

Al Ansari Financial Services PJSC and its Subsidiaries

Review report and condensed interim consolidated financial statements for the three-month period ended 31 March 2025



2025
FIRST QUARTER

AL ANSARI FINANCIAL SERVICES PJSC AND ITS SUBSIDIARIES

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REVIEW REPORT ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders
Al Ansari Financial Services PJSC
Dubai, United Arab Emirates

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Al Ansari Financial Services PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2025 and the related condensed interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2025 and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte & Touche (M.E.)



Firas Anabtawi
Registration No. 5482
13 May 2025
Dubai
United Arab Emirates

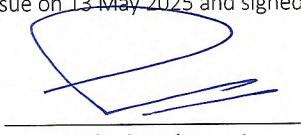
Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of financial position

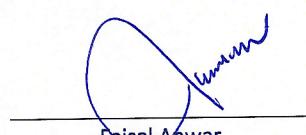
As at 31 March 2025

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS		AED'000	AED'000
Non-current assets			
Right-of-use assets	4	120,225	95,868
Property and equipment	5	71,799	73,946
Restricted deposits with banks		59,604	59,604
Total non-current assets		251,628	229,418
Current assets			
Cash on hand and in transit	6	916,914	1,022,907
Due from banks	6	2,173,112	1,850,925
Due from exchange houses and agents	6	106,516	20,582
Due from related parties	7	10,156	177
Prepayments and other receivables	8	153,064	107,256
Total current assets		3,359,762	3,001,847
Total assets		3,611,390	3,231,265
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Lease liabilities	9	56,851	43,188
Provision for employees' end-of-service benefits		50,915	49,978
Total non-current liabilities		107,766	93,166
Current liabilities			
Trade and other payables	10	1,177,023	992,764
Due to banks		99,444	13,978
Due to exchange houses and agents		133,311	73,760
Due to related parties	7	1,599	1,616
Bank borrowings	11	150,000	233,533
Dividends payable	21	157,500	-
Income tax liability		51,751	40,983
Lease liabilities	9	46,398	40,876
Total current liabilities		1,817,026	1,397,510
Total liabilities		1,924,792	1,490,676
EQUITY			
Share capital	13.1	75,000	75,000
Treasury shares	13.2	(143)	(89)
Share premium	13.2	(14,381)	(9,090)
Statutory reserve		37,500	37,500
Acquisition reserve	14	286,143	286,143
Retained earnings		1,302,479	1,351,125
Total equity		1,686,598	1,740,589
Total liabilities and equity		3,611,390	3,231,265

To the best of our knowledge, the condensed interim consolidated financial statements are prepared, in all material respects, in accordance with IAS 34. The condensed interim consolidated financial statements were approved by the Board of Directors and authorised for issue on 13 May 2025 and signed on its behalf by:



Rashed A. Al Ansari
Group Chief Executive Officer



Faisal Anwar
Group Chief Financial Officer

Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income
For the three-month period ended 31 March 2025

			<u>Three-month period ended 31 March</u>
	Note	2025 (Unaudited)	2024 (Unaudited)
		AED'000	AED'000
Net gain on currency exchange		144,868	129,037
Net commission income		149,336	145,689
Interest income		7,425	9,214
Other income		596	1,624
Total income		302,225	285,564
Expenses			
Salaries and benefits	15	(124,664)	(118,513)
General and administrative expenses		(31,371)	(33,473)
Depreciation and amortisation		(24,294)	(22,565)
Finance cost		(1,770)	(2,178)
Bank charges		(504)	(325)
Total expenses		(182,603)	(177,054)
Profit before tax for the period		119,622	108,510
Income tax expense	16	(10,768)	(9,766)
Profit after tax for the period		108,854	98,744
Other comprehensive income		-	-
Total comprehensive income for the period		108,854	98,744
Net profit attributable to:			
Shareholders of Al Ansari Financial Services P.J.S.C.		108,854	98,744
Basic and diluted earnings per share – AED	17	0.0145	0.0132

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of changes in equity

For the three-month period ended 31 March 2025

	Share capital	Treasury shares	Share (discount)/ premium	Statutory reserve	Acquisition reserve	Retained earnings	Total equity
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
As at 1 January 2024 (Audited)	75,000	-	-	37,500	286,143	1,402,776	1,801,419
Total comprehensive income for the period	-	-	-	-	-	98,744	98,744
Dividend declared	-	-	-	-	-	(300,000)	(300,000)
As at 31 March 2024 (Unaudited)	75,000	-	-	37,500	286,143	1,201,520	1,600,163
As at 1 January 2025 (Audited)	75,000	(89)	(9,090)	37,500	286,143	1,351,125	1,740,589
Total comprehensive income for the period	-	-	-	-	-	108,854	108,854
Dividend declared (note 21)	-	-	-	-	-	(157,500)	(157,500)
Treasury shares (note 13.2)	-	(54)	(5,291)	-	-	-	(5,345)
As at 31 March 2025 (Unaudited)	75,000	(143)	(14,381)	37,500	286,143	1,302,479	1,686,598

Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of cash flows
For the three-month period ended 31 March 2025

Three-month period ended 31 March

	Note	2025 (Unaudited)	2024 (Unaudited)
		AED'000	AED'000
Cash flows from operating activities			
Profit before tax for the period		119,622	108,510
Adjustments for:			
Depreciation and amortisation	4 , 5	24,294	22,565
Finance cost		1,770	2,178
Provision for employees' end-of-service benefits		1,671	1,997
Loss on disposal of property and equipment		106	234
Operating cash flows before settlement of employees' end-of-service benefits and changes in working capital		147,463	135,484
Settlement of employees' end-of-service benefits		(734)	(727)
Changes in working capital:			
Due from exchange houses and agents		(85,934)	(33,291)
Due from related parties		(9,979)	(12,067)
Prepayment and other receivables		(45,808)	3,443
Trade and other payables		184,259	95,215
Due to related parties		(17)	(2,604)
Due to exchange houses and agents		59,551	17,678
Restricted deposits with banks		-	(2,997)
Net cash generated from operating activities		248,801	200,134
Cash flows from investing activities			
Purchase of property and equipment	5	(5,089)	(7,577)
Proceeds from sale of property and equipment		336	27
Net cash used in investing activities		(4,753)	(7,550)
Cash flows from financing activities			
Acquisition of treasury shares	13.2	(5,345)	-
Lease liabilities paid	9	(24,038)	(24,676)
Proceeds from bank borrowings		150,000	200,000
Repayment of bank borrowings		(233,937)	(326,104)
Net cash used in financing activities		(113,320)	(150,780)
Net change in cash and cash equivalents		130,728	41,804
Cash and cash equivalents at the beginning of the period		2,856,404	2,664,247
Cash and cash equivalents at the end of the period	18	2,987,132	2,706,051

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the three-month period ended 31 March 2025

1. Legal status and principal activities

Al Ansari Financial Services P.J.S.C. (the “Company”) is a public joint stock company with trade license number 758204 issued by the Department of Economy and Tourism in Dubai.

The Company was initially established as a limited liability company on 9 May 2016. The legal status of the Company was converted to a public joint stock company (“PJSC”) on 3 April 2023 by virtue of a resolution of the Company’s shareholders.

Pursuant to a resolution dated 8 March 2023, the shareholders approved the listing of the Company’s shares on Dubai Financial Market whereby 10% of its shares were offered to the general public in an Initial Public Offering (“IPO”). Accordingly, the shares of the Company were listed on Dubai Financial Market on 6 April 2023.

As of the reporting date, Al Ansari Holding LLC (the “Parent Company”) held 90% of the issued share capital.

These condensed interim consolidated financial statements comprise the results of the Company and its following subsidiaries (together referred to as the “Group”).

Name of the subsidiary	Place of incorporation	Percentage holding	
		31 March 2025	31 December 2024
Al Ansari Exchange L.L.C.	UAE	100%	100%
Blue Remit Limited	UAE	100%	100%
Cash Trans Money & Valuables Transport Services L.L.C.	UAE	100%	100%
Al Ansari Global Holdings Limited ¹	UAE	100%	100%
Al Ansari Digital Pay LLC ²	UAE	100%	100%
Al Ansari Financial Services Business Solution Private Limited, India	India	100%	100%
Blue Horizon on Demand Labours Supply Services L.L.C. ³	UAE	-	100%

The Group is engaged in the business of buying and selling of foreign currencies and travellers’ cheques, executing remittance operations in local and foreign currencies, payment of wages through establishing a link to the operating system of “wages protection” (WPS), providing special financial products (i.e. bill payments, cash collections, sale and reload of multi-currency prepaid cards) and transportation of cash and valuables.

¹ Al Ansari Global Holdings Limited (AAGH) is created solely to act as a holding Company for potential acquisitions outside UAE.

On 30 July 2024, the Group had signed a Sales Purchase Agreement with BFC Group Holding Limited for the acquisition of 100% shares in BFC Group Holdings W.L.L. and its subsidiaries for US\$ 200 million. The acquisition was concluded subsequent to the reporting period on 8 April 2025.

² Al Ansari Digital Pay LLC was incorporated in February 2024 and has secured final approval from the Central Bank of UAE (“CBUAE”) to commence operations in respect of stored value facilities and retail payment services to its customers.

³ The Board in its meeting on 6 November 2024 decided to liquidate Blue Horizon on Demand Labours Supply Services L.L.C. and accordingly the liquidation formalities have been completed during the current reporting period.

The registered office of the Group is at P.O. Box 6176, Dubai, UAE.

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

2. Basis of preparation

a. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting" issued by the International Accounting Standards Board.

The condensed interim consolidated financial statements do not include all the information required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements as at and for the year ended 31 December 2024.

b. Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for derivatives measured at fair value, and on a going concern basis.

No income of a seasonal nature was recorded in the condensed interim consolidated financial statements for the three-month period ended 31 March 2025. However, the results for the three-month period ended 31 March 2025 are not necessarily indicative of the results for the financial year ending 31 December 2025.

c. Functional and presentation currency

The condensed interim consolidated financial statements are presented in United Arab Emirates Dirhams (AED) which is the Company's functional currency and the Group's presentation currency. All amounts have been rounded to the nearest AED thousands ('000s), unless stated otherwise.

d. Basis of consolidation

Subsidiary

A subsidiary is an investee controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The interim financial statements of a subsidiary are included in the condensed interim consolidated financial statements from the date on which control commences until the date when control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intragroup transactions, are eliminated in preparing the condensed interim consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

2. Basis of preparation (continued)

e. Judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, equity, income and expense. Actual amounts may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty in relation to estimates were the same as those which were applicable to the audited consolidated financial statements as at and for the year ended 31 December 2024. The only exceptions are:

- change in lease term of a property, on which cash processing center is built, from non-cancellable lease period of 5 years to total lease period of 20 years; resulting in additional right-of-use asset and corresponding lease liability of AED 9.39 million (note 4).
- change in estimated useful lives for leasehold improvements (cash processing center) from 5 years to 20 years and for armoured motor vehicles from 5 years to 8 years.

The changes in estimates are applied prospectively and resulted in a decrease in depreciation charge and an increase in finance cost for the period amounting to AED 0.63 million and 0.15 million respectively. The estimated full year prospective impact would be a decrease in the depreciation charge and an increase in finance cost of AED 2.52 million and AED 0.58 million respectively.

3. Material accounting policy information

The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the Group's condensed interim consolidated financial statements for the year ended 31 December 2024, and the notes attached thereto.

3.1 Adoption of new and revised Standards

New and amended IFRS Accounting Standards that are effective for the current period

The following new and revised IFRS Accounting Standard, which became effective for annual periods beginning on or after 1 January 2025, has been adopted in the condensed consolidated interim financial statements. The application of this revised IFRS has not had any material impact on the disclosures or on the amounts reported in these condensed consolidated interim financial statements.

New and revised IFRS	Summary
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

3. Material accounting policy information (continued)

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

At the date of authorisation of these condensed interim consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
<p>Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments</p> <p>The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.</p>	1 January 2026
<p>Annual improvements to IFRS Accounting Standards - Volume 11</p> <p>The pronouncement comprises the following amendments:</p> <ul style="list-style-type: none"> • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a “de facto agent” • IAS 7: Cost method 	1 January 2026
<p>IFRS 18 Presentation and Disclosures in Financial Statements</p> <p>IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.</p>	1 January 2027
<p>IFRS 19 Subsidiaries without Public Accountability: Disclosures</p> <p>IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.</p>	1 January 2027
<p>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)</p> <p>The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture</p>	Effective date deferred indefinitely. Adoption is still permitted.

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

3. Material accounting policy information (continued)

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

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed interim consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the condensed interim consolidated financial statements of Group in the period of initial application

3.3 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2024.

4. Right-of-use assets

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Right-of-use assets - Properties	120,225	95,868

The movement of right-of-use assets during the three-month period is as follows:

	(Unaudited)
	AED'000
As at 1 January 2025	95,868
Additions :	
- New leases	32,467
- Changes in lease term estimate (note 2.e)	9,390
Depreciation expense	(17,500)
As at 31 March 2025	120,225

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

5. Property and equipment

	Leasehold improvements, furniture and fixtures	Computers, software, and office equipment	Motor vehicles	Capital work in progress	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
31 December 2024					
Cost	142,662	91,435	14,897	3,808	252,802
Accumulated depreciation	(104,108)	(66,927)	(7,821)	-	(178,856)
Net book value as at 31 December 2024 (audited)	38,554	24,508	7,076	3,808	73,946
For the three-month period					
Additions	970	1,820	6	2,293	5,089
Transfer from capital work in progress	2,184	-	-	(2,184)	-
Disposals	(440)	(2)	-	-	(442)
Depreciation	(3,524)	(2,986)	(284)	-	(6,794)
Net book value as at 31 March 2025	37,744	23,340	6,798	3,917	71,799
31 March 2025 (unaudited)					
Cost	145,376	93,253	14,903	3,917	257,449
Accumulated depreciation	(107,632)	(69,913)	(8,105)	-	(185,650)
Net book value	37,744	23,340	6,798	3,917	71,799

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

6. Cash on hand and in transit, due from banks, exchange houses and agents

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Cash on hand and in transit		
Cash on hand	867,609	976,568
Cheques on hand	23,659	12,573
Cash in transit	25,646	33,766
Total amount of cash on hand and in transit	916,914	1,022,907
Due from banks		
<i>Balances with banks in UAE</i>		
- Current accounts (note 6.1)	623,770	544,235
- Balances held for WPS transactions (note 6.2)	353,855	313,898
- Balances held for travel card transaction (note 6.2)	278,941	268,200
- Fixed deposits (note 6.3)	415,154	415,000
- Advances to banks against credit card collections	8,441	9,847
- Credit card receivables	77,039	22,066
	1,757,200	1,573,246
Balances with banks outside UAE - Nostro accounts	422,462	284,229
Less: Provision for expected credit losses (note 6.5)	(6,550)	(6,550)
	415,912	277,679
Total amount due from banks	2,173,112	1,850,925
Due from exchange houses and agents		
Balances with exchange houses and agents inside UAE	486	218
Balances with exchange houses and agents outside UAE	106,030	20,364
Total amount due from exchange houses and agents	106,516	20,582
Total balance of cash on hand and in transit, due from banks, exchange houses and agents	3,196,542	2,894,414

- 6.1. Current accounts include AED 33 million (2024: AED 132 million) placed in interest bearing call account with the Central Bank of UAE.
- 6.2. These represent funds received from prepaid travel card and WPS customers against the settlement of related liabilities (note 10).

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

6. Cash on hand and in transit, due from banks, exchange houses and agents (continued)

6.3 The Group has placed certain fixed deposits, at commercial market interest rates, with banks in the UAE for a tenure of 3 weeks to 12 months. (2024: 3 months to 12 months). Fixed deposits also include a three-month deposit amounting to AED 110 million (2024: AED 110 million) placed with the Commercial Bank International to meet any obligation against unclaimed funds, in line with CBUAE requirements (note 10.2).

6.4 Due from banks, due from exchange houses and agents are regularly assessed for credit quality having regard to their credit ratings assigned by international or respective country's rating agencies and the country risk.

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Assessed high rated externally (A1-Baa3)	1,803,645	1,645,198
Assessed medium to low rated externally (Ba1-B3)	39,627	34,407
Assessed very low rated externally (Caa1-C)	61,787	29,790
Unrated externally, assessed high rated internally	232,335	91,289
Unrated – others	148,784	77,373
	2,286,178	1,878,057

6.5 None of the balances with banks and exchange houses and agents as on the reporting date are past due and taking into account the historical default experience and the current credit ratings of the banks and exchange houses, Management have assessed that the expected credit losses on these balances is AED 6.55 million (2024: AED 6.55 million).

7. Related party disclosures

The Group enters into transactions with other entities that fall within the definition of a related party as defined in the International Accounting Standard 24: *Related Party Disclosures*.

Related parties comprise parent company, jointly controlled, or significantly influenced entities (together referred as "Group entities"), shareholders, directors, key management personnel and their associated entities.

These transactions are entered into in the normal course of business and mainly include foreign exchange and remittance arrangements and rental of premises. Management decides on the terms and conditions of the transactions and services received or rendered from / to related parties based on arm's length principle.

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

7. Related party disclosures (continued)

7.1 Transactions with related parties (Group entities)

The significant transactions included in these condensed interim consolidated financial statements are as follows:

	Three-month period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
	AED'000	AED'000
Transactions with related parties – Group entities		
Commission and exchange income earned – Al Ansari Exchange Co. WLL, Kuwait	380	568
Recharge of shared corporate services to Group entities	861	551
Lease rental paid - Al Ansari Real Estate LLC	1,200	1,102

7.2 Due from / to related parties – Group entities

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Due from related parties	10,156	177
Due to related parties	1,599	1,616

Due from related parties represents unsecured interest free current accounts which have arisen in the normal course of business. The expected credit loss on the amount due from related parties is immaterial.

Due to related parties represents unsecured interest free current accounts which have arisen in the normal course of business.

7.3 Remuneration to Board of Directors

During the three-month period, the Company, based on shareholders' approval in the general assembly meeting held on 20 March 2025, has paid AED 1.98 million (2024: AED 0.623 million) in respect of Directors' remuneration and fees for attending meetings in 2024.

Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

7. Related party disclosures (continued)

7.4 Key management personnel

The total amount of compensation paid to key management personnel during the period is as follows:

	Three-month period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
	AED'000	AED'000
Salaries and other benefits	3,843	3,568

Key management personnel include the Group's Chief Executive Officer, Group's Deputy Chief Executive Officer, Group's Chief Financial Officer, Group's other C-Suite officers, and department heads.

8. Prepayments and other receivables

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Bills receivable	49,039	9,885
Commissions and incentives receivables	28,951	25,256
Security deposits	18,676	18,127
Positive value of overnight foreign currency forwards	12,856	15,850
Deposit with tax authorities (note 8.1)	11,827	11,827
Prepaid expenses	7,642	9,043
Due from liquidity provider (note 13.2)	1,063	558
Commission income receivable in relation to WPS	268	329
Other receivables	22,742	16,381
	153,064	107,256

8.1 Deposit with tax authorities

Tax assessment for tax periods from January 2018 to January 2019 – AED 6.53 million

During the year 2020, the Federal Tax Authority ("FTA") had assessed that the share of income received from sending agents in relation to inward remittances is subject to standard rate of value added tax ("VAT") and, accordingly, FTA had assessed short payment of VAT and related penalties amounting to AED 9.43 million (subsequently reduced to AED 6.53 million). The Group is of the view that receipt of such income should be zero rated and filed an appeal with the Federal Court.

On 22 November 2023, the Federal Supreme Court decided the matter in favour of the Group and, accordingly, the Group has filed an execution writ in 2024 with the Federal Court, which is pending decision as on the reporting date.

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Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

8. Prepayments and other receivables (continued)

8.1 Deposit with tax authorities (continued)

Voluntary disclosures filed for tax periods from February 2019 to October 2020 – AED 5.30 million

In view of the above-mentioned tax assessment, the Group had filed voluntary disclosures for tax periods from February 2019 to October 2020 and additionally paid AED 5.30 million. Following the verdict in its favour, the Group is currently considering its legal position in relation to filing the case for recovery of the said amount.

8.2 Other receivables

Other receivables include interest receivable on bank deposits, advances to suppliers and landlords. These are primarily related to counterparties in the UAE.

9. Lease liabilities

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Non-current	56,851	43,188
Current	46,398	40,876
	103,249	84,064

The movement of lease liabilities during the three-month period is as follows:

	(Unaudited)
	AED'000
As at 1 January	84,064
Additions:	
- New leases	32,467
- Changes in lease term estimate (note 2.e)	9,390
Finance cost on lease liability	1,366
Payments	(24,038)
As at 31 March 2025	103,249

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For the three-month period ended 31 March 2025

10. Trade and other payables

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Travel card payables (note 10.1)	315,559	275,666
Payable balances in relation to WPS	397,778	324,740
Remittances payable (note 10.2)	140,324	101,977
Bills payables	98,185	35,529
Accrued expenses	77,239	80,617
Unclaimed funds (note 10.2)	105,769	103,703
Other payables	42,169	70,532
	1,177,023	992,764

10.1 Travel card payables represent money loads from customers which are placed with Abu Dhabi Islamic Bank and exclusively used for settlements to Visa International upon spending by the customers.

10.2 Represents pending settlements to beneficiaries for the remittances made by the customers.

11. Bank borrowings

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Bank overdraft - secured	50,000	100,000
Bank overdraft - unsecured	100,000	133,533
	150,000	233,533

The Group has arranged secured and unsecured bank overdraft facilities with various banks for AED 75 million (2024: AED 350 million) and AED 400 million (2024: AED 400 million) respectively. These facilities are available to meet the working capital requirements of the Group and carry variable interest rates plus fixed margins. These facilities are repayable on demand and the secured bank overdraft facilities are secured by account pledge over the margin deposits placed by the Group or the Parent Company.

As on the reporting date, the Group had un-utilised bank overdraft facilities of AED 325 million (2024: AED 516.47 million) and was compliant with the covenant requirements of these bank overdraft facilities.

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Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

12. Contingencies and commitments

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	AED'000	AED'000
Contingent liabilities		
Guarantees issued by banks in favour of:		
- CBUAE	255,000	255,000
- Others (note 12.1)	11,009	11,450
Total guarantees arranged and issued	266,009	266,450

12.1 The Group has arranged guarantees from local commercial banks, drawn in favour of certain correspondent banks and business partners as required under the terms of the respective correspondent arrangements.

12.2 The commitment in respect of capital expenditure incurred as at 31 March 2025 amounts to AED 2.15 million (2024: AED 1.97 million).

13. Share capital and Treasury shares

13.1 Share capital

As at 31 March 2025, the authorised issued and fully paid share capital of the Company comprised 7,500,000,000 ordinary shares of AED 0.01 each (2024: 7,500,000,000 ordinary shares of AED 0.01 each).

13.2 Treasury shares

The Company engaged a third-party licensed liquidity provider on the DFM, to place buy and sell orders for the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. As on the reporting date, the liquidity provider held 14,309,254 shares (2024: 8,900,447 shares) on behalf of the Company, which are classified under equity as treasury shares at par value. At the end of the contract term with the liquidity provider, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

During the current period, AED 5.29 million (31 December 2024: AED 9.52 million) has been utilised from share premium reserve to account for the premium paid on acquisition of treasury shares, net of realized gains/losses upon disposal of shares.

In addition, the Company has an amount receivable from liquidity provider of AED 1.063 million (31 December 2024: AED 0.558 million) in respect of advance payment against the above-mentioned arrangement. (note 8)

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Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

14. Acquisition reserve

On 1 January 2018, the Company had entered into an equity acquisition arrangement with its shareholders, whereby all the shareholders transferred their individual equity interest in the Group entities to the Company.

The fair value of the net assets that were acquired at the effective date of control was treated as Acquisition reserve, a reserve distributable to the shareholders, as there was no consideration paid to shareholders.

15. Salaries and benefits

	Three-month period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
	AED'000	AED'000
Salaries and wages	90,920	86,690
Staff bonuses and incentives	5,182	5,390
Leave salary and air tickets	11,114	9,595
Employees' end of service benefits	1,671	1,997
Other benefits	15,777	14,841
	124,664	118,513

16. Income tax expense

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, the first tax period was from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes is subject to the rate of 9% corporate tax for mainland entities and where conditions are met, 0% for freezones.

The tax charge for the period ended 31 March 2025 is AED 10.76 million (2024: AED 9.76 million), representing an Effective Tax Rate ("ETR") of 9% (2024: 9%).

Further, the management has concluded that there is no deferred tax impact on the reporting date.

Pillar 2

The UAE has also enacted the Pillar Two legislation by way of a Domestic Minimum Top-up Tax ("DMTT"), which became effective from 1 January 2025. However, the Group is not within the scope of Pillar Two.

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Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

17. Basic and diluted earnings per share

	Three-month period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Net profit for the period attributable to the shareholders (AED '000)	108,854	98,744
Weighted average number of ordinary shares during the period ('000)	7,489,535	7,500,000
Basic and diluted earnings per share (AED)	0.0145	0.0132

18. Cash and cash equivalents

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
	AED'000	AED'000	AED'000
Cash on hand and in transit	916,914	1,022,907	1,055,133
Due from banks - gross	2,179,662	1,857,475	1,726,628
Due to banks	(99,444)	(13,978)	(38,980)
	2,997,132	2,866,404	2,742,781
Less:			
Fixed deposits having original maturity longer than three months	(10,000)	(10,000)	(36,730)
Total cash and cash equivalents	2,987,132	2,856,404	2,706,051

19. Reporting segments

For management purposes, the Group is organised into business units based on relevant business activity and accordingly there is only one reportable segment as of 31 March 2025:

- **Money Exchange and Remittances:** The Group primarily provides cross-border and domestic remittances, purchase and sale of foreign currencies, processing of salaries, bill collections and sale of prepaid travel cards. The Group provides these services to its customers through a wide branch network, digital channels and smart counters.

The Senior Management Committee is the Chief Operating Decision Maker ("CODM") and monitors the segment results for the purposes of making decisions in relation to resource allocation and performance assessment.

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Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

19. Reporting segments (continued)

For the three-month ended 31 March 2025 (Unaudited)

	Money exchange & remittances	Others	Segment Total
	AED'000	AED'000	AED'000
Revenue	294,789	7,436	302,225
Expenses			
Salaries and benefits, general, administrative and other expenses	(176,310)	(6,293)	(182,603)
Profit before tax for the period	118,479	1,143	119,622
Income tax expense	(10,663)	(105)	(10,768)
Profit after tax for the period	107,816	1,038	108,854

For the three-month ended 31 March 2024 (Unaudited)

	Money exchange & remittances	Others	Segment Total
	AED'000	AED'000	AED'000
Revenue	279,537	6,027	285,564
Expenses			
Salaries and benefits, general, administrative and other expenses	(172,079)	(4,975)	(177,054)
Profit before tax for the period	107,458	1,052	108,510
Income tax expense	(9,671)	(95)	(9,766)
Profit after tax for the period	97,787	957	98,744

During the period, the Group generated all its revenue from the UAE and all non-financial assets were located in the UAE.

20. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

Financial instruments comprise financial assets and financial liabilities.

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Notes to the condensed interim consolidated financial statements (continued)
For the three-month period ended 31 March 2025

20. Fair value measurement (continued)

Financial assets consist of Cash in transit, due from banks, due from exchange houses and agents, due from related parties and other receivables. Financial liabilities consist of trade and other payables, due to banks, due to exchange houses and agents, due to related parties, bank borrowings and lease liabilities.

Fair value hierarchy

The Company 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 that the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, 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 carrying amounts of financial assets and financial liabilities approximate their fair values.

Other receivables include forward contracts which are valued based on the difference between the contractual forward rate and forward rate determined on the reporting date.

21. Dividends

The Shareholders, in the general assembly meeting held on 20 March 2025, have approved the distribution of cash dividend amounting AED 157.50 million being 2.1 fils per share (2024: AED 300 million being 4 fils per share). This amount was paid subsequent to the period-end on 18 April 2025.