

# **SHUAA CAPITAL PSC**

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 SEPTEMBER 2021

**Condensed consolidated interim financial information  
for the nine months ended 30 September 2021**

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## Review report on condensed consolidated interim financial information to the Board of Directors of SHUAA Capital PSC

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### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of SHUAA Capital PSC (the "Company") and its subsidiaries (the "Group") as at 30 September 2021 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, and condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. The directors are 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.

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### 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 the 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.

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### Conclusion

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

PricewaterhouseCoopers  
10 November 2021

Rami Sarhan  
Registered Auditor Number 1152  
Place: Dubai, United Arab Emirates

## SHUAA CAPITAL PSC

### Condensed consolidated interim statement of profit or loss for the nine months ended 30 September 2021 (unaudited)

(Currency - Thousands of U.A.E. Dirhams)

		<i>3 months to 30 September 2021 Unaudited</i>	<i>3 months to 30 September 2020 Unaudited</i>	<i>9 months to 30 September 2021 Unaudited</i>	<i>9 months to 30 September 2020 Unaudited</i>
	<i>Notes</i>				
<b>Continuing operations</b>					
Interest income		2,377	5,677	10,331	14,452
Interest expense		(1,880)	(2,635)	(4,648)	(4,114)
<b>Net interest income</b>		497	3,042	5,683	10,338
Fee and commission income		56,225	64,685	225,635	173,289
Fee and commission expense		(2,064)	(4,656)	(14,530)	(10,367)
<b>Net fee and commission income</b>		54,161	60,029	211,105	162,922
Advisory income		4,763	2,560	7,150	31,686
Trading income		1,675	2,923	4,292	2,401
Other operating income / (loss)	6	5,480	(2,188)	80,698	76,614
<b>Total operating income</b>		66,576	66,366	308,928	283,961
Staff costs		(31,968)	(30,872)	(94,595)	(92,153)
Employee carried interest		(1,034)	-	(3,567)	-
General and administrative expenses		(15,984)	(16,758)	(59,970)	(51,009)
Depreciation and amortisation		(11,766)	(13,846)	(34,596)	(42,464)
Reversal of/ (provision for) impairment losses on financial assets		9,268	(790)	7,161	11,008
Other operating expenses		733	(4,609)	(5,963)	(5,698)
<b>Total operating expenses</b>		(50,751)	(66,875)	(191,530)	(180,316)
<b>Net operating income/(loss)</b>		15,825	(509)	117,398	103,645
Change in fair value gains/(losses) from financial assets at fair value through profit or loss (FVTPL)		91,498	231,399	274,971	(169,181)
Gain/(loss) on derivative financial liability		664	(4,429)	1,907	(3,923)
Share of gain of investments in associates accounted for using equity method	13	4,717	22,202	4,717	21,199
Finance cost	7	(36,140)	(41,594)	(112,638)	(133,235)
Finance (cost)/ credit relating to unit holders		(42,503)	(139,538)	(182,857)	102,115
Other income & expenses	8	7,890	248	31,057	166,658
<b>Profit from continuing operations</b>		41,951	67,779	134,555	87,278
<b>Loss from discontinued operations</b>		(3,616)	-	(28,021)	-
<b>Profit for the period</b>		38,335	67,779	106,534	87,278
<b>Attributable to:</b>					
Owners of the Parent		34,669	58,673	88,732	63,593
Non-controlling interests		3,666	9,106	17,802	23,685
		38,335	67,779	106,534	87,278
<b>Earnings per share attributable to Owners from continuing operations (in AED)</b>	9	0.015	0.023	0.044	0.025
<b>Earnings per share attributable to Owners (AED)</b>	9	0.014	0.023	0.035	0.025

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

**SHUAA CAPITAL PSC****Condensed consolidated interim statement of comprehensive income for the nine months ended 30 September 2021 (unaudited)**

(Currency - Thousands of U.A.E. Dirhams)

		<b>3 months to 30 September 2021 Unaudited</b>	<b>3 months to 30 September 2020 Unaudited</b>	<b>9 months to 30 September 2021 Unaudited</b>	<b>9 months to 30 September 2020 Unaudited</b>
<b>Profit for the period</b>	<i>Notes</i>	<b>38,335</b>	67,779	<b>106,534</b>	87,278
<b>Other comprehensive (loss)/ income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations	18	<b>(18,688)</b>	26,354	<b>(12,719)</b>	(22,057)
Net gain / (loss) on cash flow hedges					
- Share of other comprehensive income/ (loss) from investment in associates	18	-	16,386	<b>53,367</b>	(72,026)
- Others	18	<b>1,858</b>	5,321	<b>(1,997)</b>	3,467
<i>Items that will not be reclassified to profit or loss</i>					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVTOCI)	18	<b>(4,893)</b>	9,107	<b>(7,050)</b>	(24,889)
<b>Other comprehensive (loss)/ income for the period</b>		<b>(21,723)</b>	57,168	<b>31,601</b>	(115,505)
<b>Total comprehensive income/ (loss) for the period</b>		<b>16,612</b>	124,947	<b>138,135</b>	(28,227)
<b>Attributable to:</b>					
Owners of the Parent		<b>20,757</b>	104,631	<b>126,588</b>	(42,911)
Non-controlling interests		<b>(4,145)</b>	20,316	<b>11,547</b>	14,684
		<b>16,612</b>	124,947	<b>138,135</b>	(28,227)

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

**SHUAA CAPITAL PSC****Condensed consolidated interim statement of financial position at 30 September 2021****(unaudited)**

(Currency - Thousands of U.A.E. Dirhams)

	Notes	30 September 2021 Unaudited	31 December 2020 Audited
<b>Assets</b>			
Cash and deposits with banks	10	391,614	416,975
Receivables and other debit balances	11	239,347	214,292
Loans, advances and finance leases	12	283,884	346,232
Financial assets at fair value	21	2,814,614	2,428,999
Investments in associates	13	412,149	434,312
Property and equipment		43,149	42,762
Goodwill and other intangible assets	14	1,214,157	1,241,797
Assets held for sale	23	733,092	922,943
<b>Total assets</b>		<b>6,132,006</b>	<b>6,048,312</b>
<b>Liabilities</b>			
Payables and other credit balances	15	586,744	511,160
Other financial liabilities		156,674	149,983
Borrowings	16	2,101,310	2,395,701
Payables to unit holders		761,629	578,757
Liabilities of disposal groups classified as held for sale	23	488,741	386,534
<b>Total liabilities</b>		<b>4,095,098</b>	<b>4,022,135</b>
<b>Equity</b>			
Share capital	17	2,535,720	2,535,720
Share premium		52,579	52,579
Statutory reserve		47,207	47,207
Other reserves	18	(1,401,290)	(1,439,146)
Retained earnings		320,906	293,727
<b>Equity attributable to Owners</b>		<b>1,555,122</b>	<b>1,490,087</b>
Non-controlling interests (NCI)		481,786	536,090
<b>Total equity</b>		<b>2,036,908</b>	<b>2,026,177</b>
<b>Total equity and liabilities</b>		<b>6,132,006</b>	<b>6,048,312</b>

This condensed consolidated interim financial information was approved by the Board of Directors on 10 November 2021 and signed on their behalf by:

Fadhel Aljali  
Chairman

Jassim Alseddigi  
Group Chief Executive Officer

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

## SHUAA CAPITAL PSC

### Condensed consolidated interim statement of changes in equity for the nine months ended 30 September 2021 (unaudited)

(Currency - Thousands of U.A.E. Dirhams)

	Share capital	Share premium	Statutory reserve (*)	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non - controlling interests	Total
Balance at 1 January 2020 (Audited)	2,535,720	52,579	34,681	(1,387,369)	229,471	1,465,082	404,262	1,869,344
Profit for the period	-	-	-	-	63,593	63,593	23,685	87,278
Other comprehensive loss for the period	-	-	-	(106,504)	-	(106,504)	(9,001)	(115,505)
Total comprehensive loss for the period	-	-	-	(106,504)	63,593	(42,911)	14,684	(28,227)
Transactions with the owners in their capacity as owners:								
Transaction with unit holders	-	-	-	-	1,145	1,145	-	1,145
NCI on exit of a subsidiary	-	-	-	-	-	-	(16,508)	(16,508)
Payment of dividend	-	-	-	-	-	-	(15,905)	(15,905)
Balance at 30 September 2020 (Unaudited)	<u>2,535,720</u>	<u>52,579</u>	<u>34,681</u>	<u>(1,493,873)</u>	<u>294,209</u>	<u>1,423,316</u>	<u>386,533</u>	<u>1,809,849</u>
<b>Balance at 1 January 2021 (Audited)</b>	<b>2,535,720</b>	<b>52,579</b>	<b>47,207</b>	<b>(1,439,146)</b>	<b>293,727</b>	<b>1,490,087</b>	<b>536,090</b>	<b>2,026,177</b>
Profit for the period	-	-	-	-	88,732	88,732	17,802	106,534
Other comprehensive income for the period	-	-	-	37,856	-	37,856	(6,255)	31,601
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,856</b>	<b>88,732</b>	<b>126,588</b>	<b>11,547</b>	<b>138,135</b>
Transactions with the owners in their capacity as owners:								
Disposal of treasury shares (Note 17)	-	-	-	-	14,518	14,518	-	14,518
Payment of dividend (A)	-	-	-	-	(76,071)	(76,071)	(65,851)	(141,922)
<b>Balance at 30 September 2021 (Unaudited)</b>	<b><u>2,535,720</u></b>	<b><u>52,579</u></b>	<b><u>47,207</u></b>	<b><u>(1,401,290)</u></b>	<b><u>320,906</u></b>	<b><u>1,555,122</u></b>	<b><u>481,786</u></b>	<b><u>2,036,908</u></b>

\* In accordance with the UAE Federal Law No. (2) of 2015 concerning Commercial Companies and SHUAA Capital PSC's (PSC's) Articles of Association, 10% of the profit for the year is to be transferred to a statutory reserve. SHUAA may resolve to discontinue such annual transfer when the reserve equals 50% of the capital. The reserve is not available for distribution except in cases stipulated by law and SHUAA's Articles of Association. Transfers to the statutory reserve are reflected at the end of the financial year.

(A) At the Annual General Meeting held on 22 April 2021, the shareholders approved a dividend distribution of 3 fils per share resulting in a total dividend payable of AED 76,071 for the year ended 31 December 2020 (2020: nil). This amount was paid out in the six months ended 30 June 2021.

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

## SHUAA CAPITAL PSC

### Condensed consolidated interim statement of cash flows

(Currency - Thousands of U.A.E. Dirhams)

		9 months to 30 September 2021 Unaudited	9 months to 30 September 2020 Unaudited
<b>Cash flows from operating activities</b>	Notes		
Profit for the period		106,534	87,278
Adjustments:			
Finance cost/ (credit) relating to unit holders		182,857	(102,115)
Bargain purchase gain		-	(7,100)
Foreign exchange loss		2,991	1,773
Carried interest recognised – net		3,567	-
Finance cost		112,638	133,235
Net interest income		(5,683)	(10,338)
Fair value (gain)/loss on investments at FVTPL		(274,971)	169,181
One – time transaction clawback		-	(112,882)
Borrowing deferment income		-	(10,158)
Share of profit from investments in associates		(11,202)	(21,199)
Non-cash distribution from associate		12,578	30,836
Gain on revaluation of derivative financial liabilities		(1,907)	3,923
Employees' end of service benefit charge		4,245	2,703
Provisions for impairment losses – net		(1,175)	(11,008)
Impairment of goodwill		-	2,200
Depreciation and amortization		34,596	42,464
<b>Operating cash flows before movements in working capital</b>		165,068	198,793
Decrease in inventories		-	23,546
Increase in receivables and other debit balances		(22,324)	(87,401)
Decrease in loans and advances		66,796	48,010
Decrease in payables and other credit balances		(75,320)	(137,323)
Increase in other financial liabilities		8,598	39,133
Cash flows used in operating activities of disposal group classified as held for sale		(13,912)	-
<b>Net cash generated from operations</b>		128,906	84,758
Employees' end of service benefit paid		(3,648)	(1,599)
Dividend received		1,818	-
<b>Net cash generated from operating activities</b>		127,076	83,159
<b>Cash flows from investing activities</b>			
Payments for the purchase of investments		(111,983)	-
Proceeds from disposal of investments		145,271	17,796
Net interest received		5,683	10,338
Acquisition of property and equipment		(5,605)	(510)
Cash flow from investing activities of disposal group classified as held for sale		189,670	-
<b>Net cash generated from investing activities</b>		223,036	27,624
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		498,144	129,702
Repayment of borrowings		(804,446)	(125,139)
Proceeds from sale of treasury shares		14,518	-
Dividend paid		(141,920)	(15,905)
Lease rentals paid		(6,848)	(3,921)
Redemption of unit holders		-	(13,606)
Payment to NCI on exit of a subsidiary		-	(16,508)
Finance cost paid		(100,727)	(95,916)
Cash flow from financing activities of discontinued operations		137,482	-
<b>Net cash used in financing activities</b>		(403,797)	(141,293)
<b>Net decrease in cash and cash equivalents</b>		(53,685)	(30,510)
Cash and cash equivalents at beginning of the period	10	377,266	360,193
Impact of foreign currency translation		-	(5,049)
Cash and cash equivalents acquired in business combinations		-	691
Cash and cash equivalent at beginning of the period of disposal group classified as held for sale		28,324	4,538
Restricted cash		(5,899)	(16,950)
<b>Cash and cash equivalents at end of the period</b>	10	346,006	312,913

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.



**Notes to the condensed consolidated interim financial information  
for the nine months ended 30 September 2021**

(Currency - Thousands of U.A.E. Dirhams)

**1. LEGAL STATUS AND ACTIVITIES**

SHUAA Capital P.S.C. (the "Company" or "SHUAA") is a public shareholding company established in Dubai, United Arab Emirates, pursuant to Emiri Decree No. 6 of 25 April 1979 and in accordance with the UAE Federal Law No. 8 of 1984 concerning Commercial Companies and its amendments ("Companies Law"). The registered address of the Company is P.O. Box 31045, Dubai, United Arab Emirates. The Company's shares are traded on the Dubai Financial Market in the United Arab Emirates.

**2. BASIS OF PREPARATION**

This condensed consolidated interim financial information and accompanying notes for the period ended 30 September 2021 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" and comply with the applicable requirements of the laws in the U.A.E. As per the requirements of IAS 34, the condensed consolidated interim financial information does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements as at and for the year ended 31 December 2020. In addition, results for the nine months ended 30 September 2021 are neither audited nor are they necessarily indicative of the results that may be expected for the full financial year ending 31 December 2021.

Federal Decree Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Company has reviewed the new provisions and applied the requirements during the period.

**Business combination and subsequent classification as held for sale in 2020**

In 2020, SHUAA acquired the business of Stanford Marine Group ("SMG") through Thalassa Investments LP, effective 31 December 2020. In accordance with IFRS 3 "Business Combinations", the Group accounted for the acquisition based on fair values of the identifiable assets acquired and liabilities assumed. For the purchase consideration paid, SHUAA acquired tangible assets with attributable fair values of 699,479 (comprising of deposits with bank, receivables, inventories and property, plant and equipment), and liabilities with attributable fair value of 315,375 (comprising of borrowings and payables), resulting in bargain purchase gain. The assets acquired and liabilities assumed are based on provisional valuations. The valuation of identifiable intangible assets has not yet been performed.

Given that the business combination was effective on 31 December 2020, there was no contribution of revenue and profit for the year ended 31 December 2020. During the nine months ended 30 September 2021, SMG contributed total revenue of 118,085 and a loss of 9,583.

**3. CHANGES IN ACCOUNTING POLICIES**

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2020, except for the following accounting policies which were applicable from 1 January 2021:

**Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient (Effective date 1 April 2021)**

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. Management performed an assessment of the impact of the rent concession and noted no significant changes for the nine months ended 30 September 2021.

**Interest Rate Benchmark Reform (IBOR) – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

Effective from 1 January, 2021, Phase 2 amendments to IFRS 9, IFRS 7, and IFRS 16 relating to interest rate benchmark reforms require the Group to introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the Group is exposed to and how the Group manages those risks as well as the Group's progress in transitioning from interbank offered rates to alternative benchmark rates, and how the Group is managing this transition. The quantitative information as required under Phase 2 of the reforms will be disclosed in the Group's annual consolidated financial statements for the year ending 31 December, 2021. The majority of the Group's contracts referencing IBOR rates use EIBOR rates as benchmark. The Group is monitoring the status of all its contracts referencing IBOR rates that extend beyond 2021 and the effects on the Group's activities, as well as monitoring the different timelines that the individual rate setting bodies have for the phasing out of such rates. The Group continues to monitor communications from both rate setting bodies and its counterparties as part of ensuring an orderly transition. The Group does not currently expect these amendments to result in any material impact to the financial statements for the year ending 31 December 2021.

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the preparation of the Group's condensed consolidated interim financial information, management has made a number of critical estimates and judgments in a manner consistent with those described in the Group's annual consolidated financial statements for the year ended 31 December 2020. The broad effects of the COVID-19 pandemic on the Group are described within Note 20.

#### 5. SEGMENTAL INFORMATION

For internal management purposes the Group is organised into three operating segments, all of which are based on business units:

**Asset Management** manages real estate funds and projects, investment portfolios and funds in the regional equities, fixed income and credit markets. It also provides investment solutions to clients with a focus on alternative investment strategies.

**Investment banking** provides corporate finance advisory, transaction services, private placement, public offerings of equity and debt securities and structured products. It also creates market liquidity on OTC fixed income products.

**Corporate** manages principal investments, non-core assets, corporate developments, treasury and other shared services related to the Group.

	<b>1 January to 30 September 2021 (Unaudited)</b>			
	<b>Asset Management</b>	<b>Investment Banking</b>	<b>Corporate</b>	<b>Total</b>
Net fee and commission income	150,410	3,938	56,757	211,105
Advisory income / (loss)	3,673	6,777	(3,300)	7,150
Net interest income	-	-	5,683	5,683
Trading income / (loss)	-	5,530	(1,238)	4,292
Other operating income	77	-	80,621	80,698
	----	----	----	----
<b>Total revenues</b>	<b>154,160</b>	<b>16,245</b>	<b>138,523</b>	<b>308,928</b>
	----	----	----	----
Staff costs	(43,089)	(7,282)	(44,224)	(94,595)
Employee carried interest	(3,567)	-	-	(3,567)
General and administrative expenses	(14,558)	(4,482)	(40,930)	(59,970)
Depreciation and amortization	(23,844)	(4,901)	(5,851)	(34,596)
Release of provision for impairment losses on financial instruments	-	-	7,161	7,161
Other operating expenses	(4,327)	(240)	(1,396)	(5,963)
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<b>Total expenses</b>	<b>(89,385)</b>	<b>(16,905)</b>	<b>(85,240)</b>	<b>(191,530)</b>
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<b>Profit/ (loss) before other income and finance cost</b>	<b>64,775</b>	<b>(660)</b>	<b>53,283</b>	<b>117,398</b>
	----	----	----	----
Fair value (losses)/gains from investments	-	(567)	275,538	274,971
Gain from derivative financial liability	-	-	1,907	1,907
Share of gain of investments in associates accounted for using equity method	-	-	4,717	4,717
Finance cost	(4,773)	(1,667)	(106,198)	(112,638)
Finance cost relating to unit holders	-	-	(182,857)	(182,857)
Other income	5,444	650	24,963	31,057
	----	----	----	----
<b>Profit/(loss) for the period from continuing operations</b>	<b>65,446</b>	<b>(2,244)</b>	<b>71,353</b>	<b>134,555</b>
<b>Loss for the period from discontinued operations</b>	<b>(1,708)</b>	<b>-</b>	<b>(26,313)</b>	<b>(28,021)</b>
	----	----	----	----
Less: Loss for the period attributable to NCI	(4,170)	-	(13,632)	(17,802)
	----	----	----	----
<b>Profit/(loss) for the period attributable to Owners</b>	<b>59,568</b>	<b>(2,244)</b>	<b>31,408</b>	<b>88,732</b>
	----	----	----	----
Revenue from external customers (fee & commission)	144,946	3,938	56,757	205,641
Revenue from within the group (fee & commission)	5,464	-	-	5,464
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	<b>150,410</b>	<b>3,938</b>	<b>56,757</b>	<b>211,105</b>
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## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 5. SEGMENTAL INFORMATION (continued)

	<i>1 January to 30 September 2020 (Unaudited)</i>			
	Asset Managemen	Investment Banking	Corporate	Total
Net fee and commission income	83,234	1,508	79,180	162,922
Advisory income	13,095	18,207	384	31,686
Net interest income	-	-	10,338	10,338
Trading income / (loss)	320	2,539	(458)	2,401
Other operating income	17,806	-	1,382	19,188
	— — —	— — —	— — —	— — —
Total revenues	114,455	22,254	90,826	226,535
Staff costs	(44,516)	(10,549)	(37,088)	(92,153)
General and administrative expenses	(20,687)	(5,609)	(24,713)	(51,009)
Depreciation and amortisation	(24,145)	(6,602)	(11,717)	(42,464)
Provision for impairment losses on financial instruments	1,142	321	9,545	11,008
Other operating expenses	(2,436)	(941)	(2,321)	(5,698)
	— — —	— — —	— — —	— — —
Total expenses	(90,642)	(23,380)	(66,294)	(180,316)
	— — —	— — —	— — —	— — —
Profit/(loss) before other income and finance cost	23,813	(1,126)	23,532	46,219
Fair value losses from investments	420	(652)	(168,949)	(169,181)
Gain/(loss) from derivative financial liability	-	-	(3,923)	(3,923)
Share of gain of investments in associates accounted for using equity method	-	-	21,199	21,199
Finance cost	(3,960)	(2,189)	(127,086)	(133,235)
Finance credit relating to unit holders	-	-	102,115	102,115
Other income	16,870	1,481	205,733	224,084
	— — —	— — —	— — —	— — —
Profit/(loss) for the period from continuing operations	37,143	(2,486)	52,621	87,278
Less: Profit for the period attributable to NCI	114	-	23,571	23,685
	— — —	— — —	— — —	— — —
Profit/(loss) for the period attributable to Owners	37,029	(2,486)	29,050	63,593
	— — —	— — —	— — —	— — —
Revenue from external customers (fee & commission)	83,234	1,508	78,180	162,922
Revenue from within the group (fee & commission)	8,339	-	-	8,339
	— — —	— — —	— — —	— — —
	91,573	1,508	78,180	171,261
	— — —	— — —	— — —	— — —

	<i>At 30 September 2021 (Unaudited)</i>			
	Asset Managemen	Investment Banking	Corporate	Total
<b>Assets</b>	<b>1,145,456</b>	<b>356,519</b>	<b>4,630,031</b>	<b>6,132,006</b>
	— — —	— — —	— — —	— — —
<b>Liabilities</b>	<b>180,430</b>	<b>99,225</b>	<b>3,815,443</b>	<b>4,095,098</b>
	— — —	— — —	— — —	— — —

	<i>At 31 December 2020 (Audited)</i>			
	Asset Managemen	Investment Banking	Corporate	Total
Assets	1,158,050	361,791	4,528,471	6,048,312
	— — —	— — —	— — —	— — —
Liabilities	218,579	126,009	3,677,547	4,022,135
	— — —	— — —	— — —	— — —

The results of the discontinued operations and assets/liabilities pertaining to the disposal group classified as held for sale are included in the 'Corporate' operating segment

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 6. OTHER OPERATING INCOME

Other operating income includes dividend income of 73,609 (30 September 2020: 57,426).

#### 7. FINANCE COST

Finance cost includes interest of 31,335 (30 September 2020: 18,787) on the Bonds payable.

#### 8. OTHER INCOME/(EXPENSES)

	<b>3 months to 30 September 2021 Unaudited</b>	<b>3 months to 30 September 2020 Unaudited</b>	<b>9 months to 30 September 2021 Unaudited</b>	<b>9 months to 30 September 2020 Unaudited</b>
One-time transaction claw back	-	-	-	112,882
Reversal of rebate payable	-	-	-	15,509
Borrowing deferment income	-	-	-	1,091
Government grant income	<b>4,172</b>	1,855	<b>7,578</b>	9,067
Finance lease modification charge	<b>(1,282)</b>	(1,562)	<b>(3,146)</b>	(13,426)
Gain on sale of financial asset carried at amortised cost	-	-	-	16,724
Bargain purchase gain	-	-	-	7,100
Others	<b>5,000</b>	(45)	<b>26,625</b>	17,711
	<b>7,890</b>	248	<b>31,057</b>	166,658

#### 9. EARNINGS PER SHARE

Basic earnings per share has been computed by dividing the net profit attributable to the Owners with the weighted average number of ordinary shares outstanding.

	<b>3 months to 30 September 2021 Unaudited</b>	<b>3 months to 30 September 2020 Unaudited</b>	<b>9 months to 30 September 2021 Unaudited</b>	<b>9 months to 30 September 2020 Unaudited</b>
Profit attributable to the Owners from continuing operations	<b>37,360</b>	58,673	<b>112,672</b>	63,593
Profit attributable to the Owners	<b>34,669</b>	58,673	<b>88,732</b>	63,593
Weighted average number of ordinary shares (thousands)	<b>2,535,720</b>	2,535,720	<b>2,535,720</b>	2,535,720
Earnings per share attributable to the Owners from continuing operations (in AED)	<b>0.015</b>	0.023	<b>0.044</b>	0.025
Earnings per share attributable to the Owners (in AED)	<b>0.014</b>	0.023	<b>0.035</b>	0.025

Diluted earnings per share as of 30 September 2021 and 30 September 2020 are equivalent to basic earnings per share.

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 10. CASH AND DEPOSITS WITH BANKS

	30 September 2021 Unaudited	31 December 2020 Audited
Cash in hand	121	47
Balances held with banks	391,493	416,928
	---	---
Cash and deposits with banks	391,614	416,975
Less: Restricted deposits	(45,608)	(39,709)
	---	---
Cash and cash equivalents	346,006	377,266

#### 11. RECEIVABLES AND OTHER DEBIT BALANCES

	30 September 2021 Unaudited	31 December 2020 Audited
Trade receivables – net of loss allowance	85,112	46,336
Receivables from managed funds	62,400	61,220
Receivables against unsettled trades	-	26,479
Advances and deposits	4,991	4,995
Prepayments	8,856	12,014
Carried interest	2,256	2,256
Accrued income	66,000	42,242
Others	9,732	18,750
	---	---
	239,347	214,292
	---	---
<b>Trade receivables and managed funds – net of loss allowance</b>		
Trade receivables and managed funds	158,303	127,481
Loss allowance	(10,791)	(19,925)
	---	---
	147,512	107,556

Included in trade receivables is an amount of 3,578 (31 December 2020: 15,860) due from related parties.

The maturity profile of receivables and other debit balances at the end of the reporting period is as follows:

Repayable within twelve months	235,647	209,640
Repayable after twelve months	3,700	4,652
	---	---
	239,347	214,292

#### 12. LOANS, ADVANCES AND FINANCE LEASES

During the nine month period ended 30 September 2021 a reversal of 4,451 (for the nine month period ended 30 September 2020: 5,399 reversal) was made against expected credit losses on loans given by the Group.

As at 30 September 2021, the underlying collateral for loans, advances and finance leases were valued at 528,856 (31 December 2020: 784,140). Provisions are made for the impaired portion of the loans, advances and finance leases, net of collateral.

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 13. INVESTMENTS IN ASSOCIATES

	<b>30 September 2021</b> <b>Unaudited</b>	<b>31 December 2020</b> <b>Audited</b>
Opening balance	434,312	693,650
Additions	-	33,595
Share of profit of associates	11,202	116,368
Share of other comprehensive loss of associates	-	(47,569)
Impairment	(5,986)	(36,186)
Dividends and other distributions	(14,387)	(116,951)
Reclassified to Held for sale	(12,992)	(208,595)
	<u>412,149</u>	<u>434,312</u>
<b>Closing balance</b>	<b><u>412,149</u></b>	<b><u>434,312</u></b>

The below table highlights the geographical allocation of associates:

	<b>30 September 2021</b> <b>Unaudited</b>	<b>31 December 2020</b> <b>Audited</b>
UAE	28,589	41,542
GCC	-	12,992
Others	383,560	379,778
	<u>412,149</u>	<u>434,312</u>

#### 14. GOODWILL AND OTHER INTANGIBLE ASSETS

	<i>Goodwill</i>	<i>Trademark</i>	<i>Customer Relationships</i>	<i>Trade Licenses</i>	<i>Total</i>
<b>Cost</b>					
Balance at beginning of the period	1,030,562	15,573	215,249	18,807	1,280,191
Impact of foreign currency translation	(9,662)	-	-	-	(9,662)
Balance at end of the period	<u>1,020,900</u>	<u>15,573</u>	<u>215,249</u>	<u>18,807</u>	<u>1,270,529</u>
<b>Accumulated amortisation</b>					
Balance at beginning of the period	-	1,161	37,226	7	38,394
Charge for the period	-	677	17,301	-	17,978
Balance at end of the period	<u>-</u>	<u>1,838</u>	<u>54,527</u>	<u>7</u>	<u>56,372</u>
<b>Net book value</b>					
<b>Net book value at 30 September 2021 (Unaudited)</b>	<u>1,020,900</u>	<u>13,735</u>	<u>160,722</u>	<u>18,800</u>	<u>1,214,157</u>
<b>Net book value at 31 December 2020 (Audited)</b>	<u>1,030,562</u>	<u>14,412</u>	<u>178,023</u>	<u>18,800</u>	<u>1,241,797</u>

During the nine months period to 30 September 2021 the Group did not identify any significant changes in the estimation, assumptions (excluding cashflows of cash generating units) or the sensitivities used for the impairment assessment performed at 31 December 2020 and which were disclosed in the financial statements for the year ended 31 December 2020 (31 December 2020: the Group did not identify any significant changes in the estimation and assumptions used for the impairment assessment performed).

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 15. PAYABLES AND OTHER CREDIT BALANCES

	30 September 2021 Unaudited	31 December 2020 Audited
Payable to clients	10,383	11,554
Customer deposits	28,289	37,658
Accruals	55,237	79,203
Lease liabilities	48,711	40,014
Repurchase agreements	42,097	63,825
Payables against acquisition	241,988	122,985
Unclaimed dividends payable	34,027	33,470
FVTPL liabilities	3,580	1,859
Realised carried interest payable to employees	2,067	9,415
End of service benefits	19,744	19,147
Provisions	8,794	3,539
Derivative financial liability	4,356	4,519
Deferred revenue	8,251	7,722
Other payables	79,220	76,250
	<u>586,744</u>	<u>511,160</u>

The maturity profile of payables and other credit balances at the end of the reporting period is as follows:

Repayable within twelve months	476,559	382,325
Repayable after twelve months	110,185	128,835
	<u>586,744</u>	<u>511,160</u>

#### 16. BORROWINGS

	30 September 2021 Unaudited	31 December 2020 Audited
<b>Secured</b>		
Due to banks	1,220,890	1,519,267
Due to other financial institutions (A)	60,042	61,572
Others	39,334	77,079
	<u>1,320,266</u>	<u>1,657,918</u>
<b>Unsecured</b>		
Due to banks	88,100	86,559
Due to other financial institutions	-	30,247
Bonds payable (A)	553,549	499,317
Others (A/B)	139,395	121,660
	<u>781,044</u>	<u>737,783</u>
	<u>2,101,310</u>	<u>2,395,701</u>

A – includes borrowings amounting to 44,939 (31 December 2020: 157,430) due to related parties with an interest rate of 7.5% to 9.5% p.a (31 December 2020: 7.3% to 9.5% p.a).

B – This includes 96,380 (31 December 2020: 57,565) related to funding received by a subsidiary from its regulator to finance and support Small and Medium-Sized Entities lending activity of the subsidiary.

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 16. BORROWINGS (continued)

The maturity profile of borrowings at the end of the reporting period is as follows:

	30 September 2021 Unaudited	31 December 2020 Audited
<b>Secured</b>		
Repayable within twelve months	845,747	895,471
Repayable after twelve months	474,519	762,447
	<u>1,320,266</u>	<u>1,657,918</u>
<b>Unsecured</b>		
Repayable within twelve months	13,884	98,722
Repayable after twelve months	767,160	639,061
	<u>781,044</u>	<u>737,783</u>
	<u>2,101,310</u>	<u>2,395,701</u>

During the nine months ended 30 September 2021, the Group received additional funding from sale of bond issuance amounting to 47,598 (30 September 2020: nil).

#### 17. SHARE CAPITAL

	Number of shares	Value
<b>30 September 2021 (Unaudited)</b>	<u>2,535,720</u>	<u>2,535,720</u>
31 December 2020 (Audited)	<u>2,535,720</u>	<u>2,535,720</u>

Authorised, issued and fully paid share capital comprises 2,535,720,000 shares (31 December 2020: 2,535,720,000 shares) of AED 1 per share (31 December 2020: AED 1 per share). Each share carries one vote and the right to receive dividends.

At 30 September 2021, the Company had 7,180,875 (31 December 2020: 28,107,748) treasury shares outstanding. During the nine months ended 30 September 2021, the Company sold 20,926,873 treasury shares for total proceeds of 14,518 (2020: nil). The cost of these shares was 23,177.

#### 18. OTHER RESERVES

	Merger reserve (A)	Investment revaluation reserve	Cash flow hedge reserve (B)	Translation reserve	Total
At 1 January 2021	(1,410,720)	(20,781)	(50,031)	42,386	(1,439,146)
Remeasurement of equity investments carried at FVTOCI	-	(7,050)	-	-	(7,050)
Cash flow hedge	-	-	51,370	-	51,370
Translation of operations of foreign subsidiaries	-	-	-	(12,719)	(12,719)
NCI share	-	1,954	-	4,301	6,255
<b>At 30 September 2021 (Unaudited)</b>	<u>(1,410,720)</u>	<u>(25,877)</u>	<u>1,339</u>	<u>33,968</u>	<u>(1,401,290)</u>
At 31 December 2020 (Audited)	<u>(1,410,720)</u>	<u>(20,781)</u>	<u>(50,031)</u>	<u>42,386</u>	<u>(1,439,146)</u>

**A** Merger reserve represents the excess value of the consideration paid by the legal acquirer (SHUAA) over the nominal value of the pre-merger share capital of the legal acquiree (ADFG).

**B** This includes a share of the cash flow hedge reserve of an associate which was disposed in second quarter of 2021.



## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 19. RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party. Related parties represent significant shareholders, directors and key management personnel of the Group, their close family members and entities controlled, jointly controlled or significantly influenced by such parties.

All related party transactions during the period are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2020 and continue to be conducted on an arm's length terms, with any exceptions specifically approved by the Board.

During the period, the Group saw a material reduction in its borrowings from related parties, as shown below:

<b>Borrowings</b>	<b>30 September 2021</b> <i>Unaudited</i>	<b>31 December 2020</b> <i>Audited</i>
Associates	<b>44,939</b>	88,954
Shareholders	-	68,476
	<u>44,939</u>	<u>157,430</u>

Other than the above, no new related parties or related party transactions that materially affect the financial position or performance of the Group existed or occurred during the period.

#### 20. FINANCIAL RISK MANAGEMENT

##### Introduction

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2020.

The inherent risk relating to the Group's activities continues to be managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Group is exposed to credit risk, liquidity risk, market risk (comprising, interest rate risk, foreign exchange risk and equity price risk) and operational risk.

##### Liquidity risk & risk management

The wider economy continues to be impacted by the COVID-19 crisis although there has been evidence of improving market conditions, for example oil prices increasing from USD 50 per barrel in December 2020 to USD 75 per barrel in September 2021. Similarly, S&P500 has increased by 17% during Q3 2021. The Group continues to take various measures to manage its funding and liquidity risk including closely monitoring cash flows and forecasts across various scenarios.

Liquidity risk is the risk that it will be unable to meet its funding requirements and arises principally on the Group's borrowings, payables and other credit balances and other financial liabilities. To limit this risk, management has arranged diversified funding sources, managed assets with liquidity in mind and monitored liquidity daily.

In addition, the Group has strengthened its liquidity buffer through working capital management and fund-raising initiatives. The Group believes that the current cash and cash equivalents provide sufficient level of liquidity and stability during this time of uncertainty.

The Group's approach aims to always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses and without materially affecting the return on capital. The Risk Committee of the Board ("RCB") and Asset Liabilities Committee ("ALCO") set minimum liquidity ratios and cash balance requirements which are then approved by the Board. The Group collates the projected cash flow and liquidity profiles of its financial assets and financial liabilities. It maintains a portfolio of short-term liquid assets to cover requirements, largely consisting of short-term liquid placements with financial institutions.

The various liquidity monitoring metrics are monitored by both the RCB and ALCO against internally set limits which have been approved by the Board. The primary measures of liquidity used by the Group are stock of liquid assets, liquidity coverage ratio and net funding requirement. The oversight of the liquidity risk by the Board, RCB and ALCO also includes the monitoring of the Group's compliance with the debt covenants.

**Notes to the condensed consolidated interim financial information  
for the nine months ended 30 September 2021 (continued)**

(Currency - Thousands of U.A.E. Dirhams)

**20. FINANCIAL RISK MANAGEMENT (continued)**
**COVID-19 impact on measurement of ECL**

The IFRS 9 framework requires the estimation of Expected Credit Loss (ECL) based on current and forecast economic conditions. Accordingly, the Group has reviewed the potential impact of COVID-19 outbreak on the inputs and assumptions for IFRS 9 ECL measurement in light of available information. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts in our ECL estimates. Notwithstanding this, recognizing that the outbreak is expected to have an impact on the macro-economic environment beyond reasonable doubt, the Group has adjusted the macro-economic factors in the ECL model on the basis of available information.

The Group has also reassessed its exposures as at period end and observed no significant deterioration in credit risk due to COVID-19.

**21. FAIR VALUE OF FINANCIAL INSTRUMENTS**
**Fair value measurement of financial assets at FVTPL and FVTOCI**

Fair values for the Group's financial assets at FVTPL and FVTOCI (level 3) are measured using market or income approaches.

Considerable judgment may be required in developing estimates of fair value, particularly for financial instruments classified as Level 3 in the fair value hierarchy as such estimates incorporate market unobservable inputs that require management to use its own assumptions. While the Group's valuation techniques for Level 3 financial instruments remained unchanged during the nine months ended 30 September 2021, the development of market unobservable inputs included added estimation uncertainty due to the global economic and social disruption caused by the ongoing and developing COVID-19 pandemic. Estimates of the amount and timing of future cash flows, discount rates, growth rates and other inputs incorporated into fair value measurements of Level 3 financial instruments are inherently more difficult to determine due to the unpredictable duration and impacts of the COVID-19 pandemic.

The uncertainty in those assumptions have been incorporated into the Group's valuations of Level 3 financial instruments primarily through updated cash flows and discount rates, as applicable. Additional volatility in the fair values of Level 3 financial instruments may arise in future periods if actual results differ materially from the Group's estimates.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial assets and liabilities recorded at fair value by level of the fair value hierarchy:

	<b>30 September 2021 (Unaudited)</b>			
<b>Financial Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>FVTPL</b>				
Equity investments	2,041,722	-	2,711	2,044,433
Fixed income investments	56,853	5,785	1,133	63,771
Fund investments	-	89,231	553,439	642,670
<b>FVTOCI</b>				
Equity investments	13,734	-	-	13,734
Fund investments	-	-	50,006	50,006
	<u>2,112,809</u>	<u>95,016</u>	<u>607,289</u>	<u>2,814,614</u>
<b>Financial Liabilities</b>				
<b>FVTPL</b>				
Lease liability	3,580	-	-	3,580
Derivative financial liability	-	-	48,711	48,711
Payable to unit holders	-	4,356	-	4,356
	-	761,629	-	761,629
	<u>3,580</u>	<u>765,985</u>	<u>48,711</u>	<u>818,276</u>

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 21. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 December 2020 (Audited)			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
FVTPL				
-Equity investments	1,722,623	154	2,299	1,725,076
-Fixed income investments	53,093	8,627	1,133	62,853
-Fund investments	-	97,079	414,919	511,998
FVTOCI				
-Equity investments	78,365	-	-	78,365
-Fund investments	-	-	50,707	50,707
	<u>1,854,081</u>	<u>105,860</u>	<u>469,058</u>	<u>2,428,999</u>
<b>Financial Liabilities</b>				
FVTPL	1,859	4,519	-	6,378
Lease liability				
Derivative financial liability				
Payable to unit holders	-	578,757	-	578,757
	<u>1,859</u>	<u>583,276</u>	<u>-</u>	<u>585,135</u>

#### Financial assets recorded at fair value

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

#### At fair value through profit or loss:

Investments carried at FVTPL are valued using market prices in active markets or valuation techniques which incorporate data which is both observable and non-observable. This category includes quoted and unquoted securities and funds which invest in underlying assets which are in turn valued based on both observable and non-observable data. Observable inputs include market prices (from active markets), foreign exchange rates and movements in stock market indices. Unobservable inputs include assumptions regarding expected future financial performance, discount rates, net asset values and market liquidity discounts. Investments classified as FVTPL falling under level 2 category have been valued using Net Asset Value.

#### At fair value through other comprehensive income:

Financial assets carried at FVTOCI are valued using quoted prices in active markets, valuation techniques or pricing models and consist of quoted equities, and unquoted funds. These assets are valued using quoted prices or models which incorporate data which is both observable and non-observable. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 21. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table shows the impact on the fair value of level 3 instruments reflecting change in underlying assumptions used in the valuation by class of instrument.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Effect of changes in underlying assumptions 2021	Effect of changes in underlying assumptions 2020	Sensitivity analysis	Relationship of unobservable inputs to fair value
	30/9/21	31/12/20							
<b><u>FVTPL</u></b>									
Equity investments	2,711	2,299	3	NAV <sup>2</sup>	Net asset value	+/- 135	+/- 115	± 5% change in NAV, impacts fair value	The higher the discount rate, the lower the fair value
Fixed Income	1,133	1,133	3	Discounted cash flow <sup>1</sup>	Discount rate	+/- 11	+/- 11	± 1% change in discount rate, impacts fair value	The higher the discount rate, the lower the fair value
Fund investments	553,439	414,919	3	Discounted cash flow <sup>1</sup> and NAV <sup>2</sup>	Net asset value adjusted with market risk	+/- 27,671	+/- 20,836	± 5% change in NAV and 1% change in discount rate, impacts fair value	The higher the market risk, the lower the fair value and the higher the discount rate, the lower the fair value
<b><u>FVTOCI</u></b>									
Fund investments	50,006	50,707	3	NAV <sup>2</sup>	Net asset value	+/- 2,500	+/- 2,535	± 5% change in NAV, impacts fair value	The higher the market risk, the lower the fair value

#### Significant unobservable inputs in Level 3 instruments valuations

<sup>1</sup>Discounted cash flow models are used to fair value the Group's investments. The cash flow model includes assumptions related to future cash inflows/outflows, discount rate and growth rate. The extent of the adjustment varied according to the characteristics of each investment.

<sup>2</sup>Net asset value represents the estimated value of a security based on valuations received from the investment or fund manager. The valuation of certain private equity securities is based on the economic benefit the Group derives from investment.

#### Movements in level 3 financial assets measured at fair value

During the period, there were no transfers between levels.  
Fair values of other financial instruments are not materially different from their carrying values at the reporting date.

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 21. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

##### Movements in level 3 financial assets measured at fair value

During the period, there were no transfers between levels.

The following table shows a reconciliation of the opening and closing balance of level 3 financial assets which are recorded at fair value:

30 September 2021 (Unaudited)									
	Balance at 1 January 2021	Acquired on business combination	Acquired on loss of investment entity status	Additions	Disposal	Gain/(loss) through P&L	Gain/(loss) through OCI	Transfers from/(to) levels 1 & 2	Balance at 30 September 2021
<b>FVTPL</b>									
Equity Investments	2,299	-	-	792	-	(380)	-	-	2,711
Fixed Income	1,133	-	-	-	-	-	-	-	1,133
Fund Investment	414,919	-	-	137,992	-	528	-	-	553,439
<b>FVOCI</b>									
Fund Investment	50,707	-	-	-	-	-	(701)	-	50,006
	<u>469,058</u>	<u>-</u>	<u>-</u>	<u>138,784</u>	<u>-</u>	<u>148</u>	<u>(701)</u>	<u>-</u>	<u>607,289</u>
31 December 2020 (Audited)									
	Balance at 1 January 2020	Acquired on business combination	Acquired on loss of investment entity status	Additions	Disposal	Gain/(loss) through P&L	Gain/(loss) through OCI	Transfers from/(to) levels 1 & 2	Balance at 31 December 2020
<b>FVTPL</b>									
Equity Investment	20,969	-	-	-	-	(18,670)	-	-	2,299
Fixed Income	1,129	-	-	-	-	4	-	-	1,133
Fund Investment	314,157	-	-	185,104	-	(84,342)	-	-	414,919
<b>FVOCI</b>									
Fund Investment	51,656	-	-	-	-	-	(949)	-	50,707
	<u>387,911</u>	<u>-</u>	<u>-</u>	<u>185,104</u>	<u>-</u>	<u>(103,008)</u>	<u>(949)</u>	<u>-</u>	<u>469,058</u>

Gains and losses on level 3 financial assets included in the consolidated statement of profit or loss for the year are detailed as follows:

	30 September 2021	31 December 2020
Realised and unrealised gains/ (losses)	<u>148</u>	<u>(103,008)</u>

## SHUAA CAPITAL PSC

### Notes to the condensed consolidated interim financial statements for the nine months ended 30 September 2021 (continued)

(Currency - Thousands of U.A.E. Dirhams)

#### 22. COMMITMENTS AND CONTINGENT LIABILITIES

	<b>30 September 2021</b> <b>Unaudited</b>	<b>31 December 2020</b> <b>Audited</b>
Contingent liabilities	<b>13,014</b>	<b>44,967</b>

At 30 September 2021, the Group had capital commitments of 141,201 (31 December 2020: 137,883) with respect to project development.

#### 23. DISCONTINUED OPERATIONS

<b>23.1 Assets of a disposal group classified as held for sale</b>	<b>30 September 2021</b> <b>Unaudited</b>	<b>31 December 2020</b> <b>Audited</b>
Assets held for sale (A)	<b>25,252</b>	214,911
Assets of a disposal group classified as held for sale	<b>707,840</b>	708,032
	<b>733,092</b>	922,943
<b>23.2 Liabilities of a disposal group classified as held for sale</b>	<b>488,741</b>	386,534

On 31 December 2020, the Group exited 42.6% of its stake in Thalassa Investment LP without loss of control and the resulting impact was recognized in equity. The Group's stake as at 30 September 2021 stands at 57.4%.

A - Includes value of a plot of land received as distribution in kind from an associate amounting to 2,229 (31 December 2020: 2,229), investment in associates of 17,206 (31 December 2020: 208,594) and property amounting to 5,817 (31 December 2020: 4,088). The Group intends to sell the assets in the near term.

#### 24. SUBSEQUENT EVENTS

There have been no significant subsequent events to the statement of financial position date that would affect the amounts reported in the condensed consolidated interim financial information at and for the nine months ended 30 September 2021.