Spinneys

100 YEARS *Young*

1924 — 2024

INTEGRATED REPORT 2024

SPINNEYS 1961 HOLDING PLC

OUR PURPOSE

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

Inspirations 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 treat our customers with personalised service.

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

Ongoing consistency and resilience.

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

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

100

YEARS OF

thinking ahead

STRATEGY IN ACTION 2024

Investing for the long term in our new state-of-the-art production facilities

With a firm eye on our anticipated future growth, during the year we partnered with the UAE government, through their property asset management business Wasl, by committing to build a new state-of-the-art food processing facility at Food Tech Valley in Dubai, an initiative designed to provide the country with a sustainable food ecosystem. This production facility, which is scheduled to be operational by 2027 and which is subject to a 27 year agreement with Wasl for the lease of a 500,000 square feet plot, will materially contribute to increasing the UAE's domestic food production capacity, to become even more self-reliant.

One of the leading fresh-focused retailers in the UAE

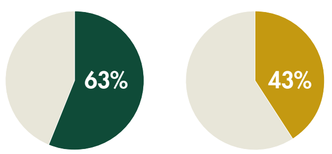
OUR PROPOSITION

CUSTOMER CENTRIC

80*
Stores in the UAE, Saudi Arabia and Oman

QUALITY, FRESHNESS & SERVICE

2 Key Brands
Spinneys WAITROSE & PARTNERS



Fresh Private Label

+14%
Online Sales

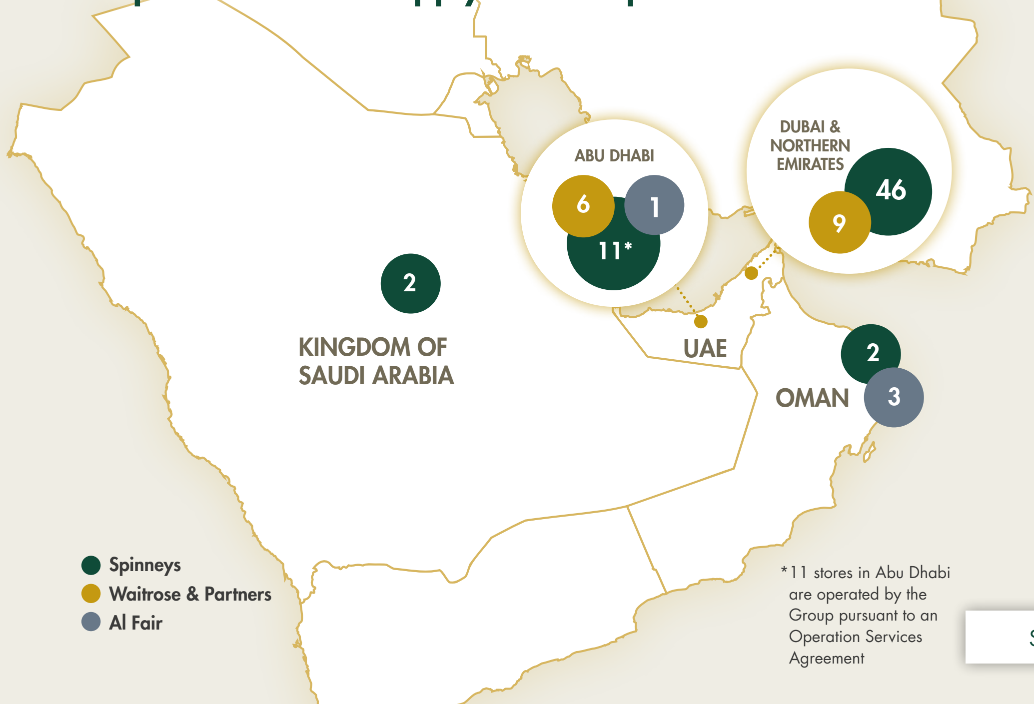
MISSION FOCUSED STORES

OUR KEY METRICS

AED 3.2bn 2024 Revenue	**AED 290m** 2024 Profit
+12.3% 2024 Revenue Growth	**13.9%** 2024 Profit Growth

OUR MARKET

Local execution supported by exceptional operational and supply chain capabilities



Spinneys
61 Stores in Total

WAITROSE & PARTNERS
15 Stores in Total

AL FAIR
4 Stores in Total

INTRODUCTION
OVERVIEW
STRATEGIC REVIEW
ENVIRONMENTAL, SOCIAL AND GOVERNANCE
FINANCIAL STATEMENTS

OPERATIONAL AND FINANCIAL HIGHLIGHTS

OPERATIONAL HIGHLIGHTS 2024

TRANSACTIONS 33.8m ▸ 37.3m ▲10.5%	FRESH SALES 61.5% ▸ 63.3% ▲1.8%	PRIVATE LABEL 40.8% ▸ 43.3% ▲2.5%
AVERAGE BASKET SIZE AED 86 ▸ AED 87 ▲1.4%	STORE FOOTPRINT 75 ▸ 80 ▲7%	E-COMMERCE PARTICIPATION 12.5% ▸ 14.1% ▲1.6%

LIKE FOR LIKE GROWTH 2024: 11.3%

FINANCIAL HIGHLIGHTS 2024

REVENUE AED 3.2bn +12.3% YOY	GROSS PROFIT AED 1.3bn +10.8% YOY	ADJUSTED EBITDA AED 631m +12.1% YOY
PROFIT BEFORE TAX AED 323m +26.2% YOY	PROFIT AED 290m +13.9% YOY	FREE CASH FLOW AED 243m 58.9% FCF CONVERSION
NET DEBT AED 530m 0.8 NET DEBT/ ADJ. EBITDA	CASH AND BANK BALANCES AED 536m	PROPOSED FULL YEAR DIVIDEND AED 203m

NEW CONCEPT

NEW MARKET

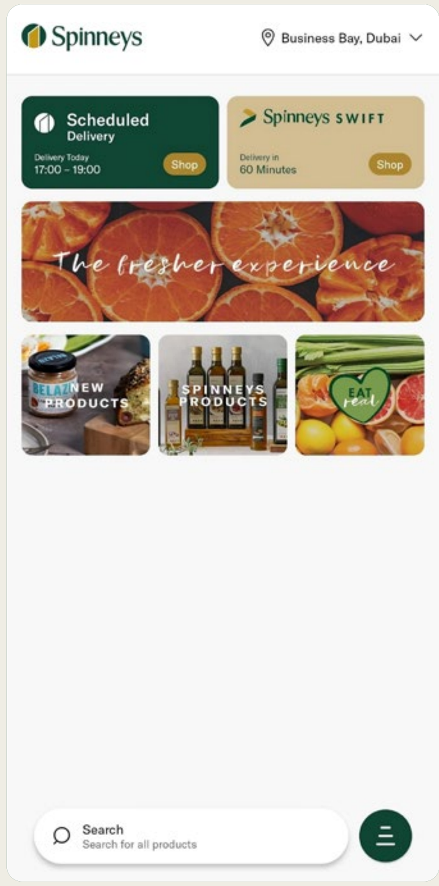
Continued Growth in Store Network

EXPANDING OUR FOOTPRINT

Opened 7 new stores during 2024, adding 8.6% gross selling area (GSA)

Launched first-ever foodhall concept, The Kitchen by Spinneys

Launched first-ever store in the Kingdom of Saudi Arabia



Hyperlocal e-commerce

SPINNEYS SWIFT

Refreshed e-commerce app with a focus on hyperlocal delivery

Empowers customers with scheduled and express delivery options

60-minute delivery service successfully launched in 9 key locations covering 66% of our planned catchment area

21% sales on own platform from Swift service

First-Ever Foodhall Concept

THE KITCHEN BY SPINNEYS

Launched in Dubai Mall on 20 May 2024

Margins accretive to retail stores

Dubai Mall store selected as 1 of 35 innovative retail stores to visit globally in 2025 by the Institute of Grocery Distribution

Second location opened in Creek Beach on 9 October 2024

Saudi Arabia Launch

RIYADH

Spinneys La Strada was successfully launched in Riyadh, Saudi Arabia on 24 June 2024 – a significant strategic milestone

Exceptional response from customers, demonstrating strong demand for premium fresh food offering in this significant market

The second location, Spinneys KAFD, was opened on 30 December 2024

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.

BUILDING BRAND & FOOTPRINT

1924

PRIOR TO AL BWARDY OWNERSHIP

Spinneys was established by Arthur Rawdon Spinney in Alexandria, Egypt

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

1961

Spinneys started operating in Dubai. Opened its first supermarket in Deira a year later

1971

Start of expansion, operating a warehouse facility on Zabeel Road. Port Rashid opened the same year to cater to the oil boom

1995

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

2003-2008

AL FAIR

Expansion into Oman with acquisition of Al Fair

WAITROSE & PARTNERS

Agreement signed for Waitrose brand

EXPANDING IN THE UAE AND INVESTING IN PLATFORM

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 one of the Middle East's most popular races

2011-2013

Spinneys Meat Production Unit was inaugurated. Spinneys Central Bakery Unit opened in Dubai Investment Park

2015

The Spinneys Kezad warehouse started operating in Abu Dhabi

2019

Spinneys Meydan, the first concept store and new headquarter for the corporate office opened

2020-2021

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

First Spinneys Café opened in Meydan in July 2021

EXPANSION STRATEGY

2022-2023

Partnership with Al Hokair

Signed two grocery retail stores

the kitchen by Spinneys

Signed one The Kitchen by Spinneys store

2024

100 YEARS OF Spinneys MIDDLE EAST

Continued Expansion in the UAE

Launched in KSA

Launched The Kitchen by Spinneys

Launched hyperlocal delivery service Spinneys Swift

Expansion into new markets

Establishment of 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 2024

>85%
are food-related

Focus on Premium Fresh and High-Quality Products

>35%
Store space target for fresh fruit and vegetables

Outstanding Private Label Contribution

43.3%
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 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 63% 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 43% of retail revenues.

In addition to our private label products, we provide a full branded range for our customers, our total range of sku's are 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 our brands offered.

We operate a multi-format store base, all of which are near our core target customers. Our store footprint, which comprises a total of approximately 806 thousand square feet of gross selling area (excluding Spinneys Abu Dhabi), is spread across very flexible formats:

- **market stores (< 10,750 square feet)** – attached to high rise
- **medium-sized supermarkets (10,750-21,500 square feet)** – community based
- **large supermarkets (> 21,500 square feet)**

The customer is at the heart of everything we do at Spinneys. We attract highly desirable customers from diverse backgrounds across the local and expat population. Our customers are typically highly 'affluent' and inspired by international food trends.

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 supported by our sourcing strategy.

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 **fourthly,** 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.

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 & Innovation

Supported by our Sourcing Strategy

02 Convenience

Brick & Mortar Formats
Market Stores
Medium Supermarkets
Large Supermarkets

Convenient Omni-channel Offering

Location
Format
Efficiency

E-Commerce

Owned
Aggregators

03 Store Experience

"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."

04 Power of the Brand

2 Key Brands

Spinneys

WAITROSE & PARTNERS

#2
Strongest brand equity

#3
Net promoter score rank

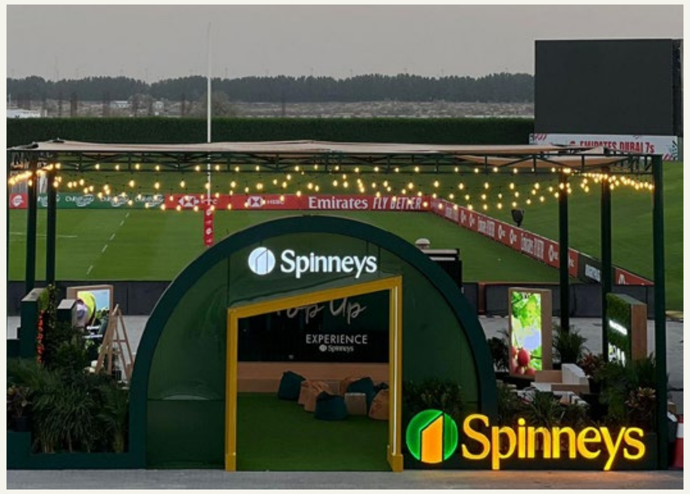
87%
UAE brand awareness

>30%
KSA brand awareness prior to market entry

YEAR IN REVIEW

2024 was a year packed with highlights. Here is a short summary of our key achievements.

> **"We are pleased to report very robust 2024 performance, with revenues growing to record levels and strong profitability metrics both before and after tax."**
>
> **Sunil Kumar**
> **Chief Executive Officer**



January

Spinneys announced five UAE Business Incubator Winners in the programme's fourth edition:

- UAE startup brands selected to revolutionise the FMCG landscape through innovation, quality and commitment to community
- 30 brands have succesfully launched in Spinneys stores over the past three editions
- Winners demonstrated innovation across a range of product types, from personal care to desserts, fragrances, homeware, and hot sauces

February

The 14th edition of the Spinneys Dubai 92 Cycle Challenge was hosted at Expo City Dubai, with record numbers of participants

March

Record Q1 sales of AED 815 million, up 10.9% YoY

Completed the soft launch of the Spinneys Swift app, to provide a hyperlocal delivery service

April

Spinneys 1961 Holding PLC announced its intention to float on the Dubai Financial Market, with admission of the shares to trading expected to take place in May

Dubai experienced unprecedented rainfall which led to operational complexities; the business performed resiliently with minimal disruptions for our colleagues and customers

May

Listing on the DFM on 9 May

Launch of The Kitchen by Spinneys, the Company's first-ever standalone food-hall and dine-in concept, spanning gross selling space of 3,098 square feet on the lower ground floor of the Dubai Mall

Opened our first store in Al Khawaneej with a gross selling space of 23,991 square feet offering a tailored Arabic range

Sustainability commitment report released, titled *Better Together: 2030*, focusing on four main pillars:

- Eat Well, Live Well: promoting healthier lifestyles through better nutrition and sustainable food products
- Sourcing for the Future: ensuring sustainable sourcing practices and supporting local farmers
- No Time to Waste: reducing waste and carbon emissions and promoting a circular economy; and
- Inspired People, Stronger Together: investing in employees and community engagement

June

Record H2 sales of AED 1.6 billion, up 9.9% YoY

Launch of a wide expansion plan in Saudi Arabia, with our initial store opening in Riyadh:

- First store located in La Strada Yard, in the popular An Nuzha district, spanning a gross selling space of 29,490 square feet
- Establishing local production facilities underscores Spinneys' commitment to enhancing environmental and social practices, well aligned with Saudi Vision 2030 and the Kingdom's drive to diversify the economy, support local content and create innovative growth opportunities

Opened a store in Sobha Hartland with a convenience offering spanning a gross selling space of 2,028 square feet

September

Record Q3 sales of AED 2.3 billion, up 11.4% YoY

Following in the footsteps of Spinneys' Farm to Table programme and the Local Business Incubator Programme, Teen Trailblazers initiative unveiled, to find and empower the next generation of food and beverage entrepreneurs in the UAE, in partnership with Trusity, an innovative online educational platform

Food Tech Valley and Spinneys signed a landmark 27-year partnership to build a new food production and processing facility

October

The second The Kitchen by Spinneys opened in Creek Beach, Dubai, spanning 3,565 square feet

New warehouse opened at our Kezad facility, boasting 280,000 square feet resulting in a 90% increase in warehouse capacity

December

Record FY sales of AED 3.2 billion, up 12.3% YoY

Opened our second store in Saudi Arabia in King Abdullah Financial District (KAFD), spanning 7,807 square feet

Opened our first store in the JBR side of Dubai Marina, a 3,920 square feet store with a convenience offering

Debuted as an F&B vendor at The Dubai Emirates Sevens Festival, the region's largest sports and entertainment event

100 YEARS OF *retail innovation*

IGD
ONE OF 35 INSPIRATIONAL STORES ACROSS THE GLOBE TO BE VISITED IN 2025

STRATEGY IN ACTION 2024

Spinneys launches The Kitchen by Spinneys at Dubai Mall

During 2024, we successfully added a new home-grown vertically integrated format to our portfolio, branded as The Kitchen by Spinneys, to keep pace with the growing evolution of our customers' eating habits. This innovation, in the so called 'Grocerant' style, offers our customers the benefits of a restaurant coupled with a focus on a range of high-quality convenient product offerings, so that these outlets effectively specialise in selling fresh food for consumption on the go.

CHAIRMAN'S STATEMENT

"Our IPO created an opportunity for investors to be part of our next stage of growth and we are excited to have embarked on a new chapter, bringing our fresh opportunity to a wider shareholder base."

Dear Stakeholders,

It gives me immense pleasure to introduce Spinneys' first Integrated Report, in this historic 100th year of the business operating in the Middle East. It is an honour to present the 2024 results, which are an indication of our achievements to date, as well as to give some guidance on our future strategy.

I want firstly and most importantly to pay tribute to the people who originally set the foundations for our success – the founding fathers of the United Arab Emirates. Notably within this it was Sheikh Rashid's vision for the future of Dubai, more recently implemented by Sheikh Mohammed, which opened the door to allow Spinneys to evolve into the business it has become today.

The original business was set up in Egypt in 1924, with British backing, but the brand's success would not have been possible without the extraordinary ambition and gritty determination of the leadership of the UAE which enabled Spinneys to set sail with real momentum. We are forever grateful for the original opportunity they gave us, by starting the process of creating a strong and sustainable economy, and we will continue to be so as we embark on the next phase of our story. Spinneys' success has been possible because of their bold vision.

We listed our shares on the 9th of May on the Dubai Financial Market by way of Initial Public Offering (IPO). This was an enormous achievement and, I hope, a great moment also for those new shareholders who joined us through the company's flotation. I welcome you all as joint owners and thank you for your long-term support of our business.

The journey from 'family business' to 'public company' has been challenging and rewarding in equal measure. We have learned so much along the way, as indeed we continue to do, and we have certainly overcome many obstacles in building the premium grocery food business in the UAE. There are too many people who played a part in the IPO process to thank them individually, but they will know who they are. I am sincerely grateful to them all.

In many ways, even as a private company, we have run Spinneys historically as if it were in the public domain. One of these aspects is the strong Corporate Governance model that we have always strictly applied to our affairs. We take pride in aiming to set the standards in the retail sector for strong Governance, with all the checks and balances that investors and other stakeholders rightly expect. This is critical to our future success.

We currently live in challenging times in many obvious ways, but these are also times of great opportunity. In recognising both the challenges and the opportunities, we remain acutely aware that standing still in fast-changing markets is rarely a wise strategy. We therefore continue to actively strengthen our value proposition by investing in our production capabilities, our technology and our supply chain.

SPINNEYS AT AL NASR SQUARE IN 1962.

At Spinneys, our ambition is not to be the biggest retailer, it is to be the best retailer. We strive to be a pillar throughout our communities – the Spinneys family, incorporating our suppliers and our communities of customers. As you will read elsewhere in this Report, our colleagues are at the very core of everything we do. They are without doubt our most valuable asset, as they carry the responsibility for nurturing and protecting the critical relationship with our customers. The trust we place in them, and the loyalty with which they reciprocate, is at the heart of our DNA as a business and as a brand, and I thank them personally for their endeavor and innovation in this most special of years.

As we all face up to our responsibilities, both as individuals and as corporates, to do what we can to protect the environment, I am happy to report that Spinneys is leading the line in many areas connected to Sustainability. We start from the belief that our business exists not only to increase shareholder profits, but to create long-term value for people and for the planet. You will find detailed evidence later in this Report of the investment we continue to make in our social and environmental programmes, showcasing the responsibility we feel to make a contribution to society at a high level in line with our wider purpose as a business: to nourish and inspire our communities to live better lives, day by day.

In closing, I would like to thank the wise leadership of the UAE for continuing to support a vibrant economy, on the basis of which Spinneys' prosperity has grown materially during the year.

We owe thanks also to the authorities, local partners and property developers in Saudi Arabia for their support in enabling our expansion there and we look forward to working closely with them in the future as we seek to take our formula for better, healthier living to a greater scale in that country.

In our IPO year, I also thank the Dubai Financial Market and the Securities and Commodities Authority as Regulator for their support as we navigated the flotation process, and express my gratitude for the diligent advice and encouragement we received from our many advisors.

I am supported by a committed and experienced Board of Directors, whose inputs were invaluable throughout the year, particularly in connection with the IPO itself. Likewise, we are very fortunate to have a management team of the very highest caliber, without whose energy and teamwork we would clearly not have had the success we witnessed across all parts of the business in 2024. I thank them all for their expertise, unwavering dedication and purpose driven business focus. The macroeconomic outlook for a business of our nature, in the locations in which we currently operate, is hugely positive.

Our long history, proven business model and priceless experience all give me genuine confidence as to our future prospects. Although Spinneys' first 100 years in the region have now passed, it feels to me as though during 2024 we were effectively 'reborn'. We have been transformed into a listed company and are ready to face the next century, recharged with the enormous energy generated during a unique and highly successful 12 months.

We are indeed '100 years young'.

Ali Saeed Juma Al Bwardy
Chairman

Driving growth through efficiencies, scale and an unrelenting focus on quality

Dear Stakeholders,

We had an exceptional year in 2024 in so many ways, most notably in our performance as a business and on account of our successful IPO. On behalf of my management team and all our dedicated colleagues across the business, I am delighted to set out my thoughts below in our inaugural Integrated Report.

Our performance

It was a year of double-digit growth, one in which we were propelled partly by the trust we received from our customers and partly as a result of the tailwind created by a fast-moving UAE economy.

During 2024, our unique market position and strong momentum was reflected in record turnover of AED 3,226 million, with like-for-like revenues up 11.3% and an adjusted industry-leading EBITDA margin of 19.5%, including the impact of one-off IPO-related costs and more than AED 10 million in pre-opening expenses in Saudi Arabia.

Gross profit increased by 10.8% year-on-year to AED 1,336 million, with a stable gross profit margin of 41.4%, achieved through efficient sourcing and supply chain management and Spinneys' highly successful private label strategy, emphasising sales of high margin products.

Profit before tax for the period was AED 323 million, an increase of 26.2% on the prior year. In this, the very first year of corporate taxation in the UAE, our profit after tax was AED 290 million, a rise of 13.9% on 2023 despite the impact of the new 9% corporate tax charge.

During Q3, the Company paid an interim dividend of AED 102.6 million, or 2.85 fils per share, to shareholders. Subject to shareholders' approval at the AGM scheduled for 17 March 2025, Spinneys intends to pay a second half dividend of AED 100.8 million, or 2.80 fils per share, bringing the total expected dividend for the year to AED 203.4 million, or 5.65 fils per share.

The two key enablers of our growth this year were firstly the number of transactions completed by our customers in our stores, which rose by 10.5% to 37.3 million; and secondly the average basket size which increased by 1.4% to AED 87.

In 2024 we grew our store footprint by 7% to a total of 80 outlets. We also increased the percentage of our fresh food sales to 63.3% and grew our private label penetration to 43.3%. Our online offering, notably Spinneys Swift, about which you will read more later in this document, also saw growth and now represents 21% of own platform sales.

The underlying trend of market conditions during the year was one of supportive macroeconomic forces, with a rapidly growing UAE population now forecast to exceed 11 million by 2030 and indications of up to a 30% increase in high net worth individuals expected to relocate to the UAE over the next 5 years – both factors which play well to our premium offering.

On the other hand, major challenges included the Red Sea blockades, which had a material effect on the supply chain. Longer sailing times due to rerouting and port congestion, combined with shortages of equipment such as reefer containers, caused intermittent delays and longer lead times for delivery of products sourced internationally. These logistical challenges typically bring higher costs, but we are careful to avoid passing these onto our loyal customers, who expect consistency from Spinneys in every way, wherever we can provide it.

More granular details of our financial performance during the year are set out in the CFO's Review later in this Report.

Our strategic progress

As well as the ongoing growth of our store footprint, with seven new stores opened during the year, there were a range of operational developments during the year, three of which stand out as the most significant.

Firstly, we expanded Spinneys into Saudi Arabia as part of our Strategic Middle East expansion plan, with Spinneys La Strada in Riyadh opening in June and KAFD, our second store, opening in December. We will continue to be very precise about our store locations, to ensure close proximity to a customer base with a desire for premium fresh food, and are currently planning to add another two stores in 2025. Sales in Saudi Arabia were in line with expectations. Our focus there in the short to medium term will be to refine the product assortment and tightly manage the supply chain efficiencies in order to drive down costs and expand our margins.

Secondly, we successfully added a new home-grown vertically integrated format to our portfolio branded as The Kitchen by Spinneys to keep pace with the growing evolution of our customers' eating habits. This innovation, in the so called 'Grocerant' style, offers our customers the benefits of a restaurant coupled with a focus on a range of high-quality convenient product offerings, so that these outlets effectively specialise in selling fresh food for consumption on the go. Our initial outlet, in the Dubai Mall, launched to acclaim in May. This strategic move has been supported by enhanced central production capabilities which will enable the expansion of future Kitchen locations as well as supplying core products to selected supermarkets.

Thirdly, we launched Spinneys Swift in Dubai, our new 60-minute hyperlocal delivery service which currently covers 66% of our planned catchment area. Impressively, Spinneys Swift was contributing 21% of our own platform online sales within 9 months of launching, indicating real promise in the years ahead.

We also invested heavily in the infrastructure required to support our growth, with the opening of our new Kezad 2 warehouse in Abu Dhabi, adjacent to our existing site. Kezad 2 adds 280,000 square feet to our owned warehouse facilities, representing a 90% increase in floor space, and has increased our capacity for ambient and frozen storage by 220%.

With a firm eye on our anticipated future growth, we partnered with the UAE government, through their property asset management business Wasl, by committing to build a new state of the art food processing facility at Food Tech Valley in Dubai, an initiative designed to provide the country with a sustainable food ecosystem. This production facility, which is scheduled to be operational by 2027 and which is subject to a 27-year agreement with Wasl for the lease of a 500,000 square feet plot, will materially contribute to increasing the UAE's domestic food production capacity, to become even more self-reliant.

As part of our self-reliance strategy our private label continued to flourish in 2024, with private label now accounting for 43.3% of retail sales. We continue to build trust in our owned brands, as well as showcase outstanding innovation, bringing global food trends to our customers.

> **"When we look at Spinneys as a business, we must ask ourselves why our customers come to us. That is a fundamental question. The answer is that our business is entirely different from a traditional brick and mortar grocery business."**

CEO'S OPERATING REVIEW

During the year our rolling programme of store refurbishments to give our customers a better shopping experience continued, with customers responding extremely positively to the upgrades in the refurbished stores.

On the marketing front, in recognition of our historic milestone, we launched our '100 Years' campaign in Q4. Building on Spinneys' long heritage and strong brand credentials, the primary channel focus was in-store and digital, with over 3.6 million views achieved via digital and social media. In line with our purpose of nourishing and inspiring our communities to live better lives, we repositioned our print title as the Nourish Magazine, and expanded this content into the audio space with the Nourish by Spinneys podcast. The podcast was recognised internationally with four Listeners Choice Signal Awards.

I am very proud indeed to report that in the 2024 Advantage Survey we were ranked by suppliers as the 'Best retailer in the UAE for Partnership, Reputation and Vision'. We were singled out for strengths in collaborative forecasting, capability and experience, and the communication of our business strategy and sustainability. Additionally, in the Retail Middle East Awards 2024, we were awarded the accolade of 'Most Admired Grocery Retailer of the Year' as well as 'Market Expansion of the Year' for Saudi Arabia.

The Initial Public Offering (IPO)

The facts and figures surrounding the IPO itself are noted elsewhere in this document, so I will not repeat those here. I will instead share my observations on the overall experience – what I believe it meant for us at the time and how it will impact our future direction.

Our successful IPO on the Dubai Financial Market in May was of course a key highlight of the year. Listing is a great milestone for any business and this was no different for us. Moving from a family-owned enterprise to a public company is itself a journey, during which many transitions need to be made. These include adjusting to a wider stakeholder base which now includes experienced investors whose insights on comparable retail businesses in other parts of the world are valuable, as well as the need to manage the higher profile of the business more generally.

Above all, though, our unique culture remains unchanged – the enduring focus on our customers is what sustains our success and this is no different whether private or listed. The additional energy which we absorbed during the flotation process was truly motivating for us all: we continue to learn rapidly from increased feedback from a wider base of interested parties; our management disciplines, which were diligently tested during the fundraising process, have undoubtedly been strengthened for the long term benefit of the business overall.

Our purpose and culture

When we look at Spinneys as a business, we must ask ourselves why our customers come to us. That is a fundamental question. The answer is that our business is entirely different from a traditional brick and mortar grocery business.

Of course, we are part of the food evolution of society and, as per our purpose statement, what we aspire to achieve is 'to nourish and inspire our communities to live better lives, day by day. We try to live with that statement. It is not a theoretical tag line – we actually try to live by the purpose of our business. So we are in line with our purpose by ensuring we are part of the evolution of our customers' food habits; we are benefitting our customers and society more widely by helping them have better lives by providing healthy options, together with the ability to enjoy international products, therefore bringing different cultures together on our shelves.

Looking at this a little more holistically, we are in fact bringing together different cultures under one roof, to mirror the wide mix of different ethnicities who live in the Middle East.

As part of our purpose, we feel a genuine responsibility to keep on delivering for our core stakeholders – our customers.

> **"With a firm eye on our anticipated future growth, we partnered with the UAE government, through their property asset management business Wasl, by committing to build a new state of the art food processing facility at Food Tech Valley in Dubai, an initiative designed to provide the country with a sustainable food ecosystem."**

We do everything possible to ensure we create a sustainable environment for them, in the sense that we strive to guarantee that the very high in-store experience, the undoubted quality, the diversity of our product range, the breadth of our offering is always consistent and sustainable, for their benefit. The sustainability of what we offer them is ultimately what underpins the trust they place in us.

Another key area of differentiation from our competitors is our fresh food offering. We follow the sun across the hemispheres, allowing us to showcase nature's best produce every day of the year regardless of the source continent. We bring these products to our shelves, fresh, on a daily basis.

Responsible sourcing is ingrained in the way we conduct business. We only buy from accredited suppliers. We partner with farmers and suppliers to ensure we maintain a meaningful and rewarding relationship to achieve our purpose. Our continual assessment of the whole supply chain is total. We owe it to our customers, to our stakeholders and to ourselves. Whether we are talking about olives from Italy or roses from Kenya, our approach is unashamedly thorough and always consistent. That's the Spinneys way.

Facing inwards, the leadership team really understands that the people who are working on the shop floor, whose job is to satisfy our customers, represent our brand. It is the behaviour, attitude and character of the person who serves you at the bakery or in the butchery or in the produce department, which reflects Spinneys' brand equity. They are our living breathing culture, on show every day. They make the big difference. Our culture is delivered through their emotional interactions with our customers, and they do this very effectively because they understand our purpose. They take care of our business and they know Spinneys will take care of their growth and wellbeing. It's a symbiotic relationship which generates great loyalty not just from our customers but also from our colleagues. Understanding the connection between our purpose and our culture is the key to understanding Spinneys.

The outlook

Spinneys has grown to become one of the leading fresh-focused food retailers of scale, operating across 80 locations in the UAE and Oman, and now also in the attractive Saudi market. I am entirely confident that the next few years will see us stabilise and grow our position in Saudi Arabia, a large territory, as we build the Spinneys brand and use a century of Middle East retailing experience to propel us forward there.

We have built a business that provides our customers with an extensive fresh food range and exceptional customer service, through an omni-channel platform. I am genuinely excited to be entering our next phase of growth, strongly positioned to capitalise on the robust economic landscape of the UAE and with the Spinneys brand supported by our unique value proposition. We are set to benefit from key GCC strategic growth levers, including: a supportive macroeconomic environment with robust fundamentals, strong GDP growth momentum and a growing affluent population; significant white space opportunities in both the UAE and Saudi Arabia, with a healthy pipeline of new stores planned in both countries; the introduction of different store formats opening up new revenue verticals, such as The Kitchen by Spinneys; and the launch of our hyperlocal delivery service, Spinneys Swift, which we will continue to roll out with a real focus on enhancing the overall customer experience.

With efficiency at the heart of our business model, coupled with supportive macroeconomic tailwinds, the power of our brand continues to see us secure favourable supplier terms, optimise our supply chain and deliver the most attractive margins in our industry. As we aggressively pursue sustained and profitable growth, our unique premium fresh positioning continues to set us apart. This is the platform on which we are building our future.

Repeatedly asking ourselves the question: 'Why should our customers keep on coming back?' drives the way we run our business. We believe we should be adding value to all our stakeholders, inspiring them to live better lives.

In conclusion

In this special year, there are more people that I would like to thank than is normally the case, because so many have played a part in our listing and in the achievements I have outlined above. But one thing never changes and that is the need to thank our most important stakeholders first – our customers. They are the ones who make the biggest impact on our success and we never forget it.

I also specifically wish to thank our dedicated colleagues, without whose hard work and loyalty our progress would not have been as spectacular; and similarly our trusted commercial partners, with whom we share mutually important relationships and whose dedication against all odds we value greatly.

For the first time in our history I also take great pleasure in welcoming and thanking our new shareholders, with whom we hope to have a long and mutually beneficial experience in the years ahead.

And lastly, but incredibly importantly, I want to echo the sentiments of the Chairman in thanking the wise leadership of the UAE for their constant support in executing the bold economic vision which has enabled Spinneys to thrive and prosper up to this point in our history.

In 2024 an immense amount of energy brought us excellent results in a landmark year. We are '100 years young' at heart and we greatly look forward to embarking on the next 100 with all our new stakeholders on board.

Sunil Kumar
Chief Executive Officer

INVESTMENT CASE

Over the years, we have expanded our business to become one of the leading premium brands across 80 locations in the UAE, Oman and Saudi Arabia, focused on high-quality fresh food and exceptional customer service. Our success to date has been underpinned by a number of core strengths, a summary of which is set out here:

01

Sizeable, growing and resilient long-term demand for premium food across the GCC*

- The GCC region boasts a rapidly growing population with a high proportion of affluent and high-net-worth individuals. This demographic is characterised by rising disposable incomes and an increasing propensity to spend on premium goods and services, including high-quality food. This creates a large and expanding addressable market for our premium fresh food offerings
- We are well-positioned to capitalise on the robust economic landscape of the UAE, where the economy is expected to grow at a CAGR of 3.4% from 2022 to 2028
- The affluent population in the UAE is projected to grow at a CAGR of 4.3% from 2022 to 2028, outpacing general population growth of 0.7% and driving sustained demand for premium food in the UAE
- We expanded into Saudi Arabia in 2024, the GCC's largest economy, where the economy is expected to grow at a CAGR of 3.2% from 2022 to 2028 and where the affluent population growth CAGR of 6.4% also outpaces the general population growth CAGR of 1.4%

02

One of the leading fresh-focused food retailers in the UAE, Oman and Saudi Arabia

- We have built a strong reputation and brand recognition over decades of operation. In the UAE, Spinneys is synonymous with quality, freshness and an exceptional shopping experience. This established brand equity gives us a significant competitive advantage
- We differentiate ourselves by being 'fresh-focused'. This isn't just a marketing term; it's reflected in our store layouts, product sourcing, supply chain and in-store expertise. Spinneys operates 73 stores in the UAE, 5 in Oman and 2 in KSA, where this reputation for high-quality fresh products is well established
- We have cultivated a loyal customer base through consistent quality, service and product range. This loyalty translates into repeat business and positive word-of-mouth referrals, which is crucial for sustained growth

03

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

- Our value proposition focuses on providing our customers with high-quality fresh products both locally and internationally sourced, contributing to more than 65% of our revenue, while also prioritising exceptional customer service enhancing the in-store experience
- We emphasise quality sourcing, working with trusted suppliers and farmers who meet our rigorous standards for freshness and quality
- Our private label brands are trusted by our customers who rely on them for quality and freshness at accessible prices
- Our omni-channel platform is built for customer convenience, combining flexible store formats in a wide range of location types, to maximise ease and accessibility, with our online offering

04

Exceptional local execution, supported by well invested, vertically integrated operational and supply chain capabilities

- Our success is grounded in the strength of our global sourcing network and our vertically integrated operational and supply chain capabilities – a fully integrated model that is hard to replicate
- Our centralised procurement, combined with enhanced freight forwarding capabilities, allows us to manage both cost and product quality from source to shelf
- We have more than 850 suppliers and source from more than 45 countries, facilitated through subsidiaries in the USA, the UK and Australia, enabling a highly efficient supply chain, which ensures strong on-shelf availability
- We achieved an average Retail Revenue per square foot of AED 3,935 in 2024, increasing by 3.5% from 2023

05

Robust track record of like-for-like growth, with strong margins delivering resilient and stable cash flows

- We have a robust historical growth profile. Revenue in 2024 grew to AED 3.2 billion, increasing by 12.3% from 2023, driven by increasing online penetration; increasing private label and fresh food penetration; successful navigation of inflation through strategic pricing; and an expanding store footprint in the UAE
- Our gross profit increased to AED 1.3 billion representing a 41.4% margin. Profit for the year 2024 stood at AED 290 million, having grown by 13.9% from 2023
- Like-for-like revenue grew by 11.3%, with an Adjusted EBITDA margin at an industry leading 19.5%
- The combination of strong margins and efficient operations results in strong cash flow generation, which can be reinvested in the business or returned to shareholders

06

Significant strategic levers to drive sustainable growth and profitability

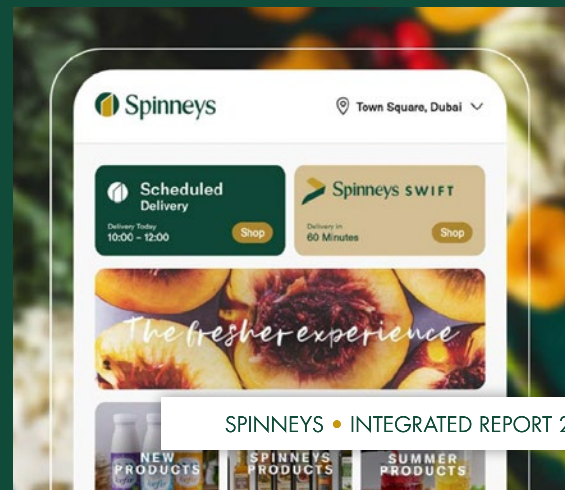
- Multiple avenues to accelerate our growth include like-for-like growth for existing stores, driven by growth in the target market and an increase in the Spinneys' fresh offering, private label and e-commerce penetration while managing the contribution of e-commerce to ensure profitability
- In 2024, we expanded our store network in the UAE and entered Saudi Arabia for the first time
- We also introduced both The Kitchen by Spinneys, an innovative new dining concept, and Spinneys Swift, our own hyperlocal e-commerce platform

* Source: Company Information, Oxford Economics, GRMC, Nielsen, Euromonitor, Kearney Analysis

07

Well-tenured, experienced leadership with an ownership mindset that drives sustainability

- Spinneys benefits from a highly experienced and diverse Board of Directors and a well-tenured management team with an average of 24 years industry experience
- We have developed a sustainability strategy which incorporates our healthy and organic food offering to promote good nutrition, a net-zero emissions commitment in our own operations by 2040, programmes to improve supply chain transparency and initiatives to reduce food waste



BUSINESS MODEL

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

Inspirations from our colleagues' journeys and focus on health, well-being as well as indulgence.

It's personal for us. We treat our customers with personalised service.

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

Ongoing consistency and resilience.

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

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

"We don't want to be the biggest retailer, we want to be the best retailer"

Ali Saeed Juma Al Bwardy
Chairman

"A culture is the DNA of an organisation; it is the only thing that cannot be copied or stolen"

Sunil Kumar
Chief Executive Officer

Our Communities

Customers
Our customers are at the centre of everything we do. Asking ourselves the question 'Why should our customers come back?' 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 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 & customer service.

Wheel of Success

The Spinneys Way

Customers
94% of customers value fresh food as the main reason for shopping at Spinneys (Nielsen). Growing transaction counts of 10% for 2024 are also a good indication of customer satisfaction

Colleagues
Average tenure of 24 years amongst our senior management colleagues, and 224 internal promotions in 2024, show that people can build lasting, meaningful careers at Spinneys

Culture
Our culture is evident in the everyday interactions between our colleagues and with our customers

Suppliers/Partners
Spinneys is now ranked #2 in the UAE for supplier satisfaction (Advantage survey 2024)

Shareholders
Spinneys engaged with more than 100 investors as well as 6 investor conferences and earnings presentations during 2024

Environment & Communities
Spinneys is making tangible impacts in the communities in which we are present, through activities that link back to our core business

Brand
Trust in our brand has resulted in loyal customers and brand recognition in 2024, with Spinneys being named Grocery Retailer of the Year by two separate bodies

MARKET OVERVIEW

Market Overview

Spinneys' key markets currently exhibit resilient macro dynamics, with high growth prospects. Both the UAE and KSA are expected to outpace global GDP growth in the next five years.

The UAE and KSA combined have an average real GDP per capita of US$ 34,000, 3.0x higher than the global average. This dynamic is forecast to continue over the next five years, with both the UAE and KSA expected to remain low inflationary environments.

We are at an inflection point in the UAE, which is favourable to Spinneys. The UAE Government has introduced several initiatives, including 100% foreign ownership of companies and Golden visas, to make the country increasingly attractive for foreign investors, entrepreneurs and skilled workers to relocate to. These categories represent our core customer base. The country ranks #1 in MENA (#10 globally) for competitiveness.

The UAE and Saudi Arabia combined have over six million people in the 'affluent' category, a number which is expected to increase faster than the rest of their population groups. A 30% increase is expected in ultra/high net worth individuals in the UAE over the next five years, with the wider population expected to increase by 11% to 12.1 million by 2030. Against this backdrop, disposable income is expected to increase 2.3% annually in the next five years, with the 'affluent' population category set to increase over 4% per annum going forward.

Key long-term government strategies include: The UAE Tourism Strategy 2031, consistently strengthening the UAE's position as one of the best tourist destinations in the world; The Dubai 2033 Economic Agenda, delivering the country's commercial strategy for the next decade with the aim of doubling the size of Dubai's economy, while simultaneously increasing foreign trade and investment; Dubai 2040 Master Plan, driving real estate development which, coupled with investments in infrastructure, will support the growth of the resident population to 5.8 million people by 2040.

Similarly, Saudi Arabia's social evolution and economic growth is being driven under the auspices of Saudi Vision 2030. Modernising the economy and attracting global talent are at the very top of the agenda, and are both key indicators for Spinneys' business.

Attracting foreign investment, implementing structural reforms and increasing women's participation in the workforce are all aimed at elevating KSA into the top 15 economies in the world. KSA is currently the largest economy in the GCC; The Kingdom has the highest population of 36 million people, estimated to grow to 40 million by 2028 with the bulk of the growth being in the 'affluent' category which has a forecast CAGR of 6.4%. Riyadh and Jeddah, the largest province in the Makkah region, are the wealthiest and most populous cities. Our entry strategy is focused firmly on these territories.

Growing and increasingly affluent population

(boxed: 2022A-2028E CAGR)

	UAE	KSA	Oman
Population (m)	9.4 / 0.7%	36.4 / 1.4%	4.9 / 1.4%
Affluent Population (m)	3.0 / 4.3%	3.1 / 6.4%	0.3 / 11.0%
Real GDP (USD bn)	442 / 3.4%	793 / 3.2%	94 / 2.4%
Inflation (2022A-2028E avg.)	3.1%	2.7%	2.2%
Disposable Income (USD k per capita)	20.7 / 2.3%	9.5 / 0.9%	8.4 / 0.8%

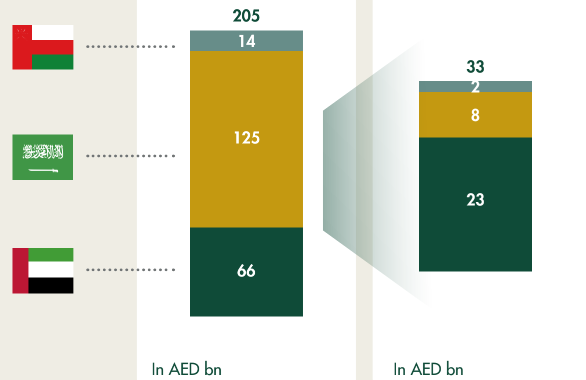
Source: Company Information, Oxford Economics, GRMC, Nielsen, Euromonitor, Kearney Analysis

The UAE and KSA have a combined population of 45 million people, which is expected to grow faster than OECD countries in the next five years. The UAE and KSA have different population dynamics: 73% of UAE residents are in Dubai or Abu Dhabi (our core cities), with an impressive 88% made up of expats. Out of the 36 million people in Saudi Arabia, 33% are based in Riyadh and Jeddah and 42% are expats – expected to reach 50% by 2030 on the back of government initiatives aimed at attracting a highly skilled workforce.

The UAE is a AED 66 billion grocery market, expected to grow almost 4% per annum in the next five years. Within this market, fresh food is the category expected to grow fastest at 4%. Saudi Arabia is estimated to be a AED 125 billion market, effectively double the size of the UAE, with forecast growth of 4.8% CAGR. As a premium food retailer, our target market of AED 33 billion is expected to grow at 5.0% CAGR. We have been extremely selective in our approach to entering Saudi Arabia, with a stated strategy of only focusing on the Riyadh and Jeddah markets.

Target market outpacing total grocery market growth

	Total market 2022A-2028E CAGR	Target market 2022A-2028E CAGR
Combined	4.4%	5.0%
Oman	3.7%	5.7%
KSA	4.8%	6.7%
UAE	3.9%	4.4%



Source: Company Information, Oxford Economics, GRMC, Nielsen, Euromonitor, Kearney Analysis

STRATEGY

Our 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 2024
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 2024 are highlighted below.

Growing our store network, expanding our footprint
In 2024, we continued to make rapid progress with our store expansion programme. Having opened seven new stores, we have a strong roll out plan for 2025 and beyond in the UAE and Saudi Arabia to further support network expansion and to tap into the compelling whitespace opportunity presented by both markets.

Upgrading customer experience via store refurbishment
A key part of our strategy is to consistently evolve our food offering in line with international trends and to provide an outstanding in-store experience by continually investing in the upkeep of our store assets. In 2024 we undertook several key refurbishments, each of which demonstrates our unequivocal commitment to a world class customer experience;

Spinneys RAK Al Hamra was expanded and refurbished resulting in extended meal solutions and produce sections, as well as a dedicated entrance lobby directly adjacent to the car park;

Waitrose Saadiyat Beach was also extended with the store offering customers enhanced meal solutions and produce sections, as well as the addition of serviced butchery and fish counters;

At Spinneys Town Centre we expanded the meal solutions, produce and health and beauty sections, added a flower shop, a walk-in boulangerie-style bakery and a fresh fruit and vegetable preparation concept.

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 66% of our target catchment area and is already contributing 21% of own-platform online sales, reinforcing our focus on meeting customer expectations with a 60-minute delivery promise.

Building for the future – warehousing and production
In Q3, we inaugurated a new warehouse in Kezad (UAE), adjacent to our existing facility. The new space adds 280,000 square feet to our owned-warehouse facilities, a 90% increase in floor space. This increased area is now utilised for ambient and frozen storage, bringing a 220% increase in storage capacity.

In October we committed to creating an entirely new production facility in Dubai at Food Tech Valley, a UAE government led initiative to build a sustainable food ecosystem. Our partnership with Wasl takes the form of a 27-year agreement for the lease of a 500,000 square feet plot. We will establish 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 flexible and responsive to serve our customers' changing needs. Markets in the Middle East are undergoing seismic changes in the wake of the rapid social and economic development of the GCC's constituent countries. With change comes opportunity. Our strategic intent is to always be alert to both the challenges and the opportunities which inevitably emerge in such environments.

At a macroeconomic level, there is a clear and identifiable background of supportive market trends for our business. The UAE and KSA have strong economies with affluent and growing populations. The UAE's attractiveness is at an all-time high, driven by its recently announced long-term strategies. Favourable economic momentum continues in KSA, driven by extensive government reforms and investment initiatives. The regional grocery retail market is sizeable and growing. Spinneys' traditional target market, which is set to outpace the total grocery retail market, is characterised by attractive growth prospects. And, in addition, we are set to benefit from favourable growth expected in the food service market.

More specifically, in relation to the grocery market, several key growth levers continue to support Spinneys' unique value proposition. These include a healthy pipeline of new stores in the UAE as well as white space opportunities in KSA which follow our highly successful openings of Spinneys La Strada and Spinneys KAFD; and the introduction of our new 'grocerant' format, The Kitchen by Spinneys, which has unlocked a standalone dining concept that opened a new revenue vertical and has strong growth potential. In addition, the launch of our new hyperlocal delivery service, Spinneys Swift, which enhances our e-commerce capabilities with a 60-minute delivery promise, has a focus on its continued roll-out to enhance the overall Spinneys customer experience.

CFO'S FINANCIAL REVIEW

A landmark 12 months which produced exceptional results, both strategically and financially

Dear Stakeholders,

Spinneys' 100th year trading in the Middle East was a landmark 12 months which produced exceptional results, both strategically and financially. Our IPO in May was heavily oversubscribed, reflecting investors' appreciation of the quality of our brand and the scale of our future potential.

The Group's financial results for 2024, set out in some detail below, demonstrated the strength of our business model through a year of efficient operational performance, ongoing investment in our backend infrastructure, a strategic move into a key new territory and a continued focus on all key financial metrics: revenues, profitability and cash flows.

Financial highlights

The IPO was priced at AED 1.53 per share, at the top of our indicative price range, with the offer oversubscribed by around 64 times – a strong indication of the trust and enthusiasm associated with our brand. The implied market capitalisation of the business at the listing date was AED 5.51 billion.

We executed on our growth strategy, with strong momentum on new store openings in the UAE and Saudi Arabia expanding the network to 80 locations.

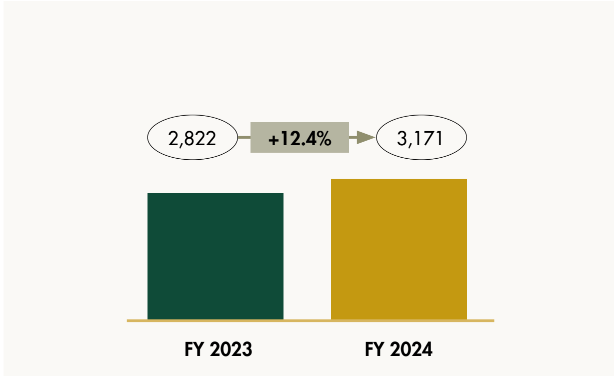
We performed well in 2024 across all functions, with record revenues of AED 3,226 million, an increase of 12.3% on 2023.

Gross profit increased by 10.8% YoY to reach AED 1,336 million. Adjusted EBITDA increased by 12.1% YoY to AED 631 million, with an industry-leading EBITDA margin of 19.5%. Profit before tax grew by 26.2% to AED 323 million, with profit up 13.9% to AED 290 million despite the impact of the newly introduced 9% UAE corporate tax.

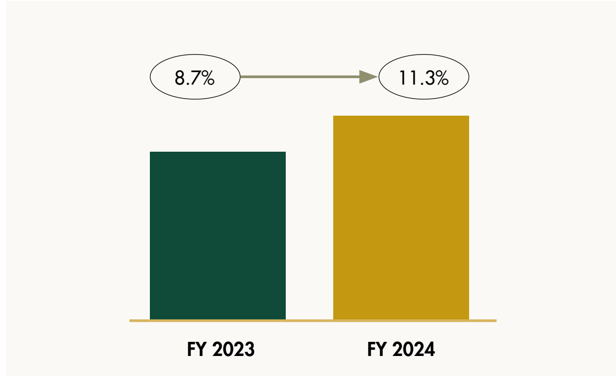
Free cash flow was AED 243 million, with free cash flow conversion of 58.9%. At year end, cash and bank balances totalled AED 536 million.

During Q3, the Company paid an interim dividend to shareholders of AED 102.6 million, or 2.85 fils per share. Subject to approval by the shareholders during the General Assembly, it is our intention to pay a second half dividend of AED 100.8 million, or 2.80 fils per share, during April 2025, taking the anticipated full year 2024 shareholder dividend to AED 203.4 million, or 5.65 fils per share.

Retail Revenue (AED m)



Like-for-Like Retail Revenue Growth



FY 23 – FY 24 Retail Revenue Bridge (AED m)

Our strong growth

In 2024, against a backdrop of favourable market conditions, 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 seven new stores opened during 2024 in the UAE and Saudi Arabia. We invested in operational efficiencies and digital transformation to drive future growth, with the inauguration of a new warehouse facility in Kezad (UAE) which increased our storage capacity by 220%, the introduction of a new fresh food format branded as The Kitchen by Spinneys, and the launch of our new Spinneys Swift hyperlocal delivery service growing to 14.1% of online sales. In addition, we upgraded our IT infrastructure with the implementation of SAP S/4 HANA.

Our proven track record of delivering top line profitable growth continued during the year. Overall retail revenue increased by 12.4% YoY to reach AED 3,171 million, driven by like-for-like sales growth from existing stores of 11.3%. This was supported by the opening of our new locations, now totaling 80. Retail revenue from 7 new stores contributed AED 77 million. Partly offsetting this growth was the closure of 2 stores during the year, resulting in lost revenue of AED 41 million.

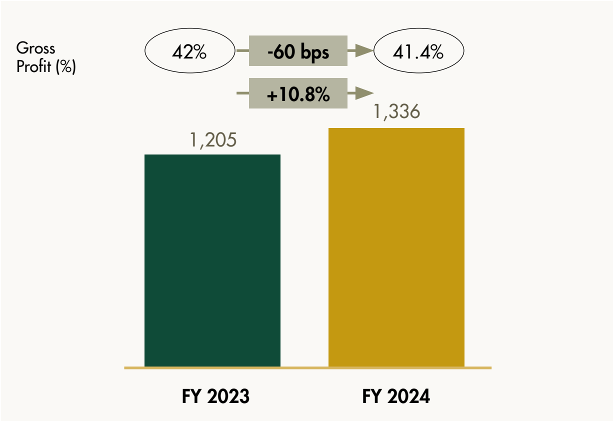
Transactions grew by 10.5% from 33.8 million to 37.3 million, reflecting growing customer demand on the back of supportive macroeconomic dynamics, with the average basket size increasing 1.4% from AED 86 to AED 87. Steady rental income, consisting of property subleasing revenue which is generated from leasing surplus retail space in specific locations to various tenants, such as pharmacies, fashion stores and others, contributed 1.7% of total revenue.

Our markets are always characterised by clear seasonality impacts. At the start of the calendar year, we witness a seasonal uptick as residents return from holidays and tourists flock to the UAE, taking advantage of the favourable weather. Sales later dip due to the impact of Ramadan which brings fasting among the majority Muslim population in the region, affecting consumption patterns. In the summer there is a substantial decrease in local populations as expats and residents travel during the hotter months, reducing sales over that period. And to close the year, Q4 heralds a peak tourist influx during the festive season, complemented by residents staying in the region,creating a high demand period.

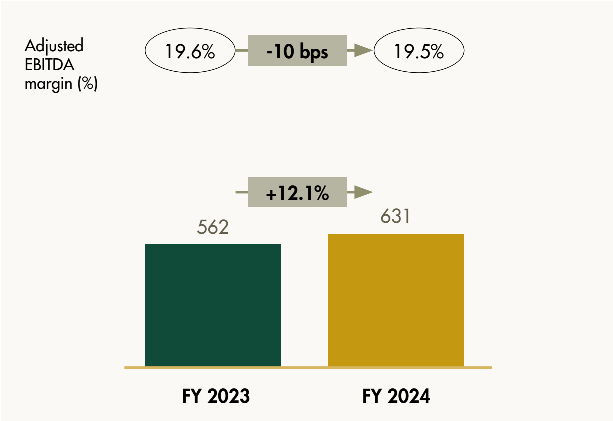
"We performed well in 2024 across all functions, with record revenues of AED 3,226 million, an increase of 12.3% on 2023."

CFO'S FINANCIAL REVIEW

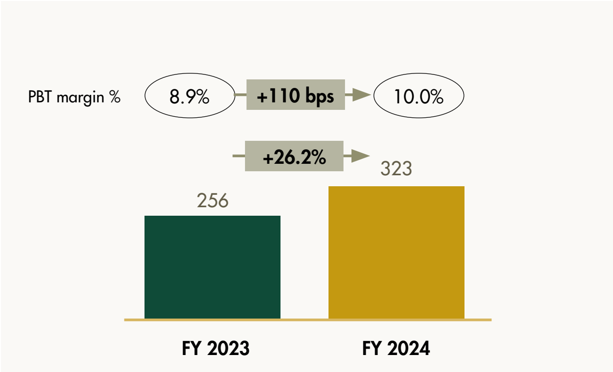
Gross Profit (AED m)



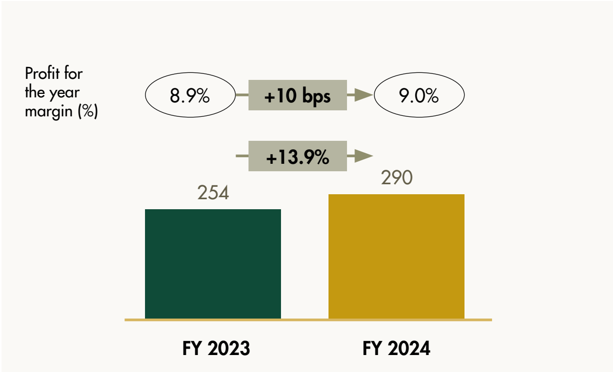
Adjusted EBITDA (AED m)



Profit Before Tax (AED m)



Profit For The Year (AED m)



Our sustainable profitability

Gross profit increased by 10.8% YoY to AED 1,336 million, with a stable gross profit margin of 41.4%, achieved through efficient sourcing, tight vertically-integrated supply chain management utilising cost advantages connected to supplier proximity, and Spinneys' highly successful private label strategy, emphasizing sales of high-margin products. This growth was partly offset by lower margins in KSA and higher wastage in new stores. The increase in gross profit was mainly driven by increases in private label participation from 40.8% to 43.3% and in fresh participation from 61.5% to 63.3%. Other contributing factors included: our customary disciplined approach to cost management; our "Fresh premium" offering, targeting affluent customers belonging to mid-high income socio-economic groups; and Spinneys' strong and unique brand reputation which helps to secure favourable supplier terms, optimising both front- and back-end margins.

Adjusted EBITDA totalled AED 631 million, up 12.1% YoY, with an adjusted EBITDA margin of 19.5%, including the impact of one-off IPO-related costs incurred in H1 2024 and more than AED 10 million in pre-opening expenses in Saudi Arabia.

Profit before tax grew by 26.2% to AED 323 million, representing a 10% profit before tax margin, with full year profit after tax reaching AED 290 million, an increase of 13.9% after absorbing the impact of the recently introduced 9% corporate tax in the UAE. The effective tax rate for the Group stood at 10.2% for 2024.

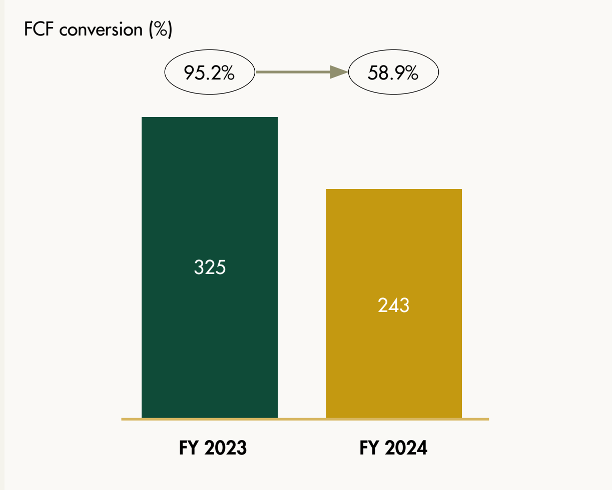
Our solid cash flow

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 58.9% in 2024, demonstrates our operational efficiency and enables consistent dividend pay-outs while simultaneously funding the Company's expansion.

Capital expenditure during the year was AED 114 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.

Looking further ahead, in October 2024, we signed a 27-year agreement with Food Tech Valley, a UAE-government-led initiative aimed at building a sustainable food ecosystem. As part of this agreement, Spinneys will establish a state-of-the-art 500,000 square feet food processing facility in Dubai which is planned to be operational by 2027. Investment in the facility is expected to enhance our food production capacity, thereby increasing the participation of in-house production to our overall sales.

Free Cash Flow Conversion (AED m)



Cash Flow Statement [AED m]	FY 2023	FY 2024
Cash from Operating Activities before changes in working capital	568	651
Changes in working capital	203	(65)
Net Cash flow from Operating Activities	771	586
Net Cash flow used in Investing Activities	(83)	(574)
Net Cash used in Financing Activities	(373)	(306)
Cash and Cash Equivalents	354	60

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 2024 was self-funded, with minimum debt on the balance sheet. Net debt including lease liabilities reduced by AED 46 million from AED 576 million to AED 530 million during the year, strengthening our position for future investments. The Company enjoys a healthy Net Debt/Adjusted EBITDA ratio of 0.8x, 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 536 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.

Mukesh Agarwal
Chief Financial Officer

> **"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."**

OUR PEOPLE

Our colleagues are fundamental to the strength of our business. They nourish and protect our culture, day in day out. Their views are central to Spinneys' progress; here we ask them a few key questions:

Q. What has surprised you most about Spinneys during your employment?

"It's the genuinely supportive and inclusive work culture, which feels more like an extended family. There's a strong sense of trust and care among colleagues. The company's commitment to growth and development has exceeded my expectations, and I've been impressed by how open the organisation is to feedback, encouraging us to share ideas and contribute to positive change."

Menino Carmo Luis
Title: Warehouse Manager
Location: Kezad, Abu Dhabi
Length of service: 12 years

"I've been pleasantly surprised by how much I've been able to learn and grow here. The working environment is excellent and encourages teamwork, which has helped me improve my skills and learn from others. Spinneys also provides plenty of opportunities for professional and personal growth by letting us take on new challenges and try new ideas. What I appreciate most is Spinneys' clear vision for the future, which gives us direction while also allowing us the freedom to explore and apply what we've learned."

Mohamed Basheer Rahamadulla
Title: Fresh Fruits Buyer
Location: Head Office, Dubai
Length of service: 11 years

Q. Where do you think Spinneys will be in the next 100 years?

"When I joined 27 years ago, we had just four stores in one country. Now, we have 80 stores across three countries. I strongly believe that in 100 years, Spinneys will be a globally recognised name, especially in the Gulf, Africa and Asia. Beyond selling healthy food, I envision Spinneys establishing fitness clubs, nutrition centres, its own farms and sports activity hubs."

Charanjit Singh
Title: Regional Manager
Location: Dubai
Length of service: 27 years

"In the next 100 years, I see Spinneys continuing to lead the retail industry, both regionally and globally, building on the strong values and vision I've experienced first hand. Working here has shown me how deeply the company values quality, sustainability and innovation. I believe these principles will drive Spinneys to embrace new technologies, such as AI-driven supply chains and personalised customer experiences."

Preveen Kumar
Title: Quality Assurance Manager
Location: Production Facilities, Dubai
Length of service: 10 years

In conversation
Michael Green
General Manager of Human Resources

As we look ahead post-IPO, confident in driving forward our strategic priorities during a period of strong economic growth, General Manager of Human Resources Michael Green gives his perspective on the Company's key asset – our people.

Q. It's no secret that Spinneys has a unique culture and that this has formed the backbone of our success as a business over the last 100 years. What lies at its core and why is it so important?

A. The Spinneys culture is so evident, to our customers, to our people and even to our suppliers simply because it's entrenched in our famous '9 Habits'. These Habits define the way in which we live, how we inspire one another, at work and even at home. We frequently exercise these Habits, as we look out for one another, work together to achieve our goals, and certainly never give up. So whether you're part of the leadership team, or a new hire in the store, we embrace opportunities to exercise these Habits, and this is key to the success of our business. Anyone can try to copy what we do, but not anyone will be able to copy our culture.

Q. Most companies will say they invest in their employees, but at Spinneys this is mutual. The average length of service is exceptional. What do you do to retain such loyalty and how do you help your colleagues achieve personal growth?

A. We believe that our job is to take genuine care of those in our charge, to inspire and make our colleagues better people than they were before they joined the company.

Regardless of who any of us are, as colleagues we foster an environment for people to grow, to make mistakes, to learn and to flourish. We have genuine open and honest conversations with one another, when it counts most. The long average tenure is merely an outcome of this approach.

We believe that our job is to take genuine care of those in our charge, to inspire and make our colleagues better people than they were before they joined the company.

Q. The rapid growth of the business is exciting, but how sustainable is the human side? As Spinneys expands, have the complex recruitment and retention challenges surprised you?

A. We try not to create a narrative around the challenges, but rather articulate ways in which we can be innovative, supportive and optimistic about the more significant tasks. As the business grows, and as we observe these expansions, there is a huge sense of appreciation, because rapid growth mostly results in internal opportunities. We constantly prepare for growth and work with one eye on the future, so we believe that this model will always be sustainable as the company increases in scale.

Q. For someone looking at a career in retail, in your opinion do the opportunities in the region outweigh the challenges?

A. Absolutely. Although we observe that the more recent generations of people around the world have particular views and narratives about their career, we also observe that those who have the right mindset, and a genuine sense of interest in the retail sector, really shine from early on. With the right attitude, a hunger for success and an open mind to learn, we believe anyone can achieve whatever they wish to do.

Q. We're all conscious of the subtle national differences across the Arabian peninsula. Have you had to adapt your human capital model as the business has entered firstly Oman and now also Saudi, and if so how?

A. When it comes to people, our approach has always been to embrace, respect and take time to understand the expectations of each dynamic. We frequently align and partner with key stakeholders along the way, to review and refine our own human capital models. Together with our genuine interest and understanding of these dynamics, we are certainly humbled by the positive results achieved across all our operations.

OUR PEOPLE

Q. If there was one thing you would change, what would that be?

"I would minimise complexity with the help of technology wherever possible, to better support shop-floor staff and maximise service levels."

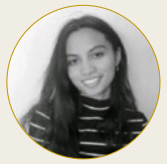
Gopi N Nair
Title: Store Manager
Location: Dubai Mall
Length of service: 22 years

"If I could change one thing, it would be to enhance the integration of technology to further streamline operations and improve customer experiences. This could include implementing advanced data analytics for personalised shopping experiences, expanding online and delivery services, and utilising AI for inventory management and customer service."

Nejam Raja
Title: IT Security Manager
Location: Head Office, Dubai
Length of service: 16 years

Q. Would you recommend others to consider a Spinneys career, and if so why?

"In my experience, Spinneys is a great place to work. The environment is very collaborative and there are strong opportunities for developing one's career as the company is committed to employee development. We've had several workshops like Habit Heroes that not only promote professional growth but also emphasise on inculcating habits that can support our personal development. Additionally, the company has a forward-thinking approach, focusing on its future growth. Throughout my time here I've been encouraged to develop new skills, so yes I would highly recommend a career at Spinneys."



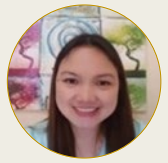
Melissa Saldanha
Title: Buyer – Commercial
Location: Head Office, Dubai
Length of service: 1 year

"I recommend Spinneys to others for the following reasons:

Spinneys offers exceptional opportunities for both personal and professional development through training programmes, mentorship and clear paths for advancement within the company.

It creates a welcoming and inclusive atmosphere where all staff, regardless of their background, are valued, respected and motivated to express their individual perspectives.

Lastly, Spinneys provides a vibrant, supportive and creative workplace that allows employees to develop their skills and contribute positively."



Ruth Mantua Velasquez
Title: Trainer
Location: Head Office, Dubai
Length of service: 22 years

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

100

YEARS OF *doing the right thing*

STRATEGY IN ACTION 2024

Integrity and responsibility lie at the heart of Spinneys' culture

In 2024, 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 this our first Integrated Report. Here 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 IPO.

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 Saaed 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 Saturn Trading and Binardie's F&B, companies she established in 2022 and 2023, respectively. 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, Saudi Fransi Capital, a role she has held since 2021, and Abu Qir Fertilizers, a role she has held since March 2024.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.

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, the chair of the audit committee and member of the investment committee for E20 Investment Limited, a role he has held since February 2024, the chair of the audit committee for, and serves on the board of, Damac Real Estate Development Limited, roles he has held from April 2023 till March 2024, a member of the audit committee of Dubai Holdings LLC, a roles he has held since March 2024. 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 was accredited as a senior board director and a listed entity director by the Singapore Institute of Directors in 2024 and 2021, respectively. 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 subsidiaries companies. Notably, he has been on the board of Spinneys IP Limited since 2022, Centurio Holdings Ltd since 2020, and JHF Australia since 2022. Furthermore, he plays a crucial role 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.

Executive Management

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 subsidiaries companies. Notably, he has been on the board of Spinneys IP Limited since 2022, Centurio Holdings Ltd since 2020, and JHF Australia since 2022. Furthermore, he plays a crucial role in related parties of the group, including Spinneys Abu Dhabi LLC as Chairman of the Board of Supervision since 2020.

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, and he plans to retire from this esteemed role in 2025.

Currently, Mr. Buch also serves as the Deputy Chief Executive Officer of Spinneys Dubai LLC, a position he has held since 2019. Under his leadership, Spinneys Dubai LLC has experienced substantial growth and operational excellence. In addition to his executive role, Mr. Buch extends his leadership by serving 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. His involvement in these organisations underscores his strategic influence and commitment to expanding the company's footprint in the region.

Before ascending to these executive roles, Mr. Buch was the Group Finance Manager for Spinneys Dubai LLC from 1996 to 2019. His tenure in this role was marked by adept financial stewardship and strategic financial planning, laying a robust financial foundation for the company.

Mr. Buch's career commenced at Castrol India Limited, where he served in various capacities from 1984 to 1996. His early career at Castrol India provided him with a profound understanding of corporate finance and operations, skills that have been instrumental throughout his subsequent roles.

Academically, Mr. Buch was awarded a Bachelor Degree of Commerce from Mumbai University in 1984. Further solidifying his expertise, he became a Chartered Accountant, admitted to the prestigious Institute of Chartered Accountants of India in 1985. His academic background and professional credentials have been pivotal in his career, driving his strategic vision and leadership capabilities.

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 various Company's subsidiaries, among of which Centurio Holdings Ltd, JHF USA Exports and JHF Australia Exports PTY, a position he has maintained within 2024.

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.

In terms of academic achievements, Mr. Agarwal earned a Bachelor Degree of Commerce from Delhi University in 2000. His commitment to professional excellence is further demonstrated by his qualification as a Chartered Accountant, having been admitted to the Institute of Chartered Accountants of India in 2003.

Subsidiaries Senior Management

Ms. Elmira Pelovello / General Manager Operations
Ms. Pelovello also as 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 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 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 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. Warwick Gird / General Manager Marketing
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 began his career 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 Degree of 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.

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. Mr. Harvey's career commenced 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 experience in buying and commercial management, has equipped him with the skills necessary to excel in strategic planning and commercial operations.

GOVERNANCE

Statement from the Chair

"It is with immense pride and responsibility that I present to you the Annual Corporate Governance report for Spinneys. As we continue to build on our legacy of excellence, maintaining robust Corporate Governance remains integral to our strategy for sustainable growth and value creation.

Over the past year, Spinneys has demonstrated resilience and adaptability in a rapidly changing market environment. Our unwavering commitment to exacting standards of Corporate Governance has been a vital component of our success. We have diligently adhered to the best local and international practices, ensuring transparency, accountability, and integrity across all facets of our operations.

The Board of Directors has played a crucial role in guiding the Company through the strategic milestones which unfolded in 2024. By fostering a culture of constructive dialogue and accountability, we have been able to make informed decisions that align with the long-term interests of our shareholders, employees, and customers.

We continue to enhance our governance framework, focusing on the diverse composition of our Board, the independence of our committees, and rigorous risk management practices. These efforts ensure that Spinneys not only meets regulatory requirements but also sets a benchmark for excellence in Corporate Governance.

Looking ahead, we are committed to further strengthening our governance practices in alignment with our strategic objectives. We believe that a strong governance framework is fundamental to achieving sustainable growth and delivering value to all stakeholders.

On behalf of the Board, I would like to express our gratitude to our shareholders for their continued trust and support. We look forward to another year of growth, innovation, and success."

Ali Al Bwardy
Chair of the Board

Corporate Governance Framework

Introduction

At Spinneys, Corporate Governance and integrity are fundamental to our mission of delivering exceptional value to our shareholders and maintaining our esteemed reputation in the market. Our Corporate Governance framework serves as the blueprint for how we conduct our business, ensuring that every decision and action aligns with our core values of accountability, fairness, responsibility & transparency.

The Corporate Governance framework is designed to promote effective oversight and strategic guidance by the Board, ensuring that we remain responsive and agile in a dynamic business environment. Our governance practices are continuously reviewed and refined to ensure compliance with regulatory standards and to incorporate best practices.

Company Timeline and Applicable Governance Regulations

21 November 2023	29 March 2024	9 May 2024	8 October 2024
Spinneys 1961 Holding Limited	Spinneys 1961 Holding PLC	Listed on DFM	Declared as Non-Reporting Entity by DFSA

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 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 "**SCA Governance Rules**").

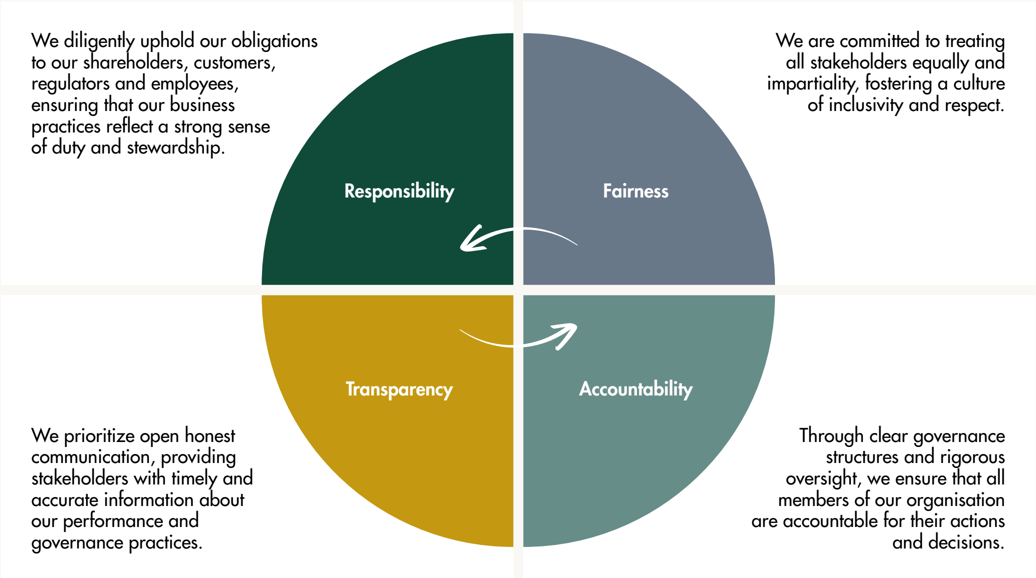
The Company's commitment to abide with SCA Governance Rules is enshrined within its Articles of Association ("**Articles**"). The SCA Governance Rules are applicable in their entirety to the Company. In the event of a conflict between the provisions of the SCA Governance Rules and the Articles, the SCA 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 SCA Governance Rules and the Companies Law, as far as they are applicable, ensuring robust governance and compliance.

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 establishes 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 SCA Governance Rules, which shall take precedence, except those overridden by mandatory provisions of the Companies Law.

Corporate Governance Manual & 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 finalize 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 & 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 & Remuneration Committee Charter

The Nomination & Remuneration Committee ("**NRC**") Charter delineates the NRC composition and outlines its responsibility in overseeing the nomination process for Board and key executives, as well as establishing fair and competitive remuneration policies. The Charter specifies the NRC duties, including evaluating Board 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, emphasizing 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. 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.

In August 2024, by virtue of the powers mandated to the Board in the Articles, the Board announced interim cash dividends of AED 102,600,000 (Fils 2.85 per share) for the first half of the fiscal year 2024. This reflects the Board's commitment to distributing dividends when feasible, taking into account any potential performance-impacting factors beyond its control.

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.

Corporate Governance Framework (continued)

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 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 launched during the year 2024 are (1) Fraud Control (2) Compliance Reporting & Monitoring (3) Whistle Blower (4) Personal Data Privacy Protection.

As Spinneys embarks on its journey as a newly listed company, we are dedicated to enhancing our governance framework. We are committed within 2025 to developing and implementing additional range of corporate policies that will fortify our governance practices.

Board of Directors

The Board of Directors is pivotal in guiding Spinneys' strategy and growth, fulfilling its duties as outlined in the Articles, SCA 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 SCA Governance Rules.

Conformity of Spinneys Board with SCA Governance Rules

- ✓ Chair & Majority Directors are Emaratis
- ✓ Majority Non-Executive Directors
- ✓ One Third Independent 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 2024, women held 22% of the seats on the Board. The Board continues to prioritize 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 spanning 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 harmonize 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 SCA 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	Singapore	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. According to the SCA Governance Rules, independence of Board members is defined by the following criteria:

- A Board member or any of their second-degree relatives must not have worked in senior executive management for the company, its parent, or subsidiaries within the two years prior to their nomination.
- The Board member or their first-degree relatives must not have a direct or indirect interest in contracts or projects with the Company or its subsidiaries in the past two years, especially if these deals exceed 5% of the company's paid-up capital or AED 5 million (or equivalent in foreign currency), unless such transactions are part of the company's regular business without preferential terms.
- The Board member must not have been employed by the Company or its subsidiaries in the two years leading up to their appointment.
- The Board member must not work for or be a partner of a company providing consultancy services to the company or its related entities in the last two years.
- The Board member must not have personal service contracts with the Company or its related entities in the last two years.
- The Board member must not be directly associated with a non-profit entity receiving significant funding from the company or its subsidiaries.
- Neither the Board member nor their relatives should be a partner or employee of the company's auditor or have been so in the two years preceding their Board membership.
- The ownership of the Board member or their minor children in the company must not reach or exceed 10% of the company's capital.
- An independent member should not be re-elected or appointed to the Board for more than three consecutive terms.

As part of the ongoing assurance of independence, Spinneys' Independent Directors quarterly sign a Declaration of Independence. Through this declaration, they commit to adhering to SCA Governance Rules and ensuring transparency by promptly disclosing any changes that may impact their independence as they occur.

Board of Directors (continued)

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. This formal and tailored induction programme includes meetings with other Directors and Executive Management, along with briefings from senior managers across key areas and operations, opportunities to visit key branches and departments, as well as to engage with subject matter experts, and comprehensive guidance on pertinent legal and regulatory requirements.

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 April 2024, the Board participated in the first induction as part of their onboarding programme. This induction included introductions to the Executive Leadership Team, ensuring that the Board members were well-acquainted with the leadership structure and operational dynamics of the Company.

Furthermore, in November 2024, the Board engaged in a mandatory Corporate Governance briefing. This briefing was conducted by Ibrahim & Partners Law Firm, providing the Board with critical insights into Corporate Governance practices and legal compliance, thus enhancing their oversight capabilities and commitment to governance excellence.

Conflict of Interest Declarations
The Board is dedicated to adhering to the SCA 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.

Essential components of the conflict-of-interest controls include, (i) mandatory disclosure of Directors' interests upon their appointment, followed by regular updates on a quarterly basis, (ii) board approval for any transactions where a director may have potential interests and (iii) directors with an interest in a particular transaction are not allowed to take part in the discussions or voting related to that transaction.

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 & Trading
Upon the listing of the Company's securities on the Dubai Financial Market, Al Seer Group LLC maintained a 75% ownership stake in the Company's shares.

To support market stability adhering to the Dubai Financial Market Rules, Al Seer Group LLC engaged a Stabilization Manager. During the stabilization period, the Stabilization Manager acquired 68,307 million shares. Upon conclusion of the stabilization period, these shares were retained by Al Seer Group LLC, thereby increasing its shareholding from 75% to 76.89%.

As of 31 December 2024, 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.

Directors Company Shares Ownership

Director	As of 9 May 2024	Change in Shareholding 2024	As of 31 December 2024	Status of Ownership
Ali Saeed Juma Al Bwardy	1,363,230,000	34,488,204	1,397,718,204	Indirect
Tariq Ali Saeed Juma Al Bwardy	334,125,000	8,452,991	342,577,991	Indirect
Rashed Ali Saeed Juma Al Bwardy	334,125,000	8,452,991	342,577,991	Indirect
Mazoon Ali Saeed Juma Al Bwardy	167,130,000	4,228,203	171,358,203	Indirect
Saeed Mansoor Al Awar	–	–	–	–
Subramanian Suryanarayan	–	–	–	–
Huda Al Lawati	261,437	(261,437)	–	Direct
Dominique Lecossois	–	–	–	–
Sunil Kumar	3,267,973	–	3,267,973	Direct

First Degree Relatives Shares Ownership
Please refer to Appendix B.

Board Meetings
In 2024, the Board convened five times, adhering strictly to the Articles, SCA 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 table below details the Board meetings held in 2024.

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

Board of Directors (continued)

Director	Capacity	1/2024 21 April 2024	2/2024 5 May 2024	3/2024 7 August 2024	4/2024 11 November 2024	5/2024 12 December 2024	Total
Ali Saeed Juma Al Bwardy	Chair (Non-executive)	PP	PPX	PP	PP	PP	5
Tariq Ali Saeed Juma Al Bwardy	Vice Chair (Non-executive)	PP	PP	PP	PR	PP	5
Rashed Ali Saeed Juma Al Bwardy	Director (Non-executive)	PP	PP	PR	PP	PP	5
Mazoon Ali Saeed Juma Al Bwardy	Director (Non-executive)	PP	PR	PP	PP	PR	5
Saeed Mansoor Al Awar	Director (Non-executive)	PP	PR	PP	PP	PP	5
Subramanian Suryanarayan	Director (Independent)	PP	PP	PP	PP	PP	5
Huda Al Lawati	Director (Independent)	PP	PP	PP	PR	PPX	5
Dominique Lecossois	Director (Independent)	PPX	PR	PP	PP	PR	5
Sunil Kumar	Director (Executive)	PP	PP	PP	PP	PP	5

2024 Board Circular Resolutions

No Board resolutions were passed by circulation in 2024.

2024 Board Focus Areas

Board Remuneration

In accordance with the Articles and subject to the limitations of the SCA 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.

SCA Governance Rules stipulate that Board remuneration must not exceed 10% of the net profit after depreciation and reserves for the fiscal year. Exceptionally, a fixed amount up to AED 200,000 may be provided to a Board Member at the fiscal year-end, subject to General Assembly approval, especially when the company has not made profits or when the Member's share in profits is below AED 200,000. In such cases, remuneration and fixed amounts cannot be combined.

Additionally, the Company may compensate Board members for expenses, fees, or provide a bonus or monthly salary for additional committee work or special efforts beyond their regular duties. This is subject to the policies proposed by the NRC, Board review, and General Assembly approval. Notably, attendance allowances are not paid for Board meeting participation to the Chair or Directors.

Fines imposed by the SCA or relevant authorities due to Board violations are deducted from remuneration unless the General Assembly decides otherwise, deeming the fines are not due to Board fault or error.

2024 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 Board remuneration and expenses for 2024 will be submitted to 2025 Annual General Assembly for ratification.

Director	Board Capacity	No. of Meetings 2024	ARC Capacity	No. of Meetings 2024	NRC Capacity	No. of Meetings 2024	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	3	–	–	250,000
Saeed Mansoor Al Awar	Director (Non-executive)	5	Member	3	Member	2	400,000
Subramanian Suryanarayan	Director (Independent)	5	Chair	3	–	–	460,000
Huda Al Lawati	Director (Independent)	5	Member	3	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 2024, please refer to the Key Executive Management Remuneration section.

Board of Directors (continued)

2024 Other Expenses

Director	Board Capacity	Travel & 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)	17,536
Huda Al Lawati	Director (Independent)	-
Dominique Lecossois	Director (Independent)	32,639
Sunil Kumar	Director (Executive)	–

No attendance allowances provided to the Board in 2024.

Board & Committees Evaluation

Pursuant to the Company's Corporate Governance Framework and SCA 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.

It is important to note that, given the Company's concise history as a listed company, these evaluations have not been undertaken as of the date of this Corporate Governance Report. Spinneys is committed to initiating these evaluations in the year 2025.

Board Committees

In accordance with SCA Governance Rules, the Board has established two Permanent Committees:

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

Should the need arise, the Board may establish additional committees as deemed appropriate. Importantly, in compliance with SCA 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.

2024 Committee Meetings

In 2024, the NRC convened twice strictly adhering to its Charter and the SCA 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.

GOVERNANCE

Board Committees (continued)

The table below details the NRC meetings held in 2024.

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

Director	Capacity	1/2024 7 August 2024	2/2024 11 November 2024	Total
Huda Al Lawati	Chair	PR	PR	2
Dominique Lecossois	Member	PP	PP	2
Saeed Mansoor Al Awar	Member	PP	PP	2
Tariq Ali Saeed Juma Al Bwardy	Member	PP	PR	2

2024 Committee Focus Areas

Acknowledgement of the NRC Chair

Ms. Huda Al Lawati, Chair of the NRC, acknowledges her responsibility for overseeing the NRC' 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

"In 2024, the NRC convened twice, focusing on pivotal issues such as executive compensation, succession planning, and the paving the way for enhancement of board and management effectiveness.

Our 2024 efforts concentrated on strategic initiatives, including a thorough review of organisational structures and evaluation of incentive programmes to attract and retain top-tier talent. Transparency has been a cornerstone of our processes, ensuring that all decisions are made with a complete understanding of the implications and in the best interests of the Company and its stakeholders.

The NRC has proactively engaged with both management and external advisors, leveraging Spinneys established and successful practices to date on the one hand and staying ahead of evolving governance practices and market trends on the other hand.

Looking Ahead into 2025

Looking ahead, the NRC remains steadfast in its dedication to driving initiatives that underpin our long-term strategic goals.

Our aim is to continue building on our progress by developing robust policies that embody our commitment to diversity, inclusion, and sustainable growth.

In 2025, the NRC is scheduled to meet at least twice, with a refined focus on enhancing recruitment, retention, and training strategies. We will continue to oversee remuneration policies and processes, ensuring they remain well-suited to our Company's talent pool and fully aligned with regulatory requirements. We also intend to establish a Board Effectiveness monitoring programme during the year."

Huda Al Lawati
Chair of the NRC

Board Committees (continued)

Audit and Risk Committee
Committee Composition

Name	Year of Birth	Nationality	Capacity
Subramanian Suryanarayan	1961	Singapore	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 finalized.
- **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.

2024 Committee Meetings
In 2024, the ARC convened thrice strictly adhering to its Charter and the SCA Governance Rules. Each meeting was well-structured to address key agenda items, promote informed decision-making, and maintain high Corporate Governance standards.

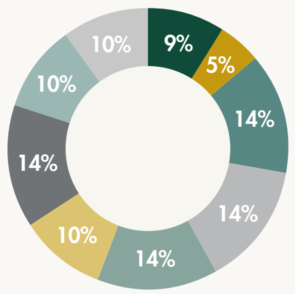
The ARC invited Senior Management members, external auditors and internal auditors to meetings based on discussion topics. To ensure thorough preparation, meeting invitations, agendas, and supporting documents were distributed at least seven days in advance. Members had the option to participate remotely, 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 2024.

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

Director	Capacity	1/2024 13 May 2024	2/2024 7 August 2024	3/2024 11 November 2024	Total
Subramanian Suryanarayan	Chair	PP	PP	PP	3
Huda Al Lawati	Member	PP	PP	PR	3
Saeed Mansoor Al Awar	Member	PR	PP	PP	3
Mazoon Ali Saeed Juma Al Bwardy	Member	PR	PP	PP	3

2024 Committee Focus Areas



2024 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' 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.

Board Committees (continued)

Statement of the ARC Chair
"In 2024, the ARC convened thrice, meticulously adhering to its Charter, and diligently fulfilling its responsibilities to address a comprehensive and strategically aligned risk and governance agenda. This agenda covered critical aspects such as financial review, risk assessment, and both internal and external audit oversight. I am pleased to report that the Committee has actively engaged with management, internal auditors, and external auditors, fostering a robust culture of transparency and accountability across the organisation.

The ARC has diligently worked to uphold the highest standards of financial reporting and risk management. By rigorously reviewing quarterly results, we have ensured that our financial oversight is both thorough and proactive. Our efforts have facilitated seamless coordination between management, internal and external audit functions, enhancing the integrity and reliability of our financial processes. Additionally, we tackled significant risk management challenges, including addressing health and safety standards, supply chain risks and developing robust business continuity plans, all of which are essential to ensuring the Company's long-term resilience and operational continuity.

Looking Ahead into 2025
As we look toward 2025, the ARC remains dedicated to enhancing our governance framework to better address emerging risks and opportunities. We are committed to refining our oversight strategies, particularly in areas such as environmental, social, and governance factors, which are becoming increasingly important to our stakeholders and the broader market.

Our focus will continue to be on maintaining rigorous audit and risk management processes, supporting the Company's strategic objectives, and ensuring that our practices align with global standards. We aim to further strengthen our engagement with management and auditors to foster an environment of continuous improvement in all that we do.

Together, we are committed to ensuring that the Company remains resilient, adaptable, and positioned for sustainable growth in the coming years."

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 recognized when they were reappointed as the External Auditor for the fiscal year 2024. This reappointment was made by the then Sole Shareholder of the Company through a Special Resolution passed on 27 March 2024.

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 2024 (AED)	954,850	
Services Other than Company Audit Services	Review interim financial statements. Audit Services for Company Subsidiaries. Agreed upon procedures in respect of the retail stores. Limited Scope UAE corporate income tax impact assessment.	
Other Services Fee 2024 (AED)	1,236,553	
Engagement of other External Audit Firms in 2024	Ardent Advisory & Accounting LLC	Internal Audit Services
	Crowe Australia	External Audit Services for JHF Australia Exports Pty Ltd.
	Menzies (UK)	External Audit Services for J.H.F Limited
	Darshan Wadhwa CPA PC (USA)	External Audit Services for JHF USA Exports.INC.

Statement of External Auditor Reservations
The External Auditor has expressed no reservations or qualifications in the consolidated financial statements for the year 2024.

INTRODUCTION
OVERVIEW
STRATEGIC REVIEW
ENVIRONMENTAL, SOCIAL AND GOVERNANCE
FINANCIAL STATEMENTS

Internal Control

Overview
In accordance with SCA 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 specialized 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 and a diverse client base across various sectors. ARDENT's partners and directors bring over 200 years of cumulative advisory experience with big professional firms.

Internal Audit Plan
In August 2024, the ARC approved ARDENT's internal audit plan.

The three-year internal audit plan encompasses a wide range of areas, including warehousing, logistics, and commercial operations, with specific audits scheduled annually or bi-annually based on a comprehensive risk assessment. This plan aims to provide thorough coverage of the audit universe and will undergo annual reviews to ensure relevance and effectiveness.

The audit plan is formulated based on in-depth discussions with Spinneys senior management, focusing on addressing high-risk processes annually, moderate to high-risk processes twice within three years, and low to moderate-risk processes once every three years. Additionally, store audits will examine 5% of stores each year, selecting specific locations based on revenue contributions.

Internal Audit Reporting and Identified Risks
Ardent submitted three reports to the ARC in relation to the year 2024 which included assessment of critical areas in line with our risk-based plan.

The ARC closely monitored the high and medium-level control and risk issues highlighted in the 2024 reports and concluded that these issues were not associated with major failures.

As the internal auditing function continues to mature, ongoing monitoring and assessments are anticipated to uphold and enhance governance and operational standards.

Acknowledgement by the Board
The Board acknowledges its overarching responsibility for the establishment, maintenance, and ongoing evaluation of the Company's internal control system. We are 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.

2024 Violations
In 2024, the Company did not encounter any material violations of applicable rules or regulations. Our compliance framework and proactive governance practices have ensured adherence to all statutory requirements, thereby maintaining the integrity and reputation of the Company. Through continuous monitoring and stringent internal controls, we remain committed to upholding the highest standards of compliance in all our operations.

Delegation of Authority

Pursuant to SCA Governance Rules and the Articles, the Board may, to facilitate the Company's effective management, delegate certain duties to its committees or to the Company's management. Such delegations may be executed through a Delegation of Authority or Power of Attorney based on functional requirements and may be further limited and/or sub-delegated. These delegations come with clear authorisation guidelines and limitations, such as a defined duration, and are intended to be dynamic documents that are revised in accordance with changes in the Company structure or its commercial needs.

Overall Delegation of Authority Matrix

Delegate	Authorities
Chief Executive Officer ("CEO")	Manage operational matters such as payments of regulatory fees, taxes, and utilities, without limit, authorizing insurance claims over AED 1,000,000, signing Non-Disclosure Agreements, Memoranda of Understanding, approving contract and extensions, overseeing corporate governance, strategic initiatives, and the approval of duty travel for senior personnel. The CEO may delegate specific financial authorities to subordinates like the Chief Financial Officer ("CFO"), or Department Heads.
CFO	Manage financial matters, including reviewing, endorsing financial transactions, treasury activities, insurance policies and claims settlements.
General Managers and Heads of Department	Oversee departmental activities, including approving job descriptions, managing resignations and terminations, and sanctioning performance appraisals and training plans, approving duty travel and leave applications and approving transactions within their delegated financial limits.
Finance Department	Initiates and manages financial transactions, including managing bank signatories, processing invoices, overseeing vendor relationships, strategically placing surplus funds with approved banks.
Head of Legal	Manage legal matters, including filing court cases, responding to legal issues, and overseeing the overall corporate governance framework.
Human Resources Department	Oversee recruitment processes, manpower planning, and the development of job descriptions. Employee transfers and training programs, compensation, benefits, approving work schedules, and payroll computations.

Power of Attorney

In 2024, the Company did not issue Power of Attorneys for management.

2024 Board Authorities Delegated to Directors or Executive Management

Name	Capacity	Authorities	Date of Delegation	Duration
Sunil Kumar	Chief Executive Officer	Conclude and sign the Directors and officers Liability Insurance and the Public Offering of Securities Insurance in their final Form	22 April 2024	One-off Mandate

Insider Trading Control

In accordance with SCA 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' 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 SCA 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 optimizing 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.

Related Party Transactions

In accordance with SCA Governance Rules, the Company is committed to upholding stringent policies concerning Related Party transactions to ensure transparency, fairness, and compliance with regulatory standards. The following is a detailed framework outlining Related Parties and the procedures governing transactions with them:

Related Parties

- **Board:** Includes the Chair and members of the Company's Board and their relatives.
- **Executive Management:** Comprises executive management members and their relatives.
- **Employees:** Encompasses all employees of the Company.
- **Significant Holdings Entities:** Entities where any of the above-mentioned parties own at least 30% of the capital.
- **Associated Entities:** Parent, subsidiary, sister, or affiliated companies of the Company.
- **Major Shareholders:** Those owning 5% or more of the Company's shares or voting rights.
- **Related Board Members of Associated Entities:** chair and members of the boards of parent, subsidiary, sister, or affiliated companies.
- **Cross-Serving Executives:** Companies where any member of the Board or executive management serves as a board member or senior executive.

Regulations and Approval Process

The Company must not engage in transactions with related parties not exceeding 5% of the Company's capital without the Board approval. For transactions surpassing this threshold, General Assembly approval is required.

Transactions exceeding 5% of the Company's capital are subject to evaluation per SCA requirements. Related Parties are prohibited from voting.

Any substantial modification to transaction terms after approval requires revaluation and another approval from the Board or General Assembly. Transactions above the 5% limit must be reviewed by an accredited assessor at the Company's expense.

Disclosure and Transparency

The Company should provide detailed disclosures of Related Party transactions in reports to the General Assembly. This involves maintaining a Related Parties register, fully documenting transaction specifics, and corresponding actions.

The Chair must notify SCA and DFM with comprehensive transaction details, verifying its fairness and non-preferential conditions. This information is also included in the annual governance report.

Routine Business Transactions

Transactions conducted within the Company's normal business activities and not offering preferential treatment are not considered Related Party transactions. Nevertheless, they should still be disclosed to the Board, with discussions on participation left to the discretion of the present members. Such transactions are to be included in the Integrated Report to the General Assembly.

2024 Related Party Transaction

Within the definition of Related Party Transactions, the Company did not conduct any transactions with Related Parties in the year 2024.

2024 Subsidiaries Related Party Transactions

In the ordinary course-of-business, the Company' Subsidiaries enter 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 2024.

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 like the Spinneys Cycle Challenge, Farm to Table education, 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 2024

The Spinneys Dubai 92 Cycle Challenge 2024

Spinneys hosts the largest competitive mass cycling event in the region, fostering community engagement and promoting active lifestyles. This year's event series attracted 6,644 participants, marking a 25% growth from the previous year. Participants ranged from a 2-year-old to an 84-year-old, highlighting inclusivity. The Company incurred expenses for 2024 reached AED 2,167,224.

The Spinneys Family Run Series 2024

The Spinneys Family Run Series comprises smaller community events across various Spinneys locations in the UAE, encouraging families to engage in active lifestyles. In 2024, we hosted seven events with 2,100 participants. The Company incurred expenses amounted to AED 210,000.

The Spinneys Farm to Table Programme 2024

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 and local farmers, address critical topics around food sourcing and sustainable eating. The initiative has reached 124 schools and hundreds of thousands of students across the UAE through digital and in-store communications. In 2024 incurred expenses totalled AED 375,000.

Sustainability, Community Engagement, Innovations and Key Events (continued)

The Spinneys Local Business Incubator

The Spinneys Local Business Incubator 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. In its first year, the programme introduced 14 brands, with six more in development, setting a strong precedent for subsequent years. By 2021, five standout businesses were selected from over 125 candidates, with additional top-tier selections of five businesses in 2022 and six in 2023. Success stories such as The Botanist, Frio, Rory's Apawthecary, Zahra's Kitchen, 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 2024, with 87 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 2024

Building on the Incubator's success, the Teen Trail Blazers programme targets youths 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 2024 investment was in-kind, providing management time and five scholarships.

Spinneys Breast Cancer Treatment Support 2024

In 2024, Spinneys demonstrated its commitment to social responsibility and community well-being by donating AED 64,227 to the Al Jalila Foundation. This contribution was specifically aimed at supporting breast cancer research and treatment.

Innovations at Spinneys

Formats & Markets

Spinneys launched "The Kitchen by Spinneys," a new format catering to on-the-go fresh food demands, enabling store openings in key locations. Spinneys also entered the Saudi market with the first store "La Strada" in Riyadh, marking a strategic joint venture. Additionally, Spinneys introduced "Spinneys Swift," a hyperlocal delivery service ensuring groceries within 60 minutes, boosting convenience and efficiency.

Systems

In June 2024, Spinneys upgraded its ERP system to SAP S4, enhancing operational speed and agility while adhering to industry best practices. The company also strengthened its e-commerce capabilities by bringing both front-end and back-end development in-house, allowing better end-to-end integration of its e-commerce systems.

2024 Key Events

9 May 2024	20 May 2024	24 June 2024	24 August 2024	1 September 2024
Spinneys 1961 Holding PLC Listing on Dubai Financial Market	"The Kitchen By Spinneys" First Store in Dubai Mall	"La Strada" Spinneys First Store in Kingdom of Saudi Arabia	"100 Years Of Spinneys" in the Middle East	"Spinneys Swift" Launch of Spinneys own Hyperlocal Delivery Service

2024 Material Disclosures

14 May 2024
Press Release: Spinneys Reports Record Sales of AED 815mn in Q1 2024, Following DFM Debut; Preparation Ongoing for Saudi Expansion and Store Openings.

20 May 2024
Press Release: Spinneys Launches First-Ever Food Hall Concept, "The Kitchen by Spinneys".

10 June 2024
Notification to the Market: Appointing Liquidity Provider for a period of 12 months.

11 June 2024
Notification to the Market: Cessation of the Price Stabilization.

24 June 2024
Press Release: Spinneys Expands to Saudi Arabia with First Store opening in Riyadh.

8 August 2024
Press Release: Spinneys Reports Highest Ever First-Half Revenues of AED 1.6bn, with Profit Before Tax Up 27%; Will Pay First Post-IPO Interim Dividend of AED c.103m.

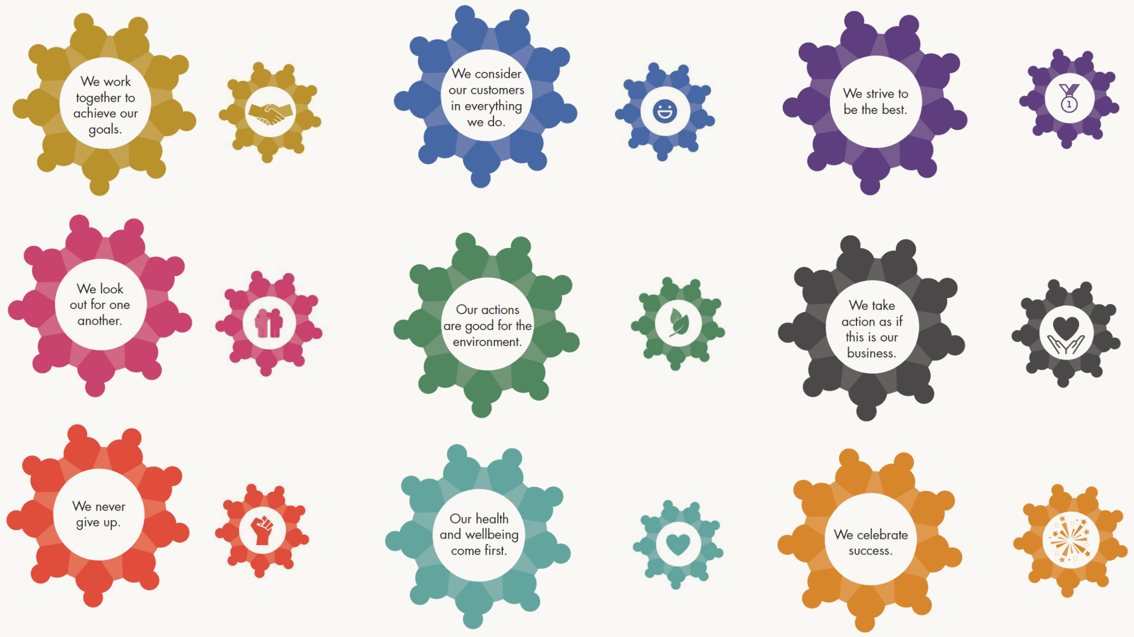
7 November 2024
Press Release: Spinneys Announces Record AED 2.3bn Revenue for 9M 2024, Pre-Tax Profit Climbs 27%. Industry-leading margins and unique market position see Spinneys named 'Most Admired Grocery Retailer of the Year'.

Employees Wellness and Emiratization

Employee Benefits and Wellness

Spinneys Habits

In 2024, Spinneys continued to enhance its employee recognition programmes, aligning them with Spinneys Habits. These efforts included the announcement of "**Habit Heroes**" and "**Employee of the Month**" awards in each region.



Long Term Service Awards

We recognized the dedication of over 150 employees through long-term service awards, celebrating those who have completed 10 years or more with the company.

Training and Development

Our commitment to employee growth was evident through various training and development opportunities, allowing current employees to acquire new skills and explore roles in different departments. This initiative led to various internal career advancements throughout the year.

In 2024, 76% of our workforce participated in training, collectively accumulating 58,000 hours in development programmes. This investment in our employees resulted in 266 internal promotions and paved the way for future expansion and succession planning.

Wellness

Early in 2024, we enhanced our employee benefits by switching to a new Medical Insurance provider, offering more comprehensive health coverage with no co-payments. Additionally, we extended life insurance benefits to ensure a seamless repatriation process for families and beneficiaries during times of loss.

To promote holistic wellness, we conducted online awareness campaigns for all staff, focusing on mental, physical, and medical health support. These interactive sessions were held quarterly to engage and educate our employees on health-related topics.

Emiratization

In 2024, Spinneys successfully met its Emiratization targets for both the first and second halves of the year, employing a total of 68 UAE Nationals. This achievement translates to UAE Nationals comprising 14% of the Company's UAE Subsidiaries skilled workforce in 2024 compared to 10.83% in 2023.

The Company actively participated in two career fairs in Abu Dhabi, earning recognition from the Emirati Talent Competitiveness Council. This accolade was awarded for the Company's participation in industry activations alongside ADNOC and the Ministry of Industry & Advanced Technology.

Notably, Spinneys incurred no fines for noncompliance or failure to meet Emiratization targets during 2024.

Looking ahead to 2025, the Company plans to continue its collaboration with industry partners and the NAFIS platform to recruit UAE Nationals. Additionally, Spinneys will continue to implement a comprehensive training and development initiative to support this strategic objective.

Share Information as on 31 December 2024

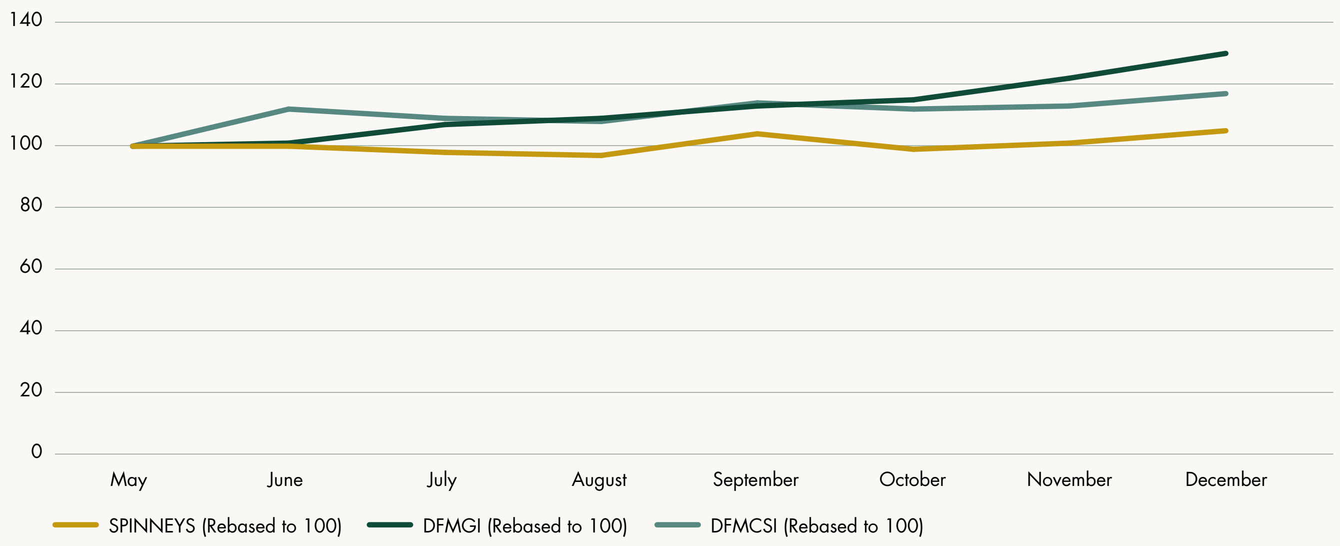
Share Price

2024	Highest Price	Lowest Price	Closing Price
May	1.70	1.53	1.53
June	1.55	1.38	1.53
July	1.55	1.47	1.50
August	1.52	1.41	1.49
September	1.60	1.44	1.59
October	1.59	1.45	1.52
November	1.59	1.50	1.55
December	1.62	1.51	1.61

Comparative Share Performance

2024	SPINNEYS	DFMGI	DFMCSI	2024	SPINNEYS (Rebased to 100)	DFMGI (Rebased to 100)	DFMCSI (Rebased to 100)
May	1.53	3,978	84	May	100	100	100
June	1.53	4,030	94	June	100	101	112
July	1.50	4,268	92	July	98	107	109
August	1.49	4,325	91	August	97	109	108
September	1.59	4,503	96	September	104	113	114
October	1.52	4,591	94	October	99	115	112
November	1.55	4,847	95	November	101	122	113
December	1.61	5,159	98	December	105	130	117

Spinneys Shares compared with DFMGI and DFCSI



Distribution of Shareholder Ownership

	Ownership Percentage			
Classification	Individuals	Companies	Government	Total
Local	1.3%	82.2%	0.9%	84.4%
Gulf	0.1%	4.2%	0.0%	4.3%
Arab	0.3%	0.0%	0.0%	0.3%
Foreign	0.9%	10.0%	0.0%	11.0%
Total	2.6%	96.5%	0.9%	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	12,757	30,481,856	0.8%
From 50,000 to less than 500,000	170	29,444,448	0.8%
From 500,000 to less than 5,000,000	85	142,047,097	3.9%
More than 5,000,000	36	3,398,026,599	94.4%

Investor Relations Activities & 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 2024, Spinneys demonstrated its commitment to Investor Relations by engaging with over one hundred investors through personalized engagements and participating in six investor conferences and earning calls. These interactions provide valuable opportunities for Spinneys to gather market feedback and further enhance disclosures.

For stakeholders seeking more detailed information, Spinneys' disclosures, and announcements to the Dubai Financial Market for 2024 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

Given that the Company was incepted on 21 November 2023, no General Assembly meetings were held and no Special Resolutions passed to the General Assembly in the year 2024.

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 2024	Annual Bonus 2024	Other Benefits 2024[1]	Total
Sunil Kumar	Chief Executive Officer	2,040,000	4,412,560	322,335	6,774,895
Paresh Buch	Deputy Chief Executive Officer	1,088,160	704,448	329,796	2,122,404
Mukesh Agarwal	Chief Financial Officer	993,000	450,000	195,300	1,638,300

1 Other benefits include, as applicable, IPO special bonus 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-today 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 Supply Chain
Warwick Gird	1987	South Africa	General Manager Marketing
Michael Green	1982	South Africa	General Manager Human Resources
Tom Harvey	1979	United Kingdom	General Manager Commercial

Investor Relations Officer & 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. Her earlier career includes positions 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

Signatures

Spinneys Corporate Governance Report for the year 2024 is signed off by the Chair of The Board, Chair of the Audit & Risk Committee, Chair of the Nomination & Remuneration Committee, Chief Executive Officer, Chief Financial Officer and the Head of Legal & 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 & Directorship

Director Profile	
Name	**Ali Saeed Juma Al Bwardy**
Designation	Chair
Classification	Non-Executive
Qualification	• 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

Director Profile	
Name	**Tariq Ali Saeed Juma Al Bwardy**
Designation	Vice-Chair
Classification	Non-Executive
Qualification	• 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	

Appendix A (continued)

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	• 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	• Bachelor of Science & Business Management & Marketing, University of Phonix, 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	
Saturn Trading, Abu Dhabi, UAE	Founder & CEO	September 2022	
Association of Charitable Aid Association, Dubai, UAE	Vice President & Board Director	September 2023	

Director Profile			
Name	**Saeed Mansoor Al Awar**		
Designation	Director		
Classification	Non-Executive		
Qualification	• 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	

Director Profile			
Name	**Huda Al Lawati**		
Designation	Director		
Classification	Independent, Non-Executive		
Qualification	• 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	
Saudi Fransi Capital (CMA)	Board Member NRC Chair	December 2021	
Abu Qir Fertilizers	Board Member Audit Committee Member	March 2024	
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

Appendix A (continued)

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	• 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	
E20 Investments Limited	Chair of the Audit Committee Member, Investment Committee	February 2024	
Dubai Holding LLC	Member, Audit Committee	March 2024	
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

Director Profile			
Name	**Dominique Lecossois**		
Designation	Director		
Classification	Independent, Non-Executive		
Qualification	• 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	• 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	February 2021	
FineFair Food Market Services Limited	Director	September 2020	
Spinneys IP Limited	Director	January 2022	
Al Fair SPC	Authorised Manager	May 2022	
Centurio Holdings Ltd	Director	November 2020	
JHF Australia Exports PTY. LTD	Director	January 2022	
J.H.F. Limited	Director	December 2020	
Al-Ma'kulat al-Fakhirah for Food Products	Chair of the Board of Managers	June 2022	
ASB Retail SPV Limited	Director	January 2022	
Spinneys Abu Dhabi LLC	Chair Board of Supervision	October 2020	

Appendix B

Directors' First-Degree Relatives
Company Shares Ownership

Relative	Related To	Relationship	As of 9 May 2024	Change in Shareholding 2024	As of 31 December 2024	Status of Ownership
Hana Mohammad Bin Dhaher	Ali Al Bwardy	Spouse	167,130,000	4,228,203	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	167,130,000	4,228,203	171,358,203	Indirect
Fatma Ali Saeed Juma Al Bwardy	Ali Al Bwardy	Daughter	167,130,000	4,228,203	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
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

Appendix C

Audit & Risk Committee Annual Report

ARC Chair Statement

On Behalf of the ARC of Spinneys, It is my honour to present our Annual ARC Report for 2024. This year has marked a pivotal step in our journey as we transitioned into a public listed entity. The ARC has been deeply engaged in reinforcing the robustness, accuracy, and transparency of our financial reporting and governance practices. We are committed to nurturing investor confidence through meticulous oversight and proactive risk management.

Introduction

The formation of the ARC accompanies Spinneys' transformation into a publicly listed entity. Our efforts this year have been concentrated on gaining a comprehensive understanding of the internal controls and processes pivotal to the preparation of financial statements. Our goal is to uphold and enhance regulatory compliance and corporate governance standards through rigorous engagement with management and auditors.

Financial Statement Controls

The ARC undertook an in-depth examination of the processes and controls related to financial statement preparation. We focused on rebates and supplier benefits, which were highlighted as a key audit matter by our external auditors. This scrutiny ensures that our financial reporting is resilient and reliable.

External Auditor Appointment & Independence

Ernst & Young Middle East (Dubai Branch) ("**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 addition to the EY's own rules of independence, the ARC exercises stringent oversight to ensure auditor independence by limiting their non-audit services as stipulated in Section 8-3 of the Corporate Governance Manual and SCA Governance Rules.

As a matter of principle, Spinneys seeks to minimize the engagement of external auditors for non-audit services. In 2024, EY was engaged in a few non-audit services related to Agreed-upon procedures in respect of the retail stores sales and limited scope UAE corporate income tax impact assessment. This practice underscores our commitment to maintaining auditor independence and integrity while ensuring compliance with established corporate governance standards.
For further details, please refer to the Corporate Governance Report "External Auditor" Section.

Ernst & Young (EY), as the independent external auditor, conducts the audit in line with the International Standard on Auditing ISAs. The ARC is responsible for assessing the EY's qualifications, performance, and independence annually. During the recent audit of the financial statements for the year ended 31 December 2024, the ARC verified EY's compliance with all ethical standards and confirmed their independence.

After comprehensive evaluations and discussions, the ARC recommended to the Board that the audited financial statements and footnotes be included in Spinneys' Integrated Report for 2024.

Recommendation for EY Reappointment:

In line with maintaining the highest standards of audit quality and continuity, the ARC recommends the reappointment of Ernst & Young Middle East (Dubai Branch) as the Company's external auditor for the fiscal year 2025. This recommendation is based on their proven track record of delivering high quality audit services effectively and their deep understanding of our business operations, which ensures seamless audit processes and continued organisational transparency.

Appendix C (continued)

Internal Control and Risk Management
Throughout 2024, no significant deficiencies were identified in our internal control systems or risk management frameworks. The ARC closely monitored the high and medium-level control and risk issues highlighted in the 2024 internal audits and concluded that these issues were not associated with major failures, ensuring management's accountability in executing corrective measures.

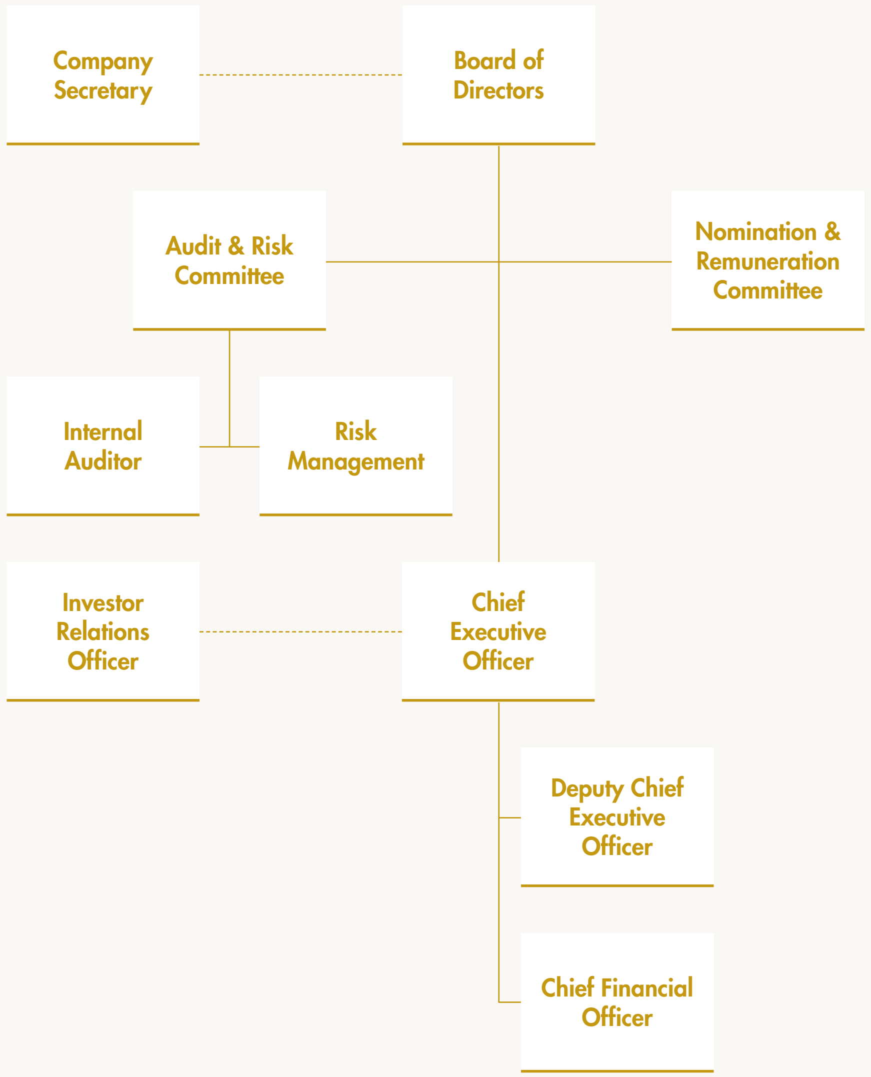
Related Party Transactions
Within the definition of Related Party Transactions, Spinneys 1961 Holding PLC did not conduct any transactions with Related Parties in the year 2024.

In the ordinary course-of-business, the Company' Subsidiaries entered various related party transactions, that have been disclosed in the financial statements. The ARC remains vigilant in scrutinizing all ongoing and future transactions to ensure full compliance with applicable regulatory requirements.

Subramanian Suryanarayan
Chair of the ARC

Appendix D

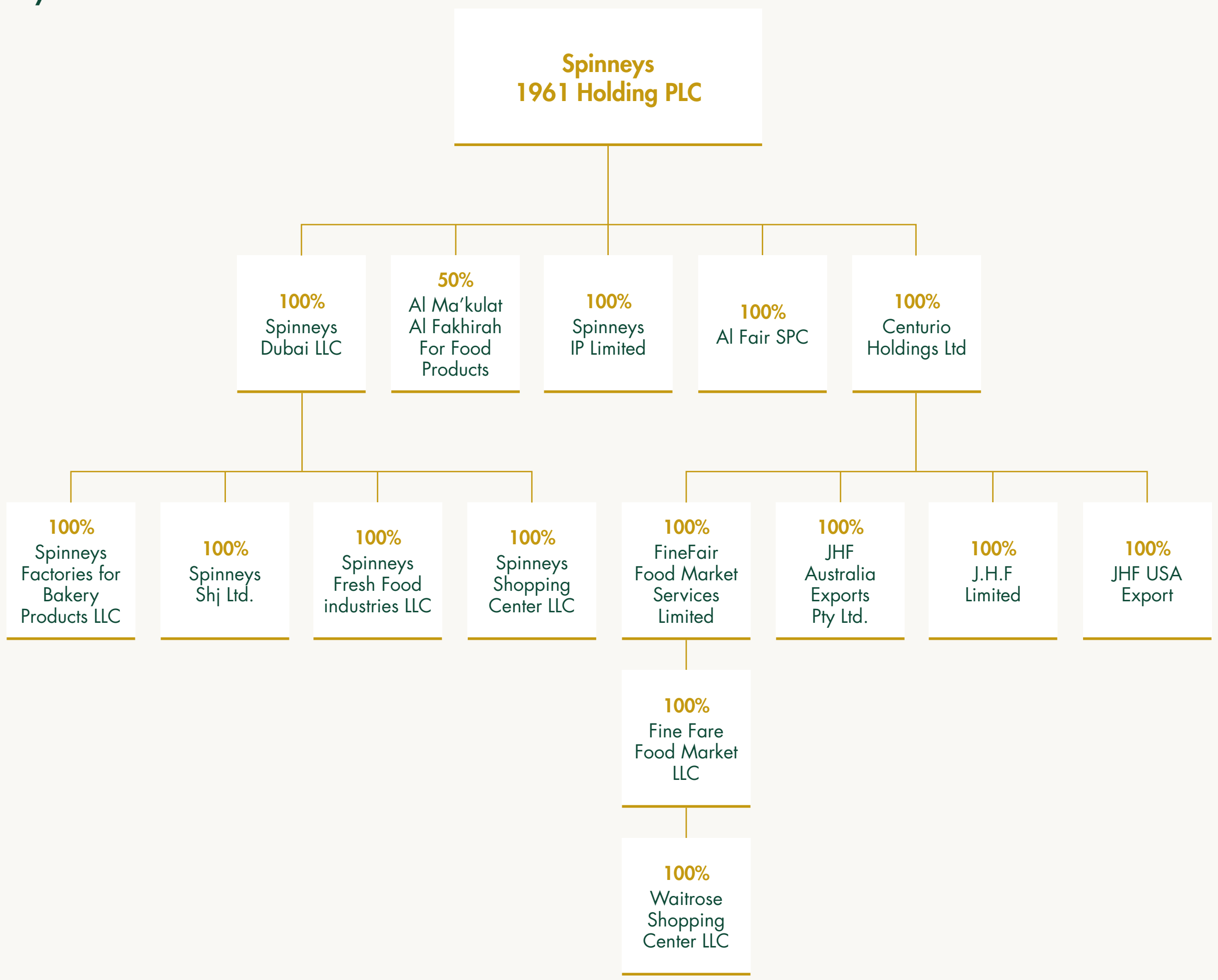
Company's Organisation Chart



INTRODUCTION
OVERVIEW
STRATEGIC REVIEW
ENVIRONMENTAL, SOCIAL AND GOVERNANCE
FINANCIAL STATEMENTS

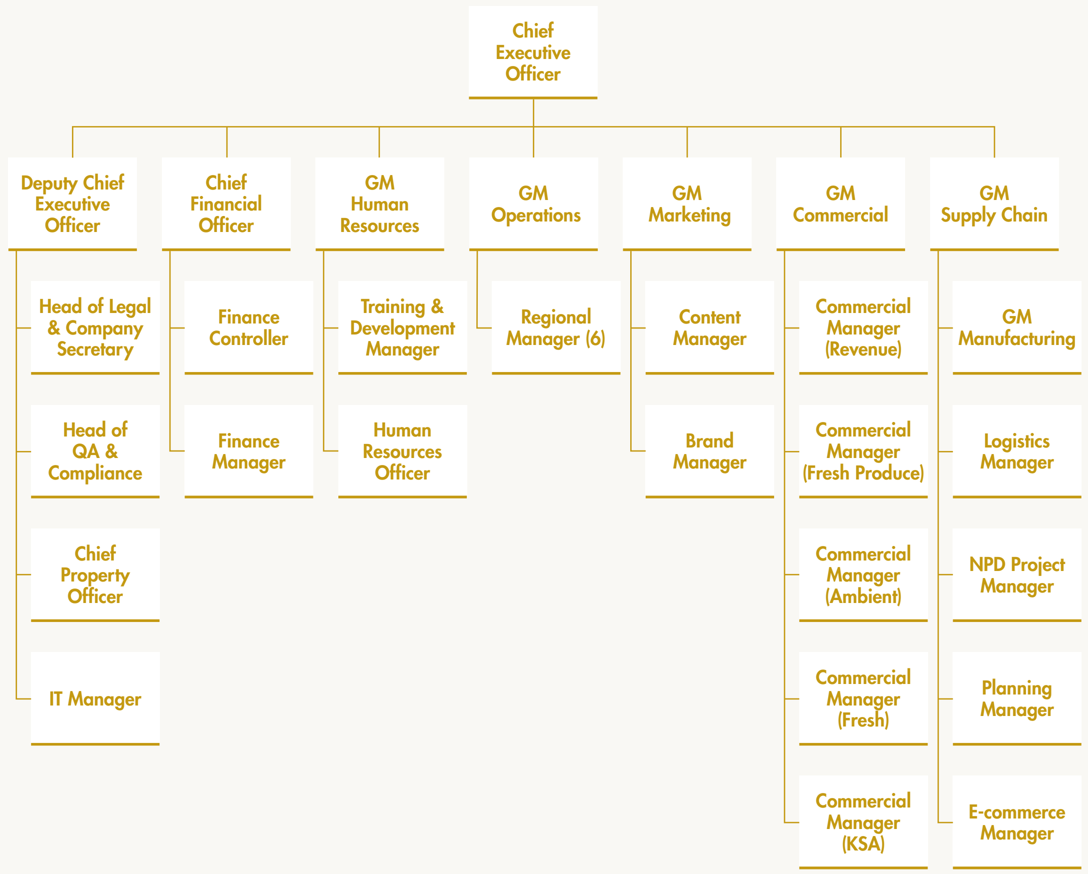
Appendix E

Company Subsidiaries



Appendix F

Operating Subsidiaries Organisation Chart



Appendix G

Subsidiaries Related Party Transactions & Balances

(a) Details of significant related party transactions entered during 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 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	Transfer of goodwill 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 Company's joint venture	–	54	1,803	–	–	–	–	–	–	–	–	–

represents retail goods transferred at an agreed rate 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 38,251 thousand.

* gain on disposal of property, plant and equipment included in other income.

Capital expenditure commitments amounting to AED 14,420 thousand as at 31 December 2024 are included within capital expenditure commitments.

(b) Related party balances:

Amounts due from related parties

	2024 AED'000
ULTIMATE PARENT COMPANY	
Albwardy Investment LLC	17
ENTITIES UNDER COMMON CONTROL	
Al Seer Food Services LLC	224
Europacific LLC	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.	3,477
	3,765

Amounts due to related parties

	2024 AED'000
PARENT	
Al Seer Group (L.L.C.)	739
ENTITIES UNDER COMMON CONTROL	
Albwardy Engineering Enterprise	11,353
Fit Fresh LLC	2,976
Al Seer Trading Agencies LLC	1,807
Fine Fair Commercial Complex LLC	1,319
Arabian Oasis Food Co LLC	1,239
Nasco Insurance Group	262
Al Seer Group LLC, Oman	175
Socotra Island Investments (Proprietary) Limited	102
Totale Cleaning Services	65
PARENT'S ASSOCIATE	
Nestle UAE L.L.C	1,774
FerGulf Trading UAE L.L.C.	783
Reckitt Benckiser Arabia Trading LLC	763
Zest Wellness Pharmacy LLC	275
	23,632

Appendix G (continued)

Compensation of key management personnel of the Group
The remuneration of directors and other members of key management during 2024 are as follows:

	2024 AED'000
Short-term employee benefits	10,536
Employees' end of service benefits	1,779
Board of Directors' remuneration, Audit and Risk Committee compensation and Nomination and Remuneration Committee compensation	3,481
	15,796

(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:

	2024 AED'000
Depreciation of right-of-use assets	39,265
Interest expense on lease liabilities (included in finance costs)	14,132
Lease payments	45,397
Right-of use assets	210,544
Lease liabilities	226,271
Refundable security deposits	12,000

SUSTAINABILITY SUMMARY

In 2024, 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 first 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 2024 highlights and achievements, summarised through each pillar of our Sustainability strategy, all of which are in line with our company purpose: 'to nourish and 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: https://www.spinneys.com/en-ae/better-together-2030

In this our 100th 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.

Alignment with Sustainable Development Goals of greatest material relevance to Spinneys:

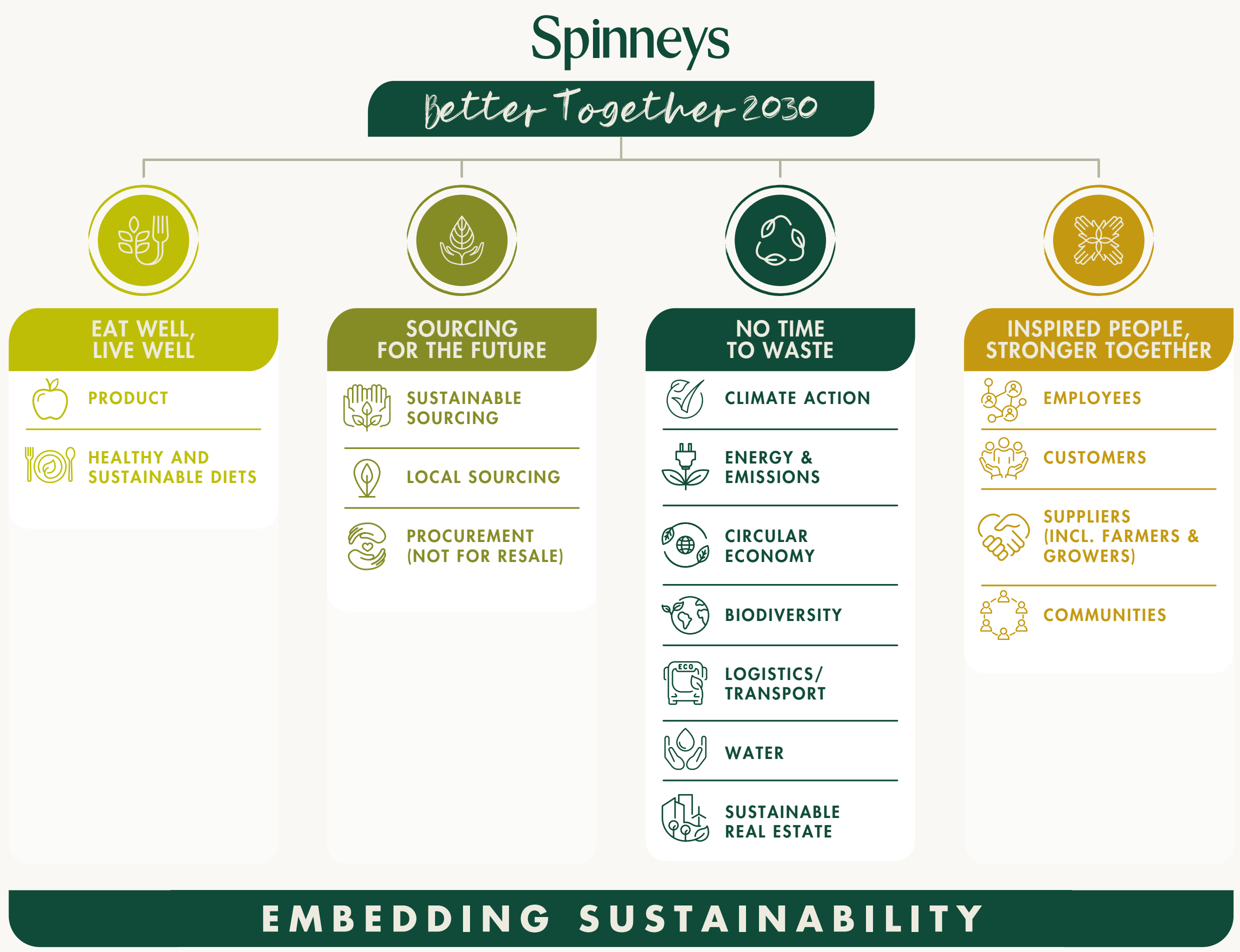
Better Together: 2030 – scope

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.

Spinneys
Better Together
2030

#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 Cycle Challenge, Farm to Table education initiative 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. With oversight from the Board, Spinneys has established a Sustainability Steering Committee 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 2024

Farm to Table is a fun learning programme made up of 5 modules to inspire the nation's children to eat well and live well for a sustainable UAE. The modules have been co-created with a range of experts, from nutritionists to local farmers.

Through the programme, we address questions such as 'How does my food get from farm to table?', 'Why does eating well matter, for me, for my community and for the planet?' and 'What does eating sustainably mean?'. The Farm to Table modules have been designed for school children aged 5-14 years, but are also valuable for parents, teachers and individuals of all ages. 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. The programme has grown in 2024 and has now been to 158 schools in the UAE and reached hundreds of thousands of students through in-classroom sessions, in-store and digital communications.

Encouraging Healthy Eating & Capturing Consumer Demand

- ISO:22000 Certification Food Safety Management (Existing or Obtained)
- Private Label Policy[1] (Existing or Obtained)
- Clean Label Policy[1] (Existing or Obtained)
- Alignment to UAE Nutrition Strategy 2030[2] (In Progress)

Existing or Obtained | In Progress

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
2. SpinneysFood to meet UAE Nutrition Strategy 2030 guidelines

Strategy in action: Case studies

#2 Sourcing for the Future

The Spinneys Local Business Incubator Programme

In 2024, we continued our mission to identify and nurture entrepreneurial talent within the food and beverage and FMCG sector in the UAE. Launched in 2020, this programme has already achieved remarkable success by providing aspiring entrepreneurs with a fast-track route to market and a host of incredible benefits.

Our incubator programme aims to accelerate the journey of innovative local businesses by expediting their supermarket listings. This not only supports local food production but also stimulates economic growth in the sector, reinforcing our commitment to the thriving UAE community.

In its inaugural year, we proudly introduced 14 exciting new brands, while an additional six were in the development phase. In 2021, amid fierce competition from over 125 candidates, five extraordinary businesses emerged as the cream of the crop. Another five were selected for the 2022 edition and six for the 2023 edition. We are thrilled to witness the remarkable success stories of past winners, including renowned names such The Botanist, Frio, Naksha, Rory's Apawthecary, Zahra's Kitchen and Eazy Freezy, among others. These outstanding brands serve as a testament to the effectiveness of our programme and the potential of local entrepreneurship.

Since its inception, the initiative has garnered praise from the UAE government's Food and Water Security office, acknowledging its significant contribution to The National Food Security Strategy. We received 87 entries in 2024 and have identified another 7 winners, whose products will be on our shelves in the near future. Investment for this programme is in kind, in the form of management's time given to the brands, zero payments for the brands to get onto our shelves, preferential payment terms, and in-store and social media marketing support.

Focus on Managing and Monitoring E&S Risks in Supply Chain

- Global G.A.P. requirement for Produce suppliers[1] — Existing or Obtained
- Sustainable Sourcing Policy[2] — In Progress
- Roundtable on Sustainable Palm Oil Certification — Existing or Obtained

Existing or Obtained | In Progress

1. Integrated Farm Assurance Standards, GAP is an acronym for Good Agricultural Practices
2. Full policy to be developed in 2025, however Spinneys currently have a New Supplier Approvals policy focusing on food safety and vendor quality management systems

#3 No Time to Waste

Spinneys and ADAFSA Black Fly Larvae Project

There is a new superhero fighting food waste in Abu Dhabi, but it's not who (or what) you would expect. Spinneys, the Abu Dhabi Agriculture and Food Safety Authority (ADAFSA), and Circa Biotech teamed up in 2024 in an extraordinary partnership to tackle the food waste issue head-on.

The secret weapon? Black soldier fly larvae.

Select Spinneys stores in Abu Dhabi were part of a groundbreaking trial, and the results are nothing short of impressive. The trial saw a huge 54% reduction in food waste sent to landfills. Instead, surplus food was rerouted to Circa Biotech, where it was transformed into a treasure trove of protein-rich animal feed, organic fertilizers and even sustainable biofuel.

Black soldier fly larvae are the unsung heroes of Sustainability. By upcycling organic waste into valuable agricultural feed, they significantly cut down the environmental footprint and support the UAE's march towards a circular economy.

Riding on the success of this trial, the partnership is now expanding. All Spinneys stores across Abu Dhabi are now diverting their food waste to Circa Biotech's agricultural feed production facility.

Managing our Operational Environmental Impacts

- Achieve Net Zero emissions for our own operations by 2040 — In Progress
- Working towards UAE climate objectives 2050 — In Progress
- Circular Economy Training[1] — In Progress
- Member of the Consumer Goods Forum's global food waste coalition — Existing or Obtained

Existing or Obtained | In Progress

1. 50% of suppliers and customers reached by circular economy awareness raising programme by 2025

Strategy in action: Case studies

#4 Inspired People, Stronger Together

The Spinneys Dubai 92 Cycle Challenge 2024

Each year, Spinneys organises the largest competitive mass cycling event in the region for the community. With the objective of encouraging active lifestyles, there are events in the series for everyone, with our youngest participant in 2024 being 2 years old and the eldest aged 84. Total event participation over the course of the 2024 event series was 6,644 riders, a growth rate of 25% from the previous year.

The Spinneys Family Run Series 2024

The Spinneys Family Run is a series of smaller community events that take place at various Spinneys locations in the UAE. In 2024, Spinneys hosted seven Family Run events. The runs are inclusive and participants are encouraged to bring the whole family, with the goal of promoting active lifestyles. Participation in 2024 was 2,100 people.

Developing our Workforce and Building Productivity ✓

- Health and Safety Policy ✓
- 58,000 man hours of training and 224 internal promotions in 2024

✓ Existing or Obtained

#5 Embedding Sustainability

We appreciate that the Better Together: 2030 programme needs strong governance in order to drive progress and to ensure we all hold each other accountable.

The Better Together: 2030 Strategy can only succeed if it becomes embedded into Spinney's business practices and culture. 'Embedding Sustainability' is therefore the critical enabling platform of the Better Together: 2030 programme, aiming to transition and expand ESG management into the annual business cycle of strategy development, risk management, governance, monitoring and reporting.

Our governance plan includes carrying out annual strategic reviews of the Better Together: 2030 programme, including internal alignment, assignment of roles and responsibilities, and performance tracking.

All colleagues have a part to play in making the programme a success, whether leading a key initiative as a department champion, complying with new Sustainability policies, or evaluating performance and future risks in executive leadership meetings.

ESG Governance and Structure

- CEO
- Sustainability Steering Committee
  - Logistics
  - Head of QA
  - Commercial
  - Property
  - Regional Managers
- Sustainability Champions

SUSTAINABILITY SUMMARY

Disclosures

Data	Metric	Page number(s), link, and/or direct answer
ENVIRONMENTAL		
E1. GHG Emissions	E1.1) Total amount in CO2 equivalents, for Scope 1 (if applicable)	We are currently determining a baseline and plan to disclose in future reports
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	We are currently determining a baseline and plan to disclose in future reports
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	Spinneys is currently not reporting Scope 3 emissions
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	We are currently determining a baseline and plan to disclose in future reports
	E2.2) Total non-GHG emissions per output scaling factor	We are currently determining a baseline and plan to disclose in future reports
E3. Energy Usage	E3.1) Total amount of energy directly consumed	We are currently determining a baseline and plan to disclose in future reports
	E3.2) Total amount of energy indirectly consumed	Not applicable
E4. Energy Intensity	Total direct energy usage per output scaling factor	We are currently determining a baseline and plan to disclose in future reports
E5. Energy Mix	Percentage: Energy usage by generation type	We are currently determining a baseline and plan to disclose in future reports
E6. Water Usage	E6.1) Total amount of water consumed	We are currently determining a baseline and plan to disclose in future reports
	E6.2) Total amount of water reclaimed	We are currently determining a baseline and plan to disclose in future reports
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	Yes
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	Yes
	E7.3) Does your company use a recognised energy management system?	Yes. ISO 50001:2018 is implemented
E8. Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks Yes/No	Yes, Refer to page 69
E9. Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes, Refer to page 69
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience and product development	We are currently determining a baseline and plan to disclose in future reports

Data	Metric	Page number(s), link, and/or direct answer
SOCIAL		
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	We are currently determining a baseline and plan to disclose in future reports
	S1.2) Does your company report this metric in regulatory filings? Yes/No	No
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	We are currently determining a baseline and plan to disclose in future reports
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	The attrition rate for 2024 was 13.4%
	S3.2) Percentage: Year-over-year change for part-time employees	Not applicable
	S3.3) Percentage: Year-over-year change for contractors/consultants	Contractors/consultants are not considered in the employee headcount.
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Female: 25% Male: 75%
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Female: 25% Male: 75%
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Female: 18% Male: 82%
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	Not applicable
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	Contractors/consultants are not considered in the employee headcount.
S6. Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Employees' total recordable injury rate: 4.8 per million man hours worked
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Yes
S9. Child & Forced Labour	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	Yes, in line with local governing laws
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	The majority of our supplier base follow local laws which prohibit child and forced labour. We have an official policy for suppliers which is being drafted for future reporting periods
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	Yes, in line with local governing laws
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	The majority of our supplier base follow local laws which include human rights. We have an official policy for suppliers which is being drafted for future reporting periods
S11. Nationalisation	S11.1) Percentage of national employees	Refer page 73
	S11.2) Direct and indirect local job creation	Refer page 73
S12. Community Investment	Amount invested in the community, as a percentage of company revenues	We are currently determining a baseline and plan to disclose in future reports

SUSTAINABILITY SUMMARY

Data	Metric	Page number(s), link, and/or direct answer
GOVERNANCE		
G1. Board Diversity	G1.1) Percentage: Total Board seats occupied by men and women	22%. Refer page 49
	G1.2) Percentage: Committee chairs occupied by men and women	Male: 50% Female: 50%
G2. Board Independence	G2.1) Does your company prohibit the CEO from serving as Board Chair? Yes/No	Yes
	G2.2) Percentage: Total Board seats occupied by independents	33%. Refer page 49
G3. Incentivised Pay	Are executives formally incentivised to perform on sustainability?	Yes
G4. Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)* *Applicable to companies operating in countries in which collective bargaining is applicable by law	Not applicable
G5. Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	Yes
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%
G6. Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%
G7. Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No	Yes
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	Yes
G8. Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No	Yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	Not applicable
G9. Disclosure Practices	G9.1) Does your company provide reporting frameworks? Yes/No	Yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	Yes
G10. External Assurance	Are your sustainability disclosures assured or validated by a third-party? Yes/No	Not applicable

FINANCIAL STATEMENTS

100

YEARS OF *commercial success*

STRATEGY IN ACTION 2024

Strong financial management and a record performance in 2024

The Group's financial results for 2024, set out in detail here, demonstrated the strength of our business model through a year of efficient operational performance, ongoing investment in our backend infrastructure, a strategic move into a key new territory and a continued focus on all key financial metrics: revenues, profitability and cash flows.

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 2024.

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 2024

Throughout the year ended 31 December 2024, the Group made significant strides in executing its growth strategy, marked by robust expansion through new store openings in the UAE and Saudi Arabia. In UAE, the Group also launched, "The Kitchen, by Spinneys", a pioneering food hall concept under the Spinneys brand. Additionally, in June 2024, The Group proudly celebrated the opening of its first store in Saudi Arabia, followed by another store in December 2024. The Group also enhanced the e-commerce platform by featuring hyperlocal delivery through Spinneys Swift.

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

Financial Results

The Group reported a revenue of AED 3,226 million for the year ended 31 December 2024, compared to AED 2,871 million in 2023.

The Group's profit for the year ended 31 December 2024 was AED 290 million, compared to AED 254 million in 2023.

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 2024, an interim dividend of AED 102.6 million was paid. The Board of Directors has recommended a final dividend of AED 100.8 million, which is subject to the approval of the shareholders at the Annual General Meeting.

Outlook and Strategy for 2025

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 2024. 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 2025 ahead.

On behalf of the Board

Ali Saeed Juma Albwardy
Chairman
Spinneys 1961 Holding PLC

Independent Auditor's Report

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 2024, 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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards.

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, 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 Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements 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
Rebates and other supplier benefits	
The Group recognised rebates and other supplier benefits amounting to AED 230,863 thousand during the year ended 31 December 2024. 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. In accordance with IFRS, 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. 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. 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. Refer Note 2 for rebates and other supplier benefits accounting policy and Note 3 for the significant accounting judgments, estimates and assumptions.	We performed the following procedures in relation to rebates and other supplier benefits: • Read the Group's accounting policy for rebates and other supplier benefits and assessed whether it is in accordance with the requirements of IFRS. • 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: (a) revenue and gross margin; and (b) rebates over purchases of goods by nature of rebate. 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. • Evaluated that the disclosures in the consolidated financial statements are appropriate in accordance with the requirements of IFRS.

INTRODUCTION
OVERVIEW
STRATEGIC REVIEW
ENVIRONMENTAL, SOCIAL AND GOVERNANCE
FINANCIAL STATEMENTS

Independent Auditor's Report (continued)

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

Other Information

Other information consists of the information included in the Group's 2024 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

11 February 2025
Dubai, United Arab Emirates

Consolidated Statement of Profit or Loss
For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Revenue from contracts with customers	5	3,170,661	2,821,837
Rental income	12	54,956	49,327
Revenue	4	3,225,617	2,871,164
Cost of sales		(1,890,060)	(1,665,955)
GROSS PROFIT		1,335,557	1,205,209
Other income	6	12,507	19,214
Selling, general and administrative expenses	7	(717,532)	(661,997)
Depreciation and impairment of property, plant and equipment	11	(95,571)	(78,315)
Depreciation and impairment of right-of-use assets	12	(174,656)	(180,508)
Impairment of goodwill	13	–	(3,463)
Finance costs	8	(50,977)	(44,546)
Finance income	9	13,300	–
PROFIT FOR THE YEAR BEFORE TAX		322,628	255,594
Income tax expense	10	(33,003)	(1,277)
PROFIT FOR THE YEAR		289,625	254,317
Attributable to:			
Equity holders of the Company		304,270	256,152
Non-controlling interest		(14,645)	(1,835)
		289,625	254,317
Earnings per share			
Basic and diluted, profit for the year attributable to equity holders of the Company (in AED per share)	28	0.0845	0.0712

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
PROFIT FOR THE YEAR		289,625	254,317
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		(46)	283
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement of employees' end of service benefits	19	(1,441)	(119)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX		(1,487)	164
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		288,138	254,481
Attributable to:			
Equity holders of the Company		302,766	256,316
Non-controlling interest		(14,628)	(1,835)
		288,138	254,481

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 AED'000	2023 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	425,792	408,582
Intangible assets	13	34,000	34,000
Right-of-use assets	12	923,749	808,475
Other non-current assets	15	56,045	50,148
Deferred tax assets	10	1,099	1,250
		1,440,685	1,302,455
Current assets			
Inventories	14	157,111	133,161
Trade receivables, prepayments and other receivables	15	55,086	59,244
Amounts due from related parties	16	3,765	6,722
Cash and short-term deposits	17	536,168	354,061
		752,130	553,188
TOTAL ASSETS		2,192,815	1,855,643
EQUITY AND LIABILITIES			
Equity			
Share capital	21	36,000	36,000
Restricted reserve	22	4,778	4,778
Retained earnings		267,825	66,155
Actuarial reserve	22	6,144	7,585
Foreign currency translation reserve	22	788	851
Equity attributable to equity holders of the company		315,535	115,369
Non-controlling interest		(16,316)	(1,688)
TOTAL EQUITY		299,219	113,681
Non-current liabilities			
Interest-bearing loans and borrowings	18	5,507	6,355
Other non-current liabilities	20	14,591	14,308
Lease liabilities	12	886,736	779,324
Employees' end of service benefits	19	79,172	68,480
		986,006	868,467
Current liabilities			
Trade payables, accruals and other payables	20	677,666	689,607
Lease liabilities	12	173,657	143,833
Interest-bearing loans and borrowings	18	751	762
Amounts due to related parties	16	23,632	38,830
Income tax payable		31,884	463
		907,590	873,495
TOTAL LIABILITIES		1,893,596	1,741,962
TOTAL EQUITY AND LIABILITIES		2,192,815	1,855,643

Director

Director

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
OPERATING ACTIVITIES			
Profit before tax		322,628	255,594
Adjustments to reconcile profit before tax to net cash flows:			
Net gain on disposal of property, plant and equipment and intangible assets	6	(1,342)	(4,255)
Finance income	9	(13,300)	–
Finance costs	8	50,977	44,546
Depreciation and impairment of property, plant and equipment	11	95,571	78,315
Depreciation and impairment of right of use assets	12	174,656	180,508
Loss on change in fair value of forward exchange contracts		6,770	–
Impairment of goodwill	13	–	3,463
Provision for old and obsolete inventories	14	12,061	10,940
Gain on termination of leases		(545)	(2,287)
Provision for employees' end of service benefits	19	11,740	10,182
		659,216	577,006
Working capital adjustments:			
– Inventories		(36,011)	(21,024)
– Trade receivables, prepayments and other receivables		(8,509)	(30,952)
– Related party balances*		(9,301)	127,472
– Trade payables, accruals and other payables		(11,658)	127,008
		593,737	779,510
– Employees' end of service benefits paid	19	(5,441)	(6,609)
– Interest paid		(490)	(489)
– Income tax paid		(1,448)	(1,004)
Net cash flows from operating activities		586,358	771,408
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(113,762)	(91,550)
Proceeds from disposal of property, plant and equipment and intangible assets		2,020	8,316
Investment in short-term deposits		(476,000)	–
Interest received		13,300	–
Net cash flows used in investing activities		(574,442)	(83,234)
FINANCING ACTIVITIES			
Dividends paid	23	(102,600)	(197,639)
Issuance of shares	21	–	36,000
Repayment of lease liabilities	12	(202,596)	(210,951)
Repayment of interest-bearing loans and borrowings	18	(765)	(762)
Net cash flows used in financing activities		(305,961)	(373,352)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(294,045)	314,822
Cash and cash equivalents at 1 January		354,061	39,671
Net foreign exchange difference		152	(432)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	17	60,168	354,061

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

	Notes	2024 AED'000	2023 AED'000
Property, plant and equipment transferred from related parties	11	(20)	(244,384)
Property, plant and equipment transferred to related parties	11	–	9
Intangible assets transferred from a related party	13	–	(34,000)
Settlement of purchase consideration for the transfer of certain subsidiaries	2	–	(13,212)
End of service benefits transferred, net	19	2,960	(585)
Investment in Al-Ma'kulat Al Fakhirah for Foods Products LLC		–	147

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Changes In Equity

For the year ended 31 December 2024

	Notes	Share capital AED'000	Restricted reserve AED'000	Retained earnings 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 2023		–	4,778	20,854	7,704	568	33,904	–	33,904
Profit for the year		–	–	256,152	–	–	256,152	(1,835)	254,317
Other comprehensive income for the year		–	–	–	(119)	283	164	–	164
Total comprehensive income for the year		–	–	256,152	(119)	283	256,316	(1,835)	254,481
Issuance of share capital of Spinneys 1961 – Holding Limited	21	36,000	–	–	–	–	36,000	–	36,000
Investment in Al-Ma'kulat Al Fakhirah for Foods Products		–	–	–	–	–	–	147	147
Settlement of purchase consideration	2	–	–	(13,212)	–	–	(13,212)	–	(13,212)
Dividends declared and paid	23	–	–	(197,639)	–	–	(197,639)	–	(197,639)
Balance at 31 December 2023		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	23	–	–	(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

The attached notes 1 to 31 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

At 31 December 2024

1 ACTIVITIES

Spinneys 1961 Holding PLC (previously known as Spinneys 1961 Holding Limited prior to its re-registration to a public company limited by shares) (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 Albwardy.

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 29.

As per the resolution of the sole shareholder dated 12 December 2023, the Parent transferred its subsidiaries as listed in note 29, predominantly engaged in the retail supermarket and related business, to a newly established and fully controlled entity named Spinneys 1961 Holding PLC (the "reorganisation"). The difference between the net book value of the subsidiaries transferred and the purchase consideration was accounted within retained earnings under the consolidated statement of changes in equity (note 2) during the year ended 31 December 2023. Further, Spinneys IP Limited was transferred at an agreed price and recorded as an asset addition (note 13) during the year ended 31 December 2023.

As the reorganisation did not result in any change of economic substance and it involved transfer of entities under common control both before and after the transfer, it was not considered as a business combination as defined by IFRS 3 Business Combinations. Accordingly, the consolidated financial statements of the Group were prepared to reflect that the reorganisation was in substance a continuation of the subsidiaries of the Parent predominantly engaged in the retail supermarket business as if the Company had always owned them. Refer to "Group reorganisation and business combinations under common control" in note 2 for further details.

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 consolidated financial statements were authorised for issue on 11 February 2025 by the Board of Directors.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 going concern basis under the historical cost basis, except for forward foreign exchange contracts and re-measurement of the defined benefit liability that have been measured at fair value.

Management believes that the Group has adequate resources to continue as a going concern in the foreseeable future.

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.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

Group reorganisation and business combinations under common control

In the absence of guidance in IFRS for the group reorganisation and business combinations under common control, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires to use judgment in developing and applying an accounting policy that provides reliable and more relevant information, as such group reorganisation has no economic substance and is outside the scope of IFRS 3 Business Combinations.

During 2023, the group reorganization was accounted for using the pooling of interests method as follows:

- assets and liabilities of the subsidiaries transferred to the Company, except for Spinneys IP Limited***, reflected at their carrying amounts and no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the reorganisation that would otherwise be done under the acquisition method;
- no goodwill was recognised as a result of the reorganisation, except to the extent that existing goodwill was previously recognised in one of the combining entities. Any difference between the consideration transferred and the equity of the entity acquired as at the date of the combination were reflected within equity;
- the income statement and retained earnings reflected the results of the subsidiaries of the Company;
- the Group adopted an accounting policy to report the comparative information as if the Group always owned the businesses acquired under common control from the date when such businesses were part of the Group;
- consolidated financial statements represented consolidation of all assets, liabilities, revenues and expenses of the subsidiaries at their carrying values by applying the principles underlying the consolidation procedures of IFRS 10 "Consolidated Financial Statements".

The Company agreed to pay AED 13,212 thousand as a purchase consideration for the transfer of certain subsidiaries (excluding Spinneys IP Limited***) which was also recorded against retained earnings and settled against the receivable from the Parent as a non-cash transaction during the year 2023.

*** Spinneys IP Limited holds "Spinneys" trademark rights for the rest of the world (i.e. excluding the United Arab Emirates) and was transferred to the Company for an agreed price of AED 34,000 thousand. Spinneys IP Limited was treated as an asset purchase and therefore accounted for at the agreed purchase price as per the accounting policy of the Group (note 13).

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 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

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.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify 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 will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

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.

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.

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 provide the customer with a 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).

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)
Summary of material accounting policies (continued)
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.

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 categorized 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 categorization (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 24 and note 27 and defined benefit liability in note 19.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements (continued)
At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)
Summary of material accounting policies (continued)
Business combinations and goodwill (continued)
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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.

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.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)
Summary of material accounting policies (continued)
Taxes (continued)
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 is goodwill (as longer 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 as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The 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.

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 and amounts due from related parties.

Notes to the Consolidated Financial Statements (continued)
At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)
Summary of material accounting policies (continued)
Financial instruments – initial recognition and subsequent measurement (continued)
Financial assets (continued)
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 has no financial assets classified as fair value through profit and loss as at the reporting date.

(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 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.

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.

Notes to the Consolidated Financial Statements (continued)
At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)
Summary of material accounting policies (continued)
Financial instruments – initial recognition and subsequent measurement (continued)
Financial liabilities (continued)
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's financial liabilities 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.

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.

Financial liabilities at amortised cost (Trade payable, accruals and other payables and amounts due to related parties)
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

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, which are 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.

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.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)
Summary of material accounting policies (continued)

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.

The 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.

The 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.

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.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)
Summary of material accounting policies (continued)

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

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.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

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 26)
- Financial risk management objectives and policies (note 26)
- Sensitivity analyses disclosures (note 19 and note 26)

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 – The 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).

The Group includes the renewal period as part of the lease term for leases of buildings with the related parties that include extension option. For other leases, which have an extension option, the renewal options are not included as part of the lease term as these are not 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 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 realizable 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 217,551 thousand as at 31 December 2024 (2023: AED 181,546 thousand), with provisions for old and obsolete inventories of AED 60,440 thousand as at 31 December 2024 (2023: AED 48,385 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 14,538 thousand during 31 December 2024 (2023: AED 26,645 thousand) as impairment losses on property, plant and equipment and right-of-use assets.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

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.

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:

	Reportable segments		Intercompany transactions*		Total	
	2024 AED'000	2023 AED'000	2024 AED'000	2023 AED'000	2024 AED'000	2023 AED'000
Revenue						
UAE	3,090,417	2,775,846	–	–	3,090,417	2,775,846
Oman	90,165	94,426	–	–	90,165	94,426
Others	435,192	343,095	(390,157)	(342,203)	45,035	892
Total	3,615,774	3,213,367	(390,157)	(342,203)	3,225,617	2,871,164

* represents inter reportable segments sales and purchases transactions.

	Reportable segments	
	2024 AED'000	2023 AED'000
Profit for the year before tax		
UAE	352,759	258,972
Oman	(4,741)	(4,365)
Others	(25,390)	987
Total	322,628	255,594

	Reportable segments	
	2024 AED'000	2023 AED'000
Unallocated:		
Income tax expense*	(33,003)	(1,277)
Profit for the year	289,625	254,317

* income taxes are not allocated to those segments as they are managed on a group basis.

	Assets		Liabilities	
	2024 AED'000	2023 AED'000	2024 AED'000	2023 AED'000
UAE	2,102,878	1,771,673	1,760,352	1,650,143
Oman	28,726	24,051	46,253	36,745
Others	137,454	111,557	155,274	100,066
Eliminations and adjustment	(76,243)	(51,638)	(68,283)	(44,992)
Total	2,192,815	1,855,643	1,893,596	1,741,962

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024 AED'000	2023 AED'000
Revenue from sale of goods	3,170,661	2,821,837

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

	2024 AED'000	2023 AED'000
Geographical market		
United Arab Emirates	3,035,783	2,726,866
Sultanate of Oman	89,843	94,079
Others	45,035	892
	3,170,661	2,821,837
Timing of revenue recognition		
Goods transferred at a point in time	3,170,661	2,821,837

6 OTHER INCOME

	2024 AED'000	2023 AED'000
Net gain on disposal of property, plant and equipment and intangible assets	1,342	4,255
Gain on termination of leases	545	2,287
Royalty income	1,837	119
Others	8,783	12,553
	12,507	19,214

7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2024 AED'000	2023 AED'000
Staff costs	313,314	289,239
Premises costs	158,474	152,183
Warehousing, selling and distribution costs	145,903	128,525
Legal and professional charges	24,261	24,955
Marketing costs	25,253	19,342
Information system and communication costs	14,643	23,626
Trademark licensing fees	11,270	10,575
Board of Directors' remuneration, Audit and Risk Committee compensation and Nomination and Remuneration Committee compensation (note 16)	3,481	–
Others	20,933	13,552
	717,532	661,997

8 FINANCE COSTS

	2024 AED'000	2023 AED'000
Interest on lease liabilities (note 12)	50,487	44,057
Interest on loans and borrowings	490	489
	50,977	44,546

9 FINANCE INCOME

	2024 AED'000	2023 AED'000
Interest income on short-term deposits	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 2024 and 2023 are:

	2024 AED'000	2023 AED'000
Current income tax:		
Current income tax charge	32,869	1,230
Deferred tax:		
Relating to the origination and reversal of temporary differences	134	47
Income tax expense reported in the consolidated statement of profit or loss	33,003	1,277

(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 2024 and 2023:

	2024 AED'000	2023 AED'000
Accounting profit before income tax	322,628	255,594
At UAE's statutory income tax rate of 9% (2023: Nil)*	29,003	–
Effect of higher overseas tax rates and losses	4,000	1,277
At the effective income tax rate of 10.23% (2023: 0.50%)	33,003	1,277

* 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.

(c) Deferred tax

	2024 AED'000	2023 AED'000
The deferred tax assets as at 31 December relate to:		
Deferred tax assets:		
Accelerated depreciation for tax purposes	534	584
Provision and reserve	565	666
	1,099	1,250

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 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 tax planning opportunities or other evidence of recoverability in the near future.

Notes to the Consolidated Financial Statements (continued)
At 31 December 2024

9 FINANCE INCOME (continued)
(c) Deferred tax (continued)
Movement in deferred tax assets recognised in the consolidated statement of financial position is as follows:

Deferred tax assets:

	2024 AED'000	2023 AED'000
At 1 January	1,250	1,287
Tax charge during the year	(134)	(47)
Translation adjustment	(17)	10
At 31 December	1,099	1,250

For the purpose of determining income tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The Group has not identified any material risks or uncertainties in the structure from a corporate tax perspective and will continuously monitor further developments that could impact the tax profile of the Group.

(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 Organization for Economic Co-operation and Development (OECD) as the annual consolidated revenue of the Ultimate Parent Company exceeds €750 million threshold. 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.

Currently, out of the other jurisdictions in which the Group has presence, only UK (where the Group has some activities but no customer base) have final Pillar Two legislations in force effective from 1 January 2024. No other jurisdiction, in which the Group operates, has substantively enacted the legislation. As of 31 December 2024, management does not anticipate any additional top-up tax on account of Pillar Two rules for FY 2024. This is because the effective Globe tax rate at the UK level 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.

11 PROPERTY, PLANT AND EQUIPMENT

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
Depreciation and impairment:							
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

2023

	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 2023	13,165	10,223	377,838	196,778	158,011	9,871	765,886
Additions	2,248	4,832	18,467	8,833	9,967	47,203	91,550
Transfers from capital work in progress	–	–	21,410	9,300	10,808	(41,518)	–
Transfers	–	18,182	(18,182)	–	–	–	–
Transfers from a related party (note 16)	58,205	123,139	63,000	–	45	–	244,389
Transfers to a related party (note 16)	–	–	(227)	(339)	(596)	–	(1,162)
Disposals/written off	–	(169)	(18,078)	(10,787)	(12,644)	–	(41,678)
Exchange differences	741	575	101	82	206	–	1,705
At 31 December 2023	74,359	156,782	444,329	203,867	165,797	15,556	1,060,690
Depreciation and impairment:							
At 1 January 2023	–	2,981	309,222	163,736	140,002	–	615,941
Depreciation charge for the year	–	1,330	28,638	14,903	10,799	–	55,670
Impairment charge for the year	–	–	16,202	3,191	3,252	–	22,645
Transfers	–	18,129	(18,129)	–	–	–	–
Relating to transfer from a related party (note 16)	–	–	–	–	5	–	5
Relating to transfers to a related party (note 16)	–	–	(227)	(339)	(587)	–	(1,153)
Relating to disposals	–	(169)	(18,078)	(10,697)	(12,573)	–	(41,517)
Exchange differences	–	173	89	73	182	–	517
At 31 December 2023	–	22,444	317,717	170,867	141,080	–	652,108
Net carrying amount:							
At 31 December 2023	74,359	134,338	126,612	33,000	24,717	15,556	408,582

Capital work-in-progress as at 31 December 2024 and 2023 primarily relates to the cost of building new supermarkets and refurbishments of existing stores.

Notes to the Consolidated Financial Statements (continued)
At 31 December 2024

12 LEASES
The 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 2024 and 2023:

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

2023

	Land AED'000	Building/Stores AED'000	Motor vehicles AED'000	Total AED'000
At 1 January 2023	109,868	566,756	18	676,642
Additions	35,045	134,289	140	169,474
Depreciation expense	(6,436)	(170,021)	(51)	(176,508)
Impairment, net	–	(4,000)	–	(4,000)
Reversal on account of store closure/termination	–	(22,657)	–	(22,657)
Lease modifications	–	165,438	–	165,438
Translation difference	–	87	(1)	86
At 31 December 2023	138,477	669,892	106	808,475

Set out below are the carrying amounts of lease liabilities and the movements during 2024 and 2023:

	2024 AED'000	2023 AED'000
As at 1 January	923,157	780,005
Additions	148,727	169,474
Accretion of interest (note 8)	50,487	44,057
Reversal on account of store closure/termination	(1,857)	(24,944)
Payments	(202,596)	(210,951)
Relating to lease modification	142,515	165,438
Translation difference	(40)	78
As at 31 December	1,060,393	923,157
Less: Current portion (disclosed under current liabilities)	(173,657)	(143,833)
Non-current portion as at 31 December	886,736	779,324

The maturity analysis of lease liabilities is disclosed in note 26.

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

	2024 AED'000	2023 AED'000
Depreciation and impairment of right-of-use assets	174,656	180,508
Interest expense on lease liabilities (included in finance costs)	50,487	44,057
Expense related to short-term lease (included in selling, general and administrative expenses)	1,927	1,489
Variable and other lease related expenses (included in selling, general and administrative expenses)	28,718	25,508
Gain on termination of leases	(545)	(2,287)
Total amount recognised in the consolidated Statement of profit or loss	255,243	249,275

The future cash outflows relating to leases that have not commenced as at the end of the respective reporting period are disclosed in note 25.

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 2024 is AED 54,956 thousand (2023: AED 49,327 thousand).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2024 AED'000	2023 AED'000
Within one year	35,512	39,794
After one year but not more than five years	47,781	61,181
	83,293	100,975

13 INTANGIBLE ASSETS

	Goodwill AED'000	Trademark rights AED'000	Total AED'000
At 1 January 2023	7,363	–	7,363
Addition (note 16)	–	34,000	34,000
Impairment charge	(3,463)	–	(3,463)
Transfer to a related party (note 16)	(3,900)	–	(3,900)
At 31 December 2023	–	34,000	34,000
At 31 December 2024	–	34,000	34,000

Goodwill
Goodwill as at 1 January 2023 represents the Group's share of the excess of the cost of acquisition over the fair value of identifiable net assets of retail supermarkets acquired from Souq Planet Trading – Sole Proprietorship LLC during 2021.

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.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

13 INTANGIBLE ASSETS (continued)

Impairment testing of goodwill and 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 year ended 31 December 2024 (2023: an impairment charge on goodwill of AED 3,463 thousand).

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the cash generating units, the key assumptions of revenue and discount rates are 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 the units to materially exceed their recoverable amount.

14 INVENTORIES

	2024 AED'000	2023 AED'000
Goods for resale	156,151	129,069
Goods-in-transit	960	4,092
	157,111	133,161

During 2024 and 2023, amounts of AED 1,877,999 thousand and AED 1,655,015 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:

	2024 AED'000	2023 AED'000
At 1 January	48,385	37,432
Charge for the year, net	12,061	10,940
Translation difference	(6)	13
At 31 December	60,440	48,385

15 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	2024 AED'000	2023 AED'000
Trade receivables	33,052	32,831
Refundable security deposits	57,334	52,848
Prepaid expenses	11,708	14,585
VAT receivable	1,119	966
Other receivables*	7,918	8,162
	111,131	109,392
Less: non-current portion:		
Refundable security deposits (disclosed as other non-current assets)	(56,045)	(50,148)
Current portion	55,086	59,244

* includes AED 3,546 thousand as at 31 December 2024 (2023: AED 3,134 thousand) relating to inventories held on behalf of a related party which have been subsequently billed and collected.

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 2024 and 2023 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 26.

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 2024 and 2023 are as follows:

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 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	Transfer of goodwill 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 Company's joint venture	–	54	1,803	–	–	–	–	–	–	–	–	–

2023

	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 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	Transfer of goodwill AED'000	Rental income AED'000
Ultimate Parent Company	–	104	–	–	–	–	–	–	–	–	–	20
Parent	–	–	–	–	–	–	–	15,341	244,384	–	34,000	114
Entities under common control	–	1,843	63,536	–	19,144	–	–	40,626@	–	42,594	–	379
Parent's associate	(585)	–	41,102	600	–	159,216#	16,142	–	–	–	(6,000)	912
Ultimate Parent's Company joint venture	–	157	3,078	–	–	–	–	–	–	–	–	–

represents retail goods transferred at an agreed rate 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 38,251 thousand (2023: AED 36,027 thousand).
* gain on disposal of property, plant and equipment amounting to AED 12 thousand included in other income, note 6.

Capital expenditure commitments amounting to AED 14,420 thousand as at 31 December 2024 (2023: AED 14,065 thousand) are included within capital expenditure commitments as disclosed in note 25.

INTRODUCTION
OVERVIEW
STRATEGIC REVIEW
ENVIRONMENTAL, SOCIAL AND GOVERNANCE
FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

16 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Details of significant related party transactions entered during 2024 and 2023 are as follows: (continued)

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management during 2024 and 2023 are as follows:

	2024 AED'000	2023 AED'000
Short-term employee benefits	10,536	7,330
Employees' end of service benefits	1,779	190
Board of Directors' remuneration, Audit and Risk Committee compensation and Nomination and Remuneration Committee compensation (note 7)	3,481	–
	15,796	7,520

(b) Related party balances:

Amounts due from related parties

	2024 AED'000	2023 AED'000
Ultimate Parent Company		
Albwardy Investment LLC	17	–
Parent		
Al Seer Group (L.L.C.)	–	3,119
Entities under common control		
Al Seer Food Services LLC	224	110
Europacific LLC	40	58
Desert Palm L.L.C	3	3
Technical Resources Establishment	3	–
Indian Pavilion Restaurant LLC	1	–
Parent's associate		
Spinneys (Abu Dhabi) L.L.C.**	3,477	3,432
	3,765	6,722

** refer to note 15 for disclosure about other receivables from this related party.

Amounts due to related parties

	2024 AED'000	2023 AED'000
Ultimate Parent Company		
Albwardy Investment L.L.C.	–	5
Parent		
Al Seer Group (L.L.C.)	739	–
Entities under common control		
Albwardy Engineering Enterprise	11,353	17,718
Fit Fresh LLC	2,976	4,722
Al Seer Trading Agencies LLC	1,807	3,964
Fine Fair Commercial Complex LLC	1,319	2,265
Arabian Oasis Food Co LLC	1,239	2,232
Nasco Insurance Group	262	–
Al Seer Group LLC, Oman	175	145
Socotra Island Investments (Proprietary) Limited	102	–
Totale Cleaning Services	65	131
Istana Furniture	–	44
Indian Pavilion Restaurant LLC	–	4
Technical Resources Establishment	–	27
Ultimate Parent Company's joint venture		
Pacman Middle East LLC (related party until May 2024)	–	853
National Industrial Services Co LLC	–	17
Parent's associate		
Nestle UAE L.L.C	1,774	3,521
FerGulf Trading UAE L.L.C.	783	1,827
Reckitt Benckiser Arabia Trading LLC	763	1,355
Zest Wellness Pharmacy LLC	275	–
	23,632	38,830

(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:

	2024 AED'000	2023 AED'000
Depreciation of right-of-use assets	39,265	55,822
Interest expense on lease liabilities (included in finance costs)	14,132	14,036
Lease payments	45,397	63,991
Gain on termination of leases	–	2,251

	2024 AED'000	2023 AED'000
Right-of use assets	210,544	249,809
Lease liabilities	226,271	257,536
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 year ended 31 December 2024, the Group has not recorded any provision for expected credit losses relating to due from related parties (2023: 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.

Notes to the Consolidated Financial Statements (continued)
At 31 December 2024

17 CASH AND SHORT-TERM DEPOSITS

	2024 AED'000	2023 AED'000
Cash in hand	4,267	5,479
Cash at banks	55,901	348,582
Short-term deposits	476,000	–
	536,168	354,061

Short-term deposits were denominated in AED with an effective interest rate ranging from 4.05% to 5.35% per annum (2023: nil).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 December:

	2024 AED'000	2023 AED'000
Cash in hand	4,267	5,479
Cash at banks	55,901	348,582
Cash and cash equivalents	60,168	354,061

18 INTEREST-BEARING LOANS AND BORROWINGS

	2024 AED'000	2023 AED'000
Balance at 1 January	7,117	7,461
Less: Repayment of loan	(765)	(762)
Exchange differences	(94)	418
Balance at 31 December	6,258	7,117
Less: Current portion of the loans repayable within one year disclosed under current liabilities	(751)	(762)
Non-current portion at 31 December	5,507	6,355

Term loan carries interest charged at 2% 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 JHF 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 Al Seer Group (L.L.C.) to secure all liabilities of JHF 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:

	2024 AED'000	2023 AED'000
At 1 January	68,480	65,300
Provided during the year	11,740	10,182
Remeasurement loss	1,441	119
End of service benefits transferred, net (note 16)	2,960	(585)
End of service benefits paid	(5,441)	(6,609)
Exchange difference	(8)	73
At 31 December	79,172	68,480

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

	2024	2023
Discount rate	4.8%	4.9%
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 summarizes 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 2024 and 2023:

	2024 AED'000	2023 AED'000
Provision amount in base rate	79,172	68,480
Discount rate: +1%	(3,962)	(3,635)
Discount rate: -1%	4,418	3,995
Salary escalation rate: +1%	4,231	3,994
Salary escalation rate: -1%	(4,030)	(3,699)
Attrition rate: 25% increase	266	266
Attrition rate: 25% decrease	(386)	(454)

20 TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2024 AED'000	2023 AED'000
Trade payables	374,369	419,512
Accrued expenses	267,773	239,488
Refundable security deposits	8,529	8,417
VAT payable, net	8,576	6,631
Advances from tenants	11,399	10,109
Other payables	21,611	19,758
	692,257	703,915
Less: non-current portion:	(14,591)	(14,308)
Current portion	677,666	689,607

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

21 SHARE CAPITAL

	2024 AED'000	2023 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 DIVIDENDS

During the year ended 31 December 2024, the Directors approved an interim dividend of AED 0.0285 per share amounting to AED 102,600 thousand (2023: final dividend of AED 0.055 per share amounting to AED 197,639 thousand).

24 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 27 forward foreign exchange contracts outstanding as at 31 December 2024 (2023: 24 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 2024	Exchange rate 2023	2024 AED'000	2023 AED'000
Pound Sterling				
– 3 months or less	4.7407	4.5558	40,837	45,699
Euro				
– 3 months or less	3.9346	3.9502	44,894	31,270
Australian Dollars				
– 3 months or less	2.4096	2.3899	19,723	19,576
South African Rand				
– 3 months or less	0.2062	0.1937	4,429	3,381
Thai Baht				
– 3 months or less	0.1084	–	673	–
			110,556	99,926

The fair value of forward foreign exchange contracts as at 31 December 2024 was AED 3,759 thousand negative, included within other payables (2023: AED 3,011 thousand positive, included within other receivables).

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 6,770 thousand negative during the year 2024 (2023: AED 84 thousand positive) 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.

25 GUARANTEES, CONTINGENCIES AND CAPITAL COMMITMENTS

At 31 December 2024, 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 (2023: AED 9,763 thousand).

At 31 December 2023, the Group had given three corporate guarantees in total amounting to AED 163.3 million, AED 390 million and USD 45 million for the benefit of its related parties. All these guarantees were released during the year 2024.

	2024 AED'000	2023 AED'000
Capital expenditure commitments:		
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Property, plant and equipment	44,920	53,072

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:

	2024 AED'000	2023 AED'000
Within one year	43,499	41,103
After one year but not more than five years	182,724	205,325
More than five years	139,603	93,944
	365,826	340,372

Notes to the Consolidated Financial Statements (continued)
At 31 December 2024

26 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, 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 2024 and 2023, 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:

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.

	2024		2023	
Currency	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 2,755 thousand as at 31 December 2024 (2023: AED 2,148 thousand) in the following denominations due in foreign currencies, the Group is not exposed to significant currency risk.

Foreign currency amounts in '000	2024	2023
NZD	1,189	431
BRL	507	362
THB	–	8,173

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
2024	+15%	(413)
	–15%	413
2023	+15%	(322)
	–15%	322

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:

	2024 AED'000	2023 AED'000
Amounts due from related parties	3,765	6,722
Trade receivables	33,052	32,831
Refundable security deposits	57,334	52,848
Other receivables	7,918	8,162
Bank balances and short-term deposits	531,901	348,582
	633,970	449,145

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 2024 and 2023, 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.

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Other receivables

With respect to credit risk arising from other financial assets, including refundable security deposits, 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 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

At 31 December 2023:

	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	542,142	130,725	14,308	–	687,175
Amounts due to related parties	38,830	–	–	–	38,830
Lease liabilities	50,398	137,651	566,578	420,628	1,175,255
Interest-bearing loans and borrowings	–	1,197	4,316	3,940	9,453
Total	631,370	269,573	585,202	424,568	1,910,713

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 in light of changes in economic conditions and the requirement of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023 other than reorganisation as disclosed in note 1.

27 FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and derivative instruments.

Financial assets consist of cash and short-term deposits, trade receivables, refundable security deposits to landlords, other receivables 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 payables amounting to AED 3,759 thousand as at 31 December 2024 (2023: AED 3,011 thousand included in other receivables).

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 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 24)	–	(3,759)	–	(3,759)

At 31 December 2023

	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 24)	–	3,011	–	3,011

There were no transfers between Level 1 and Level 2 during 2024 and 2023.

28 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 2024 and 2023, there were no shares which were dilutive in nature.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2024 AED	2023 AED
Profit for the year attributable to equity holders of the parent	304,270,000	256,152,000
Weighted average number of shares – basic and diluted	3,600,000,000	3,600,000,000
Attributable to the shareholders:		
Basic and diluted earnings per share (in AED per share)	0.0845	0.0712

Notes to the Consolidated Financial Statements (continued)
At 31 December 2024

29 ENTITIES
The controlled entities included in the consolidated financial statements are as reflected below:

		% of shareholding		
Entities	**Country of incorporation**	**2024**	**2023**	**Principal activities**
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
JHF Limited	United Kingdom	100%	100%	Engaged in the trading in and export of foodstuffs, grocery and non-food products
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
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 center
Waitrose Shopping Centre L.L.C	United Arab Emirates	100%	100%	Engaged in operating a shopping center

* Considered as a subsidiary based on the agreement between the shareholders.

30 SUBSEQUENT EVENTS
On 11 February 2025, the Board of Directors of the Company proposed a final dividend to the shareholders amounting to AED 100,800 thousand, at AED 0.028 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.

31 COMPARATIVE INFORMATION
Following comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements. Such reclassifications do not affect the previously reported consolidated profit or equity:

- Income tax payable amounting to AED 463 thousand which was presented as part of "trade payables, accruals and other payables" as at 31 December 2023, is now shown separately on the face of the consolidated statement of financial position; and
- Amounts due to related parties amounting to AED 6,705 thousand as at 31 December 2023 has been reclassified to other payables within "trade payables, accruals and other payables".

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