

**FH Capital P.J.S**

**Financial statements**

**For the year ended 31 December 2025**

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**FH Capital P.J.S**  
**Financial statements**  
**For the year ended 31 December 2025**

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## Directors' report for the year ended 31 December 2025

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

### Principal activities

F.H Capital P.J.S (the "Company") is a Private Joint Stock Company registered in the Emirate of Abu Dhabi, U.A.E and regulated by the U.A.E. Securities & Commodities Authority. The principal activities of the Company include Investment Management services in the U.A.E.

### Results for the year

The financial position and results of the Company for the year ended 31 December 2025 are set out in the accompanying financial statements.

### Directors

The directors of the Company throughout the year were:

Mr. Abdulmajeed Ismail Ali Al Fahim  
Mr. Raman Tirunelveli Kuppuswamy  
Mr. Mohammed Abdulla Jumaa Alqubaisi

### Release

The Board of Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2025.

### Auditors

Grant Thornton was the appointed auditor of the Company for the year ended 31 December 2025 and being eligible, have offered themselves for re-appointment for the year ending 31 December 2026.

The financial statements for the year ended 31 December 2025 were approved on 11 February 2026 and signed by:

On behalf of Board of Directors:

  
Chairman

  
Vice Chairman

## Independent Auditor's Report To the Shareholder of FH Capital P.J.S Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of FH Capital P.J.S ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to note 6 of the financial statements which states that an equity investments in the amount of AED 2,604 thousand (2024: AED 2,318 thousand) are in the name of a related party and are held for the beneficial interest of the Company. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information contained in the financial statements which comprises the information included in the *Directors' Report* which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

**Independent Auditor's Report (continued)**  
**To the Shareholders of FH Capital P.J.S**

**Report on the Audit of the Financial Statements (continued)**

In connection with our audit of the 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 financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to 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 ISA 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 financial statements.

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

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

**Independent Auditor's Report (continued)**  
**To the Shareholders of FH Capital P.J.S**

**Report on the Audit of the Financial Statements (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on other legal and regulatory requirements**

Furthermore, as required by the UAE Federal 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 financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law (32) of 2021, as amended;
- iii) the Company has maintained proper books of account in accordance with established accounting principles;
- iv) the financial information included in the *Directors' report* is consistent with the books of account and records of the Company;
- v) note 6 to the financial statements discloses the Company's purchase or investment in shares during the financial year ended 31 December 2025;
- vi) note 12 to the financial statements discloses material related party transactions and the terms under which they were conducted;
- vii) The Company has not made any social contributions during the year ended 31 December 2025; and
- viii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, or of its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2025.

**GRANT THORNTON UAE**

**Dr. Osama El Bakry**  
**Registration No: 935**  
**Abu Dhabi, United Arab Emirates**



**16 February 2026**

**FH Capital P.J.S**  
**Financial Statements**

**Statement of financial position**  
**As at 31 December 2025**

	Note	2025 AED'000	2024 AED'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, fixtures and equipment	5	8,176	9,312
Financial assets at fair value through other comprehensive income	6	19,695	15,702
<b>Total non-current assets</b>		<b>27,871</b>	<b>25,014</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	6	5,772	4,538
Financial assets at amortised cost	6	13,300	11,000
Due from related parties	12	699	2,160
Prepayments and other receivables	7	5,806	1,330
Term deposits	8	5,261	10,292
Cash and bank balances	8	2,413	4,027
<b>Total current assets</b>		<b>33,251</b>	<b>33,347</b>
<b>Total assets</b>		<b>61,122</b>	<b>58,361</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	9	55,000	55,000
Statutory reserve	10	2,401	2,401
Fair value reserve		614	(120)
(Accumulated losses)/retained earnings		(1,717)	242
<b>Total equity</b>		<b>56,298</b>	<b>57,523</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	11	80	92
<b>Current liabilities</b>			
Due to related parties	12	100	75
Short term borrowings	12	4,000	-
Accrued expenses		644	671
<b>Total current liabilities</b>		<b>4,744</b>	<b>746</b>
<b>Total liabilities</b>		<b>4,824</b>	<b>838</b>
<b>Total liabilities and equity</b>		<b>61,122</b>	<b>58,361</b>
<b>Contingencies and commitments</b>	20	<b>1,009</b>	<b>1,009</b>

To the best of our knowledge, the financial statements present fairly in all material respects the financial position, financial performance and cash flow of the Company as of and for, the periods presented therein.

These financial statements were authorized and approved for issue by the Board of Directors on 11 February 2026 and signed on their behalf by:

Mr. Abdulmajeed Ismail Ali For Al Fahim

Chairman

Mr. T. K. Raman

Vice Chairman

The accompanying notes from 1 to 24 form an integral part of these financial statements.

**FH Capital P.J.S**  
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**Statement of comprehensive income**  
**For the year ended 31 December 2025**

	Note	2025 AED'000	2024 AED'000
Interest income from investment at amortized cost	14	1,270	1,744
Income from perpetual instruments	15	1,128	639
<b>Total interest income, and income from perpetual instruments</b>		<b>2,398</b>	<b>2,383</b>
Net fee and commission income	16	1,674	1,559
Dividend income	17	431	298
Realised gain on sale of financial assets carried at fair value through profit or loss		-	148
Unrealised loss on revaluation of investments carried at fair value through profit or loss		(59)	(754)
Other operating income		1,534	6
<b>Net operating income</b>		<b>5,978</b>	<b>3,640</b>
Salaries and employees related expenses	19	(3,757)	(2,862)
Depreciation of property, fixtures, and equipment	5	(1,227)	(159)
General and administrative expenses	18	(2,953)	(1,020)
<b>Loss for the year</b>		<b>(1,959)</b>	<b>(401)</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Change in fair value of financial assets carried at fair value through OCI		734	(530)
Gain on disposal of financial assets carried at fair value through OCI		-	5
<b>Other comprehensive income / (loss) for the year</b>		<b>734</b>	<b>(525)</b>
<b>Total comprehensive loss for the year</b>		<b>(1,225)</b>	<b>(926)</b>

The accompanying notes from 1 to 24 form an integral part of these financial statements.

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**Statement of changes in equity**  
**For the year ended 31 December 2025**

	Share capital AED'000	Statutory reserve AED'000	Fair value reserve AED'000	(Accumulated losses)/ Retained earnings AED'000	Total AED'000
<b>At 1 January 2024</b>	55,000	2,401	410	9,138	66,949
Loss for the year	-	-	-	(401)	(401)
Net change in fair value of investments carried at fair value through other comprehensive income	-	-	(525)	-	(525)
Gain on sale of investment carried at fair value through other comprehensive income	-	-	(5)	5	-
<b>Total comprehensive loss for the year</b>	-	-	(530)	(396)	(926)
Cash dividend paid	-	-	-	(8,500)	(8,500)
<b>At 31 December 2024</b>	55,000	2,401	(120)	242	57,523
<b>At 1 January 2025</b>	55,000	2,401	(120)	242	57,523
Loss for the year	-	-	-	(1,959)	(1,959)
Net change in fair value of investments carried at fair value through other comprehensive income	-	-	734	-	734
<b>Total comprehensive loss for the year</b>	-	-	734	(1,959)	(1,225)
<b>At 31 December 2025</b>	55,000	2,401	614	(1,717)	56,298

The accompanying notes from 1 to 24 form an integral part of these financial statements.

**FH Capital P.J.S**  
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**Statement of cash flows**  
**For the year ended 31 December 2025**

	Note	2025 AED'000	2024 AED'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the year		(1,959)	(401)
<b>Adjustments for:</b>			
Interest income		(2,398)	(2,383)
Depreciation		1,227	159
Provision for employees' end of service benefits		65	67
Change in fair value of financial assets at fair value through profit or loss		59	754
Gain on sale of financial assets at fair value through profit or loss		-	(148)
<b>Operating loss before working capital changes</b>		<b>(3,006)</b>	<b>(1,952)</b>
<b>Changes in working capital:</b>			
Change in due from related parties		1,461	(79)
Change in prepayments and other receivables		(476)	(157)
Change in due to related parties		25	(600)
Change in accrued expenses		(27)	(66)
<b>Cash generated from/ (used in) operating activities</b>		<b>983</b>	<b>(902)</b>
Payment of employees' end of service benefits		(78)	(55)
<b>Net cash generated from/ (used in) operating activities</b>		<b>(2,101)</b>	<b>(2,909)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, fixtures and equipment		(91)	(1,644)
Purchase of financial assets at carried at fair value through profit or loss		(2,215)	(1,754)
Proceeds from sale of financial assets carried at fair value through profit or loss		922	647
Purchase of financial assets at fair value through other comprehensive income		(3,551)	(6,184)
Proceeds from sale of financial assets at fair value through other comprehensive income		291	1,503
Fixed deposits with banks with original maturity of more than three months		5,031	8,433
Advance consideration paid for investment		(4,000)	-
Purchase of investments at amortised cost		(2,298)	-
Interest income received		2,398	2,383
<b>Net cash (used in) / generated from investing activities</b>		<b>(3,513)</b>	<b>3,384</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short term borrowing		4,000	-
Cash dividend paid		-	(8,500)
<b>Net cash generated from/(used in) financing activities</b>		<b>4,000</b>	<b>(8,500)</b>
<b>Net decrease in cash and bank balances</b>		<b>(1,614)</b>	<b>(8,025)</b>
Cash and bank balances, beginning of the year		4,027	12,052
<b>Cash and bank balances, end of the year</b>	8	<b>2,413</b>	<b>4,027</b>

The accompanying notes from 1 to 24 form an integral part of these financial statements.

# FH Capital P.J.S

## Financial Statements

### Notes to the financial statements

#### For the year ended 31 December 2025

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#### **1 Legal status and principal activities**

FH Capital P.J.S (the “Company”) formerly known as CAPM Investments PJS, is a private joint stock company incorporated in Abu Dhabi, United Arab Emirates UAE.

The Company was initially registered in compliance with relevant UAE Federal Law No. (2) of 2015, as amended. As of 2 January 2022, the Company is subject to compliance with UAE Federal Law No. (32) of 2021, as amended, which replaces UAE Federal Law No. (2) of 2015, as amended. The financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021, as amended.

The Company was established on 1 September 2007 and commenced its operations on 16 October 2007. The Company is authorized to practice the activity of investment management in the United Arab Emirates (UAE) under the license issued by the UAE Capital Markets Authority (“CMA”).

The registered address of the Company is P.O. Box 7808, Abu Dhabi, U.A.E.

The Company is a 100% owned subsidiary of Finance House PJSC (the “Parent Company”) which consolidates the results and operations of the Company in its consolidated financial statements.

#### **2 Basis of preparation**

##### **(a) Statement of compliance**

The financial statements of the company has been prepared in accordance with International Financial Reporting Standards, and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) [IFRS Accounting Standards] and the applicable requirements of the laws in the UAE. The financial statements comply with IFRS Accounting Standards.

##### **(b) Basis of measurement**

The financial statements have been prepared on a going concern and on an accrual basis under the historical cost convention except for debt securities and equity shares that are classified as either fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI).

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

These financial statements have been presented in United Arab Emirates Dirhams (“AED”), which is the Company’s functional and presentation currency. All amounts have been rounded to the nearest thousands, except when otherwise indicated.

##### **(d) Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets and liabilities, income and expenses, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

# FH Capital P.J.S

## Financial Statements

### Notes to the financial statements

#### For the year ended 31 December 2025

## 2 Basis of preparation (continued)

### (d) Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are described in note 4 to the financial statements.

## 3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

### Standards, interpretations and amendments to existing standards that are effective in 2025

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 financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the SASB standards to enhance their international applicability

### Amendment to standards and interpretations issued but not yet effective

The Company has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

Title	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements: IFRS 18 includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in financial statements. Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures: IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2026

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**For the year ended 31 December 2025**

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Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements for the period of initial application and adoption of these new standards, interpretations and amendments is not expected to have a material impact on the financial statements of the Company in the period of initial application.

**(a) Cash and bank balances**

Cash and cash equivalents include balance with banks and financial institutions and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

**(b) Financial instruments**

**i) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company 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.

**ii) Classification and subsequent measurement**

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**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 Company 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 debt 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

**Notes to the financial statements**  
**For the year ended 31 December 2025**

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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 Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company 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 Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio levels because this best reflects the way the business is managed and information is provided to management. The information considered includes:

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

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 Company 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.

Notes to the financial statements  
For the year ended 31 December 2025

**3 Material accounting policies (continued)**

**(b) Financial instruments (continued)**

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

**Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)**

In making this assessment, the Company 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 Company's claim to cash flows from specified assets (e.g. non-recourse features).

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 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 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 – Subsequent measurement and gains and losses**

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.

Notes to the financial statements  
For the year ended 31 December 2025

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**3 Material accounting policies (continued)**

**(b) Financial instruments (continued)**

**Financial liabilities**

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.

**iii) Impairment**

**Non-derivative financial asset**

The Company has the following types of financial assets that are subject to IFRS 9's expected credit loss model:

- Debt instruments held at amortised cost;
- Debt instruments measured at fair value through other comprehensive income; and
- Due from related parties

While cash and bank balances are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

**Debt instruments held at amortised cost and at fair value through other comprehensive income:**

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The Company holds its debt instruments with a highly credit rated bank. The loss allowance is based on assumptions about risk of default and expected loss rate of the bank.

**Due from related parties:**

The Company has applied the simplified approach permitted by IFRS 9 as the Company holds balances due from related parties that are homogeneous in nature and carry similar credit risk. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the balances. To measure the expected credit losses, 'due from related parties' have been grouped based on credit risk characteristics and days past due. 'Due from related parties' are written off when there is no reasonable expectation of recovery. In addition to the above, specific provision is recorded for balances with specific impairment indicators on a case-by-case basis, if any.

**Notes to the financial statements**  
**For the year ended 31 December 2025**

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**3 Material accounting policies (continued)**

**(b) Financial instruments (continued)**

**iv) Derecognition (continued)**

**Financial assets**

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

The Company enters into transactions whereby it transfers assets 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 Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company 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.

**v) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**vi) Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company 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 Company 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 Company's procedures for recovery of amounts due.

**Notes to the financial statements**  
**For the year ended 31 December 2025**

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**(c) Impairment of non-financial assets**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income.

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**(d) Provisions**

Provision is recognised as result of past event the Company has a present legal or constructive obligation on that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

**(e) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

**(f) Provision for employees' benefits**

Provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is made for estimated liability for the employees' benefit is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.

# FH Capital P.J.S

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### Notes to the financial statements

#### For the year ended 31 December 2025

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The provision relating to annual leave and leave passage is considered as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

#### **(g) Property, fixtures, and equipment**

All property and equipment used by the Company are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to general and administrative expenses during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, are as follows:

#### **(g) Property, fixtures, and equipment (continued)**

	<b>Years</b>
Building	50
Furniture and fixtures	4-5
Computers and office equipment	3-4

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position.

#### **(h) Revenue**

Revenue is measured based on the consideration specified in a contract with the customer. The Company recognises revenue when it transfers control over the services a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with the customers and the related revenue recognition policies:

<b>Type of revenue</b>	<b>Performance obligation</b>	<b>Revenue recognition under IFRS 15</b>
Advisory and management fees	Provision of advisory and management services.	Revenue recognition upon provision of the services over time in relation to the benefits received by the customer.

#### **(i) Finance income and finance cost**

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the net gain or loss on the disposal of investments in debt securities measured at FVOCI;
- the net gain or loss on financial assets at FVTPL;

# FH Capital P.J.S

## Financial Statements

### Notes to the financial statements

#### For the year ended 31 December 2025

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Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### **(j) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

#### **(k) Taxation**

The income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. 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 Company'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 recognised 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 Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company 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.

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 realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

**Notes to the financial statements**  
**For the year ended 31 December 2025**

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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 Company intends to settle its current tax assets and liabilities on a net basis

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**4 Significant accounting judgements and estimates**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**Fair valuation of financial instruments**

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices.

**FH Capital P.J.S**  
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**Notes to the financial statements**  
**For the year ended 31 December 2025**

**5 Property, fixtures, and equipment**

	Freehold land AED'000	Building AED'000	Office Equipment	Computer Hardware	Computer Software AED'000	Furniture and fixtures AED'000	Capital work in progress* AED'000	T total AED'000
<b>Cost:</b>								
At 1 January 2024	1,428	3,929	34	35	441	719	3,032	9,618
Additions during the year	-	-	-	-	-	-	1,644	1,644
At 31 December 2024	1,428	3,929	34	35	441	719	4,676	11,262
At 1 January 2025	1428	3,929	34	35	441	719	4,676	11,262
Transfer from Capital work in progress	-	-	-	-	4,676	-	(4,676)	-
Additions during the year	-	-	-	9	64	18	-	91
At 31 December 2025	1,428	3,929	34	44	5181	737	-	11,353
<b>Accumulated depreciation:</b>								
At 1 January 2024	-	633	34	27	407	690	-	1,791
Charge for the year	-	131	-	5	150	8	-	159
At 31 December 2024	-	764	34	32	422	698	-	1,950
At 1 January 2025	-	764	34	32	422	698	-	1,950
Charge for the year	-	26	-	3	1,189	9	-	1,227
At 31 December 2025	-	790	34	35	1,611	707	-	3,177
<b>Net carrying amount:</b>								
At 31 December 2025	1,428	3,139	0	9	3,570	30	-	8,176
At 31 December 2024	1,428	3,165	-	3	19	21	4,676	9,312

\* Capital work in progress mainly included projects relating to the development of internal software, which were capitalized in 2025.

**FH Capital P.J.S**  
**Financial Statements**

**Notes to the financial statements**  
**For the year ended 31 December 2025**

**6 Financial assets**

	At fair value through other comprehensive income AED'000	At fair value through profit or loss AED'000	At amortised cost AED'000	Total AED'000
<b>31 December 2025</b>				
Equity instruments:				
- Quoted	3,117	5,772	-	8,889
- Unquoted *	10,950	-	-	10,950
Debt instruments:				
- Quoted**	5,628	-	-	5,628
- Unquoted ***	-	-	13,300	13,300
	<u>19,695</u>	<u>5,772</u>	<u>13,300</u>	<u>38,767</u>
Within UAE	14,067	5,772	13,300	33,139
Outside UAE	5,628	-	-	5,628
	<u>19,695</u>	<u>5,772</u>	<u>13,300</u>	<u>38,767</u>
<b>31 December 2024</b>				
Equity instruments:				
- Quoted	2,318	4,538	-	6,856
- Unquoted *	7,600	-	-	7,600
Debt instruments:				
- Quoted**	5,784	-	-	5,784
- Unquoted ***	-	-	11,000	11,000
	<u>15,702</u>	<u>4,538</u>	<u>11,000</u>	<u>31,240</u>
Within UAE	9,918	4,538	11,000	25,456
Outside UAE	5,784	-	-	5,784
	<u>15,702</u>	<u>4,538</u>	<u>11,000</u>	<u>31,240</u>

\* The Company holds unquoted Tier 1 perpetual Sukuk with related party amounting to AED 10,950 thousand (2024: AED 7,600 thousand) (Note 12). These securities carry interest ranging from 6.058% to 8.89% (2024: 6.058% to 6.14%) per annum.

\*\* These instruments carry interest in the range of 6.25% to 9.75% (2024: 6.25% to 9.75) per annum and has a contractual maturity period ranging from 1.5 years to 10 years (2024: 1.5 years to 10 years).

\*\*\* These represent investments in commercial papers of a related party and carry interest of 6% (2024: 6%) per annum (Note 12). These investments are short-term, with a maximum maturity period of 1 year, and renewable on demand.

The fair value of investments carried at amortized cost at 31 December 2025 approximate to their carrying amount as disclosed in these financial statements

**FH Capital P.J.S**  
**Financial Statements**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

**6 Financial assets (continued)**

Movement in the investments carried at fair value are as follows:

	<b>Other comprehensive income AED'000</b>	<b>Profit or loss AED'000</b>
As at 1 January 2024	11,546	4,037
Purchases	6,184	1,754
Disposals	(1,498)	(499)
Net loss from change in fair value	(530)	(754)
As at 31 December 2024	<b>15,702</b>	<b>4,538</b>
Purchases	<b>3,551</b>	<b>2,215</b>
Disposals	<b>(291)</b>	<b>(923)</b>
Net gain/(loss) from change in fair value	<b>733</b>	<b>(58)</b>
<b>As at 31 December 2025</b>	<b>19,695</b>	<b>5,772</b>

An equity investments in the amount of AED 2,604 thousand (2024: AED 2,318 thousand) are in the name of a related party and are held for the beneficial interest of the Company.

**7 Prepayments and other receivables**

	<b>2025 AED'000</b>	<b>2024 AED'000</b>
Advance against investment*	<b>4,000</b>	-
Prepayments	<b>528</b>	328
Accrued interest	<b>680</b>	469
Security deposits	<b>9</b>	9
Other receivables	<b>589</b>	524
	<b>5,806</b>	1,330

\*During the year, the Company paid AED 4,000 thousand (2024: Nil) being advance for investment in Sandfox Partners Limited. Total prospective investment is AED 17,500 thousand.

**FH Capital P.J.S**  
**Financial Statements**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

**8 Cash and cash equivalent**

	2025 AED'000	2024 AED'000
Current accounts	2,404	383
Short-term deposits	5,261	13,927
Cash margin	9	9
<b>Cash and bank balances</b>	<b>7,674</b>	<b>14,319</b>
Less: term deposits with an original maturity of more than three months	(5,261)	(10,292)
<b>Cash and cash equivalent</b>	<b>2,413</b>	<b>4,027</b>

Information on the Company's credit risk is disclosed in Note 21.

Term deposits are short-term, placed with the Company's banker and earn interest at a rate of 4.05% to 5.25% (2024: 4.90% to 5.25%) per annum.

There are no restrictions on bank balances and term deposits, except for cash margin, at the time of approval of the financial statements.

**9 Share capital**

	2025 AED'000	2024 AED'000
10 million shares (2024: 10 million shares) of AED 5.5 each (2024: AED 5.5 each)	<b>55,000</b>	<b>55,000</b>

**10 Statutory reserve**

In line with the provisions of the UAE Federal Law No. (32) of 2021, as amended, and the Company's Articles of Association, the Company is required to transfer annually to a statutory reserve account an amount equivalent to 10% of its profit, until such reserve reaches 50% of the share capital of the Company.

**11 Provision for employees' end of service benefits**

	2025 AED'000	2024 AED'000
As at 1 January	92	80
Charge during the year	65	67
Paid during the year	(77)	(55)
As at 31 December	<b>80</b>	<b>92</b>

**FH Capital P.J.S**  
**Financial Statements**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

**12 Related party disclosures**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the case of the Company, related parties, as defined in the IAS 24, include major shareholders of the Company, directors and officers of the Company and companies of which they are principal owners and key management personnel.

**Balances with related parties**

The year-end balances in respect of related parties included in the statement of financial position are as follows:

	2025 AED'000	2024 AED'000
Bank balance with Finance House L.L.C.	<u>7,391</u>	<u>14,024</u>
<b>Due from related parties</b>		
Finance House PJSC (Parent Company)	580	587
Insurance House PJSC	<u>119</u>	<u>1,573</u>
	<u>699</u>	<u>2,160</u>
<b>Due to related parties</b>		
Finance House L.L.C.	4,000	-
Finance House PJSC (Parent Company )	<u>100</u>	<u>75</u>

The balances due from/to related parties are non-interest bearing and receivable/payable on demand. During the current year, the Company has not provided any loans to its Directors and/or their related parties.

**Financial assets at fair value through other comprehensive income**

	2025 AED'000	2024 AED'000
Finance House PJSC (Tier 1 Sukuk)	<u>10,950</u>	<u>7,600</u>

**Financial assets at amortised cost**

	2025 AED'000	2024 AED'000
Finance House Securities LLC (Commercial paper)	<u>13,300</u>	<u>11,000</u>

# FH Capital P.J.S

## Financial Statements

### Notes to the financial statements (continued)

#### For the year ended 31 December 2025

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## 12 Related party disclosures (continued)

### Related party transactions

The Company entered into the following significant related party transactions during the year.

#### Income

	2025	2024
	AED'000	AED'000
Advisory and management fee from Finance House PJSC	1,250	1,250
Advisory and management fee from Insurance House PJSC	-	125
Interest income	1,940	2,206

#### Expenses

Service charges to parent company	300	300
Key management remuneration	661	280

During the year, the Company has obtained borrowings of AED 4,000 thousand (2024: Nil) from Finance House LLC (a related party) at an interest rate of 7.5% per annum. During the year, interest expense recognized on this borrowing amount to AED 160,000 (2025: Nil).

The Company utilizes premises owned by its shareholder and, in accordance with the existing arrangement, does not incur any rental expenses.

## 13 Financial risk management

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### Introduction

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

### Risk Management framework

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk. The core functions of the Company's risk management are to identify all key risks for the Company, measure these risks, manage the risk positions and determine capital allocations. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the operating units under policies approved by the Board of Directors. In addition, Company's internal audit is responsible for the independent review of risk management and the control environment.

# FH Capital P.J.S

## Financial Statements

### Notes to the financial statements (continued)

#### For the year ended 31 December 2025

The risks arising from financial instruments to which the Company is exposed are credit risk, interest rate risk market risk and liquidity risk.

### 13 Financial risk management (continued)

#### Risk assessment

The Company has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Company's overall risk management process seeks to minimise potential adverse effects of those risks to the Company's financial performance.

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial assets measured at amortised cost, due from a related party and cash and cash equivalents.

#### Management of credit risk

The Company seeks to limit its credit risk with respect to financial assets by monitoring outstanding receivables. Credit risk is limited to the carrying values of financial assets in the statement of financial position.

#### Exposure to credit risk

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

#### Credit risk

#### Exposure to credit risk

	2025 AED'000	2024 AED'000
Investments carried at amortised cost	13,300	11,000
Due from related parties	699	2,160
Debt instruments at fair value through OCI	5,628	5,784
Cash and bank balances	2,413	4,027
Term deposits	5,261	10,293
Accrued interest	680	469
	<b>27,981</b>	<b>33,733</b>

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

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**13 Financial risk management (continued)**

**Credit risk (continued)**

**Exposure to credit risk (continued)**

The above table represents a worse-case scenario of credit risk exposure to the Company at 31 December 2025 and 2024, without taking account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

As shown above, 75% (2024: 75%) of the total maximum exposure is derived from cash and bank balances, term deposits and investments carried at amortised cost. The Company manages this risk by holding both its cash and bank balances, term deposits and financial assets at amortised cost with highly credit rated bank/debt issuer.

**Financial assets at amortised cost**

The Company holds its debt instruments with a highly credit rated bank. The loss allowance is based on assumptions about risk of default and expected loss rate of the bank.

**Due from related parties**

As at the reporting date, the Company recognised 'Nil' provision for expected credit losses relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the market in which the related party operates.

The Company does not require collateral in respect of its amounts due from related parties. The Company does not have amounts for which no loss allowance is recognised because of collateral.

**Cash and bank balances**

The Company considers that none of these assets are impaired as at 31 December 2025 and 31 December 2024.

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 Company considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties.

**Credit risk categorized by industry**

The following table breaks down the Company's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Company's counterparties.

	2025 AED'000	2024 AED'000
<b>Industry sector</b>		
Banks, financial institutions and Investment	27,981	33,733

Notes to the financial statements (continued)  
For the year ended 31 December 2025

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**13 Financial risk management (continued)**

**Credit risk (continued)**

**Exposure to credit risk (continued)**

**Credit risk categorized by industry (continued)**

Credit risk exposure relating to off-balance sheet are as follows:

	2025 AED'000	2024 AED'000
<b>Industry sector</b>		
Financial institutions	27,981	33,733

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations from financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the Company's business, liquidity risk is deemed to be insignificant.

**Market risk**

Market risk is the risk that the Company's income and / or value of its financial instrument will fluctuate because of changes in market conditions such as interest rates, foreign exchange rates and prices of equity investments.

**Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency exposures are monitored on an on-going basis as part of the investment strategy.

**Exposure to currency risk**

Foreign currency risk is limited since all of the Company's transactions, monetary assets and liabilities are in UAE Dirhams and US Dollar. As the UAE Dirhams is pegged to the US Dollar, hence balances in US Dollars are not considered to represent significant currency risk.

Notes to the financial statements (continued)  
For the year ended 31 December 2025

**13 Financial risk management (continued)**

**Market risk (continued)**

**Price risk**

The Company is exposed to securities price risk because of investments held by the Company and classified in the statement of financial position as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The Company is not exposed to commodity price risk.

The Company's investments in equity of other entities that are publicly traded are included in local and GCC exchanges.

The following table summarises the impact of increases/ decreases of the price on the Company's equity. The analysis is based on the assumption that the price had increased/ decreased by 5% with all other variables held constant and all the Company's financial instruments moved according to the historical correlation with the price:

	<b>Financial instruments at fair value</b>	
	<b>+5% increase AED'000</b>	<b>-5% decrease AED'000</b>
<b>31 December 2025</b>		
Financial assets at fair value through profit or loss account	289	(289)
Financial assets at fair value through other comprehensive income	985	(985)
<b>Cash flow sensitivity</b>	<b>1,273</b>	<b>(1,273)</b>
<b>31 December 2024</b>		
Financial assets at fair value through profit or loss account	227	(227)
Financial assets at fair value through other comprehensive income	116	(116)
Cash flow sensitivity	343	(343)

Notes to the financial statements (continued)  
For the year ended 31 December 2025

**13 Financial risk management (continued)**

**Exposure to interest rate cash flow risk**

Interest rate risk arises from interest bearing financial instruments and reflects the possibility that changes in interest rates will adversely affect the cash flows of the financial instruments and the related returns. As at reporting date, the Company has bank deposits and commercial papers subject to interest, however, as the rates are fixed no interest rate risk borne by the Company.

**Operational risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures.

**Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and to maintain an optimal capital structure to reduce cost of capital. The policies are based on management's assessment of available options.

**14 Interest income from investment at amortized cost**

	2025 AED'000	2024 AED'000
Interest income - Bank placements	530	1,098
Interest income - Commercial papers	740	646
	<u>1,270</u>	<u>1,744</u>

**15 Income from perpetual instruments**

	2025 AED'000	2024 AED'000
Interest income - Tier 1 Sukuk	671	462
Interest income - Strategic Bond investment	457	177
	<u>1,128</u>	<u>639</u>

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**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

**16 Net fee and commission income**

	2025 AED'000	2024 AED'000
Other advisory income	85	-
Portfolio management income	1,250	1,375
Wealth management income	150	28
Lombard lending income	189	156
	<u>1,674</u>	<u>1,559</u>

**17 Dividend Income**

	2025 AED'000	2024 AED'000
Dividend income - strategic investment	149	116
Dividend income - trading investment	282	182
	<u>431</u>	<u>298</u>

**18 General and administrative expenses**

	2025 AED'000	2024 AED'000
Legal and professional charges	370	362
Office expenses	442	439
Other expenses	2,141	219
	<u>2,953</u>	<u>1,020</u>

**19 Salaries and employees related expenses**

	2025 AED	2024 AED
Salaries	1,341	948
Other benefits	2,351	1,847
Employees' end of service benefits	65	67
	<u>3,757</u>	<u>2,862</u>

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

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**20 Contingencies and commitments**

The contingent liabilities in respect of bank guarantees arise in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Company had the following commitments and contingent liabilities outstanding at year end:

	2025 AED'000	2024 AED'000
Letters of guarantee	<u>1,009</u>	<u>1,009</u>

**21 Fair value measurement**

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other inputs used in estimating discount rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses widely recognised valuation models to determine the fair value of common and simple financial instruments and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

# FH Capital P.J.S

## Financial Statements

### Notes to the financial statements (continued)

#### For the year ended 31 December 2025

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#### 21 Fair value measurement (continued)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### Transfers between categories

During the year, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements (2024: None).

The following is a description of the determination of fair value for assets which are recorded at fair value using valuation techniques. These incorporate the Company's estimate of assumptions that a market participant would make when valuing the assets.

#### Investments carried at fair value through profit or loss

Investments carried at fair value through profit or loss are listed equities in local and GCC exchanges. Valuations are based on market prices as quoted in the exchange.

The following table presents the Company's assets that are measured at fair value at 31 December 2025.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>At fair value through profit or loss</b>				
Quoted equities	5,772	-	-	5,772
	<u>5,772</u>			<u>5,772</u>
<b>At fair value through other comprehensive income</b>				
Quoted Debt	5,628	-	-	5,628
Quoted equities	3,117	-	-	3,117
Unquoted securities	-	-	10,950	10,950
	<u>8745</u>		<u>10,950</u>	<u>19695</u>

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**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

**21 Fair value measurement (continued)**

The following table shows the analysis of assets recorded at fair value by level of the fair value hierarchy as at 31 December 2024:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At fair value through profit or loss				
Quoted equities	4,538	-	-	4,538
	<u>4,538</u>	<u>-</u>	<u>-</u>	<u>4,538</u>
At fair value through other comprehensive income				
Quoted Debt	5,784	-	-	5,784
Quoted equities	8,102	-	-	8,102
Unquoted securities	-	-	7,600	7,600
	<u>13886</u>	<u>-</u>	<u>7,600</u>	<u>21486</u>

**Investments carried at fair value through other comprehensive income**

Investments carried at fair value through other comprehensive income, the revaluation gains/losses of which are recognized through equity, comprise long term strategic investments in listed equities, companies and private equity funds. Listed equity valuations are based on market prices as quoted in the exchange while funds are valued on the basis of net asset value statements received from fund managers. For companies, the financial statements provide the valuations of these investments which are arrived at primarily by discounted cash flow analysis. Fair value of the unquoted ordinary shares has been estimated using DCF model and Price Earning Multiple basis valuation. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility and price earnings multiples. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

**Tier 1 perpetual Sukuk**

As per the arrangement with the Parent Company, the management may sell the investments in Tier 1 perpetual Sukuks at par value to the Parent Company and accordingly these investments have been carried at cost in these financial statements.

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**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

**21 Fair value measurement (continued)**

**The effect of unobservable inputs on fair value measurement**

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumption could lead to different measurements of fair value. For fair value measurements in Level 3, Changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

	Favourable AED'000 1%	(Unfavourable) AED'000 -1%
<b>31 December 2025</b>		
Unquoted equities at fair value through other comprehensive income	110	(110)
<b>Cash flow sensitivity</b>	<b>110</b>	<b>(110)</b>
<b>31 December 2024</b>		
Unquoted equities at fair value through other comprehensive income	76	(76)
Cash flow sensitivity	76	(76)

**22 Corporate tax**

The Company is part of a tax group as per CT Law and therefore the benefit of deferred tax on the loss for the year ended 31 December 2025 will be adjusted against taxable profit of the tax group.

	2025 AED '000	2024 AED '000
Loss before taxation	(1,958)	(401)
Prima facie tax expense at 9% (2024: 9%)	-	-
Tax effect of difference:		
Tax effect of exempt income	-	-
Tax effect of non-deductible expense	-	-
Tax effect of different tax rate of subsidiaries operating in foreign jurisdiction	-	-
Changes in deferred tax	-	-
Unrecoverable withholding tax	-	-
Others (Due to the impact of the corporate tax group)	-	-
Tax expense	-	-

**FH Capital P.J.S**  
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**Notes to the financial statements (continued)**  
**For the year ended 31 December 2025**

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**23 Events after the reporting date**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

**24 Approval of financial statements**

The financial statements were approved and authorized for issue by the Board of Directors on [] Feb 2026.