

# **Hily Holding PJSC**

Condensed consolidated interim financial statements

**31 March 2023**

**Principal business address:**

P.O. Box 2378

Abu Dhabi

United Arab Emirates

# Hily Holding PJSC

## Condensed consolidated interim financial statements

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# Hily Holding PJSC

## REPORT OF THE BOARD OF DIRECTORS

31 March 2023

The Directors have pleasure in submitting their report and the condensed consolidated interim financial statements for the period ended 31 March 2023.

### **Principal activities**

The principal activity of the Company and its subsidiaries (together, the "Group") is primarily the management of securities portfolios, along with investing, development and management of real estate and commercial enterprises. The Group is also engaged in the importing and distribution of foodstuff and household items in the United Arab Emirates.

### **Financial results**

The results of the Group for the period ended 31 March 2023 are set out on page 6 of the condensed consolidated interim financial statements.

**For and on behalf of Board of Directors**



Chairman of the Board



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# Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

## To the Shareholders of Hily Holding PJSC

### Introduction

We have reviewed the accompanying 31 March 2023 condensed consolidated interim financial statements of Hily Holding PJSC ("the Company") and its subsidiaries ("the Group"), which comprise:

- the condensed consolidated statement of financial position as at 31 March 2023;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2023;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2023;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2023;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2023; 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 IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these 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 Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 31 March 2023 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Richard Ackland  
Registration No.: 1015  
Abu Dhabi, United Arab Emirates

Date: **12 MAY 2023**

## Hily Holding PJSC

### Condensed consolidated statement of financial position

As at

	<i>Notes</i>	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		67,175,842	62,646,526
Intangible assets		424,621	459,293
Right-of-use assets		7,446,493	7,311,557
Investment properties	5	241,210,031	241,210,031
Equity-accounted investee	6	327,222,606	328,648,938
Investments held at fair value through other comprehensive income ("FVTOCI")	7	31,172,774	32,642,449
Investment at amortized cost	7	23,232,740	8,311,999
<b>Total non-current assets</b>		<b>697,885,107</b>	<b>681,230,793</b>
<b>Current assets</b>			
Inventories	8	10,556,785	14,754,302
Investments held at fair value through profit or loss ("FVTPL")	7	235,024,334	187,346,001
Trade and other receivables	9	35,489,744	12,314,997
Prepayment		2,913,842	1,593,443
Amounts due from related parties	14	3,303,622	2,966,633
Cash and cash equivalents	10	78,107,428	45,304,127
<b>Total current assets</b>		<b>365,395,755</b>	<b>264,279,503</b>
<b>Total assets</b>		<b>1,063,280,862</b>	<b>945,510,296</b>
<b>Equity</b>			
Share capital		120,000,000	120,000,000
Legal reserve		60,000,000	60,000,000
Regulatory reserve		60,000,000	60,000,000
Fair value reserve		(37,055,799)	(35,586,124)
Retained earnings		398,885,889	383,125,040
<b>Equity attributable to Owners of the Company</b>		<b>601,830,090</b>	<b>587,538,916</b>
Non-controlling interests		5,102,138	5,187,507
<b>Total equity</b>		<b>606,932,228</b>	<b>592,726,423</b>

... continued

## Hily Holding PJSC

### Condensed consolidated statement of financial position (continued)

As at

	Notes	31 March 2023 AED (Unaudited)	31 December 2022 AED (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		3,925,854	3,945,681
Lease liabilities		7,346,332	7,024,288
Borrowings	11	223,457,910	221,535,573
<b>Total non-current liabilities</b>		<b>234,730,096</b>	<b>232,505,542</b>
<b>Current liabilities</b>			
Lease liabilities		660,186	638,459
Loans and borrowings	11	105,142,225	40,050,867
Trade and other payables	12	115,095,670	79,058,292
Amounts due to related parties	14	720,457	530,713
<b>Total current liabilities</b>		<b>221,618,538</b>	<b>120,278,331</b>
<b>Total liabilities</b>		<b>456,348,634</b>	<b>352,783,873</b>
<b>Total equity and liabilities</b>		<b>1,063,280,862</b>	<b>945,510,296</b>

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

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on May11, 2023 and was signed on their behalf by:

  
Ahmed Ali Khalfan Al Dhaheri  
Chairman

  
Mohammed Hafez  
Chief Financial Officer

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.

## Hily Holding PJSC

### Condensed consolidated statement of profit or loss for the three – month period ended

		31 March 2023 AED (Unaudited)	31 March 2022 AED (Unaudited)
	<i>Note</i>		
Revenue from contracts with customers	13	19,910,555	17,471,719
Income from investment properties	13	8,647,014	8,398,332
Net income / (loss) from investments	13	11,775,031	(1,850,306)
		<u>40,332,600</u>	<u>24,019,745</u>
Direct costs		(16,689,758)	(15,269,138)
Selling and distribution expenses		(5,378,666)	(4,440,242)
General and administrative expenses		(4,870,241)	(4,325,113)
Impairment loss on trade receivables		(176,954)	(177,996)
Share of results of associate	6	8,698,386	12,907,991
Other income		25,083	792,289
<b>Operating profit</b>		<u>21,940,450</u>	<u>13,507,536</u>
Finance costs, net		(6,264,970)	(2,643,106)
<b>Profit for the period</b>		<u>15,675,480</u>	<u>10,864,430</u>
<b>Attributable to:</b>			
Owners of the Company		15,760,849	10,974,352
Non-controlling interests		(85,369)	(109,922)
		<u>15,675,480</u>	<u>10,864,430</u>
Basic and diluted earnings per share	16	<u>0.13</u>	<u>0.09</u>

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

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## Hily Holding PJSC

### Condensed consolidated statement of other comprehensive income for the three - month period ended

	<b>31 March 2022 AED (Unaudited)</b>	31 March 2022 AED (Unaudited)
<b>Profit for the period</b>	<b>15,675,480</b>	10,864,430
<b>Other comprehensive income / (loss):</b> <i>Items that will not be reclassified to profit or loss</i>		
Net changes in fair value of investments held at fair value through other comprehensive income (FVTOCI)	<b>(1,469,675)</b>	(1,840,804)
Other comprehensive loss for the period	<b>(1,469,675)</b>	(1,840,804)
<b>Total comprehensive income for the period</b>	<b>14,205,805</b>	9,023,626
<b>Attributable to:</b>		
Owners of the Company	<b>14,291,174</b>	9,133,548
Non-controlling interests	<b>(85,369)</b>	(109,922)
	<b>14,205,805</b>	9,023,626

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

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## Hily Holding PJSC

### Condensed consolidated statement of changes in equity for the three-month period ended

	Share capital AED	Legal reserve AED	Regulatory reserve AED	Fair value reserve AED	Equity Retained earnings AED	Non- attributable to Owners of the Company AED	controlling interests ("NCI") AED	Total AED
At 1 January 2022 (Audited)	120,000,000	60,000,000	60,000,000	(38,085,835)	305,790,338	507,704,503	5,587,848	513,292,351
<i>Total comprehensive income for the period</i>								
Profit / (loss) for the period	-	-	-	-	10,974,352	10,974,352	(109,922)	10,864,430
Other comprehensive income	-	-	-	(1,840,804)	-	(1,840,804)	-	(1,840,804)
<b>At 31 March 2022 (Unaudited)</b>	<b>120,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>(39,926,639)</b>	<b>316,764,690</b>	<b>516,838,051</b>	<b>5,477,926</b>	<b>522,315,977</b>
At 1 January 2023 (Audited)	120,000,000	60,000,000	60,000,000	(35,586,124)	383,125,040	587,538,916	5,187,507	592,726,423
<i>Total comprehensive income for the period</i>								
Profit / (loss) for the period	-	-	-	-	15,760,849	15,760,849	(85,369)	15,675,480
Other comprehensive loss	-	-	-	(1,469,675)	-	(1,469,675)	-	(1,469,675)
<b>At 31 March 2023 (Unaudited)</b>	<b>120,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>(37,055,799)</b>	<b>398,885,889</b>	<b>601,830,090</b>	<b>5,102,138</b>	<b>606,932,228</b>

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

## Hily Holding PJSC

### Condensed consolidated statement of cash flows for the three-month period ended

	31 March 2023 AED (Unaudited)	31 March 2022 AED (Unaudited)
<b>Cash flows from operating activities</b>		
Profit for the period	15,675,480	10,864,430
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	882,838	911,401
Depreciation of right-of-use assets	223,812	210,856
Amortization of intangible assets	34,672	174,976
Finance costs	6,264,970	2,643,106
Gain on Disposal of property, plant and equipment	(4,801)	-
Provision for employees' end of service benefits	151,282	316,311
Net changes in fair value of investments held at FVTPL	(3,159,570)	7,190,025
Gain on disposal of investments held at FVTPL	(2,238,749)	-
Impairment loss on trade receivables, advances to suppliers and other receivables	176,955	177,996
Dividend income	(6,095,214)	(5,339,719)
Provision for slow moving inventories	95,141	659,813
Reversal of provision for slow moving inventories	(447,726)	(637,192)
Share of results of associate	(8,698,386)	(12,907,991)
Interest income on investment at amortized cost	(281,501)	-
	<u>2,579,203</u>	<u>4,264,012</u>
<i>Changes in:</i>		
- Inventories	4,550,102	5,242,900
- Trade and other receivables	(4,328,087)	(58,495,685)
- Amounts due from related parties	(336,989)	(250,491)
- Trade and other payables	36,037,378	(5,812,212)
- Amounts due to related parties	189,744	(155,885)
	<u>38,691,351</u>	<u>(55,207,361)</u>
Employees' end of service benefits paid	(171,109)	(126,836)
Purchase of investment in securities	(58,963,100)	(5,010,385)
Purchase of investment at amortized cost	(14,933,440)	-
Proceeds from disposal of investment in securities	16,683,086	6,358,873
Dividends received	-	393,252
Interest received from investment at amortized cost	294,200	-
Investment in additional shares of an existing associate	(4,124,082)	-
	<u>(22,523,094)</u>	<u>(53,592,457)</u>
<b>Net cash used in operating activities</b>		

... continued

## Hily Holding PJSC

### Condensed consolidated statement of cash flows *(continued)* *for the three-month period ended*

	<b>31 March 2023 AED (Unaudited)</b>	31 March 2022 AED (Unaudited)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,413,054)	(5,444,581)
Proceeds from disposal of property, plant and equipment	5,701	-
<b>Net cash used in investing activities</b>	<u>(5,407,353)</u>	<u>(5,444,581)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	43,747,410	1,821,401
Repayment of borrowings	(41,436,772)	(6,939,383)
Payment of lease liabilities	(154,424)	(332,499)
Finance costs paid	(6,125,523)	(2,512,487)
<b>Net cash used in financing activities</b>	<u>(3,969,309)</u>	<u>(7,962,968)</u>
Net increase in cash and cash equivalents	(31,899,756)	(67,000,006)
Cash and cash equivalents at 1 January	35,510,987	(66,283,006)
<b>Cash and cash equivalents at 31 March</b>	<u>3,611,231</u>	<u>(133,283,012)</u>

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.

# Hily Holding PJSC

## Notes to the condensed consolidated interim financial statements

### 1 Legal status and principal activities

Hily Holding PJSC (the "Company") is a public shareholding company incorporated in Abu Dhabi, United Arab Emirates. The Company was established in 1979. It is regulated and listed on the Abu Dhabi Securities Exchange. On 26 May 2022, the Company's name was changed from Foodco Holding PJSC to Hily Holding PJSC.

The Company and its subsidiaries (*collectively referred to as the "Group"*) are primarily engaged in the management of securities portfolios, along with investing, development and management of real estate and commercial enterprises. The Group is also engaged in the importing and distribution of foodstuff and household items in the United Arab Emirates.

These condensed consolidated interim financial statements include the financial position and the financial performance of the following subsidiaries:

Name of subsidiary	Country of incorporation	Percentage of ownership			Principal activities
		31 March 2023	31 December 2022	31 March 2022	
<b>Subsidiaries directly under the Company</b>					
National Oasis Foodstuff Company LLC	UAE	100%	100%	100%	Packing of foodstuff
FOODCO National Foodstuff PJSC	UAE	97.79%**	97.79%*	97.79%	Catering services and restaurant business
Abu Dhabi National Catering LLC	UAE	100%	100%	100%	Catering services and wholesale of foodstuff
Dana Plaza Real-Estate LLC	UAE	100%	100%	100%	Investing, development and management of real estate and commercial enterprises
NURANA Properties W.L.L.	Bahrain	100%	100%	100%	Investing, development and management of real estate and commercial enterprises
<b>Subsidiary of FOODCO National Foodstuff PJSC</b>					
Abu Dhabi National Foodstuff Co LLC	UAE	100%	100%	100%	Wholesale and distribution of foodstuff
5PL Logistics LLC	UAE	100%	100%	100%	Shipment, clearance and warehousing services

\* Included in the 97.79% shareholding of the Group in FOODCO National Foodstuff PJSC, 1.25% shares which amount to 3,500,000 shares that were held under "Liquidity Provision Agreement" in reference to "ADX Liquidity Provider Regulations" by a third-party licensed Market Maker. This agreement has come to an end and the shares have reverted to the Group.

\*\* Shares in FOODCO National Foodstuff PJSC with a quantity of 40,350,000 (31 December 2022: 40,350,000) shares are pledged with commercial banks for securing overdraft facility. (Note 11)

# Hily Holding PJSC

## Notes to the condensed consolidated interim financial statements

### 2 Statement of compliance

The condensed consolidated interim financial statements has been prepared in accordance with IAS 34, "Interim Financial Reporting" and complies where appropriate, with relevant Articles of Association and the requirements of the UAE Federal Law No. 32 of 2021. It does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last financial statements.

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. of 2015 (as amended).

### 3 Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

The following amendments to existing standards and framework have been applied by the Group in preparation of these condensed consolidated interim financial statements. The adoption of the below did not result in changes to previously reported net profit or equity of the Group.

<b>New standards or amendments</b>	<b>Effective date</b>
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 – Definition of Accounting Estimate	1 January 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial statements

### 3 Significant accounting policies (continued)

#### *Forthcoming requirements*

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

<b>New standard or amendments</b>	<b>Effective date</b>
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 – Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IFRS 10 and IAS 28 – Sale or Construction of Assets between an Investor and its Associate or Joint Venture	N/A*

\*Available for optional adoption / effective date deferred indefinitely.

### 4 Use of judgements and estimates

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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 and in any future periods affected.

## Hily Holding PJSC

### Notes to the condensed consolidated interim financial statements

#### 5 Investment properties

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Warehouses	<b>16,060,868</b>	16,060,868
Building - commercial and residential	<b>225,149,163</b>	225,149,163
	<b><u>241,210,031</u></b>	<u>241,210,031</u>

The movements in the investment properties during the period / year were as follows:

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
As at 1 January	<b>241,210,031</b>	242,012,006
Transferred from investment properties under development	-	-
Additions during the year	-	1,718,748
Change in fair value of investment properties	-	(2,520,723)
At the end of the period / year	<b><u>241,210,031</u></b>	<u>241,210,031</u>

Fair value of investment properties has been determined based on an internal valuation carried out by the Group's management as at 31 December 2022.

Given that there were no significant changes in the inputs used in the December 2022 valuation and no major or drastic changes to the property market in the UAE, management believes that the fair value as of 31 March 2023 remains consistent with the value determined in December 2022. Management intends to reperform its internal valuation in December 2023.

Investment properties amounting to AED 209,601,865 (31 December 2022: AED 209,601,865) are mortgaged against loans and borrowings (note 11) obtained by the Group to finance the construction of the properties.

	<b>Level 1 AED</b>	<b>Level 2 AED</b>	<b>Level 3 AED</b>	<b>Total AED</b>
<b>31 March 2023 (Unaudited)</b>				
Investment properties	-	-	241,210,031	241,210,031
<b>31 December 2022 (Audited)</b>				
Investment properties	-	-	241,210,031	241,210,031



## Hily Holding PJSC

### Notes to the condensed consolidated interim financial statements

#### 6 Equity-accounted investee

Name	Domiciled	% of equity held		Principal activities
		31-Mar-23	31-Dec-22	
Al Waha Capital PJSC	UAE	9.47%	9.36%	Investment in a wide range of sectors including financial services, capital markets, industrial real estates, infrastructure, healthcare, fintech and oil and gas.

At 1 January 2021, the Group received confirmation from two shareholders of Al Waha Capital PJSC ("investee") who own 8.6% and 4% in Al Waha Capital PJSC, respectively, stating that they have assigned their voting rights in favour of the Group and will represent the Group's interest in the Board of the investee. This assignment resulted in the Group having meaningful representation in the Board of Directors of the investee. Accordingly, the investee is considered as an associate effective 1 January 2021 with its shareholding of 8.8034% as at that date. During the three-month period ended 31 March 2023, the Company has invested in additional shares of the associate, which has increased its shareholding to 9.47% as of 31 March 2023.

The movement in equity-accounted investee during the period is as follows:

	<b>31 March 2023 AED</b>	31 December 2022 AED
Opening balance	328,648,938	292,931,271
Purchase	4,124,082	13,496,302
Share of profit	7,101,900	31,592,812
Gain on recognition	1,596,486	3,038,993
Dividends	(14,248,800)	(12,219,820)
Share of change in other reserves	-	(190,620)
	<b><u>327,222,606</u></b>	<b><u>328,648,938</u></b>

Investment in associate securities with a quantity of 67,078,706 (31 December 2022: 67,078,706) shares are pledged with commercial banks for securing term loans.

For the purpose of statement of cashflows, amounts for the three-month period ended 31 March 2022 are as follows:

	31 March 2022 AED (Unaudited)
Share of profit	12,907,991
Gain on recognition	-
	<b><u>12,907,991</u></b>

# Hily Holding PJSC

## Notes to the condensed consolidated interim financial statements

### 7 Investments

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Investments held at fair value through other comprehensive income ("FVTOCI")	31,172,774	32,642,449
Investments held at fair value through profit and loss ("FVTPL")	235,024,334	187,346,001
Investment at amortized cost	23,232,740	8,311,999
	<u><u>289,429,848</u></u>	<u><u>228,300,449</u></u>

The investments held at FVTOCI comprise:

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Investments in quoted equity securities inside UAE	28,299,752	29,769,427
Investments in quoted equity securities outside UAE	702,960	702,960
Investments in unquoted equity securities inside UAE	441,575	1,728,487
Investments in unquoted equity securities outside UAE	1,728,487	441,575
	<u><u>31,172,774</u></u>	<u><u>32,642,449</u></u>

The investments held at FVTPL comprise:

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Investments in quoted equity securities inside UAE	225,928,434	181,834,107
Investments in quoted equity securities outside UAE	3,380,360	1,543
Quoted commodities	5,715,540	5,510,351
	<u><u>235,024,334</u></u>	<u><u>187,346,001</u></u>

## Hily Holding PJSC

### Notes to the condensed consolidated interim financial statements

#### 7 Investments (continued)

Investment at amortized cost:

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
At 1 January	<b>8,311,999</b>	-
Purchase of financial assets	<b>14,933,440</b>	8,115,866
Interest income for the period	<b>281,501</b>	490,413
Interest received	<b>(294,200)</b>	(294,280)
	<b><u>23,232,740</u></b>	<u>8,311,999</u>

This investment consists of Turkish Sukuks and Egyptian Sukuks with a coupon rate of 7.25% and 10.785% respectively per annum. 40,570 units were purchased from Egyptian Sukuk during the three-month period ended 31 March 2023, with an issue price of 100.188 USD per unit. All of these Sukuks are currently in the name of the Chairman and assigned to the Group.

The movement in financial assets was as follows:

	<b>FVTPL Three-month Period ended 31 March 2023 AED (Unaudited)</b>	<b>FVOCI Three-month period ended 31 March 2023 AED (Unaudited)</b>	<b>FVTPL Year ended 31 December 2022 AED (Audited)</b>	<b>FVOCI Year ended 31 December 2022 AED (Audited)</b>
At 1 January	<b>187,346,001</b>	<b>32,642,449</b>	273,630,705	19,738,327
Purchase of financial assets	<b>58,963,099</b>	-	194,292,620	11,389,695
Disposal of financial assets	<b>(14,444,335)</b>	-	(268,303,534)	(1,206,155)
Change in fair value	<b>3,159,569</b>	<b>(1,469,675)</b>	(12,273,790)	2,720,582
At end of the period / year	<b><u>235,024,334</u></b>	<b><u>31,172,774</u></b>	<u>187,346,001</u>	<u>32,642,449</u>

\* For the purpose of statement of cashflows, amounts for the three-month period ended 31 March 2022 are as follows:

	<b>FVTPL 31 March 2022 AED (Unaudited)</b>	<b>FVOCI 31 March 2022 AED (Unaudited)</b>
Purchase of financial assets	<b>5,010,385</b>	-
Disposal of financial assets	<b>(6,358,873)</b>	-
Change in fair value	<b><u>(7,190,025)</u></b>	<u>(1,840,804)</u>

## Hily Holding PJSC

### Notes to the condensed consolidated interim financial statements

#### 7 Investments (continued)

The following table represents the Group's investments, segregated by the level of inputs used to measure each investment's fair value according to the fair value hierarchy set out by IFRS 13:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>31 March 2023</b>				
<b>Investments held at FVTPL</b>	<b>235,024,334</b>	-	-	<b>235,024,334</b>
<b>Investments held at FVTOCI:</b>				
Quoted shares	29,002,712	-	-	29,002,712
Unquoted shares	-	-	2,170,062	2,170,062
	<b>29,002,712</b>	-	<b>2,170,062</b>	<b>31,172,774</b>
<b>Total</b>	<b>264,027,046</b>	-	<b>2,170,062</b>	<b>266,197,108</b>

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>31 December 2022</b>				
<b>Investments held at FVTPL:</b>	<b>187,346,001</b>	-	-	<b>187,346,001</b>
<b>Investments held at FVTOCI:</b>				
Quoted shares	30,472,387	-	-	30,472,387
Unquoted shares	-	-	2,170,062	2,170,062
	<b>30,472,387</b>	-	<b>2,170,062</b>	<b>32,642,449</b>
<b>Total</b>	<b>217,818,388</b>	-	<b>2,170,062</b>	<b>219,988,450</b>

#### 8 Inventories

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Goods for resale	<b>9,752,546</b>	14,427,437
Consumables	<b>1,874,021</b>	2,115,959
	<b>11,626,567</b>	16,543,396
Less: allowance for slow moving inventories	<b>(1,069,782)</b>	(1,789,094)
	<b>10,556,785</b>	14,754,302

## Hily Holding PJSC

### Notes to the condensed consolidated interim financial statements

#### 8 Inventories (continued)

Movement in allowance for slow moving inventories is as follows:

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
At 1 January	1,789,094	1,047,582
Charge for the period / year	95,141	1,200,332
Reversal of provision	(447,726)	-
Written off during the period / year	(366,727)	(458,820)
	<u>1,069,782</u>	<u>1,789,094</u>

\* For the purpose of statement of cashflows, amounts for the three-month period ended 31 March 2022 are as follows:

	31 March 2022 AED (Unaudited)
Charge for the period	<u>659,813</u>
Written off during the period	<u>(637,192)</u>

#### 9 Trade and other receivables

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Trade receivables	38,193,336	35,375,223
Less: allowance for expected credit loss	(25,816,705)	(25,639,750)
	<u>12,376,631</u>	<u>9,735,473</u>
Advances to suppliers	2,081,509	3,266,341
Dividend receivable	20,344,015	94,288
Other receivables	2,887,939	2,244,202
Less: allowance for expected credit loss on advances to suppliers and other receivables	(2,200,350)	(3,025,307)
	<u>35,489,744</u>	<u>12,314,997</u>

## Hily Holding PJSC

### Notes to the condensed consolidated interim financial statements

#### 9 Trade and other receivables (continued)

Movement in allowance for expected credit loss on trade receivables is as follows:

	<b>Three-month Period ended 31 March 2023 AED (Unaudited)</b>	<b>Year ended 31 December 2022 AED (Audited)</b>
At 1 January	25,639,750	24,888,943
Charge for the period/year	176,955	789,500
Written off during the period/year	-	(38,693)
	<u>25,816,705</u>	<u>25,639,750</u>

\* For the purpose of statement of cashflows, amounts for the three-month period ended 31 March 2022 are as follows:

	<b>31 March 2022 AED (Unaudited)</b>
Charge for the period	<u>177,996</u>

#### 10 Cash and cash equivalents

	<b>31 March 2023 AED (Unaudited)</b>	<b>31 December 2022 AED (Audited)</b>
Cash and bank balances - cash and cash equivalents in the statement of financial position	78,107,428	45,304,127
Less: bank overdrafts repayable on demand and used for cash management purposes (note 11)	(66,996,197)	(2,293,140)
Less: term deposit with an original Maturity of one year Included in the "cash and Bank balances"	(7,500,000)	(7,500,000)
Cash and cash equivalents in the statement of cash flows	<u>3,611,231</u>	<u>35,510,987</u>

# Hily Holding PJSC

## Notes to the condensed consolidated interim financial statements

### 11 Borrowings

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Bank borrowings	255,432,104	255,009,766
Trust receipts	6,171,834	4,283,534
Bank overdrafts (note 10)	66,996,197	2,293,140
	<u>328,600,135</u>	<u>261,586,440</u>

Bank overdrafts, trust receipts and bank borrowings are repayable as follows:

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Current portion	105,142,225	40,050,867
Non-current portion	223,457,910	221,535,573
	<u>328,600,135</u>	<u>261,586,440</u>

The average interest rates during the period were as follows:

#### March 2023 and December 2022

Bank overdrafts	1 month EIBOR + margin
Term loans	3 months EIBOR + margin
Trust receipts	3 months EIBOR + margin

Borrowings are partially secured by:

- Corporate guarantee of the Company;
- Investment properties; and
- Investment in securities.

### 12 Trade and other payables

	<b>31 March 2023 AED (Unaudited)</b>	31 December 2022 AED (Audited)
Trade payables	75,528,897	48,642,720
Accruals	18,240,107	19,237,143
Advances from customers	16,129,752	5,761,149
Retention payable	-	257,813
Other payables	5,196,914	5,159,467
	<u>115,095,670</u>	<u>79,058,292</u>

# Hily Holding PJSC

## Notes to the condensed consolidated interim financial statements

### 13 Income and other income

	Three-month period ended	
	31 March 2023	31 March 2022
	AED	AED
	(Unaudited)	(Unaudited)
Income from trading	19,910,555	17,471,719
Income from investment properties	8,647,014	8,398,332
Income / (loss) from investments	11,775,031	(1,850,306)
	<u>40,332,600</u>	<u>24,019,745</u>

#### *Income from trading*

	Three-month period ended	
	31 March 2023	31 March 2022
	AED	AED
	(Unaudited)	(Unaudited)
Sale of goods	17,438,483	15,778,556
Freight forwarding and storage	2,472,072	1,693,163
	<u>19,910,555</u>	<u>17,471,719</u>

#### *Income from investment properties*

	Three-month period ended	
	31 March 2023	31 March 2022
	AED	AED
	(Unaudited)	(Unaudited)
Rental income	8,647,014	8,398,332

#### *Income from investments*

	Three-month period ended	
	31 March 2023	31 March 2022
	AED	AED
	(Unaudited)	(Unaudited)
Dividend income	6,095,214	5,339,719
Gain on sale of investment	2,238,748	-
Net change in fair value of investment held at FVTPL	3,159,569	(7,190,025)
Interest income on amortised investments	281,500	-
	<u>11,775,031</u>	<u>(1,850,306)</u>



# Hily Holding PJSC

## Notes to the condensed consolidated interim financial statements

### 14 Related party transaction and balances

In the ordinary course of business, the Group enters into transactions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in IAS 24. The Group has a related party relationship with its executive officers and business entities over which they can exercise significant influence, or which can exercise significant influence over the Group.

#### Transactions and balances with related parties

Significant transactions with related parties comprise:

	Three-month period ended	
	31 March 2023 AED (Unaudited)	31 March 2022 AED (Unaudited)
Sales to entities under common directorship	907,548	257,996
Purchases and other charges from entities under common directorship	83,085	6,996

#### Amounts due from related parties

	31 March 2023 AED (Unaudited)	31 December 2022 AED (Audited)
	Directors	2,275,686
Shareholders	1,027,936	1,039,629
	<u>3,303,622</u>	<u>2,966,633</u>

#### Amounts due to related parties

	31 March 2023 AED (Unaudited)	31 December 2022 AED (Audited)
	Directors	665,110
Shareholders	55,347	23,386
	<u>720,457</u>	<u>530,713</u>

## Hily Holding PJSC

### Notes to the condensed consolidated interim financial statements

#### 14 Related party transaction and balances *(continued)*

##### Key management personnel compensation

The remuneration of key management was as follows:

	Three-month period ended	
	31 March 2023	31 March 2022
	AED	AED
	(Unaudited)	(Unaudited)
Key management compensation	803,219	615,791

#### 15 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at the end for the year ended 31 December 2022, except as disclosed in the related notes in these condensed consolidated interim financial statements.

#### 16 Basic and diluted earnings per share

	Three-month period ended	
	31 March 2023	31 March 2022
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company (AED)	15,760,849	10,974,352
Weighted-average number of ordinary shares	120,000,000	120,000,000
Basic and diluted earnings per share (AED)	0.13	0.09

#### 17 Commitments and contingent liabilities

##### Contingent liabilities

As at reporting date, the following contingent liabilities were outstanding:

	31 March	31 December
	2023	2022
	AED	AED
	(Unaudited)	(Audited)
Bank guarantees	2,013,848	2,193,239

##### Capital commitments

As at reporting date, the capital commitments relate to the following:

	31 March	31 December
	2023	2022
	AED	AED
	(Unaudited)	(Audited)
Warehouse expansion	62,988,494	71,015,000

## **Hily Holding PJSC**

### Notes to the condensed consolidated interim financial statements

#### **18 Corporate Tax**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

#### **19 Segment information**

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into four major business segments:

- (i) Investing in securities (“Investment in securities”);
- (ii) Investing in properties (“Investment properties”);
- (iii) Marine, air and land shipment services along with management and operation of store and warehouses (“Freight forwarding and storage”); and
- (iv) Wholesale and distribution of food products (“Trading”).

Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

# Hily Holding PJSC

## Notes to the condensed consolidated interim financial statements

### 19 Segment information (continued)

Information regarding these segments is presented below:

#### For the three-month period ended 31 March 2023 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	11,775,031	8,647,015	2,472,072	17,438,483	-	-	40,332,600
Income – internal	-	355,272	-	1,669,844	-	(2,025,117)	-
Profit / (loss) for the period	12,048,216	7,469,956	(3,847,803)	(120,438)	(182,298)	307,847	15,675,480

#### For the three-month period ended 31 March 2022 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
(Loss) / income – external	(1,850,306)	8,398,332	1,693,163	15,778,556	-	-	24,019,745
Income – internal	-	-	2,163,093	-	-	(2,163,093)	-
(Loss) / profit for the period	9,302,236	6,527,815	(60,687)	(5,084,159)	(5,199)	184,424	10,864,430

The segment assets and liabilities are as follows:

As at 31 March 2023 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Assets	1,148,587,606	55,215,558	84,618,927	180,239,050	274,775,421	(680,155,700)	1,063,280,862
Liabilities	443,661,574	11,127,614	41,568,254	100,562,874	30,421	(140,602,103)	456,348,634

As at 31 December 2022 (Audited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Assets	1,024,865,943	294,343,889	179,404,041	73,450,922	2,585,666	(629,140,165)	945,510,296
Liabilities	330,518,451	257,725,900	37,002,486	89,274,435	45,094	(361,782,493)	352,783,873

## **Hily Holding PJSC**

### Notes to the condensed consolidated interim financial statements

#### **20 Cyclicity of the operations**

The Group's dividend income is subject to fluctuations as dividend income for majority of the investees are announced annually in the first quarter. As a result, dividend income is lower for the remaining quarters of the year.