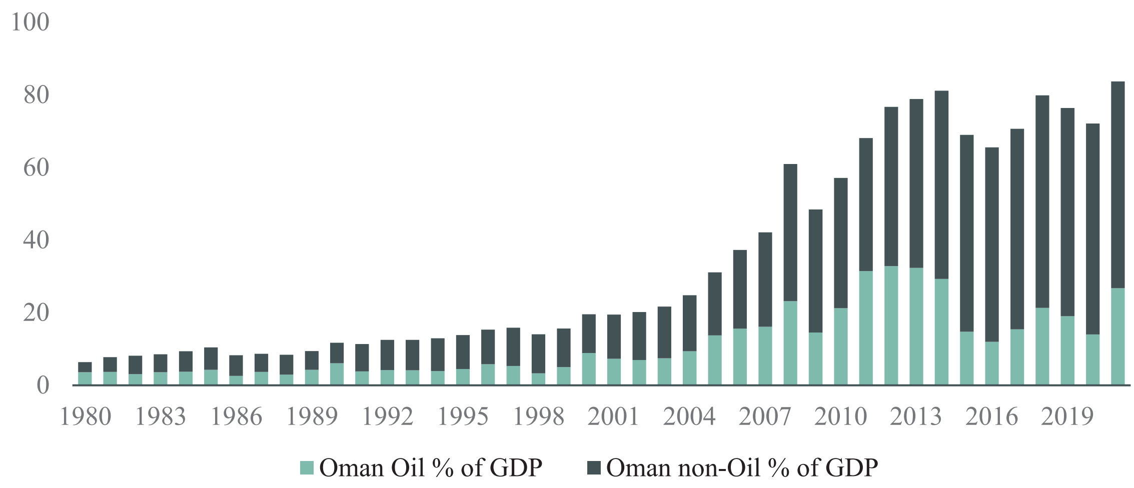
Real GDP Growth % in selected regions (In constant prices)



Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

In the aftermath of the COVID-19 pandemic, global economic activity has recovered, triggering some pricing pressure in the international markets for oil, natural gas and hydrocarbons. In addition to this, disrupted supply chains and the conflict between Russia and Ukraine has put even more pressure on commodities prices. As a significantly oil-driven economy, Oman, which generated 30 per cent. (RO 10,287.5 million) of its 2021 GDP (RO 33,909.85 million) from oil-related activities, benefitted from soaring prices at the end of 2021 and in 2022, resulting in trading and budget surplus and offering room for slowing down some of its austerity measures (Source: Central Bank of Oman, Quarterly Statistical Bulletin, September 2022).

GDP, current prices (Billions of U.S. dollars)

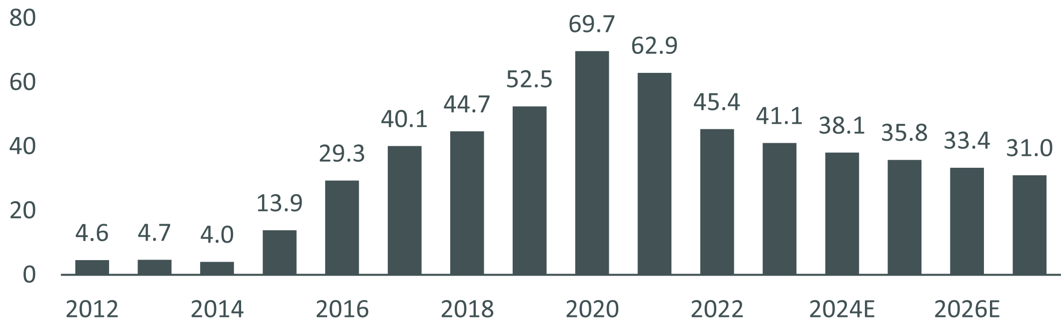


Source: World Bank, September 2022.

2.2.2 Restructuring Public Debt

Since the crash of oil prices in 2014, Oman's economy entered a spiral of government borrowing, which amounted to just 4.6 per cent. of the country's GDP in 2014 and which increased to 71.4 per cent in 2020. With governmental debt ballooning quickly and credit rating agencies downgrading the country's credit risk, interest expenses started to increase dramatically and quickly became the third largest governmental expense in 2021 (Source: Central Bank of Oman, 2021).

Oman Government Debt as % of GDP



Source: IMF, World Economic Outlook (October 2022), General Government Gross Debt

In response to slow economic growth and highly indebted economy, the government of Oman launched the so-called Medium Term Fiscal Plan in 2020 as an attempt to rebalance the government's accounts and reduce growing indebtedness. The Medium-Term Fiscal Plan was based on the urgent need to reduce spending and raise government's revenue through the reduction of a series of subsidies and the introduction of multiple taxes across various sectors.

Subsidies for electricity and oil related products were reduced and new income tax on high-income families was introduced (Source: KPMG, "Oman Budget 2021, Analysis of Oman's Tenth-Five Year Plan and Budget 2021 – KPMG insights").

In state-owned companies, a series of measures aimed at cutting costs were implemented. This included compensation cuts for high-level management and forced retirement for all Omani employees aged over 60 years old and for all Omanis who served for more than 30 years in all government entities. Expatriates who acted as advisors saw their contracts with state-owned companies not being renewed (Source: Oman Ministry of Finance).

In addition to a series of measures targeted at reducing government spending, new taxes were also introduced, of which the introduction of a five per cent. VAT tax in April 2021 was particularly significant (Source: BDO Tax News, Indirect Tax News, "Oman – Updates on the new VAT regime", October 2021).

The government's efforts to reduce spending and increase revenue were translated into a decrease in budget deficit of more than RO 3,000 million in 2021 as compared with the previous year (2021 preliminary results show deficit of RO 1,223 million as compared to RO 4,422 million in 2020) (Source: Ministry of Finance of Oman, Pre-Budget Statement for Fiscal Year 2022, page 8).

The improvement of the public accounts has been well taken by international credit rating agencies.

Standard & Poor's, in its report issued in October 2021, revised Oman's outlook from stable to positive and affirmed its rating at B+. This positive outlook was attributed to the robust policy responses to economic and health challenges and the steps taken within the framework of the Medium Term Fiscal Plan towards fiscal sustainability. This is in addition to a recovery in oil prices and a decline in the impact of the COVID-19 pandemic, which are expected to reduce fiscal deficits and limit the increase in net government debt over the next three years.

Standard & Poor's also stated that Oman ratings could be raised over the next year if fiscal measures and stronger economic growth lead to further improved fiscal performance and reduction in net government debt (Source: Reuters, "S&P revises Oman outlook to positive on higher oil prices, reforms", 2 October 2021).

Moody's changed the outlook on Oman's credit rating to stable from negative and affirmed its rating at Ba3 in October 2021. According to Moody's, the change in outlook reflects the significant easing of government liquidity and external financing pressures, mainly as a result of the ongoing implementation of the Medium Term Fiscal Plan and significantly higher oil prices since the middle of 2020, which are expected to underpin a steady decline in the direct government debt burden to around 60 per cent. of GDP by 2024. (Source: Oman Ministry of Finance, Pre-Budget Statement for Fiscal Year).

2.2.3 **Attracting Foreign Investment**

To achieve economic diversification and fiscal balance, the government is also focused on attracting foreign investment, which is also one of the objectives set in the Medium-Term Fiscal Plan in 2020, improving the general business environment and stimulating private sector investment. The new Foreign Capital Investment Law, in place since January 2020, has significantly reduced restrictions on foreign investment, reduced the red-tape for registration and licensing procedures for foreign investors and provided the same rights and incentives as was previously given to local investors to foreign investors as well (Source: Ministry of Justice and Legal Affairs of Oman, Royal Decree 50/2019 Promulgating the Foreign capital Investment Law).

One of the most notable changes introduced by the new Foreign Capital Investment Law was to allow 100 per cent. foreign ownership across various economic sectors.

Prior to this law, foreign investors were not allowed to conduct any commercial activity without a local agent and foreign ownership was limited to 49 per cent. of share capital of any corporation. This threshold was then moved to 70 per cent. upon entry into the World Trade Organization, and completely removed as of January 2020 with the new Foreign Capital Investment Law.

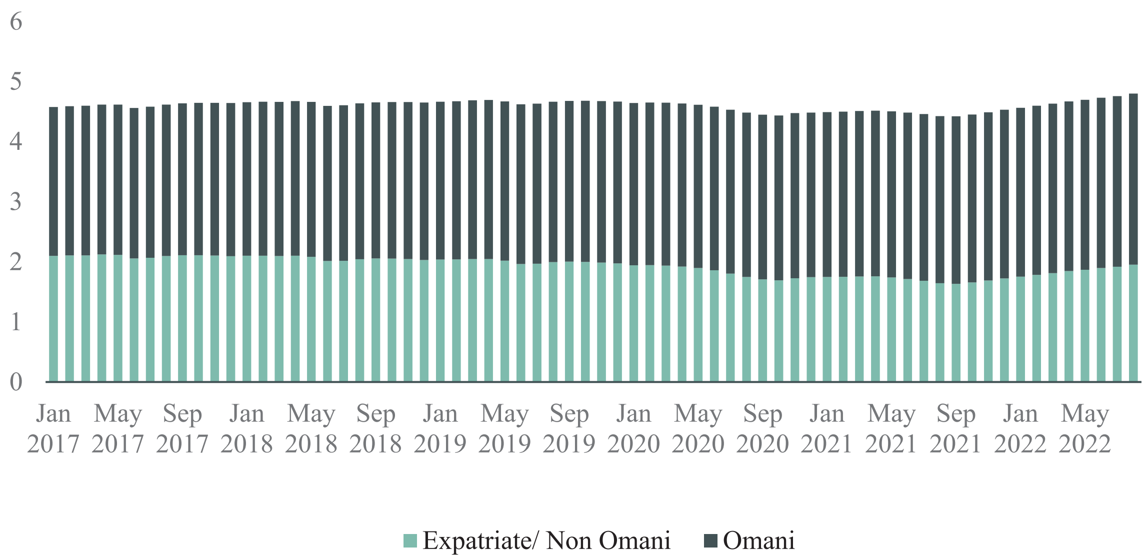
Under the new law, investment projects set up in less developed regions can be granted specific incentives including, among others, the exemption from the land rental value (for maximum period up to 5 years), exclusion from Omanisation requirements (percentage of Omani workers at management level) for 2 years and exemption from payment of specified fees.

2.2.4 **Demographics**

Oman has one of the highest expected population growth rates in the region.

Currently, the country has 4.8 million inhabitants, approximately 41 per cent. of which are expatriates, a number that was in decline during the COVID-19 pandemic. In 2020, a significant number of foreigners left Oman. But, with the new incentives to attract foreign investment, the expatriate community in the country is back on a growth trajectory.

Omani population (in millions)



Source: National Centre for Statistics & Information

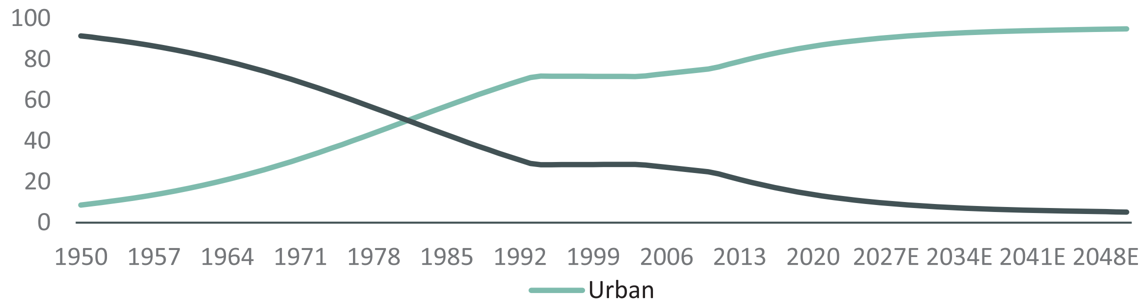
As of 2021, according to the National Centre for Statistics & Information, only 4.3 per cent. of the country's population was concentrated within the over 60 years old age group, whereas 63 per cent. was in the age group between 20-60 years old and 32.7 per cent. was between 0-19 years old (Source: NCSI).

In addition to a young population, the country has seen a rapid migration to dense and urban areas since 1950s, when around 95 per cent of the population lived in rural areas.

The United Nations expect this trend to continue and estimate that by 2050, 95 per cent. of the country's population will be located in urban areas.

Oman's Percentage of Population in Urban vs. Non-Urban Areas

Oman's Percentage of Population in Urban vs. Non-Urban Areas



Source: United Nations, World Urbanization Prospects 2018, Country Profile, Oman

2.3 Residential Market Overview

The changes in the population profile of Oman during the pandemic have caused some turbulence on the residential market in Oman.

During the COVID-19 pandemic, there was a significant reduction of the expatriate population, as mentioned above, but thanks to the new laws to facilitate investment from abroad, the expatriate population is coming back to Oman as a stable country in the region, with a series of tax incentives for foreign investment and with the benefit of being a peaceful country in the region.

State-owned OMRAN (Oman Tourism Development Company), one of the country's master developers, was established in 2005 as the government's vehicle to diversify the economy and create lifestyle communities as well as tourist destinations to drive non-oil economic growth (Source: OMRAN Group).

It is common for OMRAN to develop its own real estate projects, which may include significant infrastructure development with respect to the proposed projects. OMRAN's master developments usually involve transforming large vacant plots of land into valuable projects to bring new homes and tourist infrastructure. Some of these master developments include:

2.3.1 **Al Mouj Muscat**

Al Mouj Muscat is a joint venture between the UAE-based Majid Al-Futtaim Properties, OMRAN and Tanmia (Oman National Investments Development Company). Established in 2006, Al Mouj Muscat was tasked with establishing the nation's first integrated tourism complex. As of 1 June 2022, 75 per cent. of this project was complete and the project already attracted foreign direct investment of US$844 million. Al Mouj Muscat is now a home to 8,000 residents from 85 countries. It has world-class luxury amenities including a 400-berth marina, a world-renowned golf course and 85 retail outlets as well as a dedicated community hub, a mosque and a nursery. The Kempinski Muscat and Mysk Al Mouj by Shaza are two hotels currently operating in Al Mouj Muscat with a total of 582 hotel rooms. Upcoming projects in their opening phase, such as St. Regis Resort Al Mouj Muscat and Al Mouj Rayhaan by Rotana, are expected to bring the grand total of rooms to over 2,000 post completion (Source: TAS News Service, "75% of projects completed at Al Mouj Muscat", 1 June 2022.

2.3.2 **Yiti Masterplan**

Yiti masterplan is a 11 square km master development 25 minute away from the centre of Muscat and a 40 minute drive from the Muscat International Airport. As part of the Aida project discussed in detail in "Part II. (*Business – The Group's Projects – Projects under Development – Aida*)", there will be 3.5 million square metres to be developed by the Group, which has signed an agreement with OMRAN to develop this project, a premium, mixed-use project that will bring two hotels with 450 rooms, cafes, restaurants, a golf course and 3,500 homes, projected to be spread across three different phases.

As part of the same master development, it is also expected that Diamond Developers will build the *Sustainable City,* which will include green public spaces, residences as well as tourism, commercial and educational facilities (Source: OMRAN Group, "OMRAN Group signs partnership agreement with Diamond developers for the first phase of the Yiti Integrated Tourism Development", 13 January 2022). This part of the master development will bring to the market new residential stock that may compete with the Group's Aida project.

2.3.3 **Madinat Al Irfan**

This is the largest mixed-use urban development undertaken by OMRAN. This is a 7.4 million square metres master development in Muscat. While part of the development (1.6 million square metres) will consist of the Oman Convention and Exhibition Centre, hospitality assets and a business center, the remaining (4.9 million square metres) will be developed in a joint-venture with Majid Al Futtaim Group, one of the most reputable, privately-owned developers in the country (Source: OMRAN Group, Our Portfolio, Madinat Al Irfan).

2.3.4 **Supply Considerations**

The New Foreign Investment Law has made it easier for foreign companies to invest in Omani real estate. Examples of the Dar Global UAE Group and Diamond Developers as foreign investors shaping the country's real estate market may be followed by others, which can result in significant amounts of new stock being brought to the market.

According to press reports in October 2021, the Ministry of Housing and Urban Planning unveiled plans for five new development sites targeting 4,800 housing units across the country based on Public Private Partnership models with real estate developers, aiming to attract both Omani and international investors (Source: Oman Daily Observer, "Five new housing projects to create 4,800 homes", 18 October 2021)

According to the Ministry of Housing and Urban Planning Annual Report for 2021, there were a total of 4,247 new land plots planned for residential use in 2021 (56 per cent. of total land plots for which consents were obtained in this year). This compares with 4,408 land plots in 2020.

Increased efforts to boost the housing sector in Oman with new supply of stock could potentially pose risks of oversupply in a market that has been adversely impacted by the COVID-19 pandemic when there was a significant decrease in of the expatriate population. However, the notable initiatives to foster private investment, in particular from foreign capital, are expected to set a better ground for international interest in the country and trigger stronger demand for housing stock.

2.3.5 Demand Considerations

According to the same Annual Report for 2021 published by the Ministry of Housing and Urban Planning, in 2021, there were 24,069 registered applications for ownership verification and registration as compared to 16,259 applications in the previous year, evidencing a strong recovery for real estate sector.

Furthermore, the number of real estate transactions (sales) increased to 86,856 in 2021 from 66,835 in 2020, a 30 per cent. Increase (Source: Ministry of Housing and Urban Planning Annual Report for 2021).

A factor which increasingly affects demand for Oman's real estate is growing interest from GCC nationals, which increased significantly in 2021 in the aftermath of the COVID-19 pandemic and post implementation of the New Law For Foreign Capital Investment (Source: Ministry of Housing and Urban Planning Annual Report for 2021).

Real Estate Ownership by GCC Citizens (m2)	Total	%Change	Bahrain	%Change	Qatar	%Change	Kuwait	%Change	Saudi Arabia	%Change	U.A.E.	%Change
2021	1,691,471	272%	59,671	181%	46,514	92%	85,614	55%	36,975	870%	1,462,697	317%
2020	455,150		21,245		24,214		55,399		3,812		350,480	

Source: Ministry of Housing and Urban Planning Annual Report for 2021

3 SPAIN

3.1 Overview of Spain

3.1.1 Introduction

Since the re-establishment of a constitutional monarchy in 1978, Spain has undergone a period of economic modernisation. After joining the EU in 1986, Spain has grown to be the Eurozone's 4th largest economy with a GDP of US$1,427 million in 2021 (Source: Statista: Gross domestic product (GDP) at current prices of Europe's largest economies from 1980 to 2027) and a population of approximately 47.6 million as of January 2022 (Source: Statista: Population of Spain in 2022). It is the second largest country by area in the EU (505,944 sq. km.) (Source: European Union, Facts and figures on life in the European Union, Size and population).

Tourism is the largest economic sector in Spain. Pre pandemic, in 2019, tourism accounted for 12.4 per cent. of the total GDP (Source: Instituto Nacional de Estadistica, Contabilidad Nacional Trimestral de España).

Spain is a service-led economy with the services sector representing 74.6 per cent. of the 2021 GDP and employing over 71.2 per cent. of the total active population in that year. Industry and construction represented 22.5 per cent. of the 2021 GDP and employed 18.7 per cent. of the labour force. Agriculture represented a mere 2.9 per cent. of the country's 2021 GDP and employed 3.8 per cent. of the work force. (Source: Instituto Nacional de Estadistica, Annual Spanish National Accounts: aggregates by industry. Latest data).

Spain has been in the midst of a balanced economic recovery in recent years. However; the COVID-19 pandemic led the country into an unprecedented downturn in economic activity in 2020, with the deepest contraction among EU member states. Nevertheless, despite the severe impact of lockdown measures still in place for a great part of 2021, the economy expanded by 5.1 per cent. in 2021 (Source: IMF, World Economic Outlook (October 2022), Real GDP Growth). Spain is set to continue growing in 2022 (by 4.8 per cent.) and to return to its pre-pandemic level by the beginning of 2023 (Source: IMF, World Economic Outlook (October 2022), Real GDP Growth). The EU Recovery and Resilience Plan (RRP) is expected to address bottlenecks to lasting and sustainable growth, while investments are targeted to accelerate the transition towards a more sustainable, low-carbon and climate-resilient economy, to maximise the benefits of the digital transformation and to ensure social cohesion. The plan also intends to improve connectivity within the country, boost labour market performance and innovation capacity of the economy and make public spending more efficient and sustainable (Source: European Commission: Spain's Recovery and Resilience Plan).

The main economic risks are related to high inflation and increasing interest rates. Although financial institutions are much better capitalised than what they were in the 2008/2009 global financial crisis, and household debt is much more contained, increasing debt costs and high inflation pose risk to most developed economies, including Spain (Source: IMF Database- Country of Spain).

3.2 **Macroeconomic Overview**

3.2.1 **Post COVID-19 Pandemic Recovery**

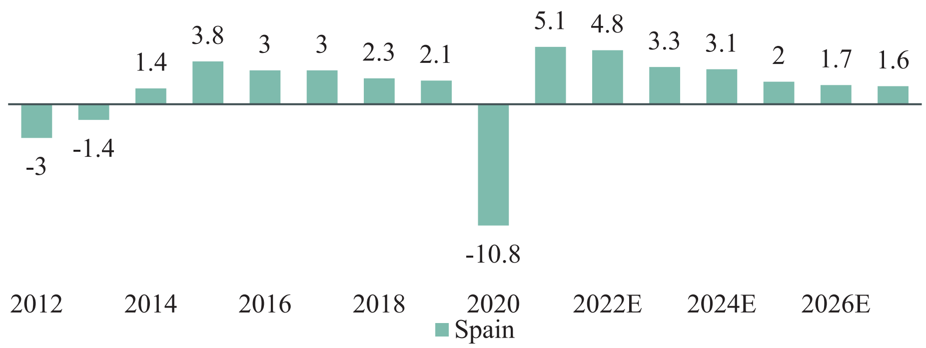
The Spanish economy has experienced a modest recovery from the impact of the COVID-19 pandemic after having been severely impacted by the pandemic.

In 2020, like most economies, Spain has experienced the worst economic drop in over 80 years, with its gross domestic product contracting by 10.8 in that year.

In an attempt to combat an unprecedented crisis, the Spanish government has put in place a series of fiscal and economic measures to help to resume economic growth which, combined with the Next Generation EU funds, were intended to support domestic demand.

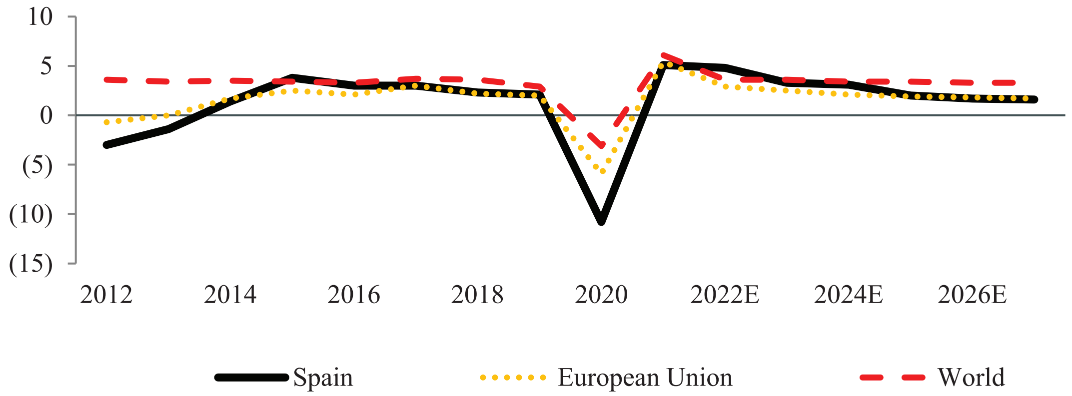
2021 was a year of moderate recovery. However, the country faced successive lockdowns in that year due to a series of outbreaks of the Omicron variant. The Spanish GDP grew by 5.1 per cent. in 2021 and is expected to get back to pre-pandemic output levels by the end of 2022 as it is expected to grow by 4.8 per cent. in that year, according to the IMF (Source: IMF, World Economic Outlook (October 2022), Real GDP Growth).

Spain - GDP Growth % (In constant prices)



Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

Real GDP Growth % in selected regions (In constant prices)



Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

2022 has been a period of relative uncertainty for Spain. The Omicron variant, high inflation and the war in Ukraine led to a moderation of GDP growth to 0.3 per cent. in the first quarter of 2022, with GDP remaining 3.5 per cent. below pre-pandemic levels. (Source: OECD Economic Forecast Summary, June 2022).

High energy prices had a considerable adverse impact on the Spanish economy. Spain imports the gas and oil it consumes and, as a result, the ongoing rise in the price of most goods and commodities since early 2021 had a severe effect on the purchasing power of Spanish households and, therefore, on private spending.

As part of the European Central Bank's mandate to keep inflation in the euro area below the 2 per cent. target over the medium term, ECB Governing Council has taken a series of steps towards the normalisation of its monetary policy, and has raised interest rates four times since July 2022, with a first rate hike in July 2022 of 50 basis points, following 75 basis points in September, 75 basis points in November, and 50 basis points in December, totalling 2.5% (Source: European Central Bank, Monetary policy accounts).

According to the IMF, the Spanish economy is expected to continue to grow, but at a more moderate pace in 2023 (by 3.3 per cent.) as compared to 2022 (by 4.8 per cent.), with further decreases in GDP growth rates expected after 2023, in line with the rest of Europe. The Consumer Price index is estimated to have reached 9.0 per cent in September 2022, a decrease of one point and a half in its annual rate, since August when it stood at 10.5 per cent. This modest decrease is mostly related with a year on year decline in fuel prices. Core Inflation is now at 6.2 per cent as of September 2022. (Source: Instituto Nacional de Estadistica, press release 29 September 2022).

As the country's borders re-open to foreign visitors, tourism activity recovers. Most recent data from Instituto Nacional de Estadistica suggests that Spain has welcomed 9.1 million international tourists in July 2022, 106.2% more than the same month in the previous year. For the first seven months of 2022, the number of international tourists in Spain rose to 39.3 million from 9,8 million in the same period in 2021., (Source: Instituto Nacional de Estadistica, , "Estadística de Movimientos Turísticos en Fronteras (FRONTUR)", 1 September 2022).

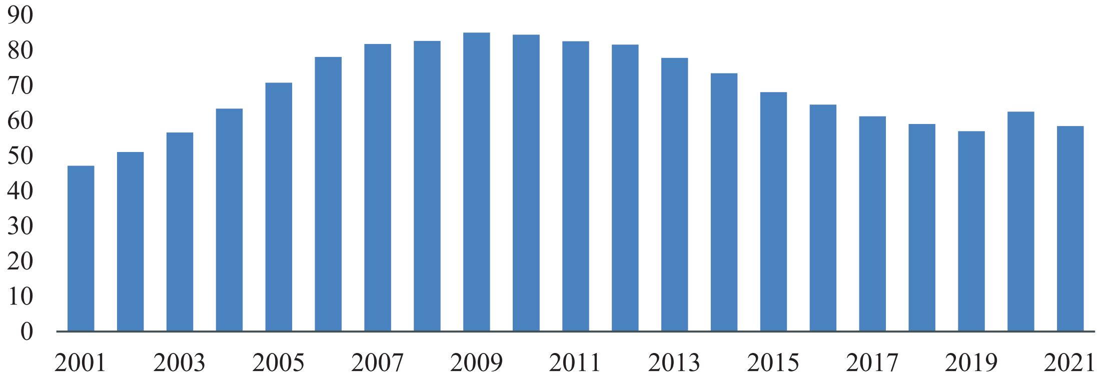
3.2.2 Household Debt

Financing conditions in the debt markets have started to worsen on the back of the recent ECB action. The Spanish 10-year government bond yield has increased by around 188 basis points by May 2022 since the beginning of 2022 and its yield spread against the German Bund has widened by almost 35 basis points during the same period (Source: Banco España Economic Bulletin 2/2022, pages 9 and 35).

Furthermore, while the average costs of bank lending to households and firms have remained at record-low levels in recent months, given the typical lending market dynamics, the recent increase in interbank market interest rates can ultimately be expected to be passed through to the cost of bank lending to both households and firms, which could adversely impact their spending power (Source: Banco de España, Economic Bulletin 2/2022, page 9).

The possible tightening in the debt markets for Spanish households and firms is, in part, offset with the National Recovery and Resilience plan set out as a response to the urgent need of fostering a strong recovery, and mostly financed by the European Union. This economic plan, which is aimed at economic and environmental sustainability, will be supported by a total package of €69.5 billion in grants. It is forecast that the plan will generate an additional 250,000 jobs and contribute to a GDP uplift of between 1.8 per cent. and 2.5 per cent. by 2024. This considerable capital injection into the Spanish economy, representing around 5.6 per cent. of the country's GDP in 2019, will have a major impact in the local economy (Source: European Commission: Spain's Recovery and Resilience Plan).

Spain Household Debt as % of GDP

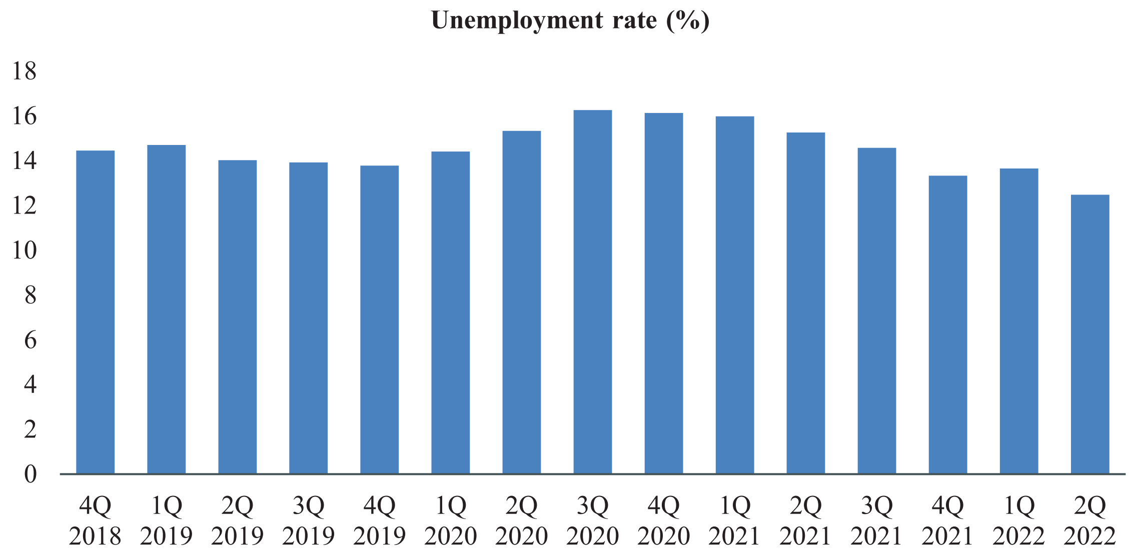


Source: IMF, 2022

Nevertheless, at significantly lower levels as compared to peak levels during the 2008/2009 global financial crisis, when it reached 85 per cent., Spanish household debt as percentage of GDP has decreased consistently between 2009 and 2019 and stood at 58.4 per cent. in 2021. This is the result of an effort from local banks to reduce exposure to large volumes of household debt and to strengthen the financial position of Spanish households post the sub-prime crisis that hit the Spanish market severely in 2009. Spanish household debt is at sustainable levels, and is lower (in percentage relative to GDP) than some of the most advanced economies in Europe, such as Sweden, France, The Netherlands, United Kingdom, Denmark, Norway or Finland.

3.2.3 Employment

The job market in Spain has also gone through a severe re-adjustment post the 2008/2009 global financial crisis. In order to combat high levels of indebtedness, a series of economic reforms, often referred to as austerity measures, were undertaken during the early 2010s, which culminated with a peak of unemployment rate in 2013 of 26.9 per cent. (Source: Instituto Nacional de Estadistica, Population Unemployment Rate). Since then, the economy started to rebound and the job creation gained strength. The Spanish government, amidst the COVID-19 pandemic, has taken steps to intervene in the labour market with state-aid measures that enabled to protect employment throughout the period. Since early 2020, unemployment rate in Spain peaked in the third quarter of 2020. After that, it decreased to levels that are lower than in 2019.



Source: Instituto Nacional de Estadistica, Population Unemployment Rate

3.2.4 Migratory Growth

According to latest projections by Instituto Nacional de Estadistica, in Spain, in the next 18 years (from 2022 to 2040), Spain could gain over one-and-a half million of additional inhabitants. That is equivalent to over 3 per cent. population growth.

As in most other European countries, Spanish population is getting older, with the increases in deaths consistently outpacing that of births. Nevertheless, this imbalance between mortality and birth rates is more than offset by an increase in the number of immigrants. In 2019 alone, there were 748,759 immigrants coming to live in Spain. That is more than the double of the number of immigrants coming to live in Spain in 2015 (342,114), according to Instituto Nacional de Estadistica (Source: Instituto Nacional de Estadistica, Population projection 2020-2070, 22 September 2020).

That strong growth in new immigrants in Spain is expected to continue to support population growth and household formation, especially in the new urban cities, in which most of the immigrant population settles in. In fact, according to the UN Database, Spain is expected to see an additional 1.4 million people in 2030, compared to 2020, a growth of nearly 4 per cent. over a period of just 10 years (Source: United Nations)[1].

1 https://population.un.org/wup/country-profiles/

Projection of the population in Spain 2020-2070

Year	Population as of 1st January		Population Growth (*)	
	Total population	Born in Spain	Absolute	Relative (%)
2014	46,512,199	40,553,891	-62,634	-0.13
2015	46,449,565	40,558,357	-9,466	-0.02
2016	46,440,099	40,521,758	86,940	0.19
2017	46,527,039	40,502,516	131,408	0.28
2018	46,658,447	40,459,614	278,613	0.60
2019	46,937,060	40,398,099	392,921	0.84
2020	47,329,981	40,334,334	-3,024	-0.01
2021	47,326,958	40,229,931	26,633	0.06
2022	47,353,590	40,153,754	28,364	0.06
2023	47,381,955	40,069,489	31,321	0.07
2024	47,413,275	39,978,424	36,609	0.08
2025	47,449,884	39,881,665	59,825	0.13
2030	47,749,007	39,348,489	107,094	0.22
2035	48,284,479	38,806,879	124,128	0.26
2040	48,905,120	38,302,001	116,138	0.24
2045	49,485,811	37,771,235	84,969	0.17
2050	49,910,653	37,108,939	44,973	0.09
2055	50,135,516	36,279,858	18,545	0.04
2060	50,228,241	35,356,557	20,613	0.04
2065	50,331,306	34,481,021	51,701	0.10
2070	50,589,811	33,794,071		

(*) 2014-2019: Definitive Population Figures.
From 2025, average annual growth of the quinquennium (t,t+5).

Projected foreign migrations in Spain (2020-2069)

Year	Immigrations	Emigrations	External migration balance
2015	342,114	343,875	-1,761
2016	414,746	327,325	87,422
2017	532,132	368,860	163,272
2018	643,684	309,526	334,158
2019	748,759	297,368	451,391
2020	245,219	135,648	109,571
2021	245,219	135,648	109,571
2022	267,741	147,752	119,989
2023	290,263	159,856	130,407
2024	315,555	173,498	142,057
2025-2029	392,651	215,101	177,550
2030-2034	509,914	278,206	231,708
2035-2039	545,714	296,086	249,628
2040-2044	558,571	301,229	257,343
2045-2049	571,429	306,371	265,057
2050-2054	584,286	311,514	272,772
2055-2059	597,143	316,657	280,486
2060-2064	610,000	321,800	288,200
2065-2069	622,857	326,943	295,914

Source: 2015-2019, Migracion Statistics (2019 provisional). From 2025 to 2069 average annual data of the quinquennium are offered.

Source: Instituto Nacional de Estadistica, Population projection 2020-2070, 22 September 2020

3.3 Residential Market Overview

Against a year of uncertainty in 2021, the real estate market in Spain began 2022 with some optimism as the economic output was approaching pre-pandemic levels of 2019, and on the back of a significant transfer in connection with the National Recovery and Resilience Plan.

A strong consumer spending coupled with a healthier business environment, as lockdown restrictions were lifted, and a significant activity pick-up in the manufacturing sector have all sustained investor confidence through the first two quarters of the year.

Nevertheless, disrupted global supply chains and steep price increases from persistent lockdown restrictions in China and the war in Ukraine, pose risks to the market, especially at the moment when central banks have started to adopt a more restrictive monetary policy.

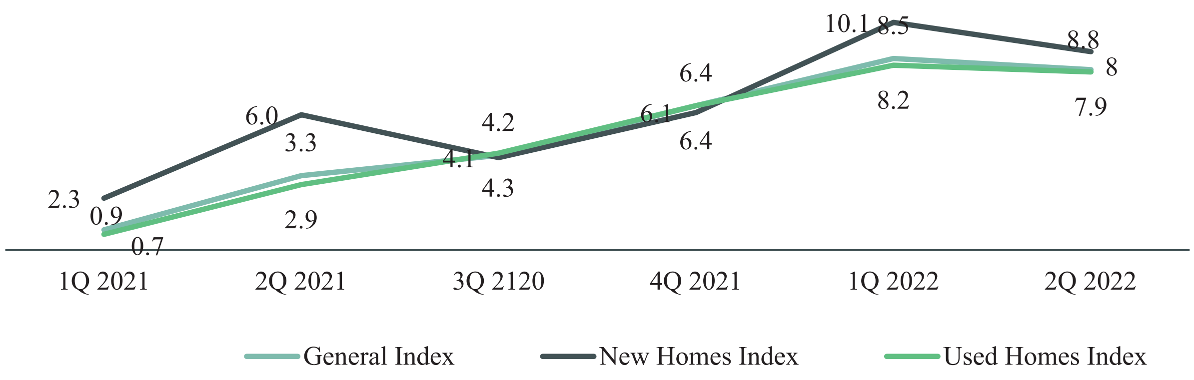
The rise of interest rates puts at risk the demand for new homes as financing costs soar. However, the same rise in interest rates also leads to difficulties with obtaining financing for new housing construction at acceptable rates, which undermines the ability of developers to deliver new housing stock, putting pressure on existing supply.

3.4 Residential Prices Considerations

3.4.1 Post pandemic, residential prices in the Spanish market have continued to grow consistently.

The annual rate of the general Housing Price Index in the second quarter of 2022 decreased by half a point, standing at 8.0 per cent. By type of home, the annual rate for new homes decreased by 1.3 percentage points as compared to the annual growth rate in the first quarter of 2022, to 8.8 per cent. For its part, the change in the annual growth rate in the price of second-hand homes decreased to 7.9 per cent., three tenths of a percentage point below that registered in the previous quarter.

Annual growth rates in House Price Indexes in Spain (%)



Source: Instituto Nacional de Estadistica, House Price Index, December 2022

3.4.1.1 *Residential Demand Considerations*

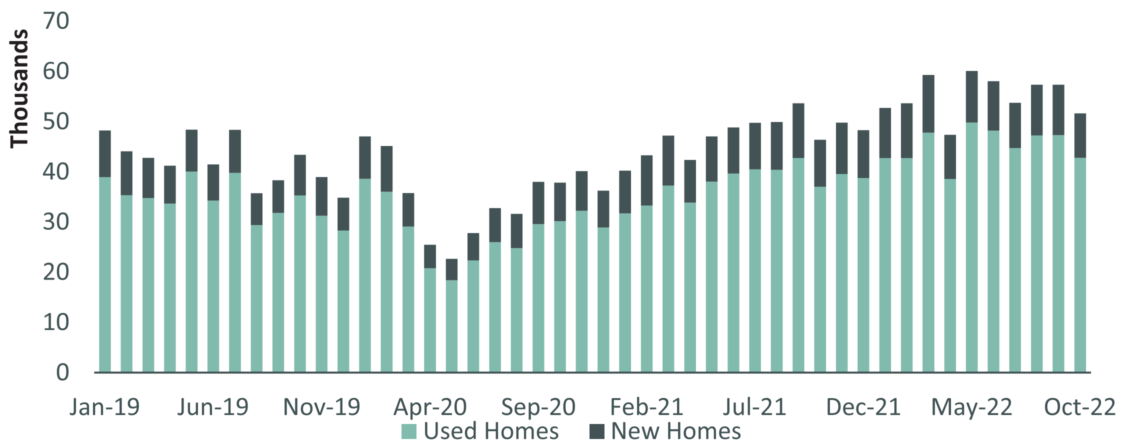
After a steep decline in housing sales following the first lockdown in 2020, housing sales volumes have increased significantly, returning to pre-pandemic levels despite increase in prices. The current stock of new homes was quickly absorbed to meet the demand of a growing population due to a shortage of supply.

According to data from Instituto Nacional de Estadistica, the total number of homes sold in Spain in July 2022 was 53,720, an 8 per cent. increase as compared to July 2021. Used stock represented 44,691 sold homes in July 2022, an increase of 10 per cent. as compared to July 2021, whereas new stock transactions amounted to 9,029 in July 2022 as compared to 9,262 in July 2021.

The number of residential units traded during the 1 January 2022 to 31 October 2022 period was 550,992, as compared to 468,427 residential units for the same period in 2021.

After the 14-year record high in terms of residential units traded in the Spanish market in 2021, 2022 seems to be on track for yet another strong year (as at 31 October 2022).

Total Residential Unit Sales in Spain, in thousands



Source: Instituto Nacional de Estadistica, Statistics on transfer of property rights, October 2022

3.4.1.2 *Affordability for Households*

Borrowing conditions in the Spanish market have been kept relatively constant over the last two years.

Loan-to-value ratios have been stable at an average of approximately 64 to 65 per cent., although the proportion of housing loans with loan-to-value ratios above 80 per cent. has decreased significantly to 9 per cent. in the second quarter of 2022 as compared to 12.1 per cent. in 2019. This trend is consistent with the deleveraging process that the Spanish economy went through post global financial crisis in 2009, as credit conditions stay tight at much lower levels than in the first decade of the century.

With a continuous increase in housing prices and slow salary growth, not surprisingly, affordability has become more difficult. The ratio between house price and annual gross disposable income suggests that it now takes, on average, 8.5 years of gross available income to pay for a house as compared to 7.2 years in 2019.

Housing Affordability	Annual data			Quarterly data				
	2020	2021	2022	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Borrowing Conditions								
Average new mortgage term (in years)	23.9	24.6	—	24.5	24.4	24.3	—	—
Loan/value ratio (in %)	64.2	65.1	—	65.4	65.2	65.2	64.6	—
Percentage of new loans with LTV > 80%	9.1	8.9	—	8.9	8.5	9.1	8.9	—
Interest rate on new loans	1.9	1.6	—	1.5	1.6	1.7	2.1	—
Measures of affordability								
House price/Gross disposable household income (in years)	7	7.4	—	7.5	7.7	7.7	7.9	—

Source: Banco de España, Summary indicators, 1 – Spain, 1.5 Real estate market indicators, January 2022

3.4.2 **Residential Supply Considerations**

3.4.2.1 *Housing Starts*

The COVID-19 pandemic has created a bottleneck in the housing stock supply with an abrupt fall in new housing starts as well as new approvals in 2020, according to Banco de España (Source: Banco de España, *Summary indicators, 1 – Spain, 1.5 Real estate market indicators*, September 2022). This steep decline in new stock formation was followed by a recovery, but this has brought pressure to an already existing structural imbalance in supply and demand dynamics of the Spanish residential market.

Activity – Supply in Housing Market	Annual data			Quarterly data			
	2020	2021	2022	4Q 21	1Q 21	2Q 21	3Q 22
Housing Approvals in last twelve months							
National Total (annual rate)	-19.5	26.6	—	26.6	32.2	16.5	5.6
National Total (thousands of dwellings)	86	108	—	108	113	110	108
Housing Starts in last twelve months							
National Total (annual rate)	-19.5	30	—	30	23.1	6.8	-10.6
National Total (thousands of dwellings)	87	114	—	114	109	103	96

Source: Banco de España, Summary indicators, 1 – Spain, 1.5 Real estate market indicators, January 2022

3.4.2.2 *Construction Costs*

In addition to a steep decline in new housing stock in 2020, and the respective accumulated demand during the COVID-19 pandemic, another driver of the structural imbalance between supply and demand, and a barrier to the formation of new residential stock in Spain, has been the persistent growth in construction costs.

	Annual data			Quarterly data				
	2020	2021	2022	4Q 21	1Q 21	2Q 21	3Q 22	4Q 22
Index of Building Costs (annual rate in %)	-1.2	8.5	—	10.9	12.5	16.3	11.1	—

	Annual data			Quarterly data				
Credit for Construction with Mortgage Guarantee	2019	2020	2021	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22
Annual Rate (%)	-4.4	-3.3	—	-0.4	-4.9	-6.7	-4.2	—
Outstanding balance as % of GDP	9.6	8.9	—	8.9	8.2	7.9	7.8	—

Source: Banco de España, January 2022

Underpinned by the disruption of global supply chains, by the general increase in commodities prices and by a stable labour market, construction costs have increased quite significantly since the start of the COVID-19 pandemic and show no signs of slowing down.

In the third quarter of 2022, the annual growth rate in construction costs amounted to 11.1 per cent., on top of an already significant hike in 2021 in the amount of 8.5 per cent.

Moreover, the already mentioned stricter credit conditions, especially for the construction activity, also continue to drive construction prices up, resulting in both a risk and an opportunity for homebuilders in the Spanish market. On the one hand, the increase in construction costs presents a risk to the homebuilders' cost structure, but, on the other hand, a continuing undersupply of housing stock, driven in part by higher construction costs, supports price levels.

The high-end homes market end up benefitting from a spill-over effect: as housing prices continue to grow in the lower tiers of the market, housing prices in the upper segments also go up.

4 QATAR

4.1 Overview of Qatar

4.1.1 Introduction

Qatar is a Middle East country occupying the Qatar Peninsula and bordered by Saudi Arabia and the Persian Gulf. It is a member of the League of Arab States (Arab League) and the Gulf Cooperation Council, the members of which include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

As a resource-rich country, Qatar has the third largest proved gas reserve in the world, following Russia and Iran (Source: British Petroleum, Statistical Review of World Energy 2021, page 34). Oil products are crucial to its economy and accounted for 80 per cent. of total government revenue in 2020 (Source: House of Commons Library, Qatar: Country profile, 19 April 2022, page 2). In 2020, its extractive industries were an important part of its economy which represented around 37 per cent. of GDP (Data for 2020), behind the service sector (40 per cent.) that includes financial services and telecommunications (Source: House of Commons Library, Qatar: Country profile, 19 April 2022, page 2).

Qatar benefits from low external trade tariffs with its neighbours and is in the process of working towards a common market, which aims to provide for freedom of movement, residence and access to health and social services for GCC citizens. Bilaterally, Qatar does not have any free trade agreements, although Qatar has a significant number of bilateral economic cooperation agreements providing preferential treatment. These agreements operate in a *de facto* similar manner as the free trade agreements. At the regional level, Qatar is a member of the GCC, and a party to the Pan-Arab Free Trade Area (PAFTA) Agreement, which currently has 16 members, including GCC member states, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, Syria, Tunisia, and Yemen. As a GCC member, Qatar concluded regional trade agreements with Singapore and with the European Free Trade Association (EFTA) States (Iceland, Liechtenstein, Norway, and Switzerland). The GCC announced ongoing negotiations for regional trade agreements with Australia and with Japan (Source: World Trade Organization, Trade policy review: Qatar, full report, 9 February 2021, pages 26 and 29)

The embargo imposed on Qatar by some of the GCC members (Bahrain, Saudi Arabia and United Arab Emirates) from 2017 to 2020 had a significant impact on Qatar's economy, with limits placed on trade and movement. During this period, Qatar significantly elevated and strengthened economic relationship with the non-Arab economies in the Middle East and North Africa region.

The blockade was removed, and dispute was officially resolved when agreement was signed in January 2021 with no action required for Qatar (Source: Commons Library, The Gulf in 2021, 9 August 2021, page 22) and a new era of prosperous relationships in the region may give room to a growing and more diversified economy in Qatar, as the country opens-up for business to other citizens in the region.

Qatar ranked in the top ten places for expatriates to live and work based on HSBC's Expat Explorer 2021 survey that polled more than 20,000 expatriates in 46 countries and territories. Qatar ranked 17th for liveability, third for aspiration and 12th for future outlook (Source: HSBC Expat Explorer league table 2021).

4.2 Macroeconomic Overview

Qatar's economy is highly reliant on hydrocarbon sector and significantly impacted by oil price. In recent years, Qatar has been endeavoured to diversify its economy by developing non-hydrocarbon sectors, which, in 2020, accounted for 20 per cent. of government revenue (Source: BTI Transformation Index, Qatar Country Report 2022, page 25). The contribution of these sectors to government's revenue is expected to grow to 24 per cent. in 2021 according to the 2021 Qatar budget (Source: Qatar Open Data Portal, Budget of the State of Qatar for 2021 Fiscal Year).

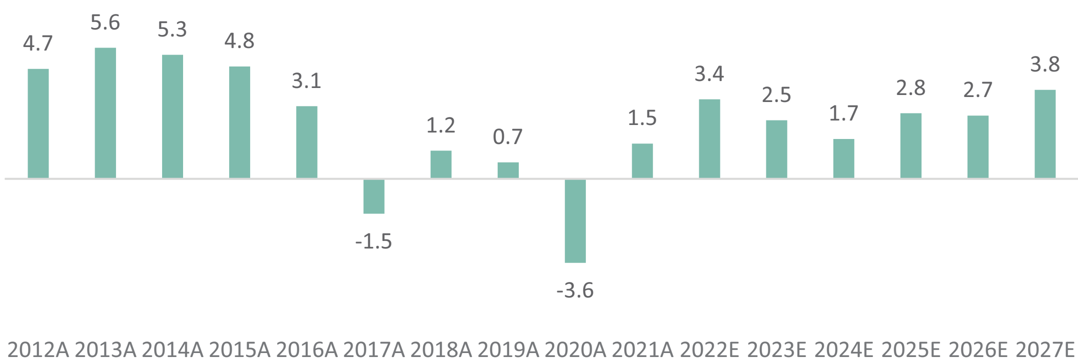
4.2.1 Recovery from the Covid-19 Pandemic

Despite the double shocks of the COVID-19 pandemic and the drop in oil price, 2021 witnessed a strong economic recovery in Qatar. The GDP at constant prices grew by 1.5 per cent., which is the highest growth rate since 2017, a year in which Qatar had been impacted by the blockade. According to the IMF, GDP growth is expected to reach 3.4 per cent. in 2022.

When the COVID-19 pandemic happened, the government acted swiftly to contain the spread of the virus. Due to an excellent health care system and young population (only 2 per cent. of residents are over 65 (Source: World Bank, Population ages 65 and above (% of total population) – Qatar)) and despite infection rate comparable to infection rates in European countries, only 613 deaths from COVID-19 were reported officially by September 2022 (Source: Qatar Open Data Portal, COVID-19 Status in Qatar).

In terms of fiscal policy reaction to the COVID-19 pandemic, Qatar introduced an economic stimulus package in the amount of QAR 75 billion (14 per cent. of GDP) in March 2020 to assist small businesses and hard-hit sectors, such as hospitality, tourism and retail. Specific measures included exemptions on utilities payments and rent payments for six months, which were subsequently further extended until September 2021 (Source: International Monetary Fund, Policy Responses to COVID-19, pages 342, 343).

Qatar – GDP Growth % (In constant prices)



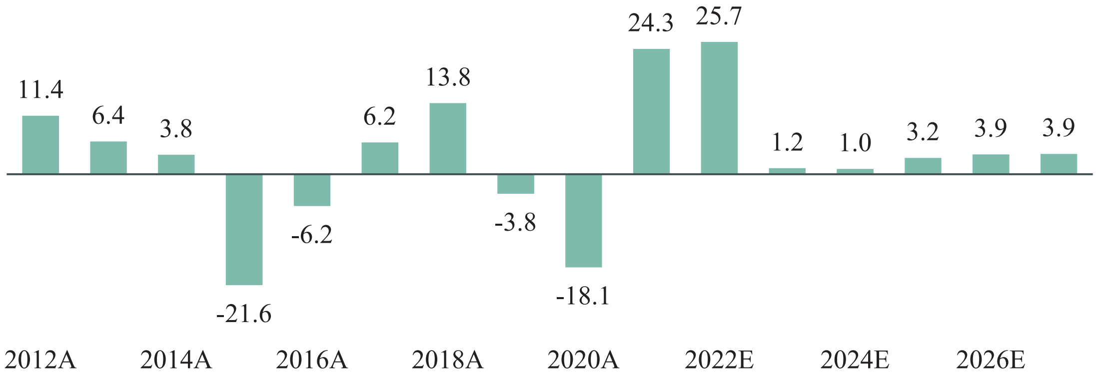
Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

4.2.2 U.S. Dollar Pegged Currency

The official currency of Qatar is Qatar riyal ("**QAR**") and it has been pegged to the U.S. dollar since July 2001 at the rate of QAR 3.64 = US$1. This is similar to all other economies in GCC countries all of which are being mostly oil-driven. As hydrocarbons trade in U.S. dollars in the international market, the peg to the U.S. currency ensures that the country's savings are in the world's reserve currency and helps stabilising the oil-driven economies.

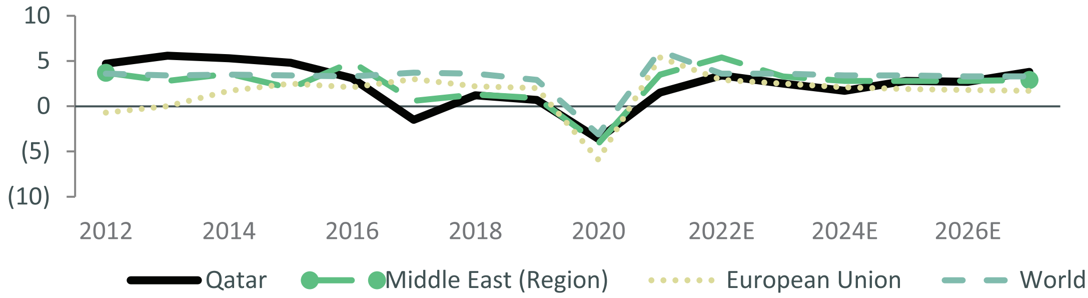
Qatar has recently benefitted significantly from a strong U.S. dollar registering a significantly higher GDP growth in 2021 (24.3 per cent. as compared to GDP decrease of 18.1 per cent. in 2020) at current prices and expecting to see a further 25.7 per cent. growth in 2022, according to the IMF.

Qatar- GDP Growth % (In current prices)



Source: IMF, World Economic Outlook (October 2022); GDP, Current Prices

Real GDP Growth % in selected regions (In constant prices)



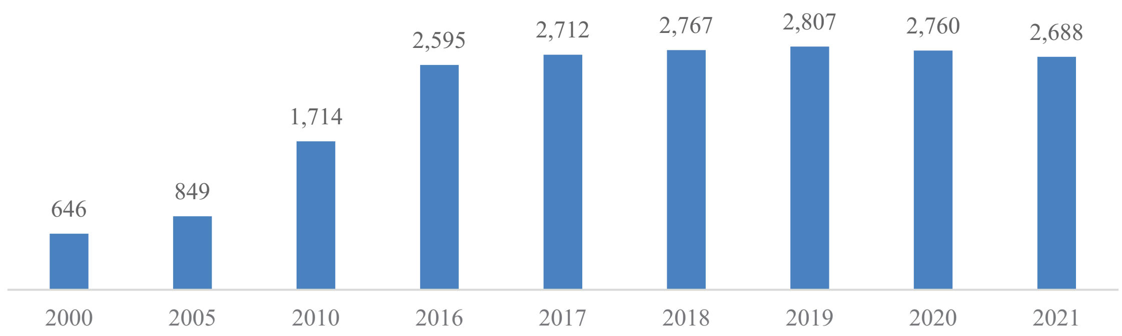
Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

4.2.3 Diplomatic Tensions

4.2.3.1 *Demographics and Immigration*

Qatar total population was around 2.7 million in 2021. It increased four-fold from 0.6 million in 2000 (Source: World Bank, Population, total – Qatar) due to rapid economic transformation with a focus on the hydrocarbons sector. Soon after the discovery of oil reserves, the population of Qatar began to increase significantly with a large migration of expatriate and foreign workers coming to the region attracted by a wide variety of job opportunities within the oil-related sector. Today, Qatar's expatriate population accounts for 88.4 per cent. of the total population (Source: World Population Review, Qatar Population 2022, page 6) and non-Qataris are the main labour force of the country – non-Qataris attributed to around 2.2 million out of 2.4 million working age population in 2018. (Source: Planning and Statistics Authority, Labour force sample survey 2018, page 10).

Qatar Population (in thousands)



Source: World Bank, Population, total – Qatar

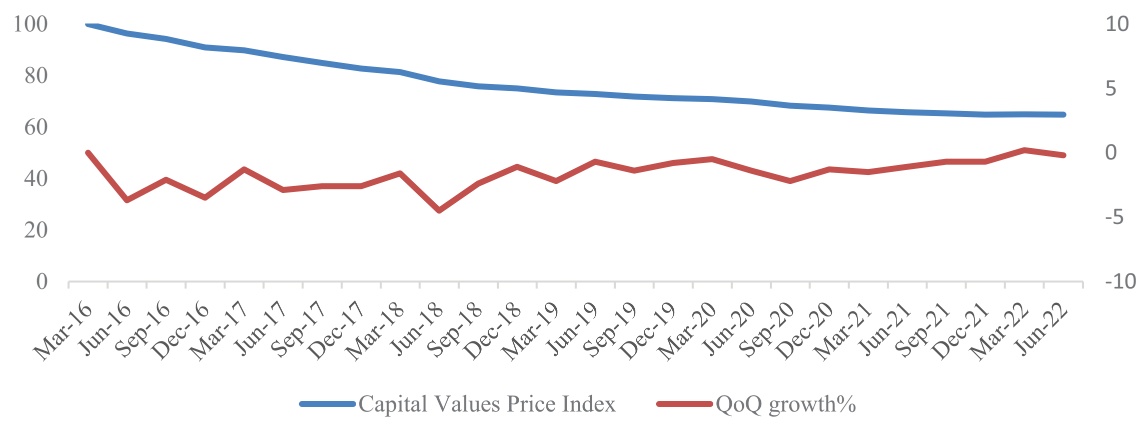
Age Group	Population	Share of Total
		(in %)
0-14 years old	423,907	16
15-64 years old	2,226,810	83
65+ years old	37,519	1

Source: World Bank, (i) Population ages 0-14 (% of total population) – Qatar; (ii) Population ages 15-64 (% of total population) – Qatar; (iii) Population ages 65 and above (% of total population) – Qatar

4.3 **Residential Market Overview**

Qatar residential market is recovering slowly from the twin shocks of blockage in 2017-2021 and the COVID-19 pandemic. Its performance in recent years has been positively affected in part by the introduction of new foreign property ownership rules and the end of the economic and political blockade in 2020. Nonetheless, it is still very far from returning to the 2016 levels, which were achieved prior to the commencement of the embargo in 2017.

Qatar residential price index



Source: ValuStrat, Qatar – Real Estate Review Q2 2022

Historically, Qatar real estate market surged due to strong market fundamentals like population growth. (Source: International Business Times, Qatar's Surging Real Estate Prices Won't Affect Thriving Economy 6 Report, July 2014).

The embargo of 2017 imposed on Qatar by other countries in the GCC has resulted in a depressed residential market for a number of years. However, the market has started to see some growth heading into 2021, in part, as a result of the lifting of sanctions on Qatar. The positive effect of this factor was, however, partly offset by the impact of the COVID-19 pandemic.

Currently, the country enjoys a period of geopolitical stability in the region and oil prices remain at a historically high level. Moreover, Qatar is experiencing a significant increase in investments in infrastructure related to the World Cup 2022. Therefore, the macroeconomic environment is favourable for the residential market in the near future.

4.3.1.1 *Residential House Supply*

Residential stock in Qatar exceeded 310,000 units in the second quarter of 2022 (Source: ValuStrat, Qatar – Real Estate Review Q2 2022) with the addition of 1,600 units during that quarter. ValuStrat estimates new additions for the year at 15,000 units and expects another 5,000 units to be added in 2023.

From 2019 to 2021, the total completions of residential stock decreased by 15.2 per cent. from 2,632 in 2019 to 2,233 in 2021, in large part due to the impact of the COVID-19 pandemic. Meanwhile, new permits granted by the Qatari government increased by 7.3 per cent. from 3,482 in 2019 to 3,737 in 2021. The annualised number for new permits issued in 2022 is 2,957, which is lower than the 3,737 new permits in 2021. (Source: Planning and Statistics Authority).

	2019		**2020**		**2021**	
Residential Supply	**Completions**	**New Permits**	**Completions**	**New Permits**	**Completions**	**New Permits**
TOTAL	**2,632**	**3,482**	**2,324**	**3,030**	**2,233**	**3,737**

Source: Planning and Statistics Authority

4.3.1.2 *Attracting Foreign Property Investors*

In 2020, the Qatari government introduced a new law loosening the foreign property ownership rules, including an increase in the number of locations in which non-Qataris can purchase real estate and the introduction of two real estate-related residency programmes.

With new rules, an overseas investor who purchases a property with the value above QAR 730,000 (US$200,000) can obtain a residency permit for himself or herself and his or her family without a sponsor, while an investor who purchases a property with the value above QAR 3,650,000 (US$1 million) will receive permanent residency benefits, including healthcare and education, which were previously only limited to Qatari citizens and long-time permanent residents. (Source: KPMG, Investing in Qatar).

In terms of the freehold areas in which non-Qatari is allowed to purchase, further to existing three areas, i.e. The Pearl, West Bay Lagoon and Al Khor, seven additional areas have been added to the list, including Rawdat Al Jahaniyah, Al Qassar, Al Dafna, Onaiza, Al Wasail, Al Khraij and Jabal Theyleeb. There are further 16 areas where non-Qatari can hold real estate for 99 years which are mainly wide expansion further out from the centre of Doha (Source: Al Tamimi, Non-Qatari Individuals: Investment in Real Estate and Succession Planning).

In 2020, Qatar's Ministry of Justice has established an Office for Non-Qatari Real Estate Ownership, which was established to provide to foreign nationals who want to invest in Qatar everything necessary for the purchase and sale of real estate, including residential units (Source: Global Property Guide, Qatar, Qatar's Housing Market Improvement, 17 January 2022). The Qatari government also improved its land administration system and Qatar jumped to 1st place out of 190 countries in 2021 to lead the category registering property, with their score improving by 12.1% from 2019 according to World Bank Doing Business Archive.

With the lifting of the embargo and more stable relationships in the region, it is expected that the new rules around property investment, coupled with residency benefits, should help to increase foreign investment and may benefit the property market due to the increased inflow of citizens from the GCC region.

5 BOSNIA AND HERZEGOVINA

5.1 Overview of Bosnia and Herzegovina

5.1.1 Introduction

Bosnia and Herzegovina is located in Europe's Balkan Peninsula, bordering Croatia, Serbia and Montenegro and has a small Adriatic Sea coastline. The country consists of the Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District, each of which have unique legislation and tax rules. The capital city Sarajevo has a population of approximately 275,524 inhabitants (Source: "Census of Population, Households and Dwellings in Bosnia and Herzegovina: Final Results", 2013), is situated to the east of the country's centre and is the business hub of the country. Other important cities include Tuzla, Zenica, Banja Luka and Mostar.

The population of the country can be divided into three large ethnic groups, namely the Bosniaks, the Serbs and the Croats. Of the 3.233 million people living in Bosnia and Herzegovina (Source: United Nations, UN Population Division Data Portal) more than half of the population are Muslims (Source: CIA – The World Factbook – Bosnia and Herzegovina, 2022) and over half of the entire population lived in rural areas (Source: World Bank, Urban population (% of total population) – Bosnia and Herzegovina).

Bosnia and Herzegovina's government is a federal democratic republic, where one Bosniak, one Croat and one Serb member make up the presidency of the country. The head of state is the chairman of the presidency, which is a rotating position between the three members. A potential candidate of the European Union since 2003, the country formally submitted its application for European Union membership in 2016 (Source: European Commission, European Neighbourhood Policy and Enlargement Negotiations, Bosnia and Herzegovina).

A Euro-linked currency means it has one of the most stable currencies in southeast Europe. Foreign investment into the manufacturing sector made up 32 per cent. of all inward investment over the past 20 years due to the tradition of industrial production. The banking sector accounted for 26 per cent. of all foreign direct investment into the country (Source: Deloitte, Guide for investing in Bosnia and Herzegovina, April 2019). The government of Bosnia and Herzegovina has incentives for foreign direct investment, but these vary depending on which of the three regions of the country the investment is in.

5.2 **Macroeconomic Overview**

Bosnia and Herzegovina's economy was formally a planned economy as it was a constituent republic of the Socialist Federal Republic of Yugoslavia until 1992 when its population voted for independence. Following independence and an ensuing war, Bosnia and Herzegovina's economy collapsed, leading to international financial organisations becoming involved with economic reconstruction. The reconstruction resulted in a fall in the rate of inflation, increase in exports and GDP growth. More recently, Bosnia and Herzegovina's economy recorded a post COVID-19 pandemic growth of 7.1 per cent. in 2021, but growth is expected to decrease to 2.4 per cent. due to the ongoing war in Ukraine (Source: IMF, World Economic Outlook (October 2022, Real GDP Growth). In 2021, services, industry and agriculture contributed 54.89 per cent., 25.53 per cent. and 5.16 per cent. to GDP, respectively (Source: World Bank, World Development Indicators (services, industry and agriculture) of Bosnia and Herzegovina in 2021).

In 2020, the country's top exports included manufacturing products, fuels and mining products, and agricultural products (Source: WTO, Trade profiles, Bosnia and Herzegovina). Bosnia and Herzegovina is a member of the Central European Free Trade Agreement (CEFTA), an international trade agreement with seven eastern and south-eastern European countries. Bosnia and Herzegovina's accession to the World Trade Organization is currently in process where it's working party was established on 15 July 1999 (WTO, Accessions, Bosnia and Herzegovina). In addition, Bosnia has been a candidate for NATO membership since April 2010. Bosnia and Herzegovina joined the Partnership for Peace (PfP) programme in 2006, and was invited to join the Membership Action plan in 2010 when it received a Membership Action Plan (Source: NATO, Relations with Bosnia and Herzegovina, last updated on 12 July 2022).

5.2.1.1 *Recovery from the COVID-19 Pandemic*

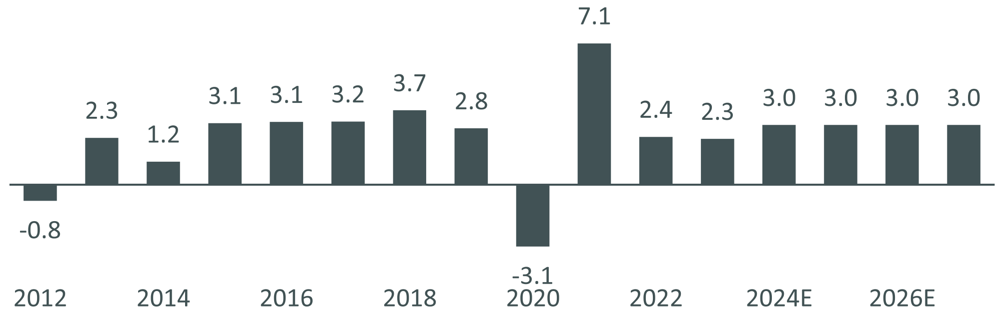
The economy of Bosnia and Herzegovina bounced back strongly in 2021 from the COVID-19 pandemic-induced economic crisis, with growth estimated at 7.1 per cent., reflecting pent-up domestic spending and higher exports to the European Union (Source: IMF Country Report No 2022/167, page 4). However, output growth in 2022 was expected to slow down to 2.4 per cent., as the war in Ukraine disrupts trade and exacerbates energy and food price increases.

Indicators of economic activity in Bosnia and Herzegovina returned to or surpassed pre-pandemic levels: industrial production and exports have surpassed pre-pandemic levels since the second quarter of 2021, while employment returned to pre-pandemic levels in the fourth quarter of 2021. Strong exports, combined with improved remittances more than offset rebounding imports, helping to narrow the current account deficit. Official foreign reserves are also above the minimum reserve adequacy threshold (Source: IMF, June 2022).[2]

2 IMF 2022 Article IV Consultation – Press Release for Bosnia and Herzegovina

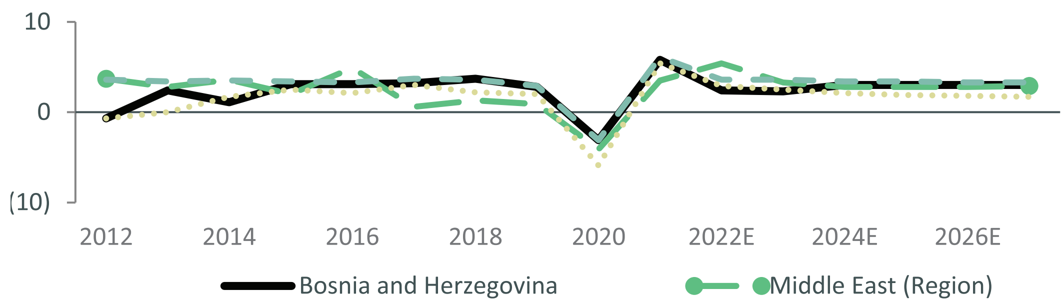
During the COVID-19 pandemic, support measures amounted to around 1.5 per cent. of GDP in 2021 compared to 2.1 per cent. of GDP in 2020, reflecting a large reduction in support to the corporate sector and lower transfers to the health sector and lower levels of government. Support to firms, mainly in the form of subsidies for wages and social security, was reduced in 2021 following the authorities' decision to not impose lockdowns during the appearance of Delta and Omicron variants of COVID-19. In contrast, government support to households increased and included mainly one-off assistance to pensioners (Source: IMF, Country Report No 2022/167).

Bosnia – GDP Growth % (In constant prices)



Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

Real GDP Growth % in selected regions (In constant prices)



Source: IMF, World Economic Outlook (October 2022), Real GDP Growth

5.2.1.2 *Currency*

The convertible mark ("**BAM**") is the currency of Bosnia and Herzegovina. The convertible mark was established in 1995 and replaced the Bosnia and Herzegovina dinar, Croatian kuna and Yugoslav novi dinar as the sole currency of Bosnia and Herzegovina in 1998. Initially, the mark was pegged to the Deutsche mark at par. Since the replacement of the German mark by the euro in 2002, the Bosnian convertible mark uses the same fixed exchange rate to euro that the German mark had (that is, €1 = BAM 1.95583) (Source: BH Currency – KM Banknotes and Coins, 2015).

5.2.1.3 *Foreign Direct Investment*

Bosnia and Herzegovina is an upper middle-income country that has come far since the mid-1990s. Today, Bosnia is an EU potential candidate country and is currently embarking on a new model for growth in the middle of a period of slow growth and the rising inflation. Bosnia is currently pursuing World Trade Organization membership and hopes to join in the future pending approval. It is a country that is well endowed with natural resources, providing potential opportunities in agriculture, industrials, energy, telecommunications, transport infrastructure, construction, and medical equipment (Source: International Trade Administration, Bosnia and Herzegovina, – Country Commercial Guide, last updated in August 2022).

Between 2018 and 2020, foreign direct investment as a percentage of GDP was approximately 2.5 per cent. (Source: World Bank, Foreign direct investment, net inflows (% of GDP) – Bosnia and Herzegovina). Net private capital inflows continued in 2021, supported by rising foreign direct investment and portfolio investment, and medium-term liabilities (Source: IMF Country Report No. 2022/167).

In 2021, foreign direct investment was mainly driven by reinvested earnings of banks, as in 2020, while portfolio investment mostly comprised the foreign holdings of the Bosnian Serbian Republic's €300 million

Eurobond issuance. In addition, the one-off SDR allocation by the IMF substantially added to medium-term liabilities of the Bosnian government in alignment with all other countries (Source: IMF Country Report No 2022/167).

Top Sectors for Foreign Direct Investment in Bosnia, 2019-2021

Sector	Investment	Share of Total
	(in BAM million)	*(in %)*
Financial service activities	1,713.7	21.22
Wholesale trade	957.7	11.86
Retail trade	838.9	10.39
Electricity, gas, steam and air	630.9	7.81
Manufacture of petroleum products	531.5	6.58
Manufacture of fabricated metal	432.4	5.35
Manufacture of basic metals	359.5	4.45
Real estate activities	260.9	3.23

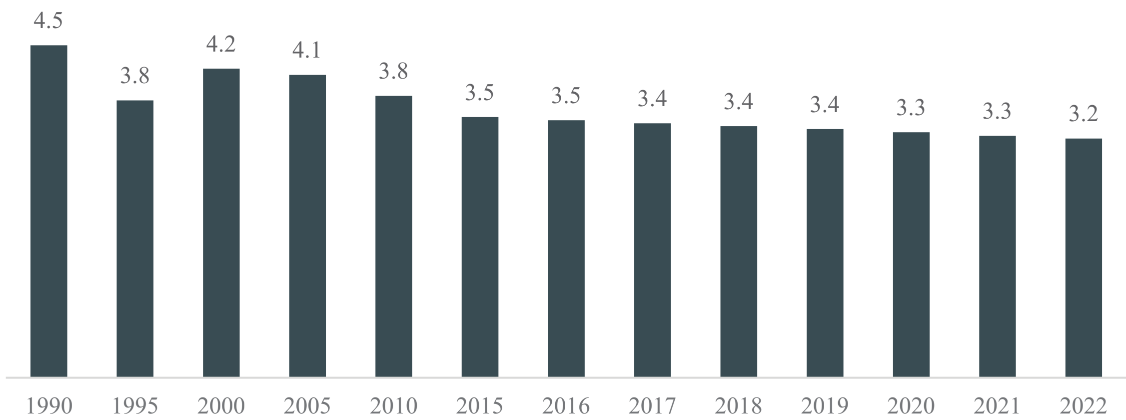
Source: The Central Bank of Bosnia

5.2.1.4 *Demographics and Immigration*

In 2021, the population of Bosnia and Herzegovina was 3.2 million people (Source: United Nations, UN Population Division Data Portal). According to data from the 2013 census published by the Agency for Statistics of Bosnia and Herzegovina, Bosniaks constituted 50.11 per cent. of the population, Bosnian Serbs 30.78 per cent., Bosnian Croats 15.43 per cent. and others 2.73 per cent., with the remaining respondents not declaring their ethnicity (Source: Census of Population, Households and Dwellings in Bosnia and Herzegovina, 2013).

The country's religious structure is made up of three main religions. Islam is the most practiced at 50.7 per cent., followed by Orthodoxy at 30.7 per cent. and Catholicism at 15.72 per cent. The country is experiencing negative net migration and has a declining population. For example, in 2017, Bosnia had a net migration figure of negative 107 thousand people (Source: World Bank, Net migration – Bosnia and Herzegovina). According to data from the World Bank, the net immigration from Bosnia since 1962 has been 1.8 million people, representing approximately 56% of the country's current population (Source: World Bank, Net migration – Bosnia and Herzegovina). According to the data, published in a report on migration trends by Bosnia's Security Ministry, in 2020 Bosnian citizens mostly emigrate to Croatia, Serbia, followed Germany, Austria, and Slovenia (Source: BIH Ministry of Security, 2020).

Bosnia population (in millions)



Source: United Nations, UN Population Division Data Portal

5.3 Residential market overview

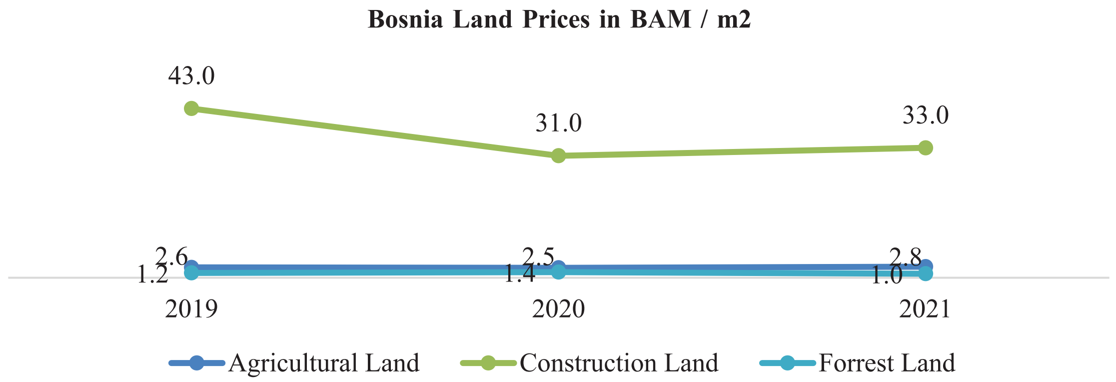
5.3.1 Bosnia Residential Market Overview

Like all other markets, the COVID-19 pandemic had an impact on Bosnia and Herzegovina's real estate market. The number of completed sales during 2019 was 18,285, while in 2020 it decreased to 16,651. In 2021, 23,319 sales contracts were registered, an increase of 40.0 per cent. as compared to 2020

(Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021).

The COVID-19 pandemic did not disrupt the rising trend with respect to housing prices (apartments, houses and garages). In accordance with the available data for 2021, in Bosnia and Herzegovina, the average price of an apartment has risen by 10 per cent between 2020 and 2021 from BAM 1,600 to BAM 1,765.

Regarding land costs, the COVID-19 pandemic adversely affected land zoned for any construction, while prices for agricultural and forestland did not change significantly. In 2021, the average price of construction land was higher by 6 per cent. as compared to 2020, in which a significant downward trend in prices was recorded (Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021).



Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021

5.3.2 Apartments

The number of real estate sales contracts registered in the period from 1 January 2021 to 31 December 2021 was 35,640. Of the total number of real estate transactions that were registered in the Sales Price Register, the percentage of residential transactions was 25.1 per cent., of which apartments constituted 14.7 per cent. and houses constituted 10.4 per cent. (Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021).

The total number of registered sales with respect to apartments and "apartments in the house" was 4,312 in 2021. The largest volume of apartments transactions in that year were registered in the municipality of Novi Grad Sarajevo, municipality of Novo Sarajevo, municipality of Centar Sarajevo, city of Tuzla, municipality of Ilidza, city of Zenica and city of Mostar (Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021).

According to the sample data, the average price of an apartment in Bosnia and Herzegovina was BAM 1.765 per square metre and the average usable area of an apartment was 55 square metres (Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021).

Municipality	Average value	Minimum value	Maximum value	Number of data points
		(in BAM per square metre)		
Novi Grad Sarajevo	1,975	805	3,900	624
Novo Sarajevo	2,300	665	5,520	516
Centar Sarajevo	2,555	1,130	4,790	409
Tuzla	1,635	465	2,800	301
Ilidža	1,900	900	3,160	264
Zenica	1,500	525	2,155	215
Mostar	1,500	470	2,760	210
Bihać	1,360	750	2,265	85
Stari Grad Sarajevo	2,520	815	5,030	87
Travnik	1,005	395	1,900	39
Travnik (apartments at Vlašić)	1,330	700	2,300	48
Vogošća	1,600	810	2,500	76
Lukavac	965	205	1,665	56
Neum	3,43	2,525	4,400	10
Trnovo (apartments at Bjelašnica)	2,77	2,030	3,795	20

Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021

According to data publish by the FGA in 2021, the highest average prices of apartments per square metre in Bosnia and Herzegovina were realised in the municipality of Neum and the municipality of Trnovo. These apartments were intended to be used as holiday homes. The highest average apartment prices were achieved in the municipalities of Centar Sarajevo and Stari Grad Sarajevo. The most expensive apartment in Bosnia and Herzegovina in 2021 was in the municipality of Novi Grad Sarajevo, which was sold for BAM 605,000 and which had a usable area of 155 square metres (Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021).

5.3.3 Residential Buildings

In 2021, the total number of registered sales contracts with respect to residential buildings was 2,218 which consisted of 2,735 units of real estate considered to be residential buildings.

Type of residential building	Number of properties	Minimum realized price (in BAM per square metre)	Location	Maximum realized price (in BAM per square metre)	Location
House	2,457	28	Tomislavgrad	7,244	Neum
Terraced house	19	63	Kalesija	2,063	Centar Sarajevo
Duplex house	13	78	Fojnica	1,200	Zenica
Summer house	246	43	Bosanski Petrovac	2,637	Kupres

Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2021

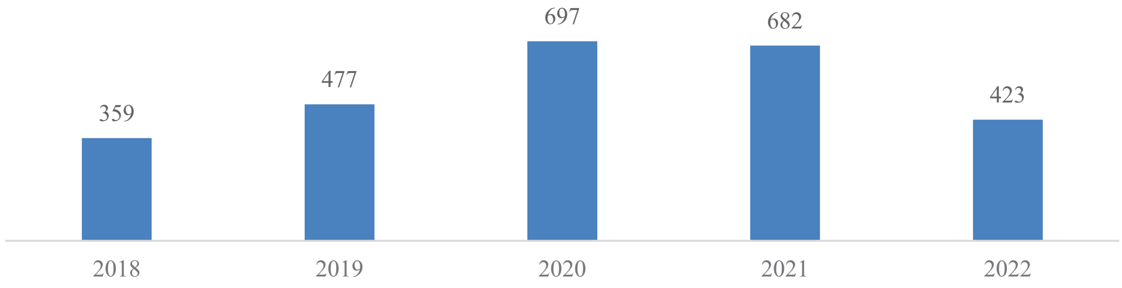
Based on a sample taken in 2021, of 1,585 contracts relating to house sales in Bosnia and Herzegovina, the following averages were calculated: the average usable area of the building was 119 square metres, the average price per living area of the house was BAM 681 per square metre, the average area of a house with land was 992 square metres, the average price per area of the house with land was BAM 182 per square metre and the average total price of the house with land was BAM 80,178. The most expensive house with land in Bosnia and Herzegovina during 2021 was sold for BAM 1,955,830 in the municipality of Neum, with a living area of 270 square metres and 310 square metres of total land area sold together with the house (Source: Federal Administration for Geodetic and Property Affairs, Real Estate market Report for the Federation of BIH for 2022).

5.3.4 **Residential Supply Considerations**

In Bosnia and Herzegovina, the land market is fuelled by informal transactions, therefore it is important to have a strong presence and experience in the market.

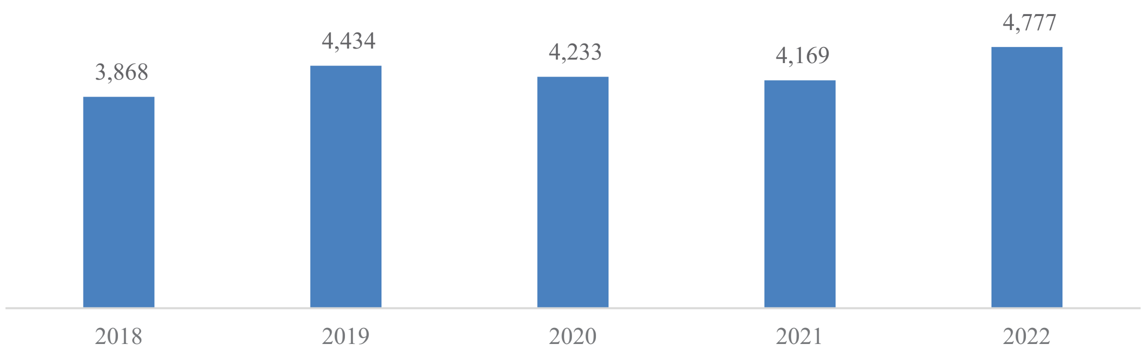
Based on information from the Agency for Statistics of Bosnia and Herzegovina, the number of completed dwellings in the second quarter of 2022 was 423, which represents a decrease of 38.0 per cent. in comparison with the same period in 2021. The number of not fully completed dwellings at the end of the second quarter of 2022 was 4,777, which represented an increase of 14.6 per cent. in comparison with the same period of last year (Source: Agency for Statistics of Bosnia and Herzegovina, Business Statistics, Residential Construction in Bosnia and Herzegovina, 2nd quarter 2022).

No. of Completed Dwellings in Bosnia, Q2 2022



Source: The Agency for Statistics of Bosnia and Herzegovina, Business Statistics, Residential Construction in Bosnia and Herzegovina, 2nd quarter 2022.

No. of Uncompleted Dwellings in Bosnia Q2 2022



Source: The Agency for Statistics of Bosnia and Herzegovina, Business Statistics, Residential Construction in Bosnia and Herzegovina, 2nd quarter 2022.

PART II

BUSINESS

1 OVERVIEW

Dar Global UAE was initially incorporated to be a holding company for the operations of the Major Shareholder outside of Saudi Arabia. The Major Shareholder is a leading real estate developer in Saudi Arabia that completed and delivered approximately 15,000 residential units and 500,000 square metres of commercial space since it was incorporated in 1994. The Major Shareholder has been listed on the Saudi Stock Exchange (*Tadawul*) since December 2007. As of 31 December 2021, its assets (together with its consolidated subsidiaries) amounted to SAR 31,962 million (US$8,500 million).

Dar Global UAE launched its first residential development project in Dubai in 2017 and, as of the date of this Prospectus, the Group has expanded its portfolio of projects to eleven, four of which are located in Dubai, three in Spain and one each in Oman, Qatar, Bosnia and the United Kingdom. The first three of these projects, Urban Oasis and the Da Vinci Tower by Pagani in Dubai and Sidra in Bosnia, are currently expected to be completed in December 2023.

The Group's business model currently focuses only on second homes typically in prime locations in the Middle East and Europe. The high quality of developed properties and excellent location of its projects in some of the most desirable places to live, such as downtown Dubai or the Costa del Sol region in southern Spain, are expected by the Directors to attract customers, a portion of which are not only interested in making one purchase from the Group, but may consider purchasing more than one property in different locations for investment purposes or personal use. In the near future, the Group also intends to expand its focus to hospitality assets. The aim is to acquire or build hotels and sell them after a period of three to five years of operation once the hotel's or resort's revenue stream stabilises. Target markets in this case include Southern Spain, Dubai, Maldives, Athens, Marrakesh and London.

Three of the eleven current projects of the Group (W Residences Dubai – Downtown, Aida in Oman and Les Vagues in Qatar) are based on joint development agreements with the owners of the land on which the relevant project is located. The attractiveness of such arrangements for the Group is that it does not have to seek and obtain funding to purchase land for the project and, therefore, the project can be effectively financed mostly from payments made by customers purchasing residential units on the off-plan basis. The reduction in capital expenditure requirements for the joint development projects allows the Group to accelerate the growth of its operations in terms of the number of projects. In addition, the Group currently has four co-branded projects, three of which are located in Dubai and one in Qatar. In the view of the Directors, the benefits of cooperation with luxury or fashion brands and hoteliers in co-branded projects include, contribution to the design of the project and to marketing campaigns and an uplift in both the volume of sales and the price at which properties are sold to customers.

In addition to its existing projects, the Group is conducting negotiations regarding the acquisition of land for future projects or negotiations with potential partners regarding joint development of projects in several jurisdictions in which it already has projects and/or offices, including in the UAE, Qatar, Spain and the United Kingdom. The Group is also involved in ongoing negotiations regarding projects in countries in which it currently does not have any presence, such as Greece.

Beginning with the six months ended 30 June 2022, the Group started recognising revenue from contracts with customers for the sale of development properties. The Group reported revenue for the first time for the six months ended 30 June 2022 of AED 104.1 million (US$28.3 million). The Group's assets amounted to AED 833.0 million (US$226.8 million) as of 31 December 2021 and AED 1,406.7 million (US$383.0 million) as of 30 June 2022. Of these amounts, development properties accounted for AED 649.3 million (US$176.8 million) as of 31 December 2021 and AED 802.9 million (US$218.6 million) as of 30 June 2022.

2 KEY STRENGTHS

2.1 Emphasis on Second Homes, Multi-Jurisdictional Platform and an Affluent Investment-Oriented Customer Base

The Group is different from many other developers, which typically focus their operations on just one country or region. Its eleven projects are being developed in six different jurisdictions – Dubai, Oman, Qatar, Spain, Bosnia and the United Kingdom, and the Group intends to expand its operations further to a number of other countries. See *"Strategy – Rapid Expansion into New Jurisdictions*" and *"– The Group's*

Projects Pipeline". The Group's business model seeks to exploit an opportunity to tap into global wealth super trends and focuses only on second homes typically in prime locations in the Middle East and Europe and targets affluent customers (including affluent customers in GCC countries) who are able to afford the property without a mortgage. The high quality of developed properties and excellent location of its projects in some of the most desirable places to live, such as downtown Dubai or the Costa del Sol region in southern Spain, and the potential projects in the Group's pipeline are expected by the Directors to attract customers, a large portion of which are not only interested in making one purchase from the Group, but may consider purchasing more than one property in different locations for investment purposes or personal use. This combination of focus on high-end second homes, geographic diversification and targeting repeat customers interested in making multiple purchases from the Group, as well as the ability to attract affluent customers from GCC countries to projects located outside the GCC region sets it aside from its competitors and underpins its unique and potentially highly profitable business model.

2.2 Focus on capital efficiency, deployment and return

Three of the eleven current projects of the Group (W Residences Dubai – Downtown, Aida in Oman and Les Vagues in Qatar) are based on joint development agreements with the owners of the land on which the relevant project is located. In each case, the cooperation with the land owner is based on (i) agreeing on the value of the relevant land plot, (ii) the Group covering all costs of project development and (iii) deducting the cost of land and all other development costs from the proceeds received from customers and then dividing the profit from the project between the Group and the land owner in the manner agreed between the parties in the joint development agreement. The value of such arrangements for the Group is that it does not have to seek and obtain funding to purchase land for the project and, therefore, the project can be effectively financed mostly from payments made by customers purchasing residential units on the off-plan basis. One of the current projects of the Group (the Fourth Floor Flat of 149 Old Park Lane) is a joint venture, through which the Group will share the costs of acquiring and refurbishing the property. The reduction in capital expenditure requirements for the joint development and joint venture projects allow the Group to improve returns, accelerate its growth and to simultaneously develop a larger number of projects than in the circumstances when it has to purchase land for all of its projects.

The Fourth Floor Flat of 149 Old Park Lane is also an example of the Group's opportunistic approach to quick refurbishments and repositionings. Another example of that approach is Da Vinci Tower by Pagani in Dubai, with the interior design by Pagani. Additionally, when the Group engages in direct acquisitions, it targets deferred payment plans.

2.3 Experience in the Development of Co-Branded Projects and Established Relationships with Luxury Brands

The Group currently has four co-branded projects, three of which are located in Dubai. These include W Residences Dubai – Downtown being developed in cooperation with Marriott; Urban Oasis with interiors designed with the cooperation of the internationally known high-end Italian fashion and design house Missoni and its Missoni Home line that is dedicated to interiors, decor and furnishings; and the Da Vinci Tower by Pagani with interiors designed with the cooperation of the internationally known high-end Italian automotive and design house Pagani. In addition, five low-rise residential buildings that constitute the Group's Les Vagues project in Qatar will have interiors designed in cooperation with Elie Saab, the world's first Arab designer to be admitted to the fashion industry's governing body, Chambre Syndicale de la Haute Couture. The success of the Group in developing co-branded projects to date was illustrated when the Group put on the market residential units in its W Residences Dubai – Downtown project earlier this year, and all such units were sold out on the off-plan basis within 45 days. The benefits of cooperation with fashion brands and hoteliers include their contribution to the design of the project and to marketing campaigns through product differentiations and an uplift in both the volume of sales and the price at which properties are sold to customers. For example, the Directors believe, based on third-party research, that branded residences can trade at a 30% premium to non-branded residential stock.

2.4 Strong Distribution Network

In addition to its own rapidly growing sales and marketing team that included 21 employees as of 30 June 2022, the Group relies on an extensive network of brokers that consists of over 5,000 brokers in more than 40 countries. This network was, in large part, developed over the years by the Major Shareholder. The Group is currently engaged in a process whereby each of these brokers will have a contract in place with one or more of the Group's sales offices in Dubai (opened in 2017); Sarajevo, Bosnia (opened in 2017); Beijing; Marbella, Spain and London (each opened in 2022). Brokers currently account for a significant majority of residential units sold in the Group's projects and this extensive network of brokers provides the

Group with a competitive advantage, at least compared to other developers of a similar size. In addition, the Major Shareholder has a proprietary database of approximately 40,000 customers, to which the Group has, and will continue to have, access, which also provides it with a competitive advantage.

2.5 Experienced Management and Specialists in Design and Technical Services Department

The Group is managed by an experienced team of senior managers who have deep knowledge and experience in residential real estate development, including the Chief Executive Officer, Ziad El Chaar, who has over 20 years of experience in real estate development with a proven track record at the Major Shareholder, DAMAC Properties and Emaar Properties; the Chief Financial Officer, Shivaraman Iyer, who has over 38 years of experience in finance and accounting, including 17 years in real estate development; and CEO Development and Construction, Bilal Al Materneh, who has over 27 years of experience, including 16 years in real estate development. See "Part V. (*Directors, Senior Managers and Corporate Governance – Senior Managers*)". The Group's CEO, Ziad El Chaar, and CEO Development and Construction, Bilal Al Materneh (since December 2021), in particular, have been instrumental in the Group's prior growth. The management team has complimentary skills sets and their experience ranges from business development to project design and development, finance and marketing and sales across various property development companies in the Middle East. The senior management team possesses competencies that are important for the Group's planned rapid growth and financial success.

In addition, the Group assembled a strong and experienced team within its design and technical services department with experience in developing more than 75 high-rise towers with over 40 floors and six master-planned communities with an area of more than three million square metres of land in 12 cities located in 11 countries.

3 STRATEGY

3.1 Find and Develop New Residential and Commercial Projects

The Group has already expanded its project portfolio from one in 2017, when Dar Global UAE was incorporated in Dubai, to eleven as of the date of this Prospectus, four of which are located in Dubai, three in Spain and one each in Oman, Qatar, the United Kingdom and Bosnia. In addition, the Group is currently in discussions regarding a number of residential or residential and commercial projects. For information on potential new residential or residential and commercial projects of the Group, see "*The Group's Projects – Pipeline*".

This potential pipeline of new residential or residential and commercial projects provides strong support to the prospects of the Group for the near- and mid-term future.

3.2 New Focus on Hospitality Projects

In addition to its primary focus on second homes, the Group now intends to also focus on hospitality assets to establish a new revenue stream and thus achieve greater diversification of income streams. The aim is to acquire or build hotels and sell them after a period of three to five years of operation once such hotel's or resort's revenue stream stabilises. Target markets include Dubai, Maldives, Athens, Marrakesh and London. In its future hospitality projects, the Group will be looking at:

- vacant land zoned for hospitality that is available for development;
- hotels under construction available for full acquisition (distressed or not);
- built properties requiring refurbishment and re-branding;
- distressed residential buildings that can be converted to hotels; and
- distressed malls that can be converted to hotels.

3.3 Continue to Grow Internal and External Distribution Networks

The distribution network is a key component of the Group's business. Currently, a significant majority of residential units in the Group's projects is sold through brokers. The Group already can rely on an extensive network that consists of over 5,000 brokers in more than 40 countries. The Group's long-term goal is to expand this network further by increasing the number of brokers with which it works on a regular basis to approximately 10,000. But the key strategy in this respect for the Group is to expand its internal marketing and sales capabilities in parallel with the growth of the Group's operations. The Group already increased its marketing and sales team to 21 employees in the first half of 2022. In addition, three new sales offices (in Beijing, Marbella and London) have been opened since the beginning of the current year. The long-term goal of the Group is to increase the number of employees in the marketing and sales team to approximately

200 and to sell a majority of its residential units through its own sales team, which, the Directors believe, is likely to increase the Group's profitability.

4 HISTORY

The following table illustrates certain key milestones in the history of the Group:

Year	Key Events
2017	• The incorporation of Dar Global UAE in Dubai in the UAE • The launch of the first project of the Group (branded at the time as "I Love Florence") in Dubai • The opening of the sales offices of the Group in Dubai and in Sarajevo in the Republic of Bosnia and Herzegovina
2020	• The termination of the construction contract for "I Love Florence" project, the appointment of a new construction contractor for the same building
2021	• The launch of the Sidra project in Bosnia • Licence agreement between Dar Properties and Missoni S.p.A and the re-launch of the Group's first project in Dubai (re-branded "Urban Oasis") • The acquisition of J1 Tower and launch of the Da Vinci Tower by Pagani project in Dubai • The signing of a term sheet with the Oman Tourism Development SAOC for the development of a 3.4 million square metre elevated site overlooking the sea in Yiti and Yenkit in Oman (subsequently branded the "Aida" project)
2022	• The launch and commencement of construction of the W Residences Dubai – Downtown project • The Group recognised revenue for the first time in its history (all from the Urban Oasis project) in the first half of 2022 • The opening of the sales offices of the Group in Beijing, London and Spain • The incorporation of the Company

5 ORGANISATIONAL STRUCTURE

Since 2017, the Group has established a number of subsidiary companies in order to facilitate the operation of its projects, with each project outside Dubai being owned by a subsidiary incorporated in the jurisdiction in which the project is located. The following is a summary of such subsidiaries:

The Company has a 100 per cent. indirect ownership interest in Dar Properties, the principal activity of which is real estate development. This subsidiary owns the Urban Oasis and all 96 units in the Da Vinci Tower by Pagani projects and has a 50 per cent. economic interest in the net profit of the W Residences Dubai – Downtown project, all of which are located in Dubai. The Company also has a 100 per cent. indirect ownership interest in Dar Al Arkan International Property Development LLC which owns Plot 210 (346-05610), Business Bay – Dubai.

Prime Real Estate D.O.O. Sarajevo is the Group's principal subsidiary in Bosnia and owns the Sidra project. It is indirectly wholly owned by the Company. Dar Al Arkan Property Development D.O.O. Sarajevo and Luksuzne nekretnine – Luxury Real Estate D.O.O. Sarajevo are also entities incorporated in Bosnia which are being transferred to the Group in connection with the Reorganisation, although the transfer of these latter two entities is expected to complete shortly following Admission on finalisation of certain local requirements. Dar Al Arkan Property Development D.O.O. Sarajevo and Luksuzne nekretnine – Luxury Real Estate D.O.O. Sarajevo hold no real estate or other material assets but may be used by the Group in the future should additional projects in Bosnia be identified.

Beijing Dar Al Arkan Consulting Co. Ltd. is the Company's Chinese indirect wholly-owned subsidiary. The subsidiary can, among other activities, be involved in the development of real estate. Currently, the Group intends to use the subsidiary only for marketing and sales activities through the Beijing office.

In November 2021, Dar Oman was created to hold the Group's economic stake in the Aida project. Subsequently, in 2022, the Group incorporated certain new wholly-owned subsidiaries. The new subsidiaries include Dar Spain which owns the Benahavis project in Costa del Sol region in the south of Spain, Dar Tabano which owns the Tabano project in Malaga in Spain, and Dar Al Arkan Global UK Holdings Ltd which was incorporated in the United Kingdom with an office in London to help to develop future projects, and to hold the ownership stakes or economic interests in such projects, in the London area. This entity is the Group's counterparty to the joint venture in respect of the ownership of the Fourth Floor Flat of 149 Old Park Lane in London.

6 RELATIONSHIP WITH THE MAJOR SHAREHOLDER

Prior to Admission, the Company was incorporated as a wholly-owned subsidiary of Dar Global UAE and, therefore, also as a wholly-owned indirect subsidiary of the Major Shareholder. On Admission, the Company will issue new Ordinary Shares to the Private Placement Investors (who are unrelated to the Major Shareholder) comprising 12 per cent. of its issued share capital (as enlarged by the Private Placement – see Part X "*The Private Placement*" for details). As such, on completion of the Private Placement, the Major Shareholder's indirect ownership interest in the Company will be diluted to 88 per cent.

Historically, the Major Shareholder, a company incorporated in accordance with the Kingdom of Saudi Arabia law and the ultimate parent company of Dar Global UAE and the Company, has provided support to the Group in the following areas:

- IT support, including Oracle ERP; and
- treasury functions and funding of project development and working capital; authorisation of payments for all bank accounts.

All other business functions other than those listed above were carried out by the Group.

In anticipation of Admission, during 2022, the Group has recruited experienced staff to perform the treasury functions and these functions will be moved fully to the Group in the near future. While the Group recently recruited experienced IT staff, certain IT support will continue to be provided by the Major Shareholder for a period of up to six months following Admission (which period may be extended by an additional six months up to three times at the election of the Company) for a fee of AED 50,000 per month, until the Group's equivalent systems are fully operational, including transitioning to Oracle Fusion and a new Customer Relationship Management (**CRM**) system. Effective from Admission, the Company and the Major Shareholder will formalize these arrangements through entering into a Services Agreement. For additional information on that agreement, see paragraph 17.2 (*Services Agreement*) of Part XI (*Additional Information*).

Historically, the Group has financed its operations primarily with non-interest bearing loans from the Major Shareholder. However, prior to Admission, the benefit of all of the historic shareholder loans provided by the Major Shareholder to the Group have been assigned to members of the Group pursuant to the Loan Assignment Agreements (as described in paragraph 17.4 and 17.5 (*Dar Global Loan Assignment Agreement 1 and Dar Global Loan Assignment Agreement 2* of Part XI (*Additional Information*)), thereby resulting in such funding being wholly intra-Group and eliminating all funding due by the Group to the Major Shareholder. After Admission, instead of non-interest bearing loans from the Major Shareholder, the Group intends principally to rely initially upon the net proceeds of the Private Placement, as well as off-plan sales and, over time, profits from sales, for funding, in addition to third-party debt financing when available on commercially attractive terms (which may include the Major Shareholder providing funding on arms-length commercial terms). Additionally, to provide further flexibility in the Group's funding structure, the Major Shareholder has, conditional on Admission, made available the DAA Facility for the Group's general corporate and working capital purposes, such facility comprising a commitment for a three year period on an unsecured but interest bearing basis.

As part of the changes in its funding in anticipation of Admission, the Group has secured financing from a UAE bank for one of its projects in Dubai, with a guarantee of the financing being provided by the Major Shareholder. The Company and the Major Shareholder have entered into the Guarantee Support Agreement providing that with effect from Admission the Major Shareholder's existing guarantees in respect of the Group's obligations under loan facilities from third party lenders or performance obligations to counterparties under certain commercial contracts will remain in place and that the Major Shareholder will from time to time provide additional guarantees to support the Group's borrowing commitments or performance obligations, in consideration for being indemnified by the Group in relation to any payments it is required to make or losses it sustains under such guarantees. For additional information on the terms of the

Guarantee Support Agreement, see paragraph 17.3 (*Guarantee Support Agreement*) of Part XI (*Additional Information*).

On 5 January 2023, the Company entered into the Relationship Agreement with the Major Shareholder, which will, with effect from Admission, regulate the ongoing relationship between the Company and the Major Shareholder following Admission. The primary purpose of the Relationship Agreement is to ensure that, following Admission, the Company is capable of carrying on its business independently of the Major Shareholder and that, subject to the terms of the Guarantee Support Agreement, transactions and arrangements between the Company (or any member of the Group) and the Major Shareholder are conducted on an arms' length basis and on normal commercial terms.

The Relationship Agreement also contains non-compete undertakings given by the Major Shareholder in favour of the Company as follows: (i) from Admission, a non-compete undertaking restricting the Major Shareholder from undertaking the acquisition or development of residential or hospitality real estate projects anywhere in the world, aside from in the Kingdom of Saudi Arabia, such non-compete undertaking to apply for as long as the Major Shareholder is considered to be part of the same undertaking as the Company for certain competition law purposes; and (ii) from the point in time at which the Major Shareholder is not considered to be part of the same undertaking as the Company for certain competition law purposes, a further non-compete undertaking for a period of an additional two years, restricting the Major Shareholder from undertaking the acquisition or development of residential or hospitality real estate projects in such countries in which the Company either already develops residential or hospitality real estate projects or where it has a developed plan to do so (as determined at the date that the Major Shareholder ceases to be part of the same undertaking as the Company for certain competition law purposes). Such countries would be expected to include, at a minimum, the United Kingdom, the United Arab Emirates, Spain, Oman, Qatar, China, the Maldives, Bosnia and Herzegovina, Morocco and Greece.

The Relationship Agreement also contains various other undertakings by the Major Shareholder in favour of the Company, including a standstill undertaking for the two year period after Admission during which the Major Shareholder will not increase its shareholding above 90 per cent. nor make an offer for any Ordinary Shares not held by it or its associates, and a non-solicit undertaking in relation to staff of the Group during the three year period after Admission. The Major Shareholder has also undertaken that, for a period of two years after the date of Admission, it will not propose or vote in favour of any resolution to delist the Company from the Main Market of the London Stock Exchange.

The Relationship Agreement also contains Board representation rights in favour of the Major Shareholder pursuant to which the Major Shareholder will have the right to appoint (i) two directors to the Board while its shareholding in the Company comprises at least 30 per cent. of the Ordinary Shares in issue (subject to the Board as a whole complying with the independence requirements of the Corporate Governance Code after the exercise of such right) and (ii) one Director to the Board while its shareholding in the Company comprises less than 30 per cent. of the Ordinary Shares in issue but comprises at least 10 per cent of the Ordinary Shares in issue.

Accordingly, as at Admission, due to the independence requirements of the Corporate Governance Code, the Major Shareholder will only have the right to appoint one Director to the Board, notwithstanding that its aggregate shareholding in the Company will comprise 88 per cent. of the Ordinary Shares in issue. The Major Shareholder's appointed representative Director as at Admission will be Yousef Al-Shelash, and the Major Shareholder will not be entitled to exercise its right to appoint a second representative Director unless and until such appointment could be made in circumstances whereby the Company would continue to comply with the independence requirements of the Corporate Governance Code following such appointment (and assuming that as at such point, the Major Shareholder's shareholding still comprises at least 30 per cent. of the Ordinary Shares in issue). For additional information on the Relationship Agreement, see paragraph 17.1 (*Relationship Agreement*) of Part XI (*Additional Information*).

The Group will continue to use the brand name of "Dar Al Arkan" after Admission pending the establishment of the Group's own brands. As such, because the trade mark "Dar Al Arkan" is owned by the Major Shareholder, the Major Shareholder and the Company have entered into the Trade Mark Licence Agreement pursuant to which the Major Shareholder has agreed to license such trade mark, and certain related trade marks, to the Company after Admission. For additional information on the Trade Mark Licence Agreement, see paragraph 17.6 (*Trade Mark Licence Agreement*) of Part XI (*Additional Information*).

In February 2022, the Major Shareholder also provided a guarantee in favour and for the benefit of a member of the Marriott group in relation to the Group's W Residences Dubai – Downtown project. It is expected that this guarantee will remain in place following Admission under the terms of the Guarantee Support Agreement.

In October 2022, the Major Shareholder provided a guarantee to Dar Properties with respect to the re-payment of the amounts to be invested by Dar Properties into Dar Qatar under the Investment and Management Agreement, which are required to be repaid by Dar Qatar under this agreement, and the payment of the management and technical support services fee, which is also required to be paid by Dar Qatar. As this guarantee is in favour of a member of the Group, it will not be covered by the Guarantee Support Agreement.

In November 2022, the Major Shareholder provided a guarantee to DT Marks Oman LLC with respect to the performance of certain of Dar Oman's obligations under a hotel management agreement, including, without limitation, obligations with respect to the prompt payment of the fees and charges due to, and expenses of, the relevant hotel manager under such agreement and obligations to indemnify the relevant hotel manager and certain other parties Dar Oman agreed to indemnify under such agreement (see paragraph 8.2.2 titled "*Aida*" below for further details). It is expected that this guarantee will remain in place following Admission under the terms of the Guarantee Support Agreement.

In November 2022, the Major Shareholder provided a further guarantee to DT Marks Oman LLC with respect to the performance of certain of Dar Oman's obligations under a golf management agreement, including, without limitation, obligations with respect to the prompt payment of the fees and charges due to, and expenses of, the relevant golf club manager under such agreement and obligations to indemnify the relevant golf club manager and certain other parties Dar Oman agreed to indemnify under such agreement (see paragraph 8.2.2 titled "*Aida*" below for further details). It is expected that this guarantee will remain in place following Admission under the terms of the Guarantee Support Agreement.

7 STAGES OF PROJECT DEVELOPMENT

The Group divides the project development process into six separate stages. Each of these stages is described in further detail below:

7.1 Stage One – Land Sourcing and Securing the Land through Acquisition or Entry into a Joint Development or Joint Venture Agreement

Land sourcing is a critical part of the first stage in the development process. The Group sources land either through solicitations, its own market research or through the use of consultants. The Group regularly receives invitations to purchase undeveloped land from landowners and real estate brokers. Experienced in-house business development specialists and specialists from the design and technical services department (with the addition of external expertise on an "as needed" basis) analyse each development opportunity to ascertain the suitability of the land for development, including a review of key considerations such as the location and size of the land parcel, availability of existing or planned infrastructure, comparable local developments and any relevant regulatory issues. Senior management supervises these activities seeking to ensure compliance with the overall business development strategy and planning and to ascertain that proper due diligence with respect to each development opportunity is conducted from technical, commercial, finance, tax and legal perspectives. Prior to Admission, all new standalone property developments were required to be approved by (i) the CEO of Dar Global UAE and the investment committee of the board of directors of Dar Global UAE if the investment value of the property development was below AED 500 million and (ii) the CEO of Dar Global UAE, the investment committee of the board of directors of Dar Global UAE and the board of directors of Dar Global UAE if the investment value of the property development was equal to, or more than, AED 500 million. Following Admission, relevant approval thresholds for all property developments will be set by the Board from time to time.

The Group also conducts market research to identify areas within jurisdictions in which it already has operations or into which it intends to expand in the near future and which could benefit from its development projects. Once identified, the Group searches for appropriate land parcels for development. In some jurisdictions in which the Group does not currently have operations, but into which it plans to expand in the future (for instance, Maldives), the Group uses consultants to search for land suitable for its future development projects.

With respect to those projects that are based on the full ownership of land by the Group (Urban Oasis, the Da Vinci Tower by Pagani and Plot 210 (346-05610) – Business Bay in Dubai, Benahavis and Tabano projects in Spain and Sidra in Bosnia), the process of land acquisition by the Group involves extensive due diligence and feasibility analysis. The process is overseen by the Directors. Due diligence involves a number of steps to verify that the land available is suitable for development. These steps include a review of land deeds, a review of publications by the government and public institutions related to the area, investigative interviews with municipalities, local notary publics and reputable master planners, site inspections by the Group's regional management and senior management from the Dubai office and, in some cases, environmental impact studies conducted by third-party environmental consultants (excluding master developments in which such studies are conducted by master developers). Feasibility analysis involves a number of considerations to determine the potential profitability of the land, including topography and its location within a particular municipality or neighbourhood, as well as previous offers for undeveloped and developed land in the area. If a decision is made to acquire the land, the Group then conducts negotiations with the vendor to acquire it.

With respect to those projects that are not based on the ownership of land by the Group and in which land remains in the ownership of the Group's local partner or its affiliate (W Residences Dubai – Downtown, Les Vagues in Qatar and Aida in Oman), additional due diligence is done on the partner to check its reputation, history and ability to fulfil its commitments under the agreements with the Group. In some cases, for example with respect to the Aida project in Oman, the Group partners with semi-governmental entities. Prior to Admission, all new joint development agreements were required to be approved by (i) the CEO of Dar Global UAE and the investment committee of the board of directors of Dar Global UAE if the investment value of the proposed joint development was below AED 500 million and (ii) the CEO of Dar Global UAE, the investment committee of the board of directors of Dar Global UAE and the board of directors of Dar Global UAE if the investment value of the proposed joint development was equal to, or more than, AED 500 million. Following Admission, relevant approval thresholds for all property developments will be set by the Board from time to time. The Group also considers entering into joint ventures on an opportunistic basis in situations when entering into a joint development agreement is not possible or is impracticable. In such situations, additional due diligence will be done on the joint venture partner. One of the current projects of the Group (the Fourth Floor Flat of 149 Old Park Lane) is the Group's first such joint venture.

7.2 Stage Two – Project Planning

For the development of single-plot projects such as, for example, Urban Oasis, the Da Vinci Tower by Pagani and the W Residences Dubai – Downtown, the development parameters are set by local regulatory bodies, which determine such key issues as land use, gross floor area or building height. Working within these parameters, a budget and schedule are prepared for the project. After that, a detailed design for the project is created with the assistance from third-party design consultants, including based on input from utilities and regulatory bodies such as traffic authorities. The detailed design is then submitted to the local municipality and/or other regulatory bodies for approval prior to project commencement. This work is undertaken by the Group's design and technical services department (with assistance from external consultants) and is supervised by senior management.

For the development of large areas of land where residential, hospitality, recreational and commercial buildings or facilities may be developed, the creation of a master plan is the initial step in stage two of the development process. Preparation of the master plan is done in co-operation with third-party master planning and real estate consultants and, in some cases, such as, for instance, in the case of the Aida project in Oman, with the joint development partner of the Group, and is overseen by the Group's design and technical services department along with its senior management. Where the land is not already zoned for residential and commercial purposes, the master plan relates to site improvements necessary for the undeveloped land to be zoned for residential and commercial purposes. However, the Group usually targets projects with the required zoning already in place to expedite the development of such projects. The master plan will typically allocate a portion of the land for basic infrastructure, depending on existing or planned availability of internal and external roads, water, sewage, electricity and other utilities, as well as paved streets and sidewalks. The master plan must ultimately be approved by the local municipal government, the relevant land owner and sometimes also by the federal government (as was the case for the Sidra project in Bosnia). Once a master plan is created, a budget and schedule is prepared for the project. After that, a detailed design for the project is created by the Group's design and technical services department in co-operation with third-party design consultants and under the supervision of its senior management.

7.3 Stage Three – Site Development

For both single-plot and master plan developments, the site development stage primarily involves site clearance, design, lay-out and other land planning activities. The Group does not directly engage in any construction of its projects, including construction relating to site development. Site development construction is contracted to third parties through a tender process with pre-qualified tenderers. For further discussion of the process involved in selecting contractors see "— *Contracting*" below.

7.4 **Stage Four – Land Development**

For single-plot developments within master communities regulated by a third-party master developer, the plot will generally already be serviced with roads and connection points for utilities.

For large areas of partially serviced (for example, with roads but no power or water) or unserviced land, the land development stage involves construction of basic infrastructure relating to residential and commercial use, such as water, sewage, electricity and other utilities, as well as paved streets and sidewalks. Where the land is not already zoned for residential and commercial purposes, the Group ensures that the basic infrastructure is adequate to allow the land to be zoned for its intended use. As in the site development stage, the actual construction is contracted to third parties through a tender process with pre-qualified tenderers. The Group oversees all aspects of the land development stage, including the application of materials and technology used in the construction.

At the end of this stage, the Group and its local partner, if there is one, typically decide to proceed to the development of a residential or residential and commercial project on the developed land. The only exception, thus far, was the Sidra project in Bosnia, where the Group has sold and continues to sell developed land plots to customers. See "*The Group's Projects – Projects under Construction – Sidra*".

It typically takes between one and one-and-a half years for the Group to complete the land development part of the project. In larger projects that are to be developed in several phases, such as, for example, the Aida project in Oman, the land development part of the overall project will also be completed in phases. The project timeline depends on the size of the site and its topography, as well as other requirements, mainly relating to the relevant soil characteristics.

7.5 **Stage Five – Superstructure**

After the completion of the land development stage of the project, the Group undertakes to develop the appropriate superstructures for high-rise buildings or villas and apartments.

The superstructure stage includes developing a design and construction plan with external architectural and engineering design firms and quantity surveyors. The design and supervision of the construction of superstructures is contracted to independent third-party consultants. The main construction contractor is also selected and appointed at this stage once the project's design and construction plan are complete. With respect to the appointment of the main contractor, the approval process depends on the value of the contract. Prior to Admission, contracts with the value under AED 200 thousand were required to be approved by the project execution manager and procurement leader. For contracts with the value between AED 200 thousand and AED 1 million, the approval was required to be provided by the CEO of Development and Construction. Contracts with the value between AED 1 million and AED 10 million had to be approved by the CEO of Dar Global UAE (following Admission, they will be required to be approved by the CEO of the Company). Contracts with the value between AED 10 million and AED 100 million had to be approved by the CEO of Dar Global UAE and the executive committee of the board of directors of Dar Global UAE (following Admission, they will be required to be approved by the CEO of the Company and the executive committee of the board of directors of the Company). Finally, contracts with the value of more than AED 100 million had to be approved by the CEO of Dar Global UAE, the executive committee of the board of directors of Dar Global UAE and the board of directors of Dar Global UAE (following Admission, they will be required to be approved by the CEO of the Company, the executive committee of the board of directors of the Company and the board of directors of the Company after Admission).

Each of the roles discussed above is filled in through a tender process with pre-qualified tenderers. The Group and the appointed consultant firm each oversees the construction of superstructures. Any deviations from the original designs or plans must be approved by the Group, its local partner, if there is one, and the consultant. The continuous application of advanced engineering techniques, project management and control systems reduce costs and are intended to enable the project to be completed within the allocated time and budget.

7.6 **Stage Six – Finishing**

The final stage relates to finishing work on the semi-developed buildings, which includes cladding, ceramic and woodwork, mechanical and electrical work, plastering and painting, and internal and external decorative work. Finishing work on the semi-developed buildings is also contracted to third parties through a tender process with pre-qualified tenderers.

7.7 Contracting

The Group contracts with third parties for much of the work related to the construction of its projects, which involves pre-qualifying, tendering for and awarding and managing work performed by several contractors. These third-party contractors include companies that clear the site, build the infrastructure required for the individual project, build the foundations for structures and build superstructures including the required mechanical, electrical, plumbing, cladding, ceramic, wood, plastering, painting and decorative work.

The Group maintains an internally-developed database of contractors in jurisdictions in which it has projects and uses a pre-qualification process for contractors, which is based on the evaluation of the contractor's past experience, including quality of services provided and timeliness of completion of projects, and the financial profile of the contractor.

The Group invites contractors that successfully passed the pre-qualification process to bid for providing services on a project-by-project basis. Bids are assessed by the Group's procurement committee (made up of representatives from procurement and commercial teams and senior management), which also makes final decisions on the awarding of contracts. The Group seeks to award contracts to multiple contractors for each project to avoid concentration of risk.

The Group's agreements with contractors typically specify a schedule for the completion of their work using internationally recognised standard forms of contract, amended to suit local and project-specific requirements. Under these agreements, contractors are responsible for obtaining and paying for all labour, materials and equipment necessary to complete their work. Contractors are also required to purchase and maintain insurance related to the project while under development and their work on the project.

All construction contracts are entered into by the Group on a fixed-price basis. However, where there are significant variations to the scope of the original contract, the Group and the relevant contractors may agree to revise the terms of the original contract in terms of time and/or cost.

Time and cost are controlled by the employment of internal and/or external expert resources of planning engineers and/or quantity surveyors. Control of time and cost may also be achieved by the negotiation and novation to separate contractors of packages for significant or specialised elements of work (such as mechanical, electrical and plumbing packages), which are referred to as "nominated sub-contractors".

7.8 Raw Materials

Contractors that work on the Group's development projects are directly responsible for sourcing and purchasing construction materials related to their work on the development projects.

7.9 The Role of Regulators

The primary regulators that the Group interacts with in developing its projects are typically the municipal governments (for example, local county and mayor's office) where the projects are located. In Dubai, the regulatory function is performed by the Dubai Development Authority, the planning and development services of which focus on regulating master planning and construction activities of projects within its jurisdiction, as well as RERA, which regulates the licensing of development and sale of off-plan developments and escrow accounts in Dubai. In Oman, the regulator is the Ministry of Tourism. The Group must obtain approvals from such municipalities or other regulators at various stages during the development of its projects. In some cases, as for example in the case of the Sidra project in Bosnia, the Group had to obtain approvals from both the Bosnian federal authorities and municipal authorities.

Before development of a large project can begin, the Group must first submit the concept master plan to the relevant municipality for preliminary approval, following which a detailed master plan and the building design for each building to be constructed are prepared and submitted for approval. As part of the detailed master plan, the Group must submit to the relevant municipality or other regulator a detailed plan relating to the project's infrastructure. Municipalities or other regulators require the infrastructure plan to provide for enough sewage, water and electricity to accommodate the total built-up area of the project, the expected number of inhabitants and the number of residential or residential and commercial units. The master plan is reviewed by various departments within the relevant municipality or other regulator before it is approved. The building design for each building must meet standards set by the relevant municipality or other regulator, which, among other things, require a building to be built on only a certain percentage of the land allocated for that building. Once the relevant municipality or other regulator approves the master plan and building designs, it grants the construction permit for the project, allowing the construction contractor to commence construction at the project site.

7.10 **Marketing and Sales of Residential or Residential and Commercial Projects**

Typically, the Group sells units on any of its residential or residential and commercial projects to the end buyer after stage four (land development) in the project development cycle described above and such units are referred to as being sold "off-plan". In the case of the Da Vinci Tower by Pagani, sales to customers commenced after stage five (superstructure) in the project development cycle described above was already completed. This happened because the Group acquired the J1 Tower when the construction work on that building was fully completed. Residential units being sold in this building are referred to as being sold "pre-finished" as work on the refurbishment of this building is continuing.

The Group sells the majority of units in its residential or residential and commercial projects through brokers. The rest of the sales are made by the Group's sales offices in Dubai (opened in 2017); Sarajevo, Bosnia (opened in 2017); Beijing; Marbella, Spain; and London (each opened in 2022). As of 30 June 2022, the Group had 21 employees who were engaged in activities relating to sales and marketing. Employees in sales teams responsible for operating and managing sales offices are compensated on a salary/commission basis. The long-term goal of the Group is to increase the number of such employees to approximately 200.

The Group currently works with approximately 5,000 brokers in over 40 countries, a network that was, in large part, developed over the years by the Major Shareholder. Each of these brokers now has a contract in place with one or more of the Group's sales offices. The Group generally seeks not to grant exclusivity with respect to any of its projects to any broker. Brokers are compensated on a commission basis. The long-term goal of the Group is to increase the number of brokers with which it works on a regular basis to approximately 10,000.

Sales are facilitated by marketing campaigns undertaken by the Group for each residential or residential and commercial project principally through printed materials prepared for individual projects, events and advertising in digital media, magazines as well as billboards advertising.

The Group sells residential units in its residential or residential and commercial projects pursuant to a standard form sale contract, which is customised for each jurisdiction to address local legal requirements, under which it delivers possession of the unit, subject to the conditions agreed in the sale contract, with the title deed delivered only upon the receipt of the full purchase price. The sale contract also provides for ownership of a pro-rated share of any common areas in the residential or residential and commercial project to be allocated to the home buyer. The home buyers are liable to pay annual maintenance fees in respect of the residential units until such time as a home owners association is formed, at which point the home owners' association becomes responsible for payment of the annual maintenance fees and the home buyers are liable to the home owners association for such fees. In addition, the sale contract assigns to home buyers statutory warranty on the superstructure that is made by the contractors which construct the units. In Dubai, this warranty has a term of 10 years. Moreover, in Dubai, the funds paid by customers for their apartments in off-plan sales are required to be deposited into escrow accounts held by banks accredited by the DLD and acting as escrow agents. An escrow agent must retain five per cent. of the total value of each escrow account once the developer obtains the building completion certificate to ensure coverage of defects in the property post-handover. The retained amount will be released to the developer one year from the registration of the residential units in the name of purchasers of such units.

7.11 **ESG Considerations**

The Group adopts ESG strategies to mitigate its environmental effects and build social value whilst developing a compelling product with luxury service and amenity offering. Such strategies include property wide initiatives such as (i) reducing waste and improving efficiency through 3D printing; (ii) minimising construction waste to lower carbon emissions and (iii) focusing on water recycling in GCC projects. They also include residence based initiatives such as (i) the use of smart heating, ventilation and air conditioning systems and smart water meters; (ii) including green spaces and private and communal balconies and (iii) incorporating LED lighting with sensors for energy conservation.

8 THE GROUP'S PROJECTS

The following table sets out information in respect of the Group's (i) projects under construction and (ii) project under development on which construction has not yet commenced:

Project name	Location	Saleable Area	Residential units	Residential plots for sale	Retail units	Hospitality keys	Construction completion[1]	Estimated completion date	Estimated total cost of the project[2]
		(Square meters)	*(number)*	*(number)*	*(number)*	*(number)*	*(%)*		*(AED million)*
Projects under construction:									
Urban Oasis	Dubai	44,355	465	—	2	—	over 80	December 2023	512
Da Vinci Tower	Dubai	21,241	85	—	3	—	100[3]	December 2023	601
W Residences Dubai – Downtown[4]	Dubai	36,851	385	—	—	—	under 5	December 2025	841
Sidra	near Sarajevo, Bosnia	456,850[9]	—	476[9]	—	—	n/a[5]	December 2023	88
Projects under development[6]:									
Les Vagues[7]	near Doha, Qatar	49,861	300	—	26	—	—	December 2027	949
Aida[8]	Yiti and Yenkit, near Muscat, Oman	757,212	3,500	—	40	450	—	December 2034	6,282
Benahavis	near Marbella, Spain	20,503	57[10]	—	—	—	—	December 2024	419
Tabano	Spain	1,586,000	200[11]	—	—	—	—	December 2029	701
Old Park Lane Project	United Kingdom	471	1	—	—	—	100[12]	March 2025	81
Finca Cortesin	Spain	9,386	35	—	—	—	—	June 2025	201
Plot 210 (346-05610) – Business Bay	Dubai	23,673	160	—	4	—	—	December 2026	435
Total		**3,006,403**	**5,188**	**476**	**75**	**450**			**11,110**

Notes:

(1) As of the end of the last calendar month.

(2) Includes all costs of the project including land acquisition-related costs, construction costs, marketing and sales costs and, if applicable, branding-related costs and also JDA partner share; however, it excludes taxes. With respect to exchange costs used in the calculation of costs, US$1 equals AED 3.6725, €1 equals AED 3.76 and BAM 1 equals AED 1.8.

(3) The Group acquired J1 Tower, a completed building, in 2021. This property is currently being refurbished in line with the requirements of the Pagani brand.

(4) The Group's partner in this project is Uranus General Contracting Company, a company incorporated in Qatar, which owns the land on which this project is being developed. Group's profit share in this project is 50 per cent.

(5) In this project, the Group sells developed land plots to customers without any buildings constructed on such land.

(6) Construction has not yet commenced at any of these projects.

(7) See "*– Projects under Development – Les Vagues*" for the explanation of the economic interest of the Group in this project.

(8) The Group's partner in this project is the Oman Tourism Development Company. Group's profit share in this project is 80 per cent.

(9) Includes 88,493 square meters of saleable area not valued (approximately 36 plots).

(10) The Group intends to apply for a planning modification to enable it to build apartments with a saleable area of 5,806 square metres on the second plot within this project instead of seven villas that are currently approved for this second plot. If approved, the saleable area of this project will increase by 4,722 square metres. However, application for a planning modification is a complex process and it will take time to be resolved.

(11) The 200 number refers to plots, not residential units.

(12) Denotes re-fitting costs.

8.1 Projects under Construction

8.1.1 Urban Oasis

The Urban Oasis tower is a 34 storey residential development located on the Dubai Canal in Dubai and will contain bespoke apartments with interiors designed with the cooperation of Missoni for internal common areas. This tower is the Group's first project in the UAE and contains the region's first-ever bespoke Missoni-inspired living spaces with interiors designed in cooperation with the internationally known high-end Italian fashion and design house Missoni and its Missoni home line that is dedicated to interiors, decor and furnishings. Dar Properties acquired the freehold title to the property in 2017 and is the registered owner of the property.

The project was initially launched in 2017 under the "I Love Florence" name and used a different construction contractor and a different brand partner. However, the construction contractor subsequently ran into financial difficulties, which resulted in significant delays in construction and, eventually, defaulted on its obligations. The initial brand partner was acquired by a UAE-based developer, which made further cooperation impracticable. After the initial contractor was dismissed and a new contractor was selected, a new final building permit was issued by the Dubai Development Authority in July 2019.

Subsequently, Dar Properties entered into a licence agreement with Missoni S.p.A. and Missoni Home S.r.l. (now, going forward, with Missoni S.p.A. only since, effective on 31 December 2021, Missoni Home S.r.l. was merged by incorporation into Missoni S.p.A.) with respect to stylistic and creative guidelines to be provided by Missoni for the internal common areas (such as entrance, lobby, hallways, corridors, lifts and stairs) and apartments at Urban Oasis. This licence agreement came into force on 31 March 2021. The parties to the licence agreement agreed that, among other things:

- for the application of the Missoni style to (i.e. the characteristic architectural and decorative style of Missoni), Dar Properties will propose a list of international architects and interior designers with the skills, experience and track record to be qualified to realise a concept suitable to meet the standards required by Missoni;
- Dar Properties will submit to Missoni the selected architect's plans in their development phase and selected designers' plans in their development phase and Missoni will provide its guidelines and indications with respect to such plans. Dar Properties, with the support of the selected architect and interior designers, will strictly conform to Missoni's guidelines and indications;
- Dar Properties will be responsible to Missoni for a correct application of Missoni style to fixed decorative elements (such as floors and wall coverings and related laying processes, door frames, decorative elements, built-in mirrors, colonnades and friezes, stuccos, wallpaper, built-in wardrobes and shelving) and to the usage of (i) Missoni furniture and furnishings elements (i.e. all items belonging to the "Missoni Home Collection" such as, for example, chairs, sofas, tables, movable mirrors and lamps) supplied by Missoni and used for the furnishing and interior decoration of the internal common areas and, if requested by the relevant purchasers, the apartments, (ii) other "Missoni Home Collection" products (such as, for example, towels, beds, sheets, cushion, pillows, blankets, fabrics, bathroom appliances and accessories) supplied by Missoni and (iii) other products belonging to the "Missoni Home Collection" (such as, for example, wallpaper, flooring and tableware) that are produced and supplied by Missoni's licensees;
- following the completion of a sample apartment ("**mock-up apartment**"), such mock-up apartment is required to be approved by Missoni; Missoni's written approval of the mock-up apartment represents a definition of the stylistic standard that Dar Properties undertakes to observe in the physical construction of the apartments at Urban Oasis; and
- Dar Properties will provide Missoni with copies of all proposed advertising and promotional materials to be used in the marketing and selling process of apartments in Urban Oasis for Missoni's prior written approval. Solely and exclusively in connection with the advertising and marketing materials approved by Missoni, Missoni grants to Dar Properties a non-transferrable, non-assignable right to mention stylistic and artistic contribution of Missoni to the design and interior decoration of the internal common areas and apartments in Urban Oasis during the term of the licence agreement that expires on 31 December 2024.

The Urban Oasis tower is designed to cater to middle to high-income market segment and comprises 465 modern apartments with a saleable area of approximately 44 thousand square metres. The initial payment plan with respect to the customers' payments for their apartments required them to make the first payment in the amount of 10 per cent. of the total price of the apartment on the date of signing of the unit sale and purchase agreement. Subsequent payments under the initial purchase plan for this project were structured as follows:

- additional payments from the customer, each in the amount of 10 per cent. of the total purchase price of the apartment, were required to be made three months after the date of signing of the unit sale and purchase agreement, nine months after the date of signing of the unit sale and purchase agreement and 15 months after the date of signing of the unit sale and purchase agreement;
- an additional payment from the customer in the amount of 20 per cent. of the total purchase price of the apartment was required to be made when the project is fully completed; and

- additional payments from the customer, each in the amount of 10 per cent. of the total purchase price of the apartment, were required to be made six months after the date of the project completion, 12 months after the date of the project completion, 18 months after the date of the project completion and 24 months after the date of the project completion.

In December 2022, a new payment plan with respect to the customers' payments for their apartments was adopted. Under this new payment plan, customers are required to make the first payment in the amount of 10 per cent. of the total price of the apartment on the date of signing of the unit sale and purchase agreement. Subsequent payments under the initial purchase plan for this project were structured as follows:

- an additional payment from the customer in the amount of 10 per cent. of the total purchase price of the apartment is required to be made within 3 months after the date of signing of the unit sale and purchase agreement;
- an additional payment from the customer in the amount of 10 per cent. of the total purchase price of the apartment is required to be made within 6 months after the date of signing of the unit sale and purchase agreement;
- an additional payment from the customer in the amount of 30 per cent. of the total purchase price of the apartment is required to be made when the project is fully completed;
- an additional payment from the customer in the amount of 10 per cent. of the total purchase price of the apartment is required to be made within 6 months after the project is fully completed;
- an additional payment from the customer in the amount of 10 per cent. of the total purchase price of the apartment is required to be made within 12 months after the project is fully completed;
- an additional payment from the customer in the amount of 10 per cent. of the total purchase price of the apartment is required to be made within 18 months after the project is fully completed; and
- the final payment from the customer in the amount of 10 per cent. of the total purchase price of the apartment is required to be made within 24 months after the project is fully completed.

Urban Oasis is currently expected to be completed by December 2023. As of 10 January 2023, 417 out of a total of 465 units have been sold or reserved.

Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 948 million (US$258 million) and the total cost of the project is estimated to be AED 512 million (US$139 million).

8.1.2 **Da Vinci Tower by Pagani**

The Da Vinci Tower by Pagani is located along the Dubai Canal in downtown Dubai. The project was launched in 2021 when the Group acquired the J1 Tower, a completed building which has been strata titled into ninety residential apartment units, two townhouses/villa units, three retail units and one penthouse (as well as rights over a number of car parking spaces in a basement structure that is shared with the adjoining tower on the plot), for AED 340 million (after discount). The acquisition was made on a deferred sale basis and, initially, the Group made an AED 75 million payment for this property. The title to the property at that point remained in the seller's hands and the property remained encumbered by an existing mortgage.

On 4 October 2022, Dar Properties obtained a *Murabaha* facility from the Abu Dhabi Commercial Bank in the amount of AED 320 million. The larger portion of this facility, in the amount of AED 240 million will be used towards the payment for the building. The remaining AED 80 million will be used for the refurbishment of the building, which was re-branded as "the Da Vinci Tower by Pagani". The facility provided by the Abu Dhabi Commercial Bank is secured by a mortgage on this property.

In November 2021, Dar Properties entered into a cooperation agreement (the "**Cooperation Agreement**") with Pagani Automobili S.p.A., which subsequently changed its company name to Horacio Pagani S.p.A. ("**Pagani**"), an internationally known high-end Italian automotive and design house. The parties to the Cooperation Agreement agreed that, among other things:

- Pagani will provide the stylistic and creative guidelines outlining the Pagani style (i.e. the characteristic architectural and decorative style of Pagani) for the internal common areas of the Da Vinci Tower by Pagani, the mock-up apartment and the penthouse located on the 18th floor of the building;

- for the application of Pagani style to internal common areas, the mock-up apartment and the penthouse, Dar Properties will propose to Pagani a list of international architects and interior designers with skills, experience and track record to be qualified to realise a concept suitable to meet the standards required by Pagani;
- following the completion of the mock-up apartment in line with the stylistic and creative guidelines outlining the Pagani style, Pagani's written approval of the mock-up apartment will represent a definition of the stylistic standard that Dar Properties undertakes to observe in the physical construction of the apartments in the Da Vinci Tower by Pagani;
- Dar Properties will purchase from Pagani the home products that include the furniture (such as, for example, chairs, sofas, tables, movable mirrors and lamps) and accessories (such as, for example, towels, beds, sheets, cushion, pillows, blankets, fabrics, bathroom appliances and accessories) as well as other home products that will be used for the furnishing of the internal common areas and the mock-up apartment;
- Dar Properties will provide Pagani with copies of all proposed advertising and promotional materials to be used in the marketing and selling process of apartments in the Da Vinci Tower by Pagani for Pagani's prior written approval. Solely and exclusively in connection with the advertising and marketing materials approved by Pagani, Pagani grants to Dar Properties, a non-transferrable, non-assignable right to mention stylistic and artistic contribution of Pagani to the design and interior decoration of the internal common areas and apartments in the Da Vinci Tower by Pagani (i) on an exclusive basis, until the earlier of 31 December 2024 and the date on which Dar Properties will have sold 75 per cent. of the apartments in the Da Vinci Tower by Pagani and (ii) on a non-exclusive basis, thereafter until 31 December 2025.

The Da Vinci Tower by Pagani is designed to cater to the high-income market segment and comprises 85 modern apartments (including the penthouse) with a saleable area of approximately 21 thousand square metres. The payment plan with respect to the customers' payments for their apartments requires them to make the first payment in the amount of 20 per cent. of the total price of the apartment on the date of signing of the unit sale and purchase agreement. Subsequent payments under the purchase plan for this project are structured as follows:

- additional payments from the customer, each in the amount of 10 per cent. of the total purchase price of the apartment, are required to be made in December 2022 and June 2023;
- an additional payment from the customer in the amount of 20 per cent. of the total purchase price of the apartment is required to be made when the title to the apartment is transferred to the customer; and
- additional payments from the customer, each in the amount of 10 per cent. of the total purchase price of the apartment, are required to be made six months after the date of the project completion, 12 months after the date of the project completion, 18 months after the date of the project completion and 24 months after the date of the project completion.

In contrast to the other projects of the Group in Dubai (Urban Oasis and W Residences Dubai – Downtown), funds received from the customers purchasing apartments in the Da Vinci Tower by Pagani do not have to be deposited in an off-plan escrow accounts because this building was acquired by the Group after its construction was fully completed. Accordingly, the monies are paid in to the Commercial Bank of Dubai general commercial escrow account.

The refurbishment stage of the Da Vinci Tower by Pagani project is expected to be fully completed by December 2023. As of 10 January 2023, 26 out of a total of 85 units have been sold or reserved. The marketing campaign with respect to the apartments in the Da Vinci Tower by Pagani was proceeding at a relatively low level until the mock-up apartment was completed in the end of September 2022, after which it has been significantly accelerated.

Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 970 million (US$264 million) and the total cost of the project is estimated to be AED 601 million (US$164 million).

8.1.3 **W Residences Dubai – Downtown**

The W Residences Dubai – Downtown is a 49 floors high residential building in one of the most prominent urban neighbourhoods in the world, downtown Dubai. It is located in the Burj Dubai district in view of many of Dubai's major landmarks.

In December 2021, Dar Properties entered into a partnership agreement to develop a real estate project ("**Partnership Agreement**") with Uranus General Contracting Company, a company incorporated in Qatar, that owns a 4,004.45 square metres land plot in the Burj Dubai district of Dubai on which the W Residences Dubai – Downtown project is being developed. Under this agreement, the parties agreed on a specific valuation of this land plot and agreed to split the net profits from this project equally. Such net profits will come from the sale of residential units at W Residences Dubai – Downtown or any other source of income related to this project and will be determined after the full recovery of all development costs and payment of project obligations and the refunding of the total agreed value of the land plot to Uranus General Contracting Company and repayment of any loans or any other liabilities and/or charges in relation to the W Residences Dubai – Downtown project. The parties to the Partnership Agreement agreed that the development period for this project will be approximately four years starting from the date of obtaining the construction and building permit and that this period is subject to extension in case of any modifications or obstacles that may affect the project timelines. Any changes in the length of the development period must be mutually agreed by both parties to the Partnership Agreement.

Under the Partnership Agreement, Dar Properties will manage the entire project based on a development plan approved by both parties to the Project Agreement. The approval of Uranus General Contracting Company is required in connection with (i) the appointment of the main contractor, (ii) the appointment of the project consultant with the authority to determine the timeline of each stage of work on the project, (iii) the preparation of a comprehensive business plan for the project and (iv) any other matter requiring the approval of both parties to the Partnership Agreement as set out in the Partnership Agreement (which includes, (a) the approval of the scope of services to be performed by the project consultant referred to in (ii) above, (b) any change to any design element in relation to the project, (c) prior consent to all sale rates and prices prior to commencement of any marketing or sale procedures, (d) the approval of the project budget and any subsequent changes in it, (e) the approval of any amounts required for the project funding and exceeding an amount of AED 5 million, (f) any additional direct costs to engineering and design costs, general and administrative costs, sales costs, marketing costs, trademark use right costs, bank guarantee costs and EMAAR connection fee agreed between the parties in the Partnership Agreement and (g) the consent to any amendment of the Partnership Agreement).

The parties to the Partnership Agreement also agreed that if Dar Properties fails to deliver the W Residences Dubai – Downtown project due to failure to perform its obligations, it will be required to purchase the land plot for this project from Uranus General Contracting Company at the agreed value of such land plot stated in the Partnership Agreement. If Dar Properties does not pay the agreed price for the land plot to Uranus General Contracting Company under such circumstances, the ownership of the entire development will be transferred to Uranus General Contracting Company without any cost. Any such arrangements will also likely require the consent of RERA as the regulator of off-plan developments in Dubai.

Also in December 2021, Dar Properties and Uranus General Contracting Company entered into a property development contract with respect to the land plot on which the W Residences Dubai – Downtown project is being developed and the project itself, in which, among other things, Uranus General Contracting Company agreed that Dar Properties has the right to represent it at all governmental agencies and in all matters related to the land plot being used to develop the W Residences Dubai – Downtown project and the building constructed upon it. Uranus General Contracting Company also agreed to extend necessary assistance and support in case in case Dar Properties faces any hurdles in obtaining the licences and permits required for the purpose of that property development contract. Entry into the property development contract is a requirement of RERA in order that Dar Properties may be registered as the developer of the project and sell the units in the project. The property development contract will govern the development of the project from the perspective of RERA.

In February 2022, Dar Properties, Uranus General Contracting Company and Marriott International Design & Construction Services, Inc. ("**MIDCS**") entered into a technical services agreement (the "**Technical Services Agreement**"). The parties to the Technical Services Agreement agreed that, among other things:

- Dar Properties will engage consultants including (i) an architect, (ii) an interior designer, (iii) a mechanical, electrical and plumbing design engineer and (iv) kitchen and laundry consultant, all of which must have the qualifications specified in the Technical Services Agreement;
- MIDCS provided to Dar Properties the latest version of "W Design Standards" ("**design standards**") issued by the Global Design Division of Marriott International, Inc. Dar Properties will prepare, or cause to be prepared, coordinated sets of submissions detailing the design of the "**TSA Residence**

Component" defined as (i) residential units, (ii) common areas of the residential units, (iii) retail units and (iv) such of the building common areas that support the operation of the TSA Residence Component, as well as the work to be performed, including: architectural, interior design, mechanical, electrical, plumbing, civil engineering, safety and security, fire protection and life safety, and landscape documents along with applicable variance notices that detail the manner in which the submission varies from the design standards. These documents will be submitted in five phases: concept design, schematic design, design development, early construction documents (30 to 50 per cent. complete) and final construction documents. MIDCS will review and discuss the documents submitted. Dar Properties will then incorporate MIDCS' comments on the submissions and provide the revised submissions for MIDCS' review. This process may continue further until submissions prepared by Dar Properties or its consultants have been accepted by MIDCS;

- Dar Properties will construct the TSA Residence Component and will provide furniture and equipment and fixtures, filings and white goods for the TSA Residence Component in accordance with W brand standards and the submissions accepted by MIDCS. If MIDCS determines that the TSA Residence Component does not comply with W brand standards or the accepted submissions, MIDCS will notify Dar Properties and Dar Properties will correct the deficiency; and
- MIDCS will review the mock-up apartment prepared by Dar Properties and notify Dar Properties if the mock-up apartment has been accepted. Dar Properties will change the mock-up apartment as MIDCS may require. Dar Properties will build, furnish and equip the apartments in this building in accordance with the mock-up apartment accepted by MIDCS.

Also in February 2022, Dar Properties, Uranus General Contracting Company and International Hotel Licensing Company S.A.R.L., Zurich Branch (the "**Licensor**") entered into a residential marketing license agreement (the "**Residential Marketing License Agreement**"). The parties to the Residential Marketing License Agreement agreed that, among other things:

- in consideration for the agreed royalty fee, the Licensor grants to Dar Properties and Uranus General Contracting Company (collectively, the "**Licensee**") a non-exclusive, non-transferrable licence to use a number of licensed marks (including W Residences and W) solely for the offering and sale of residential units under the terms of the Residential Marketing Services Agreement within various jurisdictions, excluding the United States of America. The grant of this licence is contingent on the Major Shareholder's delivery of an executed guarantee to the Licensor in which the Major Shareholder agrees that, on default by the Licensee, it will immediately make each payment and perform each obligation required to be performed by the Licensee under the Residential Marketing License Agreement and a pre-opening agreement (which is discussed below); and
- the Licensee will at all times conduct its sales and marketing activities using only marketing and sales materials, the sales and purchase agreement and the building management statement approved by the Licensor.

The deed of guarantee from the Major Shareholder in favour and for the benefit of the Licensor in relation to a guarantee from the Major Shareholder referred to above was executed by the Major Shareholder and Licensor on 23 February 2022.

In addition, Dar Properties, Uranus General Contracting Company and Luxury Hotels International Lodging LTD (the "**Service Provider**") entered into a pre-opening agreement (the "**Pre-Opening Agreement**") in February 2022. The parties to the Pre-Opening Agreement agreed that, among other things:

- the projected opening date of W Residences Dubai – Downtown will be 30 June 2026;
- the Licensee under the Residential Marketing License Agreement will be required to provide certain services to the residential units in W Residences Dubai – Downtown and residence common areas that are shared only by such residential units (collectively, the "**Residence Component**") under a residence services and facilities agreement with the building manager (the "**Residence Services and Facilities Agreement**") in accordance with W brand standards. The parties to the Pre-Opening Agreement have agreed the form of the Residence Services and Facilities Agreement. In order to finalise the Residence Services and Facilities Agreement, a services matrix that sets out the scope and extent of the services to the Residence Component to be provided under the Residence Services and Facilities Agreement will be discussed and agreed upon by Dar Properties and the Service Provider no later than 180 days before the projected opening date of W Residences Dubai – Downtown;

- the parties have agreed the form of the supervisory services agreement (the "**Supervisory Services Agreement**" between the Licensee and the Service Provider. The Service Provider will at all times (i) direct, control and supervise the provision of the services to the Residence Component by the Licensee and (ii) manage the designated retail units located in W Residences Dubai – Downtown, in each case in accordance with the Supervisory Services Agreement; and

- the Service Provider will, at the appropriate times before the opening date of the Residence Component, (i) recruit, train and hire staff required for the management of the designated retail units and the provision of the services to the Residential Component; (ii) for a period commencing 180 days before the opening date of the Residence Component, coordinate a task force of personnel to supervise and assist the pre-opening and opening operations, (iii) provide on-site technology services; (iv) test and, if necessary, implement modifications to the operations of the Residence Component and the designated retail units; (v) assist Dar Properties with procuring the initial licences and permits required for the operation of the Residence Component and the provision of services to the Residence Component; and (vi) install or supervise the installation of operating, management and computer systems.

Moreover, in November 2021, Dar Al Arkan Properties LLC and Luxury Hotels International Management Company B.V. entered into a memorandum of understanding, the purpose of which was to set out the basic terms under which Luxury Hotels International Management Company B.V. or one of its affiliates (collectively, "**Marriott**") would, among other things, manage the clubhouse and associated facilities that will also be developed at W Residences (the "**Clubhouse**"). Under the terms of this memorandum of understanding, Marriott has agreed to (i) manage the Clubhouse and its facilities, (ii) grant a limited non-exclusive, non-transferrable licence to Dar Properties and Uranus General Contracting Company to use W trademarks and brand designated by Marriott for Clubhouse services and only in connection with the operation of the Clubhouse and only under the direction of Marriott under the terms of a management agreement. Marriott will be paid a management fee equal to a certain percentage of the gross revenues of the Clubhouse and its facilities. The management agreement between Dar Properties and Marriott is anticipated to be entered into at a later stage prior to the completion of the project currently scheduled for December 2025.

The payment plan with respect to the customers' payments for their apartments in W Residences Dubai – Downtown requires them to make the first payment in the amount of 10 per cent. of the total price of the apartment on the date of signing of the unit sale and purchase agreement. Subsequent payments under the purchase plan for this project are structured as follows:

- additional payments from the customer, each in the amount of 10 per cent. of the total purchase price of the apartment, are required to be made (i) within 60 days from the date of signing of the unit sale and purchase agreement: (ii) in March 2023; (iii) on completion of the building's basement and reaching the ground floor; (iv) on reaching the 15th floor; (v) on reaching the 30th floor; (vi) on completion of the superstructure; and

- an additional payment from the customer in the amount of 30 per cent. of the completion of the project.

The W Residences project was launched in early 2022 and, as of 10 January 2023, out of a total of 385 units, 376 units had been sold or reserved.

Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 1,050 million (US$286 million) and the total cost of the project is estimated to be AED 841 million (US$229 million).

8.1.4 **Sidra**

Sidra is a relatively small development project of the Group in Bosnia that accounts for 0.8 per cent. of the total estimated cost of all of the Group's projects. The site is situated in Ravne, Vares, 38 km outside Sarajevo, the capital of Bosnia.

The project provides developed land plots to customers mainly from the Kingdom of Saudi Arabia, on which they can build low-rise residential holiday villas. The total saleable land area of the project is approximately 457 thousand square metres. Municipal and federal approval for the development have been obtained and, as of 10 January 2023, out of a total of 476 plots within the project, 98 plots had been sold or reserved.

Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 257 million (US$70 million) and the total cost of this project is currently estimated to be AED 88 million (US$24 million).

8.2 **Projects under Development**

8.2.1 **Les Vagues**

This project is located on Qetaifan Island North, which is a part of the private gated community of Qetaifan Islands that lies within the new city of Lusail located just to the north of Doha. In October 2021, Dar Properties and Qetaifan Projects Company entered into a memorandum of understanding with respect to the new project to be developed on five beachfront land plots on Qetaifan Island North owned by Qetaifan Projects Company. This memorandum of understanding was followed by a development agreement (the "**Les Vagues Development Agreement**") relating to the development of the five plots constituting the land for the Qetaifan Island North project (subsequently re-branded "Les Vagues") between Qetaifan Projects Company, as the owner of the land plots, and Dar Qatar as the developer for this project. This development agreement was entered into in March 2022.

Dar Qatar was created by (i) The First Doha Corporation LLC with a 51 per cent. ownership interest, and (ii) the Major Shareholder with a 49 per cent. ownership interest. However, under the terms of Article 7 of the memorandum of incorporation of Dar Qatar, the Major Shareholder is entitled to 99 per cent. of the profits and is responsible for 99% of the losses of Dar Qatar.

In 2022, The First Doha Corporation LLC and the Major Shareholder entered into a shareholders' agreement (the "**Shareholders' Agreement**"), pursuant to which the parties agreed that, among other things:

- The First Doha Corporation LLC will have no, and will not attempt to have any, role to play in the day-to-day management and operation of Dar Qatar;
- Dar Qatar's managers will be nominated by the Major Shareholder in its sole and absolute discretion and these managers may not be dismissed by The First Doha Corporation LLC unless required or instructed by the Major Shareholder;
- the Major Shareholder appointed The First Doha Corporation LLC to provide local assistance in relation to Dar Qatar's activities within Qatar in exchange for an annual fee agreed by the parties to the Shareholders' Agreement; and
- If the relevant ministry in Qatar permits for the Major Shareholder to own 100% of the share capital of Dar Qatar with all its licenses and permits and allowing Dar Qatar to operate as a real-estate developer and owner, then the Major Shareholder will be required to acquire the shares of The First Doha Corporation LLC and complete the process of acquiring the shares within a period not exceeding 12 months and The First Doha Corporation LLC will be required to execute and sign any document needed to transfer its shares to the Major Shareholder.

The parties to the Les Vagues Development Agreement agreed that, among other things:

- Qetaifan Projects Company appoints Dar Qatar (i) as the developer for the Qetaifan Island North project (subsequently re-branded as "Les Vagues") with Dar Qatar's sole responsibility for the project costs and (ii) to act as an exclusive broker for this project and conduct marketing activities, enter into sale and purchase agreements with purchasers of residential or commercial units on an off-plan basis and collect the proceeds of such sales;
- Dar Qatar will obtain all approvals required by applicable laws in connections with the commencement of the project; Qetaifan Projects Company will assist Dar Qatar in obtaining (and maintaining) the approvals, including, without limitation, obtaining the approvals from the master developer of the master community known as Lusail City;
- Dar Qatar will procure draft project designs by reputable architects or surveyors and provide copies of such draft project designs to Qetaifan Projects Company for its review of whether such project designs comply with Qetaifan Projects Company's design guidelines. The parties agreed not to vary project designs once agreed by both parties without the prior written consent of the other party;
- the parties' chief executive officers are required to attempt and reach an agreement regarding the proposed sale prices for the residential or commercial units in the project and, if this does not happen, the disputes with respect to sales prices between the parties will be resolved according to a mechanism agreed in the Les Vagues Development Agreement;

- Dar Qatar will procure the grant of a parent company guarantee in favour of Qetaifan Projects Company. This was entered into on 16 March 2022;
- all five land plots constituting land for the project are currently subject to mortgages in the name of the lender under the facility agreement dated 21 January 2021 between Qetaifan Projects Company and Al Khalij Commercial Bank Q.P.S.C. (the "**QP Lender**"). Qetaifan Projects Company will procure that a standard non-disturbance agreement (on terms acceptable to the developer of the project acting reasonably) will be entered into between it, Dar Qatar as the developer of the project and the QP Lender. Qetaifan Projects Company will procure that the QP Lender permits a partial mortgage release as is necessary to effect the registration of a unit sale and purchase agreement, and the subsequent issuance of a unit title deed, with the relevant authorities;
- 50 per cent. of the sales proceeds from the off-plan sales of the residential and commercial units will be used as part payment to Qetaifan Projects Company against the agreed price of the five land plots that constitute all land for this project and the outstanding amount of such agreed price for these land plots will be reduced accordingly on such payments; and
- when all residential and commercial units have been sold to third party purchasers, funds remaining in the project bank account will first be used (i) to return any outstanding funds invested by Dar Qatar to enable the project to proceed and (ii) to pay all other unrecovered project costs relating to this project. Thereafter, all profits (if any) remaining in the project bank account will be distributed as follows: 30 per cent. to Qetaifan Projects Company and 70 per cent. to Dar Qatar.

In November 2022, Dar Qatar, the Major Shareholder and Dar Properties entered into an investment and management agreement (the "**Investment and Management Agreement**"), in which the parties agreed that, among other things:

- Dar Properties will directly invest in Dar Qatar in its own capacity an amount agreed among the parties to the Investment and Management Agreement;
- Dar Properties will provide Dar Qatar with management and technical support services;
- Dar Properties will charge, and Dar Qatar will pay to Dar Properties, in consideration of its management and technical support, a fee calculated as the sum of (i) initial amount calculated at 10 per cent. of gross income of Dar Qatar and (ii) additional amount calculated at 90 per cent. of net profits of Dar Qatar after tax; and
- as security for the investments by Dar Properties and its management and technical support, the Major Shareholder will: (i) assign its share of the net profits in Dar Qatar constituting 99 per cent. of the net profits of Dar Qatar and (ii) guarantee the re-payment of the amounts invested by Dar Properties into Dar Qatar under the Investment and Management Agreement and the payment of the management and technical support services fee.

In addition, Dar Qatar, the Major Shareholder and Dar Properties entered into an assignment of proceeds in November 2022, in which the parties agreed that, as a condition precedent of Dar Properties making available to Dar Qatar facilities up to the aggregate amount agreed upon in the Investment Management Agreement, the Major Shareholder irrevocably and unconditionally assigned in favour of Dar Properties all of its rights, title, interest and benefits in the net profit of the Major Shareholder from Dar Qatar representing 99% of the net profits of Dar Qatar on an annual basis.

Les Vagues is the first ever residential project in Qatar in which the project will be designed with the cooperation of Elie Saab, the world's first Arab designer to be admitted to the fashion industry's governing body, Chambre Syndicale de la Haute Couture. In January 2022, Dar Properties entered into an agreement (the "**Elie Saab Agreement**") with SIM Licensing Limited, a company incorporated under the laws of the Republic of Cyprus, represented by its director, Mr Elie Bou Saab ("**Elie Saab**"). The parties to the Elie Saab Agreement agreed that, among other things:

- Elie Saab will provide the stylistic and creative guidelines for the internal common areas of five low-rise residential buildings to be constructed on the beachfront of Qetaifan Island;
- for the application of Elie Saab style (i.e. the characteristic architectural and decorative style of Elie Saab), Dar Properties will propose to Elie Saab a list of international interior designers with the experience, track record, knowledge and experience in the Qatar market to be qualified to realise a concept suitable to meet the standards required by Elie Saab and to be agreed in writing by Elie Saab;

- Dar Properties may construct on or off-site one or more mock-up apartments. Elie Saab's written approval of such mock-up apartment(s) will represent a definition of the stylistic standard that Dar Properties undertakes to implement in the physical construction of the apartments in this project;
- for the project exterior, Dar Properties will ask Elie Saab's suggested architect to participate in the tender and, in any case, Elie Saab will be requested to provide its stylistic inputs and guidelines. It is also agreed that Dar Properties will realise residential buildings' exteriors according to a luxury standard and coherent with the common areas of such buildings and in line with local tastes, rules and regulations;
- Elie Saab's furniture and furnishing elements (such as, for example, chairs, sofas, tables, tablecloths, movable mirrors and lamps) for the common areas will be mandatory and Dar Properties will purchase the relevant items exclusively from Elie Saab's licensed manufacturers; and
- Dar Properties will provide Elie Saab with copies of all proposed advertising and promotional materials to be used in the marketing and selling process of apartments in the Les Vagues project for Elie Saab's prior written approval. Solely and exclusively in connection with the advertising and marketing materials approved by Elie Saab, Elie Saab grants to Dar Properties a non-transferrable, non-assignable right to mention stylistic and artistic contribution of Elie Saab to the design and interior decoration of the apartments in the Les Vagues project.

The Les Vagues project is currently expected to be completed by December 2027. Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 1,326 million (US$361 million) and the total cost of the project is estimated to be AED 949 million (US$258 million).

8.2.2 **Aida**

The Aida project is to be located on an approximately 3.4 million square metres elevated site overlooking the sea in Yiti and Yenkit in Oman. This site is on the coastline approximately 20 minutes away from downtown Muscat and is owned by the Oman Investment Authority.

In March 2022, Yiti Tourism Development Company LLC, the developer of Yiti and Yenkit plots and a wholly-owned subsidiary of Oman Tourism Development SAOC (**Omran**) which, in turn, is wholly owned by the Ministry of Tourism (the **Yiti and Yenkit Developer**), and Dar Al Arkan Property Development SPC, a wholly-owned subsidiary of Dar Global UAE (**Dar Oman**), entered into a development agreement under which Dar Oman will, as sub-developer, develop approximately 3.4 million square metres of land at Yiti and Yenkit in the Muscat Governorate of Oman (the **Yiti and Yenkit Development Agreement**) within a larger Yiti and Yenkit master development covering a total of 11 million square metres being developed pursuant to a master development agreement (the **Master Development Agreement**) between the Ministry of Tourism and the Yiti and Yenkit Developer dated 12 September 2021.

The parties to the Yiti and Yenkit Development Agreement agreed that, among other things:

- the project will consist of the following three elements: (i) the land and infrastructure part, which will include providing all the utilities and roads required within the two plots constituting the site of the project; (ii) residential development component that will consists of approximately 3,500 units of different types (apartments, townhouses and villas) and (iii) the hospitality and retail component that will consist of (a) 450 hotel rooms and related facilities such as spa and wellness centre, swimming pools and restaurants and cafes and (b) retail and food and beverage units with the total gross floor area of 10,000 square metres;
- the Yiti and Yenkit Developer appoints Dar Oman as the sub-developer of (i) the land and infrastructure for the project; (ii) the residential development component and (iii) the hospitality and retail component as well as the operator of the hospitality and retail component; as the Yiti and Yenkit Developer's exclusive sales broker to conduct off-plan marketing activities; to enter into sale and purchase agreements and collect the proceeds of the sales and as the Yiti and Yenkit Developer's exclusive leasing agent to conduct leasing activities, enter into leases and to collect rents;
- Dar Oman will obtain all initial approvals required by applicable laws in connection with the commencement of the project. The Yiti and Yenkit Developer will, on demand from Dar Oman, take all action and do all things necessary to assist Dar Oman in obtaining (and maintaining) the approvals;

- pursuant to an accession agreement (the parties to which will be Dar Oman, the Yiti and Yenkit Developer and the Ministry of Tourism, a draft of which is annexed to the Yiti and Yenkit Development Agreement as Schedule 4), Dar Oman will accede to the Master Development Agreement and be bound to the terms thereof.
- Dar Oman will procure the draft of (i) the land and infrastructure project design, (ii) residential project design and (iii) hospitality project design, in each case by a reputable architect or surveyor and provide a copy of each such project design to the Yiti and Yenkit Developer for its review and approval. Dar Oman will not vary any of these project designs once agreed by both parties without the prior written consent of the Yiti and Yenkit Developer, which should not be unreasonably withheld or delayed;
- Dar Oman will pay the agreed land plots price to the Yiti and Yenkit Developer in the following instalments: (i) seven equal instalments in respect of the land and infrastructure inside the boundaries of the plots and the residential development, collectively accounting for 98.6 per cent. of the total agreed land plots price, on 1 January in the year following the 6th anniversary of the date of the first off-plan sale and purchase agreement and on each anniversary thereafter and (ii) one instalment in the amount of 1.4 per cent. of the total agreed land plots price on the 12th anniversary of the first off-plan sale and purchase agreement;
- when all residential or commercial units have been sold to third-party purchasers, all funds in the escrow account for the project and project bank account will be used by the Yiti and Yenkit Developer to repay Dar Oman's funding for the project and all other dues relating to the project. When these project costs have been paid, Dar Oman will distribute all profits remaining in the escrow account, of which 20 per cent. will be distributed to the Yiti and Yenkit Developer and 80 per cent. will be distributed to Dar Oman; and
- when hospitality assets that are included in the project are sold in accordance with the terms of the Yiti and Yenkit Development Agreement, the Yiti and Yenkit Developer will receive an agreed amount from the sale proceeds in compensation for the disposal of the land area of the hospitality assets. The remaining sale proceeds will then be used to pay any costs and expenses of Dar Oman. The balance remaining in the project bank account will then be divided between the Yiti and Yenkit Developer, which will receive 20 per cent. of such balance, and Dar Oman, which will retain the remaining 80 per cent. of the balance.

On 14 November 2022, Dar Oman and DT Marks Oman LLC, a Delaware limited liability company, entered into a series of agreements with respect to the management of the hotel and golf course to be built within Dar Oman's Aida project in Oman, the licensing of a right to use the Licensed Mark (as defined below) in the Composite Mark (as defined below) by DT Marks Oman LLC, as licensor, to Dar Oman, as licensee.

In a hotel management agreement (the "**Hotel Management Agreement**") entered into by Dar Oman and DT Marks Oman LLC (as party to the Hotel Management Agreement, the "**Hotel Manager**") the parties agreed that, among other things:

- Dar Oman appoints the Hotel Manager as Dar Oman's exclusive authorised representative to direct the management and operation of a world class super luxury hotel to be constructed by Dar Oman within its Aida project in Oman (the "**Hotel**") during the term of the Hotel Management Agreement that commenced on 14 November 2022 and will end on the 30th anniversary of the of the date on which the Hotel opens for business as a Trump brand hotel and the Hotel Manager accepts such appointment. To the extent that the Hotel Manager chooses to establish a presence in Oman or is required by any relevant authority to establish a presence in Oman, then the Hotel Manager may assign all or part of its rights and obligations under the Hotel Management Agreement to a local entity established in Oman. Unless and until such a transfer to the local entity occurs, the Hotel Manager will be performing its services under the Hotel Management Agreement from its offices in the United States of America;
- the Hotel Manager will be required to develop and submit to Dar Oman, for its review and approval, (i) business plans for the Hotel for each fiscal year, (ii) annual operations budgets for the Hotel and (iii) annual capital expenditures budgets for the Hotel, in each case within time periods agreed to by the parties in the Hotel Management Agreement;

- Dar Oman irrevocably delegates to the Hotel Manager the power to do all acts the Hotel Manager determines are necessary or prudent to direct the management and operation of the Hotel on behalf of Dar Oman, including, but not limited to, with respect to the following management services: (i) advising Dar Oman on matters of human resource management; (ii) advising the Hotel personnel in connection with the negotiation, consummation and performance and termination, if necessary, of such contracts and agreements as the Hotel Manager may deem necessary for the furnishing of all food, beverages, utilities, concessions, operating supplies and services, operating equipment and other materials and services as the Hotel Manager advises are needed for the management and operation of the Hotel; (iii) developing food and beverage operating concepts, approving all menu items and maintaining the master recipe files as well as directing the management, administration and operation of the Hotel's food and beverage outlets, (iv) creating a plan for the use of retail space, if any in the Hotel with the Hotel Manager advising the Hotel personnel in connection with efforts to select third party operators and negotiate leases and other agreements with them; (v) directing the establishment of rates and charges for the usage of all guest rooms and other Hotel facilities and service and billing policies; (vi) directing the Hotel personnel to take any and all actions required to keep the Hotel in good repair and coordinating all necessary repairs, replacements and improvements, (vii) working with Dar Oman to recommend the coverage and rates for insurance required or advisable for the operation and protection of the Hotel; (viii) advising Dar Oman on the engagement of attorneys and other advisors to represent Dar Oman, the Hotel Manager and the Hotel in the protection or defence of all operational matters; (ix) reviewing and advising on the establishment and maintenance of a uniform accounting system, internal controls and reporting system; (x) directing the Hotel personnel to undertake capital repairs, replacements and improvements for the Hotel; (xi) setting pricing for all goods and services sold at or through the Hotel, (xii) developing ongoing marketing, advertising and sales programmes for the Hotel and defining a schedule of marketing and advertising activities and (xiii) prior to the Hotel opening, providing Dar Oman with a list of information technology systems that the Hotel Manager deems necessary or advisable for the initial Hotel operation, including the training of Hotel personnel on such systems and, thereafter, directing the Hotel personnel to purchase, lease or license, in the name of and on behalf of Dar Oman, all software, hardware and telecommunications connections that the Hotel Manager deems necessary or advisable for the operation of the Hotel;
- Dar Oman will cause all advertising, marketing and promotional materials used after 14 November 2022 to reflect the management of the Hotel by the Hotel Manager and display the "Trump International Hotel Oman" mark as the name of the Hotel, subject to the terms of the Hotel Management Agreement and to the prior written approval of the Hotel Manager; and
- all of the expenses and capital expenditures incurred in connection with the operation and management of the Hotel will be the responsibility of Dar Oman. The Hotel Manager will not under any circumstances be required to advance any of its own funds for the operation of the Hotel. Dar Oman will be required to timely deposit into the operating account the funds in the amounts agreed between the parties in the Hotel Management Agreement. Dar Oman authorises the Hotel Manager to pay itself directly from this account all management fees, the Hotel Manager's out-of-pocket expenses and other sums due to the Hotel Manager.

In a technical services agreement (the "**Technical Services Agreement**") entered into by Dar Oman and DT Marks Oman LLC (as party to the Technical Services Agreement, the "**Hotel Manager**") the parties agreed that, among other things:

- Dar Oman will design, develop, construct, equip and furnish the Hotel , at its sole cost and expenses, in accordance with the specifications, standards and requirements issued from time to time by the Hotel Manager or its affiliates for constructing, designing, equipping and furnishing hotels operating under the "Trump" name and any branded ancillary operations associated with the Hotel Manager or its affiliates (the "**Brand Standards**");
- Dar Oman will submit each document and other items noted as "required submittals" on Exhibit A to the Technical Services Agreement (each, a "**Milestone Document**") to the Hotel Manager. For each submission of Milestone Documents marked as "aesthetic approval required", the Hotel Manager will either approve such submission in writing or send a written notice to Dar Oman in which the Hotel Manager identifies each portion of the submitted Milestone Documents that are inconsistent with the luxury or aesthetic appeal associated with Trump Brand Hotels or the use of the Licensed Mark or

Trump Hotel Mark (the "**Deficiency Notice**"). Dar Oman will promptly prepare and deliver to the Hotel Manager revised Milestone Documents that address and correct each of the items identified in the Deficiency Notice;

- the Hotel Manager may retain, at Dar Oman's expense, a licensed architect, engineer or other consultant to review the Milestone Documents and, if necessary, to communicate with members of the Hotel development team to ascertain whether the Milestone Documents are in compliance with the Brand Standards and to endeavour to resolve any issues related thereto; and
- at least 18 months prior to the scheduled opening date for the Hotel, Dar Oman is required to build a model room showing the layout, design and furniture, fixtures and equipment for a standard Hotel guest room that is consistent with the Brand Standards applicable to the Hotel (the "**Model Room**") to provide a basis for the Hotel Manager's final approval of the typical guest room and corridor layouts, furnishings and finishes for the Hotel. All guest rooms must conform to the Model Room as approved by the Hotel Manager, except suites and other special guest rooms, which rooms must be individually approved by the Hotel Manager.

In a golf management agreement (the "**Golf Management Agreement**") entered into by Dar Oman and DT Marks Oman LLC (as party to the Golf Management Agreement the "**Golf Club Manager**") the parties agreed that, among other things:

- Dar Oman appoints the Golf Club Manager as Dar Oman's exclusive authorised representative to direct the management and operation of the golf and social club (the "**Club**") to be operated at a world class, professional tournament quality, super luxury 18-hole golf course, club house and related amenities to be known as "Trump International Golf Club Oman" (the "**Property**") to be constructed by Dar Oman within its Aida project in Oman during the term of the Golf Management Agreement that commenced on 14 November 2022 and will end on the 30th anniversary of the of the date on which the Club opens for business as a Trump branded golf course and the Golf Club Manager accepts such appointment. To the extent that the Golf Club Manager choose to establish a presence in Oman or is required by any relevant authority to establish a presence in Oman, then the Golf Club Manager may assign all or part of its rights and obligations under the Hotel Management Agreement to a local entity established in Oman. Unless and until such a transfer to the local entity occurs, the Golf Club Manager will be performing its services under the Hotel Management Agreement from its offices in the United States of America;
- the Golf Club Manager will be required to develop and submit to Dar Oman, for its review and approval, (i) business plans for the Club for each fiscal year, (ii) annual operations budgets for the Club and (iii) annual capital expenditures budgets for the Club, in each case within time periods agreed to by the parties in the Golf Management Agreement;
- Dar Oman irrevocably delegates to the Golf Club Manager the power to do all acts the Golf Club Manager determines are necessary or prudent to direct the management and operation of the Club on behalf of Dar Oman, including, but not limited to, with respect to the following management services: (i) advising Dar Oman on matters of human resource management; (ii) advising the Property personnel in connection with the negotiation, consummation and performance and termination, if necessary, of such contracts and agreements as the Golf Club Manager may deem necessary for the furnishing of all food, beverages, utilities, concessions, operating supplies and services, equipment and other materials and services as the Golf Club Manager advises are needed for the management and operation of the Property; (iii) developing food and beverage operating concepts, approving all menu items and maintaining the master recipe files as well as directing the management, administration and operation of the Property's food and beverage outlets, (iv) either directly or through its affiliates, directing the management and operation of the Property's golf pro shop including the (a) golf lessons, club fittings, tournaments and related programmes, (b) merchandising and purchasing, (c) planning and coordinating of the Club's annual golf events calendar and (d) installation of usage tracking systems; (v) preparing membership plan, rules and regulations and membership application as well as directing the implementation of the membership plan of the Club and membership marketing services to add new members in accordance with such membership plan; (vi) directing the management and operation of the Property's golf course maintenance schemes; (vii) directing the Property personnel to take any and all actions required to keep the Property facilities and Property in good repair and coordinating all necessary repairs, replacements and improvements, (viii) working with Dar Oman to recommend the coverage and rates for insurance required or advisable for the operation and protection of the Property; (ix) advising Dar Oman on the engagement of attorneys and other advisors to represent Dar Oman,

the Golf Club Manager and the Property in the protection or defence of all operational matters; (x) reviewing and advising on the establishment and maintenance of a uniform accounting system, internal controls and reporting system; (xi) directing the Property personnel to undertake capital repairs, replacements and improvements for the Property; (xii) setting pricing for all goods and services sold at or through the Club and (xiii) developing ongoing marketing, advertising and membership matriculation and sales programmes for the Club and defining a schedule of marketing and advertising activities;

- Dar Oman will cause all advertising, marketing and promotional materials used after 14 November 2022 to reflect the management of the Property by the Golf Club Manager and display the "Trump International Golf Club Oman" mark as the name of the Property, subject to the terms of the Golf Management Agreement and to the prior written approval of the Golf Club Manager; and

- all of the expenses and capital expenditures incurred in connection with the operation and management of the Club and the Property will be the responsibility of Dar Oman. The Golf Club Manager will not under any circumstances be required to advance any of its own funds for the operation of the Club or the Property. Dar Oman will be required to timely deposit into the operating account the funds in the amounts agreed between the parties in the Golf Management Agreement. Dar Oman authorises the Golf Club Manager to pay itself directly from this account all management fees, the Golf Club Manager's out-of-pocket expenses and other sums due to the Golf Club Manager.

In a licence agreement (the "**Licence Agreement**") entered into by DT Marks Oman LLC, as licensor, and Dar Oman, as licensee, the parties acknowledged that:

- DTTM Operations LLC will apply to register in Oman for trademark protection of its mark "TRUMP" for use in (i) International Class 36 for real estate services, namely, selling, listing, leasing, financing and managing commercial, residential and hotel properties and (ii) International Class 37 for real estate development and construction of commercial, residential and hotel properties ((i) and (ii) together, the "**Licensed Mark**") and that DT Marks Oman LLC has licensed the Licensed Mark from DTTM Operations LLC for the uses set forth in the Licence Agreement;

- Dar Oman will construct on portions of land adjacent to the golf course to be located within its Aida project in Oman and such other portions of land within the Aida project as DT Marks Oman LLC and Dar Oman may reasonably agree a five star super luxury private ownership residential development containing apartment buildings, townhouses and villas together with related amenities (collectively, the "**Residential Development**"); and

- Dar Oman desires to use the Licensed Mark in combination with the words "OMAN" and "The Residences" to create a composite mark (such composite mark as approved by DT Marks Oman LLC, the "**Composite Mark**").

In light of the above, the parties to the Licence Agreement agreed that, among other things:

- in consideration for the agreed license fees, DT Marks Oman LLC, as licensor, grants to Dar Oman, as licensee, during the term of the Licence Agreement and after the Licenced Mark is registered in Oman for use in International Classes 36, 37, 41 and 43, a non-exclusive, non-transferrable right to use the Licensed Mark in the Composite Mark for the sole purpose of identifying the Residential Development (including in connection with the development, construction, marketing, promoting, advertising and offering for sale of the units within the Residential Development), subject to all the terms and conditions of the Licence Agreement. Dar Oman may use the Licensed Mark in 20 jurisdictions (including Oman, the United Arab Emirates, Saudi Arabia, the United States of America and the United Kingdom) identified in a schedule to the Licence Agreement, from and after the Licensed Mark is registered in such jurisdictions. Dar Oman may use the Licensed Mark only as part of the Composite Mark and shall not use the Licensed Mark alone for any purpose whatsoever; and

- Dar Oman will use the Composite Mark in all offerings, sales materials, advertisements, signage, promotion and publicity materials and leasing materials in a manner, media and form to be pre-approved by DT Marks Oman LLC, as licensor, in writing as set forth in the Licence Agreement.

In addition, also on 14 November 2022, the Major Shareholder and by DT Marks Oman LLC entered into:

- a corporate parent guarantee under which the Major Shareholder agreed to absolutely and unconditionally guarantee to DT Marks Oman LLC the performance of certain Dar Oman's obligations under the Hotel Management Agreement, including, without limitation, obligations with respect to the prompt payment of the fees and charges due to, and expenses of, the Hotel Manager under the Hotel Management Agreement and obligations to indemnify the Hotel Manager and certain other parties Dar Oman agreed to indemnify under the Hotel Management Agreement; and

- a corporate parent guarantee under which the Major Shareholder agreed to absolutely and unconditionally guarantee to DT Marks Oman LLC the performance of certain Dar Oman's obligations under the Golf Management Agreement, including, without limitation, obligations with respect to the prompt payment of the fees and charges due to, and expenses of, the Golf Club Manager under the Golf Management Agreement and obligations to indemnify the Golf Club Manager and certain other parties Dar Oman agreed to indemnify under the Golf Management Agreement.

The Aida project is expected to be phased over 10 years with a plan to launch one phase per year. The last phase of this project is expected to be completed in December 2034. Currently, the project is still in the planning stage, with construction expected to be commenced at the end of 2022 or in the first quarter of 2023.

Aida is by far the largest of all the development projects of the Group. Among other things, the completed project will include an 18-hole golf course to be managed by a golf course management brand with top-rated golf courses in the region and in the U.S. and Europe. Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 8,829 million (US$2,404 million) and the total cost of this project is currently estimated to be AED 6,282 million (US$1,711 million).

The management of the Group considers Oman to be a strategically important market for the Group as this market is significantly undersupplied as compared to the more developed markets, such as Dubai; the competition in this market is much lower and construction costs are also significantly lower.

8.2.3 **Benahavis**

In Spain, the Group targets potential projects with planning permits already in place to expedite the development of such projects. In particular, in March 2022, the Group signed a purchase contract with respect to two plots of land with the total area of over 97,500 square metres and saleable area of over 20,503 square metres in Benahavis, Spain and such purchase contract completed on 1 December 2022. The Group intends to apply for a planning modification to enable it to build apartments with a saleable area of 5,806 square metres on the second plot within this project instead of seven villas that are currently approved for this second plot. If approved, the saleable area of this project will increase by 4,722 square metres. However, application for a planning modification is a complex process and it will take time to be resolved.

Benahavis is a Spanish town and municipality in the province of Malaga, which is located seven kilometres from the coast and is in close proximity to the resort of Marbella. This first project of the Group in Spain is expected to be developed in collaboration with Marbella Club, which is ranked as one of the best hotels on the Costa del Sol and continues to be one of the best places to stay in Marbella. All villas and apartments in this project will have sea views.

Construction at this project is currently expected to commence in the first quarter of 2023. The Benahavis project is one of the smaller projects in the Group's portfolio. Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 573 million (US$156 million) and the total cost of this project is currently estimated to be AED 419 million (US$114 million).

8.2.4 **Tabano**

In September 2022, Dar Tabano acquired six plots of land in the municipality of Manilva in the province of Malaga on its border with the province of Cadiz in southern Spain. The plots are located approximately 45 minutes distance from Marbella by car and are close to several polo clubs and one of the best beach areas of la Costa del Sol. The total land area of the Tabano project is 4,650,092 square metres with a 34% land developable area, of which 10% will be required to be transferred by Dar Spain to the Municipality of Manilva, resulting in a net total buildable area of 1,586,000 square metres.

The Tabano project is currently in the early permitting stage and is currently expected to be completed in December 2029. Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 2,787 million (US$759 million) and the total cost of this project is currently estimated to be AED 701 million (US$191 million).

8.2.5 **Finca Cortesin**

In December 2022, Dar Benahavis I, S.L acquired a plot of land in the municipality of Casares in the province of Malaga in southern Spain. The purchase price of the Finca Cortesin development plot was €10 million (excluding VAT tax of €2.1 million). The development plot is located in one of the sought-after enclaves of the Andalucia coast, not far from the Finca Cortesin resort which has an 18-hole championship golf course rated among Spain's best golf courses. Marbella, the capital of the Costa del Sol region, is just a short drive away.

The total land area of the Finca Cortesin project is 16,467 square metres, of which buildable land constitutes 9,386 square metres. Dar Benahavis I, S.L intends to build 35 villas on this buildable land, with the residents getting access to the private golf course of the Finca Cortesin resort and 24/7 concierge home services.

The Finca Cortesin project is currently in the pre-construction phase and is currently expected to be completed in June 2025. Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 242 million (US$66 million) and the total cost of this project is currently estimated to be AED 201 million (US$55 million).

8.2.6 The Fourth Floor Flat of 149 Old Park Lane

In November 2022, Dar Al Arkan Global UK Holdings Ltd and FCP (London) Ltd entered into a joint venture to acquire the Fourth Floor Flat of 149 Old Park Lane, London, United Kingdom. The 5,068 square foot flat has views over Green Park and is in close proximity to Hyde Park, The Ritz, Harrods and Knightsbridge. The property is a single apartment on one floor of the building. The shareholders of the joint venture plan to reconfigure and improve the existing layouts and undertake a full refurbishment of the flat, with an expected completion of the project in the first quarter of 2025.

Completion of the acquisition of the flat occurred in November 2022. The purchase price was £12.7 million (plus £2.6 million of purchasers costs such as stamp tax and agent fees).

FCP (London) Ltd is owned by FC Property Fund Ltd., which is controlled by Fairway Capital Ltd. Fairway Capital Ltd is a London based investment management firm with a focus on prime Central London real estate. It seeks to deliver superior risk adjusted returns for its global investors through its expertise in providing opportunities to maximise and preserve capital within tax efficient structures.

In connection with the acquisition, Dar Al Arkan Global UK Holdings Ltd entered into a shareholders agreement with FCP (London) Ltd and 149OPL Ltd relating to 140OPL Ltd, which is a company that was incorporated for the purpose of acquiring, developing and selling the fourth floor flat. The Group has 75.3% of the equity in the joint venture. The shareholders agreement contemplates the business of 149OPL Ltd will be to acquire, develop and sell the flat in accordance with an agreed business plan. Under the shareholders agreement, various decisions must be approved by both shareholders, including all design aspects of the project and whether any offer for purchase of the flat should be approved. The shareholders agreement provides various dispute resolution mechanisms where the shareholders are unable to agree. If one shareholder wishes to accept an offer for the property and one wants to reject it, the rejecting shareholder will have an option to acquire the accepting shareholder's shares at a fair value determined in accordance with the agreement.

The agreed funding of the project takes the form of equity contributions, deep discount bond instrument subscriptions and shareholder loans from both shareholders. In aggregate, the shareholders agreement provides for the Group to provide £5.7 million of the funding. The shareholders also agreed to use reasonable endeavours to procure senior debt financing from a third party and a mortgage was secured to part fund the property in November 2022.

Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 103 million (US$28 million) and the total cost of the redevelopment project (excluding the purchase price of the flat) is estimated to be £6.6 million (including the cost of financing).

8.2.7 Plot 210 (346-05610) – Business Bay, Dubai

In February 2023, Dar Al Arkan International Property Development LLC acquired a plot of land at Plot 210 (346-05610) in Business Bay, Dubai. The purchase price of Plot 210 (346-05610) was AED 150 million. Business Bay is a central business district of Dubai intersected by the Dubai water canal and Plot 210 (346-05610) is a vacant land plot zoned for residential, retail and hotel use.

The total land area of Plot 210 (346-05610) is 4,737 square metres with a buildable sale area of 23,673 square metres. Dar Al Arkan International Property Development LLC intends to build and sell residential apartments comprising 160 residential units in total, including off-plan sales.

The Plot 210 (346-05610) – Business Bay project is currently in the pre-construction phase and is currently expected to be completed in December 2026. Based on expected development plans, the Directors currently estimate the gross development value of this project to be AED 581 million (US$158 million) and the total cost of this project is currently estimated to be AED 435 million (US$118 million).

8.3 ***Pipeline***

In addition to the projects under development discussed above, the Group is conducting negotiations regarding the acquisition of land for future projects or negotiations with potential partners regarding joint development of projects or joint ventures in several jurisdictions in which it already has projects and/or offices. In each case discussed below, there currently is no definitive agreement with respect to the discussed potential transaction and, therefore, these ongoing negotiations may not come to fruition. In connection with all negotiations about potential future projects, the Group seeks to enter into some form of exclusivity agreement with its counterparties. While it was able to succeed in most cases with respect to exclusivity in past and current negotiations, it was not able to obtain exclusivity in all such negotiations about potential future projects.

The Group analysed over 120 such investment opportunities in the past 24 months.

As of the date of this Prospectus, the Group's pipeline of investment opportunities include the following:

Location	**Number of Investment Opportunities**	**Status**
UAE	2	Offers under consideration/advanced negotiations
UAE	3	Early stage negotiations with NDA signed
Doha, Qatar	2	Offers under consideration/advanced negotiations
Spain	1	Offers under consideration/advanced negotiations
Greece	2	Early stage negotiations with NDA signed
UK	3	Offers under consideration/advanced negotiations

There is no certainty the Group will pursue all of the above opportunities or will be able to consummate the negotiations on any potential investment on commercially acceptable terms.

The total cost of the above investment opportunities is estimated by the Directors to be approximately US$3.6 billion. These investment opportunities have an estimated average target margin of over 30%.

With respect to funding sources for future projects if the negotiations discussed above, or other future negotiations, come to fruition, see "Part VIII. (*Operating and Financial review – Liquidity and Capital Resources – Liquidity*)".

8.4 **Illustrative target economics**

In deploying the net proceeds from the Private Placement as well as the proceeds from off-plan sales on the Group's current developments and pipeline investments, the Directors are targeting a run rate EBITDA Margin in the range of 30 to 33%. The Directors target different returns on investment based on the region in which a project is under development, and currently, the Directors are targeting a return on investment of greater than 15% in the GCC countries and greater than 12% in other locations targeted. The targets of the Directors presented in this section are indicative only. These targets are not intended to be a profit forecast and should not be interpreted as such. These targets relate to future circumstances that, by their nature, involve significant risk and uncertainties.

9 IT

Historically, the Major Shareholder has provided IT support to the Group, including, most importantly, Oracle ERP (which includes a property management module). While the Group recently recruited experienced IT staff, certain IT support will continue to be provided by the Major Shareholder for a period of up to six months following Admission (which period may be extended by an additional six months up to three times at the election of the Company) for a fee of AED 50,000 per month, until the Group's equivalent systems are fully operational, including transitioning to Oracle Fusion and a new Customer Relationship Management (**CRM)** system.

10 INTELLECTUAL PROPERTY

The Group will continue to use the brand name of "Dar Al Arkan" after Admission pending the establishment of the Group's own brands. As such, because the trade mark "Dar Al Arkan" is owned by the Major Shareholder, the Major Shareholder and the Company have entered into the Trade Mark Licence Agreement pursuant to which the Major Shareholder has agreed to license such trade mark, and certain related trade marks, to the Company after Admission for no fee or royalty.

11 MARKET RESEARCH

In the past, all market research relevant to the Group's projects have been performed either internally or by external consultants. Such market research included, for instance, research on second homes that was completed internally and research on suitable locations for a Group's project in Maldives that is being currently performed by Jones Lang LaSalle (JLL), which, together with its subsidiaries and affiliates, is a leading global provider of real estate services.

12 COMPETITION

The Group benefits from its unique focus on only developing second homes without any attempt to compete in the first homes space. Therefore, other developers in the same jurisdictions in which the Group has its projects do not present a significant competitive challenge to the Group so long as they focus principally on the first home, non-luxury segment of the market. Luxury property developers, such as, for instance, DAMAC Properties or Omniyat in Dubai, however, do present a challenge for the Group as residential units in their developments frequently attract customers seeking second homes. Some of these competitors have significantly greater expertise and financial, technical and marketing resources than the Group. Nevertheless, since the Group only targets second homes development, its projects tend to be at least to a degree different from the projects of other high-end developers in terms of certain elements of product design (for example, bigger living rooms in apartments and bigger backyards in villas and townhouses that are designed with the needs of second home customers in mind) and also tend to benefit from the co-branding effect with respect to those projects that are developed in cooperation with various brand partners. Therefore, thus far, the Group has been able to successfully compete with larger developers in competitive markets due to its targeted second homes focus, its ability to reach a different client base, a significant portion of which may enter into more than one transaction with the Group, and its ability to use an extensive network of approximately 5,000 brokers in over 40 countries.

13 EMPLOYEES

As of 30 June 2022, the Group employed 61 employees (excluding third party consultants and contractors). 41 employees as of that date were located in Dubai where its headquarters are situated. The remaining employees are located in the Group's other offices in Beijing (seven), London (five), Oman (five), Marbella in Spain (one), Sarajevo in Bosnia (one) and Qatar (one). Of the Group's 61 employees as of 30 June 2022, 21 were engaged in general and administrative activities, 24 were engaged in activities related to project development and 21 were engaged in activities relating to sales and marketing.

The Group seeks qualified recruits in local and international labour markets and aims to offer competitive remuneration in order to retain a competent and skilled workforce.

PART III

REGULATORY INFORMATION

1 DUBAI

1.1 Regulation of real estate in Dubai

The DLD was established in 1960 and falls under the Executive Council of Dubai. Its remit and powers have subsequently been clarified and widened, including most recently pursuant to Dubai Law No. 7 of 2013 Concerning the Land Department. The DLD is the entity responsible for registering real property in Dubai, maintaining the relevant property registers, and regulating and promoting the real estate sector within Dubai in line with the Government of Dubai's real estate strategy.

The Government of Dubai has also established the RERA pursuant to Dubai Law No. 16 of 2007, which has since been abrogated by Dubai Law No. 4 of 2019. This is the main body responsible for undertaking the regulation of real estate in Dubai with the DLD. While RERA is established as a legal entity, it is affiliated to the DLD and in practice forms part of the DLD.

The DLD and RERA's activities in regulating the real estate sector of Dubai include the following:

(a) approving off-plan development projects and regulating developers and the licensed activity of real estate development;

(b) regulating and licensing stakeholders undertaking activities in real estate such as real estate brokers, property management companies and valuers;

(c) regulating off-plan sales and the administration and management of escrow accounts relating to off-plan development projects in Dubai;

(d) issuing regulations for training and procedures to be used by stakeholders operating in the real estate sector;

(e) establishing the banking and financial requirements for the management of escrow and project accounts;

(f) registering short term leases;

(g) monitoring and supervising owners' associations and developers in their management of jointly owned properties and verifying their accounts and records;

(h) providing support and advice to clients regarding the fundamentals of real estate assessment of facilities pursuant to the up-to-date standards followed in this field;

(i) issuing statistical reports, research and specialist real estate studies on the real estate market in Dubai;

(j) preparing and implementing programs and projects that contribute to enhancing the participation of the public in the real estate sector; and

(k) developing and implementing educational and awareness programs on the rights and duties of parties dealing in the real estate sector.

1.2 Property ownership in Dubai

The ownership of property by foreigners in Dubai is now well established, with the opening up of property ownership to a wide range of individuals occurring in 2006 pursuant to Dubai Law No. 7 of 2006 Concerning Real Property Registration in the Emirate Of Dubai (the "**Title Registration Law**").

According to Article 4 of the Title Registration Law, UAE and other GCC nationals and companies wholly owned by such nationals have the right to own any property interest in Dubai, and to have such rights registered at the DLD. UAE and other GCC nationals can therefore own property rights in all areas of Dubai, and so can their companies. This includes limited liability companies and private joint stock companies in which all the shareholders are UAE or GCC nationals.

If a company is incorporated in the UAE or in any of the other GCC countries and has foreign shareholders, it will not be considered a UAE or GCC national for the purpose of owning property.

The only exceptions to this are public joint stock companies. These companies allow their shares to be bought by foreigners but are still considered to be UAE nationals and can own property anywhere in Dubai.

According to Article 4 of the Title Registration Law, all nationalities other than UAE or GCC nationals are granted the right to a freehold interest, a right of usufruct or a long lease of up to 99 years in "designated areas" of Dubai as approved by the ruler of Dubai.

1.3 **Real property rights**

The following rights are recognised as real property rights in Dubai provided that they are applied in accordance with the Federal Law No. 5 of 1985 and the Title Registration Law (as amended):

(a) ***Freehold/ownership right*** − UAE and GCC nationals may hold an ownership right anywhere, while certain categories of persons are entitled to own freehold properties in Dubai, and the areas in which freehold property can be owned depends on the nationality of the owner – this is an ownership right.

(b) ***Usufruct*** − a usufruct grants the right to use and exploit property belonging to another person.

(c) ***Musataha*** − a right of musataha is similar to a usufruct. It is the right to use and exploit land belonging to another person, along with the right to build on that land, and is commonly granted to real estate developers.

(d) ***Long lease*** – a right to use property owned by another party. Long leases in areas other than those designated by the ruler of Dubai are not registerable at the DLD by foreigners under the Title Registration Law. These leases remain as personal rights and are only enforceable in contract.

(e) ***Strata title*** − a right of ownership in common with others of jointly owned property.

1.4 **Jointly owned properties in Dubai**

A large number of residential properties in Dubai (including off-plan projects) are subdivided into units (which are intended for separate ownership) and common parts (over which the unit owners will share rights of ownership and use). These properties are known as jointly owned properties and are subject to a number of additional specific laws and regulations regulating their use and management, with the primary law being Dubai Law No. 6 of 2019 Regulating Joint Ownership (the "**Strata Law**").

Under the Strata Law, developers and managing bodies overseeing the maintenance, management and repair of jointly owned property will be regulated by RERA, who has the power to regulate all stakeholders and must approve the service charge for each jointly owned property.

1.5 **Mortgages in Dubai**

Dubai Law No. 14 of 2008 Concerning Mortgages (the "**Mortgage Law**") is the key law dealing with mortgages in Dubai. The Mortgage Law enables mortgages to be created over properties to secure a debt that is owing or promised at the conclusion of the mortgage. Once registered, the mortgage is binding on third parties, although the priority of such mortgage depends on when it was registered.

A mortgage is not valid unless it is registered in the interim real estate register (in respect of off-plan sales) or the real estate register, and any agreement to the contrary is void.

Under the Mortgage Law, if a borrower defaults under a mortgage agreement, the lender does not have the right to repossess the property. Any clause purporting to give the lender title to the property as a result of the borrower's failure to pay is void. If there is a default in respect of a mortgage, the Mortgage Law specifies a procedure by which the lender must request the courts order a sale of the mortgaged property by public auction and recover the debt from the proceeds of sale, with the borrower remaining liable for any shortfall.

In respect of an off-plan project registered with RERA, the interests of any mortgagee over the project land or property following an event of borrower default will be subject to the requirements of RERA and (where such default is in respect of a cancelled project) the tribunal for liquidation of unfinished or cancelled real estate projects in Dubai (the "**Tribunal**"), who may give directions as to the actions that may be taken and the monies that may be paid out of the escrow account and disposal of proceeds of the project.

1.6 **Off-plan sales**

Off-plan sales, whereby a purchaser contracts to purchase property that is to be constructed, is widely available in Dubai and this type of property transaction has driven the property boom in Dubai.

The prevalence of off-plan sales led to the issuance by the government of further consumer protection legislation in the form of Dubai Law No. 13 of 2008 on the Interim Real Estate Register (the "**Interim Real Estate Registration Law**"). The Interim Real Estate Registration Law took effect on 31 August 2008 (and has been amended since).

The Interim Real Estate Registration Law introduces the concept of the interim real estate register which is to be used to record all off-plan sales of real estate units. Principally, any sale or other disposition that transfers or restricts title will be void if not recorded in the interim real estate register.

Article 4 of the Interim Real Estate Registration Law provides that no developer shall commence a project or sell its units off-plan before: (i) taking possession of the land and obtaining its title deed or otherwise having a right to develop the land; (ii) having actual control over the land on which the project is to be built; and (iii) obtaining the necessary approvals from the competent authorities. In practice RERA works closely with developers and may place further conditions on developers prior to registering a project in the interim real estate register and permitting the sale of off-plan units.

Articles 5 of the Interim Real Estate Registration Law provides that an application to register a unit in the interim real estate register should be filed using the standard form approved by the DLD along with the submission of other information specified as mandatory by the DLD.

The Interim Real Estate Registration Law provides that units that are sold off-plan and registered in the interim real estate register may be sold, mortgaged or otherwise legally disposed of.

The Interim Real Estate Registration Law requires developers to register completed projects in the real estate register as soon as a completion certificate has been obtained from the relevant authorities. Registration should identify those units that were sold to purchasers who have fulfilled their contractual obligations. An individual purchaser (on fulfilment of its contractual obligations) may also request that the registration of the unit is transferred from the interim real estate register to the real estate register.

Developers and brokers may not conclude informal contracts for the sale of units in projects that have not been approved by the relevant authorities. Contracts made without such approval will be void and presumably the relevant purchasers will be entitled to a full refund in those circumstances; in practice however it is not clear to what extent this is being enforced.

1.7 **Termination of off-plan sales**

Notwithstanding the form of an off-plan sale contract, if an off-plan purchaser defaults on any term of the contract made with the developer for the sale of a unit, the developer will be required to comply with the law with respect to its right of termination and the amount of monies that it may be entitled to retain.

If a purchaser breaches any of their obligations under the off-plan sale contract, the developer should give the purchaser 30 days' notice to fulfil his contractual obligations.

Pursuant to the Interim Real Estate Registration Law (as amended), if at the end of the 30-day period, the purchaser has not fulfilled his contractual obligations, the developer may:

(a) if the developer has completed a minimum of 80 per cent. of the project, retain the entire sum it has received from the purchaser and demand either to sell the real estate at an auction or to deduct no more than 40 per cent. of the value of the real estate unit and cancel the contract;

(b) if the developer has completed a minimum of 60 per cent. of the project, deduct no more than 40 per cent. of the value of the real estate unit stipulated in the contract and cancel the contract;

(c) if the developer has completed less than 60 per cent. of the project, deduct no more than 25 per cent. of the value of the real estate unit stipulated in the contract and cancel the contract; and

(d) if the developer has not yet commenced implementing the project for reasons outside its control, the developer may be required to return all amounts received from the purchaser.

In practice, the DLD will generally require a developer to seek a court order to confirm the termination of any off-plan sales and confirmation of the amounts that may be retained.

A developer may also apply to the court to increase the percentages retained where the sums in possession are less than the specified percentages.

A developer who has not commenced the project may not request cancellation of the contract and retain 30 per cent. of the paid sums unless it proves that it has fulfilled all of its contractual obligations towards the purchaser and that the reason the project was not commenced was due to causes other than the developer's failure or negligence, or due to causes out of its control.

The extent of project completion will be determined by a technical expert registered with the DLD. A developer's performance of the foundation works and infrastructure works shall be deemed evidence of having commenced the project.

1.8 **Void arrangements**

Article 26(1) of the Title Registration Law provides that "*Any agreement or disposal made in violation to the provisions of this Law or with the intent to circumvent its provisions shall be null and void*". Article 26(2) gives any interested third party, the DLD and the public prosecution the right to request the court to declare such a transaction void.

This is directed at so called 'sham arrangements' and is aimed at those agreements that purport to give a property ownership right to someone who is not entitled to own it and is not entitled to register it. For example, a sale and purchase agreement for the sale of a freehold right in favour of a foreigner in respect of a property in an area not designated for foreign ownership would be void.

1.9 **Project cancellation**

RERA may, based on a reasoned technical report, decide to cancel an off-plan development project where, for example, a developer fails to commence construction, breaches the escrow requirements for off-plan projects, no longer has rights over the land due to a termination of the underlying land or development contract, or fails to implement the project.

Where a project has been cancelled, it will be under the jurisdiction of the Tribunal, who will oversee the liquidation of the real estate project. The Tribunal will also have jurisdiction over all disputes, grievances and complaints arising from the project, including the ability to issue orders to the escrow account bank for the project. The Tribunal will be assisted in its work by RERA.

1.10 **Escrow accounts**

Another aspect of the regulation of the development of off-plan projects in Dubai is the regulation of the project trust account to ensure that money paid by investors is only used in respect of that project.

Pursuant to Dubai Law No. 8 of 2007 on the Matter of Escrow Accounts a developer is to open and register a project specific escrow account over which the developer will not have control.

The DLD has certified a number of financial institutions as trustees authorised to operate escrow accounts and will maintain a register called the "Register of Account Managers". The escrow account will be opened in accordance with a written agreement between the developer and the trustee (which must be in line with RERA's requirements) under which any amounts paid by buyers (or buyers' financiers) for off-plan units or which the developer receives from its own financiers are to be placed in the escrow account opened in the name of the particular project. In addition, the majority of payments requested from buyers and paid in to the escrow account must be linked to the completion of certain construction milestones.

The escrow account is to be exclusively used for the purpose of developing the particular real estate project. The trustee will be obliged to provide regular updates to RERA on the operation of the escrow account including movements of monies and RERA will oversees the operation of the escrow accounts. This includes the ability to audit escrow accounts and require the developer to pay additional funds in to the escrow account if there are not sufficient funds with respect to the development of the project.

Monies may only be paid out of the escrow account when certain construction milestones and other conditions imposed by RERA and the account trustee have been met. In addition, a retention amount of five per cent. is to be held in respect of all money paid into the escrow account until the date 12 months following registration of the property in the name of the buyer (which usually takes place following handover and payment of the full price by the buyer or their financier).

2 SULTANATE OF OMAN

2.1 Regulation of Real Estate in Oman

The Ministry of Housing and Urban Planning ("**MOH**") is the principal regulator of land use in Oman. Its activities in regulating the real estate sector include, but are not limited to, the following:

(a) preparing detailed plans for the regions and governorates of Oman and distributing these lands to eligible citizens in accordance with applicable law;

(b) regulating developers and the licensed activities of real estate development;

(c) leasing plots of land owned by the government to Omani corporate entities for certain designated purposes;

(d) providing housing units through the housing assistance scheme and non-interest housing loans program;

(e) granting usufructs (i.e., rights to use and benefit from a property owned by another person) to Omani citizens or corporate entities for construction activities that enhance the development of Oman; and

(f) maintaining the land register, including registering legal mortgages over land or usufruct.

The Ministry of Heritage and Tourism (the "**MOT**") regulates, among other things, designated tourism lands known as integrated tourism complexes ("**ITCs**") pursuant to the Law on Foreign Ownership of Real Estate in Integrated Tourism Complexes (Royal Decree 12/2006) and ITC Executive Regulations (Ministerial Decision 191/2007) as amended by Ministerial Decree 98/2009 (together "**ITC Law**").

2.2 Ownership of Property in Oman

2.2.1 Omani Citizens and Corporate Entities

Omani legislation draws a clear distinction between the interests and entitlements available to Omanis and non-Omanis in relation to real property. Royal Decree 5/80 contains the law applicable to the ownership of freehold land by Omani citizens, originally to the exclusion of expatriates or corporate entities, unless otherwise exempted by a specific Royal Decree. Under Royal Decree 5/80, the general rule is that all lands are considered to be state-owned property, unless transferred to Omani citizens or as otherwise provided for by the decree.

Under Royal Decree 76/2010, it is now permissible for (i) Omani corporate entities wholly-owned by Omani citizens or citizens of GCC states and (ii) a joint stock company with a minimum of 30% of its equity owned by Omani citizens to acquire and own real estate for development purposes subject to the following conditions:

(a) approval of the site having been granted by the competent government body in respect of the concerned project;

(b) a prohibition (until a building has been constructed on the land) on the disposal of such land for a period of four years from the date of registration of such land in the name of the corporate entity, except (i) for the creation of a mortgage to finance the use of the land for the purpose for which the land had been acquired or (ii) if permitted earlier by the MOH;

(c) the registration of any sale with regards to land or any part thereof may take place only after construction, sub-division and after the land has been provided with main services and utilities; and

(d) the company shall have been incorporated for real estate activities as its economic activity registered at the company's Commercial Register.

2.2.2 **GCC Nationals**

Article 1 of Royal Decree 21/2004 provides for the right of GCC citizens, whether natural persons or corporate entities (wholly-owned by GCC citizens), to lease and own built-up properties and lands for the purpose of residence and investment in any manner stipulated by the laws of Oman. Royal Decree 21/2004 provides that ownership of land which is yet to be developed may not be disposed of before the completion of four years from the date of registration of title.

2.2.3 **Non-Omani Nationals**

Pursuant to Ministerial Decree 254/2004 issued by the MOH and the ITC Law, it is permissible for non-Omani citizens, whether natural persons or corporate entities, to acquire a freehold interest in real estate in the Oman in specific areas designated by the MOT as ITCs, subject to the conditions and procedures set out in Ministerial Decree 254/2004 and the ITC Law.

Non-Omani citizens may acquire built-up residential property or land in Oman for investment purposes in the ITCs. If the land is acquired without any buildings having been constructed thereon, then the owner would be required to construct on such land within a period of four years from the date of registration of title to the land in the name of the owner in a register maintained at the MOH. If the owner fails to construct on the land acquired within the required four year period then, subject to any extensions being granted, the land may be disposed of by the MOT, in co-ordination with the MOH. Additionally, during the required four year period the non-Omani citizen may not dispose of any of the land until a building has been constructed on such land.

Non-Omani citizens acquiring real estate in ITCs are eligible to apply for residence visas after the issuance of the title deed in their names.

The residence visa is for:

(i) 10 years if the property value is OMR 500,000 and above;

(ii) 5 years if property value is between OMR 250,000 and OMR 499,000; and

(iii) 2 years if value is less than OMR 250,000

Owners are also entitled to receive residence visas for their immediate family and parents and the resident visa is renewable.

2.3 **Ownership of Flats and Floors**

Royal Decree 48/89 sets out regulations regarding the use, ownership, division and disposal of shops, floors, flats and common areas. Pursuant to Royal Decree 48/89, only the ministries, government departments, government institutions, wholly-owned Omani companies or Omani citizens are permitted to construct buildings and grant ownership of whole or a part of such building. In addition, pursuant to Royal Decree 76/2010, Omani companies and corporate entities wholly-owned by GCC citizens may acquire part of buildings referred to in Royal Decree 48/89 for the conduct of their commercial activities.

2.4 **Registration of Interests in Land**

Thee Land Registry Law (Royal Decree 2/98) and the Executive Regulations to the Land Registry Law (Ministerial Decree 29/99) (together, the "**Land Registry Law**") set out the law pertaining to the registration of rights of ownership and other interests in real estate in Oman. The objective of the law is to control and protect the rights of ownership and other rights over property for the benefit of the owners and security holders.

The Land Registry Law provides that all transactions that establish recognizable interests in land shall be registered at the Secretariat of Land Register or its branches in order for those rights to be recognized. Consequential interests in property, such as mortgages, are also required to be registered on the Land Register. The registration will constitute evidence of the rights registered, against any third party.

2.5 **Interests in Land**

2.5.1 **Freehold Interests**

As discussed above, Omani citizens are permitted to own freehold property whilst Omani corporate entities may be permitted to own freehold property subject to certain conditions.

2.5.2 **Usufruct Rights**

As discussed above, because the Omani Land Law issued pursuant to Royal Decree No. 5/80 reserved rights of ownership of land for Omani citizens and corporate entities, a system whereby both Omani and foreign companies and individuals enjoy a usufruct from land which assist the economic and social development of Oman was introduced by the Law Regulating the Use/Benefit of Government Land (Royal Decree 5/81, as amended), the Regulations for the Use/Benefit of the Sultanate's Lands (Royal Decree 88/82) and Royal Decree 59/2022 amending Royal Decree 5/81 (collectively, the "**Usufruct Law**").

The Usufruct Law governs the granting of certain usufruct rights over land in Oman. Under the Usufruct Law, usufruct rights over government-owned land generally may only be granted to Omani citizens. However, Royal Decree 76/2010 provides usufruct rights over government-owned land may be granted by the MOH (including by way of public auction) to Omani citizen or corporate entities for construction projects that enhance the development of Oman. In respect of non-GCC citizens and corporate entities in which the shareholding of the Omani or GCC citizens is less than 30%, the approval of Cabinet of Oman (the chief executive body of Oman) is also required. Usufruct rights over land may be granted for any economic and social development purpose, provided the land is thereafter used only for the purpose and within the parameters for which it was granted. The maximum term for which usufruct rights may be granted is 99 years, and the term is renewable by agreement. A usufruct agreement may be renewed at the request of the usufructuary (i.e. tenant / grantee) in case of government-owned lands.

The Usufruct Law prohibits a beneficiary of usufruct rights from sub-dividing or attempting to sub-divide the land, which is the subject of the usufruct. However, pursuant to Royal Decree 76/2010, the beneficiary of a usufruct of ITC land may subdivide with approval of the MOT.

The Usufruct Law provides that a usufruct right granted in accordance with the Usufruct Law shall empower the grantee of such right to use the land over which the right has been granted, to exploit it, to deal with it in his own right by assignment to third parties, to mortgage it and to engage in other dealings with it that are consistent with its nature, but which do not infringe the ownership of the land itself.

On the expiry of the term of a usufruct, the Usufruct Law allows for the recovery of compensation by the grantee of a usufruct right from the owner of the land, and alternatively for an extension of the usufruct term, where there are buildings on the land subject to the usufruct right or where the usufruct beneficiary has spent substantial sums of money on the preparation of the land for exploitation, and works have been carried out which have increased the value of the land.

A Usufruct may be terminated in following circumstances:

a) by the Government

   i. if the land is expropriated in the public interest;

   ii. in respect of government owned land if the project for which the usufruct is granted does not commence within six months of the commencement of the usufruct.

b) The owner of the land may apply to MOH for termination of a Usufruct if the usufructuary breaches any conditions of either the usufruct or the Usufruct Law.

c) In respect of government owned land, if it is established that the usufructuary has breached the terms of the usufruct, the Minister of MOH may terminate the usufruct by a decision which decision is published in the Official Gazette.

d) In respect of privately owned land, if the owner wishes to terminate the usufruct, the procedure involves an application to be made to the MOH, which then refers the matter to a special technical committee for an investigation of whether or not a breach of the usufruct right has been committed by the beneficiary. Upon a report being made by such committee, MOH decides whether the owner should be entitled to terminate the usufruct right (which decision may also be appealed against).

2.6 **Leases**

A tenant has the right to utilise leasehold land in accordance with the terms of the lease.

Leases granted for periods in excess of seven years, these are registerable with the MOH. The Law Governing Landlord-tenant Relationship (Royal Decree 6/89, as amended) (the "**Omani Tenancy Law**") governs leases of residential, commercial and industrial premises and a standard municipality form and any addendum containing additional terms agreed between the parties is completed and registered with the Municipality where the property is located. The Oman's Tenancy Law provides that if a lease agreement is not registered with the concerned municipality within one month from the date of its execution then such lease agreement shall not be recognised by any official authority in Oman and a late registration fee is payable. In addition, the lessor and the lessee would not have the benefits provided for by the Omani Tenancy Law, if the lease agreement is not registered.

2.7 **Mortgages in Oman**

Legal mortgages may be created over land or interests in land. Where a usufruct is granted by the government to a real estate development company, it is the usufruct which is subject to a legal mortgage.

The execution and registration of a legal mortgage is effected at the Land Registrar's office at MOH in Muscat or at the relevant branch of MOH in the locality where the property is situated. If the mortgage is not registered it is only enforceable between the parties as a matter of contract.

A legal mortgage is enforced through proceedings before the Court. The mortgagee must prove the due and outstanding debt and request enforcement of the security. Rights of the mortgagee on enforcement are limited to the right to a public sale of the mortgaged property or the usufruct rights, and the mortgagee is not allowed to take possession of the land unless the mortgagee does so in accordance with the Oman Banking Law Royal Decree 114/2000 (the "**OBL**"), and only for the specific durations provided for by OBL (twelve months from the date on which it takes possession) subject to further extensions granted by the Central Bank of Oman. With respect to land where the mortgagor's land rights are through a usufruct agreement, the rights of the mortgagee would be to require a transfer or a sale of only the usufruct rights, i.e., the rights transferred would be subject to the terms of and the duration for which the usufruct agreement.

2.8 **Escrow Accounts**

Royal Decree 30/2108 relating to the Escrow Accounts for Real Estate Development Projects (the "**Omani Escrow Law**") regulates real estate developers and protects the funds paid to them by purchasers of off-plan properties.

The Omani Escrow Law applies to all developers selling units off plan in real estate development projects for residential, commercial, industrial and tourism purposes, subject to certain exceptions. Under the Omani Escrow Law, developers are required to obtain a license and have their project recorded on a special register at either the MOT (for ITCs) or the MOH (for all other real estate development projects).

The Omani Escrow Law requires a developer to establish an escrow account with a local bank for each of its real estate development projects. The MOH or the MOT, as the case may be, has to approve the escrow account arrangements. To avoid commingling of funds, all payments received from purchasers of off-plan properties (or their banks if mortgage finance has been obtained) are required to be paid into the relevant escrow account. Developers who obtain third-party mortgage finance to supplement construction funding from off-plan sales are also required to have the loan proceeds deposited into the escrow account.

To ensure that the funds are only to be used for actual construction costs, the developer is required to apply periodically for withdrawals of funds from the local bank, which acts as escrow agent, with each application accompanied by a certification of the amount from the consultant engineer for the project. In addition, a retention amount of five per cent. is to be held in respect of all monies paid into the escrow account until the date twelve months following registration of the property in the name of the buyer.

The MOH or the MOT, as the case may be, have a monitoring role and the authority to stop payments being made from the escrow account.

2.9 Integrated Tourism Complexes

The basis of an ITC is that a developer enters into a development agreement under which real estate in the ITC will be made available to third parties to use for their own purposes. The ITC process commences when the land is allocated to the developer. Within six months of the land allocation, the developer is required to prepare and submit a conceptual master plan together with a completed ITC application to the MOT for its review and approval. The MOT has thirty business days to review and comment on the conceptual master plan. The developer is required to amend the conceptual master plan in response to MOT comments, if any, and resubmit for if for further review and approval no later than three months from receiving the comments. If the conceptual master plan meets MOT requirements the developer is granted preliminary approval.

Within six months from the date of preliminary approval, the developer is required to submit a preliminary master plan to the MOT. The MOT then has up to 45 business days to review and comment on the preliminary master plan. The developer is required to amend the preliminary master plan in response to MOT and other authorities' comments, if any, and submit amended preliminary master plan not later than three months from receiving the comments. If the preliminary master plan approved it is at this stage an ITC licence is granted.

Once ITC license is granted, the developer must submit the final master plan to the MOT within nine months of the date of the preliminary approval. The MOT has 45 business days to review and comment on the final master plan.

Once the final master plan is approved, the developer must prepare and submit to the MOT a plan of development. The relevant municipality and the MOT will review the plan of development. The building permit is then issued and the main contractor then applies for construction approval from the local municipality.

2.9.1 Typical ITC Structure

A typical ITC arrangement would involve the following structure:

(a) The government of Oman, generally represented by the MOT, enters into a development agreement with an Omani affiliate of the developer (the "**ITC Project Company**").

(b) A usufruct over the site to be developed is granted by government to the ITC Project Company.

(c) A Royal Decree approves the development as an ITC and ratifies the development agreement.

(d) The ITC Project Company's rights under the development agreement would include, but are not limited to: (a) the right to design, construct and develop the ITC site in accordance with the approved master plan; (b) charge reasonable fees or service charges as it may deem appropriate for the proper upkeep, maintenance, operation and management of, or the provision of services in respect of, all or part of the ITC site; and (c) the right to connect to, have access to, use and utilise the government infrastructure.

(e) The MOT issues a Ministerial Decision which, among other things, provides for:

  (i) the ITC Project Company to prepare rules governing the relationship between the developer, the owners of the real estate and others in coordination with the owners' association, and in accordance with the development agreement. Such property rules and regulations when issued are legally binding on the ITC Project Company, third party purchasers and third party users, through the issuance of a Royal Decree.

(ii) the ITC Project Company to submit, and seek approval of the MOH in respect of, the development plans;

(iii) the ITC Project Company to prepare local regulations, by-laws in respect of the rights and responsibilities of the ITC Project Company, owners of real estate and the owners' association, in accordance with the prevailing law; and

(iv) the transfer of ownership of real estate to the owners of real estate in the ITC site.

3 SPAIN

3.1 Real Estate

3.1.1 Property ownership regulations in Spain

The territorial constitutional structure of Spain allows for the existence of laws and regulations covering property ownership at a national level as well as the existence of other laws at a regional level, which may supersede or supplement provisions at the national level (for example, provisions of the Catalan Civil Code on horizontal property (*Ley 5/2006, de 10 de mayo, del libro quinto del Código Civil de Cataluña, relativo a los derechos reales*)) (the "**Catalan Civil Code**").

3.1.2 General classification of rights over real estate properties in Spain

Under Spanish law, rights over real estate properties can be classified in two main categories, namely (i) *in rem* rights (from the Latin "rights over things") and (ii) in *personam* rights (rights in respect of a person). The following diagram summarises the main classifications of the most widely used rights existing in connection with real estate properties in Spain.

Classification of the most widely used real estate rights in Spain

<table>
<tr><td rowspan="2">In personam rights</td><td rowspan="2">Lease</td><td colspan="4">Urban</td></tr>
<tr><td colspan="4">Rural</td></tr>
<tr><td rowspan="15">In rem rights</td><td rowspan="13">Typical</td><td rowspan="2">Temporary</td><td colspan="3">Possession</td></tr>
<tr><td colspan="3">Administrative concession</td></tr>
<tr><td rowspan="11">Permanent</td><td rowspan="2">Full ownership</td><td colspan="2">Separate ownership</td></tr>
<tr><td colspan="2">Horizontal division (condominium)</td></tr>
<tr><td rowspan="9">Limited ownership</td><td rowspan="4">Rights of use</td><td>Usufruct</td></tr>
<tr><td>Freehold ownership (nuda propiedad)</td></tr>
<tr><td>Easement</td></tr>
<tr><td>Surface</td></tr>
<tr><td>Rights of guarantee</td><td>Mortgage</td></tr>
<tr><td rowspan="4">Rights of preferential acquisition / Options</td><td>First refusal (tanteo)</td></tr>
<tr><td>Right of withdrawal (retracto)</td></tr>
<tr><td>Call option (opción de compra)</td></tr>
<tr><td>Put option (opción de venta)</td></tr>
<tr><td rowspan="2">Atypical</td><td colspan="4">Leasing</td></tr>
<tr><td colspan="4">Others</td></tr>
</table>

3.1.2.1 *Personal rights: leases.*

A lease entitles the tenant or lessee to use and occupy a real estate asset owned by the landlord, in exchange for a consideration (or rent). Depending on the subject matter of the lease and the intended use, leases can be classified as follows:

(a) ***Rural leases*** – The subject matter of which is rural land. Such leases are regulated by the Law on Rural Leases (*Ley 49/2003, de 26 de noviembre, de Arrendamientos Rústicos*).

(b) ***Urban leases*** – The subject matter of which are urban properties other than certain excluded types of properties (for example, certain furnished dwellings marketed for hospitality purposes). Such leases are regulated by the Urban Leases Act (*Ley 29/1994, de 24 de noviembre, de Arrendamientos Urbanos)*("**Urban Leases Act**"). Further, this law establishes the following two main categories of leases:

(i) use of dwelling – The subject matters of which is dwellings for permanent housing purposes; and

(ii) use other than dwelling – The subject matter of which are dwellings for different activities (retail premises, offices, etc.).

(c) ***Leases subject to Spanish Civil Code regulation*** – Some lease agreements do not fall under either of the categories above, and are therefore regulated by the agreement of the parties and by the Spanish Civil Code of 1889 (*Real Decreto de 24 de julio de 1889 por el que se publica el Código Civil)* ("**Spanish Civil Code**") on a subsidiary basis (for example, the lease of a parking space not linked to a dwelling, or leases of industry that comprises not only real estate but also other means of production).

For these purposes, a residential lease is a lease of a habitable dwelling whose primary purpose is to meet the tenant's permanent housing needs. A number of provisions of the Urban Leases Act regulating residential lease agreements in Spain are mandatory and cannot be excluded by agreement of the parties, subject to certain exceptions. Key mandatory provisions are summarised below:

(a) ***Term of the lease agreements*****:** The term of the lease shall be freely agreed by the parties. However, when the lessor is a legal entity, if the agreed term is less than seven years, on the day the contract expires it shall be compulsorily extended year by year until the lease reaches a minimum duration of seven years, unless the lessee provides a timely notice of termination. Otherwise, the landlord will be bound by the lease for up to seven years, without having the option to terminate it. In addition, upon expiry of the lease, or of any of its extensions, after seven years have elapsed, if neither party has given notice to the other of its intention not to renew the contract, the contract shall be compulsorily extended by yearly periods up to a maximum of three more years (that is, 10 years in total), unless the lessee informs the of his intention not to renew the contract. If the lessor is an individual, the seven year period is reduced to five years.

(b) ***Right of withdrawal for the lessee:*** Regardless of the term established in the contract, the lessee is always entitled to withdraw from the lease at any time after the first six months, solely by serving a 30-day notice. The parties may agree in the contract that, in such event of termination, the lessee must compensate the lessor with an amount equivalent to one month's rent in force for each year of the contract that remains to be fulfilled. This compensation, where not expressly agreed in the contract, may not subsequently be demanded from the tenant.

(c) ***Security deposits*****:** The law establishes a mandatory security to be delivered by the tenant upon execution of the contract (the "**Legal Security Deposit**"), which must be equal to a monthly instalment of the initial rent agreed. In addition to the Legal Security Deposit, the landlord may require the tenant to deliver further security deposits for compliance with its obligations under the lease, but the amount of those guarantees must not exceed the equivalent to two months of the initial rent agreed. Consequently, in total, a tenant cannot be asked to deliver more than the equivalent to three months of rent as security deposits under the lease.

(d) ***Rent reviews:*** During the term of the agreement, the rent may only be reviewed as of the date on which each contractual year expires, under the terms agreed by the parties. In the absence of an express agreement, no rent review shall be available. In any case, the increase resulting from the annual review of the rent may not exceed the result of applying the percentage increase in the Consumer Price Index as determined by the National Statistics Institute of Spain (*Índice de Precios al Consumo*) on the date of each review, taking as the reference month for the update that which corresponds to the last index that was published on the date of updating the contract. However, pursuant to a decree published by the Spanish Government on 26 June 2022, the update of rents is currently capped at maximum of 2% for year 2022; and according news reports, it appears likely that this cap will be maintained throughout 2023.

3.1.2.2 *Rights in rem*

(a) ***Full ownership and horizontal property***. According to the Spanish Civil Code, the full ownership right is the right to enjoy and dispose of a thing, subject only to such limitations as are established by law.

Under the Spanish law, there is a special regime of full (and joint) ownership, so-called "horizontal property", which exists when the different flats or premises in a building or those parts of them which can be used independently because they have their own access to a common element of the building or to the public highway may be subject to separate ownership, which shall include a co-ownership right over the common elements of the building. This is a kind of special property insofar as the owner of each of the different units belonging to a horizontally divided building have full ownership of its unit, as limited by the regulations applicable to this sort of property and the bylaws established by the community of owners from time to time.

The principal regulations applicable to horizontally divided properties are established in Law on Horizontal Property *(Ley 49/1960, de 21 de julio, sobre propiedad horizontal*)(the "**Horizontal Property Law**"). Further details regarding this kind of special ownership are provided below.

(b) ***Limited in rem rights***. These rights include the following:

(i) **Usufruct / Freehold ownership:** the usufruct is a category of limited right *in rem* that gives its holder the right to enjoy the property of others with the sole obligation of preserving its form and substance (unless the constitution creating the usufruct or the law authorises otherwise). The main difference between the lease and the usufruct is that the usufruct is an in rem right (rather than a personal right) and therefore it can be registered with the land registry, benefitting from publicity *vis-à-vis* third parties. In particular, the usufruct allows its holder to enjoy the yields of the property (for example, rents), whilst the lease *per se*, does not allow the tenant to sublease the property and benefit from the rents thereof.

When a given property is subject to usufruct, the owner of the property only keeps the freehold ownership or "*nuda propiedad*" of the asset, which is the very core of the ownership right. In this situation, the ownership right will be limited to the extent established by the law and by the title deed creating the usufruct and during the term established therein. The maximum term of an usufruct created in favor of a legal entity is of 30 years, whilst for individual it is unlimited and could therefore be created for a the holder's lifetime, expiring upon the latter's passing. For instance, the holder of the freehold ownership will be entitled to dispose of the property in favour of third parties, but the acquirer will have to bear with the usufruct created thereof, until its expiry. In short, the usufruct and the freehold ownership are two different limited rights on property that necessarily coexist together when an usufruct has been created over a given real asset.

(ii) **Surface right:** a surface right is a kind of *in rem* limited right that, like the usufruct, entails a splitting of property rights over the same property. In particular, the surface right allows its holder to build on a plot of land (including the subsoil) and actually become full owner of the building thereof, while the owner of the plot remains the same. This right may also be constituted over constructions or buildings already built or over dwellings, premises or private elements of constructions or buildings, attributing to the surface owner the temporary ownership of the same, without prejudice to the separate ownership of the owner of the land.

Surface rights are regulated by the law on the land and urban rehabilitation (Real Decreto Legislativo 7/2015, de 30 de octubre, por el que se aprueba el texto refundido de la Ley de Suelo y Rehabilitación Urbana) (the "**TRLSRU**") and by civil law where not provided for therein, and by the title establishing the right. In order for the surface right to be validly created, it must be executed in a public deed and registered with the land registry. The term of the surface right, which may not exceed 99 years, must be fixed in the deed.

(iii) **Easements:** under Spanish law, easements are regulated by the Spanish Civil Code. An easement is an encumbrance imposed on a property for the benefit of another property belonging to a different owner. The property in whose favour the easement is constituted is called the dominant property; the property that suffers it is called the servient property.

There are numerous kinds of easements, and their content will necessarily depend on the relevant title deed. Easements may be created as rights *in rem* (in favour of another property, for example a right of way) or rights *in personam* (in favour of an individual or legal entity, for example, a prohibition on establishing a competing business on the property); they may be continuous or discontinuous, apparent or not; either positive or negative, and are inseparable from the property to which they actively or passively belong. Additionally, easements can be established by law or by the agreement of the owners (the former are called legal and the latter voluntary). An easement is called positive if it imposes on the owner of the servient estate (that is the land subject to the easement) the obligation to let him do something or to do it himself, and negative if it prohibits the owner of the servient estate from doing something that would be lawful without the easement

3.1.3 Acquisition of property ownership rights in Spain

From the various rights *in rem* over real estate discussed above, the most important and most commonly the subject of market transactions is the right of ownership over real property. Under the Spanish law, the acquisition of ownership rights requires both of the following elements:

(a) ***Title***. The most common example of title deed is the sale and purchase, but there might also be different kinds of title (such as capital contribution to a company, inheritance, swap or "*permuta*", etc.).

(b) ***Traditio***, or delivery of possession in one of the ways provided by Spanish law. The Spanish Civil Code provides that "[t]he thing sold shall be deemed to have been delivered when it is placed in the possession of the buyer. When the sale is made by public deed, the execution of the deed is equivalent to the delivery of the thing which is the object of the contract, if the contrary does not appear or is not clearly deduced from the same deed."

As an example, a transfer of a real estate asset might be completed with the execution of a private sale and purchase document (title), followed by the delivery of keys to the purchaser (*traditio*). Upon the purchaser's receiving the keys, the possession is deemed delivered and the transfer completed. If, on the contrary, the parties execute a sale and purchase private document but the delivery of the possession to the buyer is not made in one of the ways provided by the law, the transfer is not deemed completed.

Notwithstanding the above, in most cases, the transfer of real estate properties under Spanish law is executed in a public deed before a notary, for two important reasons:

(a) the execution of a public deed is deemed as equivalent to *Traditio* or delivery of possession (*Traditio ficta*) (Section 1,462 of the Spanish Civil Code); and,

(b) for the transfer to be duly filed and subsequently recorded with the relevant land registry, it must take notarial form (as only public documents and notarial deeds can be filed with the land registry). In Spain, all real estate properties are recorded in the different territorial land registries, which contain information regarding the characteristics of the property, its registered owner, charges and encumbrances to the property, etc. This information is accessible by public means (for a fee), and the land registry status is therefore opposable *vis-à-vis* third parties. Indeed, the public information existing in the land registry in connection with a property is protected, for example, under the Mortgage Law (*Decreto de 8 de febrero de 1946 por el que se aprueba la nueva redacción oficial de la Ley Hipotecaria*) (the "**Mortgage Law**"), and the registered owner is considered the legitimate owner for all purposes. For instance, if someone appearing as registered owner of a property sells the property to someone, who does not register its title deed, and subsequently, the former sells the property to someone else, who registers its property with the land registry before the first purchaser, the latter will become owner vis-à-vis any third parties, and its title will not be contested. The first purchaser will only have the right to initiate a claim against the seller for the amount of the purchase price, and damages, as the case may be, but will not be able to claim any ownership rights on the property subject-matter of the transaction.

3.1.4 Condominium ownership (Propiedad horizontal)

Under Spanish law, real estate assets may be jointly owned (for example, when two individuals hold a share quota over a property) and that ownership is regulated by the Spanish Civil Code. This can occur when more than one person inherits a single property from a parent, although is not a situation that typically lasts long, as it presents several limitations (of management, disposal, or others). Additionally, many residential properties in Spain are subdivided into units (which are intended for separate ownership) and common parts (over which the unit owners will share rights of ownership and use). These properties are known as condominium or horizontally divided properties and are subject to specific laws and regulations regarding their use and management, including at a regional level (for example, the Catalan Civil Code) and at the national level (the Spanish Civil Code and the Horizontal Property Law).

In general, these laws principally establish provisions regarding the following:

(a) elements that are considered common and elements that are considered private or individual (*privativos*);

(b) rights and obligations of the different owners (for example, the obligation to pay maintenance and other expenses in accordance with the share quota of the different units within the building); and

(c) a system of governance of the community of co-owners and quorum and majorities required for the adoption of decisions affecting common elements.

Typically, in addition to the minimum requirements of applicable law, most condominium or horizontally divided properties, adopt some form of by-laws, regulating more specific aspects within the limits provided by the law. For example, the by-laws may regulate that commercial premises on the ground floor of a building that do not benefit from the internal elevator are exempt from contributing to the related maintenance expenses.

3.1.5 Mortgages in Spain

The regulation of mortgages in Spain is quite extensive, with many recent laws resulting from the need to correct the market disruptions following the financial crisis of 2008.

The legal concept of the mortgage is contemplated in the Spanish Civil Code. Mortgages may be created over properties to secure a debt that is owing or promised at the conclusion of the mortgage. Once registered, the mortgage is binding on third parties, although the priority of such mortgage depends on when it was registered.

Under the Spanish law, if a borrower defaults under a mortgage agreement, the lender does not have the right to repossess the property. Any provision purporting to give the lender title to the property as a result of the borrower's failure to pay is void. If there is a default in respect of a mortgage, the Mortgage Law specifies a procedure by which the lender must request the courts to order a sale of the mortgaged property by public auction and then to recover the debt from the proceeds of sale, with the borrower remaining liable for any shortfall.

In addition, more recently, the law regulating real estate credit facility agreements (*Ley 5/2019 reguladora de los Contratos de Crédito Inmobiliario*) established a number of regulations regarding the information that the financial institutions must provide to individual borrowers prior to executing any facility agreements (which may be secured by mortgage) and events of default that may result in the seizure of the property, and possibility of repayment of the loan by delivery of the property.

3.1.6 **Development activity in Spain**

Development activity is heavily regulated in Spain, and a summary of some of the principal laws and regulations follows.

3.1.6.1 *Law on the Regulation of Development Activity (Ley 38/1999, de 5 de noviembre, de Ordenación de la Edificación)(“**LOE**”).*

The purpose of the LOE is in short to allocate liability to developers in connection with any faults or defects of the property, establishing the basic requirements for a property to comply with functionality, safety and habitability regulations.

The LOE regulates the regime of liability of the developer, architect, technical management of the works (*dirección facultativa*) and the contractor, which will be liable (a) for ten years, for material damage caused to the building due to faults or defects affecting the foundations, supports, beams, slabs, load-bearing walls or other structural elements, and which directly compromise the mechanical resistance and stability of the building; and (b) for three years, for material damage caused to the building due to faults or defects in the construction elements or installations that result in non-compliance with the habitability requirements set out therein.

When the cause of the material damage cannot be assigned to the developer, architect or contractor or when the more than one fault is duly proven without being able to specify the degree of involvement of each agent in the damage caused, liability can be jointly and severally enforceable against any of them (*i.e.,* developer, architect, or contractor). In any case, the developer is jointly and severally liable with the other agents involved to possible purchasers for material damage to the building caused by construction faults or defects. Developers are obliged to take out a 10-year insurance policy covering liabilities established under the LOE.

3.1.6.2 *Law on Consumer and Users Right***s** *(Real Decreto Legislativo 1/2007, de 16 de noviembre, por el que se aprueba el texto refundido de la Ley General para la Defensa de los Consumidores y Usuarios y otras leyes complementarias).*

This law contains provisions regarding, basically, (i) the information that must be provided to individuals when purchasing dwellings as well as (ii) regulations aimed at strengthening the protection of consumers from abusive clauses. For purposes of this law, abusive clauses (which are therefore null and void, and not enforceable) include clauses improperly passing on certain costs to the consumer and requiring the consumer to pay certain taxes expected to be borne by the seller, among others:

3.1.6.3 *Law on the information to be provided to consumers in purchase and lease of dwellings (Real Decreto 515/1989, de 21 de abril, sobre protección de los consumidores en cuanto a la información a suministrar en la compraventa y arrendamiento de viviendas).*

This law contains provisions regarding the information that must be provided to consumers in connection with the renting or acquisition of houses, as well as regarding the advertising made by developers thereof, in order for that information to be true, accurate, and not misleading for the consumers. For example, the law requires that the information that must be provided or made available to the consumers includes a detailed description of the property, the total price or rent to be charged and, if applicable, by-laws and rules of operation of the community of owners, among others. The information must be particularly detailed and clear as regards the selling price, and an explanatory note containing a number of particulars shall be available to the public and the competent authorities.

In general, the contractual documents for the sale, purchase or rental of dwellings must be drafted with due clarity and simplicity, without reference or reference to texts or documents that are not provided prior to or at the same time as the conclusion of the contract.

3.1.6.4 *Regulations regarding the energy efficiency certificate (Real Decreto 390/2021, de 1 de junio, por el que se aprueba el procedimiento básico para la certificación de la eficiencia energética de los edificios)*

Under this law, the sellers/developers of dwellings are obliged to deliver to the tenants/purchasers a copy of the energy efficiency certificate of the dwelling.

3.1.6.5 *Law 20/2015 (Ley 20/2015, de 14 de julio, de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras).*

This law contains provisions regarding the handling of the down payments made by purchasers to residential developers as part of the purchaser price. In particular, the law provides the following:

(a) Individuals and legal entities that promote the construction of all types of housing, and that intend to obtain from purchasers payments for their construction, must guarantee the return of those amounts by means of a surety insurance contract taken out with insurance companies duly authorised to operate in Spain, or by means of a joint and several guarantee issued by duly authorised credit institutions, in the event that construction is not started or is not completed within the agreed period for delivery of the dwelling.

(b) The amounts paid in advance by the purchasers must be deposited in a special account, separate from any other type of funds belonging to the developer, and which may only be used for the services deriving from the construction of the dwellings.

(c) In contracts for the purchase of dwellings that provide that the developer will be paid in advance: (a) it must be expressly stated that the developer undertakes to return to the purchaser the amounts received on account, in the event that construction is not started or completed within the agreed term or that the occupancy permit is not obtained; (b) reference to the insurance contract or bank guarantee referred to above must be made in the contract; and (c) the credit institution and the account through which the purchaser is to make delivery of the sums must be also stated in the contract.

3.2 Planning and Zoning Matters

3.2.1 Introduction

Real estate development activity in Spain is subject to compliance with variety of legal requirements. A brief summary of the certain aspects of the Spanish regulatory framework relating to the construction of buildings for residential and tourist use follows.

As mentioned above, from a regulatory stand point, the national territory of Spain is divided into 17 autonomous regions (so called "autonomous communities" or *comunidades autónomas*), which also have legislative powers. In particular, the regions are competent in zoning, environmental protection and tourism matters, *inter alia*. At the same time, there are about eight thousand municipalities in Spain that also have local competence on some regulatory aspects (including zoning regulations).

As the Spanish investments of the Company are in different municipalities within the region of Andalusia, this summary focuses on the specific regulations of this region and its competent authority (*Junta de Andalucía*).

3.2.2 Zoning regulations

3.2.2.1 *National, regional and municipal regulation*

The national government has passed a basic regulation on zoning, the TRLSRU, which establishes the basic conditions of the land, guaranteeing the equal exercise of the rights and fulfilment of duties regarding the land in the entire territory of Spain.

In addition, in the region of Andalusia, law 7/2021, of 1 December, on the impulse for the sustainability of the territory of Andalusia (the "**LISTA**") and the LISTA General Regulations, approved by Decree 550/2022, 29 November, are also applicable. The LISTA and the LISTA General Regulations set forth the regulatory framework applicable to the land of the Andalusian territory and define the specific rights and duties of the owners of the land.

Finally, within the framework of the TRLSRU and the LISTA (and its General Regulations), the local municipalities approve their specific zoning regulations, as reflected in their respective master plans (*planes generales de ordenación urbana* or "**Master Plans**"). The Master Plans establish in detail the conditions applicable to the municipal land, determining which areas are buildable and what buildings, installations and activities can be implemented in each area.

Based on the above, the competence on zoning and planning in most matters is municipal.

3.2.2.2 *Zoning classification of the land*

Real estate developments entail the use of the land. Therefore, the feasibility of these projects will closely depend on the zoning regime applicable to the land on which they are to be executed.

According the LISTA, the land of the municipality must fit into one of the two following categories of land classification:

(a) ***Urban land*** (*suelo urbano*): land suitable for construction and for being integrated in the urban structure and having all the relevant infrastructure and services (road access, public lighting, drinkable water supply, sewerage, etc.); and

(b) ***Rural land*** (*Suelo rústico*): land included in one of the following two categories:

(i) land preserved from the urban development due to being protected for its relevant environmental, natural or historical features; and

(ii) land suitable for urban development: that is, land whose transformation through urban development is envisaged and which will be considered urban land (and therefore buildable) when said development has finished and, thus, is integrated in the city structure has all the relevant infrastructures and services.

The urban development of the land includes the following: (a) the processing of the development zoning instruments, which contain the detailed zoning regulations of that area (usually called partial plan or special plan), (b) the subdividing of the land (*i.e.,* approving a replotting project) and the executing of the required urban development works (road infrastructure, water and electricity supplies, etc.) (*i.e.* approving a works urbanisation project). The costs resulting from the above must be borne by all the owners of land in the area (*pro rata* to the surface area of their land), as a *in rem* encumbrance to the property. As a consequence, real estate developments may only be implemented in land suitable for construction.

3.2.2.3 *Zoning qualification of the land*

The use to which a given real estate development may be devoted will depend on the zoning regulations of the land on which it is built. Accordingly, the Master Plan specifies the specific uses for each particular area (land qualification), which determines what type of activity may be carried out in the buildings to be constructed in these areas. Among the main types of land uses defined by the Master Plan are:

(a) residential: mainly corresponds to the accommodation of persons in dwellings;

(b) tertiary: mainly offices, commerce premises and tourism facilities;

(c) industrial: use of economic activity corresponding to establishments mainly dedicated to industry and warehouses; and

(d) endowment: land reserved for the establishment of collective uses and public services (such as hospitals or schools – privately or publicly owned).

3.2.2.4 *Municipal licences*

For a person to be allowed to utilize the land suitable for construction, a series of permits and licences must be granted by the relevant public authorities. By means of such licences, the public authority will verify that the proposed building and the use to be developed therein comply with the applicable zoning regulations.

Although each municipality, through its municipal ordinances, may introduce some nuances in the regional regulation, in general, the licences for construction and for the development of activities are as follows:

(a) ***works licence***: allows for the construction of a building, according to the execution project submitted to the public authority; and

(b) ***first occupation licence***: enables the use of the building and accredits the adequacy of the same with the project authorised by the public authority by means of the works licence.

Additionally, the implementation and start-up of an economic activity, requires the obtaining of additional municipal licences (for example, in some municipalities, the parking and swimming pool of residential buildings must also obtain such enabling licenses). The municipal licenses for the implementation and start-up of an activity are as follows:

(a) ***activity licence***: authorises the implementation of an economic activity in a specific establishment, according to the activity project submitted to the public authority; and

(b) ***opening or operating licence***: authorises the effective start-up of the corresponding activity and accredits that the establishment complies with the requirements of the applicable regulations and that the activity has been implemented as reflected in the activity project authorised by the public authority by means of the activity licence.

It should be noted that, depending on the specific action or activity to be carried out and the Municipality at hand, some of the above licences may have been replaced by the submission of an affidavit (*declaración responsable*) to the relevant town hall.

In relation to the above licences: (i) the municipality is obliged to grant them if the works or activity project submitted complies with the applicable regulations, (ii) works licences usually establish a maximum term for the commencement and completion of the works, failure to comply with which will determine their expiration (activity licences are generally for an indefinite term) and (iii) failure to obtain any of the above licences, or the performance of works or uses in contravention of their conditions, may result in the imposition of a financial penalty and the obligation to restore the altered urban planning to a legal state (among other things, through the demolition of the building or the suspension of the activity).

3.2.3 Additional permits, licences or authorisations

Depending on the specific characteristics of the activity to be carried out in the premises, additional permits, licences or authorisations granted by the regional authorities (in the case at hand, the *Junta de Andalucía*) may be required. This is the case, for example, of those activities considered to have a relevant impact on the environment, which, according to law 7/2007, of 9 July 2007 on integrated environmental quality management, must obtain an environmental license (such as the integrated environmental authorisation, among others).

There are also additional enabling licenses related to tourism legislation, as detailed in the following section.

3.2.4 Tourism regulations

3.2.4.1 *Junta de Andalucía*

Junta de Andalucía regulates tourism in the Region of Andalusia. The principal applicable legislation regarding tourism in Andalusia are (i) law 13/2011, of 23 December, on tourism in Andalusia (the "**Andalusia Tourism Law**") , (ii) decree-law 13/2020, of May 18, establishing extraordinary and urgent measures related to hotel establishments, coordination of alerts, promotion of electronic means, reactivation of the cultural sector and flexibilisation in several areas in view of the situation generated by COVID-19 and (iii) decree 143/2014, of 21 of October 2014 regulating the organisation and operation of the Andalusian tourism registry. Additionally, depending on the type of tourist establishment there may apply additional specific implementing regulations.

3.2.4.2 *Types of tourist accommodation establishments*

The above regulations define several types of tourist accommodation establishments that differ in their basic features. Generally, these include: (i) hotels (including aparthotels), (ii) tourist apartments, (iii) dwellings for tourist purposes and (iv) other tourist accommodation establishments, such as tourist camping grounds. Generally, tourist accommodation establishments can only be built on land designated for tourist use (*i.e.,* qualified as tertiary by the Master Plan), except for dwellings for tourist purposes (which only can be implemented in residential land).

3.2.4.3 *Permits for the development of the activity of tourist accommodation*

According to the Andalusia Tourism Law, the development of tourist accommodation requires the following principal approvals:

(a) Prior to the construction of a tourist accommodation establishment, the persons interested in its construction shall submit an affidavit to the town hall of the municipality in which it is located, describing the characteristics of the establishment and evidencing that the projected establishment meets the requirements set forth to hold a specific tourist classification in accordance with the envisaged group, category and modality (*e.g.,* hotel of 5 stars, etc.) for approval; and

(b) After the finalisation of the construction works and prior to the start-up of the tourist accommodation activity, an additional affidavit must be submitted to the department of tourism of the Junta de Andalusia for approval.

Only following such approvals will the *Junta de Andalucía* proceed to its official registration in the tourism registry of Andalusia.

4 REAL ESTATE OWNERSHIP LAWS IN QATAR

4.1 Regulation of Real Estate in Qatar

4.1.1 The Ministry of Municipality ("**MoM**") is the main regulator of land use in the State of Qatar.

4.1.2 The MoM has overall responsibility for planning control. Designated zoning within districts is in place to control commercial and residential uses within appropriate areas. Widespread use of residential properties for commercial purposes is being phased out, with businesses being required to relocate to commercial zones in order to renew trade licences. Industrial uses are restricted to specified industrial zones outside cities and towns.

4.1.3 The Urban Planning Department within the MoM is responsible for organizing real estate and carrying out sorting, annexation and land division work.

4.1.4 The Department of Land and Survey is responsible for:

(a) Providing housing plots to eligible citizens, in accordance with the applicable laws and regulations.

(b) Keeping land records allocated for housing applications, special grants, and Emiri gifts.

(c) Disbursing the specified monetary allowance in return for entering private lands and transferring them to the housing system.

(d) Coordination with the competent authorities to set the condition preventing the entry of private lands, or lifting the condition preventing government lands.

(e) Establishing a database of ownership, surveying, updating and managing land.

(f) Providing the necessary data and information to the competent authorities in the country.

(g) Conducting surveys of land and real estate in all parts of the country and issuing relevant restrictions.

(h) Providing real estate plans on the digital map of Qatar.

(i) Inventory, survey and record the lands licensed and exploited by the beneficiaries and the competent authorities.

(j) Surveying the territorial waters of the state, and preparing relevant marine maps, in coordination with the competent authorities.

4.2 Ownership of Property in Qatar

4.2.1 Qatar law recognizes three types of investors:

(a) Qataris;

(b) Citizens of the Cooperation Council (GCC) countries;

(c) non-Qatari.

4.2.2 By virtue of Article 3 of the G.C.C. Economic Agreement (2001) (ratified pursuant to Decree No. (81) of 2003), citizens of the GCC countries can own real estate in the "investment" areas approved and announced by the Council of Ministers. Investments can be made in businesses related to commercial, residential, industrial, tourism and educational activities. The three zones identified for investment are:

(a) Lusail;

(b) Al Khuraj;

(c) Jabal Thaayleb.

4.2.3 Non-Qataris may invest and own land, buildings and constructions in three specific projects:

(a) Pearl – Qatar;

(b) West Bay Lagoon;

(c) Al Khor Resort Project.

4.3 **Ownership of Flats and Floors**

4.3.1 Non-Qataris may acquire rights over:

(a) Real estate leased for a term of 99 years, renewable on similar terms.

(b) "Residential Units" for a term not exceeding 99 years and in general a right to convey property belonging to another person for its own profit, utility or advantage.

4.3.2 Cabinet Resolution No. (28) of 2020 defining the areas in which non-Qataris may own and use real estate and the conditions, controls, benefits and procedures for their ownership and use of real estate:

(a) Under the Cabinet Resolution No. (28) of 2020, non-Qatari ownership and use of real estate shall be in certain areas specified in the resolution, and the boundaries of which are indicated in the organizational and cadastral maps attached to them. Non-Qataris may own a separate unit in one of the residential complexes, and they may own separated units (offices and shops) in commercial complexes, malls, in areas other than the areas stipulated in the previous paragraph, provided that no modification or change is made in the nature, shape or form of the unit, its external appearance and taking into account the fulfilment of the other conditions mentioned in this resolution and Law No. (4) of 1985 referred to.

(b) Owners of real estate have the right to dispose of it and rent it out, and the beneficiaries of real estate may dispose of the usufruct or rent it.

4.4 **Registration of Interests in Land**

4.4.1 The Real Estate Registration Law No. 14 of 1964 ("**RERL**") sets out the real estate registration and authentication department ("**RERD**") under the Minister of Justice and shall be concerned with the registration of documents related to real estate.

4.4.2 The RERD shall be in charge of the following:

(a) Inspect, survey and identify real estate, make drawings, and calculate their areas.

(b) Preparing printed forms for the most important contracts that the law requires to be registered and submitted to the concerned parties for guidance.

(c) Evidence of the documents in the books prepared for this.

(d) Certifying the signatures of the concerned parties in the documents required to be registered.

(e) Marking the documents indicating that they have been finally registered.

(f) Photocopying the documents that are required to be registered.

(g) Preserving the originals of the documents after completing their photocopying and providing the competent authorities with a copy of them.

(h) Preparing indexes for the registered editors.

(i) Give the written pictures to the editorials. As well as real estate certificates and certificates of ratification of signatures.

(j) Permit the stakeholders to view the documents and records that they are interested in viewing.

4.4.3 Under the RERL, all actions that would create, transfer, change or terminate a property right or other real property right, as well as the final judgments evidencing any of that, must be recorded within the RERD. Failure to register said rights results in it being void and consequently, unregistered contracts have no effect other than the personal obligations between the contracting parties. Upon registration, a land certificate is issued to owners and usufructuaries. An unregistered right is only a personal obligation between the parties, and is not considered to be a real property right unless registration with RERD occurs.

4.5 **Interests in Land**

4.5.1 Interests in real estate are classified as either real property (in rem) rights or as personal (contractual) rights. The most common property interests are:

(a) Absolute: a real property right of complete ownership with the full right to use, exploit and dispose of the property without limit of time (Article 837 of the Civil Code);

(b) Usufruct;

(c) Lease: a contractual right to benefit from a specific property for a limited time against the payment of a financial consideration. Leases are personal rights and not real property.

4.5.2 *Law No. (16) of 2018 regulating non-Qatari ownership and use of real estate:*

(a) Non-Qataris may own and use real estate in the regions, in accordance with the conditions, controls, benefits and procedures to be determined by a decision of the Council of Ministers, based on a proposal by the committee. In all cases, the usufruct right granted to a non-Qatari does not expire upon his death and passes to the heirs, unless the parties agree otherwise.

(b) A committee shall be established in the Ministry of Justice to be called the "Committee to Regulate Non-Qatari Ownership and Use of Real Estate".

4.5.3 The Ministerial Resolution No. (75) of 2006 regarding determining fees for the right of non-Qatari usufruct of real estate and housing units in investment areas.

4.6 **Leases**

4.6.1 Law No. (4) of 2008 and its amendments (Tenancy Law) regulates property rentals and the relationship between landlord and tenant. The law provides for caps to be applied by the landlord, the establishment of lease registration offices, the rental dispute committee and other.

4.6.2 The Tenancy Law applies to all premises, whether industrial, commercial or residential. However, it does not apply to public or state property, farmland, vacant land, industrial land, tourist accommodations and residential units designated for employees of companies operating in Qatar, or employees of the State.

4.6.3 Leases must be registered at the Lease Registration Office and each Municipality is responsible for maintaining a register of leases within its geographical boundaries.

4.7 **Mortgages in Qatar**

4.7.1 *Perfection requirements*

Article (1059) of the Civil Code provides that a mortgage over real estate must comply with the following perfection requirements:

(a) it is in an official document in a form prescribed by the Ministry of Justice;

(b) in Arabic or dual language;

(c) signed by both parties in front of the relevant official at the RERD at the Ministry of Justice;

(d) legalised at the Qatar Ministry of Justice; and

(e) registered at the RERD at the Ministry of Justice.

Law No. 14 of 1964 on Real Estate Registration imposes a registration fee equivalent to 0.025% of the value of the loan secured by the mortgage to be paid at the time of registration.

4.7.2 *Enforceability*

In order to be enforceable against third party creditors with in-kind rights, the mortgage must be registered at the RERD before such third parties have registered their own in kind rights in the mortgaged property.

Article (1081) of the Civil Law provides:

"The mortgage shall not be effective against others unless recorded before others have acquired an in kind right over the real property, without prejudice to the provisions prescribed for bankruptcy."

Third parties who have registered enforceable rights or interests in the mortgaged property before the date on which the mortgage is registered, could entitle such third parties to rank ahead of the Mortgagee.

The Civil Law sets out a list of preferential creditors over real estate as follows:

(a) the unpaid seller of real estate shall have a preferential registerable right over the land for the proceeds of the sale of the land and improvements thereon;

(b) contractors and engineers who have been entrusted to construct buildings or other constructions, or to rebuild, renovate or repair, shall have preference over such buildings or constructions they have completed to the extent of the increase in the value of the real property as a result of such works, when sold. Such preference must be recorded at the RERD at the Ministry of Justice;

(c) to the extent due in the last six months: (i) wages and salaries; (ii) reasonable amount for food, clothing and accommodation for dependents of the debtor; (iii) reasonable amount for the debtor to maintain his dependents.

The enforcement of a mortgage is governed by the Civil Procedure Code Law No. (13) of 1990 (as amended). Where the mortgagor does not pay the debt at its due date the Mortgagee may enforce payment by obtaining a court order for the sale of the mortgaged property. Any order for sale must be registered at the RERD at the Ministry of Justice. If an order of sale is awarded and duly registered, the court conducts a public sale of the mortgaged property by auction. The court will determine the terms and conditions of the sale including the starting price for the auction. If this starting price is not met at the first auction, the court will re-auction the mortgaged property without a starting price. Once the mortgaged property has been sold, the creditor is entitled to receive settlement in accordance with the priority of its interest, and upon settlement the mortgaged property is released from mortgage. Any provision in the mortgage permitting the mortgagee to take possession, sell or enforce against the mortgaged property will not be enforceable unless the court has first ordered the sale.

4.7.3 *Registration period*

Under Article (1083) of the Civil Law, the period of registration for a registrable mortgage shall be for a maximum period of 10 years after which registration will lapse unless re-registered. If the intention is for the mortgage to continue after 10 years period, the mortgage will need to be re-registered and any required additional procedure followed at the time of re-registration. Rights of priority will be lost if there is a gap between the lapse of the registration and the re-registration.

4.7.4 *Stamp duty*

There is no stamp duty payable in relation to the grant of a mortgage.

4.7.5 *Authorisations etc.*

Other than as described in this paragraph, there are no governmental or regulatory consents, authorisations or notifications required of a mortgagor in relation to the grant of a mortgage.

4.7.6 *Mortgage Form and execution*

The Ministry of Justice prescribes the form of official mortgage contract which must be in Arabic or dual language.

The mortgage must be signed by both parties in front of the relevant official at the RERD at the Ministry of Justice and then legalised. The further requirements for execution will depend on the mortgagor's constitutional documentation and therefore needs to be considered on a case-by-case basis.

4.8 **Escrow Account**

4.8.1 Law No. (6) of 2014 regulating real estate development (Real Estate Development Law) defines real estate development as the construction of multi-storey buildings or complexes for residential or commercial purposes, with the aim of selling its off-plan units.

4.8.2 The account is defined under the Real Estate Development Law as the real estate development escrow account with the bank in which the purchasers' sums for units sold off-plan or the project financiers are deposited. The bank may be any national or foreign bank, or one of their branches, authorized by the bank to open the account.

4.8.3 The developer must use the funds deposited in the account for the purposes for which they were intended and failure to do so may result in the cancellation of the license by the department within the Ministry of Commerce and Industry ("**MOCI**").

4.8.4 Article 19 of the Real Estate Development Law provides that the account is opened, according to an agreement between the developer and the bank, whereby the rights and obligations of each of them are determined, provided that this agreement includes the following:

(a) The criteria and controls that must be fulfilled before any amounts are paid to the developer from the account.

(b) The amount of payments disbursed to the developer during the implementation of the project, after being approved by the competent department of the MoM, according to the implementation stages.

(c) Linking the payments deposited by the buyers in the account to the percentages of the actual completion of the construction works, according to the project consultant report approved by the competent department of the MoM.

(d) Approval of the department within the MOCI for any payments from the account.

A statement of the procedures and fees for accreditation shall be issued by a decision of the Minister.

4.8.5 The withdrawal of any amounts from the escrow accounts shall be subject to the terms and conditions of the agreement relating to the real estate developer's escrow account, provided that at least 20% of the construction works of the project have been completed (Article 20).

4.8.6 The disbursement from the developer's account shall be in accordance with the approved payments, according to the project implementation stages, and based on a report prepared by the project consultant and approved by the competent department of the MoM (Article 21).

4.8.7 The bank retains 10% (ten percent) of the total value of the project, or in return for a bank guarantee accepted by the competent authority, to ensure that the defects appearing in its units are fixed. The value of the aforementioned percentage, or the remainder of it, shall not be disbursed until after the expiry of the period specified by a decision of the MOCI.

4.8.8 The Qatar Central Bank is the authority responsible to issue the instructions and regulatory controls for the account management, deposit procedures and any other regulatory provisions related to it.

4.9 **Integrated Tourism Complexes**

4.9.1 **Law No. (20) of 2018 for the regulation of tourism in the State of Qatar defines hotel establishments** as hotels, tourist resorts, hotel apartments, tourist camps, floating hotels, and other places intended for the stay of tourists, and any other establishment that is considered a hotel establishment by a decision of the Chairman of the National Tourism Council ("**NTC"**), based on the proposal of the Secretary-General of the NTC. Hotel establishments include the entire establishment or any of its related facilities, including accommodation services, food and beverage services, health clubs, recreational facilities and services, and specialized clubs.

4.9.2 Tourist establishments are defined as places mainly prepared for receiving tourists or providing them with various recreational services, such as permanent and temporary entertainment cities, tourist clubs, tourism offices, tourist transport offices, tourist guide offices, time-sharing offices, tourist restaurants, and any other establishment issued as a tourist establishment by decision from the Chairman of the NTC, on the proposal of the Secretary-General of the NTC. An exception is made for establishments that provide services necessary to perform the rituals of Hajj and Umrah.

4.9.3 Commercial Complexes are defined as integrated complexes licensed by the competent authority in the State and which include various commercial and recreational facilities.

4.9.4 It is prohibited to establish, set up, exploit, or manage a hotel or tourist facility, or the office for organizing festivals and tourism events, or to engage in any tourism activity, or to hold a festival or tourism event without obtaining a license to do so from the NTC, in accordance with the provisions of this law and its executive regulations.

4.9.5 Amiri Decision No. (15) of 2021 regarding the establishment of Qatar Tourism. Qatar Tourism seeks to organize, develop, and grow the tourism and hospitality industry, motivate the private sector to invest in it, improve the tourism experience in the country, show the country's civilized, cultural, artistic, and tourism features, as well as cooperate in all activities and services with entities operating in the tourism and hospitality sector in the country. It also seeks to regulate, supervise, and monitor all entities and activities affiliated with the tourism and hospitality sector, including issuing licenses and classifying institutions and activities in this sector, in coordination with the competent entities.

PART IV

CONDENSED VALUATION REPORTS ON REAL ESTATE ASSETS (OWNED) AND PROPERTIES IN RESPECT OF WHICH THE GROUP HAS CONTRACTUAL RIGHTS

This section of the Prospectus includes the condensed valuation reports on real estate assets (owned) and properties in respect of which the Group has contractual rights. This section is set out in two parts as follows:

- Section A: condensed valuation report on real estate assets (owned); and
- Section B: condensed valuation report on properties in respect of which the Group has contractual rights.

SECTION A:

CONDENSED VALUATION REPORT ON REAL ESTATE ASSETS (OWNED)

CONDENSED VALUATION REPORT

Valuation Date: 31 December 2022

In respect of:

Dar Global PLC Portfolio – Owned Properties

On behalf of:

The Addressees as stated below

Contents

01

CONDENSED VALUATION REPORT

Introduction

Report Date	23 February 2023
Valuation Date	31 December 2022
Addressee	Dar Al Arkan Global Real Estate Development LLC PO Box 2523, Office 204-205 Al Barsha 1 Dubai UAE (hereinafter referred to as the “Dar Al Arkan”) and Dar Global PLC Link Company Matters 6th Floor 65 Gresham Street London EC2V 7NQ (hereinafter referred to as the “Company” and Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY (in their capacity as Capital Markets Adviser) ((and all the above collectively hereinafter referred to as “the Addressees”)

The Properties	The properties held by the Company as listed in the Schedule of Assets below (the “Properties”).
Ownership Purpose	Development.
Instruction	To value the unencumbered freehold-equivalent and leasehold interests in the Properties as relevant on the basis of Market Value as at the Valuation Date in accordance with the terms of engagement entered into between CBRE and the Addressees dated 30 January 2023 and the addendum letter dated 17 February 2023.
Status of Valuer	You have instructed us to act as an External Valuer as defined in the current version of the RICS Valuation – Global Standards. Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution’s conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.

CBRE

Purpose and Basis of Valuation	The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Global Standards and the UK national supplement current as at the Valuation Date (the "Red Book"). We understand that our valuation report and the Appendices to it (together the "Valuation Report") are required for inclusion in a prospectus (the "Prospectus") which is to be published by the Company pursuant to a proposed listing and admission of the Company's ordinary shares to the standard segment of the Official List of the FCA and to trading on the standard segment of the Main Market of the London Stock Exchange (the "Transaction"). The effective date of valuation is 31 December 2022. In accordance with the Red Book we have made certain disclosures in connection with this valuation instruction and our relationship with the Addressees.
Market Value	We are of the opinion that the aggregate Market values of the subject Properties are as shown below and as more particularly set out in Appendix A. The Properties are held freehold-equivalent, with the exception of Old Park Lane (United Kingdom) which is held on a long leasehold interest. There are no negative values to report. In accordance with market practice for such property, the property in Bosnia and Herzegovina has been valued in Euros (€).

United Arab Emirates

	Market Value (AED)
Property in Course of Development (2 Properties)	1,230,000,000
Property held for Development (1 Property)	144,000,000
Total:	**AED1,374,000,000**

Bosnia and Herzegovina

	Market Value (Euros)
Property in Course of Development (1 Property)	12,700,000
Total:	**€12,700,000**

CBRE

Spain

	Market Value (Euros)
Property held for Development (3 Properties)	55,950,000
Total:	**€55,950,000**

United Kingdom

	Market Value (Pounds Sterling)
Property held for Disposal (1 Property, long-leasehold)	£12,700,000
Total:	**£12,700,000**

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached and has been primarily derived using comparable recent market transactions on arm's length terms.

Market Conditions – Global Volatility

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out herein as at the date of valuation. Amongst other things, this assumes that the Properties had been properly marketed and that exchange of contracts took place on this date.

We would draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) , currency movements and the current war in Ukraine has heightened the potential for greater volatility in property markets over the short-to-medium term.

Past experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. You should note that the conclusions set out in this report are only valid as at the valuation date. Where appropriate, we would recommend that the valuation is closely monitored, as we continue to track how market participants respond to current market volatility.

Portfolios and Aggregation

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

SVPs, JVs and Other Indirect Investment Structures	Where a property is owned through a special purpose vehicle (SVP), joint venture (JV) or other indirect investment structure, our valuation represents the 100% value of the whole property valued as real estate, assuming full management control. Our valuation therefore is unlikely to represent the market value of the interests in the indirect investment structure through which the property is held. Our Valuation does not necessarily represent the 'Fair Value' in accordance with IFRS 13 or FRS102 of the interests in the indirect investment structure through which the property is held.
Valuation Approach for Properties Held for or in Course of Development	The Properties have been valued on either the Comparable Method (where appropriate) or the Residual (Development Appraisal) Method, or both approaches have been considered as cross-checks. The residual method is the commonly practised method of valuing development property, whereby the estimated total costs of realising the proposed development (including construction costs, fees and other on-costs, contingencies, costs of finance and developer's profit) are deducted from the gross development value of the completed project to determine the residual value. Where the residual method of valuation is used, we should draw your attention to the fact that this approach is very sensitive to changes in key inputs. Small changes in variables such as sales volumes or build costs will have a disproportionate effect on residual or land value as demonstrated in the sensitivity analyses below. Residual values can therefore be susceptible to considerable variances as a result of changes in market conditions. Whilst we have checked the information provided to us against available sources of information and provided for a level of profit which in our opinion reflects the level of risk inherent in each project, unforeseen events such as delays in timing, minor market movements etc. can have a disproportionate effect on the resulting value. Land values have been benchmarked against comparable transactions where available and reflect our opinion as at the date of valuation. Should information which we were not made aware of at the time of the valuation subsequently come to light which changes our view on any of the input variables adopted, then the value reported is subject to change and we reserve the right to amend our valuation figures accordingly.
Report Format	Appendix A of this Valuation Report provides the Property Details and Market Values of the Properties. Appendix B provides a table of information provided to CBRE by Dar Al Arkan.
Compliance with Valuation Standards	The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book") current as the Valuation Date.
	The valuations are compliant with the International Valuation Standards and the London Stock Exchange requirements.
	The Financial Conduct Authority (FCA) has published technical note 'Primary Market TN 619.1' to replace and incorporate the ESMA update (ESMA/2011/81) of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implementation of the European Commission regulation (EC) n. 809/2004 into UK law ("TN 619.1") and,

	although this does not form part of the UK's EU Retained Law, the FCA expects Issuers to apply the provisions to the extent relevant. Accordingly, the valuation report is also compliant with paragraphs 128 to 130 (inclusive) of Part III.1 (Property companies) of TN 619.1.
	The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.
	Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.
	This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer's independent professional opinion of the value of the subject Properties as at the Valuation Date.
Sustainability Considerations	Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use. Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.
Assumptions	The Property Details on which each Valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below. If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered. Please refer to the over-riding assumptions outlined below:

	- No account has been taken of any outstanding purchase payments still due from the Company, any relevant SVPs or JVs under any Sale and Purchase Agreements. - For the properties which include branded / serviced accommodation as advised, we have assumed that agreements / management agreements are place and are transferable. - We have assumed that there will be prudent lotting and that not all available units are released to the market simultaneously. - The properties form part of a trading portfolio and therefore the assets will change in value as and when construction takes place and the units are sold off. - The valuation model assumes the sales receipts remain in the project and offset finance costs.
Variations and/or Departures from Standard Assumptions	None.
TN 619.1 III.I 130 (vi)	TN 619.1 III.I 130 (vi) requires us to comment on any differences between the valuation figure in this Valuation Report and the valuation figure included in the Company's latest published annual accounts, which were as at 31 December 2021. The Company is a newly incorporated company. CBRE did not undertake the valuation(s) included in the Company's latest published annual accounts or those of any company in the same group; CBRE has not previously valued the subject Properties. The properties Da Vinci Tower by Pagani, Plot 210 of Block 346-0561, Benahavis, El Tabano, Finca Cortesin and Old Park Lane were acquired subsequent to 31 December 2021. We further understand that the Company's stated accounting policy is to account for its properties at the lower of cost (being the costs of acquisition and subsequent development costs) and net realisable value (expected sale price less sale costs). This is not the same basis as that under which CBRE have reported and as such the accounts carrying values and CBRE's valuation for the same assets are not comparable.
Independence	The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from Dar Al Arkan or the Company (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues. It is not anticipated this situation will vary in the financial year to 31 December 2023. We confirm that we do not have any material interest in Dar Al Arkan, the Company or the Properties.
Previous Involvement and Conflicts of Interest	We confirm that CBRE d.o.o. have previously advised on the property in Bosnia (2018) and CBRE Dubai LLC undertook for Dar Al Arkan a loan security valuation of Da Vinci Tower by Pagani, Dubai in July 2022; you have confirmed you are aware of this prior role and do not consider it to be a conflict.

	Copies of our conflict of interest checks have been retained within the working papers. We record that you have enter into a separate letter of engagement with CBRE Indirect Investment Services Limited to provide advice to the Addressees upon a number of other matters connected to the Transaction.
Disclosure	The principal signatory of this report has not previously been the signatory of valuations for the Company or Dar Al Arkan. CBRE Ltd has not previously carried out valuation instructions for the Company or Dar Al Arkan. CBRE Ltd has not previously carried out other services only on behalf of the Company or Dar Al Arkan.
Responsibility	For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge the information contained in this Valuation Report is in accordance with the facts and makes no omissions likely to affect its import. This Valuation Report complies with Rule 5.4.5G of the Prospectus Regulation Rules and paragraphs 128 to 130 (inclusive) of Part III.1 (Property companies) of TN 619.1. Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Regulation. forming part of the UK's EU Retained Law.
Reliance	This report is for the use only of the parties to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents save as set out in "Responsibility" above. No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.

Publication	Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear. Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of any special assumptions referred to herein.

Yours faithfully

Graham Hughes MRICS
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Yours faithfully

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SCHEDULE OF ASSETS

Country	Property Address	Tenure
Properties Held for Development		
Spain	Urban land plots 6 and 7, Sector B del PAU, Jaralillos land sector, La Alquería, Benahavis (Málaga) ("Benahavis")	Freehold-equivalent. Land Registry: Marbella 4, 10635 plot 6, 10636 plot 7
	Finca El Tabano, Manilva (Málaga) ("El Tabano")	Freehold-equivalent. Land Registry: Manilva 1717, 1718, 1719, 1333, 1344, and 266
	Plot 73 sector UR10B, Finca Cortesín Resort, Casares (Malaga), Spain	Freehold-equivalent
United Arab Emirates	Plot 210 of Block 346-0561, The Water Canal, Business Bay, Dubai	Freehold-equivalent
Properties in the Course of Development		
United Arab Emirates	Urban Oasis by Missoni, Plot No. 346-488, Business Bay, Dubai	Freehold-equivalent
	Da Vinci Tower by Pagani, Tower B – J One Tower, Plot No. 346-6831, Business Bay, Dubai	Freehold-equivalent
Bosnia and Herzegovina	S Land in Vareš municipality intended for the construction of residential & touristic complex "Sidra" ("Sidra")	Freehold-equivalent. Land Registry parcel 952
Property Held for Disposal		
United Kingdom	Fourth Floor, 149 Old Park Lane, London, W1K 1QX	Long leasehold

Source of Information and Scope of Works

Sources of Information	We have carried out our work based upon information supplied to us Dar Al Arkan and their professional advisors, as set out within this report, which we have assumed to be correct and comprehensive.
	We have included a schedule in Appendix B of the information provided to us by Dar Al Arkan and their advisors. We have requested but not been provided with: Legal due diligence reports, technical due diligence reports, environmental due diligence reports, financial due diligence (project expenditure and receipts).
The Properties	Our report contains a brief summary of the Property details on which our Valuation has been based.
Inspection	We have inspected the Properties for the purpose of the instruction. Inspection dates are as follows:

Property	Date of Inspection
Benahavis	30 August 2022
El Tabano	7 September 2022
Finca Cortesin	31 January 2023
Urban Oasis by Missoni	7 September 2022
Da Vinci Tower by Pagani	7 September 2022
Plot 210 of Block 346-0561	17 February 2023
Sidra	21 September 2022
Old Park Lane	14 November 2022

Areas	We have not measured the Properties but have relied upon the site and floor areas provided to us by Dar Al Arkan or their professional advisors, which we have assumed to be correct and comprehensive, and which we assume have been calculated in accordance with local practice as appropriate. All areas quoted in this Valuation Report are approximate.
Environmental Considerations	We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.
Services and Amenities	We understand that the Properties are located in an area served by mains gas, electricity, water and drainage. None of the services have been tested by us. Enquiries regarding the availability of utilities/services to any proposed developments are outside the scope of our report.
Repair and Condition	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have

	been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
Town Planning	We have not undertaken planning enquiries unless explicitly stated.
Titles, Tenures and Lettings	Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser. We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants

Valuation Assumptions

Introduction	An Assumption is defined in the Red Book Glossary and VPS 4 to be a "supposition taken to be true" (an "Assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation. Dar Al Arkan and the Company have confirmed and we confirm that our Assumptions are correct as far as Dar Al Arkan, the Company and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report. For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.
Capital Values	Each valuation has been prepared on the basis of "Market Value", which is defined in the Red Book as: "The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal. No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge. No account has been taken of the availability or otherwise of capital based Government or European Community grants.
Taxation, Costs and Realisation Costs	As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.
	Our valuations reflect purchasers' statutory and other normal acquisition costs.
VAT or Equivalent	We have not been advised whether the properties are elected for VAT or equivalent taxes.
	All rents and capital values stated in this report are exclusive of VAT or equivalent taxes.
Passing Rent	Passing rents quoted in this report are the rents which are currently payable under the terms of the leases. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs. Passing rents exclude turnover rents, mall incomes and other miscellaneous incomes.
Net Annual Rent	Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:
	(i) ignoring any special receipts or deduction arising from the property;
	(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

	(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".
Estimated Net Annual Rental Value	The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.
Rental Values	Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows: "The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
Fixtures, Fittings and Equipment	Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building. Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations. Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations. All measurements, areas and ages quoted in our report are approximate.
Environmental Matters	In the absence of any information to the contrary, we have assumed that: a) the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law; b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities; c) the Properties will comply with relevant energy performance legislation. d) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and e) invasive species such as Japanese Knotweed are not present on the Properties. High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.
Repair and Condition	In the absence of any information to the contrary, we have assumed that: a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;

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	b) the Properties are free from rot, infestation, structural or latent defect; c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the Properties; and d) the services, and any associated controls or software, are in working order and free from defect. We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority Requirements	Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that: a) the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions; b) buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use; c) the Properties are not adversely affected by town planning or road proposals; d) the buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place; e) only minor or inconsequential costs will be incurred to comply with any relevant disability discrimination legislation; f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal; g) tenants will meet their obligations under their leases; h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value; i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and k) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable.

Appendix A: Properties Details

Property Details: Properties Held for Development

Property	Description	Key Valuation Assumptions	Site Area (Sqm)	Buildable Sale Area (Sqm)	Market Value (€)
Land plots 6 and 7, located in PPO B from PAU Jaralillos, Benahavís (Malaga), Spain	The properties are located in western Marbella, in the municipality of Benahavís, in the south of Spain. Benahavís is a tourist destination and municipality located adjacent to Marbella, in the Costa del Sol portion of southern Spain. The property is located in an elevated position, steeply slopped to the south-east, with almost 360º wide and unobstructed views towards Marbella, El Paraiso and the Mediterranean Sea. The property comprises two urban plots of land with a total merged land area of 97,632 sqm and a potential buildable floorspace of 20,503 sqm, intended for the construction of a maximum of 57 detached houses. According to the information provided, construction of retaining walls and internal roads is required in order to provide access to the overall complex. Zoning: the land is zoned for the development of detached houses, max. number 57.	Estimated Gross Development Value: €160,286,410 Sales rate over buildable area (€/sqm): 7,100 Infrastructure cost: €5,400,000 Hard Construction cost above ground floor (€/sqm): 2,500 Hard Construction Cost Residential basements (€/sqm): 900 IRR 15% Resulting profit on cost 27.5% Assumed timescale: Pre-construction 12 – 24 months (phased), construction 30 months, post-construction 12 months (assuming majority of sales off-plan)	97,632 sqm	20,503 sqm	**€21,300,000**

Property	Description	Key Valuation Assumptions	Site Area (Sqm)	Buildable Sale Area (Sqm)	Market Value (€)
Finca El Tabano, Manilva (Málaga), Spain.	The property is located several kilometres from the coast in southern Spain, in a rural situation on the western end of Manilva north of Sotogrande, an exclusive resort that attracts the high-end tourist and residential markets. It has good motorway connections and is c. 95 km from Malaga International Airport. The subject property comprises 6 registered land plots, together commonly known as "Finca El Tabano", with a combined registered area of 5,100,203 sqm. (Discrepancies noted between land registry, cadastral and planning areas; for the purposes of our valuation we have adopted the area as per the real topographic survey, 4,650,092 sqm.) The property is classified in two different sectors, OC-U-1 "Llanos de El Tabano" of Sectorized Buildable land (can be developed once projects approved; land area of 2,250,000 sqm according to measurement and 660,000 sqm of buildable floorspace for 1,520 residential units) and SUNS-9 (old OCU-1BIS) of Non Sectorized Buildable land (land in reserve for future development; specific consent of municipality required for development; land area of 2,400,000 sqm according to measurement and 926,000 sqm of buildable floorspace.)	Low-density development assumed, as not competitive to build more apartments in the location. After mandatory cessions of land for infrastructure and sports amenities it is assumed the property will be developed with a total of 190 plots for villas in sector OCU-1 and 210 plots in OCU-1BIS. Primary Methodology: Due to the rural nature and the long development / absorption timescale anticipated, we have adopted the Comparison Approach. Capital Value / sqm land: €4.50 / sq m (land area adopted 4,650,092 sqm). As a cross-check, we have undertaken a residual appraisal with a total development time of 20 years.	4,650,092 sqm	1,586,000 sqm	**€20,950,000**

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Property	Description	Key Valuation Assumptions	Site Area (Sqm)	Buildable Sale Area (Sqm)	Market Value (€)
Plot 73 sector UR10B, Finca Cortesín Resort, Casares (Malaga), Spain	The subject property is an urbanised plot of land forming part of the located Finca Cortesín resort, located midway between Marbella and Sotogrande, in Casares municipality, in the western part of the Costa del Sol. The property is held for the development of multi-family housing. Finca Cortesín is considered a high-end residential and golf resort. The development benefits from the prestige image linked with Marbella and Sotogrande and being very well maintained. Finca Cortesín is anchored by a deluxe hotel and a well-established golf course, renowned for having hosted the Volvo World Match Play Championship and hosting the Solheim Cup in 2023. The resort also offers additional amenities such as Kabuki Raw and Don Giovanni restaurants as well as a beach club less than 5 minutes' distance by car from the complex. The product is aimed at affluent prospective buyers who demand good quality construction and proximity to golf courses, consolidating Finca Cortesin as one of the most exclusive areas in the western part of the Costa del Sol. Within a gated community, the plot is located in the sector 10B, on an elevated position south facing with open views towards Cortesin golf courses and coastline.	Primary Methodology: Comparison Method Capital value €1,460 / sqm buildable sale area As a cross-check, we have undertaken a residual appraisal: Estimated Gross Development Value: €58,655,858 Sales rate over buildable area (€/sqm): 6,000 Hard Construction cost above ground floor (€/sqm): 2,300 Hard Construction Cost Residential basements (€/sqm): 500 IRR 15% Resulting profit on cost 22.75%	16,466 sqm	9,385.76 sqm	**€13,700,000**

Property	Description	Key Valuation Assumptions	Site Area (Sq ft)	Buildable Sale Area (Sq ft)	Market Value (AED)
Plot No. 210 of 346-0561 Business Bay Dubai UAE	The property comprises a vacant land plot zoned for residential, retail and hotel use located on the waterfront of Business Bay, Dubai. The property has a plot area of 50,993 sq. ft with a permitted GFA of 254,811 sq. ft. The maximum developable height is G+19 floors.	Valuation Methodology: we have adopted the Comparison Approach. Capital Value / sq. ft permitted GFA: AED 565 per sq. ft This rate is supported by comparable evidence and adjustments have been made for quantum, location and plot attributes.	50,993 sq ft	254,811 sq ft	**144,000,000** (Rounded)

Property Details: Properties in the Course of Development

Property	Description	Key Valuation Assumptions	Site Area (Sq. ft)	Buildable Sale Area (Sq. ft)	Market Value (AED)
Urban Oasis by Missoni Plot No. 346-488 Business Bay Dubai UAE	The property comprises an under construction residential development called Urban Oasis Tower by Missoni. The development, once complete, will comprise a mix of high-end studios, one-bedroom, two-bedroom, three-bedroom and four-bedroom apartments with luxury interiors from Missoni Home. The property is located off Dubai water canal in Business Bay close to JW Marriot Marquis hotel.	Total Project Value = AED 930,669,213 (Actual Sales = AED 697,828,713; Unsold Inventory Sales = AED 232,840,500) Gross Development Value = AED 735,854,248 (Unsold Inventory Sales = AED 232,840,500; Receivables = AED 481,374,103) Net Escrow after Construction Cost = AED 21,639,645) Escrow deposits = AED 79,189,909 Total Construction Cost = AED 273,384,880, Cost Incurred = AED 215,834,616	59,903 sq. ft	477,434 sq. ft	**592,000,000** (Rounded)

		Cost Remaining = AED 57,550,264 Total 417 units sold, 50 units remaining Completion Date: Dec 2023 Target IRR: 11.00% Assumed Finance Rate: 6.00% Royalty Fee (AED 900,000 – assumed to have been paid Profit on Cost: 8.51% (output)			

Property	**Description**	**Key Valuation Assumptions**	**Site Area (Sq ft)**	**Buildable Sale Area (Sq ft)**	**Market Value (AED)**
Da Vinci Tower by Pagani, Tower B – J One Tower Plot No. 346-6831 Business Bay Dubai UAE	The property comprises a completed residential development in Business Bay called J One Tower. For the purpose of this valuation, we are taking into consideration Tower B of the development which is owned by the Client and is currently under refurbishment stage, which once done will be known as Da Vinci Tower by Pagani, a branded residence offering in association with Pagani Automobile. The development offers a mix of high-end two-bedroom, three-bedroom and four-bedroom apartments with luxury interiors and Pagani branded products.	Total Project Value = AED 929,891,762 (Actual Sales = AED 697,828,713; Unsold Inventory Sales = AED 622,872,600) Gross Development Value = AED 885,351,733 (Unsold Inventory Sales = AED	95,250 sq ft	228,631 sq ft	**638,000,000** (Rounded)

The property is located off the water canal in Business Bay.	622,872,600; Receivables = AED 262,479,133) Escrow deposits = AED 23,164,854 Total Construction Cost = AED 90,000,000 Cost incurred = AED 10,774,195.16 Total 26 units sold, 59 units remaining Completion Date: Dec 2023 Target IRR: 12.00% Assumed Finance Rate: 6.00% Target Profit on Cost: 9.48% (output) Royalty Fee is not presently included within our valuation; however, it will be incorporated once it is made known to the valuer.

Property	Description	Key Valuation Assumptions	Site Area (Sq m)	Net Saleable Area (Sq m)	Market Value (€)
Land in Vareš municipality intended for the construction of residential & touristic complex "Sidra", Bosnia & Herzegovina Land Registry parcel 952.	Subject property represents development land with an area of ca. 540,000 sq. m. The property is intended for the creation of plots via sub-division. Based on the information provided by the Client the project will comprise ca. 300,000 sq. m of land designated for the development of individual villas of various types (440 land plots in total), ca. 64,000 sq. m of land designated for commercial (retail & hotel) development, ca. 51,000 sq. m designated for recreational area, ca. 42,000 sq. m designated for forest & green areas, while the remaining area will be designated for utility facilities and infrastructure (access and service roads within the complex). The purchaser of the plots will be offered certain build modules but can also build themselves subject to certain criteria for the construction of a residential complex with commercial component, hotel, recreational area and amenities.	Gross Development Value (value of the plots post sub division): €49,445,126 (inc. deposits paid). Construction Cost (associated with the infrastructure necessary to create plots): €9,902,114 Total reserved to date: 98 Target IRR: 20.00% Assumed Finance Rate: 4.5% We have assumed a 10-year project timeline, with the infrastructure costs being sunk over the first 21 months and the sales receipts across the following eight years.	540,000	363,357	**12,700,000 (Rounded)**

Property Details: Properties Held for Disposal

Property	Description	Key Valuation Assumptions	Site Area (Sq ft)	Gross Internal Area (Sq ft)	Market Value (GBP)
Fourth Floor, 149 Old Park Lane, London, W1K 1QX	The subject property is located in Mayfair, in the West End of London, and approximately 1.4 miles south-west of central London. Mayfair is a sought-after prime residential location which is popular with both national and international purchasers, although Old Park Lane is a side-street. The property is situated 0.3 miles west of Green Park Underground station and 0.2 miles east of Hyde Park Corner Underground station. Victoria Rail station is also 0.9 miles south of the subject, providing access to national rail services, including the express service to London Gatwick airport. There are bus routes along Piccadilly, with the closest being adjacent to the neighbouring building, providing routes throughout Central London. The Property fronts Piccadilly, which is one of Central London's arterial roads. The subject property forms part of a Grade II listed stone-clad mansion block, arranged over ground and six upper floors, with retail at ground floor and six flats on the upper floors, each occupying an entire floor, which are accessed by a passenger lift from the ground floor reception. Constructed in 1907, the building has a prominent south	The subject property is held with Vacant Possession. We have therefore valued the property by the comparison method. Based on comparable sales evidence, we have adopted a value of £2,506 per sq. ft which has then been rounded. We understand the property has recently been acquired, in an open market, arms' length transaction, at our valuation figure. For the avoidance of doubt, we have valued the property in its current state.	Not applicable	5,068	**£12,700,000**

facing aspect overlooking Green Park.

The subject flat comprises four bedrooms with en-suite bathrooms/shower rooms, two further bathrooms, 3 reception rooms, large entrance hall, kitchen, plant room, utility room and laundry room (or fifth bedroom). There is no private parking. It is positioned on the south-east corner of Old Park Lane, at the intersection with Piccadilly.

We have been provided with a total area for the property and assume this have been measured on a Gross Internal Area (GIA) basis. The property measures an area of 5,068 sq. ft (471 sq. m).

The property is held long leasehold for a term of 999 years from 1 July 1999 at a fixed ground rent of £100 per annum.

Sensitivity Analyses

With all developments valued by the residual method a small change in an input can have a significant impact on the residual land value. To demonstrate this, set out below are examples of changes to variables and how these impact on the reported values.

Benahavis

		CONSTRUCTION RATE				
		-10%	-5%	0%	+5%	+10%
SALES RATE	-10%	€17,816,666	€15,601,002	€13,385,371	€11,169,705	€8,954,072
	-5%	€21,786,036	€19,570,387	€17,354,719	€15,139,057	€12,923,418
	0	€25,755,369	€23,539,728	**€21,324,081**	€19,108,401	€16,892,739
	+5%	€29,724,682	€27,509,057	€25,293,419	€23,077,775	€20,862,125
	+10%	€33,694,094	€31,478,406	€29,262,743	€27,047,110	€24,831,467

El Tabano and Finca Cortesin

El Tabano and Finca Cortesin have been valued on the Comparison Method, which is not susceptible to the sensitivity issues (i.e. small changes in an input having a disproportionate impact on the resultant value) inherent in the residual method. We carried out a residual appraisal as a cross-check only.

Urban Oasis by Missoni

With respect to Urban Oasis by Missoni, given that almost 90% of the units within the development have been pre-sold and with the availability of escrow balances at the disposal of the developer, the development is less sensitive to change in variables. However, should the construction costs increase it would have a negative impact on the residual land value.

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Da Vinci Tower by Pagani

Residual Land Value (AED)	Sales (AED)				
Construction Cost (AED)	-10.000%	-5.000%	0.000%	5.000%	10.000%
-10.000%	595,000,000	619,000,000	643,000,000	666,000,000	690,000,000
-5.000%	593,000,000	617,000,000	640,000,000	664,000,000	687,000,000
0.000%	590,000,000	614,000,000	**638,000,000**	661,000,000	685,000,000
5.000%	588,000,000	612,000,000	635,000,000	659,000,000	682,000,000
10.000%	585,000,000	609,000,000	633,000,000	656,000,000	680,000,000

Plot 210 of Block 346-0561

Plot 210 of Block 346-0561 has been valued on the Comparison Method, which is not susceptible to the sensitivity issues (i.e. small changes in an input having a disproportionate impact on the resultant value) inherent in the residual method.

Sidra

Sidra has been valued of provision of infrastructure and sub-division of the land (sale of plots) without development. Accordingly, the valuation model is less disproportionately sensitive to small changes in inputs than for a full development residual appraisal.

Appendix B: Information Received

Benahavis

- Copy of zoning plan
- Land registry excerpts (January 2022; 8 September 2022 obtained from Marbella Registry office)
- Land Purchase Agreement (11 March 2022)
- Estimation of construction costs and timelines
- Planning documentation

El Tabano

- Appraisal under assumption, and Planning due diligence report by Mr. Jose Juan Rodriguez Castro, dated May 2022
- Planning due diligence report by Mr. Alejandro Reina and Mr. Jose María Gonzalez, dated July 2022
- Land purchase private agreement (not completed)
- Executive Summary valuation and preliminary business plan prepared by Dar Al Arkan.
- Topographic Survey dated October 2022

Finca Cortesin

- Purchase deed
- Cadastral excerpt
- Sales dossier
- Planning report (signed by an independent)
- Urban certification (signed by townhall)

Urban Oasis by Missoni

Information provided includes the following:

- Title Deed dated 05 November 2017;
- Affection Plan dated 28 November 2019;
- Branding Agreement;
- Project overview including brochures, presentations, inventory list with asking price and payment plan offered as of 08 September 2022;
- Projects details including area sold and left to be sold as of 31 December 2022;
- Construction budged including cost spent and left to spend as of 31 December 2022;
- Sales income summary including amount received, outstanding receivables and escrow account details as of 31 December 2022;

Da Vinci Tower by Pagani Information provided includes the following:

- Title Deed dated 02 July 2015;
- Affection Plan dated 11 February 2018;
- Branding Agreement 16 November 2021;
- Project overview including brochures, presentations, inventory list with asking price and payment plan

offered as of 08 September 2022;

- Projects details including area sold and left to be sold as of 31 December 2022;
- Construction budged including cost spent and left to spend as of 31 December 2022;
- Sales income summary including amount received, outstanding receivables and escrow account details as of 31 December 2022;

Plot 210 of Block 346-0561

- Title Deed, dated 14 February 2023;
- Affection plan, dated 14 February 2023;

Sidra

- Title Deed, dated 26.4.2021;
- Cadastral plan;
- Site master plan;
- Decision on the adoption of Spatial Plan;
- Template unit sale and purchase agreement;
- Unit payment plan;
- Schedule of sale prices;
- Project development costs overview and timelines;
- Business plan cash flows;
- Updated spend on construction as of January 2023

Old Park Lane

Information provided includes the following:

- Draft contract, prepared by Forsters, undated
- Report on title, prepared by FootAnstey, undated
- Business plan, prepared by Fairway Capital, dated 26 October 2022
- Service charge budget 1 July 2022 – 30 June 2023
- Service charge statement in relation to Flat 4, undated
- Service charge surplus details for period ending 14 May 2021
- Asbestos survey, prepared by Aspect, dated 22 January 2009

SECTION B:

CONDENSED VALUATION REPORT ON PROPERTIES IN RESPECT OF WHICH THE GROUP HAS CONTRACTUAL RIGHTS

CONDENSED VALUATION REPORT

Valuation Date: 31 December 2022

In respect of:
Dar Global PLC – Properties subject to Contractual Rights

On behalf of:
The Addressees as stated below

Contents

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CONDENSED VALUATION REPORT

Introduction

Report Date	23 February 2023
Valuation Date	31 December 2022
Addressee	Dar Al Arkan Global Real Estate Development LLC PO Box 2523, Office 204-205 Al Barsha 1 Dubai UAE (hereinafter referred to as "Dar Al Arkan" and Dar Global PLC Link Company Matters 6th Floor 65 Gresham Street London EC2V 7NQ (hereinafter referred to as the "Company") and Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY (in their capacity as Capital Markets Adviser) ((and all the above collectively hereinafter referred to as "the Addressees")

The Properties	The properties listed in the Schedule of Assets below (the "Properties"), being properties in respect of which the Company has contractual rights to develop and acquire title.
Ownership Purpose	Development.
Instruction	To value the unencumbered freehold-equivalent interests in the Properties on the basis of Market Value as at the Valuation Date in accordance with the terms of engagement entered into between CBRE and the Addressees dated 30 January 2023.
Status of Valuer	You have instructed us to act as an External Valuer as defined in the current version of the RICS Valuation – Global Standards.

	Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.
Purpose and Basis of Valuation	The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Global Standards and the UK national supplement current as at the Valuation Date (the "Red Book"). We understand that our valuation report and the Appendices to it (together the "Valuation Report") are required for inclusion in a prospectus (the "Prospectus") which is to be published by the Company pursuant to a proposed listing and admission of the Company's ordinary shares to the standard segment of the Official List of the FCA and to trading on the standard segment of the Main Market of the London Stock Exchange (the "Transaction"). The effective date of valuation is 31 December 2022. In accordance with the Red Book we have made certain disclosures in connection with this valuation instruction and our relationship with the Addressees.
Market Value	We are of the opinion that the Market Values of the subject Properties are as shown below and as more particularly set out in Appendix A. All the Properties are held freehold-equivalent. There are no negative values to report. **For the avoidance of doubt, we have valued the unencumbered freehold-equivalent interests in the real estate and have not taken any into account outstanding purchase payments (or any part-payments already made) or profit-sharing provisions. The market values reported herein do not represent valuations of the Company's contractual rights.**

United Arab Emirates

	Market Value (AED)
Property in Course of Development (1 property)	539,000,000
Total:	**AED 539,000,000**

Qatar

	Market Value (QAR)
Property in Course of Development (1 Property)	467,500,000
Total:	**QAR 467,500,000**

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Oman

	Market Value (OMR)
Property Held for Development (1 Property)	86,900,000
Total:	**OMR 86,900,000**

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached and has been primarily derived using comparable recent market transactions on arm's length terms.

Market Conditions – Global Volatility

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out herein as at the date of valuation. Amongst other things, this assumes that the Properties had been properly marketed and that exchange of contracts took place on this date.

We would draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) currency movements and the current war in Ukraine has heightened the potential for greater volatility in property markets over the short-to-medium term.

Past experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. You should note that the conclusions set out in this report are only valid as at the valuation date. Where appropriate, we would recommend that the valuation is closely monitored, as we continue to track how market participants respond to current market volatility.

Portfolios and Aggregation

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

SVPs, JVs and Other Indirect Investment Structures

Where a property is owned through a special purpose vehicle (SVP), joint venture (JV) or other indirect investment structure, our valuation represents the 100% value of the whole property valued as real estate, assuming full management control. Our valuation therefore is unlikely to represent the market value of the interests in the indirect investment structure through which the property is held.

Our Valuation does not necessarily represent the 'Fair Value' in accordance with IFRS 13 or FRS102 of the interests in the indirect investment structure through which the property is held.

Outstanding Purchase Payments

From information provided as at 30 September 2022, under the development and purchase contracts entered into by Dar Al Arkan, there are outstanding purchase payments as follows:

W Residences, UAE: AED 150,000,000

Les Vagues, Qatar: QAR 322,481,842 (100% price)

Aida, Oman: OMR 63,442,479 + OMR 5,155,177 on sale of hotel.

We have **not** taken these future payments into account in our valuations.

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Profit-Sharing Provisions	From information provided, under the development and purchase contracts entered into by Dar Al Arkan, there are profit-sharing provisions in favour of the current owners / partners as follows: W Residences, UAE: 50% Les Vages, Qatar: 30% Aida, Oman: 25%. We have **not** taken these profit-sharing obligations into account in our valuations.
Valuation Approach for Properties Held for or in Course of Development	The Properties have been valued on either the Comparable Method (where appropriate) or the Residual (Development Appraisal) Method, or both approaches have been considered as cross-checks. The residual method is the commonly practised method of valuing development property, whereby the estimated total costs of realising the proposed development (including construction costs, fees and other on-costs, contingencies, costs of finance and developer's profit) are deducted from the gross development value of the completed project to determine the residual value. Where the residual method of valuation is used, we should draw your attention to the fact that this approach is very sensitive to changes in key inputs. Small changes in variables such as sales volumes or build costs will have a disproportionate effect on residual or land value as demonstrated in the sensitivity analyses below. Residual values can therefore be susceptible to considerable variances as a result of changes in market conditions. Whilst we have checked the information provided to us against available sources of information and provided for a level of profit which in our opinion reflects the level of risk inherent in each project, unforeseen events such as delays in timing, minor market movements etc. can have a disproportionate effect on the resulting value. Land values have been benchmarked against comparable transactions where available and reflect our opinion as at the date of valuation. Should information which we were not made aware of at the time of the valuation subsequently come to light which changes our view on any of the input variables adopted, then the value reported is subject to change and we reserve the right to amend our valuation figures accordingly.
Report Format	Appendix A of this Valuation Report provides the Property Details and Market Values of the Properties. Appendix B provides a table of information provided to CBRE by Dar Al Arkan.
Compliance with Valuation Standards	The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book") current as the Valuation Date.
	The valuations are compliant with the International Valuation Standards and the London Stock Exchange requirements.
	The Financial Conduct Authority (FCA) has published technical note 'Primary Market TN 619.1' to replace and incorporate the ESMA update (ESMA/2011/81) of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implementation of the European Commission regulation (EC) n. 809/2004 into UK law ("TN 619.1") and, although this does not form part of the UK's EU Retained Law, the FCA expects Issuers to apply the provisions to

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	the extent relevant. Accordingly, the valuation report is also compliant with paragraphs 128 to 130 (inclusive) of Part III.1 (Property companies) of TN 619.1.
	The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.
	Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.
	This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer's independent professional opinion of the value of the subject Properties as at the Valuation Date.
Sustainability Considerations	Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use. Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.
Assumptions	The Property Details on which each Valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below. If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered. Please refer to the over-riding assumptions outlined below: ▪ As stated above, no account has been taken of outstanding purchase payments still due from the Company or Dar Al Arkan, profit-sharing obligations, or any relevant SVPs or JVs under any Sale and Purchase Agreements.

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	■ For the properties which include branded / serviced accommodation as advised, we have assumed that agreements / management agreements are place and are transferable. ■ We have assumed that there will be prudent lotting and that not all available units are released to the market simultaneously. ■ The properties form part of a trading portfolio and therefore the assets will change in value as and when construction takes place and the units are sold off. ■ The valuation model assumes the sales receipts remain in the project and offset finance costs.
Variations and/or Departures from Standard Assumptions	None.
TN 619.1 III.I 130 (vi)	TN 619.1 III.I 130 (vi) requires us to comment on any differences between the valuation figure in this Valuation Report and the valuation figure included in the Company's latest published annual accounts, which were as at 31 December 2021. The Company, a newly-incorporated company, does not currently own the subject Properties. CBRE has not previously valued the subject Properties. We further understand that the Company's stated accounting policy is to account for its properties at the lower of cost (being the costs of acquisition and subsequent development costs) and net realisable value (expected sale price less sale costs). This is not the same basis as that under which CBRE have reported. Accordingly, we understand there are no equivalent figures in the Company's latest published annual accounts to CBRE's valuation.
Independence	The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from Dar Al Arkan or the Company (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues. It is not anticipated this situation will vary in the financial year to 31 December 2023. We confirm that we do not have any material interest in Dar Al Arkan, the Company or the Properties.
Previous Involvement and Conflicts of Interest	We confirm that CBRE have not previously valued the subject Properties nor provided other services relating to them. Copies of our conflict of interest checks have been retained within the working papers. We record that you have enter into a separate letter of engagement with CBRE Indirect Investment Services Limited to provide advice to the Addressees upon a number of other matters connected to the Transaction.
Disclosure	The principal signatory of this report has not previously been the signatory of valuations for the Company or Dar Al Arkan. CBRE Ltd has not previously carried out valuation instructions for the Company or Dar Al Arkan.

	CBRE Ltd has not previously carried out other services only on behalf of the Company or Dar Al Arkan.
Responsibility	For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge the information contained in this Valuation Report is in accordance with the facts and makes no omissions likely to affect its import. This Valuation Report complies with Rule 5.4.5G of the Prospectus Regulation Rules and paragraphs 128 to 130 (inclusive) of Part III.1 (Property companies) of TN 619.1. Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Regulation. forming part of the UK's EU Retained Law.
Reliance	This report is for the use only of the parties to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents save as set out in "Responsibility" above. No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.

Publication	Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear. Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of any special assumptions referred to herein.

Yours faithfully

Yours faithfully

Graham Hughes MRICS
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SCHEDULE OF ASSETS

Country	Property Address	Tenure
<u>Property in the Course of Development</u>		
United Arab Emirates	W Residences, Plot No. 345-388, Downtown Dubai, Dubai	Freehold-equivalent
Qatar	TD# 607840, 607845, 607846, 607847, 607850, Qetaifan Island North, Lusail, Al Daayen ("Les Vagues")	Freehold-equivalent
<u>Property Held for Development</u>		
Oman	Plot 5027 Yiti and Plots 5033 and 1470 Yenkit, Muscat Governate ("Aida")	Freehold-equivalent

Source of Information and Scope of Works

Sources of Information	We have carried out our work based upon information supplied to us Dar Al Arkan and their professional advisors, as set out within this report, which we have assumed to be correct and comprehensive.
	We have included a schedule in Appendix B of the information provided to us by Dar Al Arkan and their advisors. We have requested but not been provided with: Legal due diligence reports, technical due diligence reports, environmental due diligence reports, financial due diligence (project expenditure and receipts).
The Properties	Our report contains a brief summary of the Property details on which our Valuation has been based.
Inspection	We have inspected the Properties for the purpose of the instruction. Inspection dates are as follows:
Areas	We have not measured the Properties but have relied upon the site and floor areas provided to us by Dar Al Arkan or their professional advisors, which we have assumed to be correct and comprehensive, and which we assume have been calculated in accordance with local practice as appropriate. All areas quoted in this Valuation Report are approximate.
Environmental Considerations	We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.
Services and Amenities	We understand that the Properties are located in an area served by mains gas, electricity, water and drainage. None of the services have been tested by us. Enquiries regarding the availability of utilities/services to any proposed developments are outside the scope of our report.
Repair and Condition	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
Town Planning	We have not undertaken planning enquiries unless explicitly stated.

Inspection dates:

Property	Date of Inspection
W Residences	7 September 2022
Les Vagues	5 September 2022
Aida	6 September 2022

Titles, Tenures and Lettings	Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser. We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants

Valuation Assumptions

Introduction	An Assumption is defined in the Red Book Glossary and VPS 4 to be a "supposition taken to be true" (an "Assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation. Dar Al Arkan and the Company have confirmed and we confirm that our Assumptions are correct as far as Dar Al Arkan, the Company and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report. For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.
Capital Values	Each valuation has been prepared on the basis of "Market Value"), which is defined in the Red Book as: "The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal. No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge. No account has been taken of the availability or otherwise of capital based Government or European Community grants.
Taxation, Costs and Realisation Costs	As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.
	Our valuations reflect purchasers' statutory and other normal acquisition costs.
VAT or Equivalent	We have not been advised whether the properties are elected for VAT or equivalent taxes.
	All rents and capital values stated in this report are exclusive of VAT or equivalent taxes.
Passing Rent	Passing rents quoted in this report are the rents which are currently payable under the terms of the leases. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs. Passing rents exclude turnover rents, mall incomes and other miscellaneous incomes.
Net Annual Rent	Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:
	(i) ignoring any special receipts or deduction arising from the property;
	(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

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	(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".
Estimated Net Annual Rental Value	The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.
Rental Values	Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows: "The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
Fixtures, Fittings and Equipment	Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building. Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations. Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations. All measurements, areas and ages quoted in our report are approximate.
Environmental Matters	In the absence of any information to the contrary, we have assumed that: a) the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law; b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities; c) the Properties will comply with relevant energy performance legislation. d) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and e) invasive species such as Japanese Knotweed are not present on the Properties. High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.
Repair and Condition	In the absence of any information to the contrary, we have assumed that: a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;

	b) the Properties are free from rot, infestation, structural or latent defect; c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the Properties; and d) the services, and any associated controls or software, are in working order and free from defect. We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority Requirements	Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that: a) the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions; b) buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use; c) the Properties are not adversely affected by town planning or road proposals; d) the buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place; e) only minor or inconsequential costs will be incurred to comply with any relevant disability discrimination legislation; f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal; g) tenants will meet their obligations under their leases; h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value; i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and k) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable.

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Appendix A: Properties Details

Property Details: Properties Held for Development

Property	Description	Key Valuation Assumptions	Site Area (Sq. m)	Buildable Sale Area (Sq. m)	Market Value OMR
Plot 5027 Yiti and Plots 5033 and 1470 Yenkit ("Aida") Muscat Governate Oman.	The Property comprises an undeveloped land plot measuring 3,417,545 sq. m with a usable area of 1,070,485 sq. m upon which 3,500 residential units, 10,000 sq. m of retail and one hotel are planned to be built. The total built up area will be 757,212 sq. m. The plot is located 35km from the centre of Muscat along the south-eastern coast and spreads across Yeti and Yenkit.	Gross Development Value OMR 895,569,908 Construction Cost OMR 426,257,743 (includes infrastructure costs, contingency, structural engineer and general administrative costs) Spent to date OMR 0 Developers Profit: OMR 297,519,798 Unit Mix: Residential Villa – 1,644 units Residential – 1,856 units Retail – 40 units Hotel – 1 unit Build Cost: Residential Villa & Apartment – OMR 344.20 psm Retail – 180 psm Hotel – 750 psm Timeline: Purchase – 6 months Pre-Construction – 24 months Construction – 120 months split across four phases Sales – 30 months after completion Completion Date: August 2034	3,417,545 (usable area of 1,070,485)	757,212 sq. m	86,900,000 (Rounded)

Sales Rates:
Residential: OMR 1,315 psm
Retail: OMR 1,500 psm
Hotel: 428 psm

Sales Absorption:
Residential villas:
Off plan: 164 units
During Construction: 8 units per month
Post Completion: 12 units per month

Residential Apartments:
Off Plan: 184 units
During Construction: 9 units per month
Post Completion: 18 units per month

Retail: 1 unit every two months during construction

Hotel: Sold four years after completion once stabilised. Net income from the hotel assumed as OMR 1 million in year one, OMR 2 million in year two and OMR 4 million in year three. We have then assumed a terminal value of OMR 19,808,550 in year four which equates to approximately OMR 45,000 per key. We have calculated the net present value by applying a discount rate of 8.00% which gives a value of OMR 20,375,808

Payment Plan:
10% upon signing

70% during construction (10% every six months)
10% upon completion
10% on handover (4 years)

Acquisition costs:
Transfer Fee: 2.00% of residual land value
Agents Fee: 1.00% of residual land value
Legal Fee: 0.50% of residual land value

Disposal Fees:
Transfer Fees: 2.00% of sales
Agents Fees: 3.50% of sales
Legal Fees: 0.50% of sales

Marketing:
1.50% of sales

Targeted IRR:
15.00%

Assumed Finance Rate: 8%

Not reflected in valuation:
Held as contractual right with OMR 63,442,479 to purchase.
Current owner also entitled to OMR 5,153,177 from sale of the hotel.

Property Details: Properties in the Course of Development

Property	Description	Key Valuation Assumptions	Site Area (Sq ft)	Buildable Sale Area (Sq.ft)	Market Value (AED)
W Residences Plot No. 345-388 Downtown Dubai Dubai UAE	The property comprises a level, broadly rectangular, plot of land currently under preparation for the development of a residential tower development to be branded W Residences (W being part of Marriot Bonvoy). The property occupies a prime site between Business Bay and Old Town Dubai. When complete the building will comprise 49 floors.	Total Project Value = AED 1,053,688,743 (Actual Sales = AED 1,002,862,743; Unsold Inventory Sales = AED 50,826,000) Gross Development Value = AED 845,638,582 (Unsold Inventory Sales = AED 50,826,000; Receivables = AED 794,812,582) Escrow deposits = AED 197,933,119 Total Construction Cost = AED 316,000,000 Cost Incurred = AED 3,700,000 Cost Remaining = AED 312,300,000 Total 376 units sold, 9 units remaining Completion Date: Dec 2025 Target IRR: 14.00% Assumed Finance Rate: 6% Royalty Fee (3.5%) = AED 29,597,350 – assumed to be outstanding. Profit on Cost: 11.47% (output) **Not reflected in valuation**: Held as contractual right with AED 150,000,000 towards land purchase.	43,104 sq ft	396,656 sq ft	**539,000,000** (Rounded)

CBRE

Property	Description	Key Valuation Assumptions	Site Area (Sq. m)	Sellable Area - GFA (Sq. m)	Market Value QAR
TD# 607840, Qetaifan Island North, Lusail, Al Daayen, Qatar TD# 607845, Qetaifan Island North, Lusail, Al Daayen, Qatar TD# 607846, Qetaifan Island North, Lusail, Al Daayen, Qatar TD# 607847, Qetaifan Island North, Lusail, Al Daayen, Qatar TD# 607850, Qetaifan Island North, Lusail, Al Daayen, Qatar ("Les Vagues")	The Property consists of five undeveloped land plots measuring 32,406 sq m, with a sellable area of 49,681.60 sq m, benefiting from a premium sea-front location. We understand that the plots are zoned for the development of five medium density residential buildings with ground floor retail accommodation. We understand that upon completion, each building will include all-encompassing amenities including gyms, infinity swimming pools and landscaped community courtyards that offer an easy transition between the indoor and exterior of the buildings. These branded residences will be finished to a high-quality specification, trademarked by one of the world's most renown and distinguished fashion designers Elie Saab. Each building will be situated over G+5 with the ground floor hosting retail accommodation and upper floors encompassing residential apartments. The building will be constructed with a reinforced concrete frame with a floor to ceiling glass and rendered façade. The superstructure comprises of a high-quality architectural design with glazed external cladding. Parking areas are located at ground level.	**Residual Approach** Gross Development Value QAR 1,352,579,600 Construction Cost QAR 975,806,834 (includes infrastructure costs, contingency, structural engineer and general administrative costs) Spent to date: QAR 11,094,607 Unit Mix: Residential Apartments – Estimated 300 apartments (60 apartments per building) Retail – 5 units Build Cost: Residential Apartments – QAR 3,500 psm Retail – QAR 3,500 psm Timeline: Pre-Construction – 6 months Construction – 48 months Sales – 22 months after completion Completion Date: August 2027 Sales Rates: Residential: QAR 26,000 psm Retail: QAR 40,000 psm Sales Absorption:	32,406 sq m (348,815 sq ft) Built Up Area 54,028.5 sq m	49,681.60 sq m	**467,500,000** (Rounded)

Residential Apartments: During Construction: 60 units per year
Retail: During Construction 5 units per year

Acquisition costs:
Land Registration Fee: 1.75% of residual land value
Agents Fee: 1.00% of residual land value
Legal Fee: 0.50% of residual land value

Disposal Fees:
Agents Fees: 6% of sales
Legal Fees: 0.50% of sales

Marketing:
5.00% of sales

Targeted IRR:
20.00%

Residual Value:
QAR 467,496,034

Not reflected in valuation:
Held as contractual right with QAR 322,481,842 land purchase price.

Sensitivity Analyses

With all developments valued by the residual method a small change in an input can have a significant impact on the residual land value. To demonstrate this, set out below are examples of changes to variables and how these impact on the reported values.

Les Vagues, Qatar

Residual Land Value (QAR)	Sales (QAR)				
Construction Cost (AED)	-10.000%	-5.000%	0.000%	5.000%	10.000%
-10.000%	425,480,000	416,880,000	408,240,000	399,560,000	390,840,000
-5.000%	455,060,000	446,490,000	437,880,000	429,230,000	420,530,000
0.000%	484,630,000	476,080,000	**467,500,000**	458,870,000	450,210,000
5.000%	514,190,000	505,650,000	497,090,000	488,500,000	479,860,000
10.000%	543,760,000	535,220,000	526,670,000	518,100,000	509,490,000

Aida, Oman

Residual Land Value (OMR)	Construction Rate (OMR/sq m)				
Sales Rate (OMR/sq m)	-10.000%	-5.000%	0.000%	5.000%	10.000%
-10.000%	73,200,000	64,400,000	55,600,000	46,800,000	38,000,000
-5.000%	88,900,000	80,100,000	71,300,000	62,500,000	53,700,000
0.000%	104,500,000	95,700,000	**86,900,000***	78,100,000	69,300,000
5.000%	120,200,000	111,400,000	102,600,000	93,800,000	84,900,000
10.000%	135,800,000	127,000,000	118,200,000	109,400,000	100,600,000

W Residences, Dubai

Given that all of the units except the penthouse unit within the development have been pre-sold and with the availability of escrow balances at the disposal of the developer, the development is less sensitive to change in variables. However, should the construction costs increase it would have a negative impact on the residual land value.

Appendix B: Information Received

Les Vagues, Qatar

- Affection Plan – 16/09/2021
- Title Deeds
    - QN-SM-08 – 17/04/2022
    - QN-SM-09 – 18/04/2022
    - QN-SM-10 – 17/04/2022
    - QN-SM-11 – 17/04/2022
    - QN-SM-12 – 17/04/2022
- Development Agreement – dated 16/03/2022
- Concept Masterplan – 28/01/2022
- Construction Costs Forecast – No date
- Infrastructure Costs Forecast – No date
- Development Timeline – No date
- Projected Sales Figures – No date
- Sales Income – 03/01/2023

Aida, Oman

Information provided includes the following:

- Affection Plan – no date
- Title Deeds – Yiti Plot 5027 dated 21/11/2019, Yenkit Plot 5033 dated 18/10/2020 and Yenkit Plot 1470 dated 21/05/2020.
- Development Agreement – dated 24/03/2022
- Concept Masterplan – dated June 2022
- Construction Costs Forecast - dated 24/03/2022
- Infrastructure Costs Forecast - dated 24/03/2022
- Development Timeline – No date
- Projected Sales Figures - dated 24/03/2022

W Residences, Dubai

Information provided includes the following:

- Title Deed dated 11 February 2015;
- Branding Agreement 28 November 2021;
- Project overview including brochures, presentations, inventory list with asking price and payment plan offered as of 08 September 2022;
- Projects details including area sold and left to be sold as of 31 December 2022;
- Construction budged including cost spent and left to spend as of 31 December 2022;
- Sales income summary including amount received, outstanding receivables and escrow account details as of 31 December 2022;

PART V

DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

1 DIRECTORS

The Company's Directors are:

Name	Position	Date appointed to Board	Notice Period
David Hunter	Independent Non-Executive Chair	6 February 2023	3 months
Ziad El Chaar	Chief Executive Officer	30 September 2022	90 days
Shivaraman Iyer	Chief Financial Officer	30 September 2022	90 days
Yousef Al-Shelash	Vice-Chair, Non-Executive Director	6 February 2023	3 months
Maurice Horan.	Independent Non-Executive Director	6 February 2023	3 months
Richard Stockdale	Senior Independent Non-Executive Director	6 February 2023	3 months

The business address of each of the Directors is Link Company Matters, 6th Floor, 65 Gresham Street, London EC2V 7NQ.

The management expertise and experience of each of the Directors is set out below:

David Hunter, Independent Non-Executive Chair

David Hunter is the Independent Non-Executive Chair of the Company, having become a Director on 6 February 2023. David has extensive experience in the real estate sector in the United Kingdom, having started his career as a chartered surveyor there before becoming a leading Fund Manager, ultimately as Managing Director of Aberdeen Asset Management's £6.5bn international property fund management business. In 2004, he served as President of the British Property Federation (**BPF**), the main industry representative body for the real estate sector in the UK, where he played a significant role in the introduction of Real Estate Investment Trusts to the United Kingdom.

David has since built a successful listed company directorship career, which has seen him serve on the board as a non-executive director and chair of a number of London Stock Exchange listed real estate companies including GCP Student Living plc, Capital & Regional plc and Custodian REIT plc.

David has worked internationally, including in developing markets. He is the former Chairman of South African Property Opportunities Ltd, an investment manager in real estate projects in South Africa and sub-Saharan Africa (formerly AIM-listed on the London Stock Exchange), and of NR Nordic and Russia Properties, which specialised in real estate opportunities in the Nordic and Baltic regions, as well as Baltic Russia. Until early 2022, David was senior independent director of Yatra Capital Ltd, an Indian real estate investment company.

Ziad El Chaar, Chief Executive Officer

Ziad El Chaar is the Chief Executive Officer of the Company, having joined the Group in May 2017. Ziad leads all the operations and businesses of the Group in different countries.

With over 20 years of experience in real estate development and investment, with full management responsibility for revenue growth and profitability, and 10 years' experience and responsibility in corporate governance, board affairs and regulatory compliance, Ziad has a proven track record of achievement.

Prior to joining the Group, Ziad was the CEO -Ventures and Business Development at Emaar Properties PJSC, CEO at Dar Al Arkan Real Estate Development Company PJSC, and Managing Director and Executive Director on the board of directors of the publicly listed DAMAC Properties, during which he focused on operational achievement and the companies' development and strategic plans.

Ziad holds a Master's degree in Business Administration from the American University in Beirut.

Shivaraman Iyer, Chief Financial Officer

Shivaraman Iyer is Chief Financial Officer of the Company, having joined the Group in June 2022. Shivaraman brings over 38 years of rich international working experience to the Group as Chief Financial Officer, overseeing financial operational performance, investment strategy, portfolio management and group restructuring.

In a wide-ranging international finance career prior to joining the Group, Shivaraman has held leadership and senior management roles with several prominent organizations, including SVP Finance at the DAMAC Group, CFO at Aldar Laing O'Rourke LLC and at Al Raha International LLC. He possesses sector-wide financial and operational expertise in real estate development, property and asset management, and contracting in UAE, India, Qatar, Russia and Hungary.

Yousef Al-Shelash, Vice-Chair and Non-Executive Director

Yousef Al-Shelash is Vice-Chair and a Non-Executive Director of the Company, having become a Director on 6 February 2023. Yousef is the Chairman of and one of the founders of the Major Shareholder since its establishment in 1994. He is a visionary leader with impressive credentials and invaluable knowledge in strategic planning and real estate development as well as expertise in the financial and investment banking sectors.

Yousef holds several leadership positions in organisations across the Middle East region. He gained this prominent status by being a founder, partner, and manager of many entities inside and outside Saudi Arabia that operate in various real estate and financial activities.

Yousef is one of the founders and Chairman of the Board of Saudi Home Loans since 2008 and AlKhair Capital Company in Saudi Arabia since 2009. He is a board member of Al Anma Towers Co., Al Dar Al Arabiya Co., and Dar Al Khaleej Al Arabiya Co.

Yousef obtained an MSc in Law & Legal Proceedings from the Institute of Public Administration Al-Riyadh and a BSc in Shari'ah from Mohamed Bin Saud Islamic University, Saudi Arabia. He also earned diplomas in both Banking and Combating Financial Crimes and received formal training in financial management and investment project evaluation.

Maurice Horan, Independent Non-Executive Director

Maurice Horan is an Independent Non-Executive Director of the Company, having become a Director on 6 February 2023. Previously, Maurice was Chairman of BFC Group Holding WLL, a Director of BFC Bank Ltd, where he also served as a member of the audit committee (including a period as Chairman of the committee). He also served as General Manager – Strategic Investments at Arab National Bank, Riyadh and also as General Manager – Corporate Banking Group at Arab National Bank. He has extensive experience at senior executive level and at board level across a range of companies and sectors in the Gulf, USA and British Isles. Over the course of his career Maurice has held senior management positions in stockbroking, commercial banking and in Islamic investment banking. He has extensive experience in corporate finance, corporate restructuring and property finance.

Maurice read economics and finance at Trinity College Dublin where he was awarded a B. A. (Mod), and holds an MBA from The Smurfit School of Business at University College Dublin.

Richard Stockdale, Senior Independent Non-Executive Director

Richard Stockdale is the Senior Independent Non-Executive Director of the Company, having become a Director on 6 February 2023. Richard had a successful career as a banker in Lloyds TSB Bank during which he held roles including Head of Lloyds TSB Bank Middle East, CEO of Lloyds TSB Global Services Pvt Limited and Lloyds TSB Bank India Country Head. Richard subsequently has had a freelance international consulting career delivering advice and solutions, including for complex international corporate issues, with assignments in the UAE, Austria, Sweden, Turkey, India, Hungary, Thailand and South Africa.

Richard was one of the Founding Members of the Indian Anti-Corruption Academy and in the past has held roles within the City of London's Chartered Institute for Securities and Investment (CISI) as a Trustee and Independent Non-Executive Director, whilst also as the Non-Executive Regional President for the CISI in India and also in the UAE and later as an Ambassador for the CISI. Richard was in the past a member of the Dubai / UK Trade and Economic Committee and its Capital Markets Sub-committee.

Richard has acted as an Expert Witness for the US Dept of Justice in the successful prosecution of an international money laundering case and has sat briefly on a UN International Sanctions Monitoring Finance Committee. Richard has spoken on Anti-Corruption at the invitation of the UN and on AML at the invitation of Arab Monetary Fund. For two consecutive years on behalf of the CISI, Richard chaired the Arabian IPO Summit held in Dubai. He is a Fellow of the Chartered Institute of Bankers, a Chartered Fellow (Hon) of the CISI and a Fellow of the Indian Institute of Directors.

2 SENIOR MANAGERS

In addition to the executive management on the Board of the Company (being the Chief Executive Officer and the Chief Financial Officer), the following Senior Managers are considered relevant to establishing that the Company has the appropriate expertise and experience for the management of its business:

Name	Position
Bilal Matarneh	CEO – Development, Construction and Procurement
Joseph Kourani	Head of Sales
Lea (Laya) Halwani	Head of Marketing
Redwan Zaouk	COO – UK Operations
Paula Gambrell	Business Development Director
Hukam Rawat	Head of Compliance, Governance and Risk
Serena Naimat	Director of Investments

The business address of each of the Senior Managers is Link Company Matters, 6th Floor, 65 Gresham Street, London EC2V 7NQ.

The management expertise and experience of each of the Senior Managers is set out below:

Bilal Matarneh, Chief Executive Officer, Development, Construction and Procurement

Bilal Matarneh is the Chief Executive Officer – Development, Construction and Procurement at the Company, having first joined the Group in November 2019. Bilal leads the technical and project teams in UAE, Qatar, Oman, United Kingdom, Spain, and Bosnia. Bilal brings strong managerial and people skills to project delivery with an exemplary record of delivery of multiple projects contemporaneously, with the emphasis on completion on-time and within budget.

Prior to joining the Group, Bilal was CPO at Emaar Properties PJSC, Executive VP for Projects at DAMAC Properties delivering major master development projects and was also CEO at ASTRA Group.

Joseph Kourani, Head of Sales

Joseph Kourani is the Head of Sales at the Company, having joined the Group in July 2017. Joseph leads the sales teams in UAE, Qatar, Oman, UK, Spain, and Bosnia. Joseph brings strong sales and distribution experience within the financial and real estate industries around more than eighteen countries over the last 26 years. Joseph holds a bachelor of Business Administration from the University of Balamand-Lebanon and a Master's degree in Business Administration from Northampton University in United Kingdom.

Prior to joining the Group, Joseph was Regional Sales Director at MetLife for 15 years leading sales in the Middle East and the Head of Sales at DAMAC Properties covering more than six countries around East Asia and Middle East.

Lea (Laya) Halwani, Head of Marketing

Lea (Laya) Halwani is the Head of Marketing at the Company, having joined the Group in June 2021. With more than 10 years of marketing experience, Lea has initiated, developed and overseen numerous successful marketing campaigns. With a passion for marketing and communication, Lea has managed diverse portfolios for different multinational agencies and consulting firms across the Levant & GCC in the telecoms, FMCG, retail, automotive, and technology markets, where she has managed strategy and campaigns in digital media, creative and social media, involving internal and external public relations, production houses, and content unit departments. Lea started her career at Leo Burnett as a communication executive in Beirut and made her way up to the Head of Strategy at Leo Burnett in KSA, after which she joined Strategy& (previously known as Booz & co) as a subject matter expert in strategic marketing, among other things helping a client launch a US$2 billion valued company in Riyadh, Saudi Arabia.

Lea moved to Quara Holding in January 2021 as Head of Marketing and succeeded in solidifying the brand message, while also planning and overseeing marketing programmes. Now based in Dubai as Head of Marketing at the Group, she leads all marketing communications across its offices, globally.

Redwan Zaouk, COO – UK Operations

Redwan Zaouk is the COO of UK Operations at the Company, having joined the Group in 2020. Redwan has more than 15 years of experience in real estate development and more than 10 years of managerial experience within real estate companies. Redwan's management roles includes previous roles as a member of the Board, Audit Committee, Corporate Governance Committee and Remuneration Committee at Al-Tajamouat for Touristic Projects Plc, Senior Vice President at Damac Properties, COO at EMAAR Middle East, Development Director at Kinan International Real Estate Development Company, and Head of Business Development at The Savola Group – KEC Project.

Redwan holds a Bachelor's degree from the University of Balamand in Lebanon. He is also a graduate of McGill University's Graduate School of Management.

Paula Gambrell, Business Development Director

Paula Gambrell is the Business Development Director of the Company, having joined the Group in September 2022. Paula's portfolio at the Group is focused on the management of the Company's external real estate brokers currently numbering over 5,000 brokers. Dubai-born and raised, Paula's passion for customer service and business development has taken her across the banking and real estate sectors. She works to promote the Group from a marketing perspective globally including being involved in opportunities to expand into new markets.

Paula previously worked for Ellington Properties where she managed the broker business development, customer care and marketing for the company. Prior to her role with Ellington, she worked with DAMAC Properties, where she played a key role in tripling the share of sales for brokers and expanded the company's outreach to China. Earlier, she headed up the launch of Premier Banking for Barclays Bank in the UAE and also co-founded the financial comparison website Souqalmal.com. She began her career at HSBC Bank, launching its Global Advance products across the Middle East.

Hukam Rawat, Head of Compliance, Governance and Risk

Hukam Rawat is the Head of Compliance, Governance and Risk of the Company, having joined the Group in September 2022. Hukam is an experienced Governance, Risk and Compliance (GRC) professional with 18 plus years' experience working with large international corporates, supporting their business objectives, addressing uncertainty, and acting with integrity to ensure compliance with laws and regulations. He has been in leadership roles in corporate governance, M&A, and management of regulatory and operational compliance, and he possesses in-depth knowledge of capital markets regulations.

Hukam has worked within EMAAR India, and publicly listed companies DAMAC Properties and GEMS Education. He has led compliance and company secretarial functions on GDR, Equity and Sukuk listings on Nasdaq Dubai, LSE and DFM, holding positions including company secretary and leadership functions in corporate Internal Audit, Risk and Compliance departments. Hukam is also a founding member of ICSI Middle East NPIO a non-profit organisation formed in DIFC with the objective of promoting the Corporate Governance profession in the UAE. He is an active speaker and moderator at international seminars and conferences on governance topics. Hukam is a commerce graduate, Chartered Secretary and holds a MBA in Finance.

Serena Naimat, Director of Investments

Serena Naimat is the Director of Investments of the Company, having joined the Group in October 2022. Serena is an investment professional with prior experience working for an equity fund and a regional investment bank in the real estate, capital markets and private markets division. She also worked for Knight Frank as a senior negotiator, where she was responsible for growing their Middle East desk by managing relationships with high net worth individuals in the GCC.

Serena has extensive experience working on numerous transactions involving investments in real estate, private debt and other financial instruments. As the Director of Investor Relations in Amwal Capital Partners, Serena assisted the co-founder and chief investment officer in maintaining investor relations and providing marketing materials for fundraising. She has worked with regional and international investors and family offices to develop their portfolio in various assets classes.

Serena is a political science graduate from The University of Jordan.

3 CORPORATE GOVERNANCE

3.1 Overview

The Directors are committed to high standards of corporate governance.

As a company with a standard listing, the Company will not be required, following Admission, to comply, or otherwise explain non-compliance, with the requirements of the Corporate Governance Code. However, the Board places great emphasis on the importance of strong corporate governance and has decided, from Admission, voluntarily to comply or explain against the Corporate Governance Code such as the Board considers appropriate in light of the nature of the business and its strategy going forward. In addition, the Board expects that over the medium term the Company will be fully compliant with the Corporate Governance Code in all respects.

3.1.1 The Board

The Corporate Governance Code recommends that at least half the board of directors, excluding the chair, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement. The Corporate Governance Code also recommends that the board of directors should appoint one of the non-executive directors to be the senior independent director to provide a sounding board for the chair and to serve as an intermediary for the other directors when necessary.

On Admission, the Board will be composed of six directors, consisting of Ziad El Chaar, Chief Executive Officer and Shivaraman Iyer, Chief Financial Officer (the **Executive Directors**), and four non-executive directors being David Hunter (Independent Non-Executive Chair), Yousef Al-Shelash, (Vice-Chair and Non-Independent Director), Maurice Horan (Independent Non-Executive Director) and Richard Stockdale (Senior Independent Non-Executive Director) (together, the **Non-Executive Directors**). The Directors regard the Chair, Maurice Horan and Richard Stockdale as being independent.

Accordingly, as the Board (excluding the Chair) will as at Admission be comprised of two Executive Directors, one non-independent Non-Executive Director and two Independent Non-Executive Directors, the Board does not consider that, as at Admission, it will comply with the requirement under the Corporate Governance Code for at least half the Board (excluding the Chair) to be independent. However, the Board intends to appoint an additional Independent Non-Executive Director within six months of Admission, and at such points expects that it will comply with this requirement.

The Corporate Governance Code also recommends that directors should be subject to annual re-election. The Company intends to comply with this recommendation.

3.1.2 The Chair

The Corporate Governance Code recommends that the chair of a company should meet the independence criteria set out in the Corporate Governance Code. The Chair meets the independence criteria set out in the Corporate Governance Code as he is considered independent on appointment.

3.1.3 The Senior Independent Director

The Corporate Governance Code recommends that the board of directors should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Richard Stockdale has been appointed as Senior Independent Non-Executive Director (the **Senior Independent Director**) with effect from Admission.

The Senior Independent Director will be available to the Shareholders if they have concerns, which contact through the normal channels of chair or executive Directors has failed to resolve or for which such contact is inappropriate.

3.2 Relationship Agreement

As a company with a standard listing, the Company will not be required to have entered into a relationship agreement with the Major Shareholder at Admission. Nevertheless, the Company, on 5 January 2023, entered into the Relationship Agreement, conditional upon Admission, with the Major Shareholder to ensure that, *inter alia*, the Company is capable of carrying on its business independently of its controlling shareholder (as defined in the Listing Rules) and their associates.

The principal purpose of the Relationship Agreement is to ensure that the Company can carry on an independent business as its main activity. The Relationship Agreement contains, among others, undertakings from the Major Shareholder that: subject to the provisions of the Guarantee Support Agreement, transactions and arrangements with them (and/or any of their associates) will be conducted at arm's length and on normal commercial terms; (ii) neither they nor any of their associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, (iii) neither they nor any of their associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules and (iv) that the Major Shareholder will not act to unduly influence the Company or its Board or otherwise interfere with the day-to-day management of the Company.

The Relationship Agreement also contains non-compete undertakings given by the Major Shareholder in favour of the Company as follows: (i) from Admission, a non-compete undertaking restricting the Major Shareholder from undertaking the acquisition or development of residential or hospitality real estate projects anywhere in the world, aside from in the Kingdom of Saudi Arabia, such non-compete undertaking to apply for as long as the Major Shareholder is considered to be part of the same undertaking as the Company for certain competition law purposes; and (ii) from the point in time at which the Major Shareholder is not considered to be part of the same undertaking as the Company for certain competition law purposes, a further non-compete undertaking for a period of an additional two years, restricting the Major Shareholder from undertaking the acquisition or development of residential or hospitality real estate projects in such countries in which the Company either already develops residential or hospitality real estate projects or where it has a developed plan to do so (as determined at the date that the Major Shareholder ceases to be part of the same undertaking as the Company for certain competition law purposes). Such countries would be expected to include, at a minimum, the United Kingdom, the United Arab Emirates, Spain, Oman, Qatar, China, the Maldives, Bosnia and Herzegovina, Morocco and Greece.

The Relationship Agreement also contains various other undertakings by the Major Shareholder in favour of the Company, including a standstill undertaking for the two year period after Admission during which the Major Shareholder will not increase its shareholding above 90 per cent. nor make an offer for any Ordinary Shares not held by it or its associates, and a non-solicit undertaking in relation to staff of the Group during the three year period after Admission. The Major Shareholder has also undertaken that, for a period of two years after the date of Admission, it will not propose or vote in favour of any resolution to delist the Company from the Main Market of the London Stock Exchange.

The Relationship Agreement also contains Board representation rights in favour of the Major Shareholder pursuant to which the Major Shareholder will have the right to appoint (i) two directors to the Board while its shareholding in the Company comprises at least 30 per cent. of the Ordinary Shares in issue (subject to the Board as a whole complying with the independence requirements of the Corporate Governance Code after the exercise of such right) and (ii) one Director to the Board while its shareholding in the Company comprises less than 30 per cent. of the Ordinary Shares in issue but comprises at least 10 per cent of the Ordinary Shares in issue.

Accordingly, as at Admission, due to the independence requirements of the Corporate Governance Code, the Major Shareholder will only have the right to appoint one Director to the Board, notwithstanding that its aggregate shareholding in the Company will comprise 88 per cent. of the Ordinary Shares in issue. The Major Shareholder's appointed representative Director as at Admission will be Yousef Al-Shelash, and the Major Shareholder will not be entitled to exercise its right to appoint a second representative Director unless and until such appointment could be made in circumstances whereby the Company would continue to comply with the independence requirements of the Corporate Governance Code following such appointment (and assuming that as at such point, the Major Shareholder's shareholding still comprises at least 30 per cent. of the Ordinary Shares in issue). For additional information on the Relationship Agreement, see paragraph 17.1 (*Relationship Agreement*) of Part XI (*Additional Information*).

The Relationship Agreement will remain in full force and effect for so long as such the Major Shareholder, together with its associates, holds Ordinary Shares representing at least 10 per cent. of the Ordinary Shares in issue by the Company from time to time (save that the Major Shareholder may terminate the Relationship Agreement if the Company is delisted from the Main Market of the London Stock Exchange or experiences certain insolvency related scenarios).

For a detailed description of the terms of the Relationship Agreement, see paragraph 17.1 (*Relationship Agreement*) of Part XI (*Additional Information*).

3.3 Committees of the Board

As envisaged by the Corporate Governance Code, the Board has established an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee (the **Committees**), each with formally delegated duties and responsibilities and with written terms of references. If the need should arise, the Board may set up additional committees as appropriate, and it is envisaged that the Board will constitute a Disclosure Committee in addition to the Committees required under the Corporate Governance Code.

3.4 Nomination Committee

The Nomination Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is also responsible for periodically reviewing the Board's structure and composition and identifying potential candidates to be appointed as directors or committee members as the need may arise. The Nomination Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board, and retirements and appointments of additional and replacement directors and committee members, and will make appropriate recommendations to the Board on such matters. The Nomination Committee will meet not less than twice a year. From Admission, it is intended that the chair of the Nomination Committee will be available at annual general meetings of the Company to respond to questions from the Shareholders on the activities of the Nomination Committee.

The Nomination Committee will be chaired by David Hunter and its other members will be Richard Stockdale and Maurice Horan.

The Corporate Governance Code recommends that a majority of the members of a nomination committee should be independent non-executive directors, and that the chair of the board should not chair the committee when it is dealing with the appointment of a successor to the Chair.

The Directors consider that the Company complies with the requirements of the Corporate Governance Code in respect of nomination committees.

3.5 Remuneration Committee

The Remuneration Committee assists the Board in determining its responsibilities in relation to directors' remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the over-arching principles, parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of each of the Executive Directors and senior management (including fees paid to the Company Secretary). The Remuneration Committee will give due regard to the provisions and recommendations in the Corporate Governance Code when determining the remuneration policy. The Remuneration Committee will meet not less than twice a year. From Admission, it is intended that the chair of the Remuneration Committee will be available at annual general meetings of the Company to respond to questions from the Shareholders on the activities of the Remuneration Committee.

The Corporate Governance Code recommends that a remuneration committee should comprise at least three members and that all members should be independent non-executive directors. The chair of the board should only be a member if he was independent on appointment, and cannot chair the committee. The chair of the remuneration committee should have served on a remuneration committee for at least 12 months prior to his or her appointment as such. At Admission, the Remuneration Committee will be chaired by Richard Stockdale and its other members will be David Hunter and Maurice Horan.

The Directors consider that the Company complies with the requirements of the Corporate Governance Code in respect of remuneration committees.

3.6 Audit and Risk Committee

The Audit and Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Group's annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Group's relationship with its external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Group's internal audit, internal controls, risk management, whistleblowing and fraud systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee will give due consideration to laws and regulations, the provisions of the Corporate Governance Code and the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Audit and Risk Committee is also responsible for (i) advising the Board on the Company's risk strategy, risk appetite, tolerance and risk policies and current risk exposures (principal and emerging); (ii) evaluating the Company's principal risks to be taken into account when assessing the Company's prospects; (iv) overseeing the implementation and maintenance of the overall risk management framework and systems; and (iii) reviewing the Company's risk assessment processes and capability to identify and manage new risks. When appropriate, the Audit and Risk Committee will meet without members of the executive management team in attendance. The Audit and Risk Committee will meet not less than three times a year, at least one of which will be without management present. From Admission, it is intended that the chair of the Audit and Risk Committee will be available at annual general meetings of the Company to respond to questions from the Shareholders on the activities of the Audit and Risk Committee.

The Corporate Governance Code recommends that an audit committee should comprise at least three members, that all members should be independent non-executive directors, that at least one member should have recent and relevant financial experience and that the committee as a whole should have competence relevant to the sector in which the company operates. The chair of the board should not be a member. At Admission, the Audit and Risk Committee will be chaired by Maurice Horan and its other members will be David Hunter and Richard Stockdale.

The Directors consider that Maurice Horan has recent and relevant financial experience and that the Audit and Risk Committee as a whole has competence relevant to the sector in which the Group operates, in accordance with the requirements of the Corporate Governance Code. As the Chair is a member of the Audit and Risk Committee, the Directors do not consider that the Company will comply with the requirements of the Corporate Governance Code in respect of audit committees as at Admission. However, the Directors intend to identify and appoint an additional independent Non-Executive Director within six months following Admission, at which point it is intended that such individual would replace the Chair as a member of the Audit and Risk Committee, and therefore the Company would comply with such requirements.

The Audit and Risk Committee has taken appropriate steps to ensure that the Auditor is independent of the Company and obtained written confirmation from the Auditor that it complies with guidelines on independence issued by the relevant accountancy and auditing bodies.

4 SHARE DEALING CODE

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Ordinary Shares which is based on the requirements of the UK Market Abuse Regulation. The code adopted will apply to the Directors, persons discharging managerial responsibility and certain other persons depending on their role or function as senior managers but who are not identified as persons discharging managerial responsibilities.

PART VI

CAPITALISATION AND INDEBTEDNESS STATEMENT

The following table shows the combined capitalisation of the Group as at 30 November 2022. The following table does not reflect the impact of the Private Placement on the capitalisation and indebtedness of the Group.

	As at 30 November 2022
	Unaudited
	(AED thousands)
TOTAL CURRENT DEBT	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	780,700[(1)]
	780,700
TOTAL NON-CURRENT DEBT	
Guaranteed	239,395
Secured	–
Unguaranteed/unsecured	–
Total	239,395
SHAREHOLDER'S EQUITY	–
Other reserves	3,000
Legal reserve(s)	–
Total	3,000

(1) Loans have been received from the Major Shareholder to fund the on-going projects of the Group. Ahead of Admission, all of the loans historically provided by the Major Shareholder have been assigned to members of the Group, thus eliminating all amounts due to related parties.

On Admission, the Company will issue 21,621,612 Ordinary Shares to the Private Placement Investors comprising 12 per cent. of its issued share capital (as enlarged by the Private Placement) raising gross proceeds of US$72 million and US$62.7 million net proceeds (after payment of outstanding costs incurred in connection with the Private Placement and Admission) (see Part X "*The Private Placement" for further details).*

The following table sets out the Group's net financial indebtedness as of 30 November 2022.

		As at 30 November 2022
		Unaudited
		(AED thousands)
A.	Cash	365,786[1]
B.	Cash equivalents	—
C.	Other current financial assets	—
D.	**Liquidity (A+B+C)**	**365,786**
E.	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	780,700
F.	Current portion of non-current financial debt	—
G.	**Current financial indebtedness (E+F)**	780,700
H.	**Net current financial indebtedness (G-D)**	**414,914**
I.	Non-current financial debt (excluding current portion and debt instruments)	239,395
J.	Debt instruments	—
K.	Non-current trade and other payables	127,562
L.	**Non-current financial indebtedness (I+J+K)**	**366,957**
M.	**Net financial indebtedness (H+L)**	**781,871**

(1) The cash balance includes cash held in escrow accounts of AED 245.3 million and cash held in in escrow retention accounts of AED 22.8 million.

(2) Non-current trade and other payables includes AED 113 million being the fair value derived after discounting at the rate of 8.5 per cent of AED 150 million payable related to the acquisition of land for W Residences which has been purchased on a deferred payment plan with the final instalment due on the completion of the project i.e. on or before 31 December 2025 and AED 14.8 million in retention payable to suppliers.

The Group obtained a Murabaha facility from the Abu Dhabi Commercial Bank on 4 October 2022 in the amount of AED 320 million, which is guaranteed by the Major Shareholder. As at November 2022, AED 239 million was drawn under the facility.

The Company issued redeemable preference shares with aggregate nominal value of £50,000 (the "Redeemable Preference Shares") to Dar Global UAE on 25 January 2023.

The Company entered into the DAA Facility Agreement with the Major Shareholder in February 2023, conditional on Admission, in the aggregate amount of up to US$200 million. No amounts have been drawn under this facility and drawdowns will only occur after Admission.

Under the RERA regulations, the Group is required to provide letters of guarantees to the DLD for all of its projects located in the United Arab Emirates in the amount of 20 per cent. of the construction costs for such projects. As of 30 November 2022, the Group had AED 79.3 million of such guarantees outstanding. The Group holds margin deposits equivalent to the amount of the letters of guarantee at the bank providing such letters of guarantee.

Ahead of Admission, all of the loans previously provided by the Major Shareholder to the Group have been assigned to members of the Group, thus eliminating all amounts due to related parties.

The Group had no other indirect or contingent liabilities, or any contingent commitments as at 30 November 2022.

PART VII

SELECTED FINANCIAL INFORMATION

The following tables set out the historical combined financial information of the Group as at the dates and for the periods indicated. The selected financial information of the Group as at, or for the years ended, 31 December 2019, 2020 and 2021 and as at, or for the six months ended, 30 June 2021 and 2022, has been extracted without material amendment from the historical financial information included in Section B of Part IX (*Historical Financial Information*). The following tables should be read in conjunction with "*Presentation of Financial Information*" in *Important Information*, Part IX (*Historical Financial Information*), and Part VIII (*Operating and Financial Review*).

Combined statement of financial condition data

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
				Unaudited
		(in AED)		
Assets				
Cash and bank balances	40,748,515	45,708,556	68,210,483	272,113,075
Advances, deposits and other receivables	52,688,437	57,896,873	107,867,395	312,942,380
Development properties	200,146,169	220,717,562	649,284,864	802,878,495
Escrow retentions	1,889,584	2,246,492	6,256,000	18,382,630
Property and equipment	2,445,919	1,938,696	1,394,793	1,427,698
Right-of-use assets	243,148	—	—	—
Total assets	**298,161,772**	**328,508,179**	**833,013,535**	**1,406,744,278**
Liabilities and equities				
Liabilities				
Accounts payables and provisions	7,656,225	9,478,243	13,497,677	42,518,747
Advances from customers	39,276,148	45,259,161	124,861,981	327,967,013
Retention payable	732,464	840,554	6,300,738	10,515,016
Development Property liabilities	—	—	277,270,384	396,724,645
Due to related parties	185,475,289	212,253,245	336,688,772	501,548,982
Employees' end of service benefits	359,243	322,838	392,259	483,316
Total liabilities	**233,499,369**	**268,154,041**	**759,011,811**	**1,279,757,719**
Equity				
Other reserves	3,000,000	3,000,000	3,000,000	3,000,000
Capital contribution	61,662,403	57,354,138	71,001,724	114,638,961
Statutory reserve	—	—	—	934,760
Retained earnings	—	—	—	8,412,838
Total equity	**64,662,403**	**60,354,138**	**74,001,724**	**126,986,559**
Total equity and liabilities	**298,161,772**	**328,508,179**	**833,013,535**	**1,406,744,278**

Combined statement of profit or loss data

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
				Unaudited	
			(in AED)		
Revenue	—	—	—	—	104,109,395
Cost of revenue	—	—	—	—	(58,643,208)
Gross profit	—	—	—	—	**45,466,187**
Other income	67,181	102,531	72,670	38,271	55,306
Selling and distribution expenses	(1,138,307)	(1,677,098)	(8,323,608)	(1,212,236)	(7,094,589)
General and Administrative expenses	(12,697,576)	(11,810,248)	(12,586,734)	(4,947,897)	(16,719,190)
Finance costs	(525)	(9,088,289)	(40,845,321)	(5,138,016)	(17,886,647)
Profit/(Loss) before tax	**(13,769,227)**	**(22,473,104)**	**(61,682,993)**	**(11,259,878)**	**3,821,067**
Income tax (expenses) / credit	—	—	—	—	—
Profit/(Loss) for the year	**(13,769,227)**	**(22,473,104)**	**(61,682,993)**	**(11,259,878)**	**3,821,067**

Combined statement of cash flows data

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
				Unaudited	
			(in AED)		
Cash flows from operating activities					
Profit/(Loss) for the year	(13,769,227)	(22,473,104)	(61,682,993)	(11,259,878)	3,821,067
Adjustments for:					
Depreciation on property and equipment	704,350	727,949	762,608	386,845	283,766
Depreciation on right-of-use assets	486,296	243,148	—	—	—
Provision for employees' end of service benefits	79,071	(36,405)	69,421	35,542	91,057
Finance costs	525	9,088,289	40,845,321	5,138,016	17,886,647
Operating loss before working capital changes	(12,498,985)	(12,450,123)	(20,005,643)	(5,699,475)	22,082,537
Working capital changes:					
Advances, deposits and other receivables	393,373	(5,208,436)	(49,970,522)	(21,346,654)	(204,074,985)
Development properties	(8,238,750)	(25,207,894)	(98,338,003)	(31,450,367)	(43,875,788)
Escrow retentions	(810,247)	(356,908)	(4,009,508)	(178,261)	(12,126,630)
Accounts payables and provisions	(4,233,272)	6,458,519	(4,102,461)	13,718,093	29,021,070
Advances from customers	16,008,057	5,983,013	79,602,820	11,158,792	203,105,032
Retention payable	(33,817)	108,090	5,460,184	1,769,740	4,214,278
Net cash used in operating activities	**(9,413,641)**	**(30,673,739)**	**(91,363,133)**	**(32,028,132)**	**(1,654,486)**
Cash flows from investing activities					
Acquisition of property and equipment	(129,537)	(220,726)	(218,705)	(102,179)	(316,671)
Net cash used in investing activities	**(129,537)**	**(220,726)**	**(218,705)**	**(102,179)**	**(316,671)**
Cash flows from financing activities					
Lease liabilities	(541,936)	—	—	—	—
Repayment of long term liability	—	—	(75,000,000)	—	—
Loan received from related parties	27,058,764	35,854,506	189,083,765	20,566,051	205,873,749
Finance costs paid	(525)	—	—	—	—
Net cash generated from financing activities	**26,516,303**	**35,854,506**	**114,083,765**	**20,566,051**	**205,873,749**
Net increase in cash and cash equivalents	**16,973,125**	**4,960,041**	**22,501,927**	**(11,564,260)**	**203,902,592**
Cash and cash equivalents, beginning of the year	23,775,390	40,748,515	45,708,556	45,708,556	68,210,483
Cash and cash equivalents at the end of the year	**40,748,515**	**45,708,556**	**68,210,483**	**34,144,296**	**272,113,075**
Cash and cash equivalents					
Cash in hand	201	7,138	1,146	1,146	1,146
Cash at banks	40,748,314	45,701,418	68,209,337	34,143,150	272,111,929
	40,748,515	**45,708,556**	**68,210,483**	**34,144,296**	**272,113,075**

PART VIII

OPERATING AND FINANCIAL REVIEW

1 OVERVIEW

Dar Global UAE was incorporated in Dubai in 2017 initially to be a holding company for the operations of the Major Shareholder outside of Saudi Arabia. The Major Shareholder is a leading real estate developer in Saudi Arabia that completed and delivered approximately 15,000 residential units and 500,000 square metres of commercial space since it was incorporated in 1994. The Major Shareholder has been listed on the Saudi Stock Exchange (Tadawul) since December 2007. As of 31 December 2021, its assets (together with its consolidated subsidiaries) amounted to SAR 31,962 million (US$8,500 million).

Dar Global UAE launched its first residential development project in Dubai in 2017 and, as of the date of this Prospectus, the Group has expanded its portfolio of projects to eleven, four of which are located in Dubai, three in Spain and one each in Oman, Qatar, Bosnia and the United Kingdom. The first three of these projects, Urban Oasis and the Da Vinci Tower by Pagani in Dubai and Sidra in Bosnia, are currently expected to be completed in December 2023.

The Group's business model currently focuses only on second homes typically in prime locations in the Middle East and Europe. The high quality of developed properties and excellent location of its projects in some of the most desirable places to live, such as downtown Dubai or the Costa del Sol region in southern Spain, are expected by the Directors to attract customers, a portion of which are not only interested in making one purchase from the Group, but may consider purchasing more than one property in different locations for investment purposes or personal use. In the near future, the Group also intends to expand its focus to hospitality assets. The aim is to acquire or build hotels and sell them after a period of three to five years of operation once the hotel's or resort's revenue stream stabilises. Target markets in this case include Southern Spain, Dubai, Maldives, Athens, Marrakesh and London.

Three of the eleven current projects of the Group (W Residences Dubai – Downtown, Aida in Oman and Les Vagues in Qatar) are based on joint development agreements with the owners of the land on which the relevant project is located. The attractiveness of such arrangements for the Group is that it does not have to seek and obtain funding to purchase land for the project and, therefore, the project can be effectively financed mostly from payments made by customers purchasing residential units on the off-plan basis. One of the current projects of the Group (the Fourth Floor Flat of 149 Old Park Lane) is a joint venture, through which the Group will share the costs of acquiring and refurbishing the property. The reduction in capital expenditure requirements for the joint development and joint venture projects allows the Group to accelerate the growth of its operations in terms of the number of projects. In addition, the Group currently has four co-branded projects, three of which are located in Dubai and one in Qatar. In the view of the Directors, the benefits of cooperation with fashion brands and hoteliers in co-branded projects include, contribution to the design of the project and to marketing campaigns and an uplift in both the volume of sales and the price at which properties are sold to customers.

In addition to its existing projects, the Group is conducting negotiations regarding the acquisition of land for future projects or negotiations with potential partners regarding joint development of projects or joint ventures in several jurisdictions in which it already has projects and/or offices, including in the UAE, Qatar, Spain and the United Kingdom. The Group is also involved in ongoing negotiations regarding projects in countries in which it currently does not have any presence, such as Greece.

Beginning with the six months ended 30 June 2022, the Group started recognising revenue from contracts with customers for the sale of development properties. The Group reported revenue for the first time for the six months ended 30 June 2022 of AED 104.1 million (US$28.3 million). The Group's assets amounted to AED 833.0 million (US$226.8 million) as of 31 December 2021 and AED 1,406.7 million (US$383.0 million) as of 30 June 2022. Of these amounts, development properties accounted for AED 649.3 million (US$176.8 million) as of 31 December 2021 and AED 802.9 million (US$218.6 million) as of 30 June 2022.

2 BASIS OF PREPARATION OF THE 2021 COMBINED FINANCIAL STATEMENTS

2.1 Basis of Preparation

The Company's business does not represent a separate legal entity or separate group of entities for the years ended 31 December 2019, 31 December 2020 or 31 December 2021. The combined carve-out historical financial statements (**2021 Combined Financial Statements**), which have been prepared specifically for the purpose of this Prospectus, have therefore, been prepared on a basis that combines the results, assets and liabilities of Dar Global UAE and its businesses as detailed in Note 1.5 to the 2021 Combined Financial Statements by applying the consolidation procedures of IFRS 10 (*Consolidated Financial Statements*) (**IFRS 10**) for each of the three years ended 31 December 2019, 31 December 2020 or 31 December 2021 and as of these dates.

The 2021 Combined Financial Statements have been prepared in accordance with UK adopted IFRS. In addition, the management of the Group has followed the requirements of the Prospectus Regulation Rules and the Listing Rules in preparing the 2021 Combined Financial Statements. These rules referred to in the previous sentence result in the provision of additional disclosures, but do not override the recognition, measurement and disclosure requirements of UK adopted IFRS.

In preparing the 2021 Combined Financial Statements, the management of the Group has referred to and applied certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Financial Reporting Council. None of the accounting conventions included in the Annexure to SIR 2000 are conflicting with the requirements of UK adopted IFRS.

2.2 Combined Financial Statements

In determining the perimeters of the 2021 Combined Financial Statements, the management of the Group has included the results of Dar Global UAE and those legal entities currently parented by Dar Global UAE and which the Major Shareholder has transferred or (in the case of two entities in Bosnia) intends to transfer to the Company or one of its subsidiaries pursuant to the Reorganisation. These legal entities are detailed in Note 1.5 to the 2021 Combined Financial Statements.

In the 2021 Combined Financial Statements, all intercompany balances and transactions between the entities in the Group have been eliminated.

As of the reporting dates of the 2021 Combined Financial Statements, the Company was not a legal entity. The Company was incorporated on 30 September 2022. The 2021 Combined Financial Statements represent the results of Dar Global UAE and those legal entities that Dar Global UAE has transferred or (in the case of two entities in Bosnia) intends to transfer to the Company after the finalisation of all the legal requirements pursuant to the Reorganisation. Forming part of the same group, the entities included in the 2021 Combined Financial statements are considered to be under common management. The management of the Group considers the combination is appropriate in view of the intention to transfer these entities (in their totality) to the Company.

The 2021 Combined Financial Statements included herein may not be indicative of the financial position, results of operations and cash flows of the Company in the future or if it had been a separate, standalone company during the period presented in the 2021 Combined Financial Statements. Actual costs that may have been incurred if the Company had been a stand-alone company would depend on a number of factors, including the chosen organisation structure and strategic and operational decisions made.

The combined statement of cash flows in the 2021 Combined Financial Statements has been prepared using the indirect method based on the combined statement of financial position, the combined statement of comprehensive income and the combined statement of changes in equity.

The Company was incorporated on 30 September 2022 and has a financial year end of 31 December. As at 31 December 2022, the Company had not yet become the holding company of the Group as the Reorganisation was in the process of being implemented and Admission had not yet occurred. As such, in accordance with requirements under the Companies Act and the Disclosure Guidance and Transparency Rules, the first set of audited financial statements required to be published by the Company after Admission will be its full year results for the financial year from 1 January 2023 until 31 December 2023. In accordance with applicable Companies Act requirements, the Company will publish these audited financial statements by 31 March 2024.

Between Admission and the date on which such audited financial statements of the Company are published, in order to update the market and investors on the Group's performance, the Company therefore intends to make the following financial information public during 2023:

- the Company intends to publish a trading update before the end of April 2023, including information on the status and/or performance of each of its projects. This trading update will include key unaudited financial information in respect of the Group's financial position and performance for the year ended 31 December 2022, and
- as required under the Disclosure Guidance and Transparency Rules, by 30 September 2023, the Company will make public its half year unaudited financial results for the six month period ended 30 June 2023.

3 BASIS OF PREPARATION OF THE INTERIM COMBINED FINANCIAL STATEMENTS

3.1 Basis of Preparation

The Company's business does not represent a separate legal entity or separate group of entities for the year ended 31 December 2021 and the six months ended 30 June 2022. The combined carve-out historical financial statements (Interim Combined Financial Statements), which have been prepared specifically for the purpose of this Prospectus, have therefore, been prepared on a basis that combines the results, asset and liabilities of Dar Global UAE and the entities that have transferred or (in the case of two entities in Bosnia) will transfer to the Group pursuant to the Reorganisation as detailed in Note 1.5 to the Interim Combined Financial Statements by applying the consolidation procedures of IFRS 10 for the year ended 31 December 2021 and the six months ended 30 June 2022 and as of these dates.

The Interim Combined Financial Statements have been prepared in accordance with UK adopted IFRS. In addition, the management of the Group has followed the requirements of the Prospectus Regulation Rules and the Listing Rules in preparing the Interim Combined Financial Statements. These rules referred to in the previous sentence result in the provision of additional disclosures, but do not override the recognition, measurement and disclosure requirements of UK adopted IFRS.

In preparing the Interim Combined Financial Statements, the management of the Group has referred to and applied certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Financial Reporting Council. None of the accounting conventions included in the Annexure to SIR 2000 are conflicting with the requirements of UK adopted IFRS.

The Interim Combined Financial Statements included herein may not be indicative of the financial position, results of operations and cash flows of the Company in the future or if it had been a separate, standalone company during the period presented in the Interim Combined Financial Statements. Actual costs that may have been incurred if the Company had been a stand-alone company would depend on a number of factors, including the chosen organisation structure and strategic and operational decisions made.

The combined statement of cash flows in the Interim Combined Financial Statements has been prepared using the indirect method based on the combined statement of financial position, the combined statement of comprehensive income and the combined statement of changes in equity.

3.2 Combined Financial Statements

In determining the perimeters of the Interim Combined Financial Statements, the management of the Group has included the results of Dar Global UAE and those legal entities currently parented by Dar Global UAE and which the Major Shareholder has transferred or (in the case of two entities in Bosnia) intends to transfer to the Company or one of its subsidiaries pursuant to the Reorganisation. These legal entities are detailed in Note 1.5 to the Interim Combined Financial Statements.

In the Interim Combined Financial Statements, all intercompany balances and transactions between the entities in the Group have been eliminated.

As of the reporting dates of the Interim Combined Financial Statements, the Company was not a legal entity. The Company was incorporated on 30 September 2022. The Interim Combined Financial Statements represent the results of Dar Global UAE and those legal entities that Dar Global UAE has transferred or (in the case of two entities in Bosnia) intends to transfer to the Company after the finalisation of all the legal requirements pursuant to the Reorganisation. Forming part of the same group, the entities included in the Interim Combined Financial statements are considered to be under common management. The management of the Group considers the combination is appropriate in view of the intention to transfer these entities (in their totality) to the Company.

4 KEY FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The results of operations and financial condition of the Group have been affected in the period under review, and are expected to be affected in the future, by a variety of factors, including the following:

- general economic, political, social and market conditions and major events in the markets in which the Group operates and other feeder markets;
- the timing of recognition of revenue, cost of revenue and sales commissions;
- the level of its selling and distribution expenses;
- the level of its administrative expenses;
- the number and value of its development properties and amounts due to related parties;
- the level of foreign currency exchange gains or losses;
- delays in the completion of the Urban Oasis project and the impact of the COVID-19 pandemic, which delayed the growth of the Group in 2020 and the first several months of 2021;
- the impact of the acquisition of the J1 Tower in 2021; and
- its international expansion strategy.

4.1 General Economic, Political, Social and Market Conditions and Major Events in the Markets in Which the Group Operates and Other Feeder Markets

Demand for second home residential real estate and associated commercial properties is linked to economic and market conditions and is sensitive to business and personal discretionary spending levels in the particular regions of the world from which the Group draws a substantial number of customers. Changes in consumer demand due to general economic conditions, events affecting or reducing travel patterns, consumer confidence, employment levels and political conditions all can impact the revenue and profitability of the Group's businesses. As a result, changes in consumer demand and general business cycles will likely subject the Group's revenue, earnings and results of operations to potential volatility.

While the level of competition in the specific markets in which the Group is developing properties varies from market to market, the segments of the second home residential real estate sectors in which the Group operates, particularly in Dubai where four properties of the Group are located, are competitive. See "Part II. (*Business – Competition*)". Competitive factors in the second home residential real estate sector include the quality of the properties, their location, the attractiveness of the overall product offering and price. The Group's results of operations may be affected by its ability to compete on any of these factors.

4.2 Recognition of Revenue, Cost of Revenue and Sales Commissions

As more fully discussed below in "*– Description of Key Line Items – Revenue*", the Group did not recognise any revenue prior to the six months ended 30 June 2022 based on management's assessment of risk associated with the impact of the COVID-19 pandemic on the Group's ongoing projects. Beginning with the six months ended 30 June 2022, revenue was generated and recognised from contracts with customers for sale of development properties. Under its revenue recognition policy, the Group's standard policy is to recognise revenue when both 20 per cent. project completion is achieved and the 20 per cent. collection criteria with respect to residential units sold in a particular project are met, except in the case of the Urban Oasis project (where revenue is recognised when both 35 per cent. project completion is achieved and a 30 per cent. collection criteria with respect to units sold) and the Da Vinci Tower by Pagani (where revenue is recognised when both 80 per cent. project completion is achieved and a 30 per cent. collection criteria with respect to units sold).

In the six months ended 30 June 2022, the project completion level for one of the Group's projects, Urban Oasis, was 53 per cent. (as of 30 June 2022) and collections for that project were higher than 30 per cent., which allowed the Group to recognise revenue from this project for the first time. In addition, the Group recognises (i) cost of revenue and (ii) sales commissions in the same periods in which it recognises revenue from sales from the related projects. Therefore, the Group recognised no cost of revenue or sales commissions prior to the six months ended 30 June 2022, but did begin to recognise both cost of revenue and sales commissions during this period. No revenue was recognised in 2020 and 2021 based on management's assessment of risk associated with the impact of the COVID-19 pandemic and delays in construction.

In the future, as more and more projects reach the standard 20 per cent. completion and 20 per cent. collections thresholds, the Group's revenue and the corresponding cost of revenue and sales commissions are expected to significantly increase with each project to be reviewed and assessed for contractual terms and risks by the management prior to considering such project for revenue recognition. While seasonality has not meaningfully affected the results of the Group in the period under review, its revenue and associated cost of revenue will likely vary from reporting period to period as they will depend on when the completion and collection criteria will be met for specific residential and residential and commercial projects.

4.3 Level of Selling and Distribution Expenses

The Group's selling and distribution expenses consisted only of marketing expenses in 2019, 2020 and 2021. In the six months ended 30 June 2022, selling and distribution expenses also included proportionate sales commissions booked as cost of sales attributable to revenue recognised during the six months ended 30 June 2022. There were no proportionate sales commissions in 2019, 2020 or 2021 because the Group recognised no revenue in those years.

The following table sets out the Group's selling and distribution expenses by project in the years ended 31 December 2019, 31 December 2020 and 31 December 2021 as well as in the six months ended 30 June 2021 and 30 June 2022.

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
				Unaudited	
			(in AED)		
Urban Oasis	1,138,307	1,677,098	3,750,579	1,212,236	131,082
Da Vinci Tower by Pagani	—	—	4,341,279	—	459,267
W Residences Dubai – Downtown	—	—	—	—	61,638
General (including proportionate sales commissions)	—	—	231,750	—	6,442,602
Total	**1,138,307**	**1,677,098**	**8,323,608**	**1,212,236**	**7,094,589**

Selling and distribution expenses increased from AED 1,212 thousand in the six months ended 30 June 2021 to AED 7,095 thousand in the six months ended 30 June 2022, principally due to AED 6,443 thousand general (including proportionate sale commissions) expenses recognised in the six months ended 30 June 2022. The Group recognised no proportionate sales commissions in the six months ended 30 June 2021 because the Group did not recognise any revenue during such period. The Group's proportionate sales commissions in the six months ended 30 June 2022 were associated with, and proportionate to, revenue recognised with respect to the Urban Oasis project during the same period and included sales commissions incurred with respect to Urban Oasis in all prior periods. The increase in the Group's marketing expenses in the six months ended 30 June 2022 was also, in part, due to AED 459 thousand in marketing expenses with respect to the Da Vinci Tower by Pagani project (which was launched in 2022) compared to no marketing expenses with respect to Da Vinci Tower by Pagani in the six months ended 30 June 2021. The impact of the above discussed two factors was partially offset by a decrease in the marketing expenses with respect to Urban Oasis from AED 1,212 thousand in the six months ended 30 June 2021, when substantial promotional activities were carried out with respect to that project, to AED 131 thousand in the six months ended 30 June 2021.

Selling and distribution expenses increased from AED 1,677 thousand in 2020 to AED 8,324 thousand in 2021 principally due to (i) the launch of the marketing campaign for the Da Vinci Tower by Pagani in 2021 and (ii) the increase in the marketing expenses with respect to Urban Oasis in 2021 as compared to 2020. For more information on this increase in marketing expenses in 2021 as compared to 2020, see "*Results of Operations in the Year Ended 31 December 2021 Compared to the Year Ended 31 December 2020 – Selling and Distribution Expenses*".

Selling and distribution expenses increased from AED 1,138 thousand in 2019 to AED 1,677 thousand in 2020 due to increased marketing activities with respect to Urban Oasis in 2020 as compared to 2019.

Additional property development in existing and new markets will likely continue to affect the level of selling and distribution expenses in future periods.

4.4 Level of General and Administrative expenses

General and administrative expenses of the Group decreased from AED 12,698 thousand in 2019 to AED 11,810 thousand in 2020 and then increased to AED 12,587 thousand in 2021. The decrease in general and administrative expenses in 2020 as compared to 2019 was principally due to (i) an AED 793 thousand decrease in salaries and related benefits principally due to the decrease in the average number of employees from 21 in 2019 to 15 in 2020 as the result of the impact of the COVID-19 pandemic, (ii) an AED 284 thousand decrease in travelling expenses as a result of the COVID-19 pandemic and (iii) an AED 243 thousand decrease in depreciation on right-of-use assets, which were partially offset principally by an AED 318 thousand increase in legal, visa, professional and related expenses. For more information on the decrease in general and administrative expenses in 2020 as compared to 2019, see "*Results of Operations in the Year Ended 31 December 2020 Compared to the Year Ended 31 December 2019 – General and Administrative Expenses*". The increase in general and administrative expenses in 2021 as compared to 2020 was principally due to (i) an AED 863 thousand increase in legal, visa, professional and related expenses, (ii) an AED 763 thousand increase in rent, and (iii) an AED 211 thousand increase in bank charges and foreign currency exchange loss (see, ("*– Level of Bank Charges and Foreign Currency Exchange Losses of Gains*" below). The impact of these four factors on the level of general and administrative expenses was partially offset by (i) an AED 1,874 thousand decrease in salaries and related benefits mainly due to redundancies among senior staff members of the Group implemented in the beginning of 2021 as a result of the impact of the COVID-19 pandemic and a limited number of projects the Group had at the beginning of 2021; and (ii) an AED 243 thousand decrease in depreciation on right-of-use assets. For more information on the decrease in general and administrative expenses in 2021 as compared to 2020, see "*Results of Operations in the Year Ended 31 December 2021 Compared to the Year Ended 31 December 2020 – General and Administrative Expenses*".

General and administrative expenses of the Group increased from AED 4,948 thousand in the six months ended 30 June 2021 to AED 16,719 thousand in the six months ended 30 June 2022 due to the rapid expansion of the Group's operations in the second half of 2021 and the six months ended 30 June 2022. This increase in general and administrative expenses between the two periods was principally due to (i) an AED 7,838 thousand increase in salaries and related benefits, (ii) an AED 1,735 thousand increase in rent and (iii) an AED 1,115 thousand increase in legal, visa, professional and related expenses. For more information on the increase in general and administrative expenses in the six months ended 30 June 2022 compared to the six months ended 30 June 2021, see "*Results of Operations in the Six Months Ended 30 June 2022 Compared to the Six Months Ended 30 June 2021 – General and Administrative Expenses*".

In anticipation of Admission and becoming a public company, the Group has hired a number of additional employees in 2022 and expects its average number of employees in 2022 and future periods to be higher as a result. In addition, travel expenses are also expected to increase as travel and other restrictions related to the COVID-19 pandemic have been eased. New property development in existing and new markets will also likely affect the level of general and administrative expenses in future periods. In addition, international expansion is expected to expose the Group's business to additional complexities, such as operating in different legal and regulatory environments and managing exposures in multiple currencies, which may adversely affect the Group's level of general and administrative expenses. Moreover, as the cost of living in cities like London, into which the Group intends to expand its operations, are higher than in most other jurisdictions in which it operates, the general and administrative expenses associated with the Group's London office on a per employee basis may be higher than in most other offices, which is also likely to affect the overall level of general and administrative expenses in the future as the role of operations in the United Kingdom increases.

4.5 Level of Bank Charges and Foreign Currency Exchange Losses or Gains

In 2021, the Group incurred bank charges and foreign currency exchange loss in the amount of AED 1,191.8 thousand, as compared to bank charges and foreign currency exchange loss of AED 268.7 thousand in 2020 and AED 57.6 thousand in bank charges in 2019. The Group did not have any foreign currency exchange loss in the six months ended 30 June 2021 or the six months ended 30 June 2022. The increase in foreign currency exchange loss in 2021 as compared to 2020 was principally due to significant payments made with respect to the Sidra project in Bosnia in 2021 and the exchange rate fluctuations between the Bosnian mark and the Arab Emirates dirham in 2021.

In the future, as the Group starts to develop more and more projects in Spain, the United Kingdom and other countries, the currencies of which are not pegged to the U.S. dollar, the volatility in the Group's foreign exchange gains or losses is going to increase as the portion of such projects in the overall project portfolio increases and as exchange rate fluctuations between the U.S. dollars and other currencies of countries in which the Group has projects increases.

4.6 Development Properties and Amounts Due to Related Parties

Group's development properties (i.e. properties under construction for sale in the ordinary course of business) increased from AED 200 million as of 31 December 2019 to AED 221 million as of 31 December 2020 and then further increased to AED 649 million as of 31 December 2021 and AED 803 million as of 30 June 2022. The significant increase in Group's development properties as of 30 June 2022 as compared to 31 December 2021 was principally due to (i) the launch of the W Residences Dubai – Downtown project in early 2022 and (ii) significant construction progress with respect to Urban Oasis in the six months ended 30 June 2022. The impact of these two factors was partially offset by the recognition of cost of revenue for Urban Oasis corresponding to revenue recognised with respect to this project in the six months ended 30 June 2022. A large increase (by AED 429 million or 194.2 per cent.) in Group's development properties as of 31 December 2021 as compared to 31 December 2020 was principally due to (i) the acquisition of J1 Tower (subsequently re-branded the Da Vinci Tower by Pagani) and (ii) construction progress with respect to Urban Oasis, particularly in the later part of 2021. For more information on the increases in development properties as of 30 June 2022 as compared to 31 December 2021 and as of 31 December 2021 as compared to 31 December 2020, see "*Analysis of Certain Statement of Financial Position Items – Assets – Development Properties*".

In parallel to the large increases in development properties discussed immediately above, the Group's amounts due to related parties, which represented loans from the Company's shareholder Dar Global UAE, also experienced large increases in the same periods because such loans from the shareholder constituted the main source of funding for the Group's development or acquisition of development properties. Due to related parties amounted to AED 501.5 million, or 40.6 per cent. of its total liabilities, as of 30 June 2022, as compared to AED 336.7 million, or 44.4 per cent. of its total liabilities, as of 31 December 2021 and AED 212.3 million, or 79.2 per cent. of its total liabilities, as of 31 December 2020. For the detailed explanations of these increases in due to related parties as of 30 June 2022 as compared to 31 December 2021 and as of 31 December 2021 as compared to 31 December 2020, see "*Analysis of Certain Statement of Financial Position Items – Liabilities – Due to Related Parties*".

Ahead of Admission, all of the funding previously provided by Dar Global UAE has been assigned to members of the Group. Going forward, instead of non-interest bearing loans from the Major Shareholder, the Group intends principally to rely initially upon the net proceeds of the Private Placement, as well as off-plan sales and over time profits from sales, as well as third-party debt financing when available on commercially attractive terms (which may include the Major Shareholder providing funding on arms-length commercial terms). Additionally, to provide further flexibility in the Group's funding structure, the Major Shareholder has, conditional on Admission, made available the DAA Facility for the Group's general corporate and working capital purposes, such facility comprising a commitment for a three year period on an unsecured but interest bearing basis.

As part of the changes in its funding, in the second half of 2022, the Group secured financing from an UAE bank for one of its projects in Dubai. Such arrangements are expected to increase the Group's financing costs once put in place.

4.7 Delays in the Completion of the Urban Oasis Project due to a Dispute with a Contractor, the Need to Re-Brand the Project and the Impact of the COVID-19 Pandemic, Which Also Delayed the Growth of the Group in 2020 and the First Several Months of 2021

The Dar Group's first project was initially launched in 2017 under the "I Love Florence" name and used a different construction contractor and a different brand partner. However, the construction contractor subsequently ran into financial difficulties, which resulted in significant delays in construction and, eventually, defaulted on its obligations. The initial brand partner was acquired by a UAE-based developer, which made further cooperation impracticable. After the initial contractor was dismissed a new contractor was selected in 2020. Subsequently, in March 2021, Dar Properties entered into a licence agreement with Missoni with respect to stylistic and creative guidelines to be provided by Missoni for the internal common areas and apartments at Urban Oasis.

The impact of the COVID-19 pandemic also significantly delayed the construction of Urban Oasis. Moreover, it resulted in a temporary halt to the Group's growth in 2020 and the first several months of 2021.

The impact of the slowdown in the completion of Urban Oasis and delay in the expansion of the Group's development activities to projects other than Urban Oasis and Sidra resulted in:

- the delay in the first recognition of revenue, cost of revenue and sales commissions by Group to the six months ended 30 June 2022;
- the decrease in general and administrative expenses in 2020 as compared to 2019; and
- only a relatively small increase in development properties from AED 200.1 million in 2019 to AED 220.7 million in 2020 and the corresponding relatively small increase in amounts due to related parties from AED 185.5 million in 2019 to AED 212.3 million in 2020.

4.8 Acquisition of the J1 Tower Subsequently Renamed the Da Vinci Tower by Pagani in 2021

In 2021, the Group acquired the J1 Tower, a completed building which has been strata titled into ninety residential apartment units, two townhouses/villa units, three retail units and one restaurant, for the initially agreed price of AED 340 million. The acquisition was made on a deferred sale basis and, initially, the Group made an AED 75 million payment for this property. This acquisition resulted in (i) a large increase in the amount of the Group's development properties (i.e. properties under construction for sale in the ordinary course of business) as of 31 December 2021 as compared to 31 December 2020 and (ii) a significant increase in due to related parties (i.e. non-interest bearing shareholder loans) between these two dates that was used to finance the initial cash payment for the J1 Tower. When the J1 Tower was initially purchased on a deferred payment plan, the final instalment for this property was due on 1 May 2027. However, the timeline for the repayment at 31 December 2021 was reassessed by the Group's management based on their best estimate, which resulted in an interest expense of AED 30.2 million being recorded for this year. The interest expense represents a difference between the fair value at the date of initial recognition and the discounted value as of 31 December 2021.

Any future significant acquisitions of buildings or whole projects or companies that own buildings or whole projects may have a significant impact on the total amount of the Group's development properties and any line items in its statement of financial position that cover the funding for such acquisitions.

4.9 International Expansion Strategy

A core aspect of the Group's business strategy is to expand its operations beyond Dubai and the markets in which it currently is developing properties, as exemplified by its establishing a presence in Oman, Spain, the United Kingdom and China in the past two years. The Group's management is engaged in a continuing process of negotiations and discussions in relation to projects in Spain, the United Kingdom and a number of additional countries. The success of the Group's business in these new markets will depend significantly on its ability to operate successfully and compete there. In addition to the additional costs associated with such expansion discussed above, international expansion will expose the business to additional complexities, such as operating in different legal and regulatory environments and managing exposures in multiple currencies, which may affect the Group's revenue and profitability in future periods.

5 DESCRIPTION OF KEY LINE ITEMS

5.1 Revenue

Prior to the six months ended 30 June 2022, the Group did not recognise any revenue. No revenue was recognised in 2020 and 2021 based on management's assessment of risk associated with the impact of the COVID-19 pandemic and delays in construction. Beginning with the six months ended 30 June 2022, revenue was generated and recognised from contracts with customers for sale of development properties.

Progress toward the complete satisfaction of performance obligation is measured using the input method in accordance with the applicable IFRS standard and taking into consideration the applicable local laws in the respective jurisdiction in which the project is located. Each project is reviewed and assessed for contractual terms and risks by the management prior to considering the same for revenue recognition. Under its standard revenue recognition policy, and subject to review and assessment for contractual terms and risks by the management prior to considering the same for revenue recognition, the Group recognises revenue when both 20 per cent. project completion is achieved and 20 per cent. collection criteria with respect to residential units sold in a particular project are met, except in the case of the Urban Oasis project (where revenue is recognised when both 35 per cent. project completion is achieved and a 30 per cent. collection criteria with respect to units sold) and the Da Vinci Tower by Pagani (where revenue is recognised when both 80 per cent. project completion is achieved and a 30 per cent. collection criteria with respect to units sold).

In relation to the Group's standard revenue recognition policy, by way of example, once 20 per cent. of the value of the sold residential units within a particular project is collected from the customers who purchased such units, the same amount is considered for revenue recognition when the project is at least 20 per cent. complete. However, if more than 20 per cent. of the value of the sold residential units within a particular project is collected from the customers who purchased such units (for example, 30 per cent.), but the relevant project's completion level is lower (for example, only 20 per cent.), revenue will be recognised by the Group only up to the level of project completion (in this case, at 20 per cent. of the total price of all residential units already sold). The completion percentage is independently certified by the consultant appointed for each project and, in the case of Dubai projects, verified by RERA. In the six months ended 30 June 2022, the project completion level for one of the Group's projects, Urban Oasis, was 53 per cent. (as of 30 June 2022) and collections for that project were higher than 30 per cent., which allowed the Group to recognise revenue from this project for the first time. No revenue was recognised in 2020 and 2021 based on management's assessment of risk associated with the impact of the COVID-19 pandemic on, and any construction delays with respect to, the Group's ongoing projects.

5.2 Cost of Revenue

The Group's cost of revenue consists of cost of development properties sold. Development properties are properties under construction for sale in the ordinary course of business. The Group's cost of revenue principally consists of land acquisition costs, cost of construction including planning, design cost and salaries and other direct costs attributable to the development. The Group recognises cost of revenue for its residential and residential and commercial projects in the same periods in which it recognises revenue from sales from the related projects. Therefore, cost of revenue for a particular period includes costs incurred in prior periods.

5.3 Other Income

The Group is required to maintain escrow accounts and escrow retention accounts with a commercial bank in Dubai in accordance with the requirements of Law No. 8 of 2007 relating to Trust Accounts Regulation and the requirements of RERA.

In Dubai, customers pay purchase price instalments for off-plan sales of residential units directly into a designated escrow account with a local bank approved by RERA. The escrow bank determines when a developer is permitted to make withdrawals from the escrow account to pay consultants or contractors for the work performed at the relevant project. Monthly applications for payment from the escrow account are made by the contractor to the developer. These payment applications are typically made by recording progress over the prior month. For example, if 50 per cent. project completion was certified in August and 61 per cent. project completion is claimed in September, this means that the contractor is entitled to claim 11 per cent. of the total contract price. The developer's claim is assessed and the assessed completion percentage and the amount to be paid to the developer are certified by the independent consultant for the project and then sent to the escrow bank, whose own quantity surveyor certifies the amount due. After this, the payment is processed and released directly to the contractor. The developer is also permitted to use up to five per cent. of the escrow funds for "soft costs" such as marketing costs and sales costs. If there are insufficient escrow funds, RERA may require the developer to top up the escrow account. Subject to the requirement to retain five per cent. of the customers' collections for one year following the date of completion of the project, the remainder of the escrow funds are released to the developer. The retained funds must be kept in the so-called escrow retention account and are released to the developer from the registration of the residential units in the name of purchasers of such units.

Interest on such accounts in the amount of 0.25 per cent. per annum constitutes "other income" of the Group.

5.4 Selling and Distribution Expenses

The Group recognises sales commissions for its residential and residential and commercial projects in the same periods in which it recognises revenue from sales from the related projects. Therefore, sales commissions for a particular period include expenses incurred in prior periods.

Selling and distribution expenses in 2019, 2020, 2021 and the six months ended 30 June 2021 consist only of marketing expenses. However, in the six months ended 30 June 2022, marketing expenses include proportionate sales commissions in addition to marketing expenses. The Group recognised no sales commissions in 2019, 2020, 2021 and the six months ended 30 June 2021 because the Group recognised no revenue in these periods.

Sales commissions relate to payments to brokers involved in sales of residential units of the Group. In total, the Group's distribution network, in large part created over the years by the Major Shareholder includes approximately 5,000 brokers in over 40 countries.

Marketing expenses included expenses on various marketing campaigns with respect to Urban Oasis in 2019, 2020, 2021 and the six months ended 30 June 2022, the Da Vinci Tower by Pagani in 2021 and the six months ended 30 June 2022 and W Residences Dubai – Downtown in the six months ended 30 June 2022.

5.5 General and Administrative Expenses

General and administrative expenses principally consist of (i) salaries and related benefits, (ii) legal, visa, professional and related expenses, (iii) rent, (iv) depreciation on property and equipment, (v) foreign currency exchange loss, (vi) bank charges, (vii) government taxes and other charges, (viii) utilities, (ix) repair and maintenance (x) insurance, (xi) depreciation on right-of-use assets, (xii) travelling and (xiii) miscellaneous.

5.6 Finance Costs

Finance costs consist of finance costs on development properties and interest on lease liabilities.

6 RECENT DEVELOPMENTS, CURRENT TRADING AND PROSPECTS

The Directors believe there have been no material changes in the Group's trading trends since 30 June 2022 compared to those reflected in the unaudited financial statements as of and for the six month period ended 30 June 2022 or as described elsewhere in this Part VIII (*Operating and Financial Review*).

On 4 October 2022, Dar Properties obtained a *Murabaha* facility from the Abu Dhabi Commercial Bank in the amount of AED 320 million. The larger portion of this facility in the amount of AED 240 million will be used towards the payment of the remaining outstanding amount with respect to the J1 Tower (subsequently re-branded "the Da Vinci Tower by Pagani") acquired in 2021. The remaining AED 80 million will be used for the refurbishment of the building. The facility provided by the Abu Dhabi Commercial Bank is secured by a mortgage on this property.

In line with its international expansion strategy, in September 2022, Dar Tabano acquired the property called "Tabano" in the municipality of Manilva in the province of Malaga on its border with the province of Cadiz in southern Spain, on which it intends to develop villas. For more information, see Part II (*Business – The Group's Projects – Projects under Development – Tabano*).

Also in line with its international strategy, in November 2022, Dar Al Arkan Global UK Holdings Ltd and a joint venture partner entered into a joint venture to acquire and refurbish the Fourth Floor Flat of 149 Old Park Lane, London, United Kingdom. The property is a single apartment on one floor of the building. Completion of the acquisition of the flat occurred on 25 November 2022. The purchase price was £12.7 million (plus £2.6 million of purchaser's costs such as stamp duty and agent fees). In aggregate, the shareholder's agreement for the joint venture provides for the Group to provide £5.7 million of the funding for the acquisition and refurbishment. For more information, see Part II (*Business – The Group's Projects – Projects under Development – The Fourth Floor Flat of 149 Old Park Lane*).

In December 2022, Dar Benahavis I, S.L acquired a plot of land in the municipality of Casares in the province of Malaga in southern Spain. The purchase price of the Finca Cortesin development plot was €10 million (excluding VAT tax of €2.1 million). The development plot is located in one of the sought-after enclaves of the Andalucia coast, not far from the Finca Cortesin resort which has an 18-hole championship golf course rated among Spain's best golf courses. Marbella, the capital of the Costa del Sol region, is just a short drive away. For more information, see Part II (*Business – The Group's Projects – Projects under Development – Finca Cortesin*).

In February 2023, Dar Al Arkan International Property Development LLC acquired a plot of land at Plot 210 (346-0561) in Business Bay, Dubai. The purchase price of Plot 210 (346-05610) was AED 150 million. Business Bay is a central business district of Dubai intersected by the Dubai water canal and Plot 210 (346-05610) is a vacant land plot zoned for residential, retail and hotel use. For more information, see Part II (*Business – The Group's Projects – Projects under Development – Plot 210 (346-05610), Business Bay - Dubai*).

7 RESULTS OF OPERATIONS

The following table sets out the Group's results of operations in the years ended 31 December 2019, 31 December 2020 and 31 December 2021 as well as in the six months ended 30 June 2021 and 30 June 2022.

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
				Unaudited	
			(in AED)		
Revenue	—	—	—	—	104,109,395
Cost of revenue	—	—	—	—	(58,643,208)
Gross profit	—	—	—	—	45,466,187
Other income	67,181	102,531	72,670	38,271	55,306
Selling and distribution expenses	(1,138,307)	(1,677,098)	(8,323,608)	(1,212,236)	(7,094,589)
General and Administrative expenses	(12,697,576)	(11,810,248)	(12,586,734)	(4,947,897)	(16,719,190)
Finance costs	(525)	(9,088,289)	(40,845,321)	(5,138,016)	(17,886,647)
Profit/(Loss) for the period	**(13,769,227)**	**(22,473,104)**	**(61,682,993)**	**(11,259,878)**	**3,821,067**

7.1 Results of Operations in the Six Months Ended 30 June 2022 Compared to the Six Months Ended 30 June 2021

7.1.1 Revenue and Cost of Revenue

Prior to the six months ended 30 June 2022, the Group did not recognise any revenue. No revenue was recognised in 2020 and 2021 based on management's assessment of risk associated with the impact of the COVID-19 pandemic and delays in construction. Due to the adoption of a revenue recognition policy, as discussed above in "*– Description of Key Line Items – Revenue*", the Group started recognising revenue from contracts with customers for the sale of development properties in the six months ended 30 June 2022. Each project is reviewed and assessed for contractual terms and risks by the management prior to considering such project for revenue recognition. Under its standard revenue recognition policy, the Group recognises revenue when both 20 per cent. project completion is achieved and the 20 per cent. collection criteria with respect to residential units sold in a particular project are met, except in the case of the Urban Oasis project (where revenue is recognised when both 35 per cent. project completion is achieved and a 30 per cent. collection criteria with respect to units sold) and the Da Vinci Tower by Pagani (where revenue is recognised when both 80 per cent. project completion is achieved and a 30 per cent. collection criteria with respect to units sold). In the six months ended 30 June 2022, one of the Group's projects, Urban Oasis, was above its 35 per cent. project completion threshold and its 30 per cent. collection criteria with respect to residential units already sold in that project were also satisfied, so the Group recognised revenue from this project in the amount of AED 104,109 thousand in that period.

As the Group recognises cost of revenue in the same periods in which it recognises revenue from sales from the related projects, the Group recognised cost of revenue with respect to its Urban Oasis project in the amount of AED 58,643 thousand in the six months ended 30 June 2022.

The Group did not recognise any revenue or cost of revenue in the six months ended 30 June 2021.

7.1.2 Other Income

The amounts of other income earned by the Group, which consisted of interest income on escrow accounts at a commercial bank in Dubai (see "– Description of Key Line Items – Other Income"), were relatively small in both the six months ended 30 June 2021 (AED 38 thousand) and the six months ended 30 June 2022 (AED 55 thousand).

7.1.3 Selling and Distribution Expenses

Selling and distribution expenses increased from AED 1,212 thousand in the six months ended 30 June 2021 to AED 7,095 thousand in the six months ended 30 June 2022 principally due to AED 6,443 thousand general (including proportionate sale commissions) expenses recognised in the six months ended

30 June 2022. The Group recognised no proportionate sales commissions in the six months ended 30 June 2021 because the Group did not recognise any revenue during such period. The Group's proportionate sales commissions in the six months ended 30 June 2022 were associated with, and proportionate to, revenue recognised with respect to the Urban Oasis project during the same period and included sales commissions incurred with respect to Urban Oasis in all prior periods. The increase in the Group's marketing expenses in the six months ended 30 June 2022 was also, in part, due to AED 459 thousand in marketing expenses with respect to the Da Vinci Tower by Pagani project (which was launched in 2022) compared to no marketing expenses with respect to Da Vinci Tower by Pagani in the six months ended 30 June 2021. The impact of the above discussed two factors was partially offset by a decrease in the marketing expenses with respect to Urban Oasis from AED 1,212 thousand in the six months ended 30 June 2021, when substantial promotional activities were carried out with respect to that project, to AED 131 thousand in the six months ended 30 June 2021.

7.1.4 **General and Administrative Expenses**

The following table sets forth the Group's general and administrative expenses in the six months ended 30 June 2021 and the six months ended 30 June 2022 as well increases or decreases in such expenses between the two periods in Arab Emirates dirham and in percentages.

	Six months ended 30 June			
	2021	**2022**	**Increase / (Decrease)**	
	Unaudited			
	(in AED)		*(in AED)*	*(in %)*
Salaries and related benefits	3,530,921	11,369,117	7,838,196	222.0
Rent	299,416	2,034,899	1,735,483	579.6
Legal, visa, professional and related expenses	442,969	1,557,487	1,114,518	251.6
Utilities	—	266,637	266,637	n/a
Repair and maintenance	113,515	103,803	(9,712)	(8.6)
Government taxes and other charges	—	252,479	252,479	n/a
Depreciation on property and equipment	386,845	283,766	(103,079)	4.8
Insurance	—	13,001	13,001	n/a
Bank charges	174,231	577,040	402,809	231.2
Miscellaneous	—	260,961	260,961	n/a
	4,947,897	**16,719,190**	**11,771,293**	**237.9**

General and administrative expenses amounted to AED 16,719 thousand in the six months ended 30 June 2022, an increase of AED 11,771 thousand, or 237.9 per cent., as compared to general and administrative expenses of AED 4,948 thousand in the six months ended 30 June 2021. The increase in general and administrative expenses in the six months ended 30 June 2022 as compared to the six months ended 30 June 2021 was principally due to (i) an AED 7,838 thousand increase in salaries and related benefits, (ii) an AED 1,735 thousand increase in rent and (iii) an AED 1,115 thousand increase in legal, visa, professional and related expenses.

The increase in salaries and related benefits in the six months ended 30 June 2022 as compared to the six months ended 30 June 2021 was principally due to a significant increase in the average number of the Group's employees from 18 in the six months ended 30 June 2021 to 69 in the six months ended 30 June 2022 as a result of an expansion of the Group's operations in the second half of 2021 and the six months ended 30 June 2022.

The increase in rent between the two periods was principally due to an opening of one additional office in the United Arab Emirates in the third quarter of 2021, an office in China in the fourth quarter of 2021, and offices in the United Kingdom and Spain in the first quarter of 2022.

The increase in legal, visa, professional and related expenses in the six months ended 30 June 2022 as compared to the six months ended 30 June 2021 principally due to the increase in professional fees related to the J1 Tower acquisition and the Aida project in Oman.

7.1.5 **Finance Costs**

Finance costs amounted to AED 17,887 thousand in the six months ended 30 June 2022, an increase of AED 12,749 thousand, or 248.1 per cent., as compared to finance costs of AED 5,138 thousand in the six months ended 30 June 2021. Such a large increase in finance costs between the two periods was principally due to (i) the increase in due to related parties balances, (ii) the purchase of the J1 Tower (subsequently re-branded as the Da Vinci Tower by Pagani) and (iii) obligations with respect to land for the W Residences Dubai – Downtown project. The timeline for repayment of all these and other obligations at 30 June 2022 has been reassessed by the management of the Group based on their best estimates, which resulted in an interest expense of AED 5,138 thousand being recorded for the six months ended 30 June 2021 (due to discounting for related party balances) and of AED 17,887 thousand being recorded for the six months ended 30 June 2022 (principally due to discounting for (i) related party balances in the amount of AED 8,150 thousand, (ii) balances with respect to the J1 Tower acquisition in the amount of AED 6,712 thousand, (iii) obligations with respect to land for the W Residences Dubai – Downtown project in the amount of AED 3,025 thousand). The interest expense represents a difference between the fair value at the date of initial recognition and the discounted value as at 30 June 2022. The average discount rate applied in this calculation was 8.5 per cent for obligations with respect to land for the W Residences Dubai – Downtown project, 4.9 per cent. for balances with respect to the J1 Tower acquisition and due to related parties outstanding as at 31 December 2021 and 8.5 per cent. for the additional balances added during the six months ended 30 June 2022.

7.2 **Results of Operations in the Year Ended 31 December 2021 Compared to the Year Ended 31 December 2020**

7.2.1 **Revenue and Cost of Revenue**

The Group did not recognise any revenue or cost of revenue in either 2020 or 2021.

7.2.2 **Other Income**

The amounts of other income earned by the Group, which consisted of interest income on escrow accounts at a commercial bank in Dubai (see "– *Description of Key Line Items – Other Income*"), were relatively small in both 2020 (AED 103 thousand) and 2021 (AED 73 thousand).

7.2.3 **Selling and Distribution Expenses**

Selling and distribution expenses in both 2020 and 2021 consisted only of marketing expenses. Selling and distribution expenses were AED 8,324 thousand in 2021, an increase of AED 6,647 thousand, or 396.3 per cent., as compared to selling and distribution expenses of AED 1,677 thousand in 2020. Such a large increase in selling and distribution expenses between the two years was principally due to (i) the launch of the marketing campaign for the Da Vinci Tower by Pagani in 2021 and (ii) the increase in the marketing expenses with respect to Urban Oasis in 2021 as compared to 2020. Marketing expenses for the Da Vinci Tower by Pagani in 2021 amounted to AED 4,341 thousand in 2021. There were no marketing expenses with respect to this project in 2020 as this building was acquired by Dar Properties only in 2021. The increase in marketing expenses for Urban Oasis from AED 1,677 thousand in 2020 to AED 3,751 thousand in 2021 was principally due to various launch events organised in 2021 for Urban Oasis.

7.2.4 **General and Administrative Expenses**

The following table sets forth the Group's general and administrative expenses in the years ended 31 December 2020 and 31 December 2021 as well increases or decreases in such expenses between the two years in Arab Emirates dirham and in percentages.

	Year ended 31 December			
	2020	**2021**	**Increase / (Decrease)**	
	(in AED)		*(in AED)*	*(in %)*
Salaries and related benefits	9,281,329	7,406,839	(1,874,490)	(20.2)
Rent	330,804	1,093,583	762,779	230.6
Travelling	16,571	—	(16,571)	(100.0)
Legal, visa, professional and related expenses	533,706	1,396,235	862,529	161.6
Utilities	174,504	240,747	66,243	38.0
Repair and maintenance	41,351	118,021	76,670	185.4
Government taxes and other charges	129,877	261,211	131,334	101.1
Depreciation on property and equipment	727,949	762,608	34,659	4.8
Depreciation on right-of-use assets	243,148	—	(243,148)	(100.0)
Insurance	24,937	87,031	62,094	249.0
Bank charges	268,736	1,191,874	923,138	343.5
Miscellaneous	37,336	28,585	(8,751)	(23.4)
	11,810,248	**12,586,734**	**776,486**	**6.6**

General and administrative expenses amounted to AED 12,587 thousand in 2021, a decrease increase of AED 776 thousand, or 6.6 per cent., as compared to general and administrative expenses of AED 11,810 thousand in 2020. The increase in general and administrative expenses in 2021 was principally due to (i) an AED 863 thousand increase in legal, visa, professional and related expenses, (ii) an AED 763 thousand increase in rent, (iii) an AED 541 thousand increase in foreign currency exchange loss and (iv) an AED 382 thousand increase in bank charges. The impact of these four factors was partially offset by (i) AED 1,874 thousand decrease in salaries and related benefits and (ii) an AED 243 thousand decrease in depreciation on right-of-use assets.

The increase in legal, visa, professional and related expenses in 2021 as compared to 2020 was, in part, due to fact that the Group entered into a consultancy agreement in April 2021 for services related to sales and marketing, which increased the Group's professional expenses. In addition, legal costs related to the opening of an office in China in 2021 were also included in legal, visa, professional and related expenses in that year.

The increase in rent between the two years was principally due to an opening of one additional office in the United Arab Emirates and an office in China in 2021.

The increase in foreign currency exchange loss in 2021 as compared to 2020 was principally due to significant payments made with respect to the Sidra project in Bosnia in 2021. Due to the exchange rate fluctuations between the Bosnian mark and the Arab Emirates dirham, the Group incurred significantly larger foreign currency losses in 2021 as compared to 2020.

The increase in bank charges between the two years was principally due to the increase in sales operations in 2021 as compared to 2020. The Group is using, among other things, point-of-sale ("**POS**") machines for collections from customers. As the usage of such POS machines for collections increased in 2021 as compared to 2020 as a result of increased sales, bank charges related to the usage of POS machines also increased. In addition, bank charges also include escrow maintenance fees and site visit charges by bank engineers in connection to projects payments from escrow accounts. Site visit charges were higher in 2021 as compared to 2020 as a result of more frequent site visits in 2021 as compared to 2020.

The decrease in salaries and related benefits in 2021 as compared to 2020 was principally due to the redundancies among senior staff members of the Group implemented in the beginning of 2021 (for example, with respect to the following position: CEO – Construction, Project Director, General Manager – Marketing) as a result of the impact of the COVID-19 pandemic and the limited number of projects the Group had at the beginning of 2021. These senior staff members worked for the Group throughout 2020, but only for the initial two or three months in 2021.

The change in depreciation on right-of-use assets (from AED 243 thousand in 2020 to nil in 2021) was due to the expiration of the three-year term of a contract for the use of an office located at Conrad Tower, Dubai, Sheikh Zayed Road in Dubai in June 2020. In accordance with IFRS 16 Leases, these office premises on long-term lease were required to be depreciated over the term of the lease.

7.2.5 **Finance Costs**

Finance costs amounted to AED 40,845 thousand in 2021, an increase of AED 31,757 thousand, or 349.4 per cent., as compared to finance costs of AED 9,088 thousand in 2020. Such a large increase in finance costs between the two years was principally due to the purchase of the J1 Tower (subsequently re-branded as the Da Vinci Tower by Pagani) by the Group in 2021. The J1 Tower was purchased on a deferred payment plan with the final instalment due on 1 May 2027. The timeline for repayment at 31 December 2021 has been reassessed by the management of the Group based on their best estimate, which resulted in an interest expense of AED 30,163 thousand being recorded for 2021. The remaining increase in finance costs in the amount of AED 1,594 was due to discounting of related party balances. The interest expense represents a difference between the fair value at the date of initial recognition and the discounted value as at 31 December 2021. The average discount rate applied in this calculation was 4.9 per cent.

7.3 **Results of Operations in the Year Ended 31 December 2020 Compared to the Year Ended 31 December 2019**

7.3.1 **Revenue and Cost of Revenue**

The Group did not recognise any revenue or cost of revenue in either 2019 or 2020.

7.3.2 **Other Income**

The amounts of other income earned by the Group, which consisted of interest income on escrow accounts at a commercial bank in Dubai (see "– *Description of Key Line Items – Other Income*"), were relatively small in both 2019 (AED 67 thousand) and 2020 (AED 103 thousand).

7.3.3 **Selling and Distribution Expenses**

Selling and distribution expenses, which consisted solely of marketing expenses in both 2019 and 2020, amounted to AED 1,677 thousand in 2020, an increase of AED 539 thousand, or 47.3 per cent., as compared to selling and distribution expenses of AED 1,138 thousand in 2019. This increase in selling and distribution expenses between the two years was due to increased marketing activities with respect to Urban Oasis in 2020 as compared to 2019.

7.3.4 General and Administrative Expenses

The following table sets forth the Group's general and administrative expenses in the years ended 31 December 2019 and 31 December 2020 as well increases or decreases in such expenses between the two years in Arab Emirates dirham and in percentages.

	Year ended 31 December			
	2019	**2020**	**Increase / (Decrease)**	
	(in AED)		*(in AED)*	*(in %)*
Salaries and related benefits	10,075,123	9,281,329	(793,794)	(7.9)
Rent	185,009	330,804	145,795	78.8
Travelling	300,329	16,571	(283,758)	(94.5)
Legal, visa, professional and related expenses	215,775	533,706	317,931	147.3
Utilities	406,879	174,504	(232,375)	(57.1)
Repair and maintenance	5,555	41,351	35,796	644.4
Government taxes and other charges	106,820	129,877	23,057	21.6
Depreciation on property and equipment	704,350	727,949	23,599	3.4
Depreciation on right-of-use assets	486,296	243,148	(243,148)	(50.0)
Insurance	98,127	24,937	(73,190)	(74.6)
Bank charges	57,640	268,736	211,096	366.2
Miscellaneous	55,673	37,336	(18,337)	(32.9)
	12,697,576	**11,810,248**	**(887,328)**	**(7.0)**

General and administrative expenses amounted to AED 11,810 thousand in 2020, a decrease of AED 887 thousand, or 7.0 per cent., as compared to general and administrative expenses of AED 12,698 thousand in 2019. The decrease in general and administrative expenses in 2020 as compared to 2019 was principally due to (i) an AED 794 thousand decrease in salaries and related benefits, (ii) an AED 284 thousand decrease in travelling expenses and (iii) an AED 243 thousand decrease in depreciation on right-of-use assets, which were partially offset principally by an AED 318 thousand increase in legal, visa, professional and related expenses.

The decrease in salaries and related benefits between the two years was principally due to the decrease in the average number of the Group's employees from 22 in 2020 to 15 in 2021 due to the impact of the COVID-19 pandemic in 2020.

The decrease in travelling expenses in 2020 as compared to 2021 was principally due to the impact of the COVID-19 pandemic, which effectively prevented any travelling from happening once lockdowns were introduced across the world in the beginning of 2020.

The change in depreciation on right-of-use assets (from AED 486 thousand in 2019 to AED 243 thousand in 2020) was due to the expiration of the three-year term of a contract for the use of an office located at Conrad Tower, Dubai, Sheikh Zayed Road in Dubai in June 2020. In accordance with IFRS 16 *Leases*, these office premises on long-term lease were required to be depreciated over the term of the lease.

The increase in legal, visa, professional and related expenses in 2020 as compared to 2019 was principally due a AED 298 thousand legal fee paid by the Group in 2020 in connection with its litigation against the previous construction contractor for the Urban Oasis project which defaulted on its obligations.

7.3.5 Finance Costs

Finance costs amounted to AED 9,088 thousand in 2020, an increase of AED 9,088 thousand as compared to finance costs of AED 1 thousand in 2019. This increase was due to the difference between the fair value of the amounts due to related parties at the date of initial recognition and the discounted value of the amounts due to related parties as of 31 December 2020. The average discount rate applied in this calculation was 4.9 per cent.

8 ANALYSIS OF CERTAIN STATEMENT OF FINANCIAL POSITION ITEMS

8.1 Assets

The Group's principal assets are its (i) development properties, (ii) advances, deposits and other receivables and (iii) cash and bank balances.

8.1.1 **Development Properties**

Properties constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost includes cost of acquisition of land, cost of construction, including planning and design cost, salaries and other direct costs attributable to the development. Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money, if material, less costs to completion and the estimated costs of sale. As units in a project are sold to customers and revenue is recognised by the Group, the cost of revenue attributable to sold units is also recognised by it and is deducted from the relevant development property.

The Group had (i) two development properties as of 31 December 2019 and 31 December 2020 – Urban Oasis and Sidra, (ii) three development properties as of 31 December 2021 – Urban Oasis, the Da Vinci Tower by Pagani and Sidra and (iii) four development properties as of 30 June 2022 – Urban Oasis, the Da Vinci Tower by Pagani, W Residences Dubai – Downtown and Sidra.

The Group's development properties amounted to AED 802.9 million, or 57.1 per cent. of its total assets, as of 30 June 2022, as compared to AED 649.3 million, or 77.9 per cent. of its total assets, as of 31 December 2021, AED 220.7 million, or 67.2 per cent. of its total assets, as of 31 December 2020 and AED 200.1 million, or 67.1 per cent. of its total assets, as of 31 December 2019.

The significant increase in Group's development properties as of 30 June 2022 as compared to 31 December 2021 was principally due to (i) the launch of the W Residences Dubai – Downtown project in early 2022 and (ii) significant construction progress with respect to Urban Oasis in the six months ended 30 June 2022, with project completion increasing from 32 per cent. as of 31 December 2021 to 53 per cent. as of 30 June 2022. The impact of these two factors was partially offset by the recognition of cost of revenue for Urban Oasis corresponding to revenue recognised with respect to this project in the six months ended 30 June 2022.

A large increase (by AED 428.6 million or 194.2 per cent.) in Group's development properties as of 31 December 2021 as compared to 31 December 2020 was principally due to (i) the acquisition of J1 Tower (subsequently re-branded as the Da Vinci Tower by Pagani) located at Bay Avenue 26, Executive Towers J, Business Bay, Dubai for AED 340 million and (ii) construction progress with respect to Urban Oasis, particularly in the later part of 2021. The development of Urban Oasis was slow due to the impact of the COVID-19 pandemic in 2020 and during most of 2021. But in the later part of 2021, the development activity for this project increased resulting in a significant increase in the amount of capitalised development expenses with respect to this project as of 31 December 2021 as compared to 31 December 2020.

8.1.2 **Advances, Deposits and Other Receivables**

The Group's advances, deposits and other receivables amounted to AED 311.9 million, or 22.2 per cent. of its total assets, as of 30 June 2022, as compared to AED 107.9 million, or 12.9 per cent. of its total assets, as of 31 December 2021, AED 57.9 million, or 17.6 per cent. of its total assets, as of 31 December 2020 and AED 52.7 million, or 17.7 per cent. of its total assets, as of 31 December 2019. The increase in Group's advances, deposits and other receivables as of 30 June 2022 as compared to 31 December 2021 was principally due to (i) an increase in prepayments from AED 38.1 million as of 31 December 2021 to AED 143.6 million as of 30 June 2022, (ii) an increase in trade receivables from AED Nil as of 31 December 2021 to AED 44.1 million as of 30 June 2022 and (iii) an increase in margin deposits from AED 44.0 million as of 31 December 2021 to AED 79.3 million as of 30 June 2022. The increase in prepayments was principally due to the increase in incremental costs of obtaining contracts (i.e. sales commission paid to brokers and employees for the sale of properties) from AED 37.1 million as of 31 December 2021 to AED 129.2 million as of 30 June 2022. Such incremental costs of obtaining contracts will be amortised consistent with the pattern of revenue in the future. The increase in trade receivables was principally due to recognition of revenue for the first time during the year 2022. The increase in margin deposits (which are held with a bank against project guarantee) was principally due to an additional letters of guarantee in the amount of AED 35.3 million issued in connection with the W Residences Dubai – Downtown project.

A large increase (by 86.3 per cent.) in Group's advances, deposits and other receivables as of 31 December 2021 as compared to 31 December 2020 was principally due to (i) an increase in prepayments from AED 6.2 million as of 31 December 2020 to AED 38.1 million as of 31 December 2021 and (ii) an increase in advances to suppliers and contractors from AED 6.9 million as of 31 December 2020 to AED 21.0 million as of 31 December 2021. The increase in prepayments was principally due to the increase in incremental costs of obtaining contracts (i.e. sales commission paid to brokers and employees for the sale of properties) from AED 3.8 million as of 31 December 2020 to AED 37.1 million as of 31 December 2021. Such incremental costs of obtaining contracts will be amortised consistent with the pattern of revenue in the future.

8.1.3 **Cash and Bank Balances**

The Group's cash and bank balances amounted to AED 272.1 million, or 19.3 per cent. of its total assets, as of 30 June 2022, as compared to AED 68.2 million, or 8.2 per cent. of its total assets, as of 31 December 2021, AED 45.7 million, or 13.9 per cent. of its total assets, as of 31 December 2020 and AED 40.7 million, or 13.7 per cent. of its total assets, as of 31 December 2019. The increase in Group's cash and bank balances as of 30 June 2022 as compared to 31 December 2021 was principally due to the launch of the W Residences Dubai – Downtown project in early 2022, in which a large portion of all residential units was sold by 30 June 2022 and almost 20 per cent. of the total collections for the project was already collected by that date as per the agreed instalment plans in customers' property sale agreements. A significant increase (by AED 22.5 million or 49.2 per cent.) in Group's cash and bank balances as of 31 December 2021 as compared to 31 December 2020 was principally due to the increase in collections from Urban Oasis as a result of the increase in sales of available residential units in the second half of 2021.

8.1.4 **Liabilities**

The Group's principal liabilities consist of (i) due to related parties, (ii) other payables and (iii) contract liabilities.

8.1.4.1 *Due to Related Parties*

Due to related parties consists of loans received from the Company's shareholder Dar Al Arkan Global Real Estate Development LLC. These shareholders loans were provided to the Group principally for working capital requirements, land purchases, to fund development projects and expenses.

The Group's due to related parties amounted to AED 501.5 million, or 39.2 per cent. of its total liabilities, as of 30 June 2022, as compared to AED 336.7 million, or 44.4 per cent. of its total liabilities, as of 31 December 2021, AED 212.3 million, or 79.2 per cent. of its total liabilities, as of 31 December 2020 and AED 185.5 million, or 79.4 per cent. of its total liabilities, as of 31 December 2019. The increase in Group's due to related parties as of 30 June 2022 as compared to 31 December 2021 was principally due to funding received from related parties to cover (i) investments in all of the Group's development properties (Urban Oasis, the Da Vinci Tower by Pagani and W Residences Dubai – Downtown and Sidra), (ii) payments for administrative and selling and distribution expenses, (iii) commissions paid in the amount of AED 85.8 million on sale of residential units principally in the W Residences Dubai – Downtown project, in which 370 units were sold out of the available 385 and (iv) purchase of land in Spain for AED 20.1 million. A large increase (by AED 124.4 million or 58.6 per cent.) in Group's due to related parties as of 31 December 2021 as compared to 31 December 2020 was principally due to funding received from related parties to cover (i) 20 per cent. deposit paid on the purchase of J1 Tower (subsequently re-branded as the Da Vinci Tower by Pagani) that was equal to AED 75 million combined with an AED 15 million fee for the registration of this property with the DLD and an AED 1.8 million broker's fee paid in connection with this purchase, (ii) commissions paid in the amount of AED 32.9 million on sale of residential units principally in Urban Oasis, (iii) investments in all of the Group's development properties and (iv) payments for administrative and selling and distribution expenses.

8.1.4.2 *Development Property liabilities*

The Group's development property liabilities amounted to AED 396.7 million, or 31.0 per cent. of its total liabilities, as of 30 June 2022, as compared to AED 277.3 million, or 36.5 per cent. of its total liabilities, as of 31 December 2021 and AED nil as of both 31 December 2020 and 31 December 2019.

The increase in Group's other payables as of 30 June 2022 as compared to 31 December 2021 was due to the incurrence of a payable obligation due to the booking of land contributed by Uranus General Contracting Company into the W Residences Dubai – Downtown project under the joint development agreement with Dar Properties. The increase in Group's development property liabilities from AED nil as of 31 December 2020 to AED 277.3 million as of 31 December 2021 was due to the incurrence of a payable obligation in connection with the purchase of J1 Tower (subsequently re-branded as the Da Vinci Tower by Pagani) in 2021.

8.1.4.3 *Advances from Customers*

Advances from customers represent contractual liabilities arising from the property sales agreements with the customers, including advance consideration received from them.

The Group's advances from customers amounted to AED 328 million, or 25.6 per cent. of its total liabilities, as of 30 June 2022, as compared to AED 124.9 million, or 16.5 per cent. of its total liabilities, as of 31 December 2021, AED 45.3 million, or 16.9 per cent. of its total liabilities, as of 31 December 2020 and AED 39.3 million, or 16.8 per cent. of its total liabilities, as of 31 December 2019. The increase in Group's contract liabilities as of 30 June 2022 as compared to 31 December 2021 was principally due to the launch of the W Residences Dubai – Downtown project in early 2022, in which 370 residential units out of the total 385 available units were sold by 30 June 2022 and almost 20 per cent. of the total collections for the project was already collected by that date as per the agreed instalment plans in customers' property sale agreements. A large increase (by AED 79.6 million or 175.9 per cent.) in Group's contract liabilities as of 31 December 2021 as compared to 31 December 2020 was principally due to the increase in sales of residential units at Urban Oasis following the appointment of OCTA Properties as brokers for this project and the increase in the intensity of marketing campaigns for this project.

9 LIQUIDITY AND CAPITAL RESOURCES

9.1 Liquidity

The Group operates a capital intensive business and requires significant amounts of cash to satisfy its capital expenditures and working capital requirements, as well as to meet its obligations under shareholder loans.

Funding of the Group's projects depends, to a large extent, on whether a particular project is based on a joint development agreement with a partner that owns the land on which the project is located. If there is such a joint development agreement in place and the Group does not have to pay for land, funding requirements for such projects are covered principally through off-plan sales of residential units in such projects. Typically, customers are required to pay at least 30 per cent. of the price of the sold residential unit within 12 months of signing a property sale agreement and collections from customers fully cover construction and other direct project costs. The rest of the funding has to date come from the Major Shareholder to cover marketing and selling and distribution expenses, including sales commissions, branding fees for co-branded projects and other overheads. If there is no joint development agreement for a project, the Group has to purchase the land, and the funding for such purposes has to date been provided by the Major Shareholder in the form of non-interest bearing loans (as discussed below). Joint venture arrangements may vary but typically involve the sharing of the acquisition and development expenses as agreed by the parties to the joint venture.

In addition, under the RERA regulations, the Group is required to provide letters of guarantees to the DLD for all of its projects located in the United Arab Emirates in the amount of 50 per cent. of the construction costs for such projects. Currently, the Group holds margin deposits equivalent to the amount of the letters of guarantee at the bank providing such letters of guarantee.

To date, to fund its acquisition and development costs as well as the expansion of its operations, the Group principally relied on non-interest bearing loans from the Major Shareholder, which were accounted for as "due to related parties", and on cash from "off-plan" sales of its residential units in the form of advance consideration received from customers entering into property sale agreements with respect to residential units at the Group's projects. Ahead of Admission, all of the funding then provided by the Major Shareholder has been assigned to members of the Group, thus eliminating all funds due to related parties. Going forward, instead of such non-interest bearing loans from the Major Shareholder, the Group intends principally to rely initially upon the net proceeds of the Private Placement, as well as off-plan sales and over time profits from sales, as well as third-party debt financing when available on commercially attractive terms (which may include the Major Shareholder providing funding on arms-length commercial terms). Additionally, to provide further flexibility in the Group's funding structure, the Major Shareholder has, conditional on Admission, made available the DAA Facility for the Group's general corporate and working capital purposes, such facility comprising a commitment for a three year period on an unsecured but interest bearing basis. As discussed above, as part of the changes in its funding, in the second half of 2022, the Group secured financing from an UAE bank for one of its projects in Dubai. See "– *Borrowings*" below.

The Company's treasury policy calls for investing its cash with highly rated banks and financial institutions for short maturities principally in AED. The Group currently does not hedge any of its foreign currency risk but may consider hedging in the future depending on the level of foreign currency risk it will be exposed to.

9.2 Borrowings

The Group did not have any external borrowings in the six months ended 30 June 2022 or in the years ended 31 December 2021, 31 December 2020 or 31 December 2019.

On 4 October 2022, Dar Properties obtained a *Murabaha* facility from the Abu Dhabi Commercial Bank in the amount of AED 320 million. The larger portion of this facility in the amount of up to AED 240 million will be used towards the payment of the remaining outstanding amount with respect to the J1 Tower (subsequently re-branded "The Da Vinci Tower by Pagani") acquired in 2021. The remaining AED 80 million will be used for the refurbishment of the building. Dar Properties can borrow under this facility at any time from the date of the signing of the facility letter from the Abu Dhabi Commercial Bank and ending on 31 March 2024. The *Murabaha* instalment rate for this facility is the percentage rate per annum equal to the aggregate of three month Emirates Interbank Offered Rate (EIBOR) plus 2.55 per cent. The facility is required to be repaid in 12 quarterly instalments of AED 15 million each plus profit and final bullet payment of remaining balance as the 13th quarterly instalment. The first of these quarterly instalments is to be paid on the date falling 24 months from the date of first utilisation of the facility by Dar Properties. Profit is required to be serviced separately on quarterly basis during the tenor of the *Murabaha* facility. The facility provided by the Abu Dhabi Commercial Bank is secured by a mortgage on the Da Vinci Tower by Pagani.

The *Murabaha* facility from the Abu Dhabi Commercial Bank has been guaranteed by the Major Shareholder. Additionally, the Directors anticipate that the Group's future financing arrangements may also need to be supported by guarantees provided by the Major Shareholder. Accordingly, with effect from Admission, the Guarantee Support Agreement will become effective, providing that the Major Shareholder's existing guarantees will remain in place and that the Major Shareholder will from time to time provide additional guarantees to support the Group's borrowing commitments or performance obligations. For additional information on the terms of the Guarantee Support Agreement, see paragraph 17.3 (*Guarantee Support Agreement*) of Part XI (*Additional Information*).

On 9 February 2023, the Company (as borrower) and the Major Shareholder (as lender) entered into the DAA Facility Agreement in connection with the DAA Facility. The DAA Facility is conditional on Admission and comprises an unsecured revolving credit facility in the amount of up to US$200 million in aggregate, to be used for general corporate and working capital purposes of the Group. The tenor of the DAA Facility is three years from the date of the DAA Facility Agreement. For further information on the DAA Facility, see paragraph 17.15 of Part XI (*Additional Information*).

9.3 Cash Flows

The following table sets out the summary of the Group's cash flows in the years ended 31 December 2019, 31 December 2020 and 31 December 2021 as well as in the six months ended 30 June 2021 and 30 June 2022.

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	>2022
				Unaudited	
			(in AED)		
Net cash used in operating activities	(9,413,641)	(30,673,739)	(91,363,133)	(32,028,132)	(1,654,486)
Net cash used in investing activities	(129,537)	(220,726)	(218,705)	(102,179)	(316,671)
Net cash generated from financing activities	26,516,303	35,854,506	114,083,765	20,566,051	205,873,749
Net increase/(decrease) in cash and cash equivalents	16,973,125	4,960,041	22,501,927	(11,564,260)	203,902,592
Cash and cash equivalents at the beginning of the period	23,775,390	40,748,515	45,708,556	45,708,556	68,210,483
Cash and cash equivalents at the end of the period	40,748,515	45,708,556	68,210,483	34,144,296	272,113,075

9.3.1 Net Cash Used in Operating Activities

Net cash used in operating activities was AED 1.7 million in the six months ended 30 June 2022 as compared to net cash used in operating activities of AED 32.0 million in the six months ended 30 June 2021. The decrease (by AED 30.3 million, or 1782.4 per cent.) in net cash used in operating activities in the six months ended 30 June 2022 as compared to the six months ended 30 June 2021 was principally due to an AED 204.1 million increase in advances, deposits and other receivables in the six months ended 30 June 2022 as compared to just an AED 21.3 million increase in advances, deposits and other receivables in the six months ended 30 June 2021. This was partially offset by an AED 203.1 million increase in advances from customers in the six months ended 30 June 2022 as compared to just an AED 11.2 million increase in advances from customers in the six months ended 30 June 2021. The much larger increase in advances, deposits and other receivables in the six months ended 30 June 2022 as compared to the six months ended 30 June 2021 was principally due to much higher sales commissions paid to brokers and employees for the sale of properties in the six months ended 30 June 2022 mainly with respect to sale of residential units in the W Residences Dubai – Downtown project, in which 370 units were sold out of the available 385 during this period. The much larger increase in advances from customers in the six months ended 30 June 2022 as compared to the six months ended 30 June 2022 was principally due to the launch of the W Residences Dubai – Downtown project in early 2022, in which 370 residential units out of the total 385 available units were sold by 30 June 2022 and almost 20 per cent. of the total collections for the project was already collected by that date as per the agreed instalment plans in customers' property sale agreements.

Net cash used in operating activities was AED 91.4 million in 2021 as compared to net cash used in operating activities of AED 30.7 million in 2020 and net cash used in operating activities of AED 9.4 million in 2019. The increase (by AED 60.7 million, or 197.72 per cent.) in net cash used in operating activities in 2021 as compared to 2020 was principally due to (i) an AED 98.3 million increase in development properties of the Group in 2021 as compared to an AED 25.2 million increase in development properties in 2020 and (ii) an AED 50.0 million increase in advances, deposits and other receivables in 2021 as compared to an AED 5.2 million increase in advances, deposits and other receivables in 2020. This was partially offset by an AED 79.6 million increase in advances from customers in 2021 as compared to just an AED 6.0 million increase in advances from customers in 2020. The increase in development properties of the Group in 2021 was principally caused by (i) the acquisition of J1 Tower (subsequently re-branded as the Da Vinci Tower by Pagani) located at Bay Avenue 26, Executive Towers J, Business Bay, Dubai and (ii) construction progress with respect to Urban Oasis, particularly in the later part of 2021 (see "*Analysis of Certain Statement of Financial Position Items – Assets – Development Properties*".

The increase in net cash used in operating activities in 2020 as compared to 2019 was principally due to:

- a significantly smaller increase in advances from customers of the Dar Group in 2020 (by AED 6.0 million) as compared to 2019, when advances from customers increased by AED 16.0 million, which was primarily due to the impact of the COVID-19 pandemic in 2020, as a result of which the volume of property sales agreements with customers decreased significantly;
- an increase in advances, deposits and other receivables in the amount of AED 5.2 million in 2020 as compared to a decrease in advances, deposits and other receivables in the amount of AED 0.4 million in 2019; and
- a larger increase in development properties in 2020 (by AED 20.6 million) as compared to 2019, when development properties of the Group increased by AED 14.7 million.

9.3.2 **Net Cash Used in Investing Activities**

Cash used by the Group in investing activities consists of cash used for the acquisition of property and equipment. Such property and equipment consists of (i) leasehold improvements, (ii) furniture and fixtures and (iii) computers and office equipment.

Net cash used in investing activities was AED 316.7 thousand in the six months ended 30 June 2022 as compared to net cash used in investing activities of AED 102.2 thousand in the six months ended 30 June 2021. Net cash used in investing activities in the six months ended 30 June 2022 consisted of AED 237.8 thousand of cash used to acquire computers and office equipment and AED 78.9 thousand of cash used to acquire furniture and fixtures.

Net cash used in investing activities was AED 218.7 thousand in 2021 as compared to net cash used in investing activities of AED 220.7 thousand in 2020 and net cash used in investing activities of AED 129.5 thousand in 2019, which, in all these years, represented only a small portion of all cash used by the Group.

9.3.3 **Net Cash Generated From Financing Activities**

Net cash generated from financing activities was AED 205.9 million in the six months ended 30 June 2022 as compared to net cash generated from financing activities of AED 20.6 million in the six months ended 30 June 2021. The large (by AED 185.3 million, or 899.6 per cent.) increase in net cash generated from financing activities in the six months ended 30 June 2022 as compared to the six months ended 30 June 2021 was due to discounting of payables with respect to land for the W Residences Dubai – Downtown project and due to related parties balances.

Net cash generated from financing activities was AED 114.1 million in 2021 as compared to net cash generated from financing activities of AED 35.9 million in 2020 and net cash generated from financing activities of AED 26.5 million in 2019. The large (by AED 78.2 million, or 217.8 per cent.) increase in net cash generated from financing activities in 2021 as compared to 2020 was due to cash received from related parties to cover the purchase of J1 Tower (subsequently re-branded as the Da Vinci Tower by Pagani), which was partially offset by the repayment of a AED 75 million long term liability during 2021.

During the period under review (from 1 January 2019 to 30 June 2022), the Company paid no dividends or other distributions to the Major Shareholder.

9.4 Contractual Obligations

The following table sets out the Group's contractual obligations as of 30 June 2022 and also indicates in which future periods payments under these obligations will come due.

	Total	Short-Term[(1)]	Long-Term[(2)]
		Unaudited *(in AED)*	
Due to related parties[(3)]	501,548,982	—	501,548,982
Contracted commitments for development properties	87,444,633	62,770,808	24,673,825
Total[(4)]	**588,993,615**	**62,770,808**	**526,222,807**

Notes:

(1) Obligations due within 12 months from 30 June 2022.

(2) Obligations due beyond 12 months from 30 June 2022.

(3) These obligations due to the Company's shareholder Dar Al Arkan Global Real Estate Development LLC represent financing received from shareholder to fund the ongoing projects. Given the long-term nature of these balances, the Group's management estimated a repayment period of six years over which the balances have been discounted.

(4) Excludes end of service obligations as timing of these payments cannot be determined.

9.5 Contingent Liabilities

Under the RERA regulations, the Group is required to provide letters of guarantees to the DLD for all of its projects located in the United Arab Emirates in the amount of 50 per cent. of the construction costs for such projects. Such letters of guarantee are provided by local banks and are released on completion of the project. The total amount of such letters of guarantee provided by the Group to the DLD was AED 79.3 million as of 30 June 2022 and AED 44 million as of 31 December 2021, 31 December 2020 and 31 December 2019. The Group held margin deposits equivalent to the amount of the letters of guarantee at the bank providing such letters of guarantee.

As of 30 June 2022, the Group had no other off-balance sheet arrangements.

9.6 Capital Expenditures

The Group classifies as capital expenditures the sum of cash used on development properties and cash used on the acquisition of property and equipment.

9.6.1 Cash Used on Development Properties

Properties acquired, constructed or in the course of construction for sale are classified as development properties. In the years ended 31 December 2021, 31 December 2020 and 31 December 2019, the Group's cash spent on development properties amounted to AED 98.3 million, AED 25.2 million and AED 8.2 million, respectively. In the six months ended 30 June 2022 and 30 June 2021, the Group's cash spent on development properties amounted to AED 43.9 million and AED 31.5 million, respectively. These amounts related to Group's projects and represented cash spent on under-construction development property assets and on the acquisition of a completed building in Dubai. The Group funded these development projects through loans from its shareholder, which were accounted for as "due to related parties", and with cash from "off-plan" sales of its residential units in the form of advance consideration received from customers entering into property sale agreements with respect to residential units at the Group's projects.

9.6.2 **Property and Equipment**

The following table sets out the Dar Al Global Group's additions to property and equipment in the years ended 31 December 2019, 31 December 2020 and 31 December 2021 as well as in the six months ended 30 June 2022.

	Year ended 31 December			Six months ended 30 June
	2019	**2020**	**2021**	**2022**
		(in AED)		
Leasehold improvements	—	162,000	82,675	—
Furniture and fixtures	25,157	—	50,000	78,859
Computers and office equipment	104,380	58,726	86,030	237,812
Total	**129,537**	**220,726**	**218,705**	**316,671**

9.6.3 **Expected Capital Expenditures in 2022**

The Group's management expects the Group to make a total of AED 62.8 million of capital expenditures in 2022, principally relating to the purchase and development of land as well as in connection with contractual commitments with respect to W Residencies Dubai – Downtown, Urban Oasis and the Da Vinci Tower by Pagani. The Group intends to fund these capital expenditures with a combination of the net proceeds of the Private Placement and collections from sales of residential units in development properties.

10 DISCLOSURES ABOUT MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments.

The Group undertakes certain transactions denominated in foreign currencies, resulting in exposures to exchange rate fluctuations. In 2021, the Group incurred foreign currency exchange loss in the amount of AED 648.9 thousand, as compared to foreign currency exchange loss of AED 107.9 thousand in 2020 and no foreign currency exchange gain or loss in 2019. The Group did not have any foreign currency exchange loss in the six months ended 30 June 2021 or the six months ended 30 June 2022. The increase in foreign currency exchange loss in 2021 as compared to 2020 was principally due to significant payments made with respect to the Sidra project in Bosnia in 2021 and the exchange rate fluctuations between the Bosnian mark and the Arab Emirates dirham in 2021. In the future, as the Group starts to develop more and more projects in Spain, the United Kingdom and other countries, the currencies of which are not pegged to the U.S. dollar, the volatility in the Group's foreign exchange gains or losses is going to increase as the portion of such projects in the overall project portfolio increases and as exchange rate fluctuations between the U.S. dollars and other currencies of countries in which the Group has projects increases.

During the period under review (from 1 January 2019 to 30 June 2022), the Group had no significant interest rate risk exposure as there were no borrowings or other interest bearing liabilities. On 4 October 2022, Dar Properties obtained a *Murabaha* facility from the Abu Dhabi Commercial Bank in the amount of AED 320 million. The *Murabaha* instalment rate for this facility is the percentage rate per annum equal to the aggregate of three month Emirates Interbank Offered Rate (EIBOR) plus 2.55 per cent. As the Group obtains more floating rate loans to finance its new projects in the future, its exposure to interest rate risk will increase.

11 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, the Group's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

11.1 Key Sources of Estimation Uncertainty

11.1.1 Measurement of Progress When Revenue is Recognised over Time

The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognised over time. The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised.

11.1.2 Cost to Complete the Projects

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

11.2 Critical Judgments in Applying Accounting Policies

11.2.1 Timing of Satisfaction of Performance Obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time.

11.2.2 Identifying a contract

The Group assesses for each development and for each customer the point in time at which a contract exists. This requires assessing the point in each the development where there is certainty that it will continue to completion, as well as assessing the point in time at which consideration from the customer is probable – this assessment takes into account the legal requirements and history of collections.

12 ALTERNATIVE PERFORMANCE MEASURES

The Group presents EBITDA and EBITDA Margin as alternative performance measures to enhance the understanding of our operating results. EBITDA is defined as earnings/loss before finance costs, income tax (expenses/credit) and depreciation and amortization, as derived from the financial statements. EBITDA margin is defined as EBITDA divided by revenues. Neither EBITDA nor EBITDA margin is a measure of performance under IFRS. EBITDA should not be considered by prospective investors as an alternative to operating profit/(loss), net cash flows from operating activities or any other measure of performance under IFRS. Accordingly, prospective investors should not place undue reliance on any non-IFRS measure contained in this Prospectus. Additionally, the non-IFRS measures disclosed herein may not be comparable to those disclosed by other companies because such terms are not uniformly defined.

The Directors consider EBITDA and EBITDA Margin to be the non-IFRS measures used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies in relation to the Group. The Directors believe that such non-IFRS measures provide an enhanced understanding of the Group's results and related trends and, therefore, increased transparency and clarity in respect of the results of the business of the Group.

The following table provides a reconciliation of the Group's actual profit/(loss) for the period to EBITDA for the six months ended 30 June 2022, this period being the first period during which the Company recognised revenue.

	Six months ended 30 June 2022
	(in AED)
Profit for the period	3,821,067
Adjustments:	
Finance costs	17,886,647
Income tax (expenses)/credit	—
Depreciation and amortisation	283,766
EBITDA	**21,991,480**
Revenue	104,109,395
EBITDA Margin	21.1%

PART IX

HISTORICAL FINANCIAL INFORMATION

This section of the Prospectus includes the historical financial information for the Group as at and for the years ended 31 December 2021, 2020 and 2019, as well as an Accountants' Report thereon prepared by KPMG Audit LLC. It also includes the unaudited financial information for the Group for the six months ended 30 June 2022. This section is set out in three parts as follows:

- Section A: sets out KPMG Audit LLC's Accountants' Report in respect of the historical financial information of the Group;
- Section B: sets out the historical financial information of the Group for the three year periods ended 31 December 2019, 31 December 2020 and 31 December 2021 respectively and includes the accounting policies and notes to the historical financial information; and
- Section C: sets out unaudited financial information of the Group for the six month period ended 30 June 2022.

SECTION A:

ACCOUNTANT'S REPORT IN RESPECT OF THE HISTORICAL FINANCIAL INFORMATION

Private & confidential
The Directors
Dar Global PLC
Link Company Matters Limited
6th Floor
65 Gresham Street
London
EC2V 7NQ

23 February 2023

Ladies and Gentlemen

Dar Global PLC

We report on the combined financial information set out in Section B of Part IX (*Historical Financial Information*) for the three years ended 31 December 2019, 31 December 2020 and 31 December 2021. This report is required by Item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 (the **PR Regulation**) and is given for the purpose of complying with that item and for no other purpose.

Opinion on financial information

In our opinion, the combined financial information gives, for the purposes of the prospectus dated 23 February 2023, a true and fair view of the state of affairs of Dar Global PLC and its subsidiaries together referred to as a ("Group") as at 31 December 2019, 31 December 2020 and 31 December 2021 and of its losses, cash flows and statement of comprehensive income and changes in equity for the years ending 31 December 2019, 31 December 2020 and 31 December 2021 in accordance with the basis of preparation set out in note 2 and in accordance with UK Adopted International Financial Reporting Standards as described in note 2.

Responsibilities

The Directors of Dar Global PLC are responsible for preparing the combined financial information on the basis of preparation set out in note 2 to the combined financial information and in accordance with UK Adopted International Financial Reporting Standards.

It is our responsibility to form an opinion on the combined financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 1.3 of Annex 1 of the PR Regulation, consenting to its inclusion in the prospectus.

Basis of Preparation

The combined financial information has been prepared for inclusion in the prospectus dated 23 February 2023 of the Group on the basis of the accounting policies set out in note 2.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the **FRC**). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the combined financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the combined financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the combined financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Conclusions Relating to Going Concern

The Directors of Dar Global PLC have prepared the combined financial information on the going concern basis as they do not intend to liquidate the entity or to cease its operations, and as they have concluded that the entity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the combined financial information ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the entity's combined financial information is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the above conclusions are not a guarantee that the entity will continue in operation.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the prospectus in compliance with Item 1.2 of Annex 1 of the PR Regulation.

Yours faithfully

KPMG Audit LLC

SECTION B

HISTORICAL FINANCIAL INFORMATION

	Notes	Combined statement of financial position as at December 31 (In Arab Emirates Dirham) 2019	2020	2021
Assets				
Cash and cash equivalents	6	40,748,515	45,708,556	68,210,483
Advances, deposits and other receivables	7	52,688,437	57,896,873	107,867,395
Development properties	8	200,146,169	220,717,562	649,284,864
Escrow retentions	9	1,889,584	2,246,492	6,256,000
Property and equipment	10	2,445,919	1,938,696	1,394,793
Right-of-use assets	11	243,148	—	—
Total assets		**298,161,772**	**328,508,179**	**833,013,535**
Liabilities and Equities				
Liabilities				
Accounts payables and provisions	12	7,656,225	9,478,243	13,497,677
Advances from Customers	13	39,276,148	45,259,161	124,861,981
Retention Payable	14	732,464	840,554	6,300,738
Development Property liabilities	15	—	—	277,270,384
Due to related parties	16	185,475,289	212,253,245	336,688,772
Employees' end of service benefits	17	359,243	322,838	392,259
Total liabilities		**233,499,369**	**268,154,041**	**759,011,811**
Equity				
Other reserves	18	3,000,000	3,000,000	3,000,000
Capital Contribution	16	61,662,403	57,354,138	71,001,724
Accumulated losses	19	—	—	—
Total equity		**64,662,403**	**60,354,138**	**74,001,724**
Total equity and liabilities		**298,161,772**	**328,508,179**	**833,013,535**

	Notes	2019	2020	2021
Combined statement of profit or loss for the year ended December 31				
		(In Arab Emirates Dirham)		
Revenue		—	—	—
Cost of revenue		—	—	—
Gross Profit		—	—	—
Other income	20	67,181	102,531	72,670
Selling and distribution expenses	21	(1,138,307)	(1,677,098)	(8,323,608)
General and Administrative expenses	22	(12,697,576)	(11,810,248)	(12,586,734)
Finance costs	23	(525)	(9,088,289)	(40,845,321)
Loss before tax		**(13,769,227)**	**(22,473,104)**	**(61,682,993)**
Income tax (expenses) / credit	2.14	—	—	—
Loss for the year		**(13,769,227)**	**(22,473,104)**	**(61,682,993)**
Attributable to:				
Owners of the company		**(13,769,227)**	**(22,473,104)**	**(61,682,993)**
Earnings per share attributable to owner of the Company:				
- basic and diluted earnings per share (AED)	24	(46)	(75)	(206)

	Notes	2019	2020	2021
Combined statement of other comprehensive income for the year ended December 31				
		(In Arab Emirates Dirham)		
Loss for the year		(13,769,227)	(22,473,104)	(61,682,993)
Other comprehensive income		—	—	—
Total comprehensive loss for the year		**(13,769,227)**	**(22,473,104)**	**(61,682,993)**
Attributable to:				
Owners of the company		**(13,769,227)**	**(22,473,104)**	**(61,682,993)**

Combined statement of changes in equity for the year ended December 31

(In Arab Emirates Dirham)

Attributable to the Owners of the Company

	Other reserves	Accumulated losses	Capital Contribution	Total equity
Balance as at January 1, 2019	**3,000,000**	**—**	**—**	**3,000,000**
Loss for the year	—	(13,769,227)	—	(13,769,227)
Total comprehensive income for the period	—	**(13,769,227)**	**—**	**(13,769,227)**
Transaction with owners of the Company				
Capital Contribution for the year (notes 2.17 & 16)	—	—	61,662,403	61,662,403
Loss absorbed by a shareholder (notes 2.18)	—	13,769,227	—	13,769,227
Total transactions with owners of the Company	—	**13,769,227**	**61,662,403**	**75,431,630**
Balance as at December 31, 2019	**3,000,000**	**—**	**61,662,403**	**64,662,403**
Balance as at January 1, 2020	**3,000,000**	**—**	**61,662,403**	**64,662,403**
Loss for the year	—	(22,473,104)	—	(22,473,104)
Total comprehensive income for the period	—	**(22,473,104)**	**—**	**(22,473,104)**
Transactions with owners of the Company				
Capital Contribution for the year (notes 2.17 & 16)	—	—	4,780,024	4,780,024
Transfer to Capital Contribution (note 2.17)		9,088,289	(9,088,289)	—
Loss absorbed by a shareholder (notes 2.18)	—	13,384,815	—	13,384,815
Total transactions with owners of the Company	—	**22,473,104**	**(4,308,265)**	**18,164,839**
Balance as at December 31, 2020	**3,000,000**	**—**	**57,354,138**	**60,354,138**
Balance as at January 1, 2021	**3,000,000**	**—**	**57,354,138**	**60,354,138**
Loss for the year	—	(61,682,993)	—	(61,682,993)
Total comprehensive income for the period	**—**	**(61,682,993)**	**—**	**(61,682,993)**
Transactions with owners of the Company				
Capital Contribution for the year (notes 2.17 & 16)	—	—	24,329,927	24,329,927
Transfer to Capital Contribution (note 2.17)	—	10,682,341	(10,682,341)	—
Loss absorbed by a shareholder (note 2.18)	—	51,000,652	—	51,000,652
Total transactions with owners of the Company	—	**61,682,993**	**13,647,586**	**75,330,579**
Balance as at December 31, 2021	**3,000,000**	**—**	**71,001,724**	**74,001,724**

	Notes	2019	2020	2021
		Combined statement of cash flows for the year ended December 31 (In Arab Emirates Dirham)		
Cash flows from operating activities				
Loss for the year		(13,769,227)	(22,473,104)	(61,682,993)
Adjustments for:				
Depreciation on property and equipment	10	704,350	727,949	762,608
Depreciation on right-of-use assets	11	486,296	243,148	—
Provision for employees' end of service benefits	17	79,071	(36,405)	69,421
Finance costs		525	9,088,289	40,845,321
Operating loss before Working Capital changes		**(12,498,985)**	**(12,450,123)**	**(20,005,643)**
Working capital changes:				
Advances, deposits and other receivables		393,373	(5,208,436)	(49,970,522)
Development properties		(8,238,750)	(25,207,894)	(98,338,003)
Escrow retentions		(810,247)	(356,908)	(4,009,508)
Accounts payables and provisions		(4,233,272)	6,458,519	(4,102,461)
Advances from Customers		16,008,057	5,983,013	79,602,820
Retention Payable		(33,817)	108,090	5,460,184
Net cash used in operating activities		**(9,413,641)**	**(30,673,739)**	**(91,363,133)**
Cash flows from investing activities				
Acquisition of property and equipment	10	(129,537)	(220,726)	(218,705)
Net cash used in investing activities		**(129,537)**	**(220,726)**	**(218,705)**
Cash flows from financing activities				
Lease Liabilities		(541,936)	—	—
Repayment of long term liability		—	—	(75,000,000)
Loan received from related parties		27,058,764	35,854,506	189,083,765
Finance costs paid		(525)	—	—
Net cash generated from financing activities		**26,516,303**	**35,854,506**	**114,083,765**
Net increase in cash and cash equivalents		**16,973,125**	**4,960,041**	**22,501,927**
Cash and cash equivalents, beginning of the year		23,775,390	40,748,515	45,708,556
Cash and cash equivalents at the end of the year		**40,748,515**	**45,708,556**	**68,210,483**
Cash and cash equivalents				
Cash in hand		201	7,138	1,146
Cash at banks		40,748,314	45,701,418	68,209,337
	6	**40,748,515**	**45,708,556**	**68,210,483**

Notes to the combined financial statements for the year ended December 31
(In Arab Emirates Dirham)

1. **Legal status and business activities**

1.1 **Dar Global PLC** – England and Wales (the "Parent Entity") was incorporated on September 30, 2022 as a Private Limited Company by shares and operates in England and Wales under a Company Number 14388348 issued by the registrar of the companies for England and Wales. On 9 February 2023 it re-registered as a Public Limited Company.

1.2 The Parent Entity is intended to be a Holding Company for a group of property development companies that are currently part of Dar Al Arkan Global Real Estate Development LLC.

1.3 The registered address of the Parent Entity is located at Link Company Matters, 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom.

1.4 These combined financial statements incorporate the operating results of the Dar Global PLC and of the companies set out in note 1.5 (the "Group") after the finalisation of all legal requirements pursuant to the Reorganisation.

1.5 The Parent Entity will have the following direct/indirect subsidiaries over which it will exercise effective control pursuant to restructuring as per note 1.4:

Name of subsidiary and domicile	Percentage of effective holding	Percentage of voting rights	License / Registration No.	Principal activities
Dar Al Arkan Properties L.L.C., Dubai – U.A.E.	100%	100%	Commercial license no. 791860	The principal activities are real estate development.
Dar Al Arkan Property Development D.O.O. Sarajevo – Bosnia.........	100%	100%	Company registration no. 65-01-0676-17	The principal activities are development of real estate and buildings in domestic trade.
Prime Real Estate D.O.O. Sarajevo– Bosnia	100%	100%	Company registration no. 65-01-0672-17	The principal activities are development of real estate and buildings in domestic trade.
Luxury Real Estate D.O.O. Sarajevo– Bosnia	100%	100%	Company registration no. 65-01-0698-17	The principal activities are development of real estate and buildings in domestic trade.
Beijing Dar Al Arkan Consulting Co. Ltd. – China............................	100%	100%	Company registration no. 91110105MA7 EQ79Y9Q	The principal activities are economic and trade consulting, Engineering consulting, business management consulting, corporate planning, real estate information consulting, undertaking exhibition activities, advertising design, production, agency and release, development of real estate, technical consulting and technical services, computer and graphic design.
Aqtab Properties LLC -UAE (Formerly Dar Al Arkan Global Property Development LLC) – UAE	100%	100%	Commercial license no. 997901	Dormant
Dar Al Arkan International Properties LLC – UAE.	100%	100%	Commercial license no. 997919	Dormant
Dar Al Arkan International Property Development LLC – UAE	100%	100%	Commercial license no. 997915	The principal activities are buying and selling real estate.
Dar Al Arkan Property Development SPC – Oman............................	100%	100%	Commercial license no. 1402786	The principal activities are Real Estate Development.

1.6 These combined financial statements also incorporate the results of Beijing Dar Al Arkan Consulting Co. Ltd., which was incorporated on December 03, 2021.

2. **Significant accounting policies**

2.1 Statement of compliance

The combined financial statements have been prepared in accordance with the principles of UK adopted International Financial Reporting Standards (IFRSs). These combined financial statements are presented in United Arab Emirates Dirham (AED) which is the Group's functional and presentation currency.

All values are rounded to the nearest Unit in Dirham except where otherwise indicated. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The combined financial statements have been prepared on a historical cost basis except financial assets and financial liabilities that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.2 Basis of preparation

Dar Global PLC (the "Parent entity") business does not represent a separate legal entity or separate group of entities for the years ended December 31, 2021, 2020 and 2019. The Combined Carve-out Historical Financial statement ("Combined HFI"), which has been prepared specifically for the purpose of this Prospectus, has therefore, been prepared on a basis that combines the results, assets and liabilities of Dar Al Arkan Global Real Estate Development LLC and its businesses as detailed in Notes 1.5 by applying the consolidation procedures of IFRS 10 'Consolidated Financial Statements' ("IFRS 10") for each of the three years ended December 31, 2021, 2020 and 2019 and as at these dates.

The Combined HFI has been prepared in accordance with UK adopted International Financial Reporting Standards ("UK adopted IFRS"). Additionally, management has followed the requirements of the Prospectus Regulation Rules and the Listing Rules in preparing the Combined HFI. The Rules noted in the previous sentence result in the provision of additional disclosures, but do not override the recognition, measurement and disclosure requirements of UK adopted IFRS.

In preparing the combined HFI management has referred to certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Financial Reporting Council ("FRC") have been applied. None of the accounting conventions including in the Annexure to SIR 2000 are conflicting with the requirements of UK adopted IFRS.

Combined financial statements

In determining the perimeters of the combined HFI, management have included the results of Dar Al Arkan Global Real Estate Development LLC and those legal entities currently parented by Dar Al Arkan Global Real Estate Development LLC and which management has transferred or intends to transfer to Dar Global PLC. These legal entities are detailed in Notes 1.5.

In the combined HFI, all intercompany balances and transactions between the entities have been eliminated. Conversely, all transactions and balances with the remaining entities within the group parented by Dar Al Arkan Global Real Estate Development LLC have not been eliminated.

As of the reporting dates of the combined HFI, Dar Global PLC was not a legal entity. Dar Global PLC was incorporated on September 30, 2022. The combined HFI represents the results of Dar Al Arkan Global Real Estate Development LLC and those legal entities that Dar Al Arkan Global Real Estate Development LLC intends to transfer to Dar Global PLC after the finalization of all the legal requirements. Forming part of the same group, the entities included in the combined HFI are considered to be under common management. Management considers the combination is appropriate in view of the intention to transfer these entities (in their totality) to Dar Global PLC.

The combined HFI included herein may not be indicative of the financial position, results of operations and cash flows of Dar Global PLC in the future or if it had been a separate, standalone company during the period presented. Actual costs that may have been incurred if Dar Global PLC had been a stand-alone company would depend on a number of factors, including the chosen organization structure and strategic and operational decisions made.

The Combined Statement of Cash Flows has been prepared using the indirect method based on the Combined Statement of Financial Position, the Combined Statement of Comprehensive Income and the Combined Statement of Changes in Equity.

Accounting Framework

These financial statements are prepared using UK Adopted International Financial Reporting Standards, and are consistent with those prepared by the Dar Al Arkan Global Real Estate Development LLC group which uses International Financial Reporting Standards as adopted by the IASB.

Management used the same accounting policies and valuation methods for the preparation of these combined financial statements, as those used by the entities included within Dar Al Arkan Global Real Estate Development LLC. These accounting policies have been disclosed under Note 2. The combined financial statements were prepared on a historical cost basis as included in Dar Al Arkan Global Real Estate Development LLC combined financial statements.

Going Concern

Historically, the Group has financed it its operations primarily with non-interest bearing funding from the Major Shareholder. Thereafter, the Group intends principally to rely upon the net proceeds of the Private Placement as well as off-plan sales and, over time, profits from sales. The Group will also fund itself through third party debt if it is available on attractive commercial terms. The Group's ability to obtain external financing and the cost of such financing are dependent on numerous factors.

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources and support from the shareholder to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Combined HFI continue to be prepared on the going concern basis.

Adoption of new and revised standards

The Parent entity has adopted all relevant amendments to existing standards and interpretations issued by the UK Endorsement Board that are effective for the respective financial year ends presented, with no material impact on its combined results or financial position.

The Parent entity did not implement the requirements of any other Standards or Interpretations that were in issue but were not required to be adopted by Dar Al Arkan Global Real Estate Development LLC at the respective year-end dates. No other Standards or Interpretations have been issued that are expected to have a material impact on the Dar Al Arkan Global Real Estate Development LLC financial statements.

The preparation of the Combined HFI requires estimates and assumptions to be made that may affect the amounts reported in the Combined HFI and accompanying notes. Actual amounts could differ from the estimates included in the Combined HFI herein. The preparation of the Combined HFI on the basis set out, requires the use of certain critical accounting estimates. It also requires judgement to be exercised in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Combined HFI, are disclosed in note 2.18.

2.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 Foreign currency

The transactions in currencies other than the Group's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in combined statement of profit or loss in the period in which they arise.

In preparing the separate financial information of the individual subsidiaries, the transactions in currencies other than the subsidiaries functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Any gain or loss on translation of foreign subsidiaries is taken to statement of other comprehensive income.

Foreign exchange differences

Exchange differences on monetary items are recognized in combined statement of profit or loss in the period in which they arise except for exchange differences that relate to assets under construction for future productive use. These are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Financial assets measured at amortized cost, exchange differences are recognized in the combined statement of profit or loss.

2.5 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property and equipment, using the straight-line method over its useful lives as follows:

	Years
Leasehold improvements	5-33
Furniture and fixtures	5
Computers and office equipment	4-5

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

The leasehold improvements are being depreciated over the period from when it became available for use up to the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the combined statement of profit or loss.

2.6 Leases

The Group assesses at the inception of a contract, whether the contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an 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 contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

Short-term leases and leases of low-value assets

The Group elects not to recognize right-of-use assets and lease liability for short term lease contracts (i.e. lease period less than or equal to 12 months from the date of commencement) and for low value assets. The Group recognizes payments associated with these leases as an expense on a straight-line basis over the lease term.

2.7 Development properties

Properties constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realizable value. Cost includes cost of acquisition of land, cost of construction including planning and design cost, commission and other direct costs attributable to the development.

Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money, if material, less costs to completion and the estimated costs of sale.

The management reviews the carrying values of the development properties on an annual basis.

2.8 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the combined statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the combined statement of profit or loss.

2.9 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

2.10 Financial assets

Classification

The Group classifies its financial assets at amortized cost.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets comprise of cash and cash equivalents, advances, deposits and other receivables and other escrow retentions.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectible amounts. The Group assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Impairment of financial assets

For accounts receivable, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Group. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

2.11 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include accounts payables and provisions, other payables, contract liabilities and due to related parties.

Accounts and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognized initially at fair value and subsequently are measured at amortized cost using effective interest method.

Due to related parties

Amounts due to related parties are stated at amortized cost.

Development Property liability

Development Property liability represents the amount payable for the acquisition of development property on a deferred payment plan basis. This is stated at the fair value of the consideration payable.

Advances from customers

Contract liabilities are recognized when actual receipts from the customers exceeds stage of completion certified by the contract employer represented by payment certificates.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the combined statement of profit or loss.

Where the loan payable (or part thereof) is forgiven by a shareholder, the loan is derecognised at its carrying value, and an equity contribution is reflected at that same carrying value, this contribution is reflected as a loss absorbed by a shareholder. No gain or loss is recognised in profit or loss.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Taxation

The taxation expense represents the aggregate amount of current tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2.15 Revenue recognition

Revenue from contracts with customers

The Group recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15 Revenue from contracts with customers.

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. This is evidenced by issuance of signed Sale and Purchase Agreement ("SPA") to the customer and meeting specified threshold of project completion and collection from the customers.

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. The performance obligation for the Group is to deliver the constructed property to the customers along with the ancillary rights such as the right to use amenities and other related infrastructure facilities available. Accordingly one performance obligation has been identified for each unit to be sold. 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.

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 delivering the property to its customers. The agreed transaction price is a part of signed SPA issued to each customer. Revenue excludes taxes and duty, and includes an adjustment for significant financing component ("SFC") as the payment plan for one of the projects extends beyond the handover date. No adjustment has been made for variable consideration as the group does not have any contracts with variable consideration.

Step 4. Allocate the transaction price to the performance obligations in the contract: The Group allocates the transaction price to each unit sold, consistent with the performance obligation identified in Step 2.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes 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.

The Group determines the satisfaction of performance obligation separately for each of its contracts and recognize revenue accordingly.

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 recognized this gives rise to a contract liability.

2.16 Escrow Accounts

Escrow accounts represent bank accounts where money is held in with the bank, acting as an escrow agent, and available for use only if all the pre-determined conditions are fulfilled. The funds paid by customers for their apartments in off-plan sales are required to be deposited into escrow accounts held by banks accredited by the Dubai Land Department (DLD).

For Escrow retention, an escrow agent must retain five per cent. of the total value of each escrow account once the developer obtains the building completion certificate to ensure coverage of defects in the property post-handover. The retained amount will be released to the developer one year from the registration of the residential units in the name of purchasers of such units.

2.17 Capital Contribution

In the application of the requirements of the IFRSs, "Due to Related Parties" were recognized at the fair value of consideration payable by way of discounting using a market related discount rate. The difference between the nominal value of the loan i.e., the amount of cash received and their fair value on the initial recognition has been reflected in equity as a capital contribution. For any additions to the amount of "Due to related parties" in the following years, the difference between carrying value and fair value for these additions were also added therein. Moreover, the finance cost resulted from the effect of unwinding is recognised as a cost in profit and Loss account and thereafter transfer to the capital contribution account is recorded in equity over the years.

2.18 Losses for the years

Losses incurred by the Group (excluding finance costs on the amount due to related party) for the years ended December 31, 2021, 2020 and 2019 has been treated as forgiveness of debt and has been offset against the shareholder loan balances (Note 16) whereas the finance cost has been transferred from Capital redemption to accumulated losses.

2.19 Significant accounting judgements, estimates and Assumptions

In the application of the Group's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognized in the combined financial statements.

Identifying a contract

The Group assesses for each development and for each customer the point in time at which a contract exists. This requires assessing the point in each the development where there is certainty that it will continue to completion, as well as assessing the point in time at which consideration from the customer is probable – this assessment takes into account the legal requirements and history of collections.

Timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time in order to determine the appropriate method of recognizing revenue. The Group has assessed that based on the SPA agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognizes revenue over time.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Measurement of progress when revenue is recognized over time

The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognized over time. The Group considers that the use of the input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognized.

Cost to complete the projects

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

3. **New standards and amendments**

3.1 New standards and amendments applicable as on January 01, 2021

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 01, 2021.

- COVID-19-related rent concessions beyond June 30, 2021 – Amendments to IFRS 16
- Interest Rate Benchmark Reform phase 2 – Amendments to IFRS 7, IFRS 9, IFRS 16 and IAS 39

The management believes that the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the combined financial statements.

3.2 New standards and amendments issued but not effective for the current annual period

The following standards and interpretations had been issued but not yet mandatory for the annual reporting periods.

Description	**Effective for annual periods beginning on or after**
Annual improvements to IFRSs – 2018-2020 cycle	January 1, 2022
Proceeds before Intended Use – Amendments to IAS 16, property and equipment	January 1, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*	January 1, 2022
Reference to the Conceptual Framework – Amendments to IFRS 3, *Business Combinations*	January 1, 2022
IFRS 17 – *Insurance Contracts*	January 1, 2023
Amendments to IFRS 4 for Extension of the Temporary Exemption from Applying IFRS 9	January 1, 2023
Classification of Liabilities as Current or Non-Current – Amendments to IAS 1, *Presentation of Financial Statements*	January 1, 2023
Disclosure of Accounting Policies – Amendments to IAS 1, *Presentation of Financial Statements and IFRS Practice Statement 2*	January 1, 2023
Definition of Accounting Estimates – Amendments to IAS 8, *Accounting policies, Changes in Accounting Estimates and Errors*	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from Single Transaction – Amendments to IAS 12, *Income Taxes*	January 1, 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the combined financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the combined financial statements in the period of initial application.

4. **COVID-19 impact**

COVID-19 has interrupted the movement of people and goods throughout the world, as well as affecting the profitability and long-term viability of many businesses. While many jurisdictions have experienced an improved economic outlook in 2021, many jurisdictions and industries are still being affected significantly by the effects of COVID-19. This includes supply chain disruptions, changes in demand for goods and services as well as the uncertainty of future government imposed restrictions on operations.

As a result of the above, in 2020, the COVID-19 major impact to the Group was stalling of the project construction due to staff movement restriction.

The Group continues to assess regularly the impact of COVID-19 on its business. The evolution of the COVID-19 is still changing. The unprecedented nature of the crisis, the lack of enough historical data, the low visibility and the high uncertainty related to its evolution, its duration and its impact on the economy in general and the business in particular, make the quantification of its impact on the business difficult to assess accurately.

5. **Segment Information**

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the combined financial statements. The only segment is Real estate and the UAE operations which represents assets of AED 820 million (2020: AED 320 million and 2019: AED 290 million) which is around 98% (2020: 97% and 2019: 97%) of the total assets of the Group.

6. **Cash and cash equivalents**

	2019	**2020**	**2021**
Cash in hand	201	7,138	1,146
Cash at banks			
– Current accounts	3,140,739	3,172,260	19,555,429
– Escrow retention accounts (note 6.1)	1,889,584	2,246,492	6,256,000
– Escrow accounts (note 6.2)	37,607,575	42,529,158	48,653,908
	42,638,099	**47,955,048**	**74,466,483**
Less: Escrow retention accounts (note 9)	(1,889,584)	(2,246,492)	(6,256,000)
	40,748,515	**45,708,556**	**68,210,483**

6.1 The above represents Escrow retention accounts maintained with a commercial bank in accordance with Law No. 8 of 2007 relating to Trust Accounts Regulation and Real Estate Regulatory Authority (RERA) requirements in Dubai – United Arab Emirates. The retention balance shall be released after one year from the completion of the project.

6.2 The above represents Escrow accounts maintained with a commercial bank in accordance with the Law No. 8 of 2007 relating to Trust Accounts Regulation and Real Estate Regulatory Authority (RERA) requirements in Dubai – United Arab Emirates. This escrow account can be used for making payments directly related to the projects subject to the RERA regulations.

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

7. **Advances, deposits and other receivables**

Advances, deposits and other receivables	**2019**	**2020**	**2021**
Prepayments (note 7.1)	7,334,491	6,199,958	38,070,163
Advances to suppliers and contractors	536,071	6,893,951	20,977,348
Margin deposit (note 7.2)	44,000,000	44,000,000	44,000,000
Other deposits	121,636	74,100	1,441,297
Other receivables	81,262	42,741	982,288
VAT refundable	614,977	686,123	2,396,299
	52,688,437	**57,896,873**	**107,867,395**

7.1 The above includes incremental cost of obtaining a contract such as sales commission paid to brokers and employees for the sale of properties, amounting to AED 37,098,966 (2020: AED 3,784,204/- 2019: 3,510,704/-) and will be amortized consistent with the pattern of revenue in the future.

7.2 The above represents margin deposits held with a bank against project guarantee (note 28).

8. **Development properties**

	2019	**2020**	**2021**
Balance at the beginning of the year	185,464,448	200,146,169	220,717,562
Additions during the year*	14,681,721	20,571,393	428,567,302
Balance at the end of the year	**200,146,169**	**220,717,562**	**649,284,864**

Property under construction for sale in the ordinary course of business is classified under development properties. The amounts capitalized as at the year end, comprise cost of acquisition of land, cost of construction including planning, design cost, salaries and other direct costs attributable to the development.

The Group assesses the development properties for impairment on each reporting date and the management believes that the Net Realizable Value (NRV) of above development properties is higher than its carrying value as on the reporting date.

* Includes properties purchased from M/s. RKM Durar (third party) on November 9, 2021 that is not ready for immediate handover. On initial recognition the property has been recognized at the fair value of the consideration paid i.e., at AED 336,820,648/- (2020: AED Nil) which is computed based on a deferred payment plan as defined in the SPA (Note 15). This property is under mortgage with Commercial Bank of Dubai (the "Bank"). For the purpose of allowing the Group to implement a ReSale of units to third party purchasers in accordance with the terms of the SPA, the Bank shall permit a partial release of a number of units equivalent to the value of the instalments that has been deposited into the project escrow account.

The development properties are located in U.A.E. and Bosnia.

9. **Escrow retentions**

	2019	**2020**	**2021**
Escrow retentions accounts – (note 6)	**1,889,584**	**2,246,492**	**6,256,000**

10. Property and equipment

	Leasehold improvements	Furniture and fixtures	Computers and office equipment	Total
Cost				
As at January 01, 2019	1,413,397	1,123,005	1,103,377	3,639,779
Addition during the year	—	25,157	104,380	129,537
As at December 31, 2019	1,413,397	1,148,162	1,207,757	3,769,316
Addition during the year	162,000	—	58,726	220,726
As at December 31, 2020	1,575,397	1,148,162	1,266,483	3,990,042
Addition during the year	82,675	50,000	86,030	218,705
As at December 31, 2021	**1,658,072**	**1,198,162**	**1,352,513**	**4,208,747**
Accumulated depreciation				
As at January 01, 2019	70,640	217,342	331,065	619,047
Charge for the year	231,599	228,502	244,249	704,350
As at December 31, 2019	302,239	445,844	575,314	1,323,397
Charge for the year	184,234	229,632	314,083	727,949
As at December 31, 2020	486,473	675,476	889,397	2,051,346
Charge for the year	225,582	230,126	306,900	762,608
As at December 31, 2021	**712,055**	**905,602**	**1,196,297**	**2,813,954**
Carrying value as at December 31, 2021	**946,017**	**292,560**	**156,216**	**1,394,793**
Carrying value as at December 31, 2020	1,088,924	472,686	377,086	1,938,696
Carrying value as at December 31, 2019	1,111,158	702,318	632,443	2,445,919
Carrying value as at December 31, 2018	1,342,757	905,663	772,312	3,020,732

Note:
– Leasehold improvements represents fittings and interior decoration work at Office no. 1402 and 1403, Conrad building, Dubai – United Arab Emirates.

11. Right-of-use assets

	2019	2020	2021
Cost			
Balance at the beginning of the year	1,521,453	1,521,453	—
Addition / (retirement) during the period	—	(1,521,453)	—
As at December 31, 2019	**1,521,453**	—	—
Accumulated depreciation			
Balance at the beginning of the year	792,009	1,278,305	—
As at December 31, 2018	—	—	—
Charge for the year	486,296	243,148	—
Elimination during the year	—	(1,521,453)	—
As at December 31, 2019	**1,278,305**	—	—
Carrying value as at December 31, 2019	**243,148**	—	—

The above represents office premises on long term lease located at Conrad Dubai, Sheikh Zayed Road, Dubai – U.A.E. and depreciated over the term of the lease. Towards the end of 2020, the lease term for entity's office at Conrad was completed and therefore right of Use asset was derecognized.

There is no corresponding liability at the end of the year as the full outstanding amount was paid during the year.

12. **Accounts payables and provisions**

	2019	2020	2021
Accounts payable	4,273,118	7,078,160	2,972,028
Provisions and accruals	3,320,313	2,299,291	10,356,593
VAT payable	62,794	100,792	169,056
Lease Liability (note 12.1)	—	—	—
	7,656,225	**9,478,243**	**13,497,677**

12.1 Lease Liability

	2019	2020	2021
Lease liability of building under long term lease			
Balance at the beginning of the year	541,936	—	—
Additions during the year/period	—	—	—
Interest charged during the year	525	—	—
Less: payments during the year	(542,461)	—	—
	—	—	—

The above represents present value of lease payments of office premises discount at 5% per annum.

13. **Advances from Customers**

Balance at the beginning of the year	23,268,091	39,276,148	45,259,161
Advances received from the customers during the year –	16,008,057	5,983,013	79,602,820
Balance at the end of the year	**39,276,148**	**45,259,161**	**124,861,981**

The above represent contractual liabilities arising from the property sales agreement with the customers including advance consideration received from them.

14. **Retention Payable**

	2019	2020	2021
Retention Payable for construction works	732,464	840,554	6,300,738

15. **Development Property liabilities**

	2019	2020	2021
Long term liability – Building	—	—	277,270,384

Represents amount payable for purchase of J1 Tower located at Bay Avenue 26, Executive Towers J – Business Bay – Dubai. Payables are secured against development property (note 8). The property has been purchased on an interest free deferred payment plan with the final instalment due on the May 01, 2027. The timeline for repayment at the year-end December 31, 2021 has been reassessed by the management based on their best estimate which has resulted in an interest expense of

AED 30,162,980/- being recorded. The interest expense represents a difference between the fair value at the date of initial recognition and the discounted value as at the year-end December 31, 2021. The average discount rate applied is 4.90%.

16. **Related party transactions**

The Group enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

(a) Due to related parties

	2019	2020	2021
Shareholder			
M/s. Dar Al Arkan Global Real Estate Development LLC, Dubai, UAE	**185,475,289**	**212,253,245**	**336,688,772**
The movements during the year are as follows;			
Balance at beginning of the year	239,337,552	185,475,289	212,253,245
Net movement during the year	21,569,367	44,942,795	199,766,106
Loss absorbed by a shareholder (note 19)	(13,769,227)	(13,384,815)	(51,000,652)
Effect of discounting – net*	(61,662,403)	(4,780,024)	(24,329,927)
Balance at end of the year	**185,475,289**	**212,253,245**	**336,688,772**

* Due to related party represents interest free financing received from shareholder to fund the on-going projects. These balances are unsecured, interest free and there is no fixed date for repayment. Given the long term nature of these balances management have estimated a repayment period of six years over which these balances have been discounted. These balances are unsecured and interest free. The difference between the nominal value of the loan i.e., the amount of cash received and their fair value on the initial recognition has been reflected in equity as a capital contribution.

(b) Transactions with key management personnel

Key management compensation was borne by another related party.

	For the year ended December 31		
	2019	**2020**	**2021**
Managerial remuneration	**928,560**	**931,272**	**928,728**

17. **Employees' end of service benefits**

Employees' end of service benefits	**2019**	**2020**	**2021**
Balance at the beginning of the year	280,172	359,243	**322,838**
Add: Charge for the year	217,929	153,826	**119,543**
Less: Paid during the year	(138,858)	(190,231)	**(50,122)**
Balance at the end of the year	**359,243**	**322,838**	**392,259**

Amounts required to cover end of service indemnity at the statement of consolidated statement of financial position date are computed pursuant to the applicable Labor Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

18. **Other reserves**

The other reserves, AED 3,000,000 represents the net parent investment other than the amounts recognized in separate reserves.

19. **Accumulated losses**

	2019	2020	2021
Loss before tax	(13,769,227)	(22,473,104)	(61,682,993)
Loss absorbed by a shareholder (note 2.18)	13,769,227	13,384,815	**51,000,652**
Transferred to Capital. Contribution	—	9,088,289	**10,682,341**
Balance at the end of the year	—	—	—

20. **Other income**

	For the year ended December 31		
	2019	2020	2021
Interest income	**67,181**	**102,531**	**72,670**

The above interest income on Escrow accounts with a commercial bank @ 0.25% per annum.

21. **Selling and distribution expenses**

	For the year ended December 31		
	2019	2020	2021
Marketing	**1,138,307**	**1,677,098**	**8,323,608**

22. **General and Administrative expenses**

	For the year ended December 31,		
	2019	2020	2021
Salaries and related benefits	10,075,123	9,281,329	7,406,839
Rent	185,009	330,804	1,093,583
Travelling and entertainment	300,329	16,571	—
Legal, visa, professional and related expenses	215,775	533,706	1,396,235
Utilities	406,879	174,504	240,747
Repair and maintenance	5,555	41,351	118,021
Government taxes and other charges	106,820	129,877	261,211
Depreciation on property and equipment (note 10#)	704,350	727,949	762,608
Depreciation on right-of-use assets	486,296	243,148	—
Insurance	98,127	24,937	87,031
Bank charges	57,640	268,736	1,191,874
Miscellaneous	55,673	37,336	28,585
	12,697,576	**11,810,248**	**12,586,734**

23. Finance costs

Finance costs	For the year ended December 31, 2019	2020	2021
Interest on lease liability (note 12.1)	525	—	—
Interest expense on un-winding of loans received from related parties*	—	9,088,289	10,682,341
Interest expense on un-winding of long term liability**	—	—	30,162,980
	525	**9,088,289**	**40,845,321**

* This interest expense represents the difference between their fair value of "Due to Related Parties" on the initial recognition and on the year then ended. The average discount rate applied is 4.90%.

** The interest expense represents a difference between the fair value at the date of initial recognition and at the year-end December 31, 2021 for the amount payable for purchase of J1 Tower located at Bay Avenue 26, Executive Towers J – Business Bay – Dubai. The difference largely relates to the change in the managements assumption on portfolio of cash outflow required to settle the outstanding liability on the year ended December 31, 2021. The average discount rate applied is 4.90%.

24. Earnings Per share

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to the owners of the Company (after adjusting for interest on the convertible notes) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2019	2020	2021
Earnings:			
Profit attributable to the owners of the Company for basic earnings	(13,769,227)	(22,473,104)	(61,682,993)
Number of shares in thousands			
Weighted-average number of ordinary shares for basic/diluted earnings per share	**300,000**	**300,000**	**300,000**
Earnings per share:			
– basic and diluted earnings per share (AED)	**(46)**	**(75)**	**(206)**

25. **Financial instruments**

(a) *Significant accounting policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note 4 to the combined financial statements.

(b) *The Group considers that the carrying amount of financial assets and liabilities measured at amortised cost approximates to their fair value.*

	As at December 31,			As at December 31,		
	2019	**2020**	**2021**	**2019**	**2020**	**2021**
Financial assets		**Carrying amount**			**Fair value**	
Cash and bank balances	40,748,515	45,708,556	68,210,483	40,748,515	45,708,556	68,210,483
Advances, deposits and other receivables	44,202,898	44,116,841	46,423,585	44,202,898	44,116,841	46,423,585
Escrow retentions	1,889,584	2,246,492	6,256,000	1,889,584	2,246,492	6,256,000
	86,840,997	**92,071,889**	**120,890,068**	**86,840,997**	**92,071,889**	**120,890,068**
Financial liabilities						
Accounts payables and provisions	7,593,431	9,377,451	13,328,621	7,593,431	9,377,451	13,328,621
Retention Payable	732,464	840,554	6,300,738	732,464	840,554	6,300,738
Development Property liabilities	—	—	277,270,384	—	—	277,270,384
Due to related parties	185,475,289	212,253,245	336,688,772	185,475,289	212,253,245	336,688,772
	193,801,184	**222,471,250**	**633,588,515**	**193,801,184**	**222,471,250**	**633,588,515**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents and other receivables excluding prepayments, advances to suppliers and contractors and VAT refundable. Financial liabilities consist of other payables, development property liabilities, due to related parties excluding VAT payable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

26. **Financial risk management objectives**

The Group management set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The Group policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

The Group is exposed to the following risks related to financial instruments. The Group has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Group does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

(a) *Foreign currency risk management*

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

(b) *Interest rate sensitivity analysis*

As at the reporting date, there is no significant interest rate risk as there are no payables against inventories at floating interest rates as at year end.

(c) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and equity from shareholders through their current accounts or loans.

Liquidity and interest risk table:

The table on the following page summarizes the maturity profile of the Group's financial liabilities. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the combined statement of financial position date to the contractual maturity date. The maturity profile of these liabilities at the combined statement of financial position date based on contractual repayment arrangements were shown in the below table:

	Contractual cashflows					
Particulars	**Carrying amount**	**Total**	**Less than 1 year**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
	As at June 30, 2022					
Financial liabilities						
Accounts payables and provisions	13,328,621	13,328,621	13,328,621	—	—	—
Retention Payable	6,300,738	6,300,738	—	—	6,300,738	—
Development Property liabilities	277,270,384	300,000,000	28,125,000	28,125,000	158,375,000	84,375,000
Due to related parties	336,688,772	361,018,699	—	—	361,694,437	—
	633,588,515	**680,648,058**	**41,453,621**	**28,125,000**	**526,694,437**	**84,375,000**
	As at December 31, 2021					
Financial liabilities						
Accounts payables and provisions	9,377,451	9,377,451	9,377,451	—	—	—
Retention Payable	840,554	840,554	—	—	—	840,554
Due to related parties	212,153,245	217,033,269	—	217,033,269	—	—
	222,471,250	**227,251,274**	**9,377,451**	**—**	**217,033,269**	**840,544**
	As at December 31, 2019					
Financial liabilities						
Accounts payables and provisions	7,593,431	7,593,431	7,593,431	—	—	—
Retention Payable	732,464	732,464	—	—	—	732,464
Due to related parties	185,475,289	247,137,692	—	—	—	247,137,692
	193,801,184	**255,463,587**	**7,593,431**	**—**	**—**	**247,870,156**

(d) *Credit risk management*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the combined financial statements, represents the Group's maximum exposure to credit risks.

27. **Capital risk management**

The capital structure of the Group consists of cash and cash equivalents and equity comprising issued capital and accumulated (losses) as disclosed in the combined financial statements.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Group's overall strategy remains during the years ended 31 December 2019, 31 December 2020 and 31 December 2021. The Group is not subject to any externally imposed capital requirements.

28. **Contingent liabilities**

	As at December 31		
	2019	**2020**	**2021**
Letters of guarantee	**44,000,000**	**44,000,000**	**44,000,000**

Under the RERA regulations, the Group is required to provide letters of guarantees to the Dubai Land Department for all of its projects located in the United Arab Emirates in the amount of 20 per cent. of the construction costs for such projects. The Group holds margin deposits equivalent to the amount of the letters of guarantee at the bank providing such letters of guarantee. The guarantee margin deposit is refundable on completion of the project.

Except for the above and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Group's combined financial statements as of reporting date.

29. **Commitments**

	As at December 31		
	2019	**2020**	**2021**
Contracted commitments for development properties (note 8)	**221,659,216**	**197,771,774**	**134,354,261**

Except for the above and ongoing business obligations which are under normal course of business, there has been no other known commitment on Group's combined financial statements as of reporting date.

30. **Staff Number and Costs**

	As at December 31		
	2019	**2020**	**2021**
The average no of employees employed by the company	**21**	**15**	**20**

	For the year ended December 31		
	2019	**2020**	**2021**
The average payroll Cost for these employees is as follows:			
– Wages and Salaries (AED)	**10,075,123**	**9,281,329**	**7,406,839**

31. **Auditors Remuneration**

Auditors Remuneration	**As at December 31**		
	2019	**2020**	**2021**
Audit for the financial statements	31,850	32,650	37,650
Review of the Quarterly financial statements	13,500	13,500	13,500
AML Assessment	—	—	35,000
RERA Audit	6,100	6,000	6,000
	51,450	52,150	92,150

32. **Events after the reporting period**

Subsequent to reporting date, the following events took place:

a) The Group entered into an agreement with M/s. Uranus General Contracting Company (third party) to develop a piece of land situated in Downtown Dubai and the project was approved by the Dubai Real Estate Regulatory Authority (RERA) subsequent to reporting date. Under the agreement, the third party will contribute land in return for a deferred payment of AED 150 million, while the Group will be responsible for the cost of development of the project property. Upon completion, both parties are expected to equally share any profits to be earned from sale of the property units to be developed under the project.

b) The Group obtained a Murabaha facility from the Abu Dhabi Commercial Bank on 4 October 2022 in the amount of AED 320 million, which is guaranteed by Dar Al Arkan Real Estate Development Company. During November 2022, AED 239 million was drawn under this facility and used for payment of the outstanding liability for obtaining title of J1 Tower located at Bay Avenue 26, Executive Towers J – Business Bay – Dubai (Note 13).

c) On 31 December 2022, the Group has decided to transfer the inter-company loans due from subsidiaries in Dar Al Arkan Global Real Estate Development LLC to one of the subsidiaries of Parent entity in exchange of shares issued by the Parent entity ("loan assignment").

d) As a part of restructuring as noted in Note 1.4, the subsidiaries noted below have been legally transferred to the Parent Entity on the forementioned dates and therefore, the Parent Entity has effective control as of the date of the transfer.

Name of subsidiary and domicile	**Date of acquisition**
Dar Al Arkan Properties L.L.C., Dubai – U.A.E.	November, 2022
Dar Al Arkan Property Development D.O.O. Sarajevo – Bosnia	Under process
Prime Real Estate D.O.O Sarajevo – Bosnia	December, 2022
Luxury Real Estate D.O.O Sarajevo – Bosnia	Under process
Beijing Dar Al Arkan Consulting Co. Ltd.	December, 2022
Dar Al Arkan Holdings Ltd (ADGM)	January, 2023
Dar Al Arkan Spain SL – Spain	November, 2022
Dar Al Arkan Global UK Holdings Ltd. – London, United Kingdom	October, 2022
Dar Al Arkan Property Development SPC – Oman	December, 2022

SECTION C

UNAUDITED FINANCIAL INFORMATION

This section of the Prospectus includes the unaudited historical financial information for the Group as at and for the six-month periods ended 30 June 2022 and 30 June 2021.

Combined interim statement of financial position

(In Arab Emirates Dirham)

	Notes	As at June 30, 2022	As at December 31, 2021
		Unaudited	**Audited**
Assets			
Cash and cash equivalents	5	272,113,075	68,210,483
Advances, deposits and other receivables	6	311,942,380	107,867,395
Development properties	7	802,878,495	649,284,864
Escrow retentions	8	18,382,630	6,256,000
Property, furniture and equipment	9	1,427,698	1,394,793
Total assets		**1,406,744,278**	**833,013,535**
Liabilities and Equities			
Liabilities			
Accounts payables and provisions	10	42,518,747	13,497,677
Advances from Customers	11	327,967,013	124,861,981
Retention Payable	12	10,515,016	6,300,738
Development Property Liabilities	13	396,724,645	277,270,384
Due to related parties	14	501,548,982	336,688,772
Employees' end of service benefits		483,316	392,259
Total liabilities		**1,279,757,719**	**759,011,811**
Equity			
Other reserves	15	3,000,000	3,000,000
Capital Contribution	14	114,638,961	71,001,724
Statutory Reserve		934,760	—
Retained Earnings	16	8,412,838	—
Total equity		**126,986,559**	**74,001,724**
Total equity and liabilities		**1,406,744,278**	**833,013,535**

Combined interim statement of profit or loss

(In Arab Emirates Dirham)

	Notes	Six month period ended June 30, 2022	June 30, 2021
		Unaudited	**Unaudited**
Revenue	2.15	104,109,395	—
Cost of revenue		(58,643,208)	—
Gross Profit		**45,466,187**	**—**
Other income	17	55,306	38,271
Selling and distribution expenses	18	(7,094,589)	(1,212,236)
General and Administrative expenses	19	(16,719,190)	(4,947,897)
Finance costs	20	(17,886,647)	(5,138,016)
Profit/Loss before tax		**3,821,067**	**(11,259,878)**
Income tax (expenses) / credit	2.14	—	—
Profit/Loss for the period		**3,821,067**	**(11,259,878)**
Attributable to:			
Owners of the company		3,821,067	(11,259,878)
Non-Controlling Interests		—	—
		3,821,067	**(11,259,878)**
Earnings per share attributable to owner of the Company:			
- basic and diluted earnings per share (AED)	21	**13**	**(38)**

Combined interim statement of other comprehensive income

(In Arab Emirates Dirham)

	Notes	Six month period ended June 30, 2022	June 30, 2021
		Unaudited	**Unaudited**
Profit/(Loss) for the year		3,821,067	(11,259,878)
Other comprehensive income:			
Increase in foreign currency translation reserve		(2,623,698)	—
Total comprehensive income / loss for the year		**1,197,369**	**(11,259,878)**
Attributable to:			
Owners of the company		1,197,369	(11,259,878)
Non-Controlling Interests		—	**—**
		1,197,369	**(11,259,878)**

Combined interim statement of changes in equity
(*In Arab Emirates Dirham*)

	Attributable to the Owners of the Company				
	Other reserves	**Statutory reserve**	**Retained Earnings**	**Capital contribution***	**Total equity**
Balance as at January 1, 2021 (Audited)	3,000,000	—	—	57,354,138	60,354,138
Loss for the period	—	—	(11,259,878)	—	(11,259,878)
Total comprehensive income for the period	—	—	**(11,259,878)**	—	**(11,259,878)**
Transaction with owners of the Company					
Capital contribution for the period*	—	—	—	2,797,473	2,797,473
Loss absorbed by a shareholder	—	—	6,121,862	—	6,121,862
Transferred to Capital Contribution	—	—	5,138,016	(5,138,016)	—
Total transactions with owners of the Company	**—**	**—**	**11,259,878**	**(2,340,543)**	**8,919,335**
Balance as at June 30, 2021(Unaudited)	**3,000,000**	**—**	**—**	**55,013,595**	**58,013,595**
Balance as at January 1, 2022 (Audited)	3,000,000	—	—	71,001,724	74,001,724
Profit for the period	—	—	3,821,067	—	3,821,067
Other comprehensive income	—	—	(2,623,698)	—	(2,623,698)
Total comprehensive income for the period	**—**	**—**	**1,197,369**	**—**	**1,197,369**
Transaction with owners of the Company					
Capital Contribution for the period*	—	—	—	51,787,466	51,787,466
Transferred to Capital Contribution	—	—	8,150,229	(8,150,229)	—
Statutory Reserve	—	934,760	(934,760)	—	—
Total transactions with owners of the Company	**—**	**934,760**	**7,215,469**	**43,637,237**	**51,787,466**
Balance as at June 30, 2022 (Unaudited)	**3,000,000**	**934,760**	**8,412,838**	**114,638,961**	**126,986,559**

* This represents the difference between the carrying value of the "Due to Related Parties" i.e., the amount of cash received net of losses absorbed, and their fair value on the initial recognition (note 14).

Combined interim statement of cash flows)

(In Arab Emirates Dirham)

	Notes	Six month period ended June 30, 2022	June 30, 2021
		Unaudited	**Unaudited**
Cash flows from Operating activities			
Profit/ (Loss) for the year		3,821,067	(11,259,878)
Adjustments for:			
Depreciation on property and equipment	9	283,766	386,845
Provision for employees' end of service benefits		91,057	35,542
Finance costs		17,886,647	5,138,016
Operating profit / loss before Working Capital changes		**22,082,537**	**(5,699,475)**
Working capital changes:			
Advances, deposits and other receivables		(204,074,985)	(21,346,654)
Development properties		(43,875,788)	(31,450,367)
Escrow retentions		(12,126,630)	(178,261)
Accounts payables and provisions		29,021,070	13,718,093
Advances from Customers		203,105,032	11,158,792
Retention Payable		4,214,278	1,769,740
Net cash used in operating activities		**(1,654,486)**	**(32,028,132)**
Cash flows from investing activities			
Acquisition of property and equipment	9	(316,671)	(102,179)
Net cash used in investing activities		**(316,671)**	**(102,179)**
Cash flows from financing activities			
Loan received from related parties		205,873,749	20,566,051
Net cash generated from financing activities		**205,873,749**	**20,566,051**
Net increase in cash and cash equivalents		**203,902,592**	**(11,564,260)**
Cash and cash equivalents, beginning of the year		68,210,483	45,708,556
Cash and cash equivalents at the end of the year		**272,113,075**	**34,144,296**
Cash and cash equivalents			
Cash in hand		1,146	1,146
Cash at banks		272,111,929	34,143,150
		272,113,075	**34,144,296**

Notes to the combined financial statements for the period ended June 30, 2022 (Unaudited)
(In Arab Emirates Dirham)

1. **Legal status and business activities**

1.1 **Dar Global PLC** – England and Wales (the "Parent Entity") was incorporated on September 30, 2022 as a Private Limited Company by shares and operates in England and Wales under a Company Number 14388348 issued by the registrar of the companies for England and Wales. On 9 February 2023 it re-registered as a Public Limited Company.

1.2 The Parent Entity is intended to be a Holding Company for a group of property development companies that are currently part of Dar Al Arkan Global Real Estate Development LLC.

1.3 The registered address of the Parent Entity is located at Link Company Matters, 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom.

1.4 These combined interim financial statements represents the results of Dar Al Arkan Global Real Estate Development LLC and those legal entities that Dar Al Arkan Global Real Estate Development LLC has transferred or intends to transfer to Dar Global PLC, set out in note 1.5 (the "Group"), after the finalization of all the legal requirements.

1.5 The Parent Entity will have the following direct/Indirect subsidiaries over which it will exercise effective control pursuant to restructuring as per note 1.4:

Name of subsidiary and domicile	Percentage of effective holding	Percentage of voting rights	License / Registration No.	Principal activities
Dar Al Arkan Properties L.L.C., Dubai – U.A.E.	100%	100%	Commercial license no. 791860	The principal activities are real estate development.
Dar Al Arkan Property Development D.O.O. Sarajevo – Bosnia.........	100%	100%	Company registration no. 65-01-0676-17	The principal activities are development of real estate and buildings in domestic trade.
Prime Real Estate D.O.O. Sarajevo – Bosnia	100%	100%	Company registration no. 65-01-0672-17	The principal activities are development of real estate and buildings in domestic trade.
Luxury Real Estate D.O.O Sarajevo – Bosnia	100%	100%	Company registration no. 65-01-0698-17	The principal activities are development of real estate and buildings in domestic trade.
Beijing Dar Al Arkan Consulting Co. Ltd. – China............................	100%	100%	Company registration no. 91110105MA7 EQ79Y9Q	The principal activities are economic and trade consulting, Engineering consulting, business management consulting, corporate planning, real estate information consulting, undertaking exhibition activities, advertising design, production, agency and release, development of real estate, technical consulting and technical services, computer and graphic design.
Aqtab Properties LLC -UAE (Formerly Dar Al Arkan Global Property Development LLC) – UAE	100%	100%	Commercial license no. 997901	Dormant
Dar Al Arkan International Properties LLC – UAE.	100%	100%	Commercial license no. 997919	Dormant
Dar Al Arkan International Property Development LLC – UAE	100%	100%	Commercial license no. 997915	The principal activities are buying and selling real estate.
Dar Al Arkan Spain SL – Spain	100%	100%	Company registration no. 2022C368960 134Y	The principal activities are development and sale of Real Estate.
Dar Al Arkan Global UK Holdings Ltd. – London, United Kingdom	100%	100%	Company registration no. 13881707	The principal activities are development and sale of Real Estate.
Dar Al Arkan Property Development SPC – Oman............................	100%	100%	Commercial license no. 1402786	The principal activities are Real Estate Development.

1.6 These combined financial statements also incorporate the results of Dar Al Arkan Spain S.L. (Spain), which was incorporated on March 29, 2022 and Dar Al Arkan Global UK Holdings Ltd. (UK) incorporated on January 31, 2022.

2. **Significant accounting policies**

2.1 Statement of compliance

The combined interim financial statements have been prepared in accordance with the principles of UK adopted International Financial Reporting Standards (IFRSs). These combined financial statements are presented in United Arab Emirates Dirham (AED) which is the Group's functional and presentation currency.

All values are rounded to the nearest Unit in Dirham except where otherwise indicated. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The combined interim financial statements have been prepared on a historical cost basis except financial assets and financial liabilities that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.2 Basis of preparation

Dar Global PLC (the "Parent entity") business does not represent a separate legal entity or separate group of entities for the year ended December 31, 2021 and the six month period ended June 30, 2022. The combined interim Carve-out Historical Financial statements ("Combined Interim HFI"), which have been prepared specifically for the purpose of this Prospectus, have therefore, been prepared on a basis that combines the results, asset and liabilities of Dar Al Arkan Global Real Estate Development LLC and its businesses as detailed in Notes 1.5 by applying the consolidation procedures of IFRS 10 'Consolidated Financial Statements' ("IFRS 10") for the year ended December 31, 2021 and for the six month period ended June 30, 2022 and as at these dates.

The Combined Interim HFI has been prepared in accordance with International Accounting Standard IAS34, Interim financial reporting. Additionally, management has followed the requirements of the Prospectus Regulation Rules and the Listing Rules in preparing the Combined Interim HFI. The Rules noted in the previous sentence result in the provision of additional disclosures, but do not override the recognition, measurement and disclosure requirements of UK adopted IFRS.

In preparing the Combined Interim HFI management has referred to certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Financial Reporting Council ("FRC") have been applied. None of the accounting conventions including in the Annexure to SIR 2000 are conflicting with the requirements of UK adopted IFRS.

Combined interim financial statements

In determining the perimeters of the Combined Interim HFI, management have included the results of Dar Al Arkan Global Real Estate Development LLC and those legal entities, currently parented by Dar Al Arkan Global Real Estate Development LLC and which management has transterred or intends to transfer to Dar Global PLC. These legal entities are detailed in Notes 1.5.

In the Combined Interim HFI, all intercompany balances and transactions between the entities have been eliminated. Conversely, all transactions and balances with the remaining entities within the group parented by Dar Al Arkan Global Real Estate Development LLC have not been eliminated.

As of the reporting dates of the Combined Interim HFI, Dar Global PLC was not a legal entity. Dar Global PLC was incorporated on September 30, 2022. The Combined Interim HFI represents the results of Dar Al Arkan Global Real Estate Development LLC and those legal entities that Dar Al Arkan Global Real Estate Development LLC has transferred or intends to transfer to Dar Global PLC after the finalization of all the legal requirements. Forming part of the same group, the entities included in the Combined Interim HFI are considered to be under common management. Management considers the combination is appropriate in view of the intention to transfer these entities (in their totality) to Dar Global PLC.

The Combined Interim HFI included herein may not be indicative of the financial position, results of operations and cash flows of Dar Global PLC in the future or if it had been a separate, standalone company during the period presented. Actual costs that may have been incurred if Dar Global PLC had been a stand-alone company would depend on a number of factors, including the chosen organization structure and strategic and operational decisions made.

The Combined Interim Statement of Cash Flows has been prepared using the indirect method based on the Combined Interim Statement of Financial Position, the Combined Interim Statement of Comprehensive Income and the Combined Interim Statement of Changes in Equity.

Accounting Framework

These combined interim financial statements are prepared using UK Adopted International Financial Reporting Standards, and are consistent with those prepared by the Dar Al Arkan Global Real Estate Development LLC group which uses International Financial Reporting Standards as adopted by the IASB.

The accounting policies used in the preparation of the interim combined financial statements are consistent with those used in the preparation of the combined HFI for Dar Global PLC for the year ended 31 December 2021. These accounting policies have been disclosed under Note 2. The combined interim financial statements were prepared on a historical cost basis.

Going Concern

Historically, the Group has financed it its operations primarily with non-interest bearing funding from the Major Shareholder. Thereafter, the Group intends principally to rely upon the net proceeds of the Private Placement as well as off-plan sales and, over time, profits from sales. The Group will also fund itself through third party debt if it is available on attractive commercial terms. The Group's ability to obtain external financing and the cost of such financing are dependent on numerous factors.

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources and support from the shareholder to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Combined HFI continue to be prepared on the going concern basis.

Adoption of new and revised standards

The Parent entity has adopted all relevant amendments to existing standards and interpretations issued by the UK Endorsement Board that are effective for the respective financial year ends presented, with no material impact on its combined interim results or financial position.

The Parent entity did not implement the requirements of any other Standards or Interpretations that were in issue but were not required to be adopted by Dar Al Arkan Global Real Estate Development LLC at the respective period-end dates. No other Standards or Interpretations have been issued that are expected to have a material impact on the Dar Global PLC financial statements.

The preparation of the Combined Interim HFI requires estimates and assumptions to be made that may affect the amounts reported in the Combined HFI and accompanying notes. Actual amounts could differ from the estimates included in the Combined HFI herein. The preparation of the Combined Interim HFI on the basis set out, requires the use of certain critical accounting estimates. It also requires judgement to be exercised in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Combined Interim HFI, are disclosed in note 2.19.

2.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 Foreign currency

The transactions in currencies other than the Group's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in combined statement of profit or loss in the period in which they arise.

In preparing the separate financial information of the individual subsidiaries, the transactions in currencies other than the subsidiaries functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Any gain or loss on translation of foreign subsidiaries is taken to statement of other comprehensive income.

Foreign exchange differences

Exchange differences on monetary items are recognized in combined statement of profit or loss in the period in which they arise except for exchange differences that relate to assets under construction for future productive use. These are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Financial assets measured at amortized cost, exchange differences are recognized in the combined statement of profit or loss.

2.5 Property, furniture and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property and equipment, using the straight-line method over its useful lives as follows:

	Years
Leasehold improvements	5-33
Furniture and fixtures	5
Computers and office equipment	4-5

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

The leasehold improvements are being depreciated over the period from when it became available for use up to the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the combined statement of profit or loss.

2.6 Joint operations

A significant portion of land plots, on which the Group's projects are located, is sourced through the contribution of land by the Group's joint development partners, which allows the Group to secure land for its projects with minimal upfront cash contributions. Two of the Group's current projects (W Residences Dubai – Downtown and Aida – Oman) is based on such contribution by the Group's joint development partners. The Group adopts capital light model of Joint Development Agreement where the land is contributed by the joint development partner and also certain percentage of profit is shared. The entire project is controlled and managed by the Group which includes sales, development, marketing, collections etc.

This arrangement under IFRS11 "Joint arrangements" has been classified as a joint operation where each party to the joint operation (or each "Joint operator") recognised its share of the assets, liabilities, revenue, and expenses of the joint arrangement. The share is determined based on the rights and obligation of each party as set out in the contractual terms.

2.7 Development properties

Properties constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realizable value. Cost includes cost of acquisition of land, cost of construction including planning and design cost, commission and other direct costs attributable to the development.

Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money, if material, less costs to completion and the estimated costs of sale.

The management reviews the carrying values of the development properties on an annual basis.

2.8 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the combined statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the combined statement of profit or loss.

2.9 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

2.10 Financial assets

Classification

The Group classifies its financial assets at amortized cost.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets comprise of cash and cash equivalents, advances deposits and other receivables and other escrow retentions.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectible amounts. The Group assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Impairment of financial assets

For accounts receivable, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Group. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

2.11 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include accounts payables and other payables, development property liabilities, advance from customers and due to related parties.

Accounts and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognized initially at fair value and subsequently are measured at amortized cost using effective interest method.

Due to related parties

Amounts due to related parties are stated at amortized cost.

Development Property liabilities

Development Property liabilities represents the amount payable for the acquisition of development properties on a deferred payment plan basis. These are stated at the fair value of the consideration payable.

Advances from customers

Advances from customers are recognized when actual receipts from the customers exceeds stage of completion certified by the contract employer represented by payment certificates.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the combined statement of profit or loss.

Where the loan payable (or part thereof) is forgiven by a shareholder, the loan is derecognised at its carrying value, and an equity contribution is reflected at that same carrying value, this contribution is reflected as a loss absorbed by a shareholder. No gain or loss is recognised in profit or loss.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Taxation

The taxation expense represents the aggregate amount of current tax recognized in the reporting period. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, tax is recognized in other comprehensive income or directly in equity, respectively.

Current tax is recognized on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2.15 Revenue recognition

<u>*Revenue from contracts with customers*</u>

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

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. This is evidenced by issuance of signed Sale and Purchase Agreement ("SPA") to the customer and meeting specified threshold of project completion and collection from the customers.

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. The performance obligation for the Group is to deliver the constructed property to the customers along with the ancillary rights such as the right to use amenities and other related infrastructure facilities available. Accordingly one performance obligation has been identified for each unit to be sold. 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.

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 delivering the property to its customers. The agreed transaction price is a part of signed SPA issued to each customer. Revenue excludes taxes and duty, and includes an adjustment for significant financing component ("SFC") as the payment plan for one of the projects extends beyond the handover date. No adjustment has been made for variable consideration as the group does not have any contracts with variable consideration.

Step 4. Allocate the transaction price to the performance obligations in the contract: The Group allocates the transaction price to the performance obligations identified in Step 2.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes 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.

The Group determines the satisfaction of performance obligation separately for each of its contracts and recognize revenue accordingly.

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 recognized this gives rise to a contract liability.

2.16 Cost of sales

Cost of sales represent cost for purchase of land, construction costs, consultant costs, utilities cost and other related direct costs recognized to statement of profit or loss on percentage of completion.

2.17 Escrow Accounts

Escrow accounts represent bank accounts where money is held in with the bank, acting as an escrow agent, and available for use only if all the pre-determined conditions are fulfilled. The funds paid by customers for their apartments in off-plan sales are required to be deposited into escrow accounts held by banks accredited by the Dubai Land Department (DLD).

For Escrow retention, an escrow agent must retain five per cent. of the total value of each escrow account once the developer obtains the building completion certificate to ensure coverage of defects in the property post-handover. The retained amount will be released to the developer one year from the registration of the residential units in the name of purchasers of such units.

2.18 Capital Contribution

In the application of the requirements of the IFRSs, "Due to Related Parties" were recognized at the fair value of consideration payable by way of discounting using a market related discount rate. The difference between the nominal value of the loan i.e., the amount of cash received and their fair value on the initial recognition has been reflected in equity as a capital contribution. For any additions to the amount of "Due to related parties" in the following years, the difference between carrying value and fair value for these additions were also added therein. Moreover, the finance cost resulted from the effect of unwinding is shown as a reduction in the capital contribution recognized over the years.

2.19 Statutory Reserve

According to Article 241 of the UAE Federal Law No. (2) of 2015, 10% of annual net profits after NCI are allocated to the statutory reserve. The transfers to the statutory reserve may be suspended when the reserve reaches 50% of the paid-up capital.

2.20 Significant accounting judgements, estimates and Assumptions

In the application of the Group's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognized in the combined interim financial statements.

Identifying a contract

The Group assesses for each development and for each customer the point in time at which a contract exists. This requires assessing the point in each the development where there is certainty that it will continue to completion, as well as assessing the point in time at which consideration from the customer is probable – this assessment takes into account the legal requirements and history of collections.

Timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time in order to determine the appropriate method of recognizing revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognizes revenue over time.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the combined financial statements.

Measurement of progress when revenue is recognized over time

The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognized over time. The Group considers that the use of the input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognized.

Cost to complete the projects

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

3. **New standards and amendments**

3.1 New standards and amendments applicable as on January 01, 2022

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 01, 2022.

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

The management believes that the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the combined financial statements.

3.2 New standards and amendments issued but not effective for the current annual period

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending June 30, 2022.

Description	**Effective for annual periods beginning on or after**
IFRS 17 – *Insurance Contracts*	January 1, 2023
Disclosure of Accounting Policies – Amendments to IAS 1 *and IFRS Practice Statement 2*	January 1, 2023
Definition of Accounting Estimate – Amendments to IAS 8	January 1, 2023
IFRS 10 and IAS 28 – Sale or Contribution of Assets between an investor and its Associate or Joint	Effective date deferred indefinitely
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction -	January 1, 2023
Classification of Liabilities as Current or Non-Current – Amendments to IAS 1	January 1, 2024

Management anticipates that these new standards, interpretations and amendments will be adopted in the combined financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the combined financial statements in the period of initial application.

4. **Segment Information**

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the combined financial statements. The only segment is Real estate and the UAE operations which represents 100% of the revenue and AED 1.37 billion (2021: AED 820 million) of assets which is around 98% of the total assets of the Group.

5. **Cash and cash equivalents**

	As at June 30, 2022	**As at December 31, 2021**
	Unaudited	**Audited**
Cash in hand	1,146	1,146
Cash at banks		
– Current accounts	30,142,798	19,555,429
– Escrow retention accounts (note 5.1)	18,382,630	6,256,000
– Escrow accounts (note 5.2)	241,969,131	48,653,908
	290,495,705	**74,466,483**
Less: Escrow retention accounts (note 8)	(18,382,630)	(6,256,000)
	272,113,075	**68,210,483**

5.1 The above represents Escrow retention accounts maintained with a commercial bank in accordance with Law No. 8 of 2007 relating to Trust Accounts Regulation and Real Estate Regulatory Authority (RERA) requirements in Dubai – United Arab Emirates. The retention balance shall be released after one year from the completion of the project.

5.2 The above represents Escrow accounts maintained with a commercial bank in accordance with the Law No. 8 of 2007 relating to Trust Accounts Regulation and Real Estate Regulatory Authority (RERA) requirements in Dubai – United Arab Emirates. This escrow account can be used for making payments directly related to the projects subject to the RERA regulations.

The significant increase in the balances during the period is mainly due to collections from customers as per the payment plan.

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

6. **Advances, deposits and other receivables**

	As at June 30, 2022	**As at December 31, 2021**
	Unaudited	**Audited**
Accounts receivable	44,075,809	—
Prepayments (note 6.1)	143,552,188	38,070,163
Advances to suppliers and contractors	31,325,208	20,977,348
Margin deposit (note 6.2)	79,300,000	44,000,000
Other deposits	1,981,907	1,441,297
Other receivables	1,761,967	982,288
VAT refundable	9,945,301	2,396,299
	311,942,380	**107,867,395**

6.1 The above includes incremental cost of obtaining a contract such as sales commission paid to brokers and employees for the sale of properties, amounting to AED 129,230,632/- (2021: AED 37,098,966/-) and will be amortized consistent with the pattern of revenue in the future.

6.2 The above represents margin deposits held with a bank against project guarantee (note 25).

7. Development properties

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
Balance at the beginning of the year	649,284,864	220,717,562
Additions during the period / year*	212,236,839	428,567,302
Cost of revenue	(58,643,208)	—
Balance at the end of the year	**802,878,495**	**649,284,864**

Property under construction for sale in the ordinary course of business are classified under development properties. The amounts capitalized as at the year end, comprise cost of acquisition of land, cost of construction including planning, design cost, salaries and other direct costs attributable to the development.

The Group assesses the fair value of development properties for impairment on each reporting date and the management believes that the fair value of above development properties is higher than its carrying value as on the reporting date.

* Includes properties purchased from M/s. RKM Durar (third party) on November 9, 2021 that is not ready for immediate handover. On initial recognition the property has been recognized at the fair value of the consideration paid i.e., at AED 336,820,648/- which is computed based on a deferred payment plan as defined in the sale and purchase agreement ("SPA") (Note 13). This property is under mortgage with Commercial Bank of Dubai (the "Bank"). For the purpose of allowing the Group to implement a Re-Sale of units to third party purchasers in accordance with the terms of the SPA, the Bank shall permit a partial release of a number of units equivalent to the value of the instalments that has been deposited into the project escrow account.

* Also includes Land contributed by M/s. Uranus General Contracting Company (third party) on December 9, 2021 under a Joint Development Agreement (JDA). On initial recognition the property has been recognized at the fair value of the consideration payable i.e., at AED 109,717,843/- (2021: AED Nil) which is computed based on a deferred payment plan as defined in the sale and purchase agreement ("SPA") (Note 15). Under the arrangement with Uranus, profits will be shared equally between the parties.

On March 24, 2022, the Group entered into JDA with Yiti Tourism Development Company LLC ("**JDA partner**") for master development in Oman where the land will be contributed by the JDA partner. The project is expected to be phased over ten years and is expected to be completed in December 2034. Currently, the project is still in the permitting stage and expected to be progressed in the second quarter of 2023.

The development properties are located in U.A.E., Bosnia, Spain and Oman.

8. Escrow retentions

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
Escrow retentions accounts – (note 5)	**18,382,630**	**6,256,000**

9 Property, furniture and equipment

	Leasehold improvements	Furniture and fixtures	Computers and office equipment	Total
Cost				
As at January 1, 2021	1,575,397	1,148,162	1,266,483	3,990,042
Addition during the period	72,000	–	30,179	102,179
As at June 30, 2021	**1,647,397**	**1,148,162**	**1,296,662**	**4,092,221**
Addition during the period	10,675	50,000	55,851	116,526
As at December 31, 2021	**1,658,072**	**1,198,162**	**1,352,513**	**4,208,747**
Addition during the period	–	78,859	237,812	316,671
As at June 30, 2022	**1,658,072**	**1,277,021**	**1,590,325**	**4,525,418**
Accumulated depreciation				
As at January 01, 2021	486,473	675,476	889,397	2,051,346
Charge for the period	112,203	114,816	159,826	386,845
As at June 30, 2021	**598,676**	**790,292**	**1,049,223**	**2,438,191**
Charge for the period	113,379	115,310	147,074	375,763
As at December 31, 2021	**712,055**	**905,602**	**1,196,297**	**2,813,954**
Charge for the period	53,018	119,816	110,932	283,766
As at June 30, 2022	**765,073**	**1,025,418**	**1,307,229**	**3,097,720**
Carrying value as at June 30, 2022	**892,999**	**251,603**	**283,096**	**1,427,698**
Carrying value as at December 31, 2021	946,017	292,560	156,216	1,394,793

Note:
Leasehold improvements represents fittings and interior decoration work at Office no. 1402 and 1403, Conrad building, Dubai – United Arab Emirates.

10. Accounts payables and provisions

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
Accounts payable	9,715,255	2,972,028
Accruals*	32,552,171	10,356,593
VAT payable	251,321	169,056
	42,518,747	**13,497,677**

* The increase in the period is mainly due to accruals for the payments to be made to the contractors and broker's commission as a result of progress in construction and sale of units.

11. **Advances from Customers**

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
Balance at the beginning of the period/year	124,861,981	45,259,161
Revenue recognised during the period/year	(60,033,586)	—
Advances received from the customers during the period/year – Net	263,138,618	79,602,820
Balance at the end of the period/year	**327,967,013**	**124,861,981**

The above represent contractual liabilities arising from the property sales agreement with the customers including advance consideration received from them.

12. **Retention Payable**

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
Retention Payable for construction works	**10,515,016**	6,300,738

13. **Development Property liabilities**

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
Long term liability – Building	283,982,271	277,270,384
Long term liability – Land	112,742,374	—
	396,724,645	**277,270,384**

The liability amounting to AED 283,982,271 (2021: AED 277,270,384) pertains to amount payable for purchase of J1 Tower located at Bay Avenue 26, Executive Towers J – Business Bay – Dubai. This liability is secured against development property (note 7). The property has been purchased on an interest free deferred payment plan with the final instalment due on May 01, 2027. The timeline for repayment at the year-end has been reassessed by the management based on their best estimate which has resulted in an interest expense of AED 30,162,980/- being recorded. The interest expense represents a difference between the fair value at the date of initial recognition and the discounted value as at the year-end December 31, 2021. The average discount rate applied is 4.90%.

Additionally, an amount of AED 112,742,374 (2021: Nil) represents amount payable for the Land contributed by M/s. Uranus General Contracting Company under the JDA. This liability is secured against development property (note 7). The property has been purchased on a deferred payment plan with the final instalment due on the completion of the project i.e. on or before December 31, 2025. The interest expense represents a difference between the fair value at the date of initial recognition and the discounted value as at the period ended June 30, 2022. The average discount rate applied is 8.50%.

14. Related party transactions

The Group enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/ rendered from/to related parties as well as other charges, if applicable.

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
a) Due to related parties		
Shareholder		
M/s. Dar Al Arkan Global Real Estate Development LLC, Dubai, UAE	**501,548,982**	**336,688,772**
The movements during the year are as follows;		
Balance at beginning of the year	336,688,772	212,253,245
Net movement during the year	216,647,676	196,968,633
Loss absorbed by a shareholder	—	(51,000,652)
Effect of discounting*	(51,787,466)	(21,532,454)
Balance at end of the period / year	**501,548,982**	**336,688,772**

* Due to related party represents financing received from the shareholder to fund the on-going projects. These balances are unsecured, interest free and there is no fixed date for repayment. Given the long term nature of these balances management have estimated a repayment period of six years over which these balances have been discounted. These balances are unsecured and interest free. The difference between the nominal value of the loan i.e., the amount of cash received and their fair value on the initial recognition has been reflected in equity as a capital contribution.

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
b) Transactions with key management personnel		
Managerial remuneration	464,220	928,728

15. Other reserves

The other reserves, AED 3,000,000 represents the net parent investment other than the amounts recognized in separate reserves.

16. **Retained Earnings**

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
Profit / (Loss) before tax	3,821,067	(61,682,993)
Loss absorbed by a shareholder*	—	51,000,652
Transferred to Capital Contribution	8,150,229	10,682,341
Exchange loss on translation	(2,623,698)	—
Transferred to statutory reserve – (note 2.18)	(934,760)	—
Balance at the end of the year	**8,412,838**	—

* During the year, M/s. Dar Al Arabia Real Estate Development L.L.C., Riyadh – K.S.A. (shareholder) absorbed the entire loss of Nil (2021: AED 51,000,652) incurred by the Group for the year ended June 30, 2022 (note 14). This was achieved by forgiveness of a portion of the shareholder loan in note 14.

17. **Other income**

	Six month period ended	
	June 30, 2022	**June 30, 2021**
	Unaudited	**Unaudited**
Interest income	**55,306**	**38,271**

The above interest income on Escrow accounts with a commercial bank at 0.25% per annum.

18. **Selling and distribution expenses**

	Six month period ended	
	June 30, 2022	**June 30, 2021**
	Unaudited	**Unaudited**
Marketing	**7,094,589**	**1,212,236**

19. **General and Administrative expenses**

	Six month period ended	
	June 30, 2022	**June 30, 2021**
	Unaudited	**Unaudited**
Salaries and related benefits	11,369,117	3,530,921
Rent	2,034,899	299,416
Legal, visa, professional and related expenses	1,557,487	442,969
Utilities	266,637	—
Repair and maintenance	103,803	113,515
Government taxes and other charges	252,479	—
Depreciation on property and equipment (note 9)	283,766	386,845
Insurance	13,001	—
Bank charges	577,040	174,231
Miscellaneous	260,961	—
	16,719,190	**4,947,897**

20. Finance costs

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
Interest expense on un-winding of loans received from related parties (note 14)	8,150,229	5,138,016
Interest expense on un-winding of long term liability (note 13)	9,736,418	–
	17,886,647	**5,138,016**

21. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to the owners of the Company (after adjusting for interest on the convertible notes) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	Six month period ended	
	June 30, 2022	**June 30, 2021**
Earnings:		
Profit/(loss) attributable to the owners of the Company for basic earnings	**3,821,067**	**(11,259,878)**
Number of shares in thousands		
Weighted-average number of ordinary shares for basic/diluted earnings per share	**300,000**	**300,000**
Earnings per share:		
–- basic and diluted earnings per share (AED)	13	(38)

22. **Financial instruments**

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note 2 to the combined financial statements.

(b) The Group consider that the carrying amount of financial assets and liabilities measured at amortized cost approximates to their fair value.

	As at		As at	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Financial assets	Carrying amount		Fair value	
Cash and cash equivalents	272,113,075	68,210,483	272,113,075	68,210,483
Advances, deposits and other receivables	127,119,683	46,423,585	127,119,683	46,423,585
Escrow retentions	18,382,630	6,256,000	18,382,630	6,256,000
	417,615,388	**120,890,068**	**417,615,388**	**120,890,068**
Financial liabilities				
Accounts payables and provisions	42,518,747	13,328,621	42,518,747	13,328,621
Retention Payable	10,515,016	6,300,738	10,515,016	6,300,738
Development Property liabilities	396,724,645	277,270,384	396,724,645	277,270,384
Due to related parties	501,548,982	336,688,772	501,548,982	336,688,772
	951,307,390	**633,588,515**	**951,307,390**	**633,588,515**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of accounts receivable, cash and bank equivalents and other receivables excluding prepayments, advances to suppliers and contractors and VAT refundable. Financial liabilities consist of other payables, development property liabilities, due to related parties and accounts payables and provisions excluding VAT payable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

23. **Financial risk management objectives**

The Group management set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The Group policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

The Group is exposed to the following risks related to financial instruments. The Group has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Group does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

(a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

(b) Interest rate sensitivity analysis

As at the reporting date, there is no significant interest rate risk as there are no payables against inventories at floating interest rates as at year end.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and equity from shareholders through their current accounts or loans.

Liquidity table:

The table on the following page summarizes the maturity profile of the Group's financial liabilities. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the combined statement of financial position date to the contractual maturity date. The maturity profile of these liabilities at the combined statement of financial position date based on contractual repayment arrangements are shown in the table below:

	Contractual cashflows					
Particulars	**Carrying amount**	**Total**	**Less than 1 year**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
	As at June 30, 2022					
Financial liabilities						
Accounts payables and provisions	42,267,426	42,267,426	42,267,426	–	–	–
Retention Payable	10,515,016	10,515,016	–	–	10,515,016	–
Development Property liabilities	396,724,645	450,000,000	28,125,000	28,125,000	309,375,000	84,375,000
Due to related parties	501,548,982	553,336,448	–	–	553,336,448	–
	951,056,069	**1,056,118,890**	**70,392,426**	**28,125,000**	**873,226,464**	**84,375,000**
	As at December 31, 2021					
Financial liabilities						
Accounts payables and provisions	13,328,621	13,328,621	13,328,621	–	–	–
Retention Payable	6,300,738	6,300,738	–	–	6,300,738	–
Development Property liabilities	277,270,384	300,000,000	28,125,000	28,125,000	159,375,000	84,375,000
Due to related parties	336,688,772	358,221,226	–	–	358,221,226	–
	633,588,515	**677,850,585**	**41,453,621**	**28,125,000**	**523,896,964**	**84,375,000**

(d) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the combined interim financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risks.

24. **Capital risk management**

The capital structure of the Group consists of cash and cash equivalents and equity comprising issued capital and accumulated (losses) as disclosed in the combined interim financial statements.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Group's overall strategy remains unchanged from prior year. The Group is not subject to any externally imposed capital requirements.

25. **Contingent liabilities**

	As at June 30, 2022	**As at December 31, 2021**
	Unaudited	**Audited**
Letters of guarantee	**79,300,000**	**44,000,000**

Under the RERA regulations, the Group is required to provide letters of guarantees to the Dubai Land Department for all of its projects located in the United Arab Emirates in the amount of 20 per cent. of the construction costs for such projects. The Group holds margin deposits equivalent to the amount of the letters of guarantee at the bank providing such letters of guarantee. The guarantee margin deposit is refundable on completion of the project.

Except for the above and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Group's combined financial statements as of reporting date.

26. **Commitments**

	As at June 30, 2022	**As at December 31, 2021**
	Unaudited	**Audited**
Contracted commitments for development properties (note 7)	**87,444,633**	**134,354,261**

Except for the above and ongoing business obligations which are under normal course of business, there has been no other known commitment on Group's combined interim financial statements as of reporting date.

27. **Staff Number and Costs**

	As at June 30, 2022	As at December 31, 2021
	Unaudited	**Audited**
The average no of employees employed by the company.	**69**	**20**

	Six month period ended	
	As at June 30, 2022	**As at June 30, 2021**
The average payroll Cost for these employees is as follows:	**Unaudited**	**Unaudited**
–- Wages and Salaries (AED)	**11,369,117**	**3,530,921**

28. **Auditors Remuneration**

	Six month period ended	
Auditors Remuneration	**June 30, 2022**	**June 30, 2021**
	Unaudited	**Unaudited**
Review of the Quarterly financial statements	**10,000**	9,000
RERA Audit	**6,000**	6,100
	16,000	**15,100**

29. **Events after the reporting period**

Subsequent to reporting date, the following events took place:

a) The Group obtained a Murabaha facility from the Abu Dhabi Commercial Bank on 4 October 2022 in the amount of AED 320 million, which is guaranteed by Dar Al Arkan Real Estate Development Company. During November 2022, AED 239 million was drawn under this facility and used for payment of the outstanding liability for obtaining title of J1 Tower located at Bay Avenue 26, Executive Towers J – Business Bay – Dubai (Note 13).

b) On 31 December 2022, the Group has decided to transfer the inter-company loans due from subsidiaries in Dar Al Arkan Global Real Estate Development LLC to one of the subsidiaries of Parent entity in exchange of shares issued by the Parent entity ("loan assignment").

c) As a part of restructuring as noted in Note 1.4, the subsidiaries noted below have been legally transferred to the Parent Entity on the forementioned dates and therefore, the Parent Entity has effective control as of the date of the transfer.

Name of subsidiary and domicile	Date of acquisition
Dar Al Arkan Properties L.L.C., Dubai – U.A.E.	November, 2022
Dar Al Arkan Property Development D.O.O Sarajevo – Bosnia	Under process
Prime Real Estate L.L.C. Sarajevo – Bosnia	December, 2022
Luxury Real Estate L.L.C. Sarajevo – Bosnia	Under process
Beijing Dar Al Arkan Consulting Co. Ltd.	December, 2022
Dar Al Arkan Holdings Ltd (ADGM)	January, 2023
Dar Al Arkan Spain SL – Spain	November, 2022
Dar Al Arkan Global UK Holdings Ltd. – London, United Kingdom	October, 2022
Dar Al Arkan Property Development SPC – Oman	December, 2022

PART X

THE PRIVATE PLACEMENT

1. The Company entered into the Subscription Agreements with the Private Placement Investors on 9 February 2023 pursuant to which the Company conditionally agreed to issue an aggregate of 21,621,612 new Ordinary Shares to the Private Placement Investors at the price of US$3.33 per Ordinary Share (the **Private Placement Shares**), raising gross proceeds of US$72 million and US$62.7 million net proceeds (after payment of outstanding costs incurred in connection with the Private Placement and Admission) in aggregate. Completion of the Private Placement, including the issuance of such Private Placement Shares to the Private Placement Investors, is conditional on, *inter alia*, Admission. Based on the price paid by Private Placement Investors in the Private Placement, the implied market capitalisation of the Company on Admission will be c.US$600 million.

2. The subscription monies payable by the Private Placement Investors under the Subscription Agreements became payable on execution of the Subscription Agreement and as such the Company is holding or will hold such subscription monies pending Admission when the Ordinary Shares will be issued and allotted to the Private Placement Investors. If Admission does not occur by 31 March 2023, the subscription monies will be returned by the Company to the Private Placement Investors.

3. The Private Placement Investors constitute approximately 20 institutional and other investors resident outside of the US. Subscriptions by the Private Placement Investors have been procured by the Company.

4. Immediately following Admission, the Private Placement Shares will represent 12 per cent. of the Company's issued share capital (as enlarged by the Private Placement) and will rank *pari passu* with the Ordinary Shares in all respects including, without limitation, in relation to any dividends and other distributions declared, paid or made following Admission.

5. Application has been made for the Private Placement Shares to be admitted to the standard segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Settlement and admission of the new Ordinary Shares issued under the Private Placement to the Private Placement Investors is expected to take place on Admission.

6. The Company intends to use the net proceeds of the Private Placement to part fund its on-going projects and development pipeline and for general corporate purposes. Also, on Admission, the Company will redeem the Redeemable Preference Shares out of the net proceeds of the Private Placement.

PART XI

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

1.1 The Company and the Directors, whose names appear in the section entitled "*Directors, Company Secretary, Registered Office and Advisers*", accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts, and this document makes no omission likely to affect its import.

2. COMPANY DETAILS

2.1 The Company was incorporated on 30 September 2022 under the Companies Act as a private company limited by shares and under the name Dar Al Arkan Global Real Estate Development Ltd with registered number 14388348. On 3 October 2022, the Company changed its name to Dar Global Limited. On 9 February 2023, the Company re-registered as a public company limited by shares and changed its name to Dar Global PLC.

2.2 The registered office of the Company is at Link Company Matters Limited, 6th Floor, 65 Gresham Street, London EC2V 7NQ, United Kingdom.

2.3 The telephone number of the Company is +44(0)333 300 1950.

2.4 The legal entity identifier of the Company is 213800XRFXQ1KEWACW80.

2.5 The website of the Company is www.darglobal.co.uk. Information on the Company's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

3. ISSUED SHARE CAPITAL

3.1 The issued share capital of the Company as at the date of this Prospectus is as follows:

	Issued			
	Nominal Value	**Number**	**Amount**	**Amount paid up**
Ordinary Shares..........................	US$0.01	158,400,000	US$1,584,000	US$1,584,000
Redeemable Preference Shares ..	£1	50,000	£50,000	£50,000

3.2 The issued share capital of the Company immediately following Admission on completion of the Private Placement will be as follows:

	Issued			
	Nominal Value (US$)	**Number**	**Amount (US$)**	**Amount paid up (US$)**
Ordinary Shares	0.01	180,021,612	1,800,216.12	1,800,216.12

3.3 There are no shares in the Company's share capital that do not represent capital. The Company does not hold any shares in treasury.

3.4 There are no convertible securities, exchangeable securities or securities with warrants in the Company.

3.5 No capital has been paid for with assets other than cash within the period covered by the historical financial information.

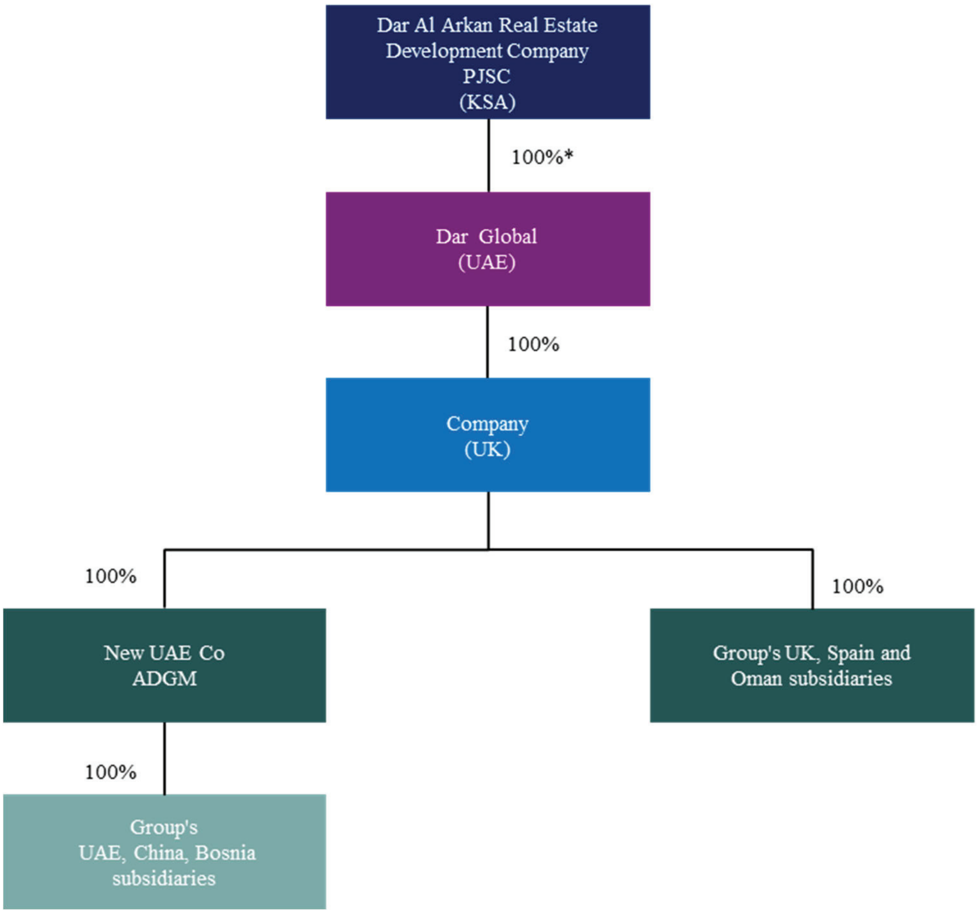
3.6 There are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company.

3.7 There are no acquisition rights or obligations in relation to the issue of Ordinary Shares in the capital of the Company or an undertaking to increase the capital of the Company.

3.8 No capital of any member of the Group is under option or agreed conditionally or unconditionally to be put under option.

4. REORGANISATION

The diagram below sets out the simplified Group structure as at the date of this Prospectus:



* Interest held through various subsidiaries

Reorganisation steps

4.1 The following steps have been taken prior to the publication of this Prospectus:

(a) on 30 September 2022, the Company was incorporated as a private company limited by shares with all of its issued share capital, being 1 ordinary share of £1, subscribed for by Dar Global UAE;

(b) on 28 October 2022, the Company redenominated its share capital from being denominated in Pounds Sterling to being denominated in US Dollars and, as such, changed the nominal value of each Ordinary Share from £1.00 to US$1.13 (i.e. at an exchange rate of 1:13, being the opening spot rate of exchange as quoted on Bloomberg on 24 October 2022 (rounded from 1.1271 to two decimal places));

(c) on 28 October 2022, following the redenomination referred to at paragraph (b) above, the Company sub-divided its share capital of one Ordinary Share of $1.13 into 113 Ordinary Shares of $0.01 each;

(d) on 31 October 2022, New UAECo was incorporated as a private company limited by shares in Abu Dhabi Global Market with all of its issued share capital, being 1,000 ordinary shares of US$1, subscribed for by Dar Global UAE;

(e) on (i) 28 October 2022, the entire issued share capital of Dar Al Arkan Global UK Holdings Limited (the Group's UK subsidiary) was transferred to the Company by Dar Global UAE in exchange for nominal cash consideration, (ii) on 25 November 2022 the entire issued share capital of Dar Spain was transferred to the Company by Dar Global UAE in consideration for the issuance of new ordinary shares in the Company (iii) on 19 December 2022 the entire issued share capital of Dar Oman was transferred to the Company by Dar Global UAE in consideration for the issuance of new ordinary shares in the Company;

(f) on 9 January 2023 Dar Global UAE agreed to assign the benefit of certain shareholder loans to the Company (effective as at 31 December 2022) in exchange for an issuance of new ordinary shares by the Company on a dollar for dollar basis and on 24 January 2023, Dar Global UAE assigned the benefit of certain shareholder loans to New UAECo in exchange for an issuance of new ordinary shares by New UAECo on a dollar for dollar basis. The Company, in relation to a portion of the loans assigned to it (being balances due from Dar Spain on an interest bearing basis), subsequently allocated such balances due from Dar Spain to the capital reserve of Dar Spain;

(g) (i) on 5 December 2022, the entire issued share capital of Dar Properties was transferred to New UAECo by Dar Global UAE in consideration for the issuance of new ordinary shares by New UAECo and partly satisfied in cash, (ii) on 26 December 2022, the entire issued share capital of Beijing Dar Al Arkan Consulting Co. Ltd (the Group's PRC subsidiary) was transferred to New UAECo by Dar Global UAE in consideration for the issuance of new ordinary shares by New UAECo, and (iii) on 6 December 2022, the entire issued share capital of Prime Real Estate D.O.O. Sarajevo (the Group's principal Bosnian subsidiary which owns the Sidra project) was transferred to New UAECo by Dar Global UAE in consideration for the issuance of new ordinary shares by New UAECo;

(h) on 25 January 2023, the entire issued share capital of New UAECo was transferred to the Company by Dar Global UAE in consideration for the issuance of new ordinary shares by the Company;

(i) on 25 January 2023, the Company issued an additional class of shares, being 50,000 redeemable preference shares of £1 each, issued to Dar Global UAE against an undertaking to pay;

(j) on 28 January 2023, the Company undertook a reduction of capital by cancelling certain ordinary shares, in order to create distributable reserves and reduce the number of ordinary shares in issue to 158,400,000 in aggregate;

(k) on 9 February 2023, the Company re-registered as a public company limited by shares;

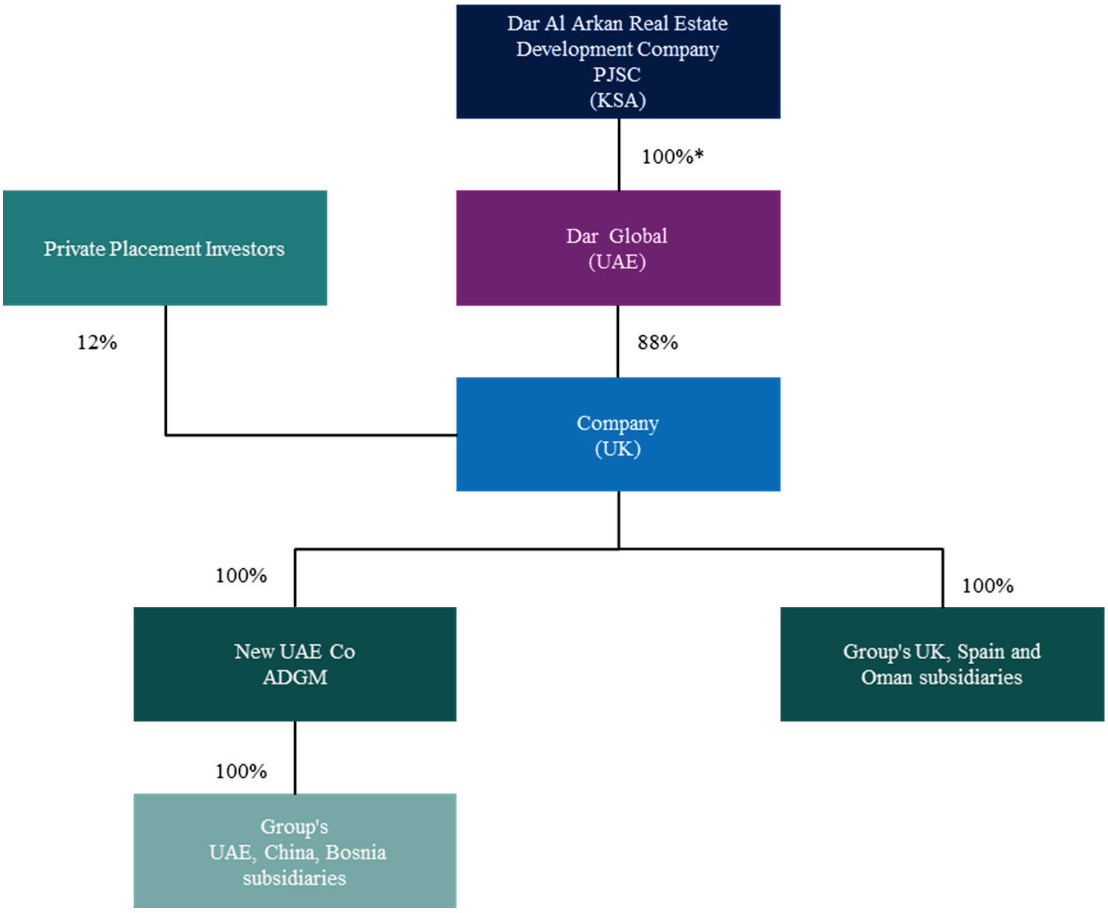
(l) on Admission, the Company will redeem its redeemable preference shares out of the proceeds of the Private Placement; and

(m) shortly following Admission, the transfers of Dar Al Arkan Property Development D.O.O. Sarajevo and Luksuzne nekretnine – Luxury Real Estate D.O.O. Sarajevo (which are entities incorporated in Bosnia holding no real estate or other material assets) to New UAECo will be completed on finalisation of certain local processes,

each of the foregoing steps comprising and being the reorganisation being carried out in connection with Admission (the **Reorganisation**).

4.2 **The Private Placement**

On 9 February 2023, the Company entered into the Subscription Agreements with the Private Placement Investors on pursuant to which the Company conditionally agreed to issue an aggregate of 21,621,612 new Ordinary Shares to the Private Placement Investors. Completion of the Private Placement, including the issuance of such new Ordinary Shares to the Private Placement Investors, is conditional on, *inter alia*, Admission. The diagram below sets out the simplified Group structure on Admission following completion of the Private Placement:



* Interest held through various subsidiaries

5. **SHARE CAPITAL AND OTHER AUTHORITIES**

5.1 Since incorporation, the Company has passed the following resolutions in respect of its share capital:

(a) the Company's share capital be redenominated from US dollars to pounds sterling;

(b) the one Ordinary Share of US$1.13 then in issue be sub-divided into 113 Ordinary Shares of US$0.01;

(c) the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company to the Major Shareholder in connection with the Reorganisation, comprising 2,239,510,400 Ordinary Shares of US$0.01 and 50,000 redeemable preference shares of £1 each;

(d) the ordinary share capital be reduced to US$1,584,000 in aggregate by way of cancellation of all other ordinary shares in issue;

(e) the redeemable preference shares referred to paragraph (c) be redeemed;

(f) conditional upon, and with effect from, Admission, in accordance with section 551 of the Companies Act, the Directors be generally and unconditionally authorised to allot shares in the Company up to an aggregate nominal amount of $216,216.12 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 9 May 2024 save that the Company may, before such expiry, make offers or enter into agreements which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offers or agreements notwithstanding that the authority conferred by this resolution has expired. This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities;

(g) conditional upon, and with effect from, Admission, subject to the passing of resolution in paragraph (f) above and in accordance with section 570 of the Companies Act, the Directors be and they are hereby authorised to allot equity securities (as defined in section 560 of the Companies Act) pursuant to the authority given in by resolution in paragraph (f) above, as if section 561(1) of the Companies Act did not apply to any such allotment, provided that this authority shall:

(i) be limited to the allotment of equity securities up to an aggregate nominal amount of $216,216.12; and

(ii) expire on 9 May 2024 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry, make offers or enter into agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offers or agreements notwithstanding that the authority conferred by this resolution has expired;

(h) conditional upon, and with effect from, Admission, in addition to the passing of resolution in paragraph (f) above, the Directors be and they are hereby generally and unconditionally authorised, in accordance with section 551 Companies Act, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

(i) up to an aggregate nominal amount of $600,000 (such amount to be reduced by the nominal amount of any equity securities (as defined in section 560 Companies Act) allotted or granted under paragraph (ii) of this resolution in excess of $600,000); and

(ii) comprising equity securities (as defined in section 560 Companies Act) up to an aggregate nominal amount of $1,200,000 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) of this resolution) in connection with an offer by way of a rights issue:

(A) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(B) to holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that that Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter.

The authorities conferred on the Directors under paragraphs (i) and (ii) of this resolution shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2024 after the date of the passing of this Resolution or at the close of business on 9 May 2024, whichever is the earlier save that under each authority the Company may, before such expiry, make offers or enter into agreements which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such offers or agreements as if the relevant authority conferred hereby had not expired.

(i) conditional upon, and with effect from, Admission, subject to the passing of resolution in paragraph (h) above and in addition the passing of resolution in paragraph (g) above, the Directors be and they are hereby authorised, pursuant to section 570 and section 573 Companies Act, to allot equity securities (within the meaning of section 560 Companies Act) for cash under the authority given by resolution in paragraph (h) above and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 Companies Act did not apply to any such allotment or sale, such authority to be limited to:

(i) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (ii) of resolution in paragraph (h) above, by way of a rights issue only):

(A) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(B) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter;

(ii) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) of this resolution) up to a nominal amount of $180,000; and

(iii) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) or paragraph (ii) of this resolution) up to a nominal amount equal to 20 per cent of any allotment of equity securities or sale of treasury shares from time to time under paragraph (ii) of this resolution, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice in respect of such resolution,

such authority to expire at the end of the Annual General Meeting of the Company to be held in 2024 or, if earlier, at the close of business on 9 May 2024 (unless previously renewed, varied or revoked by the Company at a general meeting) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offers or agreements as if the authority conferred by this resolution had not expired.

(j) conditional upon, and which effect from, Admission, subject to the passing of resolution in paragraph (h) above, the Directors be and they are hereby authorised, in addition to any authority granted under resolution in paragraph (i) above, pursuant to section 570 and section 573 Companies Act, to allot equity securities (within the meaning of section 560 Companies Act) for cash under the authority given by resolution in paragraph (h) above and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 Companies Act did not apply to any such allotment or sale, such authority to be limited to:

(i) the allotment of equity securities or sale of treasury shares up to a nominal amount of $180,000 such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors determine to be an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice in respect of such resolution; and

(ii) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) of this resolution) up to a nominal amount equal to 20 per cent of any allotment of equity securities or sale of treasury shares from time to time under paragraph (i) of this resolution, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-

Emption Rights most recently published by the Pre-Emption Group prior to the date of notice in respect of such resolution,

such authority to expire at the end of the next Annual General Meeting of the Company to be held in 2024 or, if earlier, at the close of business on 9 May 2024 (unless previously renewed, varied or revoked by the Company at a general meeting), but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offers or agreements as if the authority had not expired.

(k) conditional upon, and with effect from, Admission, a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

(l) conditional upon, and with effect from, Admission, the Articles of Association produced to the meeting be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

(m) conditional upon, and with effect from, Admission, in accordance with sections 366 and 367 of the Companies Act, the Company be and is hereby authorised:

(i) to make political donations to political parties and/or independent election candidates, as defined in sections 363 and 364 Companies Act, not exceeding £100,000 in total; and/or

(ii) to make political donations to political organisations other than political parties, as defined in sections 363 and 364 Companies Act, not exceeding £100,000 in total; and/or

(iii) to incur political expenditure, as defined in section 365 Companies Act, not exceeding £100,000 in total,

during the period beginning with the date of the passing of this resolution and ending at the conclusion of the Annual General Meeting of the Company to be held in 2024 after the passing of this resolution or, if earlier, 9 May 2024.

(n) conditional upon, and with effect from, Admission, the service agreements and letter of appointments proposed to be entered into by the Company with the Chief Executive Officer, Ziad El Chaar and Chief Financial Officer, Shivaraman Iyer which include a guaranteed term of employment of three years (**Service Agreements**), be hereby approved pursuant to section 188 of the Companies Act.

5.2 Save as disclosed above and in Part X (*The Private Placement*):

(a) no share or loan capital of the Company has, within three years of the date of this document, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the Offer), fully or partly paid, either for cash or for a consideration other than cash, to any person;

(b) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company; and

(c) no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

5.3 The Company remains subject to the provisions of section 561 of the Companies Act (which confers on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 1166 of the Companies Act) which will apply to any further issuances of share capital of the Company, save to the extent disapplied as referred to in paragraph 5.1(g) above.

6. **INFORMATION ON THE ORDINARY SHARES**

6.1 **Description of the type and class of securities to be admitted**

The Ordinary Shares are ordinary shares in the share capital of the Company with a nominal value of US$0.01 each. The ISIN of the Ordinary Shares is GB00BQXNJY41. The Ordinary Shares have been created under the Companies Act and the Articles of Association. On Admission, the Company will have one class of ordinary shares.

6.2 **Admission**

Application has been made to the FCA and to the London Stock Exchange respectively for admission of all of the Ordinary Shares and the Private Placement Shares: (i) to the standard listing segment of the Official List; and (ii) to the London Stock Exchange's main market for listed securities.

It is expected that Admission will become effective and that dealings in the Ordinary Shares and the Private Placement Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 28 February 2023.

No application will be made for the Ordinary Shares and the Private Placement Shares to be admitted to listing or dealt with on any other stock exchange. The Ordinary Shares will not be admitted to trading on any stock exchange other than the London Stock Exchange's main market for listed securities.

6.3 **Form and currency of the Ordinary Shares**

The Ordinary Shares are in registered form and, from Admission, will be capable of being held in uncertificated form, and title to such shares may be transferred by means of a relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time, the "**CREST Regulations**"). Where Ordinary Shares are held in certificated form, share certificates will be sent to the registered members' registered addresses within 10 business days of Admission by standard post (by first class post to UK addresses and standard airmail to non-UK Addresses). Where Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited on the date of Admission.

The Ordinary Shares are denominated in U.S. Dollars.

6.4 **Description of restrictions on free transferability**

The Ordinary Shares are freely transferable.

The Company may, under the Articles of Association and the Companies Act send out statutory notices to those it knows, or has reasonable cause to believe, have an interest in its shares, asking for details of those who have an interest, and the extent of their interest, in a particular holding of shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it, the Company can apply to a court for an order directing, amongst other things, that any transfer of the shares which are the subject of the statutory notice is void.

The Directors may also, without giving any reason, refuse to register the transfer of any certificated Ordinary Shares which, among other things, are not fully paid.

7. **ARTICLES OF ASSOCIATION**

7.1 The Articles of Association, which were adopted by a special resolution of the Company passed on 9 February 2023, contain (amongst others) provisions to the following effect:

(a) **Objects and purposes**

The Articles of Association do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

The Articles of Association do not provide for any purposes for which the Company was established.

(b) **Limited liability**

The liability of the Company's members is limited to the amount, if any, unpaid on their shares.

(c) **Share rights**

Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with, or have attached to them, such preferred, deferred, or other rights or restrictions, whether in regards to dividends, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution, determine or, if no such resolution has been passed, or so far as the resolution does not make specific provision, as the Board may determine.

(d) **Voting rights**

Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time to time be held and to any suspension or abrogation of voting rights pursuant to the Articles of Association, at a general meeting of the Company:

(i) every member who is present in person shall, on a show of hands, have one vote;

(ii) every proxy who has been appointed by one or more members entitled to vote on the resolution shall, on a show of hands, have one vote except that a proxy shall have one vote for and one vote against a resolution if the proxy has been appointed by more than one member and the proxy has been instructed by one or more members to vote for and by one or more other members to vote against the resolution, or one or more members have instructed the proxy to vote for the resolution and one or more members gave the proxy discretion as to how to vote and the proxy exercises that discretion by voting against the resolution, or one or more members have instructed the proxy to vote against the resolution and one or more members gave the proxy discretion as to how to vote and the proxy exercises that discretion by voting for the resolution; and

(iii) every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders stand in the register of members in respect of such share.

Unless the Board otherwise determines, no member is entitled to vote at a general meeting or at a separate meeting of the shareholders of any class of shares, either in person or by proxy (save as proxy for another member), or to exercise any other right or privilege as a member in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such member to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

(e) **Dividends**

Subject to the provisions of the Companies Act and of the Articles of Association, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

Subject to the provisions of the Companies Act, the Board may pay or declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends should be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.

All dividends or other sums payable and unclaimed after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall cease to remain owing by the Company and the dividend recipient shall no longer be entitled to them.

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit.

The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of ordinary shares (excluding any member holding ordinary shares as treasury shares) the right to elect to receive ordinary shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

If cheques, warrants or orders for dividends in respect of a share sent by the Company to the person entitled there are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company is not obliged to send any dividends in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

(f) **Transfer of shares**

Subject to any applicable restrictions in the Articles of Association, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of members.

The Board may, in its absolute discretion, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:

(i) it is in respect of a share which is fully paid up;

(ii) it is in respect of only one class of shares;

(iii) it is in favour of a single transferee or not more than four joint transferees;

(iv) it is duly stamped (if so required); and

(v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the CREST Regulations.

If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any share.

(g) **Alteration of share capital**

The Company may exercise the powers conferred by the Companies Act to:

(i) increase its share capital by allotting new shares of such nominal value as the Board may determine and unless otherwise prescribed in the appropriate resolution of the Company, all such shares should be subject to the provisions of the Companies Act and these Articles of Association with reference to allotment, payment of calls, forfeiture, lien, transfer, transmission and otherwise;

(ii) reduce its share capital;

(iii) sub-divide or consolidate and divide all or any of its share capital;

(iv) reconvert stock in share; or

(v) redenominate all or any of its shares and reduce its share capital in connection with such a redenomination.

(h) **Variation of rights**

If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares may be varied or abrogated in such manner (if any) as may be provided in the Articles of Association by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.

The quorum at any such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

Subject to the terms of issue of or rights attached to any shares, the rights for the time being attached to any shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares or the sale of any shares held as treasury shares in accordance with the provisions of the Companies Act and the Articles of Association.

(i) **General meetings**

The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.

A general meeting shall be convened by such notice as may be required by law from time to time.

The notice shall specify whether the meeting is convened as an annual general meeting or any other general meeting and comply with all applicable requirements in the Companies Act. A general meeting may be held at more than one place, or may be participated in in more than one way, if the notice convening the meeting so specifies, or the Board subsequently so resolves or it appears to the Chair that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend at that place. If it is anticipated that a meeting will be conducted as a general meeting allowing attendance and participation by simultaneous attendance and participation at a physical place or places and by means of an electronic facility or facilities, the notice of meeting shall state how it is proposed that persons attending or participating in the meeting by means of the electronic facility or facilities should communicate with the meeting. The notice must be given to the members (other than any who, under the provisions of the Articles of Association or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the Auditors and to any other person who may be entitled to receive it. The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.

The right of a member to participate in the business of any general meeting includes without limitation and as relevant the right (including, in the case of a corporation, through a duly appointed representative) to speak, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Companies Act or the Articles of Association to be made available at the meeting.

A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting. The Chair of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.

No business shall be transacted at any general meeting unless a quorum is present. Subject to the Articles of Association, two persons (either members, duly authorised representatives or proxies) entitled to vote upon the business to be transacted at the meeting shall be a quorum. The Chair of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. The Chair can also adjourn the meeting if he or she is of the opinion that it has become necessary to do so in order to secure the safe and/or proper and orderly conduct of the meeting, or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting, or to ensure that the business of the meeting is properly considered and transacted. A meeting can be adjourned more than once. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.

A resolution put to the vote at a meeting held partly by means of an electronic facility or facilities shall be decided on a poll, which poll votes may be cast by such electronic means as the Board, in its sole discretion, deems appropriate for the purposes of the meeting. Otherwise, subject to what is provided for in the meeting notice, a resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by the Chair, at least five members having the right to vote on the resolution, a member or members representing not less than 10 per cent of the total voting rights of all the members having the right to vote on the resolution or a member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent of the total sum paid up on all the shares conferring that right.

The Board may, for the purpose of controlling the level of attendance, ensuring the safety of those attending at any place specified for the holding of a general meeting, ensuring the security of the meeting and ensuring the future orderly conduct of the meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate (including imposing any requirements or restrictions to take account of or comply with legal or regulatory obligations or recommendations of any government or governmental body or agency) and may from time to time vary any such arrangements or make new arrangements in place thereof. The entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Board. In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the meeting:

(i) direct that the meeting shall be held at a place specified in the notice at which the Chair of the meeting shall preside (being the **principal place**); and

(ii) make arrangements for simultaneous attendance and participation at satellite meeting places or by way of any other electronic means by members otherwise entitled to attend the general meeting or who wish to attend at satellite meeting places or other places at which persons are participating by electronic means, provided that persons attending at the principal place and at satellite meeting places or other places at which persons are participating by electronic means shall be able to participate in the business for which the meeting has been convened, hear all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place and be heard by all other persons so present in the same way.

(iii) Such arrangements for simultaneous attendance at such other places may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any excluded members are able to attend at one of the satellite meeting places or other places at which persons are participating by electronic means. Any such meeting shall be treated as taking place at and being held at the principal place.

(iv) The Board may direct that any person wishing to attend any meeting should provide evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions. If a general meeting is held partly by means of an electronic facility or facilities, the Board and the Chair may make any arrangement and impose any requirement or restriction that is necessary to both ensure the identification of those taking part by way of such electronic facility or facilities and the security of the electronic communication and in its or his or her view, proportionate to those objectives. The Board is also entitled in its absolute discretion to authorise one or more persons to refuse physical or electronic entry to, or eject (physically or electronically) from, any meeting any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions as are required or who causes the meeting to become disorderly.

(j) **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital of the Company and to create and issue debentures and other loan stock, debentures, bonds and other securities, in each case whether secured or unsecured and whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(k) **Issue of shares**

Subject to the provisions of the Companies Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles of Association or as the Directors may determine.

Subject to the provisions of the Companies Act and to any relevant authority of the Company required by the Companies Act, any new shares shall be at the disposal of the Board.

(l) **Directors' fees**

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board (or any committee authorised by the Board) may from time to time determine (not exceeding in aggregate £2,000,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles of Association, employment contract or otherwise and shall accrue from day to day.

The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board or any committee authorised by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

(m) **Pensions and gratuities for Directors**

The Board, or any committee authorised by the Board, may exercise all the powers of the Company to provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were Directors of the Company or any company in the Group and their relatives and dependants.

(n) **Directors' interests**

The Board may authorise any matter proposed to it in accordance with the Articles of Association which would otherwise involve a breach by a Director of their duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interests of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting in which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which they obtain or have obtained otherwise than as a Director of the Company and in respect of which they have a duty of confidentiality to another person and will not be in breach of the general duties they owe to the Company under the Companies Act because they fail to disclose any such information to the Board or to use or apply any such information in performing their duties as a Director, or because they absent themselves from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict of interest is discussed, and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser on their behalf and/or behaves in any other way authorised by any guidance which may from time to time be issued by the Board.

Provided that their interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding their office:

(i) may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested:

(ii) may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) in conjunction with the office of Director and may act by themselves or through their firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;

(iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and

(iv) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of their duty not to accept benefits from third parties.

A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of their service contract that have been or are to be considered at a meeting of the Directors or a committee of the Directors or if the interest consists of them being a director, officer or employee of a company in which the Company is interested.

The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

(o) **Restrictions on Directors' voting**

A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any arrangement, transaction or arrangement which is to their knowledge a material interest and, if they purport to do so, their vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:

(i) any transaction or arrangement in which they are interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;

(ii) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by them or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

(iii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which they themselves have assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iv) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;

(v) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer they themselves are or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which they are to participate;

(vi) any proposal concerning any other body corporate in which they do not to their knowledge have an interest (as the term is used in Part 22 Companies Act) in one per cent or more of the issued equity share capital of any class of such body corporate nor to their knowledge hold one per cent or more of the voting rights which they hold as shareholder or through their direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;

(vii) any proposal relating to an arrangement for the benefit of the employees and Directors or former employees and former directors of the Company or any of its subsidiary undertakings which does not award them any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(viii) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;

(ix) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure where all other Directors are being offered substantially the same arrangements; or

(x) any transaction or arrangement in respect of which their interest, or the interest of Directors generally has been authorised by ordinary resolution.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning their own appointment (including fixing or varying the terms of their appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

(p) **Number of Directors**

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not more than 14 or less than two.

(q) **Directors' appointment and retirement**

Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next annual general meeting.

At each annual general meeting of the Company, all the Directors shall retire from office and may offer themselves for re-appointment by the members.

The Company may by ordinary resolution remove any Director before the expiration of his period of office.

The office of a Director shall be vacated if:

(i) the Director resigns by notice in writing delivered to, or, if in electronic form, received by the Company Secretary at the registered office or tendered at a meeting of the Board;

(ii) the Director ceases to be a Director by virtue of any provision of the Companies Act, is removed from office pursuant to the Articles of Association or the Companies Act, or becomes prohibited by law from being a Director;

(iii) the Director becomes bankrupt, has an interim receiving order made against them, makes any arrangements or compounds with their creditors generally or applies to the court for an interim order in connection with a voluntary arrangement or enters into any analogous or similar procedure in any jurisdiction;

(iv) a registered medical practitioner gives a written opinion to the Company stating that the Director has become physically or mentally incapable of acting as a Director and may remain so for more than three months and the Board resolves that his office be vacated;

(v) both the Director is absent (whether or not an alternate Director appointed by them attends), without the permission of the Board, from Board meetings for six consecutive months or, if during a shorter period, for six consecutive Board meetings, and the Board resolves that his office be vacated; or

(vi) the Director's resignation is requested by notice in writing by not less than three quarters of the other Directors.

(r) **Proceedings of the Board**

Subject to the provisions of the Articles of Association, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit. One Director, or the Company Secretary at the request of a Director, can summon a Board meeting at any time. Notice of a Board meeting shall be deemed to have been given to a Director if it is given to them personally or by word of mouth or given in hard copy or electronic form to them at such address as they from time to time specify for that purpose (or, if they do no specify an address, at their last known address). A Director may waive the requirement that notice be given to them of any Board meetings. The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined, shall be two persons, each being a Director or an alternate Director.

(s) **Untraced shareholders**

Subject to the Articles of Association, the Company may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following enquiries made by the Company to trace the member. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest. The net proceeds will be forfeited by the member if they are not validly claimed within two years from the date of sale of the shares by the Company.

(t) **Non-United Kingdom shareholders**

There are no limitations in the Articles of Association on the rights of non-United Kingdom shareholders to hold, or to exercise voting rights attached to, the ordinary shares. However, non-United Kingdom shareholders are not entitled to receive notices of general meetings unless they have given an address in the United Kingdom to which such notices may be sent or, subject to and in accordance with the Companies Act, an address to which notices may be sent in electronic form.

(u) **CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles of Association are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form. The Articles of Association contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Articles of Association so that they can be applied to transactions with shares in the Company in uncertificated form.

(v) **Indemnity of officers and insurance**

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the Auditors or the auditors of an associated company) shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, as a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

(w) **Lien and forfeiture**

The Company shall have a first and paramount lien on every share which is not fully paid for all amounts payable to the Company (whether presently or not) in respect of that share to the extent and in the circumstances permitted by the Companies Act. The Board may sell any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

The Board may from time to time make calls on members in respect of any money unpaid on their shares, subject to the terms of allotment of the shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

8. OTHER DIRECTORSHIPS

In addition to their directorships of the Company (in the case of the Directors) and its subsidiaries and subsidiary undertakings, the Directors and Senior Managers hold, or have held, the following directorships and are or were members of the following partnerships, within the past five years:

Name	Current directorships / partnerships	Past directorships / partnerships
Directors		
David Hunter..................	Hunter Advisers Limited Saffron India Real Estate Fund Custodian REIT Plc Custodian Real Estate Limited Capital & Regional Plc Architectural Heritage Fund Hindley Edinburgh Limited Hunter Hydro Ltd The Dalk Partnership LLP ICG-Longbow Partners Investments No 4 LLP	South African Property Opportunities plc ICG Longbow Design Dundee Limited Yatra Capital Limited [1] K2 Property Limited [1] K2A Private Equity Limited [1] K2B Commercial Limited [1] K2A Hospitality Limited [1] K2C Hospitality Limited [1] K2A Residential Limited [1] K2C Residential Limited [1] K2E Residential Limited [1] K2F Residential Limited [1] K2G Residential Limited [1] K2A Retail Limited [1] K2C Retail Limited [1] GCP SG Limited GCP Holdco Limited GCP Surrey 2 Limited GCP Wembley 2 Limited GCP Wembley Limited GCP Makerfield Limited GCP Brighton Limited GCP WL Limited GCP RHUL 2 Limited GCP Topco 2 Limited

Name	Current directorships / partnerships	Past directorships / partnerships
		GCP Holdco 3 Limited GCP Holdco 2 Limited GCP QMUL Limited GCP Brunswick Limited GCP Scape East Limited GCP RHUL Limited GCP Topco Limited GCP Bloomsbury Limited IO CO Investor 2 LLP (2) IO Investment LLP (3) Slackbuie Property LLP Custodian Real Estate (Drop) Limited Custodian Real Estate (Drop Holdings) Limited HCP High Yield Commercial Property LLP Gemini Student Living Limited Hindley Cedar (Glasgow) Homes LLP
Ziad El Chaar.................	Quara Holding Limited Saudi Home Loans Bahrain Finance Company Al-Tajatmouat for Touristic Projects BFC Group Holdings WLL BFC Payments BSC Bahrain Financing Holding Company Bahrain Financing Company B.S.C Closed Afaq Almustaqbal (Future) Financial Co. Juman Eastern Company Limited Khozam Real Estate Development Company 149OPL Ltd	Dar Al Arkan Global Real Estate Development LLC Dar Al Arkan for Real Estate Development Company LLC Dar Al Arkan Properties (Real Estate) Company Emaar Properties Emaar India Limited (formerly known as Emaar MGF Land Ltd)
Shivaraman Iyer	None	Dar Al Arkan Global Real Estate Development LLC
Yousef Al-Shelash	Alkhair Capital Company Afaq Almustaqabal Financial Company Quara Holding Company Quara Holdings Limited Dar Al Arkan Real Estate Development Company PJSC Dar Al Arkan Properties Company Saudi Home Loans Al Anma Towers Company Al Dar Al Arabiya Co Dar Al Khaleej Al Arabiya Co Tharwat Investment Holding Limited Al Emaar Solutions Company Al Intichar Real Estate Company Al Manar Saudi Company Al Meezan Investment Company Albarari Real Estate Co	Alkhair Group Holding Limited Al-Madaen Development Company Alkhair Holding Bsc Daem Al Khaleej Company

Name	Current directorships / partnerships	Past directorships / partnerships
	Albasala Trading Co	
	Aldawahi Commercial Services Co	
	Alinma Towers Company	
	Al-Khair Real Estate Funds Company	
	Almawared Aloula Real Estate Co	
	Aman Trading Co	
	Baldan Real Estate Co	
	Bawadi Real Estate Co	
	Business Leaders Trading Co	
	Construction Partners Ltd	
	Dar Al Arabia Real Estate Development Co	
	Dar Al Arkan Construction Technology Co. Ltd	
	Dar Al Arkan Construction Technology Co. Ltd (formerly Dar Al Arkan Real Estate Investment Company)	
	Dar Al -Arkan Sukuk Company	
	Dar Al Khalij International Real Estate Development Co	
	Dar Alarkan Commercial Investment Company	
	Dar Al-Arkan International Sukuk Company	
	Dar Projects Real Estate Development Company Ltd	
	Development and Technology Orbits	
	Emaar Al-Bayader Development and Trading Company	
	Iktifa' Real Estate Co	
	Jazal Investment Co	
	Juman Eastern Company Ltd	
	Koutouf Financial Co	
	Kwara Safe Chains Trading Co	
	Maaman Alamal Real Estate Co	
	Maaqil Real Estate Company	
	Madarat Development and Technology Company	
	Mahroun Trading Co	
	Moubadara Trading Co	
	Sahara Investment Company	
	Sahari Real Estate Development	
	Shams Al Riyadh Real Estate Development	
	Taj Real Estate Company	
	Tharawat Real Estate Assets Company	
	Thawabat Investment Company	
	Tilal Housing Company	
	Universe Investment SPC Ltd	
	YAS Holding Co Ltd	
Maurice Horan................	WA Management Company Ltd	Web Mining Company Limited [5] JJ O Toole Limited BFC Bank Limited

Name	Current directorships / partnerships	Past directorships / partnerships
		Lukoli Capital DAC BFC Group Holdings Ltd BFC Group Holdings W.L.L Bahrain Finance Company BSC BFC Payments BSC Bahrain Exchange Company W.L.L BFC Forex and Financial Services Pvt Ltd Al-Tajamouat for Touristic Projects Plc Turquoise Coast Investment Company Open Silicon Inc Saudi Home Loans Company
Richard Stockdale	Sustainable Energies Scotland Limited Northern Aircraft Company Limited Siddiqui & Stockdale Financial Services LLP	Chartered Institute for Securities and Investment ArrowFin Consulting DWC LLC [(6)]
Senior Managers		
Bilal Matarneh...............	None	Al-Tajamouat for Touristic Projects Plc
Joseph Kourani..............	None	None
Lea (Laya) Halwani	None	None
Redwan Zaouk	Dar Al Arkan Global Real Estate Development LLC	Al-Tajamouat for Touristic Projects Plc
Paula Gambrell..............	None	Ellington Properties
Hukam Rawat................	None	None
Serena Naimat	None	None

Notes:
(1) Placed into members' voluntary liquidation in June 2022
(2) Dissolved via involuntary compulsory strike-off on August 2021
(3) Dissolved via voluntary strike-off on March 2020
(4) Dissolved via voluntary strike-off on July 2021
(5) Placed into members' voluntary liquidation in December 2019
(6) Wound up in October 2020

8.1 Within the period of five years preceding the date of this Prospectus, none of the Directors or Senior Managers:

(a) has had any convictions in relation to fraudulent offences;

(b) other than as disclosed in paragraph 8 above, has been a member of the administrative, management or supervisory bodies or a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company at the time of any bankruptcy, receivership, liquidation or putting into administration of such company; or

(c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director or member of an administrative, management or supervisory body of a company or from acting in the management or conduct of the affairs of a company.

8.2 Yousef Al-Shelash was appointed by and represents the Major Shareholder pursuant to the Relationship Agreement. Amongst other things, subject to the non-compete undertakings agreed under the Relationship Agreement, the Major Shareholder or its associates may from time to time acquire and hold interests in businesses that compete directly or indirectly with the Group, or with which the Group conducts business. Each of the Directors has a statutory duty under the Companies Act to avoid conflicts of interest with the Company and to disclose the nature and extent of any such interest to the Board. Under the Articles of Association, and as permitted by the Companies Act, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest and may attach to any such authorisation such conditions and/or restrictions as the Board deem appropriate (including in respect of the receipt of information or restrictions on participation at certain Board meetings), in accordance with the Articles of Association.

8.3 Save as set out above in paragraph 8.2, there are no potential conflicts of interests between any duties owed by the Directors to the Company and their private interests or other duties.

9. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Set out below is information on the employment and remuneration arrangements for the Directors.

9.1 Directors' terms of employment

The Directors and their functions are set out in Part V (*Directors, Senior Managers and Corporate Governance*). In advance of Admission, each of the Executive Directors has entered into a service agreement with a member of the Group and a letter of appointment with the Company and each of the Non-Executive Directors has entered into a letter of appointment with the Company.

9.2 Executive Directors

On 9 February 2023, the Chief Executive Officer entered into a new service agreement with Dar Properties for the position of Group Chief Executive Officer and a letter of appointment with the Company in relation to his appointment as an Executive Director of the Company. On 9 February 2023, the Chief Financial Officer entered into a new service agreement with Dar Properties for the position of Group Chief Financial Officer and a letter of appointment with the Company in relation to his appointment as an Executive Director of the Company. The Chief Executive Officer's continuous employment with the Group (which, prior to completion of the Reorganisation, included Dar Global UAE) began on 1 March 2017 and the Chief Financial Officer's continuous employment with the Group (which, prior to completion of the Reorganisation, included Dar Global UAE) began on 23 June 2022

The Chief Executive Officer will receive a salary of AED 950,400 per annum, a housing allowance of AED 552,600 per annum, and a transportation allowance of AED 297,000 per annum under his service agreement and an annual fee of £62,000 per annum under his letter of appointment. The Chief Financial Officer will receive a salary of AED 633,600 per annum, a housing allowance of AED 370,800 per annum, a transportation allowance of AED 195,600 per annum, and an annual mobile telephone allowance of AED 8,400 per annum under his service agreement and a fee of £62,000 per annum under his letter of appointment. Their salaries, allowances and directors' fees shall be reviewed annually by the Remuneration Committee, and any increase will be at the discretion of the Remuneration Committee.

Under their service agreements each Executive Director will be entitled to receive a bonus only at the sole discretion of the Board and in such amounts as the Board may at its sole discretion determine, subject to the remuneration policies of the Company from time to time as may be determined by the Remuneration Committee.

Under their service agreements and letters of appointment each Executive Director will be entitled to 30 calendar days' paid holiday per annum to be taken simultaneously (excluding public holidays). Under their service agreements each Executive Director is entitled to the following benefits: private health insurance for themselves and their immediate families and one return business class airline ticket for themselves and their immediate families to their home country per annum.

The Chief Executive Officer's service agreement will be for an initial three year term, subject to earlier termination by either party on 90 days' notice, in accordance with the maximum permitted notice period under UAE law. The three year term can be extended by agreement. Under the service agreement Dar Properties has the right to make a payment in lieu of notice or to place the Chief Executive Officer on garden leave during the notice period.The Chief Executive Officer's letter of appointment with the Company can be terminated at any time by either party on 90 days' notice or in accordance with the provisions of the letters of appointment and/or the Articles of Association. The letter of appointment will terminate automatically and with immediate effect upon termination of the Chief Executive Officer's service agreement with Dar Properties.

The Chief Financial Officer's service agreement will be for an initial three year term, subject to earlier termination by either party on 90 day's notice, in accordance with the maximum permitted notice period under UAE law. The three year term can be extended by agreement. Under the service agreement Dar Properties has the right to make a payment in lieu of notice or to place the Chief Financial Officer on garden leave during the notice period. The Chief Financial Officer's letter of appointment with the Company can be terminated at any time by either party on 90 days' notice or in accordance with the provisions of the letters of appointment and/or the Articles of Association. The letter of appointment will terminate automatically and with immediate effect upon termination of the Chief Financial Officer's service agreement with Dar Properties.

Under their service agreements each Executive Director is, as prescribed by UAE law, entitled to an end of service gratuity payment on termination equal to twenty-one days' basic salary and allowances for each year of service for the first five years of employment, and thirty days' basic salary and allowances for each subsequent year of employment, provided that the total end-of-service gratuity payable does not exceed two years' basic salary and allowances.

Under their service agreements each of the Executive Directors are subject to confidentiality and intellectual property obligations. They are also subject to post termination of employment restrictions on involvement in competing businesses, solicitation of customers and prospective customers, dealing with customers and prospective customers, interference with or solicitation of suppliers, and solicitation or employment of senior colleagues which seek to apply for a period of 12 months after the termination of their employment arrangements. Under their service agreements each of the Executive Directors is also subject to a restriction on joining a competing business if two or more senior colleagues have left the Group to join that competing business. This restriction seeks to apply for a period of 6 months from the date on which the last of those senior colleagues left the Group to join the competing business. Under their letters of appointment the Executive Directors are also subject to certain confidentiality undertakings.

The Executive Directors' service agreements prescribe that each of the Executive Directors acknowledge that, from Admission, they will comply with the UK Corporate Governance Code.

Each of the Executive Directors' service agreements and any non-contractual obligations connected with them are governed by and interpreted in accordance with UAE Federal Decree Law No 33 of 2021 (as amended). The Executive Directors' letters of appointment are governed by and interpreted in accordance with laws of England and Wales.

Under their letters of appointment the Executive Directors benefit from the Directors' and Officers' liability insurance and directors' indemnification contained in the Company's Articles of Association.

9.3 Non-Executive Directors

The Company has appointed 4 Non-Executive Directors, of whom 3 are independent. Each of the Non-Executive Directors has entered into a letter of appointment with the Company as follows:

Non-Executive Director	Title and Roles	Date of Appointment	Base Fee
David Hunter	Independent Non-Executive Chair, Chair of Nomination Committee	6 February 2023	£220,000
Yousef Al-Shelash	Non-Executive Director	6 February 2023	£62,000
Maurice Horan..........	Independent Non-Executive Director, Chair of Audit and Risk Committee	6 February 2023	£62,000
Richard Stockdale......	Senior Independent Non-Executive Director, Chair of Remuneration Committee	6 February 2023	£62,000

The Non-Executive Directors are subject to re-election by the Company in accordance with the Articles of Association and subject to any necessary shareholder ratification. Continuation of the Non-Executive Directors' appointments are at all times conditional upon satisfactory performance and re-election by the Shareholders as required by the Articles of Association. Subject to this, each Non-Executive Director's appointment is for an initial period of three years and may be terminated at any time by either party giving the other three months' written notice, or in accordance with the provisions of their letters of appointment and/or the Articles of Association.

The Chair's base fee is £220,000 per annum and the other Non-Executive Directors' base fees are £62,000 per annum. The Chair will not receive any additional fees for serving on any Board committees of boards of other members of the Group whereas the other Non-Executive Directors will only receive additional fees for serving on any Board committees if approved by the rest of the Board. Each Non-Executive Director (with the exception of Yousef Al-Shelash) has also received an advisory fee relating to work carried out prior to their appointment becoming effective, comprising an amount representing their annual base fee *pro rated* for the relevant period before their appointment took effect. On termination of Non-Executive Directors' appointments on notice, Non-Executive Directors may be entitled to be paid a fee on a *pro rata* basis to the extent unpaid, up to the date of termination.

In addition, all Non-Executive Directors will be entitled to reimbursement of reasonable and properly documented travel, hotel and other incidental expenses incurred in the performance of their duties.

The Non-Executive Directors will benefit from and are able to rely upon the indemnity contained in the Articles of Association, the terms of which are expressly incorporated into the Non-Executive Directors' letters of appointment. The Company has obtained appropriate directors' and officers' liability insurance for the benefit of the Non-Executive Directors and will maintain the cover in force while the Non-Executive Directors are appointed, subject to the provisions governing such insurance and on such terms as the Board may from time to time decide. The Non-Executive Directors are subject to certain confidentiality undertakings under their letters of appointment.

The Non-Executive Directors' letters of appointment are governed by the laws of England and Wales.

9.4 Termination benefits

Save as referenced above in this paragraph 9, there are no existing or proposed service agreements between any Director and any member of the Group providing for benefits upon termination.

10. DIRECTORS' AND SENIOR MANAGERS' INTERESTS

10.1 The table below sets out the interests of the Directors and the Senior Managers (all of which are beneficial and include interests of persons connected to them) in the share capital of the Company at the date of this Prospectus and immediately following Admission.

	Ordinary Shares held immediately prior to Admission		Ordinary Shares held immediately after Admission	
Directors	**Number of Ordinary Shares**	**Percentage of Ordinary Shares**	**Number of Ordinary Shares**	**Percentage of Ordinary Shares**
David Hunter	0	0	0	0
Ziad El Chaar	0	0	0	0
Shivaraman Iyer	0	0	0	0
Yousef Al-Shelash	0	0	0	0
Maurice Horan	0	0	0	0
Richard Stockdale	0	0	0	0
Senior Managers				
Bilal Matarneh	0	0	0	0
Joseph Kourani	0	0	0	0
Lea (Laya) Halwani	0	0	0	0
Paula Gambrell	0	0	0	0
Redwan Zaouk	0	0	0	0
Hukam Rawat	0	0	0	0
Serena Naimat	0	0	0	0

11. DIRECTORS' AND SENIOR MANAGERS' COMPENSATION

11.1 In the year ended 31 December 2022, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted (under any description whatsoever) to each of the Directors and the Senior Managers by members of the Group was AED 7,797,596. Of this amount, AED 1,504,297 was paid to the Directors as individually set out below and AED 6,293,299 in aggregate was paid to the Senior Managers:

Directors

Name	Position	Salary/Fee (AED)	Other benefits
David Hunter	Independent Non-Executive Chair	Nil	Nil
Ziad El Chaar	Chief Executive Officer	AED 720,000	AED 89,550
Shivaraman Iyer	Chief Financial Officer	AED 628,067	AED 78,115
Yousef Al-Shelash	Vice Chair, Non-Executive Director	Nil	Nil
Maurice Horan	Independent Non-Executive Director	Nil	Nil
Richard Stockdale	Senior Independent Non-Executive Director	Nil	Nil

There is no arrangement under which any Director or Senior Manager has agreed to waive future emoluments.

The total amount set aside or accrued by the Group to provide pension, retirement or other benefits to the Directors and Senior Managers in the year ending 31 December 2022 was nil.

12. REMUNERATION

Remuneration policy

Group Remuneration Policy

12.1 Following Admission, the Remuneration Committee will undertake a review of the Group's remuneration policy to ensure that it is appropriate for the listed company environment. The Remuneration Committee may seek independent, specialist advice on current remuneration practice for listed companies. Following the review, the Remuneration Committee will assess and update the remuneration policy and approve the remuneration for the Directors if deemed appropriate. Shareholder approval for any policy will be sought at a general meeting of the Company.

12.2 Material terms of the Executive Directors' service agreements with the Company are described in paragraph 9 "*Directors' Service Agreements and Letters of Appointment*" of this Part XI.

12.3 Details of the fees which the Non-Executive Directors are entitled to receive, and the material terms of their appointment are described in paragraph 9 "*Directors' Service Agreements and Letters of Appointment*" of this Part XI.

Executive Directors' Remuneration Policy

12.4 On Admission, Executive Directors' remuneration will comprise of a base salary and annual discretionary bonus, payable under their service agreements, and a Directors' fee payable under their letters of appointment..

(a) Salary and Fees

An Executive Director's salary and directors' fee takes into account the individual's professional experience, individual performance, level of responsibility, the scope and nature of their role and is set with reference to market. Base salaries and directors' fee will typically be reviewed annually.

The Executive Directors' salaries payable under their service agreements will, on Admission, be AED 950,400 for Ziad El Chaar (together with an annual housing allowance of AED 552,600 and an annual transportation allowance of AED 297,000) and AED 633,330 for Shivaraman Iyer (together with an annual housing allowance of AED 370,800, and annual transportation allowance of AED 195,600 and an annual mobile telephone allowance of AED 8,400). The Executive Directors' directors' fees payable under their letters of appointment will, on Admission, be £62,000 for Ziad El Chaar and £62,000 for Shivaraman Iyer

(b) Annual Bonus

Under their service agreements, the Executive Directors will be entitled to receive a bonus only at the sole discretion of the Board and in such amounts as the Board may at its sole discretion determine, subject to the remuneration policies of the Company from time to time as may be determined by the Remuneration Committee.

(c) Benefits

Under their service agreements, each Executive Director will be provided with private health insurance for themselves and their immediate families and one return business class airline ticket for themselves and their immediate families to their home country per annum.

13. SHARE INCENTIVE ARRANGEMENTS

As at Admission, the Company will not operate any share incentive arrangements nor has the Group previously.

14. MAJOR SHAREHOLDERS

14.1 As at the date of this Prospectus, in so far as the Company is aware, the following persons (other than Directors) are, or immediately following Admission will be, directly or indirectly, interested in 3 per cent. or more of the voting rights of the Company (being the threshold for notification of voting rights under Rule 5 of the disclosure guidance and transparency rules made by the FCA under part VI of FSMA (as set out in the FCA's handbook of rules and guidance (the "**FCA Handbook**")), as amended from time to time (the "**Disclosure Guidance and Transparency Rules**")):

	Ordinary Shares held immediately prior to Admission		Ordinary Shares held immediately after Admission	
Name of Shareholder	**Number of Ordinary Shares**	**Percentage of Ordinary Shares**	**Number of Ordinary Shares**	**Percentage of Ordinary Shares**
Dar Al Arkan Real Estate Development Company PJSC*	158,400,000	100	158,400,000	88

* Interest is held indirectly though various subsidiaries. Dar Al Arkan Global Real Estate Development LLC (Dar Global UAE) is the immediate controlling shareholder of the Company.

Save as disclosed above, the Company is not aware of any person who, as at the date of this Prospectus, directly or indirectly, has a holding of Ordinary Shares which is notifiable under United Kingdom law.

Save as set out above, the Company and the Directors are not aware of any persons who, as at the date of this Prospectus, directly or indirectly, jointly or severally, exercise or could exercise control over the Company, nor are they aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

None of the Shareholders referred to in this paragraph has different voting rights from any other Shareholder in respect of any Ordinary Shares held by them.

15. SUBSIDIARIES

The Company is the holding company of the Group. The table below sets out the subsidiaries of the Company as at the date of this Prospectus and on completion of the Reorganisation.

As at Admission, all of these entities have been acquired by the Company pursuant to the Reorganisation except for two entities incorporated in Bosnia which hold no real estate or other material assets and whose acquisition is expected to complete shortly following Admission:

Name	**Country of Incorporation / Residence**	**Percentage ownership**	**Percentage of voting rights held**
Dar Al Arkan Properties LLC	United Arab Emirates	100%	100%
Dar Al Arkan International Properties LLC	United Arab Emirates	100%	100%
Dar Al Arkan International Property Development LLC	United Arab Emirates	100%	100%
Aqtab Properties LLC	United Arab Emirates	100%	100%
Dar Al Arkan Holdings Ltd	United Arab Emirates	100%	100%
Dar Al Arkan Property Development SPC	Oman	100%	100%
Beijing Dar Al Arkan Consulting Co. Ltd...	People's Republic of China	100%	100%
Dar Al Arkan Global UK Holdings Ltd....................................	United Kingdom	100%	100%

Name	Country of Incorporation / Residence	Percentage ownership	Percentage of voting rights held
Dar Al Arkan Holding UK PLC.......	United Kingdom	100%	100%
Prime Real Estate D.O.O. Sarajevo ..	Bosnia	100%	100%
Dar Al Arkan Property Development D.O.O. Sarajevo	Bosnia*	100%	100%
Luksuzne nekretnine – Luxury Real Estate D.O.O. Sarajevo	Bosnia*	100%	100%
Dar Al Arkan Spain S.L	Spain	100%	100%
Dar Benahavis I, S.L........................	Spain	100%	100%
Daranavis, S.L.	Spain	100%	100%
Dar Tabano, S.L.	Spain	100%	100%

* Transfer of entity is expected to complete shortly following Admission.

16. UNITED KINGDOM TAXATION

Investors should be aware that the tax legislation of the investor's jurisdiction and/or the tax legislation of the United Kingdom may have an impact on the income received from the Ordinary Shares. Investors who are in any doubt as to their tax position should seek independent professional advice on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their jurisdiction and/or state of citizenship, domicile or residence.

The following paragraphs are intended as a general guide only for the beneficial owners of Ordinary Shares who are resident and domiciled (or deemed to be domiciled) in the United Kingdom for tax purposes. However, all prospective subscribers for, or purchasers of, Ordinary Shares should note the comments at paragraph 16.4 "*Stamp Duty and Stamp Duty Reserve Tax*" of this Part XI.

Any prospective subscriber for, or purchaser of, Ordinary Shares who is in any doubt about his or her tax position or who is subject to taxation in a jurisdiction other than the United Kingdom should consult his or her own professional adviser immediately.

The statements do not constitute tax advice and are intended only as a general guide. Furthermore, this information applies only to Ordinary Shares that are held as an investment assets and does not apply to all categories of Shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes or shareholders who have, or who are deemed to have, acquired their shares by virtue of an office or employment. Furthermore, the following paragraphs do not apply to:

(a) potential investors who intend to acquire Ordinary Shares as part of a tax avoidance arrangement or otherwise with a purpose of avoiding tax; or

(b) persons with special tax treatment such as pension funds or charities.

This summary is not exhaustive and Shareholders and investors should consult their own tax advisers as to the tax consequences in the United Kingdom or other relevant jurisdictions of this offering, including the acquisition, ownership and disposition of Ordinary Shares.

Unless otherwise stated, the information in these paragraphs is based on current tax law and published tax authority practice in the United Kingdom as at the date of this document. Prospective Shareholders should note that tax law and interpretation can change (potentially with retrospective effect) and that, in particular, the rates, basis of, and reliefs from, taxation may change. Such changes may alter the tax treatment of an investment in the Company.

On 17 November 2022, the UK government announced planned changes to the rates, basis of, and reliefs from, taxation. Certain of those changes have been indicated in the summary below. Shareholders and investors should consult their own tax advisers as to the consequences of such changes for the tax treatment of an investment in the Company.

16.2 **Shareholders**

Taxation of Dividends

UK resident and domiciled or deemed domiciled individual shareholders

Shareholders who are individuals have the benefit of an annual dividend allowance of £2,000 (for the tax year ending 5 April 2023, "2022/2023") (the "Nil Rate Amount"), meaning that they will pay no UK income tax on the first £2,000 of dividend income received in the 2022/2023 tax year.

Dividend income in excess of this allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for 2022/2023: 8.75 per cent. to the extent that it falls below the threshold for higher rate income tax; 33.75 per cent. to the extent that it falls above the threshold for higher rate income tax and below the additional rate band; and 39.35 per cent. to the extent that it falls above the threshold for the additional rate band. On 17 November 2022, the UK government announced that the dividend allowance would reduce from £2,000 to £1,000 from April 2023, and to £500 from April 2024 and that this would be legislated for in Autumn Finance Bill 2022.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the Nil Rate Amount count towards an individual's basic and higher rate limits for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded and will therefore affect the level of savings allowance to which they are entitled.

Corporate shareholders within the charge to UK corporation tax

Shareholders within the charge to UK corporation tax which are "small companies" for the purposes of the UK taxation of dividends legislation will generally be exempt from UK corporation tax on dividends from the Company provided certain conditions are met (including an anti-avoidance condition).

Other corporate Shareholders within the charge to UK corporation tax will be liable to UK corporation tax on dividends from the Company, unless the dividends fall within an exempt class and certain conditions are met. Examples of dividends that fall within exempt classes include dividends paid on shares that are non-redeemable ordinary shares, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the Company and who would be entitled to less than 10 per cent. of the profits or assets of the Company available for distribution.

However, the exemptions are not comprehensive and are subject to anti-avoidance rules and other conditions. If the conditions for exemption are not met, a Shareholder within the charge to corporation tax will be subject to UK corporation tax on dividends received from the Company at (currently) 19 per cent. The main rate of corporation tax is due to increase to 25% from 1 April 2023. Such shareholders should seek independent advice with respect to their tax position.

Withholding tax on Ordinary Shares

Under current United Kingdom tax legislation, no tax is withheld from dividends paid by the Company to Shareholders.

Taxation of Capital Gains

The amount paid for the Ordinary Shares will generally constitute the base cost of a Shareholder's holding. A disposal or deemed disposal of all or any of the Ordinary Shares by UK resident Shareholders, depending on the circumstances of the relevant Shareholder and subject to any available exemption of relief, may give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

UK resident individual Shareholders

Where an individual Shareholder who is tax resident in the UK disposes of (or is deemed to dispose of) Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds (taking into account any other taxable gains realised in that tax year) the annual exempt amount (£12,300 for 2022/2023), and after taking account of any capital losses or exemptions available to the individual. On 17 November 2022, the UK government announced that the annual exempt amount would reduce from £12,300 to £6,000 from April 2023, and to £3,000 from April 2024 and that this would be legislated for in Autumn Finance Bill 2022.

For such individuals, capital gains tax will be charged at 10 per cent. (to the extent the gains fall within the basic rate band) or 20 per cent. (to the extent the gain falls within the higher or additional rate band).

Where an individual Shareholder who is resident in the UK disposes of Ordinary Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains.

UK resident corporate Shareholders

Where a Shareholder is within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain subject to UK corporation tax (currently at a rate of 19 per cent.) or allowable loss, depending on the circumstances and subject to any available exemption or relief. The main rate of corporation tax is due to increase to 25% from 1 April 2023.

16.3 **Inheritance Tax**

The Ordinary Shares will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax, even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there for inheritance tax purposes (under certain rules relating to length of residence or previous domicile).

Generally, United Kingdom inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift, and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares, bringing them within the charge to inheritance tax.

Holders of Ordinary Shares should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Ordinary Shares through such a company or trust arrangement, or in a situation where there is potential for a charge both to United Kingdom inheritance tax and to a similar tax in another jurisdiction, or if they are in any doubt about their United Kingdom inheritance tax position.

16.4 **Stamp Duty and Stamp Duty Reserve Tax "SDRT"**

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position. Investors should note that certain categories of person are not liable to stamp duty or SDRT, and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

Issue of Ordinary Shares under the Private Placement

No stamp duty or SDRT will arise on the issue of the Ordinary Shares under the Private Placement. Where such shares are issued and credited directly to CREST, no liability to stamp duty or SDRT will generally arise on such issue.

Subsequent Transfers of Shares Registered on the Principal Share Register

Subject to an exemption for certain low value transactions, the transfer on sale of Ordinary Shares held outside CREST will generally give rise to a liability, usually met by the purchaser, to stamp duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the amount or value of consideration paid. An agreement to transfer such shares which is or becomes unconditional will generally give rise to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration paid, such SDRT generally being payable by the transferee or purchaser. The liability to SDRT will generally be cancelled or any SDRT paid refunded if the agreement is completed by a duly stamped transfer within six years of either the date of the agreement or, if the agreement was conditional, the date when the agreement became unconditional.

No stamp duty or SDRT will arise on a transfer of Ordinary Shares into CREST, provided that, in the case of SDRT, the transfer is not for money or money's worth. A transfer of Ordinary Shares effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable, which will be collected and accounted for to HMRC by CREST (such SDRT liability generally being borne by the transferee or purchaser).

If the transferee is a company connected with the seller (or a nominee of such a company), stamp duty or SDRT (as appropriate) may be chargeable on the higher of (i) the amount or value of the consideration and (ii) the market value of the Ordinary Shares acquired.

Shares Held Through Clearance Systems or Depositary Receipt Arrangements

Special rules apply where shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts or a person providing a clearance service, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent., with subsequent transfers within the clearance service or transfers of depositary receipts then being free from SDRT or stamp duty. However, following decisions of the Court of Justice of the European Union and the First-Tier Tribunal, HMRC accepts that this charge is in breach of EU law in so far as it applies to new issues of shares that are an integral part of raising new capital, although this view has not yet been reflected by a change in UK tax legislation. The UK has passed legislation, the European Union (Withdrawal) Act 2018, to preserve the effect of the decisions referred to above following the UK's exit from the European Union, and this will remain the position unless the relevant legislation is amended. The UK Government has previously stated that it does not propose to reintroduce the 1.5 per cent. charge.

HMRC's published view is that the 1.5 per cent. SDRT or stamp duty charge continues to apply to other transfers of shares into a clearance service or depositary receipt arrangement (unless they are an integral part of raising new capital). In view of the continuing uncertainty, specific professional tax advisers should be engaged before incurring a 1.5 per cent. stamp duty or SDRT charge in any circumstances.

The statements in paragraph 16.4 "Stamp Duty and Stamp Duty Reserve Tax" of this Part XI "Additional Information" apply to Shareholders irrespective of their residence and are intended to be a general guide to the current stamp duty and SDRT position.

Shareholders should obtain their own independent tax advice if they are in any doubt as to their tax status.

17. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group either: (i) within the period of two years immediately preceding the date of this Prospectus which are or may be material to the Group; or (ii) which contain any provisions under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this Prospectus.

17.1 Relationship Agreement

General

On 12 February 2023, the Company entered into the Relationship Agreement with the Major Shareholder, which will, effective on Admission, regulate the ongoing relationship between the Company and the Major Shareholder following Admission.

The primary purpose of the Relationship Agreement is to ensure that, following Admission, the Company is capable of carrying on its business independently of the Major Shareholder and that, subject to the terms of the Guarantee Support Agreement, transactions and arrangements between the Company (or any member of the Group) and the Major Shareholder are conducted at arms' length and on normal commercial terms. The Relationship Agreement also contains certain standstill undertakings, non-compete and non-solicit undertakings, each granted by the Major Shareholder in favour of the Company for certain periods after Admission.

The Relationship Agreement will remain in full force and effect for so long as such the Major Shareholder, together with its associates, holds Ordinary Shares representing at least 10 per cent. of the Ordinary Shares in issue by the Company from time to time (save that the Major Shareholder may terminate the Relationship Agreement if the Company is delisted from the Main Market of the London Stock Exchange or experiences certain insolvency related scenarios).

General

Under the Relationship Agreement, the Major Shareholder has agreed that:

- neither the Major Shareholder nor any of its associates shall take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules;
- neither the Major Shareholder nor any of its associates shall propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules;
- neither the Major Shareholder nor any of its associates shall influence the day to day running of the Company on an operational level, and the Major Shareholder will allow the Company to operate on an independent basis;
- subject to the provisions of the Guarantee Support Agreement, any transactions and arrangements between the Company or any of its associates and the Major Shareholder or any of its associates shall be conducted at arms-length on normal commercial terms;
- neither the Major Shareholder nor any of its associates shall exercise their voting rights in a way that would be inconsistent with the Relationship Agreement or to procure any amendment to the Company's articles of association which would be inconsistent with the Relationship Agreement or contrary to the principle of the Company's independence;
- the Major Shareholder must not, and must procure that its associates do not, take any action that would prevent the Company from complying with the principles of good governance set out in the Corporate Governance Code (save as disclosed in this Prospectus or as previously agreed in writing by a majority of the independent Directors);
- for the period of two years after the date of Admission:
  - the Major Shareholder must not, and its associates must not, acquire any Ordinary Shares such that its or their aggregate interest in the Ordinary Shares would exceed 90 percent of the Ordinary Shares in issue;
  - the Major Shareholder must not, and its associates must not, make any offer for any Ordinary Shares not already held by it or its associates as at the date of Admission; and
  - the Major Shareholder and its associates must not propose or vote in favour of a resolution proposed by another person in relation to a de-listing of the Company from the Main Market of the London Stock Exchange, and
- the Major Shareholder and its associates will not requisition a general meeting of the Company in order to remove an independent Director or require the Company to give notice of a resolution to remove an independent Director, nor vote in favour of a resolution proposed by another person to remove an independent Director, in each case unless such resolution is recommended by the Board.

Non-compete and non-solicit undertakings

Under the Relationship Agreement, the Major Shareholder has also agreed that:

- from Admission, it will be subject to a non-compete undertaking restricting the Major Shareholder from undertaking the acquisition or development of residential or hospitality real estate projects anywhere in the world aside from in the Kingdom of Saudi Arabia, such non-compete undertaking to apply for as long as the Major Shareholder is considered to be part of the same undertaking as the Company for certain competition law purposes;
- from the point in time at which the Major Shareholder is not considered to be part of the same undertaking as the Company for certain competition law purposes, the Major Shareholder will be subject to a further non-compete undertaking for a period of an additional two years, restricting the Major Shareholder from undertaking the acquisition or development of residential or hospitality real estate projects in such countries in which the Company either already develops residential or hospitality real estate projects or where it has a developed plan to do so (as determined at the date that the Major Shareholder ceases to be part of the same undertaking as the Company for certain competition law purposes). Such countries would be

expected to include, at a minimum, the United Kingdom, the United Arab Emirates, Spain, Oman, Qatar, China, the Maldives, Bosnia and Herzegovina, Morocco and Greece; and

- for three years after Admission, the Major Shareholder shall not solicit or entice away or otherwise employ or engage any person who was, during the period from three years prior to the date of Admission, employed or otherwise engaged by the Group (subject to exceptions in relation to recruitment in response to *bona fide* advertisements or where the person employed or otherwise engaged by the Group themselves initiates contact).

The Relationship Agreement also contains Board representation rights in favour of the Major Shareholder pursuant to which the Major Shareholder will have the right to appoint (i) two directors to the Board while its shareholding in the Company comprises at least 30 per cent. of the Ordinary Shares in issue (subject to the Board as a whole complying with the independence requirements of the Corporate Governance Code after the exercise of such right) and (ii) one Director to the Board while its shareholding in the Company comprises less than 30 per cent. of the Ordinary Shares in issue but comprises at least 10 per cent of the Ordinary Shares in issue.

Accordingly, as at Admission, due to the independence requirements of the Corporate Governance Code, the Major Shareholder will only have the right to appoint one Director to the Board, notwithstanding that its aggregate shareholding in the Company will comprise 88 per cent. of the Ordinary Shares in issue. The Major Shareholder's appointed representative Director as at Admission will be Yousef Al-Shelash, and the Major Shareholder will not be entitled to exercise its right to appoint a second representative Director unless and until such appointment could be made in circumstances whereby the Company would continue to comply with the independence requirements of the Corporate Governance Code following such appointment (and assuming that as at such point, the Major Shareholder's shareholding still comprises at least 30 per cent. of the Ordinary Shares in issue).

The Major Shareholder has also undertaken not to use its rights as shareholder to requisition a general meeting of the Company to propose a resolution, or require the Company to propose a resolution at any general meeting, in order to appoint further directors in addition to its right to appoint one or, as applicable, two directors under the Relationship Agreement.

The agreement will terminate if the Major Shareholder, together with its associates, holds Ordinary Shares representing less than 10 per cent. of the Ordinary Shares in issue by the Company from time to time, and the Major Shareholder may also terminate the agreement immediately if the Company is delisted from the Main Market of the London Stock Exchange or experiences certain insolvency related scenarios.

Subject to applicable law and regulation, the Major Shareholder will have the benefit of certain information rights, including for the purposes of its accounting and other regulatory requirements.

The Relationship Agreement is governed by the laws of England and Wales.

17.2 **Services Agreement**

On 25 January 2023, effective on Admission, the Company and the Major Shareholder entered into the Services Agreement in relation to the ongoing provision of certain IT services by the Major Shareholder to the Group following Admission.

The services provided under the Services Agreement comprise certain IT support and usage of certain IT functions, as well other applications such as PROCORE, Symantec Messaging Gateway and Cisco Contact Centre. The agreement also contains rights for the Company to use the Major Shareholder's intellectual property to the extent necessary to provide the services under the Agreement. Under the Services Agreement, the services will be provided to a similar service level standard as that which previously applied prior to the agreement being entered into.

The Services Agreement will operate for an initial period of six months with the Company having the right to extend such period by an additional six months up to three times at its own election.

In consideration of the services provided under the Services Agreement, the Company will pay a fee of AED 50,000 per month to the Major Shareholder.

The Services Agreement contains customary representations and warranties from each party and certain limitations of liability subject to customary exclusions. The Major Shareholder has provided certain indemnities to the Company under the agreement.

The parties each have the right to terminate the Services Agreement on the occurrence of certain insolvency events in respect of the other party and the Company has the right to terminate the agreement for material breach by the Major Shareholder.

The Services Agreement is governed by the laws of England and Wales.

17.3 **Guarantee Support Agreement**

On 5 January 2023, effective on Admission, the Company and the Major Shareholder entered into the Guarantee Support Agreement in relation to the ongoing maintenance of certain existing guarantees, and the provision of new guarantees, by the Major Shareholder or its subsidiaries (excluding entities within the Group) in favour of third party lenders or commercial contract counterparties to the Group following Admission.

Under the Guarantee Support Agreement, the Major Shareholder has agreed:

- to maintain the existing guarantees in respect of borrowing commitments or performance obligations it has provided for the benefit of the Group as at the date of Admission (as described in paragraph 6 of Part II (*Business*); and
- execute and deliver such new guarantees as requested by the Company if required by lenders to the Group in respect of any new facilities the Group will enter into after Admission, or if required by other contractual counterparties in respect of performance obligations of members of the Group, provided that the Major Shareholder has consented to the terms of the relevant guarantee and the financing or other contractual agreement to which it relates (such consent not to be unreasonably withheld or delayed).

New guarantees will only be required to be executed and delivered by the Major Shareholder or its subsidiaries (excluding entities within the Group) in the period up to five years after the date of Admission (the **End Date**) and, in any event, the Company has agreed to use its reasonable endeavours during negotiations with respect to any financing or commercial agreement to procure that such new guarantees are not required. Following the End Date, the Company will use its reasonable endeavours to obtain the full and effective release of any guarantees outstanding.

In consideration for the provision and maintenance of guarantees under the agreement, the Company has agreed to indemnify the relevant guarantors for any amounts they may pay under a guarantee and for any losses, damages, liabilities, claims, demands, causes of action, judgments, settlements, fines, penalties, costs and expenses arising out of them.

The agreement will terminate at the earlier of (i) five years after the date of Admission and (ii) the date on which the Major Shareholder, together with its associates, holds Ordinary Shares representing less than 10 per cent. of the Ordinary Shares in issue by the Company from time to time (and the Major Shareholder may also terminate the agreement immediately if the Company is delisted from the Main Market of the London Stock Exchange or experiences certain insolvency related scenarios). On termination, each party's rights and obligations will cease except that the Major Shareholder has undertaken to the Company to maintain its guarantees provided to DT Marks Oman LLC in respect of Dar Oman's obligations under the golf management agreement and hotel management agreement in relation to the Aida project.

The Guarantee Support Agreement is governed by the laws of England and Wales.

17.4 **Dar Global UAE Loan Assignment Agreement 1**

On 24 January 2023, Dar Global UAE and New UAECo entered into the Dar Global UAE Loan Assignment Agreement 1 in relation to the assignment of certain historic shareholder loans previously in place from Dar Global UAE to certain members of the Group.

Under the agreement, Dar Global UAE has assigned all of the rights it had and may obtain in the future under such shareholder loans to members of the Group and any rights accruing to, derived from or otherwise connected with them (including proceeds, insurances, guarantees and security) to New UAECo in return for the issuance of new ordinary shares by New UAECo to Dar Global UAE.

The agreement contains customary representations and undertakings from Dar Global UAE in favour of New UAECo.

The Dar Global UAE Loan Assignment Agreement 1 is governed by the laws of England and Wales.

17.5 **Dar Global UAE Loan Assignment Agreement 2**

On 9 January 2023, Dar Global UAE and the Company entered into the Dar Global UAE Loan Assignment Agreement 2 in relation to the assignment of certain historic shareholder loans (effective as at 31 December 2022) previously in place from Dar Global UAE to certain members of the Group.

Under the agreement, Dar Global UAE has assigned all of the rights it had and may obtain in the future under such shareholder loans to members of the Group and any rights accruing to, derived from or otherwise connected with them (including proceeds, insurances, guarantees and security) to the Company in return for the issuance of new ordinary shares by the Company to Dar Global UAE.

The agreement contains customary representations and undertakings from Dar Global UAE in favour of the Company.

The Dar Global UAE Loan Assignment Agreement 2 is governed by the laws of England and Wales.

17.6 **Trade Mark Licence Agreement**

On 5 January 2023, effective on Admission, the Company and the Major Shareholder entered into the Trade Mark Licence Agreement pursuant to which the Major Shareholder has granted the Company a non-exclusive license to use the Dar Al Arkan trade mark and certain related trade marks on a world-wide basis in connection with the Company's real estate investment, development and management business and real estate and hospitality development business. No fee or royalty is payable by the Company for the license. The Trade Mark Licence Agreement has an initial term of five years and may be renewed by the parties for subsequent periods of 12 months.

The agreement provides certain termination rights to the parties, including such rights upon certain insolvency events in respect of the other party and material breach by the other party (after an opportunity to remedy). The Company also may terminate the agreement at its option.

The agreement can be terminated by either party if the Major Shareholder, together with its associates, holds Ordinary Shares representing less than 10 per cent. of the Ordinary Shares in issue by the Company from time to time. However, in such circumstances, the parties have undertaken to negotiate in good faith an alternative licence for the relevant trade marks, if required. The Major Shareholder may also terminate the agreement immediately if the Company is delisted from the Main Market of the London Stock Exchange or experiences certain insolvency related scenarios).

Under the agreement, the Major Shareholder has warranted that it owns the trade marks and that use of the trade marks by the Company in accordance with the licence agreement does not infringe any third party intellectual property rights. The Major Shareholder has agreed to indemnify the Company in respect of breach of this warranty. The Company agrees to indemnify the Major Shareholder in relation to use by the Group of the trade marks outside the scope of the agreement.

The Trade Mark Licence Agreement is governed by the laws of England and Wales.

17.7 **Company Secretary Agreement**

On 23 November 2022, the Company and the Company Secretary entered into a Company Secretary Agreement pursuant to which the Company Secretary has been appointed to provide certain corporate secretarial services to the Company.

The Company Secretary Agreement is for an initial period of twelve months and thereafter shall automatically renew for successive periods of twelve months unless and until terminated by either party on not less than three months' notice. The Company and the Company Secretary also have the right to terminate the agreement immediately on the occurrence of certain customary events.

The Company Secretary Agreement provides for the Company Secretary to be paid customary fees for its services, both in relation to Admission and on an ongoing basis thereafter. The Company Secretary Agreement also contains customary undertakings and indemnities in favour of the Company Secretary.

The Company Secretary Agreement is governed by the laws of England and Wales.

17.8 **Registrar Agreement**

On 23 January 2023, the Company and the Registrar entered into the Registrar Agreement, pursuant to which the Registrar has been appointed as registrar to the Company. The Registrar Agreement is for an initial period of three years and thereafter shall automatically renew for successive periods of twelve months unless and until terminated by either party on not less than three months' notice. The Company and the Registrar also have the right to terminate the agreement immediately on the occurrence of certain customary events.

Under the terms of the Registrar Agreement, the Registrar is entitled to customary fees for its services. The Registrar Agreement contains certain customary undertakings and indemnities by the Company in favour of the Registrar.

The Registrar Agreement is governed by the laws of England and Wales.

17.9 **Capital Markets Advisory Agreement**

On 23 February 2023, the Company and the Capital Markets Adviser entered into the Capital Markets Advisory Agreement, pursuant to which the Company has appointed the Capital Markets Adviser to act as its capital markets adviser in connection with Admission.

Under the terms of the Capital Markets Advisory Agreement, the Company has given customary representations, warranties and undertakings for the benefit of the Capital Markets Adviser and the Company has also given an indemnity on customary terms. The Company has also agreed, subject to certain exceptions, not to issue, offer, sell or contract to sell or otherwise transfer or dispose of any Ordinary shares for a period of 180 days after Admission without the written consent of the Capital Markets Adviser. The Capital Markets Advisory Agreement can be terminated by the Capital Markets Adviser at its discretion if it considers necessary or appropriate to do so.

The Company has agreed to pay the Capital Markets Adviser a monthly fee of £100,000 on a *pro rata* basis from December 2022 up until Admission and a fixed fee of £2 million (less any amounts already paid under the monthly fee), conditional on Admission, and to reimburse certain expenses in connection with the Agreement and Admission.

The Capital Markets Advisory Agreement is governed by the laws of England and Wales.

17.10 **Placing Agency Agreement**

On 22 February 2023, the Company and Abu Dhabi Commercial Bank entered into the Placing Agency Agreement, pursuant to which the Company has appointed Abu Dhabi Commercial Bank to act as its placing agent in connection with the Private Placement.

Under the terms of the Placing Agency Agreement, the Company has given certain representations, warranties and undertakings for the benefit of Abu Dhabi Commercial Bank and the Company has also given an indemnity on customary terms. The Placing Agency Agreement can be terminated by Abu Dhabi Commercial Bank in certain customary circumstances.

The Company has agreed to pay Abu Dhabi Commercial Bank a fee of US$400,000 in connection with the Agreement and the Private Placement, and to reimburse certain expenses.

The Placing Agency Agreement is governed by the laws of England and Wales.

17.11 **Subscription Agreements**

On 9 February 2023, effective on Admission, the Company entered into a Subscription Agreement in materially the same form with each of the Private Placement Investors.

Under the Subscription Agreements, the relevant Private Placement Investor has agreed to subscribe and pay for, and the Company has agreed to allot and issue to the relevant Private Placement Investor, such number of Private Placement Shares which is commensurate with the relevant Private Placement Investor's aggregate subscription amount at a price of US$3.33 per Private Placement Share in each case.

The subscription monies payable by the Private Placement Investors under the Subscription Agreements became payable on execution of their subscription agreements and as such the Company is holding or will hold the subscription monies pending Admission when the Private Placement Shares will be allotted and issued to the Private Placement Investors. If Admission does not occur by

31 March 2023, the subscription monies will be returned by the Company to the Private Placement Investors.

Completion of each of the Subscription Agreements (and the issuance by the Company of the relevant Ordinary Shares to the Private Placement Investors thereunder) is conditional on there being no breach of warranty by the relevant Private Placement Investor under their Subscription Agreement in the period up to Admission, there being no material breach of their obligations under the Subscription Agreements and Admission occurring by 8.00 a.m. on 28 February 2023. Each of the Subscription Agreements is also subject to termination rights in favour of the Company on the occurrence of similar events.

Each of the Subscription Agreements contains customary representations, warranties and undertakings from the relevant Private Placement Investors to the Company.

Each of the Subscription Agreements is governed by the laws of England and Wales.

17.12 **Share Exchange Agreement 1**

On 25 November 2022, the Company and Dar Global UAE entered into Share Exchange Agreement 1 in connection with the Reorganisation. Under Share Exchange Agreement 1, the Company agreed to acquire the entire issued share capital of Dar Spain and Dar Oman from Dar Global UAE in consideration for an issuance of Ordinary Shares. The share transfers completed prior to the date of this Prospectus.

Share Exchange Agreement 1 is governed by the laws of England and Wales.

For further information on the Reorganisation, see paragraph 4 of Part XI (*Additional Information*).

17.13 **Share Exchange Agreement 2**

On 5 December 2022, the Company, Dar Global UAE and New UAECo entered into Share Exchange Agreement 2 in connection with the Reorganisation. Under Share Exchange Agreement 2: (i) New UAECo agreed to acquire the entire issued share capital of Dar Properties, each of the Group's Bosnian subsidiaries, the Group's Chinese subsidiary and Dar Oman, in each case from Dar Global UAE, and in each case in consideration for an issuance of new ordinary shares in New UAECo and (ii) the Company agreed to acquire the entire issued share capital of New UAECo, from Dar Global UAE, in consideration for an issuance of new ordinary shares in the Company. The share transfers completed prior to the date of this Prospectus, save for the transfers of Dar Al Arkan Property Development D.O.O. Sarajevo and Luksuzne nekretnine – Luxury Real Estate D.O.O. Sarajevo which are entities incorporated in Bosnia and which hold no real estate or other material assets of the Group and which transfers are expected to be completed shortly following Admission.

Share Exchange Agreement 2 is governed by the laws of England and Wales.

For further information on the Reorganisation, see paragraph 4 of Part XI (*Additional Information*).

UK SPA

17.14 On 28 October 2022, the Company and Dar Global UAE entered into the UK SPA in connection with the Reorganisation. Under the UK SPA, the Company agreed to acquire the entire issued share capital of Dar Global UK Holdings Limited for nominal cash consideration. The share transfer completed prior to the date of this Prospectus.

The UK SPA is governed by the laws of England and Wales.

For further information on the Reorganisation, see paragraph 4 of Part XI (*Additional Information*).

DAA Facility Agreement

17.15 On 9 February 2023, the Company (as borrower) and the Major Shareholder (as lender) entered into the DAA Facility Agreement in connection with the DAA Facility. The DAA Facility is conditional on Admission and comprises an unsecured, committed revolving credit facility in the amount of up to US$200 million in aggregate, to be used for general corporate and working capital purposes of the Group. The tenor of the DAA Facility is three years from the date of the DAA Facility Agreement.

Under the DAA Facility Agreement, interest will accrue on amounts drawn down at a rate of 100 basis points above the prevailing Emirates Interbank Offered Rate, with a single interest period of three months in respect of each drawdown. Each loan made available under the DAA Facility Agreement must be repaid in full with accrued interest at the end of the relevant interest period, subject to rollover provisions under which loans will automatically roll over for four successive interest periods unless the borrower notifies the lender otherwise.

The DAA Facility Agreement contains certain representations, undertakings and events of default and is governed by the laws of England and Wales.

18. RELATED PARTY TRANSACTIONS

Save as disclosed in Note 14 set out in Section B and Note 14 set out in Section C of Part IX (*Historical Financial Information*) of this Prospectus and as set out in paragraph 17 of this Part XI (*Additional Information*), no member of the Group entered into any related party transactions between 31 December 2019 and the date of this Prospectus.

19. LEGAL AND ARBITRATION PROCEEDINGS

19.1 There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

20. WORKING CAPITAL

In the opinion of the Company, taking into account the net proceeds of the Private Placement, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

21. NO SIGNIFICANT CHANGE

21.1 There has been no significant change in the financial performance of the Group since 30 June 2022, being the date to which the Historical Financial Information set out in Part IX (*Historical Financial Information*) of this Prospectus was prepared.

21.2 Except for:

- the acquisition by the Group of the Tabano project in Spain for €15 million in aggregate (exclusive of €1.05 million tax) in September 2022;
- the borrowing by the group of a *Murabaha* facility from Abu Dhabi Commercial Bank in the aggregate amount of AED 320 million in October 2022;
- the acquisition by the Group, as part of a joint venture, of the Fourth Floor Flat of 149 Old Park Lane in London, United Kingdom for £12.7 million in aggregate exclusive of £2.6 million purchaser's costs such as stamp duty and agent fees (the Group's share of the upfront purchase price including purchaser's costs such as stamp duty and agent fees being £11.5 million in aggregate) in November 2022;
- the completion of the acquisition by the Group of the Benahavis project in Spain for €20 million in aggregate (exclusive of €4.64 million tax) in December 2022;
- the acquisition by the Group of the Finca Cortesin project in Spain for €10 million in aggregate (excluding VAT tax of €2.1 million) in December 2022;
- the assignment by the Major Shareholder of all loans previously due to it from members of the Group (such loans being assigned by the Major Shareholder to Group entities such that no amounts remained due from Group entities to the Major Shareholder after the assignment) in the aggregate amount of US$305.6 million, including principal and interest, in December 2022 and January 2023; and
- the acquisition by the Group of Plot 210 (346-05610) in Business Bay in the aggregate amount of AED 150 million in February 2023 (the purchase price was wholly funded through internal accruals and therefore impact on the Group's consolidated net assets is AED nil),

there has been no significant change in the financial position of the Group since 30 June 2022, being the date to which the Historical Financial Information set out in Part IX (*Historical Financial Information*) of this Prospectus was prepared.

22. MANDATORY TAKEOVER BIDS, SQUEEZE-OUT RULES, SELL-OUT RULES AND TAKEOVER BIDS

22.1 Mandatory takeover bids

The City Code on Takeovers and Mergers (the **Takeover Code**) applies to the Company. Under Rule 9 of the Takeover Code, if an acquisition of interests in shares were to increase the aggregate holding of an acquirer and persons acting in concert with it to an interest in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending upon the circumstances, persons acting in concert with it, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interest in shares by the acquirer or his/her concert parties during the previous 12 months. A similar obligation to make such a mandatory offer would also arise when a person who (together with any persons acting in concert) was interested in shares which in aggregate carried not less than 30 per cent. of the voting rights of the Company but did not hold shares which carried more than 50 per cent. of such voting rights acquired an interest in any other shares which increased the percentage of shares carrying voting rights in which he/she was interested.

22.2 Squeeze-out rules

Under the Companies Act, if a "takeover offer" (as defined in section 974 of the Companies Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which the offer relates (the "**Takeover Offer Shares**") and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

22.3 Sell-out rules

The Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares to which the offer relates, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror would be required to give any shareholder notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his or her rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

22.4 Takeover bids

No public takeover bid has been made in relation to the Company during the last financial year or the current financial year.

23. COSTS AND EXPENSES

The aggregate costs and expenses of Admission (including the listing fees of the London Stock Exchange, professional fees and expenses and the costs of printing and distribution of documents) payable by the Company are estimated to amount to approximately US$12.6 million (including VAT).

24. STATUTORY AUDITORS

UHY James Chartered Accountants of Level 6, Clover Bay Tower, Business Bay, P.O. Box 118863, Dubai, UAE, is registered with the Dubai Financial Services Authority and was statutory auditor of the Group for the years ended 31 December 2019, 31 December 2020 and 31 December 2021.

KPMG Lower Gulf Limited of Offices-5-Building, 4th Floor, One Central, Dubai World Trade Centre Dubai, is registered with the Dubai Financial Services Authority, and was statutory auditor of the Group for the year ended 31 December 2022. KPMG Audit LLC of Heritage Court, 41 Athol Street, Douglas, IM1 1LA, Isle of Man, regulated by the Isle of Man Financial Services Authority and the Institute of Chartered Accountants in England and Wales will be the statutory auditor of the Company following Admission.

25. CONSENTS

25.1 KPMG Audit LLC has given, and has not withdrawn, its written consent to the inclusion in this Prospectus of its accountant's report set out in Section A (*Accountant's Report in respect of the Historical Financial Information*) of Part IX (*Historical Financial Information*) and has authorised the contents of that report as part of this Prospectus for the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) and item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

25.2 CBRE Limited has given, and not withdrawn, its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. CBRE Limited accepts responsibility for the Condensed Valuation Reports contained in Part IV (*Condensed valuation reports on real estate assets (owned) and properties in respect of which the Group has contractual rights*) of this Prospectus and has authorised the contents of the Condensed Valuation Reports for inclusion in this Prospectus for the purposes of Prospectus Regulation Rule 5.3.2(2)(f). To the best of CBRE Limited's knowledge, the information contained in the Condensed Valuation Reports is in accordance with the facts and the Condensed Valuation Reports make no omission likely to affect their import.

25.3 The Company confirms that there has been no material changes to the value of the properties the subject of the Condensed Valuation Reports since 31 December 2022 (being the valuation date under the Condensed Valuation Reports).

26. GENERAL AND DOCUMENTS AVAILABLE FOR INSPECTION

26.1 Copies of the following documents will be available for inspection for a period of 12 months following Admission on the Company's website at www.darglobal.co.uk and during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months from the date of publication of this Prospectus at the Company's registered office:

(a) the Articles of Association;

(b) KPMG Audit LLC's accountant's report set out in Section A (*Accountant's Report in respect of the Historical Financial Information*) of Part IX (*Historical Financial Information*);

(c) the consent letters referred to in paragraph 25 (*Consents*) above of this Part XI (*Additional Information*);

(d) the valuation reports contained in Part IV (*Condensed valuation reports on real estate assets (owned) and properties in respect of which the Group has contractual rights*); and

(e) this Prospectus.

26.2 The documents set out above in paragraph 26.1 are also available for inspection at the Company's registered office for a period of 12 months from the date of publication of this Prospectus.

PART XII

DEFINITIONS

The definitions set out below apply throughout this Prospectus, unless the context requires otherwise.

acting in concert	shall have the meaning given to it in the Takeover Code;
Admission	means Admission to Listing and Admission to Trading;
Admission to Listing	means admission of all of the Ordinary Shares to the standard listing segment of the Official List of the FCA;
Admission to Trading	means admission of all of the Ordinary Shares to trading on the London Stock Exchange's main market for listed securities;
Articles of Association	means the articles of association of the Company, as approved by the Shareholders at the General Meeting, and as described in paragraph 7 of Part XI (*Additional Information*);
Board	means the board of Directors of the Company;
Business Day	means a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business;
Capital Markets Adviser	means Liberum Capital Limited;
Chair	means David Hunter;
Chief Executive Officer or **CEO**	means Ziad El Chaar;
Chief Financial Officer or **CFO**	means Shivaraman Iyer;
Committees	means an audit and risk committee, a remuneration committee and a nomination committee established by the Company;
Companies Act	means the Companies Act 2006, as from time to time amended;
Company	means Dar Global PLC a company incorporated in England, with registered number 14388348, as a private limited company, and re-registered as a public limited company, with its registered office at Link Company Matters, 6th Floor, 65 Gresham Street, London EC2V 7NQ;
Company Secretary	Link Company Matters Limited;
Corporate Governance Code	means the UK Corporate Governance Code published by the Financial Reporting Council in July 2018, as amended from time to time;
COVID-19	means the novel strain of coronavirus;
CREST	means a computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
CREST Regulations	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time;
DAA Facility	means the revolving credit facility made available by the Major Shareholder to the Group pursuant to the DAA Facility Agreement;
DAA Facility Agreement	means the agreement dated 9 February 2023, effective on Admission, pursuant to which the Major Shareholder has made available a revolving credit facility to the Group in the aggregate amount of up to US$200 million on a three year tenor;
Dar Global UAE	means Dar Al Arkan Global Real Estate Development LLC, a limited liability company incorporated on 24 May 2017, registered in Emirate of Dubai with commercial registration number 1784312, licence number 783353, and with office address at Offices 204, 205 Hassanicor

	Building, Al Barsha 1, P.O. Box 2523, Dubai, The United Arab Emirates;
Dar Global UAE Loan Assignment Agreement 1	means the agreement entered into between Dar Global UAE and New UAECo, on 24 January 2023 in relation to the assignment of certain historic shareholder loans from Dar Global UAE to New UAECo;
Dar Global UAE Loan Assignment Agreement 2	means the agreement entered into between Dar Global UAE and the Company, on 9 January 2023 in relation to the assignment of certain historic shareholder loans from Dar Global UAE to the Company (effective as at 31 December 2022);
Dar Oman	means Dar Al Arkan Property Development SPC, a limited liability company incorporated in Oman;
Dar Properties	means Dar Al Arkan Properties LLC, a limited liability company incorporated on 9 October 2017, registered in Emirate of Dubai with license number 7918860 and with office address at Office 204 and 205, Barsha First, P.O. Box 2523, Dubai, United Arab Emirates;
Dar Qatar	means Dar Al Arkan for Real Estate Development Company LLC, a limited liability company incorporated in the State of Qatar;
Dar Spain	means Dar Al Arkan Spain SL, a limited liability company incorporated in Spain;
Dar Tabano	means Dar Tabano, Sociedad Limitada;
Direct Listing	a direct listing on the London Stock Exchange's Main Market;
Directors	means the directors and proposed directors of the Company, and **Director** means one of them;
Disclosure Guidance and Transparency Rules	means the disclosure guidance and transparency rules made by the FCA under part VI of FSMA (as set out in the FCA Handbook), as amended from time to time;
DLD	means the Dubai Land Department;
ERP	means Enterprise Resource Planning;
EU	means the European Union;
Euroclear	means Euroclear UK & International Limited, the operator of CREST;
Executive Directors	means Ziad El Chaar and Shivaraman Iyer;
FCA or **Financial Conduct Authority**	means the Financial Conduct Authority, granted powers as a regulator under FSMA;
FCA Handbook	means the FCA's handbook of rules and guidance;
FRC	means the Financial Reporting Council in the UK;
FSMA	means the Financial Services and Markets Act 2000 as amended from time to time;
GCC	means Gulf Cooperation Council (formed of Bahrain, Qatar, Saudi Arabia, Oman, Kuwait and the UAE)
GDPR	means the General Data Protection Regulation;
Group	means the Company and the subsidiaries and subsidiary undertakings of Dar Global UAE as detailed in paragraph 15 of Part XI (*Additional Information*) which have been or are being acquired by the Company pursuant to the Reorganisation;
Guarantee Support Agreement	means the agreement entered into between the Major Shareholder and the Company, effective from Admission, in relation to the maintenance and provision of certain guarantees in favour of the Group to third party lenders or other contractual counterparties;

HMRC	means His Majesty's Revenue and Customs;
ISIN	means International Securities Identification Number;
IT	means information technology;
LEI	means Legal Entity Identifier;
Listing Rules	means the listing rules made by the FCA under part VI of FSMA (as set out in the FCA Handbook) as amended from time to time;
Loan Assignment Agreements	means, together, the Dar Global UAE Loan Assignment Agreement 1 and the Dar Global UAE Loan Assignment Agreement 2
London Stock Exchange	means London Stock Exchange plc;
Major Shareholder	means Dar Al Arkan Real Estate Development Company PJSC, a company listed on the Saudi Stock Exchange (*Tadawul*) together, where the context requires, with its consolidated subsidiaries other than the Company and the entities that the Company has acquired or is acquiring pursuant to the Reorganisation;
New UAECo	means Dar Al Arkan Holdings Limited, a company incorporated in the United Arab Emirates
Non-Executive Directors	means Yousef Al-Shelash and the Independent Non-Executive Directors;
Official List	means the official list of the Financial Conduct Authority;
Ordinary Shares	means ordinary shares in the capital of the Company with a nominal value of US$0.01;
PFIC	means a passive foreign investment company;
PRA	means the Prudential Regulation Authority;
Private Placement	means the subscription by the Private Placement Investors for the Private Placement Shares on Admission pursuant to the Subscription Agreements;
Private Placement Investors	means the subscribers for Private Placement Shares pursuant to the Private Placement, comprising certain institutional and other investors outside of the US;
Private Placement Shares	means the 21,621,612 new Ordinary Shares to be issued to the Private Placement Investors on Admission;
Properties	means the properties owned by the Group as at the date of this Prospectus;
Prospectus	means this document;
Prospectus Delegated Regulation	means Commission Delegated Regulation (EU) 2019/980 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;
Prospectus Regulation Rules	means the prospectus regulation rules made by the FCA under part VI of FSMA (as set out in the FCA Handbook) as amended from time to time;
Qualified Investors	means persons who are qualified investors as defined in the UK Prospectus Regulation;
Registrar	means Link Market Services Limited (trading as Link Group), with its registered office at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom;
Reorganisation	has the meaning given to it in paragraph 4 of Part XI (*Additional Information*) of this Prospectus;
RERA	means the Real Estate Regulatory Agency

RIS or **Regulatory Information Service**	means one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;
Relationship Agreement	means the relationship agreement to be entered into between the Major Shareholder and the Company effective upon Admission;
relevant persons	means Qualified Investors who are (i) persons who have professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Order, (ii) persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) other persons to whom this Prospectus may otherwise lawfully be communicated;
Relevant State	means each member state of the European Economic Area and the United Kingdom;
Securities Act	means the United States Securities Act of 1933 as amended from time to time;
Senior Independent Director	means Richard Stockdale;
Senior Managers	means those persons named as senior managers in Part V (*Directors, Senior Managers and Corporate Governance*);
Services Agreement	means the agreement entered into between the Major Shareholder and the Company, effective from Admission, in relation to the provision of services to the Group;
Share Exchange Agreement 1	means the share exchange agreement entered into between the Company and Dar Global UAE for the acquisition by the Company of certain members of the Group, in connection with the Reorganisation, dated 25 November 2022;
Share Exchange Agreement 2	means the share exchange agreement entered into between the Company, New UAECo and Dar Global UAE for the acquisition by the Company of certain members of the Group, in connection with the Reorganisation, dated 5 December 2022;
Shareholders	means holders of Ordinary Shares from time to time;
Standard Listing	means a standard listing under Chapter 14 of the Listing Rules;
Standards for Investment Reporting	means standards that contain basic principles and essential procedures with which reporting accountants are required to comply in the conduct of an engagement in connection with an investment circular prepared for issue in connection with a securities transaction governed wholly or in part by the laws and regulations of the United Kingdom or Republic of Ireland;
Subscription Agreements	means the agreements to be entered into between the Company and the Private Placement Investors relating to the Private Placement, further details of which are set out in paragraph 17.11 of Part XI (*Additional Information*).
subsidiaries or **subsidiary**	has the meaning given in the Companies Act;
subsidiary undertakings	has the meaning given in the Companies Act;
Takeover Code	means the City Code on Takeovers and Mergers, as amended;
Takeover Offer Shares	means shares subject to a takeover offer as defined in the Companies Act;
Takeover Panel	means the Takeover Panel on Takeovers and Mergers;
UK adopted IFRS	means International Financial Reporting Standards, as adopted in the United Kingdom

Trade Mark Licence Agreement	means the agreement entered into between the Major Shareholder and the Company, effective from Admission, in relation to the licensing of certain trade marks by the Major Shareholder to the Company;
UK MAR or **UK Market Abuse Regulation**	means the Market Abuse Regulation (Regulation (EU) 596/2014), as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;
UK Prospectus Regulation	means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;
UK SPA	means the sale and purchase agreement entered into between the Company and Dar Global UAE for the acquisition by the Company or Dar Al Arkan Global UK Holdings Limited, in connection with the Reorganisation, dated 28 October 2022;
uncertificated or **in uncertificated form**	in relation to shares, means recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
United Kingdom or **UK**	means the United Kingdom of Great Britain and Northern Ireland;
United States or **US** or **U.S.**	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
U.S. Dollar or US$	means United States Dollars, the official currency of the United States of America; and
VAT	means valued added tax.

All times referred to are London time unless otherwise stated.

All references to legislation in this Prospectus are to the legislation of the United Kingdom unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.