SHUAA CAPITAL PSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 JANUARY 2023 TO 30 SEPTEMBER 2023

Condensed consolidated interim financial information
for the nine months ended 30 SEPTEMBER 2023

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

Introduction

We were engaged to review the accompanying condensed consolidated interim statement of financial position of SHUAA Capital PSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2023, 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 the 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, however, we were not able to perform the review procedures necessary to have a basis on which to form a conclusion.

Basis for disclaimer of conclusion

We have been unable to form a conclusion on the appropriateness of Directors' adoption of the going concern basis of accounting in preparing the condensed consolidated interim financial information being one of the procedures required in International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", in view of the following factors.

As set out in note 2 to the accompanying condensed consolidated interim financial information, the Group has incurred a loss of AED 797 million for the nine-month period ended 30 September 2023, which has resulted in accumulated losses of AED 492 million as at that date. The Group also has AED 960 million of borrowings repayable within twelve months from the date of approval of the accompanying condensed consolidated interim financial information, including a bilateral facility of AED 210 million which is repayable on demand as a result of a covenant breach at 30 September 2023, and AED 523 million bond repayable in March 2024.

In evaluating the Group's going concern assessment, including a downside scenario, we have considered whether sufficient liquidity exists in the forecast period based on the Group's preparation of the forecasted cash flows over a 13-month period, taking into account reasonably possible outcomes over this period from the date of approval of this condensed consolidated interim financial information.

In the base case scenario, the Group has assumed that the covenant breach will be remediated on the bilateral loan facility. It is also assumed that the Group will be successful in raising capital through a proposed rights issue, as well as being able to convert a portion of the bond into equity. Further, this scenario assumes that the Group will be able to successfully conclude a disposal transaction for a major asset under management as well as generate other operating cash flows.

The downside scenario assumes that the Group will not be able to raise capital through a rights issue and the covenant breach on the bilateral loan facility is not remediated. However, the Group has considered that it will be able to successfully conclude the conversion of a portion of the bond into equity, negotiate remaining non-converting bond into a new term facility, successfully conclude a disposal of a large asset under management as well as generate other operating cash flows.

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

Basis for disclaimer of conclusion (continued)

In conducting our review, we were unable to conclude on the Group's ability to settle its short term debt in an orderly manner in view of the actions which the lender may take in the event that the covenant breach in respect of the bilateral facility is not immediately remediated and the cross-default clauses which could be potentially triggered in respect of the Group's other debt obligations. Further, both the base case and the downside scenarios highlight that the Group's ability to repay its short-term debt is dependent on the successful execution of certain key assumptions, each of which is subject to significant uncertainty and not wholly within the control of the Group.

In view of the nature and severity of the uncertainties highlighted in the preceding paragraphs, we were unable to form a conclusion on the condensed consolidated interim financial information.

Disclaimer of conclusion

Because of the significance of the matters described in the Basis for disclaimer of conclusion section, we do not express a conclusion on the accompanying condensed consolidated interim financial information.

PricewaterhouseCoopers Limited Partnership Dubai Branch
6 December 2023

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

Condensed consolidated interim statement of profit or loss for the three and nine months ended 30 September 2023 (unaudited)

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

	Notes	**3 months to 30 September 2023 Unaudited**	3 months to 30 September 2022* Unaudited	**9 months to 30 September 2023 Unaudited**	9 months to 30 September 2022* Unaudited
Continuing operations					
Revenue	6	**30,692**	70,663	**128,148**	228,581
Other income/expense	7	**(60,000)**	(186,397)	**(14,579)**	(38,097)
Net foreign exchange (loss)/gain		**7,303**	15,607	**(359)**	38,571
Change in fair value losses from financial assets at fair value through profit or loss (FVTPL)		**(220,553)**	1,545	**(257,836)**	(121,458)
Share of net profit of investments in associates accounted for using the equity method		**(22,653)**	322,880	**(21,164)**	326,693
(Loss)/gain on derivative financial liability		**(84)**	**356**	**(208)**	**1,794**
Interest income		-	-	-	7,719
Interest expense		-	(7,893)	-	(10,350)
Total Income		**(265,295)**	216,761	**(165,998)**	433,453
Staff costs		**(15,355)**	(34,945)	**(41,842)**	(113,320)
Employee carried interest		**(3,336)**	-	**(8,203)**	(5,351)
Fee and commission expense		**(1,152)**	(2,770)	**(1,965)**	(12,995)
General and administrative expenses		**(9,757)**	(18,254)	**(27,750)**	(59,582)
Depreciation and amortisation		**(3,106)**	(7,526)	**(9,480)**	(27,529)
Provision for impairment losses on financial assets	10	**(123,939)**	(6,599)	**(124,011)**	(17,986)
Total expenses		**(156,645)**	(70,094)	**(213,251)**	(236,763)
(Loss)/profit before impairment of intangibles and finance costs		**(421,940)**	146,667	**(379,249)**	196,690
Finance cost		**(19,290)**	(26,740)	**(52,955)**	(78,604)
Finance (debit)/ credit relating to unit holders		-	(859)	-	16,410
Impairment of intangibles and other items		**(364,743)**	(1,042)	**(364,752)**	(122,911)
(Loss)/profit from continuing operations		**(805,973)**	118,026	**(796,956)**	11,585
Loss from discontinued operations		-	(37,747)	-	(123,864)
(Loss)/profit for the period		**(805,973)**	80,279	**(796,956)**	(112,279)
Attributable to:					
Owners of the Parent		**(589,994)**	19,942	**(569,960)**	(144,367)
Non-controlling interests		**(215,979)**	60,337	**(226,996)**	32,088
		(805,973)	80,279	**(796,956)**	(112,279)
(Losses)/earnings per share attributable to Owners from continuing operations (in AED)	17	**(0.23)**	0.02	**(0.22)**	(0.008)
(Losses)/earnings per share attributable to Owners (AED)	17	**(0.23)**	0.01	**(0.22)**	(0.06)

*Refer to note 24 for changes to comparatives

The accompanying notes on pages 8 to 28 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of comprehensive income for the three and nine months ended 30 September 2023 (unaudited)

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

	Notes	**3 months to 30 September 2023 Unaudited**	3 months to 30 September 2022* Unaudited	**9 months to 30 September 2023 Unaudited**	9 months to 30 September 2022* Unaudited
(Loss)/profit for the period		**(805,973)**	80,279	**(796,956)**	(112,279)
Other comprehensive (loss) / income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	16	**(21,338)**	(45,702)	**3,981**	(103,056)
Net gain on cash flow hedges		**(728)**	4,327	**(558)**	13,600
Items that will not be reclassified to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVTOCI)	16	**-**	(19,116)	**-**	(19,116)
Other comprehensive (loss)/income for the period		**(22,066)**	(60,491)	**3,423**	(108,572)
Total comprehensive (loss)/income for the period		**(828,039)**	19,788	**(793,533)**	(220,851)
Attributable to:					
Owners of the Parent		**(600,454)**	(18,447)	**(568,683)**	(206,142)
Non-controlling interests		**(227,585)**	38,235	**(224,850)**	(14,709)
		(828,039)	19,788	**(793,533)**	(220,851)

The accompanying notes on pages 8 to 28 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of financial position as at 30 September 2023 (unaudited)

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

	Notes	***30 September 2023 Unaudited***	*31 December 2022 Audited*
Assets			
Cash and cash equivalents	8	**107,545**	64,151
Receivables and other debit balances	9	**239,810**	407,061
Loans, advances and finance leases	10	**230,464**	274,503
Financial assets at fair value	19.1	**419,389**	668,602
Investments in associates	11	**659,998**	947,599
Property and equipment		**21,299**	25,693
Goodwill and other intangible assets	12	**540,062**	902,234
Assets held for sale	22	**13,127**	186,130
Total assets		**2,231,694**	3,475,973
Liabilities			
Payables and other credit balances	13	**385,253**	488,469
Other financial liabilities	14	**142,600**	163,808
Borrowings	14	**969,774**	1,206,206
Payables to unit holders		**29,290**	29,290
Liabilities of disposal groups classified as held for sale	22	**-**	68,019
Total liabilities		**1,526,917**	1,955,792
Equity			
Share capital	15	**2,535,720**	2,535,720
Share premium		**52,579**	52,579
Statutory reserve		**49,631**	49,631
Other reserves	16	**(1,466,199)**	(1,467,476)
(Accumulated losses)/Retained earnings		**(491,942)**	76,579
Equity attributable to Owners		**679,789**	1,247,033
Non-controlling interests (NCI)		**24,988**	273,148
Net equity		**704,777**	1,520,181
Total equity and liabilities		**2,231,694**	3,475,973

This condensed consolidated interim financial information was approved by the Board of Directors on 5 December 2023 and signed on their behalf by:

Fadhel Alali
Chairman

Wafik Ben Mansour
Acting Group Chief Executive Officer

The accompanying notes on pages 8 to 28 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 2023 (unaudited)

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

	Share capital	Share premium	Statutory reserve (*)	Other reserves	Retained earnings/(Accumulated losses)	Equity attributable to owners of the Parent	Non - controlling interests	Total
Balance at 1 January 2022 (Audited)	2,535,720	52,579	49,631	(1,424,452)	240,479	1,453,957	392,105	1,846,062
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	-	-	-	-	-	-	50,000	50,000
Dividend paid to NCI	-	-	-	-	-	-	(16,032)	(16,032)
Balance at 30 September 2022 (Unaudited)	2,535,720	52,579	49,631	(1,486,227)	67,416	1,219,119	347,107	1,566,226
Balance at 1 January 2023 (Audited)	**2,535,720**	**52,579**	**49,631**	**(1,467,476)**	**76,579**	**1,247,033**	**273,148**	**1,520,181**
Loss for the period	-	-	-	-	**(569,960)**	**(569,960)**	**(226,996)**	**(796,956)**
Other comprehensive income for the period	-	-	-	**1,277**	-	**1,277**	**2,146**	**3,423**
Total comprehensive loss for the period	-	-	-	**1,277**	**(569,960)**	**(568,683)**	**(224,850)**	**(793,533)**
Share of treasury shares of associate	-	-	-	-	**(11,682)**	**(11,682)**	**(1,295)**	**(12,977)**
Transactions with owners	-	-	-	-	**13,121**	**13,121**	**(13,121)**	-
Non-cash distribution	-	-	-	-	-	-	**(2,706)**	**(2,706)**
Dividend paid to NCI	-	-	-	-	-	-	**(6,188)**	**(6,188)**
Balance at 30 September 2023 (Unaudited)	**2,535,720**	**52,579**	**49,631**	**(1,466,199)**	**(491,942)**	**679,789**	**24,988**	**704,777**

The accompanying notes on pages 8 to 28 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of cash flows

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

	Notes	***9 months to 30 September 2023 Unaudited***	*9 months to 30 September 2022* Unaudited*
Cash flows from operating activities			
Loss for the period		**(796,956)**	(112,279)
Adjustments:			
Finance credit relating to unit holders		**-**	(16,410)
Income from deemed disposal of associate		**-**	(68,989)
Impact of loan settlement	7	**(41,856)**	-
Loss on disposal of associates	7	**54,054**	193,387
Fair value gain on land		**-**	(39,540)
Foreign exchange gain		**359**	(38,571)
Carried interest recognised – net		**8,203**	5,351
Finance cost		**52,955**	78,604
Net interest income		**-**	2,631
Fair value loss on investments at FVTPL		**257,836**	121,458
Fair value loss on assets held for sale		**37,362**	-
Share of loss from investments in associates		**21,164**	(326,693)
Gain on revaluation of derivative financial liabilities		**208**	(1,794)
Employees' end of service benefit charge		**2,530**	4,048
Provisions for impairment losses – net		**102,467**	17,986
Impairment of intangibles		**364,743**	119,615
Depreciation and amortization		**9,480**	27,529
Operating cash flows before movements in working capital		**72,549**	(33,667)
Decrease in receivables and other debit balances		**152,231**	278,999
Decrease in loans and advances		**61,731**	25,359
Decrease in payables and other credit balances		**(75,300)**	(204,196)
Decrease in other financial liabilities		**(21,207)**	(3,941)
Cash flows used in operating activities of discontinued operations		**-**	(78,549)
Net cash generated from/ (used in) operations		**190,004**	(15,995)
Employees' end of service benefit paid		**(9,665)**	(8,131)
Net cash generated from/(used in) operating activities		**180,339**	(24,126)
Cash flows from investing activities			
Payments for the purchase of investments		**(54,434)**	-
Proceeds from disposal of investments		**64,373**	13,486
Net interest received		**-**	(2,631)
Distribution from associate		**10,623**	19,450
Net cash acquired in business combination		**-**	14,332
Net cash from disposal of subsidiaries		**-**	(150,953)
Cash flow generated from investing activities of discontinued operations		**-**	158,318
Net cash generated from investing activities		**20,562**	52,002
Cash flows from financing activities			
Repayment of borrowings		**(79,712)**	(206,561)
Dividend paid		**(8,896)**	(16,032)
Lease rentals paid		**(1,916)**	(1,916)
Finance cost paid		**(66,982)**	(54,239)
Cash flow used in financing activities of Discontinued operations		**-**	(101,869)
Net cash used in financing activities		**(157,506)**	(380,617)
Net decrease in cash and cash equivalents		**43,395**	(352,741)
Cash and cash equivalents at beginning of the period	8	**62,900**	453,520
Restricted cash		**-**	744
Cash and cash equivalents at end of the period	8	**106,295**	101,523
Cash and cash equivalents from continuing operations		106,295	101,523

*Refer to note 24 for changes to comparatives

The accompanying notes on pages 8 to 28 form an integral part of this condensed consolidated interim financial information.

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.

Changes to laws and regulations

Implementation of UAE Corporation Tax Law and application of IAS 12 Income Taxes.

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "Law") to enact a Federal corporate tax regime in the UAE. Furthermore, on 16 January 2023, a Cabinet Decision was published specifying the threshold of AED 375,000 of taxable income above which taxable entities would be subject to a 9% corporate tax rate.

The Corporate Tax regime will become effective for the accounting year beginning on or after 1 June 2023 hence for the Group it will be effective from 1 January 2024. Management acknowledges that a number of regulations with regards to the application of tax legislation are published and as such management will continue to monitor developments in order to assess the impact of corporate tax including any deferred tax implications on the Group.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information and accompanying notes for the period ended 30 September 2023 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 2022. In addition, results for the nine months ended 30 September 2023 are neither audited nor are they necessarily indicative of the results that may be expected for the full financial year ending 31 December 2023.

2.1 GOING CONCERN

The Group has incurred a loss of AED 797 million for the nine month period ended 30 September 2023, which has resulted in accumulated losses of AED 492 million as at that date. Further, the Group has AED 960 million of borrowings repayable within the next twelve months from the date of approval of this condensed consolidated interim financial information, including a bond of AED 523 million due for repayment on 31 March 2024 (refer to Note 14 for details), and also includes a bilateral facility of AED 210 million due to a bank being classified as repayable within twelve months as a result of a covenant breach at 30 September 2023 as set out in Note 14. As at the date of the approval of the condensed consolidated interim financial information the Group is currently in negotiation with the bank to remediate the covenant breach. In the event the covenant breach is not remediated, the bank could call the whole outstanding loan amount, including accrued interest, to be immediately repayable, which can further trigger cross-default clauses in respect of the Group's other debt obligations. Management have factored the bank borrowing being payable within twelve months in their Base case scenario alongside with assumptions on when it expects to make these repayments, details of which are included below.

In assessing the appropriateness of applying the going concern basis in the preparation of this condensed consolidated interim financial information, the Board of Directors has considered the Group's operational profitability, liquidity and forecast cash flows, taking into account reasonably possible outcomes over a 13-month period (the "assessment period") from the date of approval of this condensed consolidated interim financial information. The forecast cash flows cover two potential scenarios primarily dependent on the success of the proposed rights issue and remediating the covenant breach related to a bank borrowing, which forms the basis of the following two scenarios:

2. BASIS OF PREPARATION

2.1 GOING CONCERN (continued)

Base case scenario:

Management has obtained informal commitments from certain related party bond holders (constituting 40% of the overall bond) to the effect that a portion of the outstanding bond will be converted into equity following the rights issuance which is expected to provide additional funds to the Group. The funds generated from the proposed rights issue is expected to be sufficient to repay the non-converting bond holders.

The Group intends to settle the remaining short-term debt of AED 437 million, through funds expected to be generated from its operating activities.

The base case scenario reflects sufficient liquidity over the assessment period and is based on the following key assumptions:

- Remediation of the covenant breach related to a bank borrowing.
- Generation of sufficient cash flow from operating activities and settlement of receivables within the next 12 months to cover repayment of short term debt.
- Expected disposal of a large asset under management which will generate performance fees upon completion of the transaction. This transaction is in the final stages of due diligence prior to signing of the Sale and Purchase agreement and the transaction is expected to be completed and settled by December 2023.
- Successful conversion of at least 25% of the existing bonds into equity.
- Successful completion of the proposed rights issue, the proceeds of which are expected to be utilised towards repayment of non-converting bond holders.

Downside scenario:

Management has assessed that in a downside scenario where the proposed rights issue is not successful or is sub-optimal, the bank borrowing is declared due and payable as a result of the covenant breach not remediated which could potentially trigger cross-default on the Group's other debt obligations. The Group then expects to utilise the cash flows from operating activities for repayment of the bank borrowing and a portion of the non-converting bond holders over a short term period, negotiate with the remaining debt holders to convert into a new term facility at prevailing market rates, and sell certain liquid assets in order to generate excess cash flows.

The Group may not be able to meet its short term liabilities, in an orderly manner should some or all of the above significant assumptions not materialise, particularly the potential lender's actions in view of unremediated covenant breach and the extent of investor appetite to subscribe to the proposed rights issue.

These events and conditions result in a material uncertainty that may cast significant doubt as to the Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of this condensed consolidated interim financial information. This condensed consolidated interim financial information does not include adjustments to the carrying amounts and/or the classification of assets and liabilities that may be required in such an eventuality. However, the Board of Directors continues to believe that it remains appropriate to prepare the condensed consolidated interim financial information on a going concern basis as it is confident that its plans to address the material uncertainty will be satisfactorily achieved through the base case scenario. As a result, in assessing the appropriateness of applying the going concern basis in the preparation of these condensed consolidated interim financial information, the Board of Directors have considered that the Group will be able to meet both its obligations as they become due and to continue its operations, without significant curtailment, as a going concern.

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

3.1 New and revised IFRS standards and amendments

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 *Presentation of Financial Statements* 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 waver 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 *Accounting Policies, Changes in Accounting Estimates and Errors*. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.	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

3. CHANGES IN ACCOUNTING POLICIES (continued)

3.1 New and revised IFRS standards and amendments (continued)

New and revised IFRS	Key requirements	Effective Date
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: • 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 **

There are no other relevant applicable new standards and amendments to published standards or IFRIC 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.

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 2022, other than for the matters set out in Note 3.1 above.

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 2023 (Unaudited)			
	Asset Management	*Investment Banking*	*Corporate*	*Total*
Net fee and commission income	111,409	2,537	(1,299)	112,647
Advisory income	-	2,185	-	2,185
Trading income	-	6,859	-	6,859
Other operating income	2,111	-	2,381	4,492
Total revenues	113,520	11,581	1,082	126,183
Staff costs	(30,369)	(10,919)	(554)	(41,842)
Employee carried interest	(8,203)			(8,203)
General and administrative expenses	(17,758)	(5,672)	(2,948)	(26,378)
Other operating expenses	(365,804)	(237)	(442)	(366,483)
Depreciation and amortization	(4,856)	(4,542)	(82)	(9,480)
Provision for impairment losses on financial instruments	(21,785)	-	(102,226)	(124,011)
Total operating expenses	(448,775)	(21,370)	(106,252)	(576,397)
Net operating loss	(335,255)	(9,789)	(105,170)	(450,214)
Fair value losses from investments	-	-	(257,836)	(257,836)
Loss from derivative financial liability	-	-	(208)	(208)
Share of (loss)/gain of investments in associates accounted for using equity method	(799)	-	(20,365)	(21,164)
Finance cost	(5,847)	(1,260)	(45,848)	(52,955)
Other income	4,741	2,876	(22,196)	(14,579)
Loss for the period from continuing operations	(337,160)	(8,173)	(451,623)	(796,956)
Loss for the period attributable to NCI	159,357	-	67,639	226,996
Loss for the period attributable to Owners	(177,803)	(8,173)	(383,984)	(569,960)
Revenue from external customers (fee & commissic	111,409	2,538	(1,299)	112,648
Revenue from within the group (fee & commission)	-	-	-	-
	111,409	2,538	(1,299)	112,648

5. SEGMENTAL INFORMATION (continued)

	1 January to 30 September 2022 (Unaudited)			
	Asset Management	*Investment Banking*	*Corporate*	*Total*
Net fee and commission income	101,270	1,713	102,755	205,738
Advisory income	-	5,968	-	5,968
Net interest income	-	-	(2,631)	(2,631)
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 financia 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

	9 months to 30 September 2023 Unaudited	*9 months to 30 September 2022* Unaudited
Revenues		
Total revenue from reportable segments	**126,183**	212,955
Revenue reported in other segmental line items	**(292,182)**	220,498
Total Income	**(165,999)**	433,453
Profit before tax		
Total profit before tax from reportable segments	**(796,956)**	(112,279)
Unallocated amounts	**-**	-
Consolidated profit before tax	**(796,956)**	(112,279)

5. SEGMENTAL INFORMATION (continued)

	At 30 September 2023 (Unaudited)			
	Asset Management	***Investment Banking***	***Corporate***	***Total***
Assets	**1,024,895**	**308,851**	**897,948**	**2,231,694**
Liabilities	**118,858**	**43,483**	**1,364,576**	**1,526,917**

	At 31 December 2022 (Audited)			
	Asset Management	*Investment Banking*	*Corporate*	*Total*
Assets	940,479	312,712	2,222,782	3,475,973
Liabilities	190,598	15,828	1,749,366	1,955,792

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. REVENUE

	3 months to 30 September 2023 Unaudited	*3 months to 30 September 2022 Unaudited*	***9 months to 30 September 2023 Unaudited***	*9 months to 30 September 2022 Unaudited*
Fees and commission income	**29,113**	70,945	**114,612**	218,733
Advisory income	**221**	2,038	**2,185**	5,968
Trading income	**1,007**	2,511	**6,859**	5,830
Other operating income/(expense) (Note 6.1)	**351**	(4,831)	**4,492**	(1,950)
Revenue	**30,692**	70,663	**128,148**	228,581

6.1 OTHER OPERATING INCOME/(EXPENSE)

	3 months to 30 September 2023 Unaudited	*3 months to 30 September 2022 Unaudited*	***9 months to 30 September 2023 Unaudited***	*9 months to 30 September 2022 Unaudited*
Other income/(expense)	**326**	(6,137)	**1,879**	(3,865)
Board representation fees	**25**	1,306	**2,613**	1,915
	351	(4,831)	**4,492**	(1,950)

7. OTHER INCOME

	3 months to 30 September 2023 Unaudited	*3 months to 30 September 022 Unaudited*	***9 months to 30 September 2023 Unaudited***	*9 months to 30 September 022 Unaudited*
Government grant income	**-**	-	**-**	298
Finance lease modification charge	**-**	-	**-**	(300)
Income from deemed disposal of associate	**-**	-	**-**	68,989
Reversal of performance fee expense	**-**	-	**-**	41,069
Fair value gain on land	**-**	-	**-**	39,540
Loss on disposal of subsidiaries	**-**	(193,387)	**-**	(193,387)
Loss on disposal of associates	**(25,731)**	-	**(54,054)**	-
Fair value loss on assets held for sale (note 22)	**(37,362)**	-	**(37,362)**	-
Impact of loan settlement (note 7.1)	**-**	-	**41,856**	-
Others (note 7.2)	**3,093**	6,990	**34,981**	5,694
	(60,000)	(186,397)	**(14,579)**	(38,097)

7.1 During the period, one of the subsidiaries of the Group partially settled its borrowings amounting to 166m through an in-kind consideration by distributing shares of one of the Group's associates to the lenders of the facility.

7.2 This includes reversal of long outstanding accruals of commission expenses pertaining to prior years.

8. CASH AND CASH EQUIVALENTS

	30 September 2023 Unaudited	*31 December 2022 Audited*
Cash in hand	**130**	135
Balances held with banks	**107,415**	64,016
Cash and deposits with banks	**107,545**	64,151
Less: Restricted deposits	**(1,250)**	(1,250)
Cash and cash equivalents	**106,295**	62,901

9. RECEIVABLES AND OTHER DEBIT BALANCES

	30 September 2023 Unaudited	*31 December 2022 Audited*
Trade receivables – net of loss allowance (9.1)	**72,963**	67,891
Receivables from managed funds	**7,852**	47,329
Advances and deposits	**6,502**	4,833
Prepayments	**6,967**	5,175
Accrued income	**17,984**	21,296
Others (9.2)	**127,542**	260,537
	239,810	407,061
Trade receivables and managed funds – net of loss allowance		
Trade receivables and managed funds	**99,643**	123,283
Loss allowance	**(18,828)**	(8,063)
	80,815	115,220

9. RECEIVABLES AND OTHER DEBIT BALANCES (continued)

9.1 Included in trade receivables is an amount of 21,484 (30 September 2022: 863) due from related parties (Note 18).

9.2 This includes 98,000 receivables from the disposal of a subsidiary.

10. LOANS, ADVANCES AND FINANCE LEASES

During Q3 2023, the Group recognised an impairment under loan, advance and finance leases. This is mainly attributable due to an increase in the probability of default of the counterparty which resulted in an impairment of 103,000 in Q3 2023.

11. INVESTMENTS IN ASSOCIATES

	30 September 2023 Unaudited	*31 December 2022 Audited*
Opening balance	**947,599**	354,036
Additions	**-**	814,993
Share of (loss)/profit of associates	**(21,164)**	162,598
Share of equity issuance cost of associate	**-**	(10,575)
Share of buy back of treasury shares of associate	**(12,977)**	-
Impairment	**-**	(5,735)
Classified as fair value through P&L	**-**	1,324
Loan settlement	**(124,409)**	-
Dividends and other distributions	**(10,623)**	(19,985)
Disposal	**(118,428)**	(88,460)
Transfer to subsidiary	**-**	(210,393)
Reclassified to Held for sale	**-**	(50,204)
Closing balance	**659,998**	947,599

The below table highlights the geographical allocation of associates:

	30 September 2023 Unaudited	*31 December 2022 Audited*
UAE	**659,998**	947,599

During the period, the Group conducted an impairment assessment on the carrying value of one of its associates as a result of the share price being lower than the book value for a prolonged period of time. The Group calculated the recoverable amount based on the higher of value in use and fair value less costs of disposal. The recoverable amount was considered to be higher than the carrying amount and hence no impairment loss was recognised.

12. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	*Trademark*	*Customer Relationships*	*Trade Licenses*	*Total*
Cost					
Balance at beginning of the period	877,080	7,993	34,249	7,607	926,929
Impact of foreign currency translation	3,714	-	-	-	3,714
Impairment	(364,743)	-	-	-	(364,743)
Balance at end of the period	516,051	7,993	34,249	7,607	565,900
Accumulated amortisation					
Balance at beginning of the period	-	1,524	23,164	7	24,695
Charge for the period	-	320	823		1,143
Balance at end of the period	-	1,844	23,987	7	25,838
Net book value at 30 September 2023 (Unaudited)	516,051	6,149	10,262	7,600	540,062
Net book value at 31 December 2022 (Audited)	877,080	6,469	11,085	7,600	902,234

During Q3 2023, the Group identified impairment triggers, in the real estate CGU, specifically macroeconomic and other events in the UK market that led to a reassessment of its cash flow projections for the next five years based on the revised business strategy. The Group's revised strategy now focuses more on the UAE real estate market as opposed to the UK real estate market. As a result of this exercise, the Group has recognised an impairment of AED 364,743 in respect of the carrying amount of goodwill at 30 September 2023. .

Except for the above, the Group did not identify any significant changes in the estimation, assumptions or the sensitivities used for the impairment assessment for the CGUs performed at 31 December 2022 and which were disclosed in the financial statements for the year ended 31 December 2022.

13. PAYABLES AND OTHER CREDIT BALANCES

	30 September 2023 Unaudited	*31 December 2022 Audited*
Payable to clients	**3,637**	3,505
Customer deposits	**10,201**	14,546
Accruals	**39,790**	69,423
Lease liabilities	**28,827**	33,408
Payables against acquisition	**174,256**	172,876
Unclaimed dividends payable	**33,457**	33,457
FVTPL liabilities	**40,252**	142
Realised carried interest payable to employees	**6,827**	10,501
End of service benefits	**11,358**	13,265
Provisions	**366**	366
Deferred revenue	**2,770**	6,174
Other payables	**33,512**	130,806
	385,253	488,469

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

	30 September 2023 Unaudited	*31 December 2022 Audited*
Repayable within twelve months	**139,347**	243,888
Repayable after twelve months	**245,906**	244,581
	385,253	488,469

14. BORROWINGS

	30 September 2023 Unaudited	31 December 2022 Audited
Secured		
Due to banks (Note 14.5)	**301,913**	347,547
Due to other financial institutions (Note 14.1)	**29,877**	29,879
Others (Note 14.2)	**71,750**	280,314
	403,540	657,740
Unsecured		
Due to banks	**17,859**	-
Bonds payable (Note 14.3)	**523,300**	548,466
Others (Note 14.2)	**25,075**	-
	566,234	548,466
	969,774	1,206,206

14.1 These include borrowings amounting to 29,877 (31 December 2022: 29,879) due to related parties with an interest rate of 7.3% to 8% p.a. (31 December 2022: 7.3% to 8% p.a.).

14.2 This includes 42,933 (31 December 2022: Nil) related to funding received by a subsidiary from its regulator to finance and support Small and Medium-Sized Entities lending activity of the subsidiary.

14.3 Subsequent to the period end, the Group renegotiated the extension of the maturity of the bond and a suspension of the consolidated net worth covenant until 31 March 2024. (Note 3.1)

14.4 Other financial liabilities of AED 142,600 include AED 74,000 repayable within twelve months.

14.5 The secured borrowings repayable include AED 210,159 which was repayable after twelve months, but has been reclassified as repayable within twelve months at 30 September 2023, as a result of a breach of a debt covenant. The Group is currently in negotiation with the bank in order to obtain a covenant breach waiver. As at the date of approval of the condensed consolidated interim financial information this waiver is yet to be obtained by the Group. In the event the bank does not grant a waiver, it can declare that all the outstanding loan amount, together with accrued interest and any other amounts accrued or outstanding will be immediately repayable.

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

	30 September 2023 Unaudited	31 December 2022 Audited
Secured		
Repayable within twelve months (Note 14.5)	**403,540**	426,179
Repayable after twelve months	**-**	231,561
	403,540	657,740
Unsecured		
Repayable within twelve months	**557,166**	548,466
Repayable after twelve months	**9,068**	-
	969,774	1,206,206

15. SHARE CAPITAL

	Number of shares	*Value*
30 September 2023 (Unaudited)	2,535,720	2,535,720
31 December 2022 (Audited)	2,535,720	2,535,720

Authorised, issued and fully paid share capital comprises 2,535,720,000 shares (31 December 2022: 2,535,720,000 shares). Each share carries one vote and the right to receive dividends.

16. OTHER RESERVES

	Merger reserve (16.1)	*Investment revaluation reserve*	*Cash flow hedge reserve (B)*	*Translation reserve*	*Total*
At 1 January 2023	(1,410,720)	(65,190)	15,474	(7,040)	(1,467,476)
Cash flow hedge	-	-	(558)		(558)
Translation of operations of foreign subsidiaries	-	-	-	3,981	3,981
NCI share	-	-	-	(2,146)	(2,146)
At 30 September 2023 (Unaudited)	(1,410,720)	(65,190)	14,916	(5,205)	(1,466,199)
At 31 December 2022 (Audited)	(1,410,720)	(65,190)	15,474	(7,040)	(1,467,476)

16.1 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).

17. (LOSSES)/EARNINGS PER SHARE

Basic (losses)/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 2023 Unaudited	*3 months to 30 September 2022 Unaudited*	***9 months to 30 September 2023 Unaudited***	*9 months to 30 September 2022 Unaudited*
(Loss)/profit attributable to the Owners from continuing operations	**(589,994)**	57,689	(569,960)	(20,503)
(Loss)/profit attributable to the Owners	**(589,994)**	19,942	(569,960)	(144,367)
Weighted average number of ordinary shares (thousands)	2,535,720	2,535,720	2,535,720	2,535,720
(Losses)/earnings per share attributable to the Owners from continuing operations (in AED)	**(0.23)**	0.02	(0.22)	(0.008)
(Losses)/earnings per share attributable to the Owners (in AED)	**(0.23)**	0.01	(0.22)	(0.06)

Diluted earnings per share as of 30 September 2023 and 30 September 2022 are equivalent to basic earnings per share.

18. 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.

The Group conducts its transactions with related parties on arm's length terms, with any exceptions to be specifically approved by the Board. In all cases, transactions with related parties are required to be conducted in compliance with all relevant laws and regulations. Where a Board member has an actual or perceived conflict of interest over an issue to be considered by the Board, the interested member may not vote on any relevant resolutions and can also be asked by the Chairman not to participate in the relevant Board discussions.

The nature of significant related party transactions and the amounts due to/from related parties were as follows:

	30 September 2023 Unaudited	*31 December 2022 2022 Audited(*)*
Loan, advances and finance leases		
Associates	**50,356**	77,279
Receivables and other debit balances		
Associates	**21,484**	470
Borrowings		
Associates	**29,877**	29,879
Shareholders and controlled entities	**123,396**	123,396
Other financial liabilities		
Associates	**38,211**	53,122

During the period, the Group sold a portion of shares of one of its associates (Note 11).
(*) Changes in comparatives relate to bond holding held by related parties.

19. FINANCIAL INSTRUMENTS

19.1 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 2023, 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. 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.

19. FINANCIAL INSTRUMENTS (continued)

19.1 Fair value of financial instruments (continued)

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

	30 September 2023 (Unaudited)			
Financial Assets	***Level 1***	***Level 2***	***Level 3***	***Total***
FVTPL				
Equity investments	974	-	41,301	42,275
Fixed income investments	38,914	15,403	-	54,317
Fund investments	-	2,955	319,280	322,235
FVTOCI				
Fund investments	-	-	562	562
	39,888	18,358	361,143	419,389
Financial Liabilities				
FVTPL	40,252	-	-	40,252
Payable to unit holders	-	29,290	-	29,290
	40,252	29,290	-	69,542

	31 December 2022 (Audited)			
	Level 1	*Level 2*	*Level 3*	*Total*
Financial Assets				
FVTPL				
-Equity investments	899	45,143	25,376	71,418
-Fixed income investments	9,075	7,226	-	16,301
-Fund investments	-	10,591	569,730	580,321
FVTOCI				
-Equity investments				
-Fund investments			562	562
	9,974	62,960	595,668	668,602
Financial Liabilities				
FVTPL	142	-	-	142
Payable to unit holders	-	29,290	-	29,290
	142	29,290	-	29,432

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.

19. FINANCIAL INSTRUMENTS (continued)

19.1 Fair value of financial instruments (continued)

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.

19. FINANCIAL INSTRUMENTS (continued)

19.1 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** 30/9/23	31/12/22	**Fair value hierarchy**	**Valuation technique(s) and Key input(s)**	**Significant unobservable input(s)**	**Effect of changes in underlying assumptions 2023**	Effect of changes in underlying assumptions 2022	**Sensitivity analysis**	**Relationship of unobservable inputs to fair value**
FVTPL									
Equity investments	**41,301**	25,376	3	NAV[2]	Net asset value	**+/- 2,065**	**+/- 1,278**	± 5% change in NAV, impacts fair value	The higher the discount rate, the lower the fair value
Fixed Income	**-**	-	3	Discounted cash flow[1]	Discount rate	**-**	-	± 1% change in discount rate, impacts fair value	The higher the discount rate, the lower the fair value
Fund investments	**319,280**	569,730	3	Discounted cash flow[1] and NAV[2]	Net asset value adjusted with market risk	**+/- 15,964**	**+/- 28,469**	± 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
FVTOCI									
Fund investments	**562**	562	3	NAV[2]	Net asset value	**+/- 28**	**+/- 28**	± 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

[1]Discounted cash flow models are used to fair value fund investments. A significant portion of the fund investments relates to a UK based real estate development fund that uses market comparable and discounted cashflow model to determine its fair value, of which the key assumptions relate to timing of future cash inflows/outflows and discount rate. For the remining assets recognized under fund 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.

[2]Net asset value represents the estimated value of a security based on valuations received from the investment or fund manager. The NAV is based on the fair value of the underlying investments and other assets and liabilities.

19. FINANCIAL INSTRUMENTS (continued)

19.1 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 2023 (Unaudited)								
	Balance at 1 January 2023	**Acquired on business combination**	**Additions**	**Disposal**	**Gain/(loss) through P&L**	**Gain/(loss) through OCI**	**Distributions**	**Transfers from/(to) levels 1 & 2**	**Balance at 30 September 2023**
FVTPL									
Equity Investments	25,376	-	2,809	-	(32,027)	-	-	45,143	41,301
Fund Investment	569,730	-	-	-	(164,018)	-	(86,432)	-	319,280
FVOCI									
Fund Investment	562	-	-	-	-	-	-	-	562
	595,668	-	2,809	-	(196,045)	-	(86,432)	45,143	361,143

	31 December 2022 (Audited)								
	Balance at 1 January 2022	Acquired on business combination	Additions	Disposal	Gain/(loss) through P&L	Gain/(loss) through OCI	Distributions	Transfers from/(to) levels 1 & 2	Balance at 31 December 2022
FVTPL									
Equity Investment	2,236	-	23,140	-	-	-	-	-	25,376
Fixed Income	-	-	-	-	-	-	-	-	-
Fund Investment	571,481	3,746	-	(6,846)	(5,410)	-	-	6,759	569,730
FVOCI									
Fund Investment	23,366	-	-	-	-	(22,804)	-	-	562
	597,083	3,746	23,140	(6,846)	(5,410)	(22,804)	-	6,759	595,668

19. FINANCIAL INSTRUMENTS (continued)

19.1 Fair value of financial instruments (continued)

Movements in level 3 financial assets measured at fair value
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 2023	31 December 2022
Realised and unrealised losses	**(196,045)**	(5,410)

20. FINANCIAL RISK MANAGEMENT

Introduction

The inherent risk relating to the Group's activities is 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.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risk relating to the Group's activities and recognises the importance of managing risk in line with shareholder risk appetite.

Authority to set Group-wide rules to manage credit, liquidity and market risk are delegated to the Governance Committees of the Group and to each subsidiary. However, enterprise-wide risk is monitored by the Group Management Committees which ensures that Group rules are adhered to.

Liquidity risk & risk management

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. Please refer to note 3.1 for details on management's assessment on going concern and its plans to meet its short-term debt obligations.

As at 30 September 2023, 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 33 million and the breach is due to delay in the restructuring of the facility which is expected to be completed by December 2023. The loan continues to be adequately secured by the underlying collateral with sufficient buffer and there is no recourse to Shuaa Capital PSC.

21. COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2023 Unaudited	*31 December 2022 Audited*
Contingent liabilities	**3,560**	3,560

At 30 September 2023, the Group had capital commitments of Nil (31 December 2022: AED 14,976) with respect to project development.

22. DISCONTINUED OPERATIONS

22.1 Assets of a disposal group classified as held for sale	***30 September 2023 Unaudited***	*31 December 2022 Audited*
Assets held for sale (**A**)	**13,127**	50,204
Assets of a disposal group classified as held for sale (**B**)	-	135,926
	13,127	186,130
22.2 Liabilities of a disposal group classified as held for sale (B)	-	68,019

A – During the period, management assessed the fair value less cost to sell off the asset which came lower than the carrying amount. This resulted in an impairment of 37,362. The fair value of the underlying assets was based upon the offers received for those assets.

B – The underlying subsidiary has not been disposed off within the anticipated period of 1 year, the assets and liabilities held for sale of the subsidiary were reclassified to the respective financial statement line items

23. SUBSEQUENT EVENT

Subsequent to the period end, the Board of the Company approved a capital restructuring plan whereby the capital of the Company will be reduced followed by a subsequent increase in share capital via a proposed rights issue. The Group has submitted the relevant applications to the regulators and is in the process of obtaining necessary approvals for the proposed capital restructuring following which it will formally obtain approval from the shareholders in a General Assembly. In addition, on 30 October 2023, the Group received support from 93% of the Bondholders to extend the maturity date of the bond maturing in October 2023 to 31 March 2024. (Notes 3.1 and 14).

24. COMPARATIVE INFORMATION

During the last period, the Group performed an exercise to determine if the presentation of the condensed consolidated interim financial information in accordance with IAS 1 "Presentation of financial statements" and IAS 7 - Statement of Cash Flows ("IAS 7"). Certain comparative figures have been reclassified in order to conform with the presentation for the current period, but these did not have any impact on the previously reported equity and profits.

23.1 Changes in presentation of the condensed consolidated interim statement of profit or loss

As a result of the changes in the business and discontinued operations, management has reassessed the presentation of items in the condensed consolidated interim statement of profit or loss and has restated the following:

- There was a reclassification from the prior period's presentation whereby certain income line items are now presented under the Total Income section of the continued operations financial statement and certain financial line items were further disaggregated.

- During the current quarter, the Company has reclassified fee and commission expense which was previously netted off against revenue. Fee and commission expense is now shown as a separate line item in the condensed consolidated interim statement of profit or loss to comply with the requirements of IAS 1. The following adjustment has been passed to the comparative information in respect of this reclassification to comply with the requirements of IAS 1 and IFRS 5 as noted above:

	Condensed Consolidated interim statement of profit or loss		
	30 September 2022 Before	Adjustments	30 September 2022 After
Revenue	215,586	12,995	228,581
Fee and commission expense	-	12,955	12,955

The segmental reporting presentation (see note 5) is consistent with the prior period presentation of the condensed consolidated interim income statement (except for net fee and commission income, advisory income, trading income and other operating income which are presented net on the face of the primary statement and broken down in note 6 of the condensed consolidated interim financial information.

24.2 Changes to the condensed consolidated interim statement of cash flows

During the quarter, the following were adjusted in the condensed consolidated interim statement of cash flows:

- Distributions from associates amounting to AED 19,450 (previously included under the financial statements line-item "non-cash distribution from associates" within operating activities) has been reclassified to investment activities in the current year in the condensed consolidated interim statement of cash flows, with a corresponding restatement of the prior year amount.

- Cash and cash equivalents from discontinued operations amounting to AED (150,953) and cash and cash equivalents acquired in business combination were reclassified to investment activities in the condensed consolidated interim statement of cash flows as required under IAS 7.

24. COMPARATIVE INFORMATION (continued)

24.2 Changes to the condensed consolidated interim statement of cash flows (continued)

	30 September 2022 Before	Adjustment	30 September 2022 After
Non-cash distribution from associates	19,450	(19,450)	-
Net cash used in operating activities	(4,676)	(19,450)	(24,126)
Cash and cash equivalent from discontinued operations	(150,953)	150,953	-
Cash and cash equivalents acquired in business combination	14,332	(14,332)	-
Distribution from associates	-	19,450	19,450
Net cash from discontinued operations	-	(150,953)	(150,953)
Net cash acquired in business combination	-	14,332	14,332
Net cash generated from investing activities	169,173	(117,171)	52,002