

DAMAC

LIVE THE LUXURY

Results Presentation

Year ended 31 December 2021



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DAMAC Overview



Headquarters in Dubai

40+

mn sq ft projects in progress and in planning

7

countries with presence

AED 7.8bn

Booked Sales in FY 2021

2020 - AED 2.3bn

AED 3.0bn

Revenue in FY 2021

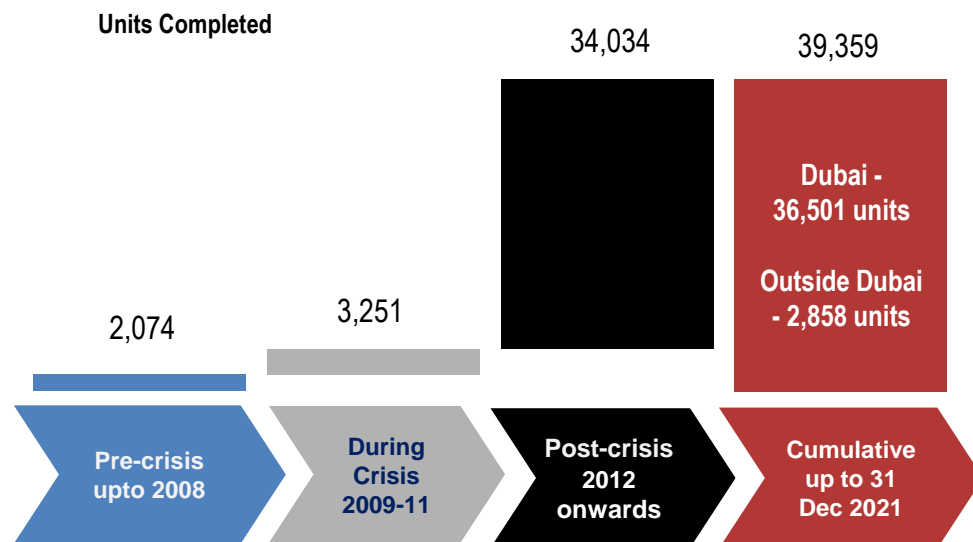
2020 - AED 4.7bn

Portfolio Overview

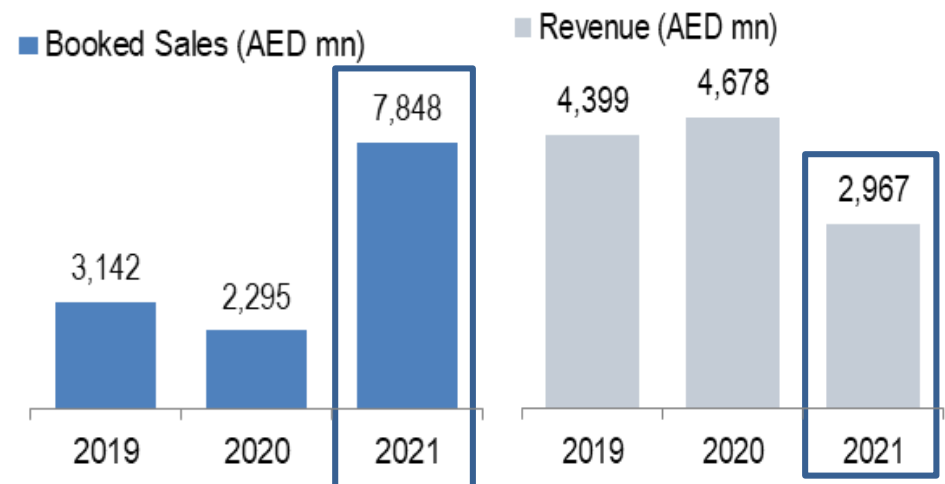
	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	39,359 units	c.28,000 units
In Dubai:	93%	c.95%

*Note: Exchange rate US\$/AED= 0.2721 used in the whole presentation
 (1) Completed projects: projects with Building Completion (BCC) received
 (2) In-progress projects: projects with enabling works started / consultant appointed
 (3) In-planning projects: projects with no consultant appointed*

Strong delivery track record across economic cycle



Performance highlights



Performance Review



Sales & Deliveries

- **Booked sales of AED 7.8bn** in FY 2021 vs AED 2.3bn in FY 2020.
- **Delivered c.7,400 units in Dubai** during the period in Damac Hills and DAMAC Hills 2 master communities.

Financial performance

- **Total revenues of AED 3.0 bn** in FY 2021 vs AED 4.7bn in FY 2020.
- Reported **gross profit of AED 806mn**, 24% lower than similar period last year.
- **Gross Margins** improved from 22.6% margins last year to 27.2% in the current period due to product mix.
- **Net losses for the period stood at AED 531 million** vs losses of AED 646 million last year, which were mainly due to lower revenue recognition and higher selling and general admin expenses resulting from higher booked sales reported during the period.

Leverage

- **Gross debt** (including Sukuk Certificates) at AED 2.6bn as at 31 Dec 2021 vs AED3.2bn as at 31 Dec 2020
- **Non escrow Cash and Bank** balance stood at AED 2.2bn as at 31 Dec 2021.

Financial Highlights

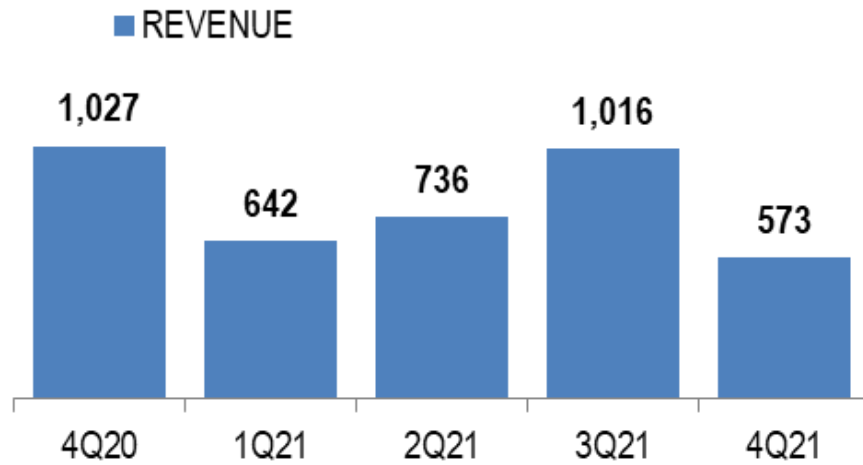


Revenue	Gross profit	Net loss
AED 2,967m (FY 2020: AED 4,679m)	AED 806m (FY 2020: AED 1,057m)	-AED 531m (FY 2020: -AED 646m)
Operating Cashflow	Total assets	Development Properties
AED 2,636m (FY 2020: AED 1003m)	AED 22,319m (Dec'20: AED 21,602m)	AED 8,585m (Dec'20: AED 8,250m)
Financial Investments	Cash and Bank	Equity
AED 2,606m (Dec'20: AED 763m)	AED 4,121m (Dec'20: AED 4,242m)	AED 13,085m (Dec'20: AED 13,449m)
Gross Debt	Debt to Total Assets	Gross Margins
AED 2,663m (Dec'20: AED 3,195m)	11.9% (Dec'20: 14.8%)	27.2% (FY 2020: 22.6%)

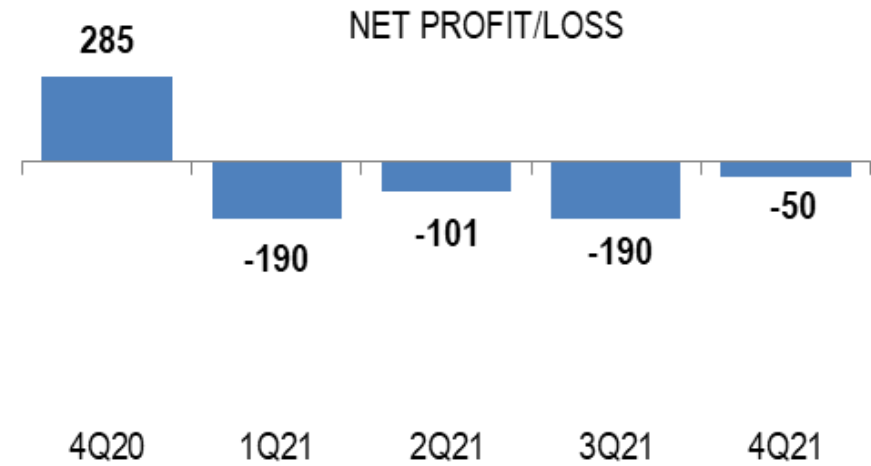
Performance Trends



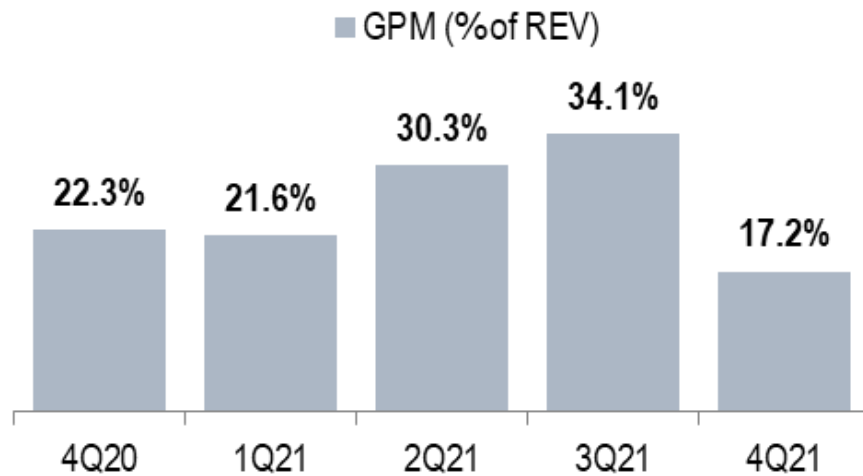
Revenue Trends (AED mn)



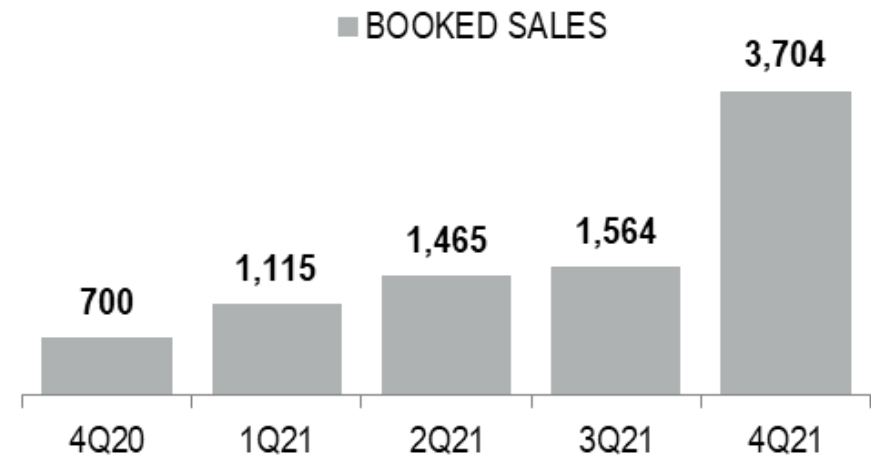
Net Loss Trends (AED mn)



Gross Profit Margin Trends %



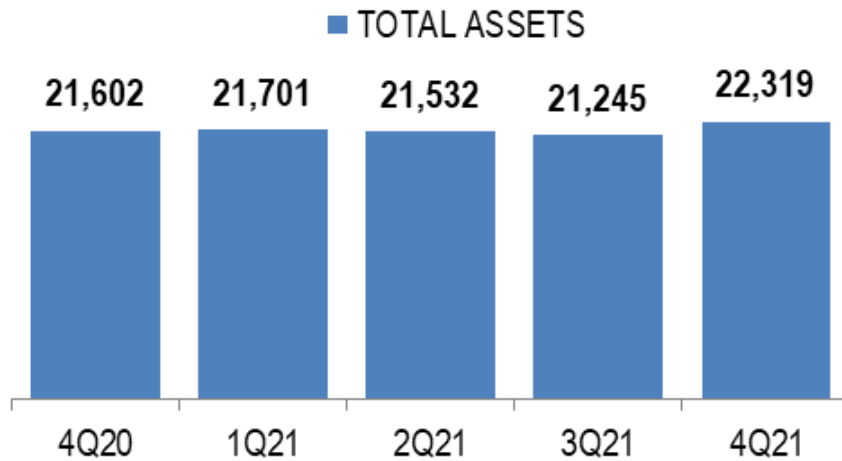
Booked Sales (AED mn)



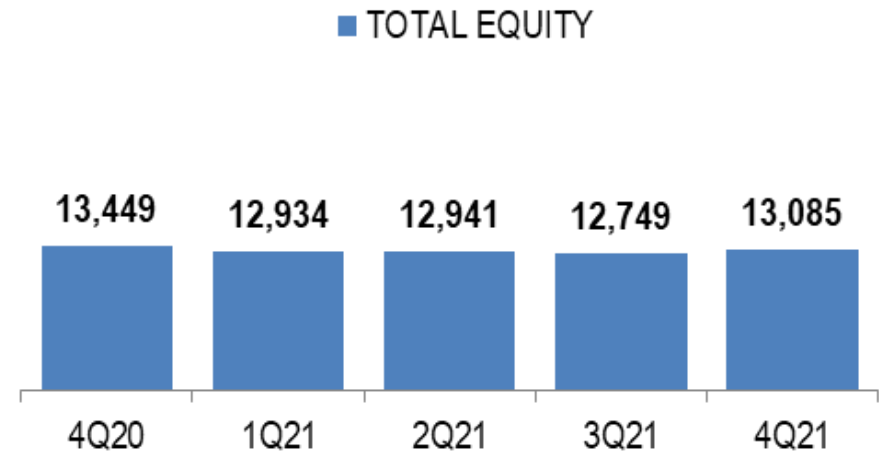
Performance Trends (contd.)



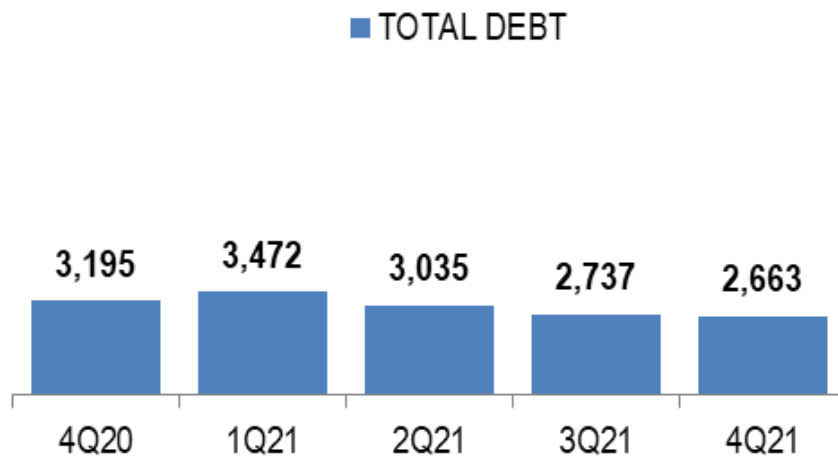
Total Assets (AED mn)



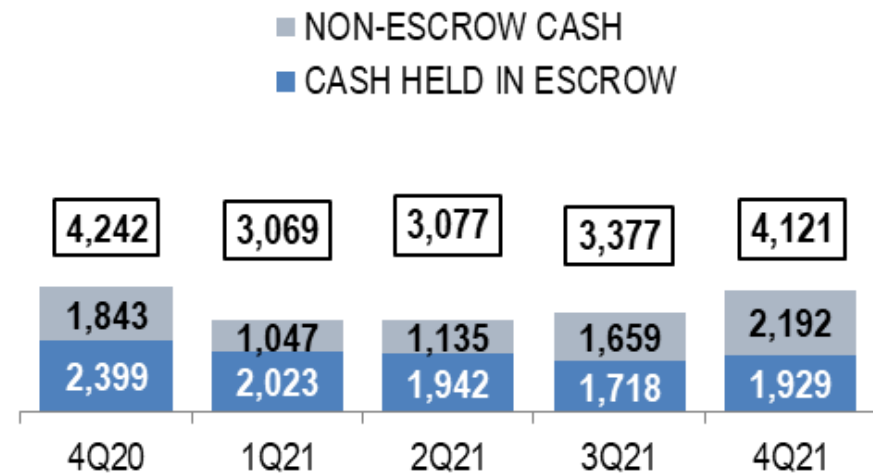
Total Equity (AED mn)



Total Debt (AED mn)



Cash & Bank Balance (AED mn)



Summary Income Statement



In AED mn	Before Hyperinflation			After Hyperinflation		
	FY 2021	FY 2020	YoY %	FY 2021	Restated FY 2020	YoY %
Revenue	2,975	4,671	-36%	2,967	4,678	-37%
Cost of sales	-2,162	-3,599	-40%	-2,161	-3,621	-40%
Gross profit	813	1,071	-24%	806	1,057	-24%
<i>Gross profit margin</i>	27.3%	22.9%		27.2%	22.6%	
Other operating income	137	159	-14%	137	159	-14%
General, administrative and selling expenses	-1,374	-794	73%	-1,372	-796	72%
Amortisation of right-of-use asset	-3	-33	-92%	-3	-33	-92%
Depreciation on PPE and investment properties	-40	-29	39%	-40	-29	39%
Loss allowance charged on trade receivables	-22	-147	-85%	-27	-150	-82%
Provision for Impairment on PPE	0	-50	-100%	0	-50	-100%
(Reversal) / provision for impairment on development properties	365	-1,325	-128%	380	-1,360	-128%
Other Income - net	123	76	62%	123	76	61%
(Loss)/gain on financial investments carried at FVTPL	-228	150	-252%	-228	150	-252%
Finance Income	12	46	-73%	12	46	-73%
Finance Costs	-197	-236	-17%	-195	-241	-19%
Exchange loss	0	0	NA	-238	0	NA
(Provision) / reversal of value added tax	-128	73	-276%	-128	73	-276%
Gain on net monetary position	0	0	NA	195	452	-57%
Share of net gain of associates	95	0	NA	95	0	NA
Loss before tax	-446	-1,039	-57%	-483	-646	-25%
Income tax expense - overseas	-48	0	NA	-48		NA
Loss for the year	-495	-1,039		-531	-646	
<i>Net income margin</i>	-15.0%	-22.3%		-16.3%	-13.8%	
Fair value gain / (loss) on investment in equity	447	-43	-1129%	447	-43	-1129%
Foreign exchange differences on translation of financial statements of foreign operations	0	0		-280	0	
Total comprehensive loss for the year	-48	-1,083	-96%	-364	-690	-47%

Summary of Financial Position



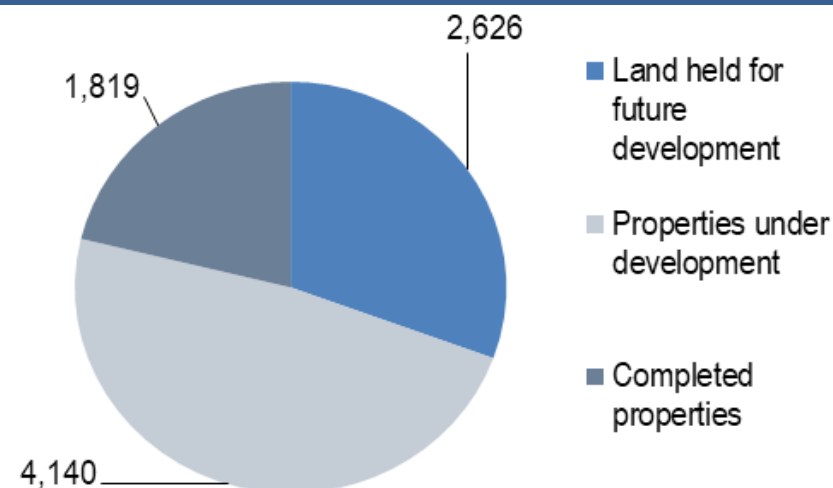
In AED mn	Before Hyperinflation		After Hyperinflation	
	Dec'21	Dec-20	Dec'21	Dec-20
ASSETS				Restated
Cash and bank balances	4,123	4,242	4,121	4,242
Financial investments	2,606	763	2,606	763
Trade and other receivables	5,310	7,029	5,310	7,029
Development properties	8,434	7,783	8,585	8,250
Investment in Associates	904	293	904	293
Other financial assets	442	729	442	729
Right-of-use assets	57	60	57	60
Property and equipment	130	64	130	64
Investment Properties	165	173	165	173
Total Assets	22,170	21,136	22,319	21,602

EQUITY AND LIABILITIES				
Share capital	6,050	6,050	6,050	6,050
Statutory reserve	903	903	903	903
Fair value reserve	488	-43	488	-43
Foreign currency translation reserve	0	0	-280	0
Retained earnings	5,500	6,080	5,923	6,539
Total Equity	12,942	12,990	13,085	13,449

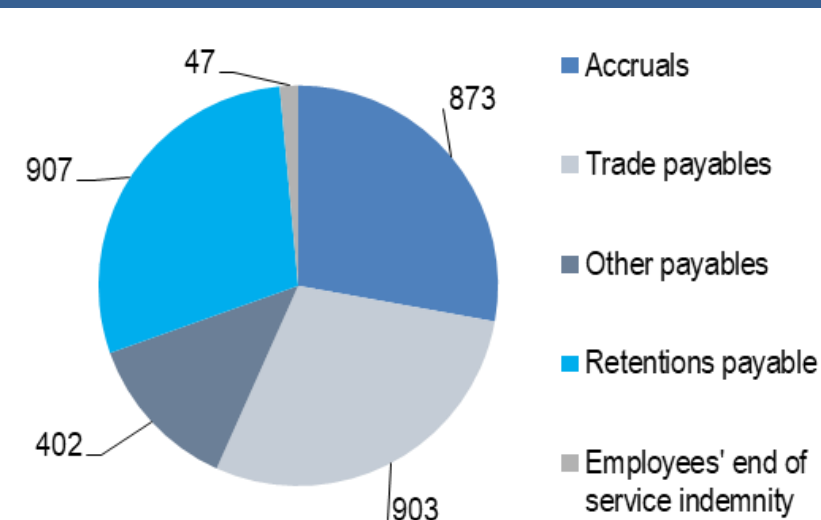
Liabilities				
Trade and other payables	3,132	2,818	3,132	2,818
Advances from customers	3,368	2,068	3,373	2,075
Bank borrowings	125	125	125	125
Sukuk certificates	2,538	3,070	2,538	3,070
Lease liabilities	65	65	65	65
Total Liabilities	9,228	8,146	9,234	8,153

Total Equity & Liabilities	22,170	21,136	22,319	21,602
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Development Properties - Dec'21 (AED mn)



Trade and other payables - Dec'21 (AED mn)

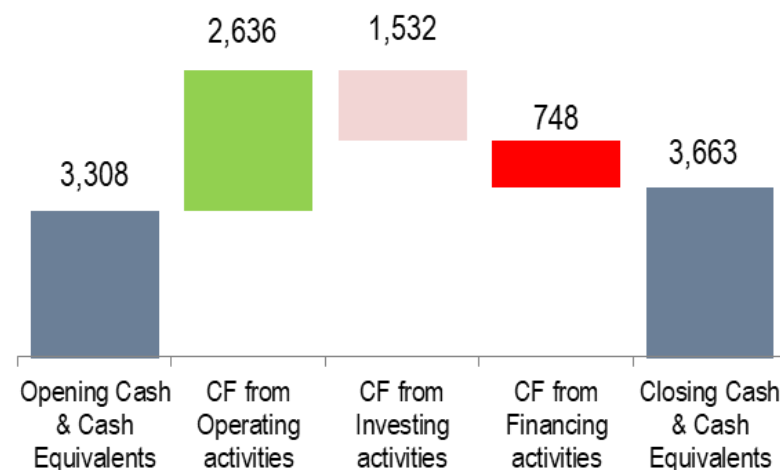


Summary Cashflows



In AED mn	FY 2021	FY 2020	Change
Cash flows from operating activities		Restated	
Loss for the period	-483	-646	164
Adjustments for:			
Depreciation on property and equipment	40	29	11
Amortisation of right-of-use assets	3	33	-30
Provision for employees' end-of-service indemnity	13	7	6
(Reversal)/provision for impairment on development properties	-380	1,360	-1,740
Impairment of Property & Equipment	0	50	-50
Amortization of issue costs on sukuk certificates	5	5	0
Loss on write off/disposal of property and equipment	6	1	6
Share of net gain of associates	-95	0	-95
Loss/(Gain) on repurchase of Sukuk certificates	7	-23	30
Loss/(gain) on fair value of financial investments at FVTPL	429	-34	463
Gain on net monetary position	-195	-452	257
Dividend Income	-53	-2	-50
Finance income	-12	-46	34
Finance costs	195	241	-47
Provision/(reversal) for value added tax	128	-73	200
Loss allowance on trade receivables	27	150	-123
Operating cash flows before changes in working capital	-364	599	-963
Decrease in trade and other receivables	1,688	829	858
(Incr)/Decr in development properties	-73	378	-450
Incr/(Decr) in advances from customers	1,292	-304	1,596
Employee end-of-service benefits paid	-7	-17	10
Currency translation adjustments/hyperinflation	-42	66	-108
Incr/(Decr) in trade and other payables	142	-548	690
Net cash generated from operating activities	2,636	1,003	1,633
Net cash used in from investing activities	-1,532	-959	-574
Net cash used in financing activities	-748	-867	119
Net Increase in Cash & Cash Equivalents	355	-823	1,179
Opening Cash & Cash Equivalents	3,308	4,131	
Closing Cash & Cash Equivalents	3,663	3,308	

Movement in cash and cash equivalents during FY 2021



	Dec'21	Dec-20
Cash and bank balances	4,121	4,242
Fixed deposits with an original maturity of greater than three months	-457	-934
Cash & Cash Equivalents	3,663	3,308

Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 31 Dec 2021

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
IN PROGRESS DEVELOPMENTS			
AYKON CITY	2021	826	60%-80%
AYKON CITY 2	2022	717	60%-80%
PARAMOUNT TOWER HOTEL & RESI	2021	802	60%-80%
VERA TOWER	2021	347	80%-100%
REVA RESIDENCES	2022	344	60%-80%
ZADA TOWER	2021	336	20%-40%
DAMAC Hills Apartments	2021	4,255	80%-100%

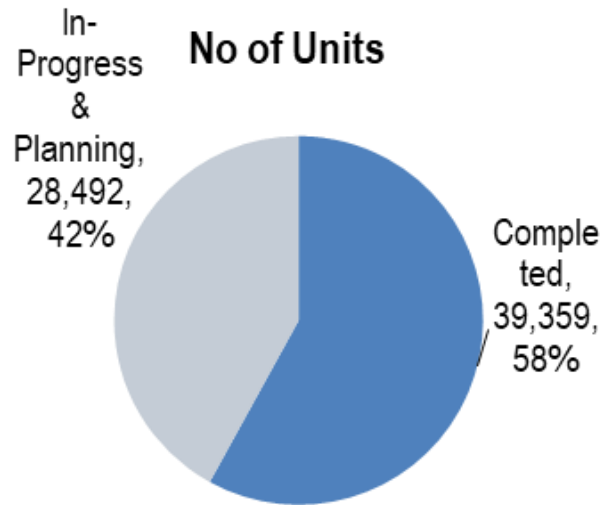
Note:

1. % Recognized is a factor of % area sold and % completion in any particular project.
2. For DAMAC Hills, above data pertains to all the apartment buildings available for sale in the development which meets threshold criteria and are eligible for revenue recognition.

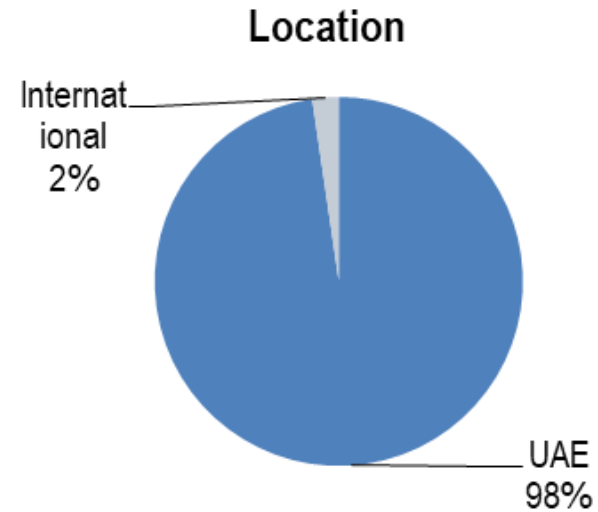
Portfolio Overview (as at 31 Dec 2021)



Portfolio by development status



Portfolio by location (in progress and in-planning projects)



UAE



No of projects	29
Units	~28K
Sellable area (mn sq ft)	39.0
Completion date	2021/25

International



No of projects	3
Units	c.0.7K
Sellable area (mn sq ft)	0.7
Completion date	2023

Note: Above table pertains to in progress and in planning projects only.

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Thank you