

UNION COOP

INTERIM CONDENSED FINANCIAL STATEMENTS

**FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2025 (UNAUDITED)**

Union Coop

Review report and interim condensed financial statements
For the six months period ended 30 June 2025

	Pages
Independent auditor's report on review of interim condensed financial statements	1 - 2
Interim condensed statement of financial position	3
Interim condensed statement of profit or loss and other comprehensive income	4
Interim condensed statement of changes in equity	5
Interim condensed statement of cash flows	6
Notes to the interim condensed financial statements	7 - 19

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

Introduction

We have reviewed the accompanying interim condensed financial statements of Union Coop (the "Coop") which comprise the interim condensed statement of financial position as at 30 June 2025 and the related interim condensed statements of profit or loss, comprehensive income for the three months and six months period then ended, and the interim condensed statements of changes in equity and cash flows for the six months period then ended and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

Other Matter

The interim condensed financial statements of the Coop for the six months period ended 30 June 2024 were reviewed by another auditor whose report dated 8 August 2024 expressed an unmodified conclusion on those interim condensed financial statements. Also, the financial statements as of 31 December 2024, were audited by another auditor whose report dated 13 February 2025 expressed an unmodified opinion on those financial statements.

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

Report on other Legal and Regulatory Requirements

The Coop has not complied with the clauses of the Cabinet Resolution No. (55) of 2024 Concerning the Executive Regulations of Federal Decree-Law No. (6) of 2022 and its Articles of Association, relating to the percentage of the dividend declared. Coop's management has obtained the consent from the Department of Economy and Tourism on 20 February 2025 to declare the dividends using these percentages. Except for this matter, nothing else has come to our attention that cause us to believe that the Coop has contravened during the six months period ended 30 June 2025 any of the applicable provisions of the Cabinet Resolution No. (55) of 2024 Concerning the Executive Regulations of Federal Decree-Law No. (6) of 2022 or its Articles of Association, which would materially affect the interim condensed financial statements as of and for the period ended 30 June 2025.

Ernst & Young Middle East (Dubai Branch)



Wardah Ebrahim
Registration No.: 1258

11 August 2025

Dubai, United Arab Emirates

Union Coop

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 (unaudited)

	Notes	30 June 2025 AED (Unaudited)	31 December 2024 AED (Audited)
ASSETS			
Property and equipment	4	2,051,336,642	2,077,122,412
Investment properties		485,689,816	471,545,613
Intangible assets		1,657,081	1,315,675
Right-of-use assets		539,327,097	506,049,469
Capital advances		10,518,376	8,344,177
Investment in associate		6,039,564	5,670,202
Non-current assets		3,094,568,576	3,070,047,548
Inventories	5	369,869,125	324,578,334
Trade and other receivables	6	87,044,794	84,601,089
Cash and bank balances	7	118,014,498	219,437,826
Current assets		574,928,417	628,617,249
TOTAL ASSETS		3,669,496,993	3,698,664,797
EQUITY AND LIABILITIES			
Equity			
Share capital		1,764,138,140	1,764,138,140
Legal reserve	8	882,069,070	882,069,070
Defined benefit obligations reserve		(190,962)	(190,962)
Community responsibility reserve		3,555,450	3,858,068
Treasury stock		(95,527,209)	(95,527,209)
(Accumulated losses)/ retained earnings		(93,446,896)	14,629,993
Total equity		2,460,597,593	2,568,977,100
Liabilities			
Employees' end of service benefits		47,303,775	49,874,871
Deferred tax liability	15	2,772,639	2,772,639
Lease liability		546,693,853	510,437,892
Non-current liabilities		596,770,267	563,085,402
Lease liability		22,855,107	22,962,700
Current tax liability	15	49,484,027	31,048,400
Trade and other payables	10	439,806,184	416,844,723
Bank overdraft	7	99,983,815	95,746,472
Current liabilities		612,129,133	566,602,295
Total liabilities		1,208,899,400	1,129,687,697
TOTAL EQUITY AND LIABILITIES		3,669,496,993	3,698,664,797

To the best of our knowledge, the interim condensed financial statements for the six months period ended 30 June 2025 are prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'. The interim condensed financial statements were authorised for issue by the Coop's Board of Directors on 11 August 2025.

Chairman

Treasurer

CEO

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

Union Coop

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months period ended 30 June 2025 (unaudited)

		<i>Six months period ended 30 June</i>		<i>Three months period ended 30 June</i>	
	<i>Notes</i>	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>
Revenue from sales of goods	12	1,031,042,155	962,328,386	501,132,054	460,650,345
Income from other operating activities		118,480,942	120,311,494	61,734,733	61,115,796
Other income		4,486,037	6,679,231	2,377,651	5,461,257
Finance income		3,755,442	1,374,859	900,904	185,947
Total income from operating activities		1,157,764,576	1,090,693,970	566,145,342	527,413,345
Cost of goods		(677,752,166)	(627,359,409)	(333,912,382)	(304,553,832)
Staff costs		(110,607,917)	(111,202,790)	(58,164,554)	(53,475,912)
Depreciation and amortisation expenses		(46,616,944)	(46,185,652)	(23,864,530)	(23,634,064)
Utilities expenses		(33,045,548)	(31,930,528)	(18,671,461)	(16,788,115)
Marketing expenses		(12,725,576)	(12,046,274)	(5,282,167)	(5,872,646)
Finance costs		(24,174,289)	(14,709,067)	(11,841,085)	(7,280,155)
Repair and maintenance expenses		(7,296,149)	(5,835,957)	(3,801,109)	(3,186,546)
Other expenses		(44,836,243)	(41,103,988)	(22,851,582)	(24,971,655)
Share of profit of an associate		369,362	45,153	(29,597)	45,153
Profit before tax, directors' remuneration and community responsibility expenses		201,079,106	200,365,458	87,726,875	87,695,573
Directors' remuneration expense		(2,625,000)	(6,750,000)	(1,312,500)	(6,750,000)
Community responsibility expenses		(6,444,550)	(11,877,073)	(3,818,563)	(7,621,613)
Profit before tax and after directors' remuneration and community responsibility expenses		192,009,556	181,738,385	82,595,812	73,323,960
Income tax expense	15	(18,435,627)	(18,597,990)	(8,379,685)	(7,503,524)
Profit for the period		173,573,929	163,140,395	74,216,127	65,820,436
Earning per share - Basic	9	0.10	0.09	0.04	0.04
Earning per share – Diluted	9	0.10	0.09	0.04	0.04

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

Union Coop

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2025 (unaudited)

	<i>Share capital AED</i>	<i>Legal reserve AED</i>	<i>Defined benefit obligations reserve AED</i>	<i>Community responsibility reserve AED</i>	<i>(Accumulated losses)/ retained earnings AED</i>	<i>Treasury stock AED</i>	<i>Total AED</i>
At 1 January 2024 (audited)	1,764,138,140	882,069,070	(223,368)	23,363,323	(22,569,572)	(95,527,209)	2,551,250,384
Total comprehensive income for the period	-	-	-	-	163,140,395	-	163,140,395
Dividend paid (note 16)	-	-	-	-	(296,862,164)	-	(296,862,164)
Allocation to community responsibility reserve	-	-	-	(11,877,073)	11,877,073	-	-
Total transactions with shareholders	-	-	-	(11,877,073)	(284,985,091)	-	(296,862,164)
At 30 June 2024 (unaudited)	<u>1,764,138,140</u>	<u>882,069,070</u>	<u>(223,368)</u>	<u>11,486,250</u>	<u>(144,414,268)</u>	<u>(95,527,209)</u>	<u>2,417,528,615</u>
At 1 January 2025 (audited)	1,764,138,140	882,069,070	(190,962)	3,858,068	14,629,993	(95,527,209)	2,568,977,100
Total comprehensive income for the period	-	-	-	-	173,573,929	-	173,573,929
Dividend paid (note 16)	-	-	-	-	(281,953,436)	-	(281,953,436)
Allocation to community responsibility reserve	-	-	-	6,141,932	(6,141,932)	-	-
Total transactions with shareholders	-	-	-	6,141,932	(288,095,368)	-	(281,953,436)
Utilisation of community responsibility reserve	-	-	-	(6,444,550)	6,444,550	-	-
At 30 June 2025 (unaudited)	<u>1,764,138,140</u>	<u>882,069,070</u>	<u>(190,962)</u>	<u>3,555,450</u>	<u>(93,446,896)</u>	<u>(95,527,209)</u>	<u>2,460,597,593</u>

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2025 (unaudited)

		<i>For six months period ended 30 June</i>	
	<i>Notes</i>	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		192,009,556	181,738,385
Adjustments for:			
Depreciation of property and equipment	4	25,782,475	27,208,380
Depreciation of right-of-use assets		13,029,272	11,493,158
Depreciation of Investment property		7,391,603	5,183,591
Amortisation of intangible assets		413,594	2,300,521
Gain on sale of property and equipment and investment properties		440,651	38,130
Provision for defined benefit obligations		2,434,519	1,928,424
(Reversal)/provision for impairment of trade and other receivables		(510,188)	5,819,660
Provision/(reversal) for slow moving imported inventories - net		272,429	(714,806)
Finance income		(3,755,442)	(1,374,859)
Finance cost on lease liability and overdraft		14,889,361	6,947,399
Share of profit of associate		(369,362)	(45,153)
		252,028,468	240,522,830
Change in:			
Inventories		(45,563,220)	(35,164,197)
Trade and other receivables		(1,933,517)	255,153
Trade and other payables		22,961,461	99,121,051
Cash generated from operations		227,493,192	304,734,837
Payment of employees' end of service benefits		(5,005,611)	(15,471,516)
Net cash generated from operating activities		222,487,581	289,263,321
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	4	(23,108,278)	(70,633,958)
Acquisition of investment properties		-	(6,421,022)
Acquisition of intangible assets		-	(398,025)
Proceeds from sale of property and equipment		380,118	109,430
Income from wakala deposits		3,755,442	1,374,859
(Addition in)/maturity of short-term wakala deposits		(52,200,000)	70,000,000
Addition in capital advances		(2,174,199)	(2,001,544)
Net cash used in investing activities		(73,346,917)	(7,970,260)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(281,953,436)	(296,862,164)
Payment of lease liability- principal portion		(10,158,538)	(4,589,966)
Finance cost paid on overdraft and lease liability		(14,889,361)	(6,947,399)
Net cash used in financing activities		(307,001,335)	(308,399,529)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(157,860,671)	(27,106,468)
Cash and cash equivalents at the beginning of the period	7	123,691,354	84,668,150
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	(34,169,317)	57,561,682

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

1 LEGAL STATUS AND ACTIVITIES

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

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

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

2 BASIS OF PREPARATION

Fundamental accounting concept

As of 30 June 2025, the Coop had accumulated losses of AED 93,446,896 and its current liabilities exceeded its current assets by AED 37,200,716. These conditions indicate the existence of uncertainty that may cast doubt about the Coop’s ability to continue as a going concern. However, these interim condensed financial statements have been prepared on a going concern basis as management expects that the Coop will generate enough cash flows to meet its liabilities as they fall due.

Statement of compliance

These interim condensed financial statements for the three months period ended 30 June 2025 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and the requirements of Cabinet Resolution No. (55) of 2024 Concerning the Executive Regulations of Federal Decree-Law No. (6) of 2022.

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

Basis of accounting

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

New standards, interpretations and amendments

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

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

2 BASIS OF PREPARATION (continued)

Functional and presentation currency

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

Use of judgements and estimates

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

Financial risk management

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

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

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

Seasonality of operations

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

3 OPERATING SEGMENTS

A. Basis for segmentation

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

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

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

The following table presents information regarding the Coop's operating segments for the six months periods ended 30 June 2025 and 30 June 2024 (The disclosures in the tables below have been prepared using the same accounting policies as those applied to prepare the financial statements):

3 OPERATING SEGMENTS (continued)**B. Segment details***For the six months period ended 30 June 2025 (unaudited):*

	<i>Retail</i> <i>AED' 000</i>	<i>E-commerce</i> <i>AED' 000</i>	<i>Real estate</i> <i>AED' 000</i>	<i>Total</i> <i>AED' 000</i>
Income from sale of goods	950,248	80,794	-	1,031,042
Income from other operating activities	24,774	5,796	87,911	118,481
Other income	4,150	47	289	4,486
Finance income	3,513	-	242	3,755
Cost of goods	(610,746)	(67,006)	-	(677,752)
Staff costs	(98,774)	(3,031)	(8,803)	(110,608)
Depreciation and amortisation expenses	(35,669)	(61)	(10,887)	(46,617)
Utilities expenses	(24,317)	-	(8,728)	(33,045)
Marketing expenses	(12,047)	(648)	(31)	(12,726)
Finance costs	(21,002)	(706)	(2,466)	(24,174)
Repair and maintenance expenses	(5,260)	(38)	(1,998)	(7,296)
Other expenses	(31,046)	(7,690)	(6,100)	(44,836)
Share of profit of associate	369	-	-	369
Profit before tax, directors' remuneration and community responsibility expenses	144,193	7,457	49,429	201,079
Segment assets	3,071,385	82	598,030	3,669,497
Equity accounted investees	6,040	-	-	6,040
Capital expenditure	23,108	-	21,536	44,644
Segment liabilities	1,062,747	-	146,152	1,208,899

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

3 OPERATING SEGMENTS (continued)**B. Segment details (continued)***For the six months period ended 30 June 2024 (unaudited):*

	<i>Retail</i> <i>AED' 000</i>	<i>E-commerce</i> <i>AED' 000</i>	<i>Real estate</i> <i>AED' 000</i>	<i>Total</i> <i>AED' 000</i>
Income from sale of goods	898,353	63,975	-	962,328
Income from other operating activities	37,710	3,977	78,624	120,311
Other income	6,166	2	511	6,679
Finance income	1,259	-	116	1,375
Cost of goods	(573,016)	(54,343)	-	(627,359)
Staff costs	(95,340)	(2,731)	(13,132)	(111,203)
Depreciation and amortisation expenses	(40,119)	(58)	(6,009)	(46,186)
Utilities expenses	(24,067)	-	(7,864)	(31,931)
Marketing expenses	(8,142)	(3,578)	(325)	(12,045)
Finance costs	(12,947)	(496)	(1,266)	(14,709)
Repair and maintenance expenses	(4,157)	(38)	(1,641)	(5,836)
Other expenses	(37,176)	(556)	(3,372)	(41,104)
Share of profit of associate	45	-	-	45
<i>Profit before tax, directors' remuneration and community responsibility expenses</i>	<u>148,569</u>	<u>6,154</u>	<u>45,642</u>	<u>200,365</u>
Segment assets	<u>2,859,500</u>	<u>114</u>	<u>559,136</u>	<u>3,418,750</u>
Equity accounted investees	<u>6,146</u>	<u>-</u>	<u>-</u>	<u>6,146</u>
Capital expenditure	<u>70,634</u>	<u>-</u>	<u>46,370</u>	<u>117,004</u>
Segment liabilities	<u>880,345</u>	<u>-</u>	<u>120,876</u>	<u>1,001,221</u>

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

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

Union Coop

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

4 PROPERTY AND EQUIPMENT

	<i>Land AED</i>	<i>Buildings AED</i>	<i>Fitout AED</i>	<i>Computer hardware AED</i>	<i>Motor vehicles AED</i>	<i>Furniture and fixtures AED</i>	<i>Equipment and tools AED</i>	<i>Capital work-in progress AED</i>	<i>Total AED</i>
Cost:									
At 1 January 2024	1,262,291,019	1,051,562,728	-	32,747,457	16,912,021	40,135,440	214,776,767	118,533,134	2,736,958,566
Additions	-	29,657,432	-	2,533,891	-	3,856,624	10,986,979	77,387,382	124,422,308
Transfers from CWIP	-	128,517,104	-	272,398	-	157,798	1,110,356	(130,057,656)	-
Transfers to intangible assets	-	-	-	-	-	-	-	(3,518)	(3,518)
Transfer to investment properties	-	(59,789,853)	-	-	-	-	-	-	(59,789,853)
Disposals	-	(2,227,430)	-	(526,806)	-	(824,263)	(5,772,990)	(183,657)	(9,535,146)
Write off	-	-	-	-	-	-	-	(14,984,975)	(14,984,975)
At 1 January 2025	1,262,291,019	1,147,719,981	-	35,026,940	16,912,021	43,325,599	221,101,112	50,690,710	2,777,067,382
Additions	-	475,615	358,927	1,132,554	-	998,258	2,496,184	17,646,740	23,108,278
Transfers from CWIP	-	37,370,313	12,256,761	112,623	-	-	221,139	(49,960,836)	-
Transfers to intangible assets	-	-	-	-	-	-	-	(755,000)	(755,000)
Transfer to investment properties	-	(21,535,806)	-	-	-	-	-	-	(21,535,806)
Disposals	-	(29,409)	-	(48,810)	(196,000)	(2,514,479)	(3,055,595)	-	(5,844,293)
At 30 June 2025 (unaudited)	1,262,291,019	1,164,000,694	12,615,688	36,223,307	16,716,021	41,809,378	220,762,840	17,621,614	2,772,040,561

Union Coop

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

4 PROPERTY AND EQUIPMENT (continued)

	<i>Land AED</i>	<i>Buildings AED</i>	<i>Fitout AED</i>	<i>Computer hardware AED</i>	<i>Motor vehicles AED</i>	<i>Furniture and fixtures AED</i>	<i>Equipment and tools AED</i>	<i>Capital work-in progress AED</i>	<i>Total AED</i>
<i>Accumulated depreciation and impairment losses:</i>									
At 1 January 2024	212,418,878	266,265,244	-	25,943,895	13,014,596	28,262,510	141,199,173	14,984,975	702,089,271
Charge for the year	-	25,109,443	-	2,738,996	1,048,882	6,074,313	17,278,369	-	52,250,003
Reversal of impairment	(30,771,492)	-	-	-	-	-	-	-	(30,771,492)
Write off	-	-	-	-	-	-	-	(14,984,975)	(14,984,975)
On disposals	-	(2,227,431)	-	(525,861)	-	(759,788)	(5,124,757)	-	(8,637,837)
At 1 January 2025 (audited)	181,647,386	289,147,256	-	28,157,030	14,063,478	33,577,035	153,352,785	-	699,944,970
Charge for the period	-	13,102,491	194,789	1,431,328	483,060	2,730,744	7,840,063	-	25,782,475
On disposals	-	(29,409)	-	(48,810)	(102,667)	(2,358,594)	(2,484,046)	-	(5,023,526)
At 30 June 2025 (unaudited)	181,647,386	302,220,338	194,789	29,539,548	14,443,871	33,949,185	158,708,802	-	720,703,919
Net carrying amount:									
At 31 December 2024 (audited)	1,080,643,633	858,572,725	-	6,869,910	2,848,543	9,748,564	67,748,327	50,690,710	2,077,122,412
At 31 June 2025 (unaudited)	1,080,643,633	861,780,356	12,420,899	6,683,759	2,272,150	7,860,193	62,054,038	17,621,614	2,051,336,642

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

5 INVENTORIES

	30 June 2025 AED (unaudited)	31 December 2024 AED (audited)
Goods for sale	354,641,890	312,554,240
Imported goods for sale	11,760,465	9,524,118
Less: provision for slow moving imported inventories	(4,078,111)	(3,805,682)
	362,324,244	318,272,676
Consumables	7,544,881	6,147,584
Goods in transit	-	158,074
	369,869,125	324,578,334

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

	30 June 2025 AED (unaudited)	31 December 2024 AED (audited)
At the beginning of the period/ year	3,805,682	3,445,670
Additions for the period/ year	272,429	360,012
At the end of the period/ year	4,078,111	3,805,682

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

6 TRADE AND OTHER RECEIVABLES

	30 June 2025 AED (unaudited)	31 December 2024 AED (audited)
Trade receivables	26,825,159	22,338,197
Rent receivables	37,738,617	27,344,922
Due from a related party (note 11)	15,762,122	13,788,438
Prepaid expenses	9,749,362	7,210,570
Deposits	10,963,010	8,585,462
Credit card sales receivable	8,830,037	10,595,207
Advance to suppliers	2,253,340	6,574,097
Accrued income on short-term deposits	612,204	145,191
Other receivables	14,662,966	28,881,216
	127,396,817	125,463,300
Less: provision for impairment loss	(40,352,023)	(40,862,211)
	87,044,794	84,601,089

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

6 TRADE AND OTHER RECEIVABLES (continued)

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

	30 June 2025 AED (unaudited)	31 December 2024 AED (audited)
At the beginning of the period/ year	40,862,211	38,134,903
(Reversal)/charge for the period/ year	(510,188)	2,727,308
At the end of the period/ year	40,352,023	40,862,211

7 BANK BALANCES AND CASH

	30 June 2025 AED (unaudited)	31 December 2024 AED (audited)
Cash at bank	63,923,244	102,227,368
Cash on hand	1,891,254	1,902,252
Short term deposits (a)	52,200,000	115,308,206
Bank balances and cash	118,014,498	219,437,826

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

Cash and cash equivalents in the statement of cash flows:

	30 June 2025 AED (unaudited)	30 June 2024 AED (unaudited)
Cash and bank balances	118,014,498	57,561,682
Deposits with maturity more than three months	(52,200,000)	-
Bank overdraft (b)	(99,983,815)	-
Cash and cash equivalents in the statement of cash flows	(34,169,317)	57,561,682

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

8 LEGAL RESERVE

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

9 EARNINGS PER SHARE

	<i>Six months period ended 30 June (unaudited)</i>		<i>Three months period ended 30 June (unaudited)</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Profit for the period (AED)	173,573,929	163,140,393	74,216,127	65,820,436
Number of shares	1,764,138,140	1,764,138,140	1,764,138,140	1,764,138,140
Earning per share - Basic (AED)	0.10	0.09	0.04	0.04

Earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the Coop, by the weighted average number of shares outstanding during the period excluding treasury shares. The Coop has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

10 TRADE AND OTHER PAYABLES

	<i>30 June 2025 AED (unaudited)</i>	<i>31 December 2024 AED (audited)</i>
Trade payables	289,258,807	251,442,461
Unearned income	45,475,644	25,596,015
Provision for staff expenses	19,805,274	33,174,872
Accruals	16,727,293	13,905,552
Retentions payable	14,123,953	11,950,341
Due to a related party (note 11)	875,703	1,380,329
Other payables	53,539,510	79,395,153
	439,806,184	416,844,723

11 RELATED PARTY TRANSACTIONS AND BALANCES

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

11 RELATED PARTY TRANSACTIONS AND BALANCES*(a) Related party transactions:*

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

	<i>Six months period ended 30 June</i>		<i>Three months period ended 30 June</i>	
<i>Transactions with Affiliates:</i>	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>
Purchases of goods from Consumer Co-operative Union	7,181,728	8,406,166	3,361,100	3,587,974
Payments to Consumer Co-operative Union	4,844,653	6,602,825	1,048,836	2,304,930
Sale of goods net of rebates to Umm Al Quwain Co- operative Society	2,747,370	2,562,129	695,551	1,113,994
Net payments on behalf of Umm Al Quwain Co- operative Society	3,400,000	4,600,000	(420,628)	(218,192)
Expense allocation to Umm Al Quwain Co-operative Society	488,257	495,452	196,608	246,940

(b) Key management remuneration excluding Board of Directors

	<i>Six months period ended 30 June</i>		<i>Three months period ended 30 June</i>	
	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>
Salaries and short-term benefits	6,758,042	7,400,372	3,311,623	2,923,227
Provision for end of service benefits	242,464	156,854	63,000	12,280
Contribution paid to social security scheme	206,250	268,750	93,750	131,250

(c) Compensation to the Board of Directors

Board of Directors' remuneration	2,625,000	6,750,000	1,312,500	6,750,000
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(d) Related party balances

	<i>30 June 2025 AED (unaudited)</i>	<i>31 December 2024 AED (audited)</i>
<i>Due to a related party – Affiliate</i>		
Consumer Co-operative Union	875,703	1,380,329
<i>Due from a related party – Affiliate</i>		
Umm Al Quwain Co-operative	15,762,122	13,788,438

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

12 REVENUE FROM SALE OF GOODS

	<i>Six months period ended 30 June</i>		<i>Three months period ended 30 June</i>	
	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>	<i>2025 AED (unaudited)</i>	<i>2024 AED (unaudited)</i>
Sale of goods - retail	1,031,742,179	959,965,631	497,061,705	461,510,758
Discounts – retail	(81,493,942)	(61,612,329)	(37,287,198)	(31,742,081)
	950,248,237	898,353,302	459,774,507	429,768,677
Sale of goods - E-commerce	88,736,583	68,580,920	45,262,099	33,203,468
Discounts - E-commerce	(7,942,665)	(4,605,836)	(3,904,552)	(2,321,800)
	80,793,918	63,975,084	41,357,547	30,881,668
Total sales of goods (refer to (i) below)	1,031,042,155	962,328,386	501,132,054	460,650,345

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

13 COMMITMENTS AND CONTINGENCIES

	<i>30 June 2025 AED (unaudited)</i>	<i>31 December 2024 AED (audited)</i>
Capital commitments	33,984,803	54,794,914
Letters of guarantee	2,034,958	2,034,958
Liens	1,680	1,680

14 FINANCIAL INSTRUMENTS BY CATEGORY

	<i>30 June 2025 AED (unaudited)</i>	<i>31 December 2024 AED (audited)</i>
<i>Financial assets - amortised costs</i>		
Cash at bank	63,923,244	102,227,368
Short term deposits	52,200,000	115,308,206
Trade receivables and other receivables (excluding prepayments and advance to suppliers)	115,394,115	111,678,632
	231,517,359	329,214,206
<i>Financial liabilities - other financial liabilities</i>		
Lease liabilities	569,548,960	533,400,592
Trade and other payables (excluding unearned income and tax payable)	481,796,692	389,290,324
Bank overdraft	99,983,815	95,746,472
Retirement plan benefit provision	16,178,561	18,005,425
	1,167,508,028	1,036,442,813

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

15 CORPORATE TAX

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

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. The income tax expense recognised in each interim period is based on the best estimate of the weighted-average annual income tax rate expected for the full year applied to the pre-tax income of the interim period.

The major components of income tax expense for the six months and three months periods ended 30 June 2025 and 30 June 2024 are:

	<i>Six months period ended 30 June</i>		<i>Three months period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<i>Interim condensed statement of profit or loss</i>				
Current tax charge	18,435,627	18,597,990	8,379,685	7,503,524

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

	<i>Six months period ended 30 June</i>		<i>Three months period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Accounting profit before tax, and after directors' remuneration and community responsibility expenses	192,009,556	181,738,385	82,595,812	73,323,960
At United Arab Emirates' statutory income tax rate	17,280,860	16,356,454	7,079,159	6,599,156
<i>Adjustments for amounts which are non-deductible / (taxable) in calculating taxable income</i>				
Non-deductible expenses for tax purposes	588,480	1,069,805	521,277	686,445
Effect of standard exemption	(33,750)	(33,750)	-	-
Others	600,037	1,205,481	424,785	217,923
Income tax charge for the period	18,435,627	18,597,990	8,379,685	7,503,524
Effective tax rate	9.60%	10.23%	10.15%	10.23%

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2025 (unaudited)

15 CORPORATE TAX (continued)

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

	30 June 2025 AED (unaudited)	31 December 2024 AED (audited)
Current tax payable	49,484,027	31,048,400
Deferred tax liability	2,772,639	2,772,639

16 DIVIDENDS

During the General Assembly meeting held on 18 March 2025, the Shareholders have approved the following two main resolutions:

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

The dividend was paid during the period ended 30 June 2025.

17 SUBSEQUENT EVENTS

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

18 COMPARATIVE FIGURES

Certain prior period amounts have been reclassified to conform to the presentation in the interim condensed financial statements for the period ended 30 June 2025. This includes the reclassification of rebate income from supplier from *Income from other operating activities* to *cost of sales*. Such reclassifications do not affect the previously reported net profits, net assets or equity.

	<i>Six months period ended 30 June (unaudited)</i>		<i>Three months period ended 30 June (unaudited)</i>	
	<i>2024 AED Previously reported</i>	<i>2024 AED After reclassification</i>	<i>2024 AED Previously reported</i>	<i>2024 AED After reclassification</i>
Income from other operating activities	<u>312,485,412</u>	<u>120,311,494</u>	<u>149,043,899</u>	<u>61,115,796</u>
Cost of sales	<u>(819,533,327)</u>	<u>(627,359,409)</u>	<u>(392,481,935)</u>	<u>(304,553,832)</u>