

Firstcry Retail DWC-LLC

Separate Financial Statements
For the year ended March 31, 2025

Firstcry Retail DWC-LLC
Separate Financial Statements
For the year ended March 31, 2025

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Manager's report

The Manager submits his report along with the audited separate financial statements of Firstcry Retail DWC-LLC (the "Company") for the year ended March 31, 2025.

Main business and operations

The primary activity of the Company is general trading, which includes trading of baby, kids, and maternity products.

The operating results and the financial position of the Company are fully set out in the attached separate financial statements.

The Company reported a net loss for the year ended March 31, 2025, of AED 16,628,492 (2024: AED 16,051,562).

Manager

The Manager of the Company, throughout the year and as of the date of this report, is Mr. Abhinav Sharma.

Auditors

Grant Thornton were appointed as auditors of the Company for the year ended March 31, 2025 and being eligible, have offered themselves for re-appointment for the year ending March 31, 2026. The Manager resolved to release Grant Thornton from any liabilities on auditing the separate financial statements for the year ended March 31, 2025.

The separate financial statements for the year ended March 31, 2025 (including comparatives) were approved on May 23, 2025 by:



Mr. Abhinav Sharma
Manager
Dubai, United Arab Emirates

Independent Auditor's Report To the Shareholder of Firstcry Retail DWC-LLC

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Firstcry Retail DWC-LLC, which comprise the statement of financial position as at March 31, 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the separate financial statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Manager's report but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent Auditor's Report
To the Shareholder of Firstcry Retail DWC-LLC**

Report on the Audit of the Separate Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Independent Auditor's Report
To the Shareholder of Firstcry Retail DWC-LLC**

Report on the Audit of the Separate Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements (continued)

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

GRANT THORNTON UAE

Grant Thornton



**Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates**

23 May 2025

Firstcry Retail DWC-LLC
Separate Financial Statements

Statement of financial position
As at March 31, 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current			
Investment in a subsidiary	6	100,000	100,000
Property and equipment	5	446,280	633,211
Deferred tax assets	17	1,644,576	-
Intangible assets	7	34,980	158,253
Right-of-use asset	8	7,707,564	781,110
Other financial assets		142,414	159,123
		10,075,814	1,831,697
Current			
Inventories	10	47,543,369	40,415,642
Trade and other receivables	11	11,433,880	4,346,306
Due from a related party	9	881,861	4,171,647
Cash and cash equivalents	12	13,647,794	12,081,901
		73,506,904	61,015,496
TOTAL ASSETS		83,582,718	62,847,193
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13.1	162,869,000	141,099,000
Additional capital contribution	13.2	44,259	1,220,259
Other reserve	13.3	4,223,344	2,619,874
Accumulated losses		(146,163,939)	(129,535,447)
TOTAL EQUITY		20,972,664	15,403,686
LIABILITIES			
Non-current			
Employees' end-of-service benefits	14	787,805	663,310
Finance lease liability	15	4,320,655	-
		5,108,460	663,310
Current			
Trade and other payables	16	28,089,651	19,479,927
Due to related parties	9	26,143,533	26,531,901
Finance lease liability	15	3,268,410	768,369
		57,501,594	46,780,197
TOTAL LIABILITIES		62,610,054	47,443,507
TOTAL EQUITY AND LIABILITIES		83,582,718	62,847,193

The separate financial statements for the year ended March 31, 2025 (including comparatives) were approved by the Board of Directors on May 23, 2025 and were signed on their behalf by:



Mr. Abhinav Sharma
Manager
Dubai, United Arab Emirates



Mr. Bhushan Kokate
Finance Manager
Dubai, United Arab Emirates

The accompanying notes from 1 to 25 form an integral part of the separate financial statements

Firstcry Retail DWC-LLC
Separate Financial Statements

Statement of comprehensive income
For the year ended March 31, 2025

	Notes	2025 AED	2024 AED
Revenue	18	245,039,873	219,949,702
Cost of goods sold	19	(197,528,197)	(194,286,736)
GROSS PROFIT		47,511,676	25,662,966
Selling, administrative, and general expenses	21	(74,618,597)	(57,850,490)
Finance cost	15	(284,440)	(102,755)
Interest income		312,805	267,116
Other income – net	20	8,805,488	15,971,601
LOSS BEFORE TAX		(18,273,068)	(16,051,562)
Income tax benefit - net	17	1,644,576	-
NET LOSS FOR THE YEAR		(16,628,492)	(16,051,562)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(16,628,492)	(16,051,562)

The accompanying notes from 1 to 25 form an integral part of the separate financial statements.

Firstcry Retail DWC-LLC
Separate Financial Statements

Statement of changes in equity
For the year ended March 31, 2025

	Share Capital AED	Additional capital contribution AED	Other reserve AED	Accumulated losses AED	Total AED
Balance at March 31, 2023	116,099,000	44,259	1,594,811	(113,483,885)	4,254,185
Share capital introduced (Note 13.1)	25,000,000	-	-	-	25,000,000
Additional capital introduced (Note 13.2)	-	1,176,000	-	-	1,176,000
Share options granted during the year (Note 13.3)	-	-	1,025,063	-	1,025,063
Net loss for the year	-	-	-	(16,051,562)	(16,051,562)
Balance at March 31, 2024	141,099,000	1,220,259	2,619,874	(129,535,447)	15,403,686
Share capital introduced (Note 13.1)	20,594,000	-	-	-	20,594,000
Transferred to share capital	1,176,000	(1,176,000)	-	-	-
Share options granted during the year (Note 13.3)	-	-	1,603,470	-	1,603,470
Net loss for the year	-	-	-	(16,628,492)	(16,628,492)
Balance at March 31, 2025	162,869,000	44,259	4,223,344	(146,163,939)	20,972,664

The accompanying notes from 1 to 25 form an integral part of the separate financial statements

Firstcry Retail DWC-LLC
Separate Financial Statements

Statement of cash flows
For the year ended March 31, 2025

	Notes	2025 AED	2024 AED
OPERATING ACTIVITIES			
Loss before tax		(18,273,068)	(16,051,562)
<i>Adjustments for</i>			
Depreciation on property and equipment	5	317,257	398,563
Depreciation on right-of-use asset	8	3,062,774	2,498,031
Amortisation of intangible assets	7	123,273	36,663
Finance cost	15	284,440	102,755
Interest income		(312,805)	(267,116)
Provision for employees' end-of-service benefits	14	267,964	251,195
Share-based payment expense	21	1,603,470	1,025,063
		<u>(12,926,695)</u>	<u>(12,006,408)</u>
<i>Net changes in working capital</i>			
Inventories		(7,127,727)	(7,083,739)
Trade and other receivables		(7,070,865)	(644,101)
Trade and other payables		8,609,724	(1,562,129)
Due to related parties		(388,368)	10,672,091
Due from a related party		3,289,786	(3,213,723)
		<u>(15,614,145)</u>	<u>(13,912,584)</u>
Employees' end-of-service benefits paid	14	<u>(143,469)</u>	<u>(53,096)</u>
Net cash used in operating activities		<u>(15,757,614)</u>	<u>(13,965,680)</u>
INVESTING ACTIVITIES			
Purchase of property and equipment	5	(130,326)	(349,875)
Purchase of intangible assets	7	-	(194,484)
Interest on bank deposits		312,805	267,116
Net cash from/(used in) investing activities		<u>182,479</u>	<u>(277,243)</u>
FINANCING ACTIVITIES			
Share capital introduced	13.1	20,594,000	25,000,000
Additional capital contributed	13.2	-	1,176,000
Repayment of finance lease liability	15	(3,452,972)	(3,082,064)
Net cash from financing activities		<u>17,141,028</u>	<u>23,093,936</u>
Net change in cash and cash equivalents		1,565,893	8,851,013
Cash and cash equivalents, beginning of year		12,081,901	3,230,888
Cash and cash equivalents, end of year	12	<u>13,647,794</u>	<u>12,081,901</u>

The accompanying notes from 1 to 25 form an integral part of the separate financial statements

Firstcry Retail DWC-LLC
Separate Financial Statements

Notes to the separate financial statements
For the year ended March 31, 2025

1 Legal status and nature of operations

Firstcry Retail DWC-LLC (the “Company”) is a limited liability company incorporated in the Emirate of Dubai at Dubai World Central. On April 10, 2019, under commercial license number 9003.

The Company is a wholly owned subsidiary of Firstcry Management DWC LLC. (the “Parent Company”), a company incorporated in the United Arab Emirates. Brainbees Solutions Limited (formerly known as Brainbees Solution Private Limited), a company incorporated in India, is the Ultimate Parent (“Ultimate Parent Company”).

On December 9, 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 CT regime in the UAE. The new CT regime is effective for accounting periods beginning on or after June 1, 2023. The CT Law confirms that 9% of the rate is to be applied to taxable income exceeding AED 375,000. As the Company’s accounting year ends on March 31, accordingly the effective implementation date for the Company is from April 1, 2024, to March 31, 2025, with the first return to be filed on or before December 31, 2025.

Refer to note 17 for the corporate tax provision estimated for the year ended March 31, 2025.

2 Statement of compliance and basis of preparation

2.1 Statement of compliance

The Company’s separate financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”).

These separate financial statements reflect the stand-alone activities of the Company and do not consolidate the activities of the Company’s subsidiary, as the Company shall prepare statutory consolidated financial statements as per IFRSs for the year ended March 31, 2025, which shall be available at the Company’s registered address.

2.2 Basis of preparation

These separate financial statements for the year ended March 31, 2025, have been prepared on a going-concern basis, notwithstanding the fact that the Company incurred a net loss amounting to AED 18,273,068 for the year ended March 31, 2025, and, as of that date, the Company’s accumulated losses amounted to AED 147,808,515. Management of the Company have assessed the Company’s ability to continue as a going concern by evaluating the projected financial performance as well as actual financial and operating results achieved till the date of authorization of these separate financial statements. The Ultimate Parent Company has provided an undertaking to provide and arrange for the necessary financial support to enable the Company to continue its operations and meet its obligations as and when they fall due, which has been illustrated through the historic significant share capital and other capital contributions provided to the Company by the Ultimate Parent Company. Further, the Ultimate Parent Company listed its equity shares on the Indian Stock Exchange Markets. It represented that certain proceeds from the listing of its equity shares are utilized to enhance and scale up the Company’s operations. In addition to the aforementioned key factors, the Ultimate Parent Company has also represented that the amounts due to the Ultimate Parent Company by the Company as of the reporting date, shall not be called upon in a manner jeopardizing the Company’s ability to continue as a going concern.

Firstcry Retail DWC-LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

3 Standards, interpretations, and amendments to existing standards

3.1 Standards, interpretations, and amendments to existing standards that are effective in 2025

Standards, interpretations, and amendments that are effective for the first time in 2025 (for entities with a March 31, 2025, year-end) are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

These standards, amendments, and interpretations do not significantly impact these consolidated financial statements, so the disclosures have not been made.

3.2 Standards, interpretations, and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these separate financial statements, the International Accounting Standards Board (IASB) had published several new but not yet effective standards, amendments to existing standards, and interpretations. The company has not adopted any of these standards or made any amendments to existing standards early.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the pronouncement's effective date. New standards, amendments, and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's separate financial statements.

4 Material accounting policies

4.1 Overall considerations

The material accounting policies summarized below have been used in preparing the separate financial statements and are consistent with those used in the previous year.

The separate financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Functional currency

The separate financial statements are presented in United Arab Emirates Dirham (AED), which is the Company's functional currency.

4.3 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rates at the date when fair value was determined.

4.4 Property and equipment

Items of property and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.4 Property and equipment (continued)

The cost of an item of property and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the Company, and
- The cost of the item can be measured reliably.

Property and equipment are initially measured at cost. Costs include costs incurred initially to acquire or construct an item and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is recognised on a written-down basis to write down the cost less the estimated residual value of property and equipment. The following estimated useful lives are applied:

Assets	Useful life (in years)
Furniture and fixtures	5
Computer hardware	3
Equipment	5

The residual value, useful life, and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

All individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

4.5 Intangible assets

Intangible assets include acquired computer software used in administration that qualify for recognition as an intangible asset. They are accounted for using the cost model, whereby capitalised costs are amortised on a written-down basis to write down the cost, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The following estimated useful lives are applied:

Assets	Useful life (in years)
Software	5

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and install the specific software. Subsequent expenditures are expensed as incurred. Costs associated with maintaining computer software, i.e., expenditures relating to patches and other minor updates as well as their installation, are expensed as incurred.

The gain or loss arising on the disposal of an intangible asset is determined as the difference between the proceeds and the asset's carrying amount. It is recognised in the statement of comprehensive income within "other income – net".

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.6 Financial instruments

Recognition, initial measurement, and de-recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Financial assets and financial liabilities are measured subsequently as described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified and measured at amortised cost if both of the following conditions are met:

- The asset is held in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest, if any, on the principal amount outstanding.

If the financial asset does not pass either of the above conditions, or only one of the above conditions, it is measured at fair value through profit or loss ('FVTPL'). Even if both conditions are met, management may designate a financial asset at FVTPL if doing so reduces or eliminates a measurement or recognition inconsistency.

As at the reporting date, the Company's financial assets comprise trade and other receivables, other financial assets, due from related parties, and cash and cash equivalents. These are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

All income and expenses relating to financial assets measured at amortised cost are recognised in profit or loss and presented within 'finance costs - net' or 'other income – net', except for impairment of trade receivables, which is presented within 'selling, administrative and general expenses'.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in the Company, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15, and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the instrument's future cash flows.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.6 Financial instruments (continued)

Impairment of financial assets (continued)

- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category, while 'lifetime expected credit losses' are recognised for the second category.

The expected credit losses are measured by a probability-weighted estimate of credit losses over the financial instrument's expected life.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics; they have been grouped based on the days past due. Refer to Note 22.2 (Credit risk analysis) for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Classification and subsequent measurement of financial liabilities

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

The Company's financial liabilities include trade and other payables, amounts due to related parties, and finance lease liabilities.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts. An intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.7 Cash and cash equivalents

Cash and cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents in the statement of financial position comprise cash on hand, short-term deposits, and cash at the bank. They are initially and subsequently recorded at fair value.

4.8 Share capital and reserves

Share capital represents the nominal value of shares that have been issued.

Accumulated losses include all current and prior period losses.

Additional capital contribution represents the amount contributed by the shareholder that is repayable at the discretion of the Company.

The Ultimate Parent Company grants stock options (equity-settled share-based compensation) to certain employees of the Company. The fair value of the stock options granted is determined by reference to the fair value of the equity instruments at the grant date. The equity settled share-based compensation granted to the employees is recognised as an expense, with a corresponding increase in equity ("Other reserve"), over the vesting period of the stock options, based on the recharge made by the Ultimate Parent Company.

Firstcry Retail DWC LLC
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Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered) is recognised in the period in which the service is rendered and is not discounted. The expected cost of compensated absences is recognised as an expense when the employee renders services that increase their entitlement or, in the case of non-accumulating absences, when the absences occur.

Employees' end-of-service benefits

A provision for employees' end-of-service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law. It is reported as a separate line item under non-current liabilities.

Entitlement to end-of-service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

The provision for end-of-service benefits is based on the liability that would arise if all the employees' employment were terminated at the end of the reporting period.

Share-Based Payments

The Ultimate Parent Company grants stock options (equity-settled share-based compensation) to certain employees of the Company. The fair value of the stock options granted is determined using the Black-Scholes Option Pricing model at the grant date. As per the features of these stock options, they vest in tranches as detailed in Note 13.3 to these separate financial statements. The Company recognizes an expense and a corresponding increase to equity ("Other reserve") over the vesting period for each separately vesting tranche as though each tranche of the award is, in substance, a separate award. The cumulative expense recognized for equity-settled share-based compensation at each reporting date until the vesting date reflects the extent to which the vesting period has been completed.

4.10 Provisions and contingent liabilities

Provisions are recognised when present obligations resulting from a past event will probably lead to an outflow of economic resources from the Company, and the amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions for future operating losses are not recognised.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party regarding the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.11 Inventories

Inventories are carried at the lower of cost or net realisable value. Costs are assigned using the methods described as follows:

- | | |
|--------------------------------------|------------------------------|
| • Baby, kids, and maternity products | Weighted average cost method |
|--------------------------------------|------------------------------|

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

When inventories are sold, their carrying amounts are recognized as expenses in the period in which the related revenue is recognized.

The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories, which is recognized as an expense in the year in which the reversal occurs.

4.12 Value-Added Tax (VAT)

Revenue, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from the sale of goods and/or services (output VAT) exceeds VAT passed on from the purchase of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from the purchase of goods or services (input VAT) exceeds VAT from the sale of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

4.13 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is made. Revenue is measured at the fair value of the consideration received or receivable by the Company, excluding discounts, rebates, and duties.

The sale of goods is recognised when the Company has transferred the significant risks and rewards of ownership of the goods supplied to the buyer. Significant risks and rewards are generally considered to have been transferred to the buyer when the customer has taken undisputed delivery of the goods.

IFRS 15 'Revenue from Contracts with Customers' outlines a single comprehensive model of accounting for revenue arising from contracts with. It establishes a five-step model, explained below, which will apply to revenue arising from contracts with customers.

- Step 1: Identify the contract with a customer. A contract is an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.
- Step 2: Identify the performance obligations in the contract. A performance obligation is a promise to transfer a good or service to the customer.
- Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.13 Revenue (continued)

The Company recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognised when the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

4.14 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.15 Leases

The Company as a lessee

The Company makes use of leasing arrangements principally for the provision of the office premises. The Company did not enter into sale and leaseback arrangements.

All the leases are negotiated individually and contain a wide variety of terms and conditions, such as purchase options and escalation clauses.

The Company assesses whether a contract is or contains a lease at the inception of the contract.

A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate because, as the lease contracts are negotiated with third parties, the implicit interest rate in the lease cannot be determined.

The incremental borrowing rate is the estimated rate that the Company would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.15 Leases (continued)

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options reasonably certain to be exercised. Subsequent to the initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces constant periodic interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset.

The revised lease payments are discounted using the Company's incremental borrowing rate at the reassessment date when the lease's implicit rate cannot be readily determined.

The lease liability's remeasurement amount is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception is when the carrying amount of the right-of-use asset has been reduced to zero; then any excess is recognised in profit or loss.

Payments under leases can also change when the amounts expected to be paid under residual value guarantees change or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rental review.

The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate.

Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

To respond to business needs, particularly the demand for office space, the Company will negotiate with landlords to either increase or decrease available office space or to renegotiate amounts payable under the respective leases.

In some instances, the Company is able to increase office capacity by taking additional floors available and, therefore, agrees with the landlord to pay an amount commensurate with the stand-alone pricing adjusted to reflect the particular contract terms.

In these situations, the contractual agreement is treated as a new lease and accounted for accordingly.

Lease payments are not recognized as a liability

The Company has elected to account for short-term leases using practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments related to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

4.16 Investment in subsidiary

A subsidiary is an entity over which the Company has control. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect returns

The investment in a subsidiary is carried at a cost less than any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- The fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company, plus

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.16 Investment in a subsidiary (continued)

- Any costs directly attributable to the purchase of the subsidiary.

4.17 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date where the Company operates and generates taxable income. Deferred income taxes are calculated based on the balance sheet liability method.

Deferred tax

Deferred tax is recognised for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Based on the laws that have been enacted, deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are recovered.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets. They relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

4.18 Significant management judgments and estimates in applying accounting policies

When preparing the separate financial statements, management makes judgments, estimates, and assumptions about the recognition and measurement of assets, liabilities, income, and expenses.

The following are significant management judgements in applying the company's accounting policies that have the most significant effect on the separate financial statements. Critical estimation uncertainties are described below.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The results may vary and cause significant adjustments to the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

4 Material accounting policies (continued)

4.18 Significant management judgments and estimates in applying accounting policies (continued)

Impairment of financial assets

The carrying amounts of the Company's financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the recoverable value of the financial assets is estimated. An impairment loss is recognized where the carrying amount of a financial asset exceeds its recoverable value. Impairment losses are recognized in the statement of comprehensive income.

Estimation uncertainty

Information about significant judgements, estimates, and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided as follows:

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets and intangible assets at each reporting date based on the expected utility of the assets to the Company. The carrying amounts are analysed in notes 5, 7, and 8. Actual results, however, may vary from the estimated results due to unseen reasons.

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Company applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to do so. After the commencement date, the Company reassesses the lease term if a significant event or change in circumstances is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Control assessment

The Company reassesses 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 listed in note 4.16. Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification of any of the Company's investee holdings during the year or comparative periods covered by or under the separate financial statements.

Allowance for slow-moving and obsolete inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made.

Factors influencing these provisions include changes in demand, technological change, product life cycle, product pricing, physical deterioration, and quality issues. Based on these factors, the entity determines the allowance for slow-moving and obsolete inventories. If these factors differ from the estimate, revisions of these adjustments would be required.

Share-based payments

Estimating fair value for share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share appreciation, volatility, and dividend yield, and making reasonable assumptions about them. Management of the Ultimate Parent Company initially measures the fair value of the shares using the Black-Scholes Option Pricing model, incorporating the necessary assumptions and other pertinent inputs as applicable.

Firstcry Retail DWC-LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

5 Property and equipment

	Furniture and fixtures AED	Computer hardware AED	Equipment AED	Total AED
2025				
Cost				
Balance at April 1, 2024	1,226,465	352,645	623,998	2,203,108
Additions	72,287	24,500	33,539	130,326
Balance at March 31, 2025	1,298,752	377,145	657,537	2,333,434
Accumulated depreciation				
Balance at April 1, 2024	810,607	326,083	433,207	1,569,897
Charge for the year (Note 21)	198,153	26,016	93,088	317,257
Balance at March 31, 2025	1,008,760	352,099	526,295	1,887,154
Net carrying amount at March 31, 2025	289,992	25,046	131,242	446,280
	Furniture and fixtures AED	Computer hardware AED	Equipment AED	Total AED
2024				
Cost				
Balance at April 1, 2023	1,006,565	333,775	512,893	1,853,233
Additions	219,900	18,870	111,105	349,875
Balance at March 31, 2024	1,226,465	352,645	623,998	2,203,108
Accumulated depreciation				
Balance at April 1, 2023	551,030	301,388	318,916	1,171,334
Charge for the year (Note 21)	259,577	24,695	114,291	398,563
Balance at March 31, 2024	810,607	326,083	433,207	1,569,897
Net carrying amount at March 31, 2024	415,858	26,562	190,791	633,211

6 Investment in a subsidiary

Name of subsidiary	Principal activity	2025 %	2025 AED	2024 %	2024 AED
Firstcry General Trading LLC	General trading	100	100,000	100	100,000

Firstcry Retail DWC-LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

7 Intangible assets

	2025 AED	2024 AED
<i>Software</i>		
Cost		
Balance at April 1,	213,984	19,500
Additions during the year	-	194,484
Balance at March 31,	213,984	213,984
Accumulated amortisation		
Balance at April 1,	55,731	19,068
Amortisation for the year (Note 21)	123,273	36,663
Balance at March 31,	179,004	55,731
Net carrying amount at March 31,	34,980	158,253

8 Right-of-use asset

	2025 AED	2024 AED
<i>Storage</i>		
Cost		
Balance at April 1,	11,383,323	11,383,323
Addition	9,989,228	-
Balance at March 31,	21,372,551	11,383,323
Accumulated depreciation		
Balance at April 1,	10,602,213	8,104,182
Charge for the year (Note 21)	3,062,774	2,498,031
Balance at March 31,	13,664,987	10,602,213
Net carrying amount at March 31,	7,707,564	781,110

9 Related parties

The Company carries on transactions with other enterprises that fall within the definition of a related party in the normal course of business. These transactions are measured at exchange amounts, which are the amounts agreed to by both parties.

The Company's related parties include Ultimate Parent Company, Parent Company, Subsidiary, and other affiliated entities under common control as described below.

The following are details of the related party balances:

	2025 AED	2024 AED
Due to related parties		
<i>Ultimate Parent Company</i>		
Brainbees Solutions Limited (formerly known as Brainbees Solution Private Limited)	19,112,905	23,257,394
<i>Parent Company</i>		
Firstcry Management DWC LLC	2,305,519	1,192,816
<i>Subsidiary</i>		
Firstcry General Trading LLC	4,461,816	2,002,687
<i>Entities under common control</i>		
Shenzhen Starbees Services LTD.	143,191	79,004
Swara Baby Products Private Limited	120,102	-
	26,143,533	26,531,901

Firstcry Retail DWC-LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

9 Related parties (continued)

	2025 AED	2024 AED
Due from a related party		
<i>Entity under common control</i>		
Firstcry Trading Company	881,861	4,171,647
	<u>881,861</u>	<u>4,171,647</u>

Significant transactions carried out with related parties are as follows:

		2025 AED	2024 AED
Related Parties	Nature of transactions		
Brainbees Solutions Limited (formerly known as Brainbees Solution Private Limited)	Management recharge (Note 21)	3,485,072	3,300,455
	Royalty expense (Note 21)	6,803,489	6,574,263
	Expense recharge	33,490	19,422
	Purchase of goods	19,084,251	21,550,180
	Share-based payment expense (Note 21)	1,866,959	1,025,063
Firstcry Management DWC LLC	Management recharge (Note 21)	2,548,212	1,328,255
Shenzhen Starbees Services LTD	Service charges (Note 21)	241,165	485,319
Firstcry General Trading LLC	Sale of goods (Note 18)	202,389,393	215,059,681
	logistics support services charge (Note 21)	12,670,795	-
	Service fees (Note 20)	-	(7,262,468)
Swara Baby Products Private Limited	Purchases	2,272,445	439,237
Firstcry Trading Company	Business support service (note 10)	786,940	-
	Procurement commission (note 10)	47,204	-
	Sale of goods (Note 18)	1,004,874	1,948,641

10 Inventories

	2025 AED	2024 AED
Goods held for trading	47,543,369	40,415,642
	<u>47,543,369</u>	<u>40,415,642</u>

11 Trade and other receivables

	2025 AED	2024 AED
<i>Financial assets</i>		
Trade receivables	5,331,194	548,130
Other receivables	7,575	1,277
	<u>5,338,769</u>	<u>549,407</u>
<i>Non-financial assets</i>		
Advances to suppliers	5,250,949	2,859,932
VAT receivables, net	377,175	546,837
Prepayments	452,536	363,757
Employee advance	14,451	26,373
	<u>6,095,111</u>	<u>3,796,899</u>
	<u>11,433,880</u>	<u>4,346,306</u>

Firstcry Retail DWC-LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

12 Cash and cash equivalents

	2025 AED	2024 AED
Cash at banks	5,807,716	6,736,739
Bank deposits*	7,832,378	5,321,168
Cash on hand	7,700	23,994
	<u>13,647,794</u>	<u>12,081,901</u>

*On March 27, 2025, and March 4, 2025, Firstcry Retail DWC LLC placed two short-term bank deposits, amounting to AED 5,226,247 and AED 2,606,131, respectively, with a financial institution carrying an interest rate of 4.35% per annum. This short-term deposit has been classified as a cash and cash equivalent since the short-term deposit's maturity is three months or less from the date of placement.

13 Equity

13.1 Share capital

	2025 AED	2024 AED
Authorized capital		
Authorized shares of AED 1 each	<u>162,869,000</u>	<u>141,099,000</u>
Issued and paid-up capital		
Opening balance	141,099,000	116,099,000
Transferred from capital contribution (note 13.2)*	1,176,000	
Proceeds from the issue of shares**	<u>20,594,000</u>	<u>25,000,000</u>
Closing balance	<u>162,869,000</u>	<u>141,099,000</u>

*On February 7, 2024, the Parent Company contributed additional capital of AED 1,176,000 to the Company, the repayment of which is at the Company's discretion, and on July 11, 2024, upon obtaining the necessary approvals from the relevant authorities, the Company transferred the capital contribution to the share capital.

**During the year, the Parent Company infused additional share capital of AED 20,594,000 upon obtaining the necessary approvals from the relevant authorities (2024: AED 25,000,000).

13.2 Additional capital contribution

	2025 AED	2024 AED
Opening balance	1,220,259	44,259
Additional capital contributed	-	1,176,000
Transfer to share capital (note 13.1)	<u>(1,176,000)</u>	<u>-</u>
Closing balance	<u>44,259</u>	<u>1,220,259</u>

13.3 Other reserve

The Ultimate Parent Company has granted employee stock ownership plan (ESOP) to certain employees of the Company, whereby these options are equity settled. As per the terms of the ESOP arrangement, 25% of the options shall vest each year, for a period of four years from the grant date.

The fair value of the options granted are determined by reference to the fair value of the equity instruments at the grant date and calculated by management of the Ultimate Parent Company using a Black-Scholes Option Pricing model, subsequent to which, the Company recognizes the expense with a corresponding increase in equity ("Other reserve"), over the vesting period for each separately vesting tranche as though each tranche of the award is, in substance, a separate award. During the year, the expense recognized by the Company amounted to AED 1,603,470 (2024: AED 1,025,063).

Firstcry Retail DWC-LLC
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Notes to the separate financial statements (continued)
For the year ended March 31, 2025

13 Equity (continued)

13.3 Other reserve (continued)

The inputs used by management of the Ultimate Parent Company for the Black-Scholes Option Pricing model are as follows:

	2025	2024
Stock price (per share)	INR 519.10 to 1,399.48	INR 235.00 to 1,214.8
Exercise price (per share)	INR 5 to 69.97	INR 5 to 39.30
Annual volatility	72.36%	50.01% to 72.36%
Risk-free rate	7.16%	6.99% to 7.16%
Time (years)	4	4
Expected forfeiture rate	0%	0%
Dividend yield	0%	0%

The following table shows the number and movement in share options during the year:

	2025	2024
Outstanding at 1 April	244,445	202,945
Granted during the year	411,625	53,500
Exercised during the year	(131,943)	-
Expired during the year	(11,810)	(12,000)
Outstanding at 31 March	512,317	244,445

14 Employees' end-of-service benefits

	2025	2024
	AED	AED
Opening balance,	663,310	465,211
Charge for the year	267,964	251,195
Payments during the year	(143,469)	(53,096)
Ending balance,	787,805	663,310

15 Finance lease liability

	2025	2024
	AED	AED
Opening balance,	768,369	3,747,678
Additions	9,989,228	-
Finance cost	284,440	102,755
Repaid during the year	(3,452,972)	(3,082,064)
Ending balance,	7,589,065	768,369
<i>Non-current</i>	4,320,655	-
<i>Current</i>	3,268,410	768,369
	7,589,065	768,369

Finance lease liability is repayable as follows:

	Within year	Over 1 year	Total
	AED	AED	AED
2025			
Finance lease liability	3,268,410	4,320,655	7,589,065
2024			
Finance lease liability	768,369	-	768,369

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2025

15 Finance lease liability (continued)

Future minimum lease payments as at the end of the reporting period are as follows:

	Within 1 year AED	Over 1 year AED	Total AED
March 31, 2025			
Lease payments	3,580,410	5,290,655	8,871,065
Finance charges	(312,000)	(970,000)	(1,282,000)
Net present value	3,268,410	4,320,655	7,589,065
	Within 1 year AED	Over 1 year AED	Total AED
March 31, 2024			
Lease payments	816,569	-	816,569
Finance charges	(48,200)	-	(48,200)
Net present value	768,369	-	768,369

16 Trade and other payables

	2025 AED	2024 AED
<i>Financial liabilities</i>		
Trade payables	20,612,430	17,191,931
Accrued expense	7,350,805	2,171,953
Staff accruals	126,416	116,043
	28,089,651	19,479,927

17 Corporate tax

Corporate tax benefit comprises the following:

	2025 AED	2024 AED
Current tax expense	-	-
Deferred tax	1,644,576	-
Tax benefit	1,644,576	-

Reconciliation of tax benefit is as follows:

	2025 AED	2024 AED
Loss before tax	18,273,068	-
Corporate tax benefit using the domestic tax rate of 9%	1,644,576	-

Movement in deferred tax is as follows:

	2025 AED	2024 AED
Opening balance	-	-
Recognized during the year	1,644,576	-
Closing balance	1,644,576	-

Firstcry Retail DWC LLC
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18 Revenue

	2025	2024
	AED	AED
Baby and kids' products	244,157,911	219,312,099
Maternity products	881,962	637,603
	<u>245,039,873</u>	<u>219,949,702</u>

The Company's revenue disaggregated by primary geographical market is as follows:

	2025	2024
	AED	AED
United Arab Emirates	243,235,877	210,279,747
Kingdom of Saudi Arabia	1,710,662	9,225,798
Bahrain	-	237,496
Oman	93,334	206,661
	<u>245,039,873</u>	<u>219,949,702</u>

19 Cost of goods sold

	2025	2024
	AED	AED
Opening inventory (Note 10)	40,415,642	33,331,903
Purchases during the year	204,655,924	201,370,475
Closing inventory (Note 10)	(47,543,369)	(40,415,642)
	<u>197,528,197</u>	<u>194,286,736</u>

20 Other income - net

	2025	2024
	AED	AED
Website display charges	7,660,126	8,366,367
Business support charges (note 9)	786,940	-
Net foreign exchange gain	116,985	230,294
Procurement commission income (note 9)	47,204	-
Service fees (Note 9)	-	7,262,468
Other	194,233	112,472
	<u>8,805,488</u>	<u>15,971,601</u>

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21 Selling, administrative, and general expenses

	2025	2024
	AED	AED
Advertising and sales promotion expenses	18,802,370	18,534,126
Logistics support services charge (Note 9)	12,670,795	-
Salaries, wages, bonuses, and other allowances	8,758,591	8,192,579
Royalty expense (Note 9)	6,803,489	6,574,263
Management recharge (Note 9)	6,033,284	4,628,710
Payment gateway expenses	6,001,733	5,596,620
Subcontractor expenses	3,756,028	3,434,064
Depreciation of right-of-use asset (Note 8)	3,062,774	2,498,031
Telephone and internet charges	2,302,489	3,108,689
Share-based payment expense (Note 13.3)	1,866,959	1,025,063
Packing expenses	932,862	849,572
Power and fuel	610,189	575,718
Insurance	452,135	417,183
Utilities	406,883	230,104
Legal and professional expenses	374,717	270,016
Repairs and maintenance	348,204	324,245
Depreciation on property and equipment (Note 5)	317,257	398,563
Service charges (Note 9)	241,165	485,319
Travelling and conveyance	208,370	129,289
Amortisation of intangible assets (Note 7)	123,273	36,663
Courier expenses	2,865	147,601
Other	542,165	394,072
	74,618,597	57,850,490

22 Financial instruments risk

Risk management objectives and policies

The Company is exposed to various risks in relation to the financial instruments. The main types of risks are market risk, credit risk, and liquidity risk.

The Company's risk management is coordinated by at the level of Ultimate Parent Company and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

22.1 Market risk

Market risk is the risk that a financial instrument's value will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market. The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency risk

Foreign currency risk is the risk that the fair values of a financial instrument will fluctuate due to changes in foreign exchange rates.

Exposures to currency exchange rates arise from transactions in the Indian rupee (INR).

The Company's management does not enter into future agreements to hedge its currency risk. However, these are monitored on a regular basis, and corrective measures are initiated wherever required.

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22 Financial instruments risk (continued)

22.1 Market risk (continued)

Foreign currency risk (continued)

Below are disclosed foreign currency-denominated financial assets and liabilities that expose the Company to foreign currency risk. The amounts shown are those reported to key management translated into AED at the closing rate.

	Net exposure	
	2025	2024
	AED	AED
Indian Rupee (INR)	19,112,905	(23,257,394)
	19,112,905	(23,257,394)

The table below illustrates the sensitivity of profit and equity in relation to the Company's financial assets and liabilities to changes in the exchange rates, all other things being equal. It assumes a possible movement of the AED exchange rate against the above-mentioned currencies. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

		Impact on (loss)/profit and equity			
		Net loss for the year		Equity	
		+5%	-5%	+5%	-5%
		AED	AED	AED	AED
March 31, 2025					
Indian Rupee (INR)		955,645	(955,645)	955,645	(955,645)
		955,645	(955,645)	955,645	(955,645)

		Impact on (loss)/profit and equity			
		Net loss for the year		Equity	
		+5%	-5%	+5%	-5%
		AED	AED	AED	AED
March 31, 2024					
Indian Rupee (INR)		(1,162,870)	1,162,870	(1,162,870)	1,162,870
		(1,162,870)	1,162,870	(1,162,870)	1,162,870

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has no significant variable interest-bearing assets and liabilities as at the reporting date. The Company's income and operating cash flows are substantially independent of changes in market interest rates.

22.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below.

	2025	2024
	AED	AED
Trade and other receivables (Note 11)	5,338,769	549,407
Due from a related party (Note 9)	881,861	4,171,647
Cash at banks (Note 12)	13,640,094	6,736,739
	19,860,724	11,457,793

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22 Financial instruments risk (continued)

22.2 Credit risk analysis (continued)

		More than 30 days AED	More than 60 days AED	More than 90 days AED	More than 180 days AED	More than 360 days AED	Total AED
2025	Current						
Trade receivables (Note 11)	5,009,510	161,059	90,538	-	70,087	-	5,331,194
	5,009,510	161,059	90,538	-	70,087	-	5,331,194
		More than 30 days AED	More than 60 days AED	More than 90 days AED	More than 180 days AED	More than 360 days AED	Total AED
2024	Current						
Trade receivables (Note 11)	111,648	281,967	127,252	27,263	-	-	548,130
	111,648	281,967	127,252	27,263	-	-	548,130

Trade and other receivables

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. Based on historical information in relation to customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

Management evaluates credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal and external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or by the use of major credit cards. All of the Company's other receivables have been reviewed for indicators of impairment. The impaired other receivables are mostly due from customers in the business-to-business market who are experiencing financial difficulties.

Related parties

The management of the Company is directly involved in the Company's operations and reviews and approves the transactions with the related parties. The balances are reconciled periodically with the related parties through intercompany reconciliation and confirmations.

Excessive risk concentration

Concentrations arise when a number of related parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company's majority of revenue during the reporting period is generated from its related parties. In order to avoid excessive concentrations of risk, the Ultimate Parent Company and the wider group (including related parties) follow comprehensive procedures and relevant practices to maintain a diversified portfolio of services to safeguard against the potential impact of any adverse developments as a result of concentrations of risk.

Cash at banks

The credit risk for cash in banks is considered negligible since the counterparties are reputable banks with high-quality external credit ratings.

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22 Financial instruments risk (continued)

22.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared, and adequate utilisation of borrowing facilities is monitored, including the need for additional borrowings, as required.

The table below summarises the maturities of the Company's undiscounted financial liabilities at March 31, based on contractual payment dates and current market interest rates.

	Within 1 year AED	Over 1 year AED	Total AED
At March 31, 2025			
Trade and other payables (Note 16)	28,089,651	-	28,089,651
Due to related parties (Note 9)	881,861	-	881,861
Finance lease liabilities (Note 15)	3,580,410	5,290,655	8,871,065
	<u>32,551,922</u>	<u>5,290,655</u>	<u>37,842,577</u>
At March 31, 2024			
Trade and other payables (Note 16)	19,479,927	-	19,479,927
Due to related parties (Note 9)	26,531,901	-	26,531,901
Finance lease liabilities (Note 15)	816,569	-	816,569
	<u>46,828,397</u>	<u>-</u>	<u>46,828,397</u>

23 Fair value measurement

Assets and liabilities in the statement of financial position measured at fair value are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

None of the Company's assets and liabilities in the statement of financial position as at the reporting date have been measured at fair value.

24 Capital management policies and procedures

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern;
- To provide an adequate return to the Shareholder; and
- To maintain an optimal capital structure to reduce the cost of capital.

The Company may adjust equity, return capital to the shareholder, or obtain additional funding from the shareholder to maintain or adjust the capital structure.

The Company monitors capital on the basis of the carrying amount of equity less cash and bank balances as presented on the face of the statement of financial position.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance, or externally imposed capital requirements from the previous year. There are no externally imposed capital requirements.

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25 Subsequent event

On April 17, 2025, the Parent Company contributed additional capital of AED 176,400 to Firstcry Retail DWC LLC.