

# **Al Ramz Capital L.L.C**

## **FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

**Principal business address:**

P.O. Box. 32000  
Abu Dhabi  
United Arab Emirates

# **Al Ramz Capital L.L.C.**

## **Financial statements**

### ***Contents***

### ***Pages***

Report of the Board of Directors	1
Independent Auditor's Report	2 - 4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 37

## Al Ramz Capital LLC

### Report of the Board of Directors

The Board of Directors has the pleasure in submitting their report and the audited financial statements of Al Ramz Capital LLC (the "Company") for the year ended 31 December 2024.

#### Principal activities

The principal activities of the Company are to provide brokerage services including brokerage in selling and buying shares, margin trading and to perform all related transactions and activities.

The Company is licensed by the UAE Securities and Commodities Authority in accordance with the UAE Federal Law No.4 for the year 2000 to conduct brokerage business, and by the rules and regulations of the Abu Dhabi Securities Exchange, Dubai Financial Market and Nasdaq Dubai Limited to conduct the business of intermediation in dealing in shares and commodities.

#### Results of the year

Net commission income for the year amounted to AED 27,656 thousand (2023: AED 32,762 thousand) and profit for the year amounted to AED 47,167 thousand (2023: AED 50,124 thousand).

#### Transactions with related parties:

The financial statements disclose related parties transactions and balances in note 26. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

#### Auditors

A resolution proposing the appointment of external auditors for the ensuing year will be put to the shareholders at the Annual General Meeting.

Al Ramz Capital LLC

Abu Dhabi

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL RAMZ CAPITAL LLC**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Al Ramz Capital LLC (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standard Board ("IASB").

#### *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 financial statements* section of our report. We are independent of the Company 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 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.

#### *Other information*

Other information consists of the information included in the Report of the Directors, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

#### *Responsibilities of management and the Board of Directors for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards 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 financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

### AL RAMZ CAPITAL LLC continued

#### Report on the Audit of the Financial Statements continued

##### *Responsibilities of management and the Board of Directors for the financial statements continued*

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

##### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**

**AL RAMZ CAPITAL LLC** 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 2024:

- i) the Company has maintained proper books of account;
- ii) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- iii) the 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;
- iv) the financial information included in the Board of Directors' report is consistent with the books of account and records of the Company;
- v) investments in shares and stocks are included in note 16 to the financial statements and include purchases and investments made by the Company during the year ended 31 December 2024;
- vi) note 26 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 2024, 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 financial position as at 31 December 2024; and
- viii) there was no social contribution made during the year by the Company.

For Ernst & Young



Walid J Nakfour  
Registration No 5479

25 March 2025  
Abu Dhabi, United Arab Emirates

## Al Ramz Capital L.L.C.

### Statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024 AED'000</b>	<b>2023 AED'000</b>
<b>Commission income, net</b>	<b>7</b>	<b>27,656</b>	32,762
Finance income from margin receivables		<b>60,700</b>	49,356
Finance costs		<b>(521)</b>	(1,189)
<b>Finance income, net</b>		<b>60,179</b>	48,167
Other income	<b>8</b>	<b>5,832</b>	6,221
Investment income, net		<b>3,778</b>	2,812
<b>Total income, net</b>		<b>97,445</b>	89,962
General and administrative expenses	<b>9</b>	<b>(45,491)</b>	(39,838)
Provision for expected credit losses	<b>13</b>	<b>(189)</b>	-
<b>Profit for the year before tax</b>		<b>51,765</b>	50,124
Income tax expense	<b>10</b>	<b>(4,598)</b>	-
<b>Profit for the year after tax</b>		<b>47,167</b>	50,124
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>47,167</b>	50,124

The notes 1 to 30 form an integral part of these financial statements.

# Al Ramz Capital L.L.C.

## Statement of financial position

As at 31 December 2024

	Notes	2024 AED'000	2023 AED'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	12	22,198	21,400
Goodwill and intangible assets	11	33,605	29,308
Right of use asset – office premises		686	851
		<u>56,489</u>	<u>51,559</u>
<b>Current assets</b>			
Margin and trade receivables	13	535,325	441,434
Other assets	14	6,791	3,241
Guarantee deposits	15	5,000	5,000
Due from securities markets	18	125,871	111,712
Investments at fair value through profit or loss	16	2,306	7,424
Bank balances and cash	17	348,720	292,908
		<u>1,024,013</u>	<u>861,719</u>
<b>Total assets</b>		<u><u>1,080,502</u></u>	<u><u>913,278</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	19	150,000	150,000
Statutory reserve	20	83,654	83,654
General reserve	21	8,168	7,370
Retained earnings		51,878	50,509
		<u>293,700</u>	<u>291,533</u>
<b>Non-current liabilities</b>			
Employees' end of service benefits	22	4,360	3,945
Lease liability		651	828
		<u>5,011</u>	<u>4,773</u>
<b>Current liabilities</b>			
Accounts payable and accruals	23	424,711	329,661
Short term borrowings	24	-	16,933
Due to a related party	26	353,130	270,223
Lease liability		176	152
Due to securities markets	18	3,774	3
		<u>781,791</u>	<u>616,972</u>
<b>Total liabilities</b>		<u><u>786,802</u></u>	<u><u>621,745</u></u>
<b>Total equity and liabilities</b>		<u><u>1,080,502</u></u>	<u><u>913,278</u></u>

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

  
Group Managing Director

  
GCEO—Investment Banking

The notes 1 to 30 form an integral part of these financial statements.



**Al Ramz Capital L.L.C.****Statement of changes in equity**  
**For the year ended 31 December 2024**

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2023	150,000	83,654	4,864	42,891	281,409
Total comprehensive income for the year	-	-	-	50,124	50,124
Transfer to general reserve (note 21)	-	-	2,506	(2,506)	-
Dividend (note 29)	-	-	-	(40,000)	(40,000)
At 31 December 2023	<u>150,000</u>	<u>83,654</u>	<u>7,370</u>	<u>50,509</u>	<u>291,533</u>
At 1 January 2024	150,000	83,654	7,370	50,509	291,533
Total comprehensive income for the year	-	-	-	47,167	47,167
Transfer to general reserve (note 21)	-	-	798	(798)	-
Dividend (note 29)	-	-	-	(45,000)	(45,000)
At 31 December 2024	<u>150,000</u>	<u>83,654</u>	<u>8,168</u>	<u>51,878</u>	<u>293,700</u>

The notes 1 to 30 form an integral part of these financial statements.

# Al Ramz Capital L.L.C.

## Statement of cash flows

For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
<b>Operating activities</b>			
Profit before tax		51,765	50,124
<i>Adjustments for:</i>			
Depreciation of property and equipment	12	2,670	2,451
Depreciation of right of use asset		165	164
Amortisation of intangible assets	11	445	-
Provision for employees' end of service benefits	22	1,273	1,068
Finance costs		521	1,189
Net change in fair value of investments at fair value through profit or loss	16	(48)	57
Gain on disposal of property and equipment		-	(73)
Dividend income		(385)	(25)
Provision for expected credit losses	13	189	-
		<b>56,595</b>	<b>54,955</b>
<i>Working capital changes:</i>			
Margin and trade receivables		(94,080)	(162,905)
Other assets		(3,550)	(322)
Due to a related party		33,309	157,133
Due from securities markets		(14,159)	(111,593)
Due to securities markets		3,771	(26,725)
Accounts payable and accruals		17,813	137,859
Cash (used in) generated from operating activities		<b>(301)</b>	<b>48,402</b>
Employees' end of service benefits paid	22	(858)	(454)
Finance costs paid		(475)	(1,134)
Net cash flows (used in) generated from operating activities		<b>(1,634)</b>	<b>46,814</b>
<b>Investing activities</b>			
Purchase of property and equipment	12	(3,468)	(8,953)
Purchase of intangible assets	11	(4,742)	-
Proceeds from disposal of property and equipment		-	73
Dividend income received		385	25
Disposals (additions) in investments at fair value through profit or loss, net	16	5,166	(5,498)
Decrease in term deposits		-	(18)
Net cash used in investing activities		<b>(2,659)</b>	<b>(14,371)</b>
<b>Financing activities</b>			
Repayment of short-term borrowings		(16,900)	-
Payment of lease liability		(199)	(199)
Net cash used in financing activities		<b>(17,099)</b>	<b>(199)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(21,392)</b>	<b>32,244</b>
Cash and cash equivalents at 1 January		<b>82,086</b>	<b>49,842</b>
<b>Cash and cash equivalents at 31 December</b>	17	<b>60,694</b>	<b>82,086</b>
<i>Non-cash transaction excluded from statement of cashflow is as follows:</i>			
Dividend declared and settled during the year	29	<b>45,000</b>	<b>40,000</b>

The notes 1 to 30 form an integral part of these financial statements.

# **Al Ramz Capital L.L.C.**

## **Notes to the financial statements**

31 December 2024

### **1. Corporate information**

Al Ramz Capital LLC (“the Company”) is a limited liability company incorporated in the Emirate of Abu Dhabi, UAE in accordance with the UAE Federal Companies Law No. (32) of 2021. The Company is licensed by the UAE Securities and Commodities Authority in accordance with UAE Federal Law No. 4 of 2000 to conduct brokerage business.

The principal activities of the Company are providing brokerage services including brokerage in selling and buying shares, margin trading and to perform all related transactions and activities.

The Company is a wholly owned subsidiary of Al Ramz Corporation Investment and Development P.J.S.C (“the Parent Company”).

The registered Head Office of the Company is at P.O Box 32000, Abu Dhabi, UAE.

These financial statements were authorised for issue by the Company’s Board of Director’s on 25 March 2025.

### **2. Basis of preparation**

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

These financial statements are presented in United Arab Emirates Dirhams (“AED”) which is the presentation currency and functional currency of the company. All values are rounded to the nearest thousand dirhams (AED’000), except where otherwise indicated.

### **3. Statement of compliance**

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”) and the applicable requirements of laws of the United Arab Emirates.

### **4. Changes in accounting policies and disclosures**

#### **New and amended standards and interpretations**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Company 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 2024, but do not have an impact on the financial statements of the Company.

- Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7;
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16;
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

The amendments had no impact on the Company’s financial statements.

#### **4. Changes in accounting policies and disclosures (continued)**

##### **New and amended standards and interpretations – Not yet effective**

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

- Lack of exchangeability – Amendments to IAS 21 (effective period beginning on or after 1 January 2025)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective period beginning on or after 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective period beginning on or after 1 January 2027)

The Company does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its financial statements for the next financial year.

#### **5. Material accounting policy information**

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

##### **5.1 Interest income**

Net finance income comprises interest income and interest expense calculated using the effective interest method.

##### **5.2 Brokerage income**

The Company buys and sells securities on behalf of its customers and receives a fixed commission, for each transaction. The Company'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.

##### **5.3 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 Company 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. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, subtracted from, this amount.

## **Al Ramz Capital L.L.C.**

### Notes to the financial statements

31 December 2024

## **5. Material accounting policy information (continued)**

### **5.3 Financial instruments – initial recognition (continued)**

#### ***iii. Measurement categories of financial assets and liabilities***

The Company 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
- FVTPL

The Company classifies and measures its trading portfolio at FVTPL. The Company may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

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

### **5.4 Financial assets and financial liabilities**

#### ***5.4.1 Margin receivables and trade receivables at amortized cost***

The Company 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.

#### ***5.4.2 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.

#### ***5.4.3 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.

FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in the statement of profit and loss and other comprehensive income.

### **5.5 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the 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 statement of financial position except when IFRS netting criteria are met.

## **5. Material accounting policy information (continued)**

### **5.6 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 Company on terms that the Company 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 Company recognizes loss allowances for ECLs on:

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

The Company 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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company 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 Company's historical experience and informed credit assessment and including forward-looking information.

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

The Company considers a financial asset to be in default when:

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

## **Al Ramz Capital L.L.C.**

### **Notes to the financial statements**

31 December 2024

#### **5. Material accounting policy information (continued)**

##### **5.6 Impairment of financial assets (continued)**

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 Company is exposed to credit risk.

##### **5.7 Write-offs**

Financial assets are written off either partially or in their entirety only when the Company 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.

##### **5.8 Cash and cash equivalents**

Cash and cash equivalents as referred to in the 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.

##### **5.9 Leases**

The Company 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. Company as a lessee**

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

###### *Right-of-use assets*

The Company 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 Company's policy.

## **Al Ramz Capital L.L.C.**

### **Notes to the financial statements**

31 December 2024

#### **5. Material accounting policy information (continued)**

##### **5.9 Leases (continued)**

###### **i. Company as a lessee (continued)**

###### *Lease liabilities*

At the commencement date of the lease, the Company 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 Company 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.

##### **5.10 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

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.



## **5. Material accounting policy information (continued)**

### **5.11 Intangible assets**

Intangible assets that are acquired and internally generated by the Company and have defined period / useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### *Internally-generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

After assessment of all of the above criteria, the Company has recorded intangible asset being under development phase amounting to AED 6,301 thousand at 31 December 2024 (2023: AED 8,666 thousand).

### **5.12 Goodwill**

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

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 Company'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.

### **5.13 Impairment of non-financial assets**

At each reporting date, the Company 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).

**5. Material accounting policy information (continued)**

**5.14 Provisions**

Provisions are recognised when the Company 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 Company 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 statement of profit or loss and other comprehensive income net of any reimbursement in other operating expenses.

**5.15 Dividends on ordinary shares**

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

**5.16 Employees' end of service benefits**

The Company 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 statement of profit or loss and other comprehensive income during the employees' period of service.

**5.17 Income tax expense**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

## **5. Material accounting policy information (continued)**

### **5.17 Income tax expense (continued)**

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences and carried forward tax credits or tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Current and deferred tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to, respectively, other comprehensive income or equity. Otherwise, income tax is recognised in the statement of profit or loss and other comprehensive income.

As of the reporting date, the Company has income tax expenses of AED 4,598 thousand (2023: AED nil), and the Parent Company is eligible and has chosen to file taxes as a corporate tax group in accordance with UAE Corporate Tax law. Accordingly, income tax expenses of the Company have been transferred to the Parent Company, and tax payments and filings will be conducted at the Parent Company level.

### **5.18 Value added tax ("VAT")**

Expenses and assets are recognised net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or when receivables and payables are stated with the amount of VAT included.
- The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### **5.19 Contingencies**

Contingent liabilities are not recognised in the 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 financial statements but disclosed when an inflow of economic benefits is probable.

## **Al Ramz Capital L.L.C.**

### **Notes to the financial statements**

31 December 2024

## **5. Material accounting policy information (continued)**

### **5.20 Foreign currency translation**

#### *Functional and presentational currency*

The financial statements are presented in United Arab Emirates Dirhams ("AED").

#### *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 statement of profit or 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.

### **5.21 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 Company.

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 Company 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.

## **5. Material accounting policy information (continued)**

### **5.21 Fair value measurement (continued)**

All assets and liabilities for which fair value is measured or disclosed in the 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 financial statements on a recurring basis, the Company 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.

### **5.22 Current versus non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

## **6. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's 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 Company'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 Company'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 financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

### **6.1 Impairment losses on financial assets**

An estimate of the collectible amount of margin and trade receivables is made on an individual basis after taking into consideration the market value of the securities held as collateral at the reporting date.

At the reporting date, margin receivables and trade receivables were AED 537,636 thousand (2023: AED 447,592 thousand) and AED 8,626 thousand (2023: AED 4,955 thousand) respectively. The provision for expected credit losses was AED 7,381 thousand (2023: AED 7,745 thousand) and AED 3,556 thousand (2023: AED 3,368 thousand) respectively.

### **6.2 Going concern**

The Company'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 Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### **6.3 Useful lives of property and equipment and intangible assets**

The Company's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual values and useful lives annually and the future depreciation/amortisation charge is adjusted where management believes that the useful lives differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated/amortised over the revised remaining useful life.

# Al Ramz Capital L.L.C.

Notes to the financial statements  
31 December 2024

## 6. Significant accounting judgements, estimates and assumptions (continued)

### 6.4 Impairment of goodwill

Goodwill is tested at least annually for impairment.

Determining whether goodwill is impaired requires an estimation of the fair value of the business being tested for impairment and of the cash-generating units to which these assets have been allocated. The fair value less cost of disposal of a business or cash-generating unit is primarily determined using the market approach, which relies on the quoted market prices of the Company's shares after appropriate adjustments. As of 31 December 2024, no impairment has been recorded against goodwill (2023: AED nil).

### 6.5 Capitalisation of development costs

The product development assets represent direct costs incurred in the development of an online platform. These costs are recognised as intangible assets where the platform will generate probable future economic benefits and costs can be measured reliably. The platform is amortised over estimated economic lives of 8 years being an estimate of the expected operating lifecycle of the product development asset. The assessment of the useful economic life and the recoverability of product development assets involves judgement and management estimation of future potential sales. Product development assets are assessed for impairment triggers on an annual basis or when triggering events occur.

## 7. Commission income, net

	2024 AED'000	2023 AED'000
Abu Dhabi Securities Exchange	19,032	17,731
Dubai Financial Market Exchange	9,363	15,515
Fixed income	279	416
The Saudi Stock Exchange (TADAWUL)	1	4
US Markets (NSDQ & NYSE)	120	-
NASDAQ Dubai Limited	17	1
Rebates and discounts	(1,156)	(905)
	<u>27,656</u>	<u>32,762</u>

## Al Ramz Capital L.L.C.

### Notes to the financial statements

31 December 2024

#### 7. Commission income, net (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 service. The table also includes a reconciliation of the disaggregated net commission income with the Company's reportable segments.

	2024 AED'000	2023 AED'000
<b>Major service lines</b>		
Brokerage – Primary markets	27,377	32,346
Brokerage – Over the counter	279	416
	<u>27,656</u>	<u>32,762</u>

##### b. Timing of revenue recognition

	2024 AED'000	2023 AED'000
Services transferred at a point in time	<u>27,656</u>	<u>32,762</u>

#### 8. Other income

	2024 AED'000	2023 AED'000
Liquidity providing fees*	5,064	5,943
Other income	768	278
	<u>5,832</u>	<u>6,221</u>

\* Liquidity providing income refers to income generated by the Company for providing liquidity to the financial market by facilitating to buy and sell securities at specified prices for its clients.



## Al Ramz Capital L.L.C.

Notes to the financial statements  
31 December 2024

### 9. General and administrative expenses

	2024 AED'000	2023 AED'000
Staff costs	24,738	27,906
Subscription and membership	6,964	4,408
Advertisements and marketing	3,854	-
Depreciation of property and equipment (note 12)	2,670	2,451
Professional and legal expenses	1,981	1,147
IT expenses	1,615	1,623
Communication expense	691	599
Travel and insurance	491	155
Properties service charges	486	421
Depreciation of right of use asset	165	164
Amortisation of intangible assets (note 11)	445	-
Other expenses	1,391	964
	<u>45,491</u>	<u>39,838</u>

### 10. Income tax expenses

The major components of income tax expense for the year ended 31 December 2024 are:

	2024 AED'000	2023 AED'000
<b>(a) Income statement</b>		
Current income tax charge	<u>4,598</u>	<u>-</u>
<b>(b) Reconciliation of accounting income</b>		
Accounting income before tax	51,765	-
At United Arab Emirates' statutory income tax rate of 9%	4,659	-
Less: effect of standard exemption	(33)	-
Less: income not subject to tax	(34)	-
Add: non-deductible expenses	6	-
	<u>4,598</u>	<u>-</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>4,598</u>	<u>-</u>
Effective tax rate	<u>8.88%</u>	<u>-</u>

The income tax expenses of the Company have been transferred to the Parent Company, and tax payments and filings will be discharged by the Parent Company level, as the Parent Company is eligible and has chosen to file taxes as a corporate tax group in accordance with UAE Corporate Tax law.

## Al Ramz Capital L.L.C.

Notes to the financial statements  
31 December 2024

### 11. Goodwill and intangible assets

	2024 AED'000	2023 AED'000
Goodwill (note 11.1)	20,642	20,642
Intangible assets (note 11.2)	12,963	8,666
	<u>33,605</u>	<u>29,308</u>

#### 11.1 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.

Goodwill is not amortised but is reviewed annually for assessment of impairment in accordance with IAS 36. The Company performed its annual goodwill impairment test as at 31 December 2024.

The fair value less cost of disposal of CGU is based has been calculated using the guideline public company method.

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.

P/BV multiples	1.2 -1.4
Cost of disposal	3%

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 fair value and in all cases the fair value continues to exceed the carrying amount of the CGU goodwill.

**Al Ramz Capital L.L.C.**  
Notes to the financial statements  
31 December 2024

**11. Goodwill and intangible assets (continued)**

**11.2 Intangible assets**

	<i>Software AED '000</i>	<i>Software under development AED '000</i>	<i>Total AED '000</i>
<b>2024</b>			
Cost:			
At 1 January 2024	-	8,666	8,666
Additions	-	4,742	4,742
Transfers	7,107	(7,107)	-
	<u>7,107</u>	<u>(7,107)</u>	<u>-</u>
At 31 December 2024	<u>7,107</u>	<u>6,301</u>	<u>13,408</u>
Accumulated amortisation:			
At 1 January 2024	-	-	-
Charge for the year	445	-	445
	<u>445</u>	<u>-</u>	<u>445</u>
At 31 December 2024	<u>445</u>	<u>-</u>	<u>445</u>
Net book value:			
At 31 December 2024	<u>6,662</u>	<u>6,301</u>	<u>12,963</u>
<b>2023</b>			
Cost:			
At 1 January 2023	-	-	-
Additions	-	8,666	8,666
	<u>-</u>	<u>8,666</u>	<u>8,666</u>
At 31 December 2023	<u>-</u>	<u>8,666</u>	<u>8,666</u>
Accumulated amortisation:			
At 1 January and 31 December 2023	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net book value:			
At 31 December 2023	<u>-</u>	<u>8,666</u>	<u>8,666</u>

## Al Ramz Capital L.L.C.

Notes to the financial statements  
31 December 2024

### 12. 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 2024	22,172	25,396	286	12,566	1,729	62,149
Additions	-	1,119	-	13	2,336	3,468
At 31 December 2024	<b>22,172</b>	<b>26,515</b>	<b>286</b>	<b>12,579</b>	<b>4,065</b>	<b>65,617</b>
Accumulated depreciation:						
At 1 January 2024	7,728	21,073	286	11,662	-	40,749
Charge for the year	739	1,605	-	326	-	2,670
At 31 December 2024	<b>8,467</b>	<b>22,678</b>	<b>286</b>	<b>11,988</b>	<b>-</b>	<b>43,419</b>
Cost:						
At 1 January 2023	22,172	23,280	359	12,566	3,558	61,935
Additions	-	2,116	-	-	6,837	8,953
Disposals	-	-	(73)	-	-	(73)
Transfer to intangible assets	-	-	-	-	(8,666)	(8,666)
At 31 December 2023	<b>22,172</b>	<b>25,396</b>	<b>286</b>	<b>12,566</b>	<b>1,729</b>	<b>62,149</b>
Accumulated depreciation:						
At 1 January 2023	6,989	19,687	359	11,336	-	38,371
Charge for the year	739	1,386	-	326	-	2,451
Disposals	-	-	(73)	-	-	(73)
At 31 December 2023	<b>7,728</b>	<b>21,073</b>	<b>286</b>	<b>11,662</b>	<b>-</b>	<b>40,749</b>
Carrying amounts:						
At 31 December 2024	<b>13,705</b>	<b>3,837</b>	<b>-</b>	<b>591</b>	<b>4,065</b>	<b>22,198</b>
At 31 December 2023	<b>14,444</b>	<b>4,323</b>	<b>-</b>	<b>904</b>	<b>1,729</b>	<b>21,400</b>

**Al Ramz Capital L.L.C.**

Notes to the financial statements  
31 December 2024

**13. Margin and trade receivables**

	<b>2024</b> <b>AED'000</b>	2023 AED'000
Margin receivables, net	<b>530,255</b>	439,847
Trade receivables, net	<b>5,070</b>	1,587
	<b>535,325</b>	441,434
Margin receivables	<b>537,636</b>	447,592
Provision for expected credit losses	<b>(7,381)</b>	(7,745)
Margin receivables, net	<b>530,255</b>	439,847
	<b>2024</b> <b>AED'000</b>	2023 AED'000
Trade receivables	<b>8,626</b>	4,955
Provision for expected credit losses	<b>(3,556)</b>	(3,368)
Trade receivables, net	<b>5,070</b>	1,587

Movement in provision for expected credit losses for the year is as follow:

	<b>2024</b> <b>AED'000</b>	2023 AED'000
At 1 January	<b>11,113</b>	11,113
Charge during the year	<b>189</b>	-
Reversal during the year	<b>(365)</b>	-
At 31 December	<b>10,937</b>	11,113

The Company is licensed to provide finance to its clients as a percentage of the market value of pledged securities. The Company 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% (2023: 125%). If minimum eligibility is breached, the Company commences liquidation of the pledged securities. The fair value of pledged securities held as collateral against margin receivables amounted to AED 1,773,907 thousand as at 31 December 2024 (2023: AED 1,962,876 thousand).

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

## Al Ramz Capital L.L.C.

### Notes to the financial statements

31 December 2024

#### 14. Other assets

	2024 AED'000	2023 AED'000
Prepayments and others	6,787	2,829
Derivative financial instruments*	4	412
	<u>6,791</u>	<u>3,241</u>

\*Information relating to derivative financial instruments as of the reporting date are as follows:

	2024 Notional value AED' 000	2024 Fair value AED' 000	2023 Notional value AED' 000	2023 Fair Value AED' 000
Equity futures contract	<u>57</u>	<u>4</u>	<u>6,743</u>	<u>412</u>

#### 15. Guarantee deposits

This represents a cash guarantee held with the markets as collateral against settlement for Market Making activities. These are denominated in UAE Dirhams and does not earn interest.

#### 16. Investments at fair value through profit or loss

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

	2024 AED'000	2023 AED'000
At 1 January	7,424	1,983
(Disposals) additions during the year, net	(5,166)	5,498
Net changes in fair value	48	(57)
	<u>2,306</u>	<u>7,424</u>
At 31 December		

During the year, as part of its Market making activities, the Company carried out buy and sell activities for listed equity securities amounting to AED 6,822 million (2023: AED 5,889 million) and AED 6,822 million (2023: AED 5,883 million) respectively. These transactions do not form part of the Company's investment activities.

## Al Ramz Capital L.L.C.

Notes to the financial statements  
31 December 2024

### 17. Bank balances and cash

	2024 AED'000	2023 AED'000
Company's bank accounts for client's deposits*	287,862	210,625
Current account balance with banks	55,684	82,080
Deposit account balance with banks	164	164
Cash in money market fund	4,966	-
Cash in hand	44	39
	<u>348,720</u>	<u>292,908</u>

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

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

	2024 AED'000	2023 AED'000
Bank balances and cash	348,720	292,908
Less: Deposits with original maturities greater than three months	(164)	(164)
Less: Company's bank accounts for clients' deposits	(287,862)	(210,625)
Less: Bank overdrafts (note 24)	-	(33)
	<u>60,694</u>	<u>82,086</u>

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

## Al Ramz Capital L.L.C.

### Notes to the financial statements

31 December 2024

#### 18. Due from / to securities markets

	2024 AED'000	2023 AED'000
<b>Due from securities markets</b>		
Abu Dhabi Securities Exchange	125,394	102,976
The Saudi Stock Exchange (TADAWUL)	345	2,791
NASDAQ Dubai Limited	132	119
Dubai Financial Market Exchange	-	5,826
	<u>125,871</u>	<u>111,712</u>
<b>Due to securities markets</b>		
Dubai Financial Market Exchange	3,397	-
US Markets	374	-
Bahrain Bourse	3	3
	<u>3,774</u>	<u>3</u>

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

#### 19. Share capital

	2024 AED'000	2023 AED'000
<b><i>Authorised, issued and fully paid</i></b>		
100,000 shares of AED 1,500 each	<u>150,000</u>	<u>150,000</u>

#### 20. Statutory reserve

As required by the UAE Federal Law No. (32) of 2021 and the Company's articles of association, 5% of the Company's profit for the year should be transferred to the statutory reserve. The Company 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.

#### 21. 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 year, the Company has transferred an amount of AED 798 thousand (2023: AED 2,506 thousand) of the Company's profit for the year to the general reserve.



## Al Ramz Capital L.L.C.

### Notes to the financial statements

31 December 2024

#### 22. Employees' end of service benefits

	2024 AED'000	2023 AED'000
At 1 January	3,945	3,331
Charge for the year	1,273	1,068
Payments during the year	(858)	(454)
At 31 December	<u>4,360</u>	<u>3,945</u>

#### 23. Accounts payable and accruals

	2024 AED'000	2023 AED'000
Payable to customers	409,959	319,543
Accrued expenses	3,967	3,611
Other payables	10,785	6,507
	<u>424,711</u>	<u>329,661</u>

#### 24. Short term borrowings

	2024 AED'000	2023 AED'000
Facility 1	-	16,900
Bank overdrafts	-	33
	<u>-</u>	<u>16,933</u>

##### Facility 1

This represents a loan obtained from a previous shareholder of the Parent Company. It carries a fixed interest rate. The term of the agreement is one month, renewed automatically. Facility was fully repaid in January 2024.

##### Bank overdrafts

These carry interest at prevailing market rates. Bank overdrafts are partially secured against bank balances (note 17).

## **Al Ramz Capital L.L.C.**

Notes to the financial statements  
31 December 2024

### **25. Commitments and contingencies**

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

	2024 AED'000	2023 AED'000
Dubai Financial Market Exchange	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
Securities and Commodities Authority	1,000	1,000
	<u>60,000</u>	<u>60,000</u>

These guarantees are held with the Parent Company and secured by cash deposit of AED 15,750 thousand (2023: AED 15,750 thousand).

The Company had no capital commitments and contingencies during the year (2023: AED nil).

The Company had no financial commitments at the reporting date (2023: AED nil).

### **26. Related party balances and transactions**

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

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

	2024 AED'000	2023 AED'000
Margin and trade receivables	<u>5,733</u>	<u>146,991</u>
Accounts payable	<u>11,981</u>	<u>34,671</u>
Due to a related party	<u>353,130</u>	<u>270,223</u>

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

	2024 AED'000	2023 AED'000
Commission income	<u>2,157</u>	<u>4,731</u>
Margin income	<u>11,102</u>	<u>12,445</u>
Finance costs	<u>554</u>	<u>676</u>

## Al Ramz Capital L.L.C.

### Notes to the financial statements

31 December 2024

## 26. Related party balances and transactions (continued)

### 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 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2023: AED nil).

### Compensation of key management personnel

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

	2024 AED'000	2023 AED'000
Short-term benefits (excluding bonus)	1,416	1,416
Bonus	-	550
Number of key management personnel	1	1

## 27. Risk management

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

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, credit risk and equity prices risk. The members of management of the Company 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 Company is not exposed to interest rate risk on its interest-bearing guarantees with banks and certain short-term borrowings which carry fixed interest rate.

### Credit risk

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

## Al Ramz Capital L.L.C.

### Notes to the financial statements

31 December 2024

## 27. Risk management (continued)

### Credit risk (continued)

The Company'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:

	2024 AED'000	2023 AED'000
<b>Assets</b>		
Margin and trade receivables	535,325	441,434
Balances with banks	348,720	292,908
Due from securities markets	125,871	111,712
Guarantee deposits	5,000	5,000
	<u>1,014,916</u>	<u>851,054</u>

### Liquidity risk

The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The five largest customers account for 60.9% (2023: 56.4%) of margin receivables. The Company's margin receivables are secured by traded securities that are generally at the loan to value of 50% on sanctioning date. The Company forecloses on exposures near or at the 75% loan to value range.

The Company limits its liquidity risk by ensuring bank facilities and adequate cash from operations are available. The Company'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.

## Al Ramz Capital L.L.C.

### Notes to the financial statements

31 December 2024

## 27. Risk management (continued)

### Liquidity risk (continued)

The table below summarises the maturities of the Company's undiscounted financial liabilities as at 31 December 2024 and 31 December 2023, based on contractual payments.

	<i>Less than 3 months AED'000</i>	<i>3 to 12 Months AED'000</i>	<i>More than 12 months AED'000</i>	<i>Total AED'000</i>
<b>31 December 2024</b>				
Account payables	409,959	-	-	409,959
Lease liability	44	161	706	911
Due to a related party	353,130	-	-	353,130
Due to securities market	3,774	-	-	3,774
	<u>766,907</u>	<u>161</u>	<u>706</u>	<u>767,774</u>
<b>31 December 2023</b>				
Account payables	319,543	-	-	319,543
Short term borrowings	16,933	-	-	16,933
Lease liability	50	150	921	1,121
Due to a related party	270,223	-	-	270,223
Due to securities market	3	-	-	3
	<u>606,752</u>	<u>150</u>	<u>921</u>	<u>607,823</u>

### Equity price risk

The Company is exposed to equity price risk, which arises from equity securities at FVTPL. Management of the Company 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 Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders value.

The Company manages its capital as per SCA circular (12/R) of 2010. For the purpose of calculating the capital adequacy of the brokerage firm in accordance with provisions of this circular, "capital" shall mean the following:

- Core capital (Tier 1): includes equity and capital contributions by the shareholders and the revaluation reserve, after deducting losses during the running fiscal year, as well as intangible assets.
- Supplementary capital (Tier 2): includes subordinated debt instruments, the maturity dates of which are no less than 5 years.
- Tertiary capital (Tier 3): includes the profit of the trading portfolio of the brokerage firm and subordinated debt instruments, the maturity dates which are not less than two years, after deduction of non-liquid assets.

## Al Ramz Capital L.L.C.

Notes to the financial statements  
31 December 2024

### 27. Risk management (continued)

#### Capital management (continued)

The capital adequacy ratio of the Company, which is in line with SCA requirements, as on the reporting date was as follows:

	2024 AED'000	2023 AED'000
<i><b>Total regulatory capital base</b></i>		
Share capital	150,000	150,000
Reserves and retained earnings	143,700	141,533
Less: Goodwill and Intangible assets	(33,605)	(29,308)
	<u>260,095</u>	<u>262,225</u>
 Tier 1	 <u>260,095</u>	 <u>262,225</u>
 <i><b>Risk weighted assets:</b></i>		
Credit risk	102,445	72,230
Operational risk	10,857	9,895
	<u>113,302</u>	<u>82,125</u>
 <i><b>Key ratios include the following:</b></i>		
Tier 1 capital ratio	<u>2.30</u>	<u>3.13</u>
 Capital adequacy ratio	 <u>2.30</u>	 <u>3.13</u>

### 28. Fair values of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of receivables, due from a related party, bank balances and cash that are carried at amortized cost and investments carried at fair value through profit or loss. Financial liabilities consist of payables, short term borrowings, lease liability and certain other liabilities carried at amortised cost.

The fair values of the Company's financial instruments are not materially different from their carrying values at the statement of financial position date. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- 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.

## Al Ramz Capital L.L.C.

Notes to the financial statements  
31 December 2024

### 28. Fair values of financial instruments (continued)

The entire exposure to FVTPL at 31 December 2024, are fair valued using quoted market prices (level 1).

	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<b>31 December 2024</b>				
Derivative financial instruments	-	4	-	4
Investments at fair value through profit or loss	2,306	-	-	2,306
	<u>2,306</u>	<u>4</u>	<u>-</u>	<u>2,310</u>
<b>31 December 2023</b>				
Derivative financial instruments	-	412	-	412
Investments at fair value through profit or loss	7,424	-	-	7,424
	<u>7,424</u>	<u>412</u>	<u>-</u>	<u>7,836</u>

### 29. Dividend

In the Annual General Meeting (AGM) held on 03 September 2024, the Shareholders of the Company have resolved to distribute dividend of AED 45,000 thousand (2023: AED 40,000 thousand).

### 30. Comparative information

The comparative figures have been reclassified to conform to the current period presentation. Such reclassifications have no effect on the previously reported profit or retained earnings of the Company.