

**Hily Holding PJSC**

**Report of the board of directors and consolidated  
financial statements  
for the year ended 31 December 2025**

# **Hily Holding PJSC**

## **Report of the board of directors' report and consolidated financial statements for the year ended 31 December 2025**

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# **Hily Holding PJSC**

## **Report of the board of directors for the year ended 31 December 2025**

The Directors have pleasure in submitting their report and the audited consolidated financial statements for the year ended 31 December 2025.

### **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 year are set out on page 14 of the consolidated financial statements. The Board of Directors wishes to inform shareholders that, despite the company’s positive financial performance this year, it has resolved to recommend no cash dividend distribution for the current year. This decision aims to strengthen liquidity to support planned capital commitments, advance structural reforms within certain subsidiaries, and reduce financing burdens.

The Board affirms that this approach is intended to reinforce the company’s financial position and enhance its capacity for sustainable growth, ultimately contributing to long-term value creation for shareholders.

### **Going concern basis**

The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2025.

### **Transactions with related parties**

The consolidated financial statements disclose related parties’ transactions and balances in note 22. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

### **Auditors of the Company**

The consolidated financial statements have been audited by PricewaterhouseCoopers Limited Partnership – Abu Dhabi, who retire and, being eligible, offer themselves for reappointment.

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



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Chairman of the Board



# Independent auditor's report

To the Shareholders of Hily Holding PJSC

## Report on the audit of the consolidated financial statements

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### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Hily Holding PJSC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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## Independent auditor's report (Continued)

To the Shareholders of Hily Holding PJSC

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### **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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



# Independent auditor’s report (Continued)

To the Shareholders of Hily Holding PJSC

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## Our audit approach

### Overview

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Key Audit Matters	Valuation of Investment properties
	Investment in associate – Assessment of significant influence

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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 Hily Holding PJSC

## Our audit approach

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of investment properties</b></p> <p>The Group's investment property portfolio comprises mixed used buildings, villas and a plot of land. The investment properties are carried at AED 257 million in the consolidated statements of financial position which represents 23% of the total assets.</p> <p>The Group's accounting policy is to state its investment properties at fair value at each reporting date. The net fair value loss recorded in the consolidated statement of profit or loss for the year ended 31 December 2025 amounted to AED 15 million.</p> <p>The valuation of the Group's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected market rentals and associated capitalization yield rates for the investment properties valued under the "investment method".</p> <p>The valuation was carried out as at 31 December 2025 by independent registered valuers (the "Valuer"). The Valuers were engaged by the Group who performed their work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards taking into account the requirements of IFRS 13 – 'Fair Value Measurements'.</p> <p>The Valuers apply certain assumptions such as capitalisation yield rates and market rent, which are influenced by prevailing market yields and comparable market transactions and specific characteristics, such as property location and occupancy rate of each property in the portfolio, to arrive at the final valuation.</p>	<p>We performed the following procedures over the audit of the fair valuation of the investment:</p> <ol style="list-style-type: none"><li>1. Assessed the competence, capabilities and objectivity of the Valuers engaged by the Group's management.</li><li>2. Obtained the valuation reports for the investment properties valued by the Valuers and assessed whether the valuation approach used and methodology adopted by the Valuers is appropriate for determining the fair value of the investment properties for the purpose of the consolidated financial statements of the Group. Further, we reviewed the key valuation assumptions used within each property valuation, such as capitalisation yield rates, and market rentals, and reviewed those for reasonableness.</li><li>3. Involved our internal real estate valuation experts to review a sample of these valuation reports to assess the appropriateness of the valuation approach used, methodology adopted and to review the reasonableness of the key valuation assumptions used.</li><li>4. We tested the supporting data in the Group's accounting records concerning the valuation process. We carried out testing procedures, on a sample basis, to satisfy ourselves of the accuracy of the property related information supplied to the Valuers by management.</li></ol>



# Independent auditor's report (Continued)

To the Shareholders of Hily Holding PJSC

## Our audit approach (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of investment properties</b></p> <p>The fair valuation of investment properties is considered a key audit matter as it is inherently subjective and requires use of the significant estimates and assumptions.</p> <p>Refer to note 2.7 which explains the accounting policy, note 4 which explains the significant estimates used and note 8 which explains the valuation methodology used by the Group.</p>	<p>5. Reviewed the sensitivity analysis performed by the Group's management of the key assumptions used in the valuation models to assess the potential impact on the resultant valuations.</p> <p>6. Evaluated the adequacy of the disclosure in the consolidated financial statements relating to this matter with reference to IFRS Accounting Standards.</p>
<p><b>Investment in associate – Assessment of significant influence</b></p> <p>The Group holds an investment in Al Waha Capital PJSC (the "investee"), which has been accounted for as an equity-accounted investee as at 31 December 2025. This investment is carried at AED 425 million, which represents 37% of the total assets.</p> <p>The Group has reviewed both quantitative and qualitative factors of this investment, as outlined in note 10. This mainly includes direct 10.17% ownership of the equity of investee (legally entitling the Group to appoint a director) assignment of additional 4% rights of the voting powers, and representation in the board of directors, Audit Committee and Nomination and Remuneration Committee. Consequently, the Group has concluded that it possesses significant influence over the investee.</p>	<p>We performed the following audit procedures over the investment in associate – assessment of significant influence:</p> <ol style="list-style-type: none"><li>1. Obtained understanding over management's process relating to determination that the Group exercises significant influence over the investee.</li><li>2. Obtained supporting documents for each of the quantitative and qualitative factors considered by the Group in the determination of the significant influence over the investee.</li><li>3. Evaluated management's judgement used in concluding significant influence, including consistency with prior periods, participation in policy making through Board and various Committees.</li></ol>



## Independent auditor's report (Continued)

To the Shareholders of Hily Holding PJSC

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### Our audit approach (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Investment in associate – Assessment of significant influence</b></p> <p>This is considered a key audit matter due to the significance of the judgement involved in determining the significant influence over the investee during the year ended 31 December 2025</p> <p>Refer to note 2.18 which explains the accounting policy, note 4 and 10 which explains the basis of significant judgement used by the Group.</p>	<p>4. Evaluated the adequacy of the disclosure in the consolidated financial statements relating to this matter with reference to IFRS Accounting Standards.</p>

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### Other information

The management is responsible for the other information. The other information comprises the Report of the Board of Directors (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Integrated Report, which is expected to be made available to us after that date.

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

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



## **Independent auditor's report (Continued)**

To the Shareholders of Hily Holding PJSC

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### **Other information** (continued)

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.

When we read the Integrated Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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



## Independent auditor's report (Continued)

To the Shareholders of Hily Holding PJSC

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### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, 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 in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



## Independent auditor's report (Continued)

To the Shareholders of Hily Holding PJSC

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### **Auditor's responsibilities for the audit of the consolidated financial statements** (continued)

- Conclude on the appropriateness of management's use of the 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 the Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.



## Independent auditor's report (Continued)

To the Shareholders of Hily Holding PJSC

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### **Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

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### **Report on other legal and regulatory requirements**

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, as amended, we report that:

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Report of Board of Directors is consistent with the books of account of the Group;
- v) as disclosed in notes 9 and 10 to the consolidated financial statements the Group has purchased or invested in shares during the year ended 31 December 2025;
- vi) note 22 to the consolidated financial statements discloses material related party transactions, transactions with conflict of interest and the terms under which they were conducted; and



## Independent auditor's report (Continued)

To the Shareholders of Hily Holding PJSC

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### Report on other legal and regulatory requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025.

PricewaterhouseCoopers Limited Partnership - Abu Dhabi

17 February 2026

A handwritten signature in blue ink, consisting of a horizontal line with several loops and flourishes above and below it.

Rami Sarhan

Registered Auditor Number 1152

Abu Dhabi, United Arab Emirates

# Hily Holding PJSC

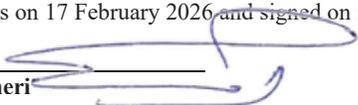
## Consolidated statement of financial position

	Note	As at 31 December 2025 AED	As at 31 December 2024 AED (Restated*)	As at 1 January 2024 AED (Restated*)
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment	5	123,256,432	114,960,148	83,512,749
Intangible assets	6	61,044	179,390	319,249
Right of use assets	7	6,529,156	6,441,610	7,209,091
Investment properties	8	257,996,941	245,115,298	243,984,577
Financial assets at FVOCI	9	4,790,694	94,456,395	77,528,443
Equity accounted investment	10	424,523,706	399,364,222	363,458,757
Investment at amortized cost	9	11,320,937	19,655,781	23,778,968
Derivative assets	9	-	1,352,026	-
Deferred tax asset	30	5,495,946	1,902,946	-
		<u>833,974,856</u>	<u>883,427,816</u>	<u>799,791,834</u>
<b>Current assets</b>				
Inventories	11	22,230,281	7,211,942	5,849,020
Financial assets at FVTPL	9	212,873,512	210,241,101	227,510,434
Trade and other receivables	12	5,019,611	12,111,619	8,312,183
Due from related parties	22	12,067,431	12,019,008	6,977,796
Prepayment		3,973,279	2,699,435	1,392,740
Cash and cash equivalents	13	45,898,417	85,987,587	70,223,083
		<u>302,062,531</u>	<u>330,270,692</u>	<u>320,265,256</u>
<b>Total assets</b>		<u>1,136,037,387</u>	<u>1,213,698,508</u>	<u>1,120,057,090</u>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital	14	120,000,000	120,000,000	120,000,000
Legal reserve	15	60,000,000	60,000,000	60,000,000
Regulatory reserve	16	60,000,000	60,000,000	60,000,000
Fair value reserve		(24,633,317)	(30,281,342)	(29,944,678)
Retained earnings		466,408,627	414,886,285	389,734,970
<b>Equity attributable to equity holders of the Company</b>		<u>681,775,310</u>	<u>624,604,943</u>	<u>599,790,292</u>
Non-controlling interests	17	4,198,660	4,675,594	4,849,147
<b>Net equity</b>		<u>685,973,970</u>	<u>629,280,537</u>	<u>604,639,439</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provision for employees' end of service benefits	18	4,275,963	3,542,798	3,523,105
Lease liabilities	19	6,120,759	6,055,829	5,522,920
Loans and borrowings	20	182,683,139	247,888,604	201,020,727
		<u>193,079,861</u>	<u>257,487,231</u>	<u>210,066,752</u>
<b>Current liabilities</b>				
Trade and other payables	21	32,405,174	33,528,228	23,687,365
Other financial liabilities	21.1	51,641,688	61,973,883	96,714,600
Loans and borrowings	20	171,598,721	230,262,432	183,331,187
Due to related parties	22	249,476	217,825	109,545
Lease liabilities	19	1,088,497	948,372	1,508,202
		<u>256,983,556</u>	<u>326,930,740</u>	<u>305,350,899</u>
<b>Total liabilities</b>		<u>450,063,417</u>	<u>584,417,971</u>	<u>515,417,651</u>
<b>Total equity and liabilities</b>		<u>1,136,037,387</u>	<u>1,213,698,508</u>	<u>1,120,057,090</u>

\* See note 31 for details regarding the restatement.

To the best of our knowledge, the consolidated financial statements fairly presents, in all material respects, the consolidated financial position, results of operation and cash flows of the Group as of, and for, the year ended 31 December 2025.

These consolidated financial statements of the Group for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 17 February 2026 and signed on its behalf by:

  
Ahmed Ali Khalfan Al Dhaheri  
Chairman

  
Mohammed Hafez  
Chief Financial Officer

# Hily Holding PJSC

## Consolidated statement of profit or loss

	Note	Year ended 31 December	
		2025 AED	2024 AED (Restated*)
Revenue from contracts with customers	23(a)	44,699,584	65,493,796
Income from investment properties, net	23(b)	22,416,971	35,356,650
Investment income	23(c)	52,500,006	10,139,897
Other income		221,781	173,310
		<u>119,838,342</u>	<u>111,163,653</u>
Materials		(22,179,024)	(32,099,998)
Staff costs	24	(24,059,820)	(23,075,923)
Promotional and marketing expenses		(12,637,992)	(10,417,704)
Logistic and transportation expenses		(4,258,500)	(7,127,198)
Depreciation and amortization		(4,400,375)	(4,801,602)
Utilities, maintenance and rent expenses		(5,198,384)	(5,544,492)
Impairment loss on trade receivables		(3,122,936)	(358,524)
Other expenses		(14,479,729)	(13,466,603)
<b>Total expense</b>		<u><b>(90,336,760)</b></u>	<u><b>(96,892,044)</b></u>
Share of profit of investment accounted for using the equity method, net	10	40,117,542	40,130,177
<b>Operating profit</b>		<u><b>69,619,124</b></u>	<u><b>54,401,786</b></u>
Finance costs		(36,188,777)	(35,895,566)
Finance income		1,344,973	4,568,596
<b>Net finance costs</b>	25	<u><b>(34,843,804)</b></u>	<u><b>(31,326,970)</b></u>
<b>Profit before income tax</b>		34,775,320	23,074,816
Income tax credit	30	3,394,732	1,902,946
<b>Profit for the year</b>		<u><b>38,170,052</b></u>	<u><b>24,977,762</b></u>
<b>Attributable to:</b>			
Equity holders of the company		38,646,986	25,151,315
Non-controlling interests		(476,934)	(173,553)
		<u><b>38,170,052</b></u>	<u><b>24,977,762</b></u>
<b>Basic and diluted earnings profit per share attributable to equity holders of the Company</b>	26	<u>0.32</u>	<u>0.21</u>

\* See note 31 for details regarding the restatement.

## Hily Holding PJSC

### Consolidated statement of comprehensive income

	Note	Year ended 31 December	
		2025 AED	2024 AED
Profit for the year		38,170,052	24,977,762
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in the fair value of equity investments at FVOCI	9	6,121,946	(1,389,404)
Gain on disposal of fair value of equity investments at FVOCI		13,086,015	-
Share of other comprehensive income of investment accounted for using the equity method	10	(882,848)	1,052,740
Income tax impact		198,268	-
<b>Other comprehensive income/(loss) for the year</b>		<u>18,523,381</u>	<u>(336,664)</u>
<b>Total comprehensive income for the year</b>		<u>56,693,433</u>	<u>24,641,098</u>
<b>Attributable to:</b>			
Equity holders of the company		57,170,367	24,814,651
Non-controlling interests		<u>(476,934)</u>	<u>(173,553)</u>
		<u>56,693,433</u>	<u>24,641,098</u>

## Hily Holding PJSC

### Consolidated statement of changes in equity

	Attributable to equity holders of the Company							
	Share capital AED	Legal reserve AED	Regulatory reserve AED	Fair value reserve AED	Retained earnings AED	Total AED	Non- controlling interests AED	Total equity AED
At 1 January 2024	120,000,000	60,000,000	60,000,000	(29,944,678)	389,734,970	599,790,292	4,849,147	604,639,439
Profit for the year	-	-	-	-	25,151,315	25,151,315	(173,553)	24,977,762
Other comprehensive loss	-	-	-	(1,389,404)	-	(1,389,404)	-	(1,389,404)
<b>Total comprehensive income for the year</b>	-	-	-	(1,389,404)	25,151,315	23,761,911	(173,553)	23,588,358
Associate – share of other comprehensive profit	-	-	-	1,052,740	-	1,052,740	-	1,052,740
<b>At 31 December 2024</b>	<b>120,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>(30,281,342)</b>	<b>414,886,285</b>	<b>624,604,943</b>	<b>4,675,594</b>	<b>629,280,537</b>
At 1 January 2025	120,000,000	60,000,000	60,000,000	(30,281,342)	414,886,285	624,604,943	4,675,594	629,280,537
Profit for the year	-	-	-	-	38,646,986	38,646,986	(476,934)	38,170,052
Other comprehensive income	-	-	-	18,523,381	-	18,523,381	-	18,523,381
<b>Total comprehensive income for the year</b>	-	-	-	18,523,381	38,646,986	57,170,367	(476,934)	56,693,433
Transfer of gain on disposal of equity investments at FVOCI to retained earnings	-	-	-	(12,875,356)	12,875,356	-	-	-
<b>At 31 December 2025</b>	<b>120,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>(24,633,317)</b>	<b>466,408,627</b>	<b>681,775,310</b>	<b>4,198,660</b>	<b>685,973,970</b>

The notes set out on pages 18 to 77 form an integral part of these consolidated financial statements.

# Hily Holding PJSC

## Consolidated statement of cash flows

	Note	Year ended 31 December	
		2025 AED	2024 AED (Restated*)
<b>Cash flows from operating activities</b>			
Profit after income tax		38,170,052	24,977,762
<b>Adjustments for:</b>			
Depreciation on property and equipment	5	3,572,045	3,449,242
Amortization on intangible assets	6	118,347	139,858
Depreciation on right to use assets	7	709,984	1,212,501
Deferred tax	30	(3,394,732)	(1,902,946)
Change in fair value of investment properties	8	15,369,671	-
Finance income	25	(1,344,973)	(4,568,596)
Finance costs	25	35,740,913	35,457,149
Interest on lease liabilities	19	447,867	438,417
Provision for employees' end of service benefits		903,507	591,762
Net changes in fair value of investments held at FVTPL	23(c)	(25,726,314)	(2,809,540)
Gain of investments held at FVTPL	23(c)	(17,362,880)	(925,031)
Gain of disposal right of use		(20,633)	(10,991)
Fair value gain on derivative financial instruments	23(c)	(5,029,670)	-
Impairment loss on trade receivables	12	3,122,936	358,524
Dividend income	23(c)	(3,366,338)	(4,983,856)
Gain on disposal of property, plant and equipment		(115,646)	-
Provision for slow moving inventories	11	668,931	210,000
Share of result of associate	10	(103,720,874)	(40,130,176)
Impairment of investment accounted for using the equity method	10	63,603,330	-
Interest income on investment at amortized cost		(1,014,804)	(1,421,470)
		1,330,719	10,082,609
<b>Changes in:</b>			
Inventories	11	(15,687,270)	(1,572,922)
Trade and other receivables and prepayment	12	2,649,502	(5,569,348)
Amounts due from related parties	22	389,670	(4,967,466)
Amounts due to related parties	22	31,652	108,280
Trade and other payables	21	1,415,463	(4,994,550)
		(9,870,264)	(6,913,397)
Employees' end of service benefits paid	18	(170,342)	(572,069)
Purchase of investment at amortized cost	9	(5,567,120)	(11,137,730)
Purchase of investment in financial assets at FVOCI and FVTPL		(139,634,247)	(67,838,260)
Proceeds from disposal of investments	18	307,868,741	85,450,092
Interest received from investment at amortized cost	9	1,042,398	1,757,097
Dividend received	9	2,744,163	4,909,847
Dividend received from associate	9	18,710,733	18,500,000
Proceeds from derivative assets		579,121	-
<b>Net cash flows generated from operating activities</b>		<b>175,703,183</b>	<b>24,155,580</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	5	(14,497,420)	(25,260,492)
Proceeds from disposal of property and equipment		118,937	-
Purchase of investment properties	8	(28,251,314)	(1,130,721)
Investment in additional shares of an existing associate	10	(4,635,522)	(13,222,549)
Finance income received		1,390,326	-
<b>Net cash flows used in investing activities</b>		<b>(45,874,993)</b>	<b>(39,613,762)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		138,662,328	105,541,044
Movement in other financial liabilities – margin facilities for brokers		(16,106,205)	(34,740,717)
Repayment of bank borrowings		(165,567,439)	(53,343,889)
Payment of lease liabilities		(1,019,707)	(899,373)
Finance costs paid		(30,512,375)	(30,257,882)
Finance income received		-	3,321,536
<b>Net cash flows used in financing activities</b>		<b>(74,543,398)</b>	<b>(10,379,281)</b>
<b>Net change in cash and cash equivalents</b>		<b>55,284,792</b>	<b>(25,837,463)</b>
Cash and cash equivalents on 1 January		(108,155,804)	(82,318,341)
<b>Cash and cash equivalents on 31 December</b>	13	<b>(52,871,012)</b>	<b>(108,155,804)</b>

\* See note 31 for details regarding the restatement.

The notes set out on pages 18 to 77 form an integral part of these consolidated financial statements.

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# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025

### 1 General information

Hily Holding PJSC (the "Company" or the "Parent Company") is a public joint stock 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 registered address of the Company is P.O. Box 2378, Abu Dhabi, United Arab Emirates.

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.

This consolidated financial statements includes the statement of financial position, statement of profit or loss and statement of comprehensive income of the following subsidiaries:

Name of subsidiary	Country of incorporation	Percentage of ownership		Principal activities
		31 December 2025	2024	
<u>Subsidiaries directly under the Company</u>				
FOODCO National Foodstuff PJSC*	UAE	97.78%	97.78%	Catering services and restaurant business
Abu Dhabi National Catering LLC	UAE	100%	100%	Catering services and wholesale of foodstuff
Dana Plaza Real-Estate LLC	UAE	100%	100%	Investing, development and management of real estate and commercial enterprises
NURANA Properties WLL	Bahrain	100%	100%	Investing, development and management of real estate and commercial enterprises
<u>Subsidiaries of FOODCO National Foodstuff PJSC</u>				
Abu Dhabi National Foodstuff Co LLC	UAE	100%	100%	Wholesale and distribution of foodstuff
5PL Logistics LLC	UAE	100%	100%	Shipment, clearance and warehousing services
National Oasis Foodstuff Company LLC	UAE	100%	100%	Packing of foodstuff
<u>Subsidiaries of Dana Plaza Real-Estate LLC</u>				
D P R E Architectural and Engineering Consultants – Sole Proprietorship L.L.C.	UAE	100%	100%	Civil Engineering consultancy and design services

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 1 General information (continued)

- \* Shares in FOODCO National Foodstuff PJSC with a quantity of 60,350,000 shares (31 December 2024: AED 60,350,000) are pledged with commercial banks for securing overdraft facility (Note 20). FOODCO National Foodstuff PJSC has 280,000,000 (2024: 280,000,000) shares in issue.

### 2 Material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements have been prepared in United Arab Emirates Dirham (“AED”), which is the functional and presentation currency of the Company/Group.

The consolidated financial statements have been prepared using the historical cost basis, except for the investment properties, financial assets at fair value and derivative instruments which are measured at fair value.

#### Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities including the repayment terms of the banking facilities as disclosed in Note 20. Management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

#### New and revised IFRS applied in the preparation of the consolidated financial statements

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

#### *Lack of Exchangeability – Amendments to IAS 21, ‘The Effects of Changes in Foreign Exchange Rates’ (effective 1 January 2025)*

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process).

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.1 Basis of preparation (continued)

##### New and revised IFRS applied in the preparation of the consolidated financial statements (continued)

##### *Lack of Exchangeability – Amendments to IAS 21, ‘The Effects of Changes in Foreign Exchange Rates’ (effective 1 January 2025) (continued)*

The application of the amendments had no significant impact on the Group’s consolidated financial statements.

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 31 December 2025, and which the Group has not early adopted.

##### *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)*

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

##### *IFRS 18, Presentation and Disclosure in Financial Statements’ (effective 1 January 2027, early adoption is permitted)*

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.1 Basis of preparation (continued)

##### New and revised IFRS applied in the preparation of the consolidated financial statements (continued)

##### *IFRS 18, Presentation and Disclosure in Financial Statements' (effective 1 January 2027, early adoption is permitted)* (continued)

- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

##### *IFRS 19, Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027, early adoption is permitted)*

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

##### *Annual Improvements to IFRS Accounting Standards – Volume 11 (effective 1 January 2026)*

The IASB has made the following improvements in September 2024:

- IFRS 1, 'First-time Adoption of International Financial Reporting' – to improve consistency between IFRS 1 and IFRS 9, 'Financial Instruments', in relation to the requirements for hedge accounting, and to improve the understandability of IFRS 1;
- IFRS 7, 'Financial Instruments: Disclosures' – to improve consistency in the language used in IFRS 7 with the language used in IFRS 13, 'Fair Value Measurement';
- IFRS 9 – to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished, and to address an inconsistency between IFRS 9 and IFRS 15, 'Revenue from Contracts with Customers', in relation to the term 'transaction price';
- IFRS 10, 'Consolidated Financial Statements' – to clarify the requirements in relation to determining de facto agents of an entity; and
- IAS 7, 'Statement of Cash Flows' – to replace the term 'cost method' with 'at cost', since the term is no longer defined in IFRS Accounting Standards

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.1 Basis of preparation (continued)

##### New and revised IFRS applied in the preparation of the consolidated financial statements (continued)

##### *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)*

In December 2024, the IASB issued targeted amendments to IFRS 7 and IFRS 9 to allow entities to better reflect nature-dependent electricity contracts in the financial statements. The amendments:

- (a) clarify the application of the ‘own-use’ criteria to nature-dependent electricity contracts;
- (b) permit hedge accounting if these contracts are used as hedging instruments; and
- (c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity’s financial performance and cash flows.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.

The Group is currently assessing the impact of these standards, and amendments on the future consolidated financial statements of the Group and intends to adopt these, if applicable, when they become effective.

#### 2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at 31 December 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.2 Basis of consolidation (continued)

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Parent of the Group and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- i. The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- ii. The previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.3 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *As a lessee*

At the commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components (if any) and will instead account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.3 Leases (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents 'right-of-use assets' and 'lease liabilities' as separate line items in the consolidated statement of financial position.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below USD 5,000, when new). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### *Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 2.4 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Cost includes expenditures that are directly attributable to the acquisition of the assets including installation costs. The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss during the reporting period in which they are incurred.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.4 Property and equipment (continued)

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

##### *Depreciation*

Items of property and equipment are depreciated on a straight-line basis in consolidated statement of profit or loss over the estimated useful lives of each component.

The estimated useful lives for the current and comparative periods are as follows:

	<b>Years</b>
Warehouse and office buildings	25
Equipment, furniture and fittings	10 to 20
Motor vehicles	4

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### **Capital work-in-progress**

Capital work-in-progress is recorded at cost. Allocated costs directly attributable to the construction of the asset are capitalised. The capital work-in-progress are transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed, and the asset is commissioned.

#### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. In the case of general borrowings, a capitalisation rate, which is the weighted average rate of general borrowing costs, is applied to the expenditure on qualifying assets and included in the cost of the asset.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.4 Property and equipment (continued)

##### Borrowing costs

A borrowing originally made to develop a qualifying asset is treated as part of general borrowings when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the consolidated statement of profit or loss in the period in which they are incurred.

#### 2.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The following useful lives have been determined for acquired intangible assets:

Software	3 years
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Intangible assets with finite live are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognized.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025

### 2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

### 2.7 Investment properties

#### *Initial recognition and measurement*

Investment properties are measured initially at cost, including transaction costs.

#### *Subsequent measurement*

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the period in which they arise. Fair values are determined based on an annual valuation performed by management applying valuation techniques which often involve the exercise of judgement and the use of certain assumptions and estimates.

#### *Derecognition*

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their withdrawal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

#### *Transfer*

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

### 2.8 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.8 Impairment of non-financial assets (continued)

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period to the end of useful life of the assets.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets' or cash-generating units' recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

#### 2.9 Financial instruments

##### (i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.9 Financial instruments (continued)

##### (ii) Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortised 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.

A equity investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group 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 amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets – Business model assessment

The Group 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:

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.9 Financial instruments (continued)

##### Financial assets – Business model assessment (continued)

- 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 realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’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 Group’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.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- 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 Group’s claim to cash flows from specified assets (e.g. non-recourse features).

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.9 Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

#### Financial assets – Subsequent measurement and gains and losses

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**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 impairment losses. 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.

**Debt investments at FVOCI** These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Equity investments at FVOCI** These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

#### Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.9 Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

#### **Financial liabilities – Classification, subsequent measurement and gains and losses** (continued)

The Group's financial liabilities comprise trade and other payables, accrued expenses and other current liabilities, due to a related party, term loans, lease liability and other non-current liability, which are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except, for short-term liabilities when the recognition of interest would be immaterial.

##### (iii) Derecognition

#### **Financial assets**

The Group derecognises 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised 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 derecognised.

#### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

#### **2.10 Impairment of financial assets**

##### **Non-derivative financial assets**

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.10 Impairment of financial assets (continued)

##### Non-derivative financial assets (continued)

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly based on significant judgement. Specific factors management considers include the age of balance, background of the customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.10 Impairment of financial assets (continued)

##### Non-derivative financial assets (continued)

##### *Credit-impaired financial assets (continued)*

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

##### *Presentation of allowance for ECL in the consolidated statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

##### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### 2.11 Cash and cash equivalents

In the consolidated statement of financial position, cash and cash equivalents comprise cash (i.e. cash at bank and cash equivalents). Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and at bank as defined above.

#### 2.12 Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.12 Provisions (continued)

A contingent liability is disclosed if there is a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably.

#### 2.13 Employee benefits

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the consolidated statement of financial position in respect of plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

With respect to UAE nationals employed by the Group, the Group makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

#### 2.14 Income tax

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.14 Income tax (continued)

##### *Current Tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination or for transactions that give rise to equal taxable and deductible temporary differences) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.14 Income tax (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### *Current tax and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### 2.15 Foreign currencies

##### *(a) Functional and presentation currency*

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Company/Group operates (the “functional currency”). The consolidated financial statements are presented in UAE Dirham (AED), which is the Group’s functional and presentation currency.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

#### 2.16 Fair value measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income at fair value at each statement of consolidated financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.16 Fair value measurement (continued)

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### 2.17 Current versus non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current / non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.18 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associate. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### 2.19 Revenue recognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Group recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.19 Revenue recognition (continued)

- The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the below conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably; and when specific criteria have been met as described below:

<b>Type of product/service</b>	<b>Nature and timing of satisfaction of performance obligations, including significant payment terms</b>	<b>Revenue recognition policies</b>
Sale of goods	Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 60 days.	Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.
Freight forwarding and logistics services	Customers are assessed to have obtained control of the services provided when they have accepted receipt of the services.	Revenue is recognised when the performance obligations has been performed and been accepted by customers.  Revenue is recognised at point in time as the services are provided.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.19 Revenue recognition (continued)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Storage services	Invoices for storage are issued on a monthly basis and are usually payable within 30 days.	Revenue arising from storage services is accounted for on the basis of the number of the days services are provided, and the Group recognises revenue over time, as the services are rendered.

#### 2.20 Finance costs

The Group's finance costs include interest expenses and the foreign currency gain or loss on financial assets and financial liabilities. Interest expense is recognised using the effective interest (EIR) method. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

#### 2.21 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.22 Trade and other receivables

Trade receivables are amounts due from customers for services performed or goods sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the consolidated statement of comprehensive income. When a receivable balance is uncollectible, it is written off against the provision for impairment of receivables. Subsequent recoveries of amounts previously written off are credited in the profit or loss. The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 2 Material accounting policies (continued)

#### 2.23 Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a net basis. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

### 3 Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and equity price risk), credit risk and liquidity risk. The Group's overall risk management process seeks to minimise potential adverse effects of these risks on the Group's financial performance.

(a) *Market risk*

(i) *Currency risk*

Foreign currency risk comprises of transaction and consolidated statement of financial position risk. Transaction risk relates to the Group's cash flow being adversely affected by a change in the exchange rates of foreign currencies against UAE Dirham. Consolidated statement of financial position risk relates to the risk of the Group's monetary assets and liabilities in foreign currencies acquiring a lower or higher value, when translated into UAE Dirham, as a result of currency movements.

The Group frequently deals in US Dollars, Bahraini Dinar, Omani Riyal, Saudi Riyal, Syrian Pound and Euro. As the US Dollar is pegged to the UAE Dirham, balances in this currency are not considered to represent significant foreign currency risk.

The table below calculates the effect of a reasonably possible movement of AED currency rate (with a sensitivity of 10% increase or decrease in currency rates) against the following major currencies, with all other variables held constant, a decrease of 10% in currency rates on the consolidated statement of profit or loss:

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	US Dollar	Bahraini Dinar	Omani Riyal	Kuwaiti Dinar
<b>At 31 December 2025</b>				
Financial assets (at respective currencies)	6,862,330	29,361	25,160	204,349
Financial assets (AED)	25,260,900	285,980	240,278	2,446,058
<b>Exchange rate</b>				
As at 31 December 2025	3.68	9.74	9.55	11.97
Average for the year	3.68	9.74	9.55	11.97
<b>At 31 December 2024</b>				
Financial assets (at respective currencies)	8,440,498	25,002	39,613	-
Financial assets (AED)	31,018,828	243,516	377,908	-
<b>Exchange rate</b>				
As at 31 December 2024	3.68	9.74	9.54	11.97
Average for the year	3.68	9.74	9.54	11.97

The increase would have an opposite impact.

(ii) Interest rate risks

The Group is exposed to interest rate risk at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rates risk on financial liabilities are detailed below.

At the reporting date the interest rate profile of the Group's interest-bearing financial instrument was:

	31 December 2025 AED	31 December 2024 AED
<i>Fixed rate instruments</i>		
Fixed deposits	32,120,488	66,944,639
<i>Variable rate instruments</i>		
Bank borrowings	354,281,860	476,560,918

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

(a) *Market risk* (continued)

(ii) Interest rate risks (continued)

##### *Fair value sensitivity analysis for fixed rate instruments*

Term deposits issued at fixed interest rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. Minor fluctuation in interest rates does not create a significant impact on the net profit of the Group.

##### *Cash flow sensitivity analysis for variable rate instruments*

The Group assumes a fluctuation in interest rates of 100 basis points for variable rate instruments at the reporting date and estimates an impact of AED 3,542,819 (31 December 2024: AED 4,765,609) on the net profit for the year and equity at that date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(iii) Equity price risk

The following table demonstrates the sensitivity of the cumulative change in the fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown.

	2025			2024		
	Change in equity price	Carrying value AED	Effect of change AED	Change in equity price	Carrying value AED	Effect of change AED
Financial assets at FVOCI		4,790,694			94,456,395	
Financial assets at FVTPL		<u>212,873,512</u>			<u>210,241,101</u>	
		<u>217,664,206</u>			<u>304,697,496</u>	
Market index change	1%		<u>2,176,642</u>	1%		<u>3,046,975</u>

(b) *Credit risk*

Credit risk is managed on Group basis, except for credit risk relating to trade receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December 2025 AED	31 December 2024 AED
Trade and other receivables	5,019,611	12,111,619
Bank balances (excluding cash in hand)	45,822,893	85,913,063
Derivative assets	-	1,352,026
Amounts due from related parties	12,067,431	12,019,008
Financial assets at FVOCI	4,790,694	94,456,395
Financial assets at FVTPL	212,873,512	210,241,101
Investment at amortized cost	11,320,937	19,655,781
	<u>291,895,078</u>	<u>435,748,993</u>

##### *Trade receivables*

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

##### *Due from related parties*

Related parties have been transacting with the Group since its inception and as at the reporting date, management believes that impairment loss in relation to amount due from related parties is immaterial and accordingly has not established an allowance. The Group does not require collateral in respect of its amount due from related parties. The Group does not have amounts for which no loss allowance is recognised because of collateral.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

###### *Bank balances*

The Group held cash and cash equivalents of AED 45,898,417 at 31 December 2025 (2024: AED 85,987,587). Major part of the cash and cash equivalents are held with banks and financial institution counterparties, which are rated AA- to BBB+ on Fitch rating agency.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash at bank has a low credit risk because the counterparties have high credit-ratings assigned by international credit-rating agencies.

##### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the business, management aims to maintain flexibility in funding by keeping committed credit lines available and support from the shareholders to minimise the risk.

As at 31 December, fair values of the balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	<b>Carrying Value AED</b>	<b>Contractual cash flows AED</b>	<b>1 year or less AED</b>	<b>More than 1 Year AED</b>
<b>At 31 December 2025</b>				
Trade and other payables	32,405,174	(32,405,174)	(32,405,174)	-
Other financial liabilities	51,641,688	(51,641,688)	(51,641,688)	-
Amounts due to related parties	249,476	(249,476)	(249,476)	-
Lease liabilities	7,209,259	(13,897,067)	(1,088,497)	(6,120,763)
Loans and borrowings	<u>354,281,860</u>	<u>(371,472,905)</u>	<u>(55,020,337)</u>	<u>(316,452,568)</u>
Total	<u>445,787,457</u>	<u>(469,666,310)</u>	<u>(140,405,172)</u>	<u>(322,573,331)</u>
<b>At 31 December 2024 (restated)</b>				
Trade and other payables	33,528,228	(33,528,228)	(33,528,228)	-
Other financial liabilities	61,973,883	(61,973,883)	(61,973,883)	-
Amounts due to related parties	217,825	(217,825)	(217,825)	-
Lease liabilities	7,004,201	(13,897,067)	(948,372)	(12,948,695)
Loans and borrowings	<u>476,560,918</u>	<u>(503,755,915)</u>	<u>(61,724,059)</u>	<u>(442,031,856)</u>
Total	<u>579,285,055</u>	<u>(613,372,918)</u>	<u>(158,392,367)</u>	<u>(454,980,551)</u>

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Financial risk management (continued)

#### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policies are based on management's assessment of available options, in conjunction with the shareholders.

	31 December 2025 AED	31 December 2024 AED
Borrowings	354,281,860	476,560,918
Lease liabilities	7,209,260	7,004,201
Trade and other payables	32,405,174	33,528,228
Amounts due to related parties	249,476	217,825
Less: bank balances and cash	(45,898,417)	(85,987,587)
<b>Net debt</b>	<b>348,247,353</b>	<b>431,323,585</b>
<b>Equity</b>	<b>685,973,970</b>	<b>629,280,537</b>
Net debt to equity ratio	0.51	0.69

#### 3.3 Fair value measurement

The Group's management considers that the fair values of financial assets and financial liabilities approximate to their carrying amounts as stated in the consolidated financial statements.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of the Group's financial assets and financial liabilities as at 31 December 2025 are not materially different from their fair values.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 4 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in Note 2, management has used estimates and made the following judgments which have a significant effect on the amounts of assets and liabilities recognised in the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Judgement

##### Equity accounted investee – assessment of significant influence

The Group has applied the equity method to account for its investment in Al Waha Capital PJSC, in accordance with IAS 28 Investments in Associates and Joint Ventures. Determining whether the Group exerts significant influence over the associate requires considerable management judgment, as its ownership stake is 10.170%. However, the Group has concluded that it does possess significant influence, based on both qualitative and quantitative factors discussed in to Note 10.

#### Estimates

##### Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit or loss. Valuation methodology based on the income capitalisation (investment) method is used to assess the fair value of the investment properties, where there is lack of comparable market data because of the nature of the properties. The determined fair value of the investment properties is based on input such as capitalization yield rates, market rentals, occupancy rates etc. and assessed those for reasonableness.

The key assumptions used to determine the fair value of the investment properties are further explained in Note 8.

##### Provision for impairment of investment in an associate

During the year, the Group has assessed its investment in associate for indicators of impairment. This determination of whether the investment in an associate is impaired, entails management's evaluation of the investee's net asset value (including the application of relevant discounts) with the carrying value of the investment. The impairment charge from the investment in associate is recognized in the consolidated statement of profit or loss. During the year, the Group has recognized an impairment charge of AED 63,603,330 in the consolidated statement of profit or loss.

##### Fair value of derivatives

The fair value of derivatives that are not traded in an active market is derived from prices for the derivative's components using appropriate pricing or valuation models that maximise the use of observable market data and rely as little as possible on entity-specific estimates. Refer note 8 for details for derivative financial instruments.

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 5 Property and equipment

	Warehouse and buildings AED	Equipment, Furniture and fittings AED	Motor vehicles AED	Capital work in Progress* AED	Total AED
<b>Cost</b>					
At 1 January 2024	76,582,432	31,121,983	7,676,523	29,757,639	145,138,577
Additions	-	421,378	229,381	34,245,882	34,896,641
<b>At 31 December 2024</b>	<b>76,582,432</b>	<b>31,543,361</b>	<b>7,905,904</b>	<b>64,003,521</b>	<b>180,035,218</b>
Additions	306,100	2,762,535	-	8,802,985	11,871,620
Disposals	-	(3,699)	(1,528,112)	-	(1,531,811)
<b>At 31 December 2025</b>	<b>76,888,532</b>	<b>34,302,197</b>	<b>6,377,792</b>	<b>72,806,506</b>	<b>190,375,027</b>
<b>Accumulated depreciation</b>					
At 1 January 2024	25,520,352	28,600,753	7,504,723	-	61,625,828
Charge for the year	2,519,518	729,865	199,859	-	3,449,242
<b>At 31 December 2024</b>	<b>28,039,870</b>	<b>29,330,618</b>	<b>7,704,582</b>	<b>-</b>	<b>65,075,070</b>
Charge for the year	2,523,108	897,026	151,911	-	3,572,045
Disposals	-	(558)	(1,527,962)	-	(1,528,520)
<b>At 31 December 2025</b>	<b>30,562,978</b>	<b>30,227,086</b>	<b>6,328,531</b>	<b>-</b>	<b>67,118,595</b>
<b>Net carrying amounts</b>					
<b>At 31 December 2025</b>	<b>46,325,554</b>	<b>4,075,111</b>	<b>49,261</b>	<b>72,806,506</b>	<b>123,256,432</b>
<b>At 31 December 2024</b>	<b>48,542,562</b>	<b>2,212,743</b>	<b>201,322</b>	<b>64,003,521</b>	<b>114,960,148</b>

Two properties owned by the Group and included in property and equipment with carrying amount of AED 109,138,586 (2024: AED 106,558,132) are pledged with the bank against secured term loans.

\* Capital work in progress includes a new warehouse being constructed to increase warehousing capacity. The construction is financed from loans and borrowings (note 20) obtained by the Group. Included in this amount are capitalized borrowing costs of Nil (2024: AED 4,384,549).

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 6 Intangible assets

	2025 AED	2024 AED
<b>Cost</b>		
At 1 January	2,805,608	2,805,608
<b>At 31 December</b>	<u>2,805,608</u>	<u>2,805,608</u>
<b>Accumulated amortization</b>		
At 1 January	2,626,218	2,486,360
Charge for the year	118,346	139,858
<b>At 31 December</b>	<u>2,744,564</u>	<u>2,626,218</u>
<b>Net carrying amount:</b>		
<b>At 31 December</b>	<u>61,044</u>	<u>179,390</u>

### 7 Right-of-use assets

	2025 AED	2024 AED
As at 1 January	6,441,610	7,209,091
Acquired during the year	1,248,716	519,217
Derecognition of rights of use assets	(451,186)	(74,197)
Depreciation charge	(709,984)	(1,212,501)
	<u>6,529,156</u>	<u>6,441,610</u>

The right-of-use assets represent the cars and land leased by the Group during the year.

### 8 Investment properties

	2025 AED	2024 AED
Warehouses	16,060,868	16,060,868
Building - commercial and residential	229,222,413	226,447,884
Land - Bahrain	2,606,546	2,606,546
Investment properties under development	25,476,785	-
Change in fair value of investment properties (Note 23)	(15,369,671)	-
	<u>257,996,941</u>	<u>245,115,298</u>

The movement in the investment properties during the year were as follows:

	2025 AED	2024 AED
At 1 January	245,115,298	243,984,577
Additions	28,251,314	1,130,721
Change in fair value (Note 23)	(15,369,671)	-
<b>At 31 December</b>	<u>257,996,941</u>	<u>245,115,298</u>

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 8 Investment properties (continued)

As at 31 December 2025, the investment property is stated at fair value, which has been determined using the income capitalisation (investment) method. During the year ended 31 December 2025, the Group engaged an accredited independent valuer to determine the fair value of the investment properties.

The valuation was based on the following significant unobservable inputs:

- Market rent estimates based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties; and
- Capitalization yields reflecting current market expectations for similar properties. A yield of 6.5% - 7.5% has been used.

Investment properties comprise a number of commercial and residential properties that are leased to third parties. Each of the leases generally contains an initial lease period of 1 year. Subsequent renewals are negotiated with the lessee every year.

Changes in fair values are recognised as gains / losses in profit or loss which are included in consolidated statement of profit or loss as increase / decrease in fair value of investment properties. All gains/ losses are unrealised.

Investment properties amounting to AED 209,532,362 (2024: AED 209,532,362) are pledged against loans and borrowings obtained by the Group to finance the construction of the warehouse.

A sensitivity analysis was performed considering an increase/decrease in the yield rates. A 50 basis points reduction in the yield rate would lead to an increase of the fair value of investment properties by AED 16.1 million. A 5% increase in market rent would lead to an increase of fair value of investment properties by AED 11.2 million.

Amounts recognised in consolidated statement of profit or loss during the year are as below:

	2025 AED	2024 AED
Rental income (Note 23)	37,394,647	35,135,520
Maintenance and other operating expenses	689,353	724,133
Loss due to change in fair value	(15,369,671)	-

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 8 Investment properties (continued)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting period.

	2025 AED	2024 AED
Less than one year	36,437,408	33,608,354
One to two years	957,239	1,527,166
	<u>37,394,647</u>	<u>35,135,520</u>

### 9 Investments

	2025 AED	2024 AED
Financial assets at FVOCI	4,790,694	94,456,395
Financial assets at FVTPL	212,873,512	210,241,101
Investment at amortized cost	11,320,937	19,655,781
Derivatives	-	1,352,026
	<u>228,985,143</u>	<u>325,705,303</u>

Dividend received during the year from these investments held at the year-end amounted to AED 3,366,338 (2024: AED 3,363,831). Dividend received from investments disposed during the period amounted to Nil (2024: AED 1,620,025).

The investments held at FVOCI comprise:

	2025 AED	2024 AED
Investments in quoted equity securities inside UAE	2,255,973	91,781,433
Investments in quoted equity securities outside UAE	702,960	702,960
Investments in unquoted equity securities inside UAE	1,545,781	1,728,487
Investments in unquoted equity securities outside UAE	285,980	243,515
	<u>4,790,694</u>	<u>94,456,395</u>

Industry wise breakup of investment held at FVOCI is as follows:

	2025 AED	2024 AED
Banking	-	45,293,690
Logistics and Courier	-	44,000,000
Brokerage and investment	2,246,853	2,478,670
Other	2,543,841	2,684,035
	<u>4,790,694</u>	<u>94,456,395</u>

# Hily Holding PJSC

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 9 Investments (continued)

The Group designated the investments as disclosed above as investments held at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purpose.

The investments held at FVTPL comprise:

	2025 AED	2024 AED
Investments in quoted equity securities inside UAE	192,662,781	205,990,474
Quoted commodities	10,643,578	4,250,627
Investments in mutual funds outside UAE	9,567,153	-
	<u>212,873,512</u>	<u>210,241,101</u>
Investment at amortized cost		
At 1 January	19,655,781	23,778,968
Purchase of financial assets	5,567,120	11,137,730
Interest income for the period	1,014,804	1,421,470
Interest received	(1,042,398)	(1,757,097)
Disposal	(13,874,370)	(14,925,290)
	<u>11,320,937</u>	<u>19,655,781</u>

Investment at amortized cost as of the reporting date consists of Alinma Tier 1 Sukuks with a coupon rate of 6.5% per annum. All these Sukuks are currently legally held in the name of the Chairman of the Board and are beneficially assigned to the Group. The Group is in the process of legally transferring the Sukuks in the name of the Group.

The movement in financial assets was as follows:

	FVTPL 2025	FVOCI 2025	FVTPL 2024	FVOCI 2024
At 1 January	210,241,101	94,456,395	227,510,434	77,528,443
Purchase of investments	116,958,289	22,675,958	49,520,900	18,317,356
Disposal of investments	(140,052,192)	(118,463,155)	(69,599,773)	-
	187,147,198	(1,330,802)	207,431,561	95,845,799
Change in fair value	25,726,314	6,121,496	2,809,540	(1,389,404)
At 31 December	<u>212,873,512</u>	<u>4,790,694</u>	<u>210,241,101</u>	<u>94,456,395</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 9 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:

	Carrying Amount AED	Level 1 AED	Level 2 AED	Level 3 AED	Fair value Total AED
<b>31 December 2025</b>					
<b>Investments held at FVTPL</b>					
Quoted share	212,873,512	212,873,512	-	-	212,873,512
<b>Investments held at FVTOCI:</b>					
Quoted shares	2,958,933	2,958,933	-	-	2,958,933
Unquoted shares	1,831,761	-	-	1,831,761	1,831,761
<b>Investment held at amortised cost</b>					
<b>Total</b>					
	4,790,694	2,958,933	-	1,831,761	4,790,694
	11,320,937	11,320,937	-	-	11,320,937
	<u>228,985,143</u>	<u>227,153,382</u>	<u>-</u>	<u>1,831,761</u>	<u>228,985,143</u>
<b>31 December 2024</b>					
<b>Investments held at FVTPL</b>					
Quoted share	210,241,101	210,241,101	-	-	210,241,101
<b>Investments held at FVTOCI:</b>					
Quoted shares	92,484,393	92,484,393	-	-	92,484,393
Unquoted shares	1,972,002	-	-	1,972,002	1,972,002
<b>Investments at amortised cost</b>					
<b>Total</b>					
	94,456,395	92,484,393	-	1,972,002	94,456,395
	21,007,807	21,007,807	-	-	21,007,807
	<u>325,705,303</u>	<u>323,733,301</u>	<u>-</u>	<u>1,972,002</u>	<u>325,705,303</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 10 Equity-accounted investee

Name	Domiciled	% of equity held		Principal activities
		2025	2024	
Al Waha Capital PJSC	UAE	10.170%	10.099%	Investment in a wide range of sectors including financial services, capital markets, industrial real estates, infrastructure, healthcare, fintech and oil and gas.

The Group directly holds 10.170% (2024: 10.100%) of the equity of Al Waha Capital PJSC (“Al Waha” or “the investee”) legally entitling it to appoint one board member on Al Waha’s Board of Directors. The Group also has an additional 4% rights assigned to its voting power, providing the Group the ability to exercise 14.4% of the voting power in the investee. The board member appointed by the Group, is also a member of the Audit Committee and the Nomination and Remuneration Committee of Al Waha. All these factors enable the Group to exercise significant influence over the investee.

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

	31 December 2025 AED	31 December 2024 AED
At 1 January	399,364,222	363,458,757
Purchase	4,635,522	13,222,549
Share in profit	102,969,165	38,508,752
Gain on recognition on share acquisition	751,709	1,621,424
Dividends	(18,710,733)	(18,500,000)
Share of change in other comprehensive income	(882,849)	1,052,740
	<u>488,127,036</u>	<u>399,364,222</u>
Impairment charge	(63,603,330)	-
At 31 December	<u>424,523,706</u>	<u>399,364,222</u>

Investment in associate securities with a quantity of 67,078,706 shares (31 December 2024: 67,078,706) are pledged with commercial banks for securing term loans. The shares pledged form 35.30% (2024: 35.9%) of the total shares 190,000,000 (2024: 187,107,352) held by the Group in its associate.

During the year, the Group has assessed its investment in associate for indicators of impairment. This determination of whether the investment in an associate is impaired, entails management’s evaluation of the investee’s net asset value (including the application of relevant discounts) with the carrying value of the investment. During the year, the Group has recognized an impairment charge of AED 63,603,330 in the consolidated statement of profit or loss.

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 10 Equity-accounted investee (continued)

Summarized financial information in respect of the group associate is as follows:

	2025 AED	2024 AED
<b>Statement of financial position</b>		
Assets	5,595,512,000	14,216,850,000
Liabilities	(795,788,000)	(5,954,932,000)
Net assets (100%)	<u>4,799,724,000</u>	<u>8,261,918,000</u>
Total equity	4,799,724,000	8,261,918,000
Less: Non-controlling interests	-	(4,307,766,000)
Equity attributable to the Owners of the Company	<u>4,799,724,000</u>	<u>3,954,152,000</u>
% of equity held by the Group	10.170%	10.099%
Group's share of associate's net assets attributable to Owners	<u>488,127,036</u>	<u>399,364,222</u>
<b>Statement of profit or loss</b>		
Revenue from sale of goods and services	129,827,000	150,111,000
Profit for the year	1,277,302,000	679,437,000
Profit for the year attributable to:		
Owners of the Company	1,012,487,000	381,277,000
Non-controlling interests	264,815,000	298,160,000
<b>Group's share of profit for the year (attributable to owners)</b>	<u>102,969,165</u>	<u>38,508,752</u>
Other comprehensive income for the year	(8,681,000)	10,419,000
<b>Group's share of other comprehensive income for the year (attributable to owners)</b>	<u>(882,849)</u>	<u>1,052,740</u>

The total income of the associate for the year ended 31 December 2025 amounted to AED 1,897,273,000.

#### 11 Inventories

	2025 AED	2024 AED
Goods for resale	21,555,378	6,156,464
Consumables	<u>1,251,742</u>	<u>1,517,021</u>
	22,807,120	7,673,485
Less: allowance for slow moving inventories	<u>(576,839)</u>	<u>(461,543)</u>
	<u>22,230,281</u>	<u>7,211,942</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 11 Inventories (continued)

The movement in the allowance for slow moving inventories was as follows:

	2025 AED	2024 AED
At 1 January	461,543	2,142,315
Charge for the year	668,931	210,000
Written off during the year	<u>(553,635)</u>	<u>(1,890,772)</u>
	<u>576,839</u>	<u>461,543</u>

During the year, cost of inventories recognised as expense amounted to AED 22,179,024 (2024: AED 32,099,998).

#### 12 Trade and other receivables

	2025 AED	2024 AED
Trade receivables	13,170,832	40,389,049
Less: allowance for expected credit losses on trade receivables	<u>(10,492,691)</u>	<u>(29,907,290)</u>
	2,678,141	10,481,759
Advances to suppliers	1,944,234	1,944,234
Dividend receivable	-	374
Other receivables	2,467,898	1,755,914
Less: impairment losses on advance to suppliers and other receivables	<u>(2,070,662)</u>	<u>(2,070,662)</u>
	<u>5,019,611</u>	<u>12,111,619</u>

The movement in the expected credit losses on the trade receivables during the year was as follows:

	2025 AED	2024 AED
At 1 January	29,907,290	29,642,486
Charge for the year	3,122,936	358,524
Transfer	(3,341,584)	-
Written off during the year	<u>(19,195,951)</u>	<u>(93,720)</u>
At 31 December	<u>10,492,691</u>	<u>29,907,290</u>

The movement in the expected credit losses on other receivables during the year was as follows:

	2025 AED	2024 AED
At 1 January	2,070,662	2,200,351
Written off during the year	-	<u>(129,689)</u>
At 31 December	<u>2,070,662</u>	<u>2,070,662</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

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

As at 31 December, the ageing analysis of trade receivable is as follows:

	<b>Total</b>	<b>0-30 days AED</b>	<b>31 - 60 days AED</b>	<b>61 - 90 days AED</b>	<b>91 - 180 days AED</b>	<b>&gt;180 days AED</b>
<b>At 31 December 2025</b>						
Expected credit losses rate	80%	0%	7%	100%	100%	100%
Estimated total gross carrying amount						
at default	13,170,832	1,864,241	871,708	393,061	389,699	9,652,123
Expected credit loss	(10,492,691)	-	(57,808)	(393,061)	(389,699)	(9,652,123)
	<b>2,678,141</b>	<b>1,864,241</b>	<b>813,900</b>	-	-	-
<b>At 31 December 2024</b>						
Expected credit losses rate	73%	0%	4%	90%	88%	97%
Estimated total gross carrying amount						
at default	40,389,049	4,527,780	5,044,573	2,651,255	4,550,045	23,615,396
Expected credit loss	(29,907,290)	-	(200,801)	(2,396,799)	(3,992,774)	(23,316,916)
	<b>10,481,759</b>	<b>4,527,780</b>	<b>4,843,772</b>	<b>254,456</b>	<b>557,271</b>	<b>298,480</b>

At 31 December 2025, the Group had significant concentration of credit risk with four customers accounting to AED 7,270,560 representing 55% of total trade receivables (31 December 2024: 4 customers amounting to AED 13,170,832 representing 45% of total trade receivables) at that date.

Management is confident that this concentration of credit risk will not result in any loss to the Group considering the credit history of these customers.

The carrying amounts of the Group's trade receivables are denominated in UAE Dirham and approximate their fair value as of 31 December 2025.

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 13 Cash and cash equivalents

	2025 AED	2024 AED
Cash in hand	75,524	74,524
Cash at banks – current accounts	13,702,405	18,968,424
Cash	13,777,929	19,042,948
Fixed deposits (cash equivalent) *	32,120,488	66,944,639
Cash and Cash equivalents in the consolidated statement of financial position	45,898,417	85,987,587
Less: bank overdrafts (note 20)	(98,769,429)	(194,143,391)
Cash and cash equivalents in consolidated statement of cashflows	(52,871,012)	(108,155,804)

\* These deposits have original maturity of less than 3 months and carried an average interest rate of 3.7% per annum, hence are classified as cash equivalents for reporting purpose.

#### 14 Share capital

	2025 AED	2024 AED
<b>Authorised, allotted, issued and fully paid</b> 120 million shares of AED 1 each	120,000,000	120,000,000

#### 15 Legal reserve

In accordance with UAE Companies Law No. 32 of 2021, as amended, the Company is required to transfer 5% of its profit for the year to a non-distributable legal reserve until the balance of the legal reserve equals one half of the Company's paid up share capital. The Company has reached 50% of the capital and stopped the reserve.

#### 16 Regulatory reserve

In accordance with the Company's Article of Association No.58, the regulatory reserve account is created by appropriation of the net profit at a rate approved by the General Assembly based on the approval of the Board of Directors.

#### 17 Non-controlling interests

Non-controlling interest represents the minority shareholder's proportionate share in the aggregate value of the net assets of subsidiaries. This is composed entirely of the non-controlling interest of 2.22% in FOODCO National Foodstuff PJSC (FNF).

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 18 Provision for employees' end of service benefits

	2025 AED	2024 AED
At 1 January	3,542,798	3,523,105
Charge for the year (Note 24)	903,507	591,762
Payments during the year	(170,342)	(572,069)
	<u>4,275,963</u>	<u>3,542,798</u>

#### 19 Lease liabilities

	2025 AED	2024 AED
As at 1 January	7,004,201	7,031,122
Lease expired during the year	(451,188)	(85,182)
Leases recognized during the year	1,248,716	519,217
Interest expenses	447,867	438,417
Payments	(1,040,340)	(899,373)
	<u>7,209,256</u>	<u>7,004,201</u>

Allocated in the consolidated statement of financial position as follows:

	2025 AED	2024 AED
Current portion	1,088,497	948,372
Non-current portion	<u>6,120,759</u>	<u>6,055,829</u>
	<u>7,209,256</u>	<u>7,004,201</u>

The following are the amounts recognised in the consolidated statement of profit or loss:

	2025 AED	2024 AED
Depreciation charge (note 7)	709,984	1,212,501
Interest expense on lease liabilities	<u>447,867</u>	<u>438,417</u>
	<u>1,157,851</u>	<u>1,650,918</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 20 Loans and borrowings

	2025 AED	2024 AED
Bank borrowings (note 20.1)	248,153,921	278,536,743
Trust receipts*	7,358,510	5,470,902
Bank overdrafts**	98,769,429	194,143,391
	<u>354,281,860</u>	<u>478,151,036</u>

\* Trust receipts are amounts payable to the bank against payment made by the bank to the international suppliers on behalf of the Group for the import of goods. Maturity of these trust receipt range from 3 months to 6 months.

\*\* The bank overdrafts carry market rates and are repayable on demand and are secured against investment in a subsidiary with value of AED 71.5 million (2024: AED 65 million) as at year end.

The Group's unutilized credit facilities as at 31 December 2025 amounted to AED 153,730,5711 (2024: AED 33,816,551). The unutilized limits are mainly for overdrafts and trust receipts facilities which are utilized as per business requirements.

The movement in loans and borrowings is primarily on account of additions of AED 138,662,328 (2024: AED 105,541,0440 and repayment during the year of AED 165,567,439 (2024: AED 53,343,889).

Bank overdrafts and secured bank borrowings are repayable as follows:

	2025 AED	2024 AED
Current portion	171,598,721	230,262,432
Non-current portion	182,683,139	247,888,604
	<u>354,281,860</u>	<u>478,151,036</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 20 Loans and borrowings (continued)

##### 20.1 The terms and conditions of bank borrowings are as follows:

	Curren cy	Year of maturity	2025		2024	
			Facility amount AED	Carrying amount AED	Facility amount AED	Carrying amount AED
Murabaha	AED	2034	36,000,000	36,000,000	-	-
Mudaraba	AED	2034	75,000,000	35,000,000	75,000,000	65,000,000
Term loan 1	AED	2025	10,024,512	-	10,024,512	1,743,146
Ijara 1	AED	2030	38,500,000	24,062,500	38,500,000	28,875,000
Ijara 2	AED	2031	120,000,000	72,000,000	120,000,000	84,000,000
Ijara 3	AED	2031	45,500,000	27,548,968	45,500,000	33,058,733
Musawama						
Sukuk 1	AED	2025	4,098,512	-	4,098,512	4,145,197
Musawama						
Sukuk 3	AED	2027	7,462,946	7,463,576	7,462,946	7,462,946
Musharaka	AED	2031	52,661,603	46,078,877	52,661,603	52,661,603
Others	AED		-	-	25,697,000	1,590,118
			<u>389,247,573</u>	<u>248,153,921</u>	<u>378,944,573</u>	<u>278,536,743</u>

#### Secured term loans

The secured term loans are secured against some investment properties with carrying amount of AED 211,478,199 (2024: AED 209,532,206), two properties owned by the Group and included in property and equipment with carrying amount of AED 109,138,586 (2024: AED 106,558,132) and investment in an associate with fair value of AED 119,400,097 (2024: AED 116,716,949). (Refer note 8).

The Group secured three loans with a local Bank with a carrying amount of AED 143,000,000 (2024: AED 149,000,000). The loan contains a covenant stating that the ratio of the finance to the value of the collateral should be maintained at 70%. At 31 December 2025, the Group complied with this covenant.

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 21 Trade and other payables

	2025 AED	2024 AED (Restated)
Trade payables	2,674,053	4,442,927
Accruals	16,939,337	13,816,188
Advances from customers (Note 23.1)	6,612,296	6,015,994
Retention payable	2,625,800	5,251,600
Other payables	3,553,688	4,001,519
	<u>32,405,174</u>	<u>33,528,228</u>

#### 21.1 Other financial liabilities

This represents payables to brokers for amounts due solely in connection with the Group's margin account. These balances arise from margin trading activities and include unsettled margin transactions, interest, and related brokerage charges. All amounts are due within normal settlement terms, and no overdue balances were noted at the reporting date.

#### 22 Related party transactions and balances

The Group, in the normal course of business, enters into transactions with other enterprises, which fall within the definition of a related party contained in IAS 24. Such transactions are on agreed terms and conditions with related parties. There is no ultimate controlling party, Hily Holding P.J.S.C is the ultimate controlling party of the subsidiaries mentioned in Note 1.

	2025 AED	2024 AED
<b>Amounts due from related parties</b>		
Entities under common control	66,823	543,531
Key management personnel	917,371	976,328
Other related parties	11,083,237	10,499,149
	<u>12,067,431</u>	<u>12,019,008</u>
<b>Amounts due to related parties</b>		
Entities under common control	2,317	71,802
Other related parties	247,159	146,023
	<u>249,476</u>	<u>217,825</u>

The Group's balances with related parties for providing investment consultancy and management fees included in the trade and other payables are as follows:

	2025 AED	2024 AED
Key management personnel	<u>5,503,011</u>	<u>5,607,105</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 22 Related party transactions and balances (continued)

Transactions with related parties are carried at agreed rates and are to be settled on demand. The transactions are disclosed below:

	2025 AED	2024 AED
<b>Revenue</b>		
Entities under common control	285,797	999,436
Key management personnel	508,810	866,066
Other related parties	<u>2,778,341</u>	<u>7,282,767</u>
	<u>3,572,948</u>	<u>9,148,269</u>
<b>Expenses</b>		
Entities under common control	643,150	491,780
Other related parties	<u>591,474</u>	<u>349,721</u>
	<u>1,234,624</u>	<u>841,501</u>

#### Key management personnel compensation

The remuneration of members of key management during the year was as follows:

	2025 AED	2024 AED
Management compensation	520,957	464,291
Short term benefits	5,668,253	4,600,403
Employees' end of service benefits	1,095,370	969,729
Management fees*	<u>5,503,011</u>	<u>5,607,105</u>
	<u>12,787,591</u>	<u>11,641,528</u>

\* The Remuneration Committee ("REMCOM") has approved a compensation to a Director of the Group of an annual management fee of 0.5% of the investment portfolio of a subsidiary to compensate him for additional responsibilities of managing the investment portfolio. This fee will be borne by the subsidiary in recognition of his efforts beyond his duties as a member of the Board of Directors of the Company.

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 23 Revenue

(a) *Revenue from contracts with customers*

	2025 AED	2024 AED
Sale of goods	34,133,144	50,708,833
Freight forwarding and storage	10,566,440	14,784,963
	<u>44,699,584</u>	<u>65,493,796</u>
<b>Primary Geographical Markets</b>		
United Arab Emirates	34,276,637	50,315,260
Kingdom of Saudi Arabia	1,793,232	2,884,276
Kuwait	1,863,702	8,683,311
Bahrain	2,374,554	3,610,949
Oman	4,391,459	-
	<u>44,699,584</u>	<u>65,493,796</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2025 AED	2024 AED
<b>Timing of revenue recognition</b>		
Revenue recognised over time	10,566,440	14,784,963
Revenue recognised at point in time	34,133,144	50,708,833
	<u>44,699,584</u>	<u>65,493,796</u>

(b) *Income from investment properties*

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Set out below is the disaggregation of the Group's income from investment properties:

	2025 AED	2024 AED
Rental income	37,394,647	35,135,520
Facility management income	391,995	221,130
	<u>37,786,642</u>	<u>35,356,650</u>
Change in fair value of investment properties	(15,369,671)	-
	<u>22,416,971</u>	<u>35,356,650</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 23 Revenue (continued)

##### (c) Investments income

	2025 AED	2024 AED
Dividend income	3,366,338	4,983,856
Gain on sale of investments	17,362,880	925,031
Net change in fair value of investment held at fair value through profit or loss (FVTPL) (Note 9)	25,726,314	2,809,540
Fair value gain on derivative financial instruments	5,029,670	-
Revenue - investment at amortized cost	1,014,804	1,421,470
	<u>52,500,006</u>	<u>10,139,897</u>

#### 23.1 Contract balances

	2025 AED	2024 AED
Advances from customers (Note 21)	<u>6,612,296</u>	<u>6,015,994</u>

There is no unsatisfied or partially satisfied obligations at the reporting date.

#### 24 Staff costs

	2025 AED	2024 AED
Salaries and wages	18,942,347	18,368,391
Employees' end of services benefits (Note 18)	903,507	591,762
Other benefits	4,213,966	4,115,770
	<u>24,059,820</u>	<u>23,075,923</u>

#### 25 Net finance cost

	2025 AED	2024 AED
<b>Finance costs</b>		
Interest expense on loans	34,647,182	35,152,683
Interest on lease liabilities	447,867	438,417
Bank charges	71,924	133,191
Other expense	1,021,804	171,275
	<u>36,188,777</u>	<u>35,895,566</u>
<b>Finance income</b>		
Interest income	(1,344,973)	(3,216,573)
Others	-	(1,352,023)
	<u>(1,344,973)</u>	<u>(4,568,596)</u>
<b>Net finance costs</b>	<u>34,843,804</u>	<u>31,326,970</u>

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## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 26 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of shares outstanding during the year.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	2025 AED	2024 AED
Profit for the year, year, attributable to the owners of the Company (AED)	<u>38,646,986</u>	<u>25,151,315</u>
Weighted-average number of ordinary shares issued	<u>120,000,000</u>	<u>120,000,000</u>
Basic and diluted earnings per share (AED)	<u>0.32</u>	<u>0.21</u>

#### 27 Contingencies and capital commitments

##### Contingent liabilities

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

	2025 AED	2024 AED
Bank guarantees	<u>1,565,992</u>	<u>1,565,992</u>
Letters of credit	<u>-</u>	<u>9,105,624</u>

The above bank guarantees were issued in the normal course of business.

##### Capital commitments

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

	2025 AED	2024 AED
Construction of building	<u>80,030,392</u>	<u>7,334,002</u>

Construction of building related to the investment properties under development related to three units with multiple developers.

## **Hily Holding PJSC**

### **Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)**

#### **28 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 Chief Operating Officer 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) Wholesale and distribution of food products ("Trading").
- (iv) Marine, air and land shipment services along with management and operation of store and warehouses ("Freight forwarding, logistics and storage"); and
- (v) Non-core business units ("All other segments")

Transactions between segments are conducted at rates determined by management.

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 28 Segment information (continued)

	Reportable segments					Consolidated AED
	Investment in securities AED	Investment properties AED	Trading AED	Freight Forwarding, Logistics and storage AED	All other segments AED	
<b>At 31 December 2025</b>						
Assets	777,271,602	125,308,102	49,878,234	158,142,474	25,436,975	1,136,037,387
Liabilities	(209,549,902)	(18,808,376)	(32,058,149)	(187,301,142)	(2,345,848)	(450,063,417)
Equity-accounted investees	419,666,864	-	-	-	4,856,842	424,523,706
Capital expenditure	248,517	4,175,788	215,450	7,231,865	-	11,871,620
<b>At 31 December 2024</b>						
Assets	859,213,608	96,159,609	90,843,702	143,409,298	24,072,291	1,213,698,508
Liabilities	(383,952,755)	(4,010,350)	(27,659,275)	(167,968,059)	(827,532)	(584,417,971)
Equity-accounted investees	395,314,626	-	-	-	4,049,596	399,364,222
Capital expenditure	121,371	1,043,829	72,144	33,659,297	-	34,896,641

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 28 Segment information (continued)

##### For the year ended and December 2025:

	Reportable segments						Consolidated AED
	Investment in securities AED	Investment properties AED	Trading AED	Freight Forwarding, Logistics and storage AED	All other segments AED	Eliminations AED	
Revenue – external	52,500,006	22,416,971	34,133,144	10,566,440	221,781	-	119,838,342
Revenue – internal	-	2,361,399	-	4,369,621	-	(6,731,020)	-
Profit for the year	45,811,328	11,986,488	(12,562,426)	(6,923,128)	(142,210)	-	38,170,052
Interest income	1,344,973	-	-	-	-	-	1,344,973
Interest expense	(35,714,190)	(18,773)	(65,839)	(375,939)	(14,036)	-	(36,188,777)
Depreciation and amortisation	(413,407)	(1,001,354)	(305,881)	(2,657,330)	(22,404)	-	(4,400,376)
Share of results – Waha Capital PJSC	39,765,393	-	-	-	348,986	-	40,114,379

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 28 Segment information (continued)

For the year ended 31 December 2024:

	Reportable segments					Consolidated AED	
	Investment in securities AED	Investment properties AED	Trading AED	Freight Forwarding, Logistics and storage AED	All other segments AED		Eliminations AED
Revenue – external	10,139,897	35,356,650	50,708,833	14,784,963	173,310	-	111,163,653
Revenue – internal	-	1,915,394	-	3,324,861	-	(5,240,255)	-
Profit (loss) for the year	6,314,923	25,141,060	892,850	(7,273,124)	(97,947)	-	24,977,762
Interest income	4,144,935	423,661	-	-	-	-	4,568,596
Interest expense	(35,407,764)	(17,964)	(74,967)	(383,435)	(11,436)	-	(35,895,566)
Depreciation and amortisation	1,073,162	79,605	141,578	3,507,257	-	-	(4,801,602)
Share of results – Waha Capital PJSC	39,781,191	-	-	-	348,986	-	40,130,177

The revenue is generated from operations within several geographical markets, refer to note 23a.

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 29 Fair values of financial instruments

All of the Group's financial assets are measured at amortised cost except for investment in securities which are measured at fair value. All the financial liabilities are carried at amortised cost. The fair values of financial assets and liabilities carried at amortised cost approximate their carrying values as stated in the consolidated statement of financial position unless otherwise disclosed.

Breakdown of financial assets are as follows:

	2025 AED	2024 AED
Trade and other receivables (Excluding advances to suppliers)	3,075,377	10,167,385
Bank balances (excluding cash in hand)	45,822,893	85,913,063
Derivative assets	-	1,352,026
Amounts due from related parties	12,067,431	12,019,008
Financial assets at FVOCI	4,790,694	94,456,395
Financial assets at FVTPL	212,873,512	210,241,101
Investment at amortized cost	11,320,937	19,655,781
	<u>289,950,844</u>	<u>433,804,759</u>

Breakdown of financial liabilities are as follows:

	2025 AED	2024 AED Restated
Trade and other payables (Excluding advances from customers)	25,792,878	27,512,234
Other financial liabilities	51,641,688	61,973,883
Loans and borrowings	354,281,860	478,151,036
Amounts due to related parties	249,476	217,825
Lease liabilities	7,209,256	7,004,201
	<u>439,175,158</u>	<u>574,859,179</u>

#### 30 Income taxes

Income tax expense recorded in the consolidated statement of profit or loss comprises the following:

	31 December 2025 AED	31 December 2024 AED
Current income tax expense/(income)	-	-
Adjustment in respect of prior period	-	-
Current tax	-	-
<i>Deferred tax</i>		
Decrease in deferred tax liabilities	(1,275,880)	(10,851)
Deferred tax income on carry forward loss	3,902,728	1,528,853
Increase in deferred tax assets, net	2,869,098	384,944
	<u>5,495,946</u>	<u>1,902,946</u>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 30 Income taxes (continued)

Reconciliation of tax expense and the accounting profit multiplied by the Group's domestic tax rate for 2025:

	31 December 2025 AED	31 December 2024 AED
Profit before income tax	34,775,320	23,074,816
Tax using the Group's tax rate of 9%	(3,129,779)	(2,076,733)
Adjustment for tax on exempt incomes	9,335,146	4,695,201
Adjustment for tax on non-deductible adjustments	(2,810,635)	(715,522)
Tax recovery for the year as per the consolidated statement of other comprehensive income	3,394,732	1,902,946

For determining the tax expense for the year/period, the accounting profit has been considered for tax purposes. The average effective tax rate is approximately 9.77% (2024: 8.25%).

The Group is not subject for pillar II assessment at the reporting date.

#### 31 Prior period restatement

- a. During the year ended 31 December 2025, the Group has reassessed the presentation of its statement of profit or loss and concluded that the presentation did not meet the requirements of International Accounting Standard 1 – Presentation of financial statements. Consequently, the Group has decided to re-present the statement of profit or loss, in particular, present the expenses previously presented by “function” as by “nature”, as well as reclassification of share of profit of investment accounted for using the equity method as a separate line from expenses and other line items as presented in the schedule below. The new presentation “by nature” provides information which is more relevant and reliable to the users of the financial statements. Accordingly, the prior year consolidated statement of profit or loss for the year ended 31 December 2024 has been restated and has been presented by “nature” along with the changes in other line items.

## **Hily Holding PJSC**

### **Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)**

#### **31 Prior period restatement (continued)**

- b. In the prior years, certain financial liabilities in relation to broker margin facility were included within “trade and other payables” in the consolidated statement of financial position but this is inconsistent with the nature of trade and other payables. International Accounting Standard 1 – Presentation of Financial Statements (IAS 1) requires financial liabilities (excluding trade and other payables) to be presented as a separate line item on the face of the statement of financial position. During the year, management considered these requirements and restated the comparative figures of the consolidated statement of financial position to reclassify such financial liabilities balances from “trade and other payables” to be separately presented as “Other financial liabilities” in the consolidated statement of financial position. Consequent to the change in presentation of this liability, this has also impacted the consolidated statement of cash flows in the changes of working capital and net cash flow from financing activities.

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

	<i>As previously reported AED</i>	<i>Restatement increase/(decrease) AED</i>	<i>As restated AED</i>
<b>Income</b>			
Revenue from contracts with customers	65,493,796	-	65,493,796
Income from investment properties	35,356,650	-	35,356,650
Investment income	10,139,897	-	10,139,897
Other income	-	173,310	173,310
<b>Total income</b>	<b>110,990,343</b>	<b>173,310</b>	<b>111,163,653</b>
<b>Expenses</b>			
Direct cost	(65,566,024)	65,566,024	-
Selling and distribution expenses	(10,503,667)	10,503,667	-
General and administrative expenses	(20,463,829)	20,463,829	-
Impairment loss on trade receivables	(358,524)	358,524	-
Materials	-	(32,099,998)	(32,099,998)
Staff costs	-	(23,075,923)	(23,075,923)
Promotional and marketing expenses	-	(10,417,704)	(10,417,704)
Logistic and transportation expenses	-	(7,127,198)	(7,127,198)
Depreciation and amortization	-	(4,801,602)	(4,801,602)
Utilities, maintenance and rent expenses	-	(5,544,492)	(5,544,492)
Other expenses	-	(13,825,127)	(13,825,127)
Other income	173,310	(173,310)	-
<b>Total expenses</b>	<b>(96,718,734)</b>	<b>(173,310)</b>	<b>(96,892,044)</b>
Share of results of associate	40,130,177	-	40,130,177
<b>Profit before finance cost and finance income</b>	<b>54,401,786</b>	<b>-</b>	<b>54,401,786</b>
Finance costs	(35,895,566)	-	(35,895,566)
Finance income	4,568,596	-	4,568,596
<b>Profit before income tax</b>	<b>23,074,816</b>	<b>-</b>	<b>23,074,816</b>

## Hily Holding PJSC

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 31 Prior period restatement (continued)

Impact on the consolidated statement of financial position as at 31 December 2024:

	As previously reported AED	Restatement increase/(decrease) AED	As restated AED
Current liabilities			
Trade and other payables	95,502,111	(61,973,883)	33,528,228
Other financial liabilities	-	61,973,883	61,973,883
Total current liabilities	326,930,470	-	326,930,740
Total liabilities	584,417,971	-	584,417,971
Total Equity and Liabilities	1,213,698,508		1,213,698,508

Impact on the consolidated statement of cash flows for the year ended 31 December 2024:

	As previously reported AED	Restatement increase/(decrease) AED	As restated AED
<b>Cash flows from operating activities</b>			
Changes in working capital			
Trade and other payables	(39,735,267)	34,740,717	(4,994,550)
Net cash flows generated from operating activities	(10,585,137)	34,740,717	24,155,580
<b>Cash flows from financing activities</b>			
Movement in other financial liability - (broker margin)	-	(34,740,717)	(34,740,717)
Net cash flows used in financing activities	24,361,436	(34,740,717)	(10,379,281)

Impact on the consolidated statement of financial position as at 1 January 2024:

	As previously reported AED	Restatement increase/(decrease) AED	As restated AED
Current liabilities			
Trade and other payables	120,401,965	(96,714,600)	23,687,365
Other financial liabilities	-	96,714,600	96,714,600
Total current liabilities	305,350,899	-	305,350,899
Total liabilities	515,417,651	-	515,417,651
Total Equity and Liabilities	1,120,057,090	-	1,120,057,090