

BHM CAPITAL FINANCIAL SERVICES PSC

**REVIEW REPORT AND
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

BHM CAPITAL FINANCIAL SERVICES PSC

<u>Contents:</u>	<u>Page</u>
Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Information to the Board of Directors of BHM Capital Financial Services P.S.C.	1
Condensed consolidated interim statement of financial position (unaudited)	2
Condensed consolidated interim statement of comprehensive income (unaudited)	3
Condensed consolidated interim statement of changes in equity (unaudited)	4
Condensed consolidated interim statement of cash flows (unaudited)	5-6
Notes to the condensed consolidated interim financial information (unaudited)	7 – 18

Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Information to the Shareholders of BHM Capital Financial Services P.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of BHM Capital Financial Services PSC (the 'Company') and its subsidiary (collectively referred to as the "Group") as at 31 March 2025 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). 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 Standards on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matter

The condensed consolidated interim financial information of the Group for the three-month period ended 31 March 2024 was reviewed by another auditor who expressed an unmodified conclusion on 10 May 2024.

GRANT THORNTON UAE



Dr. Osama El Bakry
Registration No: 935
Dubai, United Arab Emirates



14 May 2025

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2025			
	Notes	31 March 2025 AED (Un-audited)	31 December 2024 AED (Audited)
ASSETS			
NON-CURRENT ASSETS			
Goodwill and other intangible assets	4	40,439,547	40,642,463
Property and equipment	-	6,578,378	6,938,314
Right-of-use asset	5(a)	453,208	521,190
Total non-current assets		47,471,133	48,101,967
CURRENT ASSETS			
Short term deposit under lien		2,800,000	32,133,524
Trade and other receivables	7	792,405,631	774,826,535
Financial assets through profit and loss	6	151,666,958	101,480,071
Cash and bank balances	9	228,950,957	247,797,429
Total current assets		1,175,823,546	1,156,237,559
Total assets		1,223,294,679	1,204,339,526
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	10	173,431,068	173,431,068
Legal reserve	10(a)	14,804,882	14,804,882
Fair value reserve	6	(8,824,239)	(8,824,239)
Retained earnings		95,307,595	84,028,540
Total equity		274,719,306	263,440,251
NON-CURRENT LIABILITIES			
Bank borrowings – non-current portion	11	1,374,507	1,374,507
Employees' end of service benefits	-	6,683,440	6,528,885
Lease liability – non-current portion	5(b)	171,992	171,992
Total non-current liabilities		8,229,939	8,075,384
CURRENT LIABILITIES			
Trade and other payables	12	548,016,838	544,045,747
Bank borrowings – current portion	11	387,245,622	384,827,059
Corporate tax	18	4,774,173	3,670,015
Lease liability – current portion	5(b)	308,801	281,070
Total current liabilities		940,345,434	932,823,891
Total equity and liabilities		1,223,294,679	1,204,339,526

The condensed consolidated interim financial information were authorized and approved for issue by the Board of Directors on 14 May 2025 and signed on their behalf by:



Abdel Hadi AL Sadi
Chief Executive Officer

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial information

BHM CAPITAL FINANCIAL SERVICES PSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the Period ended 31 March 2025

		Three months ended	
	Notes	31 March 2025 AED (Un-audited)	31 March 2024 AED (Un-Audited)
INCOME			
Income from margin trading		22,867,738	20,072,984
Commission and advisory income		13,949,157	14,561,342
Finance income	15	2,882,111	134,997
Other income		4,992,457	2,716,919
		<u>44,691,463</u>	<u>37,486,242</u>
EXPENSES			
General and administrative expenses	14	(22,650,976)	(20,405,575)
Allowance for expected credit loss	7	(15,356)	-
Financial charges		(9,641,918)	(6,844,489)
		<u>(32,308,250)</u>	<u>(27,250,064)</u>
PROFIT BEFORE TAX		<u>12,383,213</u>	<u>10,236,178</u>
Corporate tax	18	(1,104,158)	(1,091,609)
PROFIT FOR THE PERIOD		<u>11,279,055</u>	<u>9,144,569</u>
STATEMENT OF OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Other comprehensive loss		-	-
Net other comprehensive loss not to be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>11,279,055</u>	<u>9,144,569</u>
Basic and diluted earnings per share (AED per share)			
	16	0.065	0.056

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial information

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Period ended 31 March 2025

	Share capital AED Note 10	Treasury shares AED Note 10(a)	Legal reserve AED Note 10(b)	Fair value reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2024	173,431,068	(12,980,210)	11,057,003	(8,824,239)	63,738,527	226,422,149
<u>Comprehensive income</u>						
Profit for the period	-	-	-	-	9,144,569	9,144,569
<i>Other comprehensive income for the period</i>						
Change in investment at fair value through other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	9,144,569	9,144,569
<u>Transactions with owners:</u>						
Disposal of treasury shares	-	12,980,210	-	-	-	12,980,210
Balance at 31 March 2024	173,431,068	-	11,057,003	(8,824,239)	72,883,096	248,546,928
Balance at 1 January 2025	173,431,068	-	14,804,882	(8,824,239)	84,028,540	263,440,251
<u>Comprehensive income</u>						
Profit for the period	-	-	-	-	11,279,055	11,279,055
<i>Other comprehensive income for the period</i>						
Change in investment at fair value through other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	11,279,055	11,279,055
Balance at 31 March 2025	173,431,068	-	14,804,882	(8,824,239)	95,307,595	274,719,306
Balances in (brackets) indicate debit amounts						

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial information

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the Period ended 31 March 2025

		<i>Three months ended</i>	
	Notes	31 March 2025 AED (Un-audited)	31 March 2024 AED (Un-audited)
OPERATING ACTIVITIES			
Profit for the period before tax		12,383,213	10,236,178
Adjustments for:			
Depreciation	14	383,782	398,804
Depreciation on right-of-use asset	14	67,981	67,982
Amortization of intangible assets	14	202,917	202,917
Interest expense on lease liability	5(b)	27,731	40,476
Unrealised gain on investments	6	(60,253)	610,608
Interest on bank borrowings		8,186,655	6,586,410
Interest income on deposits		(2,882,111)	(134,997)
Exchange loss / (gain)		840,748	(904,117)
Provision for expected credit loss	7.2	15,356	-
Provision for employees' end of service benefits		285,671	323,649
Tax payments	17	(1,104,158)	(1,091,609)
Operating profit before working capital changes		18,347,532	16,336,301
Change in short term deposit under lien		29,333,524	-
Change in trade and other receivables		(17,594,452)	(15,725,464)
Change in trade and other payables		38,444,805	(22,930,970)
Gross cash flow generated from / (used in) operating activities		68,531,409	(22,320,133)
Less: employees' end of service benefits paid		(131,116)	-
Net cash flow generated from / (used in) operating activities		68,400,293	(22,320,133)
INVESTING ACTIVITIES			
Purchase of property and equipment		(23,846)	(53,859)
Purchase of goodwill and other intangible assets	4	-	(220,800)
Purchase of financial assets through profit and loss	6	(50,126,634)	(14,421,804)
Interest received on deposits		2,882,111	134,997
Net cash flow used in investing activities		(47,268,369)	(14,561,466)
FINANCING ACTIVITIES			
Repayment of bank borrowings		(179,284)	(179,283)
Interest paid on bank borrowings		(8,186,655)	(6,586,410)
Disposal of treasury shares		-	12,980,210
(Repayment) / addition of Bank facility		(80,266,594)	47,182,879
Additions of short-term loan		82,864,441	-
Net cash flow (used in) / generated from financing activities		(5,768,092)	53,397,396

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial information

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS *(continued)*

For the Period ended 31 March 2025

	Note	31 March 2025 AED (Un-audited)	31 March 2024 AED (Un-audited)
INCREASE IN CASH AND CASH EQUIVALENTS		15,363,832	16,515,797
Exchange (loss) / gain		<u>(840,748)</u>	<u>904,117</u>
Net increase in cash and cash equivalents after exchange (loss) / gain		14,523,084	17,419,914
Cash and cash equivalents at 1 January		<u>479,265</u>	<u>38,571,158</u>
CASH AND CASH EQUIVALENTS AS AT 31 MARCH		<u>15,002,349</u>	<u>55,991,072</u>
<u>Represented by:</u>			
Cash and bank balances		228,950,957	350,681,772
Customers' deposits		<u>(213,948,608)</u>	<u>(294,690,700)</u>
Cash and cash equivalents at the end of period	9	<u>15,002,349</u>	<u>55,991,072</u>

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial information

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

BHM Capital Financial Services PSC (Previously known as "Al Safwa Islamic Financial Services") ("the Company") was incorporated on 11 March 2006 in accordance with the provisions of UAE Federal Law No.25 of 2001 superseded by Federal Law No. (32) of 2021 ("Commercial Companies Law").

The condensed consolidated interim financial information comprise the financial results and financial position of the Company and its wholly owned subsidiary, Al Safwa Capital LLC (collectively referred to as the "Group"). The Subsidiary was established on 14 July 2009 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. The principal activity of the subsidiary is to hold investment properties and investment securities.

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 regulatory approvals are yet to be received, the transaction was not completed as of 31 March 2025. Once the necessary approvals have been obtained, Al Waqan Capital Investment LLC will become a wholly owned subsidiary, and consolidated results will be presented in the financial statements.

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

The registered office of the Company is P.O. Box 26730, Dubai, United Arab Emirates.

The condensed consolidated interim financial information have been approved by Board of Directors on 14 May 2025.

2 MATERIAL ACCOUNTING POLICIES

The condensed consolidated interim financial information have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2024.

2.1 BASIS OF PREPARATION

Statement of compliance

The condensed consolidated interim financial information have been prepared on going concern basis. They have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board. They do not include all of the information required in annual financial statements in accordance with IFRS Accounting Standards, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2025.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entity controlled by the Company (its subsidiary) as at 31 March 2025 & 31 December 2024 for comparative. Control is achieved where all the following criteria are met:

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

2 MATERIAL ACCOUNTING POLICIES *(continued)*

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The condensed consolidated interim financial information of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Share of comprehensive income/loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognize s the assets (including goodwill) and liabilities of the subsidiary;
- Derecognize s the carrying amount of any non-controlling interest;
- Derecognize s the cumulative translation differences recorded in equity;
- Recognize s the fair value of the consideration received;
- Recognize s the fair value of any investment retained;
- Recognize s any surplus or deficit in profit and loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

a) New or revised Standards or Interpretations

i) New and revised IFRS Accounting Standards applied with no material effect on the condensed consolidated interim financial information

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these condensed consolidated interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

2 MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policies and disclosures *(continued)*

ii) **New and revised IFRS Accounting Standards in issue but not yet effective**

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to IFRS 9 Financial Instruments and IFRS 7 <i>Financial Instruments Disclosures regarding the classification and measurement of financial instruments</i>	1 January 2026
The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendment to IFRS 10 <i>Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors</i>	Effective date deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application.

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 2024.

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 PSC with effect from 8 December 2016, on completion of the formalities of the UAE exchanges. The company in the year 2021 changed its name to read as BHM Capital Financial Services PSC. As a result of the merger goodwill and client relationship arose, goodwill is tested annually for the impairment and client relationship is being amortized over its useful life.

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

4 GOODWILL AND OTHER INTANGIBLE ASSETS *(continued)*

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

	<i>Goodwill AED</i>	<i>Client relationships AED</i>	<i>Software AED</i>	<i>Capital WIP AED</i>	<i>Total AED</i>
<u>Cost:</u>					
As at 1 January 2025	38,379,061	1,580,000	39,722	643,680	40,642,463
Additions during the period	-	-	-	-	-
As at 31 March 2025	38,379,061	7,900,000	39,722	643,680	40,642,463
Amortization for the period	-	(197,500)	(5,417)	-	(202,917)
As at 31 March 2025 (Un-audited)	38,379,061	1,382,500	34,306	643,680	40,439,547
As at 31 December 2024 (Audited)	38,379,061	1,580,000	39,722	643,680	40,642,463

5 LEASES

This note provides information for leases where the Group is a lessee. The Company has only one lease arrangement which is for Abu Dhabi office. Rental contract is for fixed period of three years.

5(a) RIGHT-OF-USE ASSET

	<i>31 March 2025 AED (Un-audited)</i>	<i>31 December 2024 AED (Audited)</i>
<u>Cost</u>		
Balance at 1 January	815,775	815,775
Additions during the period	-	-
Balance at 31 March / 31 December	815,775	815,775
 <u>Accumulated depreciation</u>		
Balance at 1 January	294,585	22,660
Charge for the period	67,982	271,925
Balance at 31 March / 31 December	362,567	294,585
 Right-of-use Asset – Net book value	453,208	521,190

5(b) LEASE LIABILITY

Balance at 1 January	453,062	661,293
Accretion of interest	27,731	134,019
Repayment of lease liability	-	(342,250)
Balance at 31 March / 31 December	480,793	453,062

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

5 LEASES *(continued)*

5(b) LEASE LIABILITY *(continued)*

Disclosed as under:

Non-current liabilities	171,992	171,992
Current liabilities	<u>308,801</u>	<u>281,070</u>
	<u>480,793</u>	<u>453,062</u>

The lease pertains to rented office premises in use by the Group.

6 FINANCIAL ASSETS

FINANCIAL ASSETS THROUGH PROFIT AND LOSS

	<i>31 March 2025</i> <i>AED</i> <i>(Un-audited)</i>	<i>31 December 2024</i> <i>AED</i> <i>(Audited)</i>
As at 1 January	101,480,071	2,848,738
Additions during the period	50,126,634	99,594,062
Fair value change during the period (unrealised)	<u>60,253</u>	<u>(962,729)</u>
As at 31 March / 31 December	<u>151,666,958</u>	<u>101,480,071</u>

Investment in securities classified as fair value through profit and loss (FVTPL) represent a portfolio of investments in the quoted amounting to AED 59,166,958 (2024: AED 8,980,071) and unquoted shares amounting to AED 92,500,000 (2024: AED 92,500,000). These investments are of short-term nature and for trading purposes.

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

7 TRADE AND OTHER RECEIVABLES

	31 March 2025 AED (Un-audited)	31 December 2024 AED (Audited)
Trade receivables (note 7.1)	741,706,826	658,780,043
Allowances for expected credit losses (note 7.2)	(463,959)	(448,603)
	<u>741,242,867</u>	<u>658,331,440</u>
Prepayments	3,670,491	4,341,434
<u>Other receivables:</u>		
Net settlement due from:		
- Dubai Financial Market	7,157,770	-
- Abu Dhabi Securities Exchange	-	26,363,800
- National Association of Securities Dealers Automated Quotations (NASDAQ)	21,061	17,751
Deposits	5,704,352	5,526,183
Receivable from broker	268,895	-
Others	34,340,195	80,245,927
Total trade and other receivables	<u>792,405,631</u>	<u>774,826,535</u>

Others include mainly balances related to receivables from liquidity providers.

- 7.1** The Group has obtained the brokerage license from SCA under registration No. 20200000057 dated 05 August 2006, whereby the Group provides finance to its clients as a percentage of the market value of securities. These securities are considered as collateral and remains under the client's portfolio. The financing agreements are short term and the bearing interest on it. However, if the customer fails to settle within prescribed time, the management can levy interest at its own discretion.

Investors who borrow from the Group will need to provide additional cash or securities if the price of a stock drops against the product's minimum eligibility. In the absence of adequate collateral, the Group is also allowed to liquidate the position. The fair value of securities held as collateral against margin trading receivables as at 31 March 2025 amounts to AED 21 billion (31 December 2024: AED 17 billion).

The Group charges interest to Margin Trading clients based on signed agreements. Interest income during the period amounted to AED 22,867,738 (31 March 2024: AED 20,072,984).

- 7.2** Movement in allowance for expected credit losses:

	31 March 2025 AED (Un-audited)	31 December 2024 AED (Audited)
At 1 January	448,603	2,361,871
Reversal of provision	-	(1,936,101)
Provision during the period	15,356	22,833
At 31 March / 31 December	<u>463,959</u>	<u>448,603</u>

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

7 TRADE AND OTHER RECEIVABLES *(continued)*

The nature of business of BHM Capital Financial Services PSC is margin lending and is primarily fully collateralised with daily netting-off, the assets monitored closely, and collateral may be liquidated when margins are below threshold or non-payment of commitment.

8 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are related if one party can control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include subsidiary and 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.

Details of the balances with related parties at the reporting date and the significant transactions with related parties during the period are as follows:

8(a) Transactions during the period

	<i>Three months ended</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	<i>AED</i>	<i>AED</i>
	<i>(Un-audited)</i>	<i>(Un-audited)</i>
Salary and benefits provided to key management personnel	<u>2,051,573</u>	<u>1,715,054</u>

9 CASH AND BANK BALANCES

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>AED</i>	<i>AED</i>
	<i>(Un-audited)</i>	<i>(Audited)</i>
Cash and bank		
- Group's deposits	15,002,349	479,265
- Customers' deposits (note 9.1)	<u>213,948,608</u>	<u>247,318,164</u>
Cash and bank	<u>228,950,957</u>	<u>247,797,429</u>
Customers' deposits	<u>(213,948,608)</u>	<u>(247,318,164)</u>
Cash and cash equivalents	<u>15,002,349</u>	<u>479,265</u>

- 9.1** In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("SCA"), the Company maintains separate bank accounts for money received from its customers ("Restricted Funds") and represent these restricted funds as part of condensed consolidated interim financial information under bank and cash balances amounting to AED 213,948,608 (31 December 2024: AED 247,318,164) with the corresponding liability in amount due to customers. The restricted funds are not available to the Group other than to settle transactions executed in trading accounts of the customers.

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

10 SHARE CAPITAL

	<i>31 March 2025</i> <i>Number of shares</i> <i>(Un-audited)</i>	<i>31 December 2024</i> <i>Number of shares</i> <i>(Audited)</i>
Issued, Authorised and Paid-up Capital	173,431,068	173,431,068
Cancellation of shares	-	-
In issue at 31 March / 31 December	<u>173,431,068</u>	<u>173,431,068</u>
Total paid in capital (AED)	<u>173,431,068</u>	<u>173,431,068</u>

Capital Adequacy Management

The Group manages its capital adequacy to ensure compliance with decision no. (27) of 2014 concerning the criteria for capital adequacy of the brokerage firms in securities and commodity contracts. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximize shareholders' value.

The Group manages its capital structure and adjusts it considering changes in economic conditions. No changes were made in the objectives, policy or processes during the years ended 31 March 2025 and 31 December 2024.

10(a) Legal reserve

In accordance with UAE Federal Law (32) of 2021 ("Commercial Companies Law"), 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.

11 BANK BORROWINGS

	<i>31 March 2025</i> <i>AED</i> <i>(Un-audited)</i>	<i>31 December 2024</i> <i>AED</i> <i>(Audited)</i>
Ijarah Facility (note a)	1,912,359	2,091,643
Short-term borrowings (note b)	181,975,317	99,110,876
Bank overdraft (note c)	<u>204,732,453</u>	<u>284,999,047</u>
	<u>388,620,129</u>	<u>386,201,566</u>
<u>Disclosed under statement of financial position as follows:</u>		
Non-current portion of borrowings	1,374,507	1,374,507
Current portion of borrowings	<u>387,245,622</u>	<u>384,827,059</u>
	<u>388,620,129</u>	<u>386,201,566</u>

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

11 BANK BORROWINGS *(continued)*

- 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 market equivalent profit rate and is secured by a first-degree registered mortgage over the property.
- b. Short term loan amounting AED 181.9 million (31 December 2024: 99.1 million) is interest bearing loan which is re-payable on demand. The short-term loan is acquired from a financial institution.
- c. The Company has obtained bank overdraft facilities of AED 305 million (31 December 2024: AED 355 million). As on the reporting date, the Company has drawn down AED 205 million (31 December 2024: 285 million). The loan amount is re-payable within a year.

12 TRADE AND OTHER PAYABLES

	31 March 2025 AED (Un-audited)	31 December 2024 AED (Audited)
Customers' deposits	213,948,608	247,318,164
Customers' deposits with foreign markets	13,026,405	56,113,836
Customers' Unsettled Balances	952,381	59,068,053
Net settlement due to:		
- Dubai Financial Market	-	2,651,644
- Abu Dhabi Securities Exchange	4,940,924	-
Short term advances	306,329	606,329
Other payables and accruals	314,842,191	178,287,721
Total trade and other payables	<u>548,016,838</u>	<u>544,045,747</u>

13 CONTINGENT LIABILITIES

	31 March 2025 AED (Un-audited)	31 December 2024 AED (Audited)
Guarantee to Abu Dhabi Securities Exchange (ADX)	21,000,000	36,000,000
Guarantee to Dubai Financial Markets (DFM)	22,000,000	22,000,000
	<u>43,000,000</u>	<u>58,000,000</u>

The guarantees issued are secured by fixed deposits of AED 16,800,000 (31 December 2024: AED 22,196,900). As per SCA regulations, a broker is required to have an enforceable bank guarantee payable to the respective stock markets. This guarantee was provided to the Abu Dhabi Securities Exchange and the Dubai Financial Market, remains valid till a written letter from the market stated end of its purpose is received to bank.

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

14 GENERAL AND ADMINISTRATIVE EXPENSES

	31 March 2025 AED (Un-audited)	31 March 2024 AED (Un-audited)
Staff cost	15,477,609	13,594,976
Trading cost	3,573,383	3,213,991
Legal and professional	856,696	824,355
Depreciation on property and equipment	383,782	398,804
Registration and licensing	280,657	275,959
Amortization on intangible assets	202,917	202,917
Communication	594,375	61,421
Depreciation on right of use assets	67,981	67,982
Short term lease expenses	64,371	52,363
Other expenses	1,149,205	1,712,807
Total general and administrative expenses	<u>22,650,976</u>	<u>20,405,575</u>

15 FINANCE INCOME

Finance income includes income earned on unquoted Investment during the period.

16 FAIR VALUE HIERARCHY OF ASSETS MEASURED AT FAIR VALUE

Fair value measurements recognised in the condensed consolidated interim statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value. They are ranked into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices, including over-the-counter quoted prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 AED	Level 2 AED	Level 3* AED	Total AED
<u>31 March 2025 (Un-audited)</u>				
Financial assets – Investment at fair value through P&L	59,166,958	-	92,500,000	151,666,958
Financial assets – Investment at fair value through OCI	-	-	-	-
<u>31 December 2024 (Audited)</u>				
Financial assets – Investment at fair value through P&L	101,480,071	-	-	101,480,071
Financial assets – Investment at fair value through OCI	-	-	-	-

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

16 FAIR VALUE HIERARCHY OF ASSETS MEASURED AT FAIR VALUE *(continued)*

* The level 3 fair valuation is calculated using price multiple, the higher the unobservable input of price multiple, the higher is fair value.

Movement in Level 3 Investment during the period	31 March 2025 AED (Un-audited)
Opening balance at 1 st January 2025	92,500,000
Purchased during the period	-
Realized gain on sale of Investment at fair value through P&L	-
Unrealized gain on Investment at fair value through P&L	-
Disposals during the period	-
Closing balance as at 31 March 2025	<u>92,500,000</u>

Movement in Level 3 Investment during the period	31 December 2024 AED (Audited)
Opening balance at 1st January 2024	-
Purchased during the year	92,500,000
Realized gain on sale of Investment at fair value through P&L	-
Unrealized gain on Investment at fair value through P&L	-
Disposals during the year	-
Closing balance as at 31 December 2024	<u>92,500,000</u>

17 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:

	31 March 2025 AED (Un-audited)	31 March 2024 AED (Un-audited)
Profit for the period attributable to shareholders of the Group	<u>11,279,055</u>	<u>9,144,569</u>
Weighted average number of shares outstanding during the period	<u>173,431,068</u>	<u>163,149,690</u>
Basic and diluted profit per share (AED per share)	<u>0.065</u>	<u>0.056</u>

BHM CAPITAL FINANCIAL SERVICES PSC
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the Period ended 31 March 2025

18 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. Therefore, the year ended 31 December 2024 is the first taxable period of the Group.

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 period ended 31 March 2025 was 8.92% (31 March 2024: 10.66%) 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 31 March 2025 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.

The reconciliation of profit before tax for the period ended 31 March 2025 and 31 March 2024 is presented below:

	31 March 2025 AED (Un-audited)	31 March 2024 AED (Un-audited)
Net Profit for the period before tax expense	12,383,213	10,236,178
Income not taxable in determining taxable profit	(64,800)	1,165,831
Expenses that are not deductible in determining taxable profit	43,763	820,726
Taxable income at 0%	(93,750)	(93,750)
Taxable income at 9%	12,268,426	12,128,985
Tax expenses	1,104,158	1,091,609
Effective tax rate	8.92%	10.66%

Management assessment is that the deferred tax component is immaterial as at reporting date.

19 SEGMENT REPORTING

The Group operates in brokerage industry and provide margin trading services in the United Arab Emirates only, hence no material segment exits for the Group.

20 SUBSEQUENT EVENTS

The shareholders of the Company, in their Annual General Meeting held on **21 April 2025**, approved the distribution of **26,568,932** bonus shares to existing shareholders, by capitalizing retained earnings.

The bonus shares were allotted on 01 May 2025, resulting in an increase in the Company's issued and paid-up share capital from AED 173,431,068 to AED 200,000,000.

This event is classified as a non-adjusting subsequent event under IAS 10 as it occurred after the reporting period but before the condensed consolidated interim financial information were authorized for issue.