

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Nine-month period ended

30 September 2024

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine-month period ended 30 September 2024

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders of BHM Capital Financial Services PSC

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial information of BHM Capital Financial Services PSC (the "Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2024;
- the condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2024;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2024; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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



BHM Capital Financial Services PSC
*Independent Auditors' Report on Review
of Condensed Consolidated Interim Financial
Information for period ended 30 September 2024*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 7 February 2024. Furthermore, the condensed consolidated interim financial statements of the Group as at and for the nine-month period ended 30 September 2023 was reviewed by another auditor who expressed an unqualified conclusion on those condensed consolidated interim financial statements on 20 October 2023.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No: 968
Dubai, United Arab Emirates

Date: **01 NOV 2024**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		30 September 2024 AED (Un-audited)	31 December 2023 AED (Audited)
	Note		
ASSETS			
NON-CURRENT ASSETS			
Goodwill and other intangible assets	4	40,845,380	40,934,650
Property and equipment		7,172,711	8,031,528
Right-of-use asset		589,171	793,115
Deferred tax asset	16	60,791	-
Total non-current assets		48,668,053	49,759,293
CURRENT ASSETS			
Short term deposit under lien		57,101,000	68,101,000
Trade and other receivables	6	904,773,848	750,532,623
Financial assets through profit and loss	5	99,043,406	2,848,738
Cash and bank balances	8	320,285,614	349,365,124
Total current assets		1,381,203,868	1,170,847,485
Total assets		1,429,871,921	1,220,606,778
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	9	173,431,068	173,431,068
Treasury shares	9(a)	-	(12,980,210)
Legal reserve	9(b)	11,057,003	11,057,003
Fair value through OCI reserve		(8,824,239)	(8,824,239)
Retained earnings		75,107,080	63,738,527
Total equity		250,770,912	226,422,149
NON-CURRENT LIABILITIES			
Bank borrowings	10	2,091,643	2,091,642
Employees' end of service benefits		6,106,350	4,433,875
Lease liability		453,062	453,062
Total non-current liabilities		8,651,055	6,978,579
CURRENT LIABILITIES			
Trade and other payables	11	757,555,849	644,580,683
Bank borrowings	10	410,214,896	342,417,136
Corporate tax		2,530,538	-
Lease liability		148,671	208,231
Total current liabilities		1,170,449,954	987,206,050
Total equity and liabilities		1,429,871,921	1,220,606,778

Abdel Hadi Al Sadi
CEO

The independent auditor's review report is set on pages 1 and 2 of these condensed consolidated interim financial statements. The accompanying notes from pages 8 to 16 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

		Nine months ended		Three months ended	
		30 September 2024 AED (Un-audited)	30 September 2023 AED (Un-audited)	30 September 2024 AED (Un-audited)	30 September 2023 AED (Un-audited)
INCOME					
Commission and advisory income		41,450,983	57,475,400	14,092,994	23,481,866
Income from margin trading		64,006,059	29,011,758	22,455,933	11,942,495
Finance income		2,274,360	127,571	1,829,945	48,112
Other Income		10,194,343	9,595,847	2,928,667	1,840,897
		117,925,745	96,210,576	41,307,539	37,313,370
EXPENSES					
General and administrative expenses	13	(67,168,216)	(63,210,307)	(21,347,214)	(22,579,388)
Allowances for expected credit loss		1,936,102	(2,400)	-	-
Financial charges		(25,414,424)	(5,719,839)	(11,063,623)	(2,267,679)
		(90,646,538)	(68,932,546)	(32,410,837)	(24,847,067)
PROFIT BEFORE TAX		27,279,207	27,278,030	8,896,702	12,466,303
Taxation	16	(2,469,747)	-	(906,460)	-
PROFIT FOR THE PERIOD		24,809,460	27,278,030	7,990,242	12,466,303
STATEMENT OF COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Other comprehensive (loss)		-	(3,806,484)	-	(3,776,757)
Net other comprehensive (loss) not to be reclassified subsequently to profit or loss		-	(3,806,484)	-	(3,776,757)
Items that will be reclassified subsequently to profit or loss:					
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD		24,809,460	23,471,546	7,990,242	8,689,546
Basic and diluted earnings per share (AED per share)		0.146	0.173	0.051	0.080

The independent auditor's review report is set on pages 1 and 2 of these condensed consolidated interim financial statements. The accompanying notes from pages 8 to 16 form an integral part of these condensed consolidated interim financial statements

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Nine months Ended 30 September 2024

	Share capital AED Note 9	Treasury reserve AED Note 9(a)	Legal reserve AED Note 9(b)	Fair value through OCI AED	Retained earnings AED	Total AED
Balance at 1 January 2023	173,431,068	(14,650,274)	7,522,557	(5,017,755)	31,928,515	193,214,111
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	27,278,030	27,278,030
Other comprehensive (loss) for the period	-	-	-	(3,806,484)	-	(3,806,484)
Total comprehensive income for the period	-	-	-	(3,806,484)	27,278,030	23,471,546
<u>Transactions with owners</u>						
Purchase of treasury shares	-	(4,358,012)	-	-	-	(4,358,012)
Distribution of treasury shares	-	6,028,077	-	-	-	6,028,077
Total transactions with owners	-	1,670,065	-	-	-	1,670,065
Balance at 30 September 2023	173,431,068	(12,980,209)	7,522,557	(8,824,239)	59,206,545	218,355,722
Balance at 1 January 2024	173,431,068	(12,980,210)	11,057,003	(8,824,239)	63,738,527	226,422,149
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	24,809,460	24,809,460
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	24,809,460	24,809,460
<u>Transactions with owners:</u>						
Disposal of treasury shares	-	12,980,210	-	-	-	12,980,210
Distribution of dividends	-	-	-	-	(13,440,907)	(13,440,907)
Balance at 30 September 2024	173,431,068	-	11,057,003	(8,824,239)	75,107,080	250,770,912

The independent auditor's review report is set on pages 1 and 2 of these condensed consolidated interim financial statements. The accompanying notes from pages 8 to 16 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS

	<i>Nine months ended</i>	
	30 September 2024	30 September 2023
	AED	AED
	(Un-audited)	(Un-audited)
OPERATING ACTIVITIES		
Profit before tax for the period	27,279,207	27,278,030
Adjustments for:		
Depreciation on property and equipment	1,181,178	1,502,540
Depreciation on right of use asset	203,944	-
Amortization of intangible assets	608,750	592,500
Interest expense on lease liability	107,887	-
Unrealized loss on investment	648,794	200,796
Interest on bank borrowings	23,349,166	2,305,669
Interest income on deposits	(2,274,360)	(127,571)
Exchange gain or loss	(2,224,253)	(3,935,382)
Purchase of financial assets through profit and loss	(96,843,462)	(2,267,990)
Reversal of provision for expected credit loss	(1,936,102)	-
Provision for employees' end of service benefits	1,685,016	952,101
Corporate tax	(2,530,538)	-
Operating profit before working capital changes	(50,744,773)	26,500,693
Change in short term deposit under lien	11,000,000	-
Change in trade and other receivables	(152,305,123)	(139,338,975)
Change in trade and other payables	125,066,626	88,324,473
	(66,983,270)	(24,513,809)
Interest received on deposits	2,274,360	127,571
Payment of gratuity	(12,541)	(168,053)
Cash (used in) operating activities	(64,721,451)	(24,554,291)
INVESTING ACTIVITIES		
Purchase of furniture and equipment – net	(322,360)	(701,664)
Purchase of intangible assets	(519,480)	-
Cash flow (used in) investing activities	(841,840)	(701,664)
FINANCING ACTIVITIES		
Repayment of bank borrowings	(537,851)	(537,853)
Interest paid on bank borrowings	(23,349,166)	(2,305,669)
Purchase of treasury shares	-	(4,358,012)
Disposal of treasury shares	12,980,210	6,028,077
(Repayment) / additions of Bank Facility	(1,257,719)	75,000,000
Distribution of dividends	(13,440,907)	-
Repayment of lease liability	(167,447)	-
Additions / (repayment) of short term loan	69,593,331	(18,350,000)
Cash flow generated from financing activities	43,820,451	55,476,543
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(21,742,840)	30,220,588
Exchange Gain	2,224,253	3,935,382
Net Decrease / (Increase) in cash and cash equivalents after exchange gain / loss	(19,518,587)	34,155,970
Cash and cash equivalents at beginning of period	38,571,158	28,539,357
CASH AND CASH EQUIVALENTS AT 30 September	19,052,571	62,695,327

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS

	30 September 2024 AED (Un-audited)	30 September 2023 AED (Un-audited)
<u>Represented by:</u>		
Cash and bank balances	320,285,614	355,587,557
Clients' deposits	(301,233,043)	(292,892,230)
Cash and cash equivalents at the end of period	<u>19,052,571</u>	<u>62,695,327</u>

The independent auditor's review report is set on pages 1 and 2 of these condensed consolidated interim financial statements. The accompanying notes from pages 8 to 16 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 September 2024

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

BHM Capital Financial Services PSC ("the Company"), was incorporated on 11 March 2006 in accordance with the provisions of UAE Federal Law for Commercial Companies. The registered office of the Company is P.O. Box 26730, Dubai, United Arab Emirates. The current shareholding of company is as follows:

<u>Shareholders</u>	Percentage of effective ownership <u>30 September</u> <u>2024</u>	Percentage of effective ownership <u>31 December</u> <u>2023</u>
EIH Financial Services L.L.C – O.P.C	-	67.85%
Acquisition Dune Investment LLC	33.57%	-
Jordan Kuwait Bank	10.00%	10.00%
Al Madar Al Masi Investment LLC	9.97%	-
Sky Bridge Plus Project Management LLC	6.63%	-
Abdel Hadi Issa Abdel Rahman Al Sadi	5.88%	-
Al Sawari Real Estate Investments	5.09%	-
Others	28.86%	22.15%

On 14 July 2009, Al Safwa Islamic Financial Services ("Al Safwa") established a subsidiary by subscribing to 10,000,000 shares of AED 1 each representing 100% equity shares in Al Safwa Capital LLC (the "subsidiary") incorporated in the Emirates of Sharjah in accordance with the provision of the UAE Federal Law for Commercial Companies. On 26 November 2015, Al Safwa was listed on Dubai Financial Market ("DFM") as Private Joint Stock Company (PrJSC). The principal activity of the subsidiary is to hold investment properties and investment securities.

As further explained in note 4, on 8 December 2016, the operations of Mubasher Financial Services LLC ("MFS") merged with Al Safwa and the combined entity was renamed as Al Safwa Mubasher Financial Services PrJSC. Al Safwa Mubasher Financial Services PrJSC continues to be listed on the DFM as a Private Joint Stock Company.

On 30 May 2019, the structure of shareholding changed and was updated with DFM. The name of the Company also changed from Al Safwa Mubasher Financial Services (PrJSC) to BH Mubasher Financial Services PSC and subsequently changed to BHM Capital Financial Services PSC.

The condensed consolidated financial information comprise of the Company and its wholly owned subsidiary, Al Safwa Capital LLC (collectively referred to as "the Group").

The principal activity of the Company is to act as an intermediary in dealings in shares, stocks, debentures and other securities including margin trading.

On 26 August 2024, the shareholders of the Group approved the acquisition of Al Waqan Capital Investment LLC through a Special Resolution in their General Assembly meeting. This acquisition involves purchasing 100% of the equity interest in Al Waqan Capital Investment LLC by increasing the capital through the issuance of new shares in the Group to the shareholders of Al Waqan Capital Investment LLC in exchange for in-kind shares of Al Waqan Capital Investment LLC.

The terms of the agreement have been agreed and approved but as the regulatory approvals are yet to be received, the transaction has not completed as of 30 September 2024. Once the necessary approvals have been obtained, Al Waqan Capital Investment LLC will be become a wholly owned subsidiary and consolidated results will be presented in the financial statements.

The consolidated interim financial information have been approved by Board of Directors on 1 November 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*

30 September 2024

2 BASIS OF ACCOUNTINGStatement of compliance

The condensed consolidated financial statements for the Nine months period ended 30 September 2024 have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by International Accounting Standard Board ("IASB") and comply with the provisions of the UAE Companies law. The condensed consolidated interim financial statements do not include all of the information required for the full annual audited consolidated financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2023. In addition, results for the period from 1 January 2024 to 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below. However, not all are expected to impact the Group's as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following new standards and amendments are effective for the period beginning on or after 1 January 2024:

- Amendments to IAS 1 – Presentation of financial statements on classification of liabilities
- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IFRS 16 – Lease liability on sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IAS 21 – Lack of Exchangeability

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

3 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2023.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Pursuant to a merger agreement between Al Safwa and MFS and shareholder resolutions of respective entities dated 21 January 2016, Ministerial Resolution number (499)/2016 issued by Ministry of Economy on 19 September 2016, and Emirates Securities and Commodities Authority ("ESCA") approval dated 11 October 2016 approving the merger, the Company commenced operations and traded as a combined entity under the revised name of Al Safwa Mubasher Financial Services with effect from 8 December 2016, on completion of the formalities of the UAE exchanges. As a result of the merger goodwill and client relationship arose, goodwill is tested annually for the impairment and client relationship is being amortised over its useful life.

The movement in goodwill and other intangible assets during the period is as follows:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 September 2024

4 GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

	<i>Goodwill AED</i>	<i>Client relationships AED</i>	<i>Software AED</i>	<i>Capital WIP AED</i>	<i>Total AED</i>
As at 1 January 2024	38,379,061	2,370,000	61,389	124,200	40,934,650
Additions during the period	-	-	-	519,480	519,480
As at 30 September 2024	38,379,061	2,370,000	61,389	643,680	41,454,130
Amortization for the period	-	(592,500)	(16,250)	-	(608,750)
As at 30 September 2024 (Un-audited)	38,379,061	1,777,500	45,139	643,680	40,845,380
As at 31 December 2023 (Audited)	38,379,061	2,370,000	61,389	124,200	40,934,650

5 FINANCIAL ASSETS

The Group have the following financial assets:

FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Investment in private joint stock company	-	-
Investment in quoted shares	-	-
Total financial assets through other comprehensive income	-	-

Reconciliation of the fair values at the beginning and end of the current and previous financial year/period are set out below:

	<i>Listed AED</i>	<i>Unlisted AED</i>	<i>Total AED</i>
As at 1 January 2023	812,538	2,993,946	3,806,484
Change in fair value	(812,538)	(2,993,946)	(3,806,484)
As at 31 December 2023	-	-	-
Change in fair value	-	-	-
As at 30 September 2024	-	-	-

Investment in unquoted securities classified as fair value through other comprehensive income (FVTOCI) represents 2.5% of interest held in National Real Estate Development and Investment SAOC, a private joint stock company incorporated in the Sultanate of Oman and primarily involved in real estate development. The investment was acquired through the business combination.

The Company elected to present in OCI the changes in the fair value of the investment because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 September 2024

5 FINANCIAL ASSETS (continued)

FINANCIAL ASSETS THROUGH PROFIT AND LOSS

	30 September 2024 AED (Un-audited)	31 December 2023 AED (Audited)
<i>Investments in local and foreign quoted shares</i>		
As at 1 January	2,848,738	11,992,836
Additions (disposals) during the period / year	96,843,462	(8,900,666)
Fair value change during the period / year	(648,794)	(243,432)
As at 30 September / 31 December	99,043,406	2,848,738

Investment in securities classified as fair value through profit and loss (FVTPL) represent a portfolio of investments in local and foreign quoted shares.

6 TRADE AND OTHER RECEIVABLES

	30 September 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Receivable from customers	710,308,237	578,773,945
Allowances for expected credit losses (note 6.1)	(425,770)	(2,361,871)
	709,882,467	576,412,074
Prepayments	4,598,623	3,488,243
<u>Other receivables:</u>		
Net settlement due from:		
- Dubai Financial Market (DFM)	25,492,752	42,689,086
- Abu Dhabi Securities Exchange (ADX)	31,038,801	77,646,585
- NASDAQ	-	584
Deposits	3,290,270	11,651,298
Others (note 6.2)	130,470,935	38,644,753
Total trade and other receivables	904,773,848	750,532,623

6.1 Movement in allowance for expected credit losses:

	30 September 2024 AED (Un-audited)	31 December 2023 AED (Audited)
At 1 January	2,361,871	4,536,408
Reversal of provision	(1,936,101)	(1,710,877)
Written off during the year	-	(463,660)
At 30 September / 31 December	425,770	2,361,871

6.2 This mainly pertains to balances related to liquidity provider services of AED 86 million (31 December 2023: AED 37 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*

30 September 2024

7 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include, parent, subsidiaries, key management personnel or their close family members.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, executive or otherwise, of the Group. Transactions with related parties are conducted on terms agreed mutually between the parties.

Transactions with related parties during the period are as follows:

	<u>Nine months ended</u>	
	30 September 2024	30 September 2023
	AED	AED
	(Un-audited)	(Un-audited)
Salary and benefits provided to key management personnel	5,201,242	5,912,278
Margin trading receivable	<u>705,809</u>	<u>-</u>

8 CASH AND BANK BALANCES

	30 September 2024	31 December 2023
	AED	AED
	(Un-audited)	(Audited)
Cash and bank		
- Group's deposits	19,052,571	38,570,920
- Petty cash	-	238
- Customers' deposits (note 8.1)	<u>301,233,043</u>	<u>310,793,966</u>
Cash and bank	<u>320,285,614</u>	<u>349,365,124</u>
Customers' deposits	<u>(301,233,043)</u>	<u>(310,793,966)</u>
Cash and cash equivalents	<u><u>19,052,571</u></u>	<u><u>38,571,158</u></u>

- 8.1 In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("SCA"), the Group maintains separate bank accounts for amounts received from its customers ("customer deposits") which are not available to the Group other than to settle transactions executed on behalf of such customers.

9 SHARE CAPITAL

	30 September 2024	31 December 2023
	Number of shares	Number of shares
	(Un-audited)	(Audited)
In issue at 1 January	173,431,068	173,431,068
Cancellation of shares	-	-
Total paid in capital (AED)	<u><u>173,431,068</u></u>	<u><u>173,431,068</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 September 2024

9 SHARE CAPITAL (continued)**9(a) Treasury shares**

	2024 No. of shares	2023 No. of shares	2024 AED	2023 AED
Employee Stock Options Program	-	11,843,106	-	12,980,210

9(b) Legal reserve

In accordance with UAE Federal Law (32) of 2021, a minimum of 10% of the annual profit is to be transferred to this non-distributable statutory reserve. Such transfers may cease when the statutory reserve becomes equal to half of the paid up share capital.

9(c) Dividends

The Group has distributed a dividend of AED 0.075 per share, amounting to a total of AED 13.44 million, as approved at the AGM held on 11 March 2024.

10 BANK BORROWINGS

	30 September 2024 AED (Un-audited)	31 December 2023 AED (Audited)
Ijarah Facility (note a)	2,270,927	2,808,778
Short-term borrowings (note b)	106,293,331	36,700,000
Bank overdraft (note c)	303,742,281	305,000,000
Total borrowings	412,306,539	344,508,778
<u>Disclosed under statement of financial position as follows:</u>		
Non-current portion of borrowings	2,091,643	2,091,642
Current portion of borrowings	410,214,896	342,417,136
	412,306,539	344,508,778

- a** In 2008, the Group was granted a forward Ijarah facility from the Islamic Bank to purchase an office space in the Emirate of Dubai. On 8 November 2012, the Group obtained the possession of office premises and the Ijarah facility of AED 24,051,620 was rescheduled to be repayable in 180 equal monthly instalments commencing from 8 December 2012. The Ijarah facility bears a profit rate.
- b** Short term borrowing amounting AED 106.10 million is interest bearing loan which is re-payable on demand.
- c** The Company has obtained a bank overdraft facility of AED 303 million (31 December 2023: AED 305 million). As on the reporting date, the Company has drawn down AED 303 million (31 December 2023: AED 305 million). The loan amount is re-payable within a year.

At the reporting date, the Group has obtained following facilities from bank:

Facility	Limit(AED)
Letters of guarantee	58,000,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 September 2024

11 TRADE AND OTHER PAYABLES

	30 September 2024	31 December 2023
	AED	AED
	(Un-audited)	(Audited)
Customers' deposits	301,233,043	310,793,966
Customers' deposits with foreign markets	66,788,345	7,530,218
Customers' unsettled balances	49,935,141	164,865,384
Net settlement due to:		
- Dubai Financial Market (DFM)	-	-
- Abu Dhabi Securities Exchange (ADX)	-	-
- NASDAQ Dubai (NASDAQ)	289	-
Short term advances	1,556,329	4,956,329
Other payables and accruals (Note 11.1)	338,042,702	156,434,786
Total trade and other payables	757,555,849	644,580,683

11.1 This mainly pertains to balances related to asset management services of AED 213 million (31 December 2023: AED 60 million).

12 CONTINGENT LIABILITIES

	30 September 2024	31 December 2023
	AED	AED
	(Un-audited)	(Audited)
Guarantees issued to:		
Abu Dhabi Securities Exchange (ADX)	36,000,000	33,000,000
Dubai Financial Markets (DFM)	22,000,000	17,000,000
NASDAQ Dubai Limited (NASDAQ)	5,527,500	5,527,500
	63,527,500	55,527,500

The guarantees issued are secured by fixed deposits of AED 22,196,900 (31 December 2023: AED 19,196,900).

13 GENERAL AND ADMINISTRATIVE EXPENSES

	Nine months ended		Three months ended	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	AED	AED	AED	AED
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Staff cost	45,699,548	42,135,316	15,029,509	15,065,855
Trading cost	11,269,254	6,190,658	3,001,412	1,953,589
Depreciation on property and equipment	1,181,178	1,502,540	390,244	498,720
Depreciation on right of use assets	203,944	-	67,981	-
Amortization on intangible assets	608,750	592,500	202,917	197,500
Short term lease expenses	115,748	325,357	21,220	101,276
Legal and Professional	2,179,648	2,105,775	611,287	903,022
Registration and licensing	823,626	795,178	273,801	270,965
Communication	461,799	204,414	340,206	57,322
Other expenses	4,624,721	9,358,569	1,408,637	3,531,139
	67,168,216	63,210,307	21,347,214	22,579,388

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

30 September 2024

14 FAIR VALUE HIERARCHY OF ASSETS MEASURED AT FAIR VALUE

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
30 September 2024 (Un-audited)				
Financial assets – Investment at fair value through P&L	46,543,406	-	52,500,000	99,043,406
Financial assets – Investment at fair value through OCI	-	-	-	-
31 December 2023 (Audited)				
Financial assets – Investment at fair value through P&L	2,848,738	-	-	2,848,738
Financial assets – Investment at fair value through OCI	-	-	-	-

15 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit or loss for the period attributable to owners of the Group by the weighted average number of shares outstanding during the period as follows:

	30 September 2024 AED (Un-audited)	30 September 2023 AED (Un-audited)
Profit for the period attributable to shareholders of the Group	24,809,460	27,278,030
Weighted average number of shares outstanding during the period	170,003,942	157,257,400
Basic and diluted earning per share (AED per share)	0.146	0.173

16 CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("UAE CT Law" or the "Law") to enact a Federal corporate tax ("CT") regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. For the Group, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. The Group's consolidated effective tax rate in respect of continuing operations for the Nine months period ended 30 September 2024 was 9.05% percent (Nine months ended 30 September 2023: Nil) since the new CT Law has become effective for accounting periods beginning on or after 1 June 2023. The income tax expense is recognized at an amount determined by multiplying the profit before tax for the reporting period ended 30 September 2024 by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*

30 September 2024

16 CORPORATE TAX *(continued)*

The major components of income tax expense for the nine month period ended 30 September 2024 are:

	<u>Nine months ended</u>	
	30 September 2024	30 September 2023
	AED	AED
	(Un-audited)	(Un-audited)
Condensed consolidated interim statement of profit or loss		
Current tax charge / (income):		
- Current tax charge	2,530,538	-
Deferred tax charge / (income)		
- Relating to origination and reversal of temporary differences	(60,791)	-
- Relating to enactment of UAE corporate income tax	-	-
Tax expense for the period reported in the condensed consolidated statement of profit or loss	2,469,747	-

	<u>Nine months ended</u>	
	30 September 2024	30 September 2023
	AED	AED
	(Un-audited)	(Un-audited)
Condensed consolidated interim statement of financial position		
Deferred tax asset		
- Unrealized foreign currency exchange loss	2,400	-
- Unrealized loss on fair valuation of investments	58,391	-
Deferred tax asset for the period reported in the condensed consolidated statement of financial position	60,791	-