

SHUAA CAPITAL PSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 SEPTEMBER 2022

**Condensed consolidated interim financial information
for the nine months ended 30 September 2022**

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

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 2022 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three and nine-month periods then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended and 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.

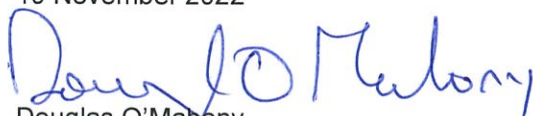
Scope of review

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.

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 2022



Douglas O'Mahony
Registered Auditor Number 834
Place: Dubai, United Arab Emirates

SHUAA CAPITAL PSC

Condensed consolidated interim statement of profit or loss for the three and nine month periods ended 30 September 2022 (unaudited)

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

		3 months to 30 September 2022 Unaudited	3 months to 30 September 2021 Unaudited	9 months to 30 September 2022 Unaudited	9 months to 30 September 2021 Unaudited
	Notes				
Operating income	6	67,893	71,186	215,586	242,298
Interest income		-	2,377	7,719	10,331
Interest expense		(7,893)	(1,880)	(10,350)	(4,648)
Net operating revenue		60,000	71,683	212,955	247,981
Staff costs		(34,945)	(31,968)	(113,320)	(94,595)
Employee carried interest		-	(1,034)	(5,351)	(3,567)
General and administrative expenses		(16,819)	(14,624)	(55,200)	(56,924)
Depreciation and amortisation		(7,526)	(11,766)	(27,529)	(34,596)
Provision for impairment losses on financial assets		(6,599)	9,268	(17,986)	7,161
Other operating income/(expenses)		13,130	2,213	(47,653)	(3,167)
Total operating expenses		(52,759)	(47,911)	(267,039)	(185,688)
Net operating income / (loss)		7,241	23,772	(54,084)	62,293
Change in fair value gains/(losses) from financial assets at fair value through profit or loss (FVTPL)		1,545	5,083	(121,458)	7,255
Net changes in fair value from financial liabilities through profit or loss (FVTPL)		356	664	1,794	1,907
Share of gain of investments in associates accounted for using equity method	13	322,880	4,717	326,693	4,717
Finance cost	7	(26,740)	(23,016)	(78,604)	(70,276)
Finance (debit) / credit relating to unit holders		(859)	419	16,410	1,043
Other (expense)/income	8	(186,397)	7,757	(79,166)	30,949
Profit from continuing operations		118,026	19,396	11,585	37,888
(Loss) / Profit from discontinued operations		(37,747)	18,939	(123,864)	68,646
Profit / (Loss) for the period		80,279	38,335	(112,279)	106,534
Attributable to:					
Owners of the Parent		19,942	34,669	(144,367)	88,732
Non-controlling interests		60,337	3,666	32,088	17,802
		80,279	38,335	(112,279)	106,534
Earnings / (Losses) per share attributable to Owners from continuing operations (in AED)	9	0.02	0.01	(0.008)	0.01
Earnings / (Losses) per share attributable to Owners (AED)	9	0.01	0.01	(0.06)	0.03

The accompanying notes on pages 7 to 25 form an integral part of this condensed consolidated interim financial information.

SHUAA CAPITAL PSC

Condensed consolidated interim statement of comprehensive income for the three and nine months period ended 30 September 2022 (unaudited)

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

		3 months to 30 September 2022 Unaudited	3 months to 30 September 2021 Unaudited	9 months to 30 September 2022 Unaudited	9 months to 30 September 2021 Unaudited
Profit /(Loss) for the period	Notes	80,279	38,335	(112,279)	106,534
Other comprehensive (loss) / income					
<i>Items that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations	19	(45,702)	(18,688)	(103,056)	(12,719)
Net gain/(loss) on cash flow hedges					
- Share of other comprehensive income from investment in associates		-	-	-	53,367
- Others		4,327	1,858	13,600	(1,997)
<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)	19	(19,116)	(4,893)	(19,116)	(7,050)
Other comprehensive (loss) / income for the period		(60,491)	(21,723)	(108,572)	31,601
Total comprehensive income /(loss) for the period		19,788	16,612	(220,851)	138,135
Attributable to:					
Owners of the Parent		(18,447)	20,757	(206,142)	126,588
Non-controlling interests		38,235	(4,145)	(14,709)	11,547
		19,788	16,612	(220,851)	138,135

The accompanying notes on pages 7 to 25 form an integral part of this condensed consolidated interim financial information.

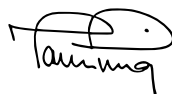
SHUAA CAPITAL PSC**Condensed consolidated interim statement of financial position at 30 September 2022 (unaudited)***(Currency - Thousands of U.A.E. Dirhams)*

	Notes	30 September 2022 Unaudited	<i>31 December 2021 Audited</i>
Assets			
Cash and deposits with banks	10	107,907	460,648
Receivables and other debit balances	11	397,757	351,040
Loans, advances and finance leases	12	470,329	236,266
Financial assets at fair value	22	674,474	3,113,590
Investments in associates	13	952,165	354,036
Investment Property	14	236,660	-
Property and equipment		5,660	34,362
Goodwill and other intangible assets	15	870,356	1,212,014
Assets held for sale	24	50,488	5,930
Total assets		3,765,796	5,767,886
Liabilities			
Payables and other credit balances	16	505,744	802,092
Other financial liabilities		167,528	148,267
Borrowings	17	1,497,008	1,985,419
Payables to unit holders		29,290	986,046
Total liabilities		2,199,570	3,921,824
Equity			
Share capital	18	2,535,720	2,535,720
Share premium		52,579	52,579
Statutory reserve		49,631	49,631
Other reserves	19	(1,486,227)	(1,424,452)
Retained earnings		67,416	240,479
Equity attributable to Owners of the Parent		1,219,119	1,453,957
Non-controlling interests (NCI)		347,107	392,105
Net equity		1,566,226	1,846,062
Total equity and liabilities		3,765,796	5,767,886

This condensed consolidated interim financial information was approved by the Board of Directors on 10 November 2022 and signed on their behalf by:



Fadhel Alali
Chairman



Fawad Tariq Khan
Group Chief Executive Officer

The accompanying notes on pages 7 to 25 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 2022 (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 2021 (Audited)	2,535,720	52,579	47,207	(1,439,146)	293,727	1,490,087	536,090	2,026,177
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
Total comprehensive income for the period	-	-	-	37,856	88,732	126,588	11,547	138,135
Transactions with the owners in their capacity as owners:								
Disposal of treasury shares (Note 18)	-	-	-	-	14,518	14,518	-	14,518
Payment of dividend	-	-	-	-	(76,071)	(76,071)	(65,851)	(141,922)
Balance at 30 September 2021 (Unaudited)	<u>2,535,720</u>	<u>52,579</u>	<u>47,207</u>	<u>(1,401,290)</u>	<u>320,906</u>	<u>1,555,122</u>	<u>481,786</u>	<u>2,036,908</u>
Balance at 1 January 2022 (Audited)	<u>2,535,720</u>	<u>52,579</u>	<u>49,631</u>	<u>(1,424,452)</u>	<u>240,479</u>	<u>1,453,957</u>	<u>392,105</u>	<u>1,846,062</u>
Loss for the period	-	-	-	-	(144,367)	(144,367)	32,088	(112,279)
Other comprehensive loss for the period	-	-	-	(61,775)	-	(61,775)	(46,797)	(108,572)
Total comprehensive loss for the period	-	-	-	(61,775)	(144,367)	(206,142)	(14,709)	(220,851)
Impact of first time application of IAS 29	-	-	-	-	(4,695)	(4,695)	(6,077)	(10,772)
Share of equity issuance expenses of associate	-	-	-	-	(10,575)	(10,575)	-	(10,575)
Acquisition of subsidiary	-	-	-	-	-	-	118,153	118,153
Transactions with unit holders	-	-	-	-	(13,426)	(13,426)	(73,358)	(86,784)
Disposal of subsidiaries (Note 25)	-	-	-	-	-	-	(102,975)	(102,975)
Capital contribution (Note 14)	-	-	-	-	-	-	50,000	50,000
Dividend paid to NCI	-	-	-	-	-	-	(16,032)	(16,032)
Balance at 30 September 2022 (Unaudited)	<u>2,535,720</u>	<u>52,579</u>	<u>49,631</u>	<u>(1,486,227)</u>	<u>67,416</u>	<u>1,219,119</u>	<u>347,107</u>	<u>1,566,226</u>

* On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 ("Companies Law") was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015. The Group has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

The accompanying notes on pages 7 to 25 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 2022 Unaudited	9 months to 30 September 2021 Unaudited
<i>Notes</i>		
Cash flows from operating activities		
(Loss)/Profit for the period	(112,279)	106,534
Adjustments:		
Finance (credit) / cost relating to unit holders	(16,410)	182,857
Income from deemed disposal of associate	(68,989)	-
Fair value gain on land	(39,540)	-
Foreign exchange (gain)/loss	(38,571)	2,991
Carried interest recognised – net	5,351	3,567
Finance cost	78,604	112,638
Net interest income	2,631	(5,683)
Fair value loss/(gain) on investments at FVTPL	121,458	(274,971)
Share of profit from investments in associates	(326,693)	(11,202)
Non-cash distribution from associate	19,450	12,578
Gain on revaluation of derivative financial liabilities	(1,794)	(1,907)
Loss on disposal of subsidiaries	193,387	-
Employees' end of service benefit charge	4,048	4,245
Provisions for impairment losses – net	17,986	(1,175)
Impairment of intangibles	119,615	-
Depreciation and amortization	27,529	34,596
Operating cash flows before movements in working capital	(14,217)	165,068
Decrease / (increase) in receivables and other debit balances	278,999	(22,324)
Decrease in loans and advances	25,359	66,796
Decrease in payables and other credit balances	(204,196)	(75,320)
(Increase) / decrease in other financial liabilities	(3,941)	8,598
Cash flows used in operating activities of discontinued operations	(78,549)	(13,912)
Net cash generated from operations	3,455	128,906
Employees' end of service benefit paid	(8,131)	(3,648)
Dividend received	-	1,818
Net cash (used in)/generated from operating activities	(4,676)	127,076
Cash flows from investing activities		
Payments for the purchase of investments	-	(111,983)
Proceeds from disposal of investments	13,486	145,271
Net interest received	(2,631)	5,683
Acquisition of property and equipment	-	(5,605)
Cash flow generated from investing activities of disposal group classified as held for sale	158,318	189,670
Net cash generated from investing activities	169,173	223,036
Cash flows from financing activities		
Proceeds from borrowings	-	498,144
Repayment of borrowings	(206,561)	(804,446)
Proceeds from sale of treasury shares	-	14,518
Dividend paid	(16,032)	(141,920)
Lease rentals paid	(1,916)	(6,848)
Finance cost paid	(54,239)	(100,727)
Cash flow (used in)/generated from financing activities of Discontinued operations	(101,869)	137,482
Net cash used in financing activities	(380,617)	(403,797)
Net decrease in cash and cash equivalents	(216,119)	(53,685)
Cash and cash equivalents at beginning of the period	10 453,520	377,266
Cash and cash equivalents acquired in business combinations	14,332	-
Cash and cash equivalent at beginning of the period of disposal group	-	28,324
Cash and cash equivalents on disposal of subsidiaries	(150,953)	--
Restricted cash	744	(5,899)
Cash and cash equivalents at end of the period	10 101,523	346,006

The accompanying notes on pages 7 to 25 form an integral part of this condensed consolidated interim financial information.

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022

(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 nine-month period ended 30 September 2022 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 2021. In addition, results for the nine months ended 30 September 2022 are neither audited nor are they necessarily indicative of the results that may be expected for the full financial year ending 31 December 2022.

Business combination in 2022

As at 17 January 2022, the Group had entered into an asset swap transaction involving the exit of a historic portfolio of illiquid investments. As a result of the transaction, the Group increased its ownership and acquired control of the existing associate, Qannas Investments Limited ("QIL"). The effective consideration in the acquisition was the fair value of the existing investment in the associate. The carrying amount of the identifiable net assets of the associate were deemed equal to their fair values.

Details of the consideration and fair value of net identifiable assets acquired are as follows:

Effective date of consolidation - 17 January 2022	QIL
Effective ownership interest (%)	80.81%
Purchase consideration	320,013
Fair value of net assets acquired	
Cash and deposits with banks	14,332
Receivables and other debit balances	9,282
Loans, advances and finance leases	170,268
Financial assets at fair value through profit or loss (FVTPL)	623,827
Borrowings	(292,131)
Payables and other credit balances	(87,412)
Net identifiable assets acquired	438,166
Non-controlling interest	(118,153)
Net Assets acquired	320,013

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

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 2021 except for the following accounting policies which were applicable from 1 January 2022:

3.1 New and revised IFRS adopted in the consolidated financial statements

New and revised IFRS	Key requirements	Effective Date
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	The amendment to IAS 16 <i>Property, Plant and Equipment</i> (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. Minor amendments were made to IFRS 3 <i>Business Combinations</i> to update the references to the <i>Conceptual Framework for Financial Reporting</i> and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> and Interpretation 21 <i>Leases</i> . The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: <ul style="list-style-type: none">• IFRS 9 <i>Financial Instruments</i> – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.• IFRS 16 <i>Leases</i> – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.• IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.• IAS 41 <i>Agriculture</i> – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.	1 January 2022

The Group has assessed the impact of these amendments and no material impact is expected as at the period ended 30 September 2022.

3.2 New and revised IFRS in issue but not yet effective and not early adopted

New and revised IFRS	Key requirements	Effective Date
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 <i>Presentation of Financial Statements</i> clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.	Deferred to 1 January 2023

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

3. CHANGES IN ACCOUNTING POLICIES (continued)

3.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRS	Key requirements	Effective Date
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: <ul style="list-style-type: none"> • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	n/a **

The Group is currently assessing the impact of these standards, interpretations and amendments on the future financial statements and intends to adopt these, if applicable, when they become effective. There are no other relevant applicable new standards and amendments to published standards of IFRS IC interpretations that have been issued but are not effective for the first time for the Group's financial year beginning on 1 January 2023 that would be expected to have a material impact on the consolidated financial statements of the Group.

**Notes to the condensed consolidated interim financial information
for the nine months ended 30 September 2022 (continued)**

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

4. NEW ACCOUNTING POLICY, CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**4.1 New accounting policy**

During the nine months ended 30 September 2022, the Group has acquired investment property and has determined the accounting policy for the respective group of assets.

Investment properties comprise completed properties and properties under development. Completed properties are held to earn rentals and/or for capital appreciation and property under being constructed is for future use as investment property.

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated profit or loss in the period in which they arise.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. If a property and equipment becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the commencement of development with a view to sale/use for earn income (for a transfer from investment property to property under development).

Upon completion of construction or development, a property is transferred from properties under development to completed properties. Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefits are expected from the disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

4.2 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 2021.

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Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

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.

	1 January to 30 September 2022 (Unaudited)			
	Asset Management	Investment Banking	Corporate	Total
Net fee and commission income	101,270	1,713	102,754	205,737
Advisory income	-	5,968	-	5,968
Net interest income	-	-	(2,630)	(2,630)
Trading income	-	5,859	(29)	5,830
Other operating income	-	-	(1,950)	(1,950)
Total revenues	101,270	13,540	98,145	212,955
Staff costs	(53,452)	(10,006)	(49,862)	(113,320)
Employee carried interest	(5,351)	-	-	(5,351)
General and administrative expenses	(19,328)	(4,536)	(31,336)	(55,200)
Other operating expenses	(124,109)	(305)	76,761	(47,653)
Depreciation and amortization	(17,839)	(5,018)	(4,672)	(27,529)
Provision for impairment losses on financial instruments	(8,000)	-	(9,986)	(17,986)
Total operating expenses	(228,079)	(19,865)	(19,095)	(267,039)
Net operating (loss) / income	(126,809)	(6,325)	79,050	(54,084)
Fair value losses from investments	(2,940)	(506)	(118,012)	(121,458)
Gain from derivative financial liability	-	-	1,794	1,794
Share of gain of investments in associates accounted for using equity method	-	-	326,693	326,693
Finance cost	(5,351)	(1,538)	(71,715)	(78,604)
Finance credit relating to unit holders	-	-	16,410	16,410
Other income/(expense)	40,200	894	(120,260)	(79,166)
(Loss) / profit for the period from continuing operations	(94,900)	(7,475)	113,960	11,585
Loss for the period from discontinued operations	-	-	(123,864)	(123,864)
Loss/(Profit) for the period attributable to NCI	32,266	-	(64,354)	(32,088)
Loss for the period attributable to Owners	(62,634)	(7,475)	(74,258)	(144,367)
Revenue from external customers (fee & commission)	101,270	1,713	102,754	205,737
Revenue from within the group (fee & commission)	-	-	-	-
	101,270	1,713	102,754	205,737

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Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

5. SEGMENTAL INFORMATION (continued)

	1 January to 30 September 2021 (Unaudited)			
	Asset Management	Investment Banking	Corporate	Total
Net fee and commission income	150,410	3,938	69,488	223,836
Advisory income	3,673	6,777	(3,300)	7,150
Net interest income	-	-	5,683	5,683
Trading income	-	5,530	(1,238)	4,292
Other operating income	77	-	6,943	7,020
Total revenues	154,160	16,245	77,576	247,981
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)	(37,884)	(56,924)
Other operating expenses	(4,327)	(240)	1,400	(3,167)
Depreciation and amortization	(23,844)	(4,901)	(5,851)	(34,596)
Provision for impairment losses on financial instruments	-	-	7,161	7,161
Total expenses	(89,385)	(16,905)	(79,398)	(185,688)
Profit/(loss) before other income and finance cost	64,775	(660)	(1,822)	62,293
Fair value (losses)/gains from investments	-	(567)	7,822	7,255
Gain from derivative financial liability	-	-	1,907	1,907
Finance cost	(4,773)	(1,667)	(63,836)	(70,276)
Share of gain of investments in associates accounted for using equity method	-	-	4,717	4,717
Finance credit relating to unit holders	-	-	1,043	1,043
Other income	5,444	650	24,855	30,949
Profit/(loss) for the period from continuing operations	65,446	(2,244)	(25,314)	37,888
(Loss)/Gain for the period from discontinued operations	(1,708)	-	70,354	68,646
Less: Profit for the period attributable to NCI	(4,170)	-	(13,632)	(17,802)
Profit/(loss) for the period attributable to Owners	59,568	(2,244)	31,408	88,732
Revenue from external customers (fees & commission)	144,946	3,938	69,487	218,371
Revenue from within the group (fee & commission)	5,464	-	-	5,464
	150,410	3,938	69,487	223,835
At 30 September 2022 (Unaudited)				
	Asset Management	Investment Banking	Corporate	Total
Assets	1,111,610	357,800	2,296,386	3,765,796
Liabilities	257,529	68,810	1,873,231	2,199,570
At 31 December 2021 (Audited)				
	Asset Management	Investment Banking	Corporate	Total
Assets	1,096,045	356,152	4,315,689	5,767,886
Liabilities	208,715	100,227	3,612,882	3,921,824

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Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

5. SEGMENTAL INFORMATION (continued)

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.

6. OPERATING INCOME

	3 months to 30 September 2022 Unaudited	3 months to 30 September 2021 Unaudited	9 months to 30 September 2022 Unaudited	9 months to 30 September 2021 Unaudited
Fees and commission income	70,945	61,333	218,733	230,743
Advisory income	2,038	4,763	5,968	7,150
Trading income	2,511	1,674	5,830	4,292
Other operating income	(4,831)	5,480	(1,950)	7,020
Revenue	70,663	73,250	228,581	249,205
Fee and commission expense	(2,770)	(2,064)	(12,995)	(6,907)
Operating income	67,893	71,186	215,586	242,298

7. FINANCE COST

Finance cost includes interest of 31,335 (30 September 2021: 31,335) on the Bonds payable.

8. OTHER (EXPENSES)/INCOME

	3 months to 30 September 2022 Unaudited	3 months to 30 September 2021 Unaudited	9 months to 30 September 2022 Unaudited	9 months to 30 September 2021 Unaudited
Government grant income	-	4,172	298	7,578
Finance lease modification charge	-	(1,282)	(300)	(3,146)
Income from deemed disposal of associate	-	-	68,989	-
Fair value gain on land	-	-	39,540	-
Loss on disposal of subsidiaries (Note 25)	(193,387)	-	(193,387)	-
Others	6,990	4,867	5,694	26,517
	(186,397)	7,757	(79,166)	30,949

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

9. (LOSSES) / 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.

	3 months to 30 September 2022 Unaudited	3 months to 30 September 2021 Unaudited	9 months to 30 September 2022 Unaudited	9 months to 30 September 2021 Unaudited
Profit /(Loss) attributable to the Owners from continuing operations	57,689	15,730	(20,503)	20,086
Profit /(Loss) attributable to the Owners	19,942	34,669	(144,367)	88,732
Weighted average number of ordinary shares (thousands)	2,535,720	2,535,720	2,535,720	2,535,720
Earnings/(Loss) per share attributable to the Owners from continuing operations (in AED)	0.02	0.01	(0.008)	0.01
Earnings/(Loss) per share attributable to the Owners (in AED)	0.01	0.01	(0.06)	0.03

10. CASH AND DEPOSITS WITH BANKS

	30 September 2022 Unaudited	31 December 2021 Audited
Cash in hand	234	106
Balances held with banks	107,673	460,542
Cash and deposits with banks	107,907	460,648
Less: Restricted deposits	(6,384)	(7,128)
Cash and cash equivalents	101,523	453,520

11. RECEIVABLES AND OTHER DEBIT BALANCES

	30 September 2022 Unaudited	31 December 2021 Audited
Trade receivables – net of loss allowance	75,048	66,310
Receivables from managed funds	39,282	24,131
Advances and deposits	4,907	5,155
Prepayments	7,337	9,850
Accrued income	13,000	64,737
Others	258,183	180,857
	397,757	351,040
Trade receivables and managed funds – net of loss allowance		
Trade receivables and managed funds	122,037	98,148
Loss allowance	(7,707)	(7,707)
	114,330	90,441

Receivables and other debit balances include 11,412 of realisable value pertaining to a non going concern subsidiary.

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

11. RECEIVABLES AND OTHER DEBIT BALANCES (continued)

Included in trade receivables is an amount of 863 (31 December 2021: 14,363) due from related parties.

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

	30 September 2022 Unaudited	31 December 2021 Audited
Repayable within twelve months	387,462	289,131
Repayable after twelve months	10,295	61,909
	<u>397,757</u>	<u>351,040</u>

12. LOANS, ADVANCES AND FINANCE LEASES

During the nine month period ended 30 September 2022 a charge of 17,986 (for the nine month period ended 30 September 2021: reversal of 4,451) was made against expected credit losses on loans given by the Group.

As at 30 September 2022, the underlying collateral for loans, advances and finance leases were valued at 297,009 (31 December 2021: 304,286). Includes 118,520 realisable value pertaining to non-going concern subsidiary.

13. INVESTMENTS IN ASSOCIATES

	30 September 2022 Unaudited	31 December 2021 Audited
Opening balance	354,036	434,312
Additions	608,601	17,857
Associate arising from loss of control	-	50,275
Share of profit of associates	326,693	252,380
Share of equity issuance cost of associate	(10,575)	-
Classified from/(as) FVTPL	8,083	(12,991)
Dividends and other distributions	(19,468)	(28,559)
Disposal	(54,325)	-
Impairment	-	(409,442)
Transfer to subsidiary	(210,392)	-
Reclassified (to)/from Held for sale	(50,488)	50,204
Closing balance	<u>952,165</u>	<u>354,036</u>

The below table highlights the geographical allocation of associates:

	30 September 2022 Unaudited	31 December 2021 Audited
UAE	948,755	252,726
GCC	-	50,211
Others	3,410	51,099
	<u>952,165</u>	<u>354,036</u>

14. INVESTMENT PROPERTY

During the period, the Group purchased a plot of land at a value of 197,120. Non-controlling interests contributed 50,000. The fair value uplift recognised in the period is 39,540. The share of the uplift for non-controlling interests was 25,952.

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

15. GOODWILL AND OTHER INTANGIBLE ASSETS

	<i>Goodwill</i>	<i>Trademark</i>	<i>Customer Relationships</i>	<i>Trade Licenses</i>	<i>Total</i>
Cost					
Balance at beginning of the period	1,024,676	15,573	215,249	18,807	1,274,305
Impairment	-	(4,980)	(155,000)	(2,000)	(161,980)
Disposals (Note 25)	(81,155)	(2,600)	(26,000)	(9,200)	(118,955)
Impact of foreign currency translation	(100,081)	-	-	-	(100,081)
Balance at end of the period	843,440	7,993	34,249	7,607	893,289
Accumulated amortisation					
Balance at beginning of the period	-	2,064	60,220	7	62,291
Charge for the period	-	615	11,700	-	12,315
Disposals (Note 25)	-	(549)	(8,759)	-	(9,308)
Impairment	-	(726)	(41,639)	-	(42,365)
Balance at end of the period	-	1,404	21,522	7	22,933
Net book value at 30 September 2022	843,440	6,589	12,727	7,600	870,356
Net book value at 31 December 2021 (Audited)	1,024,676	13,509	155,029	18,800	1,212,014

During the period, one of the Group's subsidiaries received notice of a significant contract termination notice. As a result, the Group recognised an impairment charge on the contract of AED 93,777 which is disclosed in other operating expense. The major impact of the impairment is on the non-controlling interests. In addition to this, the Group recognised impairment of AED 25,837 on trademarks, license and customer contracts pertaining to the Real estate CGU based on the expected recoverability of these intangibles. Consequently, as a result of these impairments, the Group carried out impairment testing on the Asset Management- Astrea CGU and the Real estate CGU using updated cash flows projections and sensitivities. The recoverable amount was higher than the Goodwill value and hence no further impairment was recognised.

Except for the above, during the nine months period to 30 September 2022 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 2021 and which were disclosed in the financial statements for the year ended 31 December 2021.

16. PAYABLES AND OTHER CREDIT BALANCES

	<i>30 September 2022</i> <i>Unaudited</i>	<i>31 December 2021</i> <i>Audited</i>
Payable to clients	4,467	9,701
Customer deposits	20,070	20,501
Accruals	70,995	84,096
Lease liabilities	35,215	40,399
Repurchase agreements	35,716	41,562
Payables against acquisition	160,289	226,893
Unclaimed dividends payable	33,457	33,457
FVTPL liabilities	9,919	1,610
Realised carried interest payable to employees	4,245	1,340
End of service benefits	19,631	18,493
Provisions	11,497	9,844
Derivative financial liability	-	2,117
Deferred revenue	9,068	7,053
Other payables	91,175	305,026
	505,744	802,092

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

16. PAYABLES AND OTHER CREDIT BALANCES (continued)

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

	30 September 2022 Unaudited	31 December 2021 Audited
Repayable within twelve months	455,756	738,406
Repayable after twelve months	49,988	63,686
	505,744	802,092

17. BORROWINGS

	30 September 2022 Unaudited	31 December 2021 Audited
Secured		
Due to banks	534,771	1,122,623
Due to other financial institutions (A)	30,503	45,579
Others	271,488	33,007
	836,762	1,201,209
Unsecured		
Due to banks	42,463	75,226
Due to other financial institutions	-	15,062
Bonds payable	560,626	543,944
Others (B)	57,157	149,978
	660,246	784,210
	1,497,008	1,985,419

A – includes borrowings amounting to 30,503 (31 December 2021: 45,540) due to related parties with an interest rate of 8% p.a (31 December 2021: 7.3% to 9.5% p.a).

B – This includes 57,157 (31 December 2021: 112,401) related to funding received by a subsidiary from its regulator to finance and support Small and Medium-Sized Entities lending activity of the subsidiary. The amount is at realisable value.

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

	30 September 2022 Unaudited	31 December 2021 Audited
Secured		
Repayable within twelve months	430,782	803,754
Repayable after twelve months	405,980	397,455
	836,762	1,201,209
Unsecured		
Repayable within twelve months	45,388	82,011
Repayable after twelve months	614,858	702,199
	660,246	784,210
	1,497,008	1,985,419

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

18. SHARE CAPITAL

	Number of shares	Value
30 September 2022 (Unaudited)	2,535,720	2,535,720
31 December 2021 (Audited)	2,535,720	2,535,720

Authorised, issued and fully paid share capital comprises 2,535,720,000 shares (31 December 2021: 2,535,720,000 shares) of AED 1 per share (31 December 2021: AED 1 per share). Each share carries one vote and the right to receive dividends.

At 30 September 2022, the Company had Nil (30 September 2021: 7,180,875) treasury shares outstanding. During the nine months ended 30 September 2022, the Company sold Nil treasury shares for total proceeds of Nil (2021: 14,518). The average cost of these shares was Nil (2021: 23,177).

19. OTHER RESERVES

	Merger reserve (A)	Investment revaluation reserve	Cash flow hedge reserve (B)	Translation Reserve	Total
At 1 January 2022	(1,410,720)	(49,628)	3,316	32,580	(1,424,452)
Cash flow hedge	-	-	13,600	-	13,600
Revaluation	-	(19,116)	-	-	(19,116)
Translation of operations of foreign subsidiaries	-	-	-	(103,056)	(103,056)
NCI share	-	3,385	-	43,412	46,797
	<u>(1,410,720)</u>	<u>(65,359)</u>	<u>16,916</u>	<u>(27,064)</u>	<u>(1,486,227)</u>
At 31 December 2021 (Audited)	(1,410,720)	(49,628)	3,316	32,580	(1,424,452)

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 arising from a hedging instrument from a bank.

SHUAA CAPITAL PSC

Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

20. 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 2021 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:

Borrowings	30 September 2022 Unaudited	31 December 2021 Audited
Associates	30,503	45,540

During the period, the Group sold significant ownership in its associate to one of its affiliates amounting to 49,329. The Group also sold one of its subsidiaries to one of its affiliates amounting to 200,000

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.

21. 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 2021.

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

Liquidity risk is the risk that the Group 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 always aims to 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.

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Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

21. FINANCIAL RISK MANAGEMENT (continued)

As at 30 September 2022, there was a technical breach in the debt covenant relating to a newly consolidated subsidiary arising from gain of control. The principal of the debt affected is AED 77 million and the breach is expected to be remediated by December 2022 when the restructuring is expected to be completed. The loan continues to be adequately secured by the underlying collateral with sufficient buffer.

22. 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 2022, the development of market unobservable inputs included added estimation uncertainty due to the global economic and social disruption caused by the ongoing COVID-19 pandemic and the conflict in Ukraine, there remains significant uncertainty and disruption in the global economy and financial markets. 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 ongoing macroeconomic situation.

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:

	30 September 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial Assets				
FVTPL				
Equity investments	2,962	105,583	13,057	121,602
Fixed income investments	12,172	7,315	-	19,487
Fund investments	-	24,608	508,216	532,824
FVTOCI				
Fund investments	-	-	561	561
	15,134	137,506	521,834	674,474
Financial Liabilities				
FVTPL	9,919	-	-	9,919
Lease liability	-	-	35,215	35,215
Payable to unit holders	-	29,290	-	29,290
	9,919	29,290	35,215	74,424

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Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

22. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 December 2021 (Audited)			Total
	Level 1	Level 2	Level 3	
Financial Assets				
FVTPL				
-Equity investments	2,335,017	-	2,236	2,337,253
-Fixed income investments	90,842	6,296	-	97,138
-Fund investments	-	84,352	571,481	655,833
FVTOCI				
-Fund investments	-	-	23,366	23,366
	<u>2,425,859</u>	<u>90,648</u>	<u>597,083</u>	<u>3,113,590</u>
Financial Liabilities				
FVTPL	1,610	2,117	-	3,727
Lease liability	-	-	40,399	40,399
Payable to unit holders	-	986,046	-	986,046
	<u>1,610</u>	<u>988,163</u>	<u>40,399</u>	<u>1,030,172</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 and adjusted quoted prices in respect of investments under inactive markets.

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.

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Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

22. 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 2022	Effect of changes in underlying assumptions 2021	Sensitivity analysis	Relationship of unobservable inputs to fair value
	30/9/22	31/12/21							
<i>FVTPL</i>									
Equity investments	13,057	2,236	3	NAV ²	Net asset value	+/- 653	+/- 112	± 5% change in NAV, impacts fair value	The higher the discount rate, the lower the fair value
Fund investments	508,216	571,481	3	Discounted cash flow ¹ and NAV ²	Net asset value adjusted with market risk	+/- 25,411	+/- 28,574	± 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
<i>FVTOCI</i>									
Fund investments	561	23,366	3	NAV ²	Net asset value	+/- 28	+/- 1,168	± 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

¹Discounted 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.

²Net 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.

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Notes to the condensed consolidated interim financial information for the nine months ended 30 September 2022 (continued)

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

22. 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 2022 (Unaudited)								
	Balance at 1 January 2022	Acquired on business combination	Additions	Disposal	Gain/(loss) through P&L	Gain/(loss) through OCI	Transfers from/(to) levels 1 & 2	Balance at 30 September 2022
FVTPL								
Equity Investments	2,236	-	10,821	-	-	-	-	13,057
Fixed Income	-	-	-	-	-	-	-	-
Fund Investment	571,481	-	3,746	-	(67,011)	-	-	508,216
FVOCI								
Fund Investment	23,366	-	-	-	-	(22,805)	-	561
	<u>597,083</u>	<u>-</u>	<u>14,567</u>	<u>-</u>	<u>(67,011)</u>	<u>(22,805)</u>	<u>-</u>	<u>521,834</u>
31 December 2021 (Audited)								
	Balance at 1 January 2021	Acquired on business combination	Additions	Disposal	Gain/(loss) through P&L	Gain/(loss) through OCI	Transfers from/(to) levels 1 & 2	Balance at 31 December 2021
FVTPL								
Equity Investment	2,299	-	-	-	(63)	-	-	2,236
Fixed Income	1,133	-	-	-	(1,133)	-	-	-
Fund Investment	414,919	-	137,992	-	18,570	-	-	571,481
FVOCI								
Fund Investment	50,707	-	-	-	-	(27,341)	-	23,366
	<u>469,058</u>	<u>-</u>	<u>137,992</u>	<u>-</u>	<u>17,374</u>	<u>(27,341)</u>	<u>-</u>	<u>597,083</u>

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

	30 September 2022	31 December 2021
Realised and unrealised (losses)/gains	<u>(67,011)</u>	<u>17,374</u>

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Notes to the condensed consolidated interim financial statements for the nine months ended 30 September 2022 (continued)

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

23. COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2022 Unaudited	31 December 2021 Audited
Contingent liabilities	10,323	10,375

At 30 September 2022, the Group had capital commitments of 53,695 (31 December 2021: 141,201) with respect to project development and 78,422 in respect of guarantee for the payment obligations in respect of a sale and purchase agreement.

24. DISCONTINUED OPERATIONS

	30 September 2022 Unaudited	31 December 2021 Audited
Assets held for sale	50,488	5,930

25. DISPOSAL OF SUBSIDIARIES

Details of assets, liabilities, financial performance and cash flows of subsidiaries over which control was lost during the period are as follows:

	Goldilocks Investments Company	NCM Investment Company. (A)
Assets		
Cash and deposits with banks	7,162	143,791
Receivables and other debit balances	3,594	6,044
Financial assets at fair value through profit or loss (FVTPL)	2,055,021	47,259
Property & Equipment	-	11,298
Goodwill and Intangibles	-	109,647
Liabilities		
Borrowings	(841,412)	-
Payable to unit holders	(503,960)	-
Payables and other credit balances	(7,622)	(31,393)
Net assets disposed off	<u>712,783</u>	<u>286,646</u>
Gain/(loss) on disposal of subsidiary		
Consideration received	506,391	196,676
Non-controlling interests	-	102,975
Net assets disposed off	(712,783)	(286,646)
(Loss)/gain on disposal	<u>(206,392)</u>	<u>13,005</u>
Net cash flows on disposal of subsidiary		
Consideration received in cash and cash equivalents	-	-
Less: Cash and cash equivalent balances disposed	(7,162)	(143,791)
Net cash outflow	<u>(7,162)</u>	<u>(143,791)</u>

(A) Although there are regulatory formalities associated with the transaction which are in the process of being completed, the Group has determined that it no longer has the power, directly or indirectly, to govern the financial and operational activities of the subsidiary and has, accordingly, recognised the disposal during the period ended 30 September 2022.

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Notes to the condensed consolidated interim financial statements for the nine months ended 30 September 2022 (continued)

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

26. SUBSEQUENT EVENTS

One of the Group subsidiary became a non going concern during the period as management does not forecast any future plans for the subsidiary. As a result, the subsidiary financials were prepared on a realisable basis and the line items are reflected in the respective notes. Subsequent to the year end, the management has decided to liquidate the subsidiary.