

**The National Investor Pr. J.S.C.**

**Condensed consolidated interim financial  
statements (Unaudited)**

**For the six months period ended 30 June 2020**

**Principal business address:**

P. O. Box 47435

Abu Dhabi

United Arab Emirates

**The National Investor Pr. J.S.C.**  
**Condensed consolidated interim financial statements (Unaudited)**

**For the six months period ended 30 June 2020**

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**Independent auditor's report on review of condensed consolidated interim financial statements  
To the Shareholders of The National Investor Pr. J.S.C.**

***Introduction***

We have reviewed the accompanying condensed consolidated interim statement of financial position of **The National Investor Pr. J.S.C.** (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2020 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of other comprehensive income, condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six months period then ended, and notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 ("IAS 34") "*Interim Financial Reporting*". Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review.

***Scope of review***

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

***Conclusion***

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

***Other matter***

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 March 2020.

The condensed consolidated interim financial statements of the Group for the six months period ended 30 June 2019 were reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial statements on 6 August 2019.





**GRANT THORNTON**

**Farouk Mohamed  
Registration No. 86  
Abu Dhabi, United Arab Emirates  
13 August 2020**

# The National Investor Pr. J.S.C.

## Condensed consolidated interim statement of profit or loss For the six months period ended 30 June 2020

|   | Note | Six months period<br>ended 30 June 2020<br>AED'000<br>(Unaudited) | Six months period<br>ended 30 June 2019<br>AED'000<br>(Unaudited) |
|---|------|---|---|
| Fee and service income  | 5    | 36,208  | 43,284  |
| Net income from investments carried at fair value<br>through profit or loss |      | (124)   | 10,833  |
| Dividend income   |      | -   | 187   |
| Share of profit of associates   |      | 697   | 3,260   |
| Share of profit of joint venture  |      | -   | 58  |
| Interest income   |      | 746   | 2,400   |
| Other income  |      | 754   | 3,053   |
| <b>Total operating income</b>   |      | <b>38,281</b>   | <b>63,075</b>   |
| Staff cost  | 6    | (24,165)  | (28,030)  |
| Operating expenses  |      | (7,581)   | (7,597)   |
| General and administrative expenses   |      | (6,435)   | (11,341)  |
| Depreciation  |      | (4,195)   | (3,870)   |
| Interest expense  |      | (1,026)   | (1,076)   |
| Impairment losses on trade receivables                                      |      | (22)  | (95)  |
| <b>Total operating expenses</b>   |      | <b>(43,424)</b>   | <b>(52,009)</b>   |
| <b>(Loss) / profit for the period</b>                                       |      | <b>(5,143)</b>  | <b>11,066</b>   |
| <i>Attributable to:</i>   |      |   |   |
| Shareholders of the Company   |      | (5,407)   | 11,140  |
| Non-controlling interests   |      | 264   | (74)  |
|   |      | <b>(5,143)</b>  | <b>11,066</b>   |
| Basic earnings per share (AED) (note 17)                                    |      | <b>(0.014)</b>  | <b>0.019</b>  |

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

## The National Investor Pr. J.S.C.

### Condensed consolidated interim statement of other comprehensive income For the six months period ended 30 June 2020

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|   | Six months<br>period ended<br>30 June 2020<br>AED'000<br>(Unaudited) | Six months<br>period ended<br>30 June 2019<br>AED'000<br>(Unaudited) |
|---|--|--|
| <b>(Loss) / profit for the period</b>   | <b>(5,143)</b>   | 11,066   |
| <b>Other comprehensive income:</b>  |  |  |
| <i>Items that will not be reclassified to profit or loss</i>  |  |  |
| Fair value loss on financial assets carried out at fair value through<br>other comprehensive income | <u>(2,681)</u>   | <u>(3,197)</u>   |
| <b>Other comprehensive loss</b>   | <u>(2,681)</u>   | <u>(3,197)</u>   |
| <b>Total comprehensive (loss) / income for the period</b>   | <u><b>(7,824)</b></u>  | <u>7,869</u>   |
| <i>Attributable to:</i>   |  |  |
| Shareholders of the Company   | <b>(8,088)</b>   | 7,943  |
| Non-controlling interests   | <u>264</u>   | <u>(74)</u>  |
|   | <u><b>(7,824)</b></u>  | <u>7,869</u>   |


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

# The National Investor Pr. J.S.C.

## Condensed consolidated interim statement of financial position As at 30 June 2020

|  | Note | 30 June 2020<br>AED'000<br>(Unaudited) | 31 December 2019<br>AED'000<br>(Audited) |
|--|------|--|--|
| <b>Assets</b>  |      |  |  |
| Cash and bank balances   | 7    | 41,694                                 | 202,560                                  |
| Investments carried at fair value through profit and loss            | 8    | 13,652                                 | 81,391                                   |
| Investments carried at fair value through other comprehensive income | 9    | 13,702                                 | 14,905                                   |
| Due from related parties   | 16   | 219                                    | 97                                       |
| Investment in joint venture  | 10   | -                                      | 20,739                                   |
| Investments in associates  | 11   | 62,351                                 | 92,150                                   |
| Investment properties  | 12   | 125,383                                | 109,267                                  |
| Intangible assets  |      | 993                                    | 997                                      |
| Property, fixture and equipment                                      |      | 195,899                                | 198,607                                  |
| Other assets   | 13   | 33,102                                 | 32,256                                   |
| <b>Total assets</b>  |      | <b>486,995</b>                         | <b>752,969</b>                           |
| <b>Liabilities</b>   |      |  |  |
| Term loans   |      | 30,414                                 | 32,370                                   |
| Other liabilities  | 14   | 26,063                                 | 31,923                                   |
| Amounts due to related parties                                       | 16   | 113                                    | 24                                       |
| <b>Total liabilities</b>   |      | <b>56,590</b>                          | <b>64,317</b>                            |
| <b>Equity</b>  |      |  |  |
| Share capital  | 15   | 377,500                                | 577,500                                  |
| Legal reserve  |      | 59,042                                 | 59,042                                   |
| Optional reserve   |      | 619                                    | 50,619                                   |
| Fair value reserve   |      | (59,752)                               | (57,071)                                 |
| Retained earnings  |      | 953                                    | 6,360                                    |
| <b>Equity attributable to the Shareholders of the Company</b>        |      | <b>378,362</b>                         | <b>636,450</b>                           |
| Non-controlling interests  |      | 52,043                                 | 52,202                                   |
| <b>Total equity</b>  |      | <b>430,405</b>                         | <b>688,652</b>                           |
| <b>Total liabilities and equity</b>                                  |      | <b>486,995</b>                         | <b>752,969</b>                           |

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 13 August 2020 and signed on their behalf by:

  
Mr. Saeed Mohamed Hasan Almasoud  
Chairman

  
Mr. Kashif Zia  
Managing Director

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

## The National Investor Pr. J.S.C.

### Condensed consolidated interim statement of changes in equity For the six months period ended 30 June 2020

|  | Share<br>capital<br>AED'000 | Legal<br>reserve<br>AED'000 | Optional<br>reserve<br>AED'000 | Fair value<br>reserve<br>AED'000 | Retained<br>earnings<br>AED'000 | Attributable to equity<br>holders of<br>parent<br>AED'000 | Non-<br>controlling<br>interests<br>AED'000 | Total<br>AED'000 |
|--|-----------------------------|-----------------------------|--------------------------------|----------------------------------|---------------------------------|---|---|------------------|
| Balance at 1 January 2019                      | 577,500                     | 58,949                      | 50,526                         | (46,534)                         | 5,621                           | 646,062   | 54,949                                      | 701,011          |
| Profit / (loss) for the period                 | -                           | -                           | -                              | -                                | 11,140                          | 11,140  | (74)  | 11,066           |
| Other comprehensive income                     | -                           | -                           | -                              | (3,197)                          | -                               | (3,197)   | -   | (3,197)          |
| Change in non-controlling interests            | -                           | -                           | -                              | -                                | -                               | -   | (1,887)                                     | (1,887)          |
| <b>Balance at 30 June 2019<br/>(Unaudited)</b> | <b>577,500</b>              | <b>58,949</b>               | <b>50,526</b>                  | <b>(49,731)</b>                  | <b>16,761</b>                   | <b>654,005</b>  | <b>52,988</b>                               | <b>706,993</b>   |
| Balance at 1 January 2020                      | 577,500                     | 59,042                      | 50,619                         | (57,071)                         | 6,360                           | 636,450   | 52,202                                      | 688,652          |
| Profit / (loss) for the period                 | -                           | -                           | -                              | -                                | (5,407)                         | (5,407)   | 264   | (5,143)          |
| Other comprehensive income                     | -                           | -                           | -                              | (2,681)                          | -                               | (2,681)   | -   | (2,681)          |
| Return of capital to shareholders<br>(Note 15) | (200,000)                   | -                           | -                              | -                                | -                               | (200,000)   | -   | (200,000)        |
| Distribution of special dividends<br>(Note 15) | -                           | -                           | (50,000)                       | -                                | -                               | (50,000)  | -   | (50,000)         |
| Change in non-controlling interests            | -                           | -                           | -                              | -                                | -                               | -   | (423)                                       | (423)            |
| <b>Balance at 30 June 2020<br/>(Unaudited)</b> | <b>377,500</b>              | <b>59,042</b>               | <b>619</b>                     | <b>(59,752)</b>                  | <b>953</b>                      | <b>378,362</b>  | <b>52,043</b>                               | <b>430,405</b>   |

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

# The National Investor Pr. J.S.C.

## Condensed consolidated interim statement of cash flows For the six months period ended 30 June 2020

|  | Note | Six months<br>period ended<br>30 June 2020<br>AED'000<br>(Unaudited) | Six months<br>period<br>ended 30<br>June 2019<br>AED'000<br>(Unaudited) |
|--|------|--|---|
| <b>Cash flows from operating activities</b>                                    |      |  |   |
| (Loss) / profit for the period   |      | (5,143)  | 11,066  |
| <i>Adjustments for:</i>  |      |  |   |
| Depreciation   |      | 4,195  | 3,870   |
| Amortisation of intangible assets  |      | 4  | 30  |
| Share of profit of associates  |      | (697)  | (3,260)   |
| Share of loss of joint venture   |      | -  | (58)  |
| Impairment losses on trade receivables   |      | 22   | 95  |
| Net income from investments carried at fair value through profit and loss      |      | 604  | (4,719)   |
| Interest income  |      | (746)  | (2,400)   |
| Interest expense   |      | 1,026  | 1,076   |
| Provision for employees' end of service benefits                               |      | 398  | 1,286   |
| Dividend income  |      | -  | (187)   |
|  |      | <u>(337)</u>   | <u>6,799</u>  |
| <i>Changes in:</i>   |      |  |   |
| Amounts due from related parties   |      | (122)  | -   |
| Other assets   |      | (2,957)  | 3,996   |
| Amounts due to related parties   |      | 90   | 32  |
| Other liabilities  |      | (2,527)  | (1,061)   |
| Non-controlling interest   |      | (423)  | (1,887)   |
| Employees' end of service benefits paid  |      | (3,693)  | (1,027)   |
| <b>Net cash (used in)/generated from operating activities</b>                  |      | <u>(9,969)</u>   | <u>6,852</u>  |
| <b>Cash flows from investing activities</b>                                    |      |  |   |
| Purchase of property, fixtures and equipment, net                              |      | 3,136  | (125)   |
| Proceeds from sale of investments carried at fair value through profit or loss |      | 67,135   | 36,468  |
| Acquisition of investments carried at fair value through profit or loss        |      | -  | (44,730)  |
| Proceeds from partial redemption and maturities of investment – FVTOCI         |      | 881  | 2,500   |
| Proceeds from partial redemption of investment in associate                    |      | 25,338   | -   |
| Proceeds from profit distribution of investment in associate                   |      | 2,800  | -   |
| Term deposits  |      | (647)  | (34,637)  |
| Interest income received   |      | 2,835  | 2,532   |
| Dividend income received   |      | -  | 187   |
| <b>Net cash generated from/(used in) investing activities</b>                  |      | <u>101,478</u>   | <u>(37,805)</u>   |
| <b>Cash flows from financing activities</b>                                    |      |  |   |
| Repayment of term loans  |      | (1,957)  | (1,776)   |
| Dividends paid to equity holders of the parent                                 |      | (50,000)   | -   |
| Return of capital to equity holders of the parent                              |      | (200,000)  | -   |
| Interest paid  |      | (1,065)  | (1,075)   |
| <b>Net cash used in financing activities</b>                                   |      | <u>(253,022)</u>   | <u>(2,851)</u>  |
| <b>Net decrease in cash and cash equivalents</b>                               |      | <b>(161,513)</b>   | <b>(33,804)</b>   |
| Cash and cash equivalents at the beginning of the period                       |      | <u>185,579</u>   | <u>122,929</u>  |
| <b>Cash and cash equivalents at the end of the period</b>                      | 7    | <u><u>24,066</u></u>   | <u><u>89,125</u></u>  |

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



# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

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### 1 Legal status and principal activities

The National Investor Pr. J.S.C. (the “Company”) is registered in Abu Dhabi, United Arab Emirates (“UAE”) and is listed on the Abu Dhabi Securities Exchange as a Private Joint Stock Company since 2014. The Company is subject to the Federal Law No. 2 of 2015 concerning commercial companies and the executive Ministry of Economy Decision No. 539 of 2017 concerning private joint stock companies. In 2001, the Company received approval from the Central Bank of the UAE to conduct financial investment business as an investment company in accordance with the Central Bank’s Board of Directors’ Resolution No. 164/8/94 dated 18 April 1995 regarding the regulations for investment companies and banking and investment consultation companies. The Company is also licensed and regulated by the UAE Securities and Commodities Authority (SCA) for conducting Financial Advisory activity since 2012, Investment Management activity since 2017 and Management activity since 2018.

The Company and its subsidiaries (together referred as the “Group”) are managed as an integrated investment and financial services company.

The principal activities of the Group are investment banking, asset management, private equity, funds and securities investment, hospitality, third party real estate investment and provision of consultancy.

The registered head office of the Company is at P.O. Box 47435, Abu Dhabi, United Arab Emirates.

These condensed consolidated interim financial statements of the Group were authorized and approved for issue by the Board of Directors on 13 August 2020.

### 2 Basis of accounting

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34. “Interim Financial Reporting” issued by the International Accounting Standards Board and applicable requirements of the laws of the U.A.E. Federal Law No 2 of 2015 (“UAE Companies Law of 2015”).

The condensed consolidated interim financial statements do not contain all statements and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019. They do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the latest annual consolidated financial statements. In addition, results for the six months period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

The accounting policies applied by the Group in the presentation of these consolidated interim financial statements are consistent with those applied by the Group in its audited financial statements as at and for the year ended 31 December 2019, except for IFRSs that became effective for accounting periods beginning on or after 1 January 2020. These are listed in note 4.

The condensed consolidated interim financial statements are presented in United Arab Emirates Dirham (AED) which is the functional and the presentation currency of the Group and all values are rounded to the nearest thousand dirham, except when otherwise indicated.

# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

### 2 Basis of accounting (continued)

In response to the spread of the Covid-19 where the Group operates and its resulting disruptions to the social and economic activities in those markets, the Group management has proactively assessed its impacts on its operations and has taken a series of preventive measures, including the creating of a business contingency plan, to ensure the health and safety of its employees, customers and wider community as well as to ensure the continuity of its services throughout the market. The business operations of the Group currently remain largely unaffected. Based on these factors, the Group management believes that the Covid-19 pandemic has had no material effects on the reported condensed consolidated interim financial statements as at and for the six month period ended 30 June 2020.

### 3 Basis of consolidation

The accompanying condensed consolidated interim financial statements comprise of financial statements of the Company and its subsidiaries (together referred to as the “Group”). The details of the Company’s subsidiaries and their principal activities are as follows:

|   | Country of<br>incorporation | Ownership interest %<br>30 Jun 2020 | 31 Dec 2019 | Principal activity   |
|---|-----------------------------|-------------------------------------|-------------|--|
| <b><i>Operating entities</i></b>  |                             |                                     |             |  |
| Mainland Management LLC   | U.A.E.                      | 67                                  | 67          | Real estate investments  |
| Falcon Investments LLC  | U.A.E.                      | 100                                 | 100         | Property management,<br>advisory and<br>investment brokerage<br>services |
| National Investor Property Management<br>LLC - a subsidiary of Falcon Investments LLC             | U.A.E.                      | 100                                 | 100         | Advisory and<br>consultancy services                                     |
| Robert Flanagan Arabian Management<br>Consultancy LLC - a subsidiary of<br>Falcon Investments LLC | U.A.E.                      | 51                                  | 51          | Management<br>consultancy services                                       |
| Professional Realtors Company Ltd- a<br>subsidiary of Falcon Investments LLC                      | K.S.A                       | 80                                  | 80          | Real estate and<br>consultancy   |
| Uptown Management LLC   | U.A.E.                      | 100                                 | 100         | Real estate investments  |
| Uptown Investment LLC   | U.A.E.                      | 100                                 | 100         | Real estate investments  |
| Mainland Investment LLC   | U.A.E.                      | 100                                 | 100         | Real estate investments  |
| Mafraq Hotel – a subsidiary of Mainland<br>Investment LLC   | U.A.E.                      | 100                                 | 100         | Hospitality services   |
| MENA Real Estate Solutions LLC – a<br>subsidiary of Falcon Investments LLC                        | U.A.E.                      | 100                                 | 100         | Real estate and<br>consultancy   |
| Colliers International Property Services<br>LLC – a subsidiary of Falcon<br>Investments LLC       | Qatar                       | 100                                 | 100         | Real estate and<br>consultancy service                                   |
| Colliers International Property<br>Consultancy - a subsidiary of Falcon<br>Investments LLC        | Egypt                       | 100                                 | 100         | Real estate and<br>consultancy service                                   |
| Al Jeyoun Limited   | U.A.E.                      | 100                                 | 47          | Real estate investments,<br>investments in PJSCs                         |
| <b><i>Special purpose entities</i></b>  |                             |                                     |             |  |
| United Capital LLC  | U.A.E.                      | 100                                 | 100         | Asset Management   |
| Fidelity Invest LLC (owned by The<br>National Investor Pr. J.S.C. One Man<br>Company LLC)         | U.A.E.                      | 100                                 | 100         | Asset Management   |

# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

### 3 Basis of consolidation (continued)

|                                 | Country of<br>incorporation | Ownership interest %<br>30 Jun 2020 | 31 Dec 2019 | Principal activity   |
|---------------------------------|-----------------------------|-------------------------------------|-------------|----------------------|
| <i>Special purpose entities</i> |                             |                                     |             |                      |
| Al Dhafra Capital LLC           | U.A.E.                      | 100                                 | 100         | Asset Management     |
| TNI Capital Partners Limited    | Cayman<br>Islands           | 100                                 | 100         | Private Equity Funds |
| TNI General Partners Limited    | Cayman<br>Islands           | 100                                 | 100         | Private Equity Funds |
| Blue Chip Capital LLC           | U.A.E.                      | 100                                 | 100         | Asset Management     |

During the six months period ended 30 June 2020, the Group increased its ownership in the joint venture “Al Jeyoun Limited” from 47% to 100%.

### 4 Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group which are:

- Amendments to IFRS 3: Definition of a Business
- Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 16 regarding Covid-19 related rent concession.

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

#### Standards and interpretations in issue but not yet effective

| New standards and revised IFRSs not yet effective and has not been adopted early<br>by the Group  | Effective date |
|---|----------------|
| Amendments to IAS 1 to address classification of liabilities as current or non-current providing a more general approach based on the contractual arrangements in place at the reporting date.  | 1 January 2022 |
| Amendments to IAS 16 ‘Property, Plant and Equipment’ regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. | 1 January 2022 |
| Amendments to IAS 37 amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.  | 1 January 2022 |

# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

### 4 Significant accounting policies (continued)

#### Standards and interpretations in issue but not yet effective (continued)

| <b>New standards and revised IFRSs not yet effective and has not been adopted early by the Group</b>  | <b>Effective date</b>   |
|---|---|
| Amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements  | 1 January 2022  |
| Annual improvements to IFRS Standards 2018–2020   | 1 January 2020  |
| Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures (2011)' relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture | Effective date deferred indefinitely.<br>Adoption is still permitted. |

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective. The impact of these standards and amendments is currently being assessed by the management.

#### (a) *Significant accounting judgements, estimates and assumptions*

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the period ended 31 December 2019.

The Group has reviewed the key sources of estimation uncertainties disclosed in the recent annual audited financial statements against the backdrop of Covid-19 pandemic. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the recent annual audited financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

### 5 Fee and service income

|                                      | <b>Six months period<br/>ended 30 June 2020<br/>AED'000<br/>(Unaudited)</b> | Six months period<br>ended 30 June 2019<br>AED'000<br>(Unaudited) |
|--------------------------------------|---|---|
| Consultancy and other service income | 22,938  | 27,561  |
| Revenue from hotel services          | 12,715  | 14,651  |
| Asset management fees                | 425   | 924   |
| Merchant banking fees                | 130   | 148   |
|                                      | <b>36,208</b>   | <b>43,284</b>   |

# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

### 6 Staff cost

|                           | Six months period<br>ended 30 June 2020<br>AED'000<br>(Unaudited) | Six months period<br>ended 30 June 2019<br>AED'000<br>(Unaudited) |
|---------------------------|---|---|
| Staff cost - corporate    | 6,082   | 5,628   |
| Staff cost - subsidiaries | 18,083  | 22,402  |
|                           | <u>24,165</u>   | <u>28,030</u>   |

### 7 Cash and bank balances

|  | 30 June 2020<br>AED'000<br>(Unaudited) | 31 December 2019<br>AED'000<br>(Audited) |
|--|--|--|
| Cash in hand   | 137                                    | 95                                       |
| Call and current accounts with banks                         | 23,165                                 | 65,268                                   |
| Term deposits  | 18,392                                 | 137,197                                  |
|  | <u>41,694</u>                          | <u>202,560</u>                           |
| Bank balances and cash                                       | 41,694                                 | 202,560                                  |
| <i>Less:</i> bank deposits with maturities over three months | <u>(17,628)</u>                        | <u>(16,981)</u>                          |
|  | <u>24,066</u>                          | <u>185,579</u>                           |

Bank deposits carry interest rates ranging from 0.87% to 2.75% (31 December 2019: 0.6% to 3.9%) per annum.

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

|                          | 30 June 2020<br>AED'000<br>(Unaudited) | 31 December 2019<br>AED'000<br>(Audited) |
|--------------------------|--|--|
| Listed equity securities | -                                      | 67,643                                   |
| Investment in Sukuk      | 13,652                                 | 13,748                                   |
|                          | <u>13,652</u>                          | <u>81,391</u>                            |

# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

### 8 Investments carried at fair value through profit and loss (continued)

Movement in financial investments at fair value through profit or loss:

|   | <b>30 June 2020</b><br><b>AED'000</b><br><b>(Unaudited)</b> | 31 December 2019<br>AED'000<br>(Audited) |
|---|---|--|
| Balance at the beginning of the period / year | 81,391  | 95,752                                   |
| Change in fair value during the period / year | (96)  | 1,831                                    |
| Additions during the period / year            | -   | 86,076                                   |
| Disposal during the period / year             | <u>(67,643)</u>   | <u>(102,268)</u>                         |
| Balance at the end of the period / year       | <u><u>13,652</u></u>  | <u><u>81,391</u></u>                     |

### 9 Investments carried at fair value through other comprehensive income

|                            | <b>30 June 2020</b><br><b>AED'000</b><br><b>(Unaudited)</b> | 31 December 2019<br>AED'000<br>(Audited) |
|----------------------------|---|--|
| Listed equity securities   | 5,242   | 5,411                                    |
| Investment in equity funds | <u>8,460</u>  | <u>9,494</u>                             |
|                            | <u><u>13,702</u></u>  | <u><u>14,905</u></u>                     |

Movement in financial investments at fair value through other comprehensive income

|   | <b>30 June 2020</b><br><b>AED'000</b><br><b>(Unaudited)</b> | 31 December 2019<br>AED'000<br>(Audited) |
|---|---|--|
| Balance at the beginning of the period / year                             | 14,905  | 27,905                                   |
| Change in fair value during the period / year                             | (322)   | (10,500)                                 |
| Investments in Sukuk / commercial papers matured during the period / year | -   | (2,500)                                  |
| Disposal during the period / year   | <u>(881)</u>  | <u>-</u>                                 |
| Balance at end of the period / year                                       | <u><u>13,702</u></u>  | <u><u>14,905</u></u>                     |

### 10 Investment in joint venture

During the six months period ended 30 June 2020, the Group increased its ownership in the joint venture "Al Jeyoun Limited" from 47% to 100%.

### 11 Investments in associates

During the six months period ended 30 June 2020, the Group dissolved all its share in TNI Blue Chip Fund.

## The National Investor Pr. J.S.C.

### Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

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#### 12 Investment properties

As a result of acquiring control in the joint venture, the underlying plot of land valuing AED 16,115,750 in the books of joint venture is classified as investment property.

#### 13 Other assets

|   | 30 June 2020<br>AED'000<br>(Unaudited) | 31 December 2019<br>AED'000<br>(Audited) |
|---|--|--|
| Trade receivables                         | 32,848                                 | 29,945                                   |
| Prepaid expenses                          | 4,313                                  | 4,741                                    |
| Right of use of asset                     | 2,723                                  | 3,112                                    |
| Due from employees                        | 1,024                                  | 791                                      |
| Accrued income                            | 504                                    | 2,742                                    |
| Others                                    | 1,538                                  | 1,364                                    |
|   | <hr/>                                  | <hr/>                                    |
|   | 42,950                                 | 42,695                                   |
| <i>Less:</i> allowance for doubtful debts | (9,848)                                | (10,439)                                 |
|   | <hr/>                                  | <hr/>                                    |
|   | 33,102                                 | 32,256                                   |
|   | <hr/>                                  | <hr/>                                    |

#### 14 Other liabilities

|                         | 30 June 2020<br>AED'000<br>(Unaudited) | 31 December 2019<br>AED'000<br>(Audited) |
|-------------------------|--|--|
| Trade payables          | 6,279                                  | 5,557                                    |
| Staff payables          | 252                                    | 4,067                                    |
| End of service benefits | 9,946                                  | 13,241                                   |
| Accrued expenses        | 6,639                                  | 6,178                                    |
| Lease liability         | 2,947                                  | 2,880                                    |
|                         | <hr/>                                  | <hr/>                                    |
|                         | 26,063                                 | 31,923                                   |
|                         | <hr/>                                  | <hr/>                                    |

#### 15 Share capital

On 21 January 2020, the shareholders approved a special resolution to distribute AED 50 million as special dividend which is distributed from the 'optional reserve'. The shareholders also approved to reduce the paid-up share capital by AED 200 million after the payment of special dividend.

# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

### 16 Related parties

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

The period end balances in respect of related parties included in the condensed consolidated interim statement of financial position are as follows:

|  | <b>30 June 2020</b><br><b>AED'000</b><br><b>(Unaudited)</b> | 31 December 2019<br>AED'000<br>(Audited) |
|--|---|--|
| <i>Amounts due from related parties:</i>       |   |  |
| Associates                                     | 67  | 74                                       |
| Funds under management                         | 152   | 23                                       |
|  | <u>219</u>  | <u>97</u>                                |
| <i>Amounts due to related parties:</i>         |   |  |
| Others   | 113   | 24                                       |
|  | <u>113</u>  | <u>24</u>                                |
| Loan obtained from Finance House - shareholder | 4,7<br>33   | 4,733                                    |

Significant transactions with related parties during the period were as follows:

|   | <b>Six months period</b><br><b>ended 30 June 2020</b><br><b>AED'000</b><br><b>(Unaudited)</b> | Six months period<br>ended 30 June 2019<br>AED'000<br>(Unaudited) |
|---|---|---|
| Fees earned from related parties  | <u>425</u>  | <u>924</u>  |
| Guarantees issued on behalf of the Company  | <u>62,917</u>   | <u>66,451</u>   |
| Short term benefits of key management<br>personnel (salaries, benefits and bonuses) | <u>3,143</u>  | <u>5,117</u>  |
| Interest expense on loan obtained from Finance House                                | <u>95</u>   | <u>95</u>   |



# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

### 17 Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the number of shares outstanding during the period.

|   | Six months period<br>ended 30 June 2020<br>AED'000<br>(Unaudited) | Six months period<br>ended 30 June 2019<br>AED'000<br>(Unaudited) |
|---|---|---|
| (Loss) / profit for the period (AED'000)          | (5,407)   | 11,140  |
| Weighted average number of ordinary shares ('000) | 377,500   | 577,500   |
| Earnings per share                                | (0.014)   | 0.019   |

There were no potentially dilutive securities as at 30 June 2020 or 30 June 2019, and accordingly, diluted earnings per share are the same as basic earnings per share.

### 18 Segment information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision makers of the Group in order to allocate resources to the segment and to assess its performance. Information reported to the chief operating decision makers is based on three major segments as follows:

**Asset Management-** manages investment portfolios and funds in regional equities and offers regional and foreign investors' gateways for investment in the GCC and Arab stock markets.

**Merchant Banking-** provides corporate finance advisory, private placements, public offerings of equity and debt securities, mergers and acquisitions.

**Principal Investments-** manages and controls all cash related to the Group, and all proprietary investments of the Group including investments in associates, joint ventures, investments at fair value through profit or loss and other comprehensive income and investment properties.

Management monitors the net operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

The business segments information for the period ended 30 June 2020 and the period ended 31 December 2019 are as follows:

#### Business segments

|                     | Asset<br>Management<br>AED'000 | Merchant<br>Banking<br>AED'000 | Principal<br>Investments<br>AED'000 | Total<br>AED'000 |
|---------------------|--------------------------------|--------------------------------|-------------------------------------|------------------|
| 30 June 2020        |                                |                                |                                     |                  |
| Operating income    | <u>425</u>                     | <u>130</u>                     | <u>37,726</u>                       | <u>38,281</u>    |
| Net segment results | <u>(1,860)</u>                 | <u>(3,476)</u>                 | <u>193</u>                          | <u>(5,143)</u>   |
| Segment assets      | <u>-</u>                       | <u>-</u>                       | <u>486,995</u>                      | <u>486,995</u>   |
| Segment liabilities | <u>-</u>                       | <u>4</u>                       | <u>56,586</u>                       | <u>56,590</u>    |

# The National Investor Pr. J.S.C.

## Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2020

### 18 Segment information (continued)

#### Business segments (continued)

|                     | Asset<br>Management<br>AED'000 | Merchant<br>Banking<br>AED'000 | Principal<br>Investments<br>AED'000 | Total<br>AED'000 |
|---------------------|--------------------------------|--------------------------------|-------------------------------------|------------------|
| 31 December 2019    |                                |                                |                                     |                  |
| Operating income    | <u>1,553</u>                   | <u>263</u>                     | <u>104,129</u>                      | <u>105,945</u>   |
| Net segment results | <u>(3,219)</u>                 | <u>(5,463)</u>                 | <u>8,974</u>                        | <u>292</u>       |
| Segment assets      | <u>-</u>                       | <u>-</u>                       | <u>752,969</u>                      | <u>752,969</u>   |
| Segment liabilities | <u>154</u>                     | <u>1,879</u>                   | <u>62,284</u>                       | <u>64,317</u>    |

#### Geographical segments

|                     | UAE<br>AED'000 | KSA<br>AED'000 | Others<br>AED'000 | Total<br>AED'000 |
|---------------------|----------------|----------------|-------------------|------------------|
| 30 June 2020        |                |                |                   |                  |
| Operating income    | <u>28,262</u>  | <u>9,353</u>   | <u>666</u>        | <u>38,281</u>    |
| Net segment results | <u>(5,666)</u> | <u>882</u>     | <u>(359)</u>      | <u>(5,143)</u>   |
| Segment assets      | <u>467,614</u> | <u>17,819</u>  | <u>1,562</u>      | <u>486,995</u>   |
| Segment liabilities | <u>45,630</u>  | <u>10,465</u>  | <u>495</u>        | <u>56,590</u>    |
| 31 December 2019    |                |                |                   |                  |
| Operating income    | <u>83,664</u>  | <u>21,170</u>  | <u>1,111</u>      | <u>105,945</u>   |
| Net segment results | <u>(3,051)</u> | <u>4,480</u>   | <u>(1,137)</u>    | <u>292</u>       |
| Segment assets      | <u>734,027</u> | <u>17,681</u>  | <u>1,261</u>      | <u>752,969</u>   |
| Segment liabilities | <u>54,823</u>  | <u>9,209</u>   | <u>285</u>        | <u>64,317</u>    |