

BHM CAPITAL FINANCIAL SERVICES PSC

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

BHM CAPITAL FINANCIAL SERVICES PSC

<u>Contents:</u>	<u>Page</u>
Report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position (unaudited)	2
Condensed consolidated interim statement of profit or loss and other comprehensive income (unaudited)	3
Condensed consolidated interim statement of changes in equity (unaudited)	4
Condensed consolidated interim statement of cash flows (unaudited)	5-6
Notes to the condensed consolidated interim financial information (unaudited)	7 – 18

Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Information to the Shareholders of BHM Capital Financial Services PSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of BHM Capital Financial Services PSC (the 'Company') and its subsidiary (collectively referred to as the "Group") as at 30 June 2025 and the related condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended and, the condensed consolidated interim statements of changes in equity and the condensed consolidated interim statements of cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standards 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 information is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.

Other Matter

The condensed consolidated interim financial information of the Group for the six-month period ended 30 June 2024 was reviewed by another auditor who expressed an unmodified conclusion on 26 July 2024.

GRANT THORNTON UAE


Dr. Osama El Bakry
Registration No: 935
Dubai, United Arab Emirates



07 August 2025

		30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
	Notes		
ASSETS			
NON-CURRENT ASSETS			
Goodwill and other intangible assets	4	40,236,630	40,642,463
Property and equipment		6,280,012	6,938,314
Right-of-use asset	5(a)	385,227	521,190
Investment properties	6	2,718,660	-
Total non-current assets		49,620,529	48,101,967
CURRENT ASSETS			
Financial assets through profit and loss	7	109,488,450	101,480,071
Trade and other receivables	8	870,695,434	774,826,535
Short term deposit under lien	12(c)	2,800,000	32,133,524
Cash and bank balances	10	434,367,046	247,797,429
Total current assets		1,417,350,930	1,156,237,559
Total assets		1,466,971,459	1,204,339,526
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	11	200,000,000	173,431,068
Treasury shares	11(a)	(124)	-
Legal reserve	11(b)	14,804,882	14,804,882
Fair value reserve		(4,954,500)	(8,824,239)
Retained earnings		78,460,784	84,028,540
Total equity		288,311,042	263,440,251
NON-CURRENT LIABILITIES			
Bank borrowings – non-current portion	12	-	1,374,507
Employees' end of service benefits	-	7,089,394	6,528,885
Lease liability – non-current portion	5(b)	171,992	171,992
Total non-current liabilities		7,261,386	8,075,384
CURRENT LIABILITIES			
Trade and other payables	13	681,795,830	544,045,747
Bank borrowings – current portion	12	483,582,912	384,827,059
Corporate tax	19	5,867,560	3,670,015
Lease liability – current portion	5(b)	152,729	281,070
Total current liabilities		1,171,399,031	932,823,891
Total equity and liabilities		1,466,971,459	1,204,339,526

The condensed consolidated interim financial information was authorized and approved for issue by the Board of Directors on 07 August 2025 and signed on their behalf by:



 Abdel Hadi AL Sadi
 Chief Executive Officer

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial information

BHM CAPITAL FINANCIAL SERVICES PSC

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

	Notes	For the six months period ended		For the three months period ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
		AED	AED	AED	AED
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
INCOME					
Income from margin trading		44,939,844	41,550,127	22,072,107	21,477,142
Commission and advisory income		30,217,216	27,357,988	16,268,058	12,796,647
Finance income	16	5,657,701	444,415	2,775,591	309,417
Other income		13,613,178	7,265,676	8,620,721	4,548,760
		<u>94,427,939</u>	<u>76,618,206</u>	<u>49,736,477</u>	<u>39,131,966</u>
EXPENSES					
General and administrative expenses	15	(49,737,459)	(45,821,005)	(27,086,474)	(23,479,334)
(Allowance) / reversal for expected credit loss	8	(23,785)	1,936,101	(8,429)	-
Financial charges		(20,317,019)	(14,350,802)	(10,675,103)	(7,506,314)
		<u>(70,078,263)</u>	<u>(58,235,706)</u>	<u>(37,770,006)</u>	<u>(30,985,648)</u>
PROFIT BEFORE TAX		<u>24,349,676</u>	<u>18,382,500</u>	<u>11,966,471</u>	<u>8,146,318</u>
Taxation	19	(2,197,545)	(1,563,287)	(1,093,386)	(471,678)
PROFIT FOR THE PERIOD		<u>22,152,131</u>	<u>16,819,213</u>	<u>10,873,085</u>	<u>7,674,640</u>
STATEMENT OF OTHER COMPREHENSIVE INCOME					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Other comprehensive income		-	-	-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-	-	-
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Net other comprehensive income to be reclassified subsequently to profit or loss		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>22,152,131</u>	<u>16,819,213</u>	<u>10,873,085</u>	<u>7,674,640</u>
Basic and diluted earnings per share (AED per share)	18	<u>0.121</u>	<u>0.100</u>	<u>0.057</u>	<u>0.047</u>

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial information

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

	Share capital AED Note 11	Treasury shares AED Note 11(a)	Legal reserve AED Note 11(b)	Fair value reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2024	173,431,068	(12,980,210)	11,057,003	(8,824,239)	63,738,527	226,422,149
<u>Comprehensive income</u>						
Profit for the period	-	-	-	-	16,819,213	16,819,213
<i>Other comprehensive income for the period</i>						
Change in investment at fair value through other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	16,819,213	16,819,213
<u>Transactions with owners:</u>						
Disposal of treasury shares	-	12,980,210	-	-	-	12,980,210
Distribution of dividends	-	-	-	-	(13,440,907)	(13,440,907)
Balance at 30 June 2024	173,431,068	-	11,057,003	(8,824,239)	67,116,833	242,780,665
Balance at 1 January 2025	173,431,068	-	14,804,882	(8,824,239)	84,028,540	263,440,251
<u>Comprehensive income</u>						
Profit for the period	-	-	-	-	22,152,131	22,152,131
<i>Other comprehensive income for the period</i>						
Change in investment at fair value through other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	22,152,131	22,152,131
<u>Other movements in equity</u>						
Increase in fair value reserve	-	-	-	2,718,660	-	2,718,660
Transfer of fair value reserve to retained earnings	-	-	-	1,151,079	(1,151,079)	-
	-	-	-	3,869,739	(1,151,079)	2,718,660
<u>Transactions with owners:</u>						
Issue of new shares	26,568,932	-	-	-	(26,568,932)	-
Purchase of treasury shares	-	(124)	-	-	124	-
Balance at 30 June 2025	200,000,000	(124)	14,804,882	(4,954,500)	78,460,784	288,311,042

Balances in (brackets) indicate debit amounts

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial information

BHM CAPITAL FINANCIAL SERVICES PSC

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD
ENDED 30 JUNE 2025**

		Six months	
	Notes	30 June 2025 AED (Un-audited)	30 June 2024 AED (Un-audited)
OPERATING ACTIVITIES			
Profit for the period before tax		24,349,676	18,382,500
<u>Adjustments for:</u>			
Depreciation on property and equipment	15	738,941	790,934
Depreciation on right-of-use asset	15	135,963	135,963
Amortization of intangible assets	15	405,833	405,833
Interest expense on lease liability	5(b)	46,460	73,181
Unrealised (gain) / loss on investments	7	(425,140)	918,058
Interest on bank borrowings		19,445,611	13,474,109
Interest income on deposits		(5,657,701)	(444,415)
Exchange loss / (gain)		602,783	(1,524,117)
Allowance / (reversal) for expected credit loss	8.2	23,785	(1,936,101)
Provision for employees' end of service benefits		1,263,854	1,270,255
Operating profit before working capital changes		40,930,065	31,546,200
Change in short term deposit under lien		29,333,524	-
Change in trade and other receivables		(95,892,688)	21,535,315
Change in trade and other payables		(46,135,201)	(24,001,693)
Gross cash flow (used in) / generated from operating activities		(71,764,300)	29,079,822
Less: employees' end of service benefits paid		(703,345)	(12,542)
Less: tax	19	(2,197,545)	(1,707,776)
Net cash flow (used in) / generated from operating activities		(74,665,190)	27,359,504
INVESTING ACTIVITIES			
Purchase of property and equipment		(80,636)	(77,715)
Purchase of goodwill and other intangible assets	4	-	(220,800)
Purchase of financial assets through profit and loss	7	(7,583,239)	(106,459,195)
Interest received on deposits		5,657,701	444,415
Net cash flow (used in) investing activities		(2,006,174)	(106,313,295)
FINANCING ACTIVITIES			
Repayment of bank borrowings		(2,091,643)	(358,567)
Interest paid on bank borrowings		(19,445,611)	(13,474,109)
Disposal of treasury shares		-	12,980,210
Addition of Bank facility		20,000,953	78,830,232
Distribution of dividends		-	(13,440,907)
Repayment of lease liability		(174,801)	(167,448)
Additions of short-term loan		79,472,036	-
Net cash flow generated from financing activities		77,760,934	64,369,411

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial information

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2025 (CONTINUED)**

	Notes	30 June 2025 AED (Un-audited)	30 June 2024 AED (Un-audited)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,089,570	(14,584,380)
Exchange (loss) / gain		<u>(602,783)</u>	<u>1,524,117</u>
Net increase / (decrease) in cash and cash equivalents after exchange (loss) / gain		486,787	(13,060,263)
Cash and cash equivalents at 1 January		<u>479,265</u>	<u>38,571,158</u>
CASH AND CASH EQUIVALENTS AS AT 30 JUNE		<u>966,052</u>	<u>25,510,895</u>
<u>Represented by:</u>			
Cash and bank balances		434,367,046	274,370,078
Customers' deposits		<u>(433,400,994)</u>	<u>(248,859,183)</u>
Cash and cash equivalents at the end of period	10	<u>966,052</u>	<u>25,510,895</u>

Non-cash financing activity:

During the year, the Company issued 26,568,932 bonus shares to shareholders through a capitalisation of retained earnings. No cash consideration was received.

The attached notes 1 to 22 form an integral part of these condensed consolidated interim financial information

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

BHM Capital Financial Services PSC (Previously known as "Al Safwa Islamic Financial Services") ("the Company") was incorporated on 11 March 2006 in accordance with the provisions of UAE Federal Law No.25 of 2001 superseded by Federal Law No. (32) of 2021 ("Commercial Companies Law").

The principal activity of the Company is to act as an intermediary in dealings in shares, stocks, debentures and other securities including margin trading.

On 26 August 2024, the shareholders of the Group approved the acquisition of Al Waqan Capital Investment LLC through a Special Resolution in the Company's General Assembly meeting. This acquisition involves purchasing 100% of the equity interest in Al Waqan Capital Investment LLC by increasing the capital through the issuance of new shares in the Group to the shareholders of Al Waqan Capital Investment LLC in exchange for in-kind shares of Al Waqan Capital Investment LLC.

The terms of the agreement have been agreed and approved but as regulatory approvals are yet to be received, the transaction was not completed as of 30 June 2025. Once the necessary approvals have been obtained, Al Waqan Capital Investment LLC will become a wholly owned subsidiary, and consolidated results will be presented in the consolidated financial statements of the Group.

The registered office of the Company is P.O. Box 26730, Dubai, United Arab Emirates.

The condensed consolidated interim financial information have been approved by Board of Directors on 07 August 2025.

2 MATERIAL ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2023, except the adoption of the following new standards / amendments as of 1 January 2024. The condensed consolidated interim financial information has been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2024 except for new accounting policies (Note 2.2).

2.1 BASIS OF PREPARATION

Statement of compliance

The condensed consolidated interim financial information have been prepared on going concern basis. They have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board. They do not include all of the information required in annual financial statements in accordance with IFRS Accounting Standards, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024. In addition, results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2 MATERIAL ACCOUNTING POLICIES *(continued)***2.2 Changes in accounting policies and disclosures****a) New or revised Standards or Interpretations****i) New and revised IFRS Accounting Standards applied with no material effect on the condensed consolidated interim financial information**

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these condensed consolidated interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

ii) New and revised IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

New and revised IFRS Accounting Standards**Effective for annual periods beginning on or after**

IFRS 18 Presentation and Disclosures in Financial Statements

1 January 2027

Amendments to IFRS 9 Financial Instruments and IFRS 7 *Financial Instruments Disclosures regarding the classification and measurement of financial instruments*

1 January 2026

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

1 January 2027

Amendment to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors*

Effective date deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2025**3 FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2024.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Pursuant to a merger agreement between Al Safwa and MFS and shareholder resolutions of respective entities dated 21 January 2016, Ministerial Resolution number (499)/2016 issued by Ministry of Economy on 19 September 2016, and Emirates Securities and Commodities Authority ("ESCA") approval dated 11 October 2016 approving the merger, the Company commenced operations and traded as a combined entity under the revised name of Al Safwa Mubasher Financial Services PSC with effect from 8 December 2016, on completion of the formalities of the UAE exchanges. The company in the year 2021 changed its name to read as BHM Capital Financial Services PSC. As a result of the merger goodwill and client relationship arose, goodwill is tested annually for the impairment and client relationship is being amortized over its useful life.

The movement in goodwill and other intangible assets during the period is as follows:

	<i>Goodwill AED</i>	<i>Client relationships AED</i>	<i>Software AED</i>	<i>Capital WIP AED</i>	<i>Total AED</i>
As at 1 January 2025	38,379,061	1,580,000	39,722	643,680	40,642,463
Additions during the period	-	-	-	-	-
Amortization for the period	-	(395,000)	(10,833)	-	(405,833)
As at 30 June 2025 (Un-audited)	<u>38,379,061</u>	<u>1,185,000</u>	<u>28,889</u>	<u>643,680</u>	<u>40,236,630</u>
As at 1 January 2024	38,379,061	2,370,000	61,389	124,200	40,934,650
Additions during the period	-	-	-	519,480	519,480
Amortization for the year	-	(790,000)	(21,667)	-	(811,667)
As at 31 December 2024 (Audited)	<u>38,379,061</u>	<u>1,580,000</u>	<u>39,722</u>	<u>643,680</u>	<u>40,642,463</u>

5 LEASES

This note provides information for leases where the Group is a lessee. The Company has only one lease arrangement which is for Abu Dhabi office. Rental contract is for fixed period of three years.

5(a) RIGHT-OF-USE ASSET

	<i>30 June 2025 AED (Un-audited)</i>	<i>31 December 2024 AED (Audited)</i>
<u>Cost</u>		
Balance at 1 January	815,775	815,775
Additions during the period	-	-
Balance at 30 June / 31 December	<u>815,775</u>	<u>815,775</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2025
5 LEASES *(continued)*
5(a) RIGHT-OF-USE ASSET *(continued)*

	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
Accumulated depreciation		
At 01 January	294,585	22,660
Charge for the period	135,963	271,925
At 30 June / 31 December	430,548	294,585
Right-of-use Asset – Net book value	385,227	521,190

5(b) LEASE LIABILITY

	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
At 01 January	453,062	661,293
Accretion of interest	46,460	134,019
Repayment of lease liability	(174,801)	(342,250)
At 30 June / 31 December	324,721	453,062
Disclosed as under:	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
Non-current liabilities	171,992	171,992
Current liabilities	152,729	281,070
	324,721	453,062

The lease pertains to rented office premises in use by the Group.

6 INVESTMENT PROPERTIES

	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
At 01 January	-	-
Additions during the period	2,718,660	-
Fair value change during the period (unrealized)	-	-
At 30 June / 31 December	2,718,660	-

During the period, the Group acquired properties with a total fair value of AED 2.72 million, classified as investment property under IAS 40. These properties were received as non-cash consideration in settlement of an equity investment previously classified as a financial asset at fair value through other comprehensive income (FVOCI). The fair value was determined based on an independent third-party valuation at the date of acquisition.

6 INVESTMENT PROPERTIES *(continued)*

Investment properties are initially recognised at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, with gains or losses arising from changes in fair value recognised in profit or loss in the period in which they arise.

7 FINANCIAL ASSETS

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
At 01 January	101,480,071	2,848,738
Additions during the period	7,583,239	99,594,062
Fair value change during the period (unrealised)	425,140	(962,729)
At 30 June / 31 December	109,488,450	101,480,071

Investment in securities classified as fair value through profit and loss (FVTPL) represent a portfolio of investments in the quoted amounting to AED 16,988,450 (2024: AED 8,980,071) and unquoted shares amounting to AED 92,500,000 (2024: AED 92,500,000). These investments are of short-term nature and for trading purposes.

8 TRADE AND OTHER RECEIVABLES

	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
Trade receivables (note 8.1)	656,843,589	658,780,043
Allowances for expected credit losses (note 8.2)	(472,388)	(448,603)
	656,371,201	658,331,440
Prepayments	5,678,401	4,341,434
<u>Other receivables:</u>		
Net settlement due from:		
- Dubai Financial Market	10,289,879	-
- Abu Dhabi Securities Exchange	55,298,901	26,363,800
- National Association of Securities Dealers Automated Quotations (NASDAQ)	-	17,751
Deposits	8,589,475	5,526,183
Receivable from broker	3,297,508	-
Others	131,170,069	80,245,927
Total trade and other receivables	870,695,434	774,826,535

Others include mainly balances related to receivables from liquidity providers.

- 8.1** The Group has obtained the brokerage license from SCA under registration No. 20200000057 dated 05 August 2006, whereby the Group provides finance to its clients as a percentage of the market value of securities. These securities are considered as collateral and remains under the client's portfolio. The financing agreements are short term and the bearing interest on it. However, if the customer fails to settle within prescribed time, the management can levy interest at its own discretion.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2025**8 TRADE AND OTHER RECEIVABLES** *(continued)*

Investors who borrow from the Group will need to provide additional cash or securities if the price of a stock drops against the product's minimum eligibility. In the absence of adequate collateral, the Group is also allowed to liquidate the position. The fair value of securities held as collateral against margin trading receivables as at 30 June 2025 amounts to AED 19 billion (31 December 2024: AED 17 billion).

The Group charges interest to margin trading clients based on signed agreements. Interest income during the period amounted to AED 44,939,844 (30 June 2024: AED 41,550,127).

8.2 Movement in allowance for expected credit losses:

	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
At 1 January	448,603	2,361,871
Reversal of provision	-	(1,936,101)
Provision during the period	<u>23,785</u>	<u>22,833</u>
At 30 June / 31 December	<u>472,388</u>	<u>448,603</u>

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

The nature of business of BHM Capital Financial Services PSC is margin lending and is primarily fully collateralised with daily netting-off, the assets monitored closely, and collateral may be liquidated when margins are below threshold or non-payment of commitment.

9 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are related if one party can control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include subsidiary and key management personnel or their close family members.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, executive or otherwise, of the Group. Transactions with related parties are conducted on terms agreed mutually between the parties.

Details of the balances with related parties at the reporting date and the significant transactions with related parties during the period are as follows:

9(a) Transactions during the period

	Six months ended 30 June 2025 AED (Un-audited)	30 June 2024 AED (Un-audited)
Salary and benefits provided to key management personnel	<u>3,085,213</u>	<u>3,415,931</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2025**10 CASH AND BANK BALANCES**

	<i>30 June 2025</i>	<i>31 December 2024</i>
	<i>AED</i>	<i>AED</i>
	<i>(Un-audited)</i>	<i>(Audited)</i>
Cash and bank		
- Group's deposits	966,052	479,265
- Customers' deposits (note 10.1)	433,400,994	247,318,164
Cash and bank	<u>434,367,046</u>	<u>247,797,429</u>
Customers' deposits	<u>(433,400,994)</u>	<u>(247,318,164)</u>
Cash and cash equivalents	<u>966,052</u>	<u>479,265</u>

- 10.1** In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("SCA"), the Company maintains separate bank accounts for money received from its customers ("Restricted Funds") and represent these restricted funds as part of condensed consolidated interim financial information under cash and bank balances amounting to AED 433,400,994 (31 December 2024: AED 247,318,164) with the corresponding liability in amount due to customers. The restricted funds are not available to the Group other than to settle transactions executed in trading accounts of the customers.

11 SHARE CAPITAL

	<i>30 June 2025</i>	<i>31 December 2024</i>
	<i>Number of shares</i>	<i>Number of shares</i>
	<i>(Un-audited)</i>	<i>(Audited)</i>
Issued, authorised and paid-up share capital	173,431,068	173,431,068
Issuance of bonus shares	<u>26,568,932</u>	<u>-</u>
In issue at 30 June / 31 December	<u>200,000,000</u>	<u>173,431,068</u>
Total paid in capital (AED)	<u>200,000,000</u>	<u>173,431,068</u>

During the period, the Group has distributed 26,568,932 bonus shares to existing shareholders based on the decision of the shareholders in the Annual General Meeting (AGM) held on 21 April 2025.

Capital Adequacy Management

The Group manages its capital adequacy to ensure compliance with decision no. (27) of 2014 concerning the criteria for capital adequacy of the brokerage firms in securities and commodity contracts. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximize shareholders' value.

The Group manages its capital structure and adjusts it considering changes in economic conditions. No changes were made in the objectives, policy or processes during the period ended 30 June 2025 and year ended 31 December 2024.

11(a) Treasury shares

During the period, the Group distributed 26,568,932 bonus shares to the shareholders, 124 shares arising from fractional entitlements were not allocated to shareholders and were instead assigned to the Group. These shares have been classified as treasury shares in accordance with applicable accounting standards and are held by the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2025**11 SHARE CAPITAL** *(continued)***11(b) Legal reserve**

In accordance with UAE Federal Law (32) of 2021 ("Commercial Companies Law"), a minimum of 10% of the annual profit is to be transferred to this non-distributable statutory reserve. Such transfers may cease when the statutory reserve becomes equal to half of the paid-up share capital.

12 BANK BORROWINGS

	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
Ijarah facility (note a)	-	2,091,643
Short-term borrowings (note b)	178,582,912	99,110,876
Bank overdraft (note c)	305,000,000	284,999,047
	<u>483,582,912</u>	<u>386,201,566</u>
<u>Disclosed under statement of financial position as follows:</u>		
Non-current portion of borrowings	-	1,374,507
Current portion of borrowings	483,582,912	384,827,059
	<u>483,582,912</u>	<u>386,201,566</u>

- a. During the period, the Group has settled the facility amount.
- b. Short term loan amounting AED 178.6 million (31 December 2024: 99.1 million) is interest bearing loan which is re-payable on demand. The short-term loan is acquired from a financial institution.
- c. The Company has obtained bank overdraft facilities of AED 305 million (31 December 2024: AED 285 million). As on the reporting date, the Company has drawn down AED 305 million (31 December 2024: 285 million). The loan amount is re-payable within a year.

During the period, one of the Group's overdraft facilities was fully settled, leading to the concurrent release of the short-term deposit previously held as under lien security.

13 TRADE AND OTHER PAYABLES

	30 June 2025 AED (Un-audited)	31 December 2024 AED (Audited)
Customers' deposits (Note 10.1)	433,400,994	247,318,164
Customers' deposits with foreign markets	13,027,674	56,113,836
Customers' Unsettled Balances	58,758,742	59,068,053
Net settlement due to:		
- Dubai Financial Market	-	2,651,644
- National Association of Securities Dealers Automated Quotations (NASDAQ)	78,058	-
Short term advances	31,329	606,329
Other payables and accruals	176,499,033	178,287,721
Total trade and other payables	<u>681,795,830</u>	<u>544,045,747</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2025**14 CONTINGENT LIABILITIES**

	30 June 2025	31 December 2024
	AED	AED
	(Un-audited)	(Audited)
Guarantee to Abu Dhabi Securities Exchange (ADX)	21,000,000	36,000,000
Guarantee to Dubai Financial Markets (DFM)	22,000,000	22,000,000
	<u>43,000,000</u>	<u>58,000,000</u>

The guarantees issued are secured by fixed deposits of AED 16,800,000 (31 December 2024: AED 22,196,900).

As per SCA regulations, a broker is required to have an enforceable bank guarantee payable to the respective stock markets. This guarantee was provided to the Abu Dhabi Securities Exchange and the Dubai Financial Market and remains valid until the Bank receives an official letter from the respective market confirming that the guarantee is no longer required.

15 GENERAL AND ADMINISTRATIVE EXPENSES

	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	AED	AED	AED	AED
	(six months)	(six months)	(three months)	(three months)
Staff cost	35,355,632	30,670,040	19,878,023	17,075,065
Trading cost	7,136,676	8,267,844	3,563,292	5,053,854
Legal and professional	1,068,497	1,568,362	211,801	744,007
Depreciation on property and equipment	738,941	790,934	355,154	392,126
Registration and licensing	603,894	549,825	323,237	273,867
Amortization on intangible assets	405,833	405,833	202,917	202,917
Communication	1,489,435	552,438	895,059	491,016
Depreciation on right of use asset	135,963	135,963	67,981	67,981
Short term lease expenses	129,460	94,528	65,088	42,163
Other expenses	2,673,128	2,785,239	1,523,922	(863,662)
Total general and administrative expenses	<u>49,737,459</u>	<u>45,821,006</u>	<u>27,086,474</u>	<u>23,479,334</u>

16 FINANCE INCOME

Finance income includes income earned on unquoted Investment during the period.

17 FAIR VALUE HIERARCHY OF ASSETS MEASURED AT FAIR VALUEFair value measurements recognized in the condensed consolidated interim statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value. They are ranked into levels 1 to 3 based on the degree to which fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2025
17 FAIR VALUE HIERARCHY OF ASSETS MEASURED AT FAIR VALUE (continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices, including over-the-counter quoted prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3*</i> <i>AED</i>	<i>Total</i> <i>AED</i>
<u>30 June 2025 (Un-audited)</u>				
Financial assets – Investment at fair value through P&L	16,988,450	-	92,500,000	109,488,450
Financial assets – Investment at fair value through OCI	-	-	-	-
<u>31 December 2024 (Audited)</u>				
Financial assets – Investment at fair value through P&L	8,980,071	-	92,500,000	101,480,071
Financial assets – Investment at fair value through OCI	-	-	-	-

* The level 3 fair valuation is calculated using price multiple, the higher the unobservable input of price multiple, the higher is fair value.

Movement in Level 3 Investment during the period

	<i>30 June 2025</i> <i>AED</i> <i>(Un-audited)</i>
Opening balance at 01 January 2025	92,500,000
Purchased during the period	-
Realized gain on sale of Investment at fair value through P&L	-
Unrealized gain on Investment at fair value through P&L	-
Disposals during the period	-
Closing balance as at 30 June 2025	92,500,000

Movement in Level 3 Investment during the period

	<i>31 December 2024</i> <i>AED</i> <i>(Audited)</i>
Opening balance at 01 January 2024	-
Purchased during the year	92,500,000
Realized gain on sale of Investment at fair value through P&L	-
Unrealized gain on Investment at fair value through P&L	-
Disposals during the year	-
Closing balance as at 31 December 2024	92,500,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2025**18 BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share are calculated by dividing the profit or loss for the period attributable to owners of the Group by the weighted average number of shares outstanding during the period as follows:

	30 June 2025 AED (Un-audited)	30 June 2024 AED (Un-audited)
Profit for the period attributable to shareholders of the Group	<u>22,152,131</u>	<u>16,819,213</u>
Weighted average number of shares outstanding during the period	<u>182,385,238</u>	<u>168,261,978</u>
Basic and diluted profit per share (AED per share)	<u>0.121</u>	<u>0.100</u>

19 CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("UAE CT Law" or the "Law") to enact a Federal corporate tax ("CT") regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. Therefore, the year ended 31 December 2024 was the first taxable period of the Group.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. The Group's consolidated effective tax rate in respect of continuing operations for the period ended 30 June 2025 was 9.02% (30 June 2024: 8.50%) since the new CT Law has become effective for accounting periods beginning on or after 1 June 2023. The income tax expense is recognized at an amount determined by multiplying the profit before tax for the reporting period ended 30 June 2025 by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the period.

The reconciliation of profit before tax for the period ended 30 June 2025 and 30 June 2024 is presented below:

	30 June 2025 AED (Un-audited)	30 June 2024 AED (Un-audited)
Profit for the period before tax expense	24,349,676	18,382,500
Income not taxable in determining taxable profit	130,805	-
Expenses that are not deductible in determining taxable profit	124,185	(825,154)
Taxable income at 0%	<u>(187,500)</u>	<u>(187,500)</u>
Taxable income at 9%	<u>24,417,166</u>	<u>17,369,846</u>
Tax expenses	<u>2,197,545</u>	<u>1,563,287</u>
Effective tax rate	<u>9.02%</u>	<u>8.50%</u>

Management assessment is that the deferred tax component is immaterial as at reporting date.

20 SEGMENT REPORTING

The business activities of the Group are performed on an integrated basis. Therefore, any segmentation of operating income, expenses, assets and liabilities is not relevant and is not performed for internal management reporting purposes.

For internal management reporting purposes, the Group is organized as on business unit based on the products and services and has only one reportable segment. The Group is managed as a single business unit and the financial performance is reported in the internal reporting provided to the Chief Operating Officer.

The financial information reviewed by the COO is based on the IFRS compliant financial information of the Group. The COO monitors the operating results of its business unit for the purpose of performance assessment.

The COO on monthly basis reviews the statement of profit and loss and MIS. There are no other economic characteristics within the Group that will lead to determination of other report segments.

Based on the criteria and evaluation above, the COO has determined that the Group has only one operating segment, which is consistent with the internal reporting and performance measurement.

21 RECLASSIFICATION OF COMPARATIVE INFORMATION

Certain comparative amounts in the condensed consolidated interim financial information, have been reclassified in order to conform to the presentation adopted in the condensed consolidated interim financial information for the period ended 30 June 2025.

22 SUBSEQUENT EVENTS

There have been no subsequent events, from the reporting date to the date the financial statements were authorized for issue that would necessitate adjustments to the balances in the financial statements or require additional disclosures in the notes to the financial statements.