



**LULU RETAIL HOLDINGS PLC AND
ITS SUBSIDIARIES**

**Review report and interim condensed
consolidated financial information
for the three-month period ended
31 March 2025**

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

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LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Directors' Report for the three-month period ended 31 March 2025

The Directors present their report together with the unaudited interim condensed consolidated financial information of Lulu Retail Holdings PLC (the "Company") and its subsidiaries (together referred to as the "Group") for the three-month period ended 31 March 2025.

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 three month period ended 31 March 2025, the Group generated total revenue of USD 2,080 million (31 March 2024: USD 1,940 million) and reported a profit from continuing operations of USD 70 million (31 March 2024: USD 60 million) and profit for the period of USD 70 million (31 March 2024: USD 93 million including USD 33 million of profit after tax from discontinued operations).

Review of Business Performance

The Group's revenue increased to USD 2,080 million in Q1 2025, a 7.3% growth year-over-year. This was driven by like-for-like sales growth of 3.6% with strong trading during Ramadan. The growth was further supported by sales from new store openings. The quarter saw high volume growth in the fresh food and lifestyle product categories. The fresh food business grew at 7.9% for Q1 2025 driven by consumption trends and contribution from sales through aggregators.

E-commerce remains an important component of growth, with sales increase of 25.3% year-on-year and customer count increase of 26.1% year-on-year. E-commerce sales now represent 4.7% of total retail revenue, reflecting a 70 bps increase compared to Q1 2024.

Net Profit from Continuing Operations saw strong double-digit growth of 15.8% YoY to USD 70 million in Q1 2025, with net profit margin improving by 25 bps to 3.4%, driven by an improvement in operating profits.

Continued Progress on Strategic Growth Pillars delivering resilient performance in Q1 2025

Lulu Retail'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 program expansion.

Our existing stores continue growing strongly driven by focused product offerings, competitive pricing and promotions. Our loyalty program, Happiness, continues to grow with more than 6.3 million enrolments by Q1 2025.

The Group expanded with 5 new store openings during Q1 2025 adding 22,000 sqm of retail space.

Operational efficiencies contributed to improved profitability of the Group.

Digital channels and private label continued to perform strongly during the quarter demonstrating Company's strong operating model and the continued progress on its strategic growth pillars.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Directors' Report for the three-month period ended 31 March 2025

Directors

The Directors of the Company as of 31 March 2025 are as follows:

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

On behalf of the Board of Directors,

Yusuffali M.A.

Chairman

Abu Dhabi, UAE

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF LULU RETAIL HOLDINGS PLC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Lulu Retail Holdings PLC (the “Company”) and its subsidiaries (together referred to as the “Group”) as of 31 March 2025, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (‘IAS 34’). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

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

Deloitte & Touche (M.E.) LLP



Faeza Sohawon
13 May 2025
Abu Dhabi
United Arab Emirates

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Interim condensed consolidated statement of financial position

As at 31 March 2025

	Notes	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
ASSETS			
Non-current assets			
Property and equipment	7	1,425,947	1,438,490
Right-of-use assets	8	1,735,027	1,726,393
Investment properties		13,090	13,471
Deferred tax assets		26,060	24,726
Investments at fair value through other comprehensive income (FVTOCI)		1,304	1,201
Total non-current assets		3,201,428	3,204,281
Current assets			
Inventories	9	1,536,236	1,473,636
Trade and other receivables	10	428,739	411,605
Due from related parties	4	3,154	14,782
Cash and cash equivalents	11	487,078	346,208
Total current assets		2,455,207	2,246,231
Total assets		5,656,635	5,450,512
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital		144,605	144,605
Other reserves		32,709	32,709
Other equity		(28,383)	(27,925)
Retained earnings		913,165	843,467
Total equity, net		1,062,096	992,856

The accompanying notes form an integral part of the interim condensed consolidated financial information.

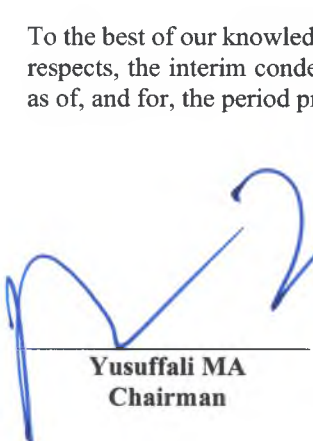
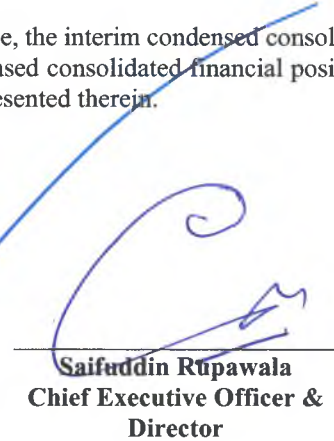
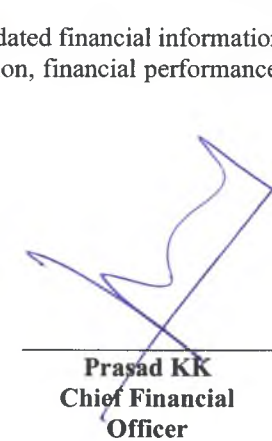
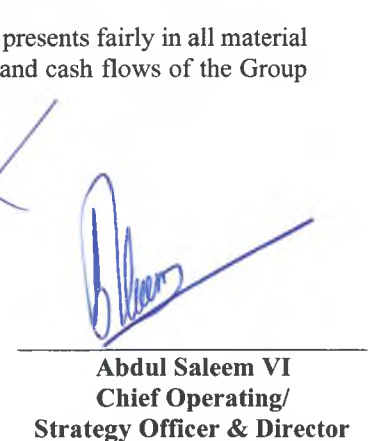
LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Interim condensed consolidated statement of financial position

As at 31 March 2025 (continued)

	Notes	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Non-current liabilities			
Bank borrowings	12	8,428	8,394
Employees' defined benefit obligations	13	203,098	198,412
Lease liabilities	14	1,737,353	1,724,018
Deferred tax liabilities		4,725	4,902
Total non-current liabilities		1,953,604	1,935,726
Current liabilities			
Trade and other payables	15	1,468,923	1,310,081
Bank borrowings	12	912,567	965,957
Lease liabilities	14	175,591	175,656
Due to related parties	4	47,414	33,560
Tax payable		36,440	36,676
Total current liabilities		2,640,935	2,521,930
Total liabilities		4,594,539	4,457,656
Total equity and liabilities		5,656,635	5,450,512

To the best of our knowledge, the interim condensed consolidated financial information presents fairly in all material respects, the interim condensed consolidated financial position, financial performance and cash flows of the Group as of, and for, the period presented therein.

 Yusuffali MA Chairman	 Saifuddin Rupawala Chief Executive Officer & Director	 Prasad KK Chief Financial Officer	 Abdul Saleem VI Chief Operating/ Strategy Officer & Director
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LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Interim condensed consolidated statement of profit or loss and other comprehensive income

For the three-month period ended 31 March 2025

		Three-month period ended 31 March	
	Notes	2025 USD'000 (unaudited)	2024 USD'000 (audited)
Continuing operations			
Revenue	16	2,080,326	1,939,603
Cost of revenue	17	(1,615,805)	(1,492,975)
Gross profit		464,521	446,628
Other operating income		80,290	66,920
Operating expenses	18	(426,264)	(406,970)
Finance costs, net		(40,045)	(42,038)
Profit before tax from continuing operations		78,502	64,540
Income tax expense	19	(8,804)	(4,372)
Profit for the period from continuing operations		69,698	60,168
Discontinued operations			
Profit after tax for the period from discontinued operations	5	-	32,916
Profit for the period		69,698	93,084
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss (net of tax):</i>			
Re-measurement of employees' defined benefit obligations		(1,490)	10,554
Net fair value gain/(loss) on equity investments at FVTOCI		94	(173)
<i>Item that may be reclassified subsequently to profit or loss (net of tax)</i>			
Exchange differences on translation of foreign operations		938	(2,569)
Other comprehensive (loss)/income for the period		(458)	7,812
Total comprehensive income for the period		69,240	100,896
Earnings per share	20		
Basic and diluted (USD cents per share)		0.67	0.90
Earnings per share for continuing operations:			
Basic and diluted (USD cents per share)		0.67	0.58

The accompanying notes form an integral part of the interim condensed consolidated financial information.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Interim condensed consolidated statement of changes in equity

For the three-month period ended 31 March 2025

	Share capital USD'000	Merger reserve USD'000	Capital reserve USD'000	Other reserves USD'000	Other equity USD'000	Retained earnings USD'000	Net equity USD'000
Balance at 1 January 2024 (audited)*	-	-	65,282	20,405	(10,898)	692,118	766,907
Profit for the period	-	-	-	-	-	93,084	93,084
Other comprehensive income for the period	-	-	-	-	7,812	-	7,812
Total comprehensive income for the period	-	-	-	-	7,812	93,084	100,896
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	-	85,543	-	-	-	(85,543)	-
Transfer to other reserves	-	-	-	12,277	-	(12,277)	-
Balance at 31 March 2024 (audited)	144,605	-	-	32,682	(3,086)	687,382	861,583
Balance at 1 January 2025 (audited)	144,605	-	-	32,709	(27,925)	843,467	992,856
Profit for the period	-	-	-	-	-	69,698	69,698
Other comprehensive loss for the period	-	-	-	-	(458)	-	(458)
Total comprehensive (loss)/income for the period	-	-	-	-	(458)	69,698	69,240
Balance at 31 March 2025 (unaudited)	144,605	-	-	32,709	(28,383)	913,165	1,062,096

*As at 1 January 2024, the share capital balance amounted to USD 100.

The accompanying notes form an integral part of the interim condensed consolidated financial information.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Interim condensed consolidated statement of cash flows

For the three-month period ended 31 March 2025

	Notes	Three-month period ended 31 March	
		2025 USD'000 (unaudited)	2024 USD'000 (audited)
Cash flows from operating activities			
Profit before tax from continuing operations		78,502	64,540
Profit before tax from discontinued operations		-	32,976
Profit before tax		78,502	97,516
<i>Adjustments to reconcile profit before tax to net cash flows</i>			
Depreciation of property and equipment	7	40,808	39,834
Depreciation of right-of-use assets	8	54,419	57,908
Depreciation of investment properties		381	924
Gain on disposal of property and equipment		(18)	(32)
Gain arising from lease modifications		(65)	(33,288)
Write-off of property and equipment	7	-	3,563
Interest expense		37,145	40,968
Interest income		(1,087)	(35)
Employees' defined benefit obligations	13	7,182	7,155
Operating cash flows before movement in working capital		217,267	214,513
Decrease/(increase) in due from related parties		11,486	(21,735)
Increase in inventories		(62,600)	(113,496)
Increase in trade and other receivables		(20,580)	(45,520)
Decrease in other receivables		-	61
Increase in trade and other payables		150,092	81,035
Increase in due to related parties		13,854	13,705
Cash generated from operations		309,519	128,563
Employees' defined benefit obligations paid	13	(3,928)	(3,901)
Income tax paid		(1,870)	(1,137)
Interest income		1,087	-
Interest paid		(37,145)	(40,968)
Net cash generated from operating activities		267,663	82,557
Cash flows from investing activities			
Purchase of property and equipment		(26,310)	(23,439)
Purchase of investment properties		-	(19)
Proceeds from disposal of property and equipment		31	497
Net cash used in investing activities		(26,279)	(22,961)
Cash flows from financing activities			
Proceeds from bank borrowings		608,458	582,873
Payment towards bank borrowings		(661,814)	(398,290)
Net funds paid to related parties		-	(139,005)
Repayment of principal portion of lease liabilities		(47,136)	(52,127)
Net cash used in financing activities		(100,492)	(6,549)
Net increase in cash and cash equivalents		140,892	53,047
Cash and cash equivalents at beginning of the period		346,208	278,870
Effects of foreign exchange changes		(22)	(9,362)
Cash and cash equivalents at end of the period	11	487,078	322,555

Refer to Note 23 to this interim condensed consolidated financial information for disclosure of non-cash transactions.

The accompanying notes form an integral part of the interim condensed consolidated financial information.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information For the three-month period ended 31 March 2025

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 23 September 2019 and its name was changed to Lulu Retail Holdings Limited on 24 November 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 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 Musalam 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 17 May 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 USD 1 each and a payable of USD 757,689,730 of which an amount of USD 751,469,230 was converted to shares of par value USD 1 each.

The Company 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 Appendix A to the interim condensed consolidated financial information for the list of subsidiaries and their principal business activities.

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

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the three-month period ended 31 March 2025 has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last audited consolidated financial statements for the year ended 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The interim condensed consolidated financial information has 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 31 March 2025, the Group has a working capital deficit (current liabilities exceed current assets) of USD 186 million (31 December 2024: USD 276 million). The Group has access to available bank facilities at its disposal, in the form of working capital facilities availed to enable it to meet its obligations as they fall due. Therefore, the interim condensed consolidated financial information does 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.

The reorganisation, referred to in Note 1 above, 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 International Financial Reporting Standards (IFRS Accounting Standards) for business combinations under common control, this reorganisation is considered to be outside the scope of IFRS 3 *Business Combinations*. The Group has thus chosen the pooling of interest method to account for the business combination of entities under common control.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

2 BASIS OF PREPARATION (continued)

Accordingly, the interim condensed consolidated financial information of the Group for the comparative period is 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 accounted 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;
- The interim condensed consolidated financial information represents consolidation of all assets, liabilities, revenues and expenses of the subsidiaries at their carrying values by applying the principles underlying the consolidation procedures of IFRS 10 *Consolidated Financial Statements*.

The interim condensed consolidated financial information has been prepared for the three-month period ended 31 March 2024, 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 interim condensed consolidated financial information of the Group includes 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:

- Separately identifiable assets and liabilities, relating to the retail business.
- Directly attributable income and costs relating to the retail business.
- Allocation of common costs on a systematic basis representing the usage of services by the retail business and the properties operations.
- 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 USD 1 each and a payable of USD 757,689,730 of which an amount of USD 751,469,230 was converted to shares of par value USD 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 was recorded as a merger reserve within equity. On 29 March 2024, the Board of Directors of the Company decided to reduce the par value of the Company's shares from USD 1 to USD 0.028. Accordingly, an amount of USD 5,019,848 thousand was transferred from share capital to merger reserve. Pursuant to the aforesaid resolution of the Board, the merger reserve has been fully adjusted against the share capital and retained earnings. On 13 June 2024, the Board of Directors of the Company decided on the sub-division of shares and further reduced the nominal value of the shares from USD 0.028 each to USD 0.014 each.

Note 3.1 provides additional information about the basis of consolidation.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2025 (continued)

2 BASIS OF PREPARATION (continued)

Functional and presentation currency

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 information of the subsidiary are measured using that functional currency. Management uses United States Dollars (“USD”) for controlling and monitoring the performance and financial position of the Group and, accordingly, the interim condensed consolidated financial information is presented in USD. All amounts are rounded to the nearest thousand except where otherwise indicated.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2024.

3.1 Basis of consolidation

The interim condensed consolidated financial information incorporates the financial information of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company 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 Company controls an investee if and only if the Company has:

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

When the Company has less than a majority of the voting or similar rights of an investee, the Company 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; and
- The Group’s voting rights and potential voting rights.

The Company 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 Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the period is included in the condensed consolidated statement of comprehensive income from the date the Company gains control until the date the Company 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.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Basis of consolidation (continued)

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.

3.2 Changes in accounting policies and disclosures

Several amendments may apply for the first time in 2025 but do not have any material impact on the Group's interim condensed consolidated financial information. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

a) New and amended IFRS Accounting Standards that are effective for the current period

In the current period, the Group has applied the below amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods that begin on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in the interim condensed consolidated financial information.

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* titled Lack of exchangeability.
- Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability.

b) New and revised IFRS Accounting Standards in issue but not yet effective

- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*
- IFRS S2 *Climate-related Disclosures*
- IFRS 18 *Presentation and Disclosures in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to IFRS 9 *Understanding Insurance Contracts* and IFRS 7 *Financial Instruments* regarding the classification and measurement of financial instruments
- Annual Improvements to IFRS Accounting Standards – Volume 11

The above stated new standards and amendments are not expected to have any significant impact on the interim condensed consolidated financial information of the Group.

There are no other applicable new standards and amendments to published standards or International Financial Reporting Interpretation Committee (IFRIC) interpretations that have been issued that would be expected to have a material impact on the interim condensed consolidated financial information of the Group.

3.3 Significant accounting judgements, estimates and assumptions

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2024.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

4 RELATED PARTY BALANCES AND TRANSACTIONS

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. Note 1 and Appendix A provide information about the Group's structure including details of the holding company, parent, ultimate parent and subsidiaries. Pricing and terms of these related party transactions are mutually agreed amongst the related parties.

At the reporting dates, balances with the related parties as per the relationships of the entities are as follows:

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
(i) Due from related parties		
Parent company	-	10,234
Other related parties	3,154	4,548
	3,154	14,782
(ii) Due to related parties		
Parent company	5,970	-
Other related parties	41,444	33,560
	47,414	33,560

During the three-month period ended 31 March 2025, an agreement to net settle related party balances with its Parent company and the related parties under common control of the Parent Company amounting to USD 12 million was implemented resulting in a net payable to the Parent Company of USD 5.9 million as at 31 March 2025.

Significant transactions with the related parties during the three-month period ended 31 March as follows:

	Three-month period ended 31 March 2025 USD'000 (unaudited)	2024 USD'000 (audited)
<u>Entities under common control of Parent Company:</u>		
Rent paid	55,373	44,770
Interest received (Note (a))	61	376
Sale/ (transfer) of assets	-	76,208
Purchase/ transfer of assets	-	43
Other transactions, net	(3,682)	(1,283)
<u>Other related parties:</u>		
Purchase of goods	80,194	66,330
Rent paid	1,934	2,121
Other transactions, net	7,431	(7,094)
<u>Parent Company:</u>		
Bank borrowings novated to the Parent Company	-	533,696
Payable on account of reorganisation	-	757,689
Issue of share capital	-	751,469
Other adjustments, net	5,395	6,509

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 three-month period ended 31 March 2025, there were no funding transactions with related parties (31 March 2024: USD 549 million).

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

4 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Terms and conditions:

Outstanding balances at the period/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 31 March 2025, certain related parties have provided corporate guarantees towards the Group's banking facilities amounting to USD 1,324 million (31 December 2024: USD 1,615 million).

Compensation of key management personnel of the Group:

The remuneration of key members of management recognised as an expense during the three-month period ended 31 March 2025 and 2024 are as follows:

	Three-month period ended	
	31 March	
	2025	2024
	USD'000	USD'000
	(unaudited)	(audited)
Short-term employee benefits	1,396	1,160
End of service benefits	103	150
Total compensation to key management personnel	1,499	1,310

5 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 17 May 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 20 December 2023 and 31 December 2023.
- 2) The mall business of Lulu Saudi Hypermarkets LLC and the property business of Al Shurouq Al Tayeb Trading Company on 31 December 2023.
- 3) The mall business of Lulu Bahrain Hypermarket WLL on 7 March 2024.
- 4) The mall business and certain land parcels of Lulu Muscat Hypermarket LLC on 6 March 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 31 December 2023. The disposed non-retail businesses are reported as discontinued operations for the three-month period ended 31 March 2024 up to the respective dates of disposal.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2025 (continued)

5 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

The results of the discontinued operations up to the respective dates of disposal are as follows:

	<u>Three-month period ended 31 March 2024 USD'000 (audited)</u>
Revenue	7,275
Other operating income	34,080
Operating expense	(6,380)
Interest expense, net	(1,999)
	<hr/>
Profit before tax	32,976
Income tax expense	(60)
	<hr/>
Profit relating to discontinued operations	32,916
	<hr/>
Other comprehensive income	-
Total comprehensive income relating to discontinued operations	32,916
	<hr/> <hr/>
Cash flows relating to discontinued operations:	
	<hr/>
	31 March 2024 USD'000 (audited)
Net cash from operating activities	11,306
Net cash outflow from investing activities	(78)
Net cash outflow from financing activities	(12,394)
	<hr/> <hr/>
Earnings per share for discontinued operations:	
Basic and diluted (USD cents per share)	0.32
	<hr/> <hr/>

6 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 organized 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 for the year ended 31 December 2024. 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 5 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 & 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.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

6 SEGMENT INFORMATION (continued)

6.1 The following is an analysis of the Group's revenue and results by reportable segment:

For three-month period ended 31 March 2025 (unaudited):

	Reportable segments					Total reportable segments	Other operating segments	Total
	UAE USD'000	Qatar USD'000	KSA USD'000	Oman USD'000	Kuwait USD'000	USD'000	USD'000	USD'000
External revenues (Note 16)	741,868	304,233	409,779	322,073	171,030	1,948,983	131,343	2,080,326
Inter-segment revenues	20,959	-	-	-	-	20,959	109,507	130,466
Segment revenue	762,827	304,233	409,779	322,073	171,030	1,969,942	240,850	2,210,792
Segment adjusted EBITDA	98,699	31,283	26,314	35,057	22,284	213,637	18,013	231,650
Interest income	2,546	36	-	-	-	2,582	94	2,676
Interest expense	16,878	4,210	4,745	6,241	5,729	37,803	3,292	41,095
Net interest expense	14,332	4,174	4,745	6,241	5,729	35,221	3,198	38,419
Depreciation and amortisation	34,472	14,130	11,566	15,975	12,369	88,512	6,210	94,722
Tax expense	4,189	1,088	759	1,551	-	7,587	1,217	8,804
Gain on lease modification	130	-	8	-	-	138	-	138

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

6 SEGMENT INFORMATION (continued)

6.1 The following is an analysis of the Group's revenue and results by reportable segment (continued):

For three-month period ended 31 March 2024 (audited):

	Reportable segments					Total reportable segments	Other operating segments	Total
	UAE USD'000	Qatar USD'000	KSA USD'000	Oman USD'000	Kuwait USD'000	USD'000	USD'000	USD'000
External revenues (Note 16)	704,892	285,117	371,648	298,776	163,151	1,823,584	116,019	1,939,603
Inter-segment revenues	19,322	-	-	-	-	19,322	114,901	134,223
Segment revenue	724,214	285,117	371,648	298,776	163,151	1,842,906	230,920	2,073,826
Segment adjusted EBITDA	92,990	30,126	24,290	30,199	20,361	197,966	19,023	216,989
Interest income	-	-	-	-	-	-	35	35
Interest expense	18,081	4,498	2,476	5,232	5,667	35,954	3,016	38,970
Net interest expense	18,081	4,498	2,476	5,232	5,667	35,954	2,981	38,935
Depreciation and amortisation	34,111	14,045	10,120	15,411	12,558	86,245	6,709	92,954
Tax expense/(income)	3,083	928	(5,091)	3,883	-	2,803	1,553	4,356
Gain/(loss) on lease modification	(408)	70	-	-	-	(338)	-	(338)

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

6 SEGMENT INFORMATION (continued)

6.2 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 Group's consolidated financial statements for the year ended 31 December 2024. 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.

As at 31 March 2025 (unaudited):

	UAE USD'000	Qatar USD'000	KSA USD'000	Oman USD'000	Kuwait USD'000	Total reportable segments USD'000	Other operating segments USD'000	Total USD'000
Segment assets	5,503,140	707,782	931,525	930,751	689,068	8,762,266	536,732	9,298,998
Segment liabilities	2,062,006	646,825	803,881	758,064	585,362	4,856,138	378,495	5,234,633

As at 31 December 2024 (audited):

	UAE USD'000	Qatar USD'000	KSA USD'000	Oman USD'000	Kuwait USD'000	Total reportable segments USD'000	Other operating segments USD'000	Total USD'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

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

6 SEGMENT INFORMATION (continued)

6.3 Reconciliations of information on reportable segments to the amounts reported in the interim condensed consolidated financial information:

Reconciliation of revenues:

Particulars	Three-month period ended 31 March	
	2025 USD'000 (unaudited)	2024 USD'000 (audited)
Total revenue for reportable segments	1,969,942	1,842,906
Revenue for other operating segments	240,850	230,920
Elimination of inter-segment revenue	(130,466)	(134,223)
Consolidated revenue	2,080,326	1,939,603

Reconciliation of adjusted EBITDA:

Particulars	Three-month period ended 31 March	
	2025 USD'000 (unaudited)	2024 USD'000 (audited)
Total adjusted EBITDA	231,650	216,989
Depreciation and amortisation*	(95,608)	(93,460)
Net finance costs	(40,045)	(42,038)
Gain/(loss) on lease modification	138	(338)
Head office Expenses**	(17,519)	(15,729)
Others	(114)	(884)
Profit before tax and discontinued operations	78,502	64,540

*Depreciation and amortisation include unallocated depreciation of USD 886 thousand during the three-month period ended 31 March 2025 (31 March 2024: USD 506 thousand).

**The head office expenses include other unallocated operating expenses.

Reconciliation of assets

Particulars	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Total assets for reportable segments	8,762,266	8,567,162
Assets for other operating segments	536,732	530,559
Corporate head office assets	11,121	11,466
Inter-segment eliminations	(3,653,484)	(3,658,675)
Consolidated total assets	5,656,635	5,450,512

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

6 SEGMENT INFORMATION (continued)

6.3 Reconciliations of information on reportable segments to the amounts reported in the interim condensed consolidated financial information (continued):

Reconciliation of liabilities

Particulars	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Total liabilities for reportable segments	4,856,138	4,723,956
Liabilities for other operating segments	378,495	378,841
Inter-segment eliminations	(640,094)	(645,141)
Consolidated total liabilities	4,594,539	4,457,656

The Group's revenue from external customers and information about its non-current assets (non-current assets for this purpose include property, plant and equipment, right-of-use assets, investment properties and intangible assets) by geographical location are detailed below.

6.4 Geography wise revenue

Particulars	Three-month period ended 31 March	
	2025 USD'000 (unaudited)	2024 USD'000 (audited)
UAE	741,868	704,892
Oman	322,073	298,776
KSA	409,779	371,648
Qatar	304,233	285,117
Kuwait	171,030	163,151
Bahrain	113,430	108,729
Egypt	14,563	3,418
Other countries	3,350	3,872
Total	2,080,326	1,939,603

6.5 Geography wise non-current assets

Non-current assets*

Particulars	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
UAE	1,001,867	1,008,279
Oman	586,206	579,125
KSA	437,527	418,414
Qatar	475,545	487,570
Kuwait	432,773	442,375
Bahrain	198,289	201,247
Egypt	44	46
Other countries	30,692	29,832
Total	3,162,943	3,166,888

*Non-current assets for this purpose include property and equipment, right-of-use assets, and investment properties, but exclude head office assets related to the aforementioned assets categories.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

7 PROPERTY AND EQUIPMENT

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Cost		
Balance at the beginning of the period/year	3,600,560	3,471,947
Additions during the period/year	27,220	148,674
Transfers to related parties	-	(42)
Write offs - net	-	(3,563)
Disposals during the period/year	(161)	(14,327)
Translation adjustment	1,768	(2,129)
Balance at the end of the period/year	3,629,387	3,600,560
Accumulated depreciation		
Balance at the beginning of the period/year	2,162,070	2,010,517
Charge for the period/year	40,808	161,937
Transfers to related parties	-	14
Eliminated on disposal	(148)	(9,514)
Translation adjustments	710	(884)
Balance at the end of the period/year	2,203,440	2,162,070
Net carrying amount at the end of the period/year	1,425,947	1,438,490

Property and equipment includes USD 100,277 thousand and USD 124,524 thousand relating to assets under construction as at 31 March 2025 and 31 December 2024 respectively.

(a) The details of the depreciation expense on property and equipment are as follows:

	Three-month period ended 31 March 2025 USD'000 (unaudited)	Three-month period ended 31 March 2024 USD'000 (audited)
<i>Depreciation expense on property and equipment</i>		
- Operating expenses (Note 18(a))	40,808	39,531
- Related to discontinued operations	-	303
	40,808	39,834

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2025 (continued)

8 RIGHT-OF-USE ASSETS

The Group as lessee

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Cost		
Balance at the beginning of the period/year	2,912,467	2,916,130
Additions during the period/year	70,596	222,180
Termination during the period/year	-	(79,266)
Modifications during the period/year	(15,467)	(144,568)
Translation adjustment	175	(2,009)
Balance at the end of the period/year	2,967,771	2,912,467
Accumulated depreciation		
Balance at the beginning of the period/year	1,186,074	1,047,735
Depreciation charge for the period/year	54,419	215,289
Depreciation capitalised for the period/year	433	2,795
Termination during the period/year	-	(66,648)
Modifications during the period/year	(8,241)	(12,396)
Translation adjustment	59	(701)
Balance at the end of the period/year	1,232,744	1,186,074
Net carrying amount at the end of the period/year	1,735,027	1,726,393

The Group leases land and buildings. The average lease term is 15 – 40 years.

The following are the amounts recognised in the interim condensed consolidated statement of profit or loss (including discontinued operations):

	Three-month period ended 31 March 2025 USD'000 (unaudited)	Three-month period ended 31 March 2024 USD'000 (audited)
Depreciation expense on right-of-use assets (a)	54,419	57,908
Expense relating to short-term leases	37,105	36,856
Gain on modification/termination of leases	(65)	(33,288)

The gain on termination of leases related to discontinued operations amounted to USD 33.3 million during the three-month period ended 31 March 2024.

(a) The details of the depreciation expense on right-of-use assets are as follows:

	Three-month period ended 31 March 2025 USD'000 (unaudited)	Three-month period ended 31 March 2024 USD'000 (audited)
- Operating expenses (Note 18 (a))	54,419	53,544
- Related to discontinued operations	-	4,364
	54,419	57,908

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

9 INVENTORIES

The cost of inventories recognised as an expense includes USD 19.17 million during the three-month period ended 31 March 2025 (31 March 2024: USD 19.18 million) in respect of write-downs of inventories to net realisable value.

10 TRADE AND OTHER RECEIVABLES

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Trade receivables	246,547	249,819
Less: expected credit loss allowance	(2,337)	(2,337)
	<u>244,210</u>	<u>247,482</u>
Deposits	27,585	27,783
Prepayments	98,119	72,428
Advances to suppliers	24,385	24,854
Tenants' receivable	12,555	9,737
Advances to employees	4,994	4,507
Other receivables	16,891	24,814
	<u>428,739</u>	<u>411,605</u>

11 CASH AND CASH EQUIVALENTS

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Cash on hand	53,548	36,676
Bank balances	357,455	235,990
Short term deposits	76,075	73,542
	<u>487,078</u>	<u>346,208</u>

12 BANK BORROWINGS

Bank borrowings comprise of:

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Long term loans (a)	10,394	9,988
Short term loans (b)	319,128	394,520
Bank trust receipts (c)	558,608	493,375
Bank overdrafts (d)	32,567	76,074
Vehicle loans	298	394
	<u>920,995</u>	<u>974,351</u>
Less: current portion		
- Long term loans	(1,986)	(1,657)
- Short term loans	(319,128)	(394,520)
- Bank trust receipts	(558,608)	(493,375)
- Bank overdrafts	(32,567)	(76,074)
- Vehicle loans	(278)	(331)
	<u>(912,567)</u>	<u>(965,957)</u>
Non- current portion	<u>8,428</u>	<u>8,394</u>

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

12 BANK BORROWINGS (continued)

- a) The long-term loans mainly comprised of the following:

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 three-month period ended 31 March 2025 (31 December 2024: a margin between 2% to 2.5%). These loans are repayable in various monthly/quarterly instalments.

- 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 the interim condensed consolidated financial information. As at 31 March 2025, the total short term loan facilities granted amounted to USD 627 million (31 December 2024: USD 728 million) and the total facilities utilised amounted to USD 319 million (31 December 2024: USD 395 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 three-month period ended 31 March 2025 (31 December 2024: 1% to 2.5%).
- 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 2.5% for the three-month period ended 31 March 2025 (31 December 2024: 0.70% to 2.75%). The outstanding balance as at 31 March 2025 amounted to USD 559 million (31 December 2024: USD 493 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 three-month period ended 31 March 2025 (31 December 2024: 1% to 2.75%).
- e) As at 31 March 2025, the terms and conditions under which the bank borrowings of the Group obtained under various facilities were secured remains the same as disclosed in the consolidated financial statements for the year ended 31 December 2024.
- f) 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 at year end under their respective lending arrangements.

13 EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Balance as at the beginning of the period/year	198,412	176,785
Current service cost	4,822	18,849
Interest cost	2,360	9,174
Total amount recognised in profit or loss	7,182	28,023
Re-measurement loss recognised in other comprehensive income	1,526	13,955
Benefits paid	(3,928)	(18,085)
Employees' receivable adjusted, net	-	(1)
Transferred from related parties	(142)	(1,330)
Translation adjustment	48	(935)
Balance as at the end of the period/year	203,098	198,412

- a) The average number of employees for the period ended 31 March 2025 is 56,226 (31 December 2024: 54,440).

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2025 (continued)

14 LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements during the period/year:

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Balance as at the beginning of the period/year	1,899,674	2,001,102
Additions during the period/year	67,167	221,877
Terminations during the period/year	-	(16,737)
Accretion of interest	23,407	90,758
Interest capitalised	409	2,655
Payments during the period/year	(70,543)	(266,843)
Modifications during the period/year	(7,310)	(131,764)
Translation adjustment	140	(1,374)
Balance as at the end of the period/year	1,912,944	1,899,674
Of which are:		
Current	175,591	175,656
Non-current	1,737,353	1,724,018
	1,912,944	1,899,674

The maturity analysis of discounted lease liabilities is as follows:

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
<i>Maturity analysis</i>		
Not later than 1 year	175,591	175,656
Later than 1 year and not later than 5 years	638,966	588,348
Later than 5 years	1,098,387	1,135,670
	1,912,944	1,899,674

The Group does not face a significant liquidity risk with regard to its lease liabilities.

15 TRADE AND OTHER PAYABLES

	31 March 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Trade payables	1,265,105	1,094,878
Accrued expenses	56,194	60,344
Advances from customers and tenants	39,952	30,636
Retention payable	588	745
Refundable deposits from tenants	4,786	6,874
Other payables	102,298	116,604
	1,468,923	1,310,081

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2025 (continued)

16 REVENUE

Disaggregation of revenue

	Three-month period ended 31 March	
	2025 USD'000 (unaudited)	2024 USD'000 (audited)
Revenue from sale of goods	2,080,326	1,939,603

Revenue by timing:

	Three-month period ended 31 March	
	2025 USD'000 (unaudited)	2024 USD'000 (audited)
Goods transferred at a point in time	2,080,326	1,939,603

Revenue by region

For the region wise bifurcation of revenue, refer Note 6.

17 COST OF REVENUE

	Three-month period ended 31 March	
	2025 USD'000 (unaudited)	2024 USD'000 (audited)
<i>Cost of revenue relating to sale of goods</i>		
Inventories, at the beginning of the period	1,473,636	1,374,607
Add: purchases (including direct expenses)	1,678,405	1,606,471
	3,152,041	2,981,078
Less: inventories, at the end of the period	(1,536,236)	(1,488,103)
Cost of revenue	1,615,805	1,492,975

18 OPERATING EXPENSES

	Three-month period ended 31 March	
	2025 USD'000 (unaudited)	2024 USD'000 (audited)
Employees' salaries and benefits	186,269	174,444
Depreciation expense (a)	95,608	93,460
Utilities	39,160	37,307
Rent expenses	37,105	38,024
Repairs and maintenance	10,985	8,859
Advertising and sales promotion	18,523	11,108
Credit card commission	11,657	10,279
Office expenses	5,487	5,366
Vehicle expenses	4,094	5,065
Travelling expenses	2,051	5,107
Professional and legal fees	5,438	5,165
Insurance charges	2,079	1,845
Sponsorship fees	1,561	1,914
Gifts and donations	552	445
Others	5,695	8,582
	426,264	406,970

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

18 OPERATING EXPENSES (continued)

a) The breakdown of depreciation expense is as follows

	Three-month period ended 31 March	
	2025	2024
	USD'000	USD'000
	(unaudited)	(audited)
Depreciation on property and equipment (Note 7(a))	40,808	39,531
Depreciation on right of use assets (Note 8(a))	54,419	53,544
Depreciation on investment properties	381	385
	95,608	93,460

19 INCOME TAX EXPENSE

The breakdown of tax expense is as follows:

	Three-month period ended 31 March	
	2025	2024
	USD'000	USD'000
	(unaudited)	(audited)
Current income tax	10,314	9,360
Deferred tax	(1,510)	(4,988)
	8,804	4,372

The corporate tax rate on taxable profits attributable for the group entities located are as follows:

	Three-month period ended 31 March	
	2025	2024
	(unaudited)	(audited)
UAE	9%	9%
Kingdom of Saudi Arabia	20%	20%
Qatar	10%	10%
Oman	15%	15%

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new Corporate Tax (CT) regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. The taxable income of the entities that are in scope for UAE CT purposes are subject to the rate of 9% corporate tax.

Recently, in order to align with OECD's Global Minimum Tax effort (Pillar Two), the UAE Ministry of Finance (MoF) has introduced a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st January 2025. Lulu Retail Holdings PLC and its subsidiaries are in scope of Pillar Two legislation as it operates in certain jurisdictions that have enacted or substantively enacted Pillar Two legislation and the consolidated revenue of the Ultimate Parent Company exceeds EUR 750 million threshold, therefore meet the definition of constituent entities that are a member of an MNE Group, as defined under the resolution.

The Effective Tax Rate (ETR) for the period ending 31 March 2025 is 11.22%.

As a result of the Group's assessment of the applicable requirements of the resolution, no QDMTT was recognized in the interim condensed consolidated statement of profit or loss during the three months ended 31 March 2025.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

19 INCOME TAX EXPENSE (Continued)

Furthermore, for the period ended 31 March 2025, the Group has applied the IASB amendment to IAS 12, Income Taxes, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

20 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the company 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 company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 March 2025 and 31 March 2024, 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:

	Three-month period ended 31 March	
	2025	2024
	(unaudited)	(audited)
Profit attributable to ordinary equity holders of the Company:		
Continuing operations (USD'000)	69,698	60,168
Discontinuing operations (USD'000)	-	32,916
Profit attributable to ordinary equity holders of the Company	69,698	93,084
Weighted average number of ordinary shares* - basic and diluted ('000)	10,328,905	10,328,905
Basic and diluted EPS (in USD cents per share)	0.67	0.90
Basic and diluted EPS for continuing operations (in USD cents per share)	0.67	0.58

*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 prior period have been adjusted for the share split on 13 June 2024 where the number of ordinary shares of 5,164,452,675 with a par value of USD 0.028 each was split to 10,328,905,350 ordinary shares with a par value of USD 0.014 each.

21 COMMITMENTS AND CONTINGENT LIABILITIES

	31 March 2025	31 December 2024
	USD'000	USD'000
	(unaudited)	(audited)
<i>Capital commitments</i>		
Commitments for the purchase of property and equipment	13,218	8,528
<i>Contingent liabilities</i>		
Letters of guarantees and performance bonds	57,499	63,368
Letters of credit	10,536	13,787
Acceptances	4,836	6,473
	72,871	83,628

22 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.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information

For the three-month period ended 31 March 2025 (continued)

22 FAIR VALUE MEASUREMENT (continued)

Fair value for measurement and/or disclosure purposes in the interim condensed consolidated financial information is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*. 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 interim condensed consolidated statement of financial position. The assets measured at fair value include investments at fair value through other comprehensive income amounting to USD 1.30 million as at 31 March 2025 (31 December 2024: USD 1.20 million) and have been grouped into level 1 at each reporting date.

Management assessed no material change in the fair value of investment properties as at 31 March 2025 since 31 December 2024. There has been no transfer between the levels during this period.

23 DISCLOSURE OF SIGNIFICANT NON-CASH TRANSACTIONS FOR THE PURPOSE OF INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (under IAS 7)

	Three-month period ended 31 March 2025 USD'000 (unaudited)	Three-month period ended 31 March 2024 USD'000 (audited)
Issuance of share capital pursuant to the reorganisation	-	5,164,452
Bank borrowings novated to the Parent Company	-	533,696
Property and equipment transferred to related parties, net	-	226
Investment properties transferred from related parties, net	-	519
Net increase/(decrease) in right-of-use assets	55,129	(102,553)
Net increase/(decrease) in lease liabilities	59,857	(82,118)
Depreciation on right-of-use assets capitalized (Note 8)	433	693
Interest on lease liabilities capitalized (Note 14)	409	650

24 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of profit or loss for the three-month period ended 31 March 2025 and 31 March 2024 and therefore, there is no material impact of seasonality on the Group's operating results.

25 DIVIDENDS

No dividends were declared and paid during the reported periods. At the Annual General Meeting held on 24 April 2025, the shareholders approved the distribution of cash dividends of USD 84.40 million equating to 0.82 cents (3 fils) per share for the second half of the financial year ended 31 December 2024.

26 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved by the Board of Directors and authorised for issue on 13 May 2025.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

DETAILS OF COMPANY'S SUBSIDIARIES AS AT 31 MARCH 2025

Appendix A

	31 Mar 2025	31 Dec 2024	Country of incorporation	Principal activities
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)
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)
Lulu Hypermarket LLC, Dubai	100%	100%	UAE	(i)
Lulu Supermarket LLC, Dubai	100%	100%	UAE	(i)
Lulu Centre LLC, Dubai	100%	100%	UAE	(i)
Lulu Shopping LLC	100%	100%	UAE	(i)
Lulu Central Warehouse LLC -Single Owner (Dubai)	100%	100%	UAE	(i)
Lulu Logistics LLC, Dubai	100%	100%	UAE	(i)
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 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)
Lulu Kuwait Hypermarket Centre Company W.L.L Kuwait	100%	100%	Kuwait	(i)
Lulu Muscat Hypermarket LLC	100%	100%	Oman	(i)
Lulu Saudi Hypermarket (Single Shareholder) LLC	100%	100%	Saudi Arabia	(i)
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)
Lulu Hypermarket - Sole Proprietorship L.L.C, Fujairah	100%	100%	UAE	(i)
Gulf Star Commodities Co.- Sole Proprietorship LLC	100%	100%	UAE	(ii)
Al Tayeb Distribution Sole Proprietorship LLC	100%	100%	UAE	(ii)
Al Tayeb Meat Sole Proprietorship LLC	100%	100%	UAE	(ii)
Al Tayeb International General Trading LLC, Dubai	100%	100%	UAE	(ii)
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)
Al Tayeb International Import & Export Company SPC	100%	100%	Kuwait	(ii)
Al Tayeb Lislal Al Istalakiya and Business SPC	100%	100%	Oman	(ii)
Al Shurouq Al Tayeb Trading Company (Single Person)LLC	100%	100%	Saudi Arabia	(ii)
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)

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

DETAILS OF COMPANY'S SUBSIDIARIES AS AT 31 MARCH 2025 (continued)

Appendix A (continued)

Name of subsidiaries	31 Mar 2025	31-Dec 2024	Country of incorporation	Principal activities
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%	100%	Thailand	(ii)
EMKE Exports (Thailand) Co. Ltd	100%	100%	Thailand	(ii)
May Exports Phil. Inc.	100%	100%	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)
Y International Italia S.R.L	100%	100%	Italy	(ii)
Al Tayeb Fresh Market Sole Proprietorship LLC, Abu Dhabi	100%	100%	UAE	(ii)
Lulu International Travel & Tourism-Sole Proprietorship LLC	100%	100%	UAE	(iii)
Lulu City Travels Single Owner LLC, Dubai	100%	100%	UAE	(iii)
Lulu Group International - Sole Proprietorship LLC	100%	100%	UAE	(iv)
Lulu Group - Sole Proprietorship LLC	100%	100%	UAE	(v)
Emke Group Sole Proprietorship LLC	100%	100%	UAE	(v)
Lulu Shopping Mall LLC – Single owner, Dubai	100%	100%	UAE	(v)
Lulu 2 SPV Ltd	100%	100%	UAE	(v)
Lulu 3 SPV Ltd	100%	100%	UAE	(v)
Lulu 4 SPV Ltd	100%	100%	UAE	(v)
Lulu 6 SPV Ltd	100%	100%	UAE	(v)
Lulu BPO SPV Ltd	100%	100%	UAE	(v)
Hamad Rashed SPV Ltd	100%	100%	UAE	(v)
Hamad Rashed SPV 1 Ltd	100%	100%	UAE	(v)
Hamad Rashed Co 1 SPV Ltd	100%	100%	UAE	(v)
Mariam Ismaeil SPV Ltd	100%	100%	UAE	(v)
Meshari Abdullah SPV Ltd	100%	100%	UAE	(v)
Lulu 6 SPV Regional Headquarters Company (One Person)	100%	100%	Saudi Arabia	(v)
Al Tayeb Holding Company LLC Sole Proprietorship LLC	100%	100%	UAE	(v)
Lulu Group International Limited	100%	100%	UAE	(v)
Oyoon Lulu Eyexpress Optical	100%	100%	UAE	(vi)
Huda Shipping International Sole Proprietorship LLC	100%	100%	UAE	(vii)
Al Tayeb Food Industries Sole Proprietorship LLC	100%	100%	UAE	(viii)
Mantle Solutions Private Limited	100%	100%	India	(ix)

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) business activities of holding companies, management services and/or special purpose vehicles;
- vi) optics centre and retail sale of sunglasses, non-medical contact lenses, medical glasses and lenses;
- vii) air, sea and marine shipping services for goods and custom clearance;
- viii) production and packaging of food items; and
- ix) outsourcing services.