

MBME Group P.J.S.C.

Abu Dhabi, United Arab Emirates

**Reports and financial statements
For the year ended 31 December 2024**

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates

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MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates **General information**

Principal office address: Office 3303 & 3304 Landmark Tower
P.O. Box: 26448
Abu Dhabi, United Arab Emirates
T: +971 2 57 50 504

The Directors: Ali Mohamed Saeed Albadi
Saeed Mohamed Saeed Albadi
Abdelhadi Mohamed

The Auditor: Crowe Mak
Dubai, United Arab Emirates

The Banks: Abu Dhabi Commercial Bank
Abu Dhabi, United Arab Emirates

Emirates Islamic Bank
Dubai, United Arab Emirates

First Abu Dhabi Bank
Abu Dhabi, United Arab Emirates

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates Directors' report

The Directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December 2024.

MBME Group P.J.S.C. (MBME) is a pioneering, home-grown UAE investment powerhouse specializing in cutting-edge technology, digital services and products, company management, and strategic technology investments.

We are more than a business. We represent a dynamic driving force behind innovation and excellence across various sectors. At MBME, we excel in managing and consolidating technology companies, overseeing the financial, legal, and compliance operations of our diverse ventures. As a leader in the fintech landscape, MBME integrates four vibrant verticals into a cohesive and groundbreaking ecosystem.

Financial review

The table below summarizes the results of the year 2024 and 2023.

	2024	2023
	AED	AED
Unrealised gain on financial assets at fair value through profit or loss	121,551,545	533,746,450
Total expenses - net	(17,440,954)	(14,951,964)
Net profit for the year	104,110,591	518,794,486

Our Vision

Our vision is to establish a premier national and regional technology ecosystem, delivering unique, innovative, and high-quality products, services, and investment opportunities for our business partners. We aim to be at the forefront of technological advancement, setting new standards for excellence and innovation.

Our Mission

Our mission is to drive economic development in the UAE, GCC, MENA, and African regions, maximizing value for clients and shareholders. We are committed to leading the digital transformation of our industry, contributing to the prosperity and technological progress of the communities we serve.

Our Values

At MBME Group, our core values guide our actions and shape our identity, fostering a culture of excellence and integrity:

- Integrity: We uphold the highest standards of honesty and ethical behaviour.
- Customer Focus: Our customers are our central focus, driving us to deliver exceptional value.
- Innovation: We embrace change and continuously innovate to stay ahead.
- Teamwork: Collaboration and inclusivity help us achieve our goals together.
- Excellence: We strive for superior results through dedication and quality.
- Respect: We value diversity and treat everyone with dignity.
- Sustainability: We are dedicated to implementing practices that support the environment and our communities.
- Accountability: We take responsibility for our actions, building trust and ensuring our commitments.

MBME Pay Payment Services Provider Sole Proprietorship LLC

MBME Pay, a subsidiary of MBME Group, operates as one of the largest technology service provider, facilitating government, semi-government, and private services through its unified API, offering a comprehensive range of payment options.

Established in 2007, the service aggregator ensures a consistent and seamless user experience for payment processors and end users across multiple channels and provides smart touchpoints and tailored smart kiosk self-service solutions.

Through partnering with licensed payment service providers, it provides a convenient and integrated omnichannel technology platform to pay bills, top up e-wallets, pay fines, make donations, purchase vouchers, and access a diverse range of smart services.

Its local expertise ensures solutions tailored to regional needs, prompt resource mobilization, efficient software implementation, and seamless administrative procedures. Dedicated support and maintenance, along with swift problem-solving, make MBME Pay a reliable partner in the UAE's fintech innovation and payment services industry.

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates Directors' report (continued)

Wow Pay Payment Services Provider LLC

MBME Wow Pay, a tech-based subsidiary of MBME Group, offers proprietary financial services technology solutions. Their offerings include Middleware, white-label APIs, Bank-As-A-Service, and Merchant Payment Solutions. Focusing on the UAE, GCC, and Africa, the company provides customized CRM solutions, service extensions, POS terminals, media players, web portals, mobile apps, and kiosks.

The platform is designed to maximize its partners' profitability, efficiencies, and growth while streamlining costs through advanced payment technology.

MBME Neo Information Technology LLC

MBME Neo is to operate as a digital banking and investment service leveraging MBME Pay's existing client base and innovative portfolio. Its goal is to offer financial services, provide digital solutions, and incorporate emerging technologies in the UAE to customer segments that are presently underserved.

This will be accomplished directly or through partnerships with crowdfunding and venture capital professionals

MBME Investment LLC

MBME Investment strategically partners with globally renowned technology and fintech providers to fortify its technological capabilities and sustain a competitive edge. The company's investment strategy is focused on emerging markets such as Egypt, Saudi Arabia, Malaysia, and Indonesia.

Within the UAE, it oversees joint ventures with an emphasis on penetrating the GCC market with digital financial ecosystems, blockchain solutions, ESG digital initiatives, and more. The company also explores blockchain optimization, machine learning for corporate finance, digital payment services, IoT, VR, mobile payments, insurtech, and cybersecurity. Moreover, MBME Investment aims to set up Fintech Youth Labs throughout the UAE, thereby fostering an environment conducive to entrepreneurial pursuits and innovative endeavors. MBME Investment portfolio includes:

- MBME Gold: Offering a unique digital gold trading ecosystem and rewarding platform.
- The FA Agency (FA marketing, PR & Events): Spearheading innovative initiatives in digital marketing and event management.
- Black Orca: Pioneering immersive technologies and strategic investments.
- M-Sign: Revolutionizing digital signing and document management.
- PayRiff: Providing state-of-the-art digital B2B payment technology solutions.

Auditor

M/s. Crowe Mak – Dubai, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the financial statements for each financial year which present fairly in all material respects, the financial position of the Company and its financial performance for the year then ended.

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates Directors' report (continued)

Statement of Directors' responsibilities (continued)

The audited financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Company and enables them to ensure that the financial statements comply with the requirements of the applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order for the financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present Company's financial conditions and results of its operations.



Chairman

10 February 2025

Ref: 006/122024/003619

Independent auditor's report

To
The Shareholders
MBME Group P.J.S.C.
Abu Dhabi, United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report (continued)

**To the Shareholders of MBME Group P.J.S.C
Report on the Audit of Financial Statements (continued)**

Key Audit Matters	How the matter was addressed in our report
<p>Valuation of investment in equity of unquoted entities</p> <p>Refer notes 4.1 and 6 to the financial statements.</p> <p>The Company has recorded its subsidiaries at fair value through profit and loss which are carried at AED 6,958 million (2023: AED 6,836 million). The Company measures its subsidiaries at fair value through profit or loss as per IFRS 9 "Financial Instruments" and has adopted IFRS 10 "Consolidated Financial Statements" exemption for consolidation.</p> <p>We identified this matter as a key audit matter due to its significance to the Company's financial performance and due to inherent uncertainty involving significant judgement and challenges associated with corroboration of information used in estimation of fair values of underlying investments.</p>	<p>The following procedures were performed to address this matter:</p> <ul style="list-style-type: none"> • obtained an understanding of and tested the design and operating effectiveness of controls established by the Company for valuation of underlying unquoted investments; • evaluated the management specialist's competence, capabilities and objectivity; • reviewed estimate working which has been prepared by the management's expert and assessed reasonableness of all elements of the estimates and checked the arithmetical accuracy; and • performed retrospective review of assumptions used in estimating values last year with current year assumptions and inquired reasons for significant variances and assessed their reasonableness.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent auditor's report (continued)

To the Shareholders of MBME Group P.J.S.C Report on the Audit of Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report (continued)

**To the Shareholders of MBME Group P.J.S.C
Report on the Audit of Financial Statements (continued)**

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. 32 of 2021, we report that:

- (a) We have obtained all the information we considered necessary for the purpose of our audit;
- (b) The financial statements have been prepared and comply, in all material aspects, with the applicable provisions of the UAE Federal Law No. 32 of 2021 and Memorandum and Articles of Association of the Company;
- (c) The Company maintained proper books of account;
- (d) The financial information included in the Directors' report is consistent with the books of accounts of the Company;
- (e) Note 6 to the financial statements discloses the investment in shares during the year ended 31 December 2024.
- (f) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that Company has contravened during the year ended 31 December 2024 any of the applicable provisions of the UAE Federal Law No. 32 of 2021, or its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024.
- (g) Note 8 to the financial statements discloses material related party transactions and the terms under which they were conducted.

Crowe Mak



Saad Maniar
Senior Partner
Registered Auditor Number: 574
Dubai, United Arab Emirates
10 February 2025

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates

Statement of financial position as at 31 December 2024

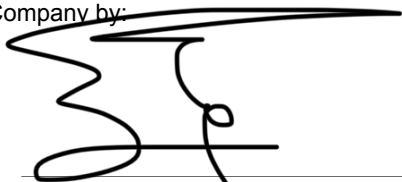
	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Right-of-use assets	10	1,055,821	1,759,701
Property and equipment	5	1,508,652	1,122,736
Investments at fair value through profit or loss	6	6,958,027,545	6,836,476,000
Total non-current assets		6,960,592,018	6,839,358,437
Current assets			
Other receivables	7	11,301,878	10,973,803
Due from related parties	8	7,246,206	497,830,279
Cash and bank balances	9	48,752,134	69,838,693
Total current assets		67,300,218	578,642,775
Total assets		7,027,892,236	7,418,001,212
EQUITY AND LIABILITIES			
Equity			
Share capital	11	55,000,000	50,000,000
Subscription against shares	21	-	495,803,465
Statutory reserve	22	50,000,000	50,000,000
Retained earnings		1,043,728,951	944,618,360
Additional contribution	14	5,830,812,810	5,830,812,810
Total equity		6,979,541,761	7,371,234,635
LIABILITIES			
Non-current liabilities			
Employees' end-of-service benefits	12	330,889	-
Lease liabilities	13	373,479	1,093,650
Total non-current liabilities		704,368	1,093,650
Current liabilities			
Trade and other payables	15	1,430,446	1,227,109
Due to related parties	8	45,495,490	43,759,941
Lease liabilities	13	720,171	685,877
Total current liabilities		47,646,107	45,672,927
Total liabilities		48,350,475	46,766,577
Total equity and liabilities		7,027,892,236	7,418,001,212

These statutory financial statements were approved and authorised for issue on 10 February 2025.

The financial statements set out on pages 9 to 32, were approved by the Directors on the date of these financial statements and signed on behalf of the Company by:



Chairman



Chief Executive Officer



Chief Financial Officer

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 5 to 8.

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Income from management services	16	569,030	-
Other income	17	2,318,692	724,750
General and administrative expenses	19	(20,328,676)	(15,676,714)
Unrealised gain on financial assets at fair value through profit or loss	18	121,551,545	533,746,450
Net profit for the year		104,110,591	518,794,486
Other comprehensive income for the year		-	-
Total comprehensive income for the year		104,110,591	518,794,486
Earnings per share - Basic	27	0.0380	0.2750
Diluted	27	0.0380	0.0194

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 5 to 8.

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates

Statement of changes in equity for the year ended 31 December 2024

	Share capital AED	Subscription against shares AED	Statutory reserve AED	Retained earnings AED	Additional contribution AED	Total AED
As at 1 January 2023	5,000,000	-	47,631,794	428,192,080	5,759,736,060	6,240,559,934
Issue of share capital	45,000,000	495,803,465	-	-	-	540,803,465
Profit for the year	-	-	-	518,794,486	-	518,794,486
	-	-	-	518,794,486	-	518,794,486
Total comprehensive income for the year	-	-	-	518,794,486	-	518,794,486
Transfer to/from retained earnings	-	-	2,368,206	(2,368,206)	-	-
Contribution during the period (Note 14)	-	-	-	-	71,076,750	71,076,750
	50,000,000	495,803,465	50,000,000	944,618,360	5,830,812,810	7,371,234,635
As at 31 December 2023						
As at 1 January 2024	50,000,000	495,803,465	50,000,000	944,618,360	5,830,812,810	7,371,234,635
Profit for the year	-	-	-	104,110,591	-	104,110,591
Total comprehensive income for the year	-	-	-	104,110,591	-	104,110,591
Issue of bonus shares	5,000,000	-	-	(5,000,000)	-	-
Adjustment during the year (note 21)	-	(495,803,465)	-	-	-	(495,803,465)
As at 31 December 2024	55,000,000	-	50,000,000	1,043,728,951	5,830,812,810	6,979,541,761

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 5 to 8.

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates

Statement of cash flows for the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit for the year		104,110,591	518,794,486
Adjustments for:			
Depreciation of property and equipment	5	385,079	7,525
Employees' end-of-service benefits	12	330,889	-
Unrealised gain on measurement of investments	18	(121,551,545)	(533,746,450)
Interest on lease Liability		64,123	42,887
Depreciation of right-of-use asset	10	703,880	224,323
Operating cash flows before changes in operating assets and liabilities		(15,956,983)	(14,677,229)
Increase/(decrease) in due to related parties	8	1,735,549	(8,797,283)
Increase in other receivables	7	(328,075)	(10,973,803)
Increase/(decrease) in trade and other payables	15	203,337	(36,418,257)
Increase in due from related parties		(5,219,392)	(2,026,814)
Net cash used in operating activities		(19,565,564)	(72,893,386)
Cash flows from investing activities			
Purchase of property, plant and equipment		(770,995)	(1,123,685)
Net cash used in investing activities		(770,995)	(1,123,685)
Cash flows from financing activities			
Proceeds from issue of share capital		-	45,000,000
Additional contribution		-	71,076,750
Repayment of lease liabilities		(750,000)	(350,000)
Net cash (used in)/generated from financing activities		(750,000)	115,726,750
Net (decrease)/increase in cash and cash equivalents		(21,086,559)	41,709,679
Cash and cash equivalents at the beginning of the year		69,838,693	28,129,014
Cash and cash equivalents at the end of the year	9	48,752,134	69,838,693

During the year, the Company has adjusted the subscription against shares with due from related parties through transferring the existing shares of the Company to the shareholders of related entity. Accordingly, this has not been presented in the cash flow statement.

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 5 to 8.

MBME Group P.J.S.C.

Abu Dhabi - United Arab Emirates

Notes to the Financial Statements for the year ended 31 December 2024

1 General information

MBME Group P.J.S.C (the "Company") was previously known as MBME Group which was operating as an Establishment and was formed on 27 January 2010.

On 10 November 2022, the shareholders passed a special resolution to convert the Establishment into a Private Joint Stock Company and obtained the registration certificate on 30 December 2022 for the Private Joint Stock Company. It operates in the United Arab Emirates under a license issued by Abu Dhabi Department of Economic Development under the license number CN-1827215.

The address of the registered office of the Company is Office 3303 & 3304 Landmark Tower, Abu Dhabi, UAE, P.O. Box 26448.

The principal activities of the Company consists of investment, institution and management of commercial enterprises, industrial enterprises and technology projects.

The management and controls are vested with the Board of Directors.

These financial statements incorporate the operating results of the commercial license no. CN-1827215.

2 Application of new and revised Standards

2.1 New and amended Standards that are effective for the current year

<u><i>New and revised Standards</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2024
IFRS Sustainability Disclosure Standards	1 January 2024

Management has adopted the new and amended IFRS Standards in the current period and believes that these standards do not have material impact on these financial statements.

2.2 New and revised Standards in issue but not yet effective

The Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<u><i>New and revised Standards</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Amendments to IAS 21 Lack of exchangeability	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management anticipates that these standards will not have any significant impact on these financial statements.

3 Material accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

3 Material accounting policies (continued)

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except investments in subsidiaries which have been shown at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

3.3 Functional currency

These financial statements are presented in Arab Emirates Dirham (AED), which is the Company's functional and presentation currency.

3.4 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract

The Company leases the office premises, rental contracts are typically made for a fixed period but may have an extension option.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company's incremental borrowing rate can be used.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is presented as a separate line in the statement of financial position.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, if any. The right-of-use assets are presented as a separate line in the statement of financial position.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

3.5 Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.6 Taxation

Current tax

The current tax liability is calculated on taxable profits using the tax rates in accordance with the tax laws.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which

3 Material accounting policies (continued)

3.6 Taxation (continued)

the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are set-off only if certain conditions are met. However, management has not recognized deferred tax asset on the losses incurred by the Company based on prudent basis.

3.7 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income when incurred.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

	<u>Useful lives</u>
Furniture and fixtures	4 years
Leasehold Improvements	4 years
IT equipment	4 years

3.8 Investment in subsidiaries

The Company has adopted the investment entities exemption as per amendments of IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements, to the principle that all subsidiaries shall not be consolidated. The amendments define an investment Company and require a parent that is an investment Company to measure its investment in particular subsidiaries at fair value through profit or loss as per IFRS 9 Financial Instruments.

3.9 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value and subsequently measured at amortised cost other than the investment in subsidiaries which are stated at fair value. The Company's remaining financial assets comprise of due from related parties, cash and bank and other receivables which are measured at amortised cost.

3.10 Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income ("FVOCI") – debt investment;
- FVOCI – equity investment; or
- FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Material accounting policies (continued)

3.10 Financial assets (continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment - by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Classification of financial assets

The Company has designated its financial assets as follows:

- Investment at fair value through profit or loss;

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3 Material accounting policies (continued)

3.10 Financial assets (continued)

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

3.11 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

The Company classifies its financial liabilities, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss or a Company has opted to measure a liability at fair value through profit or loss.

Financial liabilities classified as FVTPL using fair value option, if any, after initial recognition, for such liabilities, changes in fair value related to changes in own credit risk are presented separately in OCI and all other fair value changes are presented in the profit and loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount is extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.12 Current/Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting year, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 3 to these financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

4.1 Critical judgements in applying accounting policies

Judgements in classification of investments in subsidiaries

Management has used judgement in the classification of the subsidiary companies as at fair value based on the strategies of the Company that all the subsidiaries are to be measured at fair value as per IFRS 9 Financial Instruments and the Company will adopt the IFRS 10 Consolidated Financial Statements exemption for consolidation.

Valuation of investments at fair value

When the fair values of financial assets and financial liabilities are recorded in the statement of financial position and cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques such as Income Approach using the Discounted Cash Flows (DCF) model and Market Approach using the Guideline Public Companies Method. The Company engages external, independent, and qualified valuers to determine the fair value of the Company's investments in subsidiaries which have been carried at fair value through profit or loss. The subsidiaries have intangible assets which have licenses and source codes, payment gateways and digital banking among others. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value of investments.

Judgement applied by the Company for exemption of consolidation under IFRS 10 Consolidated Financial Statements

In assessing whether it meets the definition of Investment Entity as per IFRS 10 Consolidated Financial Statements, The Company has considered whether it has the following typical characteristics of an Investment Entity:

- i. it has more than one investment;
- ii. it has more than one investor;
- iii. it has investors that are not related parties of the Company; and
- iv. it has ownership interests in the form of equity or similar interests.

Since, the only reason for establishing this company is to generate return for its investors, it qualifies the basic purpose of an Investment Entity i.e., to generate returns for its investors through investments, it does not have any other purpose nor does it carry any activities of its own.

Although, a few of the investors of the Company may fall within the definition of Related Parties under IAS 24 Related Party Disclosures, however, merely a presence of related party relationships does not disqualify a company from being classified as an Investment Entity as also elaborated in IFRS 10 Consolidated Financial Statements. Hence, the management concluded that the Company has applied the exemption for consolidation

4 Critical accounting judgements and key sources of estimation uncertainty

4.2 Key sources of estimation uncertainty

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 5.00%.

Management has applied judgements and estimates to determine the IBR at the commencement of lease.

Discount rate for future cash flows in valuation

The discount rate used is 15% to 35% for calculating the discounted cash flows for the valuation for the different companies. This rate has been calculated based on Capital Asset Pricing Model which implies determination of various assumptions such as long term size premium, risk free rate, equity risk premium, country risk premium and award for investing in companies with small IP portfolio and premium for specific risk of IP being valued.

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5 Property and equipment

	Furniture and fixtures	Leasehold Improvements	IT equipment	Work in progress	Total
	AED	AED	AED	AED	AED
Cost					
As at 1 January 2023	-	-	6,576	-	6,576
Additions	-	-	67,508	1,056,177	1,123,685
As at 31 December 2023	-	-	74,084	1,056,177	1,130,261
Additions	13,092	508,365	249,538	-	770,995
Transfers	267,688	788,489	-	(1,056,177)	-
As at 31 December 2024	280,780	1,296,854	323,622	-	1,901,256
Accumulated depreciation					
As at 1 January 2023	-	-	-	-	-
Depreciation expense	-	-	7,525	-	7,525
As at 31 December 2023	-	-	7,525	-	7,525
Depreciation expense	69,377	247,939	67,763	-	385,079
As at 31 December 2024	69,377	247,939	75,288	-	392,604
Carrying amount					
As at 31 December 2023	-	-	66,559	1,056,177	1,122,736
As at 31 December 2024	211,403	1,048,915	248,334	-	1,508,652

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6 Investments at fair value through profit or loss

Interests are held in the following subsidiaries:

Name of subsidiary	Principal activity	Country of incorporation	Ownership interest		Carrying amount of investment	
			2024	2023	2024	2023
					AED	AED
Wow Pay Payment Services Provider LLC	Payment Service Provider	United Arab Emirates	100.00%	100.00%	212,860,000	425,720,000
MBME Pay Payment Services Provider Sole Proprietorship LLC	Payment Service Provider	United Arab Emirates	100.00%	100.00%	6,216,686,400	5,665,746,000
MBME Neo Information Technology LLC	Information Technology	United Arab Emirates	100.00%	100.00%	11,010,000	249,560,000
MBME Investment LLC	Investment Entity	United Arab Emirates	100.00%	100.00%	517,471,145	495,450,000
					6,958,027,545	6,836,476,000

The Company has adopted the investment entities exemption as per amendments of IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements, to the principle that all subsidiaries shall not be consolidated. The amendments define an investment Company and require a parent that is an investment Company to measure its investment in particular subsidiaries at fair value through profit or loss as per IFRS 9 Financial Instruments.

6 Investments at fair value through profit or loss (continued)

On 01 July 2021, the Company entered into an agreement (Sale Purchase Agreement - SPA) with a related company of the common shareholders i.e. Wow Pay Payment Services Provider LLC (the "Wow Pay") whereby the Company had purchased the shares of Wow Pay. As a result of this SPA between the parties, The Company obtained the rights to use the intellectual properties of Wow Pay. These intellectual properties include the source codes, algorithmic concepts for web-portals, mobile application for customers, payments and bills, payment platform etc.

The purchase consideration was in kind and was a non-cash consideration which has been accounted as additional contribution being the residual interest of the shareholders (Note 14). Wow Pay has planned to build its revenues on license fees from distribution of software licenses and API licenses. The primary market for these technology services include the UAE, GCC countries and Africa.

On 15 September 2022, the Company entered into SPA's with related parties of the common shareholders, MBME Pay Payment Services Provider (MBME Pay) and MBME Neo Information Technology LLC (MBME Neo). The purchase prices for both these were agreed based on the valuation of the external expert as on 31 August 2022. The purchase consideration for these investments was in kind and non cash consideration being the residual interest of the shareholders (Note 14).

On 15 September 2022, the Company entered into a SPA with related parties of the common shareholders MBME Investment LLC (MBME Investments) which is an investment firm with focus on high growth markets such as UAE, Egypt, Saudi Arabia, Malaysia, Indonesia. As a result of this SPA the Company also assumed all the liabilities of MBME Investments LLC.

In May 2023 MBME Investments entered into an SPA with another technology based company IT Corner LLC ('ITC') for the purchase of 20% shareholding in ITC in consideration for the shares to be issued (Note 21).

During the current year, MBME Investment LLC entered into a SPA with Fadia Altaweel Event Management LLC for the acquisition of 70% stake in it.

During the current year, an entity was incorporated by the name of MBME Gold LLC, which is established for trading in precious metals and stones. As at the reporting date, MBME Investment owns 80% stake in MBME Gold LLC.

During the current year, the independent experts carried out valuations using a combination of Discounted Cash Flows and Market Approach Method. Various assumptions were used in arriving at the final values including the future cash flows, discount rate, growth projections etc: Apart from these assumptions, the experts also used available data on comparable companies for the Market Approach Method such as their revenue, expenses, profit margins, EBITDA margins, enterprise value etc.

The Company has adopted the investment entities exemption as per amendments of IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements, to the principle that none of these companies shall be consolidated. The amendments define an Investment Entity and require a parent that is an Investment Entity to measure its investment in particular subsidiaries at fair value through profit or loss as per IFRS 9 Financial Instruments.

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7 Other receivables

	2024	2023
	AED	AED
Advances	38,333	5,000
Deposits	10,039,500	10,039,500
Prepayments	364,872	698,205
Other receivables	859,173	231,098
	<u>11,301,878</u>	<u>10,973,803</u>

Deposits represent an amount paid to Al Ramz Capital LLC, a duly registered limited liability company for the improvement of liquidity of shares.

8 Related party balances and transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

a) At the end of the reporting year, amounts due from related parties were as follows:

	2024	2023
	AED	AED
Due from related parties		
MBME Investment LLC	2,377,882	497,462,182
Fadia Altaweel Event Management LLC	2,026,524	-
WOW Pay Payment Services Provider LLC	1,215,681	368,097
M Capital Limited	163,219	-
IT Corner LLC	1,339,787	-
M Sign Information Technology LLC	57,373	-
Black Orca Investment LLC	31,370	-
Payriff by MBME Information Technology LLC	22,122	-
IP Advisory Legal Services LLC	6,029	-
Versology Information Technology LLC	4,103	-
MBME Neo Information Technology LLC	2,116	-
	<u>7,246,206</u>	<u>497,830,279</u>

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8 Related party balances and transactions (continued)

b) At the end of the reporting year, amounts due to related parties were as follows:

	2024	2023
	AED	AED
Due to related parties		
MBME Pay Payment Services Provider LLC	3,059,490	1,323,941
Other payables (Note 6)	<u>42,436,000</u>	<u>42,436,000</u>
	<u>45,495,490</u>	<u>43,759,941</u>

There are certain related party transactions carried out during the year which are disclosed in the relevant notes to the financial statements.

c) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

	2024	2023
	AED	AED
Director's fee	<u>2,500,000</u>	<u>-</u>

9 Cash and bank balances

	2024	2023
	AED	AED
Cash and bank balances	6,752,134	9,838,693
Term deposits with banks	<u>42,000,000</u>	<u>60,000,000</u>
	<u>48,752,134</u>	<u>69,838,693</u>

The expected profit rate on the term deposits with banks ranges from 4% to 7% per annum and due for maturity within 90 days from the year end.

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10 Leases (the Company as Lessee)

Right-of-use assets

Movement of the recognised right-of-use assets during the year:

	Property AED	Total AED
Cost		
As at 1 January 2023	643,373	643,373
Additions during the year	1,468,268	1,468,268
As at 31 December 2023	2,111,641	2,111,641
As at 1 January 2024	2,111,641	2,111,641
As at 31 December 2024	2,111,641	2,111,641
Accumulated depreciation		
As at 1 January 2023	127,617	127,617
Charge for the year	224,323	224,323
As at 31 December 2023	351,940	351,940
As at 1 January 2024	351,940	351,940
Charge for the year	703,880	703,880
As at 31 December 2024	1,055,820	1,055,820
Carrying amount		
As at 31 December 2024	1,055,821	1,055,821
As at 31 December 2023	1,759,701	1,759,701

Amounts recognised in profit or loss

	2024 AED	2023 AED
Depreciation expense on right-of-use assets	703,880	224,323

11 Share capital

	2024 AED	2023 AED
Authorised, issued and paid up share capital:		
2,500,000,000 shares of AED - (0.02 each)	50,000,000	50,000,000
250,000,000 bonus shares of AED - (0.02 each)	5,000,000	-
	55,000,000	50,000,000

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11 Share capital (continued)

On 4th April 2024, Annual General Assembly meeting of the Company was held and it was unanimously approved to distribute 250,000,000 bonus shares to the shareholders with a value of AED 5,000,000.

12 Employees' end-of-service benefits

	2024	2023
	AED	AED
Balance at the beginning of the year	-	-
Charge for the year	<u>330,889</u>	-
Balance at the end of the year	<u>330,889</u>	<u>-</u>

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting year.

13 Lease liabilities

Lease liabilities recognized and maturity analysis:

	2024	2023
	AED	AED
<i>Amount due for settlement within 12 months</i>		
Not later than 1 year	720,171	685,877
<i>Amount due for settlement after 12 months</i>		
Later than 1 year and not later than 5 years	373,479	1,093,650

The movement in lease liabilities is as follows:

	2024	2023
	AED	AED
As at the beginning of the year	1,779,527	323,591
Amortization of interest expense during the year (Note 19)	64,123	42,887
Additions during the year (Note 10)	-	1,788,049
Repayment of lease liabilities during the year (Note 13)	<u>(750,000)</u>	<u>(375,000)</u>
As at the end of the year	<u>1,093,650</u>	<u>1,779,527</u>

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Notes to the Financial Statements for the year ended 31 December 2024

14 Additional contribution

	2024	2023
	AED	AED
Balance at the beginning of the year	5,830,812,810	5,759,736,060
Additional contribution (Note 6)	<u>-</u>	<u>71,076,750</u>
Balance at the end of the year	<u>5,830,812,810</u>	<u>5,830,812,810</u>

The additional contribution represents the residual interest of the shareholders due to acquisition of the subsidiaries by the Company. All of these acquisitions of the subsidiaries have been mutually agreed between the common shareholders of the Company and its subsidiaries. No shares have been issued by the Company to their shareholders and no cash was involved in the sale purchase agreements. Instead, all the investments have been made through in kind contribution from the common shareholders. The additional contribution represents this non cash consideration and the residual interest of the shareholders.

15 Trade and other payables

	2024	2023
	AED	AED
Trade payables	445,267	800,722
Accrued expenses	<u>985,179</u>	<u>426,387</u>
	<u>1,430,446</u>	<u>1,227,109</u>

16 Income from management services

	2024	2023
	AED	AED
Disaggregation of revenue – over time		
Management services	<u>569,030</u>	<u>-</u>

17 Other income

	2024	2023
	AED	AED
Profit from fixed deposits	<u>2,318,692</u>	<u>724,750</u>
	<u>2,318,692</u>	<u>724,750</u>

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Notes to the Financial Statements for the year ended 31 December 2024

18 Gain on financial assets at fair value through profit or loss

	2024	2023
	AED	AED
Unrealised gain on valuation of investments at FVTPL	<u>121,551,545</u>	<u>533,746,450</u>

The above gain on investments is recorded based on the fair valuation of the investments at fair value through profit or loss.

The Company hired an independent expert to carry out the fair valuation of the all the investments in subsidiaries. The details of the valuation methods are mentioned in Note 24.

19 General and administrative expenses

	2024	2023
	AED	AED
Salaries and benefits	9,109,626	3,909,042
Directors fee	2,500,000	-
Sponsorship and advertisement fee	3,506,903	1,391,893
Depreciation of property and equipment	385,079	7,525
Depreciation of right-of-use assets	703,880	224,323
Placement Fees	-	5,904,400
Listing Fees	-	1,344,131
Office expenses	331,088	90,460
Professional and consultancy fees	2,717,797	2,000,926
Interest expense on lease	64,123	42,886
Other general and administrative expenses	<u>1,010,180</u>	<u>761,128</u>
	<u>20,328,676</u>	<u>15,676,714</u>

Sponsorship and advertisement fee includes amount paid for the promotion related activities of the Company. Director fees includes the amount paid to board members for attending board meetings.

20 Events after the reporting period

There are no significant events after the reporting period, which affect the financial statements or disclosures.

21 Subscription against shares

Subscription against shares includes the amount received from the investors against which the shares issuance was finalised by the Company. This also includes shares to be issued against the consideration in lieu of acquisition of the Company disclosed in Note 6. During the year, the Company has adjusted the subscription against shares from due from MBME Investment LLC through transferring the existing shares of the Company to the shareholder of IT Corner at par value (Note 8).

22 Statutory reserve

In accordance with the UAE Federal Law no. (32) of 2021, the Company has allocated 10% of the annual net profit to the statutory reserve. The transfer to statutory reserves may be suspended when the reserves reach 50% of the paid-up capital. The management has agreed to suspend further transfer into the statutory reserve above the paid up capital.

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23 Financial instruments and risk management

Material accounting policies

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the financial statements.

Categories of financial instruments

31 December 2024

	Financial assets		Financial liabilities
	FVTPL	Amortised cost	Amortised cost
	AED	AED	AED
Cash and bank balances (Note 9)	-	48,752,134	-
Investments at fair value through profit or loss (000')	6,958,028	-	-
Other receivables (Note 7)	-	10,898,673	-
Trade and other payables (Note 15)	-	-	1,430,446
Due from related parties (Note 8)	-	7,246,206	-
Due to related party (Note 8)	-	-	45,495,490
Lease liabilities (Note 13)	-	-	1,093,650
	6,958,028	66,897,013	48,019,586

31 December 2023

	Financial assets		Financial liabilities
	FVTPL	Amortised cost	Amortised cost
	AED	AED	AED
Cash and bank balances (Note 9)	-	69,838,693	-
Investments at fair value through profit or loss (000')	6,836,476	-	-
Other receivables (Note 7)	-	10,270,598	-
Trade and other payables (Note 15)	-	-	1,227,109
Due from related parties (Note 8)	-	497,830,279	-
Due to related party (Note 8)	-	-	43,759,941
Lease liabilities (Note 13)	-	-	1,779,527
	6,836,476	577,939,570	46,766,577

Financial risk management objectives

The Company's financial risk management policies set out Company's overall business strategies and risk management philosophy. The Company's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Company. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

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23 Financial instruments and risk management (continued)

Market risk

The Company's activity expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Interest risk

At the reporting date, there is no significant interest rate risk as there are no borrowings at year end.

Foreign currency risk

As at the reporting date, the Company is not exposed to any foreign currency risk as all the operations of the Company are in United States Dollar (USD) or Emirati Dirham (AED) which are pegged with each other.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss to the Company. As at 31 December 2024, the Company's maximum exposure to credit risk, which will cause a financial loss to Company due to failure to discharge an obligation by the counterparties arises from the carrying amount of the financial assets as stated in the statement of financial position.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and complying with statutory requirements.

24 Fair value hierarchy

At year end, the Company held the following financial and non-financial assets measured at fair value:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
As at 31 December 2024				
Financial assets at fair value through profit and loss				
Financial asset at fair value through profit or loss (Amount in '000')	-	-	6,958,028	6,958,028
	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
As at 31 December 2023				
Financial assets at fair value through profit and loss				
Financial assets at fair value through profit and loss (Amount in '000')	-	-	6,836,478	6,836,478

24 Fair value hierarchy (continued)

The Company has classified the investments in subsidiaries at level 3 since the fair value measurements are derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company hired an independent expert to carry out the valuation of the subsidiaries. As a result of the valuation, the investments in subsidiaries have been revalued at approximately AED 6,958 million (Note 6).

The expert has used different methods to arrive at the fair values of the investments. 2 different approaches have been used i.e. Income approach (Discounted Cash Flow DCF) and Market approach (Guideline Public Companies Method) to value the investments. The base discount rate has been arrived at by calculating the weighted average cost of capital.

Subsidiary Name	Input/Method	Sensitivity (in %)	Effect on fair value (in AED)
MBME Pay Payment Service Provider LLC	Discount Rate / Discounted Cash Flow	+ -1%	62,166,864
WOW Pay Payment Service Provider LLC	Discount Rate / Discounted Cash Flow	+ -1%	2,128,600
MBME Investment LLC	Discount Rate / Discounted Cash Flow	+ -1%	5,174,711
MBME Neo Information Technology LLC	Discount Rate / Discounted Cash Flow	+ -1%	110,100

During the year, there were no transfers between the various levels of fair value measurements.

25 Segment reporting

For operating purpose, the Company's only operation is of holding company, so no segment reporting is presented.

26 Taxation

The United Arab Emirates introduced a Corporate Income Tax ('CIT') regime, effective for financial years beginning on or after June 1, 2023. Under the new legislation, the Company is subject to corporate income tax at a rate of 9% on taxable income. The Company is committed to full compliance with the tax laws and regulations of the United Arab Emirates and has included all relevant disclosures herein.

The tax charged for the year ended 31 December 2024 is Nil as the Company has taxable loss during the year.

In accordance with IAS 12 Income Taxes, the Company has not recognised any deferred tax assets or liabilities, as the carrying amounts of all assets and liabilities are equal to their respective tax bases, resulting in no temporary differences.

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Notes to the Financial Statements for the year ended 31 December 2024

27 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year

	2024	2023
	AED	AED
Basic earnings per share		
Total earnings (in AED)	104,110,591	518,794,486
Weighted average number of shares	2,750,000,000	1,884,794,521
Basic earnings per share	<u>0.0380</u>	<u>0.2750</u>
Diluted earnings per share		
Total earnings (in AED)	104,110,591	518,794,486
Diluted weighted average number of shares	2,750,000,000	26,674,967,771
Diluted earnings per share	<u>0.0380</u>	<u>0.0194</u>