

Spinneys 1961 Holding PLC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2025**

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SPINNEYS 1961 HOLDING PLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Spinneys 1961 Holding PLC (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the interim condensed consolidated statement of financial position as at 31 March 2025, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-months period then ended, and a summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young



Emin Mammadov
Registration No: 5687

12 May 2025

Dubai, United Arab Emirates

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three-month period ended 31 March 2025

	<i>Notes</i>	<i>Three-month period ended 31 March</i>	
		<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
Revenue from contracts with customers	5	893,647	803,391
Rental income	9	12,812	11,365
REVENUE	4	906,459	814,756
Cost of sales		(531,743)	(479,160)
GROSS PROFIT		374,716	335,596
Other income		5,842	3,048
Selling, general and administrative expenses	6	(198,571)	(187,804)
Depreciation and impairment of right-of-use assets	9	(44,326)	(39,822)
Depreciation and impairment of property, plant and equipment	8	(27,140)	(18,050)
Finance income		5,307	1,827
Finance costs		(13,948)	(12,095)
PROFIT FOR THE PERIOD BEFORE TAX		101,880	82,700
Income tax expense	7	(16,692)	(7,995)
PROFIT FOR THE PERIOD		85,188	74,705
Attributable to:			
Equity holders of the Company		88,608	77,222
Non-controlling interest		(3,420)	(2,517)
		85,188	74,705
Earnings per share			
Basic and diluted, profit for the period attributable to equity holders of the Company (in AED per share)	15	0.025	0.021

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

	<i>Three-month period ended 31 March</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
PROFIT FOR THE PERIOD	85,188	74,705
Other comprehensive income		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translation of foreign operations	155	149
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	155	149
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	85,343	74,854
Attributable to:		
Equity holders of the Company	88,788	77,371
Non-controlling interest	(3,445)	(2,517)
	85,343	74,854

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	8	421,064	425,792
Intangible assets		34,000	34,000
Right-of-use assets	9	895,482	923,749
Other non-current assets		55,451	56,045
Deferred tax assets	7	1,100	1,099
		<u>1,407,097</u>	<u>1,440,685</u>
Current assets			
Inventories	10	158,257	157,111
Trade receivables, prepayments and other receivables		55,768	55,086
Amounts due from related parties	12	8,320	3,765
Cash and short-term deposits	11	659,561	536,168
		<u>881,906</u>	<u>752,130</u>
TOTAL ASSETS		<u><u>2,289,003</u></u>	<u><u>2,192,815</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		36,000	36,000
Restricted reserve		4,778	4,778
Retained earnings		255,633	267,825
Actuarial reserve		6,144	6,144
Foreign currency translation reserve		968	788
Equity attributable to equity holders of the Company		<u>303,523</u>	<u>315,535</u>
Non-controlling interest		(19,761)	(16,316)
TOTAL EQUITY		<u>283,762</u>	<u>299,219</u>
Non-current liabilities			
Interest-bearing loans and borrowings		5,488	5,507
Other non-current liabilities		14,636	14,591
Lease liabilities	9	860,076	886,736
Employees' end of service benefits		79,929	79,172
		<u>960,129</u>	<u>986,006</u>
Current liabilities			
Trade payables, accruals and other payables		793,182	677,666
Lease liabilities	9	180,495	173,657
Interest-bearing loans and borrowings		775	751
Amounts due to related parties	12	22,862	23,632
Income tax payable		47,798	31,884
		<u>1,045,112</u>	<u>907,590</u>
TOTAL LIABILITIES		<u>2,005,241</u>	<u>1,893,596</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,289,003</u></u>	<u><u>2,192,815</u></u>

Director

Director

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2025

		Three-month period ended 31 March	
	Notes	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
OPERATING ACTIVITIES			
Profit before tax		101,880	82,700
Adjustments to reconcile profit before tax to net cash flows:			
Net gain on disposal of property, plant and equipment		(223)	(189)
Finance income		(5,307)	(1,827)
Finance costs		13,948	12,095
Depreciation and impairment of property, plant and equipment	8	27,140	18,050
Depreciation and impairment of right-of-use assets	9	44,326	39,822
(Gain)/ loss on change in fair value of forward exchange contracts		(6,255)	4,143
Provision/ (reversal of provision) for old and obsolete inventories	10	1,978	(1,729)
Gain on termination of leases		(217)	-
Provision for employees' end of service benefits		2,816	6,691
		180,086	159,756
Working capital adjustments:			
Inventories		(3,124)	9,325
Trade receivables, prepayments and other receivables		2,408	3,692
Related party balances*		(5,220)	(1,500)
Trade payables, accruals and other payables		18,520	18,813
		192,670	190,086
Employees' end of service benefits paid		(2,167)	(1,040)
Interest paid		(104)	(127)
Income tax paid		(778)	(316)
Net cash flows from operating activities		189,621	188,603
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	(21,695)	(22,375)
Proceeds from disposal of property, plant and equipment and intangible assets		223	417
Proceeds from redemption of/ (investment in) short-term deposits		59,000	(100,000)
Interest received		5,307	1,827
Net cash flows from/ (used in) investing activities		42,835	(120,131)
FINANCING ACTIVITIES			
Repayment of lease liabilities	9	(49,517)	(53,071)
Repayment of interest-bearing loans and borrowings		(194)	(100)
Net cash flows used in financing activities		(49,711)	(53,171)
NET INCREASE IN CASH AND CASH EQUIVALENTS		182,745	15,301
Cash and cash equivalents at 1 January		60,168	354,061
Net foreign exchange difference		(352)	221
CASH AND CASH EQUIVALENTS AT 31 MARCH	11	242,561	369,583

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the three-month period ended 31 March 2025

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

		<i>Three-month period ended 31 March</i>	
	<i>Notes</i>	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
End of service benefits transferred, net		105	2,968
Property, plant and equipment transferred from related parties	8	-	(20)

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2025

31 March 2025 (Unaudited)

	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
As at 1 January 2025 (Audited)	36,000	4,778	267,825	6,144	788	315,535	(16,316)	299,219
Profit for the period (Unaudited)	-	-	88,608	-	-	88,608	(3,420)	85,188
Other comprehensive income for the period (Unaudited)	-	-	-	-	180	180	(25)	155
Total comprehensive income for the period (Unaudited)	-	-	88,608	-	180	88,788	(3,445)	85,343
Dividends declared (note 17) (Unaudited)	-	-	(100,800)	-	-	(100,800)	-	(100,800)
As at 31 March 2025 (Unaudited)	36,000	4,778	255,633	6,144	968	303,523	(19,761)	283,762

31 March 2024 (Unaudited)

	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
As at 1 January 2024 (Audited)	36,000	4,778	66,155	7,585	851	115,369	(1,688)	113,681
Profit for the period (Unaudited)	-	-	77,222	-	-	77,222	(2,517)	74,705
Other comprehensive income for the period (Unaudited)	-	-	-	-	149	149	-	149
Total comprehensive income for the period (Unaudited)	-	-	77,222	-	149	77,371	(2,517)	74,854
As at 31 March 2024 (Unaudited)	36,000	4,778	143,377	7,585	1000	192,740	(4,205)	188,535

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

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.

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

The Company and its subsidiaries (together referred to as “the Group”) are principally engaged in the operation of supermarkets in United Arab Emirates, Sultanate of Oman and Saudi Arabia. Information on the Group’s subsidiaries is disclosed in note 16.

The interim condensed consolidated financial statements were authorised for issue on 12 May 2025 by the Board of Directors.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three-month period ended 31 March 2025 have been prepared in accordance with IAS 34 “*Interim Financial Reporting*”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2024.

The preparation of interim condensed consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group’s interim condensed consolidated financial statements are largely consistent with the annual consolidated financial statements for the year ended 31 December 2024 and should be read in conjunction thereof.

The Group’s business is subject to moderate seasonal fluctuations, of which is affected by the holy month of Ramadan (lower sales due the impact of Ramadan fasting among the majority Muslim population, affecting consumption patterns), summer holidays (substantial decrease in local population as expats and residents travel during the hot summer months, reducing sales over the period) and festive season (peak tourist influx during the festive season, complemented by residents staying in the city, creating a high demand period). As a result of moderate seasonal fluctuations, results for any quarter are not necessarily indicative of the results that may be achieved for any quarter or for the full fiscal year.

These interim condensed consolidated financial statements have been presented on 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

2 BASIS OF PREPARATION (continued)

The Group's management have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the financial resources to continue in business for the foreseeable future. Further, Group's management and Board of Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the interim condensed consolidated financial statements continue to be prepared on the going concern basis.

The interim condensed consolidated financial statements are presented in the United Arab Emirates Dirham (AED), which is the Company's functional currency. All values are rounded to the nearest thousand (AED'000), except when otherwise indicated.

3 ACCOUNTING POLICIES**3.1 New standards, interpretations and amendments, adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025 which had no significant impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued as at the date of the authorisation of these interim condensed consolidated financial statements but is not yet effective. Management has assessed the implication of adopting the new standards which are not yet effective and concluded that there are no significant impact on the interim condensed consolidated financial statements of the Group.

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 interim condensed 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 period ended:

	<i>Reportable segments</i>		<i>Intercompany transactions*</i>		<i>Total</i>	
	<i>Three-month period ended 31 March</i>		<i>Three-month period ended 31 March</i>		<i>Three-month period ended 31 March</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue						
UAE	864,217	790,521	-	-	864,217	790,521
Oman	23,062	24,025	-	-	23,062	24,025
Others	126,541	89,794	(107,361)	(89,584)	19,180	210
Total	1,013,820	904,340	(107,361)	(89,584)	906,459	814,756

*represents inter reportable segments sales and purchases transactions.

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

4 SEGMENT INFORMATION (continued)

	<i>Reportable segments</i>	
	<i>Three-month period ended 31 March</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
<i>Profit for the period before tax</i>		
UAE	107,709	87,655
Oman	(705)	(873)
Others	(5,124)	(4,082)
Total	<u>101,880</u>	<u>82,700</u>
<i>Unallocated:</i>		
Income tax expense*	(16,692)	(7,995)
Profit for the period	<u>85,188</u>	<u>74,705</u>

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

	<i>Assets</i>		<i>Liabilities</i>	
	<i>31 March 2025 (Unaudited) AED'000</i>	<i>31 December 2024 (Audited) AED'000</i>	<i>31 March 2025 (Unaudited) AED'000</i>	<i>31 December 2024 (Audited) AED'000</i>
UAE	2,191,226	2,102,878	1,857,603	1,760,352
Oman	35,746	28,726	53,980	46,253
Others	137,859	137,454	161,122	155,274
Eliminations and adjustment	(75,828)	(76,243)	(67,464)	(68,283)
Total	<u>2,289,003</u>	<u>2,192,815</u>	<u>2,005,241</u>	<u>1,893,596</u>

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three-month period ended 31 March</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
Revenue from sale of goods	<u>893,647</u>	<u>803,391</u>

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

5 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

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

	<i>Three-month period ended 31 March</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
Geographical market		
United Arab Emirates	851,486	779,242
Sultanate of Oman	22,981	23,939
Others	19,180	210
	893,647	803,391
Timing of revenue recognition		
Goods transferred at a point in time	893,647	803,391

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three-month period ended 31 March</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
Staff costs	83,043	82,215
Premises costs	45,174	34,162
Warehousing, selling and distribution costs	41,745	34,541
Marketing costs	8,224	6,638
Legal and professional charges	5,650	13,930
Information system and communication costs	5,376	5,493
Trademark licensing fees	3,163	2,944
Board of Directors' remuneration, Audit and Risk Committee compensation and Nomination and Remuneration Committee compensation (Note 12)	1,507	608
Others	4,689	7,273
	198,571	187,804

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

7 INCOME TAX

a. Tax on ordinary activities

The major components of income tax expense in the interim condensed consolidated statement of profit or loss for the three-month period ended 31 March 2025 and 31 March 2024 are:

	<i>Three-month period ended 31 March</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
Current income tax:		
Current income tax expense	10,205	7,995
Global minimum top-up tax expense (note (d))	6,487	-
Income tax expense reported in the interim condensed consolidated statement of profit or loss	16,692	7,995

b. Reconciliation of tax charge

Reconciliation of tax expense and the accounting profit multiplied by the UAE's domestic tax rate for the three-month period ended 31 March 2025 and 31 March 2024:

	<i>Three-month period ended 31 March</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited)</i>
Accounting profit before income tax	101,880	82,700
At the UAE statutory tax rate of 9% charged during the period*	9,135	7,409
Global minimum top-up tax (note (d))	6,487	-
Effect of higher overseas tax rates and losses	1,070	586
At the effective current income tax rate of 2025: 16.4% (2024: 9.7%)	16,692	7,995

*As per the UAE CT 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

	<i>31 March 2025 AED'000 (Unaudited)</i>	<i>31 December 2024 AED'000 (Audited)</i>
The deferred tax assets relate to:		
Deferred tax assets:		
Depreciation	534	534
Provision and reserve	566	565
	1,100	1,099

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

7 INCOME TAX (continued)**c. Deferred tax (continued)**

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.

Movement in deferred tax assets recognised in the interim condensed consolidated statement of financial position is as follows:

Deferred tax assets:

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At 1 January	1,099	1,250
Deferred tax charge during the period/year	-	(134)
Translation adjustment	1	(17)
	<hr/>	<hr/>
At 31 March/ December	1,100	1,099
	<hr/>	<hr/>

For the purpose of determining income tax expense for the period, 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 Euro 750 million threshold. These rules provides a coordinated system to ensure that multinational enterprises (MNEs) with revenue above Euro 750 million pay at least an effective tax rate of 15% in each of the jurisdiction in which they operate. The UAE (location of the Ultimate Parent Company and also its largest market), published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as part of its commitment to the OECD guidelines. The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. The UAE substantively enacted the Pillar 2 legislation with Cabinet Decision No. 142 of 2024.

The Global minimum top-up tax relates to the Group's operation in United Arab Emirates, where the statutory tax rate is 9%. The Group has recognised top-up tax expense of AED 6,487 thousand (2024 (Audited): Nil). The other jurisdictions in which the Group has presence and the rules are in force, the effective tax rate exceeds 15%. The Group will continue to monitor the Pillar Two related developments in all relevant jurisdictions and assess any potential top-up tax in accordance with the relevant legislation after taking into consideration the transitional Safe Harbour relief.

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

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

8 PROPERTY, PLANT AND EQUIPMENT

2025

	<i>Freehold land AED'000</i>	<i>Buildings AED'000</i>	<i>Leasehold improvements AED'000</i>	<i>Plant and machinery AED'000</i>	<i>Vehicles, furniture and equipment AED'000</i>	<i>Capital work in progress AED'000</i>	<i>Total AED'000</i>
Cost:							
At 1 January 2025 (<i>Audited</i>)	74,146	156,617	502,286	225,799	174,636	7,933	1,141,417
Additions (<i>Unaudited</i>)	-	-	2,382	2,422	5,558	11,333	21,695
Transfers from capital work in progress (<i>Unaudited</i>)	-	-	6,409	3,525	697	(10,631)	-
Disposals/ written off (<i>Unaudited</i>)	-	-	(6,138)	(155)	(2,519)	-	(8,812)
Exchange differences (<i>Unaudited</i>)	436	339	24	62	70	-	931
At 31 March 2025 (<i>Unaudited</i>)	74,582	156,956	504,963	231,653	178,442	8,635	1,155,231
Depreciation and impairment:							
At 1 January 2025 (<i>Audited</i>)	-	35,642	353,629	179,711	146,643	-	715,625
Depreciation charge for the period (<i>Unaudited</i>)	-	3,309	13,592	3,035	5,951	-	25,887
Impairment charge for the period (<i>Unaudited</i>)	-	-	-	1,116	137	-	1,253
Relating to disposals/ written off (<i>Unaudited</i>)	-	-	(6,138)	(155)	(2,519)	-	(8,812)
Exchange differences (<i>Unaudited</i>)	-	113	3	46	52	-	214
At 31 March 2025 (<i>Unaudited</i>)	-	39,064	361,086	183,753	150,264	-	734,167
Net carrying amount:							
At 31 March 2025 (<i>Unaudited</i>)	74,582	117,892	143,877	47,900	28,178	8,635	421,064

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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8 PROPERTY, PLANT AND EQUIPMENT (continued)

2024 (Audited)

	<i>Freehold land AED'000</i>	<i>Buildings AED'000</i>	<i>Leasehold improvements AED'000</i>	<i>Plant and machinery AED'000</i>	<i>Vehicles, furniture and equipment AED'000</i>	<i>Capital work in progress AED'000</i>	<i>Total AED'000</i>
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	-	-	-	19	39	-	58
Transfer to a related party	-	-	-	(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	-	-	-	19	19	-	38
Relating to transfer to a related party	-	-	-	(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

Spinneys 1961 Holding PLC

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9 LEASES

The Group as a lessee

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

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

2025 (Unaudited)

	<i>Land AED'000</i>	<i>Building/Stores AED'000</i>	<i>Motor vehicles AED'000</i>	<i>Total AED'000</i>
At 1 January 2025	151,559	772,132	58	923,749
Additions	-	12,933	-	12,933
Depreciation expense	(1,958)	(42,056)	(7)	(44,021)
Impairment	-	(305)	-	(305)
Reversal on account of termination	-	(1,866)	-	(1,866)
Lease modifications	-	4,934	-	4,934
Translation difference	-	55	3	58
At 31 March 2025	149,601	745,827	54	895,482

2024 (Audited)

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

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

	<i>31 March 2025 AED'000 (Unaudited)</i>	<i>31 December 2024 AED'000 (Audited)</i>
As at 1 January	1,060,393	923,157
Additions	12,933	148,727
Accretion of interest	13,844	50,487
Reversal on account of termination	(2,083)	(1,857)
Payments	(49,517)	(202,596)
Relating to lease modification	4,934	142,515
Translation difference	67	(40)
As at 31 March / 31 December	1,040,571	1,060,393
Less: Current portion (disclosed under current liabilities)	(180,495)	(173,657)
Non-current portion as at 31 March / 31 December	860,076	886,736

Spinneys 1961 Holding PLC

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As at and for the three-month period ended 31 March 2025

9 LEASES (continued)

The Group as a lessee (continued)

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.

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 the period ended 31 March 2025 (Unaudited) is AED 12,812 thousand (31 March 2024 (Unaudited): AED 11,365 thousand).

10 INVENTORIES

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Goods for resale	153,396	156,151
Goods-in-transit	4,861	960
	158,257	157,111

During the three-month period ended 31 March 2025 (Unaudited) and 31 March 2024 (Unaudited), AED 529,765 thousand and AED 480,889 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:

	31 March 2025 AED'000 (Unaudited)	31 March 2024 AED'000 (Unaudited)
At 1 January	60,440	48,385
Charge/ (reversal) for the period, net	1,978	(1,729)
Translation difference	9	(562)
At 31 March	62,427	46,094

11 CASH AND SHORT-TERM DEPOSITS

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash in hand	5,665	4,267
Cash at banks	236,896	55,901
Short-term deposits	417,000	476,000
	659,561	536,168

Short-term deposits were denominated in AED with an effective interest rate ranging from 4.02% to 4.40% per annum (2024 (Audited): 4.05% to 5.35% per annum).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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11 CASH AND SHORT-TERM DEPOSITS (continued)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts:

	<i>31 March 2025 AED'000 (Unaudited)</i>	<i>31 December 2024 AED'000 (Audited)</i>
Cash in hand	5,665	4,267
Cash at banks	236,896	55,901
Cash and cash equivalents	242,561	60,168

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

12 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 are as follows:

Three-month period ended 31 March 2025 (Unaudited)

	<i>Liability for employees' end of service benefits transferred from AED'000</i>	<i>Sale of goods AED'000</i>	<i>Purchase of goods AED'000</i>	<i>Operation services fees income AED'000</i>	<i>Insurance costs AED'000</i>	<i>Stock transferred to AED'000</i>	<i>Recharge of selling, general and administrative expenses to AED'000</i>	<i>Selling, general and administrative expenses from AED'000</i>	<i>Purchase/ (transfer) of property, plant and equipment AED'000</i>	<i>Capital expenditure AED'000</i>	<i>Rental income AED'000</i>
Ultimate Parent Company	-	50	-	-	-	-	-	-	-	-	-
Parent	-	-	-	-	-	-	511	-	-	-	-
Entities under common control	-	393	18,764	-	141	-	-	7,416@	-	6,287*	759
Parent's associate	105	-	10,889	150	-	48,606#	4,138	-	-	-	749
Ultimate Parent Company's joint venture	-	7	-	-	-	-	-	-	-	-	-

Three-month period ended 31 March 2024 (Unaudited)

	<i>Liability for employees' end of service benefit transferred from AED'000</i>	<i>Sale of goods AED'000</i>	<i>Purchase of goods AED'000</i>	<i>Operation services fees income AED'000</i>	<i>Insurance costs AED'000</i>	<i>Stock transferred to AED'000</i>	<i>Recharge of selling general and administrative expenses to AED'000</i>	<i>Selling, general and administrative expenses from AED'000</i>	<i>Purchase of property, plant and equipment AED'000</i>	<i>Capital expenditure AED'000</i>	<i>Rental income AED'000</i>
Ultimate Parent Company	-	27	-	-	-	-	-	-	-	-	-
Parent	2,968	-	-	-	-	-	-	-	21	-	-
Entities under common control	-	548	17,038	-	4,728	-	-	6,126@	-	7,273	89
Parent's associate	-	-	11,022	150	-	44,615#	3,941	-	-	-	426
Ultimate Parent's Company joint venture	-	57	926	-	-	-	-	-	-	-	-

#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 7,259 thousand during three-month period ended 31 March 2025 (three-month period ended 31 March 2024: AED 5,984 thousand) (Unaudited).

*Capital expenditure commitments amounting to AED 16,124 thousand as at 31 March 2025 (31 December 2024 (Audited): AED 14,420 thousand) are included within capital expenditure commitments as disclosed in note 13.

- Amounts of AED 3,324 thousand as at 31 March 2025 (Unaudited) and AED 3,546 thousand as at 31 December 2024 (Audited) (included within trade receivables, prepayments and other receivables) relate to inventories held on behalf of a related party which have been subsequently billed to the related party.

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Details of significant related party transactions entered are as follows: (continued)

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management during the period ended was as follows:

	<i>Three-month period ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Short term employee benefits	1,543	1,534
Employees' end of service benefits	63	62
Board of Directors' remuneration, Audit and Risk Committee compensation and Nomination and Remuneration Committee compensation (note 6)	1,507	608
Total compensation paid to key management personnel	3,113	2,204

(b) Related party balances:

Amounts due from related parties

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Ultimate Parent Company</i>		
Albwardy Investment L.L.C.	90	17
<i>Parent</i>		
Al Seer Group (L.L.C.)	320	-
<i>Entities under common control</i>		
Al Seer Food Services LLC	231	224
Europacific LLC	22	40
Technical Resources Establishment	13	3
Desert Palm L.L.C	3	3
Indian Pavilion Restaurant LLC	2	1
<i>Parent's associate</i>		
Spinneys (Abu Dhabi) L.L.C.	7,639	3,477
	8,320	3,765

Spinneys 1961 Holding PLC

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12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related party balances: (continued)

Amounts due to related parties

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<i>Parent</i>		
Al Seer Group (L.L.C.)	-	739
<i>Entities under common control</i>		
Albwardy Engineering Enterprise	9,065	11,353
Al Seer Trading Agencies LLC	2,874	1,807
Fit Fresh LLC	2,830	2,976
Fine Fair Commercial Complex LLC	1,968	1,319
Arabian Oasis Food Co LLC	1,269	1,239
Nasco Insurance Group	403	262
Al Seer Group LLC, Oman	204	175
Totale Cleaning Services	1	65
Socotra Island Investments (Proprietary) Limited	-	102
<i>Parent's associate</i>		
Nestle UAE L.L.C	1,861	1,774
Reckitt Benckiser Arabia Trading LLC	1,246	763
FerGulf Trading UAE L.L.C.	851	783
Zest Wellness Pharmacy LLC	290	275
	22,862	23,632

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

	Three-month period ended 31 March	
	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Depreciation of right-of-use assets	9,816	9,816
Interest expense on lease liabilities (included in finance costs)	3,181	3,656
Lease payments	12,639	22,629
	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Right-of use assets	200,728	210,544
Lease liabilities	216,813	226,271
Refundable security deposits	12,000	12,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period ended 31 March 2025

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**Terms and conditions of transactions with related parties**

The terms of trade with related parties are based on commercial terms.

Outstanding balances at the period/year-end arise in the normal course of business, are unsecured and interest free and settlement generally occurs in cash. For the period ended 31 March 2025 (Unaudited) and 31 December 2024 (Audited), the Group has not recorded any provision for expected credit losses relating to due from related parties.

13 GUARANTEES, CONTINGENCIES AND CAPITAL COMMITMENTS

At 31 March 2025, the Group had contingent liabilities in respect of bank and other guarantees including performance guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 5,999 thousand (31 December 2024 (Audited): AED 5,999 thousand).

Capital expenditure commitments:

	<i>31 March 2025 AED'000 (Unaudited)</i>	<i>31 December 2024 AED'000 (Audited)</i>
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Property, plant and equipment	<u>63,257</u>	<u>44,920</u>

14 FINANCIAL INSTRUMENTS

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

Financial assets consist of cash and short-term deposits, trade and other receivables, refundable security deposits to landlords and amounts due from related parties. Financial liabilities consist of interest-bearing loans and borrowings, lease liabilities, trade and other payables, accrued expenses, refundable security deposits from tenants and amounts due to related parties. Derivative instruments consist of forward foreign exchange contracts and are included in other receivables amounting to AED 2,496 thousand as at 31 March 2025 (Unaudited) and in other payables amounting to AED 3,759 thousand as at 31 December 2024 (Audited).

The fair value of financial assets and liabilities approximate their carrying values at the end of the reporting period.

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.

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14 FINANCIAL INSTRUMENTS (continued)*At 31 March 2025 (Unaudited)*

	<i>Level 1 AED'000</i>	<i>Level 2 AED'000</i>	<i>Level 3 AED'000</i>	<i>Total AED'000</i>
<i>Asset measured at fair value</i>				
Foreign exchange forward contracts	-	2,496	-	2,496

At 31 December 2024 (Audited)

	<i>Level 1 AED'000</i>	<i>Level 2 AED'000</i>	<i>Level 3 AED'000</i>	<i>Total AED'000</i>
<i>Asset measured at fair value</i>				
Foreign exchange forward contracts	-	(3,759)	-	(3,759)

There were no transfers between Level 1 and Level 2 during 2025 and 2024.

15 EARNING PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to the shareholders by weighted average number of shares outstanding during the period.

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 period 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 March 2025 and 2024, there were no shares which were dilutive in nature.

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

	<i>Three-month period ended 31 March</i>	
	<i>2025 AED (Unaudited)</i>	<i>2024 AED (Unaudited)</i>
Profit for the period attributable to equity holders of the parent	88,608,000	77,222,000
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)	0.025	0.021

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16 ENTITIES

The controlled entities included in the interim condensed consolidated financial statements are as reflected below:

<i>Entities</i>	<i>Country of incorporation</i>	<i>% of shareholding</i>		<i>Principal activities</i>
		<i>31 March 2025</i>	<i>31 December 2024</i>	
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.

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17 DIVIDENDS

The shareholders approved and declared a final dividend for the year ended 31 December 2024 of AED 0.028 per share on 17 March 2025. The dividends declared of AED 100,800 thousand are not yet paid and have been included as part of “Trade payables, accruals and other payables” as of 31 March 2025 in the interim condensed consolidated statement of financial position. The dividends of AED 100,800 thousand were subsequently settled in cash during April 2025.

18 EVENTS AFTER THE REPORTING DATE

There were no significant events subsequent to the period-end that require either adjustments or disclosures in the interim condensed consolidated financial statements.