

# **SHUAA CAPITAL PSC and its Subsidiaries**

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD FROM 1 JANUARY 2025 TO 31 MARCH 2025

**SHUAA CAPITAL PSC and its subsidiaries**

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**Condensed consolidated interim financial information  
for the three months ended 31 March 2025**

<b>Content</b>	<b>Pages</b>
Review report on condensed consolidated interim financial information	1
Condensed consolidated interim statement of profit or loss	2
Condensed consolidated interim statement of comprehensive income	3
Condensed consolidated interim statement of financial position	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial information	7 - 22

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Ref: BN/B3171/May 2025

**Report on review of the condensed consolidated interim financial information**

To,  
The Shareholders of,  
SHUAA Capital PSC.

**Introduction**

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

**Scope of review**

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

**Conclusion**

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

**Emphasis of Matter**

Without modifying our conclusion, we draw attention to Note 2.2 to the condensed consolidated interim financial information, which indicates that the Group recorded a gain of AED 195 million during the three months ended 31 March 2025 but had accumulated losses of AED 932 million as at that date. The note also states that the Group breached a covenant on a bilateral loan facility, resulting in a long-term loan of AED 208 million being reclassified as a current liability as at 31 March 2025.

Additionally, as disclosed in Note 2.2, the Group undertook significant capital restructuring during the quarter through the conversion and issuance of mandatory convertible bonds (MCBs) bonds totalling AED 274.4 million were converted into equity. New MCBs amounting to AED 85 million were issued for cash, and existing bonds with a face value of AED 276.5 million were settled at a substantial discount via a cash payment of AED 55.45 million. Consequently, the Group issued approximately 1,123 million new shares in the first quarter of 2025. Our conclusion is not modified in respect of this matter.

For, Crowe Mak



Basil Naser

Partner

Registered Auditor Number: 5507

Dubai, United Arab Emirates

15 May 2025



**SHUAA CAPITAL PSC and its subsidiaries****Condensed consolidated interim statement of profit or loss for the three months ended 31****March 2025 (unaudited)**

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

		<b>3 months to 31 March 2025 Unaudited</b>	<b>3 months to 31 March 2024 Unaudited</b>
<b>Revenues</b>			
	Notes		
Management and performance fees		17,281	25,257
Advisory fees		7,346	386
Trading and custody		1,039	4,214
Others		11	328
<b>Total revenues</b>		<b>25,677</b>	<b>30,185</b>
<b>Expenses</b>			
General and administrative expenses		(23,583)	(23,932)
Depreciation and amortisation		(2,418)	(2,515)
Fee and commission expense		(1,479)	(1,024)
<b>Total expenses</b>		<b>(27,480)</b>	<b>(27,471)</b>
<b>Operating (loss)/income</b>		<b>(1,803)</b>	<b>2,714</b>
Finance cost		(9,838)	(13,080)
Net foreign exchange gain		-	2,354
Provision for impairment losses on financial assets		(2,991)	(1,757)
Net interest (expense)/income		(17)	241
Gain on mandatory convertible bonds	2.2	214,776	-
Other income	6	41,011	7,364
Change in fair value loss from financial assets at fair value through profit or loss (FVTPL)		(16,582)	(31,575)
Share of net loss of investments in associates accounted for using the equity method		(7,066)	(62,204)
<b>Pre-tax income/(loss)</b>		<b>217,490</b>	<b>(95,943)</b>
<b>Corporate tax (expense)/income for the period</b>		<b>(22,466)</b>	<b>1,213</b>
<b>Net gain/(loss) for the period after tax</b>		<b>195,024</b>	<b>(94,730)</b>
<b>Attributable to:</b>			
Owners of the Parent		195,765	(87,197)
Non-controlling interests		(741)	(7,533)
		<b>195,024</b>	<b>(94,730)</b>
<b>Profit/(losses) per share attributable to Owners (in AED)</b>	16	<b>0.05</b>	<b>(0.03)</b>

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.

**SHUAA CAPITAL PSC and its subsidiaries**

Condensed consolidated interim statement of comprehensive income for the three months ended 31 March 2025 (unaudited)

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

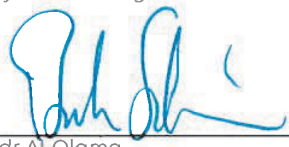
		<b>3 months to 31 March 2025 Unaudited</b>	<b>3 months to 31 March 2024 Unaudited</b>
	<i>Notes</i>		
<b>Profit/(loss) for the period</b>		<b>195,024</b>	<b>(94,730)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	15	<b>1,408</b>	<b>(12,726)</b>
Net loss on cash flow hedges		-	<b>(8,255)</b>
		-----	-----
<b>Other comprehensive income/(loss) for the period</b>		<b>1,408</b>	<b>(20,981)</b>
		-----	-----
<b>Total comprehensive income/(loss) for the period</b>		<b>196,432</b>	<b>(115,711)</b>
		-----	-----
<b>Attributable to:</b>			
Owners of the Parent		<b>196,312</b>	<b>(105,074)</b>
Non-controlling interests		<b>120</b>	<b>(10,637)</b>
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		<b>196,432</b>	<b>(115,711)</b>
		=====	=====

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.

**SHUAA CAPITAL PSC and its subsidiaries****Condensed consolidated interim statement of financial position at 31 March 2025  
(unaudited)***(Currency - Thousands of U.A.E. Dirhams)*

	<i>Notes</i>	<b>31 March 2025</b> <i>Unaudited</i>	<i>31 December 2024</i> <i>Audited</i>
<b>Assets</b>			
Cash and cash equivalents	7	87,371	43,176
Receivables and other debit balances	8	111,577	112,381
Loans, advances and finance leases	9	85,038	83,600
Financial assets at fair value	18.1	27,731	41,359
Investments in associates	10	335,442	342,508
Property and equipment		5,036	10,548
Goodwill and other intangible assets	11	537,346	537,775
<b>Total assets</b>		<b>1,189,541</b>	<b>1,171,347</b>
<b>Liabilities</b>			
Payables and other credit balances	12	197,255	157,163
Other financial liabilities		108,615	144,687
Borrowings	13	312,811	854,526
<b>Total liabilities</b>		<b>618,681</b>	<b>1,156,376</b>
<b>Equity</b>			
Share capital	14	3,659,023	2,535,720
Share premium		52,579	52,579
Statutory reserve		49,631	49,631
Other reserves	15	(2,238,833)	(1,475,534)
Retained earnings		(931,987)	(1,127,752)
<b>Equity attributable to Owners</b>		<b>590,413</b>	<b>34,644</b>
Non-controlling interests (NCI)		(19,553)	(19,673)
<b>Total equity</b>		<b>570,860</b>	<b>14,971</b>
<b>Total equity and liabilities</b>		<b>1,189,541</b>	<b>1,171,347</b>

This condensed consolidated interim financial information was approved by the Board of Directors on 15 May 2025 and signed on their behalf by:

  
Badr Al-Olama  
Chairman

  
Wafik Ben Mansour  
Group Chief Executive Officer

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.

## SHUAA CAPITAL PSC and its subsidiaries

### Condensed consolidated interim statement of changes in equity for the three months ended 31 March 2025 (unaudited)

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

	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non - controlling interests	Total
Balance at 1 January 2024 (Audited)	2,535,720	52,579	49,631	(1,465,136)	(828,590)	344,204	5,507	349,711
Loss for the period	-	-	-	-	(87,197)	(87,197)	(7,533)	(94,730)
Other comprehensive loss for the period	-	-	-	(17,877)	-	(17,877)	(3,104)	(20,981)
Total comprehensive loss for the period	-	-	-	(17,877)	(87,197)	(105,074)	(10,637)	(115,711)
Balance at 31 March 2024 (Unaudited)	2,535,720	52,579	49,631	(1,483,013)	(915,787)	239,130	(5,130)	234,000
<b>Balance at 1 January 2025 (Audited)</b>	<b>2,535,720</b>	<b>52,579</b>	<b>49,631</b>	<b>(1,475,534)</b>	<b>(1,127,752)</b>	<b>34,644</b>	<b>(19,673)</b>	<b>14,971</b>
Profit/(loss) for the period	-	-	-	-	195,765	195,765	(741)	195,024
Other comprehensive income for the period	-	-	-	547	-	547	861	1,408
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>547</b>	<b>195,765</b>	<b>196,312</b>	<b>120</b>	<b>196,432</b>
Mandatory convertible bond conversion	1,123,303	-	-	(763,846)	-	359,457	-	359,457
<b>Balance at 31 March 2025 (Unaudited)</b>	<b>3,659,023</b>	<b>52,579</b>	<b>49,631</b>	<b>(2,238,833)</b>	<b>(931,987)</b>	<b>590,413</b>	<b>(19,553)</b>	<b>570,860</b>

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.

**SHUAA CAPITAL PSC and its subsidiaries****Condensed consolidated interim statement of cash flows for the three months ended 31 March 2025 (unaudited)**

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

		<b>3 months to 31 March 2025 Unaudited</b>	<b>3 months to 31 March 2024 Unaudited</b>
<b>Cash flows from operating activities</b>	<i>Notes</i>		
Profit/(loss) for the period		<b>195,024</b>	(94,730)
Adjustments:			
Loss on disposal of associates		-	3,142
Foreign exchange gain		-	(2,356)
Carried interest recognised – net		-	(10,664)
Finance cost		<b>9,838</b>	13,080
Net interest expense/(income)		<b>17</b>	(241)
Fair value loss on investments at FVTPL		<b>16,980</b>	31,575
Share of loss from investments in associates	10	<b>7,066</b>	62,204
Mandatory convertible bonds		<b>(214,776)</b>	-
Settlement of other financial liabilities		<b>(37,839)</b>	-
Corporate tax expense		<b>22,466</b>	-
Employees' end of service benefit charge		<b>347</b>	795
Provisions for impairment losses – net		<b>2,991</b>	1,757
Depreciation and amortization		<b>2,418</b>	2,515
<b>Operating cash flows before movements in working capital</b>		<b>4,532</b>	7,077
Decrease in deposits held with bank		-	5,835
Increase in receivables and other debit balances		<b>(2,187)</b>	(25,995)
(Decrease)/increase in loans, advances and finance leases		<b>(1,438)</b>	1,367
Increase/(decrease) in payables and other credit balances		<b>23,264</b>	(3,390)
Increase in other financial liabilities		-	351
<b>Net cash generated from/(used in) operations</b>		<b>24,171</b>	(14,755)
Employees' end of service benefit paid		<b>(527)</b>	(6,442)
<b>Net cash generated from/(used in) operating activities</b>		<b>23,644</b>	(21,197)
<b>Cash flows from investing activities</b>			
Payments for the purchase of investments		<b>(3,353)</b>	(2,129)
Proceeds from disposal of property and equipment		<b>3,241</b>	-
Proceeds from disposal of investments		-	49,397
Net interest (paid)/received		<b>(17)</b>	241
Distribution from associate		-	2,031
<b>Net cash (used in)/generated from investing activities</b>		<b>(129)</b>	49,540
<b>Cash flows from financing activities</b>			
Issuance of mandatory convertible bonds		<b>85,000</b>	-
Repayment of borrowings		<b>(52,049)</b>	(19,924)
Lease rentals paid		<b>(4,049)</b>	(1,937)
Finance cost paid		<b>(8,222)</b>	(831)
<b>Net cash generated from/(used in) financing activities</b>		<b>20,680</b>	(22,692)
<b>Net increase in cash and cash equivalents</b>		<b>44,195</b>	5,651
Cash and cash equivalents at beginning of the period	7	<b>41,926</b>	26,093
<b>Cash and cash equivalents at end of the period</b>		<b>86,121</b>	31,744

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.



## SHUAA CAPITAL PSC and its subsidiaries

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### Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

#### 1. LEGAL STATUS AND ACTIVITIES

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

These condensed consolidated interim financial information include the assets, liabilities and results of operations of the Company and its subsidiaries (the “Group”) as disclosed in the Group’s annual consolidated financial statements as at 31 December 2024.

The Company is licensed by the Securities and Commodities Authority to conduct Investment Management, Financial Consulting and Financial Analysis, Promotion, Introduction and Issuance Management activities. The Company and its subsidiaries conduct a diversified range of investment and financial services activities with special emphasis on the Arab region in general, the UAE and GCC markets, and are actively involved in public and private capital markets in the region.

#### 2. BASIS OF PREPARATION

##### 2.1 Basis of preparation

These condensed consolidated interim financial information and accompanying notes for the period ended 31 March 2025 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 information and should be read in conjunction with the Group’s annual audited consolidated financial statements as at and for the year ended 31 December 2024 which have been prepared in accordance with International Financial Reporting Standards (IFRS). These condensed consolidated interim financial information of the Group are prepared under the historical cost basis except for certain financial instruments which are measured at fair value. In addition, results for the three months ended 31 March 2025 are neither audited nor are they necessarily indicative of the results that may be expected for the full financial year ending 31 December 2025.

##### 2.2 Going concern

The Group has achieved a gain of AED 195 million (31 March 2024: Net loss of 95 million) during the three-month period to 31 March 2025 which has resulted in reduction in accumulated losses to an amount of AED 932 million (31 December 2024: 1,128 million) as at that date.

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 the Group’s operational profitability, liquidity and forecasted cash flows, taking into account reasonably possible outcomes over a 12-month period from the date of approval of these condensed consolidated interim financial information.

Further, the Group has AED 294 million of borrowings repayable within the next twelve months from the date of approval of these condensed consolidated interim financial information, including bilateral facilities (“Term Loan”) of AED 208 million due to a bank which was classified as repayable within twelve months as a result of covenant breaches. In December 2024, the Group secured a one-year waiver of default events from the bank. Currently, the Group is engaged in negotiations with the bank to finalise a restructuring agreement while continuing to service the term loan and meet all payment obligations on their respective dates.

The Group has successfully finalised its Mandatory Convertible Bonds (“MCBs”) amounting to AED 274.4 million (equivalent to USD 74.7 million) to its existing Noteholders. These MCB holders were converted into ordinary shares at AED 0.32 per share which resulted in 857.5 million of ordinary shares issued in Q1 2025. Remaining Noteholders, whose holdings total USD 75.3 million received a settlement equivalent to 20% of their principal amount, paid on 28 March 2025 (USD 15.1 million). This transaction resulted in a gain of AED 214.8 million.

In addition, the Group raised AED 85 million through the issuance of MCBs to new investors and these MCBs were converted into ordinary shares at AED 0.32 per share resulting in 265.6 million shares issued in Q1 2025.

## **SHUAA CAPITAL PSC and its subsidiaries**

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### **Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)**

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

#### **3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**

The accounting policies adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024 except for the adoption of new standards effective as of 1 January 2025 where appropriate. The Group has not adopted any other standard, interpretation or amendment that has been issued that is not yet effective. Several amendments apply for the first time in 2025 and adopted by the Group. These amendments do not have significant impact on the condensed consolidated interim financial information of the Group and therefore further disclosures have not been made.

#### **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 2024.

## SHUAA CAPITAL PSC and its subsidiaries

### Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

#### 5. SEGMENTAL INFORMATION

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

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

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

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

<i>1 January to 31 March 2025 (Unaudited)</i>				
	<i>Asset Management</i>	<i>Investment Banking</i>	<i>Corporate</i>	<i>Total</i>
Management and performance fees	17,057	-	224	17,281
Advisory fees	-	7,346	-	7,346
Trading and custody	-	1,039	-	1,039
Others	-	-	11	11
<b>Total revenues</b>	<b>17,057</b>	<b>8,385</b>	<b>235</b>	<b>25,677</b>
General and administrative expenses	(15,572)	(5,464)	(2,547)	(23,583)
Depreciation and amortisation	(1,245)	(1,148)	(25)	(2,418)
Fee and commission expense	(1,241)	-	(238)	(1,479)
<b>Total expenses</b>	<b>(18,058)</b>	<b>(6,612)</b>	<b>(2,810)</b>	<b>(27,480)</b>
<b>Operating (loss)/profit</b>	<b>(1,001)</b>	<b>1,773</b>	<b>(2,575)</b>	<b>(1,803)</b>
Finance cost	(940)	(198)	(8,700)	(9,838)
Provision for impairment losses on financial assets	-	-	(2,991)	(2,991)
Net interest expense	-	-	(17)	(17)
Gain on mandatory convertible bonds	-	-	214,776	214,776
Other (expense)/income	(1,305)	(847)	43,163	41,011
Change in fair value (loss)/gain from financial assets at fair value through profit or loss (FVTPL)	-	-	(16,582)	(16,582)
Share of loss from investments in associates	-	-	(7,066)	(7,066)
<b>Pre-tax (loss)/income</b>	<b>(3,246)</b>	<b>728</b>	<b>220,008</b>	<b>217,490</b>
<b>Corporate tax expense for the period</b>	<b>-</b>	<b>-</b>	<b>(22,466)</b>	<b>(22,466)</b>
<b>Net (loss)/income</b>	<b>(3,246)</b>	<b>728</b>	<b>197,542</b>	<b>195,024</b>
Non-controlling interests	41	-	700	741
<b>(Loss)/profit for the period attributable to Owners</b>	<b>(3,205)</b>	<b>728</b>	<b>198,242</b>	<b>195,765</b>
Revenue generated from external customers (fee & commission)	1,457	208	15,887	17,552

<i>At 31 March 2025 (Unaudited)</i>				
	<i>Asset Management</i>	<i>Investment Banking</i>	<i>Corporate</i>	<i>Total</i>
<b>Assets</b>	<b>357,351</b>	<b>308,669</b>	<b>523,521</b>	<b>1,189,541</b>
<b>Liabilities</b>	<b>61,420</b>	<b>57,622</b>	<b>499,639</b>	<b>618,681</b>

## SHUAA CAPITAL PSC and its subsidiaries

### Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

#### 5. SEGMENTAL INFORMATION (continued)

<i>1 January to 31 March 2024 (Unaudited)</i>				
	<i>Asset Management</i>	<i>Investment Banking</i>	<i>Corporate</i>	<i>Total</i>
Management and performance fees	24,950	-	307	25,257
Advisory fees	-	386	-	386
Trading and custody	-	3,784	430	4,214
Others	-	-	328	328
<b>Total revenues</b>	<b>24,950</b>	<b>4,170</b>	<b>1,065</b>	<b>30,185</b>
General and administrative expenses	(15,957)	(4,360)	(3,615)	(23,932)
Depreciation and amortisation	(1,335)	(1,154)	(26)	(2,515)
Fee and commission expense	(784)	-	(240)	(1,024)
<b>Total expenses</b>	<b>(18,076)</b>	<b>(5,514)</b>	<b>(3,881)</b>	<b>(27,471)</b>
<b>Operating (loss)/profit</b>	<b>6,874</b>	<b>(1,344)</b>	<b>(2,816)</b>	<b>2,714</b>
Finance cost	(1,135)	(637)	(11,308)	(13,080)
Net foreign exchange (loss)/gain	(15)	(2)	2,371	2,354
Provision for impairment losses on financial assets	-	-	(1,757)	(1,757)
Net interest income	-	-	241	241
Other (expense)/income	(128)	1,031	6,461	7,364
Change in fair value loss from financial assets at fair value through profit or loss (FVTPL)	28,849	-	(60,424)	(31,575)
Share of loss from investments in associates	-	-	(62,204)	(62,204)
<b>Pre-tax income/(loss)</b>	<b>34,445</b>	<b>(952)</b>	<b>(129,436)</b>	<b>(95,943)</b>
<b>Corporate tax income for the period</b>	<b>-</b>	<b>-</b>	<b>1,213</b>	<b>1,213</b>
<b>Net income/(loss)</b>	<b>34,445</b>	<b>(952)</b>	<b>(128,223)</b>	<b>(94,730)</b>
Non-controlling interests	193	-	7,340	7,533
<b>Profit/(loss) for the period attributable to Owners</b>	<b>34,638</b>	<b>(952)</b>	<b>(120,883)</b>	<b>(87,197)</b>
Revenue generated from external customers (fee & commission)	<b>24,950</b>	<b>1,612</b>	<b>725</b>	<b>27,287</b>

<i>At 31 December 2024 (Audited)</i>				
	<i>Asset Management</i>	<i>Investment Banking</i>	<i>Corporate</i>	<i>Total</i>
Assets	370,771	279,176	521,400	1,171,347
Liabilities	111,625	42,269	1,002,482	1,156,376

#### 6. OTHER INCOME

	<i>3 months to 31 March 2025 Unaudited</i>	<i>3 months to 31 March 2024 Unaudited</i>
Gain on settlement of other financial liabilities	37,839	-
Loss on disposal of associate	-	(3,142)
Others	3,172	10,506
	<b>41,011</b>	<b>7,364</b>

## SHUAA CAPITAL PSC and its subsidiaries

### Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

#### 7. CASH AND CASH EQUIVALENTS

	31 March 2025 Unaudited	31 December 2024 Audited
Cash in hand	120	120
Balances held with banks	87,251	43,056
	—	—
Cash and deposits with banks	87,371	43,176
Less: Restricted deposits	(1,250)	(1,250)
	—	—
Cash and cash equivalents	86,121	41,926

#### 8. RECEIVABLES AND OTHER DEBIT BALANCES

	31 March 2025 Unaudited	31 December 2024 Audited
Trade receivables – net of loss allowance (8.1)	42,983	40,029
Prepayments	6,125	4,728
Advances and deposits	3,279	3,393
Accrued income	3,458	9,910
Deferred tax asset	12,155	12,155
Others (8.2)	43,577	42,166
	—	—
	111,577	112,381
	—	—
<b>Trade receivables and managed funds – net of loss allowance</b>		
Trade receivables and managed funds	155,238	150,300
Less: Loss allowance	(112,255)	(110,271)
	—	—
	42,983	40,029

8.1 Included in trade receivables is an amount of 498 (31 December 2024: 498) due from related parties (note 17).

8.2 This includes 42,166 (31 December 2024: 42,166) receivable from the disposal of a subsidiary in 2022.

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

During the three-month period ended 31 March 2025, no charge (three-month period ended 31 March 2024: Nil) was made against expected credit losses on loans given by the Group.

As at 31 March 2025, the underlying collateral for loans, advances and finance leases were valued at 228,147 (31 December 2024: 254,525).

**SHUAA CAPITAL PSC and its subsidiaries****Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)**

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

**10. INVESTMENTS IN ASSOCIATES**

	<b>31 March 2025</b> <b>Unaudited</b>	<b>31 December 2024</b> <b>Audited</b>
Opening balance	<b>342,508</b>	529,038
Share of loss of associates	<b>(7,066)</b>	(144,346)
Share of other comprehensive income of associate	-	6,316
Disposal	-	(14,085)
Dividends and other distributions	-	(2,410)
Loan Settlement	-	(32,005)
	<u>-----</u>	<u>-----</u>
<b>Closing balance</b>	<b>335,442</b>	342,508
	<u>=====</u>	<u>=====</u>

The below table highlights the geographical allocation of associates:

	<b>31 March 2025</b> <b>Unaudited</b>	<b>31 December 2024</b> <b>Audited</b>
UAE	<b>335,442</b>	342,508
	<u>-----</u>	<u>-----</u>
	<b>335,442</b>	342,508
	<u>=====</u>	<u>=====</u>

**11. GOODWILL AND OTHER INTANGIBLE ASSETS**

	<b>Goodwill</b>	<b>Trademark</b>	<b>Customer Relationships</b>	<b>Trade Licenses</b>	<b>Total</b>
<b>Cost</b>					
Balance at beginning of the period	<b>516,051</b>	<b>7,993</b>	<b>34,249</b>	<b>7,607</b>	<b>565,900</b>
Balance at end of the period	<b>516,051</b>	<b>7,993</b>	<b>34,249</b>	<b>7,607</b>	<b>565,900</b>
<b>Accumulated amortisation</b>					
Balance at beginning of the period	-	<b>2,486</b>	<b>25,632</b>	<b>7</b>	<b>28,125</b>
Charge for the period	-	<b>76</b>	<b>353</b>	-	<b>429</b>
Balance at end of the period	-	<b>2,562</b>	<b>25,985</b>	<b>7</b>	<b>28,554</b>
<b>Net book value at 31 March 2025 (Unaudited)</b>	<b>516,051</b>	<b>5,431</b>	<b>8,264</b>	<b>7,600</b>	<b>537,346</b>
<b>Net book value at 31 December 2024 (Audited)</b>	<b>516,051</b>	<b>5,507</b>	<b>8,617</b>	<b>7,600</b>	<b>537,775</b>

During the three months period to 31 March 2025 the Group did not identify any significant changes in the estimation, assumptions (excluding cashflows of cash generating units) or the sensitivities used for the impairment assessment performed at 31 December 2024 and which were disclosed in the financial statements for the year ended 31 December 2024.

**SHUAA CAPITAL PSC and its subsidiaries****Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)**

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

**12. PAYABLES AND OTHER CREDIT BALANCES**

	<b>31 March 2025</b> <i>Unaudited</i>	<b>31 December 2024</b> <i>Audited</i>
Payable to clients	3,222	3,214
FVTPL liabilities	20,456	7,007
Accruals	16,064	11,025
Payables against acquisition	15,798	15,798
Lease liabilities	11,922	15,711
Customer deposits	9,295	9,030
End of service benefits	5,904	6,085
Deferred revenue	2,141	1,255
Provisions	344	374
Deferred tax liability	40,854	40,906
Corporate tax payable	22,466	-
Other payables	48,789	46,758
	<u>197,255</u>	<u>157,163</u>

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

	<b>31 March 2025</b> <i>Unaudited</i>	<b>31 December 2024</b> <i>Audited</i>
Repayable within twelve months	113,968	93,554
Repayable after twelve months	83,287	63,609
	<u>197,255</u>	<u>157,163</u>

**13. BORROWINGS**

	<b>31 March 2025</b> <i>Unaudited</i>	<b>31 December 2024</b> <i>Audited</i>
<b>Secured</b>		
Due to banks	207,962	207,856
Due to other financial institutions (Note 13.1)	31,667	31,074
Others	54,448	53,916
	<u>294,077</u>	<u>292,846</u>
<b>Unsecured</b>		
Bonds and Sukuk payable (Note 13.2)	18,734	549,012
Due to banks	-	12,668
	<u>18,734</u>	<u>561,680</u>
	<u>312,811</u>	<u>854,526</u>

**13.1** These include borrowings amounting to 31,667 (31 December 2024: 31,074) due to related parties with an interest rate of 8% p.a. (2024: 8% p.a.).

**13.2** Finance cost includes interest of nil for the reviewed period (31 March 2024: 9,581) on the Bonds payable.

## SHUAA CAPITAL PSC and its subsidiaries

### Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

#### 13. BORROWINGS (continued)

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

	<b>31 March 2025</b> <b>Unaudited</b>	<b>31 December 2024</b> <b>Audited</b>
<b>Secured</b>		
Repayable within twelve months	<b>294,077</b>	292,846
	<b>294,077</b>	292,846
<b>Unsecured</b>		
Repayable within twelve months	-	543,323
Repayable after twelve months	<b>18,734</b>	18,357
	<b>18,734</b>	561,680
	<b>312,811</b>	854,526

#### 14. SHARE CAPITAL

	<b>Number of shares</b> <b>(in '000s)</b>	<b>Value</b>
<b>31 March 2025 (Unaudited)</b>	<b>3,659,023</b>	<b>3,659,023</b>
31 December 2024 (Audited)	2,535,720	2,535,720

Authorised, issued and fully paid share capital comprises 3,659,022,945 shares (31 December 2024: 2,535,720,000 shares) of AED 1 (31 December 2024: AED 1 per share). Each share carries one vote and the right to receive dividends.

In Q1 2025, the Group successfully finalized the conversion of Mandatory Convertible Bonds ("MCBs") totalling AED 274.4 million (equivalent to USD 74.7 million) held by existing Noteholders. These MCBs were converted into 857.5 million ordinary shares at a conversion price of AED 0.32 per share.

Additionally, the Group raised AED 85 million through the issuance of MCBs to new investors, which were converted into 265.6 million ordinary shares at AED 0.32 per share in Q1 2025.

As a result of these transactions, the Group issued a total of 1,123 million ordinary shares in Q1 2025. The par value of each share is AED 1. The difference between the issue price and the par value amounted to AED 0.68 per share (AED 763.8 million in total), has been recorded as a negative share premium reserve (Note 15).



## SHUAA CAPITAL PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

### 15. OTHER RESERVES

	<i>Merger reserve (15.1)</i>	<i>Investment revaluation reserve</i>	<i>Cash flow hedge reserve</i>	<i>Translation reserve</i>	<i>Negative share premium reserve</i>	<i>Total</i>
At 1 January 2025 (Audited)	(1,410,720)	(64,860)	9,203	(9,157)	-	(1,475,534)
Translation of operations of foreign subsidiaries	-	-	-	1,408	-	1,408
Mandatory convertible bond conversion	-	-	-	-	(763,846)	(763,846)
NCI share	-	-	-	(861)	-	(861)
<b>At 31 March 2025 (Unaudited)</b>	<b>(1,410,720)</b>	<b>(64,860)</b>	<b>9,203</b>	<b>(8,610)</b>	<b>(763,846)</b>	<b>(2,238,833)</b>
At 31 December 2024 (Audited)	(1,410,720)	(64,860)	9,203	(9,157)	-	(1,475,534)

15.1 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).

### 16. EARNINGS PER SHARE

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

	<i>3 months to 31 March 2025 Unaudited</i>	<i>3 months to 31 March 2024 Unaudited</i>
Profit/(loss) attributable to the Owners from continuing operations after tax	195,765	(87,197)
Profit/(loss) attributable to the Owners after tax	195,765	(87,197)
Weighted average number of ordinary shares (thousands)	3,659,023	2,535,720
Earnings/(losses) per share attributable to the Owners (in AED)	0.05	(0.03)

Diluted earnings per share as of 31 March 2025 and 31 March 2024 are equivalent to basic earnings per share.

## SHUAA CAPITAL PSC and its subsidiaries

### Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

#### 17. 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:

	<b>31 March 2025 Unaudited</b>	<b>31 December 2024 Audited</b>
<b>Receivables and other debit balances</b>		
Associates	<b>498</b>	<b>498</b>
<b>Borrowings</b>		
Associates	<b>31,667</b>	<b>31,074</b>
<b>Other financial liabilities</b>		
Associates	<b>13,302</b>	<b>13,059</b>
Other related parties	<b>29,497</b>	<b>28,951</b>

#### 18. FINANCIAL INSTRUMENTS

##### 18.1 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.

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's valuation techniques for Level 3 financial instruments remained unchanged during the three months ended 31 March 2025

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.

**SHUAA CAPITAL PSC and its subsidiaries****Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)**

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

**18. FINANCIAL INSTRUMENTS (continued)****18.1 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:

	<b>31 March 2025 (Unaudited)</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Financial Assets</b>				
FVTPL				
-Equity investments	1,000	-	-	1,000
-Fixed income investments	13,035	-	-	13,035
-Fund investments	-	548	12,586	13,134
FVTOCI				
-Fund investments	-	-	562	562
	<u>14,035</u>	<u>548</u>	<u>13,148</u>	<u>27,731</u>
<b>Financial Liabilities</b>				
FVTPL				
	<u>20,456</u>	<u>-</u>	<u>-</u>	<u>20,456</u>
	<u>20,456</u>	<u>-</u>	<u>-</u>	<u>20,456</u>
	<b>31 December 2024 (Audited)</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Financial Assets</b>				
FVTPL				
-Equity investments	1,224	-	9,009	10,233
-Fixed income investments	9,643	-	-	9,643
-Fund investments	-	547	20,374	20,921
FVTOCI				
-Fund investments	-	-	562	562
	<u>10,867</u>	<u>547</u>	<u>29,945</u>	<u>41,359</u>
<b>Financial Liabilities</b>				
FVTPL				
	<u>7,007</u>	<u>-</u>	<u>-</u>	<u>7,007</u>
	<u>7,007</u>	<u>-</u>	<u>-</u>	<u>7,007</u>

## **SHUAA CAPITAL PSC and its subsidiaries**

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### **Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)**

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

#### **18. FINANCIAL INSTRUMENTS (continued)**

##### **18.1 Fair value of financial instruments (continued)**

###### **Financial assets recorded at fair value**

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

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

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

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

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

## SHUAA CAPITAL PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

### 18. FINANCIAL INSTRUMENTS (continued)

#### 18.1 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		Fair value hierarchy	Fair value technique(s) and Key input(s)	Significant unobservable input(s)	Effect of changes in underlying assumptions		Sensitivity analysis	Relationship of unobservable inputs to fair value
	31/3/25	31/12/24				Mar 2025	Dec 2024		
<b><u>FVTPL</u></b>									
Equity investments	-	9,009	3	NAV <sup>2</sup>	Net asset value	-	+/- 450	± 5% change in NAV, impacts fair value	The higher the discount rate, the lower the fair value
Fund investments	<b>12,586</b>	20,374	3	Discounted cash flow <sup>1</sup> and NAV <sup>2</sup>	Net asset value adjusted with market risk	<b>+/- 629</b>	+/- 1,019	± 5% change in NAV and 1% change in discount rate, impacts fair value	The higher the market risk, the lower the fair value and the higher the discount rate, the lower the fair value
<b><u>FVTOCI</u></b>									
Fund investments	<b>562</b>	562	3	NAV <sup>2</sup>	Net asset value	<b>+/-28</b>	+/- 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

<sup>1</sup>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 remaining 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.

<sup>2</sup>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. The valuation of certain private equity securities is based on the economic benefit we derive from our investment.

## Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

18. FINANCIAL INSTRUMENTS (continued)

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

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

31 March 2025 (Unaudited)

31 December 2024 (Audited)

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

<b>31 March 2025</b>	<b>31 December 2024</b>
<b>Unaudited</b>	<b>Audited</b>
<b>(16,758)</b>	<b>(258,855)</b>

## SHUAA CAPITAL PSC and its subsidiaries

### Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

#### 19. 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 and 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. To limit this risk, management has arranged diversified funding sources, managed assets with liquidity in mind and monitored liquidity daily.

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

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

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

#### 20. COMMITMENTS AND CONTINGENT LIABILITIES

	<b>31 March 2025</b> <b>Unaudited</b>	<b>31 December 2024</b> <b>Audited</b>
Contingent liabilities	515	515

At 31 March 2025, the Group had capital commitments of Nil (31 December 2024: Nil) with respect to project development.

#### 21. TAXATION

Based on the assessment, the Company has noted no deferred tax impact for the quarter ended 31 March 2025. The tax charge for the quarter ended 31 March 2025 is AED 22.5 million.

**SHUAA CAPITAL PSC and its subsidiaries**

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Notes to the condensed consolidated interim financial information for the three months ended 31 March 2025 (unaudited)

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

**22. SUBSEQUENT EVENT**

There have been no events subsequent to the reporting date that would significantly affect the amounts reported in the financial statements as at and for the quarter ended 31 March 2025.