



Powered by people

Integrated Report 2025

SPINNEYS 1961 HOLDING PLC



Our purpose

Strong link to food.
Holistic – nourish body,
mind and soul.

Inspiration from our colleagues’
journeys and focus on health, well-being
as well as indulgence.

**To nourish and inspire
our communities
to live better
lives, day by day**

It’s personal for us.
We provide our
customers with
personalised service.

We strive to be a
pillar for our communities
– the Spinneys family,
our suppliers and
our customers.

Healthier, happier,
more meaningful, tastier
and more sustainable.

Ongoing consistency
and resilience.

Our vision

The Group’s vision is not to be the biggest retailer, but to be the best retailer in its key markets operating via two key brands, Spinneys and Waitrose, each with a tailored strategy and proposition.



For more information, please visit spinneys.com and investors.spinneys.com

Contents



Overview

- 06 At a glance
- 08 Operational and financial highlights
- 10 Our history
- 12 Our value proposition
- 16 Year in review

Strategic review

- 20 Chairman’s statement
- 22 CEO’s operating review
- 24 Investment highlights
- 26 Business model
- 28 Market overview
- 30 Strategy
- 32 CFO’s financial review
- 36 Powered by people

Environmental, social and governance

- 40 Corporate governance report
- 98 Sustainability summary

Financial statements

- 112 Board of directors’ report
- 114 Independent auditor’s report
- 118 Consolidated statement of profit or loss
- 119 Consolidated statement of comprehensive income
- 120 Consolidated statement of financial position
- 121 Consolidated statement of cash flows
- 122 Consolidated statement of changes in equity
- 123 Notes to the consolidated financial statements

Overview



- 06 At a glance
- 08 Operational and financial highlights
- 10 Our history
- 12 Our value proposition
- 16 Year in review

My Spinneys story

Elmira Pelovello
General Manager Operations



Elmira's remarkable journey began in February 1998 when she joined Spinneys as a bakery customer service assistant. Over 28 years, she has grown through several roles, progressing from trainee manager to becoming one of the first female market store managers. Today, she serves as the operations manager, overseeing all Spinneys and Waitrose stores.

What keeps Elmira passionate about her job is her deep love for people. She finds immense joy in mentoring staff and witnessing the "spark" in their eyes as they progress. Guided by her father's advice to always give her best, she has thrived under mentors like CEO Sunil Kumar. Her proudest memory is paving the way for gender diversity; once the sole female store manager, she is moved to see women now comprise 33% of the operations leadership team.

At a glance

One of the leading fresh-focused retailers in the UAE

Our proposition

90*

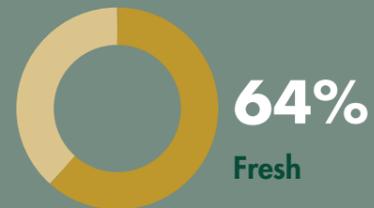
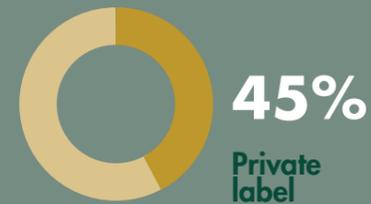
Stores in the UAE, Saudi Arabia and Oman



Customer centric



2 key brands



Quality, freshness & service

Mission-focused stores

17%

Online sales



Our key metrics

AED 3.6bn

2025 revenue

AED 332m

2025 profit after tax

13.1%

2025 revenue growth

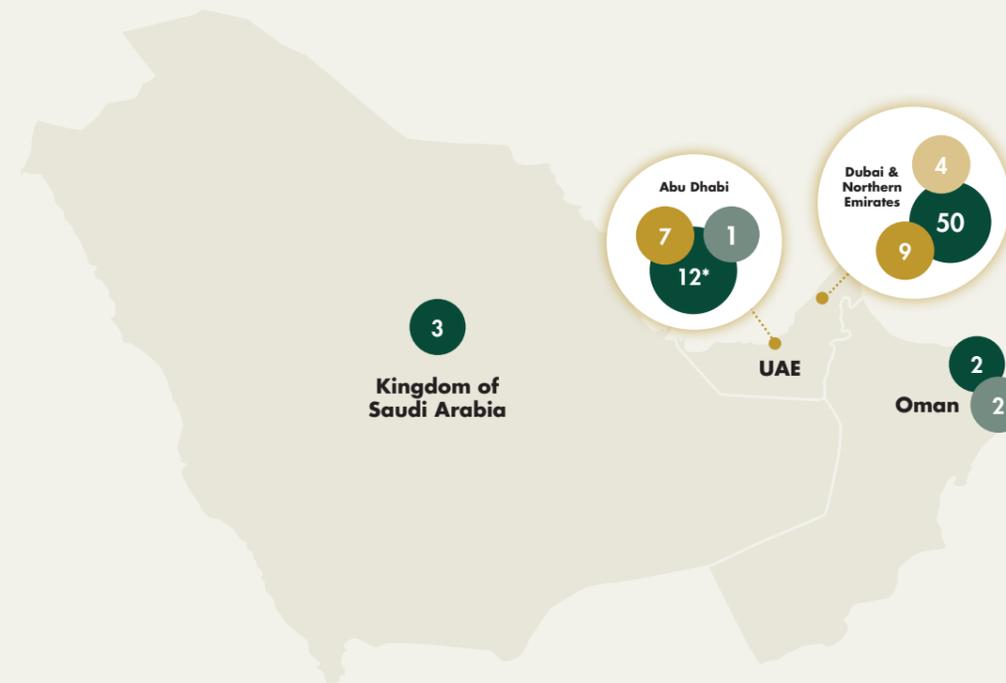
14.5%

2025 profit growth



Our markets

Local execution supported by exceptional operational and supply chain capabilities



Spinneys

67 stores in total*

WAITROSE & PARTNERS

16 stores in total

the kitchen by Spinneys

4 stores in total

AL FAIR

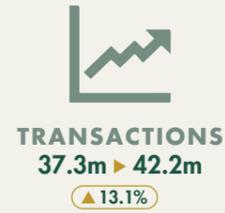
3 stores in total

- Spinneys
- Waitrose & Partners
- The Kitchen by Spinneys
- Al Fair

*12 stores in Abu Dhabi are operated by the Group pursuant to an Operation Services Agreement

Operational and financial highlights

Operational highlights 2025



LIKE FOR LIKE GROWTH 2025: 10.7%

Financial highlights 2025



Continued growth in store network Expanding our footprint



- Opened 13 new stores during 2025, adding 12.4% gross selling area (GSA)
- Signed joint venture agreements in Kuwait and the Philippines to open Spinneys stores



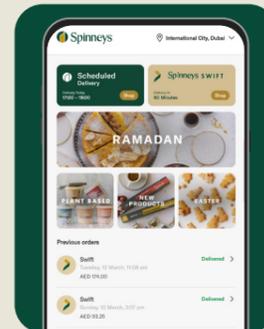
Continued roll out of our foodhall concept The Kitchen by Spinneys



- Launched in Wafi Mall in July and Dubai Airport Free Zone in October, with more stores planned in 2026
- Margins accretive to retail stores



Hyperlocal e-commerce Spinneys Swift



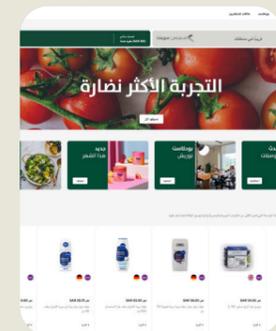
- Refreshed e-commerce app with a focus on hyperlocal delivery
- Empowered customers with scheduled and express delivery options
- 60-minute delivery service successfully launched in 26 key locations covering 98% of our planned catchment area



Saudi Arabia expansion Riyadh



- Spinneys U-Walk was successfully launched in Riyadh, Saudi Arabia on 18 December 2025 – a significant strategic milestone as we continue our expansion in The Kingdom
- Exceptional response from customers, demonstrating strong demand for premium fresh food offering in this significant market



- E-commerce also launched in Saudi Arabia in 2025 following the same hybrid model strategy as the UAE with a mix between aggregator and owned platforms, adoption has exceeded expectations and is contributing significantly to sales growth

Our history

100 years of expertise sits behind our name

THE COMPANY HAS A STRONG HERITAGE IN THE UAE AND THE SPINNEYS BRAND IS LONG-STANDING IN THE REGION.

AN OVERVIEW OF THE PRINCIPAL EVENTS IN CONNECTION WITH OUR HISTORY AND GROWTH IS SET OUT HERE.

1924

Spinneys started operating in Dubai. Its first supermarket opened in Deira a year later

1961

Spinneys opened a new head office on Mankhool Road and new warehousing facilities in Al Quoz with a space of 13,000 square feet

1971

1995

2003-2008

Prior to **AL BWARDY** Ownership

Spinneys was established by Arthur Rawdon Spinney in Alexandria, Egypt

Mr. Al Bwardy acquired full control in the UAE in 1999

2006-2013

2006: Acquisition of JHF UK

2008: Formation of JHF USA

2013: Acquisition of JHF Australia

2009

The Spinneys Dubai 92 Cycle Challenge was born. Today, it's one of the Middle East's most popular races

2011-2013

Expansion into Oman with acquisition of Al Fair

WAITROSE & PARTNERS

Agreement signed for Waitrose brand

2015

The Spinneys Kezad warehouse started operating in Abu Dhabi

2019

Spinneys.com and Waitrose.ae online shopping and home delivery launched amid the Covid-19 pandemic

2020-2021

Partnership with Al Hokair

Signed two grocery retail stores

the kitchen by Spinneys

Signed one The Kitchen by Spinneys store

2022-2023

Listed on DFM

Launched in KSA

Launched The Kitchen by Spinneys

Launched hyperlocal delivery service Spinneys Swift

2024

Signed a joint venture with the Alshaya Group to open Spinneys stores in Kuwait.

ALSHAYA GROUP

2025

Signed an agreement with the Ayala Group to open Spinneys stores in the Philippines.

Ayala

BUILDING THE BRAND AND FOOTPRINT

EXPANDING IN THE UAE AND INVESTING IN PLATFORM

EXPANSION STRATEGY

- Expansion into new markets
- Establishment of our own sourcing offices

Our value proposition

Extensive fresh food range with exceptional customer service through an omni-channel platform

We offer the full range of essentials

>35k
Total SKUs in 2025

>85%
are food-related

Our value proposition is centred around high-quality, fresh products that are distinctive to our stores. We provide an extensive fresh food range with exceptional customer service through an omni-channel platform.

Our core focus is on food, with more than 85% of retail revenues generated from food products. This continues to grow, thereby becoming an even more important part of our business.

Within the food category, we focus on 'fresh'. Fresh food makes up more than 64% of our total retail revenues. This is well above our peers and highlights our differentiated positioning. At the same time, we have increased the penetration of our fresh and private label products. This, combined with our highly efficient replenishment and logistics capabilities, results in industry leading EBITDA levels.

Private label is an important part of our proposition, making up more than 45% of retail revenues.

In addition to our private label products, we provide a full branded range for our customers, our total range of SKUs is more than 35,000. Within this range we source a variety of exclusive brands for our customers. We offer a range of local, regional and international brands with international brands making up 75% of the brands offered.

We operate a multi-format store base, all of which are near our core target customers. Our store footprint, which comprises approximately 906 thousand square feet of gross selling area (excluding Spinneys Abu Dhabi), is spread across very flexible formats:

- **The Kitchen by Spinneys (< 5,000 square feet)** – Standalone dine-in concept offering high quality, healthy, ready-made food
- **Market stores (< 10,750 square feet)** – Smaller fresh-focused stores in high density commercial or residential areas.
- **Medium-sized supermarkets (10,750-21,500 square feet)** – fresh-focussed stores in residential communities.
- **Large supermarkets (> 21,500 square feet)** – large fresh-focused stores with extensive service offerings in malls or high-density residential communities.

The customer is at the heart of everything we do at Spinneys. We attract highly desirable customers from diverse backgrounds across both local and expat populations. Our customers are typically highly 'affluent' and inspired by international food trends, with a propensity to spend more on fresh, quality food, sold in an environment that prioritises customer service.

We tailor our proposition to this highly distinguished customer base. Our unique proposition is founded on four pillars:

Firstly, we provide a differentiated offering underpinned by a focus on high-quality, fresh food, with a quality private label range offered at accessible price points.

We are also the go-to grocery retailer for international brands to launch their products in the UAE. As customer eating habits have evolved, we have increased our focus on meal solutions; we continue to differentiate ourselves by introducing new products and innovating across our whole proposition. All this is underpinned by our robust sourcing strategy and international sourcing offices.

Secondly, we offer our customers high levels of convenience in the form of a fully integrated omni-channel offering, across a variety of brick-and-mortar formats together with a rapidly growing e-commerce network.

Thirdly, we provide an unmatched store experience, with exceptional customer

service. We pride ourselves on providing a high-end store presentation, typical of the best international premium food retailers.

And lastly, we leverage the strong brand power of both of our key brands Spinneys and Waitrose. The Spinneys brand has a heritage of over 100 years in the region while the Waitrose brand is known internationally for its high-quality British credentials.

All this results in superior brand perception and awareness, supporting our robust performance relative to our peers. The success of our proposition is demonstrated both through superior customer perception as well as industry-leading financial metrics.

Focus on premium fresh and high-quality products

>35%
Store space target for fresh fruit and vegetables

Outstanding private label contribution

45.4%
Private label is targeted to be minimum 10% cheaper than equivalent branded products

Exclusive brand relationships across categories

290+
Limited-term exclusivity brands



Our value proposition

The success of our proposition is demonstrated through superior customer perception and financial metrics

01 Differentiated offering

- Food focus
- Private label
- Meal solutions
- Fresh
- Exclusive brands
- Newness and innovation

Supported by our sourcing strategy



03 Exceptional customer service and high-end store presentation

"I love all the amazing fresh food available."

"Thank you for making our lives better."

"Thank you for all that you do. The wonderful groceries you provide and much more."



02 Convenience

Brick & mortar formats

- The Kitchen by Spinneys
- Market stores
- Medium supermarkets
- Large supermarkets

Convenient omni-channel offering

- Location
- Format
- Efficiency

E-Commerce

- Owned
- Aggregators



04 Power of the brand

2 key brands



- #2 Strongest brand equity
- #3 Net promoter score rank
- 87% UAE brand awareness

- >30% KSA brand awareness prior to market entry

Year in review

2025 was an exceptional year, exceeding many records set in previous years. Below are some highlights from the year:

Record store openings

13

New stores

Record revenue

AED 3.6bn

↑ 13.1%

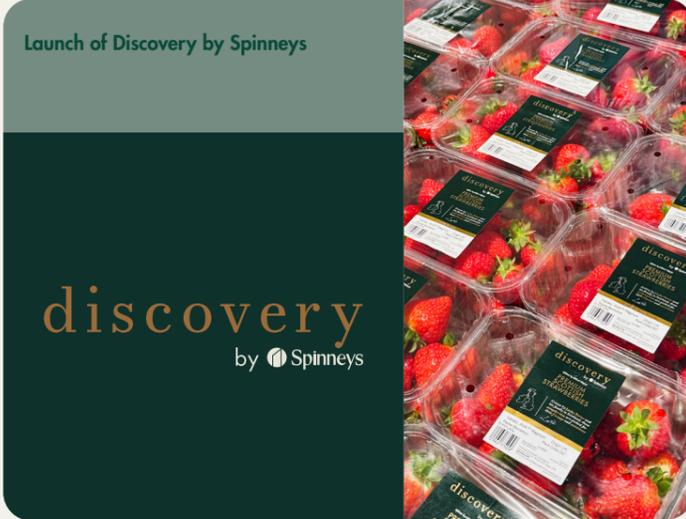
12.4%

Increase in GSA for a total of 906k sq. ft.

15th edition of the Spinneys Dubai 92 Cycle Challenge attracting 7,190 participants



Launch of Discovery by Spinneys



Announced entry into the Philippines



Long Service Awards




First AGM hosted at Desert Palm
First Full Year Dividend declared (total yield 3.8%)



Announced entry into Kuwait



Completed roll out of Spinneys Swift
Spinneys Retail Academy – First cohorts graduate



Opened the third KSA store at U-Walk Riyadh



Strategic review



- 20 Chairman's statement
- 22 CEO's operating review
- 24 Investment highlights
- 26 Business model
- 28 Market overview
- 30 Strategy
- 32 CFO's financial review
- 36 Powered by people



My Spinneys story

Sunil Kumar
Chief Executive Officer

Sunil Kumar had no intention of leaving India, but fate had other ideas. He arrived in the UAE to join four of his older brothers who were already working at Spinneys. Initially, Sunil had his sights set on a 'white-collar' role in banking, but a conversation with one of his brothers about an opening at Spinneys would go on to shape the course of his adult life.

Within weeks of joining the business, Sunil realised that the store floor felt like a family, both among his teammates and with customers, reinforcing his desire to build a long-term career within the company. He quickly learned that retail is a collective effort, where every role, from cleaner to store manager, plays a vital part in delivering a great customer experience.

Sunil's career is a powerful example of progression from within. Joining Spinneys in 1994 as a shelf packer, he worked his way up through the business over more than three decades, moving from the shop floor to department head and store manager. His leadership journey continued into senior management, where he served as Commercial Manager before being appointed Chief Operating Officer (COO) in 2014, and ultimately Chief Executive Officer in 2019.

Today, Sunil takes immense pride in seeing colleagues, who have grown alongside him over the past 10–15 years, reach significant personal and professional milestones. Shaped by the business and its people, his advice to new joiners is simple and consistent, stay focused on long-term goals, commit fully to your role and trust the journey.



Chairman's statement

I have immense pride addressing you as I reflect on a truly defining chapter in the story of Spinneys. This past year has been marked by historic progress and transformative milestones, all made possible by the exceptional people who drive our organisation forward.

At Spinneys, our greatest asset has always been our people; their commitment and relentless pursuit of excellence. Across every part of our company, our colleagues embody the very spirit of our brand, carrying our values into every customer interaction and community we serve. I am sincerely grateful for their passion and dedication as we celebrate our achievements and look ahead to a bright future.

Spinneys had several major advancements in 2025. Our strategic partnership with the Alshaya Group will support the opening of Spinneys stores in Kuwait, a market characterised by high living standards and a sophisticated consumer base eager for premium retail experiences. This alliance is a testament to our unwavering commitment to quality and to building long-term, mutually beneficial relationships with esteemed partners across the region.

Meanwhile, our partnership with the Ayala Group marks our first step beyond GCC borders and into Southeast Asia. The Philippines has 115 million people, an expanding middle class, and an appetite for modern, quality-focused retail, which presents

a compelling growth opportunity, with abundant long-term potential. We are excited to bring our standards of excellence and service, along with our Middle Eastern grown spirit, to new communities, helping to shape the future of food retail in this vibrant region.

In celebrating these milestones, we remain profoundly aware that our expansion and innovation would not be possible without the visionary leadership of the government of Dubai and the United Arab Emirates. Their relentless focus on progress, sustainability and international ambition has created an environment in which companies like Spinneys can flourish. We are proud to represent Dubai on the global stage, guided and inspired by the bold direction set by our nation's leaders.

While Spinneys continues to grow and reach new markets, our vision remains clear: we strive not to be the biggest, but the best fresh food grocery retailer. Defined by our unwavering commitment to quality, service and authentic connection with our communities. This principle guides our decision making and ensures every initiative is measured by the positive impact we deliver and the trust we build.

In 2026, as in years past, we will continue our robust corporate governance, innovative growth and sustainable practices. From investing in local production and supply chains to leading the line in environmental responsibility, our efforts are always directed toward creating lasting value for our shareholders, our customers and the communities in which we operate.

In closing, I must thank our experienced board of directors, our management team and our many advisors and partners for their invaluable contributions throughout the year. It is only through their support, expertise and shared vision that we have been able to achieve so much. I extend my deepest gratitude to our stakeholders for their ongoing trust and belief in what we do.

With a century behind us, now we are ready for the future, guided by our people and Dubai's vision embracing new opportunities across the region and beyond.

Ali Saeed Juma Al Bwardy
Chairman

CEO's operating review



Spinneys had a landmark year in 2025, shown by our strong financial and operational performance and also, above all, by the passion and commitment of our people. Our results this year demonstrate how a business built on a distinctive culture of ownership and intrapreneurship can continue to succeed in a rapidly evolving retail landscape.

Another year of strong performance

Building on the momentum of 2024, the Group delivered another year of strong growth in 2025, with revenues, profitability and cash flows all advancing in line with our strategy. Performance remained resilient across formats and channels, supported by like-for-like growth, new store openings and further gains in fresh and private label penetration.

Our model – premium, fresh and curated, with a focus on being the best rather than the biggest – continues to resonate strongly with our target customer segments. This differentiated position has enabled us to maintain healthy margins even as we invest in new markets, technology and capabilities for the future.

People, people, people

The theme of this year's report – Powered by People – reflects a simple truth: every aspect of our success, from fresh counters to data dashboards, is driven by colleagues who care deeply about our customers, our communities and our brand. Many of our team members have grown with Spinneys over decades, and their experience, judgment and everyday leadership are what translate strategy into reality on the shop floor and behind the scenes.

Across our markets, we have continued to invest in training, well-being and career development, ensuring that colleagues at all levels have the skills and support to thrive. The stories shared throughout this report, from long-service milestones to new colleagues taking on leadership responsibilities, show how a people-first culture can power both performance and purpose.

Culture at the core of our growth

What makes Spinneys what it is today is the strength and continuity of its culture. Many colleagues, including members of the leadership team, have risen through the

organisation from frontline roles, shaping a culture of humility, accountability and care for people. This shared history creates a powerful sense of responsibility towards the thousands of individuals who work with us, many of whom are now second-generation members of the Spinneys family. Every one of them plays a vital role in living our purpose, to nourish and inspire our communities to live better lives, day by day. Bringing it to life through the care, service and dedication they show in our stores, offices and supply chain.

In 2025, we continued to embed our Purpose and Habits across the Group, using regular communication, recognition programmes and development workshops to reinforce what it means to live our values every day. These efforts have strengthened engagement, and more importantly, reinforced the pride colleagues feel in serving our customers and communities.

Expanding our footprint, strengthening our capabilities

Building on our aspirations to be the best food retailer in the Middle East we are expanding our presence in the GCC and beyond, with continued growth in Saudi Arabia and preparations underway for our entry into new markets such as Kuwait and the Philippines. As in 2024, we approached each new market with discipline, piloting formats, learning quickly and systematically applying those learnings to refine our playbook.

At the same time, we continued to invest in capabilities that set Spinneys apart. We curated more distinctive food products for our shelves and our private label ranges, while driving efficiency in our supply chain, production infrastructure and omni-channel set up. These investments are brought to life by cross-functional teams, buyers, chefs, technologists, logistics experts and store colleagues, working together to deliver a consistently fresh and inspiring experience.

Technology, sustainability and people-powered innovation

Our digital and technology agenda advanced further in 2025, with enhancements to our core systems, analytics and online platforms enabling better decision-making and a more personalised customer journey. Yet technology, for us, is always an enabler rather than an end in itself; its real value lies in how it empowers our people to serve customers better, manage complexity and remove friction from daily work.

In parallel, we continued to execute our Better Together 2030 sustainability strategy, deepening partnerships with growers and suppliers, improving resource efficiency and advancing towards our long-term ambitions. Much of this progress is driven by colleagues who volunteer ideas, champion local initiatives and act as ambassadors for responsible business in their teams and communities.

Looking ahead

As we look to the future, Spinneys is exceptionally well positioned: a clear and proven strategy, a strong financial foundation, a growing regional footprint and a brand that customers trust. What gives the greatest confidence, however, is the calibre and character of our people, whose dedication continues to power our performance and shape our culture.

With this team, and with the continued support of our customers, suppliers, shareholders and communities, Spinneys will remain focused on delivering healthier, happier and more meaningful experiences, while creating long-term value for all stakeholders. Our people are ready and committed to embrace the opportunities and challenges of the coming years with optimism, discipline and ambition.

Sunil Kumar
Chief Executive Officer

Investment highlights

We are the leading premium fresh food focused retailer in the Middle Eastern region, operating across 90 locations in the UAE, Oman and Saudi Arabia. Spinneys is synonymous with premium fresh food and exceptional customer service. Our success to date has been supported by:

01

Large, growing and reliable demand for premium food in the GCC

Spinneys operates in a market where the demand for premium-quality fresh food is increasing as people adopt healthier lifestyles.

- **Affluent population growth:** The number of high-income residents in key markets like the UAE and major Saudi cities (Riyadh/Jeddah) is increasing rapidly, driving higher spending on premium fresh food.
- **Resilient sector:** Food retail remains essential, providing stable performance even during economic shifts. The premium segment shows resilience as high-income consumers continue to prioritise quality and healthy living.
- **Health and quality focus:** Consumers are increasingly prioritising fresh, high-quality and healthier food options, directly aligning with the Spinneys value proposition.

02

A leading premium food retailer in key GCC markets

Spinneys is a prominent and trusted brand specialising in the premium fresh food sector across the region.

- **Strong market presence:** The company has a dominant market share in the premium fresh food sector and a long-standing history, making it a household name.
- **Regional expansion:** Spinneys is executing a planned expansion into Saudi Arabia, the GCC's largest economy and is expanding its footprint in Kuwait through a new joint venture, targeting significant new growth during 2026.
- **Premium fresh food focus:** The business is built around fresh food, which accounts for approximately 64% of revenue, positioning Spinneys to capture high-growth consumer trends.

03

Superior fresh food range via omni-channel shopping

The core offering is a wide, high-quality product selection delivered through flexible shopping options.

- **Private label and exclusive quality products:** Spinneys has an extensive range of private label products, comprising approximately 45% of the unique and exclusive imported items it offers, which distinguishes the business from its competitors.
- **Exceptional service:** Spinneys is known for its high standards in customer service, prioritising the in-store customer experience.
- **Brick and mortar and online:** Spinneys believes in serving the customer where they are. Beyond our 90 conveniently located stores we also operate e-commerce operations through our own platforms, which provide scheduled and express deliveries as well as third party aggregators.

04

Operational strength and integrated supply chain

The company's ability to consistently deliver quality is rooted in its operational experience, robust infrastructure and execution.

- **Efficient sourcing:** Spinneys maintains stable margins by leveraging its efficient sourcing and supply chain capabilities, which include vertical integration.
- **Strong supply chain capabilities:** Over the years, Spinneys has developed an efficient supply chain capable of delivering fresh products to the UAE in the shortest time frame and ensuring quality and freshness on delivery.
- **Collaboration:** Recognition as the leading retailer by suppliers (Advantage Group Survey) highlights strong execution and effective partnership management.
- **Flawless execution:** Operations is the core of our business, which ensures our customers have the best shopping experience both in store and online.

05

Proven financial performance and stable cash flow

Spinneys demonstrates consistent growth and financial health, providing a strong basis for investment.

- **Robust sales growth:** The company has a strong track record of like-for-like sales

growth, this is driven by an increase in daily transactions.

- **Industry-leading profitability:** Spinneys achieves strong adjusted EBITDA which is significantly higher than regional and international food retailers, driven by its premium model and private label success.
- **Consistent returns:** High margins and effective working capital management translate into resilient and stable cash flows, supporting shareholder returns and future expansion.

06

Clear strategy to drive sustainable growth

Spinneys has multiple avenues for continued expansion and margin improvement.

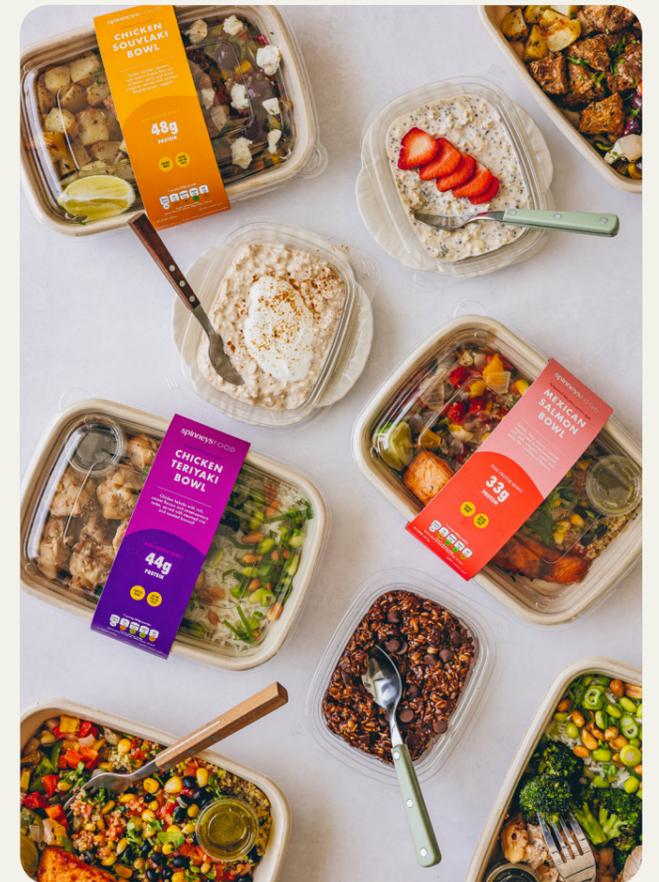
- **Store network expansion:** A strong pipeline for new store openings in the UAE, the KSA and Kuwait, further bolstered by our international expansion into the Philippines.
- **Private label and fresh penetration:** Continuing to increase the sales share of high-margin private label brands and the premium fresh category acts as a significant long-term profit driver.
- **E-commerce:** Continuous investment in its e-commerce and digital platforms ensures Spinneys captures the fast-growing online grocery segment and limits the company's dependence on third party aggregators.

07

Experienced leadership and sustainability focus

The management team is committed to long-term value creation and responsible operations.

- **Experienced team:** A well-tenured, experienced leadership team with deep industry and regional knowledge guides strategic decisions and execution.
- **Ownership mentality:** The management structure encourages an ownership mindset, aligning leaders with the long-term success and sustainability of the business.
- **Commitment to ESG:** The company is dedicated to sustainability, evidenced by initiatives aimed at local sourcing, reducing food waste and supporting local communities.



Business model

Extensive fresh food range with exceptional customer service through an omni-channel platform

Input

Financial capital

Equity share capital
AED 36 million

Other equity
AED 395.8 million

Manufactured capital

Number of stores
90

Retail area
906k sq ft

Number of distribution centres (DCs)
4

Human capital

Number of core employees
5,046

Time spent on employee development
74, 548 hours

Social and relationship capital

CSR spend
AED 3.29 million

Number of suppliers
920+

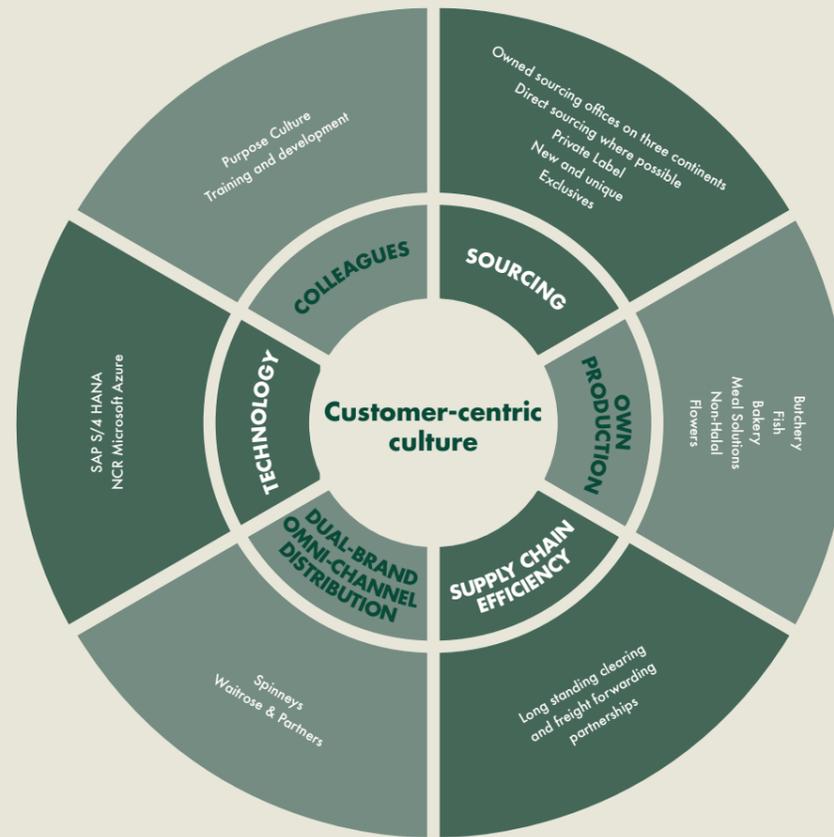
Sourcing from countries
50+



Our purpose

To nourish and inspire our communities to live better lives, day by day

Wheel of success



Economic performance

Economic value generated

Revenues
AED 3.6 billion

Economic value distributed

Operating costs
AED 2,928 million

Employee wages and benefits
AED 353 million

Community investments
AED 3.25 million

Outputs and outcomes

Financial capital

Sales (Gross)
AED 3.6 billion

Adjusted EBITA
AED 731 million

Manufactured capital

Sales per sq. ft.
AED 3,961 per sq ft

Presence
UAE, Oman, KSA

Human capital

Tenure
22% of employees with 10 years or more experience

Social and relationship capital

CSR beneficiaries impacted
111,640 direct
6,000,000 through Al Jalila

Local sourcing
126 vendors
15% of sales

Our communities

Customers

Our customers are at the centre of everything we do. Asking ourselves the question 'Why should our customers return?' drives the way we run the business.

Colleagues

Our colleagues are the heart and soul of what we do. They represent our brand to our customers every day and are key to our success.

Culture

Our culture is intangible but crucial to our continued success. It is the only thing that cannot be replicated or stolen.

Suppliers/partners

We enjoy mutually important relationships with our partners, with the aim of growing together in a sustainable manner.

Shareholders

In 2024 we welcomed new shareholders to the business. We thank them and hope to have long and mutually beneficial relationships with them.

Environment & communities

The environment and our communities are central to our core purpose and reason for doing business. We seek to inspire them to live better lives every day.

Brand

Our brand is established in the region in which we operate, holding 100 years of heritage credentials and known for outstanding quality and customer service.

Market overview

A favourable landscape for premium grocery expansion

The resilient macro-economic dynamics forecasted in 2024 have materialised in our 2025 results. Our key markets continue to show strong growth, driven by successful diversification policies, strong non-oil GDP growth, well-managed inflation and a significant influx of our core affluent customer base. Spinneys is a primary beneficiary of these dynamics, perfectly positioned to meet the accelerating demand for premium, fresh and high-quality food.

The UAE and KSA continue to substantially outpace global GDP growth forecasts. This performance is no longer just oil-price dependent; it is a testament to the success of long-term economic visions. Robust non-oil sectors, thriving tourism and a buoyant real estate market have created a self-sustaining economic cycle.

Our core and expansion markets boast some of the world's highest GDP per capita figures. The UAE and KSA's combined average remain approximately 3.0x the global average. The inclusion of Kuwait, a market with established, high-level consumer wealth, further strengthens this high-income foundation.

While global inflation remains a significant headwind in many regions, the GCC nations have successfully managed price pressures through a combination of effective policy, currency pegs and subsidies. This has protected consumer disposable income, a critical factor for the retail segment. The 'inflection point' mentioned in 2024 is now a full-fledged influx. Government initiatives such as the Golden Visa and 100%

foreign ownership have been successful, attracting a surge of HNW individuals, entrepreneurs and skilled professionals.

The UAE population is on track to exceed 10.5 million, with the affluent segment growing at a disproportionately high rate (est. 5-6% CAGR). The UAE is on pace to exceed its forecast of a 30% increase in UHNW individuals by 2027, solidifying its status as a global wealth hub. The UAE's grocery market, now valued at over AED 68 billion, is growing at a steady 4-5% CAGR. Critically, the premium and fresh-food segments are outpacing this average, demonstrating a clear 'trade-up' in consumer spending.

Saudi Vision 2030 is rapidly transforming the social and economic landscape. The KSA's population is projected to surpass 40 million by 2030. The expat population is expected to reach 50% by 2030. The affluent category in the KSA continues to expand at a forecasted CAGR of over 6.4%, with wealth concentrated in our target cities of Riyadh and Jeddah. The KSA market, at approximately AED 130 billion, remains the largest in the GCC. Our target premium market, focused on Riyadh and Jeddah, is now estimated to be worth over AED 35 billion and is projected to grow at an accelerated 6.0% CAGR.

Oman represents a market of emerging opportunity and strategic growth. Oman's Vision 2040 is successfully driving economic diversification, with a strong focus on tourism and logistics. This is developing a new, modern retail landscape. The resident

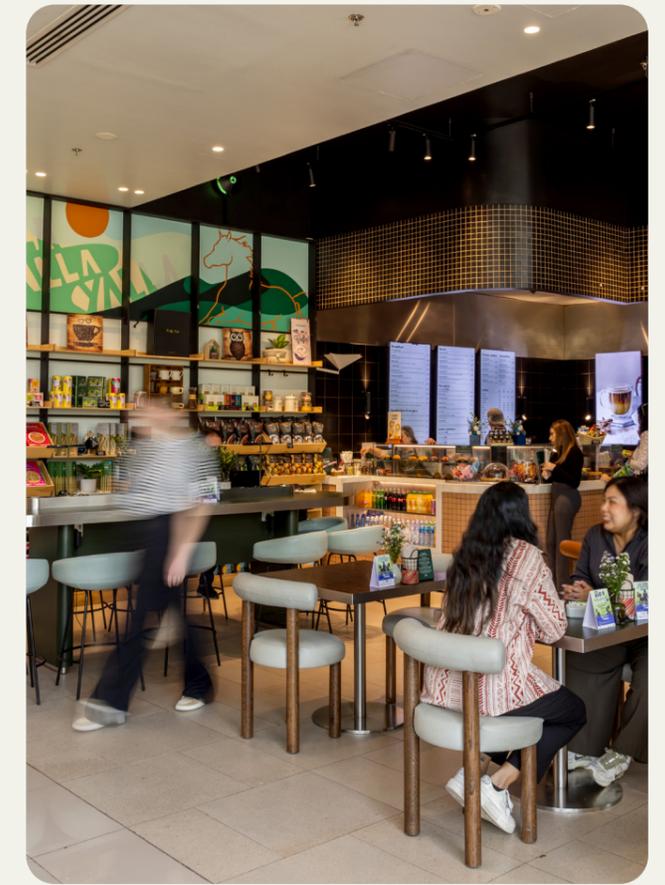
population is growing and a surge in high-end tourism, particularly in Muscat, is creating a nascent but rapidly expanding demand for the high-quality, international food experiences that Spinneys provides.

Kuwait represents a market of established wealth and high disposable income. Kuwait possesses one of the highest GDPs per capita globally. Its consumer base is mature, with a well-established demand for premium international products. The market is ready for Spinneys' premium, fresh-focused offering.

The regional grocery market continues to evolve in our favour. The post-pandemic focus on health, wellness and premium 'at-home' experiences has accelerated, shifting fresh and high-quality food from a niche market to a mainstream demand from the affluent.

The Philippines' economy is growing with GDP projected to expand between 5.2% and 5.7%. While external headwinds and global trade uncertainties persist, the retail landscape is set to benefit from a young, urbanising population and a steady rise in household disposable income, largely fuelled by resilient overseas remittances and a stable labour market. These factors make it the right time for Spinneys to enter the country.

The market dynamics in 2025 have been in our favour and we believe that will continue in 2026 and beyond. The powerful combination of high GDP growth, low inflation, a surging HNW population and transformative government policies has created the perfect ecosystem for premium retail.



Strategy

Our strategy is supported by well-identified growth drivers which include enhancing our store network, expanding into new formats, enhancing our e-commerce capabilities, as well as building capacity to enable our future growth.



Delivering on our strategy in 2025

As our regional strategy continues to unfold, we measure our performance against the strategic targets we set ourselves. The performance of our key growth drivers in 2025 are highlighted below.

Growing our store network, expanding our footprint

In 2025, we continued to make rapid progress with our store expansion programme. Having opened 13 new stores, we have a strong rollout plan for 2026 and beyond in the UAE, Saudi Arabia and Kuwait to further support network expansion and to tap into the compelling whitespace opportunity presented by these core GCC markets.

Expansion beyond the GCC

In 2025, we made significant progress in advancing our international expansion strategy with our planned entry into the Philippines. Together with our joint venture partner, the Ayala Group, we have established a strong pipeline of identified sites across key urban centres, positioning Spinneys to bring its premium fresh food retail experience to this fast-growing market. This milestone marks an exciting new chapter in our growth journey as we extend our footprint beyond the GCC, supported by a trusted local partner and a compelling long-term opportunity in one of Southeast Asia's most dynamic economies.

Upgrading customer experience via store refurbishment

A key part of our strategy is to continually evolve our food offering in line with international trends and to provide an outstanding in-store experience through sustained investment in our retail estate. In 2025, we completed several major refurbishments that exemplify our ongoing commitment to delivering a world-class customer experience.

Spinneys Umm Suqeim underwent a full refurbishment, introducing a Spinneys Kitchen, a full flower shop, a serviced cheese counter and expanded fresh food service departments to elevate the store's overall proposition. Spinneys DXB Terminal 1 also completed a full refurbishment, with an enhanced focus on meal solutions and the addition of a dedicated seating area aligned

with the store's prevailing customer mission of convenience and fresh food for now.

In addition, refurbishment works began at Waitrose Marina Mall and Spinneys Golden Mile on the Palm Jumeirah, both of which are scheduled for completion in 2026. These projects form part of our wider strategy to uphold excellence across every facet of the Spinneys customer journey.

Developing new formats – The Kitchen by Spinneys

The Kitchen by Spinneys is a standalone dine-in concept offering high-quality, healthy, ready-made food, with a mission of "food for now, food for later", based on internationally successful concepts. The Kitchen by Spinneys is poised to capture favourable customer trends towards eating away from home, the increasing importance of convenience and the growing focus on health and wellness.

Expanding e-commerce capabilities – Spinneys Swift

After successfully piloting this initiative in four key locations, we launched Spinneys Swift in the UAE, our new hyperlocal delivery service. The app empowers customers with scheduled and express delivery options, representing a material step forward in enhancing overall customer convenience. Spinneys Swift has been expanded to cover 98% of our target catchment area and is already contributing 32% of own-platform online sales, reinforcing our focus on meeting customer expectations with a 60-minute delivery promise.

Building for the future – production facilities

In 2025 we made progress on our new production facility in Dubai at Food Tech Valley, a UAE government led initiative to build a sustainable food ecosystem. Working with consultants, our plans are taking shape to build a state-of-the-art Spinneys food processing facility, planned to be operational by 2027. Investment in the facility will contribute to raising the UAE's domestic food production capacity, increasing the nation's food security and reducing reliance on imports.

A positive strategic outlook

As a leader in the regional premium grocery sector, our strategy remains agile and

responsive to evolving customer preferences across our markets. The Middle East continues to experience robust transformation, with rapid social and economic development reshaping consumer behaviour and retail dynamics. Within this environment of change, Spinneys remains focused on capturing emerging opportunities while navigating the challenges that accompany growth and innovation.

At a macroeconomic level, the outlook for our core GCC markets remains highly supportive. Both the UAE and Saudi Arabia are sustaining strong economic performance, underpinned by long-term diversification agendas and population growth. The UAE continues to attract investment and talent, reinforcing its position as a thriving consumer hub, while the KSA's ambitious reform programme and large-scale development projects provide a significant tailwind for modern retail expansion. These fundamentals, combined with increasing demand for quality food and lifestyle products, underpin the considerable growth potential in our segment of the market.

Spinneys continues to execute against clear strategic growth levers. In the GCC, our robust pipeline of new stores in the UAE, Saudi Arabia and Kuwait reflects ongoing execution of our expansion programme, supported by encouraging early performance from our recent openings. The roll out of The Kitchen by Spinneys continues to gain momentum, cementing the success of our differentiated grocerant concept and tapping into the growing demand for premium, convenient dining options. Our e-commerce capabilities have also been strengthened through the continued expansion of Spinneys Swift, our 60-minute delivery service, which enhances convenience and the overall customer experience.

Looking beyond the GCC, our entry into the Philippines, in partnership with the Ayala Group, marks the next phase of our growth journey, with a strong pipeline of identified sites and a clear plan to introduce Spinneys' premium fresh food offering to a dynamic new market. Together, these initiatives reinforce our confidence in sustained growth, built on a platform of operational excellence, innovation and disciplined execution across all markets.

CFO's financial review

In 2025, the Group marked its second year as a listed company and another year of strong execution, with the business becoming more resilient, automated and focussed across all core processes. Growth continues to be self-funded through robust cash generation, underpinned by prudent capital allocation.



Financial highlights

We executed on our growth strategy, with strong momentum on new store openings in the UAE and Saudi Arabia expanding the network to **90 locations**.

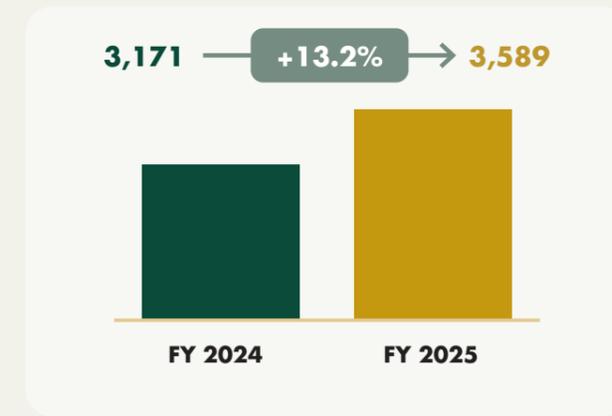
We performed well in 2025 across all functions, with record revenues of **AED 3,647 million**, an increase of **13.1%** from 2024.

Gross profit increased by **14.7% YoY** to reach **AED 1,531 million**. Adjusted EBITDA increased by **15.9% YoY** to **AED 731 million**, with an industry-leading EBITDA margin of **20%**. Profit before tax grew by **22.4%** to **AED 395 million**, with profit up **14.5%** to **AED 332 million** after absorbing the impact of the newly introduced 15% global minimum top up tax (pillar two rules).

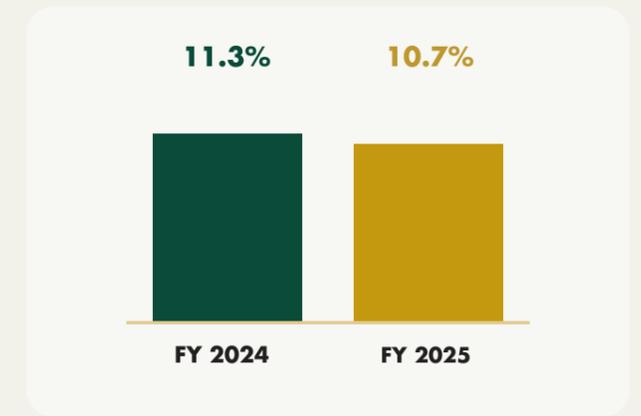
Free cash flow was **AED 463 million**, with free cash flow conversion of **93.6%**. At year end, cash and bank balances totalled **AED 776 million**.

During Q3, the Company paid an interim dividend to shareholders of **AED 119.5 million**, or 3.32 fils per share. Subject to shareholder approval, the Board recommended a full-year dividend that includes a dividend component, representing a 5% uplift in total cash distribution versus the prior year. Based on the year-end share price, this corresponds to an indicative dividend yield of approximately **4.58%**, reflecting the Group's confidence in the sustainability of its cash flows while retaining sufficient capacity for growth. This took the anticipated full year 2025 shareholder dividend to **AED 249.1 million**, or **6.92 fils per share**.

Retail revenue (AED m)



Like-for-like retail revenue growth



FY 24 – FY 25 retail revenue bridge (AED m)



Continued topline growth

In 2025 we achieved strong like-for-like growth delivered through our portfolio of mature stores. The strategic expansion and refurbishment of our store network footprint continued, with **13 new stores** opened during 2025 in the UAE and Saudi Arabia.

Profitable growth continued during the year. Overall retail revenue increased by **13.2%** YoY to reach **AED 3,589 million**, driven by

like-for-like sales growth from existing stores of **10.7%** and increase in online penetration from **14.1%** to **17%** in 2025. This was supported by the opening of our new locations, now totaling **90**. Retail revenue from **new stores** contributed **AED 128 million**.

Transactions grew by **13.1%** from **37.3 million** to **42.2 million**, reflecting growing customer demand on the back of supportive macroeconomic dynamics, with the average

basket size decreasing **2.1%** from **AED 87** to **AED 85** due to the success of new smaller store formats focused on convenience as well as food on the go, which yield smaller basket sizes with higher margins. Steady rental income, consisting of property subleasing revenue which is generated from leasing surplus retail space in specific locations to various tenants, such as pharmacies, fashion stores and others, contributed **1.6%** of total revenue.

“Based on the year-end share price, this corresponds to an indicative dividend yield of approximately 4.58%, reflecting the Group’s confidence in the sustainability of its cash flows while retaining sufficient capacity for growth.”

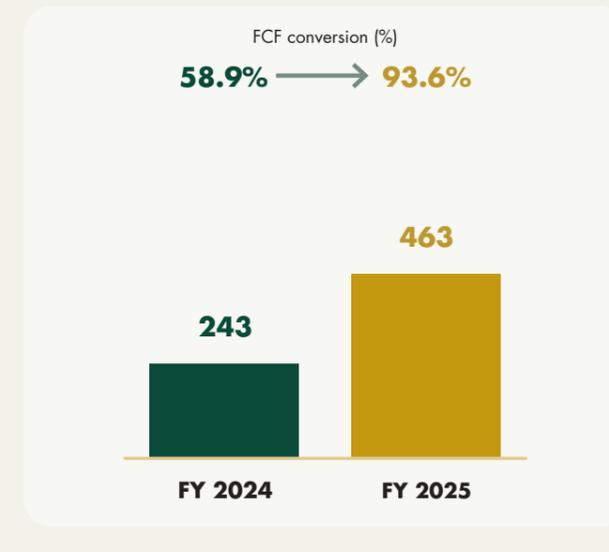
Gross profit (AED m)



Adjusted EBITDA (AED m)

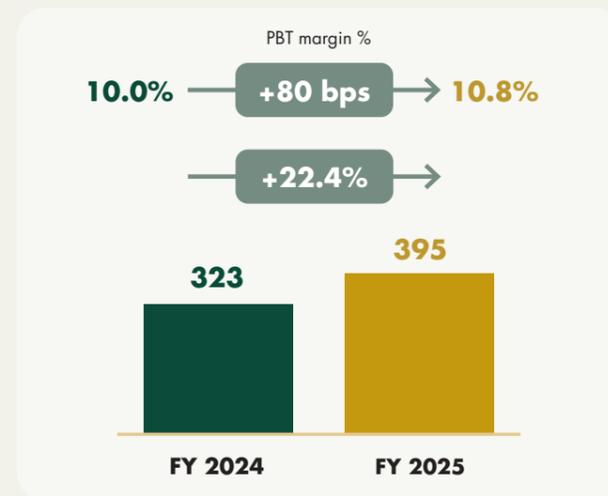


Free cash flow conversion (AED m)

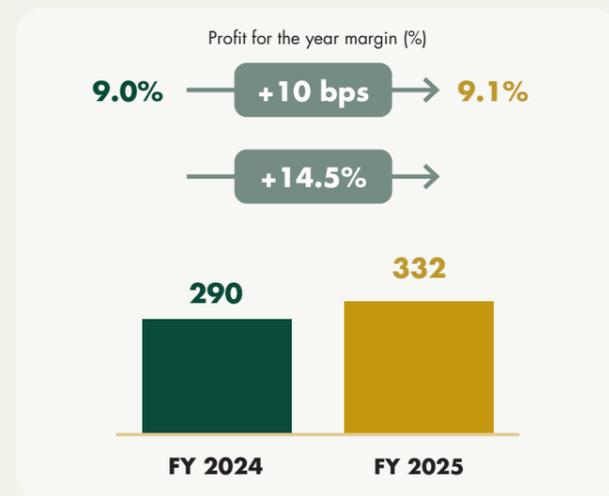


Cash Flow Statement [AED m]	FY 2024	FY 2025
Cash from Operating Activities before changes in working capital	651	706
Changes in working capital	(65)	88
Net Cash flow from Operating Activities	586	794
Net Cash flow used in Investing Activities	(574)	(291)
Net Cash used in Financing Activities	(306)	(453)
Cash and Cash Equivalents	60	109

Profit before tax (AED m)



Profit for the year (AED m)



Industry leading profitability

Gross profit increased by **14.7% YoY to AED 1,531 million**, with a stable gross profit margin of **42.0%**, achieved through efficient sourcing, tight vertically-integrated supply chain management utilising cost advantages connected to supplier proximity and Spinneys' highly successful private label strategy, emphasising sales of high-margin products. This growth was partly offset by higher wastage in new stores. The increase in gross profit was mainly driven by increases in private label participation from **43.3% to 45.4%** and in fresh participation from **63.3% to 64.2%**. Other contributing factors included: our customary disciplined approach to cost management and favourable supplier terms, optimising both front- and back-end margins.

Adjusted EBITDA totaled **AED 731 million**, up **15.9% YoY**, with an adjusted EBITDA margin of **20.0%**.

Profit before tax grew by **22.4% to AED 395 million**, representing a **10.8%** profit before tax margin, with full year profit after tax reaching **AED 332 million**, an increase of **14.5%**.

Strong cash flow and capital allocation

The Company's prudent investment approach and inherent negative working capital deliver robust cash flow generation. This provides a strong lever allowing us to self-fund our growth trajectory, while simultaneously supporting shareholder value creation. Spinneys' free cash flow conversion rate, which was **93.6%** in 2025, demonstrates our operational efficiency and enables consistent dividend

pay-outs while simultaneously funding the Company's expansion.

Capital expenditure during the year was **AED 124 million**, mainly relating to new stores and refurbishments. We employ a disciplined store expansion strategy. Historically, Capex has remained at approximately 3.5% of revenue but we continue to evaluate store expansion opportunities as they present themselves. Our maintenance Capex spend, which has typically been less than 1% of revenue from sale of goods, primarily relates to store refurbishment, undertaken every 5-7 years for a store unless otherwise required. We typically target approximately 4-6 store refurbishments per year, depending on the store or landlord requirements.

All major growth projects in 2025, including store expansion, backend infrastructure and SAP Fiori were funded from internal accruals. This self-funded approach preserves balance sheet strength while maintaining flexibility to pursue further opportunities in existing and new markets.

The Group is well prepared to fund its expansion in Kuwait and the Philippines, supported by strong cash generation and a conservative balance sheet.

People, retention and knowledge transfer

The finance function continues to be agile in order to protect critical capabilities while improving productivity. The Group has introduced long-term incentive schemes to reward senior leaders and to create a pipeline to ensure structured knowledge transfer to the next generation of leaders. This balanced approach enables the business to capture efficiency gains without compromising on control, insight or execution quality.

Governance and finance strategy

Governance remains robust, with clear segregation of duties, embedded risk management, regular internal and external reviews of key financial controls and insights from the board of directors. The finance team operates as an integrated business partner to all functions and is fully represented in strategic decision-making forums.

Operational efficiencies in new markets

As expected for a new geography, initial efficiencies in Saudi Arabia were not at the level achieved in the UAE, reflecting start-up costs, learning curves and the need to

localise operations. Over 2025, these operations have come under tighter control, with KPIs now aligned to Group benchmarks and productivity trending towards UAE levels.

The experience and learnings from Saudi Arabia are being systematised into playbooks that will be applied to Kuwait and the Philippines, providing confidence that early-stage inefficiencies can be managed and compressed as we enter additional markets. This approach strengthens the Group's ability to scale while protecting returns and margins.

Tax, pillar two and regulatory readiness

During 2025, the Group filed its first UAE corporate tax return and continued to refine internal processes to ensure full compliance with local tax regulations. The potential impact of OECD Pillar Two rules has been assessed and is incorporated into the Group's profit after tax planning and disclosure framework.

The finance function continues to monitor global tax developments and stands ready to adapt systems, processes and disclosures as required, ensuring that the Group remains compliant while optimising its effective tax position within applicable laws.

Our robust balance sheet

Spinneys is in a position of financial strength, with very low levels of gearing and a cash-positive operating model. Growth during 2025 was self-funded, with minimum debt on the balance sheet. Net debt including lease liabilities reduced by **AED 271 million from AED 530 million**

to **AED 259 million** during the year, strengthening our position for future investments.

The Company enjoys a healthy Net Debt/ Adjusted EBITDA ratio of 0.4x, with significant headroom to finance growth. More than 99% of the Company's gross debt relates to our lease liabilities.

Excluding our lease liabilities, the Company's debt is only **AED 6 million** which strongly reflects Spinneys' underlying financial health. Cash and bank balances at year end stood at **AED 776 million**, providing ample liquidity. Overall, our financial strength supports our sustained market leadership and our ability to invest in emerging retail concepts and other strategic opportunities and, at the same time, pay stable dividends to our shareholders.

Strengthening controls and automation

During the year, the Group embedded a comprehensive internal control framework across finance and operations, with external recommendations acted upon as a priority and fully incorporated into our governance processes. Added cost pressures, particularly from staff and IT costs, have been continually mitigated through targeted automation and process improvement in our backend infrastructure. These initiatives, together with investments in SAP Fiori and our existing SAP S/4HANA platform, are simplifying user journeys, improving data quality and supporting faster decision-making at scale.

Mukesh Agarwal
Chief Financial Officer

Powered by people

Recognising the dedication and commitment of our colleagues across stores, factories and warehouse



My Spinneys story

Leila Abbas Balooshi
Cashier

Leila Abbas, a dedicated cashier at Spinneys Uptown Mirdif, confesses she was initially shy and worried about language barriers since she only spoke Arabic, but her journey has been one of incredible growth. Today, Leila is a confident multilingual communicator, speaking English, Hindi and Tagalog to serve her diverse community. This transformation has replaced her early fears with a deep sense of self-assurance; she now thrives on customer interaction, noting that regulars often ask for her if she is away.

For Leila, the atmosphere at Spinneys is "wonderful", where the staff work "hand-in-hand" like family. She now pays this support forward by mentoring new female Emirati staff, teaching them the art of elegant customer service. Driven by a genuine love for her team, Leila describes her professional life as perfect.

Spinneys' stars

Employees of the month

Our store colleagues keep this massive ship afloat. Patient, dedicated and ever-ready to deal with any situation with a smile, they ensure our customers receive top-notch service every day.

Habits heroes

We've identified six core habits that enhance our organisational habits, foster collaboration and support our values and mission. Every month we salute our colleagues who actively practise the habits at work – 'We consider

our customers in everything we do', 'We never give up' and 'We look out for one another' – to those who live by the habit 'Our health and well-being come first' during their time off and on-the-job. A couple of other important habits we consider every day are

whether 'Our actions are good for the environment' and how we can 'We work together to achieve our goals'.

Night shift heroes

There's plenty of activity happening across

all our stores and warehouses even when most of the UAE is fast asleep. Our dedicated team members ensure shelves are stocked, deli items are prepped and ready for the morning shift and shop floors are perfect before each day begins.

Environmental, social and governance



- 40 Board of directors – profiles
- 44 Executive management – profiles
- 46 Subsidiaries senior management – profiles
- 48 Statement from the Chair
- 49 Corporate governance framework
- 53 Board of directors
- 61 Board committees
- 68 Internal control and audit
- 70 Delegation of authority
- 72 Related party transactions
- 73 Sustainability, community engagement, innovations and key events
- 76 Employee wellness and emiratization
- 78 Share information
- 80 Organisation structure and executive management
- 81 Investor Relations Officer and Company Secretary
- 82 Signatures
- 83 Appendices
- 98 Sustainability summary



My Spinneys story

Basnet Lok Bandhu
Store Manager

Basnet Lok Bandhu joined Spinneys in 1999, arriving in Dubai on the 4th of March after applying for a job advertised through an agency. He began his career at the check-out, before moving into groceries.

His fondest professional memory involves his first store manager, who took him under his wing from his first day on the job. This relationship came full circle years later when Basnet replaced his mentor as the new store manager upon the latter's retirement. Basnet is grateful to Spinneys for many things, but admits that his career in the company has allowed him to give his wife and two children a better life. Professionally, he remains passionate and committed, feeling that he is still learning every day. He finds excitement in the fact that, despite the daily routine, each interaction with his team and customers makes every day different.

Governance

Board of directors



Mr. Ali Saeed Juma Al Bwardy

Non-executive Director, Chair

Mr. Ali Al Bwardy serves as the Chair of the Board, a position he has held since its inception. His extensive leadership portfolio includes chairmanships and board memberships across more than 30 international affiliated companies, under his direct or indirect ownership. Notably, Mr. Ali Al Bwardy holds distinguished positions as a director on the boards of the Dubai Chambers and the Dubai Chamber of Commerce, roles he assumed in 2025. He has been the Chair of Al Bwardy Investment LLC since 1985, Al Seer Group LLC since 2000, and Al Bwardy Marine Engineering LLC since 1978. Mr. Al Bwardy began his career in the Dubai Police, serving from 1975 to 1976, and subsequently took on the role of Chair at Dubai Shipbuilding. He later founded Al Bwardy Transport, which he sold in 1980.

Mr. Ali Al Bwardy is a graduate of the Police Academy in Jordan, graduating in 1975, and he furthered his education by completing a Maritime Course at the University of Colorado in 1976. His diverse experience and educational background have contributed significantly to his leadership and strategic vision across various industries.



Mr. Tariq Ali Saeed Juma Al Bwardy

Non-executive Director, Vice Chair

Mr. Tariq Al Bwardy serves as a Director of the Company, a position he has held since 27 March 2024. In addition to his directorial role, Mr. Tariq Al Bwardy is an active board member of over 10 companies. His significant board appointments include Al Bwardy Investment LLC and Al Seer Group LLC, roles he has held since 2017. Furthermore, he serves as the Policy and Planning Manager for FitFresh LLC, a position he has occupied since 2022.

Mr. Tariq Al Bwardy earned a Bachelor of Science in Business Management from the University of Plymouth in 2010. His academic background, coupled with his leadership experience, enhances his ability to contribute strategically across various sectors.



Mr. Rashed Ali Saeed Juma Al Bwardy

Non-executive Director

Mr. Rashed Al Bwardy serves as a Director of the Company, a position he has held since 27 March 2024. His directorship includes serving on the boards of over eight companies. Notable among these are Al Bwardy Investment LLC and Al Seer Group LLC, where he has been a board member since 2017, and Alumetal LLC, a position he has held since 2018. In addition to his board roles, Mr. Al Bwardy is the Business Services Manager at the Dubai Polo & Equestrian Club, a position he has held since 2022.

Mr. Rashed Al Bwardy holds a Bachelor of Science in Business Management from Staffordshire University, awarded in 2015. His educational background and board experience equip him with a robust foundation for contributing to strategic decision-making and business leadership across various sectors.



Ms. Mazoon Ali Saeed Juma Al Bwardy

Non-executive Director

Ms. Mazoon Al Bwardy has served as a Director of the Company since 27 March 2024. She is the innovative founder and Chief Executive Officer of Binardie's F&B, a company she established in 2023. Her leadership extends to board roles at ASB Investment LLC, since 2017, and HMD Investment LLC, since 2015. Ms. Al Bwardy began her career as the Creative Director at Fit Fresh LLC from 2018 to 2019 and then advanced to become the Creative Director – Head of Special Projects at Ember Lifestyle Manager, a role she held from 2019 to 2021.

Academically, Ms. Mazoon Al Bwardy holds a Bachelor of Science in Business Management and Marketing, awarded by the University of Phoenix in 2008. Beyond her corporate achievements, she contributes to the community as the Vice President of the Charitable Aid Association in Dubai, a position she has held since September 2023, where she also serves on the board. Her diverse experience in entrepreneurship, creative leadership and philanthropy underscores her dynamic role in both the business and social sectors.



Mr. Saeed Mansoor Al Awar

Non-executive Director

Mr. Saeed Mansoor Al Awar has been serving as a Director of the Company since 27 March 2024. He is a partner and the Head of the Middle East at Rothschild & Co, roles he has held since 2023 and 2019, respectively. Mr. Al Awar also serves on the board of Dubai International Chamber, a role he assumed in 2025. He serves on the board of Xcube, a position he has maintained since 2022. His professional career began as a lawyer at Linklaters LLC, where he worked from 2008 to 2014.

Mr. Al Awar holds a Bachelor of Law degree from Queen Mary, University of London, awarded in 2006, and a Legal Practice Diploma from the College of Law, received in 2008. His background in law and finance, along with his leadership roles, provides a comprehensive foundation for his strategic contributions across various sectors.



Ms. Huda Al Lawati

Independent, Non-executive Director

Ms. Huda Al Lawati has been serving as a Director of the Company since 27 March 2024. She is the founder and Chief Executive Officer of Aliph Capital, an investment company she established in 2021. Her board memberships include Magrabi Group Investments LLC, where she has served since February 2023, Abu Qir Fertilizers and Sanipex Group, roles she has held since March and November 2024 respectively.

Prior to her current entrepreneurial and board roles, Ms. Al Lawati was a partner at Gateway Partners Group from 2019 to 2021. She also served as the Chief Investment Officer for Savola Group from 2016 to 2019 and was a partner and Chief Investment Officer for MENA at Abraaj Group from 2004 to 2016. Her career began at Schlumberger in 2002.

Ms. Al Lawati holds a Bachelor of Science degree in Neuroscience and a Bachelor of Arts degree in Business Economics from Brown University, both awarded in 2001. She also holds an HBS Executive Education certificate in "Audit Committees in a New Era of Governance". She was an active member of the Young Presidents Organisation since 2019 and joined Tumouh in January 2024. Her diverse expertise in investment and leadership, coupled with her extensive educational background, enables her to make significant strategic contributions across various industries.

Governance

Board of directors



Mr. Dominique Lecossois

Independent, Non-executive Director

Mr. Dominique Lecossois has been serving as a Director of the Company since 27 March 2024. He holds a prominent academic role as an adjunct professor and distinguished executive fellow at INSEAD, Paris, a position he has held since 2015. Additionally, he serves on the boards of Little Farms in Singapore, since 2021, and the Everyday Group in Nigeria, since 2022.

Mr. Lecossois has an extensive background in international business, having served as Vice President of Carrefour in Asia from 1987 to 1998. He was also the Senior Executive Vice President and a board member at Tesco in Taiwan and Korea from 1998 to 2003. Following that, he was the Chief Executive Officer and a board member of Groupe Casino from 2004 to 2011. From 2011 to 2014, he was a board strategic advisor and senior consultant at EmCap Partners.

He holds a Master Degree of International Relations, Chinese and Asian Studies from the Sorbonne University, awarded in 1979. Mr. Lecossois' experience in global retail and executive leadership, coupled with his academic achievements, provides a solid foundation for his strategic oversight and contributions in various sectors.



Mr. Subramanian Suryanarayan

Independent, Non-executive Director

Mr. Subramanian Suryanarayan serves as a Director of the Company, a role he has held since 27 March 2024. Mr. Subramanian Suryanarayan is the independent chair of the audit committee for Americana Restaurants International PLC, a role he has held since 2022, the independent chair of the audit committee for Kuwait Food Company (Americana) KSCC, a role he has held since 2017, a member of the audit committee of Dubai Holdings LLC, a role he has held since March 2024, independent board member and a member of the risk committee and the strategy & investment committee of Odea Bank A.S., roles he has held since April 2025. Mr. Subramanian Suryanarayan previously worked as group chief financial officer for Emirates NBD, a role he held from 2010 to 2019, senior technical advisor for the Ministry of Finance, Singapore, from 2009 to 2010, and as the chief operating officer, international wealth management, for Royal Bank of Canada, Singapore, roles he held from 2007 to 2008.

Mr. Subramanian Suryanarayan was awarded a Bachelor of Commerce from St. Xavier's College, India, in 1982 and is a chartered accountant admitted as a member of the Institute of Chartered Accountants of India in 1985. Mr. Subramanian Suryanarayan is a senior accredited director with the Singapore Institute of Directors. His comprehensive experience in finance, auditing, and governance, paired with his educational background, makes him an asset to the Board.



Mr. Sunil Kumar

Executive Director, Chief Executive Officer

Mr. Sunil Kumar serves as both a Director and the Chief Executive Officer of the Company, roles he has held since its incorporation. He is an integral part of the Group's leadership, serving on the boards of affiliated and subsidiary companies. Notably, he serves as a director of Spinneys IP Limited since 2022, Centurio Holdings Ltd since 2020, and Spinneys Sourcing PTY Ltd since 2022. Furthermore, he plays roles in related parties of the group, including Spinneys Abu Dhabi LLC as Chairman of the Board of Supervision since 2020.

For further information on Mr. Kumar, please refer to the Executive Management Section.

“A culture is the DNA of an organisation, it is the only thing a company has that cannot be copied or stolen by anyone”

Mr. Sunil Kumar
Chief Executive Officer

Governance

Executive management



Mr. Sunil Kumar
Chief Executive Officer

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His journey with the group began in 1994, starting as a Store Management Trainee. His career progression within the group included roles as Chief Operations Officer of Spinneys Dubai LLC from 2014 to 2019 and then as Chief Executive Officer of the same company from 2019 onwards.

Mr. Kumar holds a Master of Business Administration in International Retailing from the International University, Missouri, awarded in 2004. He further enhanced his leadership skills by completing the Advanced Management Programme at INSEAD, Paris in 2017. His experience and education in retail management underscores his effectiveness in steering the Company's strategic direction and operational success.



Mr. Paresh Buch
Deputy Chief Executive Officer

Mr. Paresh Buch has been a pivotal figure in the Company's leadership as the Deputy Chief Executive Officer since its inception. His experience and expertise have significantly contributed to the Company's growth and strategic direction.

Mr. Buch also serves on the boards of supervision of Spinneys Abu Dhabi LLC and the board of managers of Al Ma'kulat Al Fakirah for Food Products LLC, positions he has held since 2022.

Prior to this, Mr. Buch was the Group Finance Manager for Spinneys Dubai LLC from 1996 to 2019.

Mr. Buch's career commenced at Castrol India Limited, where he served from 1984 to 1996 in roles of accounting, internal audit and tax.

He holds a Bachelor's degree of Commerce and is a qualified Chartered Accountant.



Mr. Mukesh Agarwal
Chief Financial Officer

Mr. Mukesh Agarwal serves as the Chief Financial Officer for the Company, a role he has held since the Company's inception.

In addition to his current role, Mr. Agarwal is the CFO of Spinneys Dubai LLC, a position he assumed in September 2023. Mr. Agarwal also serves as a director of the Company's various subsidiaries, among them Centurio Holdings Ltd, and Spinneys Sourcing PTY Ltd, a position he has maintained since 2024. He also serves in the board of managers of Al Ma'kulat Al Fakirah for Food Products LLC, a position he has held since 2025.

Prior to joining Spinneys Dubai LLC, Mr. Agarwal was a partner at Ernst & Young (EY) in Dubai, a role he held from 2014 to 2023. During his tenure at EY, he was pivotal in advising and guiding high-profile clients through complex financial landscapes, enhancing their financial stability and strategic operations. His journey at EY began in 2004, where he held various key positions until 2014, further cementing his reputation as a leader in financial consultancy. Mr. Agarwal's career began at Sahni Natarajan & Bahl and Deloitte in India, where he worked in multiple roles from 2000 to 2004.

Mr. Agarwal earned a Bachelor Degree of Commerce from Delhi University in 2000. He is a qualified Chartered Accountant, having been admitted to the Institute of Chartered Accountants of India in 2003.



Governance

Subsidiaries senior management



Ms. Elmira Pelovello

General Manager Operations

Ms. Pelovello is the General Manager for Operations at Spinneys Dubai LLC and other key subsidiaries of the Company, a role she has held since 2016. Her tenure with Spinneys is marked by her strategic oversight and operational excellence, contributing significantly to the organisation's streamlined processes and customer satisfaction.

Prior to her current role, Ms. Pelovello was the Regional Manager for the Group's Waitrose stores from 2009 to 2016. Her earlier experience as a Store Manager for Spinneys Dubai LLC from 2004 to 2008 provided her with a solid foundation in retail management and customer service.

Academically, Ms. Pelovello was awarded a Bachelor of Science in Business Management from St. Joseph's College of Quezon City in 2013. Her academic background, combined with her experience in operations management, has equipped her with the knowledge and strategic vision necessary to lead and innovate within her field.



Mr. Louis Botha

General Manager International Business & Supply Chain

Mr. Botha is the General Manager for Supply Chain at Spinneys Dubai LLC and other key subsidiaries of the Company, a position he has held since 2021. Prior to his current role, Mr. Botha was the Supply Chain Manager for Spinneys Dubai LLC from 2019 to 2021. His tenure in this role was marked by significant improvements in supply chain efficiency and cost reduction. Before becoming a supply chain manager, he held various positions at Spinneys Dubai LLC from 2008 to 2019, where he gained experience and deep insights into the intricacies of supply chain processes. Mr. Botha's career began at Schlumberger, where he held roles, including the pivotal position of Global Material Planning Business Process Manager from 2013 to 2015.

Academically, Mr. Botha holds a Bachelor's Degree of Engineering in Industrial Electronic Engineering from Stellenbosch University, awarded in 2002. To further hone his leadership capabilities, he attended the Leadership Skills, Management Acceleration Programme at INSEAD in 2011. This advanced training has equipped him with the strategic thinking and leadership skills necessary to drive innovation and efficiency in supply chain management.



Mr. Tom Harvey

General Manager Commercial

Mr. Harvey serves as the General Manager for Commercial at Spinneys Dubai LLC and other key subsidiaries of the Company, a role he has held since 2020. In this capacity, he oversees the commercial strategy and development, ensuring competitive pricing, product excellence and market responsiveness that align with the Company's strategic objectives. Prior to his current role, Mr. Harvey was the Commercial Manager at Spinneys Dubai LLC from 2017 to 2020.

Prior to joining Spinneys, Mr. Harvey was at Marks & Spencer PLC, where he held various buyer roles from 2011 to 2017. Before Marks & Spencer, he was a buyer at J Sainsbury PLC from 2005 to 2011 and at Somerfield PLC, where he focused on fish, chicken, and red meat from 2002 to 2005.

Mr. Harvey earned a Bachelor's Degree in Hotel and Catering Management from Sheffield Hallam University in 2001. His educational background, combined with his experience in buying and commercial management, has equipped him with the skills necessary to excel in strategic planning and commercial operations.



Mr. Warwick Gird

General Manager Marketing & E-commerce

Mr. Gird serves as the General Manager for Marketing at Spinneys Dubai LLC and other key subsidiaries of the Company, a role he has held since 2021. His leadership in this capacity has significantly contributed to the Company's brand development and customer engagement strategies, leading to increased market share and brand loyalty. Before assuming his current role, Mr. Gird was the Marketing Manager for Spinneys Dubai LLC from 2019 to 2021.

Mr. Gird has worked at Kraft Heinz, where he held various roles, including Senior Brand Manager from 2016 to 2019. His experience at Kraft Heinz honed his skills in brand management and product positioning, which are crucial in today's competitive market landscape. Prior to that, he worked at 34 Degrees from 2012 to 2016 and Ogilvy & Mather from 2011 to 2012.

Academically, Mr. Gird was awarded a Bachelor's Degree in Environmental Science from the University of Cape Town in 2010, followed by a Post-Graduate Diploma in Marketing in 2011. His pursuit of continuous learning led him to attend a programme in Digital Marketing Analytics at the Massachusetts Institute of Technology (MIT) in 2022, equipping him with innovative insights into digital marketing trends and data-driven strategies.



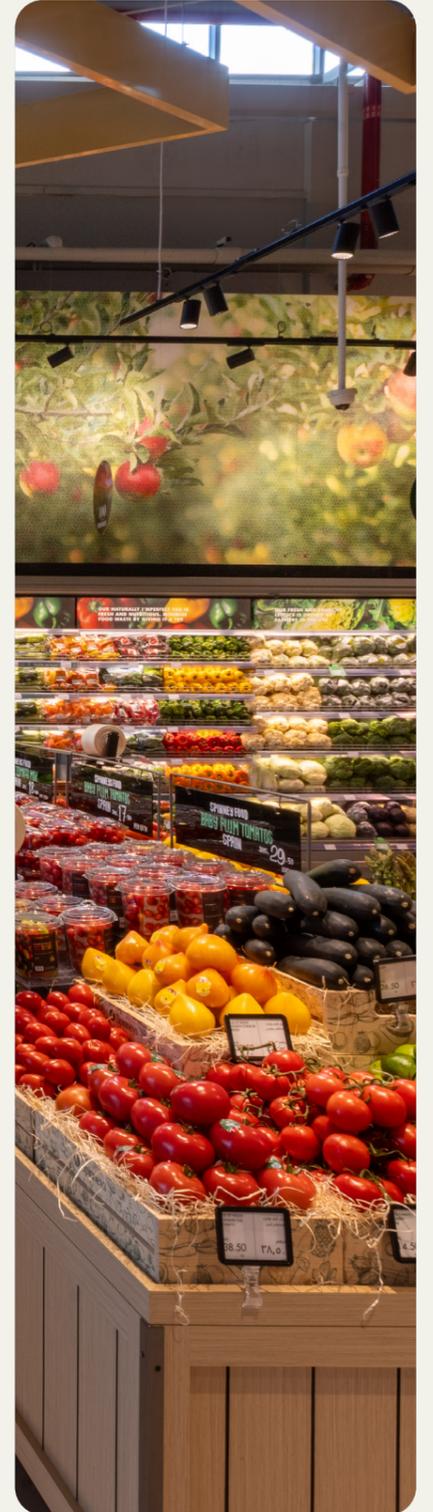
Mr. Michael Green

General Manager Human Resources

Mr. Green has been the General Manager for Human Resources at Spinneys Dubai LLC and other key subsidiaries of the Company since September 2023. His strategic oversight in this capacity focuses on talent acquisition, employee engagement and the implementation of innovative HR practices aligned with organisational goals.

Before his current roles, Mr. Green was the Human Resources Manager at Fall Creek Farm and Nursery from 2019 to 2023. In this position, he developed HR strategies that supported business growth and enhanced employee performance. Prior to this, he managed human resources for Technical Systems from 2011 to 2018. His career in HR began as a Senior Human Resources Consultant at Danshaw Consulting from 2005 to 2010.

Academically, Mr. Green holds a Bachelor's Degree in Human Resources Management from Stellenbosch University, awarded in 2003. He further advanced his expertise with a Post-Graduate Degree in Industrial Sociology and Human Resources Management from the same institution in 2005. His commitment to professionalism in HR is demonstrated by his admission as a Chartered Human Resources Professional to the South African Board of Professional Practitioners in 2013.



Governance

Statement from the Chair

“It is with great pride and responsibility that I present the Corporate Governance Report for Spinneys for the year 2025. This year marks another important step in our journey of strengthening the foundations of integrity, transparency and accountability that underpin our long-standing success.

Throughout 2025, Spinneys has continued to demonstrate disciplined governance and strategic foresight amid an evolving business and regulatory landscape. Our steadfast adherence to the highest standards of Corporate Governance remains central to sustaining the confidence of our shareholders and stakeholders, and to ensuring long-term value creation.

The board of directors has remained deeply engaged in steering Spinneys’ strategic direction, overseeing performance and safeguarding the interests of all stakeholders. Through active oversight, open dialogue and sound judgment, the board has ensured that our decisions are guided by prudence, ethics and sustainable growth objectives.

This year, we have further enhanced our governance framework to align with the evolving regulatory requirements and global best practices. Our focus on board diversity, independence and effectiveness continues to strengthen our decision-making processes. We have also advanced our risk management and internal control systems to ensure resilience and operational excellence across the Group.

Looking ahead, our commitment to exemplary governance remains unwavering. We will continue to refine our policies, empower our management teams and embed a culture of integrity and accountability throughout the organisation. These principles remain vital to sustaining our growth trajectory and reinforcing our position as one of the region’s leading retail companies.

On behalf of the board of directors, I extend my sincere appreciation to our shareholders, partners and employees for their continued trust and dedication. Together, we will continue to build on Spinneys’ legacy of excellence, innovation and responsible growth.”

Ali Al Bwardy

Chair of the Board

Corporate governance framework

Introduction

At Spinneys, Corporate Governance lies at the heart of our commitment to integrity, accountability and sustainable growth. Our governance framework guides how we conduct business, ensuring that every decision is made transparently, responsibly and in the best interest of our stakeholders.

We continuously strengthen our governance practices to align with evolving regulations and international standards. Through effective oversight, sound risk management and a culture of ethical leadership, we uphold the trust and confidence that define Spinneys’ reputation for excellence.

Company timeline and applicable governance regulations



Spinneys 1961 Holding PLC (the “Company” or “Spinneys”) was incorporated on 21 November 2023, within the Dubai International Financial Centre (“DIFC”) as a free zone private company. Subsequently on 29 March 2024, the Company was converted into a public company under the Companies Law, DIFC Law No. 5 of 2018 (“Companies Law”).

The Company is listed on Dubai Financial Market (“DFM”) in the United Arab Emirates since 9 May 2024. While domiciled in the DIFC, both the Company and its board of directors (“board”) has opted to comply with, and intend to maintain compliance with the Capital Market Authority’s (“CMA”) Corporate Governance requirements applicable to joint stock companies as set out in Chairman of Authority’s Board of Directors’ Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide (as amended) (the “CMA Governance Rules”).

The Company’s commitment to abide with CMA Governance Rules is enshrined within its Articles of Association (“Articles”). The CMA Governance Rules are applicable in their entirety to the Company. In the event of a conflict between the provisions of the CMA Governance Rules and the Articles, the CMA Governance Rules shall take precedence, unless overridden by mandatory provisions within the Companies Law.

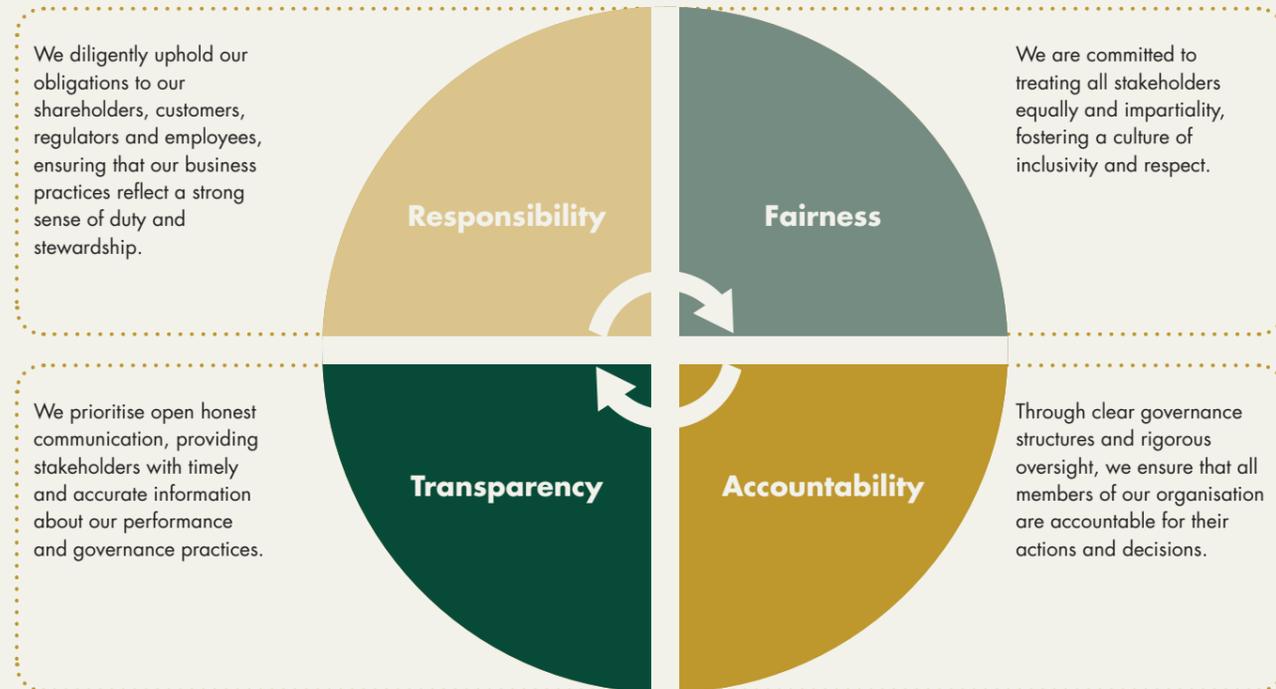
On 8 October 2024, in recognition of its DIFC domicile, the Dubai Financial Services Authority designated the Company as a Non-Reporting Entity. Consequently, the Company is exempt from the obligations imposed on Reporting Entities under Part 4 of the Markets Law 2023 and associated rules.

The Company’s Corporate Governance Framework has been meticulously crafted to be aligned with both the CMA Governance Rules and the Companies Law, as far as they are applicable, ensuring robust governance and compliance.

Governance

Corporate governance framework (continued)

Spinneys corporate governance principles



Corporate governance overview

Key components of Spinneys' Corporate Governance framework include:

Articles of association

In conjunction with the Company's transition from a private entity to a public entity, the Articles were formally adopted pursuant to a Special Resolution passed on 27 March 2024. The Articles serve as the legal and organisational foundation of the Company, functioning as its primary constitutional document. The Articles outline the governance structure and establish the procedural guidelines that govern the administration of the Company.

The Articles clearly define the rights, obligations and duties of both directors and shareholders, in addition to setting forth the protocols for the Company's management and decision-making processes. Integral to the Articles is the Company's commitment to adhering to CMA Governance Rules, which shall take precedence, except those overridden by mandatory provisions of the Companies Law.

Corporate Governance Manual and related charters

At the first Board meeting of 2024, the Board duly resolved to approve the Corporate Governance Manual and the accompanying governance-related charters, as further delineated below, in their substantial near-final form. The Board further resolved to mandate the Chief Executive Officer ("CEO") to execute all requisite actions to finalise and formally approve these documents in their definitive form. The CEO's final approval was duly granted on 1 May 2024.

Corporate Governance Manual

The Corporate Governance Manual serves as a comprehensive guide outlining the roles and responsibilities of the Board and management, ensuring compliance with legal and regulatory requirements, and emphasizing transparent stakeholder engagement and sustainability efforts, all of which collectively foster stakeholder trust and align the Company's operations with its strategic objectives for sustainable growth.

Audit and Risk Committee Charter

The Audit & Risk Committee (ARC) Charter delineates the ARC composition and outlines its responsibility in overseeing the integrity of the Company's financial reporting processes and internal controls. The Charter specifies the ARC duties, including endorsing financial statements, evaluation of internal and external audit functions and assessment of risk management strategies. It also stipulates the frequency and conduct of ARC meetings to ensure effective oversight and compliance with legal and regulatory standards, thereby safeguarding shareholders' interests and promoting sound corporate governance.

Nomination and Remuneration Committee Charter

The Nomination and Remuneration Committee (NRC) Charter delineates the NRC composition and outlines its responsibility in overseeing the nomination process for the board and key executives, as well as establishing fair and competitive remuneration policies. The Charter specifies the NRC duties, including evaluating the board's performance, succession planning and setting compensation structures. It also details the frequency and conduct of NRC meetings, ensuring that they are aligned with the Company's strategic objectives and governance standards, thereby enhancing the board's effectiveness and accountability to shareholders.

Internal Audit Charter

The Internal Audit Charter outlines the purpose, authority and responsibility of the internal audit function, emphasising its role in providing independent and objective assurance on the effectiveness of the Company's governance, risk management and internal control processes. It defines the internal audit's composition, reporting structure and access to necessary resources and information. The Charter includes responsibilities such as evaluating risk management strategies, assessing internal controls and ensuring compliance with policies and regulations. It also specifies the reporting lines to the ARC to maintain transparency and accountability, thereby supporting the Company's commitment to integrity and operational excellence.

Key policies

Highlighted below are key board level policies falling under the Company's Corporate Governance Framework:

Share Dealing Policy

The Share Dealing Policy, as extracted from the Corporate Governance Manual, was approved by the CEO on 9 May 2024 whereafter it was revised and amended on 12 December 2024. The Share Dealing Policy outlines the guidelines and restrictions on trading the Company's securities to prevent insider trading and ensure compliance with legal and regulatory obligations. It mandates that directors, officers and employees with access to confidential information adhere to blackout periods and obtain pre-clearance for trades, thereby promoting transparency, fairness and the integrity of the financial markets while protecting the Company's reputation and stakeholder interests.

Dividends Policy

The Company's Dividends Distribution Policy outlines the procedures for distributing dividends, balancing the interests of both the Company and its shareholders in compliance with applicable laws and the Articles. The policy aims to ensure maintaining a consistent high level of dividend pay-out ratio as percentage of profits after tax and to pay dividends on a semi-annual basis. The board considers factors such as annual profits, cash flow needs, business requirements, investment opportunities and market conditions when recommending dividend amounts.

Board Diversity and Nomination Policy

The Board Diversity and Nomination Policy ensures that the Company maintains a balanced, diverse and highly qualified board aligned with CMA Governance Rules. It promotes diversity in skills, experience, gender, nationality and independence and sets clear Fit & Proper criteria for nominations. The policy establishes transparent procedures for candidate selection and election, and assigns the NRC responsibility for overseeing board composition, evaluating candidates, verifying independence and ensuring effective induction and ongoing development.

Remuneration Policy

The Remuneration Policy provides a structured, transparent and governance-aligned framework for determining the remuneration of the board, committees, executive management and employees. It ensures that compensation is fair, competitive, performance-linked and aligned with the Company's strategic objectives and long-term shareholder value, while adhering to CMA Governance Rules. The Policy sets clear parameters for directors' and committee members' remuneration and establishes balanced fixed and variable components for executive management in line with approved incentive schemes. Employee remuneration follows defined principles covering salary structures, allowances, bonuses and benefits.

Governance

Corporate governance framework (continued)

Enterprise Risk Management Manual

The Enterprise Risk Management (ERM) framework at Spinneys is crafted to seamlessly integrate with our business processes, ensuring that risk management is a fundamental component of our operations. This manual acts as a comprehensive guide to understanding, managing and mitigating the risks our group encounters. By drawing on the COSO ERM principles, our framework provides a structured approach to risk management across the organisation, supporting informed decision-making and enhancing our resilience against potential challenges.

Spinneys ERM framework is anchored in the 'Three Lines of Defence' model. Operational management serves as the first line, integrating risk management into everyday activities and ensuring proactive risk identification and management. The second line comprises risk management and compliance functions, which provide vital guidance, develop policies and work in conjunction with the ERM and Audit & Risk Committees to uphold regulatory standards. The third line, internal audit, offers independent assurance on the effectiveness of the internal controls and risk management process's efficacy, aligning activities with Spinneys' strategic goals and maintaining ethical standards through thorough evaluations and regular Board-level reports.

The three lines of defence:



Delegation of Authority

The Delegation of Authority at Spinneys delineates the authority limits for various senior positions within the Company, enabling them to approve both financial and non-financial transactions, along with other critical activities. This document serves as a guide for the authorisation and empowerment processes at appropriate levels, ensuring that decisions with financial implications or those impacting the Company's interests are made efficiently and responsibly.

Code of Conduct

Spinneys Code of Conduct is a cornerstone of our governance framework, setting forth the ethical standards and behavioural expectations for all Company employees, directors, and officers. It promotes integrity, accountability, and a culture of compliance, encompassing Spinneys' core values of honesty, integrity, respect, commitment, hard work, excellence, responsible actions, and transparency. The Code of Conduct guides decision-making and daily operations, ensuring alignment with the Company's values and legal obligations. By fostering a trustworthy and responsible corporate environment, it safeguards the interests of all stakeholders and upholds our commitment to ethical governance.

Other policies comprising Spinneys corporate governance framework are Fraud Control, Compliance Reporting & Monitoring, Whistle Blower, Investigation, Anti-money Laundering and Personal Data Privacy Protection.

Spinneys is dedicated to enhancing the governance framework. We are committed within 2026 to developing and implementing an additional range of corporate policies that will fortify our governance practices.

Board of directors

The board of directors provides strategic oversight and leadership to Spinneys, in full alignment with the Articles, CMA Governance Rules and Companies Law.

Board composition

The current board was appointed on 27 March 2024 by a Special Resolution of the then Sole Shareholder. This appointment followed the Company's transformation into a public company and is set for a three-year term commencing from the date of the Company's listing on Dubai Financial Market being 9 May 2024.

The board is composed of nine directors, including three independent directors, eight non-executive directors and one executive director, reflecting a commitment to diversity and governance best practices.

The board includes a non-executive majority, with two female directors, in compliance with CMA Governance Rules.

Conformity of the Spinneys Board with CMA Governance Rules

- ✓ Chair and majority directors are Emiratis
- ✓ One third independent directors
- ✓ Majority non-executive directors
- ✓ At least one female director

Diversity at board level

Gender diversity

The board is dedicated to fostering gender diversity as a key component of its governance strategy. As of 31 December 2025, women held 22% of the seats on the Board. The Board continues to prioritise gender diversity in its future appointments and succession planning to further strengthen its commitment to equitable representation.

Skills diversity

The Directors collectively possess a comprehensive and well-rounded mix of skills, knowledge, competencies and expertise, ensuring robust governance and strategic oversight. Their diverse backgrounds span a variety of relevant industry sectors, including retail, food, finance, legal, business and technology. This diversity equips the Board with a deep understanding of the multifaceted challenges and opportunities within these industries, enabling them to guide the Company effectively.

Age balance

The composition of the board reflects a balanced age diversity, with members in their 30s, 40s, 50s and 60s. This age mix ensures a dynamic blend of perspectives and experiences. The diversity in age brings together the innovative drive and fresh perspectives of the younger members with the wisdom and seasoned insights of the more experienced directors, creating a robust platform for strategic planning, risk management and sustainable growth.

Governance

Board of directors (continued)

Board responsibilities

The board of directors is entrusted with overarching responsibility for the strategy, supervision and governance of the Company, ensuring that the Company’s mission and strategy harmonise with its vision. The board’s key responsibilities include:

- Strategic and supervisory role: aligning the Company’s mission and strategy with its vision and overseeing the comprehensive strategy, management and financial matters of the Company.
- Governance and compliance: reviewing findings and recommendations from the ARC and the NRC and ensuring ongoing compliance with all applicable Corporate Governance regulations.
- Shareholder relations and communication: organising shareholder meetings, ensuring effective communication with shareholders and proposing the issuance of new shares and any necessary restructuring of the Company and its group.
- Leadership and management: appointing senior executive management and proposing dividend payments for approval by the shareholders.
- Internal controls and risk management: developing, defining, adopting and implementing an effective internal control and risk management framework.
- Performance and strategic direction: receiving timely and formal updates on the Company’s performance, covering financial, operational, market and competitor assessments to steer the Company’s strategic direction.

The board holds the ultimate authority on all matters, except those specifically reserved for the General Assembly by Companies Law, the Articles, or CMA Governance Rules. To ensure effective governance, the Board is mandated to conduct meetings at least four times annually. Additionally, the board may delegate day-to-day management responsibilities to the senior management of the Company, facilitating focused strategic oversight and decision-making.

Current board formation

Name	Year of birth	Nationality	Capacity	Date of appointment
Ali Saeed Juma Al Bwardy	1955	Emirati	Non-executive Director - Chair	27 March 2024
Tariq Ali Saeed Juma Al Bwardy	1988	Emirati	Non-executive Director – Vice Chair	27 March 2024
Rashed Ali Saeed Juma Al Bwardy	1992	Emirati	Non-executive Director	27 March 2024
Mazoon Ali Saeed Juma Al Bwardy	1985	Emirati	Non-executive Director	27 March 2024
Saeed Mansoor Al Awar	1985	Emirati	Non-executive Director	27 March 2024
Subramanian Suryanarayan	1961	Singaporean	Independent, Non-executive Director	27 March 2024
Huda Al Lawati	1977	Omani	Independent, Non-executive Director	27 March 2024
Dominique Lecossois	1955	French	Independent, Non-executive Director	27 March 2024
Sunil Kumar	1967	Indian	Executive Director – Chief Executive Officer	27 March 2024

Details of each director’s memberships and positions in other companies are comprehensively outlined in Appendix A of this report.

Directors’ independence

Independence is a critical criterion in evaluating the ability of directors to act in the best interests of the Company and all its stakeholders. As part of the ongoing assurance of independence, Spinneys’ independent directors sign a Declaration of Independence every quarter. Through this declaration, they commit to adhering to CMA Governance Rules and ensuring transparency by promptly disclosing any changes that may impact their independence as they occur.

Induction and training

Spinneys ensures that all newly appointed or elected directors undergo a comprehensive induction programme designed to equip them with the knowledge and understanding necessary to perform their roles effectively while gaining a deep insight into the Company’s business operations.

The induction process is coordinated by the Company Secretary or a designated individual and is staggered to allow new directors to absorb the information effectively. While the programme can be tailored to meet individual needs, it typically covers prohibitions on the sharing of restricted information, an overview of the Company’s business and strategic objectives, functions, duties, procedures, and obligations of the board, additional relevant information that supports the director’s role. Following the initial induction, directors continue to enhance their understanding of the business through ongoing meetings and engagements, as necessary. This structured approach ensures that new directors are well prepared to fulfil their duties and contribute to the Company’s success.

In 2025, the Company continued its efforts to educate the board on governance and regulatory updates through regular briefs presented during board meetings, reinforcing the board’s ongoing commitment to governance excellence.

Conflict of interest declarations

The board is dedicated to adhering to the CMA Governance Rules concerning conflicts of interest. This commitment is vital to ensure that all decisions serve the best interests of the Company and its stakeholders. Directors are expected to avoid any activities that could result in conflicts of interest, and they must promptly disclose such matters to the board and Company Secretary.

At the start of each board meeting, the directors are required to sign a Declaration of Interest. This practice ensures transparency and addresses any potential conflicts of interest at the outset. To support this process, the Company Secretary maintains a comprehensive Register of Interests. This register meticulously records all declarations of interest made by the directors.

Directors’ shareholding and trading

As of 31 December 2025, Al Seer Group LLC holds 76.89% of the Company’s shares. Members of the Al Bwardy family indirectly own Al Seer Group LLC, four of whom are members of the board.

Governance

Board of directors (continued)

Directors' company shares ownership

Director	As of 31 December 2024	Change in shareholding 2025	As of 31 December 2025	Status of ownership
Ali Saeed Juma Al Bwardy	1,397,718,204	-	1,397,718,204	Indirect
Tariq Ali Saeed Juma Al Bwardy	342,577,991	-	342,577,991	Indirect
Rashed Ali Saeed Juma Al Bwardy	342,577,991	-	342,577,991	Indirect
Mazoon Ali Saeed Juma Al Bwardy	171,358,203	-	171,358,203	Indirect
Saeed Mansoor Al Awar	-	-	-	-
Subramanian Suryanarayan	-	-	-	-
Huda Al Lawati	-	-	-	-
Dominique Lecossois	-	-	-	-
Sunil Kumar	3,267,973	-	3,267,973	Direct

First degree relatives shares ownership

[Please refer to Appendix B]

Board meetings

In 2025, the board convened five times, adhering strictly to the Articles, CMA Governance Rules and Companies Law. Each meeting was meticulously structured to address key agenda items, facilitate informed decision-making and uphold the highest standards of Corporate Governance.

To ensure thorough preparation, board invitations, agendas, and supporting documents were sent to directors at least seven days in advance of each meeting. Directors were given the option to participate remotely, thus accommodating diverse geographic locations and enhancing board accessibility. Minutes of the meetings were duly taken and signed off by all directors in attendance and the Company Secretary, ensuring accurate records of discussions and decisions.

The following table details the board meetings held in 2025.

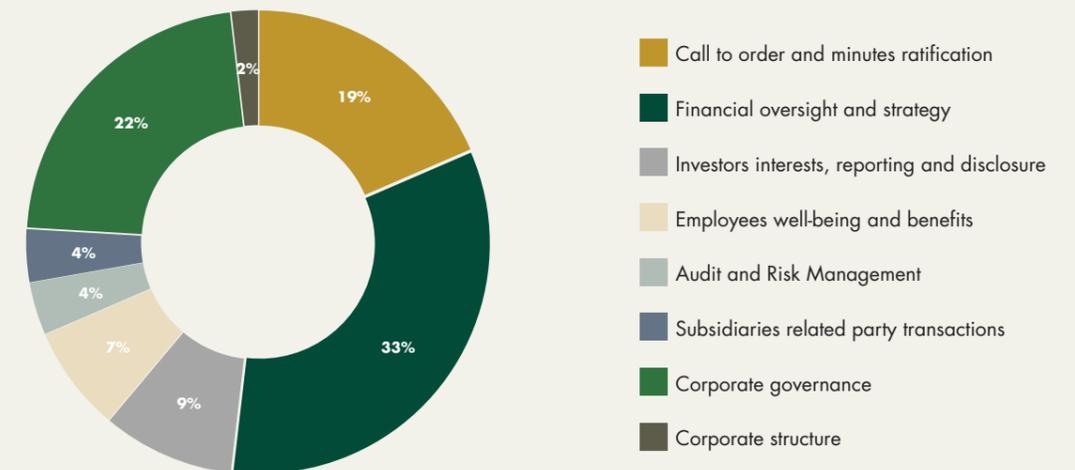
Term	Abbreviation
Present Physically	PP
Present Remotely	PR
Present By Proxy	PPX
Absent	A

Director	Capacity	1/2025 11 February	2/2025 12 May	3/2025 6 August	4/2025 10 November	5/2025 10 December	Total
Ali Saeed Juma Al Bwardy	Chair (Non-executive)	PP	PP	PP	PP	PP	5
Tariq Ali Saeed Juma Al Bwardy	Vice Chair (Non-executive)	PP	PP	PP	PP	PR	5
Rashed Ali Saeed Juma Al Bwardy	Director (Non-executive)	PP	PR	PP	PP	PP	5
Mazoon Ali Saeed Juma Al Bwardy	Director (Non-executive)	PP	PP	PP	PP	PR	5
Saeed Mansoor Al Awar	Director (Non-executive)	PP	PP	PR	PPX	PP	5
Subramanian Suryanarayan	Director (Independent)	PP	PP	PP	PP	PP	5
Huda Al Lawati	Director (Independent)	PP	PP	PR	PR	PP	5
Dominique Lecossois	Director (Independent)	PP	PR	PP	PP	PP	5
Sunil Kumar	Director (Executive)	PP	PP	PP	PP	PP	5

2025 Board circular resolutions

No board resolutions were passed by circulation in 2025.

2025 Board focus areas



Governance

Board of directors (continued)

Board remuneration

In accordance with the Articles and subject to the limitations of the CMA Governance Rules, the Company is authorised to pay directors aggregate fees for their services as determined by the board. These fees are distributed among directors as decided by the board or equally if no specific decision is made. These fees are distinct from any salary or other remuneration payable under different provisions.

2025 Board remuneration

The board was initially appointed when the Company was a private entity by the then Sole Shareholder, prior to the Company's listing, for a three-year term with a fixed annual remuneration throughout this period. The total remuneration of the board of directors for the financial year 2024 amounted to AED 3,930,000, as approved by the shareholders at the Annual General Assembly held on 17 March 2025. The board remuneration and expenses for 2025 will be submitted the Annual General Assembly that will be convened in 2026 for ratification.

Director	Board capacity	No. of meetings 2025	ARC capacity	No. of meetings 2025	NRC capacity	No. of meetings 2025	Aggregate remuneration per annum AED
Ali Saeed Juma Al Bwardy	Chair (Non-executive)	5	-	-	-	-	1,500,000
Tariq Ali Saeed Juma Al Bwardy	Vice Chair (Non-executive)	5	-	-	Member	2	250,000
Rashed Ali Saeed Juma Al Bwardy	Director (Non-executive)	5	-	-	-	-	250,000
Mazoon Ali Saeed Juma Al Bwardy	Director (Non-executive)	5	Member	4	-	-	250,000
Saeed Mansoor Al Awar	Director (Non-executive)	5	Member	3	Member	2	400,000
Subramanian Suryanarayan	Director (Independent)	5	Chair	4	-	-	460,000
Huda Al Lawati	Director (Independent)	5	Member	4	Chair	2	460,000
Dominique Lecossois	Director (Independent)	5	-	-	Member	2	360,000
Sunil Kumar	Director (Executive)	5	-	-	-	-	-

* Mr. Sunil Kumar did not receive any remuneration as a board director in 2025, please refer to the Key Executive Management Remuneration section.

2025 Other expenses

Director	Board capacity	Travel and accommodation expenses AED
Ali Saeed Juma Al Bwardy	Chair (Non-executive)	-
Tariq Ali Saeed Juma Al Bwardy	Vice Chair (Non-executive)	-
Rashed Ali Saeed Juma Al Bwardy	Director (Non-executive)	-
Mazoon Ali Saeed Juma Al Bwardy	Director (Non-executive)	-
Saeed Mansoor Al Awar	Director (Non-executive)	-
Subramanian Suryanarayan	Director (Independent)	41,442
Huda Al Lawati	Director (Independent)	-
Dominique Lecossois	Director (Independent)	50,337
Sunil Kumar	Director (Executive)	-

*Travel expenses incurred for attending the board meetings.

No attendance allowances provided to the board in 2025.

Board and committees' evaluation

Pursuant to the Company's Corporate Governance Framework and CMA Governance Rules:

- An annual self-evaluation by board members to be initiated by the Chair of the Board.
- The Chair of the Board is also responsible for annually evaluating the board committees to ensure they are performing in accordance with the terms set out in their Charters.
- At least once every three years, an independent consultant must be invited to assist the Board in the evaluation process.

In 2025, the board conducted its first self-assessment, marking a significant milestone in the continued strengthening of its corporate governance framework. The evaluation reviewed the board's collective effectiveness, the performance and contributions of individual directors, the efficiency of each Committee in fulfilling its mandate, and the effectiveness of the Board Secretary, with particular focus on leadership effectiveness, the quality of deliberations, decision-making processes, and the overall robustness of oversight. This structured and comprehensive exercise provided a constructive platform for identifying key strengths, areas for improvement and opportunities to further elevate governance practices across the Company.

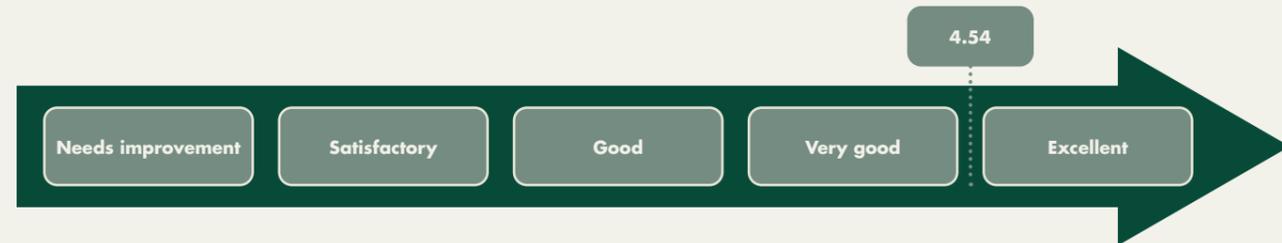
Governance

Board of directors (continued)

Overall feedback on evaluation of the board’s effectiveness



Overall feedback on evaluation of individual directors



Overall feedback on evaluation of ARC effectiveness



Overall feedback on evaluation of NRC effectiveness



Board committees

In accordance with CMA Governance Rules, the board has established two permanent committees:

- The Nomination and Remuneration Committee (NRC).
- The Audit and Risk Committee (ARC)

Should the need arise, the board may establish additional committees as deemed appropriate. Importantly, in compliance with CMA Governance Rules, the Chair is not permitted to be a member of either the ARC or the NRC.

Below is an overview of the composition and roles of the ARC and the NRC

Nomination and remuneration committee

Committee composition

Name	Year of birth	Nationality	Capacity
Huda Al Lawati	1977	Omani	Independent, Non-executive Director – Chair
Dominique Lecossois	1955	French	Independent, Non-executive Director – Member
Saeed Mansoor Al Awar	1985	Emirati	Non-executive Director – Member
Tariq Ali Saeed Juma Al Bwardy	1988	Emirati	Non-executive Director – Member

NRC Secretary

The NRC has appointed the Company Secretary as the NRC Secretary.

Committee remit

The NRC, with full authority from the board, is tasked with key responsibilities, including:

- **Independence verification:** Ensure the ongoing independence of independent board members.
- **Board nomination management:** Organise and oversee board nomination policies and procedures.
- **Succession planning:** Develop succession plans for the board, its committees, the CEO and key management members.
- **Remuneration review:** Evaluate the remuneration of management team members and proposed director remuneration.
- **HR and Training Policy:** Formulate, supervise and review the Company’s human resources and training policies.
- **Additional responsibilities:** Address other matters referred by the board and exercise these powers for all subsidiaries and controlled entities.

These responsibilities are designed to uphold strong governance, strategic leadership continuity, and effective human resources management across the company and its subsidiaries.

Governance

Board committees (continued)

2025 Committee meetings

In 2025, the NRC convened twice adhering to its Charter and the CMA Governance Rules. Each meeting was well-structured to address key agenda items, promote informed decision-making and maintain high Corporate Governance standards.

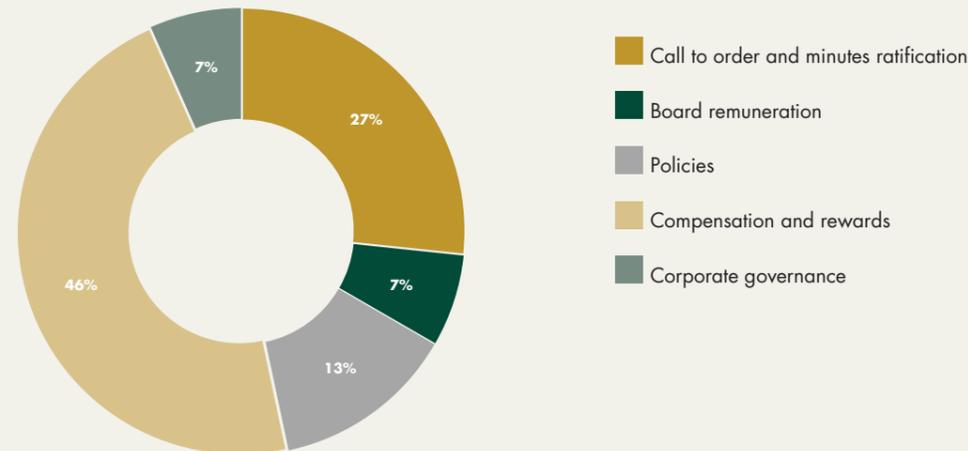
The NRC invited Senior Management members and external consultants to meetings based on discussion topics. To ensure thorough preparation, meeting invitations, agendas and supporting documents were distributed at least seven days in advance. Members had the option to participate remotely, promoting accessibility regardless of geographic location. Meeting minutes were carefully recorded and signed by all attendees and the NRC Secretary to ensure accurate documentation of the proceedings.

The table below details the NRC meetings held in 2025.

Term	Abbreviation
Present Physically	PP
Present Remotely	PR
Present By Proxy	PPX
Absent	A

Director	Capacity	1/2025 6 January	2/2025 6 August	Total
Huda Al Lawati	Chair	PR	PR	2
Dominique Lecossois	Member	PR	PP	2
Saeed Mansoor Al Awar	Member	PR	PR	2
Tariq Ali Saeed Juma Al Bwardy	Member	PR	PP	2

2025 committee focus areas



Acknowledgement of the NRC Chair

Ms. Huda Al Lawati, Chair of the NRC, acknowledges her responsibility for overseeing the NRC’s systems and processes within the Company. She affirms her commitment to the regular review and evaluation of the NRC’s mechanisms, ensuring their effectiveness and alignment with the Company’s strategic goals and governance standards. Through diligent oversight, Ms. Al Lawati ensures that the NRC continues to operate with integrity and efficiency, supporting the Company’s mission to attract, develop and retain top talent while upholding the highest standards of Corporate Governance.

Statement of the NRC Chair

“During 2025, the NRC focused on ensuring that the Company’s leadership, people strategy and governance framework remain fit for purpose as Spinneys continues to execute its long-term growth strategy. The Committee’s work was centred on maintaining a strong balance between performance, accountability and sustainability in leadership and remuneration practices.

A key priority during the year was the oversight of remuneration structures to confirm that they continue to support long-term value creation, encourage responsible risk-taking and align management incentives with the interests of shareholders and other stakeholders. In carrying out its responsibilities, the NRC maintained constructive engagement with executive management and, where appropriate, independent external advisers, ensuring that its recommendations were informed, objective and aligned with best governance practice.”

Outlook for 2026

“In 2026, the NRC will continue to support the Board by strengthening leadership and talent governance in line with the Company’s evolving needs. The Committee will focus on further embedding a structured approach to Board and senior management succession planning, alongside enhanced development and retention initiatives aimed at securing critical skills and leadership capabilities.

The NRC also intends to progress the implementation of the Board Effectiveness framework, incorporating regular evaluation, skills assessment, and continuous improvement mechanisms. Remuneration policies will remain under close review to ensure they continue to promote sustainable performance, remain competitive within relevant markets and comply with applicable regulatory and governance requirements.”

Huda Al Lawati

Chair of the NRC

Governance

Board committees (continued)

Audit and Risk Committee

Committee composition

Name	Year of Birth	Nationality	Capacity
Subramanian Suryanarayan	1961	Singaporean	Independent, Non-executive Director – Chair
Huda Al Lawati	1977	Omani	Independent, Non-executive Director – Member
Saeed Mansoor Al Awar	1985	Emirati	Non-executive Director – Member
Mazoon Ali Saeed Juma Al Bwardy	1985	Emirati	Non-executive Director – Member

ARC Secretary

The ARC has appointed the Company Secretary as the ARC Secretary.

Committee remit

The ARC, with full authority from the Board, is tasked with key responsibilities, including:

- **Access and inquiry:** The ARC has the authority to access all company books, records, facilities and personnel. It can seek information from company employees and third parties, ensuring full cooperation and transparency.
- **Related party transactions:** The committee reviews all related party transactions to prevent conflicts of interest and provides recommendations before such transactions are finalised.
- **Engagement with company personnel and advisors:** The ARC meets with company officers, legal counsels, external auditors and advisors as needed and invites them to attend committee meetings.
- **Whistleblowing system:** It establishes an effective whistleblowing system for confidential reporting of violations relating to the Code of Conduct, financial reporting and other matters.
- **Investigations:** The Committee is empowered to investigate or commission investigations into any issues or concerns it deems appropriate.
- **Professional advice:** ARC can engage advisors or obtain independent legal, financial and other professional services as needed, at the Company's expense.
- **Oversight of external auditors:** ARC oversees the work of the external auditors, ensuring accuracy and compliance with financial reporting standards. The ARC pre-approves all auditing and permitted non-audit services conducted by the Company's external auditors.
- **Risk management:** ARC is authorised to review and ensure the effectiveness of the Company's internal controls, risk assessment and risk management systems, assess ESG-related risks and their impact on financial performance and sustainability, monitor management's actions to address weaknesses in risk and control systems.
- **Internal auditors:** ARC is authorised to approve the Internal Audit Charter and ensure unrestricted access for auditors, oversee internal audit strategies, plans and performance, and ensure no unjustified limitations on the Internal Auditors' scope.

These responsibilities ensure that the ARC plays a critical role in maintaining financial integrity, transparency and compliance within the Company.

2025 committee meetings

In 2025, the ARC convened four times adhering to its Charter and the CMA Governance Rules. Each meeting was well-structured to address key agenda items, promote informed decision-making and maintain high Corporate Governance standards.

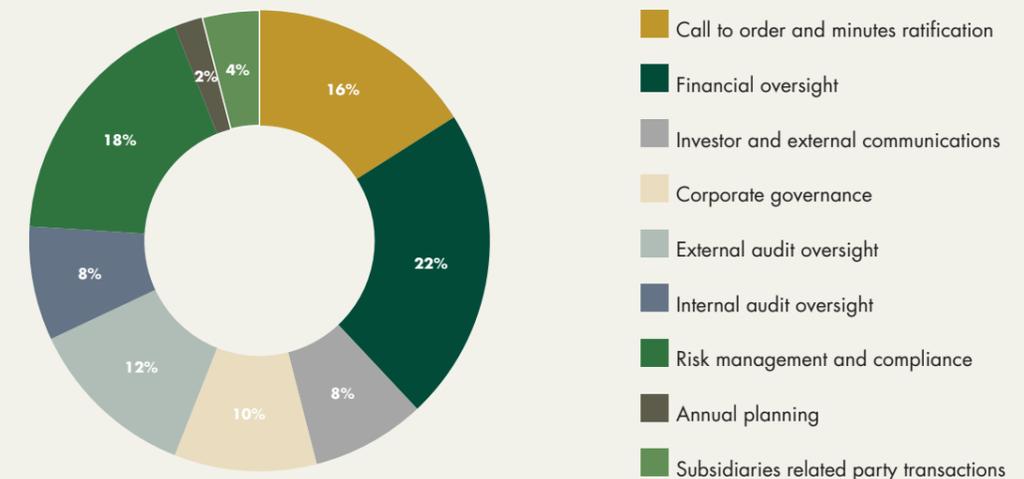
The ARC invited senior management members, external auditors and internal auditors to meetings based on discussion topics. To ensure thorough preparation, meeting invitations, agendas and supporting documents were distributed at least seven days in advance. Members had the option to participate remotely, promoting accessibility regardless of geographic location. Meeting minutes were carefully recorded and signed by all attendees and the ARC Secretary to ensure accurate documentation of the proceedings.

The table below details the ARC meetings held in 2025.

Term	Abbreviation
Present Physically	PP
Present Remotely	PR
Present By Proxy	PPX
Absent	A

Director	Capacity	1/2025 11 February	2/2025 12 May	3/2025 6 August	4/2025 10 November	Total
Subramanian Suryanarayan	Chair	PP	PP	PP	PP	4
Huda Al Lawati	Member	PP	PP	PR	PR	4
Saeed Mansoor Al Awar	Member	PP	PP	PR	A	3
Mazoon Ali Saeed Juma Al Bwardy	Member	PP	PP	PP	PP	4

2025 committee focus areas



2025 committee report

[Please refer to Appendix C]

Acknowledgement of the ARC Chair

Mr. Subramanian Suryanarayan, Chair of the ARC, acknowledges his responsibility for overseeing the ARC's systems and processes within the Company. He is committed to the continuous review and evaluation of the ARC's mechanisms to ensure their effectiveness and alignment with the Company's governance standards and strategic objectives. Through vigilant oversight, Mr. Suryanarayan ensures that the ARC remains a critical component of the Company's risk management and audit functions, fostering transparency, accountability and proactive risk mitigation.

Governance

Board committees (continued)

Statement of the ARC Chair

"In 2025, the ARC continued to play a central role in supporting the board's oversight of financial integrity, risk management and internal control systems. The Committee operated in accordance with its Charter and applicable regulatory requirements, maintaining a strong focus on safeguarding the Company's financial soundness and governance framework.

During the year, the ARC exercised comprehensive oversight of financial reporting, including the review of interim and annual financial statements, significant accounting judgments, and the effectiveness of internal controls over financial reporting. The Committee also closely monitored the independence, performance, and scope of work of both internal and external auditors, ensuring that audit activities remained risk-focused, objective and aligned with the Company's operating environment.

Risk oversight remained a key priority in 2025. Through regular engagement with management and assurance providers, the Committee sought to ensure that risks were identified, assessed and managed within the board's approved risk appetite.

The ARC continued to promote a culture of transparency, accountability and ethical conduct, recognising the importance of strong governance practices in supporting long-term value creation and stakeholder confidence."

Outlook for 2026

"Looking ahead to 2026, the ARC will continue to enhance its oversight framework to address an increasingly complex risk and regulatory landscape. The Committee will focus on strengthening enterprise risk management processes, enhancing the maturity of internal control and assurance activities and maintaining rigorous financial reporting and audit oversight. The Committee will also monitor progress towards full implementation of internal controls over financial in line with regulatory timelines.

The ARC also intends to further integrate emerging and non-financial risks into its deliberations, including health and environmental considerations, as well as technology and data-driven risks. Engagement with management, internal audit and external auditors will remain a cornerstone of the Committee's approach, supporting continuous improvement and informed decision-making."

Subramanian Suryanarayan

Chair of the ARC

External auditor

Overview

Ernst & Young (EY) is a global leader in the realm of professional services, offering unparalleled expertise across four integrated service lines: Assurance, Consulting, Strategy and Transactions, and Tax. Their dedication to integrity, transparency and sustainable progress aligns seamlessly with our Corporate Governance ethos, providing us with the strategic insights and robust frameworks needed to navigate risk, enhance operational efficiency and drive long-term value creation.

Appointment

Ernst & Young (EY) was engaged as the External Auditor for the business prior to the Company's inception. Subsequently, EY has been engaged as the Company's external auditor from its inception on 21 November 2023. Their expertise and commitment to excellence were further recognised when they were reappointed as the external auditor for the fiscal year 2025. This reappointment was recommended by the ARC, endorsed by the board and, subsequently, by approved by the Shareholders in the Annual General Assembly Meeting dated 17 March 2025.

Services information

External audit office	Ernst & Young Middle East, Dubai Branch
Years of auditing Company accounts	Since inception on 21 November 2023

Partner	Emin Mammadov								
Years of auditing Company accounts	Since inception on 21 November 2023								
Audit fee 2025 (AED)	1,052,627								
Services other than Company audit services	Review interim financial statements Audit services for Company subsidiaries Agreed upon procedures in respect of the retail stores								
Other services fee 2025 (AED)	1,306,151								
Engagement of other external audit firms in 2025	<table border="0"> <tr> <td>Ardent Advisory & Accounting LLC</td> <td>Internal audit services</td> </tr> <tr> <td>Crowe Australia</td> <td>External Audit Services for Spinneys Sourcing Pty Ltd.</td> </tr> <tr> <td>Menzies (UK)</td> <td>External Audit Services for Spinneys Sourcing Limited</td> </tr> <tr> <td>Darshan Wadhwa CPA PC (USA)</td> <td>External Audit Services for Spinneys Sourcing Limited</td> </tr> </table>	Ardent Advisory & Accounting LLC	Internal audit services	Crowe Australia	External Audit Services for Spinneys Sourcing Pty Ltd.	Menzies (UK)	External Audit Services for Spinneys Sourcing Limited	Darshan Wadhwa CPA PC (USA)	External Audit Services for Spinneys Sourcing Limited
Ardent Advisory & Accounting LLC	Internal audit services								
Crowe Australia	External Audit Services for Spinneys Sourcing Pty Ltd.								
Menzies (UK)	External Audit Services for Spinneys Sourcing Limited								
Darshan Wadhwa CPA PC (USA)	External Audit Services for Spinneys Sourcing Limited								

Statement of external auditor reservations

The external auditor has expressed no reservations or qualifications in the consolidated financial statements for the year 2025.

Governance

Internal control and audit

Overview

In accordance with CMA Governance Rules, the board is committed to maintaining an independent internal audit function to ensure the effectiveness of the Company's risk management, governance and control frameworks. This function should be conducted by qualified individuals who possess the necessary authority and are provided with essential training and resources, with the flexibility to engage external sources for specialised expertise. The internal audit function should report functionally to the ARC, ensuring independent oversight and administratively to the Chief Executive Officer for seamless operational integration, thereby reinforcing the Company's dedication to robust Corporate Governance practices.

Appointment

In alignment with strengthening the Company's internal auditing capabilities, management proposed engaging an external firm to perform the internal audit function. The ARC thoroughly reviewed this proposal and, on 27 June 2024, resolved to endorse the appointment of Ardent Advisory & Accounting LLC (ARDENT) as the Company's internal auditor.

Qualifications

ARDENT is a UAE-headquartered advisory firm with a focus on the GCC region, offering a wide range of services including internal audit. The firm has experience, a diverse client base across various sectors and provides internal audit services to some prominent companies in the UAE. The Internal Audit engagement team assigned to the Company comprises qualified professionals holding relevant professional qualifications and certifications.

Internal audit plan

The Internal Audit Plan is developed in accordance with a structured, risk-based methodology and is subject to annual review and approval by the ARC. The Company has adopted a rolling three-year Internal Audit Plan to ensure comprehensive coverage of the audit universe while appropriately prioritising high-risk and critical business processes. The First-Year Internal Audit Plan was approved by the ARC in August 2024, post the IPO covering a period for the following 12 months and this was, followed by the approval of the subsequent rolling 12-month Second Year Plan in October 2025.

The audit planning methodology incorporates management input, changes in the business and operating environment, emerging risks and the results of prior audit activities. High-risk processes are reviewed on an annual basis, moderate-to-high-risk processes are reviewed at least twice within the three-year cycle and lower-risk processes are reviewed at least once during the planning horizon.

In addition, operational store audits are conducted on a sample basis, covering approximately 5% to 11% of total stores annually. Store selections are determined using defined risk-based criteria, including revenue contribution and operational risk factors.

The Internal Audit Plan in 2024-2025 focused on key operational and core business processes, including Procure-to-Pay, Warehousing, Logistics, Factory and Production, Store Operations, Commercial Operations, Finance and Accounts, and IT Governance.

Seven audit reports covering the results of all completed reviews were submitted to the ARC. Following the ARC endorsement, the Internal Auditor presented the annual comprehensive internal audit report to the Board.

Internal audit reporting and identified risks

Internal audit reports arising from completed reviews are issued to management and presented to the ARC, highlighting key audit observations, control gaps, and opportunities for process and control enhancements.

Management action plans are developed for all significant audit findings and are monitored through a structured follow-up process. Periodic updates on the status of action plan implementation are reported to the ARC to enable effective oversight and governance monitoring. No material issues have been identified in the audits performed.

As the internal audit function continues to mature, ongoing audit execution, reporting and follow-up activities are expected to further strengthen the Company's governance framework, risk management practices and internal control environment.

Acknowledgement by the board

The board acknowledges its overarching responsibility for the establishment, maintenance, and ongoing evaluation of the Company's internal control system. The board is committed to ensuring that this system operates effectively and efficiently, aligning with best practices in corporate governance. Through the ARC oversight, the board evaluates the mechanisms of internal control to ensure they are robust and capable of identifying, managing, and mitigating potential risks. Through diligent oversight and regular assessments, the board diligently endeavours to sustain a control environment that not only supports the Company's strategic objectives but also safeguards the interests of all stakeholders.

Compliance Officer

In 2024, the Company appointed Ms. Sharon Sausman as the Compliance Officer.

Profile

Sharon Sausman is a seasoned professional whose journey began in the retail industry, evolving into an expert in policy development, process and product management, and document management, with a significant focus on COVID management. Her pursuit of knowledge has led to a multidisciplinary expertise spanning Microbiology, Food Safety, Environment, Energy, Health & Safety, Nutrition and Business. Sharon excels in risk assessment and management, organisation and documentation, communication and presentation and system integration and improvement, making her a vital asset in upholding compliance and governance standards within the organisation.

2025 violations

In 2025, the Company did not record any material breaches of applicable laws or regulations. The Company's compliance framework and governance practices continued to operate effectively, ensuring adherence to statutory and regulatory requirements and safeguarding the Company's integrity and reputation. Ongoing monitoring and internal controls support the Company's continued commitment to high standards of compliance across all operations.

Governance

Delegation of authority

Power of Attorney

In 2025, the Company issued one Power of Attorney as detailed below:

Name	Authorities
Chief Financial Officer Head of Legal	To take the necessary action before the relevant authorities for the purpose of incorporating the new subsidiary in Kuwait.

2025 Board authorities delegated to directors or executive management

Name	Capacity	Authorities	Date of Delegation	Duration
Ali Saeed Juma Al Bwardy Sunil Kumar	Chairman Chief Executive Officer	Mandating the Chairman and the Chief Executive Officer (acting jointly or individually) to finalise negotiations and execute the agreements relating to the Kuwait market entry.	06 August 2025	One-off Mandate
Ali Saeed Juma Al Bwardy Sunil Kumar	Chairman Chief Executive Officer	Mandating the Chairman and the Chief Executive Officer (acting jointly or individually) to finalise negotiations and execute the agreements relating to the Philippines market entry.	06 August 2025	One-off Mandate
Sunil Kumar	Chief Executive Officer	Authorise and mandate CEO to take all necessary steps for the incorporation of the Company's subsidiary in Kuwait, including, without limitation, the execution and signing of all relevant and constitutional documents, and to delegate such authority to any other person as the CEO may deem appropriate.	10 November 2025	One-off Mandate
Sunil Kumar	Chief Executive Officer	Authorise mandate CEO to take all necessary steps for the incorporation of the Company's subsidiary in Singapore, including, without limitation, the execution and signing of all relevant and constitutional documents, and to delegate such authority to any other person as the CEO may deem appropriate.	10 November 2025	One-off Mandate
Ali Saeed Juma Al Bwardy Sunil Kumar	Ali Saeed Juma Al Bwardy Chief Executive Officer	Approve the proposed amendments to the Company's banking mandates and authorise the Chairman or the Chief Executive Officer, each acting individually, to sign, on behalf of the board of directors, the related written resolution to be submitted to the respective banks.	10 November 2025	One-off Mandate

Insider trading control

In accordance with CMA Governance Rules, the Board is mandated to assign oversight of insider trading to a designated department, an internal committee, or a specific committee as deemed appropriate for the Company.

In line with the Company's Share Dealing Policy, specific roles within the organisation are tasked with overseeing insider trading:

Delegate	Authorities
Board	Oversee the Chairman's dealing in the Company's securities
Chairman or Vice-Chairman	Provide prior written consent for directors, the Executive Leadership Team, the Company Secretary, and the Investors Relation Officer to deal in the Company's securities
Chief Executive Officer or Company Secretary	Provide prior written consent for employees to deal in the Company's securities.
Company Secretary	Maintain the insider trading application and completion forms, submit applications for approval, maintain the Insiders Register, and notify CMA and DFM of any updates to the Insider Register.

The approach to forgo the establishment of a distinct insider trading committee is predicated on the proficient delegation of oversight responsibilities already embedded within the Company's corporate governance framework. The clearly defined roles of the board, Chairman, CEO and Company Secretary, as outlined in the Share Dealing Policy, ensure comprehensive oversight and steadfast accountability. This deliberate allocation of responsibilities obviates the necessity for an additional committee, thereby optimising resource allocation and reinforcing governance efficiency.

Acknowledgement by the insider control delegates

The Insider Control Delegates acknowledge their responsibility for overseeing the mechanisms governing insider trading within the Company. They are committed to the continuous review and refinement of these controls to ensure their effectiveness and alignment with legal requirements and best practices.

Governance

Related party transactions

In accordance with CMA Governance Rules, the Company is committed to upholding stringent policies concerning Related Party transactions to ensure transparency, fairness and compliance with regulatory standards.

2025 Related Party Transaction

Within the definition of Related Party Transactions, the Company did not conduct any transactions with Related Parties in the year 2025.

2025 Subsidiaries Related Party Transactions

In the ordinary course-of-business, the Company's Subsidiaries entered various related party transactions, on an arm's length basis.

[Please refer to Appendix E for the full list of Subsidiaries and Appendix G for the details of transactions for the year ended on 31 December 2025]

Sustainability, community engagement, innovations and key events

Spinneys Better Together Commitment Report 2030

In 2024, Spinneys released its inaugural Sustainability Commitment Report, detailing the Company's Environmental, Social and Governance (ESG) strategy and commitments toward various ESG targets. The key pillars of the strategy are:

Eat Well, Live Well

Spinneys is committed to creating products that promote healthier and more sustainable lifestyles. This pillar includes the Spinneys own brand products including SpinneysFOOD, SpinneysHOME and SpinneysWELLNESS. Core focuses are on product quality, nutrition, customer communications, product ranges, sustainability standards and food safety.

Sourcing for the Future

Spinneys is dedicated to working with both local and global growers and producers to ensure that supply chains uphold the best practice standards. This includes sustainably sourced products and ingredients, food miles, embracing local and transparent sourcing and a commitment to food security.

No Time to Waste

As part of its climate action plan, Spinneys aims to achieve Net Zero operational emissions by 2040. The Company is outlining a roadmap to reduce its environmental impact, focusing on climate action, energy and emissions management, circular economy principles, biodiversity preservation, transportation efficiency, water conservation and implementing sustainable practices in stores and facilities.

Inspired People Stronger Together

Spinneys places immense importance on investment and engagement with all stakeholders within its ecosystem. This includes employee well-being and development, building strong supplier relationships and active community involvement. Initiatives such as the Spinneys Dubai 92 Cycle Challenge, Farm to Table Programme and Spinneys Family Run series will continue to strengthen the brand's presence in the UAE.

Embedding Sustainability

Supported by robust governance structures, this pillar underpins the strategy and ensures accountability and effective implementation of the Better Together 2030 initiative. It includes strategy refinement, governance frameworks, transparent reporting, key performance indicators, and fostering a sustainability-focused culture. Oversight is provided by the Board through a Sustainability Steering Committee comprised of members of the management team who are responsible for reviewing materiality, ESG methodologies, and integrating ESG initiatives across all business areas. Annual ESG disclosures will be aligned with Global Reporting Initiative (GRI) standards to communicate progress transparently.

For a comprehensive understanding and further details on our sustainability initiatives and commitments, please refer to the Sustainability Section in Spinneys Integrated Report.

Community engagement and development initiatives 2025

The Spinneys Dubai 92 Cycle Challenge 2025

Spinneys hosts the largest competitive mass cycling event in the region, fostering community engagement and promoting active lifestyles. This year's event series attracted 7,190 participants, marking an 8% growth from the previous year. Participants ranged from a 2-year-old to an 84-year-old, highlighting inclusivity. The Company incurred expenses for 2025 reached AED 2,210,310.

The Spinneys Family Run Series 2025

The Spinneys Family Run Series comprises smaller community events across various Spinneys' locations in the UAE, encouraging families to engage in active lifestyles. In 2025, we hosted seven events with 2,450 participants. The Company incurred expenses amounted to AED 210,000.

The Spinneys Farm to Table Programme 2025

Aimed at inspiring the nation's youth to adopt sustainable eating habits, the Farm to Table Programme consists of five educational modules. These modules, developed with experts from nutritionists to local farmers, address critical topics around food sourcing and sustainable eating. The initiative has reached 212 schools and hundreds of thousands of students across the UAE through digital and in-store communications. In 2025 incurred expenses totalled AED 375,000.

Governance

Sustainability, community engagement, innovations and key events (continued)

Spinneys Local Business Incubator Programme

The Spinneys Local Business Incubator Programme has firmly established itself as a cornerstone initiative for fostering entrepreneurial talent within the UAE’s FMCG sector. Since its launch in 2020, the programme has successfully identified and nurtured innovative startups, providing them with expedited supermarket listings and a suite of benefits aimed at accelerating their market entry. Success stories such as The Botanist, Frio, Rory’s Apawthecary, Oatful and Eazy Freezy underscore the incubator’s impact and the vast potential of local entrepreneurship. The initiative has also received commendation from the UAE government’s Food and Water Security office for its significant contributions to the National Food Security Strategy. In 2025, with 170 entries, the incubator continues to attract promising talent, supported by in-kind investments including management expertise, waived shelf fees and robust instore and social media marketing support.

Spinneys Teen Trail Blazers 2025

Building on the local business incubator’s success, the Teen Trail Blazers programme targets youth aged 13-18, inviting them to present innovative and sustainable food and beverage business ideas. The top five ideas earn scholarships for the Trusity ‘Trupreneurs’ programme, with a chance to win AED 10,000 in seed money and launch products in Spinneys stores. The 2025 investment was in-kind, providing management time and five scholarships.

Spinneys Breast Cancer Treatment Support 2025

In 2025, Spinneys demonstrated its commitment to social responsibility and community well-being by donating AED 55,500 to the Al Jalila Foundation. This contribution was specifically aimed at supporting breast cancer research and treatment.

Innovations at Spinneys

Systems and markets

Spinneys expanded the Spinneys Swift e-commerce platform in 2025, a new service catering to customers wanting on-demand grocery deliveries. The Swift platform is now operating from 26 stores across the UAE and accounts for 32.30% of sales from Spinneys owned e-commerce operations.

Spinneys successfully launched its e-commerce operations in KSA in 2025, introducing a convenient online platform tailored to customers seeking premium grocery shopping from the comfort of their homes. The service enables shoppers in Riyadh to access Spinneys’ curated range of fresh food, everyday essentials, and exclusive products through a seamless digital experience, supported by reliable delivery and high service standards. This marks an important milestone in extending Spinneys’ omnichannel capabilities beyond the UAE, laying the foundations for strong future growth in one of the region’s most dynamic grocery markets.

2025 key events



2025 material disclosures



Governance

Employee wellness and emiratization

Employee benefits and wellness

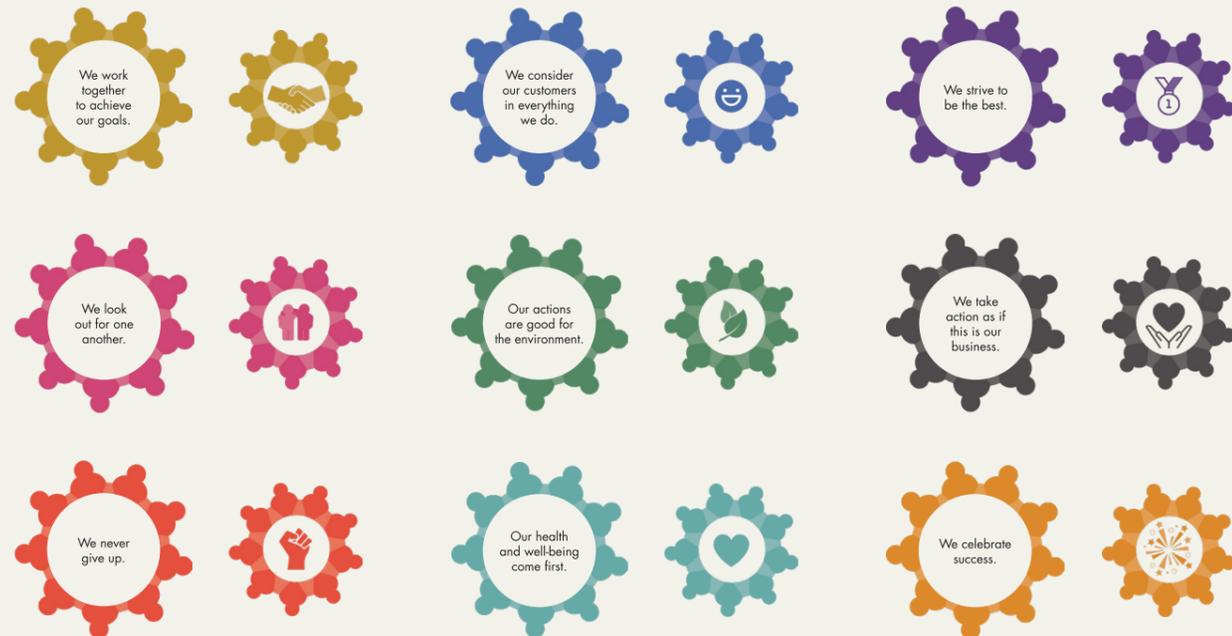
Spinneys benefits and culture

In 2025, Spinneys continued to enhance its employee portal, recruitment platform and career portal, ensuring these tools remain aligned with our forward-thinking strategic objectives, to improve colleagues and potential colleagues' employment experience.

Our refreshed approach to mobilisation, onboarding, integration and ongoing support for new hires plays a vital role in identifying high-quality talent early and equipping our new colleagues with the core fundamental values or skills required to provide exceptional service to our customers.

Throughout the year, we continued to recognise outstanding performance through our ongoing recognition programmes, celebrating "Star of the Month" and "Employee of the Month" across all business verticals.

Supporting this commitment is our strong connection to our purpose and the Spinneys Habits. Refresher training and the implementation of our nine habits were rolled out during 2025 to reinforce a consistent culture and standard of excellence.



Long Term Incentive Plan

The board has approved an incentive scheme effective from 2025 for selected employees, including key management personnel of the group. The scheme is designed to support sustainable shareholder returns by rewarding performance and enhancing employee retention. It is linked to the achievement of specified annual key performance indicators, including revenue and profit targets, and will be settled in cash (cash-settled transactions). Awards vest on completion of three years for 50% of the entitlement and four years for the remaining 50%.

Long Service Awards

In 2025, we proudly celebrated the dedication and service of 75 employees through our Long Service Awards, recognising team members who have completed 10 years or more with the Company.

The evening also featured an appreciation ceremony honouring eight colleagues nominated for their exceptional contributions and who were awarded the Chairman's Award, with distinguished nominees representing the UAE, Oman, and the Kingdom of Saudi Arabia.

Training and development

With significant expansion and growth in headcount during 2025, we continued to strengthen our commitment to a culture of cultivated learning which remains an essential pillar of our people strategy.

We refreshed our approach to induction, onboarding and workplace integration, and colleagues across the business participated in a wide range of internal and external training and development initiatives. In total, more than 50,000 training hours were dedicated to developing our people. Building on this foundation, new and existing talents were offered meaningful career development opportunities, resulting in 8.5% of our workforce being promoted during 2025.

In 2025, we also launched the UAE Spinneys Retail Academy, designed to attract and prepare UAE Nationals for long-term careers in the retail industry. To date 12 UAE Nationals participated in this blended career development programme, which integrates participants into the workplace as valued colleagues across various departments. Upon completion, participants receive an official certificate recognising their development in their respective areas.

With a strong emphasis on succession planning, career growth and our genuine commitment to developing our people, we introduced an internationally accredited Management Development & Leadership Program for high-potential, new, and existing leaders. Tailored to the needs of our organisation, the programme focuses on three core pillars: leading self, leading the business and key focus which will cover modules to equip our colleagues with delivering exceptional customer service.

Wellness

In the spirit of EAT WELL, LIVE WELL and one of our key habits of 'Our health and well-being come first,' we continued our commitment towards awareness of health and wellness of our people in 2025. Encouraging online campaigns were organised focusing on mental, physical, and individual health and wellness. Frequent support was offered to colleagues who required medical health support and assistance in some cases of unique intervention.

During 2025, our people were actively involved in community activities, organised by the company, and we supported our community and colleagues who aspired to take part in various wellness, health and fitness events available within the UAE. The recent 30x30 Dubai Fitness Challenge, Spinneys arranged an internal team challenge and achieved 3rd place of among companies who participated in the challenge. Our colleagues were also offered spot prizes and wellness gifts for their participation in this challenge.

Our Spinneys cycle team grew in 2025, and continue to connect, inspire and encourage one another to maintain a healthy exercise pattern, and represent the brand on the roads of the UAE. The Spinneys build up rides and main event are seasonal highlights for our internal teams, comprising of only colleagues who enjoy cycling.

Emiratization

The Company actively participated in the inaugural Ru'ya Careers Fair to showcase its brand and attract UAE National talent. In addition, the Company attended two other career fair open days focused specifically on UAE National employment opportunities, held at Expo City and the DSO Emiratization Open Day.

We successfully met our Emiratization targets for both the first and second halves of the year. We have observed a steady increase in the number of UAE Nationals hired across the business. In 2025, we reached a significant milestone by employing more than 87 UAE Nationals. This achievement means that UAE Nationals represented 16% of the skilled workforce within the Company's UAE subsidiaries in 2025 compared to 14% and 10.83% in 2024 and 2023 respectively.

Looking ahead to 2026

The Company plans to continue strengthening its collaboration with industry partners through university partnerships, open days, and career fairs, including close alignment with the Ministry of Human Resources and the NAFIS platform to support the recruitment of UAE Nationals. Additionally, Spinneys will continue to expand its career development initiatives to further advance this strategic objective.

Governance

Share information as on 31 December 2025

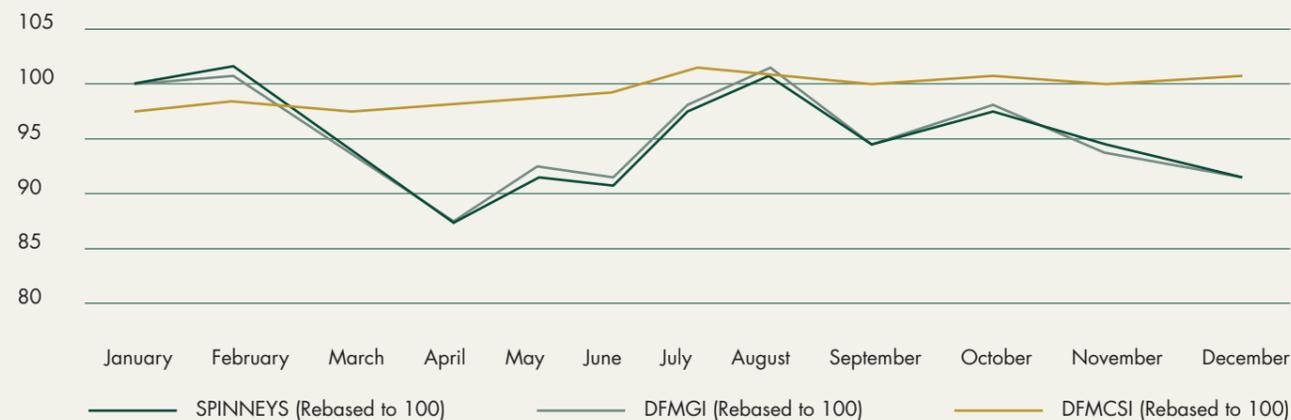
Share price

2025	Highest price	Lowest price	Closing price
January	1.77	1.57	1.63
February	1.70	1.58	1.65
March	1.62	1.50	1.54
April	1.55	1.42	1.44
May	1.51	1.44	1.50
June	1.52	1.45	1.49
July	1.64	1.45	1.60
August	1.69	1.51	1.64
September	1.63	1.48	1.54
October	1.62	1.50	1.60
November	1.81	1.49	1.54
December	1.54	1.44	1.51

Comparative Share Performance

2025	SPINNEYS	DFMGI	DFMCSI	2025	SPINNEYS (Rebased to 100)	DFMGI (Rebased to 100)	DFMCSI (Rebased to 100)
January	1.63	5,180	100	January	100	100	100
February	1.65	5,318	101	February	101	103	100
March	1.54	5,096	95	March	94	98	94
April	1.44	5,307	89	April	88	102	89
May	1.50	5,481	93	May	92	106	93
June	1.49	5,706	92	June	91	110	92
July	1.60	6,159	98	July	98	119	98
August	1.64	6,064	101	August	101	117	101
September	1.54	5,840	95	September	94	113	95
October	1.60	6,059	98	October	98	117	98
November	1.54	5,837	94	November	94	113	94
December	1.51	6,047	92	December	93	117	92

Spinneys shares compared with DFMGI and DFCSI



Distribution of shareholder ownership

Classification	Ownership Percentage			
	Individuals	Companies	Government	Total
Local	1.2%	81.8%	1.2%	84.2%
Gulf	0.1%	4.5%	0.0%	4.6%
Arab	0.3%	0.0%	0.0%	0.3%
Foreign	0.9%	10.0%	0.0%	10.9%
Total	2.5%	96.4%	1.2%	100.0%

Shareholders owning 5% or more of the Company's capital

Name	Number of shares	Ownership percentage
AL SEER GROUP LLC	2,768,307,000	76.89%

Shareholders distribution according to the volume of ownership

Ownership shares	Number of shareholders	Number of shares	Ownership percentage
Less than 50,000	10,869	26,015,288	0.7%
From 50,000 to less than 500,000	166	32,312,657	0.9%
From 500,000 to less than 5,000,000	97	167,002,855	4.6%
More than 5,000,000	30	3,374,669,200	93.7%

Investor relations activities and disclosures

Spinneys steadfastly pursues the highest standards of transparency and continually seeks to enhance its disclosures in alignment with both local and international best practices. The Investor Relations Office maintains proactive engagement and effective communication with shareholders and potential investors. This commitment to openness is demonstrated through the timely dissemination of both financial and non-financial information across a variety of platforms, ensuring stakeholders are well-informed about the Company's performance and strategic direction.

Throughout 2025, Spinneys demonstrated its commitment to Investor Relations by engaging with over 200 investors through personalized engagements and participating in nine investor conferences and earning calls. These interactions provide valuable opportunities for Spinneys to gather investors' feedback and further enhance disclosures.

For stakeholders seeking more detailed information, Spinneys' disclosures, and announcements to the Dubai Financial Market for 2025 can be accessed through the dedicated Investor Relations website at investors.spinneys.com or directly on the DFM website at dfm.ae

General Assembly Meetings

Spinneys' annual General Assembly Meetings (AGM) enables shareholders and their authorised representatives to participate either in person or virtually, ensuring full real-time engagement, including electronic voting through the designated online platform.

The Company held its AGM on 17 March 2025, recording a robust shareholder attendance rate of 85.42%. Shareholders were afforded all rights to attend, participate in deliberations, and vote on the agenda items presented. All resolutions approved at the 2025 AGM were duly disclosed to the Dubai Financial Market and the Securities and Commodities Authority and are available on the DFM website and the Spinneys Investor Relations webpage.

No special resolutions were proposed or passed in 2025.

Governance

Organisation structure and executive management

Company's organisation structure

[Please refer to Appendix D]

Executive management team

Name	Year of birth	Nationality	Capacity	Appointment Date
Sunil Kumar	1967	India	Chief Executive Officer	November 2023
Paresh Buch	1964	India	Deputy Chief Executive Officer	November 2023
Mukesh Agarwal	1978	India	Chief Financial Officer	November 2023

Executive management remuneration

Executive	Role	Total salaries and allowances in 2025 ¹	Annual Bonus 2025	Other benefits 2025 ¹	Total
Sunil Kumar	Chief Executive Officer	2,040,000	5,524,305	266,794	7,831,099
Paresh Buch	Deputy Chief Executive Officer	1,117,281	729,110	170,000	2,016,391
Mukesh Agarwal	Chief Financial Officer	1,016,250	479,250	105,000	1,600,500

¹Other benefits include, as applicable, long service award, incentive plan and travel allowances. The employees are also entitled to additional benefits including medical insurance and gratuity.

Subsidiaries organisation structure

[Please refer to Appendix F]

Subsidiaries senior management

With the support and supervision of the executive management, the senior management team conducts the day-to-day management of Spinneys Dubai LLC, the main operating subsidiary and other key subsidiaries of the Company ("Operating Subsidiaries"). The current Senior Management Team of the Operating Subsidiaries are as follows:

Name	Year of Birth	Nationality	Capacity
Elmira Pelovello	1976	Philippines	General Manager Operations
Louis Botha	1978	South Africa	General Manager International Business & Supply Chain
Warwick Gird	1987	South Africa	General Manager Marketing & E-commerce
Michael Green	1982	South Africa	General Manager Human Resources
Tom Harvey	1979	United Kingdom	General Manager Commercial

Investor Relations Officer and Company Secretary



Investor Relations Officer

In February 2024, the Company appointed Mr. Jean Jacque van Zyl as the Investor Relations Officer.

Profile

Mr. Jean Jacque van Zyl is a Chartered Accountant and holds a Certified Investor Relations Officer (CIRO) qualification from MEIRA. He joined Spinneys Dubai LLC in 2015 and has held various managerial positions within the company. Mr. van Zyl played a key role in managing Spinneys' Initial Public Offering (IPO) and subsequently assumed the position of Investor Relations Officer.

Prior to joining Spinneys, Mr. van Zyl completed an audit secondment in Australia after completing his audit training in Cape Town. Upon his return to South Africa, he joined Capitec as a Regulatory Accountant and was later promoted to Manager in the Business Intelligence Department.

Contact information

Jean Jacque van Zyl
Investor Relations Officer
Spinneys Head Office
1st Floor, Nad Al Sheba First
Meydan, Dubai, UAE
Tele: +971(4)274 3333
ir@spinneys.com
investors.spinneys.com



Company Secretary

In February 2024, the Company appointed Ms. Bassant Mamdouh as the Company Secretary. Ms. Mamdouh also serves as the ARC and NRC Secretary.

Profile

Ms. Bassant Mamdouh is the Head of Legal and Company Secretary at Spinneys 1961 Holding PLC. With expertise in corporate governance and legal management, she ensures the Company's compliance with laws and regulations while managing legal risks. Her skills include negotiation, contract management, policy development, managing corporate governance intricacies and legal training.

Prior to her current position at Spinneys, Ms. Mamdouh held key roles at Spinneys Dubai LLC, serving as Head of Legal from 2023 onwards, and as Legal & Government Liaison Manager from 2017 to 2023. Before joining Spinneys she worked at LafargeHolcim Group and Italcementi Group (Heidelberg), where she focused on legal and compliance matters.

Ms. Mamdouh holds a bachelor's degree in law and a bachelor's degree in mass communication. In 2024, she received Board Secretary certification from the Hawkamah Institute for Corporate Governance and Dubai Financial Market, enhancing her qualifications in corporate governance and legal affairs.

Contact information

Bassant Mamdouh
Head of Legal & Company Secretary
Spinneys Head Office
1st Floor, Nad Al Sheba First
Meydan, Dubai, UAE
Tele: +971(4)274 3333
bassant.a@spinneys.com

Governance

Signatures

Spinneys Corporate Governance Report for the year 2025 is signed off by the Chair of the Board, Chair of the Audit and Risk Committee, Chair of the Nomination and Remuneration Committee, Chief Executive Officer, Chief Financial Officer and the Head of Legal and Company Secretary.



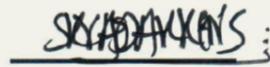
Ali Saeed Juma Al Bwardy
Chair of the Board of Directors



Subramanian Suryanarayan
Chair of the Audit & Risk Committee



Huda Al Lawati
Chair of the Nomination & Remuneration Committee



Sunil Kumar
Chief Executive Officer



Mukesh Agarwal
Chief Financial Officer



Bassant Mamdouh
Head of Legal & Company Secretary

Appendix A

Directors' profiles and directorship

Director Profile	
Name	Ali Saeed Juma Al Bwardy
Designation	Chair
Classification	Non-Executive
Qualification	<ul style="list-style-type: none"> Graduated from the Police Academy, Jordan Maritime Certificate, University of Colorado, United States

Directorship			
Company	Capacity	Start	End
Dubai Chambers	Director	2025	
Dubai Chamber of Commerce	Director	2025	
Albwardy Investment LLC & Subsidiaries	Director	June 1985	
ASB Investment LLC & Subsidiaries	Director	January 2003	
Al Seer Group LLC & Subsidiaries	Director	October 2000	
Albwardy Marine Engineering LLC & Subsidiaries	Director	July 1978	
Alumetal LLC	Director	December 1991	
Desert Palm LLC	Director	May 2001	
Pacman Packaging Solutions SAE	Director	June 2021	
Equestrian Association For People of Determination	Chair	January 2017	
R&T (Seychelles) LTD	Director	April 2014	
HMD Holdings SA	Director	April 1987	
Tarbak Seychelles Limited	Director	September 2017	
ASB Properties Seychelles Ltd	Director	March 2014	
Pacman Middle East LLC	Director	July 1994	June 2024

Governance

Appendix A (continued)

Director Profile	
Name	Tariq Ali Saeed Juma Al Bwardy
Designation	Vice-Chair
Classification	Non-Executive
Qualification	<ul style="list-style-type: none"> Bachelor of Science & Business Management, University of Plymouth, United Kingdom

Directorship			
Company	Capacity	Start	End
Albwardy Investment LLC & Subsidiaries	Director	May 2017	
ASB Investment LLC & Subsidiaries	Director	January 2017	
HMD Investment LLC & Subsidiaries	Director	May 2015	
Al Seer Group LLC & Subsidiaries	Director	November 2017	
Albwardy Marine Engineering LLC & Subsidiaries	Director	July 2018	
Alumetal LLC	Director	April 2018	
Pacman Packaging Solutions SAE	Director	June 2021	
Equestrian Association For People of Determination	Manager & Board Director	January 2017	
R&T (Seychelles) LTD	Director	April 2014	
ASB Properties Seychelles Ltd	Director	March 2014	
Tarbak Seychelles Limited	Director	August 2018	
Pacman Middle East LLC	Director	July 2018	June 2024

Director Profile	
Name	Rashed Ali Saeed Juma Al Bwardy
Designation	Director
Classification	Non-Executive
Qualification	<ul style="list-style-type: none"> Bachelor of Science & Business Management, University of Staffordshire, United Kingdom

Directorship			
Company	Capacity	Start	End
Albwardy Investment LLC & Subsidiaries	Director	May 2017	
ASB Investment LLC & Subsidiaries	Director	January 2017	
HMD Investment LLC & Subsidiaries	Director	May 2015	
Al Seer Group LLC & Subsidiaries	Director	November 2017	
Albwardy Marine Engineering LLC & Subsidiaries	Director	July 2018	
Alumetal LLC	Director	April 2018	
Pacman Packaging Solutions SAE	Director	June 2021	
Equestrian Association for People of Determination	Manager & Board Director	January 2017	
R&T (Seychelles) LTD	Director	April 2014	
ASB Properties Seychelles Ltd	Director	March 2014	
Tarbak Seychelles Limited	Director	August 2018	
Pacman Middle East LLC	Director	July 2018	June 2024

Director Profile	
Name	Mazoon Ali Saeed Juma Al Bwardy
Designation	Director
Classification	Non-Executive
Qualification	<ul style="list-style-type: none"> Bachelor of Science & Business Management & Marketing, University of Phoenix, United States

Directorship			
Company	Capacity	Start	End
ASB Investment LLC & Subsidiaries	Director	January 2017	
HMD Investment LLC & Subsidiaries	Director	May 2015	
Binardie's Pizza, Abu Dhabi, UAE	Founder & CEO	May 2023	
Association of Charitable Aid Association, Dubai, UAE	Vice President & Board Director	September 2023	
Jellybeans Studio Consultancy	Owner	May 2025	
Saturn Trading, Abu Dhabi, UAE	Founder & CEO	September 2022	August 2025

Director Profile	
Name	Saeed Mansoor Al Awar
Designation	Director
Classification	Non-Executive
Qualification	<ul style="list-style-type: none"> Bachelor of Law (LLB) from Queen Mary, University of London, United Kingdom Legal Practice Diploma from College of Law English Qualified Solicitor

Directorship			
Company	Capacity	Start	End
Dubai International Chamber	Director	2025	
Xcube	Independent Board Member	2022	
ADC SPAC	Independent Board Member	May 2022	

Governance

Appendix A (continued)

Director Profile	
Name	Huda Al Lawati
Designation	Director
Classification	Independent, Non-Executive
Qualification	<ul style="list-style-type: none"> Bachelor of Science in Neuroscience, Brown University, United States Bachelor of Arts in Business Economics, Brown University, United States

Directorship			
Company	Capacity	Start	End
Aliph Group Companies	Founder, CEO, Director, Owner	October 2021	
Magrabi Group Investments LLC (UAE)	Board Member	February 2023	
SANIPEX Group	Board Member Investor	November 2024	
The Petshop Group Companies	Board Member Investor	November 2022	
Lifestyle Entertainment	Board Member	May 2025	
Abu Qir Fertilizers	Board Member Audit Committee Member	March 2024	
Saudi Fransi Capital (CMA)	Board Member NRC Chair	December 2021	March 2025
Hala Payments (SAMA) Halalah Company Ltd (ADGM)	Board Member Risk Committee Chair	April 2021	February 2024
ADC Corporation (ADX)	Board Member Investment Committee Member	March 2022	December 2023
Tim Hortons	Board Member	February 2020	September 2021
Gateway Partners (Cayman)	Partner	August 2019	September 2021
GWP Management Limited (DIFC)	Partner & Board Member	August 2019	September 2021
Savola Group	Chief Investment & Investor Relations Officer	August 2016	June 2019
Panda Retail Company	Board Member	-	June 2019
Savola Foods Company	Board Member	-	June 2019
Herfy (Tadawul)	Board Member NRC Member	-	June 2019
Al Kabeer Frozen Foods	Board Member	-	June 2019
Al Ula Development Company	Investment Committee Member	2020	2022

Director Profile	
Name	Subramanian Suryanarayan
Designation	Director
Classification	Independent, Non-Executive
Qualification	<ul style="list-style-type: none"> Bachelor of Commerce, St. Xavier's College, Calcutta University, India Member, Institute of Chartered Accountants of India Qualified Listed Entity Director, Singapore Institute of Directors Senior Accredited Board Director, Singapore Institute of Directors

Directorship			
Company	Capacity	Start	End
Kuwait Food Company (Americana KSCC)	Independent Chair of the Audit & Risk Committee	August 2017	
Americana Restaurants International PLC	Independent Chair of the Audit & Risk Committee	August 2022	
Dubai Holding LLC	Member, Audit Committee	March 2024	
OdeaBank A.S.	Independent member, Board of Directors Member, Risk Committee Member, Strategy & Investment Committee	April 2025	
E20 Investments Limited	Chair of the Audit Committee Member, Investment Committee	February 2024	January 2025
E20 Investments Limited	Member, Executive Committee	February 2025	December 2025
Emirates NBD PJSC	Group Chief Financial Officer	September 2010	February 2020
DenizBank A.G.	Member, Supervisory Board Chair, Audit Committee	August 2019	February 2022
Tanfeeth LLC	Member, Board of Directors	April 2012	February 2022
DXB Entertainments PJSC	Member, Board of Directors Member, Audit Committee	October 2020	October 2021
Network International LLC	Member, Board of Directors Chair, Audit & Risk Committee	September 2013	April 2019
Network International Holdings PLC	Member, Board of Directors	April 2019	December 2022
Damac Real Estate Development LTD	Member, Board of Directors Chair, Audit Committee	April 2023	March 2024

Governance

Appendix A (continued)

Director Profile	
Name	Dominique Lecossois
Designation	Director
Classification	Independent, Non-Executive
Qualification	<ul style="list-style-type: none"> Masters of International Relations, Chinese and Asian Studies, Sorbonne University, France

Directorship			
Company	Capacity	Start	End
Little Farms SINGAPORE	Director	2021	
Everyday Group NIGERIA	Director	2022	

Director Profile	
Name	Sunil Kumar
Designation	Director
Classification	Executive Director, Chief Executive Officer
Qualification	<ul style="list-style-type: none"> Master of Business Administration in International Retailing, The International University of Missouri, United States Advanced Management Programme, INSEAD, Paris, France

Directorship			
Company	Capacity	Start	End
Spinneys Dubai LLC	General Manager	November 2023	
Spinneys Shj Ltd	General Manager	November 2023	
Spinneys Fresh Food Industries LLC	General Manager	November 2023	
Spinneys Factories for Bakery Products LLC	General Manager	November 2023	
Fine Fare Food Market LLC	Director	November 2023	
FineFair Food Market Services Limited	Director	February 2021	
Spinneys IP Limited	Director	January 2022	
Al Fair SPC	Authorised Manager	May 2022	
Centurio Holdings Ltd	Director	November 2020	
Spinneys Sourcing PTY. LTD (Formerly JHF AUSTRALIA EXPORTS PTY. LTD)	Director	January 2022	
Spinneys Sourcing Limited (Formerly J.H.F. Limited)	Director	December 2020	
Spinneys Sourcing Limited (Formerly JHF USA Exports, INC.)	Director	January 2024	
Al-Ma'kulat al-Fakhirah for Food Products	Chair of the Board of Managers	June 2022	
Spinneys Abu Dhabi LLC	Chair Board of Supervision	October 2020	
ASB Retail SPV Limited	Director	January 2022	December 2024

Appendix B

Directors' first-degree relatives

Company shares ownership

Directorship	Related To	Relationship	As of 31 Dec 2024	Change in shareholding 2025	As of 31 December 2025	Status of ownership
Hana Mohammad Bin Dhaher	Ali Al Bwardy	Spouse	171,358,203	0	171,358,203	Indirect
	Tariq Al Bwardy	Mother				
	Rashed Al Bwardy	Mother				
	Mazoon Al Bwardy	Mother				
Maha Ali Saeed Juma Al Bwardy	Ali Al Bwardy	Daughter	171,358,203	0	171,358,203	Indirect
Fatma Ali Saeed Juma Al Bwardy	Ali Al Bwardy	Daughter	171,358,203	0	171,358,203	Indirect
Maryam Abudulla Salem Al Falasi	Tariq Al Bwardy	Spouse	326,797	0	326,797	Direct
Hana Tariq Al Bwardy	Tariq Al Bwardy	Daughter	326,797	0	326,797	Direct
Ali Tariq Al Bwardy	Tariq Al Bwardy	Son	0	167,420	167,420	Direct
Amna Ibrahim Al Nakhi	Rashed Al Bwardy	Spouse	588,235	0	588,235	Direct
Alia Rashed Al Bwardy	Rashed Al Bwardy	Daughter	392,156	0	392,156	Direct
Shaikha Rashed Al Bwardy	Rashed Al Bwardy	Daughter	392,156	0	392,156	Direct
Mubarak Ibrahim Al Nakhi	Mazoon Al Bwardy	Spouse	1,307,189	0	1,307,189	Direct
Ali Mubarak Ibrahim Al Nakhi	Mazoon Al Bwardy	Son	326,797	0	326,797	Direct
Saif Mubarak Ibrahim Al Nakhi	Mazoon Al Bwardy	Son	326,797	0	326,797	Direct
Nasser Mubarak Ibrahim Al Nakhi	Mazoon Al Bwardy	Son	326,797	0	326,797	Direct
Hana Mubarak Ibrahim Al Nakhi	Mazoon Al Bwardy	Daughter	326,797	0	326,797	Direct

Governance

Appendix C

Audit and Risk Committee annual report

ARC Chair statement

On behalf of the ARC of Spinneys, I am pleased to present our ARC Annual Report for 2025. During the year, the ARC supported the board in overseeing the integrity of the Company’s financial reporting, the effectiveness of internal control and risk management systems, the independence and performance of the external and internal auditors, and compliance with applicable regulatory and governance requirements.

Significant matters considered in relation to the Financial Statements

The ARC reviewed the Company’s interim and annual financial statements prior to recommending them to the board, focusing on areas requiring significant judgement and regulatory relevance. Key matters included Pillar Two (Global Minimum Tax) and revenue recognition, including supplier rebates and incentives.

These matters were discussed in detail with management and the external auditor, Ernst & Young Middle East (Dubai Branch) (“EY”). The ARC was satisfied that the accounting and disclosures complied with IFRS as adopted in the UAE and CMA requirements.

External Auditor independence, effectiveness and tenure

EY was appointed as the Group’s external auditors prior to the IPO. EY has been engaged as the Company’s External Auditor from its inception on 21 November 2023. Their historical involvement with the legacy entity offers valuable continuity and leverage historical insight. In accordance with CMA Governance Rules, the ARC conducted an annual assessment of EY’s independence and effectiveness, reviewing independence confirmations, audit scope and plan, industry expertise, audit quality, communications, professional scepticism and management feedback.

Safeguarding External Auditor independence in relation to non-audit services

The ARC safeguards external auditor independence by pre-approving all non-audit services, ensuring they comply with CMA Governance Rules and professional standards. The ARC reviews non-audit fees relative to audit fees and obtains periodic written confirmations of independence from EY.

Recommendation for External Auditor reappointment:

Following its assessment, the ARC recommended the reappointment of EY as the external auditor for the financial year 2026. This recommendation was based on the auditor’s continued independence, audit quality, strong understanding of the Company and the retail sector, and compliance with applicable regulatory and professional requirements.

Internal Control and Risk Management

The ARC reviewed internal audit reports and management responses throughout 2025. No significant deficiencies that affected the Company’s performance were identified in the Company’s internal control or risk management frameworks. Medium and high-risk observations were monitored and corrective actions were implemented within agreed timelines, with progress tracked through regular updates and follow-up assurance from internal audit.

Related Party Transactions

Spinneys 1961 Holding PLC did not enter any related party transactions during 2025. In the ordinary course of business, the Company’s subsidiaries entered related party transactions which were disclosed in the financial statements. The ARC reviewed these transactions to ensure they were conducted on arm’s length terms and in compliance with applicable legal, regulatory and governance requirements.

Subramanian Suryanarayan

Chair of the ARC

Appendix D

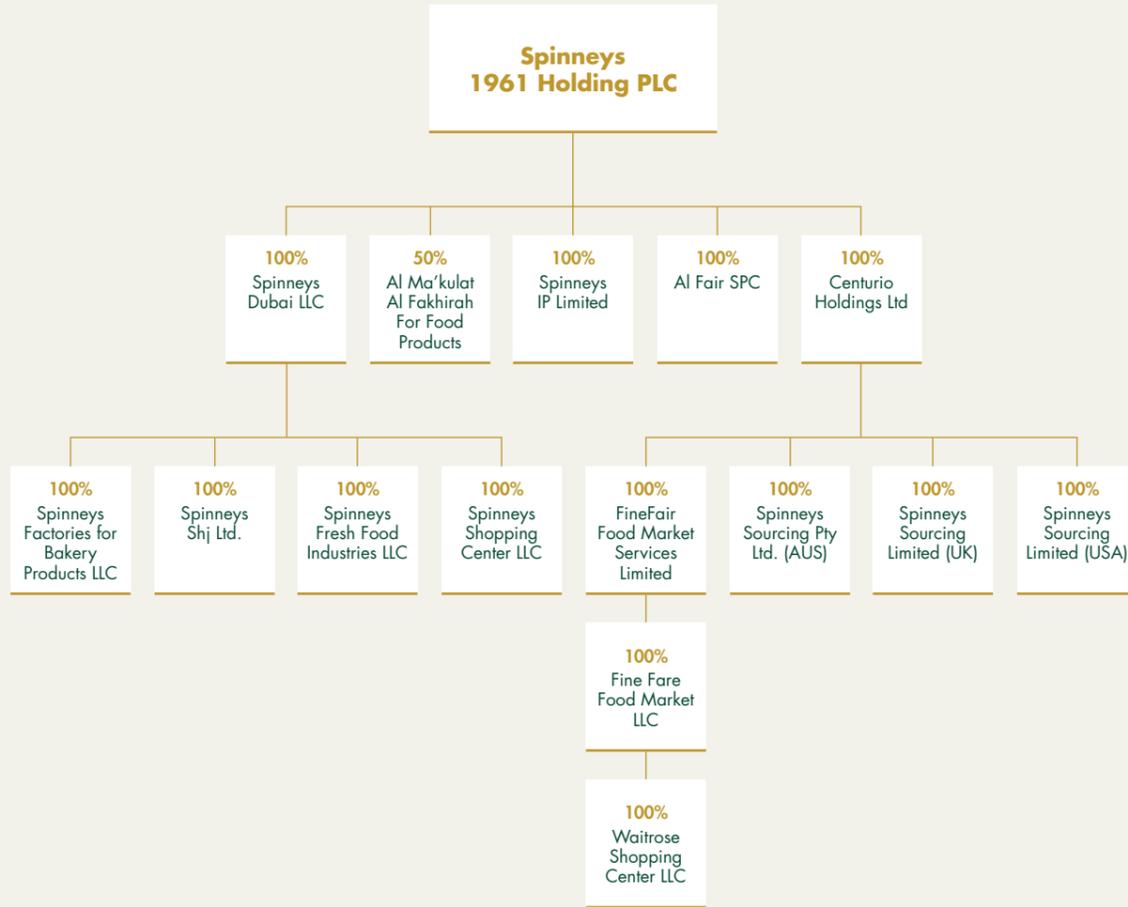
Company’s organisation chart



Governance

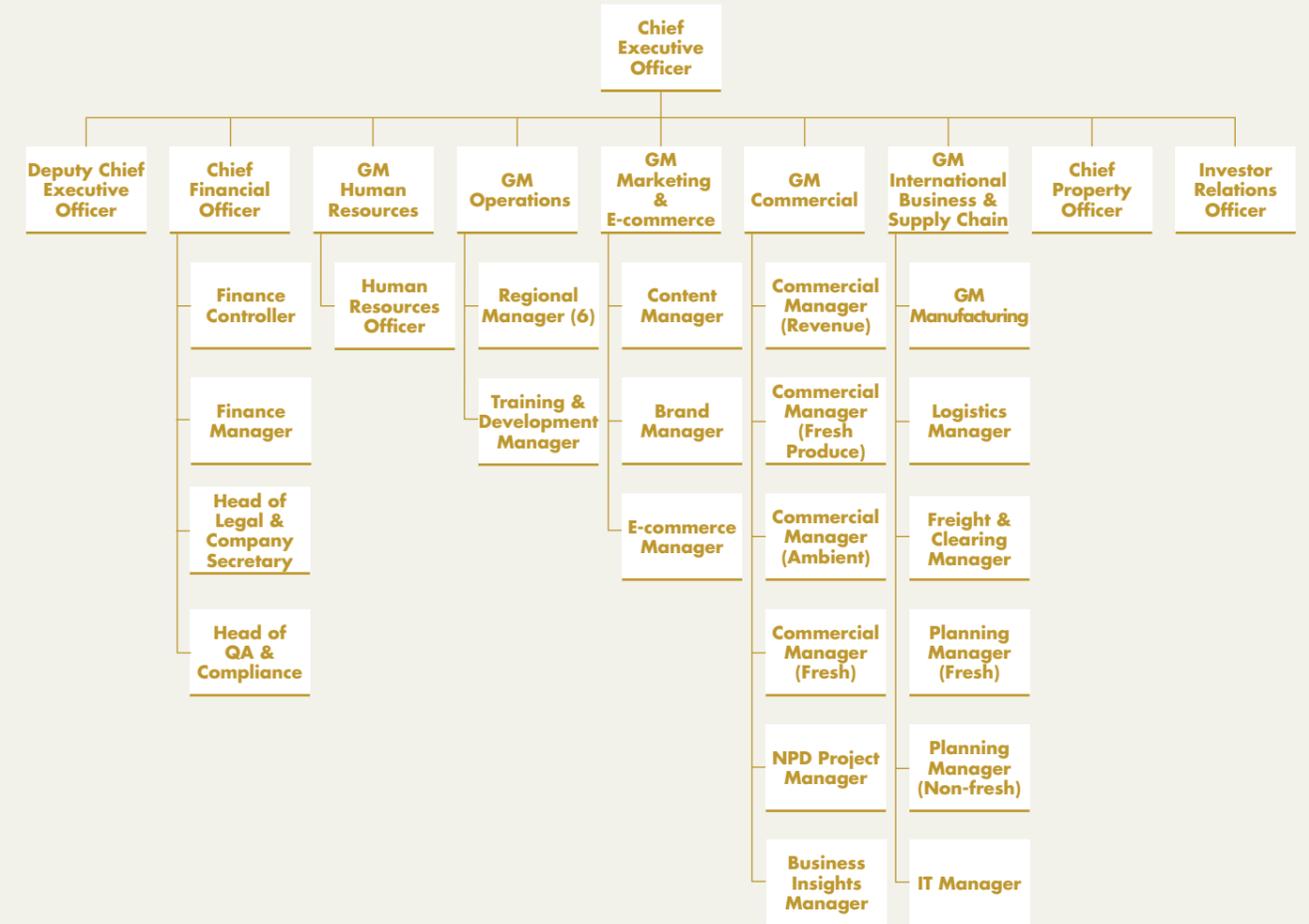
Appendix E

Company subsidiaries



Appendix F

Operating subsidiaries organisation chart



Governance

Appendix G

Subsidiaries Related Party Transactions & Balances

Related Party Transactions and balances

Related parties comprise the Ultimate Parent Company, the Parent, key management personnel (including directors) and the entities in which they have substantial interests or are capable of exercising significant management influence.

Details of significant Related Party Transactions entered during 2025 are as follows:

	Liability for employees' end of service benefits transferred from AED'000	Sale of goods AED'000	Purchase of goods AED'000	Operation services income AED'000	Insurance costs AED'000	Stock transferred to AED'000	Recharge of selling, general and administrative expenses to AED'000	Selling, general and administrative expenses from AED'000	Transfer of property, plant and equipment AED'000	Capital expenditure AED'000	Rental income AED'000
Ultimate Parent Company	-	202	-	-	-	-	-	-	-	-	406
Parent	-	-	-	-	-	-	959	-	-	-	-
Entities under common control	-	1,624	69,647	-	5,077	-	-	38,718@	-	30,093	3,066
Parent's associate	457	-	37,095	600	-	198,897#	16,554	-	(375)	-	3,198
Ultimate Parent Company's joint venture	-	23	-	-	-	-	-	-	-	-	-

represents retail goods transferred to the Parent's associate which is accounted for on a net basis as the Group acts as an agent to procure and deliver goods for the related party.

@ includes stores maintenance costs under the maintenance contract entered with related parties amounting to AED 37,716 thousand.

Capital expenditure commitments amounting to AED 6,498 thousand as at 31 December 2025 are included within capital expenditure commitments.

Also provision for top-up tax which will be charged by and paid to the Ultimate Parent Company.

Related party balances:

Amounts due from related parties	AED'000
Ultimate Parent Company	
Albwardy Investment LLC	144
Parent	
Al Seer Group (L.L.C.)	73
Entities under common control	
Al Seer Food Services LLC	142
Europacific LLC	114
Parent's associate	
Spinneys (Abu Dhabi) L.L.C.	4,146
	4,619

Amounts due to related parties	AED'000
Entities under common control	
Albwardy Engineering Enterprise	7,095
Fit Fresh LLC	2,230
Al Seer Trading Agencies LLC	2,040
Fine Fair Commercial Complex LLC	1,634
Arabian Oasis Food Co LLC	1,121
Nasco Insurance Group	336
Socotra Island Investments (Proprietary) Limited	296
Al Seer Group LLC, Oman	143
Totale Cleaning Services	75
Technical Resources Establishment	5
Parent's associate	
Nestle UAE L.L.C	1,683
Reckitt Benckiser Arabia Trading LLC	882
FerGulf Trading UAE L.L.C.	790
Zest Wellness Pharmacy LLC	460
	18,790

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management during 2025 are as follows:

	AED'000
Short-term employee benefits	10,993
Employees' end of service benefits	257
Directors' remuneration	4,522
Employees' benefit (incentive plan)	455
	16,227

The following are the amounts recognised in the consolidated statement of profit or loss and in the Consolidated statement of financial position relating to leases entered with related parties:

	AED'000
Depreciation of right-of-use assets	39,265
Interest expense on lease liabilities (included in finance costs)	12,148
Lease payments	46,792
Right-of use assets	171,279
Lease liabilities	191,627
Refundable security deposits	12,000

Sustainability summary

In 2025, Spinneys continued to grow and invest in its people, partnerships and communities. We are pleased to take the next steps on our responsible retail journey with our second Integrated Report. In this report, we proudly publish the details of our Sustainability strategy and detail the Corporate Governance measures we have in place. Our business has always been governed in a responsible manner with best practices being followed even before our 2024 IPO. Our focus remains on addressing the issues that matter most to our business, people and the environment. We have also shared some of our 2025 highlights and achievements, summarised through each pillar of our Sustainability strategy, all of which are in line with our company purpose: ‘to nourish and inspire our communities to live better lives, day by day’.

Sunil Kumar
Chief Executive Officer

Environmental and social responsibility at Spinneys

In 2024, Spinneys released its inaugural Sustainability commitment report, titled Better Together: 2030. The report details the Company’s environmental and social strategy, with commitments on various ESG targets, aimed at achieving significant environmental and social goals by 2030. The Sustainability commitment report can be found on the Company’s website at: spinneys.com/en-ae/better-together-2030

In our 101st year of operation in the Middle East, Spinneys continues to grow and invest in

its people, partnerships and communities. Better Together: 2030 addresses the issues that matter most to our business, people and the environment. We set out Spinneys’ commitment to responsible retailing.

Better Together: 2030 – background and purpose

Our inaugural Better Together: 2030 report is Spinneys’ first formal sustainability report. It outlines the material focus areas, issues and initiatives that the business will address and deliver. The report details the aims, commitments, targets and key actions for each strategic pillar of the Sustainability

Programme. It also describes how the programme scope is defined, reviewed, governed and managed.

Our main objective is to provide transparency to all interested stakeholders about the strategic commitments and actions that prove Spinneys’ commitment to material sustainability topics. The Better Together: 2030 strategy has been prepared with consideration of the Global Reporting Initiative (GRI) Reporting Standards, to facilitate the publication of GRI-aligned annual performance reports in the future.

Better Together: 2030 – scope

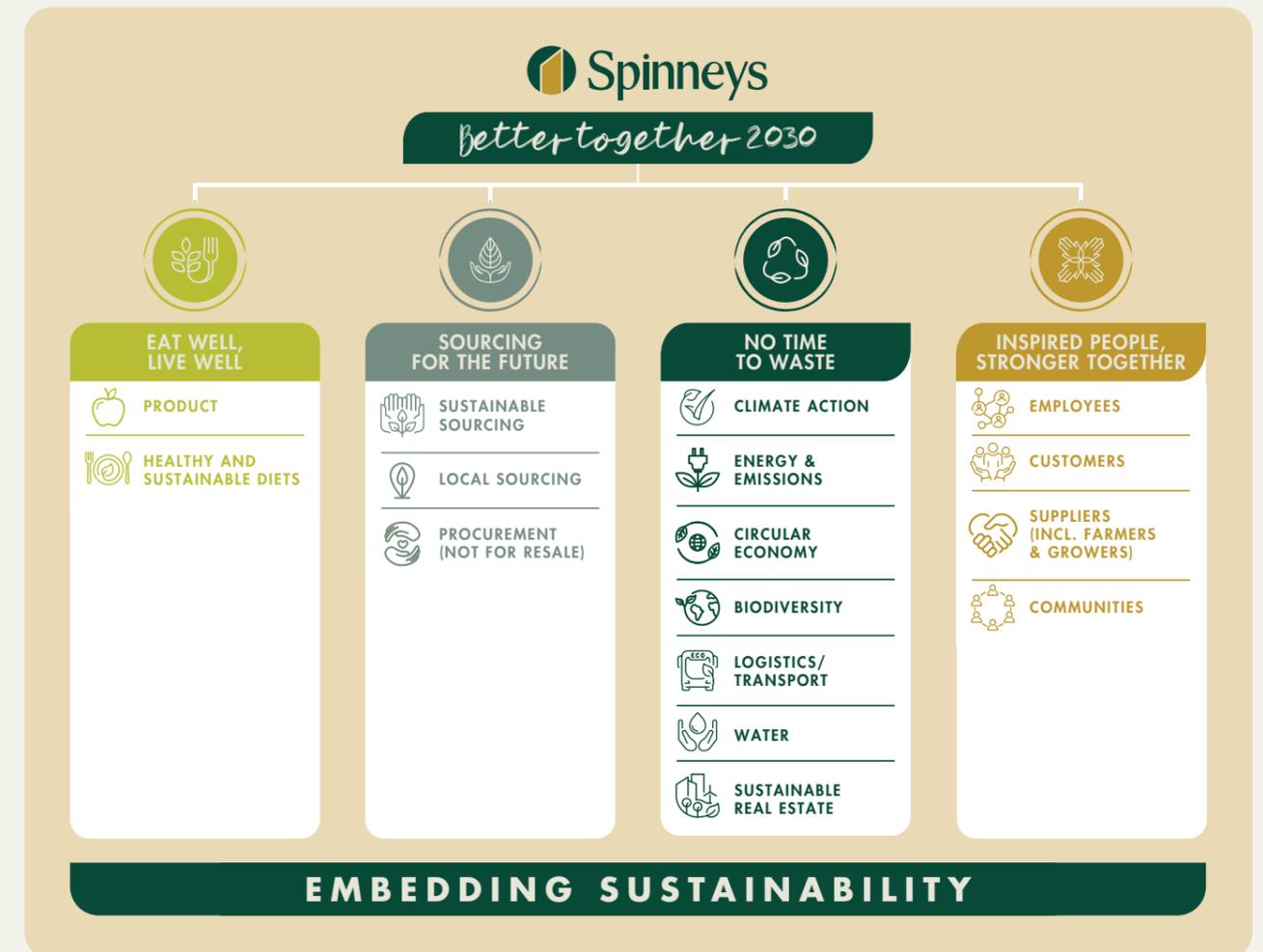
The Company’s commitments, targets and key performance indicators (KPIs) outlined in the report relate to the operations, assets and functions of Spinneys. These include:

- Spinneys’ owned properties, assets and operations

- Stores and operations in rented space
- Stores operated in the UAE under the Waitrose & Partners brand
- Direct employees of the Company
- Own brand products e.g. Spinneysfood

Our environmental and social strategy
The Better Together: 2030 strategy

incorporates four pillars addressing our most material, environmental and social topics. Our strategy is underpinned by an ‘Embedding Sustainability’ platform, which articulates how the business will govern, support and enable programme progress, for example, through formal training, the assigning of KPIs and shaping reporting practices.



The key pillars of our sustainability strategy are:

#1 Eat Well, Live Well



Spinneys is dedicated to crafting products that foster healthier and more sustainable lifestyles. This pillar encompasses Spinneys' own brand products, including SpinneysFOOD, SpinneysHOME and SpinneysWELLNESS. Key areas of focus include product quality, nutrition, customer communications, product ranges, sustainability standards and food safety.

#2 Sourcing for the Future



Spinneys is unwavering in its commitment to collaborating with local and global growers and producers to ensure supply chains meet best practice standards. Initiatives within this pillar include sustainably sourced products and ingredients, food miles, local and transparent sourcing and a commitment to food security.

#3 No Time to Waste



Under the 'No Time to Waste' pillar, and as part of the climate action plan, Spinneys aims to reach net zero operational emissions by 2040. The Company is also furthering its commitment by establishing a roadmap to mitigate its impact on the environment.

This plan covers climate action, energy and emissions management, circular economy practices, biodiversity, conservation, logistics and transport efficiency, water conservation and the implementation of sustainable practices in stores and facilities.

#4 Inspired People, Stronger Together



The Company's sustainability strategy places a strong emphasis on investment and engagement with all stakeholders in our ecosystem. This includes a focus on employee well-being and development, building strong supplier relationships and actively participating in and supporting local communities. Spinneys' deep involvement in community initiatives, such as the Spinneys Dubai 92 Cycle Challenge, Farm to Table Programme and Spinneys Family Run series will continue to reinforce the strength and resonance of our brand in the UAE.

#5 Embedding Sustainability

Governed by robust structures, the Embedding Sustainability pillar serves as the foundational support for the preceding four pillars, bringing accountability and the successful implementation of Better Together: 2030.

This pillar covers strategy refinement, governance frameworks, transparent reporting, KPIs and the cultivation of a Sustainability focused culture within the Company. Spinneys has established a Sustainability Steering Committee, overseen by the board, which is responsible for reviewing materiality and ESG methodology and incorporating ESG initiatives across all business functions. The Company's future annual ESG disclosures will communicate progress in alignment with GRI standards.



Strategy in action: Case studies

#1 Eat Well, Live Well



The Spinneys Farm to Table Programme 2025

Aimed at inspiring the nation's youth to adopt sustainable eating habits, the Farm to Table programme consists of five educational modules. These modules, developed with experts including nutritionists and local farmers, address critical topics around food sourcing and sustainable eating. The initiative has reached 212 schools and 151,222 students (aged 5-14 years), across the UAE through digital and in-store communications. To accompany the learning modules, we organise fun and eye-opening activities and workshops for children and families, so that children can put the theory into practice.

Encouraging healthy eating and capturing consumer demand along with enhancing our private label offering

HACCP based Food Safety & Quality Standards across stores & ISO 22000 across factories.

Private Label Policy¹

Clean Label Policy¹

1. Policies ensure that private label products comply with all required local and federal requirements maintaining commitment not to contain any artificial colours, flavours, trans fat or hydrogenated vegetable oils or fats



My Spinneys story

Usha Nair
Assistant Brand Manager

Usha Nair joined Spinneys in 1994, six years after arriving in the UAE. Her first day as a cashier trainee at the Jumeirah store was marked by an "uneasy" feeling, which she later discovered was due to being pregnant. Her career quickly gathered momentum; she became a checkout supervisor at the Ramada store within six months. This was followed by a role as an administrator in the Umm Suqeim store, leading eventually to a position in the marketing department at the head office.

After 30 years, Usha holds many fond memories, but the opening of the Al Ghurair store stands out. Two days before the launch, a critical product shortage led to a tireless 24-hour shift for the commercial team. She values Spinneys' work culture, specifically the flexible work environment and supportive team mates from different nationalities. Usha credits the company for teaching her how to react to diverse situations with greater maturity. Usha has been actively involved in Spinneys Farm to Table Programme, organising cooking classes for young students as well events with school principals.



Strategy in action: Case studies

#2 Sourcing for the future



The Spinneys Sustainable Sourcing Policy

Our Sustainable Sourcing Policy enables us to embed and strengthen environmental criteria into procurement. This will help translate our ESG commitments into clear, supplier-led action across the upstream value chain.

Applicable to all Private Label Food – covering both ingredients and finished products – the policy prioritises Tier 1 engagement with growers, primary producers and manufacturers to improve transparency, strengthen supply chain control and drive measurable impact.

The policy is comprehensive and addresses specific food categories in line with the OECD and FAO guidelines which would directly affect deforestation and subsequently impact climate change. It includes commodities such as beef, soy, palm oil, coffee, cocoa and sugar and the risk relates to their manner of production, not to the product itself.

A phased roadmap is being implemented by establishing our baseline, followed by collaborative work with suppliers for required assurances to verify compliance.

The policy is deliberately comprehensive with category-specific requirements for select categories such as beef, soy, palm oil, coffee, cocoa and sugar. It sets out recognised certification/ progression pathways – from RSPO and Rainforest Alliance to ISO 34101 for cocoa and Bonsucro for sugar – alongside clear expectations for suppliers to hold certification or commit to a defined certification plan and timeline.

A phased roadmap guides implementation from end-product baselining to deeper supplier tiers, supported by annual certification monitoring led by our Commercial Quality Assurance team and verification by Compliance. Clear corrective actions are defined where requirements are breached – including delisting or discontinuation.

This policy directly supports goal 12 of the UNSDG and the UAE's first long-term strategy (LTS) on demonstrating commitment to Net Zero by 2050.

Focus on managing and monitoring environmental and social risks in the supply chain

Global G.A.P. / Food Safety Management System requirement for produce suppliers¹

Sustainable Sourcing Policy²

Spinneys UAE Farmers' Club – 3,169 tons of fresh produce sold

1. Integrated Farm Assurance Standards – GAP is an acronym for Good Agricultural Practices.
2. This Sustainable Sourcing Policy complements the existing Vendor Quality Management System in place that focuses on Food Safety and Quality

Strategy in action: Case studies

#3 No Time to Waste



Insect Feed Project Progression

Now in its second year, the Black Soldier Fly Larvae Project has evolved from a successful pilot into a scalable solution addressing food waste.

In partnership with Food Safety Authorities and Circa Biotech, Spinneys continues to divert organic waste away from landfills through an innovative circular-economy model. Building on the 2024 trial, which

delivered a 54% reduction in food waste (which would have been sent to landfills) across trial stores, the programme has expanded considerably since then and now includes the central warehouse. This scale-up reflects a year of operational learning, improved efficiencies and deeper integration into daily store operations.

Food waste from participating sites is

rerouted to Circa Biotech, where black soldier fly larvae upcycle organic waste into protein-rich animal feed, organic fertilisers and sustainable biofuel, significantly reducing environmental impact while creating new value from waste.

Some of our food waste reduction strategy results include:

Reduced Food Waste
804 tons of food was sent to food banks and food charities, mainly via the UAE Food Bank, Emirates Red Crescent and municipalities

Reuse/Circular Economy
215 tons of food was addressed reflecting a 55% increase over last year

Recycle Food Waste

- 87 tons of food was diverted from landfills towards the Insect Feed Project that reflected a 577% increase/ 73.9 ton increase over last year
- 71.84 tons of organic waste was composted (final figure for 2025)
- 8.4 cbm of used cooking oil was diverted for recycling in 2025

Managing our operational environmental impacts

Achieve Net Zero emissions for our own operations, in alignment with the UAE Climate Objectives 2050.

Improved recycling efforts on paper, plastic, metal and glass

Continued collaborative effort at a global, federal & local level¹

1. Consumer Goods forum, Coalition on Food Waste, 10x20x30 project, at a global level Ne'ma National Food Loss and Waste Initiative, at a federal level Municipalities and local authorities on best practices on food waste reduction

Strategy in action: Case studies

#4 Inspired People, Stronger Together

Supporting an active and healthy workforce

- 7,190 participants in the Spinneys Dubai 92 Cycle Challenge 2025 marked 8% growth
- Hosted seven Spinneys Family Run Series 2025 events with 2,450 participants
- 24 Spinneys cyclists participated in the Slovenia Gran Fondo – having qualified through an internal competition
- 350 Spinneys runners participated in the Dubai Creek Striders Half Marathon 2025
- Spinneys ranked 3rd in the corporate Dubai Fitness Challenge – daily average of 8,902 steps per participant
- The newly launched Spinneys Strava Club grew from zero to 625 members over the course of the Dubai Fitness Challenge with over 2,700 hours of physical activity.

Habits heroes

Spinneys believes a strong culture is built by recognising the colleagues who bring its purpose to life every day. The Habits Heroes employee recognition programme celebrates team members who consistently demonstrate the Spinneys habits – behaviours defined by employees themselves and rooted in the company’s purpose: to nourish and inspire our communities to live better lives, day by day.

Launched as a long-term cultural initiative, the programme encourages colleagues across the business to nominate one another for living these habits in their daily work, fostering a peer-led culture of appreciation, accountability and positive reinforcement. By 2025, six of the nine Spinneys habits had been rolled out across the organisation, reflecting a phased and employee-informed approach to embedding values at scale.

Nominations are reviewed on a regular basis, with colleagues recognised through both monthly and quarterly awards, ensuring consistent visibility of positive behaviours and sustained momentum throughout the year. Recognition spans roles, teams and functions, reinforcing inclusivity and shared ownership.

By aligning recognition directly with employee-defined habits and company purpose, Habits Heroes strengthens engagement, supports well-being and helps embed a values-led culture that underpins long-term performance and organisational resilience.

Strategy in action: Case studies

#5 Embedding Sustainability

We appreciate that the Better Together: 2030 programme needs strong governance to drive progress and ensure accountability. The strategy can only succeed if it is embedded into Spinneys’ business practices and culture. ‘Embedding Sustainability’ is therefore the critical enabling platform, integrating ESG management into the annual business cycle of strategy development, risk management, governance, monitoring and reporting. Annual strategic reviews ensure

alignment, clear roles and performance tracking, with all colleagues playing a part in delivering success. To support this embedded approach, Spinneys formally established a refreshed cross functional ESG Committee in 2025. To enable shared ownership and accountability and to have clear frameworks and a defined roadmap to provide direction.

During the year, the committee consolidated ESG baselines, benchmarked available data aligned to Global Reporting Initiative standards. Ongoing training and regular progress updates to the CEO and Executive Leadership Team ensure alignment with Spinneys’ wider strategy and long-term objectives.

ESG governance and structure



Sustainability summary

Baseline table

Environmental			
E1. GHG emissions	E1.1	Total CO2e - Scope 1	We have established a baseline which is now under verification.
	E1.2	Total CO2e - Scope 2	We have established a baseline which is now under verification.
	E1.3	Total CO2e - Scope 3	Spinneys is currently not reporting Scope 3 emissions
E2. GHG emission intensity	E2.1	GHG emission intensity	We have established a baseline which is now under verification.
	E2.2	Non - GHG emission Intensity	Not applicable
E3. Energy usage	E3.1	Total energy - directly consumed	We have established a baseline which is now under verification.
	E3.2	Total energy - indirectly consumed	Not applicable
E4. Energy intensity	E4.1	Direct energy usage intensity	We have established a baseline which is now under verification.
E5. Energy mix	E5.1	% mix per generation type	We have established a baseline which is now under verification.
E6. Water usage	E6.1	Total amount of water consumed	We have established a baseline which is now under verification.
	E6.2	Water recycled/reclaimed	Not applicable
E7. Environmental management	E7.1	Does your company follow a formal Environmental Policy?	Yes
	E7.2	Does your company follow specific waste, water, energy and recycling policies?	Yes

Environmental (continued)			
E7. Environmental management (continued)	E7.3	Does your company follow any recognised Energy MS?	An Integrated Management System (IMS) is in planning for ISO 22000, ISO 45001 & ISO 14001, that includes Energy Management.
	E7.4	Does your company have targets for waste, water, energy and environment?	Yes
	E7.5	Any fines received (>10000 usd,) for environmental non-compliance?	No
E8. Environmental oversight	E8.1	Does your board/management team oversee and/or manage climate-related risks?	Yes
E9. Environmental oversight	E9.1	Does your board/management team oversee and/or manage other sustainability issues?	Yes

Social			
S1. CEO pay ratio	S1.1	CEO total: Median FTE total Ratio	Please refer to page 80.
	S1.2	Is it reported in regulatory filing?	No
S2. Gender breakdown	S2.1	Please share the total enterprise headcount held by contractors and/or consultants	285
	S2.1	Please share the total of national employees	Male: 32 Female: 55 Total:87
S3. Employee turnover and new staff hires	S3.1	Year-over-year change for full-time employees	+729
	S3.2	Year-over-year change for part-time employees	Not applicable
	S3.3	Year-over-year change for contractors and/or consultants	Not applicable
S4. Gender diversity and equality	S4.1	Total enterprise headcount held by men and women	Male: 3601 Female: 1445
	S4.2	Total entry- and mid-level positions held by men and women	Male: 396 Female: 171
	S4.3	Total senior- and executive-level positions held by men and women	Male: 147 Female: 64

Sustainability summary

Baseline table

Social (continued)			
S4. Gender diversity and equality (continued)	S4.4	Please describe your company's initiatives or programmes to support the recruitment and retention of female employees, and to support female employees to advance to management positions	We pride ourselves on a workplace of cultivated talent. All promotions, and positions based in operations are filled internally, and at the same time we remain committed to creating an inclusive workplace that supports the recruitment, and promotion of female employees across all levels of the organisation. Recruitment initiatives focus on ensuring fair and unbiased hiring practices. We actively encourage and inspire female candidates to apply for roles across all functions, and we focus on inclusion within our succession pipeline. Training and development initiatives aim to support all employees in progressing their career. Managers are encouraged to identify and support high-potential colleagues through mentoring, coaching, and succession plan initiatives throughout the business.
S5. Non-discrimination	S5.1	Does your company follow a harassment and/or non-discrimination policy?	Yes
	S5.2	Does your company have a formal grievance mechanism in place?	Yes
	S5.3	Does your company provide training on human rights and related internal policies for your employees?	Yes
S6. Injury rate	S6.1	Frequency of injury events relative to work force time	4.81 per million man hours worked
	S6.2	Please share the total employee and total contractor (if available) manhours	Staff count: 5,046 Working hours: 12,263,640
	S6.3	Please share the total employee fatalities, with a breakdown of gender	0
	S6.4	Please share the total health and safety training provided to employees	4,349 hours
S7. OSH	S7.1	Does your company follow an occupational health and safety policy?	Yes
	S7.2	Does your company adopt a recognised health and safety management systems such as ISO45001?	Yes
S8. Child and forced labour	S8.1	Does your company follow a child and/or forced labour policy?	Yes
	S8.2	Does the policy include suppliers/vendors?	Yes
S9. Human rights	S9.1	Does your company follow a human rights policy?	Yes, in line with local government laws.
	S9.2	Does it include suppliers/vendors?	Yes, in line with local government laws.
S10. Nationalisation	S10.1	% of national employees	Please refer to page 77.

Social (continued)			
S11. Community investment	S11.1	Please share the total amount invested in the community, AS A % OF REVENUE	Please refer to page 26 and 27.
S12. Training and development	S12.1	Please share the average annual training hours allocated per employee, with a breakdown of gender and employment category	Please refer to page 26.
	S12.2	Please share the total hours of training per employee on sustainability policies and practices, including human rights	We are currently working on a baseline and plan to disclose in future reports
	S12.3	Please share the total employee volunteering completed during the reporting period	We are currently working on a baseline and plan to disclose in future reports
Governance			
G1. Board diversity	G1.1	Total board seats occupied by men and women	The board consists of 9 members, 2 women and 7 men.
	G1.2	Total committee chairs occupied by men and women	2 committees, with 1 female and 1 male chairperson
G2. Board independence	G2.1	Does the company prohibit CEO from serving as board chair?	Yes, incorporated within our Corporate Governance Manual.
	G2.2	Please share the total board seats occupied by independents.	The board consists of 9 members, of which 3 are independent.
G3. Incentivised pay	G3.1	Are executives incentivised to perform on sustainability?	Yes
G4. Supplier Code of Conduct	G4.1	Are your vendors or suppliers required to follow a Code of Conduct?	Yes
	G4.2	If yes, what percentage of your suppliers are formally certified and compliant with the Code?	100%
G5. Ethics and anti-corruption	G5.1	Does your company follow an Ethics and/or Anti-Corruption policy?	Yes, the Fraud Policy encompasses anti-corruption requirements
	G5.2	Please share the workforce formally compliant with the Anti-Corruption Policy	0 complaints received
G6. Data privacy	G6.1	Does your company follow a Data Privacy Policy?	Yes
	G6.2	Has your company taken steps to comply with GDPR rules or similar standards?	Yes
G7. Sustainability reporting	G7.1	Does your company publish a sustainability report?	Yes
	G7.2	Is the sustainability data included in your regulatory filings?	Not applicable
G8. Disclosure practices	G8.1	Reporting framework	Yes
	G8.2	Focus on SDGs	Yes
	G8.3	SDG target set?	Yes
G9. External assurances	G9.1	Are your sustainability disclosures assured or validated by a third party?	Not applicable

Financial statements



- 112 Board of Directors' Report
- 114 Independent Auditor's Report
- 118 Consolidated Statement of Profit or Loss
- 119 Consolidated Statement of Comprehensive Income
- 120 Consolidated Statement of Financial Position
- 121 Consolidated Statement of Cash Flows
- 122 Consolidated Statement of Changes in Equity
- 123 Notes to the Consolidated Financial Statements



My Spinneys story

Sunny Thomas
Accounts Manager

Sunny Thomas has been a constant presence in the Spinneys Finance Department since joining the company in 1996. While he acknowledges the inherent work pressure and stress of the role, he ultimately enjoys his job, finding that the freedom afforded by the company makes his tasks manageable.

His most significant learning experience came from senior managers, particularly Paresh, who shared his extensive knowledge and openly discussed his professional experience. The biggest takeaway, and the advice that guides him, is the emphasis on family. Paresh would remind the team that while working late is necessary, the effort is for the family, and the job is secondary. This focus on balancing work and personal priorities has become Sunny's guiding principle throughout his tenure at Spinneys.

Financial statements

Board of directors’ report

It is with great pleasure that the board of directors presents the audited consolidated financial statements of Spinneys 1961 Holding PLC (the “Company”) and its subsidiaries (together referred to as the “Group”) for the year ended 31 December 2025.

Principal activities

The Group is engaged in the operation of retail supermarket chains in the United Arab Emirates, the Sultanate of Oman and the Kingdom of Saudi Arabia.

Review of business performance in 2025

The Group’s strong performance in 2025 continues, reflecting ongoing focus on strategic store expansion, the enhancement of fresh food and private label assortments and the integration of digital innovation across the business. During the year, the Group is proud to announce entry into Kuwait and the Philippines, which represent significant milestones in regional and international growth journey.

The Group remains steadfast in supporting the governmental initiatives focused on sustainability and community welfare.

Financial results

The Group reported a revenue of AED 3,647 million for the year ended 31 December 2025, compared to AED 3,226 million in 2024.

The Group’s profit for the year ended 31 December 2025 was AED 322 million, compared to AED 290 million in 2024.

Dividend

The Company’s dividend distribution policy aims to ensure maintaining a consistent high level of dividend pay-out ratio as percentage of profits after tax and to pay dividends on a semi-annual basis.

In 2025, an interim dividend of AED 119.5 million was paid. The board of directors has recommended a final dividend of AED 129.6 million, which is subject to the approval of the shareholders at the Annual General Meeting.

Outlook and strategy for 2026

The Group is set to continue its expansion strategy by increasing its store footprint, with a robust pipeline of new locations planned in the UAE, as well as in Saudi Arabia. Concurrently, investments will be made in the existing stores to enhance the in-store customer experience.

The Group also will continue to advance the private label strategy, focused on a strategic shift towards high-margin products.

Transactions with Related Parties

The consolidated financial statements disclose Related Party Transactions and balances in note 16. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Auditors

Ernst & Young Middle East (Dubai Branch) (EY) was appointed as external auditors for the Group for the year ended 31 December 2025. EY has expressed their readiness to continue in this role. A recommendation for EY reappointment for the subsequent financial year will be presented at the Annual General Meeting.

Statement of Disclosure to auditors

The directors of Spinneys 1961 Holding PLC certify that, to the best of their knowledge, there is no relevant audit information that the Group’s auditor is unaware of and affirm that all necessary steps have been taken as directors to make themselves aware of any relevant audit information and to establish that the Group’s auditor is aware of that information.

Directors

Name	Capacity	Date of Appointment
Ali Saeed Juma Al Bwardy	Non-executive Director – Chair	27 March 2024
Tariq Ali Saeed Juma Al Bwardy	Non-executive Director – Vice Chair	27 March 2024
Rashed Ali Saeed Juma Al Bwardy	Non-executive Director	27 March 2024
Mazoon Ali Saeed Juma Al Bwardy	Non-executive Director	27 March 2024
Saeed Mansoor Al Awar	Non-executive Director	27 March 2024
Subramanian Suryanarayan	Independent, Non-executive Director	27 March 2024
Huda Al Lawati	Independent, Non-executive Director	27 March 2024
Dominique Lecossois	Independent, Non-executive Director	27 March 2024
Sunil Kumar	Executive Director – Chief Executive Officer	27 March 2024

The board of directors extends its sincere gratitude to the management team and all dedicated staff for their exceptional contribution. Looking forward to a successful and prosperous 2026 ahead.

On behalf of the board



Ali Saeed Juma Albwardy

Chairman
Spinneys 1961 Holding PLC

Financial statements

Independent auditor’s report to the shareholders of Spinneys 1961 Holding PLC

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Spinneys 1961 Holding PLC (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of 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 as issued by the 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 Consolidated Financial Statements section of our report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the shareholders of the Company, as a body, for our audit work, for this report, or for the opinion we have formed. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the Dubai International Financial Centre (“DIFC”), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional 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 the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Rebates and other supplier benefits</p> <p>The Group recognised rebates and other supplier benefits amounting to AED 275,640 thousand during the year ended 31 December 2025.</p> <p>These rebates and other supplier benefits are based on the contractual arrangements with the suppliers whereby volume-related allowances, promotional and marketing allowances and various other fees and discounts are received in connection with the purchase of goods for resale from these suppliers. Such rebates and other supplier benefits are adjusted as a reduction to cost of sales for the inventories sold and the balance against closing inventories as at year end.</p> <p>In accordance with IFRS Accounting Standards, these rebates and benefits should only be recognised when it is probable that the related performance obligations associated with the purchase of the products are met by the Group, and the amounts can be measured reliably based on the terms of the contracts with the suppliers.</p> <p>Management applied judgement in estimating the timing and the amount of recognition of the rebates and other supplier benefits based on the assessment of the probability that the conditions to earn the rebates and other supplier benefits have been met, and that the amount can be estimated reliably. This requires a detailed understanding of the contractual arrangements and the establishment of the process and controls to ensure that the supplier rebates and other benefits are appropriately calculated and recorded, using complete and correct source data, and in accordance with the terms of the supplier contracts.</p> <p>Considering the large number of supplier contracts and the inherent complexity and judgment involved with the estimation of the supplier rebates and other benefits, we considered accounting for rebates and other supplier benefits to be a key audit matter.</p> <p>Refer Note 2 for rebates and other supplier benefits accounting policy and Note 3 for the significant accounting judgments, estimates and assumptions.</p>	<p>We performed the following procedures in relation to rebates and other supplier benefits:</p> <ul style="list-style-type: none"> • Read the Group’s accounting policy for rebates and other supplier benefits and assessed whether it is in accordance with the requirements of IFRS Accounting Standards. • Obtained and understood the Group’s processes and underlying controls to evaluate the contractual arrangements with the suppliers and to estimate the rebates and other supplier benefits. We performed walkthrough over the process and design of those controls. • On a sample basis, we tested the calculation of the rebates and other supplier benefits to the underlying contractual arrangements. We tested the underlying source data and basis thereof for the calculation of such rebates and other supplier benefits. • On a sample basis, we tested the supplier balance reconciliations with the supplier statement of accounts and assessed that the supplier balances are recorded in the correct period, and any reconciliation items are reviewed and recorded by the Group’s management. Where responses from suppliers were not received, we performed alternative procedures, such as the verification of invoices, contracts and payments made in the subsequent period. • We performed month on month variance analysis for: <ul style="list-style-type: none"> a. revenue and gross margin; and b. rebates over purchases of goods by nature of rebate. <p>We performed these analyses in order to understand trends and to identify and test anomalies, if any, which may indicate potential errors in accounting for rebates and other supplier benefits.</p> <ul style="list-style-type: none"> • Evaluated that the disclosures in the consolidated financial statements are appropriate in accordance with the requirements of IFRS Accounting Standards.

Financial statements

Independent auditor's report to the shareholders of Spinneys 1961 Holding PLC (continued)

Report on the audit of the Consolidated Financial Statements (continued)

Other Information included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. 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 management and the board of directors 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 in compliance with the applicable provisions of the Articles of Association of the Company and the Companies Law pursuant to DIFC Law No. 5 of 2018, and for such internal control as 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 has no realistic alternative but to do so.

The board of directors are responsible for overseeing the Group's financial reporting process.

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 judgment and maintain professional skepticism 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.
- 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with the board of directors, 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.

Report on other legal and regulatory requirements

We also confirm that, in our opinion, the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Law pursuant to DIFC Law No. 5 of 2018. We have obtained all the information and explanations that we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Companies Law pursuant to DIFC Law No. 5 of 2018 have occurred during the year which would have had a material effect on the business of the Company or on its consolidated financial position.

Ernst & Young

Emin Mammadov
Audit Principal

11 February 2026
Dubai, United Arab Emirates

Financial statements

Consolidated statement of profit or loss For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Revenue from contracts with customers	5	3,588,883	3,170,661
Rental income	12	57,876	54,956
Revenue	4	3,646,759	3,225,617
Cost of sales		(2,115,365)	(1,890,060)
GROSS PROFIT		1,531,394	1,335,557
Other income	6	12,282	12,507
Selling, general and administrative expenses	7	(812,667)	(717,532)
Depreciation and impairment of property, plant and equipment	11	(116,143)	(95,571)
Depreciation and impairment of right-of-use assets	12	(188,352)	(174,656)
Finance costs	8	(55,967)	(50,977)
Finance income	9	24,225	13,300
PROFIT FOR THE YEAR BEFORE TAX		394,772	322,628
Income tax expense	10	(63,026)	(33,003)
PROFIT FOR THE YEAR		331,746	289,625
Attributable to:		341,405	304,270
Equity holders of the Company		(9,659)	(14,645)
Non-controlling interest		331,746	289,625
Earnings per share			
Basic and diluted, profit for the year attributable to equity holders of the Company (in AED per share)	29	0.0949	0.0845

Consolidated statement of comprehensive income For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
PROFIT FOR THE YEAR		331,746	289,625
Other comprehensive (loss)/ income			
Other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		642	(46)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement loss on employees' end of service benefits	19	(3,010)	(1,441)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(2,368)	(1,487)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		329,378	288,138
Attributable to:			
Equity holders of the Company		339,075	302,766
Non-controlling interest		(9,697)	(14,628)
		329,378	288,138

Financial statements

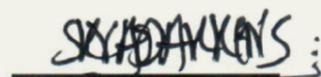
Consolidated statement of financial position

For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	434,981	425,792
Intangible assets	13	34,000	34,000
Right-of-use assets	12	871,834	923,749
Other non-current assets	15	53,232	56,045
Deferred tax assets	10	1,200	1,099
		1,395,247	1,440,685
Current assets			
Inventories	14	170,476	157,111
Trade receivables, prepayments and other receivables	15	89,048	55,086
Amounts due from related parties	16	4,619	3,765
Cash and short-term deposits	17	776,459	536,168
		1,040,602	752,130
TOTAL ASSETS		2,435,849	2,192,815
EQUITY AND LIABILITIES			
Equity			
Share capital	21	36,000	36,000
Restricted reserve	22	4,778	4,778
Retained earnings		388,997	267,825
Own shares	23	(14)	-
Own shares reserve	23	(2,551)	-
Actuarial reserve	22	3,134	6,144
Foreign currency translation reserve	22	1,468	788
Equity attributable to equity holders of the Company		431,812	315,535
Non-controlling interest		(26,013)	(16,316)
TOTAL EQUITY		405,799	299,219
Non-current liabilities			
Interest-bearing loans and borrowings	18	5,118	5,507
Other non-current liabilities	20	18,794	14,591
Lease liabilities	12	845,206	886,736
Employees' end of service benefits	19	87,230	79,172
Deferred tax liability	10	1,147	-
		957,495	986,006
Current liabilities			
Trade payables, accruals and other payables	20	807,581	677,666
Lease liabilities	12	184,478	173,657
Interest-bearing loans and borrowings	18	808	751
Amounts due to related parties	16	18,790	23,632
Income tax payable	10,16	60,898	31,884
		1,072,555	907,590
TOTAL LIABILITIES		2,030,050	1,893,596
TOTAL EQUITY AND LIABILITIES		2,435,849	2,192,815



Director



Director

Consolidated statement of cash flows

For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
OPERATING ACTIVITIES			
Profit before tax		394,772	322,628
Adjustments to reconcile profit before tax to net cash flows:			
Net gain on disposal of property, plant and equipment	6	(1,548)	(1,342)
Finance income	9	(24,225)	(13,300)
Finance costs	8	55,967	50,977
Depreciation and impairment of property, plant and equipment	11	116,143	95,571
Depreciation and impairment of right of use assets	12	188,352	174,656
(Gain) / loss on change in fair value of forward exchange contracts		(5,270)	6,770
Provision for old and obsolete inventories	14	10,756	12,061
Gain on termination and modification of leases		(384)	(545)
Provision for employees' end of service benefits	19	13,415	11,740
		747,978	659,216
Working capital adjustments:			
Inventories		(24,121)	(36,011)
Trade receivables, prepayments and other receivables		(20,699)	(8,509)
Related party balances*		(4,864)	(9,301)
Trade payables, accruals and other payables		137,877	(11,658)
		836,171	593,737
Employees' end-of-service benefits paid	19	(8,828)	(5,441)
Interest paid		(391)	(490)
Income tax paid		(32,953)	(1,448)
Net cash flows from operating activities		793,999	586,358
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(124,481)	(113,762)
Proceeds from disposal of property, plant and equipment		1,971	2,020
Proceeds from redemption of (investment in) short-term deposits		(191,000)	(476,000)
Interest received		22,634	13,300
Net cash flows used in investing activities		(290,876)	(574,442)
FINANCING ACTIVITIES			
Dividends paid	24	(220,320)	(102,600)
Payment to liquidity provider for purchase and sale of own shares, net	23	(9,826)	-
Repayment of lease liabilities	12	(222,372)	(202,596)
Repayment of interest-bearing loans and borrowings	18	(789)	(765)
Net cash flows used in financing activities		(453,307)	(305,961)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		49,816	(294,045)
Cash and cash equivalents at 1 January		60,168	354,061
Net foreign exchange difference		(525)	152
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	17	109,459	60,168

*Following non-cash transactions are excluded from the consolidated statement of cash flows:

	Notes	2025 AED'000	2024 AED'000
Property, plant and equipment transferred to/(from) related parties	11	375	(20)
End of service benefits transferred, net	19	457	2,960

Financial statements

Consolidated statement of changes in equity For the year ended 31 December 2025

	Notes	Share capital AED'000	Restricted reserve AED'000	Retained earnings AED'000	Own shares AED'000	Own shares reserve AED'000	Actuarial reserve AED'000	Foreign currency translation reserve AED'000	Total AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2024		36,000	4,778	66,155	-	-	7,585	851	115,369	(1,688)	113,681
Profit for the year		-	-	304,270	-	-	-	-	304,270	(14,645)	289,625
Other comprehensive income for the year		-	-	-	-	-	(1,441)	(63)	(1,504)	17	(1,487)
Total comprehensive income for the year		-	-	304,270	-	-	(1,441)	(63)	302,766	(14,628)	288,138
Dividends declared and paid	24	-	-	(102,600)	-	-	-	-	(102,600)	-	(102,600)
Balance at 31 December 2024		36,000	4,778	267,825	-	-	6,144	788	315,535	(16,316)	299,219
Profit for the year		-	-	341,405	-	-	-	-	341,405	(9,659)	331,746
Other comprehensive income for the year		-	-	-	-	-	(3,010)	680	(2,330)	(38)	(2,368)
Total comprehensive income for the year		-	-	341,405	-	-	(3,010)	680	339,075	(9,697)	329,378
Own shares	23	-	-	87	(14)	(2,551)	-	-	(2,478)	-	(2,478)
Dividends declared and paid	24	-	-	(220,320)	-	-	-	-	(220,320)	-	(220,320)
Balance at 31 December 2025		36,000	4,778	388,997	(14)	(2,551)	3,134	1,468	431,812	(26,013)	405,799

Notes to the consolidated financial statements At 31 December 2025

1 ACTIVITIES

Spinneys 1961 Holding PLC (the "Company") was incorporated on 21 November 2023 as a private limited company under the Companies Law, DIFC Law No. 5 of 2018 and was re-registered to a public company limited by shares on 29 March 2024. The registered address is Unit 813B, Level 8, Liberty House, DIFC, Dubai, United Arab Emirates.

The Company is a subsidiary of Al Seer Group (L.L.C.) (the "Parent") which is registered in the Emirate of Dubai as a limited liability company. The Parent is a subsidiary of Albwardy Investment (L.L.C.) (the "Ultimate Parent Company"), a limited liability company registered in the Emirate of Dubai, United Arab Emirates. The Ultimate Parent Company is majority owned and controlled by Mr. Ali Saeed Juma Al Bwardy.

Pursuant to the special resolution of the sole shareholder dated 27 March 2024, Al Seer Group (L.L.C.) resolved to convert the Company from a private company limited by shares into a public company limited by shares. On 2 April 2024, the Security and Commodities Authority ("SCA") (UAE) approved the Company's application for the offering and issuance of 900 million shares representing 25% percent of the Company's authorised share capital. On 9 May 2024, the Company was admitted to be listed on the Dubai Financial Market ("DFM").

The Company and its subsidiaries (together referred to as "the Group") are principally engaged in the operation of supermarkets in United Arab Emirates, Sultanate of Oman and Saudi Arabia. Information on the Group's subsidiaries are disclosed in note 30.

The consolidated financial statements were authorised for issue on 11 February 2026 by the board of directors.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and applicable provisions of DIFC Law No. 5 of 2018.

The consolidated financial statements have been prepared on a historical cost basis, except for forward foreign exchange contracts and re-measurement of the defined benefit liability that have been measured at fair value.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

Accounting convention

The presentation currency of the consolidated financial statements is the United Arab Emirates Dirham (AED), which is the Company's functional currency, and a significant proportion of the Group's assets, liabilities, income and expenses are denominated in AED. However, certain subsidiaries have functional currencies other than AED, in which case the respective local currency is the functional currency and the AED is the presentation currency. All values are rounded to the nearest thousand (AED '000), except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise 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
- 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:

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

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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 year are included in the consolidated statement of profit or loss 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, 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 into 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.

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value.

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's consolidated financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify the amendments that will be required on the primary financial statements and notes to the consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's consolidated financial statements.

Annual improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (continued)

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The above amendments are not relevant to the Group's consolidated financial statements.

Summary of material accounting policies

The material accounting policies adopted in the preparation of the consolidated financial statements are set out below:

Revenue from contracts with customers

The Group is principally engaged in operation of supermarkets. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements (except for retail goods transferred to Parent's associate mentioned in note 16) because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in a contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide customers with a right of return. The rights of return give rise to variable consideration.

Rights of return

The Group provides the customer with the right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from the customer.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or an advance is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Assets and liabilities arising from rights of return

Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Royalty income

Royalty income is recognised over time on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Rental income

Rental income is recognised on an accrual basis in accordance with the lease contracts terms. Refer accounting policy for leases where the group is a lessor.

Rebates and other supplier benefits

The Group has agreements with suppliers whereby volume-related rebates and various other fees and discounts are received in connection with the purchase of goods ("the rebates and supplier benefits"). Such rebates and supplier benefits are considered as a reduction of prices paid for their products and services. Therefore, rebates and supplier benefits are recorded by way of a reduction to the cost of inventory. In certain cases, receipt of the rebates and supplier benefits amounts are conditional on the Group satisfying certain performance obligations associated with the purchase of the product. These include achieving agreed purchases or sales volume targets. The rebates and supplier benefits are recorded on an accrual basis when it is probable that the related performance obligations associated with the purchase of the products are achieved by the Group, and the amounts can be measured reliably based on the terms of the contract with suppliers. For the purpose of presentation, inventories and cost of sales are shown net of rebates and supplier benefits.

Where the rebates and supplier benefits relate to inventories which are held by the Group at the end of a period, these amounts are deducted from the cost of those inventories, and recognised in cost of sales upon sale of those inventories. The Group offsets amounts due from suppliers against amounts owed to those suppliers and only the net amount payable or receivable is recognised.

Cost of sales

Cost of sales primarily consists of the cost of purchases net of the rebates and supplier benefits, changes in inventories (including impairments), exchange gains and losses on goods purchases and inbound shipping costs.

Fair value measurement

The Group measures financial instruments such as derivatives and re-measurement of the defined benefit liability, at fair value at each reporting 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:

- 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 to by the Group.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

Fair value measurement (continued)

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group has made necessary disclosures for fair value of financial instruments in note 25 and note 28 and defined benefit liability in note 19.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and /or any accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred.

Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Buildings	10 to 50 years
Leasehold improvements*	5 to 10 years or over the period of the lease term whichever is less
Plant and machinery (including computer hardware and software)	1 to 5 years
Vehicles, furniture and equipment	1 to 5 years

*Leasehold improvements in market stores (i.e. stores of 10,000 square feet or less), refurbishments at supermarkets and preliminary expenditure i.e. costs related to design, authority approvals, consultancy, mobilisation, testing and commissioning etc. are depreciated over 1 to 3 years.

Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any.

Freehold land and capital work-in-progress are not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Fully depreciated property, plant and equipment are retained in the consolidated financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Intangible assets

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

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives 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 each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or more frequently when there is an indicator of impairment either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of the asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Summary of material accounting policies (continued)

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect accounting profit or taxable profit or loss and also does not give rise to equal taxable and deductible temporary differences.
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the consolidated statement of profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value Added Tax (VAT)

Revenue, expenses and assets are recognised at amounts net of value added tax except:

- where VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or part of the expense items, as applicable.
- where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Current versus non-current classification

The Group presents assets and liabilities in the 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 12 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 terms of the liability that could at the option of the counter party, result in its settlement by the issue of equity instalments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liability are classified as non-current assets and liabilities, respectively.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Summary of material accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade receivables, refundable security deposits, other receivables, advance to Liquidity Provider and amounts due from related parties.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's financial assets at fair value through profit and loss include derivative financial instruments that include forward foreign exchange contracts. Refer accounting policy on derivatives for further information.

(b) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and short-term deposits, trade receivables, refundable security deposits, other receivables, advance to the Liquidity Provider and amounts due from related parties.

(c) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group has no debt instruments classified as fair value through OCI as at the reporting date.

(d) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have any financial assets (equity instruments) at fair value through OCI.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) The Group has transferred substantially all the risks and rewards of the asset, or
 - (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Summary of material accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)

Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, accruals and other payables, interest-bearing loans and borrowings, refundable security deposits of tenants, lease liabilities and amounts due to related parties.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings (note 18).

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Goods for resale - purchase cost on a weighted average basis

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Goods in transit are recorded at cost when the rights and obligations relating to the goods are transferred to the Group.

Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits (maturing within three months), net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

Own shares

Own equity instruments that are reacquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase and sale of the Group's own equity instruments. Consideration paid or received over and above par value shall be recognised directly in equity as own shares reserve.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Summary of material accounting policies (continued)

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 CGU's fair value less costs of disposal and its value in use. The 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.

The Group bases its impairment calculation on most recent budgets and forecast assumptions, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies for impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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 for leases that are considered to be low value. 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.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Summary of material accounting policies (continued)

Employees' end of service benefits

The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed at each reporting period using the projected unit credit method. Re-measurements of the defined benefit liability, which comprise actuarial gains and losses are recognised immediately in the consolidated statement of financial position through OCI in the period in which they occur. The Group determines the net interest expense on the obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Employees' benefit (incentive plan)

The Group has created an incentive scheme for certain employees including key management personnel of the Group. The incentive scheme is based on achievement of certain key performance indicators (revenue and profit) on an annual basis and settled in cash (cash-settled transactions) during the vesting period. A provision for the Group's obligation under the scheme is accrued on a periodic basis at an amount equivalent to the benefits attributable to the participants with a corresponding expense in the consolidated statement of profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not apply hedge accounting and therefore, the change in fair value is recorded directly in the consolidated statement of profit or loss.

Foreign currency translation

The Group's consolidated financial statements are presented in AED, which is the Company's functional currency. For each entity, the Group determines its own functional currency based on the main currency used in the component's business.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group entities

On consolidation, the assets and liabilities of foreign operations are translated into UAE Dirham at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Segment information

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

Information reported to the Group's chief operating decision maker for the purpose of resources allocation and assessment of segment performance is specifically focused on the type of business activities undertaken as a Group.

Refer note 4 to the consolidated financial statements for information regarding the Group's operating segments for the year ended 31 December.

Cash dividend

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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 future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (note 27)
- Financial risk management objectives and policies (note 27)
- Sensitivity analyses disclosures (note 19 and note 27)

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant impact on the amounts recognised in the consolidated financial statements.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

For leases, which have an extension option, the renewal options are included as part of the lease term only when they are reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – The Group as lessor

The Group has entered into commercial property leases on its owned assets or leased assets. The Group accounts for such leases or sub-leases as operating leases when the Group determines, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has adequate financial resources, to continue in business for the foreseeable future. Furthermore, the board of directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of inventories

Management estimates a provision to reduce the inventory value to its net realisable value, if the inventory cost is irrecoverable, inventory is damaged or became obsolete in whole or in part, if the selling price is lower than the cost, or if there are any factors that cause a decrease in the recoverable amount below the carrying value.

At the reporting date, gross inventories were AED 241,685 thousand as at 31 December 2025 (2024: AED 217,551 thousand), with provisions for old and obsolete inventories of AED 71,209 thousand as at 31 December 2025 (2024: AED 60,440 thousand). Any difference between the amounts actually realized in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the estimates involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameters most subject to change are the discount rate and mortality rate. In determining the appropriate discount rate, management considers yield curve as published by U.S. Department of the Treasury, High Quality Market (HQM) Corporate Bond Yield curve. The local bond markets in UAE, Oman and KSA are not deep and liquid enough for to use the same for determining the discount rates.

The mortality rate is based on publicly available mortality tables for UAE, Oman and KSA. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for UAE, Oman and KSA.

Further details about pension obligations are provided in Note 19.

Impairment of other non-financial assets

The Group assesses whether there are any indicators of impairment for all other non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is used when there is available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the expected cash flows on the remaining lease period and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Management has provided for AED 10,408 thousand during 31 December 2025 (2024: AED 14,538 thousand) as impairment losses on property, plant and equipment and right-of-use assets.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Further, for the year ended 31 December 2025, the Group has recognised top-up tax expense amounting to AED 23,502 thousand (note 10) based on the currently available information which will be reviewed on regular basis. The actual top-up tax expense may be different than the currently estimated provisional amount.

Useful lives and depreciation of property, plant and equipment

Management periodically reviews estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating if any available).

Rebates and other supplier benefits

Management applies judgment in estimating the timing and amount of recognition of the rebates and other supplier benefits based on the assessment of the probability that conditions to earn a trade discount or rebate will be met, and that the amount can be estimated reliably.

4 SEGMENT INFORMATION

The Group is organised into operating segments based on geographical locations. The revenue, profit/(loss), assets and liabilities are reported on a geographical basis and measured in accordance with the same accounting basis used for the preparation of the consolidated financial statements. There are two main reportable segments: United Arab Emirates (UAE) and Sultanate of Oman (Oman). Others include Saudi Arabia and sourcing offices (United Kingdom, United States of America and Australia).

Following is the segment information which is consistent with the internal reporting presented to chief operating decision maker for the year ended. Comparative information has been updated to conform to the current year presentation:

	Reportable segments		Intercompany transactions*		Total	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Revenue						
UAE	3,474,490	3,090,417	-	-	3,474,490	3,090,417
Oman	87,686	90,165	-	-	87,686	90,165
Saudi Arabia	82,616	42,371	-	-	82,616	42,371
Others	456,794	392,821	(454,827)	(390,157)	1,967	2,664
Total	4,101,586	3,615,774	(454,827)	(390,157)	3,646,759	3,225,617

*represents inter reportable segments sales and purchases transactions.

	Reportable segments	
	2025 AED'000	2024 AED'000
Profit for the year before tax		
UAE	409,515	352,759
Oman	(1,609)	(4,741)
Saudi Arabia	(19,319)	(29,290)
Others	6,185	3,900
Total	394,772	322,628

	Reportable segments	
	2025 AED'000	2024 AED'000
Unallocated:		
Income tax expense	(63,026)	(33,003)
Profit for the year	331,746	289,625

	Assets		Liabilities	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Revenue				
UAE	2,308,223	2,102,878	1,839,936	1,760,352
Oman	28,370	28,726	47,414	46,253
Saudi Arabia	123,752	71,087	175,779	103,720
Others	82,323	66,367	64,499	51,554
Eliminations and adjustment	(106,819)	(76,243)	(97,568)	(68,283)
Total	2,435,849	2,192,815	2,030,050	1,893,596

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025 AED'000	2024 AED'000
Revenue from sale of goods	3,588,883	3,170,661

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

	2025 AED'000	2024 AED'000
Geographical market		
UAE	3,416,930	3,035,783
Sultanate of Oman	87,370	89,843
Saudi Arabia	82,616	42,371
Others	1,967	2,664
	3,588,883	3,170,661
Timing of revenue recognition		
Goods transferred at a point in time	3,588,883	3,170,661

6 OTHER INCOME

	2025 AED'000	2024 AED'000
Net gain on disposal of property, plant and equipment	1,548	1,342
Royalty income	1,102	1,837
Others	9,632	9,328
	12,282	12,507

7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2025 AED'000	2024 AED'000
Staff costs	353,225	313,314
Premises costs	181,894	158,474
Warehousing, selling and distribution costs	178,079	145,903
Marketing costs	26,199	25,253
Information system and communication costs	19,263	14,643
Legal and professional charges	17,413	24,261
Trademark licensing fees	12,269	11,270
Directors' remuneration (note 16)	4,522	3,481
Others	19,803	20,933
	812,667	717,532

8 FINANCE COSTS

	2025 AED'000	2024 AED'000
Interest on lease liabilities (note 12)	55,576	50,487
Interest on loans and borrowings	391	490
	55,967	50,977

9 FINANCE INCOME

	2025 AED'000	2024 AED'000
Interest income on short-term deposits	24,225	13,300

10 INCOME TAX

a. Tax on ordinary activities

The major components of income tax expense in the consolidated statement of profit or loss for the year ended 31 December 2025 and 2024 are:

	2025 AED'000	2024 AED'000
Current income tax:		
Current income tax expense	38,465	32,869
Global minimum top-up tax expense (note d)	23,502	-
Deferred tax:		
Relating to the origination and reversal of temporary differences	1,059	134
Income tax expense reported in the consolidated statement of profit or loss	63,026	33,003

b. Reconciliation of tax charge

Reconciliation of tax expense and the accounting profit multiplied by the UAE's domestic tax rate for the year ended 31 December 2025 and 2024:

	2025 AED'000	2024 AED'000
Accounting profit before income tax	394,772	322,628
At UAE's statutory income tax rate of 9% (2024: 9%)*	35,495	29,003
Global minimum top-up tax (noted d)	23,502	-
Effect of higher overseas tax rates and losses	4,029	4,000
At the effective income tax rate of 15.97% (2024: 10.23%)	63,026	33,003

*As per the UAE Corporate Tax law, maximum standard deduction applicable for each tax group is AED 375,000. The standard deduction applicable for the tax group considered by the Group amounts to AED 375,000 on which tax rate at 9% amounts to AED 33,750.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

10 INCOME TAX (continued)

c. Deferred tax

	2025 AED'000	2024 AED'000
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	579	534
Provision and reserve	621	565
Property, plant and equipment temporary differences	(1,147)	-
Net deferred tax assets	53	1,099

Reflected in the consolidated statement of financial position as follows:

	2025 AED'000	2024 AED'000
Deferred tax assets	1,200	1,099
Deferred tax liability	(1,147)	-
Deferred tax assets, net	53	1,099

Further, the Group has tax losses that arose in Oman and Kingdom of Saudi Arabia that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets amounting to AED 3,146 thousand, have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making, and there are no other evidence of recoverability in the near future.

Reconciliation of deferred tax assets, net

	2025 AED'000	2024 AED'000
At 1 January	1,099	1,250
Tax charge during the year	(1,059)	(134)
Translation adjustment	13	(17)
At 31 December	53	1,099

d. Pillar Two rules

The Group is in the scope of the Pillar Two Global Anti-Base Erosion Rules (GloBE rules or Pillar Two rules) issued by the Organisation for Economic Co-operation and Development (OECD) as the annual consolidated revenue of the Ultimate Parent Company exceeds Euro 750 million threshold. These rules provides a coordinated system to ensure that multinational enterprises (MNEs) with revenue above Euro 750 million pay at least an effective tax rate of 15% in each of the jurisdiction in which they operate. The UAE (location of the Ultimate Parent Company and also its largest market), published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as part of its commitment to the OECD guidelines. The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. The UAE substantively enacted the Pillar 2 legislation with Cabinet Decision No. 142 of 2024.

The Global minimum top-up tax relates to the Group's operation in United Arab Emirates, where the statutory tax rate is 9%. The Group has recognised top-up tax expense of AED 23,502 thousand (2024: Nil) based on the currently available information as of date which will be reviewed on regular basis. The actual top-up tax expense may be different than the currently estimated provisional amount. The other jurisdictions in which the Group has presence and the rules are in force, the effective tax rate exceeds 15%. The Group will continue to monitor the Pillar Two related developments in all relevant jurisdictions and assess any potential top-up tax in accordance with the relevant legislation after taking into consideration the transitional Safe Harbour relief.

On 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the Pillar Two rules. In line with IAS 12 (as amended), the Group has applied the exception with regards to the above.

As at 31 December 2025, income tax payable amounts to AED 60,898 thousand (2024: AED 31,884 thousand), which includes top-up tax of AED 23,502 thousand (2024: Nil).

11 PROPERTY, PLANT AND EQUIPMENT

2025

	Freehold land AED'000	Buildings AED'000	Leasehold improvements AED'000	Plant and machinery AED'000	Vehicles, furniture and equipment AED'000	Capital work in progress AED'000	Total AED'000
Cost:							
At 1 January 2025	74,146	156,617	502,286	225,799	174,636	7,933	1,141,417
Additions	-	-	17,367	8,121	25,138	73,855	124,481
Transfers from capital work in progress	-	-	40,533	25,092	4,240	(69,865)	-
Transfer (to) / from a related party (note 16)	-	-	-	(651)	263	-	(388)
Disposals/written off	-	-	(6,991)	(6,590)	(11,156)	-	(24,737)
Exchange differences	1,044	811	36	136	167	1	2,195
At 31 December 2025	75,190	157,428	553,231	251,907	193,288	11,924	1,242,968
Depreciation and impairment:							
At 1 January 2025	-	35,642	353,629	179,711	146,643	-	715,625
Depreciation charge for the year	-	13,242	56,613	17,844	25,541	-	113,240
Impairment charge for the year	-	-	1,650	1,116	137	-	2,903
Relating (to) transfer / from a related party (note 16)	-	-	-	(270)	257	-	(13)
Relating to disposals/ written off	-	-	(6,991)	(6,483)	(10,840)	-	(24,314)
Exchange differences	-	274	20	112	140	-	546
At 31 December 2025	-	49,158	404,921	192,030	161,878	-	807,987
Net carrying amount:							
At 31 December 2025	75,190	108,270	148,310	59,877	31,410	11,924	434,981

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

11 PROPERTY, PLANT AND EQUIPMENT (continued)

2024

	Freehold land AED'000	Buildings AED'000	Leasehold improvements AED'000	Plant and machinery AED'000	Vehicles, furniture and equipment AED'000	Capital work in progress AED'000	Total AED'000
Cost:							
At 1 January 2024	74,359	156,782	444,329	203,867	165,797	15,556	1,060,690
Additions	-	-	23,908	6,099	15,533	68,222	113,762
Transfers from capital work in progress	-	-	47,231	23,241	5,371	(75,843)	-
Transfer from a related party (note 16)	-	-	-	19	39	-	58
Transfer to a related party (note 16)	-	-	-	(35)	(25)	-	(60)
Disposals/written off	-	-	(13,184)	(7,366)	(12,049)	-	(32,599)
Exchange differences	(213)	(165)	2	(26)	(30)	(2)	(434)
At 31 December 2024	74,146	156,617	502,286	225,799	174,636	7,933	1,141,417
At 1 January 2024	-	22,444	317,717	170,867	141,080	-	652,108
Depreciation charge for the year	-	13,254	43,169	15,578	16,896	-	88,897
Impairment charge for the year	-	-	5,881	528	265	-	6,674
Relating to transfer from a related party (note 16)	-	-	-	19	19	-	38
Relating to transfer to a related party (note 16)	-	-	-	(35)	(25)	-	(60)
Relating to disposals/ written off	-	-	(13,137)	(7,222)	(11,562)	-	(31,921)
Exchange differences	-	(56)	(1)	(24)	(30)	-	(111)
At 31 December 2024	-	35,642	353,629	179,711	146,643	-	715,625
Net carrying amount:							
At 31 December 2024	74,146	120,975	148,657	46,088	27,993	7,933	425,792

Capital work-in-progress as at 31 December 2025 and 2024 primarily relates to the cost of building new supermarkets and refurbishments of existing stores.

12 LEASES

Group as a lessee

The Group has lease contracts for plots of land (lease terms between 5 to 38 years), premises used in its operations of supermarkets (lease terms between 1 to 10 years) and motor vehicles (lease term of 4 years). There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during 2025 and 2024:

2025

	Land AED'000	Building/Stores AED'000	Motor vehicles AED'000	Total AED'000
At 1 January 2025	151,559	772,132	58	923,749
Additions	-	132,417	-	132,417
Depreciation expense	(7,832)	(172,995)	(20)	(180,847)
Impairment	-	(7,505)	-	(7,505)
Reversal on account of termination	-	(1,866)	-	(1,866)
Lease modifications	-	5,835	-	5,835
Translation difference	-	46	5	51
At 31 December 2025	143,727	728,064	43	871,834

2024

	Land AED'000	Building/Stores AED'000	Motor vehicles AED'000	Total AED'000
At 1 January 2024	138,477	669,892	106	808,475
Additions	20,473	128,254	-	148,727
Depreciation expense	(7,391)	(159,354)	(47)	(166,792)
Impairment, net	-	(7,864)	-	(7,864)
Reversal on account of store closure/termination	-	(1,312)	-	(1,312)
Lease modifications	-	142,515	-	142,515
Translation difference	-	1	(1)	-
At 31 December 2024	151,559	772,132	58	923,749

Set out below are the carrying amounts of lease liabilities and the movements during 2025 and 2024:

	2025 AED'000	2024 AED'000
At 1 January 2025	1,060,393	923,157
Additions	132,417	148,727
Accretion of interest (note 8)	55,576	50,487
Reversal on account of termination	(2,083)	(1,857)
Payments	(222,372)	(202,596)
Relating to lease modification	5,668	142,515
Translation difference	85	(40)
At 31 December 2025	1,029,684	1,060,393
Less: Current portion (disclosed under current liabilities)	(184,478)	(173,657)
Non-current portion as at 31 December	845,206	886,736

The maturity analysis of lease liabilities is disclosed in note 27.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

12 LEASES (continued)

Group as a lessee (continued)

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

	2025 AED'000	2024 AED'000
Depreciation and impairment of right-of-use assets	188,352	174,656
Interest expense on lease liabilities (included in finance costs)	55,576	50,487
Expense related to short-term lease (included in selling, general and administrative expenses)	199	1,927
Variable and other lease related expenses (included in selling, general and administrative expenses)	32,805	28,718
Gain on termination of leases	(384)	(545)
Total amount recognised in the consolidated Statement of profit or loss	276,548	255,243

The future cash outflows relating to leases that have not commenced as at the end of the respective reporting period are disclosed in note 26.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised (see note 3).

Group as a lessor

The Group has entered into operating leases on its owned assets or leased assets. These leases have terms of between 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group during 2025 is AED 57,876 thousand (2024: AED 54,956 thousand).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2025 AED'000	2024 AED'000
Within one year	37,695	35,512
After one year but not more than five years	65,068	47,781
	102,763	83,293

13 INTANGIBLE ASSETS

	Trademark rights AED'000
At 1 January 2025	34,000
At 31 December 2025	34,000
At 31 December 2024	34,000

Trademark rights

During 2023, the Group acquired "Spinneys" trademark rights worldwide (except UAE) for a consideration (at an agreed price) of AED 34,000 thousand from its Parent Company. These rights have an indefinite useful life and are tested for impairment annually.

Impairment testing of trademark rights

The assessment of impairment is based on detailed planning of results of operations, which is prepared annually in the Group-wide budget planning process, taking account of the current business situation. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the cash-generating unit. The growth rates are based on management estimates having regard to industry growth rates. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group has not recorded any impairment charge for the years ended 31 December 2025 and 31 December 2024.

Sensitivity to changes in assumptions

With regard to the assessment of value in use of trademark rights, the key assumptions are forecasted future revenues generated from trademark rights and discount rates that may be sensitive to the impairment testing. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of trademark rights to materially exceed their recoverable amount.

14 INVENTORIES

	2025 AED'000	2024 AED'000
Goods for resale	165,031	156,151
Goods-in-transit	5,445	960
	170,476	157,111

During 2025 and 2024, amounts of AED 2,104,609 thousand and AED 1,877,999 thousand, respectively were recognised as expense for inventories under cost of sales.

Set out below is the movement in the provision for old and obsolete inventories:

	2025 AED'000	2024 AED'000
At 1 January	60,440	48,385
Charge for the year, net	10,756	12,061
Translation difference	13	(6)
At 31 December	71,209	60,440

15 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
Trade receivables	45,134	33,052
Refundable security deposits	69,505	57,334
Prepaid expenses	10,917	11,708
Advance to Liquidity Provider (note 23)	7,348	-
VAT receivable	1,444	1,119
Other receivables*	7,932	7,918
	142,280	111,131
Less: non-current portion:		
Refundable security deposits (disclosed as other non-current assets)	(53,232)	(56,045)
Current portion	(89,048)	55,086

*other receivables include an amount of AED 3,810 thousand as at 31 December 2025 (2024: AED 3,546 thousand) relating to inventories held on behalf of a related party which have been subsequently billed to the related party.

Trade receivables, prepayments and other receivables do not contain any impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

The Group has not assumed any expected credit loss (ECL) on its trade receivables as at 31 December 2025 and 2024 as all of its trade receivables are current and not past due as at the reporting date and the estimated ECL provision is not material.

The information about the basis of calculation of expected credit loss is disclosed in note 27.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the Ultimate Parent Company, the Parent, key management personnel (including Directors) and the entities in which they have substantial interests or are capable of exercising significant management influence.

(a) Details of significant related party transactions entered during 2025 and 2024 are as follows:

2025

	Liability for employees' end of service benefits transferred from/(to) AED'000	Sale of goods AED'000	Purchase of goods AED'000	Operation services fees income AED'000	Insurance costs transferred to AED'000	Stock transferred to AED'000	Recharge of selling, general and administrative expenses to AED'000	Selling, general and administrative expenses from AED'000	Purchase/(transfer) of property, plant and equipment AED'000	Capital expenditure AED'000	Rental income AED'000
Ultimate Parent Company	-	202	-	-	-	-	-	-	-	-	406
Parent	-	-	-	-	-	-	959	-	-	-	-
Entities under common control	-	1,624	69,647	-	5,077	-	-	38,718@	-	30,093	3,066
Parent's associate	457	-	37,095	600	-	198,897#	16,554	-	(375)*	-	3,198
Ultimate Parent	-	23	-	-	-	-	-	-	-	-	-
Company's joint venture	-	-	-	-	-	-	-	-	-	-	-

2024

	Liability for employees' end of service benefits transferred from/(to) AED'000	Sale of goods AED'000	Purchase of goods AED'000	Operation services fees income AED'000	Insurance costs transferred to AED'000	Stock transferred to AED'000	Recharge of selling, general and administrative expenses to AED'000	Selling, general and administrative expenses from AED'000	Purchase/(transfer) of property, plant and equipment AED'000	Capital expenditure AED'000	Rental income AED'000
Ultimate Parent Company	-	125	-	-	-	-	-	-	-	-	406
Parent	2,968	-	-	-	-	-	2,195	-	20	-	-
Entities under common control	-	1,663	65,833	-	22,924	-	-	39,144@	-	28,614	3,123
Parent's associate	(8)	-	38,016	600	-	180,182#	15,793	-	(12)*	-	2,797
Ultimate Parent	-	54	1,803	-	-	-	-	-	-	-	-
Company's joint venture	-	-	-	-	-	-	-	-	-	-	-

represents retail goods transferred to the Parent's associate which is accounted for on a net basis as the Group acts as an agent to procure and deliver goods for the related party.

@ include stores maintenance costs under the maintenance contract entered with related parties amounting to AED 37,716 thousand (2024: AED 38,251 thousand).

*gain on disposal of property, plant and equipment amounting to nil (2024: AED 12 thousand) included in other income, note 6.

Capital expenditure commitments amounting to AED 6,498 thousand as at 31 December 2025 (2024: AED 14,420 thousand) are included within capital expenditure commitments as disclosed in note 26.

Also see note 10 for provision for top-up tax which will be charged by the Ultimate Parent Company.

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management during 2025 and 2024 are as follows:

	2025 AED'000	2024 AED'000
Short-term employee benefits	10,993	10,536
Employees' end of service benefits	257	1,779
Directors' remuneration (note 7)	4,522	3,481
Employees' benefit (incentive plan)	455	-
	16,227	15,796

(b) Related party balances:

Amounts due from related parties

	2025 AED'000	2024 AED'000
Ultimate Parent Company		
Albwardy Investment L.L.C.	144	17
Parent		
Al Seer Group (L.L.C.)	73	-
Entities under common control		
Al Seer Food Services LLC	142	224
Europacific LLC	114	40
Desert Palm L.L.C	-	3
Technical Resources Establishment	-	3
Indian Pavilion Restaurant LLC	-	1
Parent's associate		
Spinneys (Abu Dhabi) L.L.C.**	4,146	3,477
	4,619	3,765

**refer to note 15 for disclosure about other receivables from this related party.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

16 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related party balances: (continued)

Amounts due to related parties

	2025 AED'000	2024 AED'000
Parent		
Al Seer Group (L.L.C.)	-	739
Entities under common control		
Albwardy Engineering Enterprise	7,095	11,353
Fit Fresh LLC	2,230	2,976
Al Seer Trading Agencies LLC	2,040	1,807
Fine Fair Commercial Complex LLC	1,634	1,319
Arabian Oasis Food Co LLC	1,121	1,239
Nasco Insurance Group	336	262
Socotra Island Investments (Proprietary) Limited	296	102
Al Seer Group LLC, Oman	143	175
Totale Cleaning Services	75	65
Technical Resources Establishment	5	-
Parent's associate		
Nestle UAE L.L.C	1,683	1,774
Reckitt Benckiser Arabia Trading LLC	882	763
FerGulf Trading UAE L.L.C.	790	783
Zest Wellness Pharmacy LLC	460	275
	18,790	23,632

(c) The following are the amounts recognised in the consolidated statement of profit or loss and in the consolidated statement of financial position relating to leases entered with related parties:

	2025 AED'000	2024 AED'000
Depreciation of right-of-use assets	39,265	39,265
Interest expense on lease liabilities (included in finance costs)	12,148	14,132
Lease payments	46,792	45,397

	2025 AED'000	2024 AED'000
Right-of use assets	171,279	210,544
Lease liabilities	191,627	226,271
Refundable security deposits	12,000	12,000

Terms and conditions of transactions with related parties

The terms of trade with related parties are based on commercial terms.

Outstanding balances at the year-end arise in the normal course of business, are unsecured and interest free and settlement generally occurs in cash. For the years ended 31 December 2025 and 2024, the provision for expected credit losses relating to due from related parties is nil. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

17 CASH AND SHORT-TERM DEPOSITS

	2025 AED'000	2024 AED'000
Cash in hand	4,310	4,267
Cash at banks	105,149	55,901
Short-term deposits	667,000	476,000
	776,459	536,168

Short-term deposits were denominated in AED with an effective interest rate ranging from 3.35% to 4.1% per annum (2024: 4.05% to 5.35% per annum).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 December:

	2025 AED'000	2024 AED'000
Cash in hand	4,310	4,267
Cash at banks	105,149	55,901
Cash and cash equivalents	109,459	60,168

18 INTEREST-BEARING LOANS AND BORROWINGS

	2025 AED'000	2024 AED'000
Balance at 1 January	6,258	7,117
Less: Repayment of loan	(789)	(765)
Exchange differences	457	(94)
Balance at 31 December	5,926	6,258
Less: Current portion of the loans repayable within one year disclosed under current liabilities	(808)	(751)
Non-current portion at 31 December	5,118	5,507

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

18 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Term loan carries interest charged at 2% per annum above the bank's Sterling base rate and is repayable in monthly instalments. The bank loan is secured by way of a first legal charge over Spinneys Sourcing Limited's (a subsidiary) land and buildings in the United Kingdom, an unlimited debenture incorporating a fixed charge over its book debts, a floating charge over all its other assets, and an unlimited composite corporate guarantee given by the Company to secure all liabilities of Spinneys Sourcing Limited. Final instalment is due on 5 June 2033.

Instalments due after 12 months have been disclosed under non-current liabilities.

19 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2025 AED'000	2024 AED'000
At 1 January	79,172	68,480
Provided during the year	13,415	11,740
Remeasurement loss	3,010	1,441
End of service benefits transferred, net (note 16)	457	2,960
End of service benefits paid	(8,828)	(5,441)
Exchange difference	4	(8)
At 31 December	87,230	79,172

Labour laws in the United Arab Emirates, Sultanate of Oman and the Kingdom of Saudi Arabia require employers to provide for other long-term employment benefits. These benefits are payable to employees on being transferred to another jurisdiction or on cessation of employment based on their final salary and number of years' service. The expected costs of these benefits are accrued over the period of employment.

Actuarial assumptions

	2025	2024
Discount rate	4.9%	4.8%
Long term salary increase rate	4%	4%
Annual rate of employees expected to leave	12%	12%

Sensitivity analysis

The Group has performed sensitivity analysis on the major assumptions for arriving at employees' end of service benefits. These assumptions include discount rate, salary increase rate and attrition rate.

The table below summarises how the provision at the end of the reporting period would have increased / (decreased) as a result of change in the respective assumptions as at 31 December 2025 and 2024:

	2025 AED'000	2024 AED'000
Provision amount in base rate	87,230	79,172
Discount rate: +1%	(4,626)	(3,962)
Discount rate: -1%	5,170	4,418
Salary escalation rate: +1%	5,169	4,231
Salary escalation rate: -1%	(4,706)	(4,030)
Attrition rate: 25% increase	342	266
Attrition rate: 25% decrease	(497)	(386)

20 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2025 AED'000	2024 AED'000
Trade payables	443,282	374,369
Accrued expenses	315,125	267,773
Refundable security deposits	8,470	8,529
VAT payable, net	9,079	8,576
Advances from tenants	13,151	11,399
Other payables*	37,268	21,611
	826,375	692,257
Less: non-current portion*	(18,794)	(14,591)
Current portion	807,581	677,666

*includes the carrying amount of liability relating to employees' benefit (incentive plan) as at 31 December 2025 amounted to AED 4,354 thousand (2024: Nil).

21 SHARE CAPITAL

	2025 AED'000	2024 AED'000
Authorised, issued and fully paid up capital		
3,600,000,000 ordinary shares of AED 0.01 each	36,000	36,000

22 RESERVES

(a) Restricted reserve

Restricted reserve represents the statutory reserves of the subsidiaries (Spinneys Dubai (L.L.C.) amounting to AED 4,150 thousand, Fine Fare Food Market (L.L.C.) amounting to AED 150 thousand and Al Fair SPC amounting to AED 478 thousand). The reserve is not available for distribution.

(b) Actuarial reserve

Actuarial reserve arises due to re-measurements of the defined benefit liability, which comprise actuarial gains and losses recognised immediately in the consolidated statement of financial position through OCI in the period in which they occur.

(c) Foreign currency translation reserve

The translation reserve records the exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Company's presentation currency.

23 OWN SHARES

During the year, the Group engaged a third-party licensed Liquidity Provider on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. An amount of AED 10,000 thousand was advanced to the Liquidity Provider with respect to the above liquidity provision services.

At 31 December 2025, the Liquidity Provider held 1,410,061 of the Company's shares on behalf of the Group at par value and the Group recorded the premium paid over and above par value as own shares reserve of AED 2,551 thousand, which is classified under equity as at 31 December 2025.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

23 OWN SHARES (continued)

Advance to the Liquidity Provider as at 31 December 2025 amounted to AED 7,348 thousand and is included within trade receivables, prepayments and other receivables (note 15). Dividend from own shares earned during the year ended 31 December 2025 amounted to AED 87 thousand which is included within retained earnings in the consolidated statement of changes in equity.

24 DIVIDENDS

During the year ended 31 December 2025:

- the board of directors of the Company resolved to distribute interim cash dividend to the shareholders amounting to AED 119,520 thousand, at AED 0.0332 per share (2024: interim cash dividend of AED 0.0285 per share amounting to AED 102,600 thousand), which was settled in cash during August 2025
- the shareholders approved and declared a final dividend for the year ended 31 December 2024 of AED 0.028 per share on 17 March 2025 amounting to AED 100,800 thousand (2024: Nil), which was settled in cash during April 2025.

25 DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

Forward foreign exchange contracts

The Group is party to forward foreign exchange contracts which are used to manage foreign exchange risks arising or expected to arise from the Group's contracted or anticipated commitments under contracts for the purchase of goods.

The Group had 32 forward foreign exchange contracts outstanding as at 31 December 2025 (2024: 27 forward foreign exchange contracts). The amount of Dirhams (AED) contracted to be paid, the contract exchange rates and the settlement dates of outstanding contracts at the year-end were as follows:

	Exchange rate		2025 AED'000	2024 AED'000
	2025	2024		
Euro	4.2894	3.9346	55,218	44,894
- 3 months or less				
Pound Sterling	4.8871	4.7407	50,547	40,837
- 3 months or less				
Australian Dollars	2.4157	2.4096	26,141	19,723
- 3 months or less				
South African Rand	0.2128	0.2062	4,351	4,429
- 3 months or less				
Omani Rial	9.5479	-	3,030	-
- 3 months or less				
Thai Baht	0.1166	0.1084	729	673
- 3 months or less				
			140,016	110,556

The fair value of forward foreign exchange contracts as at 31 December 2025 was AED 1,511 thousand positive, included within other receivables (2024: AED 3,759 thousand negative, included within other payables).

The forward foreign exchange contract transactions do not qualify as hedges for the purpose of hedge accounting. Accordingly, the change in fair value of AED 5,270 thousand positive during the year 2025 (2024: AED 6,770 thousand negative) has been recognised under selling, general and administrative expenses in the consolidated statement of profit or loss.

Product type

Foreign exchange contracts are contractual agreements to either buy or sell a specified currency at a specific price and date in the future.

Related credit risk

Credit risk in respect of foreign exchange contracts arises from the potential for a counterparty to default on its contractual obligation and is limited to the positive fair value of instruments that are favourable to the Group. All of the Group's contracts are entered into with well-established banks.

26 GUARANTEES, CONTINGENCIES AND CAPITAL COMMITMENTS

At 31 December 2025, the Group had contingent liabilities in respect of bank and other guarantees including performance guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 5,999 thousand (2024: AED 5,999 thousand).

	2025 AED'000	2024 AED'000
Capital expenditure commitments:		
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Property, plant and equipment	50,594	44,920

Lease and non-lease commitments

Future minimum rentals under such non-cancellable lease contracts that have not commenced and non-lease payments under all the non-cancellable lease agreements (including those commenced and not commenced) as at 31 December are as follows:

	2025 AED'000	2024 AED'000
Within one year	42,080	43,499
After one year but not more than five years	230,618	182,724
More than five years	196,516	139,603
	469,214	365,826

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise interest bearing loans and borrowings, trade payables, accruals and other payables, lease liabilities and amounts due to related parties. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, refundable security deposits, other receivables, advance to Liquidity Provider, amounts due from related parties and cash and short-term deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily forward foreign exchange contracts. The purpose is to manage the currency risks arising from the Group's operations.

It is, and has been throughout 2025 and 2024, the Group's policy that no trading in derivative instruments shall be undertaken.

The main risks arising from the Group's financial instruments are:

- interest rate risk;
- foreign currency risk;
- credit risk; and
- liquidity risk.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. The Directors review and agree policies for managing each of these risks which are summarised below:

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its interest-bearing loans and borrowings which bear interest at variable rates and exposes the Group to cash flow interest rate risk.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant.

There is no direct impact on the Group's equity other than the impact resulting from the effect on profit for the year.

Currency	2025		2024	
	Change in basis points	Effect on profit for the year AED'000	Change in basis points	Effect on profit for the year AED'000
AED	+15	(1)	+15	(1)
AED	-15	1	-15	1

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risks mainly arise from future commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a currency other than the respective functional currencies of the Group entities. The Group operates internationally and is exposed to currency risk arising from various currency exposures, primarily with respect to the Great British Pounds, Australian Dollars, Euro and South African Rand. The Group's statement of financial position is not affected significantly by movements in other currencies as majority of its transactions are in AED or currencies pegged to the AED. The United Arab Emirates Dirham is currently pegged to the USD. The Group mitigates the effect of its structural currency exposure on future commercial transactions by borrowing in the respective currencies of the operating units.

The Group also has transactional currency exposures primarily with respect to the Pounds Sterling and Australian dollars. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency.

The Group requires all of its operating units to use forward currency contracts to eliminate the currency exposures on any individual transactions for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item.

Other than unhedged trade payables of AED 3,926 thousand as at 31 December 2025 (2024: AED 2,755 thousand) in the following denominations due in foreign currencies, the Group is not exposed to significant currency risk.

Foreign currency amounts in '000	2025	2024
NZD	1,580	1,189
BRL	839	507

There is no direct impact on the Group's equity other than the impact resulting from the effect on profit for the year.

	Increase/decrease in FC rate to the AED	Effect on profit AED'000
2025	+15%	(589)
	-15%	589
2024	+15%	(413)
	-15%	413

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position. The Group is exposed to credit risk as follows:

	2025 AED'000	2024 AED'000
Amounts due from related parties	4,619	3,765
Trade receivables	45,134	33,052
Refundable security deposits	69,505	57,334
Other receivables	7,932	7,918
Advance to Liquidity Provider	7,348	-
Bank balances and short-term deposits	772,149	531,901
	906,687	633,970

Due from related parties

Outstanding balances at the year-end arise in the normal course of business and are unsecured and interest free. Management does not expect any losses from non-performance by such related parties. For the years ended 31 December 2025 and 2024, the Group has not recorded any expected credit loss on amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Trade receivable

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Outstanding trade receivables are regularly monitored by management and mainly includes receivables from credit card sales and sales through e-commerce aggregators.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and coverage by letters of credit or other forms of credit insurance (if any)). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when the management has resorted to all the available options and concludes that there is no probability of recovering the dues and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value disclosed in Note 15. The Group does not hold collateral as security.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Other receivables and advance to Liquidity Provider

With respect to credit risk arising from other financial assets, including refundable security deposits and advance to Liquidity Provider, the Group's exposure to credit arises from default of the counter party with maximum exposure equal to the carrying amount of these assets.

Bank balances and short-term deposits

The Group manages credit risk exposure arising from cash at banks by dealing with well-established banks.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group manages liquidity risk by maintaining banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's terms of sale require amounts to be paid upfront. Trade payables are normally settled within 60 days of the date of purchase.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2025:

	Less than 3 months AED'000	3 to 12 months AED'000	1 to 5 years AED'000	>5 years AED'000	Total AED'000
Trade payables, accruals and other payables	618,335	167,016	18,794	-	804,145
Amounts due to related parties	18,790	-	-	-	18,790
Lease liabilities	59,444	171,551	622,501	434,911	1,288,407
Interest-bearing loans and borrowings	-	1,137	4,084	2,033	7,254
Total	696,569	339,704	645,379	436,944	2,118,596

At 31 December 2024:

	Less than 3 months AED'000	3 to 12 months AED'000	1 to 5 years AED'000	>5 years AED'000	Total AED'000
Trade payables, accruals and other payables	515,771	141,920	14,591	-	672,282
Amounts due to related parties	23,632	-	-	-	23,632
Lease liabilities	53,283	165,562	648,816	471,792	1,339,453
Interest-bearing loans and borrowings	-	1,161	4,136	2,820	8,117
Total	592,686	308,643	667,543	474,612	2,043,484

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise returns to the shareholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024. Capital comprises the share capital, restricted reserve, own shares, own shares reserve, actuarial reserve, foreign currency translation reserve, non-controlling interest and retained earnings, and is measured at AED 405,799 as at 31 December 2025 (31 December 2024: AED 299,219 thousand).

28 FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and derivative instruments.

Financial assets consist of cash, bank balances and short-term deposits, trade and other receivables, advance to Liquidity Provider, refundable security deposits to landlords and amounts due from related parties. Financial liabilities consist of interest-bearing loans and borrowings, lease liabilities, trade and other payables, accrued expenses, refundable security deposits from tenants and amounts due to related parties. Derivative instruments consist of forward foreign exchange contracts and are included in other receivables amounting to AED 1,511 thousand as at 31 December 2025 (2024: AED 3,759 thousand included in other payables).

The fair value of financial assets and liabilities approximate their carrying values at the end of the year.

The fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liability by valuation technique:

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.

At 31 December 2025

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Asset measured at fair value				
Foreign exchange forward contracts (note 25)	-	1,511	-	1,511

At 31 December 2024:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Asset measured at fair value				
Foreign exchange forward contracts (note 25)	-	(3,759)	-	(3,759)

There were no transfers between Level 1 and Level 2 during 2025 and 2024.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

29 EARNING PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to the shareholders by weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent (adjusted for the effect of dilution, if any) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 December 2025 and 2024, there were no shares which were dilutive in nature.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2025 AED	2024 AED
Profit for the year attributable to equity holders of the parent	341,405,000	304,270,000
Weighted average number of shares – basic and diluted*	3,598,887,555	3,600,000,000
Attributable to the shareholders:		
Basic and diluted earnings per share (in AED per share)	0.0949	0.0845

*the weighted number of ordinary shares takes into account the weighted average effect of changes in own shares during the year.

30 ENTITIES

The controlled entities included in the consolidated financial statements are as reflected below:

Entities	Country of incorporation	% of shareholding		Principal activities
		2025	2024	
Spinneys Dubai (L.L.C.)	United Arab Emirates	100%	100%	Engaged in the operation of supermarkets in United Arab Emirates
Al Fair SPC	Sultanate of Oman	100%	100%	Engaged in the operation of supermarkets in Oman
Spinneys Shj. Ltd. Co.	United Arab Emirates	100%	100%	Engaged in operation of supermarket in Sharjah
Fine Fare Food Market (LLC)	United Arab Emirates	100%	100%	Engaged in the operation of supermarkets in United Arab Emirates
Spinneys Sourcing Limited (previously known as JHF Limited)	United Kingdom	100%	100%	Engaged in the trading in and export of foodstuffs, grocery and non-food products
Spinneys Sourcing Limited (previously known as JHF USA Exports, Inc.)	United States of America	100%	100%	Engaged in business of purchase of goods for export and all related activities
Centurio Holdings Ltd.	British Virgin Islands	100%	100%	Investment holding company
Spinneys Sourcing Pty. Ltd. (previously known as JHF Australia Exports Pty. Ltd.)	Australia	100%	100%	Engaged in wholesale of food stuff, groceries and consumer products
Finefair Food Market Services Limited	British Virgin Islands	100%	100%	Investment holding company
Spinneys IP Limited	United Arab Emirates	100%	100%	Holding company of "Spinneys" trademark rights worldwide (except UAE)
Al Ma'kulat Al-Fakhirah for Food Products LLC*	Saudi Arabia	50%	50%	Engaged in operation of supermarkets in Saudi Arabia
Spinneys Factories For Bakery Products LLC	United Arab Emirates	100%	100%	Engaged in production of bakery products
Spinneys Fresh Food Industries LLC	United Arab Emirates	100%	100%	Engaged in processing of meat for supermarkets
Spinneys Shopping Center L.L.C.	United Arab Emirates	100%	100%	Engaged in operating a shopping centre
Waitrose Shopping Centre L.L.C.	United Arab Emirates	100%	100%	Engaged in operating a shopping centre

*Considered as a subsidiary based on the agreement between the shareholders.

Financial statements

Notes to the consolidated financial statements

At 31 December 2025

30 ENTITIES (continued)

During the year, the Group has signed the shareholders agreement with (i) Mohamed Hamoud Alshaya Co WLL ("Alshaya Group") to expand into Kuwait where the Group will hold 51 percent equity interest in the entity to be incorporated in the State of Kuwait and (ii) ACX Holdings Corporation ("Ayala Group") to expand into the Philippines where the Group will hold 40 percent equity interest in the entity to be incorporated in the Republic of the Philippines. There are no operations during the year in the above territories.

31 EVENTS AFTER THE REPORTING DATE

On 11 February 2026, the board of directors of the Company proposed a final dividend to the shareholders amounting to AED 129,600, at AED 0.036 per share, which is subject to the approval of the shareholders at the Annual General Meeting.

There were no other significant events subsequent to the year-end that require either adjustments or disclosures in the consolidated financial statements.



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