UNION COOP

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025 (UNAUDITED)

Union Coop

Review report and interim condensed financial statements
for the three months period ended 31 March 2025

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF UNION COOP

Introduction

We have reviewed the accompanying interim condensed financial statements of Union Coop (the "Coop") as at 31 March 2025 which comprise the interim statement of financial position as at 31 March 2025 and the related interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed 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 financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

Other Matters

The interim condensed financial statements of the Coop for the three months period ended 31 March 2024 were not reviewed and our conclusion does not relate to those comparatives presented in these interim condensed financial statements which are presented for comparison purpose only. Also, the financial statements as of 31 December 2024, were audited by another auditor whose report dated 13 February 2025 expressed an unmodified opinion on those financial statements.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF UNION COOP (continued)

Report on other Legal and Regulatory Requirements

Coop has not complied with the clauses of the Cabinet Resolution No. (55) of 2024 Concerning the Executive Regulations of Federal Decree-Law No. (6) of 2022 and its Articles of Association, related to the percentage of the dividend declared. Coop's management has obtained the consent from the Department of Economy and Tourism on 20 February 2025 to declare the dividends using these percentages. Except for this matter, nothing else has come to our attention that cause us to believe that the Coop has contravened during the three month period ended 31 March 2025 any of the applicable provisions of the Cabinet Resolution No. (55) of 2024 Concerning the Executive Regulations of Federal Decree-Law No. (6) of 2022 or its Articles of Association, which would materially affect the interim condensed financial statements as of and for the period ended 31 March 2025.

Ernst & Young Middle East (Dubai Branch)

Wardah Ebrahim
Registration No.: 1258

12 May 2025

Dubai, United Arab Emirates

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025 (unaudited)

	Notes	*31 March 2025 AED (unaudited)*	*31 December 2024 AED (audited)*
ASSETS			
Property and equipment	4	**2,079,980,288**	2,077,122,412
Investment properties		**467,871,409**	471,545,613
Intangible assets		**1,848,525**	1,315,675
Right of use assets		**498,228,092**	506,049,469
Capital advances		**10,315,340**	8,344,177
Investment in associate		**6,069,161**	5,670,202
Non-current assets		**3,064,312,815**	3,070,047,548
Inventories	5	**360,432,913**	324,578,334
Trade and other receivables	6	**78,305,891**	84,601,089
Cash and bank balances	7	**513,180,668**	219,437,826
Current assets		**951,919,472**	628,617,249
TOTAL ASSETS		**4,016,232,287**	3,698,664,797
EQUITY AND LIABILITIES			
Equity			
Share capital		**1,764,138,140**	1,764,138,140
Legal reserve	8	**882,069,070**	882,069,070
Defined benefit obligations reserve		**(190,962)**	(190,962)
Community responsibility reserve		**7,374,013**	3,858,068
Treasury stock		**(95,527,209)**	(95,527,209)
(Accumulated losses)/ retained earnings		**(171,481,587)**	14,629,993
Total equity		**2,386,381,465**	2,568,977,100
Liabilities			
Employees' end of service benefits		**49,430,386**	49,874,871
Deferred tax liability	15	**2,772,639**	2,772,639
Lease liability		**505,103,202**	510,437,892
Non-current liabilities		**557,306,227**	563,085,402
Lease liability		**23,084,894**	22,962,700
Current tax liability	15	**41,104,342**	31,048,400
Trade and other payables	10	**758,371,544**	416,844,723
Bank overdraft	7	**249,983,815**	95,746,472
Current liabilities		**1,072,544,595**	566,602,295
Total liabilities		**1,629,850,822**	1,129,687,697
TOTAL EQUITY AND LIABILITIES		**4,016,232,287**	3,698,664,797

To the best of our knowledge, the interim condensed financial statements for the three months period ended 31 March 2025 are prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'. The interim condensed financial statements were authorised for issue by the Coop's Board of Directors on 12 May 2025.

Chairman Treasurer CEO

The notes on pages 8 to 19 are an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months period ended 31 March 2025 (unaudited)

		For three months period ended 31 March	
		2025 AED (unaudited)	*2024 AED (unaudited & unreviewed)*
Revenue from sales of goods	12	**529,910,101**	501,678,041
Income from other operating activities		**168,985,437**	163,441,512
Other income		**2,108,386**	1,217,972
Finance income		**2,854,538**	1,188,912
Total income from operating activities		**703,858,462**	667,526,437
Cost of goods		**(456,079,012)**	(427,051,392)
Staff costs		**(52,443,363)**	(57,726,878)
Depreciation and amortisation expenses		**(22,752,414)**	(22,551,588)
Utilities expenses		**(14,374,087)**	(15,142,413)
Marketing expenses		**(7,443,409)**	(6,173,628)
Finance costs		**(12,333,204)**	(7,428,912)
Repair and maintenance expenses		**(3,495,040)**	(2,649,411)
Other expenses		**(21,984,661)**	(16,132,332)
Share of profit of an associate		**398,959**	-
Profit before tax, directors' remuneration and community responsibility expenses		**113,352,231**	112,669,883
Directors' remuneration expense		**(1,312,500)**	-
Community responsibility expenses		**(2,625,987)**	(4,255,460)
Profit before tax and after directors' remuneration and community responsibility expenses		**109,413,744**	108,414,423
Income tax expense	15	**(10,055,942)**	(11,094,466)
Profit after tax		**99,357,802**	97,319,957
Earnings per share – Basic	9	**0.06**	0.06
Earnings per share – Diluted	9	**0.06**	0.06

The notes on pages 8 to 19 are an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2025 (unaudited)

	Share capital AED	*Legal reserve AED*	*Defined benefit obligations reserve AED*	*Community responsibility reserve AED*	*(Accumulated losses)/ retained earnings AED*	*Treasury stock AED*	*Total AED*
At 1 January 2024 (audited)	1,764,138,140	882,069,070	(223,368)	23,363,323	(22,569,572)	(95,527,209)	2,551,250,384
Profit for the period (unaudited)	-	-	-	-	97,319,957	-	97,319,957
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	97,319,957	-	97,319,957
Allocation to community responsibility reserve	-	-	-	(4,255,460)	4,255,460	-	-
Total transactions with shareholders	-	-	-	-	97,319,957	-	97,319,957
At 31 March 2024 (unaudited & unreviewed)	1,764,138,140	882,069,070	(223,368)	19,107,863	79,005,845	(95,527,209)	2,648,570,341

The notes on pages 8 to 19 are an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2025 (unaudited)

	Share capital AED	*Legal reserve AED*	*Defined benefit obligations reserve AED*	*Community responsibility reserve AED*	*Retained earnings/ (accumulated losses) AED*	*Treasury stock AED*	*Total AED*
At 1 January 2025 (audited)	1,764,138,140	882,069,070	(190,962)	3,858,068	14,629,992	(95,527,209)	2,568,977,099
Profit for the period (unaudited)	-	-	-	-	99,357,802	-	99,357,802
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	99,357,802	-	99,357,802
Dividend declared (note 16)	-	-	-	-	(281,953,436)	-	(281,953,436)
Allocation to community responsibility reserve	-	-	-	6,141,932	(6,141,932)	-	-
Total transactions with shareholders	-	-	-	6,141,932	(288,095,368)	-	(281,953,436)
Other movements							
Utilisation of community responsibility reserve	-	-	-	(2,625,987)	2,625,987	-	-
Total other movements	-	-	-	(2,625,987)	2,625,987	-	-
At 31 March 2025 (unaudited)	**1,764,138,140**	**882,069,070**	**(190,962)**	**7,374,013**	**(171,481,587)**	**(95,527,209)**	**2,386,381,465**

The notes on pages 8 to 19 are an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2025 (unaudited)

	Note	*For three months period ended 31 March*	
		2025	*2024*
		AED	*AED*
		(unaudited)	*(unaudited & unreviewed)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**109,413,744**	108,414,423
Adjustments for:			
Depreciation of property and equipment		**12,845,483**	12,496,383
Depreciation of Investment property		**3,674,204**	3,372,930
Amortisation of intangible assets		**222,150**	1,321,452
Depreciation of right of use of assets		**6,010,577**	5,360,823
Gain on sale of property and equipment and investment properties		**(53,505)**	(1,189)
Provision for defined benefit obligations		**1,005,200**	1,248,699
Reversal for impairment of trade and other receivables		**(462,907)**	-
Provision for slow moving imported inventories - net		**229,715**	-
Finance income		**(2,854,538)**	(1,188,912)
Finance cost on lease liability and overdraft		**7,679,472**	3,418,489
Share of profit of associate		**(398,959)**	-
		137,310,636	134,443,098
Change in:			
Inventories	5	**(36,084,294)**	(30,326,361)
Trade and other receivables	6	**6,758,104**	(10,334,824)
Trade and other payables	10	**59,573,385**	102,352,680
		167,557,831	196,134,593
Payment of employees' end of service benefits		**(1,449,685)**	(11,189,376)
Net cash generated from operating activities		**166,108,146**	184,945,217
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		**(14,905,124)**	(40,377,453)
Acquisition of investment properties		**-**	(4,537,837)
Acquisition of intangible assets		**-**	(955,534)
Proceeds from sale of property and equipment		**311,070**	2,381
Income from wakala deposits		**2,854,538**	1,188,912
Addition in short-term wakala deposits		**(32,200,000)**	-
Addition in capital advances		**(1,971,163)**	(2,517,058)
Net cash used in investing activities		**(45,910,679)**	(47,196,589)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		**(5,212,496)**	(4,170,061)
Finance cost paid on overdraft and lease liability		**(7,679,472)**	(3,418,489)
Net cash used in financing activities		**(12,891,968)**	(7,588,550)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**107,305,499**	130,160,078
Cash and cash equivalents at 1 January		**123,691,354**	84,668,150
CASH AND CASH EQUIVALENTS AT 31 MARCH	7	**230,996,853**	214,828,228

The notes on pages 8 to 19 are an integral part of these interim condensed financial statements.

1. LEGAL STATUS AND ACTIVITIES

Union Coop ("the Coop" formerly the "Society") is registered as a Co-Operative Society in the Emirate of Dubai via a ministerial decree No. 31/2, dated 24 May 1982, issued by the Ministry of Social Affairs and is registered with the Federal Authority under No. 12 in the Co-operative management records. The registered office address of the Coop is P.O. Box 3861, Dubai, United Arab Emirates. The Coop changed its name from Union Co-operative Society to Union Coop on 1 August 2016. In August 2022 the Federal Decree- Law No. 6 of 2022 on cooperatives was released to govern the cooperatives in the United Arab Emirates, the law came into effect in December 2022.

The principal activity of the Coop is establishing and managing hypermarkets in the United Arab Emirates ("UAE"). The purpose of incorporation of the Coop is to improve the social and economic affairs of its members and to serve the community by following the co-operative principles documented in the Coop's Memorandum of Association and the UAE Federal Law No. 6 of 2022 pertaining to co-operative societies.

On 18 July 2022, the Coop listed 100% ordinary shares on the Dubai Financial Market ("DFM" or the "Exchange"). The share capital of the Coop comprises of undividable shares of AED 1 each payable in full on application to be a member of the Coop. Each member is entitled to a share in the Coop's share capital up to a maximum of 10%. For each member one vote is allowed in the general assembly, regardless of the number of shares owned by a particular member.

2. BASIS OF PREPARATION

Fundamental accounting concept
As of 31 March 2025, the Coop had accumulated losses of AED 171,481,587 and its current liabilities exceeded its current assets by AED 120,625,123. These conditions indicate the existence of uncertainty that may cast doubt about the Coop's ability to continue as a going concern. However, these interim condensed financial statements have been prepared on a going concern basis as management expects that the Coop will generate enough cash flows to meet its liabilities as they fall due.

Statement of compliance
These interim condensed financial statements for the three months period ended 31 March 2025 have been prepared in accordance with International Accounting Standard ("IAS") 34 *"Interim Financial Reporting"* and the requirements of Cabinet Resolution No. (55) of 2024 Concerning the Executive Regulations of Federal Decree-Law No. (6) of 2022.

These interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Coop's last annual financial statements for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Coop's financial position and performance since the last annual financial statements.

In addition, results for the three months period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2025.

Basis of accounting
These interim condensed financial statements have been prepared on the historical cost basis.

New standards, interpretations and amendments
The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2024 except for the adoption of new standards and interpretations as of 1 January 2025.

These new standards and interpretations did not have any major impact on the accounting policies, financial position or performance of the Coop. The Coop did not early adopt any standard, interpretation or amendment that was issued but is not yet effective. Several other amendments and interpretations apply for the first time in 2025, but do not have any material impact on the interim condensed financial statements of the Coop.

Functional and presentation currency
These interim condensed financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Coop's functional and presentation currency.

2. BASIS OF PREPARATION (continued)

Use of judgements and estimates
In preparing these interim condensed financial statements, significant judgments made by the management in applying the Coop's accounting policies and the key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2024.

Financial risk management
The Coop's activities potentially expose it to a variety of financial risks as follows:

- Market risk (including currency risk, price risk, cash flow);
- Credit risk; and
- Liquidity risk

The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statement, and should be read in conjunction with the Coops's annual financial statements as at 31 December 2024. The Coop's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2024.

Seasonality of operations
The Coop does not experience material seasonality in operations and revenue and profits are expected to be consistent throughout the period.

3. OPERATING SEGMENTS

A. Basis for segmentation

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Coop that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

Information reported to the Coop's Board of Directors for the purposes of resource allocation and assessment of segment performance is specifically focused on the type of business activities undertaken as a Coop. For operating purposes, the Coop is organised into three major business segments:

(i) Retail: business from operations in relation to the sale of goods at hypermarkets;
(ii) E-commerce: business from the online shopping platforms of the Coop; and
(iii) Real estate: rental business from shopping centers.

The following table presents information regarding the Coop's operating segments for the three months periods ended 31 March 2025 and 31 March 2024 (The disclosures in the tables below have been prepared using the same accounting policies as those applied to prepare the financial statements):

B. Information about reportable segments

For the three months period ended 31 March 2025 (unaudited)	*Retail AED' 000*	*E-commerce AED' 000*	*Real estate AED' 000*	*Total AED' 000*
Income from sale of goods	490,474	39,436	-	**529,910**
Income from other operating activities	124,090	2,998	41,897	**168,985**
Other income	1,913	20	175	**2,108**
Finance income	2,637	-	218	**2,855**
Cost of goods	(423,353)	(32,726)	-	**(456,079)**
Staff costs	(45,709)	(1,623)	(5,111)	**(52,443)**
Depreciation and amortisation expenses	(17,284)	(30)	(5,438)	**(22,752)**
Utilities expenses	(10,923)	-	(3,451)	**(14,374)**
Marketing expenses	(7,102)	(331)	(10)	**(7,443)**
Finance costs	(10,724)	(341)	(1,268)	**(12,333)**
Repair and maintenance expenses	(2,556)	(38)	(901)	**(3,495)**
Other expenses	(15,257)	(3,535)	(3,193)	**(21,985)**
Share of profit of associate	399	-	-	**399**
Profit before tax, directors' remuneration and community responsibility expenses	**86,605**	**3,830**	**22,918**	**113,353**

3. OPERATING SEGMENTS (continued)

B. Information about reportable segments (continued)

For the three months period ended 31 March 2025 (unaudited)	***Retail AED' 000***	***E-commerce AED' 000***	***Real estate AED' 000***	***Total AED' 000***
Segment assets	3,452,529	85	563,618	4,016,232
Equity accounted investees	6,069	-	-	6,069
Capital expenditure	16,716	-	-	16,716
Segment liabilities	1,499,926	-	129,925	1,629,851

For the three months period ended 31 March 2024 (unaudited)	*Retail AED' 000*	*E-commerce AED' 000*	*Real estate AED' 000*	*Total AED' 000*
Income from sale of goods	468,585	33,093	-	501,678
Income from other operating activities	122,444	2,302	38,696	163,442
Other income	1,137	1	80	1,218
Finance income	1,098	-	91	1,189
Cost of goods	(398,777)	(28,274)	-	(427,051)
Staff costs	(48,017)	(1,435)	(8,275)	(57,727)
Depreciation and amortisation expenses	(17,321)	(29)	(5,202)	(22,552)
Utilities expenses	(11,508)	-	(3,634)	(15,142)
Marketing expenses	(5,955)	(101)	(118)	(6,174)
Finance costs	(6,543)	(252)	(634)	(7,429)
Repair and maintenance expenses	(1,870)	-	(779)	(2,649)
Other expenses	(10,919)	(1,936)	(3,277)	(16,132)
Profit before tax, directors' remuneration and community responsibility expenses	92,354	3,369	16,948	112,671
Segment assets	3,127,977	155	513,371	3,641,503
Equity accounted investees	6,146	-	-	6,146
Capital expenditure	31,425	-	4,538	35,963
Segment liabilities	865,578	-	127,355	992,933

There were no inter-segment sales during the period. All revenue is earned in the United Arab Emirates. Allocation of expenses is determined by management for resource allocation purposes. The accounting policies of the reportable segments are the same as the Coop's accounting policies used in the audited financial statements for the year ended 31 December 2024.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are common within the operating segments and mainly relate to retail segment with exception to investment properties that relate to investment segment.

4. PROPERTY AND EQUIPMENT

	Land AED	*Buildings AED*	*Computer hardware AED*	*Motor vehicles AED*	*Furniture and fixtures AED*	*Equipment and tools AED*	*Capital work in progress AED*	*Total AED*
Cost								
At 1 January 2024	1,262,291,019	1,051,562,728	32,747,457	16,912,021	40,135,440	214,776,767	118,533,134	2,736,958,566
Additions	-	29,657,432	2,533,891	-	3,856,624	10,986,979	77,387,382	124,422,308
Transfers from capital work in progress	-	128,517,104	272,398	-	157,798	1,110,356	(130,057,656)	-
Transfers to intangible assets	-	-	-	-	-	-	(3,518)	(3,518)
Transfer to investment properties	-	(59,789,853)	-	-	-	-	-	(59,789,853)
Disposals	-	(2,227,430)	(526,806)	-	(824,263)	(5,772,990)	(183,657)	(9,535,146)
Write off	-	-	-	-	-	-	(14,984,975)	(14,984,975)
At 1 January 2025	1,262,291,019	1,147,719,981	35,026,940	16,912,021	43,325,599	221,101,112	50,690,710	2,777,067,382
Additions	-	-	246,658	-	104,200	401,971	15,963,095	16,715,924
Transfers to intangible assets	-	-	-	-	-	-	(755,000)	(755,000)
Disposals	-	-	-	(196,000)	(130,917)	(1,244,882)	-	(1,571,799)
At 31 March 2025 (unaudited)	**1,262,291,019**	**1,147,719,981**	**35,273,598**	**16,716,021**	**43,298,882**	**220,258,201**	**65,898,805**	**2,791,456,507**
Accumulated depreciation and impairment losses								
At 1 January 2024	212,418,878	266,265,244	25,943,895	13,014,596	28,262,510	141,199,173	14,984,975	702,089,271
Charge for the year	-	25,109,443	2,738,996	1,048,882	6,074,313	17,278,369	-	52,250,003
Reversal of impairment	(30,771,492)	-	-	-	-	-	-	(30,771,492)
Write off	-	-	-	-	-	-	(14,984,975)	(14,984,975)
On disposals	-	(2,227,431)	(525,861)	-	(759,788)	(5,124,757)	-	(8,637,837)
At 1 January 2025	181,647,386	289,147,256	28,157,030	14,063,478	33,577,035	153,352,785	-	699,944,970
Charge for the period	-	6,533,958	716,996	250,650	1,367,034	3,976,845	-	12,845,483
On disposals	-	-	-	(102,667)	(130,366)	(1,081,201)	-	(1,314,234)
At 31 March 2025 (unaudited)	**181,647,386**	**295,681,214**	**28,874,026**	**14,211,461**	**34,813,703**	**156,248,429**	**-**	**711,476,219**
Net carrying amount								
At 31 December 2024	1,080,643,633	858,572,725	6,869,910	2,848,543	9,748,564	67,748,327	50,690,710	2,077,122,412
At 31 March 2025 (unaudited)	**1,080,643,633**	**852,038,767**	**6,399,572**	**2,504,560**	**8,485,179**	**64,009,772**	**65,898,805**	**2,079,980,288**

4. PROPERTY AND EQUIPMENT (continued)

a) Certain buildings of the Coop are constructed on plots of land granted by H.H. Ruler of Dubai. These plots of land are recorded in the Coop's books at nominal value of AED 1.

b) Capital work in progress primarily represents the costs incurred by the Coop for construction of new shopping centers in Khawaneej and Nad Al Sheeba (completion expected in 2025 - 2026). Included in capital work in progress an amount of capitalised finance costs related to leased lands and buildings amounting to AED 1,616,846 (31 March 2024: AED Nil).

5. INVENTORIES

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
Goods for sale	**345,173,287**	312,554,240
Imported goods for sale	**12,382,180**	9,524,118
Less: provision for slow moving imported inventories	**(4,035,397)**	(3,805,682)
	353,520,070	318,272,676
Consumables	**6,912,843**	6,147,584
Goods in transit	-	158,074
	360,432,913	324,578,334

The movement in the provision for slow moving imported inventories is as follows:

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
At the beginning of the period/ year	**3,805,682**	3,445,670
Additions for the period/ year	**229,715**	360,012
At the end of the period/ year	**4,035,397**	3,805,682

The Coop has the right to return or substitute the expired or slow moving good purchased from local suppliers, therefore the local inventory is not subject to impairment as per the agreements with the suppliers. However, imported goods are subject to inventory losses and accordingly are measured at lower of cost or net realisable value.

6. TRADE AND OTHER RECEIVABLES

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
Trade receivables	**29,867,044**	22,338,197
Rent receivables	**27,769,881**	27,344,922
Due from a related party (note 11)	**15,475,224**	13,788,438
Prepaid expenses	**13,155,545**	7,210,570
Deposits	**9,364,958**	8,585,462
Credit card sales receivable	**4,565,204**	10,595,207
Advance to suppliers	**2,043,435**	6,574,097
Accrued income on short-term deposits	**304,161**	145,191
Other receivables	**16,159,743**	28,881,216
	118,705,195	125,463,300
Less: provision for impairment loss	**(40,399,304)**	(40,862,211)
	78,305,891	84,601,089

Movement in the provision for impairment loss of trade and other receivables is as follows:

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
As of 1 January	**40,862,212**	38,134,903
(Reversal)/charge for the period/ year	**(462,907)**	2,727,308
Closing balance	**40,399,305**	40,862,211

7. CASH AND CASH EQUIVALENTS

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
Cash at bank	**176,260,443**	102,227,368
Cash on hand	**1,881,781**	1,902,252
Short term deposits (a)	**335,038,444**	115,308,206
Cash and bank balances	**513,180,668**	219,437,826

(a) Short term deposits are held with the local bank, maturity of these deposits varies between 1 week to 12 months and these deposits carries profit rate ranging from 4% to 4.5%.

7. CASH AND CASH EQUIVALENTS (continued)

Cash and cash equivalents for the purpose of statement of cash flows are as follows:

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
Cash and bank balances	**513,180,668**	219,437,826
Deposits with maturity more than three months	**(32,200,000)**	-
Bank overdraft (b)	**(249,983,815)**	(95,746,472)
Cash and cash equivalents in the statement of cash flows	**230,996,853**	123,691,354

(b) Bank overdraft is repayable on demand. Terms and conditions of the overdraft are as below:

- Assignment over Point of Sales and cash collections, for a minimum of AED 1 billion per annum.
- Mortgage of inventories including raw materials, work in progress, finished goods, good in transit stocks in trade and goods in transit stored at any Company premises, factory, worksites, showrooms and warehouses.
- Assignment of trade and accounts receivables on pari passu basis.
- Assignment of insurance covering stocks/moveable assets/ inventories on pari passu basis.

8. LEGAL RESERVE

In accordance with the requirements of the Coop's Articles of Association and applicable provisions of Cabinet Resolution No. (55) of 2024 Concerning the Executive Regulations of Federal Decree-Law No. (6) of 2022 on cooperatives, 10% of the profit for the year is transferred to a legal reserve, which is not distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid-up share capital. Transfers to the legal reserve have not been made during the current period as a result of reaching the 50% capital rule.

9. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the Coop, amounting to AED 99,357,802 (2024: AED 97,319,957) by the weighted average number of shares outstanding during the period excluding treasury shares, of 1,764,138,140 (2024: 1,764,138,140).

The Coop has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

10. TRADE AND OTHER PAYABLES

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
Trade payables	**317,660,797**	251,442,461
Unearned income	**36,448,943**	25,596,015
Provision for staff expenses	**15,150,060**	33,174,872
Accruals	**17,981,970**	13,905,552
Retentions payable	**12,787,157**	11,950,341
Due to a related party	**1,221,122**	1,380,329
Dividend payable (note 16)	**281,953,436**	-
Other payables	**75,168,059**	79,395,153
	758,371,544	416,844,723

11. RELATED PARTY TRANSACTIONS AND BALANCES

The Coop, in the normal course of business, carries out transactions with other business entities that fall within the definition of a related party as per IAS 24. Related parties comprise the Coop's Directors, Associates and other businesses over which the members have the ability to control or exercise significant influence over their financial and operating decisions and key management personnel.

(a) Related party transactions

During the period, the following significant transactions were carried out with related parties:

	For three months period ended 31 March	
	2025 AED (unaudited)	*2024 AED (unaudited & unreviewed)*
Purchases of goods from Consumer Co-operative Union (associate)	**3,820,628**	4,818,192
Payments to Consumer Co-operative Union (associate)	**3,795,817**	4,297,895
Sale of goods net of rebates to Umm Al Quwain Co-operative Society (affiliate)	**2,051,819**	1,448,135
Net payments on behalf of Umm Al Quwain Co-operative Society (affiliate)	**3,820,628**	4,818,192
Expense allocation to Umm Al Quwain Co-operative Society (affiliate)	**3,795,817**	4,297,895

(b) Key management remuneration excluding Board of Directors

	For three months period ended 31 March	
	2025 AED (unaudited)	*2024 AED (unaudited & unreviewed)*
Salaries and short term benefits	**3,446,419**	4,477,145
Provision for end of service benefits	**179,464**	144,574
Contribution paid to social security scheme	**112,500**	137,500

(c) Compensation to the Board of Directors

	For three months period ended 31 March	
	2025 AED (unaudited)	*2024 AED (unaudited & unreviewed)*
Board of Directors’ remuneration	**1,312,500**	-

11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(d) Related party balances

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
Due to a related party		
Consumer Co-operative Union (associate)	**1,221,122**	1,380,329
Due from a related party		
Umm Al Quwain Co-operative (affiliate)	**15,475,224**	13,788,438

12. REVENUE FROM SALE OF GOODS

	For three months period ended 31 March	
	2025 AED (unaudited)	*2024 AED (unaudited & unreviewed)*
Sale of goods - retail	**534,680,474**	498,454,873
Discounts – retail	**(44,206,744)**	(29,870,248)
	490,473,730	468,584,625
Sale of goods - E-commerce	**43,474,484**	35,377,452
Discounts - E-commerce	**(4,038,113)**	(2,284,036)
	39,436,371	33,093,416
Total sales of goods (refer to (i) below)	**529,910,101**	501,678,041

(i) This income relates to sales of goods to customers in the supermarkets and through e-commerce. Products sold are transferred at a point in time. All of the sales were made within the United Arab Emirates.

13. COMMITMENTS AND CONTINGENCIES

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
Capital commitments	**42,420,630**	54,794,914
Letters of guarantee	**2,034,958**	2,034,958
Liens	**1,680**	1,680

14. FINANCIAL INSTRUMENTS BY CATEGORY

	31 March 2025 AED (unaudited)	*31 December 2024 AED (audited)*
Financial assets - amortised costs		
Cash at bank	**511,298,887**	217,535,574
Trade receivables and other receivables *(excluding prepayments and advance to suppliers)*	**103,506,215**	111,678,632
	614,805,102	329,214,206
Financial liabilities - other financial liabilities		
Lease liabilities	**528,188,096**	533,400,592
Trade and other payables (excluding unearned income and tax payable)	**718,322,903**	389,290,324
Bank overdraft	**249,983,815**	95,746,472
Retirement plan benefit provision	**17,230,447**	18,005,425
	1,513,725,261	1,036,442,813

Due to the short-term nature of the financial assets and liabilities, their carrying amount is the same as their fair value.

15. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("UAE CT Law" or the "Law") to enact a Federal corporate tax ("CT") regime in the UAE. Current taxes shall be accounted for as appropriate in the financial statements for the period beginning on 1 January 2024.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

The Coop's effective tax rate in respect of continuing operations for the three months period ended 31 March 2025 was 9.2% (three months ended 31 March 2024: 9.8%) since the new CT Law has become effective for accounting periods beginning on or after 1 June 2023. The income tax expense recognised in each interim period is based on the best estimate of the weighted-average annual income tax rate expected for the full year applied to the pre-tax income of the interim period.

The major components of income tax expense for the three months periods ended 31 March 2025 and 31 March 2024 are:

	For three months period ended 31 March	
	2025 AED (unaudited)	*2024 AED (unaudited & unreviewed)*
Interim condensed statement of profit or loss		
Current tax charge	**10,055,942**	11,094,466
Deferred tax charge	-	-
	10,055,942	11,094,466
Interim condensed statement of other comprehensive income		
Deferred tax charge	-	-

15. CORPORATE TAX (continued)

Reconciliation of tax expense and the accounting profit is as below:

	For three months period ended 31 March	
	2025	*2024*
	AED	*AED*
	(unaudited)	*(unaudited & unreviewed)*
Accounting profit before tax and after directors' remuneration and community responsibility expenses	**109,413,744**	108,414,423
At United Arab Emirates' statutory income tax rate	**10,201,701**	10,140,289
Adjustments for amounts which are non-deductible / (taxable) in calculating taxable income		
Non-deductible expenses for tax purposes	**67,203**	369
Exempt income	**(33,750)**	(33,750)
Others	**(179,212)**	987,558
Income tax expense reported in the income statement	**10,055,942**	11,094,466
Effective tax rate	**9.2%**	9.8%

Current and deferred tax position in the balance sheet is as below:

	2025	*2024*
	AED	*AED*
	(unaudited)	*(audited)*
Current tax payable	**41,104,342**	31,048,400
Deferred tax liability	**2,772,639**	2,772,639

16. DIVIDENDS

During the period in the General Assembly Meeting held on 18 March 2025, the Shareholders have approved the following dividend declaration:

- Cash dividend totaling to AED 244,379,817; and
- Return on shareholders' purchases with total value of AED 37,573,619.

The dividend was paid in the subsequent period.

17. SUBSEQUENT EVENTS

No subsequent events are known that might have a material influence on the assets, liabilities, financial position and profit or loss of the Coop.

18. COMPARATIVE FIGURES

The comparative figures for the previous period have been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.