ANNUAL REPORT 2022

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CONSOLIDATED FINANCIAL STATEMENTS

Al Ramz Corporation Investment and Development P.J.S.C.

Consolidated financial statements

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Al Ramz Corporation PJSC
Level 9, Rolex Tower
Dubai, United Arab Emirates

al ramz
الرمز

الرمز كوربوريشن ش.م.ع.
الطابق ٩ ، برج رولكس
دبي ، دولة الإمارات العربية

Al Salam Alaikum,

On behalf of my fellow members of the Board of Directors, I am pleased to present you with the annual report of Al Ramz Corporation Investment and Development PJSC (the "Group") and outline the highlights of the financial year 2022.

Financial results

We have delivered a strong set of results for the year 2022 as shareholders' equity increased by 69.4mn or 15% year on year.

The Group core revenue growth momentum continued in 2022 propelled by a 33% surge in net interest income.

We are proposing dividends of 6 fils per share for 2022 (2021: 6 fils per share).

CORE REVENUES

109.7mn

Adjusted for investments, representing year-on-year growth of 10%.

NET INTEREST INCOME

29.4mn

Representing year-on-year growth of 33%.

ADJUSTED NET PROFIT

38.8mn

Adjusted for investments, representing year-on-year growth of 33%.

ACTUAL EPS

10 fils

Represented by a net profit of 6 fils per share in addition to 4 fils per share resulting from the sale of treasury shares (2021: 13 fils).

SHAREHOLDERS' EQUITY

+69.4mn

Representing year-on-year growth of 15% (2021: 2% growth).

DIVIDENDS PER SHARE

6 fils

2022 payout ratio: 100% (2021: 56% payout ratio).

Strategic results

We continue to demonstrate execution against our strategic priorities.

Reduced earnings volatility via divestment of equity holdings in line with our balance sheet optimization priority.

Our new service lines have matured and are now generating returns on our investment and diversifying our sources of revenue.

Digital transformation through internally developed robots and proprietary trading platform.

REVENUE DIVERSIFICATION

+17%

Growth in revenues by new service lines by 17% year on year in line with strategic directives.

TRANSFORMATION AGENDA

automation

Launch of the first stage of our proprietary trading platform as part of a full revamp plan. Launch of internally developed robotic processes boosting productivity and efficiency.

RISK DISCIPLINE

-38%

Divestment of investment holdings and treasury shares reduced the debt/equity ratio by 38%.

BALANCE SHEET OPTIMIZATION

-25%

Reduced market risk via divestment of equity holdings to represent 10% of net assets (2021: 35%).

PARTNERSHIPS

DIB

Strategic partnership to expand capital market services and financial offerings leveraging respective strengths.

LANDMARK ASSIGNMENTS

MSX

Successfully devised plans aimed at expanding the role of Oman's capital markets, propelling economic development in line with Oman Vision 2040.

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HUMAN CAPITAL DEVELOPMENT

The Group made meaningful progress during the year in improving workplace diversity and inclusiveness. This included enhancing gender diversity to surpass 30% for female personnel while improving the nationality blend by 28%. Moreover, the Group introduced notable employee experience developments to improve competitiveness, including career progression programs and internal mobility, while exceeding regulatory Emiratization targets.

EARNINGS OF AED 0.10 PER SHARE

The Group reported strong underlying business performance across service lines and capitalized on divestment opportunities of the investment portfolio and treasury shares. As a result, the Group significantly improved its capital and liquidity ratios and generated shareholder returns of AED 0.10 per share in the process.

DIVIDENDS OF AED 0.06 PER SHARE

Backed by strong liquidity and results, the Group is proposing dividends per share of AED 0.06 for 2022 translating into a payout ratio of 100% (2021: 56% payout ratio).

CONCLUDING REMARKS

Core revenue growth momentum and robust balance sheet give us confidence in our outlook and resilience to deal with adversity. We remain disciplined in capital deployment and focused on strong capital generation for business growth.

We would like to take this opportunity to thank the Group's management and personnel for continuing to serve the interests of shareholders and uphold the board's balance of opportunity and risk.

Finally, we extend our appreciation and gratitude to His Highness Sheikh Mohammed bin Zayed bin Sultan Al Nahyan, President of the United Arab Emirates, the Supreme Commander of the Armed Forces, and His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and ruler of Dubai. Under their leadership, UAE set the bar very high for countries around the world on safety and quality of living. We pray to Allah to keep our leaders and the UAE safe, secure, and successful.

Sincerely,

Dhafer Sahmi Al Ahbabi
Chairman of Board of Directors

EY
Building a better working world

Ernst & Young Middle East
(Abu Dhabi Branch)
P.O. Box 136
27th Floor, Nation Tower 2
Abu Dhabi Corniche
Abu Dhabi, United Arab Emirates

Tel: +971 2 417 4400
Fax: +971 2 627 3383
abudhabi@ae.ey.com
ey.com

CL No. 1001276

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Al Ramz Corporation Investment and Development PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition
The Group's major revenue streams arise from commission income, finance income from margin receivables, corporate finance, advisory and other income. During the year ended 31 December 2022, the Group recognised revenue of AED 111,619 thousand from these revenue streams.

Revenue recognition is significant to the consolidated financial statements due to the quantitative materiality of the amounts recorded and the related qualitative factors such as high volume of transactions, market trends and its susceptibility of manipulation through manual postings.

How our key audit procedures addressed the area of focus

- We obtained an understanding of the Group's revenue recognition accounting policies to assess its compliance with the relevant accounting standards;
- We obtained an understanding of the design and implementation of key manual controls related to revenue recognition;
- We agreed a sample of transactions to underlying accounting records and supporting documents such as deal confirmations and agreements to test whether revenue for the samples can be appropriately substantiated;
- We performed recalculation of margin income on a sample basis and compared the results with the income recorded by the Group to assess its reasonableness;
- We performed analytical procedures using disaggregated data by matching total value of trading with relevant exchange market reports to assess the reasonability of revenue recognized;
- We made inquiries of trading and marketing personnel for any unusual transactions; and
- We checked appropriateness of disclosures related to revenue in the consolidated financial statements.

Other information
Other information consists of the information included in the report of the Board of Directors and annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' report prior to the date of our audit report, and we expect to obtain the annual report after the date of our auditor's opinion. The Board of Directors and management are responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Responsibilities of management and those charged with governance for the consolidated financial statements Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Building a better
working world

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT PJSC continued

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Law No. 32 of 2021, we report that for the year ended 31 December 2022:

i. we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii. the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. 32 of 2021;

iii. the Group has maintained proper books of account;

iv. the consolidated financial information included in the Board of Directors' report is consistent with the books of account and records of the Group;

v. investments in shares and stocks are included in note 18 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2022;

vi. note 29 reflects the material related party transactions and the terms under which they were conducted;

vii. based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2022, any of the applicable provisions of its Articles of Association or of the UAE Federal Law No. 32 of 2021 which would have a material impact on its activities or its consolidated financial position as at 31 December 2022; and

viii. there was no social contribution made during the year by the Group.

Signed by
Raed Ahmad
Partner
Ernst & Young
Registration No 811

27 February 2023
Abu Dhabi

Al Ramz Corporation Investment and Development P.J.S.C.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December

	Notes	2022 AED'00	2021 AED'000
Net commission income	9	**42,810**	43,547
Finance income from margin receivables		**31,292**	24,022
Finance income from deposits		**3,359**	2,978
Finance cost		**(5,263)**	(4,943)
Net finance income		**29,388**	22,057
Corporate finance, advisory and other income	10	**37,517**	34,031
Investment (loss) / gain, net	11	**(6,299)**	25,253
General and administrative expenses	12	**(70,553)**	(66,433)
Provision for expected credit losses	15	**(371)**	(3,940)
Profit for the year		**32,492**	54,515
Other comprehensive income		**-**	-
Total comprehensive income for the year		**32,492**	54,515
Basic and diluted earnings per share (AED)	32	**0.065**	0.105

The notes 1 to 34 form an integral part of these consolidated financial statements.

Al Ramz Corporation Investment and Development P.J.S.C.

Consolidated statement of financial position

as at 31 December

	Notes	2022 AED'000	2021 AED'000
Assets			
Non-current assets			
Property and equipment	*14*	**34,085**	27,248
Goodwill	*13*	**24,570**	24,570
Right of use asset		**1,015**	1,180
		59,670	52,998
Current assets			
Margin and trade receivables	*15*	**280,531**	318,883
Other assets	*16*	**3,755**	4,817
Guarantee deposits	*17*	**19,750**	14,950
Due from securities markets	*20*	**459**	18,006
Investments at fair value through profit or loss	*18*	**55,276**	166,708
Bank balances and cash	*19*	**566,929**	464,554
		926,700	987,918
Total assets		**986,370**	1,040,916
Equity and liabilities			
Equity			
Share capital	*21*	**549,916**	549,916
Share premium	*21*	**21,958**	-
Acquisition reserve	*22*	**(283,966)**	(283,966)
Statutory reserve	*23*	**89,283**	86,034
General reserve	*24*	**4,351**	2,726
Treasury stocks		**-**	(34,882)
Retained earnings		**163,707**	156,013
Total equity		**545,249**	475,841
Non-current liabilities			
Employees' end of service benefits	*25*	**5,183**	4,610
Lease liability		**943**	1,124
		6,126	5,734
Current liabilities			
Lease liability		**181**	123
Accounts payable and accruals	*26*	**202,755**	368,062
Due to securities markets	*20*	**26,728**	-
Short term borrowings	*27*	**205,331**	191,156
		434,995	559,341
Total liabilities		**441,121**	565,075
Total equity and liabilities		**986,370**	1,040,916

To the best of our knowledge, the consolidated financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Group as of and for the periods presented therein.

Chairman | Managing Director | Chief Operating Officer

The notes 1 to 34 form an integral part of these consolidated financial statements.

Al Ramz Corporation Investment and Development P.J.S.C.

Consolidated statement of changes in equity

for the year ended 31 December

	Share capital AED'000	Treasury stock AED'000	Share premium AED'000	Acquisition reserve AED'000	Statutory reserve AED'000	General reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2021	549,916	-	-	(283,966)	80,582	-	120,336	466,868
Total comprehensive income for the year	-	-	-	-	-	-	54,515	54,515
Transfer to statutory reserve	-	-	-	-	5,452	-	(5,452)	-
Transfer to general reserve	-	-	-	-	-	2,726	(2,726)	-
Purchase of treasury stock (note 21)	-	(34,882)	-	-	-	-	-	(34,882)
Dividend distributions	-	-	-	-	-	-	(10,660)	(10,660)
Balance at 31 December 2021	549,916	(34,882)	-	(283,966)	86,034	2,726	156,013	475,841
Balance at 1 January 2022	549,916	(34,882)	-	(283,966)	86,034	2,726	156,013	475,841
Total comprehensive income for the year	-	-	-	-	-	-	32,492	32,492
Transfer to statutory reserve	-	-	-	-	3,249	-	(3,249)	-
Transfer to general reserve	-	-	-	-	-	1,625	(1,625)	-
Sale of treasury stock (note 21)	-	34,882	21,958	-	-	-	-	56,840
Dividend distributions (note 33)	-	-	-	-	-	-	(19,924)	(19,924)
Balance at 31 December 2022	**549,916**	**-**	**21,958**	**(283,966)**	**89,283**	**4,351**	**163,707**	**545,249**

The notes 1 to 34 form an integral part of these consolidated financial statements.

Al Ramz Corporation Investment and Development P.J.S.C.

Consolidated statement of cash flows

for the year ended 31 December

	Note	**2022 AED'000**	2021 AED'000
Cash flows from operating activities			
Profit for the year		**32,492**	54,515
Adjustments for:			
Depreciation	*12*	**4,522**	4,070
Provision for employees' end of service benefits	*25*	**1,389**	744
Finance income from deposits		**(3,359)**	(2,978)
Finance costs		**5,263**	6,968
Unrealised loss / (gain) on investments at fair value through profit or loss	*11*	**17,382**	(18,651)
Dividend income	*11*	**(3,164)**	(40)
Provision for expected credit loss, net	*15*	**13**	3,587
Gain on disposal of property and equipment		**(29)**	-
Gain on disposal of investment property		**-**	(50)
Depreciation of right of use asset		**165**	164
		54,674	48,329
Changes in:			
Margin and trade receivables		**38,339**	(70,371)
Other assets		**1,062**	(1,538)
Guarantee deposits		**(4,800)**	(200)
Due from securities markets		**17,547**	(17,374)
Due to securities markets		**26,728**	(26,700)
Accounts payable and accruals		**(165,307)**	162,094
Cash from operating activities		**(31,757)**	94,240
Employees' end of service benefits paid	*25*	**(816)**	(937)
Finance costs paid		**(5,263)**	(6,968)
Net cash flows (used in) / from operating activities		**(37,836)**	86,335
Cash flows from investing activities			
Purchase of property and equipment	*14*	**(11,359)**	(5,189)
Proceeds from disposal of property and equipment		**29**	-
Proceeds from disposal of investment property		**-**	1,050
Decrease / (increase) in clients' deposits		**116,166**	(102,573)
Interest income received		**3,359**	2,978
Dividend income received	*11*	**3,164**	40
Purchase of investments at fair value through profit or loss	*18*	**(22,248)**	(131,227)
Proceeds from sale of investments at fair value through profit or loss	*18*	**116,298**	162,034
Decrease / (increase) in deposits maturing after 3 months		**9,747**	(5,746)
Sale / (purchase) of treasury stock	*21*	**56,840**	(34,882)
Net cash flows from / (used in) investing activities		**271,996**	(113,515)
Cash flows from financing activities			
Loan settlements		**-**	(47,506)
Payment of principal portion of lease liabilities		**(123)**	(70)
Dividend distribution	*33*	**(19,924)**	(10,660)
Net cash flows used in financing activities		**(20,047)**	(58,236)
Net increase / (decrease) in cash and cash equivalents		**214,113**	(85,416)
Cash and cash equivalents at the beginning of the year		**(133,997)**	(48,581)
Cash and cash equivalents at the end of the year	*19*	**80,116**	(133,997)

The notes 1 to 34 form an integral part of these consolidated financial statements.

1. Corporate information

Founded in 1998, Al Ramz Corporation Investment and Development P.J.S.C (the "Company") is a UAE domiciled public joint stock company listed on the Dubai Financial Market and regulated by the UAE Securities and Commodities Authority as well as the Dubai Financial Services Authority. Al Ramz is a premier financial institution providing a broad spectrum of services including asset management, corporate finance, brokerage, lending, market making, liquidity providing and research.

The main activities of the Company and its subsidiaries (together referred to as the "Group") are to invest and manage commercial, industrial and agricultural enterprises and to provide brokerage services including brokerage in selling and buying shares, margin trading, market making and liquidity providing and to perform all related transactions and activities. The Company's registered office is P.O. Box 32000, Dubai, United Arab Emirates.

These consolidated financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 27 February 2023.

2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial assets and liabilities designated at fair value through profit or loss (FVPL) which are measured at fair value at the reporting date.

These consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), and all values are rounded to the nearest thousand dirhams, except where otherwise indicated.

3. Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and the applicable provisions of UAE Federal Law No. 32 of 2021.

4. Presentation of consolidated financial statements

The Group presents its consolidated statement of financial position in order of liquidity based on the Group's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non current) is presented in note 30.

5. Changes in accounting policies and disclosures

New and amended standards and interpretations
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the consolidated financial statements of the Group.

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture - Taxation in fair value measurements
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended to Use

These amendments had no impact on the consolidated financial statements of the Group.

6. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022 including controlled structured entities. The Group consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, 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.

Generally, there is a presumption that majority of voting rights results in control. However, in individual circumstances, the Group may still exercise control with a less than 50% shareholding or may not be able to exercise control even with ownership over 50% of an entity's shares. When assessing whether it has power over an entity and therefore controls the variability of its returns, the Group considers all relevant facts and circumstances, including:

- The purpose and design of the investee
- The relevant activities and how decisions about those activities are made and whether the Group can direct those activities
- Whether the Group is exposed, or has rights, to variable returns from its involvements with the investee, and has the power to affect the variability of such returns.

6. Basis of consolidation *(continued)*

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, NCI and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date of loss of control.

A. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Reverse acquisition accounting requires calculation of deemed purchase consideration, which requires management to determine the shares exchange ratio and fair value of shares exchanged.

6. Basis of consolidation *(continued)*

A. Basis of consolidation *(continued)*

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	*Location*	*Principal activities*	*Shareholding*	
			2022	*2021*
Al Ramz Capital LLC	Abu Dhabi	Brokerage services	**100%**	100%
ARC Investment LLC	Abu Dhabi	Investment in enterprises	**100%**	100%
ARC Properties LLC	Abu Dhabi	Trade in real estate	**100%**	100%
ARC Real Estate LLC	Abu Dhabi	Trade in real estate	**100%**	100%
Dubai International Securities One Person Company LLC	Dubai	Brokerage services	**100%**	100%

7. Summary of significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

7.1 Foreign currency translation

Functional and presentational currency
The consolidated financial statements are presented in in United Arab Emirates Dirhams ("AED"). For each entity in the group, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the consolidated statement of profit and loss and other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

7. Summary of significant accounting policies *(continued)*

7.2 Recognition of interest income

i. The effective interest rate method

Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the margin exposure. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the consolidated statement of financial position with a corresponding increase or decrease in interest revenue/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

ii. Finance and similar income/expense

Net finance income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the consolidated statement of profit and loss and other comprehensive income for both finance income and finance expense to provide symmetrical and comparable information.

The Group calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

7. Summary of significant accounting policies *(continued)*

7.3 Fee and commission income

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Group's revenue contracts do not include multiple performance obligations, as explained further in note 7.3.i and note 7.3.ii.

When the Group provides a service to its customers, consideration is invoiced, and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time (unless otherwise specified in note 7.3.i and note 7.3.ii.). The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

i. Fee and commission income from services where performance obligations are satisfied over time

Performance obligations satisfied over time include asset management services where the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

The Group's fee and commission income from services where performance obligations are satisfied over time include the following:

Asset management fees
Management fees are invoiced monthly and determined based on a fixed percentage of the net asset value of the funds under management based on the average net asset value monthly. The fees generally crystallise at the end of each month and are not subject to a clawback. Consequently, revenue from management fees is generally recognised at the end of each month.

Performance fees
Performance fees are based on returns in excess of a specified benchmark market return, over the contract period. Performance fees are typically received at the end of the performance period specified in the contract. The Group recognises revenue from performance fees over the contract period, but only to the extent that it is highly probable that a significant reversal of revenue will not occur in subsequent periods.

7. Summary of significant accounting policies *(continued)*

7.3 Fee and commission income *(continued)*

ii. Fee and commission income from services where performance obligations are satisfied at a point in time

Services provided where the Group's performance obligations are satisfied at a point in time are recognised once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the acquisition of shares or other securities, or the purchase or sale of businesses, and brokerage fees. The Group has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

Corporate finance fees
Corporate finance services are related to mergers and acquisitions support, where the Group provides financial, legal and transaction advisory services. The fees earned in exchange for these services are recognised at the point in time the transaction is completed because the customer only receives the benefits of the Group's performance upon successful completion of the underlying transaction. The Group is only entitled to the fee on the completion of the transaction.

Corporate finance fees are a variable consideration. The Group estimates the amount to which it will be entitled to but constrains that amount until it is highly probable that including the estimated fee in the transaction price will not result in a significant revenue reversal, which generally occurs upon successful completion of the underlying transaction.

Brokerage fees
The Group buys and sells securities on behalf of its customers and receives a fixed commission, for each transaction. The Group's performance obligation is to execute the trade on behalf of the customer and revenue is recognised once each trade has been executed (i.e., on the trade date). Payment of the commission is typically due on the trade date.

iii. Contract balances

As at 31 December 2021, the Group did not have any contract assets or liabilities related to brokerage services provided.

7.4 Net loss on financial assets and liabilities designated at fair value through profit and loss

Net loss on financial instruments at FVTPL represents fair value changes, interest, dividends and foreign exchange differences relating to non-trading derivatives held for risk management purposes used in economic hedge relationship but not qualifying for hedge accounting relationships, financial assets and financial liabilities designated as at FVTPL and also non-trading assets measured at FVTPL, as required by or elected under IFRS 9.

7. Summary of significant accounting policies *(continued)*

7.5 Financial instruments – initial recognition

i. Date of recognition

Financial assets and liabilities are initially recognised on the trade date, i.e., the date on which the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the times frame generally established by regulation or convention in the marketplace. Margins to customers are recognized when the securities are bought and funds are charged against the customers' accounts.

ii. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments in notes 7.7.1.i and 7.7.1.ii. Financial instruments are initially measured at their fair value (as defined in note 7.7), except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, subtracted from, this amount.

Trade receivables without significant financing component are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

iii. Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

iv. Measurement categories of financial assets and liabilities

The Group classified all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in note 7.7.1
- FVTPL, as set out note 7.7.5

The Group classifies and measures its trading portfolio at FVPL, as explained in note 7.7.2. The Group may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in note 7.7.5.

Financial liabilities, other than financial guarantees, are measured at amortised cost or FVPL when they are held for trading and derivative instruments.

7. Summary of significant accounting policies *(continued)*

7.6 Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the consolidated statement of financial position date.

- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

- Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

7.7 Financial assets and financial liabilities

7.7.1 Margin receivables and trade receivables at amortized cost

The Group measures margin receivables and trade receivables at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

7. Summary of significant accounting policies *(continued)*

7.7 Financial assets and financial liabilities *(continued)*

7.7.1 Margin receivables and trade receivables at amortized cost (continued)

i. Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and how the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking; worst case; or stress case; scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

ii. The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

7. Summary of significant accounting policies *(continued)*

7.7 Financial assets and financial liabilities *(continued)*

7.7.2 Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

- It is settled at a future date.

7.7.3 Financial assets or financial liabilities held for trading

The Group classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the consolidated statement of financial position at fair value. Changes in fair value are recognised in the consolidated statement of profit or loss and other comprehensive income. Interest income is recorded in investment income according to the terms of the contract, or when the right to payment has been established.

7.7.4 Borrowed funds

After initial measurement, borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

7. Summary of significant accounting policies *(continued)*

7.7 Financial assets and financial liabilities *(continued)*

7.7.5 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

Or

- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Or

- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

Financial assets and financial liabilities at FVPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVPL due to changes in the Group's own credit risk. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using the contractual interest rate, as explained in note 7.2. Dividend income from equity instruments measured at FVPL is recorded in consolidated statement of profit or loss and other comprehensive income as investment income when the right to the payment has been established.

7.8 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

7. Summary of significant accounting policies *(continued)*

7.9 Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether to derecognise a margin extended to a customer, amongst others, the Group considers the following factors:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Group considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

Derecognition other than substantial modification

i. Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

7. Summary of significant accounting policies *(continued)*

7.9 Derecognition of financial assets and liabilities *(continued)*

Derecognition other than substantial modification *(continued)*

i. Financial assets *(continued)*

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the original asset), but assumes a contractual obligation to pay those cash flows to one or more entities (the eventual recipients), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates;
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

7. Summary of significant accounting policies *(continued)*

7.9 Derecognition of financial assets and liabilities *(continued)*

Derecognition other than substantial modification *(continued)*

ii. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

7.10 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position except when IFRS netting criteria are met.

7.11 Impairment of financial assets

Financial assets not classified as at FVTPL are assessed for impairment at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower, default or delinquency by a borrower, restructuring of an amount due to the Group on terms that the Group would not otherwise consider, indications that a debtor or issuer will enter bankruptcy or adverse changes in the payment status of a borrower.

Financial instruments

The group recognizes loss allowances for ECLs on:

- Margin and trade receivables;
- Guarantee deposits;
- Due from securities markets and bank balances.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt instrument that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

7. Summary of significant accounting policies *(continued)*

7.11 Impairment of financial assets *(continued)*

Financial instruments (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The group considers a financial asset to be in default when:
- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as releasing security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable date:
- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider other wise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position
Loss allowances for financial assets carried at amortised cost are deducted from the gross carrying amount of the assets.

7. Summary of significant accounting policies *(continued)*

7.12 Credit enhancements: collateral valuation and financial guarantees

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash and securities collateral, unless repossessed, and is not recorded on the Group's consolidated statement of financial position. Cash flows expected from credit enhancements which are not required to be recognised separately by IFRS standards and which are considered integral to the contractual terms of a debt instrument which is subject to ECL, are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

7.13 Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

7.14 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries, if any, are credited to other income.

7.15 Cash and cash equivalents

Cash and cash equivalents as referred to in the consolidated statement of cash flows comprises cash on hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

7.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

7. Summary of significant accounting policies *(continued)*

7.16 Leases *(continued)*

i. *Group as a lessee (continued)*

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are subject to impairment in line with the Group's policy.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

7.17 Property and equipment

Property and equipment are stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Office premises	30 years
Office equipment	5 years
Motor vehicles	4 years
Furniture and fixtures	5 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

7. Summary of significant accounting policies *(continued)*

7.18 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in the consolidated statement of profit or loss and other comprehensive income within other income. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

7.19 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income.

7. Summary of significant accounting policies *(continued)*

7.20 Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss and other comprehensive income as a Bargain Purchase Option gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

7.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement in other operating expenses.

7.22 Fiduciary assets

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity, unless recognition criteria are met, are not reported in the consolidated financial statements, as they are not assets of the Group.

7. Summary of significant accounting policies *(continued)*

7.23 Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders.

7.24 Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with the provisions of the applicable Labour law of the UAE. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension contributions are made in respect of UAE national employees to the Abu Dhabi Retirement and Pension Benefits Fund, calculated in accordance with Government regulations. Such contributions are charged to the consolidated statement of profit or loss and other comprehensive income during the employees' period of service.

7.25 Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

7.26 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective;

- IFRS 17 Insurance Contracts (effective for reporting periods beginning on or after 1 January 2023).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after 1 January 2023)
- Definition of Accounting Estimates - Amendments to IAS 8 (effective for annual reporting periods beginning on or after 1 January 2023)
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (applicable for annual periods beginning on or after 1 January 2023)

The Group does not expect these new standards and amendments to have any significant impact on the consolidated financial statements, when implemented in future periods.

7. Summary of significant accounting policies *(continued)*

7.27 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 by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

8. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

8.1 Impairment losses on financial assets

An estimate of the collectible amount of margin and trade receivables is made on an individual basis.

At the consolidated statement of financial position date, gross margin and trade receivables were AED 267,679 thousand *(2021: AED 321,024 thousand)* and AED 25,725 thousand *(2021: AED 10,719 thousand)* respectively. The provision for expected credit losses was AED 8,509 thousand *(2021: AED 8,602 thousand)* and AED 4,364 thousand *(2021: AED 4,258 thousand)* respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognized in the consolidated statement of profit or loss and other comprehensive income.

8.2 Going concern

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

8.3 Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

8. Significant accounting judgements, estimates and assumptions *(continued)*

8.3 Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee) *(continued)*

The Group has a lease contract that includes an extension and termination option. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

8.4 Investment in asset management activities

The Group acts as fund manager to Sky One Money Market Fund. Determining whether the Group controls such a money market fund usually focuses on the assessment of the aggregate economic interests of the Group in the fund (comprising any carried interests and expected management fees) and the investors' rights to remove the fund manager.

For that fund that is managed by the Group, the Group's aggregate economic interest in the fund is zero . As a result, the Group has concluded that it acts as agent for the investors, and therefore has not consolidated this fund.

8.5 Impairment of goodwill

Goodwill is tested at least annually for impairment.

Determining whether goodwill is impaired requires an estimation of the value in use of the business being tested for impairment and of the cash-generating units to which these assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit, taking into account the achievability of long-term business plans and macroeconomic assumptions underlying the valuation process, and a suitable discount rate in order to calculate present value. As of 31 December 2022, no impairment has been recorded against goodwill (2021: AED nil).

9. Net commission income

	2022 **AED'000**	2021 AED'000
Abu Dhabi Exchange Market	**27,860**	26,769
Dubai Financial Market	**14,615**	16,017
Fixed income	**343**	487
NASDAQ	**31**	50
Over the Counter and others	**87**	282
Rebates and discounts	**(126)**	(58)
	42,810	43,547

9. Net commission income *(continued)*

a. Disaggregation of net commission income

In the following table, commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated net commission income with the Group's reportable segments:

	2022 AED'000	2021 AED'000
Major service lines		
Brokerage – Primary markets	**42,380**	42,778
Brokerage – Over the counter and others	**430**	769
Total net commission income from contracts with customers	**42,810**	43,547

b. Contract balances

As at 31 December 2022, the Group did not have any contract assets or liabilities related to brokerage services provided.

c. Timing of revenue recognition

	2022 AED'000	2021 AED'000
Services transferred at a point in time	**42,810**	43,547

10. Corporate finance, advisory and other income

	2022 AED'000	2021 AED'000
Corporate finance income	**24,042**	27,979
Management and performance fees	**8,999**	1,643
Liquidity providing fees	**4,018**	3,472
Other income	**458**	937
	37,517	34,031

10. Corporate finance, advisory and other income *(continued)*

a. Disaggregation of corporate finance and advisory income, management and performance fees and liquidity providing fees

In the following table, corporate finance and advisory income, management and performance fees, and liquidity providing fees from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated these revenue streams with the Group's reportable segments:

	2022 AED'000	2021 AED'000
Major service lines		
Transaction, advisory and restructuring services	**24,042**	27,979
Management and performance fees on assets under management	**8,999**	1,643
Fees from liquidity providing	**4,018**	3,472
Total income from contract with customers	**37,059**	33,094

Corporate finance income includes income earned by the Group on services including transaction, advisory and restructuring services.

Management and performance fees include fees earned by the Group on trust and fiduciary activities in which the Group holds or invests assets on behalf of its customers.

b. Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	2022 AED'000	2021 AED'000
Trade Receivables which are included in 'Trade receivables'	**13,256**	7,504
Contract liabilities, which are included in 'Trade payables'	**22,332**	7,159

c. Timing of revenue recognition

	2022 AED'000	2021 AED'000
Services transferred over the period of time	**37,059**	33,094

11. Investment (loss) / gain, net

	2022 AED'000	2021 AED'000
Unrealised (loss) / gain on investments at fair value through profit of loss	**(17,382)**	18,651
Realised gain on investments at fair value through profit or loss	**8,319**	8,740
Dividend income	**3,164**	40
Custody and other fees	**(400)**	(153)
Finance costs	**-**	(2,025)
	(6,299)	25,253

12. General and administrative expenses

	2022 AED'000	2021 AED'000
Staff costs	**53,644**	52,944
Depreciation *(note 14)*	**4,522**	4,070
Subscription and membership	**4,275**	3,375
Consultancy fees	**1,678**	531
Legal expenses	**1,336**	691
IT expenses	**879**	1,223
Properties service charges	**682**	447
Communication expense	**510**	475
Advertisements and marketing	**477**	710
Rent expense	**79**	270
Other expenses	**2,471**	1,697
	70,553	66,433

13. Goodwill

Goodwill of AED 20,642 thousand represents goodwill that arose on acquisition of National Finance Brokerage Company LLC (NFBC), acquired in 2010. NFBC was merged with Al Ramz Capital LLC effective from 2010 and the goodwill of AED 3,928 thousand that was acquired through the business combination was allocated to the Group (CGU) for impairment testing purposes. Goodwill is not amortised but is reviewed annually for assessment of impairment in accordance with IAS 36. The Group performed its annual goodwill impairment test as at 31 December 2022.

The recoverable amount for CGU is based on the value in use and has been calculated using the discounted cash flows approach.

13. Goodwill *(continued)*

Key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Percentage
Discount rate	14.1
Terminal value growth rate	2.7
Yearly revenue growth rate	10

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITA growth rate. As a result of the analysis, there is sufficient headroom in CGU and no impairment has been identified. Reasonable sensitivities have been applied to CGU earnings and the discount rate used and in all cases the value in use continues to exceed the carrying amount of the CGU goodwill.

14. Property and equipment

	Office premises AED'000	*Office equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Work in progress AED'000*	*Total AED'000*
Cost						
At 1 January 2022	22,172	25,880	433	19,386	221	68,092
Additions	5,671	2,184	-	132	3,372	11,359
Disposals	-	-	(74)	-	-	(74)
At 31 December 2022	**27,843**	**28,064**	**359**	**19,518**	**3,593**	**79,377**
Accumulated depreciation						
At 1 January 2022	6,250	20,333	433	13,828	-	40,844
Charge for the year	818	2,059	-	1,645	-	4,522
Relating to disposals	-	-	(74)	-	-	(74)
At 31 December 2022	**7,068**	**22,392**	**359**	**15,473**	**-**	**45,292**
Cost						
At 1 January 2021	22,172	22,203	433	17,348	747	62,903
Additions	-	2,930	-	989	1,270	5,189
Transfers	-	747	-	1,049	(1,796)	-
At 31 December 2021	22,172	25,880	433	19,386	221	68,092
Accumulated depreciation						
At 1 January 2021	5,511	18,445	430	12,388	-	36,774
Charge for the year	739	1,888	3	1,440	-	4,070
At 31 December 2021	6,250	20,333	433	13,828	-	40,844
Carrying amounts						
At 31 December 2022	**20,775**	**5,672**	**-**	**4,045**	**3,593**	**34,085**
At 31 December 2021	15,922	5,547	-	5,558	221	27,248

15. Margin and trade receivables

	2022 AED'00	2021 AED'000
Margin receivables	**259,170**	312,422
Trade receivables, net	**21,361**	6,461
	280,531	318,883

	2022 AED'000	2021 AED'000
Margin receivables	**267,679**	321,024
Provision for expected credit losses	**(8,509)**	(8,602)
Margin receivables, net	**259,170**	312,422

	2022 AED'000	2021 AED'000
Trade receivables	**25,725**	10,719
Provision for expected credit losses	**(4,364)**	(4,258)
Trade receivables, net	**21,361**	6,461

Provision for expected credit losses movement for the year:

	2022 AED'000	2021 AED'000
Opening balance	**12,860**	9,285
Provided during the year	**371**	3,940
Reversed during the year	**(358)**	(353)
Write-offs	**-**	(12)
Ending balance	**12,873**	12,860

The Group is licensed to provide finance to its clients as a percentage of the market value of pledged securities. The Group charges interest on amounts due. Customers are required to provide additional cash or securities if the price of pledged securities drops against the minimum eligibility of 125% *(2021: 125%)*. If minimum eligibility is breached, the Group commences liquidation of the pledged securities. The fair value of pledged securities held as collateral against margin receivables amounted to AED 1,075,904 thousand as at 31 December 2022 *(31 December 2021: AED 1,963,342 thousand)*.

There are no significant changes to the overall commitments to extend margins during the period. Such commitments are revocable in nature.

16. Other assets

	2022 AED'000	2021 AED'000
Prepayments and others	**3,553**	3,285
Derivative financial instruments	**202**	1,532
	3,755	4,817

	2022 Notional value AED' 000	2022 Fair value AED' 000	2021 Notional value AED' 000	2021 Fair value AED' 000
Equity futures contract	**1,634**	**202**	29,209	1,532

17. Guarantee deposits

Guarantee deposits are held with commercial banks in the UAE as collateral against letters of guarantee issued by the banks *(note 28)*. These are denominated in UAE Dirhams, with an effective interest rate of 2.35% *(2021: 3%)* per annum.

18. Investments at fair value through profit and loss

These represent investments in quoted bonds, quoted and unquoted equity investments and are held for trading purpose. Movements in the investments at fair value through profit or loss are as follows:

	2022 AED'000	2021 AED'000
Quoted equity investments	**44,487**	153,329
Unquoted equity investments	**3,784**	5,884
Quoted bonds	**7,005**	7,495
	55,276	166,708

18. Investments at fair value through profit and loss *(continued)*

Quoted equity investments	**2022 AED'000**	2021 AED'000
At 1 January	**153,329**	162,027
Additions during the year	**10,512**	51,567
Disposals during the year	**(104,331)**	(80,665)
Unrealised (loss) / gain	**(15,023)**	20,400
	44,487	153,329

Unquoted equity investments	**2022 AED'000**	2021 AED'000
At 1 January	**5,884**	7,564
Unrealised loss	**(2,100)**	(1,680)
	3,784	5,884

Quoted bonds	**2022 AED'000**	2021 AED'000
At 1 January	**7,495**	9,273
Additions during the year	**15,974**	79,660
Disposals during the year	**(16,205)**	(81,369)
Unrealised loss	**(259)**	(69)
	7,005	7,495

During the year, as part of its Market Making activities, the Group carried out buy and sell activities for listed equity securities amounting to AED 8,144 million (2021: AED 3,727 million) and AED 8,166 million (2021: AED 3,702 million) respectively. These transactions don't form part of the Group's investment activities.

19. Bank balances and cash

	2022 **AED'000**	2021 AED'000
Group's bank accounts for client's deposits*	**209,780**	325,946
Deposit account balances with banks	**297,753**	98,349
Current account balances with banks	**59,345**	39,122
Cash in hand	**51**	67
Cash in money market fund	-	1,070
	566,929	464,554

Bank balances are placed with local banks in the United Arab Emirates. Bank deposits carry interest at prevailing market rates.

Bank balances include an annual deposit amounting to AED 130,602 thousand *(2021: AED* 87,500 *thousand)* held as security against an overdraft facility *(note 27).*

Cash and cash equivalents for the purpose of consolidated statement of cash flows comprise of the following:

	2022 **AED'000**	2021 AED'000
Bank balances and cash	**566,929**	464,554
Less: Deposits with original maturities greater than three months	**(88,602)**	(98,349)
Less: Group's bank accounts for clients' deposits	**(209,780)**	(325,946)
Less: Bank overdrafts *(note 27)*	**(188,431)**	(174,256)
	80,116	(133,997)

*In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("ESCA") the Group maintains separate bank accounts for advances received from its customers ("clients' deposits"). The clients' deposits are not available to the Group other than to settle transactions executed on behalf of the customers. Although the use of the clients' deposits by the Group is restricted, they have been presented on balance sheet as notified by ESCA.

20. Due from / due to securities markets

	2022 AED'000	2021 AED'000
Due from securities markets		
NASDAQ Dubai Limited	**119**	119
Saudi Market	**340**	761
Abu Dhabi Securities Exchange	-	11,484
Dubai Financial Market	-	5,642
	459	18,006
Due to securities markets		
Abu Dhabi Securities Exchange	**3,104**	-
Dubai Financial Market	**23,624**	-
	26,728	-

Due from / due to securities markets represent net clearing balance due from / to Abu Dhabi Securities Exchange, Dubai Financial Market, NASDAQ Dubai Limited and the Saudi Market. This balance is unimpaired and due within 1-2 days of the reporting date.

21. Share capital

	2022 AED'000	2021 AED'000
Authorised, issued and fully paid share capital:		
549,915,858 shares of AED 1 each	**549,916**	549,916

In the Annual General Meeting (AGM) held on 23 March 2020, the Shareholders of the Group approved a Shares-buy back up to 10% of the outstanding shares. During 2021, the Group purchased 51,821 thousand shares at an average price of AED 0.67 per share, for a total consideration of AED 34,882 thousand.

During the year, the Group sold 51,821 thousand shares at an average price of AED 1.10 per share, for a total net consideration of AED 56,840 thousand. The sale resulted in additional share premium amounting to AED 21,958 thousand.

22. Acquisition reserve

An addition was made to share capital of AED 399,916 thousand in 2016, which represents an adjustment made to bring the share capital equal to share capital of Al Ramz Corporation Investment and Development PJSC with corresponding debit to acquisition reserve bringing the acquisition reserve to a total debit balance of AED 283,966 thousand.

23. Statutory reserve

As required by the UAE Federal Law No. 32 of 2021 and the Company's articles of association, 10% of the Group's profit for the year should be transferred to the statutory reserve. The Group may resolve to discontinue such annual transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution.

24. General reserve

Transfers to and from and the use of the general reserve are made at the discretion of the Board of Directors. During the current year, the Group has transferred AED 1,625 thousand *(2021: AED* 2,726 thousand*)* to the general reserve.

25. Employees' end of service benefits

	2022 **AED'000**	2021 AED'000
At 1 January	**4,610**	4,803
Charge for the year	**1,389**	744
Paid during the year	**(816)**	(937)
At 31 December	**5,183**	4,610

26. Accounts payable and accruals

	2022 **AED'000**	2021 AED'000
Payable to customers	**183,511**	343,952
Accrued expenses	**15,255**	19,063
Other payables	**3,989**	5,047
	202,755	368,062

27. Short term borrowings

	2022 AED'000	2021 AED'000
Facility 1	**16,900**	16,900
Bank overdrafts	**188,431**	174,256
	205,331	191,156

Facility 1
This represents a loan obtained from a shareholder. It carries a fixed interest rate. The term of the agreement is one month, renewed automatically.

Bank overdrafts
These carry interest at prevailing market rates. Bank overdrafts are secured against promissory note, personal guarantee of a related party, security cheques and bank balances. (refer to note 19).

28. Commitments and contingencies

The Group's bankers have issued in the normal course of business, the following letters of guarantee:

	2022 AED'000	2021 AED'000
Dubai Financial Market	**25,000**	25,000
Abu Dhabi securities exchange	**25,000**	25,000
NASDAQ Dubai Limited	**1,000**	1,000
Market making (ADX and DFM)	**8,000**	8,000
	59,000	59,000

At 31 December 2022, the guarantees were secured by a cash deposit of AED 19,750 thousand *(2021: AED 14,950 thousand)* refer to note 17.

The Group had no capital commitments and contingencies during the year *(2021: none)*.

The Group had no financial commitments at the reporting date. *(31 December 2021: none)*.

29. Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's Board of Directors.

Balances with related parties included in the consolidated statement of financial position are as follows:

	2022 **AED'000**	2021 AED'000
Loans from related parties	**16,900**	16,900
Margin and trade receivables	**58,033**	60,139
Trade accounts payable	**951**	595

Transactions with related parties included in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2022 **AED'000**	2021 AED'000
Commission income	**5,867**	3,162
Margin income	**5,263**	2,960
Finance costs	**676**	676
Performance and management fees	**-**	7

Terms and conditions of transactions with related parties
Transactions from related parties are made at normal market prices. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties *(2021: AED nil).*

29. Related party transactions *(continued)*

Compensation of key management personnel
The remuneration of members of key management during the year was as follows:

	2022 **AED'000**	2021 AED'000
Short-term benefits (excluding bonus)	**5,551**	5,210
Bonuses	**5,111**	7,055
Number of key management personnel	**3**	3

30. Risk management

The Group's principal financial liabilities consist of trade payables, due to securities markets, lease liability, short-term borrowings and certain other liabilities. The main purpose of the financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as margin and trade receivables, bank balances, due from securities markets, guarantee deposits, investments carried at fair value through profit or loss and certain other assets which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and equity prices risk. The members of management of the Group review and agree policies for managing each of these risks which are summarised below.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is not exposed to interest rate risk on its interest-bearing guarantees with banks and certain short-term borrowings which carry fixed interest rate.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss and other comprehensive income to reasonably possible changes in floating interest rates, with all other variables held constant, of the Group's result for the year. There is no impact on the Group's equity.

	2022 **AED'000**	2021 AED'000
Effect on net profit		
+100 increase in basis point	**1,293**	(495)
-100 increase in basis point	**(1,293)**	495

30. Risk management *(continued)*

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivable from customers and investment in debt securities.

The Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event the counterparties fail to perform their obligations as of 31 December in relation to each class of recognized financial assets is the carrying amount of those assets as indicated below:

	2022	2021
	AED'000	AED'000
Assets		
Balances with banks	**566,878**	463,417
Margin and trade receivables	**280,531**	318,883
Guarantee deposits	**19,750**	14,950
Due from securities markets	**459**	18,006
Cash in money market fund	-	1,070
	867,618	816,326

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. Five largest customers account for 47.0% *(2021:* 54.2%*)* of margin receivables. The Group's margin receivables are secured by traded securities that are generally at the loan to value of 50% on sanctioning date. The Group forecloses on exposures near or at the 75% loan to value range.

The fair value of pledged securities held as collateral against margin receivables amounted to AED 1,075,904 thousand as at 31 December 2022 *(31 December 2021: AED 1,963,342 thousand).*

30. Risk management *(continued)*

Liquidity risk
The Group limits its liquidity risk by ensuring bank facilities and adequate cash from operations are available. The Group's terms of brokerage contracts require the amounts to be received and settled in accordance with the settlement terms of the securities market. Outstanding receivables are monitored on a continuous basis.

The table below summarises the maturities of the Group's undiscounted consolidated financial liabilities at 31 December 2022 and 31 December 2021, based on contractual payments.

	Less than 3 months AED'000	*3 to 6 Months AED'000*	*6 to 12 months AED'000*	*More than 12 months AED'000*	*Total AED'000*
31 December 2022					
Short term borrowings	**205,331**	-	-	-	**205,331**
Trade payables	**183,511**	-	-	-	**183,511**
Due to securities market	**26,728**	-	-	-	**26,728**
Lease liability	**50**	**50**	**100**	**1,121**	**1,321**
Total	**415,620**	**50**	**100**	**1,121**	**416,891**
31 December 2021					
Trade payables	343,952	-	-	-	343,952
Short term borrowings	191,156	-	-	-	191,156
Lease liability	46	46	92	1,321	1,505
Total	535,154	46	92	1,321	536,613

Equity price risk
The Group is exposed to equity price risk, which arises from equity securities at FVTPL. Management of the group monitors the proportion of equity securities in its investment portfolio based on market indices. Investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by senior management and the Board of Directors in accordance with their respective approved limits.

Capital management
The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021. Capital includes share capital, share premium, acquisition reserve, statutory reserve, general reserve, treasury shares and retained earnings and is measured at AED 545,249 thousand as at 31 December 2022 *(2021: AED 475,841 thousand).*

31. Fair value measurement of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of margin and trade receivables, bank balances, due from securities markets, guarantee deposits, and certain other assets carried at amortized cost and investments carried at fair value through profit or loss. Financial liabilities consist of trade payables, due to securities markets, lease liability, short-term borrowings and certain other liabilities carried at amortised cost.

The fair values of the Group's financial instruments are not materially different from their carrying values at the consolidated statement of financial position date. 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.

	Level 1 *AED'000*	*Level 2* *AED'000*	*Level 3* *AED'000*	*Total* *AED'000*
31 December 2022				
Investments at fair value through profit or loss	**51,492**	**-**	**3,784**	**55,276**
31 December 2021				
Investments at fair value through profit or loss	160,824	-	5,884	166,708

The basis for classifying assets under level 3 are disclosed above.

Reconciliation of fair value measurement of assets at level 3 is as follows:

	2022 **AED'00**	2021 AED'000
At 1 January	**5,884**	7,564
Fair value change	**(2,100)**	(1,680)
	3,784	5,884

During the year, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements (2021: none).

32. Basic and diluted earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to the equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit for the year attributable to the equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of any financial instruments with dilutive effects.

	2022	2021
Profit attributable to the year (AED'000)	**32,492**	54,515
Weighted average number of shares (thousand)	**502,299**	520,428
Basic earnings and diluted earnings per share (AED)	**0.065**	0.105

33. Dividends

In their Annual General Meeting (AGM) held on 19 April 2022, the Shareholders of the Group have resolved to distribute an amount of AED 19,924 thousand (AED 0.04 per share) as dividends for the second half of the year 2021.

34. Fiduciary activities

The Group held assets under management net of cash margins in a fiduciary capacity for its customers at 31 December 2022 amounting to AED 338,978 thousand *(31 December 2021: AED 755,227 thousand)*. These assets held in a fiduciary capacity are excluded from these consolidated financial statements of the Group.

CORPORATE

GOVERNANCE REPORT

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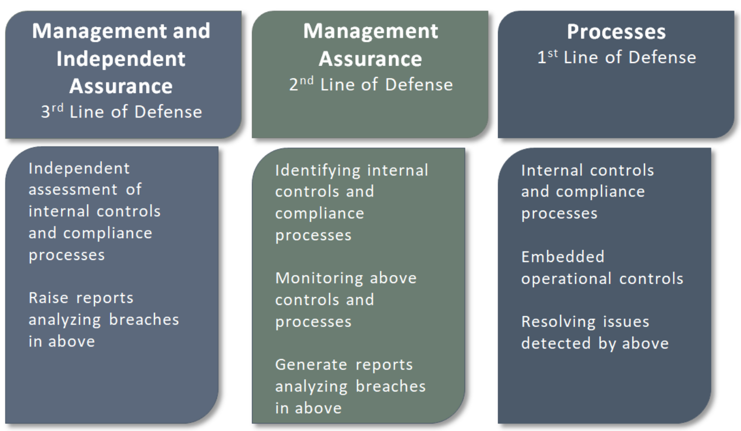
1. Procedures to adopt and implement corporate governance in 2022

The corporate governance guidelines applied by Al Ramz Corporation Investment and Development PJSC and its subsidiaries (the "Company" or the "Corporation") provide a basis for promoting and maintaining the highest standards of corporate governance at the Company, through creating and protecting shareholder value as well as other stakeholders. The Board of Directors (the "BOD") strive to provide the right leadership, strategic oversight and control environment to produce and sustain the delivery of value to all the Company's shareholders.

The Company's corporate governance framework, represented in the BOD's charter, consists of the following:

Internal Controls

The Company's Internal Controls system consists of several frameworks, policies and procedures established by the Board of Directors to enhance the Company's objectives and performance. The Company has adopted the "three lines of defense" principle in relation to corporate governance and risk management as follows:



Board of Directors

The role of the BOD is to govern the Company and is directly committed to comply with all corporate governance guidelines and rules issued by the Securities and Commodities Authority. Its role includes overseeing and directing executive management as well as implementing the Company's strategies and objectives.

Board Committees

The BOD shall delegate oversight of key areas of responsibility to specific committees who will report to the BOD with their analysis and recommendations. Such committees shall be formed in accordance with the Chairman of the Securities and Commodities Authority's Board of Directors' Resolution No. (3 R.M) of 2020 concerning approval of joint stock companies' governance guide; and shall consist of the audit committee, nomination and remuneration committee and the risk and investment committee.

1. Procedures to adopt and implement corporate governance in 2022

Audit Committee

The Audit Committee is committed to review the Company's financial statements, internal controls and risk management processes as well as represent the Company with the external auditor. Its duties include the obligations set out in of SCA Resolution (3 R.M) of 2020 concerning approval of joint stock companies' governance guide.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee primarily oversees the Company's organization structure, the development of the succession plan, evaluating the recruitment process and remuneration policies as well as the independence of the Board's independent directors in accordance with its obligations set out in SCA Resolution (3 R.M) of 2020 concerning approval of joint stock companies' governance guide.

Investment and Risk Committee

The Investment and Risk Committee has overall responsibility for the review of the Company's risk evaluation and mitigation initiatives as well as investment initiatives. Its duties include the guidance set out in SCA Resolution (3 R.M) of 2020 concerning approval of joint stock companies' governance guide.

2. Board of Directors, their spouses, and their children's transactions in the Corporations' financial instruments in 2022

Name:	Sameer Kamal Ibrahim Al Ansari
Position:	Board Member
Category:	Independent non-executive
Total shares owned on 31 December 2022:	2,299,886
Total Sale Transactions	404
Total Purchase Transactions	2,300,290
Share capital of the Corporation:	549,915,858
Ownership percentage of the Corporation's total share capital:	0.4182%

Name:	MMD Investments Holding LTD
Position:	Managing Director owned company
Category:	Owned company
Total shares owned on 31 December 2022:	81,000,000
Total Sale Transactions	-
Total Purchase Transactions	81,000,000
Share capital of the Corporation:	549,915,858
Ownership percentage of the Corporation's total share capital:	14.7%

2. Board of Directors, their spouses, and their children's transactions in the Corporations' financial instruments in 2022

Name:	Mohammad Al Mortada Al Dandashi
Position:	Managing Director
Category:	Executive
Total shares owned on 31 December 2022:	0
Total Sale Transactions	431,411
Total Purchase Transactions	0
Share capital of the Corporation:	549,915,858
Ownership percentage of the Corporation's total share capital:	0%

Note: Shares beneficially owned by EIB on behalf of Mr. Mohammad Mortada Al Dandashi (Managing Director) were transferred to MMD Investment Holding which is a company owned by Mr. Al Dandashi. In addition, a quantity of 431,411 shares was transferred under MMD Investment Holding.

Name:	FAA Capital Investment
Position:	Chairman
Category:	Sole proprietorship company
Total shares owned on 31 December 2022:	13,367,949
Total Sale Transactions	-
Total Purchase Transactions	5,911,060
Share capital of the Corporation:	549,915,858
Ownership percentage of the Corporation's total share capital:	2.4309%

3. Board of Directors Composition

A. Statement of the current Board formation

The Board of Directors was formed on 11 April 2021 by the Corporation's Annual General Meeting. The Board consists of Seven (7) members whose term is until 11 April 2024.

Board Members				
Name	Category	Experience	Credentials	Starting from
Mr. Dhafer Al-Ahbabi	Independent non-executive	Investments	Bachelor's in Economics	11/04/2021
HE Hamad Rashid Al Nuaimi	Non-executive	Investments	Bachelor's in Accounting	11/04/2021
Dr. Ali Saeed Bin Harmel Al Dhaheri	Independent non-executive	Investments	PhD in Business Administration	11/04/2021
Mr. Abdullah Saeed Al Ghafli	Independent non-executive	Risk management	Master's in Business Administration	11/04/2021
Mr. Ahmed Ali Khalfan Al Dhaheri	Independent non-executive	Investments	Bachelor's in Accounting and CPA certificate	11/04/2021
Mr. Mohammad Al Mortada Al Dandashi	Executive	Investments	Bachelor's in Economics	11/04/2021
Dr. Sameer Kamal Ibrahim Al Ansari	Independent non-executive	Investments	Bachelor's in Accounting & Finance and CA	11/04/2021

Membership and positions at any other joint- stock companies

Name	Membership and position
Mr. Dhafer Al-Ahbabi	Board member – Amanat Holding PJSC
HE Hamad Rashid Al Nuaimi	Board member – Amanat Holding PJSC
Dr. Ali Saeed Bin Harmel Al Dhaheri	Chairman – National Takaful PSC Vice Chairman – Amanat Holding PJSC
Mr. Ahmed Ali Khalfan Al Dhaheri	Chairman – Hily Holding PJSC Vice Chairman – Al Waha Capital PJSC Board Member – Al Wathba Insurance Company PJSC Board Member – Abu Dhabi Aviation Company PJSC
Mr. Abdullah Saeed Al Ghafli	Board Member – Emirates Building PrJSC

Positions in any other important regulatory, government or commercial entities

Name	Role in other supervisory, governmental, or commercial entities
HE Hamad Rashid Al Nuaimi	Financial Affairs Deputy Ministry of Presidential Affairs
Dr. Sameer Kamal Ibrahim Al Ansari	CEO - RAK ICC

B. Female representation in the Board of Directors in 2022

There was no female representation in the Board of Directors in 2022.

C. Statement of the reason for the absence of any female candidate for the Board membership

No elections for Board membership took place in 2022.

D. Statement of the followings:

1. Total Board of Directors Remuneration in 2022

The Company's general assembly, held on 19 April 2022, approved the disbursement of an amount of AED Four Million (4,000,000) for the Board of Directors due to the exceptional efforts made by them during the year 2021.

Members	Amount per member	Number of members	Total amount
Chairman	774,193.55	1	774,193.55
Vice-Chairman	645,161.29	1	645,161.29
Five members (each)	516,129.03	5	2,580,645.16
Total			4,000,000.00

2. Proposed Board of Directors Remunerations in 2022

The Board of Directors shall propose for approval in the next General Assembly Meeting, average remuneration of an amount of AED three hundred thirty thousand (330,000) to each member of the Board of Directors for 2022, for a total sum of AED two million three hundred ten thousand (2,310,000) for the year 2022. It is important to note that the remuneration is based on their effective leadership of the Corporation and its profits and financial position and not on their attendance of the Board meetings. This is in line with resolution No. (3 R.M) of 2020 concerning approval of joint stock companies' governance guide.

3. Board Committees attendance allowances in 2022

The following attendance allowances were paid to the Board members:

Total (AED)	No. of meetings	Fees (AED)	Position in the committee	Name
Audit Committee				
56,000	7	8,000	Audit Committee Chairman	Mr. Ahmed Ali Al Dhaheri
56,000	7	8,000	Audit Committee member	Mr. Abdullah Saeed Al Ghafli
56,000	7	8,000	Audit Committee member	Dr. Sameer Kamal Ibrahim Al Ansari
Nomination and Remuneration Committee				
24,000	3	8,000	Nomination and Remuneration Committee Chairman	Dr. Ali Saeed Bin Harmel Al Dhaheri
24,000	3	8,000	Nomination and Remuneration Committee member	Mr. Abdullah Saeed Al Ghafli
24,000	3	8,000	Nomination and Remuneration Committee member	Mr. Ahmed Ali Al Dhaheri
Risk and Investment Committee				
24,000	3	8,000	Risk and Investment Committee Chairman	Mr. Dhafer Al-Ahbabi
32,000	4	8,000	Risk and Investment Committee member	HE Hamad Rashid Nuhail Al Nuaimi
32,000	4	8,000	Risk and Investment Committee member	Mr. Mohammad Al Mortada Al Dandashi

4. Board Committees attendance allowances in 2022

The board members did not receive any additional allowances, salaries, or fees during 2022.

E. Number of Board of Directors meetings held in 2022

The Board of Directors held six (6) meetings in 2022 as detailed below. The Board of Directors accepted the absences shown.

8-Dec	29-Nov	7-Nov	8-Aug	9-May	21-Feb	Board Member
Attended	Attended	Attended	Attended	Attended	Attended	Mr. Dhafer Al Ahbabi
By proxy	Absent	By proxy	Attended	By proxy	By proxy	HE Hamad Rashid Al Nuaimi
Attended	Attended	Absent	Attended	By proxy	Attended	Dr. Ali Saeed Bin Harmel Al Dhaheri
Attended	Attended	Attended	Attended	Attended	Attended	Mr. Ahmed Ali Khalfan Al Dhaheri
Attended	Attended	Attended	Attended	Attended	Attended	Mr. Abdullah Saeed Al Ghafli
Attended	Attended	Attended	Attended	By proxy	Attended	Mr. Mohammad Al Mortada Al Dandashi
Attended	By proxy	Attended	Attended	Absent	Attended	Dr. Sameer Kamal Ibrahim Al Ansari

F. Number of Board resolution passed during the 2022 fiscal year

The Board of Directors passed one resolution by circulation during 2022.

G. Statement by the Board: duties and power exercised by Board members or the executive management members during 2022 based on the authorization from the Board

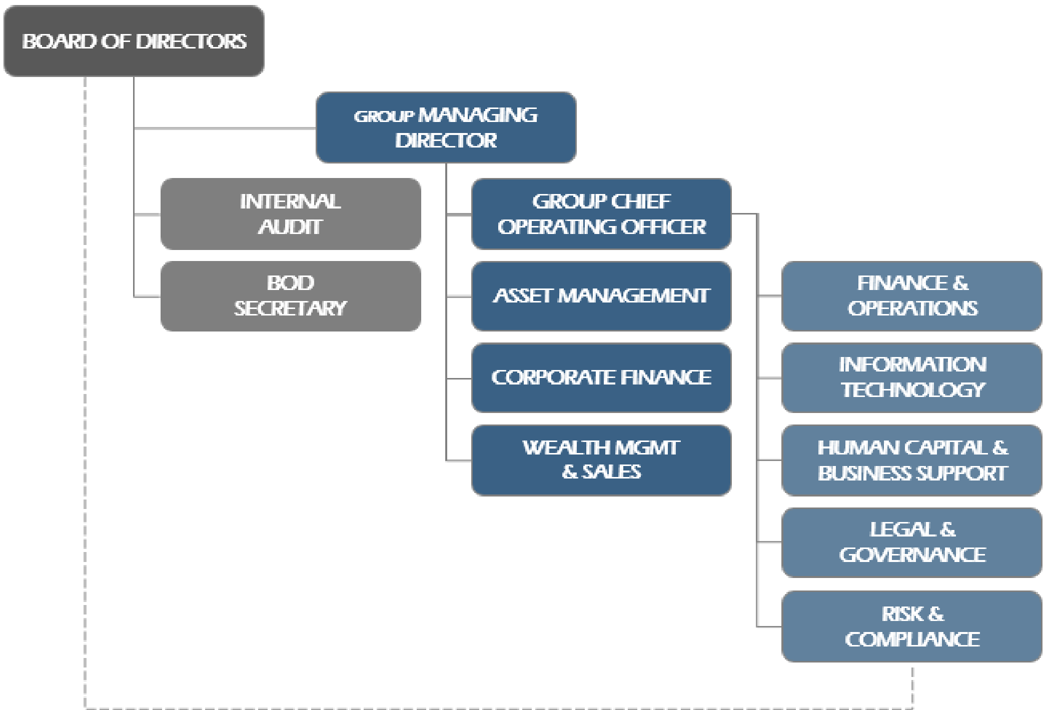
Ser.	Name of the authorized person	Power of authorization	Duration
1	Mr. Mohammad Al Mortada Al Dandashi	POA	3 years

H. Transactions with related parties

The Corporation adopts the related parties' transactions regulations as stated in the resolution No. (3 R.M) of 2020 concerning approval of joint stock companies' governance guide in relation to the Executive Management, the key shareholders and any associated persons and entities. Following are the related parties' transactions related to the Corporation's income during 2022:

Ser.	Statement of related parties	Clarifying the nature of relationship	Type of transaction	Value of transaction (AED)
1	H.H. Sheikh Nehayan Bin Zayed Al Nehayan	Major shareholders	Brokerage fees & income from margin	4,408,354
2	Mohammad Ahmad Saeed Al Qassimi	Major shareholder	Brokerage fees & income from margin	1,821,655
3	Ahmed Ali Khalfan Al Dhaheri	Directors and key management personnel	Brokerage fees & income from margin	1,339,594
4	H.E Hamad Rashid Al Nuaimi	Directors and key management personnel	Brokerage fees	1,207,200
5	Foodco Holding	Subsidiary company for one of the directors	Brokerage fees & income from margin	1,179,639
6	Al Wathba National Insurance Company	Major shareholders	Brokerage fees & income from margin	849,952
7	Saood Al Hajiri	Major shareholder	Interest Expense	676,000
8	Summit Investment Holdings - Sole Proprierorship L.L.C	Major shareholders	Brokerage fees	217,162
9	MMD Investments Holding LTD	Major shareholders	Brokerage fees	101,695
10	Mohammad Al Mortada Al Dandashi	Directors and Major shareholder	Brokerage fees	2,018
11	Finivesco Financial Investment - L L C	Major shareholders	Brokerage fees	1,225

I. The Corporation's organizational structure



3. Board of Directors Composition

J. Key executives' details

The table below states the names, positions, dates of joining and total salaries and bonuses for 2022:

Name	Position	Date of Joining	Total salaries	Total bonuses	Total salaries
Mr. Mohammad Al Mortada Al Dandashi	Managing Director	15/11/2016	2,120,400	3,295,298	2,120,400
Mr. Haisam Odeimeh	Chief Operating Officer	12/10/2017	1,427,930	922,409	1,427,930

4. External Auditor

A. Brief on the external auditor

Ernst & Young is a global organization that employs more than 231,000 professionals in over 150 countries. The MENA practice of EY has been operating in the region since 1923. For over 93 years, EY has evolved to meet the legal and commercial developments of the region. Across MENA, EY has over 6,500 people united across 20 offices and 15 Arab countries, sharing the same values and an unwavering commitment to quality. The Abu Dhabi office of EY was opened in 1966 and has scaled remarkable heights since then. There are approximately over 480 people, in the Firm's offices in Abu Dhabi. In Abu Dhabi, EY has a strong base of over 190 Assurance professionals qualified from Saudi Arabia, the United Kingdom, Pakistan, India, United States of America and hold relevant degrees from leading universities.

External auditor fees for 2022

Audit firm name	Ernst & Young
Number of years as auditor of Al Ramz	Three (3)
Total audit fess for 2022	AED 405,000
Fees for non-audit services in 2022	-
Details of non-audit services in 2022	None
Details of any professional services provided by other audit firms	None

B. Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2022 and in case of any reservations

No reservations have been stated in the interim and annual financial statements for 2022.

5. Audit Committee

A. Audit Committee Chairman acknowledgement of his responsibilities

Mr. Ahmed Ali Khalfan Al Dhaheri, Audit Committee Chairman, acknowledges reviewing the committee's duties and ensuring its effectiveness and fulfillment of its obligations.

B. Audit Committee members, roles and responsibilities

Position in the committee	Category in BOD	Name
Chairman	Independent non-executive	Mr. Ahmed Ali Khalfan Al Dhaheri
Member	Independent non-executive	Mr. Abdullah Saeed Al Ghafli
Member	Independent non-executive	Dr. Sameer Kamal Ibrahim Al Ansari

The audit committee performs a number of duties including supervising the propriety of the financial statements, related reports and accounting processes, audits on the financial, internal control and risk management processes as well as compliance with the Corporation's Code of Ethics. The audit committee also develops and implements the policy dealing with appointing, contracting, supervising the independence, performance and scope of the external auditor.

C. Audit Committee meetings held in 2022

The audit committee held ten (10) meetings in 2022 summarized as follows:

Date	Meeting
10 February 2022	First
14 February 2022	Second
28 April 2022	Third
28 June 2022	Fourth
1 August 2022	Fifth
17 August 2022	Sixth
30 August 2022	Seventh
27 October 2022	Eighth
3 November 2022	Ninth
28 November 2022	Tenth

Below are the attendance details of the audit committee members:

Attendance	Name
100%	Mr. Ahmed Ali Khalfan Al Dhaheri
90%	Mr. Abdullah Saeed Al Ghafli
90%	Dr. Sameer Kamal Ibrahim Al Ansari

6. Nomination and Remuneration Committee

A. Nomination and Remuneration Committee Chairman acknowledgement of his responsibilities

Dr. Ali Saeed Bin Harmel Al Dhaheri, Nomination and Remuneration Committee Chairman, acknowledges reviewing the committee's duties and ensuring its effectiveness and fulfillment of its obligations.

B. Nomination and Remuneration Committee members, roles, and responsibilities

Position in the committee	Category in BOD	Name
Chairman	Independent non-executive	Dr. Ali Saeed Bin Harmel Al Dhaheri
Member	Independent non-executive	Mr. Abdullah Saeed Al Ghafli
Member	Independent non-executive	Mr. Ahmed Ali Khalfan Al Dhaheri

The Nomination and Remuneration committee primarily oversees the independence of the Board's independent directors, the development of the remuneration policies for the Board, management and employees, the Corporation's recruiting needs, the development of HR policies, in addition to the Board of Directors nomination process.

C. Nomination and Remuneration Committee meetings held in 2022

Four (4) meetings were held by the nomination and remuneration committee in 2022 summarized as follows:

Date	Meeting
14 February 2022	First
25 October 2022	Second
1 November 2022	Third
8 December 2022	Fourth

Below are the attendance details of the nomination and remuneration committee members:

Attendance	Name
100%	Dr. Ali Saeed Bin Harmel Al Dhaheri
100%	Mr. Abdullah Saeed Al Ghafli
75%	Mr. Ahmed Ali Khalfan Al Dhaheri

7. Insider Supervisory Committee

A. Insider Committee Chairman acknowledgement of his responsibilities

Mr. Rizwan Qureshi acknowledges reviewing the committee's duties and ensuring its effectiveness and fulfillment of its obligations.

B. Insider Committee members, roles, and responsibilities

Name	Position in the committee
Mr. Rizwan Qureshi	Chairman
Mr. Haitham Hariri	Vice Chairman
Ms. Rand Sarmed	Member and Committee Secretary

C. Insider Committee meetings held in 2022

Four (4) meetings were held by the Insider committee in 2022 summarized as follows:

Meeting	Date
First	4 January 2022
Second	18 April 2022
Third	2 July 2022
Fourth	19 October 2022

D. Summary of Insider Committee work report during 2022

- Making recommendations to the Board of Directors in regards the implementation of the Corporation policies and procedures for the Board members and employees' transactions in the Corporation's shares.
- Prepare a special and comprehensive register for all insiders.
- Manage, monitor and supervise the transactions of insiders as well as reviewing the disclosures and transactions request.
- Ensure to comply with the disclosures and transparency regulations.
- Reporting to the financial markets of the insiders list and their trades.

8. Investment and Risk Committee

A. Investment and Risk Committee Chairman acknowledgement of his responsibilities

Mr. Dhafer Al-Ahbabi acknowledges his responsibility for reviewing the committee's duties and ensuring its effectiveness and fulfillment of its obligations.

B. Investment and Risk Committee members, roles, and responsibilities

Position in the committee	Category in BOD	Name
Chairman	Independent non-executive	Mr. Dhafer Al-Ahbabi
Member	Independent non-executive	HE Hamad Rashid Al Nuaimi
Member	Executive	Mr. Mohammad Al Mortada Al Dandashi

The investment and risk committee oversee the investment initiatives and related risks, the Corporation's investment portfolio management, the investment strategy and performance, in addition to compliance to investment related laws and regulations.

C. Investment and Risk Committee meetings held in 2022

Four (4) meetings were held by the investment and risk committee in 2022 summarized as follows:

Meeting	Date
First	21 February 2022
Second	11 October 2022
Third	7 November 2022
Fourth	8 December 2022

Below are the attendance details of the investment and risk committee members:

Name	Attendance
Mr. Dhafer Al Ahbabi	100%
HE Hamad Rashid Al Nuaimi	0%
Mr. Mohammad Al Mortada Al Dandashi	100%

9. Internal Control Framework

A. Board of Directors acknowledgement of his responsibilities

Board of Directors bears the responsibility of the internal control framework and oversees its implementation and effectiveness through the audit committee.

B. Head of Internal Control - Risk and Compliance brief

Mr. Rizwan Qureshi joined the Company in March 2021 as Head of Risk and Compliance and holds the following qualifications:

- Bachelor's degree in electrical and electronic engineering from King's College, London
- Master's degree in satellite communications from University College, London
- CA certification from the Institute of Chartered Accountants in England and Wales
- CISI certifications from the Chartered Institute for Securities & Investment.

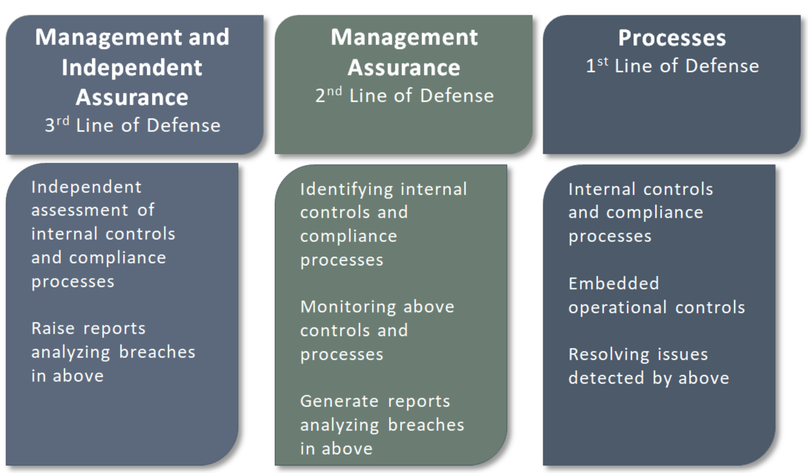
C. Head of Internal Audit brief

Mr. Haitham El Hariri joined the Company in January 2021 as Head of Internal Audit and holds the following qualifications:

- Bachelor's degree in accounting from the Cairo University
- CPA certification from the American Institute of Public Accountants
- CIA certification from the Institute of Internal Auditors
- CISI certifications from the Chartered Institute for Securities & Investment.

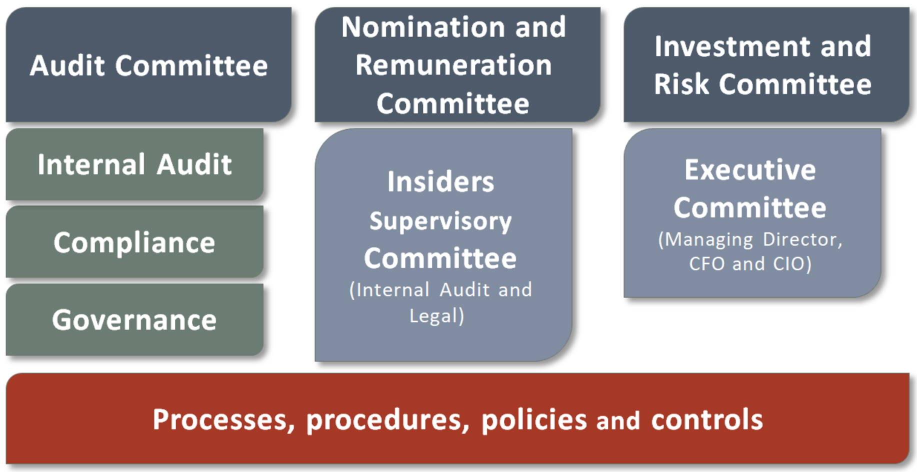
D. How Internal Control Department dealt with major problems

The Corporation has adopted the "three lines of defense" principle in relation to corporate governance and risk management:



D. How Internal Control Department dealt with major problems

The below diagram illustrates how the above was implemented in the Corporation:



The Audit Committee oversees the audit process, the internal control system and the compliance with laws and regulations through technical supervision of the internal audit department, and reviewing the results of the internal audit reports, evaluating the adequacy of the internal control systems applied within the company and ensuring the company's compliance with laws, policies, regulations and instructions.

E. Number of reports issued by the Internal Audit Department

The Internal Audit submitted twelve reports to the Board of Directors during 2022.

10. Violations committed during 2022

During 2022, Al Ramz Corporation Investment and Development PJSC and a subsidiary of Al Ramz Corporation Investment and Development PJSC were fined for matters pertaining to 2020 and earlier.

In addition, during 2022 Al Ramz Corporation Investment and Development PJSC was fined for a general matter.

11. Corporate Social Responsibility and Environmental Protection

Upon return to the office, we have focused our efforts on preserving paper. This was done by implementing a central printer that requires employee ID for access. The amount of paper printed is also tracked per session.

As for corporate social responsibility, we have not yet begun this process.

12. General Information

A. The Corporation shares' end of month prices in 2022

Period	Lowest price	Highest price	Closing price	Traded volume (No. of shares)	Percentage change
Jan 2022	1.06	1.30	1.11	181,000	5%
Feb 2022	0.92	1.08	1.04	460,566	13%
Mar 2022	0.99	1.00	0.98	7,117,000	-1%
Apr 2022	0.99	1.05	1.01	7,183,089	2%
May 2022	1.05	1.14	1.10	7,918	5%
Jun 2022	1.12	1.12	1.12	3,028	0%
Jul 2022	1.10	1.12	1.12	0	2%
Aug 2022	1.10	1.12	1.11	350,910	1%
Sep 2022	1.10	1.09	1.08	13,651,806	-2%
Oct 2022	1.10	1.07	1.05	1,268,974	-4%
Nov 2022	1.10	1.12	1.05	39,950	-4%
Dec 2022	1.10	1.16	1.15	391,777	5%
Average				2,554,668	

This data is courtesy of Thomson Reuters EIKON

B. The Corporation shares' performance against the market index in 2022

This data is courtesy of Thomson Reuters EIKON

C. Shareholders dividends as of 31-Dec-22

Shareholder category	Individual	Corporate	Bank	Government	Total
Local	35.4189%	47.4678%	**0.1063%**	-	**82.9930%**
GCC	0.0029%	0.0673%		-	0.0702%
Arab world	1.6219%			-	1.6219%
Rest of the world	0.5565%	14.7566%		-	15.3131%
Total	37.6002%	62.2917%	0.1063%	-	100%

D. Shareholders owning 5% or more of the Corporation shares as of 31-Dec-22

Name	Shares owned	Percentage of shares owned to the total share capital
H.H.SHEIKH NEHAYAN BIN ZAYED ALNEHAYAN	96,492,949	17.5469
MMD INVESTMENTS HOLDING LTD	81,000,000	14.7295
SUMMIT INVESTMENT HOLDINGS	80,898,912	14.7111
Finivesco Financial Investment	48,270,275	8.7778
Al Wathba National Insurance Company	42,629,685	7.7520
Mohammad Bin Ahmad Bin Saeed Alqassimi	36,459,161	6.6300

E. Shareholders according to shares owned as of 31-Dec-22

Ownership (Share)	No of shareholders	Shares owned	Percentage of shares owned to the total share capital
Less than 50,000	125	1,541,370	0.2785
From 50,000 to 500,000	31	4,346,218	0.7905
From 500,000 to 5 million	15	25,534,680	4.6433
More than 5 million	16	518,493,590	94.2859
	187	**549,915,858**	**100%**

F. Process related to the investor relations

Mr. Anas Salameh has been appointed as the Investor Relations Officer on 12 December 2021 and can be contacted via the following methods. The Investor Relations Website is currently under development and shall be announced upon completion.

- Email: IR@ALRAMZ.AE
- Landline: 02-6118855
- Fax: 02-6262444

G. Special resolutions submitted to the 2022 General Meeting

- Approve to change the company's trade name to "Al Ramz Holdings PJSC" and its activities in accordance with the laws and regulations within a period not exceeding one year from the date of obtaining the approval of the Securities and Commodities Authority on the proposed legal structure.
- Approve to amend certain articles of the company's article of association in accordance with Decree No 32 of 2021 of the commercial companies law.
- Approve of the 2% allocation of the annual profits for Corporate Social Responsibility subject to the Securities and Commodities Authority's approval.
- Approve of renewing the issuance of non-convertible medium term debt program (the "Debt"), with a total value of AED 500 million, as per the terms of issuance.

H. Board Secretary

NAME	SERVICE	QUALIFICATIONS
Dr. Fady Kayyal	From 21 January 2019 till end of July 2022	▪ Bachelor's degree in law. ▪ Master's in finance. ▪ PhD in business administration
Mr. Haitham El Hariri	From 1 August 2022 – Acting Board Secretary	▪ Bachelor's degree in accounting from the Cairo University ▪ CPA certification from the American Institute of Certified Public Accountants ▪ CIA certification from the Institute of Internal Auditors ▪ CISI certifications from the Chartered Institute for Securities & Investment. ▪ COSO internal framework certificate

Statement of the Board secretary duties during the year:

A. Contacting all members to make sure they attend the meeting either in person or through this mechanism.
B. Prepare meeting agenda, taking in consideration the followings:
   1. Specifying the date of invitation to all members of the Board of Directors to the meeting, the method of summoning, the place of meeting, and the start and end time of the meeting.
   2. Confirming the attendance of the present members.
   3. Confirming the delegation for the absent member, in case of delegation by one of the Board of Directors members to another member.
   4. Recording the absent members and justifications for non-attendance, "if any."

I. Key events during 2022

1. On 7 April 2022, Al Ramz Capital LLC was appointed as a liquidity provider to RAK Ceramic PJSC.
2. On 20 April 2022, Al Ramz AGM approved distributing cash dividends of 4 fils for the second half of 2021.
3. On 15 June 2022, Al Ramz announced the conclusion of acquisition of outstanding shares of Liwa College of Technology by NEMA holding, where Al Ramz acted as the lead financial advisor of the transaction.
4. On 16 September 2022, Al Ramz Capital LLC was appointed as a liquidity provider to Waha Capital PJSC.
5. On 28 September 2022, Muscat Stock Exchange (“MSX”) teamed up with Al Ramz Corporation Investment and Development PJSC (“Al Ramz”) and the Oman based Ubhar Capital SAOC (“U Capital”) to formulate capital markets initiatives in the Sultanate of Oman.
6. On 17 November 2022, Al Ramz announced a strategic partnership with Dubai Islamic Bank where DIB will provide brokerage service to its client through Al Ramz Capital.
7. On 12 December 2022, Al Ramz sold treasury shares representing 9.42% of issued shares and realised in the process profit per outstanding share of 4 fils.

J. A statement of deals that the company made with related parties during the year 2022, which are equal to 5% or more of the company's capital

There are no deals with related parties during the year 2022 equal to 5% or more of the company's capital.

K. Emiratization percentage as of end of 2022

	2022	2021	2020	2019	2018
Percentage	2.46%	1.22%	1.22%	1.28%	0%

L. Creative and leading projects initiated by the Corporation

- The Company is currently in the testing phase of its new platform that will offer a copy trading feature where a trader (signal provider) shares real-time trades with other traders (users). This will offer inexperienced investors the opportunity to invest in the stock markets by copying trades of successful traders, thereby potentially reducing the risks to the inexperienced investor of investing in the stock market. The new system will also offer access to multiple markets using the single cash account concept in UAE dirham.
- Al Ramz has collaborated with NAFIS with the purpose of attracting fresh UAE national graduates to join Al Ramz and successfully onboarded 3 UAE nationals to date.
- The partnership with American University of Sharjah proved to be a very successful initiative that has resulted in onboarding Fresh graduates in 2022 in different departments.
- Al Ramz is actively working with DFM and ADX to automate the onboarding process of customers using state of the art technology.
- Al Ramz launched several internally developed robot with the aim of optimizing internal processes.

Sign offs

Signature of the Board Chairman	Signature of Audit Committee Chairman	Signature of Nomination and Remuneration Committee Chairman	Signature of Internal Control Department Director
Date: 28-FEB-23	Date: 28-FEB-23	Date: 28-FEB-23	Date: 28-FEB-23

CORPORATE

SUSTAINABILITY REPORT

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01 A NOTE FROM OUR CHAIRMAN

I am delighted to present Al Ramz's Sustainability Report, which highlights our ongoing endeavors to promote sustainability across all facets of our operations, including our business practices, employees, and the environment. As a leading financial institution in the region with a global perspective, our board members and executive management are cognizant of their responsibility to spearhead such initiatives and foster transparency with our stakeholders.

Throughout our journey, Al Ramz has remained steadfast in its commitment to instilling a culture of compliance, ethical conduct, and systematic enterprise risk management. We believe that this commitment has contributed to our efforts to establish effective corporate governance, promote workplace diversity, equity, and inclusion, as well as safeguard the environment for future generations.

We are dedicated to further integrating sustainability into our business strategy, and our efforts will continue to expand in the years to come. We will keep a close eye on our progress in this area and support all initiatives that help establish a sustainable organization in all aspects.

Thank you for taking the time to review our 2021 Sustainability Report. It is an honor to lead Al Ramz's endeavors to create better workplaces and communities for our employees and society at large. I am excited to share the company's progress in future reports.

Sincerely,

Mr. Dhafer Sahmi Al Ahbabi
Chairman of Board of Directors

02 AL RAMZ AT A GLANCE

founded in

Al Ramz is a UAE domiciled public joint stock company listed on the Dubai Financial Market and regulated by the UAE Securities and Commodities Authority as well as the Dubai Financial Services Authority.

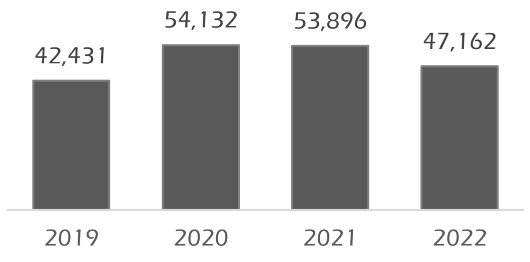
Al Ramz plays a prominent role in shaping the UAE's financial markets and has earned multiple awards and accolades including the 2018 Banker Middle East Best Broker – Middle East as well as the 2018 Banker Middle East Best Market Maker – Middle East and Best Securities Brokerage in 2020 by Global Banking and Finance in addition to multiple awards from ADX, DFM & Nasdaq Dubai.

REVERSE
AQUISITION

2016 YEAR

CUSTOMER
BASE

47.2K
CUSTOMERS

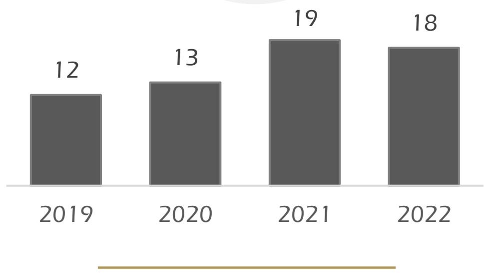


MULTIPLE PEER
AQUISITIONS

2010, 2019, 2022 YEAR

CUSTOMER
ASSETS

AED
18 BN



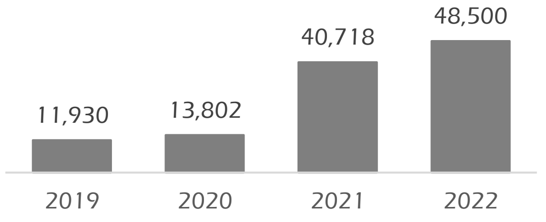
DERIVATIVES
MARKET MAKER

Nasdaq Dubai

2016 YEAR

CAPITAL
MARKETS

48.5BN
FLOWS



AL RAMZ **OFFERING**

Al Ramz offers a wide range of financial products including asset management, market making and liquidity providing, corporate finance, securities brokerage, IPO management and research. The company continues to grow its ofering with the purpose of providing all investment banking services to our current and future clients.

A BRIEF OVERVIEW OF AL RAMZ BUSINESS LINES AND REVENUE CONTRIBUTION

PRIME **BROKERAGE**

- Reaching 47K customer accounts
- Market share of ~5% in the UAE
- Equities, fixed income and derivatives

SINCE 2001

CORPORATE **FINANCE**

Leader in mergers, acquisitions, valuations, restructuring, public and private offerings and underwriting

SINCE 2010

COLLATERALIZED **MARGINS**

- A leading margin provider in the UAE by value
- Asset-based financing

SINCE 2012

MARKET **MAKING**

- A leading UAE market maker and liquidity provider
- Nasdaq derivates

SINCE 2016

ASSET & FUND **MANAGEMENT**

- Managed assets of AED 0.5 bn
- UAE's sole Dirham based Money Market Fund

SINCE 2016

PROPRIETARY **PORTFOLIO**

- Non-trading portfolio
- Strategic holdings promoting revenue growth of business lines within Al Ramz

OUR **MISSION, VISION & VALUES**

Our clients' successes and the firm's growth and recognition are fundamentally attributable to the quality of our people — their intellect, their drive, and their vision.

VISION

To consistently set standards as a progressive, financially successful organization of the highest integrity, respected by our clients, by our colleagues and by the community.

MISSION

To contribute to national growth by creating and unlocking stakeholder value and building long lasting partnerships with our customers by:

- Cutting through complexities paving the way for responsible investing
- Offering uncompromising service to our clients
- Creating a positive economic impact in our community

Value Creation
We create and unlock value for our customers and stakeholders.

Collaboration
We work together to bring out the best in each other and create successful working relationships.

Integrity
We uphold the highest standards and rigorously maintain our independence.

Ingenuity
We are creative, resourceful and perceptive in our duties.

VALUES

03 OUR APPROACH TO **ESG**

Since 2019, Al Ramz has embarked on a three-year transformation journey that will enable it to stand out, offer services in the region, develop sustainable growth, and create a distinctive identity. As part of this transformation, we have identified three main areas to focus on to ensure Al Ramz continues and remains sustainable over the years.

These main areas include:

SOCIAL:
OUR PEOPLE

GOVERNANCE AND
RISK MANAGEMENT

THE
ENVIRONMENT

WE BELIEVE that thoughtful and consistent attention to our ESG responsibilities is integral to our operations, our long-term success, and our stakeholder relationships (our employees, clients, stockholders, regulators, and communities).

Evolving identification of ESG responsibilities most applicable to our business through aggregation of findings from ESG diagnostics and stakeholder assessments:

1. — Our Approach to Human Capital Management
2. — Employee Recruitment
   - A | Talent Acquisition
   - B | Employee Empowerment (Learning and Development)
3. — Shaping Our Future with Diversity, Equity, and Inclusion
   - A | Emiratization
4. — Recognition
5. — Governance and Risk Management
6. — Environmental Action

04 OUR APPROACH TO **HUMAN CAPITAL MANAGEMENT**

HUMAN CAPITAL is the foundation of our success.

Our Human Capital department steadily grew in 2022 to adapt to the growing demands of the business as the company entered a new trajectory. The department has paramount influence on all other departments. It plays a vital role in recruitment, learning and development, performance management, compensation and benefits, career progression and mentorship, employee engagement and recognition among other key facets.

The department has a comprehensive onboarding process that aims to provide new joiners with the necessary information, tools, and support to thrive in their role as they transition into the company. We continue to invest in our employees through sponsorship of professional certifications, training on broad areas, and development with the aim of building future leaders.

All activities implemented in 2022 by HC department, were aligned to the new UAE Labour law, company policies, procedures, manuals and the Code of ethics and business conduct.

The right education, previous experience, behaviour, and ethics are the main qualities we assess prior to recruiting any resource.

EMPLOYEE RECRUITMENT

Our core value proposition is that we build leaders by attracting and retaining employees who are experienced, qualified, culturally fit and take the responsibility for being accountable to our values and contribute to business performance and achievement of results. To accomplish this, we have a structured recruitment and selection process that gives an equal opportunity to everyone in their diversity and enables us to spot the right talent on the market as we build, maintain and improve our competitive edge. Our sources of talent in 2022 was varied from LinkedIn, recruitment agencies, career fair exhibitions, university linkages, internal referrals and random applications which gave us a wide choice of selection.

For the fourth year in a row, we implemented a successful Trainee Development program in which we were able to attract talent and develop their skills to become financial professionals. The program included an induction training, a 5-month rotation program in critical departments to receive hands-on training and mentorship as well as supporting their professional certification. Upon completing the rotation and based on an evaluation of their performance, the company and the graduate reach a mutual agreement on which department is best to invest their talent and pursue their career. Al Ramz also invests in professionals with experience from diverse financial institutions, the big 4's, to share their knowledge and skills which in turn strengthens our team dynamics and improves our work efficiency.

At Al Ramz, we view varied levels of talent acquisition and upgrade with international experience as critically strategic to our business. While our hiring process places an emphasis on technical abilities, we place an equal emphasis on ensuring that candidates are a good cultural fit.

EMPLOYEE EMPOWERMENT
(LEARNING AND DEVELOPMENT)

In 2022, our prime focus was to manage the upskilling and development of personnel in a way that supports our business priorities. One of which is to ensure all employees are professionally certified and accredited to serve in the role they are placed to act as well as receive continuous professional development. An achievement to this effect was a 100% completion rate of CPD hours by employees mandated by the regulator, 100% completion of mandatory annual training on anti-money laundering and completion of CISI exam requirements by 35 employees, of which 2 of them got accredited by SCA and the markets.

Another area of focus was shaping the career progression of employees through departmental rotations and internal mobility as well as mentorship and coaching programs to drive towards transformational leadership who are well equipped. Our vision for transformation leadership is to inspire workers to embrace growth and change by fostering a company culture of accountability, ownership and workplace autonomy. We believe that building an environment with a growth mindset is essential to enable individuals to consistently grow, develop, and support teams to keep improving and innovate.

SHAPING OUR FUTURE WITH

DIVERSITY, EQUITY, AND INCLUSION

Al Ramz recognizes the importance of diversity and inclusivity and is committed to fostering an inclusive environment. We make this commitment because we know there is strength and unity in diversity. This allows us to better serve our clients and help our employees feel at home.

Al Ramz regularly reviews workforce composition and imposes diversity quotas to ensure equity and inclusion. By conducting some analysis on the current workforce and their background, we have been implementing a strategy that helps improve our diversity as well as making use of a new HRMS to assist us in monitoring and tracking our progress thus far.

Our female work force increased to 33% in 2022 compared to 31% in 2021 as gender equity and equal pay are some of our top priorities.

As of Dec 31st, 2022, our analysis indicated that Al Ramz has achieved more diverse workforce in 2022, with 22 different nationalities, of which 3 of them were new nationalities. We are monitoring this and will continue our efforts to achiever further diversity in 2023.

With these efforts, we will continue to proactively diversify our talent roster and expand our inclusion efforts that will drive our long-term success and improve employee retention.

EMIRATIZATION

In line with the UAE government's initiative to empower and develop UAE nationals, Al Ramz developed an Emiratization program to attract, develop, and retain UAE nationals. To date there are 3 UAE nationals in the company being upskilled to become leaders in the financial services sector.

RECOGNITION

Our employees' performance objectives are aligned with the Group's strategy and business plan. We have a structured and robust performance appraisal process that measures our employees' performance based on their contribution to the achievement of goals and against behavioral expectations. At the beginning of the year, all employees' score cards are developed outlining key performance indicators that will be assessed at the end of the year and the weight that each component carries. This allows employees to keep track of their targets and remedy where needed. This performance assessment process allows us to identify the potential of our employees and recognize outstanding individuals that deserve to be rewarded through promotions, salary increments and variable remuneration/incentive schemes. The company successfully completed a compensation benchmarking exercise to benchmark its current pay levels against a select group of peer firms and assess the gap to market on actual annual payouts across Revenue and Infrastructure departments. The results thereof will inform its reward strategy of 2023 onward based on best market practices.

A policy for spot awards has been established and granted to employees providing immediate recognition for exceptional effort through small monetary rewards.

HEALTH & WELL-BEING

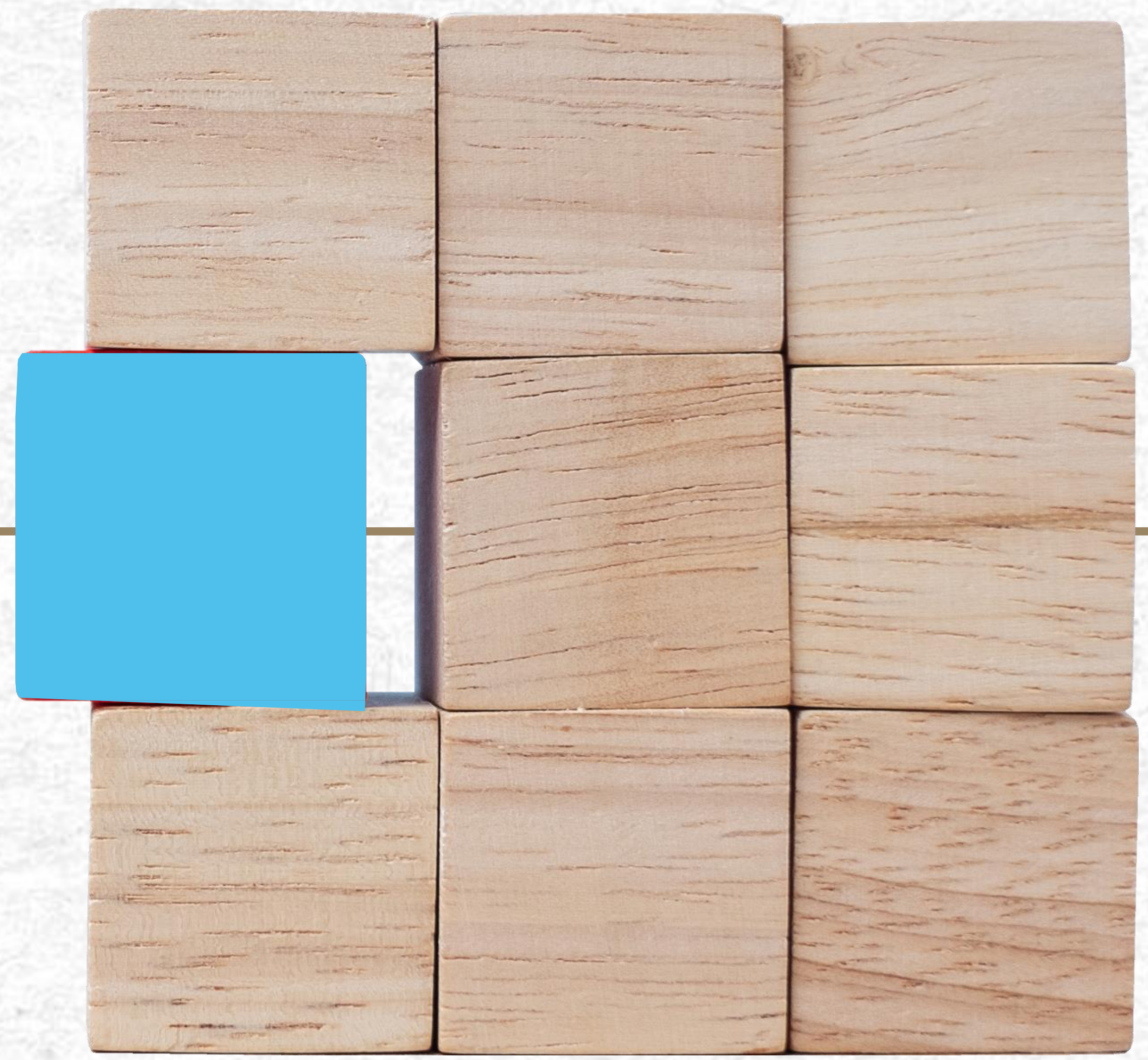
At Al Ramz, we prioritize our employees' health and well-being which is why we offer a variety of benefits aside from vacation days.

Some of these benefits include medical-and life insurance benefits, work from home policies, sick leave parental leaves, and compassionate leave in unfortunate incidences . We also provide our employees with study leaves and sabbatical leaves to allow them to pursue accreditation and higher education.

05 GOVERNANCE AND RISK MANAGEMENT

Our success remains dependent on Al Ramz employees consistently working to advance our mission.

These efforts are enhanced by our organizational structures, risk management strategies, and consistent dialogue across our teams and with our senior leadership.



COMMITMENT TO
GOOD GOVERNANCE

Strong commitment to uploading the principles of good corporate governance including transparence, accountability, responsibility, independence, and fairness throughout our business is paramount for the delivery of sustainable value for our stakeholders and the achievement of long-term growth.

Al Ramz corporate governance framework is comprised of policies, procedures, and systems that standardize all activities. This framework establishes clear and distinct separation of responsibilities for decision making. The framework is underpinned by our code of ethics and professional conduct and overseen by management and board oversight committees as well as a clearly defined escalation framework.

Management Committees

- EXCO
- Initiatives
- Investment
- ALCO
- Risk
- Fund management
- Procurement
- Insider
- IT SteerCo
- Asset management

Our Corporate Governance Framework **includes the following components**

Group Board

- Audit Committee
- Nomination and Renumeration Committee
- Investment and Risk Committee

PROFESSIONAL **INTEGRITY AND BUSINESS ETHICS**

Our Code of Ethics and Business Conduct is the essential guide for all employees. It details our expectations for employee behavior, conduct, and compliance and is supplemented with specific policies for certain lines of business. Annually, we conduct compliance training and certification programs to ensure that all our employees are familiar with the policies and procedures.

1. **Our reputation depends on** the judgement and integrity of our officers, directors, and employees to act in accordance with our principles.

2. **All employees are encouraged** to raise concerns of actual or perceived unethical behaviour or misconduct to a senior officer or supervisor, legal division, chief corporate governance or compliance officer, internal auditor, and/or head of Human Capital.

3. **We value utmost discretion and confidentiality** through our whistleblowing policy, anonymous hotline available online or by phone 24/7 from anywhere in the world for confidential issue reporting.

4. **Our Legal, Compliance and Human Capital departments' senior management** oversee our global compliance, ethics, and risk management strategies, and our board's Audit Committee reviews on a quarterly and annually basis our compliance and whistleblower activities.

AL RAMZ' CORE POLICIES

		RESTRICTED LIST/ INSIDER TRADING
PERSONAL / PRIVATE INVESTMENTS	ANTI-MONEY LAUNDERING	OUTSIDE BUSINESS ACTIVITIES
CLIENT DUE DILIGENCE AND BACKGROUND CHECKS	GIFTS AND ENTERTAINMENT	COMPLIANCE MANUAL
CONFLICTS OF INTEREST	CODE OF ETHICS AND OF CONDUCT	DATA PRIVACY / CONFIDENTIALITY / CYBERSECURITY
COMMUNICATIONS AND PUBLIC / SOCIAL MEDIA	ARCHIVING POLICIES AND PROCEDURES	ESCALATION PROCESS

OPERATIONAL **FRAMEWORK**

Al Ramz employs the 3 Lines of Defense model. Within this model, the Board sets the direction of the group by defining the vision, mission, values, and risk appetite. It then delegates responsibility for the achievement of the organization's objectives to management. The governing body receives reports from management on planned, actual, and expected outcomes, as well as reports on risk and the management of risk.

Senior Management		Governing Body/ Board/ Audit Committee
1ST LINE OF DEFENSE	**2ND LINE OF DEFENSE**	**3RD LINE OF DEFENSE**
BUSINESS LINES INTERNAL CONTROL MEASURES	FINANCIAL CONTROL LEGAL RISK MANAGEMENT INFORMATION TECHNOLOGY COMPLIANCE	INTERNAL AUDIT
Business lines (process owners) have the primary responsibility to own and manage risks associated with day-to-day operational activities including design, operation, and implementation of controls.	Identifies emerging risks in daily operation of the business by providing compliance and oversight in the form of frameworks, policies, tools, and techniques to support risk and compliance management such as delegation of authority and risk registers.	Provides objective and independent assurance on whether the first-line and second-line functions are operating effectively and is charged with the duty of reporting to the board and audit committee, in addition to providing assurance to regulators and external auditors that the control culture across the organization is effective in its design and operation.

External Audit

Regulator

POLICIES **AND PROCEDURES**

Our reputation depends on the judgement and integrity of our officers, directors, and employees to act in accordance with our principles.

The Code of Ethics and Business Conduct outlines the responsibility of each employee including compliance requirements, and to conduct themselves in accordance with the relevant laws, guidelines, policies and processes that apply to them.

The company, in turn, provides employees with necessary training and imposes certification requirements to ensure regulatory compliance.

To ensure that we are continuously informed of the latest regulations and industry standards, our employees are required to participate in targeted and tailored training programs that includes, but is not limited to, developments in the finance industry and internal ideal practices for continued compliant growth. we have also established Ethics & Business conduct board which duties includes:

- Overseeing the implementation of the Code
- Providing regular training and educational materials to the employees
- Reporting any violations to the concerned management

A set of guiding principles and rules that indicate how we conduct business

Group Delegation of Authority Framework

Defines and governs the Group's delegations of authority across subsidiaries and department financial and non-financial matters, powers of attorney and authorized signatories

Governance Monitoring/Audit

Monitors whether employees are compliant with internal and external rules, regulations, policies and procedures

Our Code of Ethics & Business Conduct was officially launched in 2020 to be fully aligned with our new purpose and cultural values

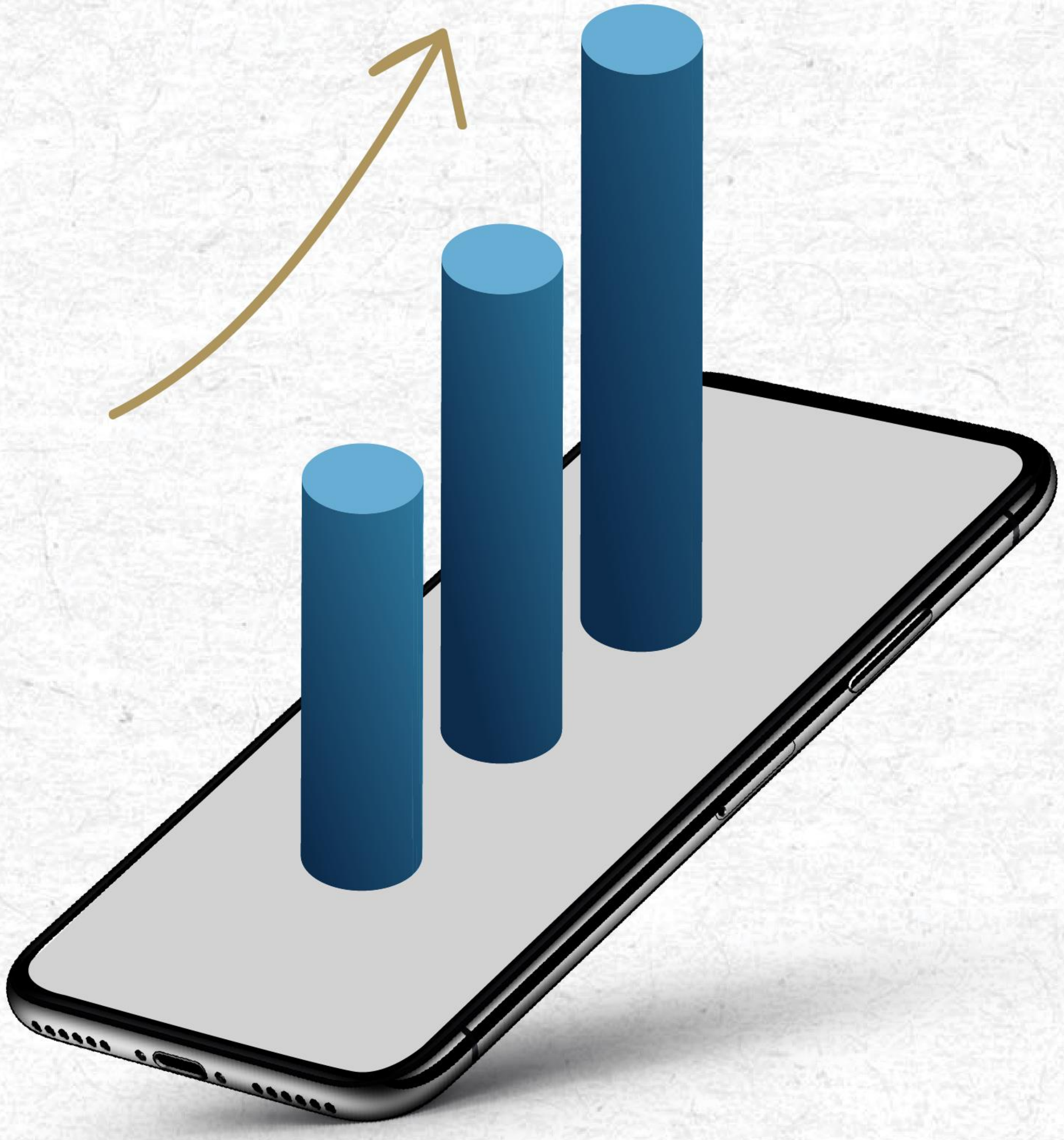
06 | ENVIRONMENTAL ACTION

DIGITALIZATION AND **TRANSFORMATION**

Al Ramz' digitalization and automation journey has significantly reduced manual work as well as human error which allowed our employees to focus on analytical activities.

The Group strategy for the securities brokerage services was initiated over 2 years go and is set to be officially launched during 2023 which will provide expanded reach and offering whilst improving customer journeys.

Robo & Algo desk has launched 10 robots during 2022 that resulted in automating repetitive tasks, thus saving the expensive cost of human workforce, reducing the chances for potential losses & generating profits. The desk intends to launch many more robots in 2023.



PROTECTING OUR PLANET

The year 2021 was the year we initiated our plan to reduce our carbon imprint on the world. With yet many more initiatives to be launched in 2023 after the general assembly approval during 2022 to dedicate 2% of profits for CSR initiatives.

Al Ramz continue to take on paperless meetings initiative, where all meeting materials starting from the Board level, are securely distributed digitally or presented digitally in both, virtual and in-person settings.

Centralized, monitored printers were installed, and our business support division receive regular reports of printed material to keep track of usage levels and identify areas that could be improved.

We continue to document our impact on the world and construct plans to enhance many angles of operation in order to reduce our carbon footprint as much as possible.

The introduction of work from home initiatives where team members are allowed to work from home for a certain period a year contributes to our efforts.

The approved budget of CSR will be utilized for several initiatives during 2023.

DISCLAIMER

Al Ramz Corporation Investment and Development PJSC and its subsidiaries (collectively referred to as the “Company”) are delighted to issue the 2022 sustainability report (the “Report”), to report progress for the year.
The Report is in accordance with securities and commodities authority (the “SCA”) requirements.
The Report provided has been prepared without taking account of your objectives, financial situation or needs. You should, therefore, before acting upon the Report, consider the appropriateness of the Report having regards to these matters and, if appropriate, seek professional financial and investment advice.

The Report, including but not limited to forward-looking statements, applies only as of the date of this sustainability report, and is not intended to give any assurances as to future results.

The Report has been obtained from sources the Company believes to be reliable. However, the Company does not warrant the accuracy, completeness or currency of, and will not be liable for any inaccuracies, omissions or errors in, of if or any loss or damage (including any consequential loss) arising from reliance on the information in this Report.

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