

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

Condensed consolidated interim financial statements

30 September 2021

**Principal business address:**

P.O. Box 32000  
Abu Dhabi  
United Arab Emirates

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

## **Condensed consolidated interim financial statements**

| <i>Contents</i>  | <i>Page</i> |
|--|-------------|
| Independent auditor's review conclusion                          | 1           |
| Condensed consolidated interim statement of comprehensive income | 2           |
| Condensed consolidated interim statement of financial position   | 3           |
| Condensed consolidated interim statement of changes in equity    | 4           |
| Condensed consolidated interim statement of cash flows           | 5           |
| Notes to the condensed consolidated interim financial statements | 6-15        |



Ernst & Young Middle East  
(Abu Dhabi Branch)  
P.O. Box 136  
27<sup>th</sup> 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

## **REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AL RAMZ CORPORATION INVESTMENT AND DEVELOPMENT P.J.S.C**

### *Introduction*


We have reviewed the accompanying condensed consolidated interim financial statements of Al Ramz Corporation Investment and Development P.J.S.C (the "Company") and its subsidiaries (together the "Group") as at 30 September 2021, comprising of the condensed consolidated interim statement of financial position as at 30 September 2021 and the related condensed consolidated interim statement of comprehensive income for the three month and nine-month period ended 30 September 2021 and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended and explanatory information. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of the Group are not prepared, in all material respects, in accordance with IAS 34.



Signed by  
Raed Ahmad  
Partner  
Ernst & Young  
Registration No 811

8 November 2021  
Abu Dhabi

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

## Condensed consolidated interim statement of comprehensive income

For the nine-month period ended 30 September (Unaudited)

|  | Note | For the three months ended 30<br>September |                 | For the nine months<br>ended 30 September |                 |
|--|------|--|-----------------|---|-----------------|
|  |      | 2021<br>AED'000                            | 2020<br>AED'000 | 2021<br>AED'000                           | 2020<br>AED'000 |
| <b>Net commission income</b>                             |      | <b>8,944</b>                               | 4,457           | <b>26,506</b>                             | 9,940           |
| Finance income from margin receivables                   |      | <b>5,954</b>                               | 7,613           | <b>17,223</b>                             | 23,110          |
| Finance income from deposits                             |      | <b>761</b>                                 | 1,711           | <b>2,460</b>                              | 3,676           |
| Finance cost   |      | <b>(893)</b>                               | (1,626)         | <b>(3,534)</b>                            | (4,712)         |
| <b>Net finance income</b>                                |      | <b>5,822</b>                               | 7,698           | <b>16,149</b>                             | 22,074          |
| Corporate finance, advisory and other income             |      | <b>9,221</b>                               | 8,052           | <b>27,536</b>                             | 15,113          |
| Investment (loss)/gain, net                              | 4    | <b>(920)</b>                               | 10,888          | <b>3,873</b>                              | (42,790)        |
| General and administrative expenses                      | 5    | <b>(15,512)</b>                            | (10,660)        | <b>(46,493)</b>                           | (30,941)        |
| <b>Profit/(loss) for the period</b>                      |      | <b>7,555</b>                               | 20,435          | <b>27,571</b>                             | (26,604)        |
| Other comprehensive income                               |      | -  | -               | -   | -               |
| <b>Total comprehensive income/(loss) for the period</b>  |      | <b>7,555</b>                               | 20,435          | <b>27,571</b>                             | (26,604)        |
| <b>Basic and diluted earnings/(loss) per share (AED)</b> | 16   | <b>0.014</b>                               | 0.037           | <b>0.050</b>                              | (0.048)         |

The notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

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

## Condensed consolidated interim statement of financial position

As at 30 September 2021

|  |    | Unaudited<br>30 September<br>2021<br>AED'000 | Audited<br>31 December<br>2020<br>AED'000 |
|--|----|--|---|
| <b>Assets</b>                                    |    |  |   |
| <b>Non-current assets</b>                        |    |  |   |
| Property and equipment                           |    | 27,644                                       | 26,129                                    |
| Goodwill   |    | 24,570                                       | 24,570                                    |
| Investment property                              |    | -  | 1,000                                     |
| Right of use asset                               |    | 1,221  | 1,344                                     |
|  |    | <u>53,435</u>                                | <u>53,043</u>                             |
| <b>Current assets</b>                            |    |  |   |
| Margin and trade receivables                     | 6  | 300,719                                      | 252,099                                   |
| Other assets                                     |    | 3,369  | 3,064                                     |
| Guarantee deposits                               |    | 14,750                                       | 14,750                                    |
| Due from securities markets                      |    | 5,148  | 632                                       |
| Investments at fair value through profit or loss | 8  | 185,616                                      | 179,079                                   |
| Bank balances and cash                           | 7  | 332,465                                      | 392,760                                   |
|  |    | <u>842,067</u>                               | <u>842,384</u>                            |
| <b>TOTAL ASSETS</b>                              |    | <u><b>895,502</b></u>                        | <u><b>895,427</b></u>                     |
| <b>Equity and liabilities</b>                    |    |  |   |
| <b>Equity</b>                                    |    |  |   |
| Share capital                                    | 9  | 549,916                                      | 549,916                                   |
| Acquisition reserve                              | 10 | (283,966)                                    | (283,966)                                 |
| Statutory reserve                                | 10 | 80,582                                       | 80,582                                    |
| Treasury stock                                   |    | (18,998)                                     | -   |
| Retained earnings                                |    | 137,247                                      | 120,336                                   |
| <b>Total equity</b>                              |    | <u>464,781</u>                               | <u>466,868</u>                            |
| <b>Non-current liabilities</b>                   |    |  |   |
| Employees' end of service benefits               | 11 | 4,534  | 4,803                                     |
| Lease liability                                  |    | 1,277  | 1,317                                     |
|  |    | <u>5,811</u>                                 | <u>6,120</u>                              |
| <b>Current liabilities</b>                       |    |  |   |
| Accounts payable and accruals                    | 12 | 241,583                                      | 205,968                                   |
| Due to securities markets                        |    | 1,361  | 26,700                                    |
| Short term borrowings                            | 13 | 181,966                                      | 189,771                                   |
|  |    | <u>424,910</u>                               | <u>422,439</u>                            |
| <b>Total liabilities</b>                         |    | <u>430,721</u>                               | <u>428,559</u>                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>              |    | <u><b>895,502</b></u>                        | <u><b>895,427</b></u>                     |

To the best of our knowledge, the condensed consolidated interim 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 18 form an integral part of these condensed consolidated interim financial statements.

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

### Condensed consolidated interim statement of changes in equity

For the nine-month period ended 30 September (Unaudited)

|   | Share capital<br>AED'000 | Treasury stock<br>AED'000 | Acquisition reserve<br>AED'000 | Statutory reserve<br>AED'000 | General reserve<br>AED'000 | Retained earnings<br>AED'000 | Total equity<br>AED'000 |
|---|--------------------------|---------------------------|--------------------------------|------------------------------|----------------------------|------------------------------|-------------------------|
| Balance at 1 January 2020 (Audited)       | 549,916                  | -                         | (283,966)                      | 61,057                       | 19,525                     | 131,207                      | 477,739                 |
| Total comprehensive loss for the period   | -                        | -                         | -                              | -                            | -                          | (26,604)                     | (26,604)                |
| Transfer to statutory reserve             | -                        | -                         | -                              | 19,525                       | (19,525)                   | -                            | -                       |
| Balance at 30 September 2020 (Unaudited)  | 549,916                  | -                         | (283,966)                      | 80,582                       | -                          | 104,603                      | 451,135                 |
| Balance at 1 January 2021 (Audited)       | 549,916                  | -                         | (283,966)                      | 80,582                       | -                          | 120,336                      | 466,868                 |
| Total comprehensive income for the period | -                        | -                         | -                              | -                            | -                          | 27,571                       | 27,571                  |
| Purchase of treasury stocks (note 9)      | -                        | (18,998)                  | -                              | -                            | -                          | -                            | (18,998)                |
| Dividend distributions (note 18)          | -                        | -                         | -                              | -                            | -                          | (10,660)                     | (10,660)                |
| Balance at 30 September 2021 (Unaudited)  | 549,916                  | (18,998)                  | (283,966)                      | 80,582                       | -                          | 137,247                      | 464,781                 |

The notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

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

## Condensed consolidated interim statement of cash flows

For the nine-month period ended 30 September (Unaudited)

|  | Note | 2021<br>AED'000 | 2020<br>AED'000  |
|--|------|-----------------|------------------|
| <b>Cash flows from operating activities</b>  |      |                 |                  |
| Profit/(loss) for the period   |      | 27,571          | (26,604)         |
| <i>Adjustments for:</i>  |      |                 |                  |
| Depreciation   | 5    | 2,941           | 2,593            |
| Provision for employees' end of service benefits                                     | 11   | 505             | 834              |
| Finance income   |      | (2,460)         | (3,676)          |
| Unrealized (gain) / loss on investments carried at fair value through profit or loss | 4    | (3,875)         | 33,671           |
| Bargain purchase gain  |      | -               | (3,858)          |
| Dividend income  | 4    | (30)            | (1,377)          |
| Provision for expected credit losses   | 6    | 2,329           | 1,374            |
| Gain on disposal of investment property  |      | (50)            | -                |
| Depreciation of right of use asset   |      | 123             | -                |
| Finance costs  |      | 4,902           | 7,007            |
|  |      | <u>31,956</u>   | <u>9,964</u>     |
| Changes in:  |      |                 |                  |
| Margin and trade receivables   |      | (50,949)        | 221,134          |
| Other assets   |      | (305)           | 1,325            |
| Guarantee deposits   |      | -               | 16,314           |
| Due from securities markets  |      | (4,516)         | (18,445)         |
| Due to securities markets  |      | (25,339)        | (1,984)          |
| Accounts payable and accruals  |      | 35,615          | 2,095            |
|  |      | <u>(13,538)</u> | <u>230,403</u>   |
| Cash (used in) / generated from operating activities                                 |      | (13,538)        | 230,403          |
| Employees' end of service benefits paid  | 11   | (774)           | (1,795)          |
| Finance costs paid   |      | (4,902)         | (7,007)          |
|  |      | <u>(19,214)</u> | <u>221,601</u>   |
| <b>Cash flows from investing activities</b>  |      |                 |                  |
| Purchase of property and equipment   |      | (4,456)         | (2,260)          |
| Proceeds from disposal of investment property  |      | 1,050           | -                |
| Purchase of investments carried at fair value through profit or loss                 | 8    | (111,556)       | (127,307)        |
| Proceed from sale of investments carried at fair value through profit or loss        | 8    | 108,894         | 60,315           |
| Acquisition of subsidiary, net of cash acquired                                      |      | -               | 10,260           |
| Interest income received   |      | 2,460           | 3,676            |
| Purchase of treasury stocks  |      | (18,998)        | -                |
| Dividend income received   |      | 30              | 1,377            |
| Changes in deposits with original maturity more than 3 months                        |      | 19,727          | (57,704)         |
|  |      | <u>(2,849)</u>  | <u>(111,643)</u> |
| <b>Cash flows from financing activities</b>  |      |                 |                  |
| Loan settlements   |      | (27,653)        | (123,258)        |
| Payment of lease liability   |      | (40)            | -                |
| Dividends paid   |      | (10,660)        | -                |
| Proceeds from borrowings   |      | 26,652          | -                |
|  |      | <u>(11,701)</u> | <u>(123,258)</u> |
| <b>Net decrease in cash and cash equivalents</b>                                     |      |                 |                  |
|  |      | <u>(33,764)</u> | <u>(13,300)</u>  |
| Cash and cash equivalents at the beginning of the period                             |      |                 |                  |
|  |      | <u>174,792</u>  | <u>28,775</u>    |
| <b>Cash and cash equivalents at the end of the period</b>                            |      |                 |                  |
|  | 7    | <u>141,028</u>  | <u>15,475</u>    |

The notes 1 to 18 form an integral part of these condensed consolidated interim financial statements.

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

## **Notes to the condensed consolidated interim financial statements**

*30 September 2021*

### **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. The Company 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, Abu Dhabi, United Arab Emirates.

These condensed consolidated interim financial statements were approved and authorised for issue by the Group’s Board of Directors on 8 November 2021.

### **2 Basis of preparation and changes to the Group’s accounting policies**

#### **2.1 *Basis of preparation***

The condensed consolidated interim financial statements for the nine months ended 30 September 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s consolidated financial position and performance since the last annual consolidated financial statements.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for investments at fair value through profit or loss and investment property which are measured at fair value at the reporting date.

#### **2.2 *New standards, interpretations and amendments adopted by the Group***

The accounting policies adopted in the preparation of the interim condensed 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 2020, except for the adoption of new standards effective as of 1 January 2021. 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 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.



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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 2 Basis of preparation and changes to the Group's accounting policies *(continued)*

#### 2.2 *New standards, interpretations and amendments adopted by the Group (continued)*

##### **Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

#### 2.3 *Use of judgements and estimates*

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

#### 2.4 *Basis of consolidation*

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries for the nine month period ended 30 September 2021.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 2 Basis of preparation and changes to the Group's accounting policies (continued)

#### 2.4 Basis of consolidation (continued)

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries listed below:

| <u>Name</u>         | <u>Country of incorporation</u> | <u>Percentage of holding</u> |                      | <u>Principal activities</u>  |
|---------------------|---------------------------------|------------------------------|----------------------|--|
|                     |                                 | <u>September 2021</u>        | <u>December 2020</u> |  |
| <b>Subsidiaries</b> |                                 |                              |                      |  |
| Al Ramz Capital LLC | UAE                             | 99%                          | 99%                  | Providing brokerage services including brokerage in selling and buying shares, margin trading and to perform all related transactions and activities |
| ARC Real Estate LLC | UAE                             | 99%                          | 99%                  | Buying and selling of real estate  |
| ARC Investment LLC  | UAE                             | 99%                          | 99%                  | Invest commercial, industrial, retail trade, educational, tourist, and agricultural enterprises  |
| ARC Properties LLC  | UAE                             | 99%                          | 99%                  | Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts                                |
| DIS Securities LLC  | UAE                             | 100%                         | 100%                 | Providing brokerage services including brokerage in selling and buying shares, margin trading and to perform all related transactions and activities |

These subsidiaries are considered as wholly owned by the Group as non-controlling interest is held for the beneficial interest of the Group. Accordingly, no non-controlling interest is accounted for in relation to these entities in these condensed consolidated interim financial statements.

Generally, the Group is operating in a single segment; the brokerage and money markets, in single geographic area; the United Arab Emirates.

### 3. Functional and presentation currency

These condensed consolidated interim financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Group and all values are rounded to the nearest thousand dirhams, except where otherwise indicated.

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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 4. Investment gain / (loss), net

|   | Three months<br>ended 30 September |                                | Nine months<br>ended 30 September |                                |
|---|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
|   | 2021<br>AED'000<br>(Unaudited)     | 2020<br>AED'000<br>(Unaudited) | 2021<br>AED'000<br>(Unaudited)    | 2020<br>AED'000<br>(Unaudited) |
| Unrealised gain/(loss) on investments<br>carried at fair value through profit or loss | (1,202)                            | 5,800                          | 3,875                             | (39,341)                       |
| Unrealized gain on derivative<br>financial instrument                                 | -                                  | 5,670                          | -                                 | 5,670                          |
| Realised gain/(loss) on investments<br>carried at fair value through profit or loss   | 769                                | 5                              | 1,451                             | (8,049)                        |
| Dividend income   | -                                  | -                              | 30                                | 1,377                          |
| Custody and service fees  | (34)                               | (38)                           | (115)                             | (152)                          |
| Finance cost  | (453)                              | (549)                          | (1,368)                           | (2,295)                        |
|   | <b>(920)</b>                       | <b>10,888</b>                  | <b>3,873</b>                      | <b>(42,790)</b>                |

### 5. General and administrative expenses

|                                      | Three months<br>ended 30 September |                                | Nine months<br>ended 30 September |                                |
|--------------------------------------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
|                                      | 2021<br>AED'000<br>(Unaudited)     | 2020<br>AED'000<br>(Unaudited) | 2021<br>AED'000<br>(Unaudited)    | 2020<br>AED'000<br>(Unaudited) |
| Staff costs                          | 11,071                             | 6,034                          | 34,772                            | 19,893                         |
| Subscription and membership          | 883                                | 1,080                          | 2,429                             | 2,645                          |
| Depreciation                         | 1,001                              | 865                            | 2,941                             | 2,593                          |
| Provision for expected credit losses | 1,245                              | 506                            | 2,329                             | 1,374                          |
| IT expenses                          | 319                                | 147                            | 944                               | 545                            |
| Advertisement and marketing          | 158                                | 153                            | 556                               | 493                            |
| Communication expense                | 135                                | 66                             | 355                               | 312                            |
| Legal expenses                       | 80                                 | 155                            | 279                               | 291                            |
| Rent expenses                        | 41                                 | 65                             | 159                               | 223                            |
| Other expenses                       | 579                                | 1,589                          | 1,729                             | 2,572                          |
|                                      | <b>15,512</b>                      | <b>10,660</b>                  | <b>46,493</b>                     | <b>30,941</b>                  |

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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 6. Margin and trade receivables

|  | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>AED'000 |
|--|--|---|
| Margin receivables, net                    | 291,149  | 245,351                                   |
| Trade receivables, net                     | 9,570  | 6,748                                     |
|  | <u>300,719</u>   | <u>252,099</u>                            |
| Margin receivables                         | 298,179  | 250,183                                   |
| Less: provision for expected credit losses | (7,030)  | (4,832)                                   |
| Margin receivables, net                    | <u>291,149</u>   | <u>245,351</u>                            |
| Trade receivables                          | 13,789   | 11,201                                    |
| Less: provision for expected credit losses | (4,219)  | (4,453)                                   |
| Trade receivables, net                     | <u>9,570</u>   | <u>6,748</u>                              |

Movement in provision for expected credit losses related to margin and trade receivables for the period / year:

|                                    | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>AED'000 |
|------------------------------------|--|---|
| Opening balance                    | 9,285  | 2,892                                     |
| Provided during the period / year  | 2,329  | 7,162                                     |
| Reversals during the period / year | (352)  | (769)                                     |
| Write-offs                         | (13)   | -   |
| Closing balance                    | <u>11,249</u>  | <u>9,285</u>                              |

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% (2020:125%). 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 2,157,207 thousand as at 30 September 2021 (31 December 2020: AED 1,010,335 thousand).

There are no significant changes to the overall commitments to extend margins during the period.

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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 7 Bank balances and cash

|                                     | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>AED'000 |
|-------------------------------------|--|---|
| Cash in hand                        | 63   | 62  |
| Current account balances with banks | 257,272  | 286,808                                   |
| Cash in money market fund           | 2,254  | 13,287                                    |
| Deposit account balances with banks | 72,876   | 92,603                                    |
|                                     | <u>332,465</u>   | <u>392,760</u>                            |

Bank balances are located within the UAE. Bank deposits carry interest at market rates. Bank balances include balances amounting to AED 62,500 thousand (31 December 2020: AED 33,006 thousand) held as security against bank overdrafts.

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

|   | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>AED'000 |
|---|--|---|
| Bank balance and cash                                     | 332,465  | 392,760                                   |
| Deposits with original maturity greater than three months | (72,876)   | (92,603)                                  |
| Bank overdrafts (note 13)                                 | (118,561)  | (125,365)                                 |
|   | <u>141,028</u>   | <u>174,792</u>                            |

### 8 Investments at fair value through profit and loss

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

|                                    | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>AED'000 |
|------------------------------------|--|---|
| At 1 January                       | 179,079  | 206,379                                   |
| Additions during the period / year | 111,556  | 164,409                                   |
| Disposals during the period / year | (108,894)  | (169,362)                                 |
| Unrealised gain / (loss) (note 4)  | 3,875  | (22,347)                                  |
|                                    | <u>185,616</u>   | <u>179,079</u>                            |

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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 9 Share capital

|   | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>AED'000 |
|---|--|---|
| <b>Authorised, issued and fully paid share capital:</b> |  |   |
| 549,915,858 shares of AED 1 each                        | <u>549,916</u>   | <u>549,916</u>                            |

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 the period, the Company purchased 30,125 thousand shares at average price of AED 0.63 per share, for a total consideration of AED 18,998 thousand.

### 10 Acquisition and statutory reserves

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.

### 11 Employees' end of service benefits

|                                    | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>AED'000 |
|------------------------------------|--|---|
| Beginning of the period / year     | 4,803  | 5,059                                     |
| Acquisition of a subsidiary        | -  | 1,622                                     |
| Charge for the period / year       | 505  | 1,161                                     |
| Paid during the period / year      | (774)  | (3,039)                                   |
| As at the end of the period / year | <u>4,534</u>   | <u>4,803</u>                              |

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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 12 Accounts payable and accruals

|                  | Unaudited<br>30 September<br>2021<br>AED'000 | Audited<br>31 December<br>2020<br>AED'000 |
|------------------|--|---|
| Trading payables | 227,083                                      | 197,305                                   |
| Accrued expenses | 10,339                                       | 4,381                                     |
| Other payables   | 4,161  | 4,282                                     |
|                  | <u>241,583</u>                               | <u>205,968</u>                            |

### 13 Short term borrowings

Short term borrowings are to finance margin trading operations of the Group.

|                                   | Unaudited<br>30 September<br>2021<br>AED'000 | Audited<br>31 December<br>2020<br>AED'000 |
|-----------------------------------|--|---|
| Facility 1                        | 16,900                                       | 16,900                                    |
| Facility 2                        | 19,853                                       | 19,967                                    |
| Facility 3                        | 26,652                                       | 21,653                                    |
| Facility 4                        | -  | 5,886                                     |
| Bank overdrafts ( <i>note 7</i> ) | 118,561                                      | 125,365                                   |
|                                   | <u>181,966</u>                               | <u>189,771</u>                            |

#### Facility 1

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

#### Facility 2 and 4

These represent short term facilities obtained from local banks to finance the purchase of investments at fair value through profit or loss and are secured by these investments. They carry interest at market rate and are repayable within 12 months from the reporting date.

#### Facility 3

This represents a Wakala Agreement obtained from a financing company to finance the purchase of investments at fair value through profit or loss and is secured by these investments. It carries interest at market rate.

#### 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.

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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 14 Commitments and contingencies

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

|                               | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>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                                     |
|                               | <u>59,000</u>  | <u>59,000</u>                             |

At 30 September 2021, the guarantees were secured by a cash deposit of AED 14,750 thousand (31 December 2020: AED 14,750 thousand).

The Group had no capital commitments and contingencies during the period (31 December 2020: nil).

The Group had no financial commitments at the reporting date (31 December 2020: nil).

### 15 Related parties

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 management.

Transactions with related parties included in the condensed consolidated interim statement of comprehensive income are as follows:

|                              | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Audited<br>31 December<br>2020<br>AED'000 |
|------------------------------|--|---|
| Loans from related parties   | <u>16,900</u>  | <u>16,900</u>                             |
| Margin and trade receivables | <u>16,452</u>  | <u>5,178</u>                              |
| Trade accounts payable       | <u>407</u>   | <u>2,091</u>                              |



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

## Notes to the condensed consolidated interim financial statements

30 September 2021

### 15 Related parties (continued)

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

|                                 | <b>Unaudited<br/>30 September<br/>2021<br/>AED'000</b> | Unaudited<br>30 September<br>2020<br>AED'000 |
|---------------------------------|--|--|
| Commission income               | <u>534</u>   | <u>322</u>                                   |
| Interest and Margin income      | <u>666</u>   | <u>371</u>                                   |
| Finance costs                   | <u>506</u>   | <u>522</u>                                   |
| Performance and management fees | <u>7</u>   | <u>29</u>                                    |

#### Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances at the period-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 period ended 30 September 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 December 2020: nil).

### 16 Basic and diluted earnings / (losses) per share

Basic earnings / (losses) per share amounts are calculated by dividing the profit / (loss) for the period attributable to the equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period.

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

|   | <b>Three months ended<br/>30 September</b> |         | <b>Nine months ended<br/>30 September</b> |          |
|---|--|---------|---|----------|
|   | <b>2021</b>                                | 2020    | <b>2021</b>                               | 2020     |
|   | <b>AED'000</b>                             | AED'000 | <b>AED'000</b>                            | AED'000  |
| Profit/(loss) for the period (AED'000s)   | <u>7,555</u>                               | 20,435  | <u>27,571</u>                             | (26,604) |
| Weighted average number of shares ('000s) | <u>549,916</u>                             | 549,916 | <u>549,916</u>                            | 549,916  |
| Basic and diluted earnings/loss per share | <u>0.014</u>                               | 0.037   | <u>0.050</u>                              | (0.048)  |

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

## **Notes to the condensed consolidated interim financial statements**

*30 September 2021*

### **17 Fiduciary activities**

The Group held assets under management in a fiduciary capacity for its customers at 30 September 2021 amounting to AED 442,105 thousand (*31 December 2020: AED 228,149 thousand*). These assets held in a fiduciary capacity are excluded from these condensed consolidated interim financial statements of the Group.

### **18 Dividends declared**

In the Board of Directors meeting held on 9 August 2021, the Directors of the Company have resolved to distribute interim cash dividends amounting to AED 10,660 thousand.