



The GCC's largest home-grown retail champion.

Lulu Retail, bringing
unmatched variety,
quality, and choice
every day.



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Our Approach to Reporting

Our Integrated Annual Report is aimed at transparently communicating our value creation story across all our

stakeholders. This Report discloses objective and comparable information on materially important financial and non-financial matters, together with the strategy, business, and overall approach to sustainable development.

This Report covers the business activities of Lulu Retail Holdings PLC across its business segments and all forms of markets it is present in. This includes our businesses in the UAE, KSA, Oman, Qatar, Kuwait and Bahrain and presence across 19 sourcing centres. We operate through the following channels — hypermarkets, express stores, mini-markets and online channels. The ESG Report has been prepared in accordance with universally recognised Global Reporting Initiative (GRI) Standards 2021. In addition, it aligns with the United Nations Sustainable Development Goals (UN SDGs), the Sustainability Accounting Standards Board (SASB) standards, and with the national development policies and visions of the countries in which we operate. As an Abu Dhabi Securities Exchange (ADX) listed entity, the report is aligned to ADX ESG disclosure guidance in compliance with the Securities and Commodities Authority (SCA) mandate.

Read our ESG Report at

www.luluretail.com/impact/esg/

Our vision

To position Lulu as a top global retail brand, leading the organised retail sector in all regions and aiming to be the preferred employer for a diverse workforce.

Our mission

To deliver a unique shopping experience with top-notch products and services, while seeking new market opportunities and benefiting all business associates.

Our strategy

The Group's growth potential is supported by four tangible and deliverable strategic pillars.

Driving like-for-like growth in existing stores



New store rollouts



Improving operational efficiencies and scale-driven leverage



Exploring further upside opportunities



See our strategic progress reporting on Page 29



Our History

Celebrating the Legacy of Innovation and Growth

100 stores → half a decade → 200 stores



“With an extensive five-decade experience, we have become the largest pan-GCC retailer. We are committed to growing our diverse store network across three formats and expanding our e-commerce presence, enhancing our existing stores, and providing more products our customers love. Driven by investments in our digital capabilities, unmatched global sourcing capabilities, private label products, and customer loyalty, Lulu is delivering consistent top-and bottom-line growth.”

Mr. Yusuff Ali MA
Chairman — Lulu Retail

1974.

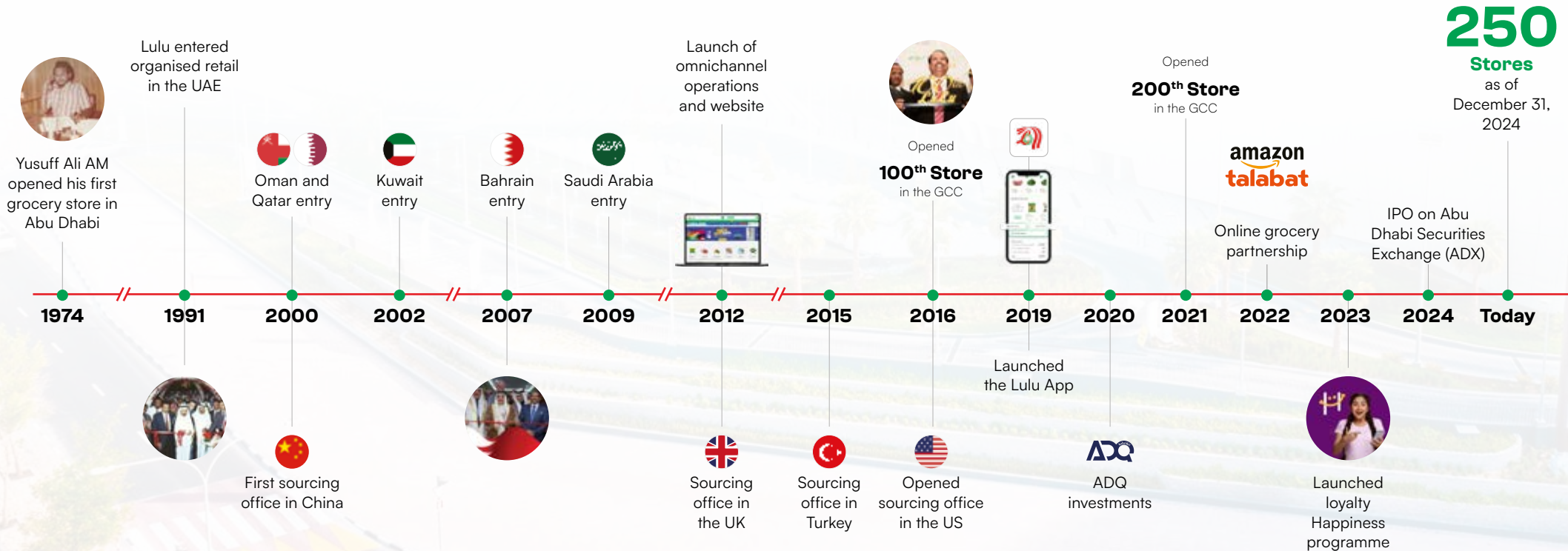
Pre-Lulu foundation

1991.-2016.

GCC expansion

2019.-Present.

Omnichannel expansion



Strategic Framework

Our Strategic Framework

We are driven by our...

Vision

To position Lulu as a top global retail brand, leading the organised retail sector in all regions and aiming to be the preferred employer for a diverse workforce.

Mission


To deliver a unique shopping experience with top-notch products and services, while seeking new market opportunities and benefiting all business associates.


Commitment


Lulu is committed to ethical business practices, from sourcing products globally to offering them at fair prices in our stores, aiming to bring smiles and happiness to all.


Achieved by our...

Business Model

 Resources


 Value Chain


 Capitals


 Relationships


See page 23

Strategic Pillars

 Driving like-for-like growth in existing stores

 Growing market share and network through new store rollouts

 Improving operational efficiencies and scale-driven leverage

 Exploring further upside opportunities

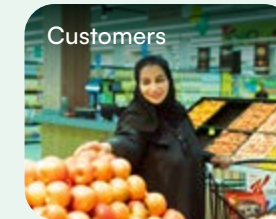
See page 29

Robust Governance and Risk Management

See page 56

To create value for our...

Stakeholders



See page 27

Financial Highlights 2024

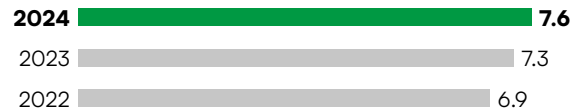
Profitability Driven by Growth

The revenue growth of 4.7% YoY was driven by LFL growth and 21 new store openings. Net Profit from continuing operations grew by 12.6% YoY on account of gross margin expansion. Contribution from higher-margin Private Label products reached 29.6% of total retail revenue in FY 2024, an increase of 110 bps YoY.



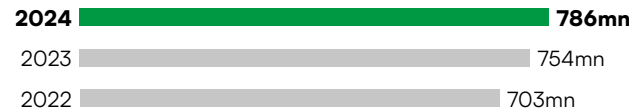
\$7.6_{bn}
GROUP REVENUE

+4.7%



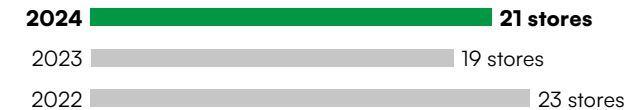
\$786_m
EBITDA (10.3% MARGIN)

+4.4%



21 stores
NEWLY OPENED IN 2024

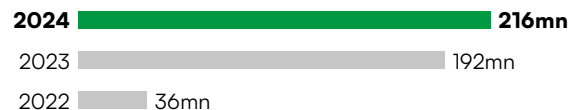
+63K SQ MT



\$216_m
NET PROFIT

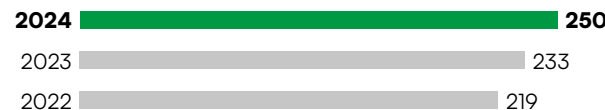
Net profit from continuing operations

+12.6%



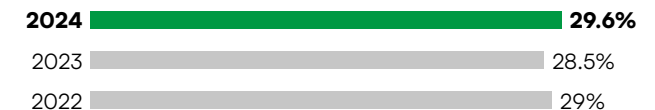
250
STORES AS OF DEC 2024

+61K NET SQ MT



29.6%
HIGHER MARGIN PRIVATE LABEL AS % OF TOTAL RETAIL SALES

+1.1%



ESG Highlights 2024

Championing Change, Empowering People and Communities

Environment



398,643 litres

OF USED COOKING OIL SENT FOR RECYCLING

294,470 kg

OF GHG EMISSIONS ARE REDUCED BY CONTRIBUTING 103,145 LITRES OF USED COOKING OIL TO PRODUCE 97,987.75 LITRES OF BIODIESEL

31.8 million

PLASTIC BOTTLES AND CANS COLLECTED VIA REVERSE VENDING MACHINES FOR RECYCLING



69.1 tonnes

OF EMISSIONS SAVED BY IN-HOUSE SOLAR PANELS IN THE UK



344,773 kWh

OF ZERO-EMISSION ENERGY GENERATED FROM SOLAR PANELS IN THE UK



Received ISO 14001 certification in UAE, highlighting our dedication to environmental standards

ESG Highlights 2024 continued

Social



1,206,405
hours

TRAINING HOURS

Launch of new Learning Management System for training and development



389

OWN-BRAND ORGANIC PRODUCTS OFFERED

\$961,936

CONTRIBUTED TOWARDS DONATIONS AND SPONSORSHIPS



Governance

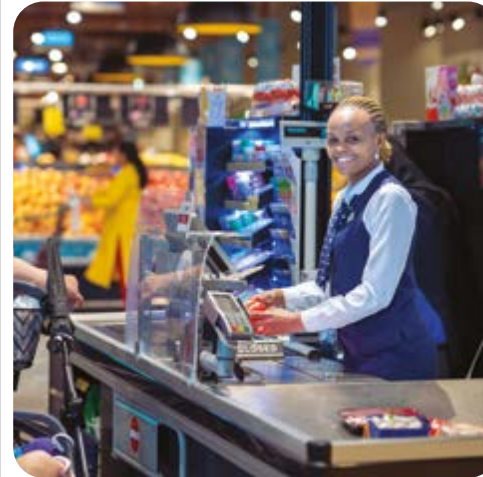
>11%

INCREASE IN THE NUMBER OF FEMALE EMPLOYEES SINCE 2023



15.6%

GCC NATIONALS IN THE WORKFORCE



160,854
hours

OF TRAINING ON HUMAN RIGHTS

Leadership in governance with a Chief Sustainability Officer and key ESG-related policies

Year in Review

Key Events and Expansions in 2024

Proudly Serving the GCC

Started trading on ADX following our record-breaking IPO.

Our Happiness customer loyalty program, launched across the GCC, has achieved significant success, reaching 5.5 million members by December 2024. This demonstrates strong brand acceptance and drives substantial sales contributions.

Partnerships and Collaborations

Partnered with Modon Holdings to develop retail facilities in UAE.

Collaborated with the Ministry of Industry and Advanced Technology (MoIAT) and launched a national initiative to promote 'Made in the Emirates' products.

Partnered with Indonesian Hajj Board to provide for the needs of 2.5 million+ Indonesian Hajj and Umrah pilgrims with premium services and products.

We introduced a diverse product portfolio, with an expanded selection of SKUs, across various regions to serve the needs of a wide range of nationalities.



Key Store Openings 2024

Kuwait, Abbasiya
Express store
February

KSA, Riyadh, Laban Square
Express store
July

KSA, Dammam
Express store
August

Oman, Al Mudhaibi
Express store
September

Oman, Muscat, Al Khuwair
Express store
October

UAE, Dubai, Motor City
Express store
November

KSA, Mecca, Jabal Omar
Express store
December

KSA, Riyadh, Sahara Mall
Express store
December

Qatar, Doha Mall
Hypermarket
February

UAE, Dubai Outlet Mall
Hypermarket
March

KSA, Najd, Unayzah
Hypermarket
April

KSA, Khamis Mushait, Jeddah
Hypermarket
May

UAE, Abu Dhabi, Shawamekh
Hypermarket
May

Qatar, Umm Al Amad, North Plaza Mall
Hypermarket
October

UAE, Al Quaa
Mini market
October

UAE, Abu Dhabi, Yas Acres
Mini market
December

Year in Review continued

Key Awards and Achievements



UAE

- Most Admired E-commerce Company (Marketing and Customer Reach) — Images ME E-Commerce Award
- Most Admired E-commerce Company (Food and Grocery) — Images ME E-Commerce Award
- Director General of the Abu Dhabi Civil Defence Authority Excellence Award
- Sheikh Mansour bin Zayed Agriculture Excellence Award — Abu Dhabi Agriculture and Food Safety Authority (ADAFSA)
- Recognition from Zayed Higher Organisation for People of Determination for supporting products by people of determination



Saudi Arabia

- Most Admired Retailer (Food and Grocery) — Images Retail ME Award
- Customer Centricity Award — CX Awards 2024
- Award from the Ministry of Environment, Water, and Agriculture (MEWA) for supporting local produce and sustainable agriculture
- Guinness World Record for designing the largest flower pot mosaic with 125,000 fresh flowers, in honour of Saudi Arabia's national day
- Pravasi Parichay Award — Indian Embassy for strengthening India-Saudi ties
- Mudad Programme Award — Ministry of Human Resources for fair employee compensation
- Health Communication Partners' Award for public health initiatives
- Recognition from Al-Bir Charitable Society for local community employment



Oman

- Top Hypermarket Merchant — Bank Muscat
- Service Recognition — Royal Oman Police, Musandam
- Best Event Activity — The Oman Marketing Impact
- State Audit Award — Chamber of Commerce



Qatar

- Best CSR Initiative in Retail — Qatar CSR Summit
- Ministry of Commerce and Industry (MOCI) Certificate for supporting its FMCG price control regulations
- Recognition from the Federation of Indian Export Organisation for promoting Indian exports
- Appreciation from the Ministry of Municipality for supporting World Cleanliness Day



Bahrain

- No.1 Recruiter of Bahraini Nationals — Ministry of Labour



USA

- Appreciation Award — Meadowlands YMCA, New Jersey

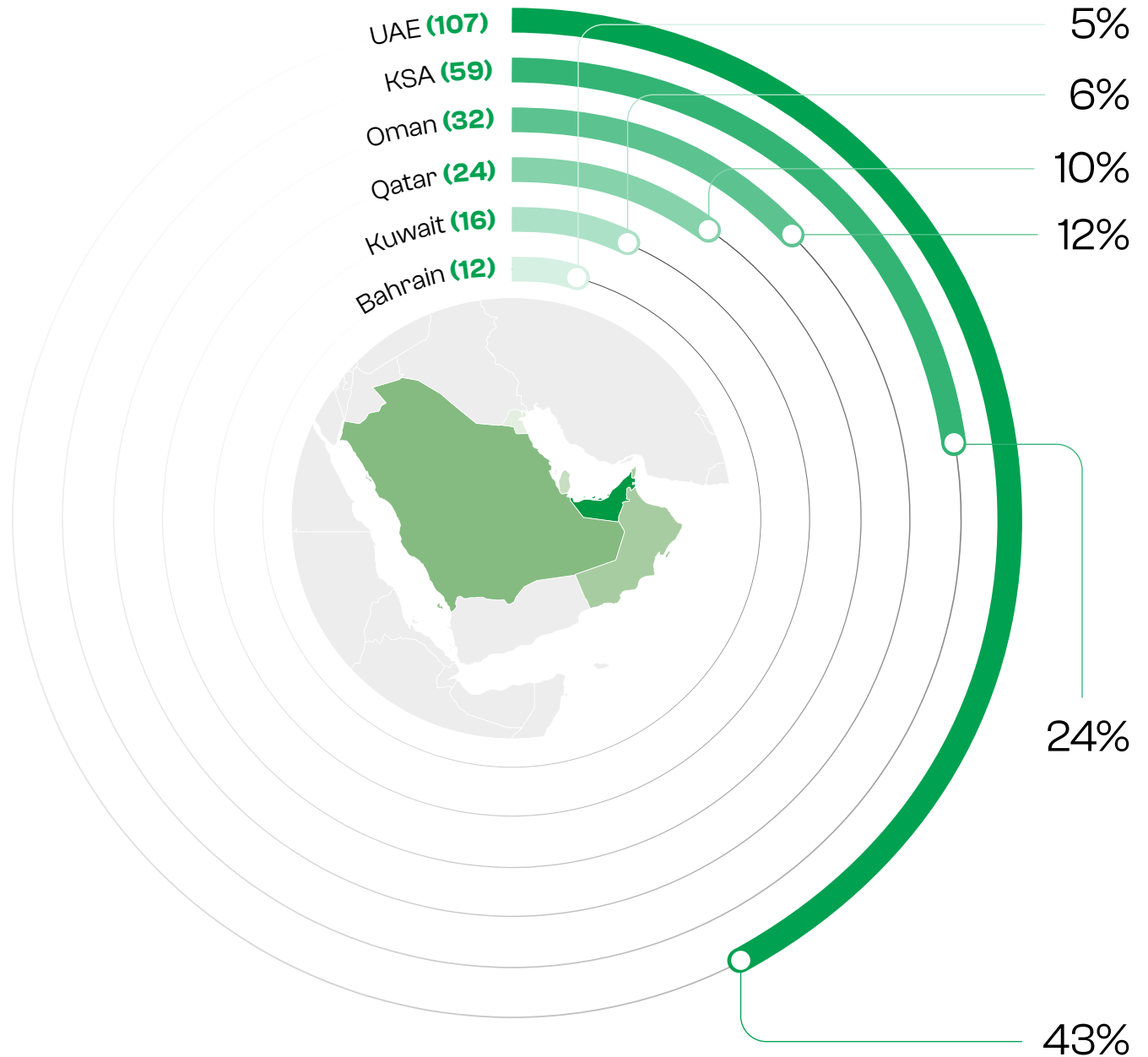
At a Glance

Lulu, Where the World Comes to Shop

We are Lulu, the largest PAN-GCC full-line retailer, leading by selling space, sales and number of stores. With 250 stores and thriving e-commerce, we have built a strong omnichannel presence, welcoming 650,000 daily shoppers and 300,000 online visitors. Positioned for growth, we are expanding through new stores, private labels, loyalty programmes, and digital innovation.

62%
FOOD SEGMENTED
RELATED SALES MIX

38%
NON-FOOD SEGMENTED
SALES MIX



At a Glance continued

An Omnichannel Presence

Hypermarkets



One Stop Shop

A significant number of our hypermarkets are located within shopping malls, allowing for high-volume purchases.

Express Stores



Everyday Shopping

With a focus on groceries and fresh food, our express stores provide the daily shopping needs of our customers.

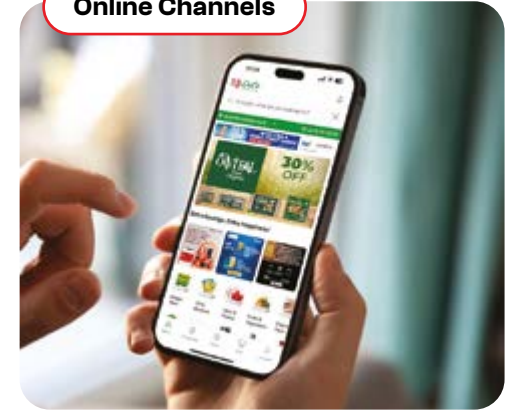
Mini Markets



Grab and Go

Mini markets are our smallest store format, allowing us to open stores in locations where other formats might not be suitable for 'grab-and-go' and convenience customers.

Online Channels



Anytime. Anywhere.

We enable the online sales of our products through our website and Lulu Retail App as well as through third-party e-commerce providers, including Amazon in the UAE, HungerStation in KSA, Snoonu in Qatar and Talabat across the GCC.

\$35

AVERAGE BASKET SIZE

117

STORES

47%

OF TOTAL GROUP STORES

\$20

AVERAGE BASKET SIZE

109

STORES

44%

OF TOTAL GROUP STORES

\$7

AVERAGE BASKET SIZE

24

STORES

9%

OF TOTAL GROUP STORES

300,000+

DAILY VISITORS

\$38

AVERAGE BASKET SIZE

4.5%

OF TOTAL GROUP RETAIL SALES

At a Glance continued

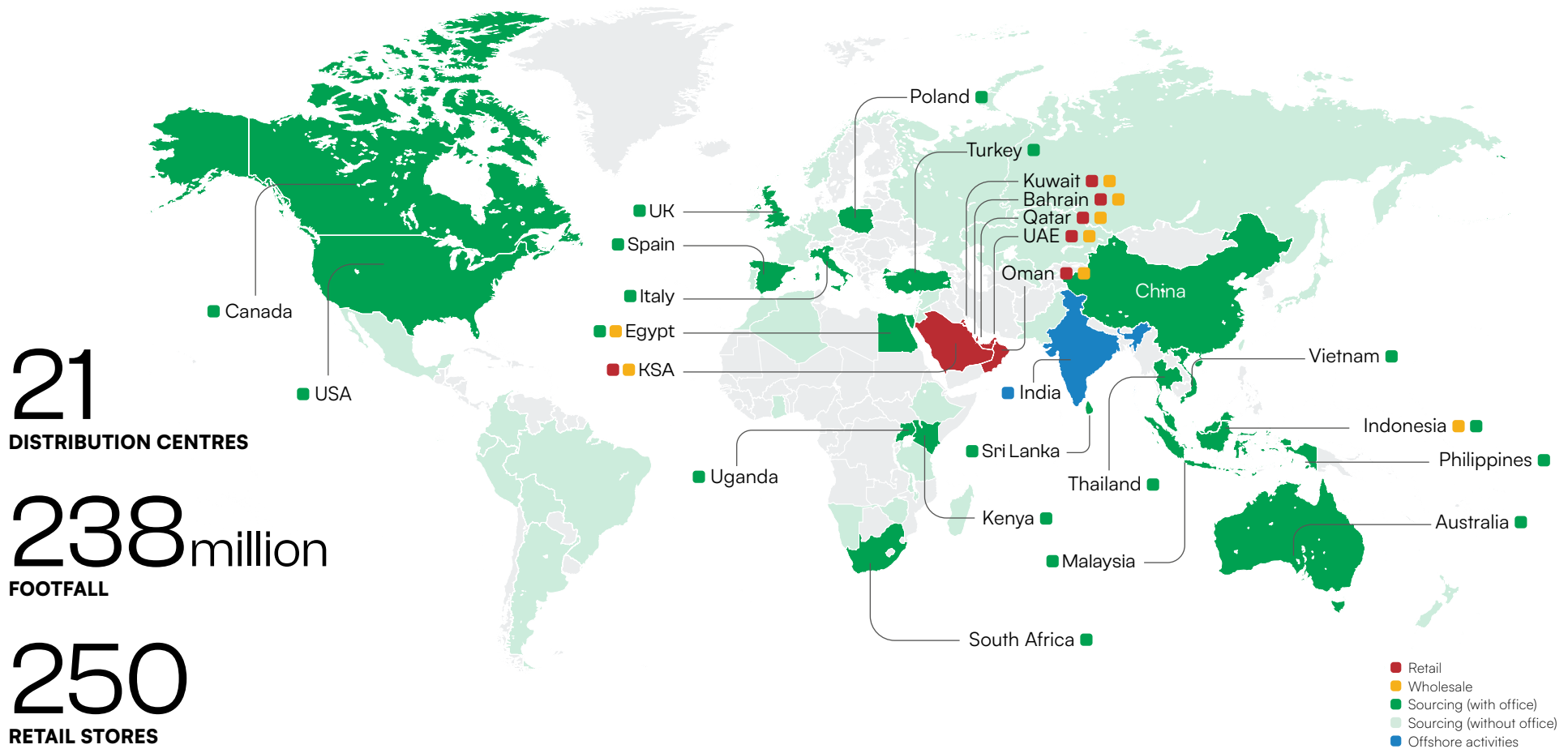
Everyday Products from Around the World

A Diversified Global Supply Network

We source our products from 85 countries through 19 on-the-ground sourcing offices in key locations, including the UK, US and China. Empowered by 20+ years of average length of key supplier relationships, we have built 21 distribution centres, creating ample capacity to support store rollout.

Our Stores

We have 250 brick-and-mortar stores across three formats — hypermarkets, express stores and mini markets. Via our website and mobile application, supported by partnerships with Amazon (UAE), HungerStation (KSA), Snoonu (Qatar) and Talabat (across the GCC), we also operate e-commerce retailing.



At a Glance continued

Customer Value Proposition

Delivering exceptional service, we cater to diverse ethnicities incomes, and lifestyles while tailoring product selections based on feedback to ensure inclusive offerings — ‘where the world comes to shop’. With well-organised stores, a robust e-commerce presence through our platforms and partners, and a full-spectrum of products, we provide convenience, quality, and personalised engagement for an unmatched shopping experience.

#1
MOST VISITED GROCERY RETAILER IN GCC¹

24%
HIGHEST CONVERSION RATE THAN PEERS

#1
PREFERRED GROCERY RETAILER ACROSS GCC¹

74%
HIGHEST NET SATISFACTION

95%
BRAND AWARENESS IN THE OVERALL GCC¹

7.7
HIGHEST OVERALL SATISFACTION WITH THE GROCERY RETAILERS THAN COMPETITORS

Comprehensive Approach to Customer Service

- Tailored product selection through active customer feedback
- Personalised engagement with well-staffed stores
- Strong local community ties, e.g., 97 events/festivals in the UAE (2024)
- Innovative tech to boost efficiency, e.g., self-checkouts and cashier-less stores

¹ Source: Euromonitor

A Well-Balanced and Diverse Product Range

Our price competitiveness, high-quality products, trusted store brand, and extensive product assortment have made us the preferred grocery retailer across the GCC.

Product Offerings

14%
Electrical Goods

- 35%: Mobiles
- 24%: Home Appliances
- 17%: Electronics
- 10%: Consumer Electronics Accessories
- 14%: Others

22%
Fresh Food

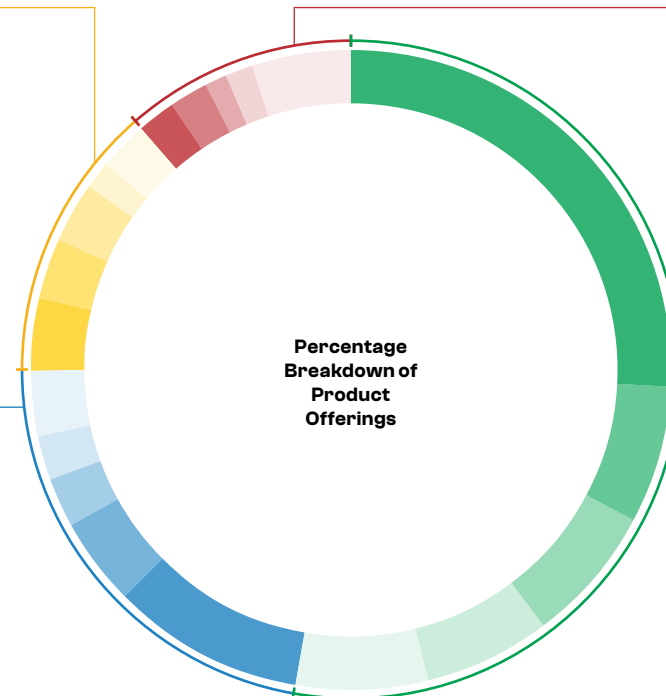
- 42%: Fruits and Vegetables
- 21%: Meat
- 11%: Bakery
- 11%: Fish
- 15%: Others

11%
Lifestyle Products

- 17%: Textiles
- 16%: Household
- 10%: Footwear
- 10%: Home Furnishing
- 47%: Others

53%
Consumer Packaged Goods

- 48%: Grocery (Food)
- 13%: Grocery (Non-food)
- 13%: Health and Beauty
- 12%: Chilled and Dairy
- 14%: Others



At a Glance continued

Products Sourced from 85 Countries

Our strong supply chain ensures year-round availability of quality products and supports our role as a food security partner. By offering branded and private label SKUs at varied price points, we cater to all budgets.

Branded and Non-Private Label Products

The majority of the goods sourced from external suppliers, including international brands and locally produced items, are branded products.

70%

BRANDED PRODUCTS SHARE IN GROUP SALES



Private Label

Our differentiated and high-quality private label products drive traffic and brand awareness, combining quality with value while delivering higher margins. The label spans categories like fresh food, lifestyle, and consumer packaged goods, sourced through manufacturing, processing, or labelling agreements and third-party manufacturers.

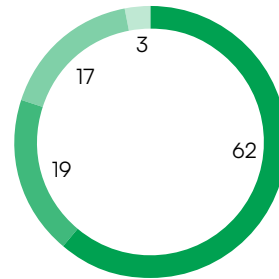
30%

PRIVATE LABEL PRODUCTS SHARE IN GROUP SALES

Key Drivers of Our Private Label Strategy

- Economies of scale in sourcing
- Reduced reliance on intermediaries
- Competitors' price benchmarking
- Price differential based on product positioning
- Support from suppliers in tailoring products
- Product range spanning from entry-level to premium offerings
- High quality products offering at competitive prices

Private Label Sales Breakdown (%)



- Fresh food 62
- Consumer packaged food 19
- Lifestyle products 17
- Electrical products 3

Driving Customer Loyalty through the Happiness Programme

We launched a customer loyalty programme, the Happiness programme, to increase customer engagement with strong uptake across all regions, where loyal members contribute significantly to sales and exhibit higher spending. Since launch, we reached 5.5 million members by December 2024, demonstrating strong brand acceptance.

- Product range spanning from entry-level to premium offerings
- High-quality product offering at competitive pricing

Building on the Success of the Happiness Programme

- Tailored promotions and activations based on loyalty tiers
- Encourage migration to higher-spend and higher-frequency customer categories
- Unlock cross-selling opportunities across our diverse retail offerings
- Strengthen customer loyalty by delivering greater value and personalised experiences



Investment Case

How We Are Better

01.

Large and Growing Addressable Market

The GCC's large and growing addressable market of grocery retail, which is projected to reach c. \$100 billion by 2028, is being facilitated by transformation agendas like Saudi Vision 2030 and Dubai 2040 Urban Master Plan as well as macro tailwinds such as:

- GCC GDP outpacing the world average
- low-inflation environment
- strong population growth coupled with growing personal disposable income and increasing private consumption

4.2%

CAGR Between 2023 and 2028

PROJECTED GROWTH OF GROCERY RETAIL IN THE GCC¹

[Read more details in our 'Market Overview' on page 20 →](#)

02.

Market Leader in GCC Retail

We are the largest pan-GCC retailer by selling space, sales and number of stores with >3x larger area vs listed peers and >4x larger sales vs listed peers. Our leading position allows us to benefit from economies of scale, stronger negotiating power with suppliers and enhanced brand recognition.

Local connectivity, an agile approach, swift decision-making and format flexibility, make us adaptable and give us a competitive edge. With extensive local know-how and a base of 200,000 active SKUs sourced from 85 countries, we cater to diverse customer demands. Driven by reliable government partnerships, reduced bureaucracy, regional procurement, a highly integrated supply chain, active monitoring of customer trends, deeper geographic penetration, and an omnichannel presence, we have achieved an unparalleled position.

13.5%

MARKET SHARE OF THE GCC MODERN OFFLINE GROCERY MARKET

#1

RETAILER IN THE GCC WITH DOUBLE DIGIT MARKET SHARES ACROSS OMAN, QATAR, KUWAIT AND BAHRAIN WITH MARKET LEADERSHIP IN ALL COUNTRIES

Fastest-growing retailer of scale in KSA

[Read more details in our 'At a Glance' on page 11 →](#)

03.

Compelling Customer Proposition

We deliver exceptional service with personalised engagement and strong community ties, hosting diverse events and festivals across the GCC. Our value proposition includes a well-balanced product range and high-quality private label offerings, enhancing customer satisfaction and driving growth. Additionally, we have a customer loyalty Happiness programme to gather valuable data on customer preferences and improve conversion rates.

29.6%

OF TOTAL SALES COMES FROM PRIVATE LABEL PRODUCTS

1.5 times

HIGHER AVERAGE BASKET SIZE FOR LOYALTY VS NON-LOYALTY CUSTOMERS

[Read more details in our 'Customer Value Proposition' on page 23 →](#)

¹ Source: Euromonitor

Investment Case continued

04.

Global Sourcing and Supply Chain Excellence

Our extensive global sourcing network spans 85 countries, supported by 19 local sourcing offices to ensure quality and standards. With long-term supplier relationships and robust logistics infrastructure, including 21 GCC distribution centres and an in-house fleet, we are well-equipped to drive growth and deliver a diverse product range efficiently. Our sourcing network provides us with direct access to new quality products and innovations, full logistical control over sourcing operations and a broader and more diverse selection of products.

85

COUNTRIES IN SUPPLY CHAIN

c.1,400

IN-HOUSE FLEET OF VEHICLES TO TRANSPORT PRODUCTS FROM DISTRIBUTION CENTRES TO STORES

[Read more details in our 'Operations' on page 24 →](#)

05.

Robust Financial Performance

We have demonstrated strong topline growth, with FY24 revenue reaching \$7.6 billion, driven by store expansion, online sales, and start with existing store growth. EBITDA increased YoY, supported by higher gross profit and operating income. Robust cash flow generation underpins our future growth plans.

\$786_m

EBITDA IN 2024

\$1,765_m

GROSS PROFIT IN 2024

[Read more details in our 'Financial Review' on page 40 →](#)

06.

Highly Experienced Stakeholder and Management Team

We are led by a seasoned Management Team with over 140 years of combined experience, supported by our founding Chairperson, Mr. Yusuff Ali MA. The team, guided by our CEO Saifee Rupawala, ensures consistent strategic direction.

140

YEARS OF COMBINED EXPERIENCE

36+

YEARS OF AVERAGE EXPERIENCE AT LULU

[Read more details in our 'Senior Management' on page 62 →](#)

Chairman's Statement

A Year That Made Us Proud

I feel honoured to present our annual report following a landmark year for the Lulu Group. The year witnessed the overwhelming success of our IPO and listing on the Abu Dhabi Securities Exchange (ADX) in November 2024, which marked a pivotal moment in our 50-year journey.

We emerged the 100th listed company on this prestigious exchange and the second largest IPO in 2024. The significant oversubscription of our IPO validated our business model as well as the deep trust that investors place in the Lulu brand.

Another remarkable feat was reaching a milestone revenue of \$7.6bn, along with the inauguration of our 250th store near Masjid Al Haram in Mecca. These accomplishments reflect the continued success of our strategy and reinforce our commitment to serving the region.

Partnering for Growth

Our operations are aligned with the transformative economic agendas of the GCC nations, including Vision 2030 plans across the region. We are partnering with governments to modernise the retail sector and contributing to non-oil GDP growth.

Through our extensive network and sophisticated supply chain infrastructure, we support regional food security and create meaningful career opportunities. Our investments in local supply chains and partnerships with domestic manufacturers further strengthen the regional economy. Even more importantly, our sustainability initiatives, including emission and waste reduction and sustainable packaging, contribute to the environmental goals of the GCC nations.

We look forward to continuing this growth and impact in the years to come. Our successful listing will help us accelerate our growth plans, giving us enhanced access to capital markets and strengthening our credibility in the global market. To deliver sustainable value to our stakeholders, we are strengthening our corporate governance framework and implementing comprehensive ESG initiatives aligned with global best practices.

Delivering Value for All Stakeholders

Our commitment to our stakeholders lies at the heart of our business. We make every effort to deliver joy and smiles to our diverse customer base, spanning over 130 nationalities. The strong growth of our loyalty programme with loyal customers within a short time, six million as of February 2025 and 5.5 million as of December 2024, demonstrates our strong emotional connection with shoppers.

This connection with the communities we serve is further strengthened through our CSR programmes. Guided by universal humanitarian values, we view CSR not as a periodic activity but as a long-term commitment to community development. Our initiatives span various aspects of social welfare, including natural disaster relief, supporting communities in need, and addressing interconnected social challenges.

Looking Forward to the Next 50 Years

Our vision for Lulu Retail's future is both ambitious and deeply rooted in our foundational values. We aspire to become a globally recognised retail brand, synonymous with operational excellence, innovation, and a steadfast commitment to customer satisfaction. As we help shape the future of commerce, we remain dedicated to enhancing the wellbeing of the communities we serve. We see Lulu Retail at the forefront of retail technology innovation, setting new benchmarks within the industry while continuing to create exceptional value for our customers and stakeholders.

Mr. Yusuff Ali MA
Chairman



“We aspire to become a globally recognised retail brand, synonymous with operational excellence, innovation, and a steadfast commitment to customer satisfaction.”

Mr. Yusuff Ali MA
Chairman

Chief Executive Officer's Statement

Leading with Innovation, Sustainability and Excellence

Dear Stakeholders,

I am happy to report Lulu Retail's exceptional performance in 2024. It was a year marked by unique achievements, resilience, growth, and innovation.

Despite the challenges posed by inflationary pressures on supply chains globally and the rapidly changing consumer landscape, Lulu Retail navigated the way with agility, strengthening its position as a leading retailer in the GCC region.

We focused on enhancing supply chain resilience, diversifying our sourcing strategies and cost optimisation to maintain a competitive edge. Our investment in digital transformation has been crucial in responding to shifting customer habits, particularly the increasing demand for convenience and online shopping. By rapidly deploying our own e-commerce platform and integrating with third-party platforms, we have been able to quickly meet the needs of our customers while strengthening our digital presence.

Throughout 2024, we made strategic investments in cutting-edge technologies that position us at the forefront of retail innovation in the GCC region. From the successful rollout of self-checkouts and self-scanners to the piloting of autonomous stores, our digital transformation has focused on creating seamless omnichannel experience for our customers and delivering increased customer satisfaction.

Happiness, Loyalty, and Sustainability

At Lulu Retail, our customer-centric approach is at the core of everything we do. Our unique positioning as the largest full-line retailer, with competitive pricing and unparalleled customer service, has resonated strongly with GCC consumers, as evident from our growing market share and customer loyalty metrics in 2024.

In 2024, our focus on enhancing the customer experience bore fruit through the launch of the Lulu Happiness programme across all GCC countries. This programme has become a cornerstone of our strategy, driving greater customer engagement and loyalty through tailored rewards, diverse partner benefits, and personalised offers. The programme is hugely successful, and we have seen a significant increase in member spending, with loyalty members spending 1.5 times more per transaction than non-members.

Sustainability, too, remains central to our customer engagement strategy. In 2024, we expanded our range of healthier, eco-friendly products, including organic, sugar-free and gluten-free options. Through initiatives such as the Green Corner in partnership with Abu Dhabi Distribution Company (ADDC), we have provided sustainable product choices that cater to the growing demand for eco-conscious shopping. We have, therefore, not only enhanced the quality of what we offer but also contributed to a more sustainable shopping experience for our customers. Additionally, these efforts have helped reduce our carbon footprint and reinforce our role as a leader in promoting sustainable development goals.

Empowering Our People

Our people are the backbone of Lulu Retail, and we have continued to invest in our workforce in 2024. From enhancing HR processes through SAP SuccessFactors to providing opportunities for career growth and development, we have ensured that our employees remain at the heart of our strategy. With over 11,000 new hires this year and a strong focus on retaining talent, particularly among the younger workforce, we are creating an environment that fosters growth, inclusion, and innovation.

Staying Focused on Our Priorities

We look forward to expanding our footprint across existing and new markets in the GCC region, with a focus on high-growth areas and underserved communities. Our digital transformation journey will accelerate with the rollout of next-generation retail technologies, and we will continue to prioritise sustainability with energy-efficient store designs and sustainable packaging. By strengthening our supply chain resilience and focusing on innovation, we are poised to continue driving growth while maintaining our commitment to customer satisfaction and social responsibility.

At Lulu Retail, we are excited about the future and remain dedicated to achieving excellence, delivering value, and empowering our people. Together, we will continue to lead the way in shaping the future of retail in the GCC. Thank you for your continued trust and support.

Mr. Saifee Rupawala
Chief Executive Officer



"At Lulu Retail, we are excited about the future and remain dedicated to achieving excellence, delivering value, and empowering our people."

Mr. Saifee Rupawala
Chief Executive Officer

Market Overview

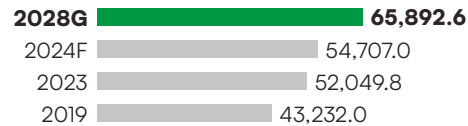
Addressing a Sizeable and Expanding Market Opportunity

Lulu Retail operates within a large and growing addressable market of grocery retail in the GCC, a market expected to reach c. \$100 billion by 2028, reflecting a 4.2% CAGR from 2023 to 2028¹.

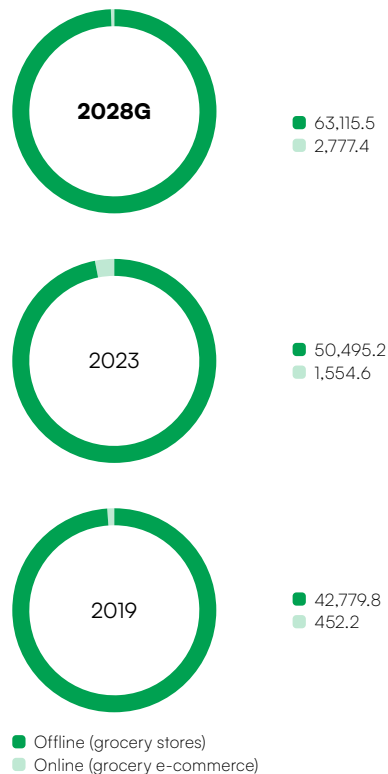
This growth is supported by robust macroeconomic trends in the region, which is anticipated to surpass global averages between 2023 and 2028. The GCC Modern Retail Market is forecast to grow at a 4.8% CAGR during the same period.

GCC¹ Modern Retail Market Growth (\$ million)

\$65,893m



Modern Grocery Retail Market Size in the GCC (\$ million) Split by Channel



Regional Transformation Agendas Powering Retail Growth

The implementation of major transformational agendas in Lulu's markets, including Saudi Vision 2030 in the KSA and Dubai 2040 Urban Master Plan in the UAE, which aim to establish a diversified and resilient economy, attract more people to these countries, improve the overall business environment in the region and develop quality, reliable and sustainable infrastructure, contributing to the projected growth in the GCC.

¹ Source: Euromonitor

Socio-Economic Trends Driving Our Growth

10 Economic Transformation and Increased Spending Power

The GCC's economic diversification is driving significant job creation across key sectors such as finance, tourism, manufacturing, and agribusiness. Major investments, such as Abu Dhabi's \$2.72 billion initiative to expand its manufacturing sector and the Kingdom of Saudi Arabia's (KSA) \$25 billion commitment to boosting local food production, are generating employment opportunities for both local and expatriate populations¹. The influx of foreign investment into the UAE and KSA is further accelerating job growth, creating a positive cycle where rising employment boosts consumer spending, thereby enhancing the overall economic stability. By 2028, the region's per capita disposable income (\$18,972) is expected to be 83 percent higher than the global average (\$10,317), growing at a 3.9 percent CAGR from 2023-2028. This means increased consumer expenditure on both essential and discretionary items.

What This Means for Lulu

Increased purchasing power fosters preference for premium grocery items and convenience-driven shopping options. In addition it means an increased demand for more efficient and quality products and services, influenced by value-conscious consumers and busy lifestyles. We offer a well-diversified product range across multiple formats to suit the convenience of our wide customer base. We are noted for our product quality and wide product range, from value to premium. We complement our offerings with extensive private label offerings.

20 Urbanisation and Rapid Infrastructure Development

Transformation agendas of governments, such as the development of megacities, a focus on tourism and increased participation of the private sector in infrastructure development, is spurring rapid development in the GCC region in both the Tier 1 cities, which are already commercial hubs, and in Tier 2 or satellite cities. Large-scale infrastructure projects like Neom and the Red Sea Project under Vision 2030 in the KSA, are creating demand for modern retail solutions. In the UAE, a growing urban population has spurred the development of major shopping centres and with it, more retail outlets. Similarly, Bahrain's rapid urbanisation, with nearly 90% of its population living in cities, is pushing the demand for hypermarkets and express stores in densely populated areas. In Oman, the increase in urbanisation and new residential projects is creating further opportunities for modern grocery retail.

What This Means for Lulu

This presents significant opportunities for expansion and increased market share for us. We have presence across all formats of modern retail, serving 650,000 daily shoppers at all stores in the GCC region. Between 2021-23, we opened 66 shops across the GCC region, adding 274,000 sq mt of selling space. In 2024 alone, we added 21 stores, and we plan to open between 80 to 90 new stores across the GCC. Our customer value proposition, scale and distribution infrastructure allow us to roll out stores across the GCC countries, including in newly urbanised areas or Tier 2 cities, where the modern retail market is expanding aggressively. In the KSA, for example, we have added stores in Yanbu, Khamis Mushait and Hafr-Al Batin, which are satellite cities.

25%

RISE IN WOMEN'S SHARE IN THE WORKING POPULATION IN THE GCC REGION FROM 16% IN 2018 TO 20% IN 2028¹

GDP Outpacing World Average CAGR 2023-2028 (%)

+30bps



74%

NET SATISFACTION SCORE OF LULU, COMPARED TO 67% AVERAGE FOR THE GCC REGION

~33%

OF TOTAL SALES OF LULU GENERATED FROM TOP 100 BRANDS

87.8%

URBANISATION RATE IN THE GCC REGION IN 2023, COMPARED TO 87% IN 2019

GCC Construction Market (\$ Billion)

CAGR 5%



21

STORES OPENED IN THE GCC REGION IN 2024

¹ Source: Euromonitor

Market Overview continued

03 A Young Demography and Growing Population

The GCC region's population exceeded 56.9 million in 2023 and is projected to reach 60.5 million by 2028, driven by ongoing economic transformation agendas that attract expatriates, and the relatively young demographic profile of the countries. The median age of the region is projected at 36 by 2028, well below the global median of 44. The steady population growth, increasing expatriate demand for diverse products and brands, and young, urban consumers with their diverse lifestyle habits and search for convenience are driving the region's modern grocery retail industry.

What This Means for Lulu

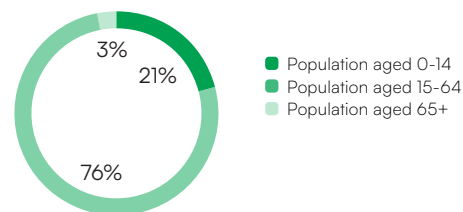
For Lulu, a wider customer base translates to the need to provide diverse, modern and convenient shopping options in various formats together with wider product selections at competitive and affordable prices. A young demographic's preference for spending on retail and premium products significantly drives growth in retail and food and beverage sectors. Additionally, there is a rising demand for natural and sustainable food and products among eco-conscious young consumers. We are continuously enhancing our product mix and serving the market in multiple formats. In 2023, 60 percent of our shoppers were in the 30-45 age group.

Population Increase in the GCC Region CAGR 2024-2028 (%)



60%
OF SHOPPERS ARE IN THE 30-45 AGE GROUP

GCC Population, by age group 2024, percent



1 Source: Euromonitor

04 The Rise of E-commerce

Backed by emerging technologies, the convenience-seeking behaviour of tech-savvy young consumers and bold investments by governments in the development of the digital economy, e-commerce is set to expand and influence the shape of the retail landscape. Digital adoption in the GCC is growing exponentially on the back of expanding broadband internet access. Bahrain and Kuwait have the highest access rate of 98.7 percent, followed by Oman, Qatar and the UAE. In the KSA, with 60.7 percent access rate, Vision 2030 is aiming to develop a robust technological infrastructure to bolster the retail sector and support the growth of small and medium enterprises. Given that online penetration is still relatively low in the region, this trend is likely to grow.

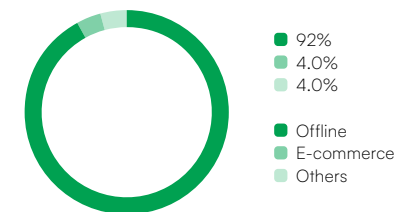
What This Means for Lulu

Since our online penetration of the market is still low, this presents a viable and incremental growth avenue for us. The preference for convenience among digitally native young customers means a sharp uptake of e-commerce and online sales. We offer 104,000 SKUs online and as of December 2024, we received an average of 19,769 orders per week through our website and app. At present, we conduct e-commerce via the Group's website and mobile application, supported by a partnership with Amazon in the UAE, HungerStation in the KSA, Snoonu in Qatar and a partnership with Talabat across all GCC markets. We are looking to further streamline our online operations and increase our online SKU offerings.

72.6%
RATE OF BROADBAND INTERNET ACCESS IN THE GCC REGION IN 2023¹

12.3%
CAGR OF ONLINE RETAIL BETWEEN 2023-2028

2024 Group sales (\$ Million)



Outlook

The near-term outlook for Lulu Retail is positive, driven by robust socio-economic trends in the GCC. With the region's growing population, rising disposable incomes, and increasing demand for premium and sustainable products, Lulu Retail is well-positioned to capitalise on these shifts. Furthermore, the expanding e-commerce market, urbanisation, and ongoing infrastructure development provide significant opportunities for growth. Our diverse offerings, combined with a strong digital presence, position us for continued success in the coming years.

Business Model

How We Create Value

Aiming to bring happiness to all, we deliver exceptional value through a customer-centric approach, a robust supply chain, and a diverse product offering catering to all demographics. Combining innovation, local relevance, and global sourcing expertise, we ensure a seamless shopping experience across phygital platforms, reinforcing our position as the preferred retailer in the GCC and beyond. With a vision of being the preferred employer for a diverse workforce and a mission to explore new market opportunities, we are committed to ethical business practices, from sourcing products globally to offering them at fair prices through our stores.

Value Creation Approach

Delivering superior quality products at competitive prices defines our value proposition. By sourcing high-quality materials, we ensure our offerings consistently exceed expectations.

Our strong foundation has established us as the retailer of choice in the GCC region. Supported by a robust supply chain and efficient logistics, we minimise costs and pass on the savings to customers, ensuring affordability without compromising quality.

Business Model

Our difficult to replicate pan-GCC business model is dynamic and flexible with high barriers to entry. Local expertise, agile approach towards market trends, store autonomy and omnichannel platforms, ensures our continued growth and resiliency to market cycles. Our operations are led by four levers: resources, value chain, six capitals, and stakeholder relationships.



Resources

We leverage our trusted brands, advanced technology, efficient global sourcing, and a robust distribution network. Our expansive stores, skilled workforce, and commitment to sustainability ensure seamless operations and exceptional customer experiences.

[Read more on pages 48-55](#)



Value Chain

We integrated global sourcing, efficient retail operations, and impactful customer engagement for seamless operations. From procuring high-quality products worldwide to delivering them through well-organised stores and digital platforms, we ensure value, convenience, and satisfaction. Our customer-centric approach fosters loyalty and drives meaningful connections across diverse communities and demographics.

[Read more on page 24](#)



Six Capitals

Our success is powered by six capitals, ensuring sustained growth and stability, extensive stores and supply chains, innovation, a diverse workforce, community ties, and sustainable practices for a balanced and responsible retail ecosystem.

[Read more on page 25](#)



Stakeholder Relationships

We foster meaningful stakeholder relationships built on trust, transparency, and mutual value creation. By engaging customers, employees, suppliers, communities, and business partners, we ensure shared success through ethical practices, reliable partnerships, and inclusive initiatives, bringing smiles to all.

[Read more on page 27](#)

Business Model continued

Our Value Chain

Sourcing

1. Sourcing and Procurement

We source goods both locally and from 85 countries directly and through our 19 global sourcing offices, acquiring branded goods and raw materials for private label and in-house production. Local sourcing comprises around 82 percent of our total purchases. We already have and constantly aim to have long-term relationships with suppliers, leveraging economies of scale and ensuring cost efficiency.

Enablers

- Supplier auditing and quality assurance
- We audit suppliers before selection and regularly thereafter, providing recommendations and re-auditing if needed



Retailing

2. Inbound Logistics

Goods are transported via air or sea freight to GCC markets, with real-time tracking ensuring efficient and timely delivery.

Enablers

- Supply chain management
- Our warehouse management is optimised using specialised WMS
- In addition, we utilise SAP Process Orchestration to streamline and integrate business processes spread across multiple business systems like ERP, POS, ECommerce and WMS

3. Central Warehousing and Distribution

We operate 21 state-of-the-art distribution centres, totalling 430,000 sq mt, to service stores and e-commerce channels. Goods are inspected upon arrival to ensure compliance and quality before being sorted and stored.

Enablers

- In-house logistics and automated WMS ensure product quality and 24-hour store deliveries
- A centralised IT system streamlines order tracking. We work with global freight carriers and handle most imports on a freight prepaid basis
- These vehicles are used to transport goods from distribution centres to stores



4. Store Operations

We operate 250 stores across hypermarkets, express stores, and mini markets, focusing on layout optimisation, product rotation, and customer service.

We provide a seamless shopping experience across physical stores and digital platforms.

Enablers

- AI-powered analytics and synchronised inventory systems enhance real-time stock updates and personalised customer experiences
- Diverse product offerings
- Store layouts designed to enhance customer experience
- Flexibility of payment options



5. Wholesale Operations

We serve institutional clients through bulk sales and dedicated distribution infrastructure.

Al Tayeb Meat

The Al Tayeb division, a subsidiary of Lulu Retail, provides top-quality fresh and chilled meat, seafood, and poultry products sourced from leading producers across the world.

Al Tayeb Distribution

Al Tayeb Distribution, a subsidiary of Lulu Retail, is one of the leading FMCG distributors in the UAE with a diverse portfolio of food products sourced from global partners.

Enablers

- State-of-the-art logistics infrastructure
- Modern cold storage facilities
- Ambient temperature-controlled warehouses
- A wide fleet of GPS-enabled vehicles

Engagement



6. Marketing and Customer Engagement

We drive customer loyalty with personalised promotions, the Happiness programme and branding as 'Where the World Comes to Shop'.

The Happiness Programme

Our Happiness programme has become a highly successful loyalty initiative, receiving a positive response across all markets where it has been introduced.

Enablers

- Diverse product range catering to various customer needs
- Comprehensive approach to exceptional customer service backed by understanding customer preferences, fair pricing strategy, proactive engagement through loyalty programmes and promotional events

Business Model continued

Our Six Capitals

Our diverse capitals help us to generate lasting value for our stakeholders while effectively addressing their unique needs and aspirations.



Intellectual Capital

Input

The knowledge and systems we have across our business, along with our understanding of local resources and dynamics, are crucial for maintaining long-term, uninterrupted operations. Our strongest asset is our own brands. With 1,894 trademarks across 32 countries, we protect and expand the Lulu brand globally. We have invested in a hybrid infrastructure and SAP ERP and specialised warehouse management system (WMS) to optimise logistics and inventory. We promote customer convenience through our Lulu app and website that help online ordering. Our Analytics Centre of Excellence enables data-driven decisions with over 20 dashboards and 75 KPIs. We have a unified cloud identity system together with systems to ensure data privacy together with in-store technology.

Output

Our trademarks enhance brand recognition and loyalty, while advanced IT systems optimise finance, HR, materials, and sales. Our website and app support 300,000 daily visitors, with data protection measures ensuring stakeholder privacy and trust.

Real-time order monitoring boosts supply chain efficiency, and in-store technology enhances the shopping experience and store management. Predictive customer tracking personalises interactions, improving satisfaction and solidifying our market position.



Manufactured Capital

Input

We operate a robust and extensive physical infrastructure to support our retail and distribution operations. We have 250 stores across 1.3 million sq mt selling area and 21 strategically located state-of-the-art distribution centres (DCs) that cover 430,000 sq mt. Our global sourcing operations span 85 countries, with offices in 19. Our distribution is facilitated by 1,400 vehicles. We have 28 in-house production facilities, including central kitchens.

Output

Our multi-format stores serve over 650,000 daily shoppers, offering 200,000 active SKUs sourced from 85 countries, with less than 24-hour lead time to stores. Our in-house distribution centres give us direct control over logistics, enabling agile delivery solutions and supporting smooth retail operations.

This control ensures high standards for quality, hygiene, and safety, while allowing us to innovate products based on consumer preferences. Additionally, our central kitchens produce 600 fresh food SKUs per store.



Financial Capital

Input

Our strategy of expanding our market share in the GCC region entails significant investment in infrastructure as well as technology. This requires access to a pool of funds to protect affordability and spread the cost between customers. To manage our financial capital, we maintain a robust capital structure with a responsible mix of equity and debt. Although we have been financing business and operation expansion primarily through funds generated from the Group's operations, through our recent IPO, we have been able to tap long-term strategic investors and sovereign wealth funds. We monitor our performance against key credit ratios so that we are able to access debt markets across economic cycles.

Output

- Revenue \$7.6b with robust growth of 4.7% YoY
- EBITDA of \$786.3m with growth of 4.4% in constant currency
- Net Debt/EBITDA of 3.2x
- Total dividend pay-out ratio of 75% of annual distributable PAT
- EBITDA margin of 10.32%
- Net profit growth of 12.6%

Business Model continued



Human Capital

Input

Our workforce of 53,000+ employees hails from 46 nations. We have increased the representation of GCC nationals and offer competitive compensation, with employee benefits. In 2024, we dedicated 1,206,405 training hours to our employees' learning and development.

We focus on diversity, equity, and inclusion and promote gender diversity through targeted initiatives and leadership development programmes. We strive to create a supportive, engaging, and rewarding work environment.

Output

Our human capital initiatives have delivered strong results. Employee engagement stands at an impressive level reflecting high satisfaction. Women make up 17.7% of our workforce, with a >11% improvement in gender diversity since 2023. We have 15.6% GCC nationals in our workforce. Our attrition rate is 18%, with a 12.3% increase in training hours. Select stores of Lulu Retail have earned HACCP, ISO 22000, and ISO 9001 certifications, demonstrating our commitment to quality and safety.



Natural Capital

Input

We focus on improving energy efficiency and increasing the use of renewable energy across our operations. Our commitment to environmental protection and conservation is central to our strategy, and we actively adopt circularity to minimise waste and optimise resource use. We collaborate closely with our suppliers and investment partners to align on shared sustainability goals. Sustainability-driven governance is maintained through oversight by both our Board and management committees.

Output

- 31 million+ bottles and cans through RVM collection, 2024 year-end figures
- 783 — Own brand products sold with less sugar/salt/saturated fatty acids/free from additives
- 389 — Own brand organic products offered
- 12 GSAS certified stores
- 344,773 kWh zero-emission energy generated from solar panels in the UK
- 69.1 tCO₂e of emissions a year saved with solar panels in the UK
- 398,643 litres of cooking oil recycled via 3rd party
- 4.03% reduction in water intensity (water consumption in m³ / sq ft of retail space) since 2023



Social and Relationship Capital

Input

We maintain an average 20-year relationship with key suppliers, and from more than 400 suppliers, we source a diverse range of high-quality products, including private label offerings. We actively promote locally made products and support small and medium-sized enterprises (SMEs). Our CSR initiatives address a variety of themes, demonstrating our commitment to making a positive impact on society. We collaborate with government agencies across the GCC to drive sustainable development goals. Following our listing in the UAE, we are focused on strengthening our relationship with the UAE Exchange regulator, ensuring enhanced financial services and compliance with regulatory standards.

Output

We serve daily shoppers from over 130 nationalities, and 82 percent of our products are sourced locally, boosting our negotiating leverage. Our enhanced logistics and supply chain efficiency ensure reliable product availability. In 2024, we invested \$961,936 through donations and sponsorships, reflecting our commitment to positive social impact and strengthening local communities. Our long-term partnerships with government agencies help us further our national development goals. By ensuring compliance with the UAE Exchange regulator, we are further solidifying our commitment to aligning our operations with both national and international best practices.

Business Model continued

Stakeholder Relationship

Our stakeholders play an active role in shaping our sustainability commitments and their views are taken into consideration in all business decisions. Our retail ecosystem thrives on the interconnected relationships between various stakeholders managed through comprehensive engagement strategies.

Stakeholders	Mode of Engagement	Topics Raised	How We Respond to Stakeholder Concerns
 <p>Customers</p>	<ul style="list-style-type: none"> • Customer happiness centres for direct customer feedback • Website and social media platforms • Emails • Dedicated telephone lines for direct engagement with team members 	<ul style="list-style-type: none"> • Product availability and quality at competitive prices • Customer satisfaction 	<ul style="list-style-type: none"> • We offer the widest portfolio of SKUs to cater to our diverse customer base and sell these through our omnichannel presence • We ensure product availability through our strong sourcing capabilities from 85 countries. • Our largest suite of private label products and strong sourcing capabilities strives to maintain competitive pricing of our products • Revamped our omnichannel offering to provide seamless shopping experience and implemented mobile application refresh to optimise the e-commerce user journey • Enhanced our loyalty programme that added redemption options and encouraged partners to provide more value and customised offers
 <p>Employees</p>	<ul style="list-style-type: none"> • Regular contact through email • Training sessions • Enterprise social network 	<ul style="list-style-type: none"> • Employment • Employee engagement • Workplace amenities • Manpower management • Health and safety 	<ul style="list-style-type: none"> • We ensure a safe and comfortable work environment, with good working conditions and a strong focus on employee wellbeing. • We foster talent through training and development initiatives for employees • We provide accommodation, travel arrangements and provide competitive salary package
 <p>Communities</p>	<ul style="list-style-type: none"> • CSR activities and events • Press releases 	<ul style="list-style-type: none"> • Sourcing from local communities • Community engagement 	<ul style="list-style-type: none"> • With the largest hypermarket footprint across GCC countries, we are dedicated to local sourcing initiatives, CSR activities and ESG initiatives • We support small producers and promote local sourcing • We undertake several CSR initiatives like 'Shop & Donate' campaign donations to Qatar Cancer Society • We support local employment by complying with the nationalisation requirements across countries

Business Model continued

Stakeholders

Suppliers



Mode of Engagement

- Meetings
- Joint initiatives
- Third-party surveys
- Press releases

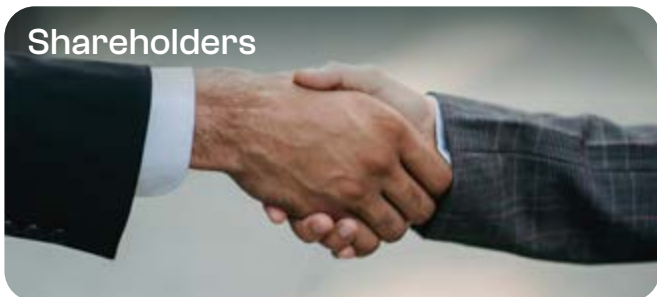
Topics Raised

- Environmental impact
- Product safety and quality
- Mutually-beneficial commercial relationship

How We Respond to Stakeholder Concerns

- We are the key account holder for most of our large suppliers and encourage mutually-beneficial commercial relationships to minimise inefficiencies
- Established a clearly defined business development agreement with the suppliers, identifying commercial and payment terms
- We optimise stock levels and reduce costs to enhance the operational efficiency of suppliers through our collaborative inventory management
- Organised joint marketing campaigns to maximise sales
- We enable our suppliers to align their product mix with customer trends by providing them with customer feedback

Shareholders



- We have a dedicated Investor Relations team interacting with our shareholders on a regular basis, gathering feedback, addressing any concerns and reinforcing investor confidence. We attend regular investor conferences to interact with current and prospective shareholders.
- Annual General Meetings, Press Release, Disclosure on website and ADX, investor engagements such as earnings call, conferences and personalised meetings, including one-to-one and virtual meetings

- Financial performance
- Strategy and outlook
- Market overview
- Growth prospects

- We are committed to ensuring our investors receive clear and transparent communication regarding our growth prospects, market overview, financial performance, strategy, and outlook. This is achieved through comprehensive management analysis and discussion reports, press releases, investor presentations, and other relevant updates.

Strategy

Accelerating Sustainable Growth in a Dynamic Market

Our growth potential in a rapidly changing business landscape in the GCC and beyond is backed by four established strategic levers.

These enable us to scale our presence and grow our share in an intensely competitive market; and do that in the most cost-effective manner. Additionally, our growth strategy ensures that we are able to drive profitable, sustainable sales while delivering to our customers what we promise them — quality products from all over the world at great value, wherever and whenever they need them.

At Lulu Retail, we are proud to play a pivotal role in shaping the retail landscape of the GCC region, a place of rapid growth and dynamic change. As the region continues to evolve, we are committed to meeting the diverse needs of our customers by offering high-quality products, exceptional service, and an innovative shopping experience. We understand the importance of adapting to local preferences and staying ahead of market trends, which is why we continuously expand our presence across multiple formats and refine our offerings. By focusing on convenience, sustainability, and customer satisfaction, we are not just growing our business, we are creating long-term value for all our stakeholders.

The Group's growth potential is supported by four tangible and deliverable strategic levers



Driving like-for-like growth in existing stores



New store rollouts



Improving operational efficiencies and scale-driven leverage



Exploring further upside opportunities



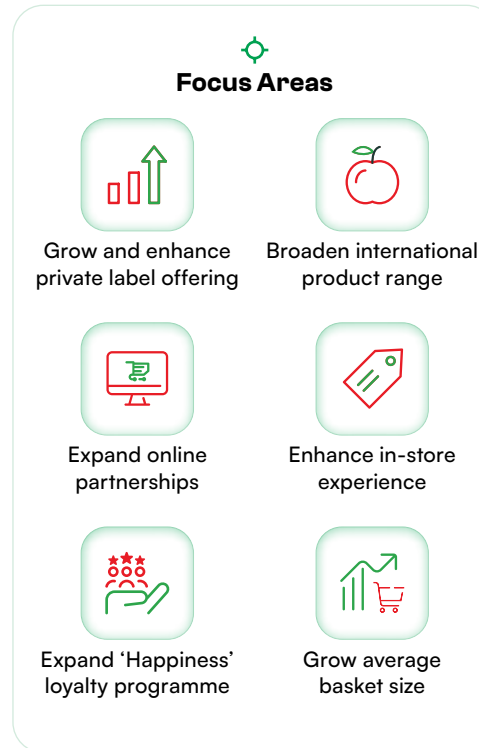


Driving Like-for-like Growth in Existing Stores

We aim to boost sales by diversifying our product range, enhancing private label offerings, and improving the in-store experience through better service, promotions, and loyalty programme expansion.

Our store expansion is driven by deep local knowledge of the GCC, combined with our executive leadership's strong understanding of market dynamics. This, along with robust sourcing and long-term supplier relationships, allows us to offer a wide range of products tailored to local preferences.

Furthermore, we adopt an agile approach, reimagining store merchandising with eco-friendly zones and dedicated shelves for organic, vegan, and plant-based products. In-store dining areas in our hypermarkets enhance the customer experience, while regular promotions and seasonal events boost brand awareness and drive footfall.





Driving Like-for-like Growth in Existing Stores continued



Progress During the Year

In 2024, we achieved a like-for-like (LFL) growth of 2.3 percent across the Group, with the UAE leading the way at 5.1 percent year-on-year, followed by Kuwait at 3.2 percent and the KSA at 1.4 percent. This growth was driven by several key initiatives, including an optimised product mix with a focus on fresh food, the strategic use of loyalty programmes for targeted promotions, and various marketing events that helped attract more footfall at our stores. At the same time, we made significant strides in enhancing customer engagement and store traffic through the successful execution of special promotions and events across the GCC. Our e-commerce presence was also strengthened by leveraging data-driven insights from our online campaigns. By tracking key metrics such as advertisements, web traffic, and app performance, we were able to refine our decision-making processes and tailor our campaigns more effectively, boosting customer engagement both online and in-store.



Future Priorities

Looking ahead, we will focus on optimising our product mix based on customer preferences and sales data. Our 'fresh food' category will remain a key growth driver. We will also keep sustained focus on growing our private label business, which helps in adapting and responding to shifting consumer preferences, and drives better margins. Expanding our active SKU base, now over 200,000, and leveraging social listening will allow us to personalise marketing, manage inventory more effectively, and anticipate demand.

We aim to enhance the in-store experience with engaging promotions, displays, and events to increase basket size, while our loyalty programme supports personalised promotions across a diverse range of products. Scaling up both in-store and digital marketing efforts and leveraging new technologies will help us stay ahead of market trends. Additionally, strengthening supplier relationships through data collaboration will be key to offering a dynamic product range and driving sustainable growth.

2.3%

GROWTH IN LFL SALES IN 2024

29.6%

PRIVATE LABEL SALES; +110 BPS

5.5m

ENROLMENT IN THE HAPPINESS LOYALTY PROGRAMME WITH 65% SALES LINKAGE (UNTIL DEC 2024) ACROSS THE GCC

🔍 CASE STUDY



Growing the Happiness Loyalty Programme

Our Happiness loyalty programme rewards customers with points on every purchase, which can be redeemed as credit or vouchers. Members enjoy instant discounts, including special offers through national and Happiness flyers. Accelerated points are available on select promotions, along with personalised offers based on purchase history. The programme also introduces new categories, encouraging customers to explore products they may not have considered. Additionally, partner benefits allow members to earn points and access exclusive offers at partner stores.

The programme has been rolled out in all of the GCC region. Through the programme, we are aiming to grow our loyal customer base and gain deeper insights into customer spending habits that will enable us to increase the average basket size and drive like-for-like sales growth. Through tailored promotions for loyalty customers, improved social media outreach, and exclusive discounts from key vendors, the programme will help us enhance customer loyalty and engagement.

Loyal Customers Driving Sales (GCC region)

65%

Loyalty sales

35%

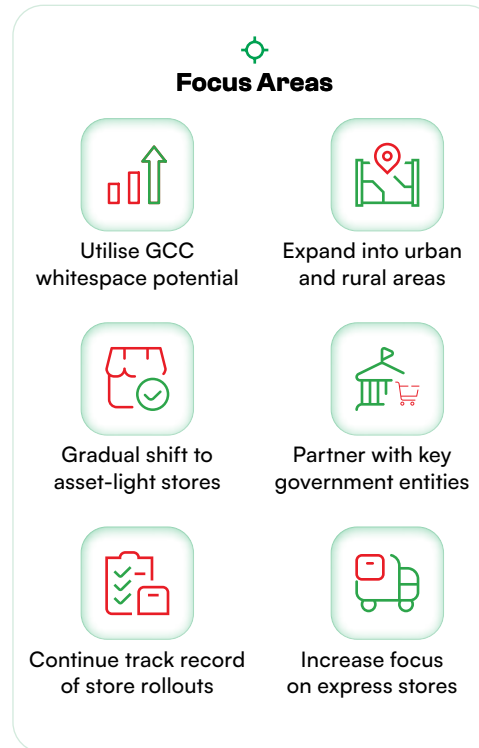
Non-loyalty sales



New Store Rollouts

We plan to grow our market share and store network, focusing on the Kingdom of Saudi Arabia (KSA) and the UAE, while selectively expanding in other markets. We target less penetrated urban and rural areas and are adopting an asset-light model for faster, cost-efficient store rollouts.

To serve the growing and youthful population in our markets, expanding our store network is essential. We aim to strengthen our leadership in the GCC region and increase market share by leveraging our strengths, which include a robust supply chain and key government partnerships that align with national economic goals. Our rollout strategy considers local market conditions, including demographic mix, consumer preferences, store format suitability, and e-commerce uptake.



Our store rollout process comprises five stages:

01.

City/location selection



02.

Evaluation of premises to determine the format of a store



03.

Financial appraisal based on projected revenue, payback period and net present value



04.

Negotiation of lease terms with potential landlords



05.

Fit-out of the store, recruitment of personnel and marketing



New Store Rollouts continued



Progress During the Year

In 2024, we opened 21 new stores, including six hypermarkets, 12 express stores, and three mini markets, in line with our strategy to focus on fresh food and the Consumer Goods Products (CGP) department. Of these, eight were in the KSA and seven in the UAE, highlighting our emphasis on rapidly expanding in the KSA, our key growth market. Additionally, we continue to move towards an asset-light model, with a significant percentage of the new stores being fully finished.

We have a strong growth track record of 2.5x across the GCC, where we grew at a CAGR of 7.1 percent in modern offline grocery space between 2021-23 against the market average of 2.8 percent. As of 31 December 2024, we operate a significant number of stores and distribution centres across 14 cities in the KSA, where we lead the market with the highest sales per square metre and average sales per store. In the UAE, we have expanded our presence with more stores and seven distribution centres, reinforcing our leadership in the growing grocery retail sector. We are growing our significant presence across the other GCC nations as well.



Future Priorities

Looking ahead, our store rollouts will be driven by agile market research to identify high-potential locations, supported by strong partnerships with developers, landlords, and local authorities. We will continue to use a flexible store model to maintain a consistent brand experience.

Our GCC expansion will target both urban and rural markets. In the UAE, we will focus on express formats, while in the KSA, we will follow a balanced approach with both hypermarkets and express stores based on the demography/location. Other GCC markets will feature a mix of hypermarkets and express stores.

With a focus on quality growth and prime locations, as seen in recent openings in Neom, Jeddah, Abu Dhabi Airport and in high footfall areas like Jabal Omar in Mecca, our shift to an asset-light model will reduce capital expenditure and accelerate rollouts, reinforcing our regional leadership.

21
NEW STORES
ROLLED OUT IN 2024

RETAIL FOOTPRINT
250
STORES IN 2024

1.3m sq mt
SELLING AREA
63,000 SQ MT IN 2024

🔍 CASE STUDY



Rapid Store Rollouts Across the GCC

Soon after the launch of our IPO in ADX in November, we opened our latest store in Motor City, Dubai, marking a milestone in our growth strategy. This new 3500 sq mt express store was the 16th store opening since the IPO and reflects our commitment to meeting the growing demand for high-quality retail experiences for our customers in the GCC region.

In the UAE alone, we are expanding with six new stores in strategic locations such as Reem, JLT, and Dubai Expo City. These openings are designed to provide world-class shopping experiences, and offer a broad range of products, from fresh food to electronics, in prime, high-traffic areas. Our ongoing expansion reflects our focus on quality growth, securing key locations through strong partnerships with developers and local authorities.



Improving Operational Efficiencies and Leverage Driven by Scale

At Lulu Retail, we are optimising our operations across sourcing, distribution, sales, and head office functions, leveraging our scale. We plan to enhance automation, improve logistics and inventory management, and deploy advanced technologies like self-checkouts and self-scanners in stores.

Our scale in the GCC region enhances our operating leverage by improving supplier negotiations, reducing fixed cost ratios, and optimising logistics. As we grow, our larger sales base allows us to spread costs more efficiently, while increased store density improves distribution centre and fleet utilisation. Our scale also supports our Private Label strategy, enabling better sourcing, competitive pricing, and tailored products, all driving stronger margins and competitiveness. The use of advanced technologies, including data analytics and AI, will further improve our operational efficiencies as well as customer convenience.

Focus Areas



Leverage scale to drive margins



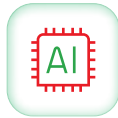
Enhance store efficiencies



Enhance automation through technology



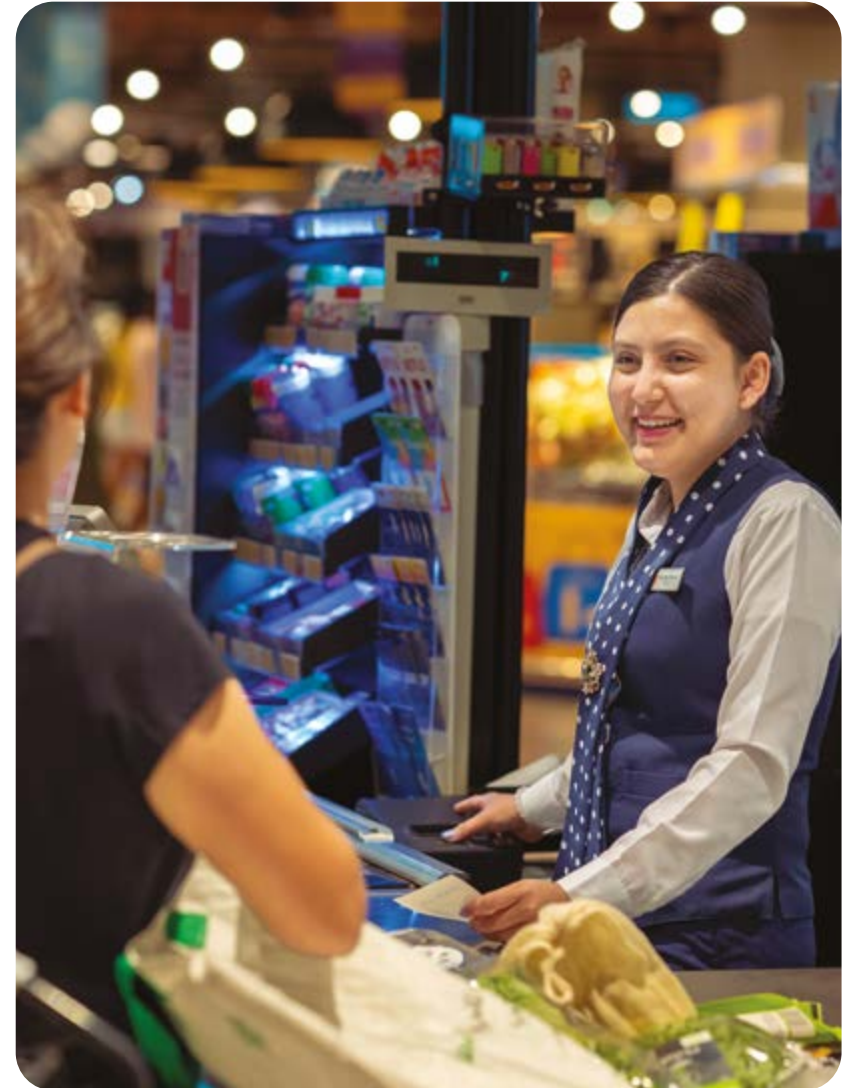
Strengthen partnerships with suppliers



Centralisation initiatives



Data analytics through Centre of Excellence





Improving Operational Efficiencies and Leverage Driven by Scale continued



Progress During the Year

During the year, we made significant strides in enhancing supplier support, eliminating intermediaries and growing our private label sales with strong margins. For example, given our longstanding relationship with suppliers, we were able to quickly source and offer high-demand lifestyle goods as well as food items at our stores. Also, we continued with the ongoing centralisation of various functions, such as Finance and Accounting, Contact Centre, HR Ops, IT. This is helping us streamline operations, improve efficiency, and reduce overheads, enabling us to reinvest savings into growth initiatives.

We leveraged our existing workforce for new store rollouts, which helped us reduce our expansion costs. During the year, we enhanced store efficiencies through technology-driven improvements in operations. Although at present these are available to select suppliers, an advanced inventory management system and automated reordering are improving efficiencies. Additionally, we successfully shifted to in-store fulfilment for our online channel, boosting operational effectiveness.

20+ bps

GROSS MARGIN EXPANSION

118+ bps

EXPANSION IN EBITDA MARGIN
(POST-LEASE EXPENSE)

98

TOTAL NO. OF STORES WITH
SELF-CHECKOUTS



Future Priorities

We foster a culture of continuous improvement, encouraging employees to identify and implement process enhancements. This commitment to operational excellence aligns with our strategy of technology-driven enhancements. Looking ahead, we will focus on expanding self-checkouts and the use of predictive technologies. Strengthening supplier relationships to secure exclusive access to high-demand products will remain a priority, alongside further optimising our logistics network. Additionally, we will also continue to drive cost efficiencies through automation, offshoring personnel functions, and leveraging our scale to improve commercial terms and optimise inventory management.

CASE STUDY



Driving Efficiency and Scale Through Mastercard Partnership

In July 2024, we expanded our decade-long partnership with Mastercard across six GCC markets: Bahrain, Kuwait, Oman, Qatar, UAE, and Saudi Arabia. This collaboration is key to our strategy of improving operational efficiency, sustainability, and customer experience. Through the partnership, we introduced digital in-store transactions, cashless payments, and personalised rewards via co-branded credit cards. We also piloted Mastercard's Next Gen Point of Interaction (POI) solution, enabling cardless payments at self-checkout counters, enhancing both convenience and efficiency.

By leveraging Mastercard's global network, we strengthened our credit card offers and boosted customer loyalty through partnerships with major banks like Abu Dhabi Commercial Bank and Emirates NBD. This partnership supports our goal to drive scale and improve operations, with plans for further expansion into the KSA and continued focus on technology-driven growth.



Exploring Further Upside Opportunities

We will be exploring growth opportunities by expanding our private label offerings and growing our online channel even as we maximise space utilisation at our stores and enhance both customer experience and convenience through the use of technology.

We are exploring new opportunities through our private label products, which offer our customers a strong value proposition by combining competitive pricing with quality. We plan to increase the share of in-house produced private label items by expanding shelf space and introducing new product lines in growing categories such as health and wellness, sustainable products, and ethnic cuisines. Additionally, we aim to capitalise on the rapid growth of the online market by integrating our offline strengths with online opportunities, offering a wide range of SKUs across our website, app, and third-party e-commerce platforms to attract a broader customer base.

Focus Areas



Margin growth through private label



Introduce new products and categories



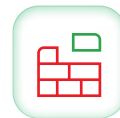
Expand omnichannel presence from both own and third-party channels



Enhance Lulu app experience



New strategic partnerships



Expand coverage of Happiness loyalty programme

Strategy to Drive Private Label Growth

01.

New product lines and categories

- Identification of gaps
- Product innovation
- Selection of suppliers
- High-quality yet affordable offerings



02.

Shelf-space expansion

- Ensure prominent placement in store displays to attract attention



03.

Marketing and promotional initiatives

- Periodic promotions to stimulate trial and repeat purchases
- Bundling of products to upsell
- Leveraging on loyalty to push private label products



Exploring Further Upside Opportunities continued



Progress During the Year

In 2024, we achieved steady growth in our private label offerings, which now account for close to 30 percent of our total retail sales. This success is driven by our focus on innovations in the Private Label segment, including the identification of market gaps and the launch of new products to cater to those needs. The share of fresh food and consumer packaged goods in private label sales has increased, reflecting strong consumer demand for quality and value.

Our online channel has also experienced significant growth, with sales growing at a CAGR of 63 percent from 2021-2024. In 2024, revenue from e-commerce channels grew by 70 percent year-on-year, with e-commerce sales penetration increasing by over 180 basis points to reach 4.5 percent in 2024. This robust performance is supported by a significant rise in transaction volumes across both our own channels and aggregator platforms, with transactions growing from 850,000 in 2021 to 8.63 million in 2024.



Future Priorities

We will increase our private label product share by expanding shelf space, introducing new lines, and focusing on high-growth categories such as health, wellness, and sustainability. As customer preferences evolve, we will boost marketing efforts through targeted campaigns, in-store promotions, and digital ads to drive greater adoption. We recognise that e-commerce is critical to provide a convenient and omnichannel shopping experience to our customers and we will, therefore, continue to invest in upgrading our e-commerce platform to increase footfall.

Leveraging partnerships with third-party e-commerce platforms like Amazon, HungerStation, Snoonu, and Talabat, we will explore additional collaborations. We will continue enhancing quick commerce through platform updates, efficient order fulfilment, and improved customer engagement. Additionally, we will aim to further elevate customer experience with technology-driven initiatives such as cashier-less stores and streamlined fulfilment processes.

8.3%

YEAR-ON-YEAR GROWTH IN
PRIVATE LABEL SALES DURING
2024

70%

INCREASE IN ONLINE SALES
DURING 2024 COMPARED
TO 2023

🔍 CASE STUDY



Proven Playbook of Strategic Product Launches under Private Label

At Lulu Retail, we have successfully expanded our private label offerings with a focus on premium and value-driven products. A prime example is our launch of dairy-free alternatives in August 2023, which we positioned as an organic product to appeal to health-conscious consumers. This range has achieved an 18 percent sales share since its introduction. Similarly, we introduced premium Australian meats under the Diamantina and Prime brands, targeting customers who value high-quality products. By focusing on premium cuts like Angus, Wagyu, and organic beef, we have captured a 13 percent market share since launching in 2023.

Another standout success is our Lulu Disney shower gel, which resonated with customers through its Disney character branding. With competitive pricing and strong sales, it has helped us increase margins 2.5x compared to leading brands, achieving a 10 percent sales share since its launch in March 2024.

Chief Financial Officer's Review

Strong Returns Propel the Growth Agenda

The year 2024 has been a defining moment in our journey as one of the fastest growing retail companies in the GCC region. With our listing on the Abu Dhabi stock exchange, we have entered into the next orbit of our growth journey.

Unlocking Strategic Opportunities

The IPO raised an extraordinary \$1.72 billion and saw an oversubscription 25 times across all tranches. The overwhelming response from over 82,000 retail investors across the GCC underscores the deep connection that our customers have with the Lulu brand. Our ability to attract prominent GCC sovereign funds and esteemed international investors has further strengthened our position, providing us with stable, patient capital and giving us the tools to unlock valuable strategic opportunities.

Depending on Our Tested Growth Levers

Our financial performance in 2024 is a testament to the strength of our strategy. We achieved a total revenue of \$7.6 billion, marking a 4.7 percent increase year-on-year. This growth was led by a stellar 10.3 percent increase in fresh food sales and 6.7 percent growth in our electrical department. E-commerce saw a remarkable surge of 70 percent year-on-year, driven by our robust partnerships and our expanding digital platform.

4.7%
REVENUE GROWTH (YOY)

70%
GROWTH IN REVENUE
FROM E-COMMERCE (YOY)

Private Label sales gave a powerful boost to revenue growth, thanks to our focus on innovation and market-driven product launches. Our Happiness loyalty programme, too, has emerged as a key driver of revenue. Loyalty transactions, which generate an average basket value 1.5x higher than regular transactions, have proven instrumental in fostering customer engagement and increasing sales. As validated by our strong performance across the GCC, including 5.7 percent growth in the UAE and 5.5 percent growth in the KSA, we remain well-positioned for continued success.

Building on Our Gains

Looking ahead, we are committed to balancing short-term performance with long-term strategic goals. While we maintain RoI thresholds for short term investments, we allocate a good portion of capital for long-term strategic initiatives that may not show immediate returns but are crucial for bolstering our competitive edge in the future.

We will continue to focus on expanding our e-commerce presence while maintaining our core value proposition through our hypermarket format. Our measured approach to store expansion ensures that we optimise operational efficiency and minimise financial leverage, all while funding our growth initiatives through strong cash flows. At the same time, we remain dedicated to investing in our infrastructure and capabilities to ensure we remain competitive in an evolving retail landscape.

We are excited about the opportunities ahead, particularly in optimising our supply chain through automation, which will drive both cost-efficiencies and scalability. Our robust financial position will enable us to deliver sustained growth and value for our shareholders and customers in the years to come.



We are incredibly proud of what we have achieved so far, and we look forward to leveraging the momentum from 2024 and to driving sustainable growth and profitability for Lulu Retail and its stakeholders in the future.

Mr. Prasad KK
Chief Financial Officer

Message from Executive Director, Global Operations

Driving Growth and Transformation

Throughout 2024, we continued our growth trajectory, and not merely as the GCC's largest and fastest-growing retailer, but also as a committed partner in the region's growth and transformation.

Solidifying Our Footprint Across the GCC

Together with gaining an increased market share across the GCC, the year saw us play a key role in shaping the future of the region's retail landscape and enhance the lives of the communities we serve.

During the year, in the UAE, our home market, we added seven new stores, bringing the total to 107. Our revenue grew by 5.8 percent, from \$2.60 billion to \$2.74 billion, driven by a strong like-for-like (LFL) growth of 5.1 percent. This growth was bolstered by the rise in population and our strong omnichannel presence. Notably, e-commerce sales surged by 94 percent year-on-year, largely due to our successful partnerships with aggregators.

In the Kingdom of Saudi Arabia, we continued to capitalise on the market's growth potential, with the opening of eight new stores, taking our total store count to 59. Our revenue increased by 5.5 percent, reaching \$1.47 billion. This was supported by new store sales and a modest 1.4 percent LFL growth.

5.8%
REVENUE GROWTH IN
THE UAE IN 2024 (YOY)

5.5%
REVENUE GROWTH IN
THE KSA IN 2024 (YOY)

In Kuwait, we saw strong growth in e-commerce, while overall revenue increased by 4.1 percent, from \$0.63 billion to \$0.65 billion with the addition of one store. We are excited to continue expanding our digital presence in line with evolving consumer preferences.

In Oman, we saw revenue growth of 4.5 percent, from \$1.12 billion to \$1.17 billion, driven by strategic investments in private label offerings and strong sales in fresh food and electronics. Bahrain, too, saw a solid revenue growth of 5.7 percent, supported by robust LFL sales and a marked increase in e-commerce contributions.

A Promising Outlook

We are excited to continue building on our success in the region where the retail market is poised to reach a total addressable market (TAM) of c. \$100 billion by 2028. Our focus will be on expanding e-commerce, diversifying premium and luxury offerings in the UAE and growing market share in the KSA by targeting new areas.

In Oman, we will look at driving affordability and value, at maintaining competitive pricing in Qatar, and expanding into developing residential areas in Kuwait with a broad range of global brands.

Our sourcing centres across 19 countries and our ability to source quality products from 85 nations are key to our success. We will continue to strengthen our partnerships with suppliers worldwide to give our customers products at great value. We will also continue to adopt advanced technology and automation across our value chain, particularly in supply chain operations and in-store processes, to drive efficiencies.



This will not only improve our operational agility but also enhance our ability to meet the growing demands of the market in a cost-effective and timely manner. As we continue to grow, our strategy remains centred on sustainable development, people, and creating value through innovation, both online and offline.

Mr. Ashraf Ali MA
Executive Director, Global Operations

Business Review

United Arab Emirates

We are the second largest grocery retailer in the UAE, generating the most sales per sq mt in 2024 in the UAE, and the largest retailer in Abu Dhabi, based on total retail sales value of the modern trade segment.

For us, the UAE is our largest market, contributing 36 percent of the Group's revenue in 2024. We added a total of 26 stores during 2021-2023 and seven new stores in 2024. Total revenue from the UAE has steadily increased mainly on account of the growing population, the opening of new stores and continued growth in e-commerce sales. This was primarily driven by the launch of the Lulu store on Amazon, Talabat and other third-party platforms.

Performance in 2024

In the UAE, our home market, revenue grew by 5.79 percent, from \$2.60 billion to \$2.75 billion, driven by a solid like-for-like (LFL) growth of 5.1 percent. This performance was underpinned by a combination of factors, including increased customer traffic, stable average basket value, and strategic changes to our product mix to better align with consumer demand. To provide a young and growing population multiple shopping options, we have expanded our omnichannel presence. E-commerce sales have surged by around 93.8 percent YoY, largely due to our successful partnerships with aggregators.

The success of our like-for-like stores was further supported by new partnerships with the government, the influence of targeted promotions and discounts, and the introduction of the Happiness loyalty programme. Loyalty customers in the UAE accounted for 69 percent of our sales. The performance was also bolstered by competitive pricing strategies, the strategic location of our new stores, and their accessibility to a wider customer base.

Through the hosting of over 25 seasonal and festival events across the UAE in 2024, we further strengthened our brand's presence. Our gross margin saw a healthy increase as a result of improved product margins and greater income from suppliers, given our strong negotiating position as one of the market leaders in the region.

Focus Areas for 2025

The UAE government's ambitious initiatives, such as the Dubai 2040 Master Plan, Dubai 2033 Economic Agenda, and Plan Abu Dhabi 2030 present significant growth opportunities for our business. These plans, focused on upgrading urban areas and creating new commercial zones, are expected to lead to the development of modern retail spaces. By strategically positioning our stores in these newly developed areas, we aim to enhance our brand visibility, attract more customers, and capitalise on the growing demand for high-quality retail experiences.

Building on our solid partnerships with government entities, we plan to strengthen our position as the leading retailer across the Emirates. Our brick-and-mortar stores format would continue to drive growth with more express stores openings. In addition to this, e-commerce is critical for growth and, therefore, we expect to grow our online business. Furthermore, we will expand our premium and luxury product offerings to align with the growing demand for these products, driven by the expansion of residential development in key locations and a young, diverse, and growing population.

🔍 CASE STUDY

Capitalising on the Online Grocery Boom

The UAE's online grocery market has seen rapid growth, driven by a shift towards omnichannel sales. We have capitalised on this trend by expanding our online offerings and enhancing services to meet customer demand for convenience. For example, we have broadened our grocery selection and introduced an express service for fresh meat, seafood, poultry, dairy, and vegetables, ensuring fast delivery of high-quality products.

Additionally, we have partnered with aggregators enabling them to order from aggregators' platforms. This has enabled us to tap into new customer bases and help us grow our grocery segment.

Moreover, our various promotional offers help drive our online grocery sale.



107

TOTAL NO. OF LULU RETAIL STORES IN THE UAE IN 2024

511,184 sq mt

TOTAL SELLING SPACE, THE LARGEST IN THE UAE

\$26 billion

ADDRESSABLE MARKET IN THE UAE BY 2028

Business Review continued

Kingdom of Saudi Arabia (KSA)

59

TOTAL NO. OF LULU RETAIL STORES IN THE KSA IN 2024

280,239 sq mt

TOTAL SELLING SPACE, THE LARGEST IN THE KSA

\$48 billion

ADDRESSABLE MARKET IN THE KSA BY 2028

We are the largest and fastest growing pan-GCC full-line retailer in the KSA, where we have been operating since 2009. We hold #1 leading position in the country in terms of retail sales value (RSV) as well as retail sales per store. We operate a network of 59 stores and four distribution centres in 17 cities.¹

We enable online sales of our products through our website and Lulu App, as well as through third-party e-commerce providers, such as HungerStation in the KSA. We added 20 new stores between 2021-23 and eight new stores in 2024, taking the store count to 59. In 2024, we had a market value share of c. 8 percent in the KSA and were the leading international retailer in the Kingdom.

Performance in 2024

In 2024, we saw a solid 5.54 percent revenue growth, from \$1.40 billion to \$1.48 billion, driven by new store openings and a like-for-like (LFL) growth of 1.4 percent. While LFL growth was slower than expected due to challenging market conditions in the region, we outperformed our peers during the year. KSA remains a key driver of our performance, with revenue growing at a 14.8 percent CAGR between 2021 and 2023, now representing 19.4 percent of the Group's total revenue for FY24. This growth was primarily fuelled by the opening of 20 new stores during the period and the shift towards modern retail, as consumers increasingly moved towards modern trade.

¹ Source: Euromonitor.

The long-term outlook for KSA remains strong given strong market fundamentals and the government's push to increase modern retail in the region.

Focus Areas for 2025

The KSA remains our largest market in the GCC, and in 2025, we will focus on balanced growth, expanding into Tier 1 and Tier 2 cities while strengthening our leadership position. By offering a mix of competitive pricing and premium products, we will cater to both price-sensitive and affluent consumers.

With Saudi Arabia's Vision 2030 driving economic transformation, we are well-positioned to capitalise on the opportunities arising from initiatives like increased private sector involvement and the development of cities like Neom. Our strong relationships with key entities, such as Aramco and Neom, will help unlock new growth avenues.

We see strong potential in cities with populations of 200,000+, as well as major urban centres with populations exceeding one million. As a preferred tenant, we are well-positioned to secure prime locations and accelerate expansion, including the roll-out of fully-furnished stores for quicker setups. Moreover, we will enhance our online presence and capitalise on services like Buy Now, Pay Later (BNPL) to meet the needs of the KSA's digital-savvy consumers.

🔍 CASE STUDY

Making a Mark in Mecca

In December 2024, we celebrated a major milestone with the opening of our 250th store globally in Mecca, Saudi Arabia. This store, located near Masjid Al Haram, highlights our strong commitment to expanding in the region, particularly as the Kingdom is our largest market in the GCC.

The Mecca store is designed to serve both the local community and the millions of pilgrims visiting the city. With an express store, fresh food section, Lulu Connect for electronics, and a fashion store, we offer a diverse range of products. Open 24 hours a day, it ensures accessibility at all times, especially during peak pilgrimage seasons.

This store opening is part of our broader strategy to expand across the Kingdom, with plans to open around 35 new stores in the medium term. Additionally, we are dedicated to supporting the Kingdom's sustainable development goals through partnerships with local organisations like Jabal Omar Development Company, which helped bring this store to fruition.



Business Review continued

Qatar

We are the largest retailer in Qatar, a market we entered in 2000. Qatar has played a key role in our revenue growth within the GCC, particularly through the opening of new stores, which contributed to the overall 7.3 percent CAGR in retail revenue from 2021 to 2023.

Our product offerings in Qatar, including consumer packaged goods and fresh food, were central to this success, accounting for 62.8 percent of the retail revenue from 2021-2023. Furthermore, Qatar's hosting of major events such as the FIFA 2022 World Cup significantly boosted both our retail and wholesale business, driving further growth in the country.

Performance in 2024

Our performance in Qatar in 2024 showed steady growth, contributing 14.4 percent to the Group's revenue. We rolled out two new stores in 2024, which added to the existing 11 hypermarkets, 10 express stores, and three mini markets. Revenue grew marginally from \$1.11 billion to \$1.12 billion, reflecting a growth rate of 0.5 percent. This was primarily due to temporary macroeconomic headwinds in the region.

Furthermore, revenue growth was supported by the opening of new stores and stronger sales through Talabat and Snoonu. The launch of the Happiness loyalty programme in March 2024 was a key driver of growth, attracting 644,292 registered users by December, which links 74 percent of sales. In addition to this, the programme led to a higher customer count, indicating increased customer engagement and loyalty. Despite some challenges,

the overall outlook for Qatar remains positive, driven by ongoing expansion and the growing success of our loyalty initiatives.

Focus Areas for 2025

In 2025, our priorities in Qatar will centre on meeting the growing demand for premium products while maintaining competitive pricing for everyday essentials. As Qatar's National Vision 2030 focuses on diversifying the economy, we are contributing to these efforts by expanding our retail presence. Given our strong presence, we are well-positioned to grow our market leadership in Qatar. We will continue to focus on fresh food and consumer packaged goods to drive growth.

Our strong positioning in large-format stores, which are increasingly preferred by Qatar's consumers, allows us to capture the growing trend towards modern retail. Moreover, we will focus on the rising demand for international brands, leveraging our global sourcing capabilities and recent expansions like the Pearl Island store.

Our focus will be to invest in in-store technologies such as cashier-less checkouts and support local products to align with Qatar's self-sufficiency goals. Expanding the Happiness loyalty programme and enhancing our e-commerce platforms will be key to driving long-term revenue stability, increasing profitability, and fostering deeper customer loyalty.

🔍 CASE STUDY

Making it Smoother and More Convenient for Customers

We prioritise operational efficiencies to enhance the shopping experience for our customers in Qatar. A key part of this strategy is our recent pilot project of cashier-less/checkout-less stores, which allow customers to shop and pay without waiting in line. This initiative, along with other technological advancements, reflects our commitment to making shopping faster and more convenient. In 2023, we launched our first-ever cashier-less checkout service at Hamad International Airport Metro Station, powered by Commercial Bank's payment solution. Together with experiential shopping events, tech investments for better in-store experiences will ensure a differentiated shopping experience for our customers in Qatar.



24

TOTAL NO. OF LULU RETAIL STORES
IN QATAR IN 2024

128,621 sq mt

TOTAL SELLING SPACE IN QATAR

\$9 billion

ADDRESSABLE MARKET IN QATAR BY 2028

Business Review continued

Oman

32

TOTAL NO. OF LULU RETAIL STORES
IN OMAN IN 2024

227,809 sq mt

TOTAL SELLING SPACE IN OMAN

\$6 billion

ADDRESSABLE MARKET IN OMAN BY 2028

We are the largest retailer in Oman, with the highest sales per sq mt. We command a 30.4 percent value share in the market, where we cater to a wide variety of customer preferences, from fresh food and premium products to value items under private labels.

Our strong market presence is supported by high consumer satisfaction and loyalty initiatives such as the Happiness programme that was rolled out towards the end of 2024. Additionally, we are a mandated food security partner in Oman and operate five distribution centres. We rank among the top online retailers, partnering with Talabat and enhancing accessibility through e-commerce fulfilment centres and local delivery apps.

Performance in 2024

In 2024, Oman continued to be a key contributor to our overall performance. Oman accounted for 16.1 percent of the Group's revenue from 2021 to 2023. Revenue grew by 4.5 percent, from \$1.13 billion to \$1.18 billion, driven by our initiatives, including focused private label offerings, and strong sales in fresh food and electronics.

Moreover, the growth was supported by increased sales volume through Talabat and the opening of three stores comprising one hypermarket and two express stores. In addition to this, we capitalised on some macro trends like the boycott of international brands through our private label products offerings.

Focus Areas for 2025

In 2025, our focus in Oman will be on delivering affordability and value-driven promotions, increasing private label offerings, and leveraging imports to improve margins even as we grow our presence in rural areas to service a broader customer base.

As Oman's Vision 2040 seeks to diversify the economy, we are proud to contribute to the retail sector's growth. We will focus on large-format stores to meet the demand for spacious hypermarkets catering to larger households.

Our expansion efforts align with the country's economic goals, and as a thriving private business, we demonstrate the potential for private sector-driven development. We will invest in training and developing our employees, supporting Oman's vision of building a skilled workforce and contributing to the growth of its human capital. We will continue to invest in enhancing the customer experience both in-store and online, strengthening our e-commerce presence through omnichannel platforms and strategic partnerships to cater to all shopping preferences.

🔍 CASE STUDY

On a Growth Spurt in Oman

In September 2024, we rolled out a new store in Al Mudhaibi, marking our 31st location in Oman. This 4,600 sq mt express store is part of our strategic expansion into emerging Tier 2 cities, where we see tremendous growth potential. Located in a rapidly developing region, the store is designed to serve both the local community and a growing customer base, offering a wide range of products, including groceries, fresh produce, and electronics.

The spacious layout, modern design, and ample parking ensure a comfortable shopping experience. Our commitment to these newly developed regions reflects our strategy to meet the evolving needs of customers and support economic growth in Oman. At the launch, the Chairman, Mr. Yusuff Ali MA, reaffirmed our dedication to contributing to the local economy by creating jobs, supporting local businesses, and developing sustainable supply chains. This expansion aligns with our focus on In Country Value, which strengthens partnerships with the Omani community.



Business Review continued

Kuwait

As the leading retailer, we contribute to Kuwait's goal of becoming a global hub for trade and commerce.

By offering a wide range of products and services that meet international standards, we enhance the country's image as a desirable destination for businesses and consumers alike. We support the growth of small and medium-sized enterprises (SMEs) in Kuwait by partnering with local suppliers, offering shelf space for local products, and providing mentorship to aspiring entrepreneurs. Our continued success in Kuwait since 2002, underscores our ability to adapt to local demands. Additionally, we offer online retail through our arrangement with third parties such as Talabat and Amazon.

Performance in 2024

In 2024, Kuwait contributed 8.7 percent to the Group's revenue, with a 5.5 percent increase in the first half of the year compared to the same period in 2023. This growth was primarily driven by the ramp-up of stores opened in 2023, higher sales through Talabat, and the rollout of a new store. Revenue grew from \$0.63 billion to \$0.66 billion, reflecting a strong 4.1 percent increase, with notable growth in our e-commerce channel, which continues to be a significant driver. Further, like-for-like (LFL) grew by 3.2 percent in FY24, mainly due to increase in customer footfall with the support of promotions and private label contribution.

Gross margin improved in 2024, largely driven by an increase in premium product sales and private label offerings, as well as higher-margin consumer goods and fresh food. E-commerce sales have surged following our partnership with Talabat. This rapid growth in online grocery sales reflects a shift in consumer shopping habits towards convenience. By expanding our presence through platforms like Talabat, we continue to meet the growing demand for online grocery shopping in Kuwait.

Focus Areas for 2025

In 2025, our focus in Kuwait will be on meeting the demand for imported and luxury goods by offering a wide range of global brands at competitive prices. We will capitalise on the growing preference for premium products while continuing to dominate the hypermarket sector, which accounts for more than 90 percent of our revenue.

E-commerce will remain a key growth driver, and we plan to strengthen our presence on platforms like Talabat and Amazon to meet the rising demand for convenience. Additionally, we will expand into newly developing residential areas, allowing us to reach emerging customer bases and better serve the evolving needs of the market.

With ongoing infrastructure and economic growth, we are well-positioned to benefit from the expanding retail, tourism, and HORECA sectors. Our omnichannel approach will ensure a seamless shopping experience for customers, both in-store and online, enhancing our presence in the Kuwaiti retail landscape.

🔍 CASE STUDY

Promoting Home-grown Produce and Convenience in Kuwait

We opened our 16th store in Kuwait in February 2024, with the launch of the Lulu Express Fresh Market in Abbasiya. This 855 sq mt store offers a premium shopping experience, focusing on convenience, hygiene, and freshness. The store showcases our commitment to offer our customers fresh, local produce, with a wide selection of fruits, vegetables, meats, seafood, and dairy. In addition to fresh food, customers can explore a range of non-food items, including health and beauty products.

This launch highlights our dedication to offering high-quality products while supporting local agriculture. The Lulu Express Fresh Market in Abbasiya sets a new standard for freshness and convenience in Kuwait, reflecting our ongoing commitment to meeting the evolving needs of our customers.



16

TOTAL NO. OF LULU RETAIL STORES IN KUWAIT IN 2024

80,984 sq mt

TOTAL SELLING SPACE IN KUWAIT

\$8 billion

ADDRESSABLE MARKET IN KUWAIT BY 2028

Business Review continued

Bahrain

We are proud to be Bahrain's leading modern grocery retailer, securing our market position through strategic investments and initiatives.

With 12 outlets across hypermarkets, express stores, and mini markets, we have successfully diversified our retail presence to meet the varied needs of our consumers. As a brand known for its budget-friendly offerings, particularly in Asian products, we have built a strong reputation among Bahraini shoppers. Our commitment to customer loyalty is reflected in initiatives like the Happiness programme, which offers personalised promotions and leverages data-driven insights to deepen engagement. Moreover, by offering an extensive range of imported products, we continue to enhance our competitive edge in Bahrain's dynamic grocery retail market.

Performance in 2024

In 2024, we achieved a strong 5.7 percent YoY revenue growth, driven by a robust 4.4 percent increase in like-for-like (LFL) sales and a notable 20.5 percent growth in wholesale sales. Our e-commerce contribution also rose significantly, increasing from 5.5 percent of total retail sales in 2023 to 8.2 percent in 2024, reflecting the growing shift towards online shopping.

The retail landscape in Bahrain continues to evolve, with significant investments of over \$1.7 billion in 2023, set to stimulate economic diversification. With a growing population, we are well-positioned to capture the expanding grocery retail market, where hypermarkets and express stores remain the dominant sales channels.

Focus Areas in 2025

In 2025, we will focus on expanding express store and mini markets to meet growing demand. Given Bahrain's moderate to high disposable incomes, we will continue our competitive pricing and promotions to attract a broad customer base. Our recent store opening in Danaat Al Lawzi positions us well to capitalise on new opportunities.

As supermarkets and convenience stores gain market share, we will expand further, appealing to the young demographic with our global brand offerings. Additionally, we will strengthen our loyalty programmes and refine our private label range. We will maintain our leadership in both offline and online retail, ensuring a seamless shopping experience, particularly for the young, tech-savvy demographic driving the e-grocery boom. Furthermore, we recognise the growing trend towards private labels and cost-effective supermarket options.

🔍 CASE STUDY

Growing Sustainably in Bahrain

In the GCC, particularly in Bahrain, we are encouraging our customers to make sustainable choices. We are promoting sustainable retail through local sourcing and renewable energy. Our partnership with the National Initiative for Agricultural Development (NIAD) in Bahrain supports local producers while helping us reduce the carbon footprint of our value chain. Initiatives like the Celebrate Bahrain festival help consumers choose locally sourced produce, keeping prices affordable and supporting sustainable farming.

In addition to local sourcing, we are investing in renewable energy. Partnering with SirajPower, we are installing 10 MWp solar rooftop systems at key locations, including our hypermarkets and logistics facilities. This aligns with Bahrain's sustainability target of generating 10 percent of its energy from renewable sources by 2035.



12

TOTAL NO. OF LULU RETAIL STORES
IN BAHRAIN IN 2024

85,859 sq mt

TOTAL SELLING SPACE IN BAHRAIN

\$3 billion

ADDRESSABLE MARKET IN BAHRAIN BY 2028

Championing Change

In a world shaped by growing environmental challenges, the need to uphold social equity and ethical governance, and promote sustainability is not an option but a necessity.

At Lulu Retail, we embed sustainability into every aspect of our operations to ensure long-term resilience and deliver meaningful impact. By reducing our carbon footprint, adhering to ethical practices, and fulfilling social commitments, we proactively address global challenges while creating value for the stakeholders we serve.

46

NO. OF NATIONALITIES
IN THE WORKFORCE

12

GSAS CERTIFIED STORES

31 million+

BOTTLES AND CANS THROUGH
RVM COLLECTION

>12%

INCREASE IN TRAINING HOURS

783 SKUs

OWN BRAND PRODUCTS SOLD WITH LESS
SUGAR/SALT/SATURATED FATTY ACIDS/
FREE FROM ADDITIVES

389 SKUs

OWN BRAND ORGANIC
PRODUCTS OFFERED



Message from Chief Sustainability Officer

Our Commitment to People, Planet, and Progress

At Lulu Retail, we observe sustainability not merely as a strategic priority, but as a core component of our long-term vision. As one of the leading retailers in the GCC, we understand that sustainability is also our responsibility, as we strive to create positive change in the lives of our customers and all our stakeholders, in every step of our way.

Aligned to the GCC Sustainability Goals

We recognise the importance of supporting the GCC region's vision for a sustainable future, and we are committed to playing our part in achieving it. Our focus on energy efficiency, renewable energy adoption, responsible sourcing and waste reduction contributes directly to the region's objectives of reducing carbon emissions, enhancing energy security and fostering social wellbeing. By working closely with local communities, promoting local products, providing food security, and offering sustainable product choices, we are helping drive economic development while promoting social responsibility.

Our sustainability efforts are underpinned by strong governance, with the Board directly overseeing our sustainability efforts. Our ESG policy reflects how sustainability is embedded into our business strategy in order to ensure the growth of a responsible business.

Partnering the Green Transition

Our efforts in energy efficiency and renewable energy adoption are already yielding significant results. We have implemented advanced energy

management systems and are upgrading to energy-efficient LEDs and HVAC systems in many of our properties. Furthermore, we have made significant strides in transitioning to renewable energy sources. We have operational solar installations in the UK and Bahrain, and we are looking forward to completing our RE project in the KSA. We plan to have five stores running on solar power in the UAE soon.

Furthermore, we are making steady progress in embracing circularity across the organisation. In addition to reducing waste, we are focusing on initiatives like our waste-to-energy programme, where used cooking oil is converted into biodiesel. Our electronics trade-in programme encourages customers to recycle old devices, reducing e-waste and promoting the reuse of valuable materials. Our Reverse Vending Machines (RVMs) offer incentives to customers for returning plastic bottles and cans, while our uniform take-back programme helps reduce textile waste. Our commitment to eco-friendly packaging, reusable bags, and sustainable sourcing ensures that we continue to offer products that align with the values of our environmentally-conscious customers.

Creating Social Value

One of our key commitments is to engage with our suppliers and investment partners in a way that fosters sustainability across our entire value chain. Through our Supplier Code of Conduct, we have established a clear sustainability criterion and aim to work collaboratively to promote responsible practices.

In addition to this, we are deeply committed to supporting local communities through our corporate social responsibility (CSR) initiatives. Whether through educational support, health initiatives, or



environmental conservation, we focus on projects that make a tangible difference in the lives of those who need it most. Our employees are encouraged to volunteer and contribute to the positive change we seek in the world.

As we look to the future, our focus remains on building a sustainable, circular, and inclusive business. We are determined to create lasting value for all our stakeholders and contribute to a greener, more sustainable world.

Mr. Mohamed Althaf
Group Director-Global Operations and Chief Sustainability Officer

31.8 million
PLASTIC BOTTLES AND CANS COLLECTED FOR
RECYCLING

97,988 litres
OF BIODIESEL PRODUCED
FROM USED COOKING OIL
VIA A 3RD PARTY

ESG Summary

Governance

At the Group-level, we have a dedicated Sustainability Department, led by the Chief Sustainability Officer (CSO) at the top and driven by the Sustainability Manager. Our CSO regularly reports to the Board on sustainability matters and initiatives.

The ESG governance framework at Lulu Retail is structured to ensure comprehensive oversight and effective implementation of sustainability initiatives. The Board of Directors oversees the overall ESG strategy and ensures alignment with corporate goals. The Chief Executive Officer provides executive leadership, while the Chief Sustainability Officer leads the Group Sustainability Department and regularly communicates ESG progress to the Board. The Group Sustainability Department supports the implementation of the ESG strategy across the organisation. Sustainability Champions assist the Group Sustainability Team, and Regional Teams implement ESG initiatives at the regional level.

Approach to ESG Reporting

This Report includes a top-level overview of our progress, with further details of our achievements against our objectives captured in our separate ESG Report. This is our first ESG Report as a listed entity, the third for Lulu Retail.

Read our ESG Report at
www.luluretail.com/impact/esg

ESG Governance: Board and senior management oversight on ESG

LULU RETAIL HOLDINGS PLC BOARD OF DIRECTORS
 Oversees the overall ESG strategy and ensures alignment with corporate goals

CHIEF EXECUTIVE OFFICER
 Provides executive leadership

CHIEF SUSTAINABILITY OFFICER
 Leads Group Sustainability Department and regularly communicates ESG progress to the Board

GROUP SUSTAINABILITY DEPARTMENT
 Supports the implementation of ESG strategy across the organisation

SUSTAINABILITY CHAMPIONS
 Support Group Sustainability Team

REGIONAL TEAMS
 Implement ESG initiative at regional level

ESG Summary continued

Driving Sustainability Forward

Throughout 2024, the sustainability focus shaped Lulu Retail's strategy, driving progress in energy efficiency, solar adoption, circularity, and community engagement.

Guided by our ESG Policy and overseen by the Board and Sustainability Department, we focus on climate action, resource conservation, human rights, and ethical governance. A dedicated team of Sustainability Champions representing 26 countries supports data collection and ESG goal implementation.

Engaging Our Stakeholders

We engage with our stakeholders — customers, employees, communities, suppliers, and investors — through dedicated communication channels to foster meaningful relationships and address feedback. This collaborative approach ensures stakeholders play a vital role in shaping our sustainability commitments.



Advancing Environmental Stewardship

Material Topics

- Energy
- Climate Change/Emissions
- Food Waste
- Packaging Waste
- Water and Effluents



Driving Accountability through Governance

Material Topics

- Business Ethics
- Human Rights
- Procurement
- Data Privacy and Security

Prioritising What Matters Most

Our sustainability initiatives are guided by a materiality assessment prioritising environmental stewardship, social responsibility, and ethical governance, and we are dedicated to addressing these focus areas and continually enhancing our ESG impact.



Empowering People and Communities

Material Topics

- Employment
- Workforce Empowerment
- Training and Development
- Health and Safety
- Healthy and High-Quality Products
- Marketing and Labelling
- Local Communities

Lulu Retail's Materiality Matrix



ESG Summary continued

Advancing Environmental Stewardship

We prioritise energy efficiency, emission reduction, waste management, and water conservation, guided by strong environmental practices to protect resources and ensure regulatory compliance.

Key Priorities

Strengthening environmental management practices

Accelerating energy transition and mitigating climate change

Championing circular economy

Adopting sustainable water management practice

Management Approach

Supported by a global team of Sustainability Champions, we monitor key environmental indicators such as energy consumption, Greenhouse Gas (GHG) emissions, water use, and waste management.

We prioritise mitigating climate risks and we align with UN SDG 13 by monitoring Scope 1 and 2 emissions, exploring Scope 3, and conducting Task Force on Climate-related Financial Disclosures (TCFD) — aligned analyses to reduce our carbon footprint.

We embed circular economy principles into our value chain and have undertaken waste management initiatives across all sites with proper monitoring and employee awareness training.

We promote responsible water usage and strive to achieve newer levels of environmental stewardship through impactful initiatives, continuous monitoring, and adherence to global best practices.

Progress in 2024

- Set up an Environmental Management System (EMS) in line with the ISO standard in the UAE
- Invested in significant solar energy installations

- Prioritising energy efficiency through LED lighting upgrades across the GCC, advanced building management systems in Qatar and solar energy projects in the UAE, Bahrain, the KSA and the UK
- Installed solar panels in the UK and Bahrain, and followed up plans for installations in the KSA and the UAE

- Launched electronics trade-in programme to reduce e-waste
- Implemented Reverse Vending Machines that collected 31.8 million plastic bottles in 2024
- Recycled cooking oil via a third party to produce biodiesel for fleet operations. Collected used school uniforms for recycling by a third party

- Installed a range of equipment, including aerators, sensors and water-efficient fittings
- Installed waterless urinals in the UK
- Implemented green label fixtures in Qatar

Priorities for 2025

- Ensure adherence to environmental management regulations and standards
- Continue to develop and implement strategies that promote environmental sustainability

- Focus on further improving energy efficiency across all operations
- Explore opportunities to enhance renewable energy initiatives

- Explore further opportunities to enhance circular economy practices, including potential partnerships
- Set up a mechanism to reduce waste and increase recycling, incorporating circular economy principles, and launch pilot projects for managing packaging, e-waste, and batteries

- Enhance water management practices, and explore innovative water-saving solutions

KPIs

Received ISO 14001 certification for Environmental Management Systems

0.312 GJ/sq ft
ENERGY INTENSITY IN 2024

229 tonnes
WASTE REUSED IN 2024

34,136 tonnes
TOTAL WASTE RECYCLED IN 2024

0.054 tCO₂e/sq ft
EMISSION INTENSITY IN 2024

2,633,117 m³
WATER CONSUMPTION IN 2024
WATER INTENSITY --> 0.186 M³ / SQ FT
4.03% LESS SINCE 2023

CASE STUDY

Restoring Mangrove Ecosystems

Biodiversity restoration is a key focus of Lulu Retail's broader sustainability drive. Together with Mastercard and Unilever, we launched a new project in 2024 to restore mangroves in the UAE. The project aims to help combat climate change and protect valuable but fragile coastal ecosystems. Additionally, this initiative seeks to encourage and reward customers for making sustainable choices.

Mangrove ecosystems promote diversity, strengthen coastal areas against erosion, storms and rising sea levels, and play a crucial role in mitigating climate change by capturing carbon dioxide from the atmosphere. However, in many cases, such ecosystems have become degraded or damaged. This project will help to restore this vital and natural defence and strengthen the coastal ecosystem.

As part of this initiative, we are engaging with shoppers throughout our stores in the UAE and helping them find out about the need for mangrove protection and the project's benefits, with rewards for making sustainable choices in their shopping.

"We are honoured to collaborate on the Mangrove Restoration Project with Unilever and Mastercard, a partnership that underscores our deep commitment to sustainability and community engagement. By leveraging our extensive retail network, we strive to inspire and reward our customers for embracing environmentally-conscious choices, fostering a collective journey towards a greener future."

Mr. Mohamed Althaf,
Group Director —
Global Operations and Chief Sustainability Officer

CASE STUDY

Lulu Retail Walkathon 2024 – Promoting Sustainability in the UAE

As a people-oriented business, Lulu Retail places a strong emphasis on employee health, safety, and wellbeing, while driving positive change in the communities where we operate. We understand the value of social capital and work to build meaningful relationships with our employees, customers, and the broader community through various initiatives. One such initiative is the annual Lulu Retail Walkathon, a key event in our corporate calendar that underscores our commitment to social responsibility and community engagement. This annual event, which we are proud to organise, raises awareness about sustainability and environmental conservation, empowers and encourages the community to take part in health and fitness activities, and promotes a circular economy.



The 2024 event saw a record turnout of more than 15,000 participants, including employees, customers and community members from across the UAE. Activities such as recycling workshops promoted the environmental theme, and the event featured a range of reused materials such as cardboards, used bottles, showcasing circular economy principles. Health and wellbeing were also promoted, with activities including Zumba sessions. Thanks to the enthusiasm and engagement of so many people, the walk fostered a strong sense of community and shared purpose.

The walkathon is just one example of the way we create long-lasting connections and foster a sense of shared purpose, while aligning with our broader goals of sustainability and community involvement.

"This Walkathon underscores our unwavering commitment to sustainability by actively involving both the community and our employees. It showcases how collective efforts can drive significant environmental impact and foster a culture of health and wellness."

Nandakumar Vijayan,
Director — Marketing and Communications

ESG Summary continued

Empowering People and Communities

We foster positive connections with our stakeholders and build a resilient workforce by promoting diversity, fair labour practices across all levels of our operations, and comprehensive employee training. We are committed to supporting our local communities through various social initiatives. Aligned with the UN SDGs, these efforts enable us to create lasting value for our stakeholders.

Key Priorities

Building a strong and resilient workforce

Championing Diversity, Equity, and Inclusion (DE&I)

Management Approach

Our Human Rights and Employee Wellbeing policies ensure fair treatment for our workers and provide employee benefits such as competitive pay, health insurance, bonuses, and wellness programmes. With a workforce primarily under the age of 35, we focus on nurturing talent and fostering strong retention to enhance employee satisfaction and support career growth.

Supported by the Human Rights Policy and grievance channels, we ensure equal opportunities by promoting fairness in hiring, compensation, and career progression.

Progress in 2024

- Implemented SAP SuccessFactors for enhanced HR processes
- Organised training programmes for talent development
- Provided career growth opportunities for our employees
- Received Saudi Arabia's Mudad Programme Award as recognition for fair wages and inclusion
- Organised engagement activities like cricket, football, badminton and chess

- Increased middle management employees, employees in staff and female representation driven by inclusive practices and career development

Priorities for 2025

- Consider introducing new engagement activities to enhance team bonding and morale

- Strengthen efforts to attract and retain diverse talent

KPIs

11,368

NEW HIRES IN 2024

53,618

TOTAL NUMBER OF EMPLOYEES

17.7%

FEMALE EMPLOYEES REPRESENTATION

12.3%

INCREASE IN TRAINING HOURS SINCE 2023

109

EMPLOYEES RECEIVED PARENTAL BENEFITS IN 2024

15.6%

OF THE WORKFORCE ARE GCC NATIONALS

Zero

INCIDENTS OF WORKPLACE DISCRIMINATION WERE REPORTED

ESG Summary continued

Empowering People and Communities continued

Key Priorities

Ensuring a safe and healthy workplace

Delivering excellence to customers

Empowering communities

Cultivating growth and professional development

Management Approach

Empowered by our efficient OHS system, we comply with local health and safety regulations and conduct regular inspections to ensure successful implementation of safety protocol. We provide healthcare access, manage risks, and maintain a safe workforce through ISO 45001 certification in the UAE and safety committees in the US and the UK.

We encourage healthy lifestyles with fresh, affordable products, including organic, sugar-free, and gluten-free options. In addition, we support sustainable sourcing to benefit the farmers and reduce our environmental impact. Certified to ISO 22000, HACCP, and ISO 9001:2015, we ensure food safety through audits, labelling, and training.

Our ESG Policy enables us to support local communities through healthcare, education, and economic empowerment initiatives. We proudly support local entrepreneurs and SMEs and are open to collaborate with non-profit organisations seeking our support.

We are dedicated to encouraging our employees and focus on their professional development to uplift their skills.

Progress in 2024

- Conducted medical check-ups
- Implemented emergency response teams in Oman
- Achieved ADOSH SF v4.0 compliance in Abu Dhabi
- Conducted trainings on fire safety and hazard
- Implemented preventive measures

- Launched sustainable products and healthier private-label product offerings, addressing supply chain challenges through diversification
- Offered sustainable choices to customers through the Green Corner initiative in partnership with Abu Dhabi Distribution Company (ADDC) and promoted sustainable products in collaboration with Unilever

- Organised Ramadan Iftar meals, farmer support, blood donation drives and breast cancer campaigns

- Organised comprehensive training programmes covering technical, leadership and role-specific skills to support career growth
- Launched our Learning Management System (LMS), offering personalised learning paths and mobile access

Priorities for 2025

- Further enhance health and safety protocols and ensure continuous improvement
- Explore opportunities for ISO 45001 certification at additional locations

- Expand our range of own-brand healthier product offering for our customers
- Launch educational campaigns to inform customers about the benefits of a sustainable lifestyle and how they can make eco-friendly choices

- Continue to maintain and strengthen our support for local communities through various initiatives

- Add an ESG Module to the LMS to enhance ESG awareness and engagement

KPIs

Achieved ISO 45001 certification in the UAE for Occupational Health and Safety

389

NO. OF OWN BRAND ORGANIC PRODUCTS OFFERED

783

NO. OF OWN BRAND PRODUCTS SOLD WITH LESS SUGAR/SALT/SATURATED FATTY ACIDS/FREE FROM ADDITIVES OFFERED

\$961,936

DONATIONS AND SPONSORSHIPS IN 2024

Zero

FATALITIES WERE REPORTED

1,206,405

TOTAL EMPLOYEE TRAINING HOURS

22.5 hours

AVERAGE TRAINING HOURS PER EMPLOYEE

ESG Summary continued

Driving Accountability through Governance

At Lulu Retail, our success is driven by strong governance, effective leadership, and an unwavering commitment to transparency, integrity, and trust. Our comprehensive policies and procedures uphold ethical conduct, promote responsible business practices, and prioritise the wellbeing of all stakeholders.

Key Priorities

Upholding responsible governance

Fostering a culture of ethics and integrity

Building a responsible and resilient supply chain

Safeguarding customer privacy and data security

Management Approach

Our governance framework ensures effective risk management and compliance with legal requirements. Our Board and the Senior Management Team oversee the independence of the committees. We address ESG-related risks through our Enterprise Risk Management System.

We uphold ethical business practices through policies like ESG, Anti-Bribery and Corruption Policy and Procedure, as well as the Supplier Code of Conduct. We uphold ethical behaviour, data privacy, and anti-corruption.

We incorporated sustainability into our supply chains through the 2023 Supplier Code of Conduct.

Our Privacy Policy, protocols, and multi-factor authentication ensure robust data privacy and security.

Progress in 2024

- Appointed a Chief Sustainability Officer to lead Sustainability Department
- 100 percent operations assessed for corruption risks in the last three years
- Zero tolerance for forced labour or discrimination in the last three years
- Zero corruption incidents in the last three years
- Zero critical concerns of conflict of interest were reported in 2024
- Conducted thorough evaluations based on quality, reliability, demand, and compliance with local and international regulations
- Maintained PCI-DSS certifications in Bahrain, Kuwait, and Qatar
- Upgraded our Point-of-Sale system
- Enhanced our loyalty programme, with zero reported data breaches

Priorities for 2025

- Form a Board-level Sustainability, Strategy & Investment Committee to oversee ESG initiatives
- Enhance Board oversight through performance evaluations
- Regularly review and update policies to reflect industry best practices
- Enhance supplier collaboration to improve sustainability practices
- Continue to enhance data security measures

KPIs

3

NO. OF INDEPENDENT DIRECTORS ON THE BOARD

160,854

HOURS HUMAN RIGHTS TRAINING

\$5,613

MILLION PROCUREMENT SPENDING ON LOCAL SUPPLIERS

ESG Summary continued

Driving Accountability through Governance continued

🔍 CASE STUDY



Celebrating the Saudi Arabia Harvest Season

We collaborate with governments across the GCC region to promote their developmental goals. Among our key partnerships is that with the Ministry of Environment, Water, and Agriculture (MEWA) in Saudi Arabia. We collaborate with MEWA to hold the Saudi Harvest Season campaign, which promotes local agricultural products, particularly fruits and vegetables. The initiative emphasises the importance of supporting local producers and encouraging sustainable agricultural practices.

Through this campaign, Lulu Retail plays a key role in showcasing fresh, locally grown produce, strengthening the connection between farmers and consumers. Our involvement supports local agriculture, food security, and sustainability, aligning with our commitment to responsible sourcing and community support.

Promoting sustainability, which forms an intrinsic part of our growth strategy in the GCC, is directly overseen by our Board. This oversight ensures that our commitment to sustainable practices is not just a business priority but a deeply embedded value, guiding decisions that support environmental protection, local communities, and long-term economic growth of the nations in the region.

Risk Management

Anticipate, Adapt, Achieve

Recognising the importance of effective risk management, we have implemented an Enterprise Risk Management (ERM) policy that upholds the highest standards and includes a comprehensive risk register, covering both operational and ESG risks.

Our Approach to Risk

We take a proactive and structured approach to risk management, ensuring risks are identified, assessed, and mitigated in alignment with our defined risk appetite. We employ a blend of top-down and bottom-up strategies, integrating risk considerations at every level, from operational teams to executive leadership.

Risk Governance Model and Framework

Our risk governance framework is designed to establish clear accountability and oversight, fostering a robust risk culture across the organisation. This structure defines specific roles, ensures transparent escalation channels, and incorporates continuous monitoring mechanisms. To further enhance clarity, a RACI matrix is employed, outlining roles and responsibilities for risk ownership, reporting, and oversight.

- **Board of Directors and Audit Committee:** Provide strategic direction, approve the risk appetite, and oversee the effectiveness of the overall risk management framework
- **Senior Management:** Integrates risk management into business strategy and operational decision-making, ensuring alignment with organisational objectives
- **ERM Function:** Develops risk management policies, conducts risk assessments, and monitors mitigation efforts across all regions and business units
- **Risk Champions:** Appointed across key business regions, facilitating risk identification, escalation, and mitigation within their specific areas
- **Operational Teams:** Serve as the first line of defence, responsible for identifying risks, implementing controls, and ensuring compliance with mitigation plans

Risk Identification and Assessment

In alignment with our Enterprise Risk Management Policy, we have adopted a range of approaches to identify risks effectively.

Risk workshops, facilitated by the Risk Management Team, promotes cross-functional engagement in identifying both strategic and operational risks.

Risk registers are maintained at functional and departmental levels, with regular updates on risks and mitigations.

Regular reviews by risk owners and champions focus on high-risk (red) and medium-risk (amber) categories, ensuring timely identification and management of emerging risks.

Risks are assessed using a standardised scoring method, evaluating potential impact and likelihood to determine severity and appropriate action plans.

Risk Management Process

Lulu Retail follows a structured risk management process that encompasses risk identification, assessment, and mitigation, continuously enhanced through feedback and lessons learned from both internal and external sources.

Core Steps



Risk Identification

All employees play a vital role in identifying risks, supported by risk workshops led by the Risk Management Team. Systematic risk identification techniques, including risk registers, ensure comprehensive documentation and tracking of risks across the organisation.



Risk Assessment

Identified risks are systematically assessed for impact and likelihood using a standardised risk scoring methodology, ensuring consistent evaluation and prioritisation.



Risk Evaluation

Risks are prioritised based on their potential impact, ensuring focus on those that pose the greatest threat to the organisation.



Risk Treatment

Based on the assessment, risks are managed using the four T's — Treat, Tolerate, Transfer, or Terminate — with tailored mitigation plans to minimise impact.



Ongoing Monitoring and Reporting

Risks are continuously monitored and reported, with mitigation efforts reviewed quarterly and bi-monthly for high-priority risks to ensure effective management.

Risk Management continued

Principal Risks and Uncertainties

We proactively identify, assess, and mitigate key risks to safeguard operations, ensure resilience, and sustain long-term business growth.

Strategic Risks

Decline in Consumer Spending, or shifting demographics

Context

A decline in consumer numbers, spending levels, shifting habits or shift in demographics could negatively impact the Group's business and results. The potential loss of customers may lead to reduced sales and profitability.

Mitigations

Monitoring consumer trends and adapting offerings to evolving preferences. Strategies include customer outreach surveys, cluster analysis for retention, targeted marketing and tailored engagement plans with focus on moving customers into higher value spending to drive growth and loyalty. Efforts also focus on moving moderate customers into higher spending segments to drive growth and loyalty.

E-commerce Transition Challenges

Context

The shift in spending towards e-commerce and other alternative retail channels may not be accompanied by an equivalent increase in sales via the Group's e-commerce channels.

Mitigations

Enhancing e-commerce capabilities and implementing strategies to improve digital customer experience.

Compliance Risks

Regulatory Compliance Failures

Context

Failure to comply with applicable laws and regulations may result in legal penalties, reputational damage, and higher compliance costs.

Mitigations

Developing and maintaining a comprehensive compliance programme with internal controls, audits, and training.

Data Protection and Privacy Breaches

Context

A failure to comply with data protection laws or to protect customer data may result in enforcement actions, fines, and reputational damage. Cyber-attacks could disrupt operations and compromise data security.

Mitigations

Implementing robust data protection measures through enhanced network security, email protection, and multi-factor authentication. Conducting regular audits, ongoing vulnerability assessments, and third-party evaluations to ensure compliance. Updating privacy policies as required and performing regular disaster recovery testing to strengthen resilience.

Operational Risks

Supply Chain Disruption

Context

The Group's operations depend on the availability of products and the timely delivery of products to customers, which may be negatively affected by supply chain disruption.

Mitigations

Diversification of suppliers, investment in logistics technology, and contingency planning for disruptions.

Payment Systems Risks

Context

Any failure of the Group's payment processing systems, fraud, or non-compliance with payment regulations could adversely affect the Group's income.

Mitigations

Investing in secure payment systems, monitoring for fraud, and adhering to compliance requirements for payment methods.

ESG and People Risks

Talent Recruitment and Retention

Context

Challenges in recruiting and retaining skilled personnel may hinder the Group's operations and strategic goals.

Mitigations

Enhancing employee engagement and development initiatives, alongside competitive compensation packages.

Sustainability and Climate Change Pressures

Context

Pressure to adopt environmentally sustainable practices and mitigate climate-related risks may impact costs and brand reputation.

Mitigations

Setting sustainability targets and implementing measures to reduce environmental impact, including waste and carbon emissions management.

Governance Report

Lulu Retail Holdings PLC (“Company” or “We” or “Our”), including its subsidiaries and group companies which are controlled directly or indirectly by the Company (“Lulu Group”), is a PAN-GCC Full-line Retailer, known for its wide-ranging network of hypermarkets, mini markets, and express stores.

We are committed in delivering high-quality products and exceptional customer service, making us a key player in the region’s retail landscape with a solid presence across the GCC and beyond. The Company, through both our physical stores and robust e-commerce platform, reaches millions of customers, maintaining our position as a driving force in the retail sector.

We are committed in maintaining the highest standards of corporate governance, ensuring transparency, accountability, and responsibility throughout our operations. This governance report is issued in compliance with the Chairman of the SCA’s Board of Directors’ Decision No. (3/R.M) of 2020 Concerning Approval of Joint Stock Companies Governance Guide (as amended from time to time), (the “Governance Guide”).

In 2024, the Company successfully implemented the necessary procedures to meet the requirements of the Governance Guide, reaffirming our commitment to effective governance and risk management. The Company’s governance framework reflects these principles, ensuring that all practices align with the guidelines set forth, and safeguarding the interests of our stakeholders. This report provides insights into the Company’s governance mechanisms, including the roles of the Board of Directors of the Company (the “Board” or “Director”) and senior management, internal controls, risk management as well as the steps taken to enhance operational integrity and long-term sustainability.



Chairman's Statement

Good Governance is Intrinsic to our Success

I am pleased to present the 2024 Annual Corporate Governance Report of the Company. As a Board, we believe that good governance is fundamental to the way we operate our business on a day-to-day basis and intrinsic to the successful delivery of the Company's strategy.

The past year has been transformative for the Company, with significant progress across all areas of our operations from robust expansion and operational efficiencies to our successful listing, we have taken bold steps that have positioned us for sustained growth and success.

As mandated, we have already formed the Audit Committee and the Nomination and Remuneration Committee of the Board. Should the need arise, we will set up additional Committees of the Board. We will be forming the Sustainability, Strategy and Investment Committee in financial year 2025.

Looking ahead, we remain steadfast in our commitment to maintaining the highest standards of corporate governance, ensuring transparency, accountability, and integrity in all our operations while driving value for all our stakeholders.

I would like to extend my gratitude to our shareholders, employees, and stakeholders for their resolute support and dedication. Together, we will continue to build on our success and strive for excellence in all that we do.

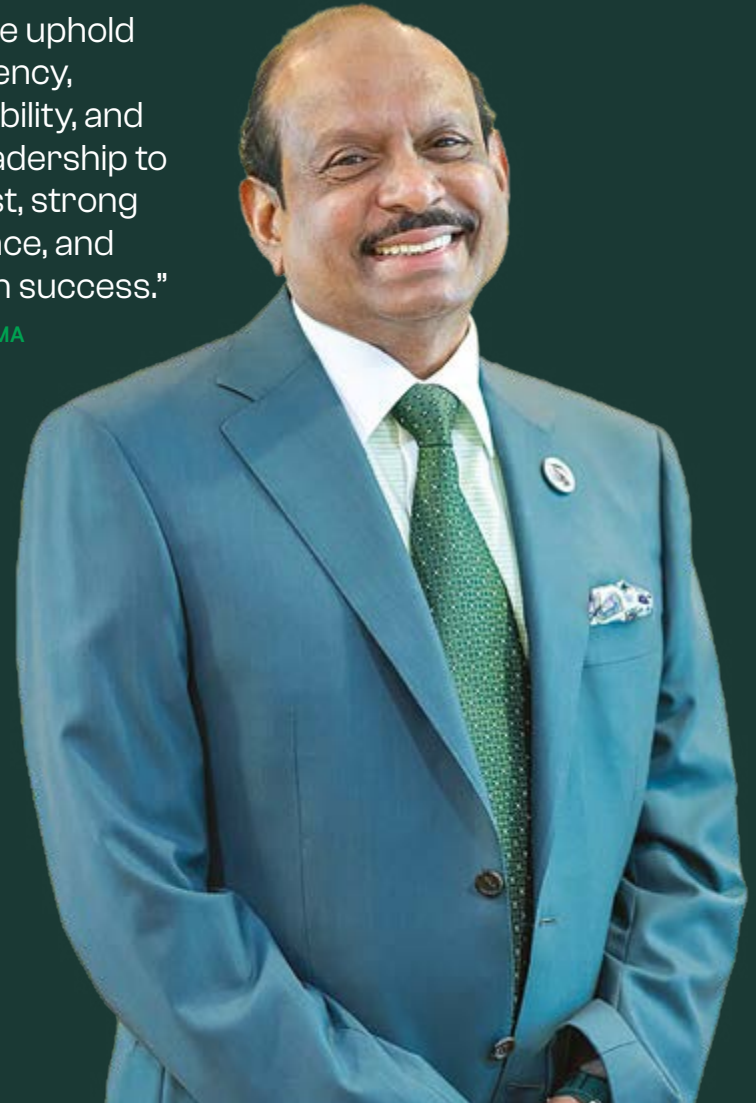
Thank you for your continued trust and confidence in the Company.

Regards

Mr. Yusuff Ali MA
Chairman

"At Lulu, we uphold transparency, accountability, and ethical leadership to drive trust, strong governance, and long-term success."

Mr. Yusuff Ali MA
Chairman



Governance Philosophy

We have established a robust corporate governance framework and a comprehensive corporate governance policy designed to uphold the highest standards of governance.

We recognise that a strong governance framework is only as effective as the individuals who implement it. Therefore, our corporate culture is deeply rooted in our commitment to embrace the spirit of the laws and regulations that govern our operations.

Our corporate values are the cornerstone of our business conduct. We are dedicated to leading by example in demonstrating exemplary corporate governance practices. We understand that effective governance is crucial not only to our shareholders but also to our customers, employees, communities, and the organisation as a whole.

The Board plays a pivotal role in overseeing our corporate governance protocols. They are responsible for steering Lulu Group's affairs and collaborating closely with senior management to define and achieve our strategic objectives. This collaborative approach ensures that our governance practices are aligned with our long-term goals and the expectations of our stakeholders.

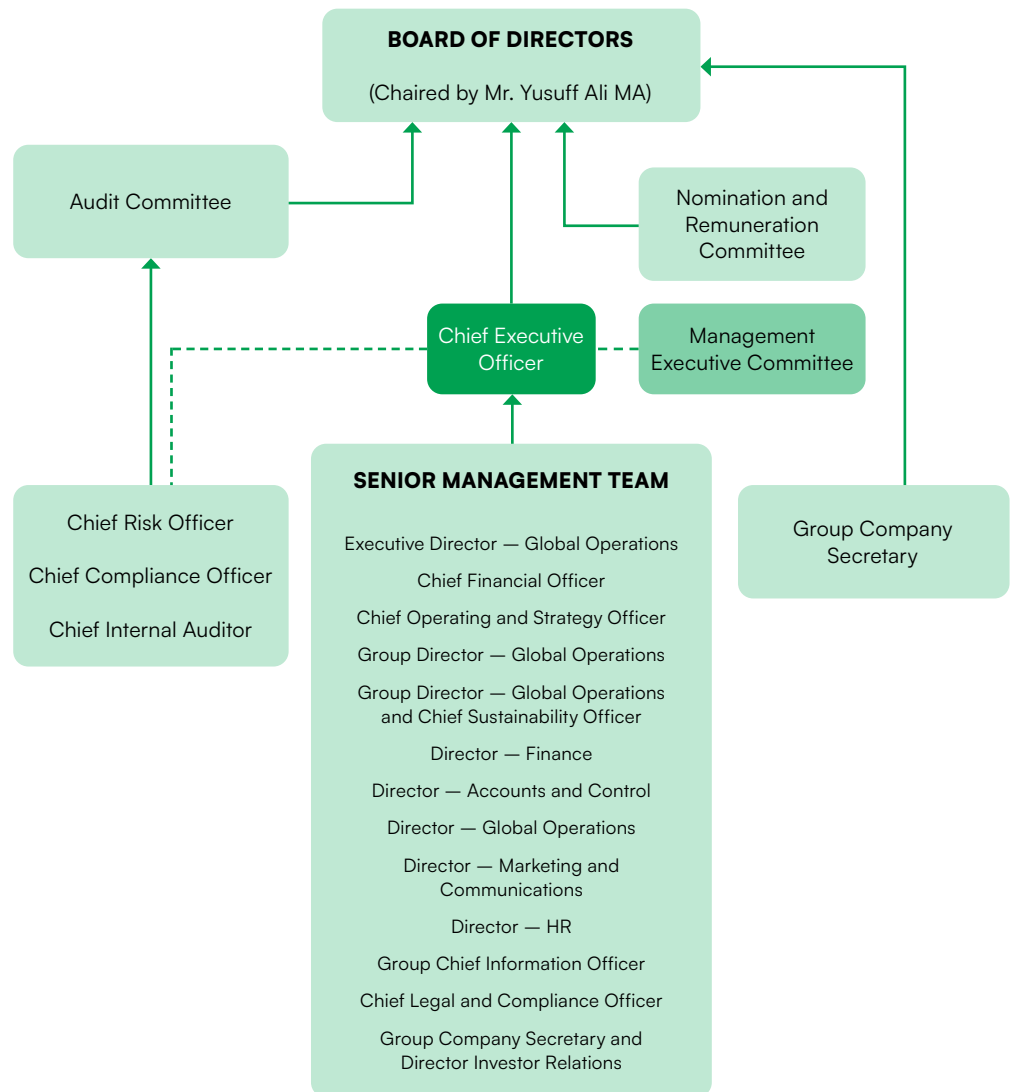
Our commitment to transparency, accountability, and integrity is unwavering. We continuously strive to enhance our governance practices to meet and exceed industry standards. By fostering a culture of ethical behaviour and responsible decision-making, we aim to build trust and create sustainable value for all our stakeholders.

We are dedicated to maintaining a governance framework that goes beyond regulatory compliance, cultivating a culture of excellence, innovation, and integrity. We firmly believe that strong governance is the cornerstone of our success and a key driver of our sustainable growth in the years to come.

Procedures taken to complete the corporate governance system during 2024

During 2024, we undertook several key initiatives to enhance our corporate governance system. We added additional members to the Board, ensuring a diverse and experienced leadership team. Our Company was successfully listed, marking a significant milestone in our growth. We adopted various policies aimed at adhering to the highest standards of corporate governance. Our commitment to complying with ADX, SCA, and ADGM rules and regulations remains steadfast. We provide all necessary training to our employees and continuously strive to align with the governance landscape of the United Arab Emirates.

Governance structure



Board at a Glance

Guided by the Company's vision and values, the Company's Board is committed to acting in the best interests of the Company and its shareholders, supporting the management team and maximising long-term value.

Members of the Board are appointed by the shareholders for three-year terms.

The composition of the Board of the Company adheres to the highest standards of corporate governance, ensuring a clear separation between the roles of Chairman and Chief Executive Officer. Our Board predominantly comprises Non-Executive Directors, including UAE nationals, and Independent Directors, which aligns with best practices in corporate governance.

The Board is led by the Chairman who possesses the authority to act and speak on behalf of the Board. This includes engaging with the Senior Management Team, facilitating effective communication between the Board and shareholders, and representing the Company in interactions with regulators. This structure ensures that the Company operates with transparency, accountability, and a strong commitment to shareholder interests.

Board Experience and Expertise

The Board was re-constituted in July 2024 as per the provisions mandated by the Governance Guide. We confirm that the corporate governance framework adopted by the Company in 2024 complied with all the main requirements and provisions of the Governance Guide.

On July 22, 2024, in addition to the existing two directors, seven Directors were appointed on the Board, bringing the total composition of the Board to nine members. Directors appointed on the date

included Mr. Yusuff Ali MA, Mr. Ashraf Ali MA, Mr. Gil Adotevi, Mr. Salmeen Al Ameri, Mr. Andre Sayegh, Ms. Reed Al-Dhaheer and Mr. Abdulrahman Abaalkhail.

All Directors hold office for a term of three years and are eligible for re-appointment after that, subject to the requirements of Governance Guide

Board of Directors

As of 2024, the Board comprises of nine members, with one female Director. This represents a female representation of c. 11 percent.

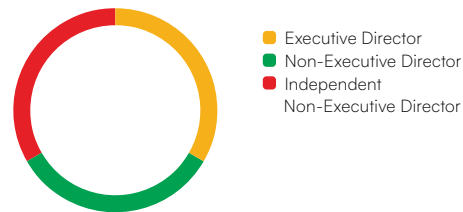
The Nomination and Remuneration Committee plays an important role in the selection and recommendation of potential Directors for appointment to the Board, ensuring that the Board comprises individuals with a balance of skills, diversity and expertise who collectively possess appropriate qualifications required for the size, complexity and risk profile of the Company.

All candidates for Board membership are subject to a rigorous and robust evaluation to ensure they have sufficient competence, knowledge and experience to effectively carry out their duties.

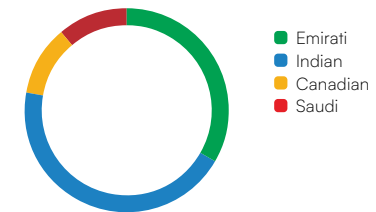
Lulu Group recognises that an effective Board and well-qualified and experienced Directors are critical in ensuring that the Board meets its primary responsibility of promoting the success of the Company.

Overview of the Board

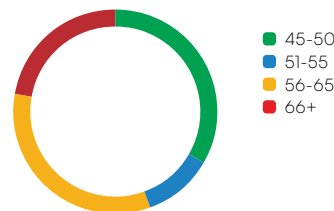
Category



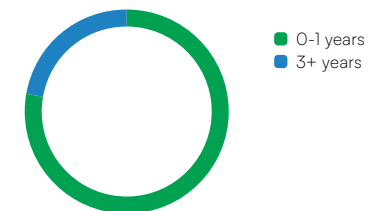
Nationality



Age



Tenure as a Board member in the Company



Board of Directors



Mr. Yusuff Ali Musaliam Veettil Abdul Kader

Chairman

Appointment to Board: July 2024

Mr. Yusuff Ali MA, Chairman of the Company since July 2024. He serves on several boards, including the Board of Lulu International Holdings Limited since May 2020. Moreover, he is the Chairman of Lulu Group, a role he has held since its founding, and has overseen and driven its expansion. Previously, he was Vice Chairman of the Abu Dhabi Chamber of Commerce, and is the Chairman of the Indian Business and Professional Group.

He has received several prestigious awards, honours and recognitions, such as the Abu Dhabi Award, the highest civilian award, in recognition of his contributions to business, industries, and philanthropic initiatives; the Queen's Award by Queen Elizabeth for his exceptional contribution to the UK's trade, industry, export and economy; the highest civilian award of Bahrain 'Wessam Al Bahrain' by His Majesty the King of Bahrain for his contributions in serving Bahrain and its citizens; and the "Most Influential Asian Business Leader in the MENA region" award by Forbes Middle East Magazine.

Other important regulatory, governmental, or commercial positions:

1. Lulu Retail Holdings PLC and its subsidiaries.
2. Lulu International Holdings Limited and its subsidiaries/ associates companies.
3. Lulu India and its group/associate companies.
4. Y&S Properties SPV Limited.
5. Cochin International Airport Limited.
6. Kannur International Airport Limited.
7. Lulu International Exchange LLC.



Mr. Saifee Rupawala

Chief Executive Officer and Director

Appointment to Board: September 2019

Mr. Saifee Rupawala has been the CEO of the Company since July 2024 and as a Director of the Company since September 2019. In addition, he has been serving as a Director on Lulu International Holdings Limited's Board since December 2017. He was the Chief Executive Officer of Lulu Group from September 2005 until June 2024. He first joined Lulu Group in July 1982 and, with a career spanning over four decades, he has been instrumental in driving its expansion initiatives. In addition to his corporate responsibilities, he is actively involved in community and professional organisations. He is a board member at the Indian Business and Professional Group in Abu Dhabi and a steering committee member of the Indian Professional Business Council in Dubai. In addition, he is a member of the India Social and Cultural Centre.

He holds a Bachelor of Commerce degree from Mumbai University and a Master of Business Administration degree, specialising in Financial Management and Human Resources from Vinayaka Mission University.

Other important regulatory, governmental, or commercial positions:

1. Lulu Retail Holdings PLC and its subsidiaries.
2. Lulu International Holdings Limited.
3. Y&S Properties SPV Limited.
4. Y International Holdings Limited.
5. Shoreline Impex Private Limited.



Mr. Ashraf Ali Muslim Veettil Abdul Kader

Executive Director — Global Operations

Appointment to Board: July 2024

Mr. Ashraf Ali MA has served as the Executive Director — Global Operations of the Company since July 2024. Additionally, he has been serving as a Director on Lulu International Holdings Limited's Board since May 2020. He served as the Executive Director of Lulu Group from 1982 until June 2024. He first joined Lulu Group in 1981 as a sales executive. Throughout his tenure, he has been instrumental in creating and innovating Lulu Group's stores, streamlining their operations across the GCC region. He leads the Group's retail operations, with particular focus on innovation initiatives such as Lulu Group's expansion in e-commerce and the development of its private label offering. He holds a Bachelor of Science from the University of Calicut.

Other important regulatory, governmental, or commercial positions:

1. Lulu Retail Holdings PLC and its subsidiaries.
2. Lulu International Holdings Limited.
3. Lulu India and its group/associate companies.
4. Y&S Properties SPV Limited.

The 'Independence' status is determined in accordance with the criteria set out in the 2020 SCA Governance Guide.

- Non-Executive
- Executive
- Independent Non-Executive

Board of Directors continued



Mr. Abdul Saleem Valiyakath Ibrahim Kutty

Chief Operating and Strategy Officer, and Director
Appointment to Board: September 2019

Mr. Saleem has been the Chief Operating and Strategy Officer of the Company since July 2024 and a Director of the Company since September 2019. Additionally, he has been serving as a Director on Lulu International Holdings Limited's Board since December 2017. Previously, he served as the Chief Operating Officer of Lulu Group from January 2013 until June 2024. He is responsible for the development, implementation, and supervision of the Group's operational policies, regulations, initiatives and objectives. He first joined Lulu Group in 1986 and has held multiple roles during his career.

He holds a Bachelor of Commerce degree from the University of Calicut and a Master of Commerce degree from the University of Calicut.

Other important regulatory, governmental, or commercial positions:

1. Lulu Retail Holdings PLC and its subsidiaries.
2. Lulu International Holdings Limited.
3. Y&S Properties SPV Limited.
4. Y International Holdings Limited.
5. Fair Exports (India) Pvt. Limited.



Mr. Gil Adotevi Adotevi-Akue

Director
Appointment to Board: July 2024

Mr. Adotevi has been a Director of the Company since July 2024. Additionally, he has been serving as a Director on Lulu International Holdings Limited's Board since January 2024. He has been the Chief Investment Officer at ADQ since January 2020, where he oversees the portfolio management function, which includes investments, joint ventures and restructuring efforts in the food and agriculture, transport and logistics, financial services and tourism, entertainment and real estate sectors. He serves as Chairman of the Unifrutti Group and is a member of the board of directors of Agthia Group, Louis Dreyfus, and Al Dahra. Prior to joining ADQ in 2020, he was a Senior Vice President at Mubadala Investment Company, where he was responsible for the performance, development and key acquisitions of the investments in food and agribusiness, metals, mining and utilities units. Earlier in his career, he held various roles in investment banking and investment management at RBC Capital Markets and State Street in Canada.

He holds a Bachelor of Finance degree from McGill University in Montreal, Canada, and a Master of Business Administration degree from the London Business School.

Memberships and positions in other joint stock companies:

1. Agthia Group — Director.

Other important regulatory, governmental, or commercial positions:

1. ADQ — Chief Investment Officer.
2. Lulu International Holdings Limited — Director.
3. Unifrutti Group — Chairman.
4. Al Dahra Holdings — Director.
5. Louis Dreyfus Company — Director.



Mr. Salmeen Obaid Suwaid Alsembari Al Ameri

Director
Appointment to Board: July 2024

Mr. Salmeen has served as a Director of the Company since July 2024. Additionally, he has been serving as the Vice Chairman of Agthia Group, an Abu Dhabi-based food and beverage company. He is the CEO of Silal, an ADQ company established to diversify food product sources and stimulate the manufactured and agri-food sectors of the UAE. Previously, he has served as a board member of the Abu Dhabi Sustainable Water Solutions Company.

He holds a Bachelor of Business Administration and Management from Eastern Washington University and a Master in Management, Communications, Marketing and Media degree from the Paris Sorbonne University in Abu Dhabi.

Memberships and positions in other joint stock companies:

1. Agthia Group — Director.

Other important regulatory, governmental, or commercial positions:

1. Sherwood Environment SPV Limited — Director.
2. SAFCO Enterprises Limited — Director.
3. Silal Food and Technology LLC — Chief Executive Officer.
4. Al Bakrawe Holding — Director.

- Non-Executive
- Executive
- Independent Non-Executive

Board of Directors continued

For a more detailed biography of our Board members, please visit www.luluretail.com/about-us/board-of-directors/



Mr. André George Sayegh

Director

Appointment to Board: July 2024

Mr. André has served as a Director of the Company since July 2024. Previously, he served as the Chairman of the board of Multiply Group from December 2021 until July 2024. He was also a board member of Shuaa Capital from March 2023 to February 2024, and Mubadala Infrastructure Partners from 2010 to 2017. He was Abu Dhabi Area Manager for Citibank between 1990 and 2000 in the areas of Global Corporate Finance and Private Banking. He was CEO of First Gulf Bank (FGB) from 2006 to 2017, when it merged with the National Bank of Abu Dhabi to form First Abu Dhabi Bank (FAB). He also served as the CEO of First Abu Dhabi Bank (FAB) from 2020 to 2021, and as a board member of First Abu Dhabi Bank (FAB) between 2021 and 2023, during which time he was a member of the Audit committee and Risk and ESG committee.

He holds a Bachelor of Business Administration degree from the American University of Beirut and a Master of Business Administration degree (majoring in Corporate Finance) from the American University of Beirut.



Ms. Reed Hamad Khamis Al-Sheryani Al-Dhaheri

Director

Appointment to Board: July 2024

Ms. Reed has served as a Director of the Company since July 2024. She is the chairwoman of the UAE Women's Electronic Sports Federation Committee (since 2022), a partner of Reed Law Firm and Legal Consultations (since 2012), board member at Mada'in (since 2007), and the First Vice President of the International Arab Federation for Women's Electronic Sports (since June 2022). She is a member of the board of directors of the Abu Dhabi Chamber of Commerce and Industry and the chairwoman of multiple committees within the Abu Dhabi Chamber of Commerce and Industry.

She holds a Bachelor of International Management and Marketing degree from Southeastern University (Washington D.C., USA) and a Bachelor of Law and Economics degree from the United Arab Emirates University.

Other important regulatory, governmental, or commercial positions:

1. Abu Dhabi Chamber of Commerce and Industry — Board Member.
2. Abu Dhabi Businesswomen Association — Board Member.
3. UAE Electronic Sports Federation — Board Member.
4. International Arab Federation for Woman's Electronic Sports — Vice-President.
5. Mada'in Holding — Director.
6. Omair bin Arar Sons Properties LLC — Board Member.
7. Emirati Egyptian Company for Educational Service — Member of Deputy Board of Directors (Arab republic of Egypt).
8. Reed Law Firm — Partner.



Mr. Abdulrahman Ibrahim Hamad Abaalkhail

Director

Appointment to Board: July 2024

Mr. Abaalkhail has served as a Director of the Company since July 2024. He has been the CEO of Dan Company, a subsidiary of the Public Investment Fund (PIF), the sovereign wealth fund of Saudi Arabia, since 2022. He has been the Chairman of the board of Al Fadhili Housing Company (a joint venture between Aramco and Masic Logistics) since August 2021, the Chairman of the board of Mumtalakat (a joint venture between Al Akaria and POSCO Korea) since January 2022, and the Vice Chairman of Al Rajhi Ekhwan since March 2022. Further, he has been serving as an independent member of the investment committee at Awj Holding since January 2024. Previously, he was the CEO of Masic Logistics from 2020 until 2022.

He holds a Bachelor of Science in Finance degree from the King Fahd University of Petroleum and Minerals (KFUPM) and a Master of Business Administration degree from the University of Wales.

Other important regulatory, governmental, or commercial positions:

1. Al Fadhili housing Co. — Chairman.
2. Mumtalakt Property and Facility Management Company — Chairman.
3. Al Rajhi Ekhwan — Board member/Vice Chairman.
4. SARCC — Board Member.
5. Awj Holding Company — Investment Committee Member.
6. Dan (A PIF Subsidiary) — Chief Executive Officer.

- Non-Executive
- Executive
- Independent Non-Executive

Governance Management

Board Duties

The principal duties of the Board are to provide the Company strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to a general meeting of the shareholders by law or by the Articles of Association of the Company.

Key Responsibilities of the Board

Governance:

- Ensure compliance with laws, regulations, and supervisory authorities
- Promote gender diversity and monitor organisational structures
- Establish a clear governance framework
- Approving the fundamental policies of the Company
- Enforce policies on the Code of Conduct and Business Ethics
- Establish and review sub-committees and the Corporate Governance Framework
- Oversee subsidiary governance and endorse the Board's remuneration policy
- Calling shareholder meetings and ensuring appropriate communication with shareholders
- Regulate stakeholder relationships and ensure independence criteria are met

Strategy:

- Formulate, review, and monitor strategic plans
- Set risk appetite and review strategic assumptions and rationale underlying Company and Lulu Group's strategic plans
- Decide on capital structure, dividend policy, and securities offerings

Financial, Administrative, and Operational Responsibilities:

- Set key policies and approve material capital expenses and asset transactions
- Approve annual budgets, business plans, and financial statements
- Appointing members of the senior executive management team of the Company
- Nominate external auditors
- Manage borrowing, mergers, acquisitions, and related party transactions
- Approve incorporation of new subsidiaries and significant investments
- Implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls
- Proposing the issuance of shares and any restructuring of the Company
- Determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed

Overall Goals:

- Operate with the highest standards of governance, transparency, and accountability
- Foster sustainable growth and value creation for all stakeholders
- Deliver sustainable value to shareholders and maintain effective control over the business
- Set and adhere to corporate values, promoting risk awareness

Meetings of the Board of Directors

The Board of Directors held four meetings during 2024. The table below shows the Board members' attendance at these meetings:

Name of Director	21 Feb 2024	30 May 2024	17 July 2024	20 Nov 2024
Mr. Yusuff Ali MA	NE	NE	NE	P
Mr. Saiffee Rupawala	P	P	P	P
Mr. Ashraf Ali MA	NE	NE	NE	P
Mr. Saleem VI	P	P	P	P
Mr. Gil Adotevi	NE	NE	NE	P
Mr. Salmeen Al Ameri	NE	NE	NE	P
Mr. André Sayegh	NE	NE	NE	P
Ms. Reed Al-Dhaheri	NE	NE	NE	P
Mr. Abdulrahman Abaalkhail	NE	NE	NE	P

NE: Not eligible

P: Present

Board Remuneration

In accordance with the Articles and subject to the limitations of the SCA Governance Guide, the Company is authorised to pay the directors aggregate fees for their services as determined by the Board, the remuneration of the Board of Directors shall not exceed ten percent (10%) of the net profits of the fiscal year after deducting all the depreciations and reserves. These fees are distributed among directors as decided by the Board and are distinct from any salary or other remuneration payable under different provisions. For the financial year 2024, the Company has not paid any fixed board remuneration to the directors.

Assessment of the Board

Due to the recent addition of new Board members, the establishment of the Nomination and Remuneration Committee, and the Company's listing, no formal assessment of the Board of Directors, its members, or committees was carried out in 2024. However, the Company has in place the necessary mechanisms for assessment and remains committed to continuous improvement. Comprehensive evaluations will be conducted in FY 2025 to uphold the highest standards of governance. Furthermore, we have developed robust training and development programmes aimed at enhancing the skills and effectiveness of both our Board members and senior management.

Governance Management continued

Board Induction

Board induction and ongoing awareness sessions are crucial for ensuring that Directors remain informed about key matters. These sessions equip Directors with the necessary skills and knowledge to effectively fulfil their responsibilities and provide constructive challenges to the business. At the Board Meeting held in November 2024, the Board received a brief induction, which included an introduction to the senior management team and an overview of the leadership structure, policies and procedures, operational highlights, and strategic and financial updates of the Company. Additionally, the Chief Legal and Compliance Officer provided an update on the Company's legal, compliance, and governance framework.

Statement of Ownership and Transactions of the Board

The following table shows the ownership and transactions of shares (both purchase and sale) of the Board, together with their spouses and children, in the securities of the Company during the year ended December 31, 2024:

Name	Position	Shares held as on November 14, 2024	Shares held as on December 31, 2024	Shares owned by spouse and children as on November 14, 2024	Shares owned by spouse and children as on December 31, 2024	Total sale transaction	Total purchase transaction
Mr. Yusuff Ali MA	Chairman	Nil	Nil	35,537,255	35,537,255	Nil	Nil
Mr. Saifee Rupawala	Chief Executive Officer/Executive Director	2,450,720	2,450,720	490,000	490,000	Nil	Nil
Mr. Ashraf Ali MA	Executive Director — Global Operations	4,901,441	4,901,441	735,072	735,072	Nil	Nil
Mr. Saleem VI	Chief Operating and Strategy Officer/Executive Director	2,310,879	6,901,979	Nil	Nil	Nil	4,591,100
Mr. Gil Adotevi	Director	367,647	367,647	Nil	Nil	Nil	Nil
Mr. Salmeen Al Ameri	Director	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Andre Sayegh	Director	60,000	60,000	Nil	Nil	Nil	Nil
Ms. Reed Al-Dhaheeri	Director	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Abdulrahman Abaalkhail	Director	Nil	Nil	Nil	Nil	Nil	Nil

Board Capacity Limitation

Through the application of the Conflict of Interest Policy, the Board ensures that any external directorships or other interests held by any Director:

- Are not excessive in number, as required by relevant regulations;
- Do not take up an unreasonable amount of time, to the prejudice of the Company's Board duties; and
- Do not create any conflict of interest.

Board Management of Corporate Culture

Lulu Group embraces a strong corporate culture, which supports long-term sustainable shareholder value. During 2024, the Board and senior management worked together to embed a strong corporate culture in numerous ways, including:

- Applying the Code of Conduct, Conflict of Interest policy, Whistleblowing policy mechanism
- Setting the tone from the top by playing a lead role in establishing, promoting, embedding and monitoring the corporate culture and values to ensure that all business is conducted in a legal and ethical manner
- Monitoring and influencing the culture, reputation and ethical standards

The Company and its Board are committed to standards of corporate governance that are in line with international best practice. The Company complies, and intends to comply, with the corporate governance requirements for listed companies in the UAE.

Directors strive to represent and maintain balance between the best interests of the Company and the shareholders, act professionally and exhibit high standards of integrity, commitment and independence of thought, and devote sufficient time to ensure the diligent performance of their respective duties. Directors are also, among other matters, under a duty to maintain confidentiality of sensitive information and avoid conflicts of interest, and there are restrictions regarding securities trading, including a ban on trading with insider information, and responsibilities with regards to whistleblowing. The Board operates in accordance with a charter, which is aligned to the principles detailed in the Governance Guide.

Significant Decisions Passed by the Board

Board Meetings and Resolutions in 2024

The Board agenda for 2024 included:

- February — Restructuring update and general discussions.
- May — IPO update and general discussions.
- July — Adoption and approval of various financial statements and reports, and the appointment of auditors.
- November — Several key approvals and updates, including the noting of the appointment of senior management, organisational hierarchy, strategic delegation of authority, corporate governance, compliance, risk management, internal audit policies, and the constitution of the Management Executive Committee. Additionally, the agenda included operational, strategic, and financial performance updates, approval of consolidated financial statements and MD&A for the nine-month period ending September 30, 2024, related party transactions, the internal audit plan and delegation of authority for day-to-day matters.

The board passed the following written resolutions in 2024:

1. Resolution dated **March 01, 2024**, pertaining to increase of authorised share capital.
2. Resolutions dated **March 04, March 11, March 18, March 27 and March 28, 2024**, pertaining to issue and allotment of equity shares, general authorisation and related matters.
3. Resolution dated **March 26, 2024**, pertaining to transfer of shares.
4. Resolution dated **March 29, 2024**, pertaining to reduction of share capital and related matters.
5. Resolution dated **June 13, 2024**, pertaining to sub-division of shares.
6. Resolution dated **June 28, 2024**, pertaining to the change of registered office address and banking activities.
7. Resolution dated **July 22, 2024**, pertaining to the appointment of directors and senior management, the formation of Audit and Nomination & Remuneration Committees, and the determination of Directors' tenure.
8. Resolution dated **July 26, 2024**: The Board of Directors approval for initial public offering (IPO).



Board Committees

The Board has an Audit Committee and a Nomination and Remuneration Committee (each of which is subject to the composition requirements of the Governance Guide). If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the external auditors, reviewing the effectiveness of the external audit process, reviewing the effectiveness of the internal control review function, and reviewing the Lulu Group's related party transactions and making appropriate recommendations to the Board in respect of any such matters. The Audit Committee ensures to take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law.

The members of the Audit Committee are as follows:

Name	Position
André Sayegh	Chairperson
Reed Al-Dhaheri	Member
Gil Adotevi	Member

Since the Company was listed in November 2024, the committee held one meeting in 2024. The meetings' attendance by the current Committee members was as follows:

Name	November 20, 2024
André Sayegh	✓
Reed Al-Dhaheri	✓
Gil Adotevi	✓

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in developing policies which apply for membership to the Board of Directors and senior management taking into account gender diversity, and relevant regulatory and independence requirements, ensuring the independence of independent Board members, reviewing and overseeing the remuneration and benefits of senior management, reviewing human resource policies of Lulu Group and making recommendations to the Board in respect of any of the relevant matters where appropriate. Moreover, the Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board.

The members of the Nomination and Remuneration Committee are as follows:

Name	Position
Reed Al-Dhaheri	Chairperson
Abdulrahman Abaalkhail	Member
Salmeen Al Ameri	Member

Since the Company was listed in November 2024, there was no meeting of the committee held during the year 2024.

Board Committees *continued*

Board Committee Reports

Audit Committee

Statement from the Chairperson of Audit Committee

During 2024, the Audit Committee held one meeting on November 20, 2024 and discharged its duties in accordance and in compliance with its terms of reference. During the year, the Audit Committee:

- Reviewed the Enterprise Risk Management (ERM) policy, internal audit manual with charter, business continuity management policy and business continuity plan, accounting policies and related party transaction policy
- Reviewed the internal audit strategy and approved the three-year internal audit plan
- Reviewed the audit of the Company's financial statements to ensure transparency, accuracy, and compliance with UAE regulatory requirements
- Reviewed the interim Consolidated Financial Statements and Management Discussion and Analysis report for the nine-month period ended September 30, 2024

The Audit Committee's focus this year has been on gaining a comprehensive understanding of the internal controls and processes crucial for preparing financial statements. Deloitte & Touche (M.E.) LLP ("Deloitte") were appointed as the group's external auditors prior to the IPO and have served as the Company's External Auditor since its inception. To ensure auditor independence, the Audit Committee exercises stringent oversight, limiting Deloitte's non-audit services in accordance with the SCA Governance Guide. Deloitte conducts the audit in line with the International Standards on Auditing (ISAs). Additionally, the Audit Committee annually evaluates Deloitte's qualifications, performance, and independence.

As Chairperson of the Audit Committee, I hereby acknowledge my responsibility to discharge the responsibilities of the Audit committee under its terms of reference and ensure its effectiveness.



André George Sayegh

Chairman

Audit Committee of Lulu Retail Holdings PLC

Nomination and Remuneration Committee

Statement from the Chairperson of the Nominations and Remuneration Committee

During 2024, the Nomination and Remuneration Committee did not conduct any meeting. Looking ahead, the Committee is committed to:

- Enhancing talent management: Implementing robust succession planning and development programmes to ensure a pipeline of skilled leaders
- Aligning remuneration with performance: Establishing remuneration schemes that reward performance and align with the Lulu Group's strategic goals and values
- Promoting a positive culture: Fostering an inclusive and engaging work environment that supports employee wellbeing and organisational success
- Ensuring compliance and best practices: Adhering to regulatory requirements and adopting best practices in corporate governance.

As Chairperson of the Nomination and Remuneration Committee, I acknowledge my duty to discharge the responsibilities of the Committee under its terms of reference and ensure its effectiveness.



Reed Hamad Khamis Al Sheriani Al Dhaheer

Chairperson

Nomination and Remuneration Committee of Lulu Retail Holdings PLC

Senior Management Team

Collectively, the Company's Senior Management Team possesses decades of unique and highly relevant experience in retail, supply chain and logistics, financial services, marketing and the FMCG industry among other sectors. Reporting to the CEO, the Senior Management Team is responsible for managing all aspects of the intricate day-to-day operations, executing the strategy, and driving its vision as the premier retail leader across the GCC.

Remuneration of senior management team

For the year ended December 31, 2024, the Company provided an aggregate total remuneration, to the senior management team. The detailed breakdown is outlined in the table below:

Particulars	Amount (\$)
Short-term employee benefits	5,225,480
End of service benefits	256,693
Total compensation paid to Senior Management Team	5,482,173

Management Executive Committee

The Management Executive Committee serves a link between the Board and Company's senior management, and supports the CEO by advising on operational matters, overseeing strategic planning, polices and facilitating smooth business functions. Additionally, the Committee monitors the strategic goals, operational objectives, and expansion plans and other related matters.

For a more detailed biography of our Leadership Team, please visit www.luluretail.com/about-us/board-of-directors/



Mr. Saifee Rupawala

Chief Executive Officer
Experience at Lulu: 42.5 years

Please refer to page 62 for Mr. Saifee Rupawala's biography



Mr. Ashraf Ali MA

Executive Director - Global Operations
Experience at Lulu: 42.5 years

Please refer to page 62 for Mr. Ashraf Ali's biography

Senior Management Team continued

Experience and Expertise of Senior Management Team continued

**Mr. Prasad KK**

Chief Financial Officer

Experience at Lulu: 26.3 years

Mr. Prasad KK has been the CFO of the Company since July 2024, after serving as the Director of Audit for Lulu Group from May 2016 to June 2024. He supports strategy development with financial and operational insights, helps set revenue and profitability targets, approves budgets, and presents performance analyses to the CEO and Board. Mr. Prasad joined the Lulu Group in 1998. He holds a Bachelor of Commerce degree from the University of Calicut and is a Chartered Accountant.

**Mr. Saleem VI**

Chief Operating and Strategy Officer

Experience at Lulu: 38.1 years

Please refer to page 63 for Mr. Saleem's biography

**Mr. Salim MA**

Group Director – Global Operations

Experience at Lulu: 35.6 years

Mr. Salim has been the Group Director of Global Operations at the Company since July 2024, after serving as Director of Global Operations for the Lulu Group from 2012 to June 2024. He oversees global operations and leads the FMCG and fruits and vegetables segments. Additionally, Mr. Salim has managed operations in Dubai, the Northern Emirates, and Far-East countries, and was instrumental in opening sourcing offices worldwide. He joined the Lulu Group in 1989 as Business Development Manager for UAE Operations. He holds a Bachelor of Commerce degree from Kerala University.

**Mr. Mohamed Althaf MM**

Group Director – Global Operations and Chief Sustainability Officer

Experience at Lulu: 23.6 years

Mr. Mohamed Althaf has been the Group Director of Global Operations and Chief Sustainability Officer at the Company since July 2024, after serving as Regional Director for Qatar from 2006 to June 2024. He oversees export and distribution operations in the USA, UK, Canada, Italy, Spain, and Australia. Mr. Althaf joined the Lulu Group in 2001 as Head of Operations for Qatar. Furthermore, he holds a Bachelor's degree in English from Gujarat University and a Master's degree in English Literature and Linguistics from the University of Delhi. He also holds a Bachelor of Law (LLB) from the University of Delhi. Additionally, he was awarded a Doctorate in Global Leadership and Management from the European International University, Paris, and holds an executive qualification in Advanced Management Leadership from Saïd Business School, University of Oxford.

Senior Management Team continued

Experience and Expertise of Senior Management Team continued



Mr. Parameswaran Nampoothiri

Director – Finance

Experience at Lulu: 23.5 years

Mr. Parameswaran Nampoothiri has been the Director of Finance at Company since July 2024, after serving as Finance Director for Lulu Group from May 2016 to June 2024. He manages the Lulu Group's financial risks, oversees hedging policies, working capital, and investment funding, and ensures adequate financial facilities. Additionally, he maintains strong relationships with financial institutions, negotiates banking facilities, and oversees treasury, investment, and cash flow matters. Mr. Nampoothiri joined the Lulu Group in 2001. He holds a Bachelor of Commerce degree from Kerala University and is a Chartered Accountant.



Mr. Santhoshkumar R Pillai

Director – Accounts and Control

Experience at Lulu: 23.5 years

Mr. Santhoshkumar Raghavan Pillai has been the Director — Accounts and Control at the Company since July 2024, after serving as the Director — Internal Audit for the Lulu Group from January 2021 to June 2024. He oversees the Accounts and Control function, ensuring timely and accurate reporting, analysing financial performance, managing financial plans, budgets, tax compliance, and internal controls. Additionally, Mr. Pillai designs and implements accounting policies to ensure statutory compliance. He joined the Lulu Group in 2001 as an Internal Auditor. He holds a Bachelor of Commerce degree from Kerala University. He is a Chartered Accountant from the Institute of Chartered Accountants of India.



Mr. Shabu Abdul Majeed

Director – Global Operations

Experience at Lulu: 28.7 years

Mr. Shabu Abdul Majeed has served as the Director of Global Operations of the Company since July 2024. Previously, he was the Director of Retail Operations for the Lulu Group from March 2013 until June 2024. Mr. Shabu is responsible for overseeing strategic planning and global operations, including supply chain management, procurement, inventory control, quality assurance, and retail operations at the group level. He first joined the Lulu Group in 1996. He holds a Bachelor of Science degree from the University of Calicut.



Mr. Nandakumar V

Director – Marketing and Communications

Experience at Lulu: 23.8 years

Mr. Nandakumar V has served as the Director of Marketing and Communications for the Company since July 2024. Previously, he was the Director of Marketing and Communications for the Lulu Group from 2020 until June 2024. Mr. Nandakumar first joined the Lulu Group in 2001 as an Advertising Coordinator. Additionally, he served as the Lulu Group's Chief Communications Officer from 2012 to 2020 and as Manager of Advertising and Promotions from 2006 to 2012. He holds a Bachelor's degree in Commerce and Business from Sambalpur University.

Senior Management Team continued

Experience and Expertise of Senior Management Team continued



Mr. Abdu Rasak CP

Director – HR

Experience at Lulu: 31.8 years

Mr. Abdu Rasak has served as the Director of HR of the Company since July 2024. Previously, he was the Director of HR for the Lulu Group from 2014 until June 2024. Mr. Rasak is responsible for forecasting staffing needs, succession planning, addressing employee grievances, ensuring compliance with labour laws, and designing competitive compensation packages and benefits programmes. He first joined the Lulu Group in 1993. He holds a Bachelor of Science degree from the University of Calicut.



Mr. Mohamed Anish P

Group Chief Information Officer

Experience at Lulu: 20 years

Mr. Anish has served as the Group Chief Information Officer of the Company since July 2024, after serving as Group Chief Information Officer for the Lulu Group from August 2022-June 2024. Mr. Anish is responsible for developing and implementing IT strategies to support business goals, managing retail technology solutions, and driving the Group's digital transformation. He first joined the Lulu Group in 2005 as a Junior Software Developer and previously served as the Deputy Group IT Manager. He holds a Bachelor of Technology degree in Information Technology from Mahatma Gandhi University.



Mr. Jeevan Krishna

Chief Legal and Compliance Officer

Experience at Lulu: 5.9 years

Mr. Jeevan Krishna has been the Chief Legal and Compliance Officer at the Company since July 2024, after serving as Chief Legal and Compliance Officer for the Lulu Group from 2019 to June 2024. A legal expert, particularly for the Middle East, he oversees the Lulu Group's legal and compliance functions, ensuring adherence to laws, regulations, and ethical standards. Prior to joining the Lulu Group, he served as Senior Legal Counsel for a UAE-based entity, managing joint ventures across various jurisdictions. He holds a Bachelor of Law (LLB) degree from Mangalore University and a Master of Laws (LLM) degree from Kerala University. He holds a Bachelor of Science degree from the University of Calicut.



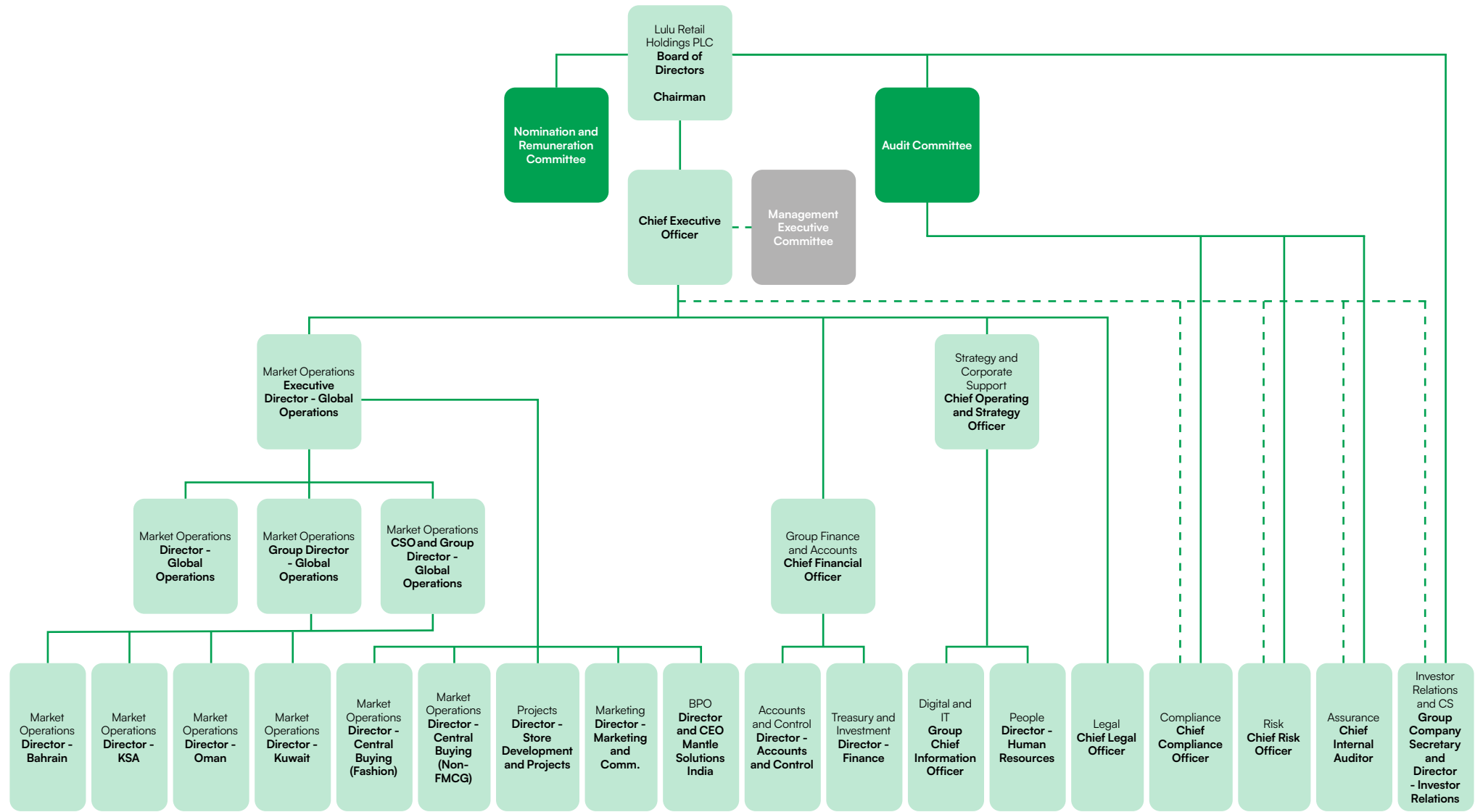
Mr. Nidhin Jose

Group Company Secretary and Director Investor Relations

Experience at Lulu: 4.1 years

Mr. Nidhin Jose has been the Director of Investor Relations and Group Company Secretary at the Company since July 2024, after serving as Group Company Secretary for the Lulu Group from November 2020 to June 2024. He manages relationships with investors, analysts, and key stakeholders, and oversees Board-related matters. Mr. Jose joined the Lulu Group in 2020 as Company Secretary. Previously, he served as Company Secretary and Chief Compliance Officer at a listed Indian pharmaceutical company. He holds a Bachelor of Law (LLB) degree from Karnataka State Law University, a Master of Commerce degree from Indira Gandhi National Open University, and a Postgraduate degree (FCS) in Company Secretaryship from the Institute of Company Secretaries of India.

Company's Framework and Structure



Key Policies

Board of Directors Charter

The Board of Directors charter outlines the roles, responsibilities, and processes of the Company's Board. It defines the Board's composition, duties, authority, criteria for independence, meeting procedures, quorum, role of the Company Secretary, conflict of interest and evaluation of the Board.

Audit Committee Charter

The Audit Committee charter outlines the Committee's purpose, membership, authority, and responsibilities. It includes oversight of financial reporting, internal controls, risk management, compliance with laws, and the performance of internal and external auditors.

Nomination and Remuneration Committee Charter

The Nomination and Remuneration Committee charter outlines the Committee's purpose, structure, and responsibilities. It includes overseeing the nomination process for Board members, setting remuneration policies, evaluating performance, and ensuring compliance with corporate governance standards.

Board Evaluation Criteria, Policy and Procedure

The Board evaluation policy outlines the criteria and procedures for assessing the performance of the Board. It details the scope and criteria for evaluation, covering areas such as Board composition, dynamics, operations, and individual director performance. Roles and responsibilities for conducting and overseeing the evaluation process are assigned.

Market Disclosure and Transparency Policy

The Market Disclosure and Transparency Policy ensures timely, accurate, and comprehensive information to stakeholders, covering financial data, risk factors, governance, and material developments. The Chief Compliance Officer oversees compliance and reporting to ADX and SCA, maintaining transparency and market integrity through regular updates and adherence to regulatory standards.

Board Remuneration Policy

The Board Remuneration Policy ensures that compensation practices for Board members are transparent, fair, and aligned with the Company's strategic goals and shareholders' interests. The policy includes guidelines for setting remuneration and regular reviews to maintain compliance with corporate governance standards. Moreover, the policy emphasises the importance of transparency and ensuring that all remuneration decisions are made in the best interest of the Company and its stakeholders.

Code of Conduct and Business Ethics Policy

The Code of Conduct and Business Ethics Policy sets out guidelines on maintaining the highest standards of integrity, transparency, and ethical behaviour in all its business operations, and to uphold the Company's values in achieving its business objectives.

Our Company ensures that adherence to the Code of Conduct is actively monitored and embedded across all levels of the organisation.

Anti-bribery and Corruption Policy

The Company is committed to ensuring compliance with the Anti-Bribery and Corruption Policy. Lulu Group emphasises the importance of ethical business practices and guidelines to prevent, detect and address bribery and corruption within the Lulu Group.

Whistleblowing Policy and Procedure

The Whistleblowing Policy and Procedure ensures that all employees, stakeholders, and other relevant parties can raise concerns against unethical behaviour, illegal activities, or violations of Company policies and/or applicable laws without fear of retaliation, discrimination, or adverse consequences. Reports can be made confidentially through designated channels, and all concerns will be thoroughly investigated. The Company ensures protection for whistleblowers against any form of retaliation, safeguarding their rights and promoting accountability within the organisation.

Company's Framework and Structure continued

Key Policies continued

Insider Trading Policy

The Company has an Insider Trading Policy in place according to which all Board Members, senior management and employees uphold the confidentiality of inside information and prevent misuse of sensitive information.

The Company is dedicated to maintaining market integrity and protecting stakeholder trust by preventing insider trading. The Insider Trading Policy strictly prohibits the use or sharing of material non-public information for personal gain or to benefit others.

Key measures include:

- Defined black-out period and restrictions during sensitive periods
- Mandatory pre-clearance of trades for designated individuals
- Prohibition on tipping or sharing material non-public information with unauthorised parties
- Regular training to ensure compliance with insider trading laws

We enforce robust monitoring and reporting mechanisms, along with a confidential whistleblower process for reporting concerns. Violations are met with disciplinary action, including legal consequences.

Through the implementation of this policy, the Company ensures the safeguarding of sensitive and inside information about the Company, its subsidiaries, shareholders, and its customers.

Conflict of Interest Policy

The Company outlines the procedures regarding the identification, avoidance, and management of conflicts of interest that may arise from personal, financial, or professional relationships. This includes situations that may not only present actual conflicts but also those that could create the appearance of a conflict of interest. Under this policy, any actual, potential or perceived conflicts must be disclosed without delay, allowing for timely assessment and resolution. This ensures that necessary steps can be taken to safeguard the integrity of the Company and protect its best interests in all business dealings. Additionally, it reinforces the importance of maintaining transparency and trust within the organisation to avoid any actions that could compromise our ethical standards.

Anti-Money Laundering (AML) and Sanctions Policy and Procedure

The Anti-Money Laundering (AML) and Sanctions Policy and Procedure establishes a comprehensive framework to prevent money laundering, terrorism financing, and sanctions violations. It outlines the Lulu Group's commitment to comply with relevant federal laws, international standards and local regulations. This policy emphasises on risk assessment, due diligence, and enhanced due diligence for counterparties.

Related Party Transactions Policy

The Company is committed to maintaining the highest standards of transparency, accountability, and good governance in relation to related party transactions.

To ensure compliance with applicable regulations, including those set by the Securities and Commodities Authority (SCA) and the Abu Dhabi Global Market (ADGM), the Company has established a comprehensive framework to facilitate the disclosure and monitoring of related party transactions.

Dividend Policy

The Dividend Policy outlines the Company's ability to pay dividends which depends on various factors, including the availability of distributable reserves, capital expenditure plans, future cash requirements, and regulatory considerations. Being a holding company, the Company relies on subsidiaries for cash flow through dividends, payments, or financing facilities. While the Company aims to distribute dividends, there is no assurance that it will do so, as the decisions to declare and pay dividend are at the discretion of the Board of Directors and subject to applicable laws, financial performance, market conditions, cash requirements, and contractual restrictions. The Company's dividend policy provides fairness, sustainability, and consistency, targeting a total payout ratio of 75 percent of annual distributable profits after tax, paid semi-annually following the approval and publication of financial results.

Company's Framework and Structure continued

Managing Conflict of Interest and Related Party Transaction

Conflict of Interest

Through the Conflict of Interest Policy, the Company is committed to maintaining the highest ethical standards by ensuring that all Directors, senior management and employees, act in the organisation's best interests.

All actual, potential, or perceived conflicts of interest must be disclosed promptly to the Chief Legal and Compliance Officer. Directors, senior management and employees are expected to avoid situations that could compromise their impartiality or the integrity of their decisions. Our policy ensures transparency, promotes trust, and safeguards the Company's reputation and ethical standing.

Related Party Transactions

Lulu Group maintains ongoing business relationships with several related parties. In particular, as of December 31, 2024, the Lulu Group has entered into 40 material lease agreements with the related parties.

A. Related Party Transactions as disclosed in the consolidated financial statement of the Company for the financial year 2024

The Company's policy on Related Party Transactions (RPTs) detail the processes in place to identify, assess, monitor and report the exposures towards related parties. RPTs are entered into on an arm's length basis, free from any conflict of interest, on normal commercial terms and continue to be monitored by or on behalf of the Board. Furthermore, we maintain a register of related parties and details for each related party transaction.

We have identified the following entities and individuals as related parties:

Company Entities:

- 1) Subsidiary companies
- 2) Parent Company and Sister Companies
- 3) Companies where any member of the Board or senior management of the Company serves as a Board Member or senior executive
- 4) Companies in which any Board Member/s and senior management and their relatives contribute not less than 30 percent of the share capital

Individuals:

- 1) Board members and their first-degree relatives
- 2) Senior management and their first-degree relatives

The Related Party Transactions, balances and remuneration to the key management personnel are disclosed in the consolidated financial statement of the Company for the financial year 2024.

Please refer to Note 9 in the Financial Statement section of this report for the detailed Related Party disclosure.

B. Related Party Transactions as per the Governance Guide

The Company's policy on Related Party Transactions (RPTs) for the Company ensure a structured approach to identifying, assessing, monitoring, and reporting related party exposures. All RPTs are conducted at arm's length, on normal commercial terms, and free from conflicts of interest, with ongoing oversight by or on behalf of the Board.

The Related Party Transactions as per the SCA's Board of Directors' Decision No. (3/R.M) of 2020 Concerning Approval of Joint Stock Companies Governance Guide for the year ended December 31, 2024, are reproduced in the table below:

Details of the Related Party Transaction	Amount in \$
Rent and Security Deposit (Office) paid by Lulu Centre — Sole Proprietorship LLC, Abu Dhabi on behalf of the Company	60,117
Net Fund received from Lulu International Holdings Limited with relation to banking related matters	16,071
Payment made by Lulu Hypermarket LLC, Dubai to SCA on behalf of the Company	25,596
Total	101,783

Lulu Retail Holdings PLC has not entered into any transactions that would equate to 5 percent or more of the Company's capital with its related parties post listing on ADX (IPO).

Company’s Framework and Structure continued

Risk Management

Our Approach to Risk

The Company take a proactive and structured approach to risk management, ensuring risks are identified, assessed, and mitigated in alignment with our defined risk appetite. We employ a blend of top-down and bottom-up strategies, integrating risk considerations at every level, from operational teams to executive leadership. Our approach to risk encompasses all critical areas including Strategic, Financial, Operational, Legal and Regulatory, ESG, Reputational, and HSE risks, ensuring a comprehensive view of our risk landscape.

Objective of Risk Management

The Company has established an integrated ERM system, which showcases its commitment to protecting the business and the interest of all stakeholders. The objective of this Enterprise Risk management (ERM) system is to:

- Facilitate risk-informed strategic planning to achieve business objectives and identify potential business opportunities,
- Support the Company in identifying and managing key strategic, functional, investment and project risks,
- Assess the identified risks and the potential impact of such risks on the Company and its key objectives,
- Enhance corporate performance as processes become more risk aware and control focused,
- Strengthen the Company’s resilience to market disruption and evolving business practices,
- Ensure the Leadership has visibility into risk-based information for appropriate decision-making, and
- Foster a culture of risk-based processes to enhance overall organisational resilience.

An Enterprise Risk Management (ERM) function, headed by the Chief Risk Officer and governed by the Audit Committee, has been set up to manage risks.

Risk Governance Model and Framework

The Company’s risk governance framework is designed to establish clear accountability and oversight, fostering a robust risk culture across the organisation. This structure defines specific roles, ensures transparent escalation channels, and incorporates continuous monitoring mechanisms. To further enhance clarity, a RACI matrix is employed, outlining roles and responsibilities for risk ownership, reporting, and oversight.

- Board of Directors and Audit Committee: Provide strategic direction, approve the risk appetite, and oversee the effectiveness of the overall risk management framework
- Senior Management: Integrates risk management into business strategy and operational decision-making, ensuring alignment with organisational objectives
- ERM function: Develops risk management policies, conducts risk assessments, and monitors mitigation efforts across all regions and business units
- Risk Champions: Appointed across key business regions, facilitating risk identification, escalation, and mitigation within their specific areas
- Operational Teams: Serve as the first line of defence, responsible for identifying risks, implementing controls, and ensuring compliance with mitigation plans

Risk Identification and Assessment

In alignment with the ERM policy, we have adopted a range of approaches to identify risks effectively.

Risk workshops, facilitated by the Risk Management Team, promotes cross-functional engagement in identifying both strategic and operational risks.

Risk registers are maintained at the functional and departmental levels, with regular updates on risks and mitigations.

Regular reviews by risk owners and champions focus on high-risk (red) and medium-risk (amber) categories, ensuring timely identification and management of emerging risks.

Risks are assessed using a standardised scoring method, evaluating potential impact and likelihood to determine severity and appropriate action plans.

Risk Management Process

The Company follows a structured risk management process that encompasses risk identification, assessment, and mitigation, continuously enhanced through feedback and lessons learned from both internal and external sources.

Core Steps

Risk Identification	Risk Assessment	Risk Evaluation	Risk Treatment	Ongoing Monitoring and Reporting
All employees play a vital role in identifying risks, supported by risk workshops led by the Risk Management Team. Systematic risk identification techniques, including risk registers, ensure comprehensive documentation and tracking of risks across the organisation.	Identified risks are systematically assessed for impact and likelihood using a standardised risk scoring methodology, ensuring consistent evaluation and prioritisation.	Risks are prioritised based on their potential impact, ensuring focus on those that pose the greatest threat to the organisation.	Based on the assessment, risks are managed using the four Ts — Treat, Tolerate, Transfer, or Terminate — with tailored mitigation plans to minimise impact.	Risks are continuously monitored and reported, with mitigation efforts reviewed quarterly and bi-monthly for high-priority risks to ensure effective management.
➤	➤	➤	➤	➤

(Please refer to page 56 of the Risk Management chapter of the Strategic Report for 'Principal Risks and their Management')

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Company's Framework and Structure continued

Internal Control Framework

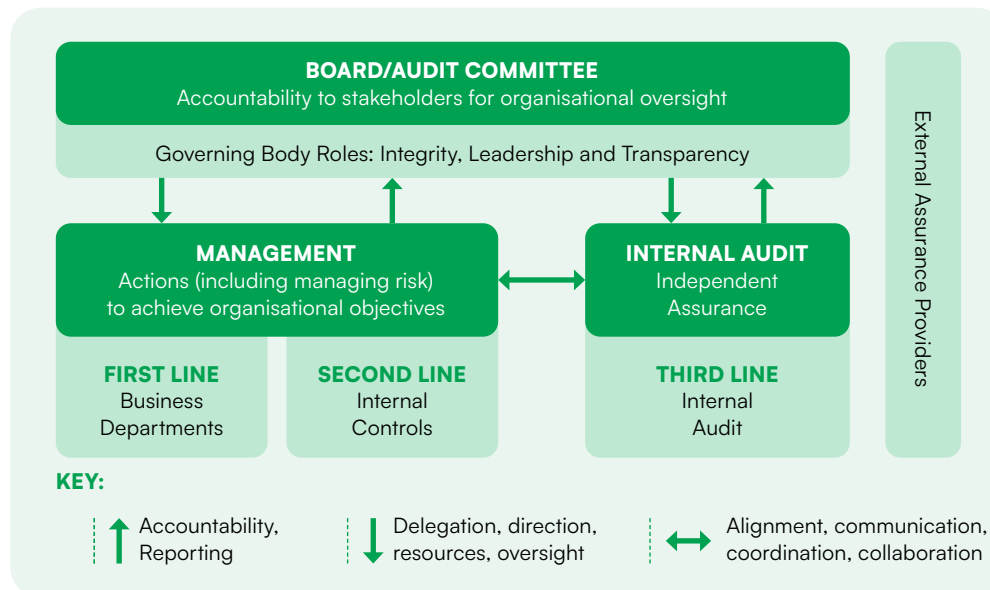
Internal Control

The Board is accountable for the establishment and effectiveness of the internal control system within the Company. To ensure its efficacy, the Board has implemented policies and procedures aimed at achieving the following key objectives:

- Ensure efficient business processes to promote operational excellence.
- Align the Company's objectives with applicable laws and regulatory requirements.
- Safeguard the Company's assets and optimise resource utilisation.
- Protect the interests of the Company's shareholders.
- Prevent and address conflicts of interest.
- Facilitate timely and accurate reporting of legally required disclosures and reliable information.
- Ensure compliance with laws and regulations, as mandated by relevant authorities.

Internal Control Framework

Lulu Group has embedded internal control systems at three levels, ensuring a robust and comprehensive approach to governance and risk management. This framework strengthens the Company's ability to mitigate risks, ensure compliance, and uphold operational efficiency.



Oversight and Governance

The Board is responsible for overseeing the implementation and maintenance of the internal control system as stipulated in our Internal Control Policy. This includes periodic reviews and regular reporting to the Board/Audit Committee on the adequacy of the system in accordance with internal control policies and guidelines. Moreover, the Board performs an annual review of the effectiveness of the system, including assessments of compliance.

Under the Board's authority, the Senior Management Team ensures the implementation and application of adequate internal controls, both financial and operational. The Internal Controls Department provides quarterly reports to the Board/Audit Committee on the state of the internal control framework.

In July 2024, Lulu Group appointed Mr. Santhoshkumar R Pillai as Director — Accounts and Control and Mr. Jeevan Krishna as Chief Compliance Officer. Mr. Santhosh holds a Bachelor of Commerce degree from Kerala University and is a Chartered Accountant from the Institute of Chartered Accountants of India. Mr. Jeevan holds a Bachelor of Law (LLB) degree from Mangalore University and a Master of Laws (LLM) degree from Kerala University.

Violations, Causes and Avoidance

The Company maintains a process to ensure effective compliance with relevant regulations and to report any violations. During 2024, no material violations were identified or reported. No material issues were identified and reported to the Board. No reservations were noted by the external auditor for the financial year 2024.

The Internal Control Department did not identify any significant issues within the company, and as a result, no reports were submitted to the Board throughout the year.

The Board of Directors acknowledge their duty to oversee the Company's internal control system, review its operational mechanisms, and ensure its effectiveness.

Company's Framework and Structure continued

Subsidiary Governance

Company Oversight on Global Subsidiaries

Governance oversight of subsidiaries is achieved through a robust framework that ensures alignment with the Parent Company's objectives while addressing local regulatory requirements. This involves defining and enforcing group-wide policies, charters, and codes of conduct applicable to all entities. Standardised governance practices, including uniform Board structures, manager appointment, meeting protocols, and reporting templates are implemented to maintain consistency. The compliance department conducts periodic audits, monitors compliance with local laws, and ensures subsidiaries adhere to ethical and corporate standards. Regular interaction with subsidiary management teams, combined with centralised oversight committees, ensures strategic alignment, and accountability across the organisation.

The Company is committed to maintaining effective oversight of its regional and global subsidiaries to ensure alignment with corporate objectives, regulatory compliance, and operational efficiency.

All subsidiaries are required to adhere to the Company's policies, standards, and ethical guidelines while complying with local regulations and adapting to market-specific requirements.

For the entity chart that shows the material subsidiaries of the Company, please refer to Note 8 in the Financial Statement section of the report.

Delegation of Authority (DoA)

In the Board meeting held on November 20, 2024, the Board approved the Strategic DoA and acts as its custodian. The Strategic DoA primarily governs

key areas, including the overall governance structure, organisational structure (and any amendments) up to the C-suite level, appointment of Board members, related party transactions, annual strategic planning, internal and external audits, as well as share capital and financial management.

The Board of Directors also approved and issued an Operational DoA to the CEO, Mr. Saifee Rupawala, granting him the authority to manage the daily operations of the Company, subject to predefined limits, beyond which Board approval is required. Under this Operational DoA, the CEO has the ability to sub-delegate authority to senior management as necessary. The duration of the Operational DoA remains in effect until revoked by the Board of Directors.

Mr. Yusuff Ali MA, Mr. Saifee Rupawala, Mr. Ashraf Ali MA, and Mr. Saleem VI, as Directors of the Company, were authorised to handle day-to-day matters for a period of three years. Their responsibilities include signing finance and security documents, approving shareholder resolutions, representing the Company at general meetings, and managing banking transactions.

Statement of Cash and In-kind Contributions to the Local Community and for Preserving the Environment

Empowering Communities

The Company supports local communities through initiatives in healthcare, education, and economic empowerment, guided by its ESG policy. Efforts include Ramadan Iftar meals, farmer support, blood donation drives, and breast cancer campaigns. We are particularly proud to support local youth and SMEs and are open to ideas and initiatives from charitable and non-profit organisations seeking our support.

Human Rights

The Company is strongly committed to safeguarding human rights in its operations and across its value chain, while respecting the dignity of all its employees, workers and relevant stakeholders. Lulu Group complies with all applicable human rights laws, including the UN Guiding Principles on Business and Human Rights and United Nations Global Compact.

Environmental Management

The Company's dedication to environmental stewardship begins with a strong focus on energy efficiency, resource conservation, and solar energy installations. We meticulously collect and monitor data on key environmental indicators such as energy consumption, greenhouse gas (GHG) emissions, water use, and waste management, ensuring we make informed decisions that benefit both our operations and the environment.

Our ongoing commitment to these principles is demonstrated by our recent ISO 14001 (Environment Management System) certification in the UAE, which underscores our dedication to continuous improvement.

Emiratisation

We offer Emiratis accelerated career opportunities, world-class professional development, and the chance to directly support our nation's continued economic development.

The Company is committed to attracting, developing, engaging, and retaining Emirati talent across all levels. Our flagship initiatives are designed to identify potential and provide the necessary training and support for our Emirati employees to step into demanding leadership roles, helping the Company build the future of the Company and the UAE. Emiratisation stood at 19.67 percent* for the year ended December 31, 2024.

*The calculation of the percentage is based solely on the number of skilled workers employed as of December 31, 2024, in compliance with the applicable Emiratisation Regulations.

External Auditor

Deloitte & Touche (M.E.) LLP was appointed as the External Auditor for the financial year ended 2024. In addition to the key responsibilities of the Audit Committee, it reviews and approves the external audit approach, to include the evaluation, independent appointment or re-appointment, and terms of engagement and rotation of the auditing firm and/or the principal partner in charge of the audit. The selection criteria include ensuring

capacity of the audit firm to manage the audit effectively and competently, taking into account the scale and complexity of the Company, as well as ensuring independence, no conflicts of interest, and a strong and capable audit partner and team.

Below are the details and breakdowns of the external audit fees and other service fees incurred during 2024 for the Company:

Name of the audit firm	Deloitte & Touche (M.E.) LLP
Name of the partner	Faeza Sohawon (this is the first year after the Company got listed on ADX)
Number of years spent as the company's external auditor.	First year of listing
Number of years the partner auditor spent auditing the company's accounts.	First year of listing
Total value of audit fees for auditing the consolidated financial for 2024 (in \$).	1,728,228
Details and nature of other services provided by the company's auditor.	Tax compliance
The value of fees and costs incurred for other special services other than auditing the financial statements for 2024 (in \$).	75,184
Statement of other services that an external auditor other than the company auditor provided during 2024.	Nil

Deloitte & Touche (M.E.) LLP issued an unqualified opinion on the annual financial statements for the year ended 31 December 2024, with no qualifications or reservations expressed.

Investor Relations and Company Performance

The Investor Relations function oversees all activities related to managing and engaging with the global investor base, ensuring transparent and timely dissemination of financial and non-financial information.

It follows an annual investor relations plan that outlines key engagement guidelines, enabling effective communication with investors and addressing market inquiries efficiently. The Board is committed to providing shareholders and stakeholders with access to accurate, clear, and up-to-date information about the Company. The

The Investor Relations function is led by:

Mr. Nidhin Jose, Director — Investor Relations

Email: investor.relations@ae.lulumea.com

Mobile No.: **+971503975816**

Website Link: www.luluretail.com/investors/

company ensures timely disclosures of all material information, including financial performance, governance, and share ownership, in a manner accessible to all relevant parties. Additionally, during the Company's quarterly earnings calls, shareholders receive updates and have the opportunity to provide feedback on the Company's performance. The Investor Relations Department, reporting to the Director — Investor Relations, is responsible for engaging with key external stakeholders, including shareholders and the professional investment community.

The breakdown of shareholder types as at December 31, 2024 is set out in the following table:

Shareholder Classification	Percentage of Owned Shares			Total (%)
	Companies (%)	Governments (%)	Individuals (%)	
Local	76.74	1.22	2.97	80.93
Arab	6.27	4.22	0.16	10.66
Foreign	4.78	0.00	3.64	8.41
Total	87.79	5.44	6.77	100.00

The following table sets out a statement of the shareholders who held 5% or more of the Company's shares as at December 31, 2024.

Name	Number of Owned Shares	Percentage of Owned Shares of the Company's Capital
Lulu International Holdings Limited	7,230,233,745	70%

Investor Relations and Company Performance continued

Statement of shareholder distribution according to the volume of ownership as of December 31, 2024 as per the following table:

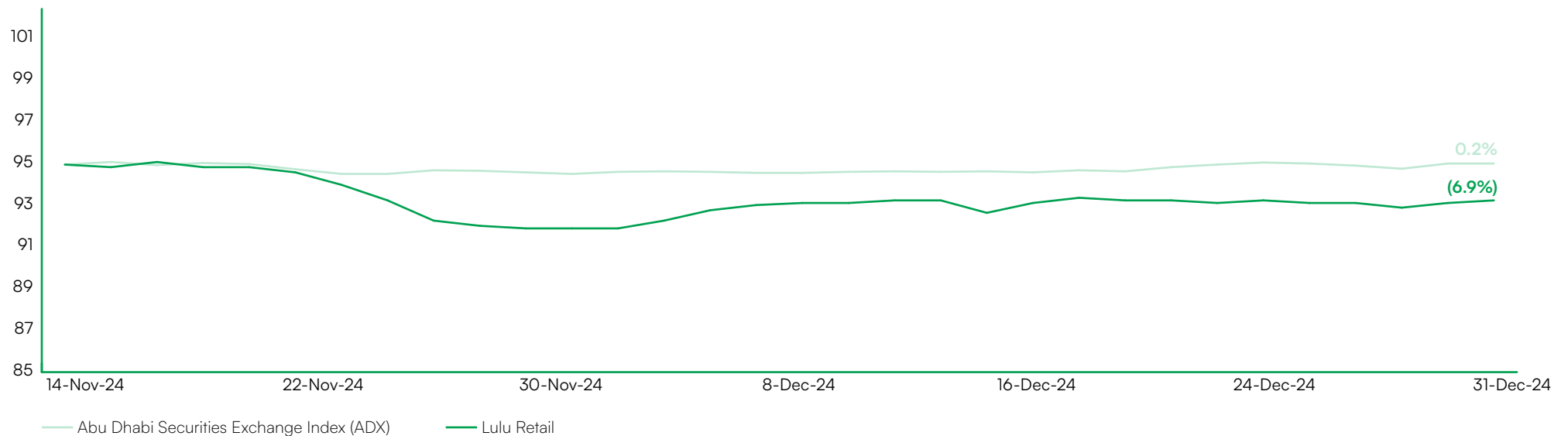
Share(s) Owned	No. of Shareholders	No. of Shares Held	% of Shares Held
Less than 50,000	73,743	139,288,849	1.3%
From 50,000 to less than 500,000	1,059	156,931,809	1.5%
From 500,000 to less than 5,000,000	230	403,125,424	3.9%
More than 5,000,000	78	9,629,559,268	93.2%

Statement of the Company's share price (AED) in the market (closing price, highest and lowest price).

Month (2024)	Monthly High	Monthly Low	Monthly Close
November	2.06	1.75	1.79
December	1.93	1.77	1.90

Share price performance in November and December 2024

Note: Price is rebased to 100



Statement of the Company's comparative performance with general market.

Month (2024)	Company	FTSE ADX General Index (FADGI)
November	(12.3%)	(1.8%)
December	6.1%	2.0%

Innovative Projects and Initiatives Implemented by the Company in 2024

Operational Automation and Process Enhancements

- Automated ordering processes:** We are implementing automated ordering processes for external vendors and warehouse replenishment across various jurisdiction, ensuring an efficient and seamless supply chain. This system centralises the sourcing process and improves operational efficiencies, reducing waste and optimising inventory management.
- Data-driven customer engagement and loyalty:** Through the Centre of Excellence in Bengaluru, India, we are harnessing the data from the Happiness loyalty programme to implement personalised and customised promotions, driving customer retention and increasing basket value. The Happiness loyalty programme, rolled out in the UAE, Qatar, Kuwait, Oman, Bahrain, and KSA, rewards loyal customers with personalised benefits, fostering a deeper customer connection and boosting satisfaction.
- System upgrades for data security and efficiency:** We have undertaken a series of IT system upgrades to enhance data handling, security, and operational efficiency. Key upgrades include the PoS Migration to Vynamic Retail Suite, which improves checkout efficiency and customer interaction with the Vynamic Engage platform. Furthermore, we have undertaken significant infrastructure upgrades, such as the deployment of PowerIO Systems and IBM7300 Storage, improving SAP workload efficiency and disaster recovery capabilities. The ongoing WMS server migration and system modernisation projects further reinforce our commitment to continuous improvement and secure, efficient data management.



Yusuffali Musaliam Veettil Abdul Kader
Chairman of the Board of
Lulu Retail Holdings PLC

André George Sayegh
Chairman
Audit Committee of
Lulu Retail Holdings PLC

Reed Hamad Khamis Al Sheriani Al Dhaheri
Chairperson
Nomination and Remuneration
Committee of Lulu Retail Holdings PLC

Santhoshkumar Raghavan Pillai
Director — Accounts & Control of
Lulu Retail Holdings PLC

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Reports and consolidated financial statements

For the year ended December 31, 2024

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Directors' Report

For the year ended December 31, 2024

The Directors present their report together with the consolidated financial statements of Lulu Retail Holdings PLC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended December 31, 2024.

Principal Activities

The principal activity of the Company is to act as a head office and holding company for the entities within the Group. The principal activities of the Company's subsidiaries include establishment and management of hypermarkets, and supermarkets; wholesale distribution, retail and production of food and non-food items; organising tourism trips, travel ticket reservations and ticket sales; holding companies, management services and/or special purpose vehicles; air, sea and marine shipping services; retail estate leasing; and outsourcing services.

Financial Results

During the year ended December 31, 2024, the Group generated total revenue of \$7,621 million (2023: \$7,278 million) and reported a profit of \$249 million (2023: \$222 million).

Review of Business Performance

FY 2024 has been a transformative year for the Company, underpinned by robust growth across all aspects of the Group's business. The Group's focus on expanding our store network and investing in higher-margin categories, coupled with the rapid evolution of our e-commerce platform has delivered remarkable results. FY 2024 revenue increased by 4.7% YoY to \$7,621 million. The Group performed strongly across all segments with key focus markets like the UAE and KSA being major contributors and driven by growth across a number of categories, with the fresh foods segment growing by 10.3% YoY in FY 2024.

Omnichannel remains a key focus area for the Company, with e-commerce sales growing at an impressive 70% YoY. E-commerce sales now represent 4.5% of total retail revenue, reflecting a 180 bps increase compared to 2023.

Net Profit from Continuing Operations saw strong double-digit growth of 12.6% YoY to \$216.3 million in FY 2024, with net profit margin improving by 20 bps to 2.8%, driven by an improvement in operating profits.

Dividend

The Company's Board of Directors at their meeting held on February 10, 2025, proposed a cash dividend of 0.82 cents (3 fils) per share for the second half of the financial year ended 31 December 2024, subject to the approval of the shareholders at the upcoming Annual General Meeting (AGM) which represents a total payout of \$84.4 million, in accordance with the dividend policy approved by the shareholders.

Continued progress on strategic growth pillars delivering resilient performance in FY 2024

The Company's growth strategy is focused on four key pillars: Enhancing its existing store network, expanding its store network, driving operational efficiencies and delivering revenue upside through private label and loyalty programme expansion.

The FY 2024 operational and financial performance is evidence of the Company's strong operating model and the continued progress on its strategic growth pillars.

The Company remains confident in delivering on its medium-term outlook, reinforcing its position as a growth-oriented, customer-centric market leader, maintaining its position as the largest full-line pan-GCC retailer.

Auditors

Deloitte & Touche (M.E.) LLP are eligible for re-appointment as auditors for the year ending December 31, 2025 and have expressed their willingness to accept the role. Accordingly, a resolution for their re-appointment will be presented to the shareholders at the Annual General Meeting.

Directors

The Directors of the Company as of December 31, 2024 were as follows:

1. Abdul Saleem Valiyakath Ibrahim Kutty
2. Saifuddin Taher Bhai Rupawala
3. Yusuffali Musaliam Veettil Abdul Kader (appointed on July 22, 2024)
4. Asharf Ali Muslim Veettil Abdul Kader (appointed on July 22, 2024)
5. Gil Adoteye Adotevi-Akue (appointed on July 22, 2024)
6. Abdulrahman Ibrahim Hamad Abaalkhail (appointed on July 22, 2024)
7. André George Sayegh (appointed on July 22, 2024)
8. Reed Hamad Khamis Al-Sheryani Al-Dhaheeri (appointed on July 22, 2024)
9. Salmeen Obaid Suwaid Alsembari Al Ameri (appointed on July 22, 2024)

Statement of disclosure to auditors

The Directors certify that, as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board of Directors,



Yusuffali MA
Abu Dhabi, UAE

Independent Auditor's Report to the Shareholders of Lulu Retail Holdings PLC and its Subsidiaries

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Lulu Retail Holdings PLC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other 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 December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. 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) (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the Abu Dhabi Global Market (ADGM), 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 discussed in the context of our 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.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition from retail operations</p> <p>The Group reported revenue from retail operations of \$7.6 billion during the year ended December 31, 2024. Revenue is derived from the sale of goods and is recognised when the customer takes physical possession of the goods.</p> <p>The Group focuses on revenue as a key performance measure and as a driver for growth and expansion. The Group's measurement and recording of revenue is highly dependent on IT systems and related controls due to the extensive volume and variety of transactions which are processed daily by the Group.</p> <p>The accurate measurement and recording of revenue depend on the automated accounting procedures and related controls being appropriately designed and operating effectively. These automated controls are essential to limit the potential for fraud and error as a result of an unauthorised or incorrect change to an application or underlying data. The potential errors in the timing and accuracy of revenue recognition could result in material misstatements in the consolidated financial statements of the Group when it recognises revenue.</p> <p>ISAs also require us to consider the risk of fraud in revenue recognition. There is an inherent risk of fraud given the high number of transactions and price fluctuations of the products affecting the revenue recognised for the year.</p> <p>We identified revenue recognition from retail operations as a key audit matter due to the significance of the revenue amount to the consolidated financial statements and the significant reliance on IT as all revenue transactions are processed through the point of sales systems which interfaces with the Group's accounting system on a daily basis.</p> <p>Refer to Note 3.8 to the consolidated financial statements for the accounting policy and Note 22 for more details about the revenue recognised during the year.</p>	<p>Our audit procedures included, inter alia, the following:</p> <ul style="list-style-type: none"> Understanding the significant revenue processes used to measure and record revenue and identifying the relevant controls, IT systems, interfaces and reports, including performance of end-to-end walkthroughs of the revenue processes. Evaluating the design and implementation and testing the operating effectiveness of relevant controls related to the revenue processes. Utilising our internal IT specialists to test IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems. Performing revenue three-way match test of manual controls on a sample basis, by reconciling the system-generated daily sales reports to the daily manual cash reconciliation summaries and bank statements; Reconciling, on a sample basis, the daily point of sales reports to the amount deposited in banks and the revenue recorded on those days. Assessing whether the revenue recognition criteria adopted by the Group is in accordance with the requirements of IFRS Accounting Standards. Assessing the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Independent Auditor's Report to the Shareholders of Lulu Retail Holdings PLC and its Subsidiaries continued

Report on the audit of the consolidated financial statements continued

Other Information

Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report, and the Group's annual report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or 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 on the other information that we obtained prior to the date of this Auditor's Report, 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.

When we will read the Group's annual report, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

Responsibilities of Management and Those Charged with Governance 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 as issued by the IASB and the applicable provisions of the Articles of Association of the Company and ADGM Companies Regulations 2020, Companies Regulations (International Accounting Standards) Rules 2015, and ADGM Financial Services Regulatory Authority Market Rules, 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.

Those charged with governance 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 judgement and maintain professional scepticism 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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; and
- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's Report to the Shareholders of Lulu Retail Holdings PLC and its Subsidiaries continued

Report on the audit of the consolidated financial statements continued

We also provide those charged with governance 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 those charged with governance, 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 preclude 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

As required by the provisions of the ADGM Companies Regulations 2020, Companies Regulations (International Accounting Standards) Rules 2015 and ADGM Financial Services Regulatory Authority Market Rules ("Rules and Regulations"), we report that:

- the consolidated financial statements of the Group have been prepared, in all material respect, in accordance with the requirements of the said Rules and Regulations;
- the information included in the Directors' report is consistent with the Group's consolidated financial statements for the year ended December 31, 2024;
- adequate accounting records have been kept by the Group; and
- the Group's consolidated financial statements are in agreement with the accounting records of the Group.

The engagement partner on the audit resulting in this independent Auditor's Report is Faeza Sohawon.

Deloitte & Touche (M.E.) LLP



Faeza Sohawon

19 March 2025

Abu Dhabi

United Arab Emirates

Consolidated Statement of Financial Position

As at December 31, 2024

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Non-current assets			
Property and equipment	10	1,438,490	1,461,430
Right-of-use assets	11	1,726,393	1,868,395
Investment properties	12	13,471	15,010
Deferred tax assets	13	24,726	11,779
Investments at fair value through other comprehensive income (FVTOCI)		1,201	1,369
Other non-current assets		—	62
Total non-current assets		3,204,281	3,358,045
Current assets			
Inventories	14	1,473,636	1,374,607
Trade and other receivables	15	411,605	331,507
Due from related parties	9	14,782	2,415,670
Cash and cash equivalents	16	346,208	277,694
		2,246,231	4,399,478
Assets classified as held for sale	6	—	246,628
Total current assets		2,246,231	4,646,106
Total assets		5,450,512	8,004,151

	Notes	2024 \$'000	2023 \$'000
EQUITY AND LIABILITIES			
Equity			
Share capital	17	144,605	—
Capital reserve	17	—	65,282
Other reserves	17	32,709	20,405
Other equity	17	(27,925)	(10,898)
Retained earnings	17	843,467	692,118
Total equity, net		992,856	766,907
Non-current liabilities			
Bank borrowings	18	8,394	513,378
Employees' defined benefit obligations	19	198,412	176,785
Lease liabilities	20	1,724,018	1,827,674
Deferred tax liabilities	13	4,902	4,633
Total non-current liabilities		1,935,726	2,522,470
Current liabilities			
Trade and other payables	21	1,310,081	1,380,024
Bank borrowings	18	965,957	615,625
Lease liabilities	20	175,656	173,428
Due to related parties	9	33,560	2,325,949
Tax payable		36,676	17,672
		2,521,930	4,512,698
Liabilities directly associated with assets held for sale	6	—	202,076
Total current liabilities		2,521,930	4,714,774
Total liabilities		4,457,656	7,237,244
Total equity and liabilities		5,450,512	8,004,151

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented therein.



Yusuffali MA
Chairman



Saifuddin Rupawala
Chief Executive
Officer and Director



Prasad KK
Chief Financial
Officer



Abdul Saleem VI
Chief Operating,
Strategy Officer
and Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2024

	Notes	2024 \$'000	2023 \$'000
Continuing operations			
Revenue	22	7,620,802	7,277,956
Cost of revenue	23	(5,855,917)	(5,602,829)
Gross profit		1,764,885	1,675,127
Other operating income	24	299,869	273,167
Operating expenses	25	(1,656,799)	(1,580,173)
Finance cost, net	26	(169,375)	(153,403)
Profit before tax		238,580	214,718
Income tax expenses	27	(22,300)	(22,674)
Profit for the year from continuing operations		216,280	192,044
Discontinued operations			
Profit after tax for the year from discontinued operations	6	32,916	29,722
Profit for the year		249,196	221,766
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss (net of tax):</i>			
Re-measurement of employee's defined benefit obligation	19	(13,289)	(91)
Net fair value loss on equity investments at FVTOCI		(11)	(126)
<i>Item that may be reclassified subsequently to profit or loss (net of tax):</i>			
Exchange differences on translation of foreign operations		(3,727)	(1,329)
Other comprehensive loss for the year		(17,027)	(1,546)
Total comprehensive income for the year		232,169	220,220
Earnings per share			
Basic and diluted (\$ cents per share)	28	2.41	2.15
Earnings per share for continuing operations:			
Basic and diluted (\$ cents per share)		2.09	1.86

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

For the year ended December 31, 2024

	Share capital \$'000	Merger reserve \$'000	Capital reserve \$'000	Other reserves \$'000	Other equity \$'000	Retained earnings \$'000	Net equity \$'000
Balance at January 1, 2023*	—	—	65,282	20,237	(9,352)	716,989	793,156
Profit for the year	—	—	—	—	—	221,766	221,766
Other comprehensive loss for the year	—	—	—	—	(1,546)	—	(1,546)
Total comprehensive (loss)/income for the year	—	—	—	—	(1,546)	221,766	220,220
Other adjustments	—	—	—	—	—	(895)	(895)
Transfer to other reserves	—	—	—	168	—	(168)	—
Dividend declared and adjusted against related party balances (Note 35)	—	—	—	—	—	(245,574)	(245,574)
Balance at January 1, 2024*	—	—	65,282	20,405	(10,898)	692,118	766,907
Profit for the year	—	—	—	—	—	249,196	249,196
Other comprehensive loss for the year	—	—	—	—	(17,027)	—	(17,027)
Total comprehensive (loss)/income for the year	—	—	—	—	(17,027)	249,196	232,169
Issuance of shares and deemed distribution on reorganisation (Note 2)	5,164,453	(5,105,391)	(65,282)	—	—	—	(6,220)
Capital reduction (Note 2)	(5,019,848)	5,019,848	—	—	—	—	—
Adjustment of merger reserve (Note 17)	—	85,543	—	—	—	(85,543)	—
Transfer to other reserves (Note 17)	—	—	—	12,304	—	(12,304)	—
Balance at December 31, 2024	144,605	—	—	32,709	(27,925)	843,467	992,856

* As at January 1, 2023 and January 1, 2024, the share capital balance amounted to \$100.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

For the year ended December 31, 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Profit before tax from continuing operations		238,580	214,718
Profit before tax from discontinued operations	6	32,976	26,263
Profit before tax		271,556	240,981
<i>Adjustments to reconcile profit before tax to net cash flows</i>			
Depreciation of property and equipment	10	162,240	157,010
Depreciation of right-of-use assets	11	219,653	281,335
Depreciation of investment properties	12	2,087	5,385
(Gain)/loss on disposal of property and equipment		(172)	349
Gain arising from lease termination		(33,625)	(41,952)
Gain arising from lease modifications		(137)	(31,364)
Loss allowance on trade receivables		—	448
Write-off of property and equipment	10	3,563	17,849
Interest expense		159,844	271,574
Interest income	26	(294)	(117,077)
Employees' defined benefit obligations	19	28,023	27,886
Amortisation of deferred gain on sale and lease back		—	(18,453)
Operating cash flows before movement in working capital		812,738	793,971
Increase in due from related parties		(34,601)	(319,251)
(Increase)/decrease in inventories		(99,029)	20,568
Increase in trade and other receivables		(49,745)	(81,593)
Decrease in other receivables		62	13,762
(Decrease)/increase in trade and other payables		(71,076)	22,453
Increase in due to related parties		10,583	572
Cash generated from operations		568,932	450,482
Employees' defined benefit obligations paid	19	(18,085)	(19,553)
Income tax paid		(32,874)	(19,971)
Interest paid		(159,844)	(271,574)

	Note	2024 \$'000	2023 \$'000
Net cash generated from operating activities		358,129	139,384
Cash flow from investing activities			
Purchase of property and equipment		(141,712)	(155,099)
Purchase of investment properties		(26)	(1,136)
Proceeds from disposal of property and equipment		4,985	1,231
Net cash used in investing activities		(136,753)	(155,004)
Cash flows from financing activities			
Proceeds from bank borrowings		2,330,791	3,257,413
Payment towards bank borrowings		(1,951,747)	(4,081,337)
Net funds (paid to)/received from related parties		(343,950)	1,015,658
Repayment of principal portion of lease liabilities		(186,480)	(201,689)
Repayment of loans from related parties		—	(135,798)
Net cash generated used in financing activities		(151,386)	(145,753)
Net increase/(decrease) in cash and cash equivalents		69,990	(161,373)
Cash and cash equivalents at beginning of year		278,870	441,399
Effects of foreign exchange rate changes		(2,652)	(1,156)
Cash and cash equivalents at end of the year	16	346,208	278,870

Refer to Note 33 to the consolidated financial statements for disclosure of non-cash transactions.

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

1 General information

Lulu Retail Holdings PLC (formerly "Lulu Retail Holdings Limited") (the "Company") is registered with Abu Dhabi Global Market ("ADGM"), under the license number 000003044 as a Public Company Limited by Shares. The Company was incorporated as Lulu IP SPV Limited on September 23, 2019 and its name was changed to Lulu Retail Holdings Limited on November 24, 2023. On 4 October 2024, the Company re-registered as a public company limited by shares. The registered address of the Company is PO Box 2405, 24, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, U.A.E.

The Company is 70% owned (2023: 100% owned) by Lulu International Holdings Limited (the "Parent Company", together with its subsidiaries referred to as "Lulu Group"), an entity registered with Abu Dhabi Global Market ("ADGM"), under the license number 000000988, as a Private Company Limited by Shares. The registered address of the Parent Company is PO Box 2454, 24, Al Sila Tower, Abu Dhabi Global Market Square (ADGM), Al Maryah Island, Abu Dhabi, U.A.E. The Parent Company is ultimately controlled by Mr. Yusuffali Musaliam Veetil Abdul Kader (the "Ultimate Controlling Party"). The Company and its subsidiaries are collectively referred to as the Group (the "Group").

As per the resolution of the shareholders of the Parent Company dated May 17, 2023, the Parent Company transferred its GCC Retail Business to the Company (the "reorganisation") in exchange for 4,412,983,345 shares of par value \$1 each and a payable of \$757,689,730 of which an amount of \$751,469,230 was converted to shares of par value \$1 each.

The Company is a Public Company Limited by Shares and acts as a head office and holding company for the entities within the Group. The principal activities of the Company's subsidiaries comprise of retail and wholesale businesses (hypermarkets, supermarkets, and similar) in the GCC and associated businesses (global sourcing operations which supply to the retail businesses, support services and intellectual property) (herein after referred to as "GCC Retail Business"). Also, refer to Note 8 to these consolidated financial statements for the list of subsidiaries and their principal business activities.

On November 14, 2024, the Company listed its shares for trading on the Abu Dhabi Securities Exchange ("ADX").

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") (IFRSs) as issued by the International Accounting Standards Board (IASB), interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS and the applicable provisions of the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, Companies Regulations (International Accounting Standards) Rules 2015 and ADGM Market Rules. These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair values and remeasurement of defined benefit liability as explained in Note 19.

The functional currency of the Company is United Arab Emirates Dirhams ("AED"). Each of the Company's subsidiaries determines its own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency. Management uses United States Dollars ("\$") for controlling and monitoring the performance and financial position of the Group and, accordingly, the consolidated financial statements are presented in \$. All amounts are rounded to the nearest thousand except where otherwise indicated. The financial results of the foreign operations are included in accordance with the policies set out in Note 3.10.

The reorganisation is a common control transaction as all of the combining entities, including the Company, are controlled by the Parent Company both before and after the business combination. In absence of guidance in IFRS for business combinations under common control, this reorganisation is considered to be outside the scope of IFRS 3 Business Combinations. Since the reorganisation has no substance, the Group has chosen the pooling of interest method to account for the business combination of entities under common control.

Accordingly, the consolidated financial statements of the Group are prepared on the basis that the reorganisation is in substance a continuation of the GCC Retail Business combined under the Company. The basic principle of accounting for business combinations under common control using the pooling of interest method is that the structure of ownership is discretionary, and any reorganisation thereof is without economic substance from the perspective of the controlling party. The pooling of interest method is considered to involve the combining parties being presented as if they had always been combined. To this effect, the Company will account for the reorganisation transaction from the beginning of the period in which the combination occurs and present comparatives to include all combining entities.

Accordingly, the reorganisation is accounted for using the pooling of interest method as follows:

- The assets and liabilities of the subsidiaries or businesses, transferred to the Company, are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the acquisition date that would otherwise be recognised under the acquisition method.
- No goodwill is recognised as a result of the consolidation, 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 is reflected within equity.
- The income statement reflects the results of the consolidated GCC Retail Business.
- 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;
- These consolidated financial statements represent 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".

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

2 Basis of preparation continued

These consolidated financial statements have been prepared for the years ended December 31, 2024 and 2023, as if the Group was always combined including the transfer of the identifiable assets and liabilities of the GCC Retail Business.

For Al Falah Plaza Company — Sole Proprietorship LLC (which comprises both retail and properties business), the retail business of this entity has been transferred to the Group pursuant to the reorganisation. Accordingly, the consolidated financial statements of the Group include carve-out financial information relating to the retail business of Al Falah Plaza Company — Sole Proprietorship LLC for all the reported periods comprising the following:

- a) Separately identifiable assets and liabilities, relating to the retail business.
- b) Directly attributable income and costs relating to the retail business.
- c) Allocation of common costs on a systematic basis representing the usage of services by the retail business and the properties operations.
- d) Net effect of the above was recorded in retained earnings.

The reorganisation was completed in March 2024, whereby the Parent Company transferred its GCC Retail Business to the Company in exchange for 4,412,983,345 shares of par value \$1 each and a payable of \$757,689,730 of which an amount of \$751,469,230 was converted to shares of par value \$1 each. The Group has decided to maintain the reserves of the combining companies and accordingly, the difference between the value of the shares issued (being the par value of shares issued) and the capital of the entities acquired is recorded as a merger reserve within equity.

Note 3.1 provides additional information about the basis of consolidation.

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. As at December 31, 2024, the Group has a working capital deficit (current liabilities exceed current assets) of \$276 million (December 31, 2023: \$69 million). The Group has access to available bank facilities at its disposal, in the form working capital facilities availed to enable it to meet its obligations as they fall due. Therefore, these consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

3 Material accounting policy information

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

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

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 financial statements 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 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 in 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. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.

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 profit or loss. Any investment retained is recognised at fair value.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.2 Leases

The Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for 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) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are depreciated on a straight-line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Operating expenses' in the consolidated statement of profit or loss and other comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single lease component. The Group has used this practical expedient.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.2 Leases continued

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

When a contract includes lease and non-lease components, the Group applies IFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

3.3 Sale and leaseback

The Group enters into sale and leaseback transactions whereby it sells certain assets to a third-party and immediately leases them back. Where sale proceeds received are judged to reflect the fair value, any gain or loss arising on disposal is recognised in the consolidated statement of profit or loss, to the extent that it relates to the rights that have been transferred to the buyer lessor. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use asset recognised at commencement of the lease. Where sale proceeds received are not at the fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor. After the commencement date, the Group applies the lessee's accounting policies disclosed in Note 3.2 above. In measuring the resulting lease liability, the Group determines 'lease payments' or 'revised lease payments' in a way that Group would not recognise any amount of gain or loss that relates to the right of use retained by the Group.

As permitted by IFRS 16, the Group did not reassess sale and leaseback transactions entered into before the date of initial application to determine whether a sale occurred under IFRS 15, and accordingly, continues to amortise any deferred gain on sale over the lease term (Note 20).

3.4 Inventories

Inventories are stated at the lower of cost and net realisable value. For certain group entities, cost is determined using the 'retail method' whereby the sales value is reduced by an appropriate gross margin.

For certain group entities, cost is determined using Weighted Average Cost (WAC) method due to the different nature of their operations. Cost comprises the invoice value and the related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less all estimated costs necessary to make the sale.

The Group reviews its inventories to assess loss on account of obsolescence and damage on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realisable value for such product. Accordingly, provision is made or the cost is written off where the net realisable value of inventories is less than cost based on management's best estimates.

3.5 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses except for freehold land which is stated at cost.

The useful lives of property and equipment are as follows:

	Years
Buildings and leasehold improvements	4-20
Machinery and equipment	3-12
Computers and accessories	4-5
Furniture and fixtures	3-12
Motor vehicles	3-10

Depreciation is charged so as to write off the cost of assets, other than freehold land and property and equipment under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.5 Property and equipment continued

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

The carrying values of property 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.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.6 Investment properties

Investment properties, which are property held to earn rentals and/or for capital appreciation, are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The investment properties are depreciated over a period of 12 to 25 years based on the terms of the leased land on which these investment properties are constructed.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

3.7 Impairment of tangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are additionally allocated to individual cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 Revenue recognition

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 Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, taking into account the contractually agreed terms of payment, excluding taxes and duties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.8 Revenue recognition continued

Retail operations – 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.

Loyalty points programme

The Group has a loyalty points programme which allows customers to accumulate points that can be redeemed for a certain monetary value against subsequent purchases within a period of one month. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer or upon expiry.

Other operating income

The Group recognises display rental income over time as performance obligation is satisfied. The other contributions from vendors and listing fee income is recognised at the point in time when the services are rendered.

3.9 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.

Rebates and other supplier benefits

The Group receives discounts from vendors through variety of arrangements such as target discounts, statement discounts and discounts at various periods during the year relating to purchases which are deducted from purchase price to recognise costs of purchases in the consolidated financial statements.

3.10 Foreign currency transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in \$, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in \$ using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in other equity. On the disposal of a foreign operation, all of the exchange differences accumulated in other equity in respect of that operation attributable to the owners of the parent company are reclassified to profit or loss.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are directly recognised in profit or loss in the period in which they are incurred.

3.12 Financial instruments

Financial assets and liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.12 Financial instruments continued

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest rate method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e., assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired. Interest income is recognised in profit or loss and is included in the "Finance costs, net" line item.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.12 Financial instruments continued

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the other reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 Financial Instruments unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other operating income' line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and other financial assets as well as on financial guarantee contracts, if any. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime 'Expected Credit Loss' (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realised and the time value of money.

The Group applies the simplified approach to recognise lifetime expected credit losses for its trade receivables as permitted by IFRS 9. Accordingly, trade receivables which are not credit impaired and which do not have significant financing component is categorised under stage 2 and lifetime ECL is recognised.

Objective evidence that debt instrument is impaired includes whether any payment of principal or profit is overdue by more than 90 days or there are any known difficulties in the cash flows, including the sustainability of the counterparty's business plan, credit rating downgrades, breach of original terms of the contract, its ability to improve performance once a financial difficulty has arisen or deterioration in the value of collateral. The Group assesses whether objective evidence of impairment exists on an individual basis for each individually significant asset and collectively for others not deemed individually significant.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.12 Financial instruments continued

Loss allowances for ECL are presented as a deduction from the gross carrying amount of the financial assets at amortised cost.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts, and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and short-term deposits with banks and due from banks and other financial institutions with original maturity of three months or less which are subject to insignificant risk of changes in their fair value.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted using current pre-tax rate (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.15 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Where a disposal group represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the consolidated statement of profit and loss, with all prior periods being presented on this basis.

3.16 Current tax

The income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

3.17 Withholding tax

The Group withholds taxes in certain transactions with non-resident parties as required by the income tax laws of the country in which the Group operates in.

3.18 Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

3 Material accounting policy information continued

3.18 Deferred tax continued

Current tax and deferred tax for the year

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

3.19 Value added tax (VAT)

Revenue, expenses and assets are recognised net of the amount of VAT, except:

- When the VAT incurred on a 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 as part of the expense item, as applicable; or
- When 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.

3.20 Employees' defined benefit obligations

The employees' defined benefit obligations is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement of employees' defined benefit obligations is recognised in other comprehensive income in the period in which they occur and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of employees' defined benefit liabilities are recognised when the settlement occurs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- net interest expense or income; and
- remeasurements.

Curtailment gains and losses are accounted for as past service costs.

3.21 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 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 the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within 12 months after the reporting period.
- There is no right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current

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

3.22 Dividend

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

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

- Capital management (Note 32)
- Financial instruments risk management and policies (Note 31)
- Sensitivity analyses disclosures (Note 19)

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

4 Critical accounting judgements and key sources of estimation uncertainty

continued

4.1 Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies which are described in Note 3 to the consolidated financial statements, management has made the following judgements, which have the most significant impact on the amounts recognised in the consolidated financial statements.

Inventory valuation

Management determines the cost of inventories in certain Group entities using the retail method whereby the retail sales value of inventory on hand is reduced by an appropriate average gross margin. Average gross margin is calculated considering expected rebates from the vendors. The overall retail method requires management to make certain judgments and estimates. Factors considered in the determination of gross margins for various products include current and anticipated demand, customer preferences and age of merchandise, as well as seasonal and fashion trends and product mix. Changes in customer preferences could cause changes in the amount and timings of margins from year to year.

Vendor rebates and allowances

The Group receives allowances from vendors through variety of arrangements such as target discounts, statement discounts and discounts at various periods during the year. These rebates, discounts and allowances received/receivable from vendors relating to purchases are deducted from purchase price to recognise costs of purchases in the financial statements. The Group recognises vendor allowances based on the fulfilment of their related obligations, which requires management to ascertain the volume of purchases that will be made during a period of agreement with the vendors.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Acquisition of entities under common control (accounting for business combinations involving entities or business under common control)

For transactions involving entities under common control, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities are used to account for these transactions. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. No goodwill is recognised as a result of the combination. Any difference between the consideration paid and the equity 'acquired' is reflected within the equity. The components of the equity of the acquired entities are added to the same components within the Group entity. The Group has chosen to apply pooling of interest retrospectively as if combining entities being presented had always been combined. Accordingly, the consolidated financial statements are restated for the prior period to reflect the combination as if it had occurred from the beginning of the earliest period presented.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and key source of estimation uncertainty as 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.

Discounting of lease payments

The lease payments are discounted using the Incremental Borrowing Rate (IBR). For calculation of IBR, the Group has taken the Interbank Offered Rate (IBOR) of the respective countries and the Group's credit default swap spread as on the transition date and the rate is adjusted for the Group's specific risk, term risk and underlying asset risk.

Useful lives of property and equipment and investment properties

Management reviews the residual values and estimated useful lives of property and equipment and investment properties at the end of each annual reporting period in accordance with IAS 16 and IAS 40. This review indicated that the actual lives of certain property and equipment were longer than the estimated useful lives used for depreciation purposes in the Group's consolidated financial statements.

Impairment of assets

At each reporting date, the management reviews each cash generating unit (CGU) for indicators of impairment. Each branch is identified as a CGU as it meets the definition of CGU as per IAS 36 by generating independent cash inflows. Where indicators of impairment are identified, the carrying amount of each CGU is tested for impairment by comparing its recoverable amount with its carrying amount. This determination of whether CGUs are impaired entails management's evaluation of the CGU's ability to generate cash flows from the reporting date to foreseeable future. Any difference arising as a result of a decline in value between the estimated recoverable amount and the carrying value of CGU is recognised as an expense in the profit or loss. Management is satisfied that no impairment provision is necessary on CGU at the reporting date based on the management's assessment. 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.

Defined benefit obligations

The cost of the defined benefit plan and the present value of the obligation are 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 which are reviewed at each reporting date. Due to the complexities involved in the valuation and its long-term nature, defined benefit obligations are sensitive to changes in these assumptions. A sensitivity analysis of changes in defined benefit obligations due to a reasonably possible change in these assumptions are set out in Note 19.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

4 Critical accounting judgements and key sources of estimation uncertainty

continued

4.2 Key sources of estimation uncertainty continued

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

5 Application of new and revised international financial reporting standards (IFRS accounting standards) (“IFRSs”)

5.1 New and revised IFRSs applied with no material effect on the consolidated financial statements of the Group

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2024, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported but may affect the accounting for future transactions or arrangements.

Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non-current	<p>The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.</p> <p>The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p>
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Amendments to IAS 1 Presentation of Financial Statements
Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least 12 months after the reporting date (and, therefore, must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity’s financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least 12 months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within 12 months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

5 Application of new and revised international financial reporting standards (IFRS accounting standards) (“IFRSS”) continued

5.1 New and revised IFRSs applied with no material effect on the consolidated financial statements of the Group continued

Amendments to IFRS 16 Leases — Lease Liability in a Sale and leaseback

The Group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures Relating to Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk.

The term ‘supplier finance arrangements’ is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity’s statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

5 Application of new and revised international financial reporting standards (IFRS accounting standards) (“IFRSS”) continued

5.2 New and amended IFRSs in issue but not yet effective and not early adopted

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 21 — Lack of Exchangeability	Annual reporting periods beginning on or after January 1, 2025
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided
IFRS 18 Presentation and Disclosure in Financial Statements	Effective for annual reporting periods beginning on or after January 1, 2025
IFRS Accounting Taxonomy 2023 — Update 1 International Tax Reform — Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability	Effective date not yet decided
IFRS Accounting Taxonomy 2023 — Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update	Effective date not yet decided
Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability, the amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.	Annual reporting periods beginning on or after January 1, 2025
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Effective for annual reporting periods beginning on or after January 1, 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	Annual reporting periods beginning on or after January 1, 2026

New and revised IFRSs

Effective for annual periods beginning on or after

Annual Improvements to IFRS Accounting Standards — Volume 11 — The pronouncement comprises the following amendments:

Annual reporting periods beginning on or after January 1, 2026

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a ‘de facto agent’
- IAS 7: Cost method

The above stated new standards and amendments are not expected to have any significant impact on the consolidated financial statements of the Group. There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

6 Assets held for sale and discontinued operations

On May 17, 2023 the Parent Company approved the reorganisation, whereby certain non-retail businesses and assets contained within the entities transferred to the Group, are disposed to related parties at an agreed consideration.

The details of the non-retail businesses and assets disposed are as follows:

- 1) The mall business of Lulu Hypermarket LLC on December 20, 2023 and December 31, 2023.
- 2) The mall business of Lulu Saudi Hypermarkets LLC and the property business of Al Shroq Al Tayeb Trading Company on December 31, 2023.
- 3) The mall business of Lulu Bahrain Hypermarket WLL on March 7, 2024.
- 4) The mall business and certain land parcels of Lulu Muscat Hypermarket LLC on March 6, 2024.

The associated assets and liabilities of the mall business of Lulu Bahrain Hypermarket WLL and the mall business and certain land parcels of Lulu Muscat Hypermarket LLC were consequently presented as held for sale as at December 31, 2023. The disposed non-retail businesses are reported as discontinued operations for all periods presented up to the respective dates of disposal.

The results of the discontinued operations up to the respective dates of disposal are as follows:

	2024 \$'000	2023 \$'000
Revenue	7,275	50,316
Other operating income	34,080	64,738
Operating expense	(6,380)	(60,261)
Interest expense, net	(1,999)	(23,073)
Loss on the disposal of the subsidiaries	—	(5,457)
Profit before tax	32,976	26,263
Income tax (expense)/credits	(60)	3,459
Profit relating to discontinued operations	32,916	29,722
Total comprehensive income relating to discontinued operations	32,916	29,722

Cash flows relating to discontinued operations:

	2024 \$'000	2023 \$'000
Net cash from operating activities	11,306	74,100
Net cash outflow from investing activities	(78)	(5,614)
Net cash outflow from financing activities	(12,394)	(69,107)
Earnings per share for discontinued operations:		
Basic and diluted (\$ cents per share)	0.32	0.29

During the year ended December 31, 2023, a loss of \$5.46 million arose on the disposal of Lulu Properties LLC and Lulu Maintenance and Cleaning Company LLC, being the difference between the proceeds of disposal and the carrying amount of the subsidiaries' net assets. There was no gain/loss on disposal of the businesses during the year ended December 2024.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	December 31, 2023 \$'000
Property and equipment	43,642
Rights-of-use assets	168,105
Investment properties	21,852
Deferred tax asset	2,668
Trade and other receivables	9,185
Cash and cash equivalents	1,176
Total assets held for sale	246,628
Deferred tax liabilities	509
Lease liabilities — non-current portion	176,935
Lease liabilities — current portion	5,777
Employees' defined benefit obligation	231
Trade and other payables	18,624
Total liabilities directly associated with assets held for sale	202,076
Net assets of disposal group	44,552

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

7 Segment information

The Group's operating segments are determined based on its internal reporting to the Chief Operating Decision Maker (the "CODM"). The CODM has been determined to be the Chief Executive Officer (CEO), as all final decisions are made by the CEO in consultation with the executive committee and the function is primarily responsible for the allocation of resources to segments and assessment of performance of segments.

The Group is organised into operating segments based on geographical location. The results are reported to the board of directors of the Company. In addition, the revenue and profits are reported on a geographic basis and measured in accordance with the same accounting basis used for the preparation of the Group's consolidated financial statements. The CODM primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (Segment Adjusted EBITDA, see below) to assess performance of the operating segments and excludes discontinued operations, gain or loss on lease modification and termination, inter-segment management fee income/charge and corporate head office expenses. There are five major reportable segments: United Arab Emirates (UAE), State of Qatar (Qatar), Kingdom of Saudi Arabia (KSA), Sultanate of Oman (Oman) and State of Kuwait (Kuwait). All other operating segments that are not reportable segments are combined under "Other operating segments" (other countries). This presentation reflects how the Group's operating performance is reviewed internally by management.

The segments are concentrated in the retail sector, which includes the supply of foodstuff, meats, groceries, fruits, electrical appliances, readymade garments, perfumes and stationery, and the distribution of meat and other grocery/frozen items. The associated businesses (wholesale, sourcing operations and support services) primarily support the retail operations and are reported within the respective geographical operating segment.

The reporting segments do not include the results of the discontinued operations and the assets and directly associated liabilities held for sale.

7.1 The following is an analysis of the Group's revenue and results by reportable segment:

December 31, 2024

	Reportable segments					Total reportable segments \$'000	Other operating segments \$'000	Total \$'000
	UAE \$'000	Qatar \$'000	KSA \$'000	Oman \$'000	Kuwait \$'000			
External revenues (Note 22)	2,745,407	1,098,609	1,478,122	1,176,125	660,589	7,158,852	461,950	7,620,802
Inter-segment revenues	54,967	—	—	—	—	54,967	473,096	528,063
Segment revenue	2,800,374	1,098,609	1,478,122	1,176,125	660,589	7,213,819	935,046	8,148,865
Segment adjusted EBITDA	346,678	138,167	74,111	131,715	98,857	789,528	69,312	858,840
Interest income	6	23	—	—	—	29	265	294
Interest expense	71,002	17,900	10,536	21,876	23,122	144,436	13,408	157,844
Net interest expense	70,996	17,877	10,536	21,876	23,122	144,407	13,143	157,550
Depreciation and amortisation	137,477	56,670	42,854	62,437	49,913	349,351	26,419	375,770
Tax expense/(income)	11,852	4,870	(6,995)	8,077	—	17,804	4,496	22,300
Tax rates	9%	10%	20%	15%	—	—	—	—
Gain/(loss) on lease modification	403	(512)	—	1	(49)	(157)	20	(137)

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

7 Segment information continued

7.1 The following is an analysis of the Group's revenue and results by reportable segment: continued

December 31, 2023

	Reportable segments					Total reportable segments \$'000	Other operating segments \$'000	Total \$'000
	UAE \$'000	Qatar \$'000	KSA \$'000	Oman \$'000	Kuwait \$'000			
External revenues (Note 22)	2,595,248	1,093,286	1,400,561	1,125,510	634,769	6,849,374	428,582	7,277,956
Inter-segment revenues	54,266	—	—	—	—	54,266	373,988	428,254
Segment revenue	2,649,514	1,093,286	1,400,561	1,125,510	634,769	6,903,640	802,570	7,706,210
Segment adjusted EBITDA	287,888	154,325	128,977	91,486	86,429	749,105	61,989	811,094
Interest income	116,590	—	39	—	—	116,629	448	117,077
Interest expense	133,300	39,768	29,242	23,625	20,418	246,353	11,831	258,184
Net interest expense	16,710	39,768	29,203	23,625	20,418	129,724	11,383	141,107
Depreciation and amortisation	142,049	71,226	69,395	61,914	42,441	387,025	26,450	413,475
Tax expense	519	1,618	11,975	907	—	15,019	5,613	20,632
Tax rate	—	10%	20%	15%	—	—	—	—
Gain on lease modification	165	562	30,324	275	—	31,326	38	31,364

7.2 The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets and liabilities are measured on the same basis as in the consolidated financial statements. Segment assets are allocated based on operations of the segment and the physical location of the asset. Segment liabilities are allocated based on the operations of the segment.

December 31, 2024

	UAE \$'000	Qatar \$'000	KSA \$'000	Oman \$'000	Kuwait \$'000	Total reportable segments \$'000	Other operating segments \$'000	Total \$'000
Segment Assets	5,450,946	691,832	856,895	883,692	683,797	8,567,162	530,559	9,097,721
Segment Liabilities	2,048,672	639,776	733,709	719,212	582,587	4,723,956	378,841	5,102,797

December 31, 2023

	UAE \$'000	Qatar \$'000	KSA \$'000	Oman \$'000	Kuwait \$'000	Total reportable segments \$'000	Other operating segments \$'000	Total \$'000
Segment Assets	6,245,771	698,620	834,303	861,166	649,415	9,289,275	513,678	9,802,953
Segment Liabilities	5,871,445	626,115	717,655	773,866	564,306	8,553,387	403,958	8,957,345

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

7 Segment information continued

7.3 Reconciliations of information on reportable segments to the amounts reported in the financial statements:

Reconciliation of revenues:

Particulars	2024 \$'000	2023 \$'000
Total revenue for reportable segments	7,213,819	6,903,640
Revenue for other operating segments	935,046	802,570
Elimination of inter-segment revenue	(528,063)	(428,254)
Consolidated revenue	7,620,802	7,277,956

Reconciliation of adjusted EBITDA:

Particulars	2024 \$'000	2023 \$'000
Total adjusted EBITDA	858,840	811,094
Depreciation and amortisation*	(378,773)	(415,844)
Net finance cost	(169,375)	(153,403)
Gain on lease modification	137	31,364
Head office expenses**	(72,495)	(57,745)
Others	246	(748)
Profit before tax and discontinued operations	238,580	214,718

* Depreciation and amortisation include unallocated depreciation of \$3,002 thousand during the year ended December 31, 2024 (December 31, 2023: \$2,369 thousand).

** The head office expenses include other unallocated operating expenses.

Reconciliation of assets

Particulars	2024 \$'000	2023 \$'000
Total assets for reportable segments	8,567,162	9,289,275
Assets for other operating segments	530,559	513,678
Asset held for sale	—	246,628
Corporate head office assets	11,466	5,184
Inter-segment eliminations	(3,658,675)	(2,050,614)
Consolidated total assets	5,450,512	8,004,151

Reconciliation of liabilities

Particulars	2024 \$'000	2023 \$'000
Total liabilities for reportable segments	4,723,956	8,553,387
Liabilities for other operating segments	378,841	403,958
Liabilities associated to assets held for sale	—	202,076
Inter-segment eliminations	(645,141)	(1,922,177)
Consolidated total liabilities	4,457,656	7,237,244

7.4 Geography wise revenue

The Group's revenue from external customers and information about its non-current assets (non-current assets for this purpose include property and equipment, right-of-use assets, and investment properties) by geographical location are detailed below.

Revenue from external customers

	2024 \$'000	2023 \$'000
UAE	2,745,407	2,595,248
Oman	1,176,125	1,125,510
KSA	1,478,122	1,400,561
Qatar	1,098,609	1,093,286
Kuwait	660,589	634,769
Bahrain	426,078	403,055
Egypt	14,212	12,909
Other countries	21,660	12,618
Total	7,620,802	7,277,956

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

7 Segment information continued

7.5 Geography wise non-current assets

Non-current assets

	2024 \$'000	2023 \$'000
UAE	1,008,279	1,171,432
Oman	579,125	606,529
KSA	418,414	394,095
Qatar	487,570	516,122
Kuwait	442,375	411,152
Bahrain	201,247	214,639
Egypt	46	75
Other countries	29,832	25,608
Total	3,166,888	3,339,652

Non-current assets for this purpose included property and equipment, right-of-use assets, and investment properties, but excluded head office assets related to the aforementioned assets categories.

8 List of subsidiaries

	Beneficial ownership interest		Country of incorporation	Principal activities
	December 31, 2024	December 31, 2023		
Lulu Express Supermarket — Sole Proprietorship LLC	100%	100%	UAE	(i)
Emirates General Market Co. — Sole Proprietorship LLC	100%	100%	UAE	(i)
Lulu Express Fresh Supermarket — Sole Proprietorship LLC	100%	100%	UAE	(i)
Gulf Star Commodities Co. — Sole Proprietorship LLC	100%	100%	UAE	(ii)
Lulu Logistics General Trading — Sole Proprietorship LLC	100%	100%	UAE	(i)
Lulu Centre — Sole Proprietorship LLC	100%	100%	UAE	(i)
Lulu Express Fresh Market Sole Proprietorship LLC	100%	100%	UAE	(i)
Al Tayeb Distribution Sole Proprietorship LLC	100%	100%	UAE	(ii)
Al Tayeb Meat Sole Proprietorship LLC	100%	100%	UAE	(ii)
Lulu International Travel & Tourism — Sole Proprietorship LLC	100%	100%	UAE	(iii)
Lulu Group — Sole Proprietorship LLC	100%	100%	UAE	(vi)
Huda Shipping International Sole Proprietorship LLC	100%	100%	UAE	(viii)
Emke Group Sole Proprietorship LLC	100%	100%	UAE	(vi)

	Beneficial ownership interest		Country of incorporation	Principal activities
	December 31, 2024	December 31, 2023		
Lulu Group International — Sole Proprietorship LLC	100%	100%	UAE	(iv)
Al Tayeb Food Industries Sole Proprietorship LLC	100%	100%	UAE	(ix)
Lulu Hypermarket LLC, Dubai	100%	100%	UAE	(i)
Al Tayeb International General Trading LLC, Dubai	100%	100%	UAE	(ii)
Lulu Supermarket LLC, Dubai	100%	100%	UAE	(i)
Lulu Centre LLC, Dubai	100%	100%	UAE	(i)
Lulu Shopping LLC	100%	100%	UAE	(i)
Lulu Shopping Mall LLC — Single Owner, Dubai	100%	100%	UAE	(vi)
Lulu Central Warehouse LLC — Single Owner (Dubai)	100%	100%	UAE	(i)
Lulu Logistics LLC, Dubai	100%	100%	UAE	(i)
Lulu City Travels Single Owner LLC, Dubai	100%	100%	UAE	(iii)
Lulu International FZE, JAFZA	100%	100%	UAE	(i)
Lulu Hypermarket LLC, Sharjah	100%	100%	UAE	(i)
Lulu Hypermarket Sole Proprietorship LLC, Abu Dhabi	100%	100%	UAE	(i)
Lulu Center LLC, Umm Al Quwain	100%	100%	UAE	(i)
Lulu Hypermarket LLC (One Person) — (RAK)	100%	100%	UAE	(i)
Lulu Center LLC (One Person) — (RAK)	100%	100%	UAE	(i)
Lulu Express Trading — Sole Proprietorship LLC (Al Ain)	100%	100%	UAE	(i)
Lulu 2 SPV Ltd	100%	100%	UAE	(vi)
Lulu 3 SPV Ltd	100%	100%	UAE	(vi)
Lulu 4 SPV Ltd	100%	100%	UAE	(vi)
Lulu 6 SPV Ltd	100%	100%	UAE	(vi)
Lulu BPO SPV Ltd	100%	100%	UAE	(vi)
Hamad Rashed SPV Ltd	100%	100%	UAE	(vi)
Hamad Rashed SPV 1 Ltd	100%	100%	UAE	(vi)
Oyoon Lulu Eyexpress Optical	100%	100%	UAE	(vii)
Hamad Rashed Co 1 SPV Ltd	100%	100%	UAE	(vi)
Mariam Ismaeil SPV Ltd	100%	100%	UAE	(vi)
Meshari Abdullah SPV Ltd	100%	100%	UAE	(vi)
Y International (Australia) Pty Ltd	100%	100%	Australia	(ii)
Y International Canada Inc.	100%	100%	Canada	(ii)
Y International Polskal Sp Z.o.o.	100%	100%	Poland	(ii)
Lulu Centre International General Trading and Contracting Company W.L.L Kuwait	100%	100%	Kuwait	(i)
Lulu Hypermarket General Trading & Contracting Co. W.L.L Kuwait	100%	100%	Kuwait	(i)

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

8 List of subsidiaries continued

	Beneficial ownership interest		Country of incorporation	Principal activities
	December 31, 2024	December 31, 2023		
Lulu Kuwait Hypermarket Centre Company W.L.L Kuwait	100%	100%	Kuwait	(i)
Al Tayeb International Import & Export Company SPC	100%	100%	Kuwait	(ii)
Lulu Muscat Hypermarket LLC	100%	100%	Oman	(i)
Al Tayeb Lislal Al Istalakiya and Business SPC	100%	100%	Oman	(ii)
Lulu Saudi Hypermarket (Single Shareholder) LLC	100%	100%	Saudi Arabia	(i)
Al Shrouq Al Tayeb Trading Company (Single Person) LLC	100%	100%	Saudi Arabia	(ii)
Lulu 6 SPV Regional Headquarters Company (One Person)	100%	—	Saudi Arabia	(vi)
Lulu Bahrain Hypermarket WLL	100%	100%	Bahrain	(i)
Lulu Hypermarket Trading Company WLL	100%	100%	Qatar	(i)
Lulu Center Trading Company WLL	100%	100%	Qatar	(i)
Al Tayeb International Trading WLL	100%	100%	Qatar	(ii)
Emmay Commodities Kenya Limited	100%	100%	Kenya	(ii)
Emmay Commodities SA Proprietary Limited	100%	100%	South Africa	(ii)
YMA Commodities Uganda Limited	100%	100%	Uganda	(ii)
E.K. Prima Exports Hong Kong Limited	100%	100%	Hong Kong	(ii)
Yiwu E.K. Prima Trading Limited Company	100%	100%	China	(ii)
Guangzhou EK Prima Trading Company	100%	100%	China	(ii)
YAS Exports Hong Kong Ltd	100%	100%	Hong Kong	(ii)
Y International Egypt (LLC)	100%	100%	Egypt	(ii)
Al Tayeb Import & Export General Trading (LLC)	100%	100%	Egypt	(ii)
May Exports (Malaysia) SDN. BHD.	100%	100%	Malaysia	(ii)
PT. Indo Agro International	100%	100%	Indonesia	(ii)
PT YAS Exports International	100%	100%	Indonesia	(ii)
May Exports (Thailand) Co. Ltd	100%	99.50%	Thailand	(ii)
EMKE Exports (Thailand) Co. Ltd	100%	99.50%	Thailand	(ii)
May Exports Phil. Inc.	100%	99.99%	Philippines	(ii)
Y International España	100%	100%	Spain	(ii)
May Exports (Vietnam) Company Limited	100%	100%	Vietnam	(ii)
Y International (UK) Limited	100%	100%	United Kingdom	(ii)
Y International USA, Inc.	100%	100%	United States	(ii)
Yas Lanka (Private) Limited	100%	100%	Sri Lanka	(ii)
YMA Ithalat Ve Ihracat Limited Sirketi	100%	100%	Turkey	(ii)
Mantle Solutions Private Limited	100%	100%	India	(x)
Y International Italia S.R.L	100%	100%	Italy	(ii)

	Beneficial ownership interest		Country of incorporation	Principal activities
	December 31, 2024	December 31, 2023		
Al Tayeb Fresh Market Sole Proprietorship LLC, Abu Dhabi	100%	100%	UAE	(ii)
Lulu Hypermarket — Sole Proprietorship L.L.C, Fujairah	100%	100%	UAE	(i)
Al Tayeb Holding Company LLC Sole Proprietorship LLC	100%	100%	UAE	(vi)
Lulu Group International Limited	100%	100%	UAE	(vi)

The principal activities of the Company's subsidiaries are as follows:

- i) Trading in foodstuff, meats, groceries, fruits, electrical appliances, readymade garments, perfumes and stationery through its showrooms
- ii) Wholesale distribution, retail, trading in groceries, readymade garments, electrical appliances, perfumes;
- iii) Organising tourism trips, travel ticket reservations and ticket sales
- iv) Real estate leasing and management service, commercial enterprises investment and management and managing and operating shopping malls and commercial properties
- v) Cleaning and maintenance services
- vi) Business activities of holding companies, management services and/or special purpose vehicles
- vii) Optics centre and retail sale of sunglasses, non-medical contact lenses, medical glasses and lenses
- viii) Air, sea and marine shipping services for goods and custom clearance
- ix) Production and packaging of food items
- x) Outsourcing services

9 Related party transactions and balances

Note 1 and Note 8 provide information about the Group's structure, including details of the holding company, parent, ultimate parent and subsidiaries. Related parties represent associated companies, shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing and terms of these related party transactions are mutually agreed amongst the related parties.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

9 Related party transactions and balances continued

At the reporting dates, balances with the related parties are as follows:

	2024 \$'000	2023 \$'000
(i) Due from related parties		
Entities under common control of Parent Company:		
Line Investments & Property — Sole Proprietorship LLC, Abu Dhabi	—	1,144,546
Al Falah Plaza Company — Sole Proprietorship LLC, Abu Dhabi	—	365,148
Line Investments and Property FZE, Dubai	—	352,079
Khalidiyah Mall — Sole Proprietorship LLC, Abu Dhabi	—	193,964
Lulu Properties SPV Ltd	—	79,329
PT Lulu Group Retail	—	70,617
Lulu Group Retail SDN BHD	—	53,211
Al Lulu Hypermarkets SAE	—	60,131
Eyexpress Optical W.L.L	—	475
Lulu 1 SPV Ltd	—	2,854
Lulu 8 SPV Ltd	—	274
Lulu 7 SPV Ltd	—	35
Lulu Properties LLC	—	31,117
Lulu Cleaning and Maintenance Company	—	2,454
Lulu Group International Limited	—	23
	—	2,356,257
Other related parties:		
Y&S Properties SPV Ltd	—	56,717
Lulu International Shopping Mall Pvt Ltd	4,336	2,651
Lulu Convention Center Calicut Private Limited	206	45
Lulu International Convention Center Private Limited	6	—
	4,548	59,413
Parent company		
Lulu International Holdings Limited	10,234	—
Total	14,782	2,415,670

	2024 \$'000	2023 \$'000
(ii) Due to related parties		
Entities under common control of Parent Company:		
Al Khor Mall Trading WLL	—	29,999
Forsan Central Mall — Sole Proprietorship L.L.C.	—	8,998
Emke General Trading LLC	—	3,504
Al Tayeb Cold Stores — Sole Proprietorship LLC	—	312
Al Falah Central Mall — Sole Proprietorship LLC	—	82
Al Dhafra Mall — Sole Proprietorship LLC	—	82
Al Raha Mall — Sole Proprietorship LLC	—	82
Madinat Zayed Shopping Center — Sole Proprietorship LLC	—	82
Mafraq Centre — Sole Proprietorship LLC	—	82
Hameem Mall — Sole Proprietorship LLC	—	82
Mazyad Mall — Sole Proprietorship LLC	—	81
Sharjah Central Per Person Co LLC, Sharjah	—	81
Al Falah Properties SP LLC, Abu Dhabi	—	52
Shawamekh Central Mall LLC — O.P.C	—	82
	—	43,601
Other related parties:		
Fair Exports (India) Pvt Ltd	32,701	27,688
Lulu Flight Kitchen Pvt Ltd	—	355
Silal Food & Technology	641	—
Speed Track Garage LLC	1	—
Lulu International Exchange LLC	217	—
	33,560	28,043
Parent company		
Lulu International Holdings Limited	—	2,254,305
Total	33,560	2,325,949

During year ended December 31, 2024, an agreement to net settle related party balances with Parent Company and related parties under common control of Parent Company amounting to \$2,484 million was implemented resulting in a net receivable from the Parent Company of \$10.23 million as at December 31, 2024.

Notes to the Consolidated Financial Statements *continued*

For the year ended December 31, 2024

9 Related party transactions and balances *continued*

Significant transactions with the related parties during the year are as follows:

	2024 \$'000	2023 \$'000
Entities under common control of Parent Company:		
Rent paid	161,641	101,450
Interest received (note (a))	5,159	120,996
Dividend	—	176,991
Leases transferred to related party	—	21,231
Transfer of property and equipment	43,837	365,827
Transfer of Investment properties	21,331	6,830
Purchase/transfer of assets	43	3,669
Other transactions, net	6,761	5,783
Other related parties:		
Purchase of goods	240,426	200,739
Interest paid (note (a))	—	30,526
Rent paid	3,813	17,383
Other transactions, net	(530)	941
Parent Company:		
Interest charged by the Parent Company (note(a))	—	35,436
Bank borrowings novated to the Parent Company	533,696	—
Dividends	—	68,583
Payable on account of reorganisation	757,689	—
Issue of share capital (note 17)	751,469	—
Other adjustments, net	(104)	(354)

Note (a):

The Group has historically entered into funding transactions with related parties on mutually agreed terms and are generally interest-free, except where agreed otherwise. During the year ended December 31, 2024, the Group received net funding (including payments made by related parties on behalf of the Group) amounting to \$821 million (December 31, 2023: received net funds amounting to \$135 million).

Terms and conditions:

Outstanding balances at the year end are unsecured and settlement generally occurs in cash, except as noted above. These balances are interest-free, except for certain related parties to whom the Group has charged paid interest based on a mutually agreed rate.

The management of the Group estimate the allowance on amounts due from related parties at the end of the reporting period at an amount equal to lifetime ECL. None of the receivable balances from related parties at the end of the reporting period are past due, and taking into account the historical default experience, the future prospects of the industries in which the related parties operate and the personal guarantee of the Shareholder, management of the Group consider that no related party balances are impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for balances due from related parties.

The related party balances are receivable/repayable on demand, therefore, these balances are classified as current assets and current liabilities.

Guarantees:

As at December 31, 2024, certain related parties have provided corporate guarantees towards the Group's banking facilities amounting to \$1,615 million (December 31, 2023: \$1,673 million).

Corporate guarantees provided by the Group towards banking facilities obtained by related parties amounting to \$803 million as of December 31, 2023, were settled during the year. (December 31, 2023: \$803 million).

Corporate guarantees provided by the Group towards banking facilities obtained together with related parties amounting to \$3,029 million, were settled during the year. (December 31, 2023: \$3,029 million).

Compensation of key management personnel of the Group:

The remuneration of directors and other key members of management recognised as an expense during the year are as follows:

	2024 \$'000	2023 \$'000
Short-term employee benefits	5,225	3,849
End-of-service benefits	257	485
Total compensation to key management personnel	5,482	4,334

During the year, the Company appointed BHM Capital Financial Services PSC (the "Liquidity Provider") through an Agreement dated November 12, 2024 to provide liquidity provision services in connection with its shares, where the Liquidity Provider will trade (i.e., purchase and/or sell) shares of the Company on the Abu Dhabi Securities Exchange ("ADX"). Subsequently, this Agreement was revised on November 13, 2024 to include the Parent Company as one of the contracting parties. The revised Agreement was entered into for an initial term of 12 months. During the term of the Agreement, the Liquidity Provider will receive funds from the Parent Company to purchase and/or sell the Company's shares on ADX and the Parent Company bears the risks and rewards of the trades executed by the Liquidity Provider. The Liquidity Provider trades and operates within the predetermined parameters approved by the Parent Company. The fees for the services performed by the Liquidity Provider are paid by the Company and will be charged back to the Parent Company.

Notes to the Consolidated Financial Statements continued
For the year ended December 31, 2024

10 Property and equipment

	Land \$'000	Buildings and leasehold improvements \$'000	Machinery and equipment \$'000	Computers and accessories \$'000	Furniture and fixtures \$'000	Motor vehicles \$'000	Capital work-in- progress \$'000	Total \$'000
Cost:								
At January 1, 2023	58,991	1,344,597	1,240,804	69,432	404,418	128,100	506,040	3,752,382
Additions	—	8,175	9,569	2,383	5,856	3,428	135,702	165,113
Transfer from capital work-in-progress	—	69,679	35,513	5,208	17,755	4,699	(132,854)	—
Transfer to investment properties (Note 12)	—	(4)	—	—	—	—	(601)	(605)
Transfers from/(to) related parties, net (Note 9)	(4,206)	(5,984)	(2,051)	15	(2,255)	(118)	(353,449)	(368,048)
Write-offs	—	—	—	—	—	—	(17,849)	(17,849)
Disposals	—	(560)	(1,329)	(113)	(271)	(3,338)	—	(5,611)
Asset held for sale (Note 6)	(20,948)	(26,410)	(4,099)	(279)	(4,233)	(273)	—	(56,242)
Translation adjustment	5	1,367	1,131	54	141	11	98	2,807
At January 1, 2024	33,842	1,390,860	1,279,538	76,700	421,411	132,509	137,087	3,471,947
Additions	—	3,055	5,644	2,650	4,578	3,788	128,959	148,674
Transfer from capital work-in-progress	260	51,470	49,042	10,048	19,777	6,854	(137,451)	—
Transfers from/(to) related parties, net	—	(16)	133	(10)	2	80	(231)	(42)
Write-offs	—	—	—	—	—	—	(3,563)	(3,563)
Disposals	—	(3,477)	(1,241)	(331)	(4,570)	(4,579)	(129)	(14,327)
Translation adjustment	—	(743)	(645)	(97)	(380)	(116)	(148)	(2,129)
At December 31, 2024	34,102	1,441,149	1,332,471	88,960	440,818	138,536	124,524	3,600,560
Accumulated depreciation								
At January 1, 2023	—	598,314	864,685	48,616	271,387	88,175	—	1,871,177
Charge for the year	—	62,862	57,638	8,356	20,675	7,479	—	157,010
Transfers from/(to) related parties, net (Note 9)	—	(1,070)	(525)	58	(599)	(85)	—	(2,221)
Eliminated on disposal	—	(311)	(1,060)	(94)	(268)	(2,298)	—	(4,031)
Translation adjustment	—	268	782	43	61	28	—	1,182
Asset held for sale (Note 6)	—	(7,198)	(1,845)	(202)	(3,145)	(210)	—	(12,600)
At January 1, 2024	—	652,865	919,675	56,777	288,111	93,089	—	2,010,517
Charge for the year	—	64,635	59,536	8,399	21,570	7,797	—	161,937
Transfers from/(to) related parties	—	9	8	—	—	(3)	—	14
Eliminated on disposal	—	(1,418)	(1,079)	(303)	(3,077)	(3,637)	—	(9,514)
Translation adjustment	—	(177)	(387)	(61)	(196)	(63)	—	(884)
At December 31, 2024	—	715,914	977,753	64,812	306,408	97,183	—	2,162,070
Carrying amount								
At December 31, 2024	34,102	725,235	354,718	24,148	134,410	41,353	124,524	1,438,490
At December 31, 2023	33,842	737,995	359,863	19,923	133,300	39,420	137,087	1,461,430

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

10 Property and equipment continued

(a) Additions to property and equipment include borrowing costs capitalised during the year ended December 31, 2024 amounting to \$3.6 million (December 31, 2023: \$5 million). The rate of capitalisation is equivalent to the average bank borrowing rate of the Group.

(b) The depreciation charge is allocated as follows, for the years ended December 31:

	2024 \$'000	2023 \$'000
Operating expenses Note 25 (a)	161,937	155,229
Related to discontinued operations	303	1,781
	162,240	157,010

(c) There are no bank borrowings secured against property and equipment during the year ended December 31, 2024 (December 31, 2023: \$106.44 million).

11 Right-of-use assets

The Group has lease contracts for land and buildings. These leases generally have terms between 15 and 40 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is not restricted from assigning and subleasing the leased assets. Several lease contracts include extension and termination options, as well as 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 the years ended December 31:

	2024 \$'000	2023 \$'000
Cost		
Balance at the beginning of the year	2,916,130	3,970,144
Additions during the year	222,180	269,219
Terminations during the year	(79,266)	(945,814)
Modifications	(144,568)	(116,837)
Relating to assets held for sale (Note 6)	—	(261,839)
Translation adjustment	(2,009)	1,257
Balance at the end of the year	2,912,467	2,916,130
Accumulated depreciation		
Balance at the beginning of the year	1,047,735	1,062,747
Depreciation charge for the year	215,289	281,335
Depreciation capitalised	2,795	5,341
Terminations during the year	(66,648)	(193,920)
Modifications	(12,396)	(13,716)
Relating to asset held for sale (Note 6)	—	(93,734)
Translation adjustment	(701)	(318)
Balance at the end of the year	1,186,074	1,047,735
Net carrying amount at the end of the year	1,726,393	1,868,395

Depreciation charges include amount of \$2,795 thousand during the year ended December 31, 2024 (December 31, 2023: \$5,341 thousand) capitalised to capital work in progress related to the lands and building that qualify during the period of construction.

The maturity analysis of lease liabilities is disclosed in Note 20.

The following are the amounts recognised in the consolidated statement of profit or loss (including discontinued operations):

	2024 \$'000	2023 \$'000
Depreciation expense on right-of-use assets (a)	219,653	281,335
Expense relating to short-term leases	136,117	66,766
Gain on termination of leases (b)	(33,762)	(73,316)

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

11 Right-of-use assets continued

(a) The details of the depreciation expense on right-of-use assets are as follows:

	2024 \$'000	2023 \$'000
— Operating expenses (Note 25(a))	215,289	259,069
— Related to discontinued operations	4,364	22,266
	219,653	281,335

(b) The gain on termination of leases related to discontinued operations amounted to \$33.6 million during the year ended December 31, 2024 (December 31, 2023: \$41.9 million)

The total cash outflow for leases amounted to \$266.8 million during the year ended December 31, 2024 (December 31, 2023: \$336.6 million) (Note 20). The Group also had non-cash additions to right-of-use assets and lease liabilities which are disclosed in Note 33.

12 Investment properties

	2024 \$'000	2023 \$'000
Cost		
Balance at the beginning of the year	40,836	112,147
Additions during the year	7	1,136
Transfers to related parties (Note 9)	4	(19,377)
Transfers from property and equipment (Note 10)	—	605
Reclassified as asset held for sale (Note 6)	—	(53,669)
Translation adjustments	—	(6)
Balance at the end of the year	40,847	40,836
Accumulated depreciation		
At the beginning of the year	25,826	64,809
Charge for the year	1,547	5,385
Transfers to related parties (Note 9)	3	(12,547)
Reclassified as asset held for sale (Note 6)	—	(31,817)
Translation adjustments	—	(4)
Balance at the end of the year	27,376	25,826
Net carrying amount at end of the year	13,471	15,010

The details of the depreciation expense on investment properties are as follows:

	2024 \$'000	2023 \$'000
— Operating expenses (Note 25(a))	1,547	1,546
— Related to discontinued operations	540	3,839
	2,087	5,385

Investment properties represent residential and commercial buildings in Oman and the UAE. As permitted by IAS 40 Investment Property, the Group has chosen to carry investment properties under the cost model. The fair value of the investment properties as at December 31, 2024 is estimated to be \$29.3 million (December 31, 2023: \$57 million). The valuations in Oman are performed by Cavendish Maxwell and Al Habib & Co LLC. The valuations in UAE are performed by Cavendish Maxwell. All are accredited independent valuers and specialists in valuing these types of investment properties. The other investment properties are valued by applying the income approach or market approach as recommended by the International Valuation Standards Committee.

The income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to \$3.54 million during the year ended December 31, 2024 (December 31, 2023: \$27.1 million). Direct operating expenses (excluding depreciation expense) arising on the investment property, amounted to \$0.50 million during the year ended December 31, 2024 (December 31, 2023: \$4.7 million).

Fair value hierarchy disclosures for investment properties are included in Note 30.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

13 Deferred tax

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation \$'000	Leases \$'000	Accrued and other liabilities \$'000	Retirement benefit obligations \$'000	Fair Value Adjustment Reserve \$'000	Tax losses \$'000	Forex difference \$'000	Total \$'000
At January 1, 2023	(7,532)	14,930	106	4,154	—	20	—	11,678
Charge/(credit) to profit or loss	581	(3,603)	10	620	—	19	—	(2,373)
Charge to other comprehensive income	—	—	—	—	—	—	—	—
Exchange differences	—	—	—	—	—	—	—	—
At January 1, 2024	(6,951)	11,327	116	4,774	—	39	—	9,305
Charge to profit or loss	7,621	(1,032)	(7)	1,514	—	1,386	—	9,482
Charge to other comprehensive income	—	—	—	666	1	—	—	667
Charge to equity	377	—	—	—	—	—	—	377
Exchange differences	—	—	—	—	—	—	(7)	(7)
At December 31, 2024	1,047	10,295	109	6,954	1	1,425	(7)	19,824

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2024 \$'000	2023 \$'000
Deferred tax liability	(4,902)	(5,142)
Deferred tax assets	24,726	14,447
	19,824	9,305
Deferred tax, net related to discontinued operations	—	(2,159)
	19,824	7,146

At the reporting date, the Group has unused tax losses of \$15.74 million (2023: \$1.11 million) available for offset against future profits. A deferred tax asset has been recognised in respect of \$14.17 million (2023: \$0.04 million) of such losses. No deferred tax asset has been recognised in respect of the remaining \$1.57 million (2023: \$1.07 million) as it is not considered probable that there will be future taxable profit available.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

14 Inventories

	2024 \$'000	2023 \$'000
Goods for resale	1,473,636	1,374,607
	1,473,636	1,374,607

The cost of inventories recognised as an expense during the year in respect of continuing operations was \$5,769 million during the year ended December 31, 2024 (December 31, 2023: \$5,519 million) is charged to cost of revenue.

The cost of inventories recognised as an expense includes \$87 million during the year ended December 31, 2024 (December 31, 2023: \$84 million) in respect of write-downs of inventory to net realisable value.

15 Trade and other receivables

	2024 \$'000	2023 \$'000
Trade receivables	249,819	198,967
Less: Expected credit loss allowance	(2,337)	(2,337)
	247,482	196,630
Deposits	27,783	25,695
Prepayments	72,428	50,283
Advances to suppliers	24,854	26,886
Tenants' receivables	9,737	10,454
Advances to employees	4,507	5,111
Other receivables	24,814	16,448
	411,605	331,507

Substantially, all of the sales of the Group entities in the retail trading business are made on a cash basis to their customers. The balance in trade receivables represents the receivables in respect of credit sales made to certain customers.

The Group makes sales on a credit basis to a few customers with a limited credit period which would not normally extend beyond a period of one month and is pre-approved by the management. No interest is charged on the past due trade receivables. At the end of the reporting period, there were no customer that accounts for more than 5% of the total amount of trade receivables.

Collectively assessed

	Gross carrying amount at default \$'000	Expected credit loss allowance \$'000	Not impaired receivables \$'000
December 31, 2024			
Current	45,955	14	45,941
Past due by:			
1 to 30 days	53,456	12	53,444
31-60 days	39,794	22	39,772
61-90 days	30,841	7	30,834
More than 90 days	79,773	2,282	77,491
	249,819	2,337	247,482
December 31, 2023			
Current	50,075	14	50,061
Past due by:			
1 to 30 days	53,348	12	53,336
31-60 days	41,774	22	41,752
61-90 days	5,851	7	5,844
More than 90 days	47,919	2,282	45,637
	198,967	2,337	196,630

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Movement in loss allowance:

	2024 \$'000	2023 \$'000
Balance at beginning of the year	2,337	2,273
Impairment loss recognised on trade receivables	—	64
Balance at the end of the year	2,337	2,337

Trade receivables are secured against bank borrowings to the extent disclosed in Note 18 to the consolidated financial statements.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

16 Cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash on hand	36,676	41,470
Bank balances	235,990	229,480
Short-term deposits	73,542	6,744
	346,208	277,694

Bank balances are assessed to have low credit risk of default since these banks are highly regulated by the respective central banks. Accordingly, the management estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. After taking into account the historical default experience and the current credit ratings of the banks, the management has assessed that loss allowance on cash balances is immaterial, hence, no loss allowance was recognised for the year ended December 31, 2024 and 2023. Bank balances include credit card transactions that are under process and are restricted against the bank borrowings as at reporting date as disclosed in Note 18.

Short-term deposits represent bank deposits with maturity periods of less than three months. These deposits carry interest rates, variable according to their respective jurisdiction's central bank rates and the carrying amounts of these assets approximate to their fair value.

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

	2024 \$'000	2023 \$'000
Cash on hand	36,676	41,470
Bank balances	235,990	229,480
Short-term deposits	73,542	6,744
Cash at banks attributable to discontinued operations (Note 6)	—	1,176
	346,208	278,870

17 Equity

Share capital

The authorised share capital of the Company is 12 billion shares of \$0.014 each as at December 31, 2024 (December 31, 2023: 100 shares of \$1 each). The issued share capital of the Company is 10,328,905,350 shares of \$0.014 each as at December 31, 2024 (December 31, 2023: 100).

During the year, pursuant to the reorganisation (refer Note 1) the Company issued 4,412,983,345 shares of par value \$1 each and converted a payable of \$751,469,230 into 751,469,230 shares of par value \$1 each.

On March 29, 2024, the Board of Directors of the Company decided to reduce the par value of the Company's shares from \$1 to \$0.028. Accordingly, an amount of \$5,019,848 thousand was transferred from share capital to merger reserve.

On June 13, 2024, the Company undertook a share split, resulting in the Company's share capital being \$144,605 thousand divided into 10,328,905,350 shares with a nominal value of \$0.014 each (equivalent to AED 0.051).

On October 4, 2024, the Company re-registered as a public company limited by shares.

Capital reserves

Capital reserve represents the share capital of the entities within the Group prior to the reorganisation.

Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital of acquiree entities resulting from the reorganisation. Pursuant to the resolution of the Board in March 2024, the merger reserve has been fully adjusted against the share capital and retained earnings.

Other equity

Other equity comprises of the cumulative net fair value gain/loss on the investments at fair value through other comprehensive income, the remeasurement of employees' defined benefit obligations and the cumulative foreign exchange differences arising on the translation of overseas operations.

Other reserves

Other reserves include:

Statutory reserve

In accordance with local requirements, certain subsidiaries within the Group are required to establish a statutory reserve. This reserve is not available for distribution except as stipulated by the companies laws in the respective countries. The Group's statutory reserve represents the sum total of statutory reserves of all limited liability companies consolidated in these consolidated financial statements.

Voluntary reserve

In accordance with certain subsidiaries' articles of association, 10% of net profit for the year can be transferred to voluntary reserve.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

18 Bank borrowings

Bank borrowings comprise of:

	2024 \$'000	2023 \$'000
Long-term loans (a)	9,988	539,142
Short-term loans (b)	394,520	271,041
Bank trust receipts (c)	493,375	299,529
Bank overdrafts (d)	76,074	18,205
Vehicle loans	394	1,086
	974,351	1,129,003
Less: current portion		
— Long-term loans	(1,657)	(26,208)
— Short-term loans	(394,520)	(271,041)
— Trust receipts	(493,375)	(299,528)
— Bank overdrafts	(76,074)	(18,205)
— Vehicle loans	(331)	(643)
	(965,957)	(615,625)
Non-current portion	8,394	513,378

a) The long-term loans mainly comprised of the following:

- (i) Long-term loans were obtained from commercial banks in the jurisdictions from where the Group operates and are denominated in the local currency of the jurisdiction in which it is obtained. These loans carry interest of EIBOR or relevant rates in respective jurisdictions plus a margin, of 2% to 2.5% for the year ended December 31, 2024 (December 31, 2023: a margin between 1.5% to 3.5%). These loans are repayable in various monthly/quarterly instalments.
- (ii) As at December 31, 2023, one of the Company's subsidiary, along with the Parent Company, were parties to a syndicated loan facility of AED 10 billion ("Syndicated Facility") with a group of commercial banks (Syndicate Banks) in the UAE whereby the Parent Company is the borrower for an amount not exceeding AED 8 billion and the Company's subsidiary is the borrower for an amount not exceeding AED 2 billion. The transaction costs amounting to \$32 million was fully borne by the Parent Company.

The Group has drawn an amount of AED 2 billion during the year ended December 31, 2023, which was used to repay a portion of its long-term loans outstanding as at December 31, 2022. The Group has an outstanding balance of \$539 million as at December 31, 2023 towards the Syndicated Facility.

As at December 31, 2024, the Company's subsidiary is no more a party to the Syndicated Facility in accordance with the facility amendment agreement effective March 31, 2024. As a result of this amendment, the rights and obligations of the Company's subsidiary were novated to the Parent Company. Accordingly, the Group's outstanding balance towards the Syndicated Facility amounting to \$534 million was novated to the Parent Company during the year ended December 31, 2024.

- b) Short-term loans include (Sharia'h Compliant) Islamic bank facilities such as traditional Islamic "Istisna'a", "Mudarba", "Murabaha" and "Wakala" financing arrangements. The management believes that these facilities, in substance, provide the Group with funding on terms comparable to the commercial bank loans and therefore have been recognised as part of "bank borrowings" in these consolidated financial statements. As at December 31, 2024, the total short-term loan facilities granted amounted to \$728 million (December 31, 2023: \$693 million) and the total facilities utilised amounted to \$395 million (December 31, 2023: \$271 million). These loans carry profit rate of EIBOR or relevant rates in respective jurisdictions plus a margin ranging between 1% to 2.5% for the year ended December 31, 2024 (For the year ended December 31, 2023: 1% to 2.75%).
- c) Bank trust receipts are obtained from local banks and carries interest at EIBOR or relevant rates in respective jurisdictions plus a margin between 0.70% to 2.75% for the year ended December 31, 2024 (For the year ended December 31, 2023: 1% to 2.75%). The outstanding balance as at December 31, 2024 amounted to \$493 million (December 31, 2023: \$300 million) and is due for repayment within twelve months.
- d) Bank overdrafts carry interest at EIBOR or relevant rates in respective jurisdictions plus a margin between 1% to 2.75% for the year ended December 31, 2024 (For the year ended December 31, 2023: 1% to 2.75%).
- e) As at December 31, 2024 and December 31, 2023, bank borrowings of the Group obtained under various facilities were secured by the following:

Lulu Group – UAE Operations

- Assignment of card receivables, assignment of insurance policy over inventories and property and equipment of certain Group entities and certain entities under common control of the Parent Company (hereinafter referred to as Lulu Group entities" in this note) in favour of the banks.
- Personal guarantees of the Ultimate Controlling Party.
- Mortgage and hypothecation of movable property and equipment of certain Group entities and Lulu Group entities and inventories of the Group.
- Joint and several corporate guarantees from certain Group entities and Lulu Group entities
- Documentary promissory note with different limits for each type of loan.
- Assignment of fire and burglary policies of certain Group entities and Lulu Group entities.
- Negative pledge over the property and equipment of certain Group entities and Lulu Group entities.

Lulu Group – Kuwait Operations (Combined)

- Joint corporate guarantees of certain Group entities and Lulu Group entities and personal guarantee of the Ultimate Controlling Party.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

18 Bank borrowings continued

Lulu Muscat Hypermarket LLC, Oman

- Personal guarantee of the Ultimate Controlling Party.
- Corporate guarantees from certain Group entities and Lulu Group entities.
- Assignment of insurance policies of this entity.

Lulu Hypermarket Trading Company WLL, Qatar

- The bank borrowings are secured by joint and several personal guarantees of the Ultimate Controlling Party and corporate guarantees of certain Group entities and Lulu Group entities covering the entire facilities.

Lulu Saudi Hypermarkets Company

- Personal guarantee of the Ultimate Controlling Party.
- Corporate guarantee of certain Group entities and Lulu Group entities.

Lulu Bahrain Hypermarket WLL

- Personal guarantee of the Ultimate Controlling Party.
- Corporate guarantee of certain Group entities and Lulu Group entities.

Y International (UK) Limited

- The bank borrowings are secured by joint and several personal guarantees of the Ultimate Controlling Party, each covering the entire facilities and corporate guarantees of certain Group entities and Lulu Group entities covering the entire facilities.

Syndicated Facility**

- Registered mortgage or assignment of leasehold rights of specified assets of certain Group entities and Lulu Group entities.
- Assignment of identified revenue of the Group and Lulu Group entities, including cash, POS receivables and third party lease rental mainly from the Lulu Group entities.
- Assignment of insurance over inventory and mortgaged properties of the Group and Lulu Group entities.
- Security over collection accounts of the Group and Lulu Group entities and facility service reserve account.
- General pledge over inventory and non-material fixed assets of the Group and Lulu Group entities.
- Corporate guarantee from material subsidiaries of the Company and the Parent Company and personal guarantee from Ultimate Controlling Party.

For bank borrowings there are no financial covenants which are required to be met at the Group level. Certain of the Group's subsidiaries are subject to financial covenants under their respective lending arrangements and are in compliance as of all periods presented.

** These securities are applicable only to the Group's long-term loans outstanding as at December 31, 2023. Subsequent to the amendment of the Syndicated Facility during the year ended December 31, 2024, the securities provided by the Group towards the Syndicated Facility represent the securities, including corporate guarantees by material subsidiaries of the Company, towards the bank borrowings of the Parent Company (See Note 9).

f) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	January 1, 2024 \$ '000	Cash flows net \$ '000	Currency exchange impact \$ '000	Other Non Cash item \$ '000	December 31, 2024 \$ '000
Bank borrowings	1,129,003	379,044	—	(533,696)	974,351
Lease liabilities	2,001,102	(266,843)	(1,374)	166,789	1,899,674

	January 1, 2023 \$ '000	Cash flows net \$ '000	Currency exchange impact \$ '000	Other Non Cash item \$ '000	December 31, 2023 \$ '000
Bank borrowings	1,952,927	(823,924)	—	—	1,129,003
Lease liabilities	3,099,137	(336,612)	1,663	(673,086)	2,001,102
Loans from related parties	727,017	(135,798)	—	(591,219)	—

19 Employees' defined benefit obligations

In accordance with the provisions of IAS 19 Employee Benefits, the Group has carried out an exercise to assess the present value of its defined benefit obligation at December 31, 2024 and December 31, 2023 in respect of retirement benefit obligations under relevant local regulations and contractual arrangements.

The end-of-service benefits for employees follows relevant local regulations, which are mainly based on periods of cumulative service and levels of employees' final basic salary. The liability recognised in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

19 Employees' defined benefit obligations continued

The amounts recognised in the consolidated statement of financial position and the movements in the employees' defined benefit obligation are as follows:

	2024 \$'000	2023 \$'000
Balance as at the beginning of the year	176,785	169,105
Current service cost	18,849	27,176
Interest cost	9,174	710
Total amount recognised in profit or loss	28,023	27,886
Re-measurement loss recognised in other comprehensive income	13,955	91
Benefits paid	(18,085)	(19,553)
Employees' receivable adjusted, net	(1)	88
Transferred to related parties	(1,330)	(634)
Translation adjustment	(935)	33
Transfer to liabilities classified as held for sale (Note 6)	—	(231)
Balance as at the end of the year	198,412	176,785

- a) In presenting the above, the present value of employees' defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the employees' defined benefit obligations recognised in the consolidated statement of financial position.
- b) The average duration of benefit obligations as at December 31, 2024 is five years (December 31, 2023: five years).
- c) The average number of employees for the year ended December 31, 2024 is 54,440 (December 31, 2023: 52,403).

The principal assumptions used for the purpose of actuarial valuations are as follows:

	2024	2023
Discount rate	2.87-30.71%	4-7%
Salary increases rate	3-25%	3-4%
Mortality rate	100% of IALM	100% of IALM
Rate of employee turnover	2012-14	2012-14
	1-15%	1-15%

A quantitative sensitivity analysis for significant assumptions as at reporting date is, as shown below:

	2024 \$'000	2023 \$'000
Assumptions		
<i>Discount rate:</i>		
1% increase	(8,363)	(7,012)
1% decrease	9,240	7,725
<i>Salary increase:</i>		
1% increase	9,311	7,833
1% decrease	(8,578)	(7,233)
<i>Employee turnover rate:</i>		
Increase by 5% of base	2,035	4,224
Decrease by 5% of base	(3,744)	(6,504)

Impact on defined benefit obligation:

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The plans typically expose the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

The following are the expected payments or contributions to the defined benefit plan in future years:

	2024 \$'000	2023 \$'000
Within next 12 months (next annual reporting period)	38,076	35,143
Between 2 and 5 years	93,693	85,496
Beyond 5 years	123,267	106,528

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

20 Lease liabilities

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

	2024 \$'000	2023 \$'000
Balance as at the beginning of the year	2,001,102	3,099,137
Additions during the year	221,877	268,156
Terminations during the year	(16,737)	(870,964)
Accretion of interest	90,758	134,923
Interest capitalised	2,655	4,672
Payments	(266,843)	(336,612)
Modifications	(131,764)	(117,161)
Reclassified as asset held for sale	—	(182,712)
Translation adjustment	(1,374)	1,663
Balance as at the end of the year	1,899,674	2,001,102
Of which are:		
Current	175,656	173,428
Non-current	1,724,018	1,827,674
	1,899,674	2,001,102

During the year ended December 31, 2024, income from subleasing right-of-use assets amounted to \$57 million (December 31, 2023: \$51.2 million).

The interest expense includes an amount of \$2.6 million during the year ended December 31, 2024 (December 31, 2023: \$4.6 million) capitalised to capital work in progress related to land and building that qualify during the period of construction.

The details of the interest expense on lease liabilities:

	2024 \$'000	2023 \$'000
Interest cost	90,758	121,711
Related to discontinued operations	1,999	13,212
	92,757	134,923

The maturity analysis of discounted lease liabilities is as follows:

	2024 \$'000	2023 \$'000
Maturity analysis:		
Not later than 1 year	175,656	173,428
Later than 1 year and not later than 5 years	588,348	624,994
Later than 5 years	1,135,670	1,202,680
	1,899,674	2,001,102

The Group does not face a significant liquidity risk with regard to its lease liabilities.

Sale and lease back

In 2016, the Group entered into a sale and lease back transaction of land, building and related leasehold improvements, furniture and fixtures and equipment in Riyadh Avenue Mall, Kingdom of Saudi Arabia for a lease term of 25 years with a third party. In 2023, the leased back contract has been transferred to a related party effective January 1, 2023. As this is considered a termination of the lease agreement, the carrying value of lease liability has been adjusted against the carrying value of right-of-use assets along with the deferred gain balance, and the difference was recognised as a gain on lease termination.

21 Trade and other payables

	2024 \$'000	2023 \$'000
Trade payables	1,094,878	1,212,732
Accrued expenses	60,344	51,801
Advances from customers and tenants	30,636	18,855
Retention payable	745	914
Refundable deposits from tenants	6,874	4,298
Other payables	116,604	91,424
	1,310,081	1,380,024

The average credit period with suppliers is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time-frame.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

22 Revenue

Disaggregation of revenue

	2024 \$'000	2023 \$'000
Revenue from sale of goods	7,620,802	7,277,956
	7,620,802	7,277,956

Revenue by timing:

	2024 \$'000	2023 \$'000
Goods transferred at a point in time	7,620,802	7,277,956
	7,620,802	7,277,956

Revenue by region

For the region wise bifurcation of revenue, refer Note 7.

23 Cost of revenue

	2024 \$'000	2023 \$'000
Cost of revenue relating to sale of goods		
Inventories, at the beginning of the year	1,374,607	1,395,175
Add: Purchases (including direct expenses)	5,954,946	5,582,244
	7,329,553	6,977,419
Less: Inventories, at the end of the year	(1,473,636)	(1,374,607)
Cost of revenue	5,855,917	5,602,812
Others	—	17
	5,855,917	5,602,829

24 Other operating income

	2024 \$'000	2023 \$'000
Contribution from vendors Note 24(a)	189,077	152,083
Tenant rentals and commissions Note 24(b)	59,685	54,751
Gain on disposal of property and equipment	636	—
Gain on lease modifications	137	31,364
Others	50,334	34,969
	299,869	273,167

a) Contribution from vendors includes the following:

- (i) income received from the suppliers for the display of their products in the showroom
- (ii) store opening contribution and income from other services provided; and
- (iii) listing fee which represents income received from the suppliers for new products.

b) Tenant rentals represents rental income from the tenants for the space utilised by them in the showroom. Tenant commission represents commission on sales made by the tenants.

25 OPERATING EXPENSES

	2024 \$'000	2023 \$'000
Employees' salaries and benefits	713,255	686,093
Depreciation expense (a)	378,773	415,844
Utilities	176,576	167,027
Advertising and sales promotion	40,363	44,827
Repairs and maintenance	42,659	34,611
Rent expenses	137,285	75,451
Credit card commission	38,637	35,179
Office expenses	23,108	20,971
Professional and legal fees	21,205	19,001
Travelling expenses	20,198	18,359
Vehicle expenses	19,108	23,388
Insurance charges	8,812	7,217
Sponsorship fees	6,933	8,496
Gifts and donations	2,423	3,313
Loss allowance	—	111
Others	27,464	20,285
	1,656,799	1,580,173

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

25 Operating expenses continued

a) The breakdown of depreciation expense is as follows:

	2024 \$'000	2023 \$'000
Depreciation on property and equipment (Note 10(b))	161,937	155,229
Depreciation on right-of-use assets (Note 11(a))	215,289	259,069
Depreciation on investment properties (Note 12)	1,547	1,546
	378,773	415,844

b) The Company has not made any social contributions during the year ended December 31, 2024 and 2023 respectively.

26 Finance cost, net

	2024 \$'000	2023 \$'000
Interest on bank borrowings	57,912	136,472
Bank charges	11,825	12,297
Interest on lease liabilities	90,758	121,711
Interest on employees defined benefit obligations	9,174	—
Interest income	(294)	(117,077)
	169,375	153,403

27 Tax expense

The breakdown of tax expense is as follows:

	2024 \$'000	2023 \$'000
Corporation income tax:		
Current income tax charge	31,991	18,702
Adjustment in respect of current income tax of previous year	(204)	971
	31,787	19,673
Deferred tax	(9,482)	3,001
Others	(5)	—
	22,300	22,674

The standard rate of corporation tax applied to UAE reported profit is 9% (2023: Nil).

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the profit before tax as follows:

	2024 \$'000	2023 \$'000
Profit before tax related to		
Continuing operations	238,580	214,718
Discontinued operations	32,976	26,263
	271,556	240,981
Tax rate at 9% (December 31, 2023: 0%)	24,440	—
Effects of different tax rates of subsidiaries operating in other jurisdictions	13,619	29,078
Tax effect of expenses that are not deductible in determining taxable profit	18,703	(12,252)
Adjustment in respect of current income tax of previous years	(204)	971
Utilisation of previously unrecognised tax balance	(4)	(4)
Tax effect of income not taxable in determining taxable profit	(24,381)	—
Change in deferred tax assets/liabilities	(8,211)	—
Others	(1,602)	1,422
Total	22,360	19,215
Income Taxes related to:		
Continuing operations	22,300	22,674
Discontinued operations	60	(3,459)
	22,360	19,215

In addition to the amount charged to profit or loss, the following amounts related to tax have been recognised in other comprehensive income.

	2024 \$'000	2023 \$'000
Deferred Tax		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit liability	(666)	—
Items that will be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on investments in equity/debt instruments measured at FVTOCI	(1)	—
Total income tax recognised in other comprehensive income	(667)	—

The corporate tax rate on taxable profits attributable for the significant group entities located are as follows:

	2024 \$'000	2023 \$'000
UAE	9%	—
Kingdom of Saudi Arabia	20%	20%
Qatar	10%	10%
Oman	15%	15%

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

27 Tax expense continued

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Group.

The Group is subject to the provisions of the UAE CT Law with effect from 1 July 2023, and current taxes have been accounted for as appropriate in the financial statements for the financial year beginning 1 January 2024.

On 6 February 2025, the UAE released the legislation introducing a Domestic Minimum Top-up Tax ("DMTT") for multinational enterprises ("MNEs"), through the publication of Cases, Provisions, Conditions, Rules, Controls, and Procedures on the Imposition of Top-up Tax on Multinational Enterprises which is applicable from 1 January 2025. For the current year, the taxable income of the Group for UAE CT Purposes will be subject to the rate of 9% corporate tax. Based on the management's assessment, it is not currently foreseen that the Group's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% for the financial year ended 31 December 2024.

28 Earnings per share (EPS)

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

Diluted EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent 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 December 31, 2024 and December 31, 2023, respectively, there were no shares which were dilutive in nature.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2024 \$'000	2023 \$'000
Profit/(loss) attributable to ordinary equity holders of the Parent Company:		
Continuing operations (\$'000)	216,280	192,044
Discontinuing operations (\$'000)	32,916	29,722
Profit attributable to ordinary equity holders of the Parent Company	249,196	221,766
Weighted average number of ordinary shares*		
— basic and diluted ('000)	10,328,905	10,328,905
Basic and diluted EPS (in \$ cents per share)	2.41	2.15

* The weighted average number of ordinary shares for all periods presented have been adjusted for the effects of capitalisation arising from the reorganisation which resulted in the issuance of 5,164,452,575 ordinary shares in March 2024. Further the earnings per share calculations for the current and prior period have been adjusted for the share split on June 13, 2024 where the number of ordinary shares of 5,164,452,675 with a par value of \$0.028 each was split to 10,328,905,350 ordinary shares with a par value of \$0.014 each.

29 Commitments and contingent liabilities

	2024 \$'000	2023 \$'000
Capital commitments		
Commitments for the purchase of property and equipment	8,528	17,521
Contingent liabilities		
Letters of guarantees and performance bonds (a)	63,368	19,137
Letters of credit (b)	13,787	63,576
Corporate guarantees (Note 9)	—	3,832,227
Acceptances (c)	6,473	3,944
	83,628	3,918,884

a) Guarantees issued by the bank on behalf of the Group entities, guaranteeing that the Group entities will meet their financial or contractual obligations to a third party. If the Group entities fail to fulfil these obligations, the bank will cover the losses or pay the amount specified in the guarantee.

Bonds issued by the bank on behalf of the group entities to guarantee the Landlord/Municipality for satisfactory completion of the project/contract.

b) A financial document issued by a bank that guarantees payment to the vendor of the company or beneficiary subject to specific conditions, to ensure that the seller receives payment from the bank once the terms and conditions stipulated in the letter of credit are fulfilled.

c) Acceptances are a time draft or bill of exchange that has been accepted by the company authorising payment on or after specified date.

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

30 Financial instruments

(a) Material accounting policy information

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

(b) Categories of financial instruments

	2024 \$'000	2023 \$'000
Financial assets		
<i>At amortised cost:</i>		
Trade receivables (Note 15)	247,482	196,630
Other receivables (Note 15)	24,814	16,448
Tenants' receivable (Note 15)	9,737	10,454
Due from related parties (Note 9)	14,782	2,415,670
Cash and cash equivalents (Note 16)	346,208	277,694
<i>At Fair value through OCI:</i>		
Investments at fair value through other comprehensive income	1,201	1,369
	644,224	2,918,265
	2024	2023
	\$'000	\$'000
Financial liabilities		
<i>At amortised cost:</i>		
Bank borrowings (Note 18)	974,351	1,129,003
Lease liabilities (Note 20)	1,899,674	2,001,102
Due to related parties (Note 9)	33,560	2,325,949
Trade payables (Note 21)	1,094,878	1,212,732
Retention payable (Note 21)	745	914
Refundable deposits from tenants (Note 21)	6,874	4,298
Other payables (Note 21)	116,604	91,424
	4,126,686	6,765,422

(c) Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group's management considers that the fair value of financial assets and financial liabilities approximates to their carrying amounts as stated in the consolidated statement of financial position. The assets measured at fair value include investments at fair value through other comprehensive income amounting to \$1.2 million as at December 31, 2024 (December 31, 2023: \$1.37 million) and have been grouped into level 1 at each reporting date.

Description of valuation techniques used and key inputs to valuation of investment properties:

Properties valued using the Income Approach:	2024 \$'000	2023 \$'000
Capitalisation rate		
— Term rent	8% to 9.75%	10.50%
— Reversion rent	8.19% to 10.75%	12%
Void rate	5% to 15%	10%
Non-recoverable operating costs (on market rent)	10% to 13%	15%
Leasing rate	3% to 5%	3%

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

30 Financial instruments continued

Properties valued using the Market Approach:

	2024 \$'000	2023 \$'000
Opex (on rental value)	—%	7.75%
Void rate	—%	—%

Management assessed no material change in the fair value of investment properties as at December 31, 2024.

31 Financial risk management

The Group has set financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The management provides principles for overall financial risk management and policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), credit risk, liquidity risk, use of derivative financial instruments and investing excess cash. Reviews are undertaken to ensure that the Group's policy guidelines are complied with.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. As the main currencies the Group deals with are pegged to the US Dollars, the Group is not exposed to significant foreign currency risk.

Interest rate risk

The Group is exposed to interest rate risk as the Group borrows funds at floating interest rates. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended December 31, 2024 would decrease/increase by \$4.87 million (for the years ended December 31, 2023: decrease/increase by \$5.64 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the decrease in its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from credit exposure to outstanding trade receivables and related party receivables. The management of the Group has implemented centralised procedures for credit control. Credit risk is minimised through a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy. The Group's exposure to credit risk is closely monitored and the aggregate value of transactions concluded is spread amongst counter-parties.

Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Group operates, management, based on past experience and level of risk associated with these transactions, makes an allowance for losses on such transactions should they consider it necessary.

Ongoing credit evaluation is performed on the financial condition of trade receivable. Further details of credit risk on trade receivables are discussed in Note 15 to the consolidated financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is more than 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL — not credit impaired
In default	Amount is more than 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL — credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

31 Financial risk management continued

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group's maximum exposure to the credit risk arising out of financial assets is the net carrying amounts of the respective financial assets disclosed in the consolidated financial statements.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has built liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining reserves, banking facilities and reserve borrowing facilities, by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its interest-bearing financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes principal cashflows:

December 31, 2024	Balance as at reporting date \$'000	Total undiscounted contractual cashflow \$'000	0 to 12 months \$'000	1 to 5 Years \$'000	>5 Years \$'000
Interest-bearing instruments					
Lease liability (Note 20)	1,899,674	2,538,617	265,625	966,449	1,306,543
Bank borrowings (Note 18)	974,351	976,601	966,742	9,859	—
Non-interest-bearing instruments					
Due to related parties (Note 9)	33,560	33,560	33,560	—	—
Trade payables (Note 21)	1,094,878	1,094,878	1,094,878	—	—
Retention payable (Note 21)	745	745	745	—	—
Refundable deposit from tenants (Note 21)	6,874	6,874	6,874	—	—
Others (Note 21)	116,604	116,604	116,604	—	—

December 31, 2023	Balance as at reporting date \$'000	Total undiscounted contractual cashflow \$'000	0 to 12 months \$'000	1 to 5 Years \$'000	>5 Years \$'000
Interest-bearing instruments					
Lease liability (Note 20)	2,001,102	2,848,916	288,408	1,175,914	1,384,594
Bank borrowings (Note 18)	1,129,003	1,386,934	654,912	286,164	445,858
Non-interest-bearing instruments					
Due to related parties (Note 9)	2,325,949	2,325,949	2,325,949	—	—
Trade payables (Note 21)	1,213,732	1,213,732	1,213,732	—	—
Retention payable (Note 21)	914	914	914	—	—
Refundable deposit from tenants (Note 21)	4,298	4,298	4,298	—	—
Others (Note 21)	91,424	91,424	91,424	—	—

32 Capital management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to its shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged over the reporting periods.

The Group also provides funds to and receives funds from related parties as and when required for trading or non-trading purpose. Interest, whenever applicable, is charged or paid at commercial rates.

Debt-equity ratio

The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The debt-to-equity ratio at the year-end was as follows:

	2024 \$'000	2023 \$'000
Debt (i)	2,874,025	3,130,105
Less: Cash and bank balances (Note 16)	(346,208)	(277,694)
Net debt	2,527,817	2,852,411
Equity (ii)	992,856	766,907
Debt to equity ratio	2.55	3.72

i) Debt includes as bank borrowings (Note 18), loans from related parties (Note 18) and lease liabilities (Note 20).

ii) Equity includes share capital, capital reserve, other reserves, other equity and retained earnings (accumulated profits net of dividends paid).

Notes to the Consolidated Financial Statements continued

For the year ended December 31, 2024

33 Disclosure of significant non-cash transactions for the purpose of consolidated statement of cash flows

	2024 \$'000	2023 \$'000
Issuance of share capital pursuant to the reorganisation	5,164,453	—
Bank borrowings novated to the Parent Company	533,696	—
Loans from related parties, partly settled by an entity under common control of the Parent Company	—	591,219
Dividend declared and adjusted against related party balances	—	245,574
Property and equipment transferred (to)/from related parties, net	43,394	(365,826)
Investment properties transferred (to)/from related parties, net	21,331	(6,830)
Net decrease in right of use assets	(1,654)	(793,432)
Net increase/(decrease) in lease liabilities	73,376	(719,971)

34 Climate-related matters

The Group assesses climate-related factors to track physical and transition risks. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, which may directly or indirectly impact the consolidated financial statements of the Group.

35 Dividend

No dividends were declared and paid during the year.

Dividends declared by the Group entities during the year ended December 31, 2023 amounted to \$245,574 thousand.

36 Subsequent events

The Board of Directors, in their meeting held on February 10, 2025, proposed a dividend of 0.82 cents (3 fils) per share amounting to \$84.40 million for the second half of the financial year ended 31 December 2024, subject to shareholder approval at the Annual General Meeting.

37 Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 19 March 2025.



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