

The National Investor Pr. J.S.C.

**Condensed consolidated interim financial statements
(Unaudited)
For the six months period ended 30 June 2021**

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 2021

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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 2021 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of 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".



GRANT THORNTON

Farouk Mohamed
Registration No. 86
Abu Dhabi, United Arab Emirates
11 August 2021



The National Investor Pr. J.S.C.

Condensed consolidated interim statement of profit or loss For the six months period ended 30 June 2021

	Note	Six months period ended 30 June 2021 AED'000 (Unaudited)	Six months period ended 30 June 2020 AED'000 (Unaudited)
Fee and service income	5	44,002	36,208
Net income / (loss) from investments carried at fair value through profit or loss		340	(124)
Dividend income		140	-
Share of profit of associates		1,242	697
Interest income		198	746
Other income		3,374	754
Total operating income		49,296	38,281
Staff cost	6	(20,926)	(24,165)
Operating expenses		(5,301)	(7,581)
General and administrative expenses		(6,834)	(6,435)
Depreciation		(4,650)	(4,195)
Interest expense		(915)	(1,026)
Impairment losses on trade receivables		(1,901)	(22)
Total operating expenses		(40,527)	(43,424)
Profit / (loss) for the period		8,769	(5,143)
<i>Attributable to:</i>			
Shareholders of the Company		8,479	(5,407)
Non-controlling interests		290	264
		8,769	(5,143)
Basic earnings per share (AED)	16	0.022	(0.014)

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 comprehensive income For the six months period ended 30 June 2021

	Six months period ended 30 June 2021 AED'000 (Unaudited)	Six months period ended 30 June 2020 AED'000 (Unaudited)
Profit / (loss) for the period	8,769	(5,143)
Other comprehensive income:		
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Fair value loss on financial assets carried at fair value through other comprehensive income	<u>(1,042)</u>	<u>(2,681)</u>
Other comprehensive loss	<u>(1,042)</u>	<u>(2,681)</u>
Total comprehensive income / (loss) for the period	<u><u>7,727</u></u>	<u><u>(7,824)</u></u>
<i>Attributable to:</i>		
Shareholders of the Company	<u>7,437</u>	<u>(8,088)</u>
Non-controlling interests	<u>290</u>	<u>264</u>
	<u><u>7,727</u></u>	<u><u>(7,824)</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.

Condensed consolidated interim statement of financial position As at 30 June 2021

	Note	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
ASSETS			
Cash and bank balances	7	56,245	52,640
Investments carried at fair value through profit or loss	8	10,000	13,690
Investments carried at fair value through other comprehensive income	9	10,535	11,496
Amounts due from related parties	15	1,313	1,476
Investments in associates	10	58,448	60,681
Investment properties	11	126,426	122,290
Intangible assets		989	993
Property, fixture and equipment		185,383	191,721
Other assets	12	34,345	26,632
Total assets		483,684	481,619
LIABILITIES AND EQUITY			
LIABILITIES			
Term loans		25,749	30,487
Other liabilities	13	28,438	24,127
Amounts due to related parties	15	48	102
Total liabilities		54,235	54,716
EQUITY			
Share capital	14	377,500	377,500
Legal reserve		59,042	59,042
Optional reserve	14	619	619
Fair value reserve		(62,586)	(61,544)
Retained earnings / (accumulated losses)		3,539	(727)
Equity attributable to the Shareholders of the Parent Company		378,114	374,890
Non-controlling interests		51,335	52,013
Total equity		429,449	426,903
Total liabilities and equity		483,684	481,619

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.


Mr. Saeed Mohamed Hasan Almasoud
Chairman


Mr. Arijit Nandi
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 2021

	Share capital AED'000	Legal reserve AED'000	Optional reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Equity attributable to shareholders of Parent Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2020 (audited)	577,500	59,042	50,619	(57,071)	6,360	636,450	52,202	688,652
Loss for the period	-	-	-	-	(5,407)	(5,407)	264	(5,143)
Other comprehensive loss	-	-	-	(2,681)	-	(2,681)	-	(2,681)
Return of capital to shareholders (Note 14)	(200,000)	-	-	-	-	(200,000)	-	(200,000)
Distribution of special dividends (Note 14)	-	-	(50,000)	-	-	(50,000)	-	(50,000)
Change in non-controlling interests	-	-	-	-	-	-	(423)	(423)
Balance at 30 June 2020 (<i>Unaudited</i>)	<u>377,500</u>	<u>59,042</u>	<u>619</u>	<u>(59,752)</u>	<u>953</u>	<u>378,362</u>	<u>52,043</u>	<u>430,405</u>
Balance at 1 January 2021 (audited)	377,500	59,042	619	(61,544)	(727)	374,890	52,013	426,903
Profit for the period	-	-	-	-	8,479	8,479	290	8,769
Transaction with owner	-	-	-	-	(4,213)	(4,213)	-	(4,213)
Other comprehensive loss	-	-	-	(1,042)	-	(1,042)	-	(1,042)
Change in non-controlling interests	-	-	-	-	-	-	(968)	(968)
Balance at 30 June 2021 (<i>Unaudited</i>)	<u>377,500</u>	<u>59,042</u>	<u>619</u>	<u>(62,586)</u>	<u>3,539</u>	<u>378,114</u>	<u>51,335</u>	<u>429,449</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 cash flows For the six months period ended 30 June 2021

	Note	Six months period ended 30 June 2021 AED'000 (Unaudited)	Six months period ended 30 June 2020 AED'000 (Unaudited)
Cash flows from operating activities			
Profit / (loss) for the period		8,769	(5,143)
<i>Adjustments for:</i>			
Depreciation of property, fixture and equipment		4,263	4,195
Depreciation of right of use of assets		387	-
Amortisation of intangible assets		4	4
Share of profit of associates		(1,242)	(697)
Impairment losses on trade receivables		1,901	22
Net loss from investments carried at fair value through profit or loss		20	604
Interest income		(198)	(746)
Interest expense		915	1,026
Provision for employees' end of service benefits		1,615	398
Dividend income		(140)	-
		<u>16,294</u>	<u>(337)</u>
<i>Changes in:</i>			
Amounts due from related parties		163	(122)
Other assets		(9,989)	(2,957)
Amounts due to related parties		(54)	90
Other liabilities		(549)	(2,527)
Non-controlling interest		(968)	(423)
Employees' end of service benefits paid		(178)	(3,693)
Net cash generated from / (used in) operating activities		<u>4,719</u>	<u>(9,669)</u>
Cash flows from investing activities			
Additions to property, fixtures and equipment, net		(2,059)	3,136
Proceeds from sale of investments carried at fair value through profit or loss		3,670	67,135
Proceeds from partial redemption and maturities of investment – FVTOCI		-	881
Proceeds from partial redemption of investment in associate		-	25,338
Proceeds from profit distribution of investment in associate		3,394	2,800
Term deposits		(20,700)	(647)
Interest income received		256	2,835
Dividend income received		70	-
Net cash (used in) / generated from investing activities		<u>(15,369)</u>	<u>101,478</u>
Cash flows from financing activities			
Repayment of term loans		(4,738)	(1,957)
Dividends paid to equity holders of the parent		-	(50,000)
Return of capital to equity holders of the parent		-	(200,000)
Interest paid		(1,707)	(1,065)
Net cash used in financing activities		<u>(6,445)</u>	<u>(253,022)</u>
Net decrease in cash and cash equivalents		(17,095)	(161,513)
Cash and cash equivalents at the beginning of the period		<u>49,055</u>	<u>185,579</u>
Cash and cash equivalents at the end of the period	7	<u><u>31,960</u></u>	<u><u>24,066</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 2021

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.

On 6 May 2020, SCA released its Decision 22 RT/2020 concerning the approval on voluntary cancellation of TNI’s Financial Analysis License.

On 8 May 2020, the SCA issued approval for the voluntary cancellation of the management license.

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 private equity, real estate investment and provision of consultancy, economic feasibility consultancy and studies, commercial agencies and hospitality.

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 11 August 2021.

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 2020. 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 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

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 2020, except for IFRSs that became effective for accounting periods beginning on or after 1 January 2021.

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 2021

2 Basis of accounting (continued)

The outbreak of the COVID-19 pandemic and the measures adopted by the Government to mitigate the pandemic's spread have significantly impacted the Group. These measures required the Group to cancel its SCA Financial Analysis and Management Company License, with the Group generating significantly its revenues from advisory service fee income and rent income. This has negatively impacted the Group's financial performance for the period.

There is still a certain degree of uncertainty over how the pandemic will impact the Group's business in future periods. Management has therefore assessed the impact considering a period of 12 months from the date of authorization of these consolidated financial statements. The assessment considered the expected level of market demands for the hotel and management response. The assessment also considered the benefit of actions taken by the management to mitigate the downsides brought by COVID 19, such as capital reduction, liquidating of investments, cancelling their operating license with SCA, employee's redundancy, and the prospects to sell some of its property and equity interest in the longer course of business.

Also, the resultant situation necessitated the Group's management to revisit its significant judgments in applying the Group's accounting policies and the methods of computation and the key sources of estimation applied to the annual consolidated financial statements for the year ended 31 December 2020. Whilst it is challenging now, to predict the full extent and duration of its business and economic impact, management carried out an impact assessment on the overall Group's operations and business aspects and concluded that, as of the issuance date of these consolidated financial statements, no significant changes are required to the judgements and key estimates. However, in view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments

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 incorporation	Ownership interest %		Principal activity
		30 June 2021	31 December 2020	
<i>Operating entities</i>				
Mainland Management LLC	U.A.E.	67	67	Real estate investments
Falcon Investments LLC	U.A.E.	100	100	Property management, advisory and investment brokerage services
National Investor Property Management LLC - a subsidiary of Falcon Investments LLC	U.A.E.	100	100	Advisory and consultancy services
Robert Flanagan Arabian Management Consultancy LLC - a subsidiary of Falcon Investments LLC	U.A.E.	51	51	Management consultancy services
Professional Realtors Company Ltd- a subsidiary of Falcon Investments LLC*	K.S.A.	100	80	Real estate and 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 Investment LLC	U.A.E.	100	100	Hospitality services

The National Investor Pr. J.S.C.

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2021

3 Basis of consolidation (continued)

	Country of incorporation	Ownership interest %		Principal activity
		30 June 2021	31 December 2020	
<i>Operating entities (continued)</i>				
MENA Real Estate Solutions LLC – a subsidiary of Falcon Investments LLC	U.A.E.	100	100	Real estate and consultancy
Enterprise Solutions Company for Professional Consulting PLLC – a subsidiary of MENA Real Estate Solutions LLC **	K.S.A.	75	-	Real estate and consultancy
Colliers International Property Services LLC – a subsidiary of Falcon Investments LLC	Qatar	100	100	Real estate and consultancy service
Colliers International Property Consultancy - a subsidiary of Falcon Investments LLC	Egypt	100	100	Real estate and consultancy service
Al Jeyoun Limited	U.A.E.	100	100	Real estate investments, investments in PJSCs
<i>Special purpose entities</i>				
United Capital LLC	U.A.E.	100	100	Asset Management
Fidelity Invest LLC (owned by The National Investor Pr. J.S.C. One Man Company LLC)	U.A.E.	100	100	Asset Management
Al Dhafra Capital LLC	U.A.E.	100	100	Asset Management
TNI Capital Partners Limited	Cayman Islands	100	100	Private Equity Funds
TNI General Partners Limited	Cayman 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 2021, the Group increased its ownership in “Professional Realtors Company Ltd” from 80% to 100%.

** During the six months period ended 30 June 2021, through its wholly owned subsidiary MENA Real Estate Solutions LLC, the Group has entered into an agreement with Eman Anees Bader (seller) to acquire 75% equity stake with 90% share in profits in Enterprise Solution for Real Estate Valuation (acquired entity), KSA.

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 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

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Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2021

4 Significant accounting policies (continued)

Standards and interpretations issued but not yet effective

New standards and revised IFRSs not yet effective and has not been adopted early 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 2023
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
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 2022
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. 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 2020.

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

	Six months period ended 30 June 2021 AED'000 (Unaudited)	Six months period ended 30 June 2020 AED'000 (Unaudited)
Consultancy and other service income	31,804	22,938
Revenue from hotel services	11,482	12,715
Asset management fees	-	425
Merchant banking fees	716	130
	44,002	36,208

The National Investor Pr. J.S.C.

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2021

6 Staff cost

	Six months period ended 30 June 2021 AED'000 (Unaudited)	Six months period ended 30 June 2020 AED'000 (Unaudited)
Staff cost – corporate	1,120	6,082
Staff cost - subsidiaries	19,806	18,083
	<u>20,926</u>	<u>24,165</u>

7 Cash and bank balances

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
Cash in hand	196	186
Call and current accounts with banks	31,579	35,787
Term deposits	24,470	16,667
	<u>56,245</u>	<u>52,640</u>
Cash and bank balances	56,245	52,640
Less: bank deposits with maturities over three months	<u>(24,285)</u>	<u>(3,585)</u>
	<u>31,960</u>	<u>49,055</u>

Bank deposits carry interest rates ranging from 1.50% to 2.85% (31 December 2020: 0.87% to 2.5%) per annum.

8 Investments carried at fair value through profit or loss

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
Investment in Sukuk	<u>10,000</u>	<u>13,690</u>

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

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
Balance at the beginning of the period / year	13,690	81,391
Change in fair value during the period / year	-	(58)
Disposal during the period / year	<u>(3,690)</u>	<u>(67,643)</u>
Balance at the end of the period / year	<u>10,000</u>	<u>13,690</u>

The National Investor Pr. J.S.C.

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2021

9 Investments carried at fair value through other comprehensive income

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
Listed equity securities	3,703	4,566
Investment in equity funds	6,832	6,930
	<u>10,535</u>	<u>11,496</u>

Movement in investments carried at fair value through other comprehensive income

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
Balance at the beginning of the period / year	11,496	14,905
Change in fair value during the period / year	(961)	(2,528)
Disposal during the period / year	-	(881)
	<u>10,535</u>	<u>11,496</u>

10 Investments in associates

The Group has the following investments in associates which are accounted for using the equity method.

Company Name	Country of incorporation	Ownership interest %		Principal activity
		30 June 2021	31 December 2020	
National Entertainment LLC	U.A.E.	40.00 %	40.00 %	Entertainment services
Growth Capital Fund	Cayman Islands	35.71 %	35.71 %	Asset management
National Catering Company LLC	U.A.E.	10.00 %	10.00 %	Catering services and facility management

11 Investment properties

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
Opening balance	122,290	109,267
Addition during the period / year	-	16,116
Transferred during the period / year*	4,136	-
Net revaluation loss	-	(3,093)
	<u>126,426</u>	<u>122,290</u>

* During the period ended 30 June 2021, the Group transferred AED'000 4,136 from property, fixture and equipment to investment properties as the purpose of use of the asset changed from using it in the main operations of business to be used as property to be leased out to customers.

The National Investor Pr. J.S.C.

Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2021

12 Other assets

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
Trade receivables	36,485	28,424
Prepaid expenses	4,223	3,421
Right of use of asset	1,942	2,329
Accrued income	1,759	1,426
Due from employees	269	260
Others	1,520	1,107
	<u>46,198</u>	<u>36,967</u>
<i>Less: allowance for expected credit loss</i>	<u>(11,853)</u>	<u>(10,335)</u>
	<u>34,345</u>	<u>26,632</u>

13 Other liabilities

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
Trade payables	9,588	4,361
End of service benefits	10,853	9,413
Accrued expenses	5,808	7,863
Lease liability	2,027	2,459
Staff payables	162	31
	<u>28,438</u>	<u>24,127</u>

14 Share capital and optional reserve

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 2021

15 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:

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
<i>Amounts due from related parties:</i>		
Associates	1,266	800
Funds under management	47	676
	<u>1,313</u>	<u>1,476</u>
<i>Amounts due to related parties:</i>		
Others	48	102
	<u>48</u>	<u>102</u>
Loan obtained from Finance House - shareholder	<u>4,733</u>	<u>4,733</u>

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

	Six months period ended 30 June 2021 AED'000 (Unaudited)	Six months period ended 30 June 2020 AED'000 (Unaudited)
Fees earned from related parties	<u>213</u>	<u>425</u>
Guarantees issued on behalf of the Company	<u>62,617</u>	<u>62,917</u>
Short term benefits of key management personnel (salaries, benefits and bonuses)	<u>4,678</u>	<u>3,143</u>
Interest expense on loan obtained from Finance House	<u>95</u>	<u>95</u>

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Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2021

16 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 ended 30 June 2021 AED'000 (Unaudited)	Six months period ended 30 June 2020 AED'000 (Unaudited)
Profit / (loss) for the period (AED'000)	8,479	(5,407)
Weighted average number of ordinary shares ('000)	377,500	377,500
Earnings per share	0.022	(0.014)

There were no potentially dilutive securities as at 30 June 2021 or 30 June 2020, and accordingly, diluted earnings per share are the same as basic earnings per share.

17 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 2021 and the period ended 31 December 2020 are as follows:

Business segments

	Asset Managemen t AED'000	Merchant Banking AED'000	Principal Investments AED'000	Total AED'000
30 June 2021				
Operating income	-	716	48,580	49,296
Net segment results	(1,110)	(696)	10,575	8,769
Segment assets	-	-	483,684	483,684
Segment liabilities	-	-	54,235	54,235

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Notes to the condensed consolidated interim financial statements For the six months period ended 30 June 2021

17 Segment information (continued)

Business segments (continued)

	Asset Management AED'000	Merchant Banking AED'000	Principal Investments AED'000	Total AED'000
31 December 2020				
Operating income	423	210	71,532	72,165
Net segment results	-	-	(7,538)	(7,538)
Segment assets	-	-	481,619	481,619
Segment liabilities	-	-	54,716	54,716

Geographical segments

	UAE AED'000	KSA AED'000	Others AED'000	Total AED'000
30 June 2021				
Operating income	35,038	14,170	88	49,296
Net segment results	3,429	5,616	(276)	8,769
Segment assets	467,780	15,288	616	483,684
Segment liabilities	40,656	13,081	498	54,235
31 December 2020				
Operating income	53,185	18,224	756	72,165
Net segment results	(9,535)	2,643	(646)	(7,538)
Segment assets	461,853	18,519	1,247	481,619
Segment liabilities	44,795	9,424	497	54,716

18 General

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 11 August 2021.