LuLu RETAIL

Integrated Annual Report 2025

Leading, Serving, Growing.

About This Report

This Integrated Annual Report, for the year ended 31 December 2025, discloses objective and comparable information on materially important financial and non-financial matters, together with the strategy, business, and our approach to sustainable development.

The report covers the business activities of Lulu Retail Holdings PLC across its business segments and markets, in the UAE, KSA, Oman, Qatar, Kuwait and Bahrain, as well as 19 sourcing centres. We operate through the following channels – hypermarkets, express stores, mini-markets and online channels.

The report contains a summary of a separately-published ESG Report, which has been prepared in accordance with universally recognised Global Reporting Initiative (GRI) Standards 2021. It aligns with the United Nations Sustainable Development Goals (UN SDGs), the Sustainability Accounting Standards Board (SASB) standards, and with the national development policies and visions of the countries in which we operate. As an Abu Dhabi Securities Exchange (ADX) listed entity, the report is aligned to ADX ESG disclosure guidance in compliance with the Securities and Commodities Authority (SCA) mandate.

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

Leading, Serving, Growing.

This year's theme focuses on Lulu's retail leadership, our dedicated service to our 680,000 daily customers, and our continuing track record of year-on-year growth.

Contents

In this Section

At a Glance

01 Leading.

Lulu Retail is the largest pan-GCC retailer by selling-space, sales and number of stores.

02 Serving.

Lulu Retail provides exceptional choice and service for customers across all ethnic groups, income levels and lifestyles.

03 Growing.

Lulu Retail has grown from one Abu Dhabi grocery store in 1974 to 267 stores today.

Who We Are

Lulu Retail (Lulu) is the largest full-line retailer in the GCC and operates retail stores in the UAE, the KSA, Oman, Qatar, Kuwait and Bahrain.

Where the World Comes to Shop

Lulu Retail has a strong omnichannel presence and has three formats:

123 hypermarkets for one-stop shopping

118 express stores for everyday shopping

26 mini markets for "grab and go"

Our Strategy

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

- Driving like-for-like growth in existing stores
- New store rollouts
- Improving operational efficiencies and scale-driven leverage
- Exploring further upside opportunities

Our Vision

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

Our Mission

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

Who We Are **(continued)**

Our Commitment

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

Our Stakeholders

Communities in the six countries where we have stores, and beyond

Customers

248 million footfall during 2025

Over **400** suppliers

52,437 employees

Business and government partners

Investors, including new shareholders following our IPO in November 2024

Lulu Retail's 51-year history

1974
Chairman, Mr Yusuff Ali, opened his first grocery store in Abu Dhabi.

1991
Started expansion in the **UAE.**

2000
Started operations in **Oman and Qatar** and opened its first sourcing office in **China.**

2002
Began operations in **Kuwait.**

2007
Started operations in **Bahrain** and opened its first shopping mall in the **UAE.**

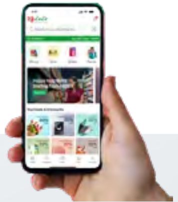
2009
Entered the **KSA** market.

2012
Launched online **shopping website.**
Opened its sourcing office in the **UK.**

2015
Opened its sourcing office in **Turkey.**

2016
Opened its **100th store** in the GCC region.
Opened its sourcing office in **the United States.**

2019
launched the **Lulu Retail app.**



2020
Investment by ADQ, a sovereign wealth fund backed by the Abu Dhabi Government.

2021
Opened its **200th store** in the GCC region.

2022
Entered into partnerships with **Amazon** (in the UAE) and **Talabat** (across the GCC region).

2023
Launched the **Happiness Programme**, Lulu Retail's loyalty programme.

2024
Successful IPO on the **Abu Dhabi Exchange** (ADX).

2025
launched quick commerce offering with 40–50 minutes delivery.

What We Do

Where the World Comes to Shop

267
stores

1.38
million sq mt
of space

LuLu — Where the world comes to shop

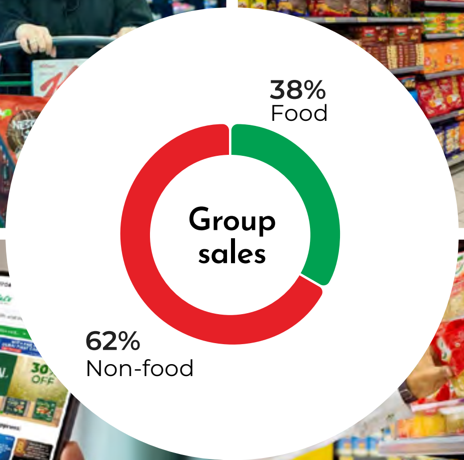
- Hypermarkets
- One-Stop Shopping

Many hypermarkets located within shopping malls, attracting high volume purchases.

LuLu Xpress Freshmarket

- Express Stores
- Everyday Shopping

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



LuLu online

- Online Shopping
- Anytime, Anywhere

Sales via our website and Lulu Retail App as well as through third-party e-commerce providers, including Amazon in the UAE, HungerStation in the KSA, Snoonu in Qatar and Talabat across the GCC.

LuLu daily — Fresh Market • Grocery

- Mini Markets
- Grab and Go

Our smallest store format, usually in places where larger stores cannot be located, catering to "grab and go", convenience customers.

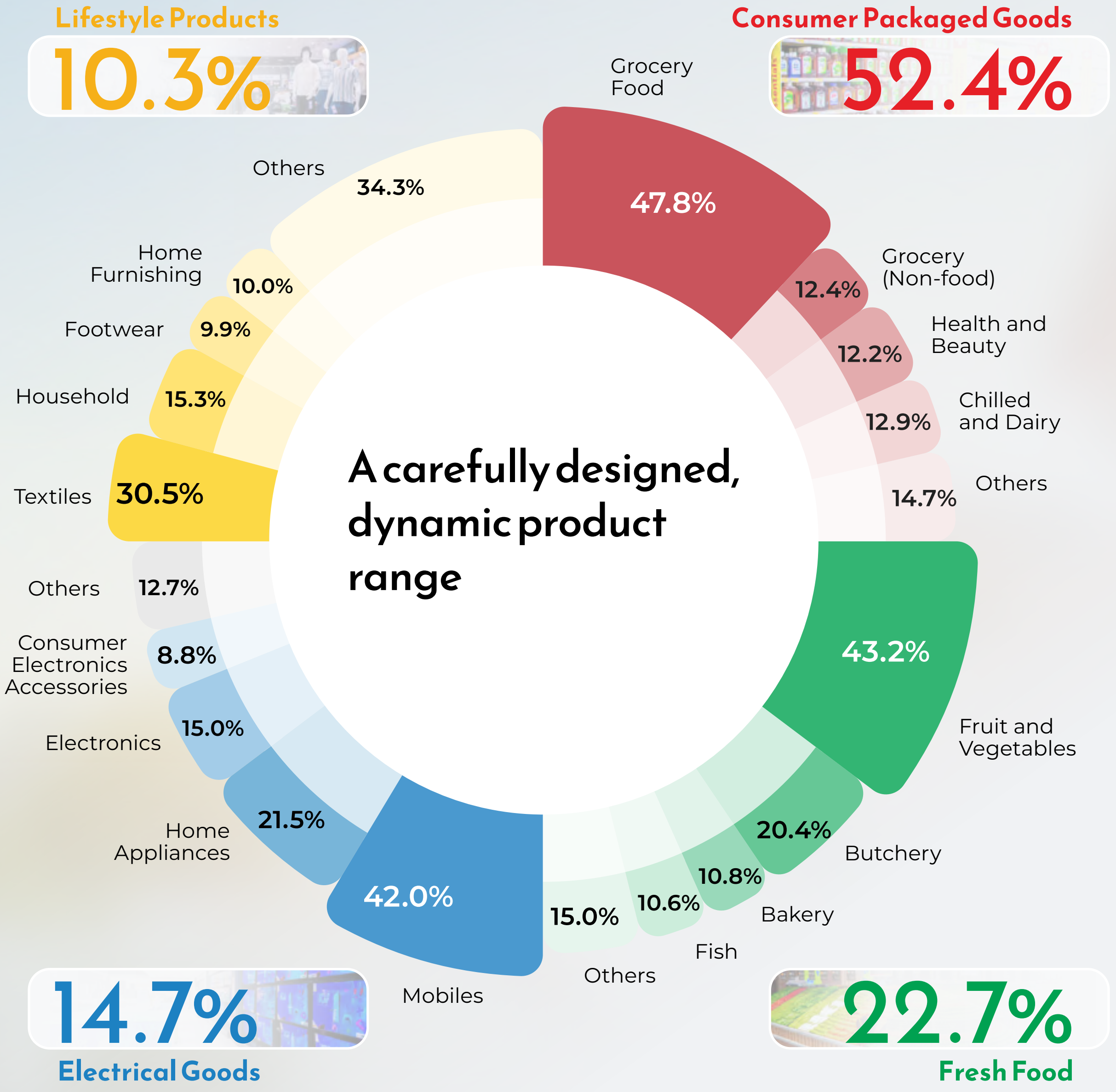
Products and Customer Service

Lulu Retail caters to every socio-economic group and lifestyle by understanding consumers' preferences, as they evolve, and by providing innovative, relevant and affordable products. Our product ranges, including private label, store formats and locations, carefully-designed shopping experiences, together with our e-commerce channels, give our customers what they want, when they want it. This is why Lulu Retail is "Where the world comes to shop".

The complete customer service

- continuous product selection based on customer feedback
- engaging instore and online experience
- well-trained and motivated store staff putting customers first
- stores rooted in local communities and events
- self-checkouts and digital tools to save customers time

What We Do (continued)



Sourcing and distribution

The Lulu Retail distribution network is renowned for its quality of service within a dynamic marketplace of wholesale imports and distribution of fast-moving consumer goods. The network spans the GCC, Europe, and US, with trading offices all over the world operating to the very best international standards.

The Group also operates a wholesale business through wholly-owned subsidiaries, Al Tayeb Meat, supplying chilled meat, seafood and poultry products, and Al Tayeb Distribution, a leading FMCG distributor.

Sourcing from 85 countries

Our 19 global offices and world class supply chain ensure year-round availability of quality products and supports our role as a food security partner. By offering branded and private label SKUs at varied price points, we cater to all preferences and budgets.

See map: Where We Operate

We have:

21
distribution centres

covering:

430,000
sq mt

More than

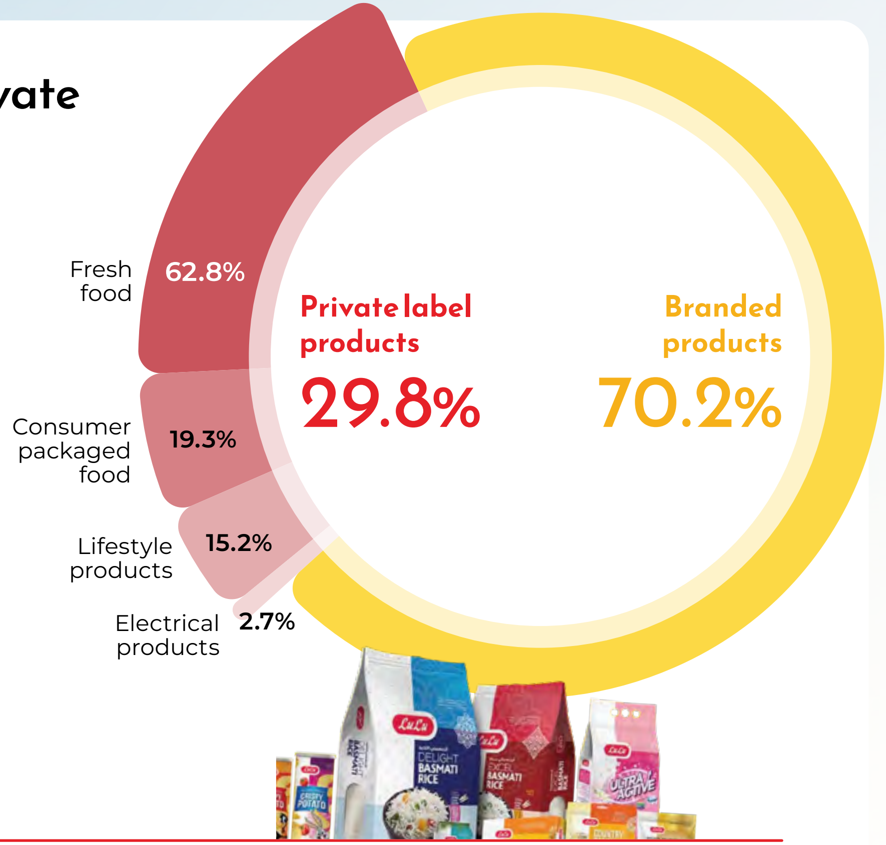
1,400
vehicles

What We Do (continued)

Branded and Private Label Products

Most of the goods sourced from external suppliers, locally and internationally, are branded products.

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

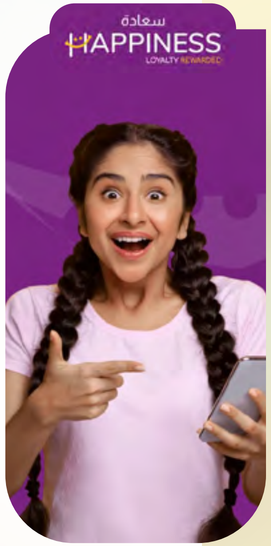


Key Drivers of Our Private Label Strategy

1. High quality products offered at competitive prices.
2. Product range spanning from entry-level to premium offerings.
3. Supply chain efficiencies enabling high quality with controlled costs.
4. Introduction of innovative products through category analytics.

Central Kitchens

Lulu Retail operates 33 central kitchens (20 in the UAE, five in KSA, six in Qatar, one in Oman and one in Bahrain). Fresh food produced in-house accounts for 22% of fresh Private Label SKUs.



Lulu Retail's Happiness Loyalty Programme

We launched the programme in 2023 and now have 8.4 million members (from 5.5 million in 2024), demonstrating remarkable take-up.

Our loyalty customers typically spend 50% more on a basket than other customers.

The programme increases customer engagement with wide acceptance across all regions, where loyalty members contribute significantly to sales and exhibit higher spending.

In 2025 we leveraged loyalty data specifically to increase customer retention and basket value and enabled our Centre of Excellence in Bengaluru, India, to implement personalised and customised promotions.

Where We Operate

Lulu Retail's Global Product and Retail Network

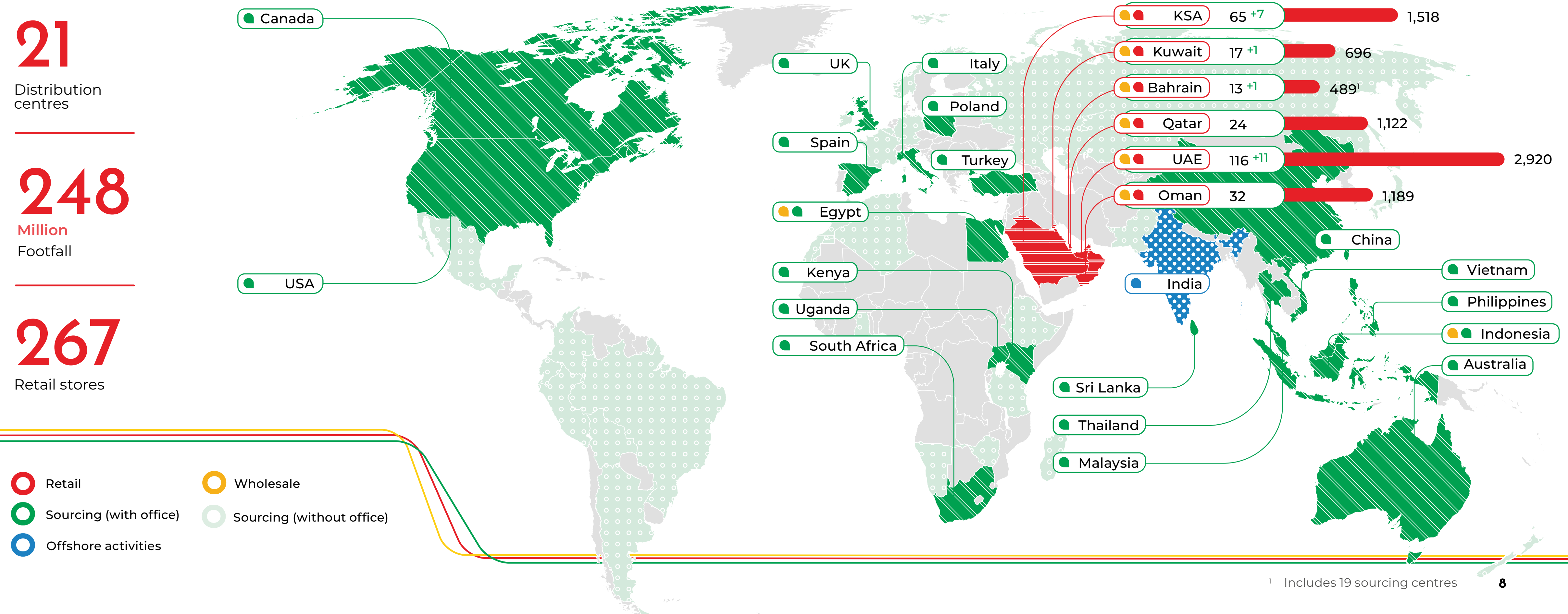
We maintain our leadership in the GCC with local and global sourcing and the supply of quality and value products from 85 countries. The Group has 19 sourcing offices in strategic locations across the USA, Europe and Asia, and we have 21 distribution centres as a key part of our own supply chain.

Within the GCC, we have 267 stores in three formats, hypermarkets, express stores, and mini markets, and operate e-commerce using our own channels as well as through partnerships with Amazon (the UAE), HungerStation (the KSA), Snoonu (Qatar) and Talabat (across the GCC).

21
Distribution centres

248
Million
Footfall

267
Retail stores



[1] Includes 19 sourcing centres

How We Work

With sourcing across 85 countries and a deep GCC footprint, Lulu connects global supply chains to millions of customers through a fully integrated retail system.

Sourcing and Procurement

We source goods locally and from 85 countries through our 19 global sourcing offices, acquiring branded goods and raw materials for private label and in-house production. Local sourcing comprises around 82.7% of our total purchases. We have an average of 20 years in the length of our supplier relationships and we leverage economies of scale to ensure cost efficiency.

Enablers

- Thorough supplier auditing before selection and regularly thereafter.
- Rigorous quality assurance.

Retailing

Inbound Logistics

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

Enablers

- Expert supply chain management.
- Inhouse warehouse management, using Warehouse Management Software (WMS).
- SAP Process Orchestration to streamline and integrate business processes spread across multiple business systems, including e-commerce, Enterprise Resource Planning (ERP), Point-of-Sale (POS) and WMS.

Central Warehousing and Distribution

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

Enablers

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

How We Work **(continued)**

Store Operations

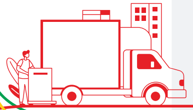
We operate 267 stores across hypermarkets, express stores, and mini markets, focusing on layout optimisation, product rotation, and customer service.

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

Enablers

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

Wholesale Operations



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

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

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

Enablers

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

Marketing and Customer

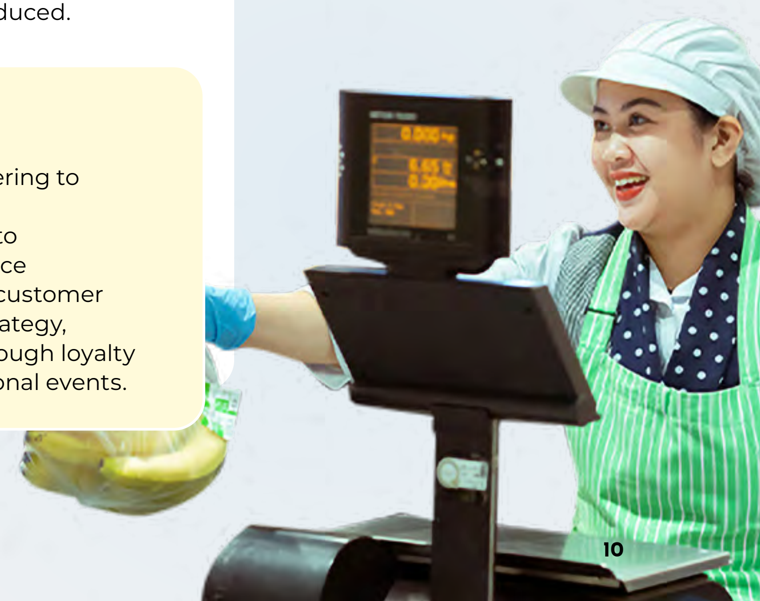
Engagement

We drive customer loyalty with a crafted instore and online user experience, personalised promotions, the Happiness programme and through our trusted brand.

The Happiness Programme
Our Happiness programme, with 8.4 million members, has become a highly successful loyalty initiative, receiving a positive response across all markets where it has been introduced.

Enablers

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



Chairman's Message

Mr. Yusuff Ali MA
Chairman

Leading the Market, Serving Our Stakeholders, Growing Our Reputation

Dear Stakeholders,

I would like to welcome all our shareholders, many of whom are recent investors in Lulu Retail, following our successful IPO on the Abu Dhabi Securities Exchange (ADX) in November 2024, and thank them for their support. I am pleased to report that our team delivered a strong and resilient performance in 2025, reinforcing confidence in our strategy and execution capabilities.

The IPO was a catalyst for Lulu Retail, enhancing our governance standards, financial discipline, and transparency. The Company has sharpened its focus on strengthening internal processes, driving sustainable growth, exercising disciplined capital allocation, and creating long-term value, while continuing to retain its entrepreneurial culture.

I am pleased to report that our team delivered a strong and resilient performance in 2025, reinforcing confidence in our strategy and execution capabilities.

As ever, Lulu Retail remains closely aligned with the long-term vision and development priorities of GCC countries. During the year, the Group supported national initiatives through local talent development and employment creation, while continuing to contribute to food security and economic participation across its markets.

Our DNA is based on a deep commitment to customers, strong operational discipline, and a long-term approach to building the business. Guided by our ethos, "Where the world comes to shop", we serve diverse populations across markets, fostering trust, inclusivity, rooted in the communities we serve. We strive to lead, serve, and grow.

Progress during 2025

The operating environment during the year remained dynamic, with shifts in global cost structures and evolving consumer behaviour. The GCC region continued to demonstrate resilience, supported by population growth, infrastructure investment, and stable consumption trends. In this context, Lulu Retail remained focused on ensuring affordability for customers, maintaining supply reliability, and exercising strong operational discipline across markets.

2025 was a year of steady progress, characterised by resilient revenue growth, disciplined margin management, and operational improvements across core categories. During the year, the Group strengthened product availability, improved supply-chain execution, enhanced in-store standards, and continued to focus on cost discipline and efficiency across markets. These actions supported consistent performance while reinforcing value and affordability for customers.

Investment during 2025 was selective and disciplined, focused on strengthening the store network, supply-chain capabilities, and digital platforms, while maintaining a strong emphasis on capital efficiency and long-term value creation.

Meeting Our Responsibilities to Our Stakeholders

We made meaningful progress in strengthening relationships with our key stakeholders during the year. This included enhancing value and service for customers, advancing employee development and engagement, deepening long-term partnerships with suppliers, supporting the communities we serve, and maintaining transparent and constructive dialogue with shareholders.

We continued to strengthen our approach to ESG during the year by embedding responsible practices across governance, operations, and sourcing. Our focus remained on operating efficiently, reducing environmental impact, supporting our people and partners, and conducting our business with integrity, while aligning ESG priorities with long-term value creation.

Lulu Retail has been very active with the community for over 50 years and now has an extensive programme of CSR initiatives, which include social welfare, educational support, natural disaster relief, and health campaigns.

Dividend

The Group has adhered to the dividend policy communicated during the IPO and the Board of Directors has proposed a dividend of 3.5 fils per share for H2 2025; for the full year this aggregates to deliver an annual dividend of 7.0 fils per share. Our strategy is to allocate capital prudently, investing for growth while providing regular and ample shareholder returns, in accordance with our IPO commitments.

Acknowledgments

I would like to thank all our hardworking and energetic employees for their commitment and ingenuity during the year, as well as our global supply chain partners, who keep our product range fresh and relevant. I am also grateful to our 248 million customers for their loyalty, the real test for any retailer.

Outlook

We remain confident in the Company's growth prospects, underpinned by population growth, urbanisation, and resilient consumer demand across our markets. These fundamentals, together with our disciplined execution and strong operating model, position us to drive sustainable growth, maintain affordability for customers, and create long-term value for stakeholders.

In this Section

Strategic Review

01

Leading.

Our leadership position drives economies of scale, deepens supplier partnerships, and builds brand equity that sets us apart.

02

Serving.

Our 680k+ daily shoppers and 8.4 million loyalty members reflect the trust our customers place in Lulu Retail every day.

03

Growing.

Our network grew to 267 stores in 2025, with revenue increasing 4.1% to USD 7.9 billion, USD 1.1 million invested in communities, and 1.2 million hours in training our people.

CEO's Statement

Mr Saifee Rupawala
Chief Executive Officer

Dear Stakeholders,

Growing Our Business

For our first full year following our IPO, it is gratifying to note that Lulu Retail has delivered strong financial and operational performance as we pursued our proven growth strategy and robust business model.

We benefited from a supportive market environment with strong economic growth in the GCC. The non-oil sector diversification programmes, such as Saudi Vision 2030 and the Dubai 2040 Urban Master Plan, also contributed to retail growth. However, in 2025, we operated in an increasingly dynamic market environment. The continued expansion of online and quick commerce platforms, alongside the growth of value-focused retail formats, contributed to a more competitive multi-channel landscape. At the same time, the business navigated a range of operating cost considerations, including higher utility expenses, inflationary trends, currency movements, and evolving cost structures.

Within lifestyle and department store categories, consumer behaviour reflected a stronger focus on value, leading to greater pricing sensitivity. This shift presents an opportunity for us to further refine our assortment, pricing, and proposition to align with changing customer preferences.

Our strategic network expansion entailed 20 new stores during the year, including six hypermarkets and 11 express stores. Eleven of the stores were in our home market, the UAE, and seven were in the KSA, including in the holy cities of Makkah and Madinah. We now have a total of 267 stores with 1.38 million sq mt selling area.

> Our strategic network expansion entailed 20 new stores during the year, including six hypermarkets and and three Minimarkets.

6.4 %
fresh food category growth, year-on-year

38.6 %
e-commerce growth, year-on-year

4.3 %
private label growth, year-on-year

267 stores
total

Our fresh food category growth was 6.4%, e-commerce growth 38.6% and private label growth 4.3%, year-on-year. Meanwhile, we improved store level efficiency and carried out centralisation and automation initiatives across our operations and administrative functions.

We expanded out "LOT store-in-store" format to target the value segment with 29 stores opened during the year 2025, and we now have 32 LOT stores in the GCC.

Digital and e-commerce capabilities are a key growth enabler. We expanded our online assortment, improved platform performance and fulfilment, and invested in enhanced demand forecasting, loyalty capabilities, and process automation. We launched Q-commerce, offering Q-com deliveries in 40-50 minutes. 129 stores operate omnichannel commerce, which now covers a large proportion of the GCC urban population.

All these initiatives demonstrated Lulu Retail's unique combination of innovation, agility and scale.

Serving Our Stakeholders

During the year, we improved customer experience by increasing our omnichannel offering, expanding our product range with a wider assortment, and providing greater convenience across touchpoints. We improved choice across stores and digital platforms, introduced self-checkout to improve speed and ease of shopping, simplified in-store journeys through better layouts and product placement, and leveraged loyalty-led personalisation to drive engagement.

Our successful Happiness loyalty programme showed strong momentum, expanding to 8.4 million members, with whom we aspire to maintain long term, mutually beneficial relationships.

I am very grateful to all Lulu Retail employees for their hard work and dedication. We are committed to providing exceptional career paths for them and in 2025, we focused on developing our people to support current operations and deliver future growth. We continued to invest in leadership development and frontline training and improved employee engagement and retention. We also invested in acquiring new talent in key growth areas such as e-commerce, digital, and analytics.

We continued to work with our supply chain partners around the world to enhance availability, efficiency, and scale. We improved demand forecasting, deepened collaboration with key suppliers, expanded local sourcing where appropriate, and optimised logistics and inventory flows. We centralised sourcing processes to reduce wastage and optimise the inventory turnover.

We increased the use of solar power and improved our energy management through new technologies and training. Our circularity initiatives included bottle and can collection through Reverse Vending Machines and e-waste collection bins. Our community engagement included support for vulnerable communities, local suppliers, youth initiatives and nonprofit organisations.

Maintaining Our Leadership

Our focus will remain on driving profitable growth through stronger like-for-like performance, disciplined expansion, and continued operational efficiency. We will continue to invest in omnichannel capabilities, supply-chain resilience, and our people, while leveraging data, digital, and loyalty to enhance execution. This will enable us to respond quickly and effectively to evolving customer needs and scale the business sustainably.

Financial Highlights

Group Revenue

USD bn — 4.1%

2025	**7.9**
2024	7.6
2023	7.3

E-commerce Revenue

USD m — 38.6%

2025	**451**
2024	326
2023	192

Private Label Revenue as % of Total Revenue

% increase — +18bps

2025	**29.8**
2024	29.6
2023	28.5

EBITDA

USD m — -0.5%

2025	**782**
2024	786
2023	754

Stores at Year-end

Net store addition — +17 stores

2025	**267**
2024	250
2023	233

Net Profit

USD m — -5.4%

2025	**205**
2024	216
2023	192

Stores Opened in 2025

2025	**20**
2024	21
2023	19

ESG Highlights

55.5 million+
bottles and cans collected through Reverse Vending Machines (RVM)s in 2025

100%
of used cooking oil got recycled by third parties

34,667
tonnes of total waste recycled

4.9 million+ kWh
generated using solar power[1]

52,437
total employees
across global operations

10,637 new hires

18.5%
female employees
across the workforce

1,206,051
total employee training hours delivered in 2025

ZERO
substantiated data breaches across all operations

ZERO
corruption incidents recorded for the third consecutive year

[1] Includes energy generation from solar installations in Bahrain, the KSA and the UAE.

Key 2025 Events

Another Year of Records

2025 was another year of Lulu Retail leading the way in retail, serving our customers and communities, and increasing strategic partnerships and growing our store network and reputation.

Social and environmental initiatives

- Over 23,000 participants in the Lulu Retail Walkathon 2025 in Dubai.
- AED 1 million donation to Dubai Cares.
- Delivery vehicles started running on biodiesel recycled from used cooking oil.
- Indian Ambassador to the UAE inaugurates Indian Mango Mania.
- Launched India Utsav festival celebrating the country's culture and products.
- Solar rooftop systems rollout at five Lulu Retail locations.
- Australian PM visited Lulu Retail hypermarket in Abu Dhabi.

Partnerships

- MoU to develop retail stores in endowment projects in Dubai.
- Agreement with the UAE's Ministry of Finance to integrate our B2B e-commerce platform with the government's procurement system.
- Strategic partnership with Beyout Holding to open hypermarket in Al Mutlaa, Kuwait.
- MoUs to support private label sourcing and fostering inclusive economic growth.

Awards

- Chairman Yusuff Ali MA awarded Sheikh Mohammed bin Rashid Maktoum Medal for Philanthropy.
- Lulu Retail hypermarkets recognised for retail excellence at Golden Spoon Awards.
- Lulu Retail wins 'Best IPO in the Middle East' Award at EMEA Finance Achievement Awards.

267 new stores with

1.38 million sq mt of space

2025

20 new stores

Over $1 million in donations

8.4 million loyalty club members

February

- Opened Lulu Express store in the holy city of Al Madinah, Saudi Arabia
- Opened hypermarket in Al Satwa, Dubai

March

- Opened hypermarket in the holy city of Makkah, Saudi Arabia

April

- Opened Lulu Express at Y Tower, Reem Island, Abu Dhabi

May

- LOT, Lulu Retail's Value Shop, expands in Sharjah
- Opened new stores for pilgrims in Mina, Arafat and Muzdalifah, Saudi Arabia

June

- Lulu Retail hypermarkets recognised for retail excellence at Golden Spoon Awards
- Lulu Retail wins "Best IPO in the Middle East" Award at EMEA Finance Achievement Awards
- Opened hypermarket in MBZ City, Abu Dhabi

July

- Opened Lulu Daily store in JLT, Dubai
- Opened hypermarket, and launched solar power project at a warehouse, in Dammam, Saudi Arabia
- Opened LOT in Musaffah, Abu Dhabi

August

- Opened 260th store in Nadd Al Hamar, Dubai

September

- Opened Mini Market store in Al Bahar Complex, Hawally, Kuwait

October

- Opened hypermarket, 70th store in Saudi Arabia, in Taif
- Opened Lulu Express store in Al Noud, Al Ain
- Opened hypermarket in Tuwaiq, Riyadh, Saudi Arabia

November

- Strategic partnership with Beyout Holding to open hypermarket in Al Mutlaa, Kuwait

Investment Case

Lulu Retail's investment case is based on our leadership position, our superior product offering and service to customers, and our growth trajectory.

01 Leading

We are the largest pan-GCC retailer by selling space, sales and number of stores with a more than three times larger area than our peers and more than four times larger sales. Lulu Retail is the most visited grocery retailer in the GCC.

Given the scale and reach of Lulu Retail's operations and global supply chain, combined with our well established, long term relationships with partners, we are in a powerful negotiating position and can drive costs down in order to protect our margins and allow re-investment. Lulu Retail sources over 200,000 active SKUs at a local level and also from 85 countries worldwide, giving the Group a unique resource of high quality, competitively-priced products.

The management team of retail experts has unrivalled experience, and is led by CEO, Saifuddin Rupawala, who joined Lulu Retail in 1982, and supported by the founding shareholder and Chairman, Yusuff Ali. The team has over 150 years' experience at Lulu Retail.

The Board and senior management foster an entrepreneurial culture throughout the organisation; this allows for rapid, enlightened decision-making based on a fast-moving market environment, enabling the Group to respond to changing customer needs.

#1 market leader in the GCC

267 stores

21 distribution centres and double digit market shares in Oman, Qatar, Kuwait and Bahrain

85 countries in the supply chain

37+ years of average management experience

02 Serving

Lulu Retail is a customer-driven business and owes its success to surprising and delighting customers for decades. Our value proposition includes a well-balanced product range, high-quality private label offerings and exceptional value.

Our three formats – hypermarkets, mini markets and express stores – alongside the complementary e-commerce website and app give consumers complete freedom of choice in terms of location and product range. The instore and online customer experience is carefully designed to suit customers' needs.

High margin, private label accounts for 29.8% of sales and is set to grow.

Our customer loyalty Happiness programme now has 8.4 million members, giving them significant rewards and enabling us to gather valuable data on their buying behaviour and preferences, so that we can improve conversion rates. Loyalty member basket sizes are 150% of non-loyalty baskets.

Our staff are trained, motivated and engaged to give every customers the attention and care they need so that they can make the best and most convenient purchasing decisions.

Lulu Retail is also committed to serving all our other stakeholders including partners, suppliers, shareholders, governments and the wider community.

267 stores in various formats to suit customer preferences

Over **200,000** SKUs providing a complete range of food and non-food products

52,437 dedicated staff, imbued with Lulu Retail's values of hard work and service

29.8% of Group revenue is private-label

03

Growing

Lulu Retail has a successful track record of growth since its inception in 1974, which has paralleled the aspirations and outstanding growth of the GCC during the period. The Company aligns closely with the GCC programmes, including Saudi Vision 2030 and Dubai's 2040 Urban Master Plan. Real GDP is set to continue its growth trajectory in the GCC, by 4.0% in 2026. Inflation is likely to remain low, and the population, which has a young orientation based on the expat and immigrant community, is also set to grow, and enjoy rising living standards. The grocery retail market in the GCC is expected to reach USD 100 billion by 2028 with Saudi Arabia's market expected to reach 48 billion by 2028, and Lulu Retail is uniquely placed to grow in this context[1].

Lulu Retail is therefore well positioned to increase its share of a growing market, and grow its store network, with a primary focus on the prime UAE and Saudi Arabian markets. The Company has a well established and efficient supply and logistics network, which has ample capacity to support new stores and expand into new urban and rural areas.

Lulu Retail has long-standing and productive relationships with leading real estate developers, as well as with local governments and municipalities, to identify, plan and roll out new stores.

In tandem with like-for-like growth and new stores, Lulu Retail has created successful e-commerce, quick commerce operations, and now has 129 omnichannel-enabled stores. Online sales have been growing rapidly and increased 38.6% in 2025 year-on-year, and this is set to grow at a similar level in 2026.

18-20
new stores
expected in 2026

4%-5%
anticipated revenue growth in 2026

10%
anticipated net profit growth in 2026

1 Source: Euromonitor

Market Review

Serving a Growing Market

Lulu Retail operates within a large and addressable market of grocery retail in the GCC, a market expected to reach approximately USD 100 billion by 2028. This growth is supported by robust macroeconomic trends in the region, which is anticipated to surpass global averages in the next three years.

Strong Economic Growth

The GCC region's economic growth is forecast to be 4.5% in 2026, and is supported mainly by fast growth in the UAE and Saudi Arabia. Non-hydrocarbon sectors, such as financial services, manufacturing and wholesale and retail trade, are expected to remain resilient, underpinned by ongoing economic diversification initiatives, alongside increased oil production. Tourism and transportation sectors benefiting from large infrastructure development continue to play a pivotal role in this transition.

GCC consumer spending is predicted to expand by an average 3.5% per annum over the next two years, helping to attract more FDI investment to accommodate higher demand from regional markets. Low inflation has shielded the increase in real disposable income, which has been strengthened by high demand and extremely low unemployment rates.

Total retail spending is projected to rise to USD 386.9 billion by 2028 (CAGR 4.6%), with food retail expanding at 5.0% and non-food at 4.3%. This trajectory is underpinned by 1.8% population growth and government-backed tourism expansion.

How Lulu Retail Responds

The increasing market and young population, with higher levels of disposable income and a wider range of tastes and needs, give Lulu Retail the opportunity to analyse a growing customer base and provide a varied range of products, drawn from its extensive local and global supply chain, at premium and value price points, include private label. The Company operates multiple retail formats and e-commerce channels, enabling customers to choose the shopping experience that best suits their needs while supporting sustainable growth for the business.

Rapid Infrastructure Development

The GCC infrastructure market size is estimated at USD 41.10 billion in 2025, and is expected to reach USD 54.20 billion by 2030, in line with the declared vision of GCC countries. Government-driven diversification agendas, large-scale public funding, and broad economic liberalisation are sustaining this trajectory. New construction dominates activity because of abundant land, smart cities and incentive structures that reward greenfield approaches over retrofits.

The GCC's smart cities integrate advanced technologies with sustainable urban planning. These initiatives aim to enhance the quality of life, promote economic diversification, and address environmental challenges. Smart cities leverage technologies like Artificial Intelligence (AI), the Internet of Things (IoT) and robotics to create efficient and sustainable urban environments.

How Lulu Retail Responds

Lulu Retail's store network is strategically located in high-value catchment areas, informed by detailed socio-economic and geographic analysis. The current Portfolio of 123 hypermarkets, 118 express stores and 26 mini markets, is located across six countries in the GCC and given the rapid infrastructure development in the region, the Company will be continuing an active store rollout programme, particularly in the UAE and the KSA. In tandem, Lulu Retail is advancing its digital transformation to strengthen supply and delivery capabilities, drive operational efficiencies, and enhance the customer experience.

GDP Growth in the GCC Region

90.0%

Estimated urbanisation rate in the GCC region in 2050 compared to 87% in 2019

A Growing and Diverse, Young Population

The diverse, young and typically urban population of the GCC countries reached approximately 61.2 million by the end of 2024, an increase of 3.6%, more than 2.1 million people, compared to 2023. The population has increased by approximately 7.6 million people since 2021, or 14.2 percent, reflecting the resumption of population growth at an accelerated pace after the slowdown experienced by some countries during the pandemic and also to the ongoing influx of expatriates. The total male population reached approximately 38.5 million, while the number of females reached approximately 22.7 million. The greater proportion of males is attributable to the high level of immigrant workers.

How Lulu Retail Responds

Lulu Retail's strategy is to be close, and remain close, to our customers, understand their lifestyles and buying behaviour, as well as their current and likely shopping habits and preferences. This is challenging given the dynamic nature of the GCC population but the Company's successful Happiness Loyalty Programme is an invaluable platform, not just for incentivising loyalty, but for capturing data, customer profiling and devising optimal product offerings, promotions, store formats, locations, and interactive tools. The relatively young population in the region demands speed, choice, convenience and value. Lulu Retail has invested in the teams, technology and resources needed to deliver the products and experiences that customers demand.

The Company provides a wide assortment of products that match the varied needs of customers and make their specific shopping missions successful. Lulu Retail's e-commerce experience and latest technology and fashion products succeed in attracting the younger segment.

E-Commerce

Gulf's rapid digital transformation and accelerating adoption of Artificial Intelligence (AI). All GCC countries now boast advanced telecom networks, with 5G coverage exceeding 90%, high-speed internet, and affordable connectivity. Significant investments in data centres and high-performance computing systems are driving AI readiness, with Saudi Arabia and the United Arab Emirates emerging as regional and even global leaders. Their progress is supported by vibrant startup ecosystems, strong venture funding, and government integration of generative AI applications.

The GCC e-commerce market size reached USD 584.8 billion in 2025. The market is expected to reach $2,081.1 billion by 2034, exhibiting a growth rate (CAGR) of 15.15% during 2026-2034.

Yet the penetration of e-commerce in the GCC still trails the rest of the world. The UAE has 11.4% and the KSA 7.3% as retail e-commerce versus 21.9% across the world, implying a significant upside as omnichannel and delivery services advance.

How Lulu Retail Responds

Lulu Retail is rapidly scaling its e-commerce and quick-commerce capabilities, building on a strong and increasingly engaged digital customer base. While online revenue currently represents a modest proportion of Group sales relative to some peers, the business has made significant progress over the past two years, developing a robust and scalable digital platform alongside its core physical retail strength. We are using stores increasingly as fulfilment centres to capture a larger segment of the urban population and we will continue this process over the coming years as part of our inhouse e-commerce development.

To accelerate reach and convenience, Lulu Retail has established strategic partnerships with leading aggregators, including Amazon in the UAE, HungerStation in the KSA, Snoonu in Qatar, and Talabat across the GCC, complementing its own digital channels. Supported by the continued expansion of the Group's loyalty programme and strong adoption among a young, tech-savvy demographic, Lulu Retail's e-commerce and quick-commerce operations are now entering a phase of rapid and sustained growth.

Outlook for Lulu Retail

The GCC and the largest economies of the UAE and the KSA, are set to continue rapid growth. This is an ideal environment for Lulu Retail to capitalise on its current leadership position, capabilities, resources, retail knowledge and brand strength. The advancing infrastructure in the region, as well as connectivity, combined with a rising population with higher household income, gives Lulu Retail an ideal opportunity to expand its store network and e-commerce services.

The GCC countries, including the economies of the UAE and the KSA, are set to continue rapid growth.

Sources: Central Bank of the UAE, The Gulf Entrepreneur, the IMF, Oxford Economics, Qatar News Agency, World Bank

Business Model

Creating Value for Our Stakeholders

Local retail expertise

- Understanding local market needs and trends
- Trusted government relationships across the GCC

Swift decision-making

- Flat organisational structure and entrepreneurial culture
- Regional and store autonomy allowing local decision-making

Scale and reach

- Diverse, extensive SKU base for all local socio-economic groups
- Highly integrated, local and global supply chain

Format flexibility

- Multiple formats in urban, suburban and rural locations
- Own e-commerce channels and world-class third-party partners

Lulu Retail delivers for stakeholders by leveraging four key competitive advantages – local retail expertise, swift decision-making, scale and reach, and format flexibility. These core characteristics define Lulu Retail's approach and continue to enable the Company to maintain, and extend, its market leadership within the GCC.

The business model enables Lulu Retail to respond quickly and effectively to a dynamic market and deliver sustainable growth.

▶ See How We Work for more on our value chain.

Our Assets and Capabilities

Brands and trademarks

The Lulu Retail brand and a suite of Group brands are core to our business and have very high penetration across our markets. With 1,894 trademarks across 32 countries, we protect and expand the Lulu Retail brand and family of brands globally.

Our trademarks strengthen brand recognition and foster long-term customer loyalty. Their commercial impact is captured in the performance of our private label range, which represents 29.8% of Group sales.

Capital

Lulu Retail has historically financed like-for-like growth and store expansion primarily through funds generated through our retail operations. We have a prudent and healthy leverage position with a net debt/EBITDA ratio, post leases, of approximately 1.1x.

Digital

Lulu Retail deploys digital technology, and increasingly AI, in order to:

- understand our customers and give them the retail experience they want;
- support our local and global sourcing of products;
- make our supply chain and retail operations more efficient and cost-effective;
- and provide our central management functions with improved insights and powers of execution.

Physical Infrastructure

Over many years of investment, Lulu Retail has created an extensive network of 267 well positioned retail stores with a selling area of 1.38 million sq mt, 21 strategically located distribution centres covering 430,000 sq mt, offices in the GCC and around the world, as well as a vehicle fleet and logistics operations. We have also established a successful and scalable management system with central administrative discipline combined with local autonomy, to ensure that we operate our network of stores and facilities in an efficient and cost-effective manner.

Our Assets and Capabilities

Sustainability

At Lulu Retail, we continue to embed sustainability into every part of our global operations, ensuring that responsible practices strengthen our resilience and enhance the value we create for customers, employees, suppliers, and communities. In 2025, we accelerated our efforts across climate action, workforce wellbeing, ethical governance, and responsible sourcing, supported by stronger data systems, enhanced regional capabilities, and deeper stakeholder engagement.

In 2025, governance oversight was further strengthened through the establishment of the Sustainability, Strategy and Investment Committee, ensuring strategic alignment of ESG priorities.

▶ See ESG Summary/Environment

Suppliers and Partners

Our ability to consistently deliver the experience expected by our 680,000+ daily shoppers depends on the reliability and effectiveness of our supply chain, which is fundamental to the Group's success. Lulu Retail works with a wide network of suppliers, each selected for alignment with our values and commitment to quality, reliability, and customer trust. As a key account for most of our major suppliers, we benefit from deep collaboration and scale advantages, enabling long-term partnerships — reflected in an average supplier relationship of approximately 20 years.

Employees

Our people are fundamental to our success. We now have a workforce of over 52,000 people from 46 countries. Although we are a leading retailer in the GCC, we behave as a family business, upholding values of integrity, respect and service. Lulu Retail staff are on the retail frontline, representing our brand, while colleagues, in sourcing, marketing and administration, work hard to ensure we maintain our leading role in retail across the region. In line with our policies, we are strengthening female and local representation, creating broader career pathways, and investing in training and development across the organisation.

▶ See How We Work for more on our value chain

Growth Strategy

Four Key Growth Levers

Lulu Retail has four, well-established growth levers, which enable the Group to meet the needs of a dynamic market and create value for our stakeholders. The success of this strategy is attributable to our deep understanding of customer profiles and preferences, our capacity to develop innovative store formats, products and services, and our continuous drive for operational efficiency.

Driving Like-for-like Growth in Existing Stores

New Store Rollouts

Improving Operational Efficiencies and Scale-driven Leverage

Exploring Further Upside Opportunities

Driving Like-for-like Growth in Existing Stores

We focus particularly on the organic growth of our existing stores. Our knowledge of the buying behaviour and preferences of our customers enables us to determine how to diversify our product range, launch and enhance our private label offerings, and improve the in-store experience.

Our global and local product sourcing and long-term supplier relationships give us almost unlimited choice of what to offer customers within a dynamic, fast-moving market environment.

We drive like-for-like growth through customer profiling, carefully-executed product positioning, dedicated shelves for organic, vegan and plant-based products, in-store dining areas, imaginative promotions and seasonal events, and through our highly successful Happiness loyalty programme, which had 8.4 million members at the end of 2025.

Focus Areas

- Grow and enhance private label offering
- Broaden international product range
- Enhance in-store experience
- Expand online partnerships
- Expand Happiness loyalty programme
- Grow average basket size

KPIs

2.3% Like-for-like revenue growth

20 New stores

248 Million footfall during 2025

8.4 Million loyalty programme members

USD 5,624 Sales per sq mt

USD 30.6 Average basket value

29.8% Of total retail revenue are private label sales

Performance in 2025

In a growing yet competitive multi-channel market, Lulu Retail succeeded in growing like-for-like revenue by 2.3% in 2025, driven by a strong performance in the large markets of the UAE and the KSA, by staying close to customers and innovating across our formats and e-commerce channels.

High margin private label sales increased 4.3% year-on-year and represented 29.8% of retail revenue. E-commerce delivered strong momentum, growing 38.6% year-on-year and accounting for 6% of retail revenue. Our loyalty programme reached a membership level of 8.4 million members, who contributed relatively larger basket sizes and 66.8% of total sales.

Focus Areas for 2026

We will increase the use of AI for pricing, assortment and promotion to increase the average basket size while providing more savings for our customers. We will continue to leverage data to enhance loyalty and maintain the momentum of our fast growing E-commerce activities. Lulu Retail will invest in our department stores to give customers more choice and a better experience to stimulate more frequency.

We will introduce more new private label products across the value, mid-segment and premium categories, and develop the quality and range of our fresh food through better supply chain control, partnerships with farms and improved merchandising.

New Store Rollouts

New store openings remain a core driver of Lulu Retail's growth trajectory. The Group has a long and proven track record of executing regular, rapid store launches across the GCC, with a particular focus on the KSA and the UAE markets supported by strong population growth, rising GDP, and increasing disposable incomes.

Lulu Retail's leadership and management team brings deep expertise in store network expansion, enabling disciplined yet agile execution. The Group's expansion strategy targets both urban and underserved markets, including upcoming residential developments as well as Tier 2 and Tier 3 cities, where clear white-space opportunities exist in high-footfall catchment areas. Leveraging a strong network of local and government partners, Lulu Retail carefully selects locations and formats and frequently adopts an asset-light approach, allowing for fast, capital-efficient rollouts.

Focus Areas

- Utilise GCC whitespace potential
- Expand into urban and rural areas
- Gradual shift to asset-light stores
- Partner with key government entities
- Continue track record of store rollouts
- Increase focus on express stores

KPIs

123
Hypermarkets

20
Number of new store openings

72,926 sq mt
Retail space additions

118
Express stores

26
Mini markets

Our store rollout process comprises five stages:

1. City/location selection
2. Evaluation of premises to determine the format of a store
3. Financial appraisal based on projected revenue, payback period and net present value
4. Negotiation of lease terms with potential landlords
5. Fit-out of the store, recruitment of personnel and marketing

Performance in 2025

Lulu Retail rolled out 20 new stores during the year, including six new hypermarkets and 11 express stores. 11 stores were opened in the UAE and seven in the KSA, including new stores in the holy cities of Makkah and Al Madina.

Focus Areas for 2026

We will continue to identify locations that meet our geo-demographic criteria and use our unique market insights, as well as relationships with developers, landlords and local authorities, to roll out new stores. Across the GCC we will evaluate new urban and rural sites; in the UAE our focus remains on express formats; while in the KSA and other markets, we will deploy express stores and hypermarkets.

We will continue to work closely with strategic partners to secure access to high-quality locations. In parallel, we will pursue selected asset-light store openings to reduce capital expenditure, accelerate time-to-market, and improve cash flow conversion.

Improving Operational Efficiencies and Scale-driven Leverage

As Lulu Retail grows like-for-like revenues and expands its store network, we are equally focused on improving operational efficiency and capturing the benefits of scale. We are driving a series of centralisation and simplification initiatives across sourcing, logistics, store operations, and head office functions to create a leaner, more efficient operating model.

Our scale enhances purchasing power, optimises distribution and fleet efficiency, and enables fixed costs to be absorbed more effectively. In parallel, we are deploying digital and AI-enabled tools to automate processes, improve inventory and logistics management, and enhance in-store productivity. Together, these initiatives ensure that growth is supported by sustained improvements in cost efficiency, productivity, and competitiveness.

Focus Areas

- Leverage scale in order to drive margins
- Enhance store efficiencies
- Enhance automation through technology
- Strengthen partnerships with suppliers
- Centralisation initiatives
- Data analytics through Centre of Excellence

KPIs

USD **7.9** Billion revenue

USD **204.5** Million net profit

USD **782.2** Million EBITDA

9.86% EBITDA/Revenue

Progress in 2025

Lulu Retail implemented a comprehensive set of initiatives designed to enhance operational efficiency, optimise costs, and strengthen the Group's competitive positioning across the GCC.

We invested in our logistics and distribution network, improved efficiencies, reduced wastage and optimised inventory turnover. The Group undertook store level efficiency initiatives and continued with centralisation and automation initiatives in operations as well as finance, HR, IT, and marketing functions.

We continued to identify opportunities to source products directly rather than through intermediary traders and through rigorous assessment of cost, quality, and risks, enabling us to reduce costs.

Focus Areas for 2026

Lulu will scale up AI powered forecasting and replenishment capabilities across its store and distribution network. This will optimise inventory levels, reduce excess stock, improve planning efficiency and accuracy, automate routine processes and generate data-driven insights for demand forecasting.

Our Centre of Excellence in Bangalore is developing standardised analytics frameworks, dashboards, and insights across business functions, while adopting AI and advanced data analytics to inform operational, commercial, and financial decision-making.

Lulu Retail will continue to improve store productivity, increase customer order frequency, improve the delivery experience and drive efficiency across our network.

Furthermore, our centralisation strategy will further consolidate our support functions and create a unified operational model across all GCC markets.

We increased the number of our self-checkout stores from 98 in 2024 to

122

Our shift to an asset light model reduced Capex as % of sales to

1.7%

Exploring Further Upside Opportunities

The two key areas for further rapid growth are private label and E-commerce.

Our private label products allow us to provide customers with premium quality offerings at affordable price points, and we have been developing our range in an innovative manner, responding to the tastes and preferences of our customer base. We allocate space within our stores for private label, on growth categories, according to customer demand.

In parallel, Lulu Retail is scaling its e-commerce and quick-commerce operations by integrating its core hypermarket capabilities with digital channels. The Group is expanding its online assortment across its website, app, and third-party platforms, giving customers greater choice of products and shopping channels while delivering the breadth of a hypermarket within meaningful delivery timelines.

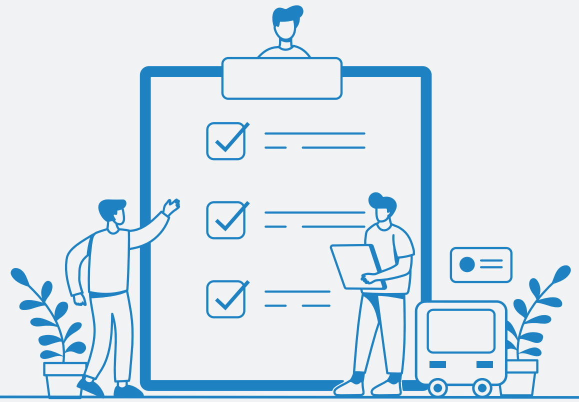
To support this value proposition, Lulu Retail has significantly strengthened its fulfilment infrastructure, rapidly increasing the number of stores enabled to fulfil online orders and scaling quick-commerce capabilities to improve speed, coverage, and service reliability.

Focus Areas

- Margin growth through private label
- Introduce new products and categories
- Expand omnichannel presence from both own and third-party channels
- Enhance Lulu Retail app experience
- New strategic partnerships
- Expand coverage of Happiness loyalty programme

Strategy to Drive Private Label Growth

1. New product lines and categories
   - Identification of gaps
   - Product innovation
   - Selection of suppliers
   - High-quality yet affordable offerings
2. Shelf-space expansion
   - Ensure prominent placement in store displays to attract attention
3. Marketing and promotional initiatives
   - Periodic promotions to stimulate trial and repeat purchases
   - Bundling of products to upsell
   - Leveraging on loyalty to push private label products



KPIs

38.6%
Growth in E-commerce sales year-on-year

29.8%
Private label sales as percentage of total retail revenue

USD m 451.1
E-commerce revenue contribution

USD bn 2.26
Private label sales contribution

Progress in 2025

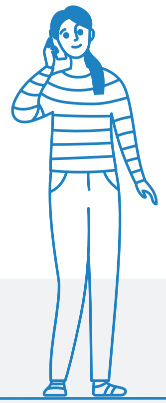
During the year, Lulu Retail focused on the growth of our e-commerce channels and we developed our capabilities, prioritised customer adoption, network expansion, and faster fulfilment models, as well as increasing our omnichannel-enabled stores to 129. We grew Gross Merchandise Value (GMV) by 83%, orders by 134%, the number of transacting users on the platform by 366%.

We also launched quick commerce with 40-50 minute order fulfilment across 129 express format stores in 2025, establishing competitive fast-commerce capabilities. We continued our investment in latest technology infrastructure, including in our India-based Centre of Excellence, enhancing platform scalability, performance, and operational agility to support rapid growth trajectory and improve customer experience in the Lulu Retail app and website.

Focus Areas for 2026

Looking ahead, Lulu is committed to accelerating its E-commerce capabilities through significant investments in quick commerce infrastructure, advanced technology platforms, and enhanced last mile delivery operations. The company is also building a scalable organisational framework with dedicated execution teams across markets to drive faster growth and deliver a seamless online shopping experience across the GCC.

For our loyalty programme, we will continue to drive deeper personalisation, expand strategic partnerships and leverage consumer insights to increase basket sizes. The programme's growing repository of data also positions Lulu Retail to unlock the full potential of the new revenue streams in retail media and data monetisation.



Strategy in Action

Lulu Retail's new hypermarket in Al Satwa

As part of our 2025 store opening programme, Lulu Retail opened a hypermarket, its 252nd, in the leafy crowded area of Al Satwa, Dubai. We selected the site based on the ongoing growth of local residents, their increasing disposable income, and visitors to the area. The state-of-the-art store spans 62,000 square feet and provides the area with a global shopping experience, featuring an extensive collection of both locally sourced and international products. The store offers a wide variety of categories, including groceries, fresh food, meats and fish, bakery items, dairy, pizza and snacks, hot food stations, roastery, health and beauty products, electronics, IT goods, home appliances, and more.

The Al Satwa store serves a densely populated, multicultural neighbourhood in central Dubai, strategically positioned to cater to a predominantly expatriate community seeking an affordable, large assortment of products. With its proximity to major business districts like DIFC and Downtown Dubai, the store serves a diverse catchment of working families, young professionals, and small business owners.

Lulu Retail's new hypermarket in Makkah, the KSA

Following the opening of a new store in Madinah, Lulu Retail opened a hypermarket in the Al Rusayfah district of Makkah. The new Lulu Retail store, which spans a total built-up area of around 160,000 square feet, is designed to offer a seamless and easily navigable shopping experience, catering to the diverse needs of residents and visitors, with a well-curated selection of daily essentials, fresh food, and departmental offerings. The new store has an exclusive dining area, providing a comfortable space for shoppers, and features a well-designed layout inspired by the city's cultural and architectural essence.

Successful Launch of Lulu Retail's New LOT Format

Responding to heightened consumer price sensitivity and demand for affordable everyday essentials, Lulu Retail opened our new LOT store-in-store value format in 2025.

Through LOT, which is typically a store-in-store concept, we repurpose our department stores to offer a curated, affordably priced range to cater to the value segment of our customer base.

The majority of the products in LOT are priced below AED 19 (UAE) and SAR 22 (Saudi Arabia) and deliver accessible quality without compromising standards.

LOT was named the Most Admired Value Retailer of the Year at the RetailME Awards – KSA 2025, held in Riyadh in 2025.

Our New Speciality Egg, Private Label Range

United Arab Emirates (UAE)

How Lulu Retail moved beyond merely gap-filling national brands at a lower price by introducing value-added features under our own brand, to position eggs as vitamin supplements rather than just a standard ingredient.

The Challenge

In the retail sector, eggs are a high-volume staple but typically low margin. The egg aisle is often overwhelming and undifferentiated, dominated by price wars.

UAE shoppers are increasingly cholesterol-conscious yet protein-dependent. There is a specific demand for clean protein that supports immunity and heart health, but scepticism exists regarding the safety of raw eggs (salmonella risk).

There is a lack of affordable, superfood eggs that bridge the gap between standard table eggs and expensive niche organic brands.

The Solution

We launched a segmented private label range transforming eggs from a basic grocery item into a functional health supplement, and launched five products addressing consumer concerns about safety, immunity and heart health.

- Pasteurised white eggs are bacteria-free and safe for raw use, and suit fitness enthusiasts and families worried about salmonella.
- Selenium and Vitamin eggs for post-pandemic shoppers focused on antioxidant intake and immune support.
- Omega-3 and Vitamin D eggs for lifestyle shoppers concerned about heart health and vitamin D deficiency, often the case in the GCC.

Strategic Execution

Unlike competitors who focus solely on farm freshness, we focused on clinical benefits and developed eye-catching, category-leading packaging that proudly showcases essential nutrients and where they come from. All variants are marketed as “100% Vegetarian Fed”, distancing the product from industrial animal-meal feed, a common concern in the region.

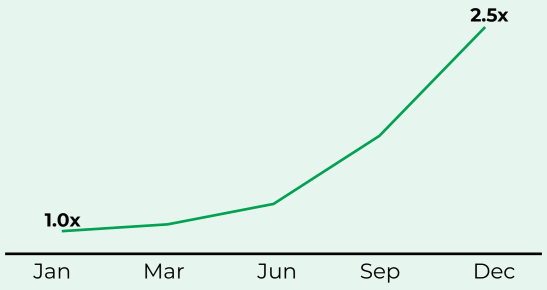
Leveraging the “Al Emarat Awwal” (UAE First) initiative, we sourced these eggs locally to stress freshness and from technically advanced farms to reinforce the pasteurised, safety claim.

Results

We increased the average basket value of the egg category and fostered loyalty because consumers prioritising family health rarely switch back to generic eggs. The launch aligned with the UAE government’s drive for food security and the post-2020 consumer shift towards preventive healthcare products.

Lulu Retail's Accelerating E-commerce

In 2025, Lulu Retail undertook a focused effort to scale its e-commerce business while laying the foundation for a long-term omnichannel model, which positions the business to compete effectively against rapid-scaling quick commerce platforms and other digital players that are intensifying competition across the GCC retail landscape.



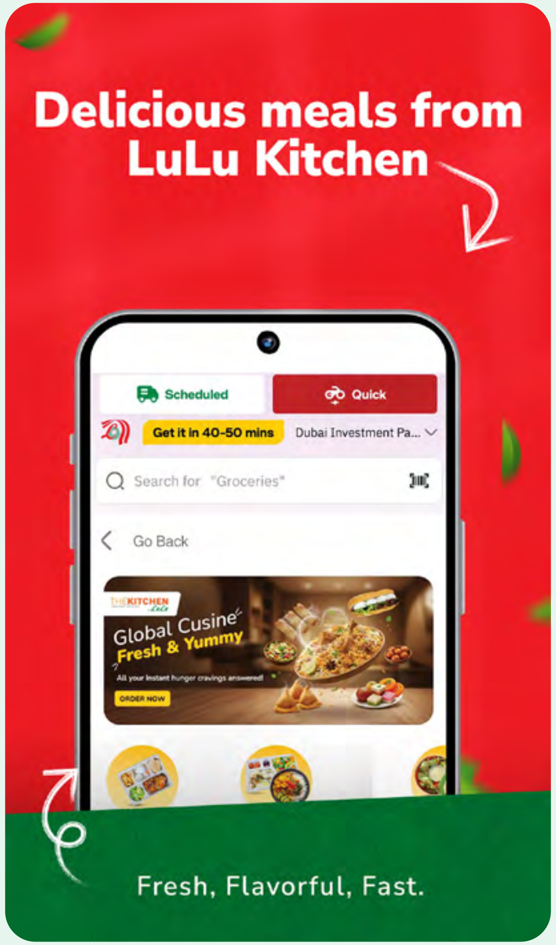
Progress in 2025

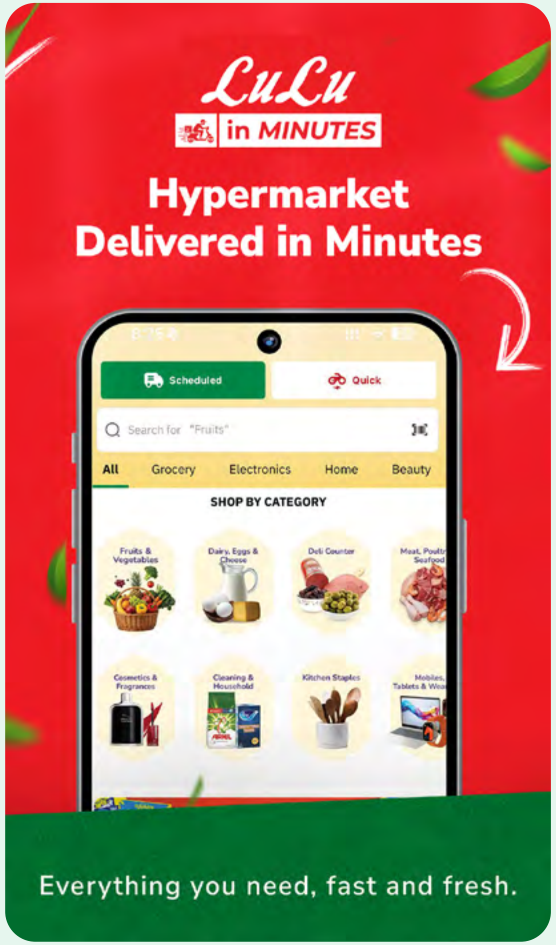
The year was designed as a scale and capability-building phase, prioritising customer adoption, network expansion, and faster fulfilment models.

E-commerce represents 6.0% of total retail sales in 2025, demonstrating accelerated channel shift and growing customer preference for digital shopping experiences. Lulu's own e-commerce channels have shown remarkable growth in 2025 compared to 2024: Gross Merchandise Value (GMV) grew 83%; the number of orders grew 134%; transacting user on our platform grew 366%; and the number of omnichannel-enabled stores grew to 129.

In 2025, we extended our e commerce capabilities by launching an assured 40 to 50 minute delivery service across our network of stores, establishing a meaningful competitive position in the rapidly growing GCC quick commerce market.

We continued our investment in latest technology infrastructure, enhancing platform scalability, performance, and operational agility to support our rapid growth trajectory and improve customer experience on our app and website.





Lulu Retail's New Wisepick Private Label Range

How Lulu Retail did more than just make affordable versions of standard products: we changed the format, from a 1L bottle to a 5L can and from a pack of ten garbage bags to a 2kg roll. This prevents direct price comparison and created a unique value proposition, industrial economy for the home or small business owner.

The Challenge

In the GCC, two distinct shopper groups were underserved by standard retail sizing: large families (often with domestic help) and small businesses, such as cafeterias, offices and cleaning companies, who need bulk supply but are forced to make high-frequency purchases leading to plastic waste by having to buy standard 500ml or 1L retail packs.

The Solution

Lulu Retail created a sub-brand, Wisepick, specifically engineered for high volume and value. Wisepick is a utilitarian value store tier sold within hypermarkets. The name Wisepick inherently suggests smart buying and value for money, and does not have premium label associations. We launched three categories:

- Industrial cleaning – all purpose 5L jerry cans, at a fraction of the cost per litre of a 1L pack, to suit the stock-up shopper.
- Cultural utility – a table sheet (Safra), sold by weight, rather than sheet count, to confer great value for large gatherings.
- Waste management – heavy duty, industrial sized garbage bags, sold by weight to create a perception of unlimited supply, compared to a 20 bag box.

Strategic Execution

Wisepick dominates by winning the calculator war; while the shelf price of a 5L detergent is higher than a 1L bottle, the price per wash is drastically lower. The packaging is intentionally simple (often transparent 5L jugs or basic green/white labelling).

We recognised that small business owners shop in standard aisles so we stocked a cafeteria pack on the retail shelf to capture SME spend that would otherwise go to wholesale specialists.

For table sheets we offered utility rolls for messy family dinners rather than our competitors' expensive, printed, decorated covers.

The Wisepick brand is now firmly established in the home and personal care categories and Lulu Retail plans to move into the food category, so evolving Wisepick from a non-food value brand to a cross-category daily essential brand.

Happiness Programme Value Creation in 2025

Since its full rollout across all six GCC markets in 2024, Lulu Retail's Happiness loyalty programme, with 8.4 million members, has become a powerful engine for valuable customer intelligence, supplier collaboration, and sustainable commercial growth.

The number of our highest value customers, classified within our top loyalty tier, grew by nearly 20%, driven predominantly by the upward migration of existing members into higher spending and higher frequency segments rather than by new acquisitions alone. The earn-and-burn ratio, which measures how actively members redeem the rewards they accumulate, improved meaningfully year-on-year, reflecting a growing perception that our Happiness programme delivers genuine, tangible value.

Active engagement deepened, as evidenced by active Happiness customers (customers who made recent transactions) growing at three times the rate of the overall customer base, demonstrating the programme's effectiveness in converting members into committed, recurring shoppers. Happiness members also demonstrated significantly stronger retention than non-loyalty customers, with notably higher repeat purchase rates across both halves of the year, validating the programme's ability to build lasting customer relationships.

With the successful rollout of the loyalty program across the region, we have laid the foundations for broader initiatives in data monetisation, retail media, and advanced customer intelligence that will unlock new value for both Lulu Retail and our supplier partners.

Plan for 2026

Lulu Retail plans to introduce value-added services on our app to deepen customer engagement, increase transaction frequency, and enhance lifetime value.

We are strengthening our India-based Centre of Excellence capabilities to drive continuous improvement in e-commerce operations and technology capabilities.

Using the scale and infrastructure established in 2025, we will focus on improving store productivity, increasing customer order frequency, improving the delivery experience and driving efficiency across our expanded network.

Stakeholders

Lulu Retail's success and growth is based on an enduring commitment to serving the needs of all our stakeholders, giving our customers a better retail experience, providing an open culture and career development for employees, having mutually-beneficial, long term relationships with our supplier partners, serving our shareholders, and playing an active and positive role in the community.

Stakeholders	Engagement Channels	What Stakeholders Want	What Lulu Provides	Key Performance Indicators
Customers	• Customer happiness centres for direct customer feedback • Website and social media platforms • Emails • Dedicated telephone lines for direct engagement with team members	• Product choice and quality at competitive prices • Instore experience • Reliability and speed of delivery • Online experience • Customer satisfaction	• A wide range of quality products through our sourcing network in 85 countries • A rapidly developing omnichannel capability with the 2025 launch of quick commerce, the fast delivery of fresh food products • A growing range of innovative private label products that deliver value and answer the needs of specific consumer segments • The Happiness loyalty programme that gives members offers, privileges and convenience	**Number of customers** **Basket size** **Customer satisfaction** **Loyalty programme members**
Employees	• Company meetings • Internal communications channels • Enterprise social network • Training sessions	• Career progression • Open communication lines • Work/life balance • Job security • Pay reviews	• A safe and friendly working environment with an emphasis on employee wellbeing • Training and development programmes • 24/7 communication lines • Attractive employment packages with regular reviews • Equality and inclusion	**Employee satisfaction** **Retention** **Productivity**

Stakeholders	Engagement Channels	What Stakeholders Want	What Lulu Provides	Key Performance Indicators
Suppliers	• Regular meetings • Joint initiatives • Third-party surveys • Joint news releases	• Long term, profitable relationships • A collaborative approach towards product development and pricing • Alignment with sustainability goals and practices	• Mutually-beneficial, long term relationships • A clearly defined business development agreement, identifying commercial and payment terms • Collaborative inventory management to optimise stock levels, enhance supply chain efficiency and minimise costs • Joint marketing campaigns to maximise sales • Joint sustainability drives focused on responsible sourcing, energy efficiency and environmental stewardship, aligned with national agendas • Feedback from our customers to help them refine and develop products	**Number of suppliers** **Number of products** **Length of relationships**
Shareholders	• Regular investor conferences – Full, best practice disclosure and announcements on the Company's website and ADX • Quarterly earnings calls, investor days and roadshows	• Financial performance • Dividend • Share price • Strategy and outlook • Market overview • Growth prospects	A clear growth strategy and robust business model designed to deliver year-on-year earnings growth A dedicated Investor Relations team gathering feedback, providing helpful information and addressing any concerns Quarterly earnings calls Regular announcements Best practice corporate reports and presentations A targeted total payout ratio of 75% of annual distributable profits after tax, paid semi-annually	**Share price** **Dividend** **Dividend yield**
Community	• Central office and local store contacts • Corporate website • Regular activities and events	• Community engagement and CSR initiatives Local project funding • Product sourcing	• An extensive programme of CSR initiatives, including social welfare, educational support, natural disaster relief, and health campaigns In 2025: • USD 1.14 million in donations and sponsorships • Lulu Walkathon, with 23,000 participants, organised for the 13th year, in Dubai • The Al Emarat Awwal initiative, supporting UAE-manufactured products and the UAE's agricultural sector • Participation in the "Make it in the Emirates" campaign • Walk to Mars challenge, inviting customers to contribute to covering 54 million kilometres collectively	**CSR spend** **Community feedback**

CFO's Review

Mr. Prasad KK
Chief Financial Officer

Financial Performance

2025 revenue grew to USD 7.9 billion, up 4.1% year-on-year and in accordance with our growth strategy, we grew like-for-like by 2.3%, with a strong performance in the fresh category, developed more higher margin, private label products, grew our loyalty programme to 8.4 million members (representing 66.8% of total sales), opened a further 20 stores, improved operational efficiency through digital transformation, and increased e-commerce revenue by 38.3% year-on-year.

Across the six GCC countries where we operate, rising consumer demand supported performance. While Lulu Retail faced competitive pressures, particularly from value players, we navigated these effectively through our strong brand recognition, a robust and growing private label portfolio, extensive product range, high service standards and loyal customer base.

We grew revenue in the UAE, our home market representing 36.8% of our total revenue, by 6.4% and achieved growth of 2.7% in the KSA, a competitive market. Oman, Qatar and Kuwait also performed well, supported by like-for-like growth and the increase in e-commerce penetration.

Lulu Retail demonstrated retail leadership in FY2025, expanding our product range, store network and e-commerce channels to serve our growing customer base, delivering record revenue, high cash conversion and recommending a full-year dividend of 7 fils per share.

USD **205** million
Net profit for FY2025

1.1x
Net Debt to EBITDA in FY25

USD **196.9** million
total 2025 dividend

10 %
net profit growth of FY2026

We invested in store expansion and refurbishment, supply-chain and logistics infrastructure, and digital and technology platform, and aligned our capital expenditure of USD 134.1 million, 1.7% of total revenue, with our allocation framework and our transition to an asset-light model.

Net profit for FY2025 was USD 205 million (AED 753 million), compared to USD 216 million in FY2024. The year-on-year decline reflects the operating costs associated with our accelerated store expansion programme, including higher rental and staff costs from the 20 new stores opened during the year, the majority of which were in the ramp-up phase and not yet contributing at full profitability. Notwithstanding this, the FY2025 net profit outcome exceeded the guidance we provided at the time of our third-quarter results, reflecting the underlying resilience of our business model. As the new store portfolio matures and our cost optimisation initiatives take effect, we are confident in delivering net profit growth of 10% in FY2026.

Net Debt to EBITDA remained stable at 3.2x during FY25 as compared to FY24. Post leases, Net Debt to EBITDA improved from 1.3x in FY24 to 1.1x in FY25, supported by operating cash flows and prudent cash management. Cash conversion improved, driven by lower Capex on account of smaller new store formats and enhanced operational efficiency.

In this context, FY2025 results demonstrate the robustness of our business model and the strength of our growth levers, positioning the Group well for the years ahead.

Dividend

For H2 2025, the Board of Directors has recommended a dividend of $98.4 million, equivalent to 3.5 fils per share, reflecting Lulu Retail's commitment to delivering shareholder returns while maintaining financial flexibility to support future growth. This brings the total 2025 dividend to USD 196.9 million, or 7 fils per share.

Outlook

Looking ahead, our focus will be on delivering revenue growth of 4-5% and net profit growth of 10% during FY2026, supported by supportive macro tailwinds, disciplined execution and selective expansion. Revenue growth will be driven by like-for-like sales growth, new store openings, expansion of our e-commerce and private label offerings, and ongoing initiatives to enhance customer experience and basket size. Margin improvement will be driven through supplier income optimisation, wastage reduction, improved inventory management, and a range of cost optimisation measures that enhance process efficiency and support higher net profitability. During the year, we plan to open 18-20 new stores, while continuing to scale our e-commerce channels as an increasingly important contributor to growth. Together, these priorities position the Group to deliver profitable growth while strengthening the quality and sustainability of earnings.

Business Review

Mr Ashraf Ali MA
Executive Director, Global Operations

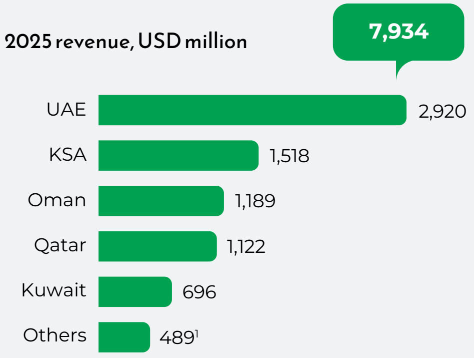
Growing Our Store Network and Our Channels across the GCC

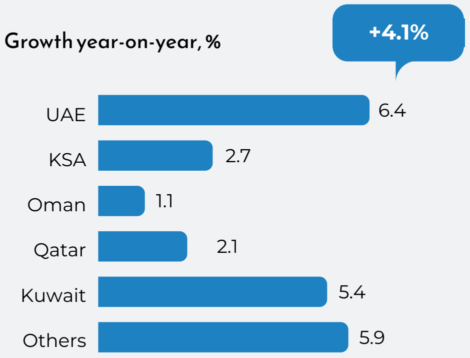
In tandem with the GCC's rapid economic growth and diversification from the oil and gas sector, Lulu Retail powered ahead in 2025 with increased revenues from existing stores, new store openings, improved operations and digital transformation. Existing stores improved availability and freshness, optimised assortments to reflect local customer preferences, and strengthened in-store execution and standards. High margin private label accounted for 29.8% of total revenue. More effective and targeted promotional activity, together with the contribution from e-commerce channels, improved like-for-like performance across the existing store base.

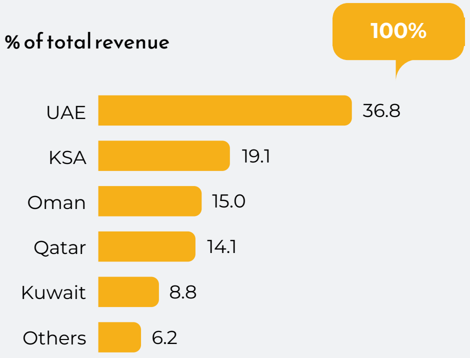
The Group continued its selective store expansion strategy, opening six hypermarkets and 11 express, convenience-format stores, adding approximately 72,926 sq mt of retail space. New stores were launched in carefully chosen locations aligned with demand and catchment potential, with a strong focus on efficient formats, faster ramp-up, and consistent operating standards. These openings strengthened our market presence while remaining aligned with profitability and investment return objectives.

Operational performance improved during the year through a continued focus on standardisation, efficiency, and cost discipline across the store network and supply chain. Key initiatives included tighter process controls, better inventory management, productivity improvements, and increased use of technology to support daily operations. These actions helped improve consistency, reliability, and overall operational effectiveness across markets.

In tandem with the GCC's rapid economic growth and diversification from the oil and gas sector, Lulu Retail powered ahead in 2025 with increased revenues from existing stores, new store openings, improved operations and digital transformation.







We continued to enhance in-store execution and the integration of digital touchpoints. We improved store standards, layouts, and product presentation, expanded assortments to better reflect customer needs, and introduced self-checkout in selected locations to improve ease and efficiency. Our Happiness loyalty programme attracted 2.9 million new members during the year, bringing the total to 8.4 million.

Lulu Retail launched our LOT store-in-store format focusing on value offerings and now have 32 stores across the GCC.

E-commerce continued to scale across markets, delivering topline growth of 38.6% year-on-year. We improved our fulfilment capabilities, last-mile execution, and closer integration with store operations, with 129 stores now operating as fulfilment centres. We strengthened order processing, picking efficiency, and delivery reliability, while also delivering significant improvements to the customer app to improve usability, stability, and user experience. These initiatives increased service levels and allowed a growing role of e-commerce within the overall business.

We also developed our sourcing centres, which play a critical role in ensuring range depth, quality, and competitiveness across markets. Our newly opened centres in Canada and Poland became fully operational, further enhancing our global sourcing footprint. At the same time, approximately 80% of our products are sourced locally, reflecting the strength of our long-standing relationships with regional suppliers. Together, these capabilities supported consistent availability, cost efficiency and scale benefits across the business.

Country performance

Our stores are spread across six GCC countries enabling us to maximise our growth potential, while spreading our risk. The UAE remains our largest market where we are consolidating our leadership. The KSA has considerable growth opportunities but is a highly competitive environment in which we focus on e-commerce and operational excellence as well as new stores. In Qatar, we position as the preferred retailer with a diverse offering. In Oman we are increasing our product range, we opened our flagship store, a 4,500 sq mt hypermarket, in the Avenues Mall, Bahrain and we are growing revenues from stores and e-commerce in Kuwait.

Priorities for 2026

Looking ahead, our focus will be on further improving execution across the store network while scaling operations to support growth. Key priorities include enhancing store productivity, strengthening omnichannel fulfilment, leveraging loyalty-led insights, and adopting more data-driven buying and merchandising decisions to improve execution and relevance. These efforts will drive operational efficiency, support a more consistent customer experience, and enable sustainable growth across our markets.

[1] Includes Bahrain, Sourcing centers and others.

United Arab Emirates

Lulu Retail is the second largest grocery retailer, generating the most sales per sq mt, in the UAE and the largest retailer in Abu Dhabi, based on total retail sales. The Group's first store was opened in Abu Dhabi in 1974, and it has grown to a network of 116 stores in the country, in tandem with the rapid and continuous economic and social development of the country. The expansion of the store network, and more recently e-commerce channels, have provided a blueprint for expansion elsewhere across the GCC.

Lulu Retail strengthened its market position in the UAE, our home market, during 2025, and grew revenue by 6.4% supported by strong like-for-like growth year-on-year.

The grocery market in the UAE continued its rapid evolution, driven by shifting consumer preferences towards convenience, speed, and seamless omnichannel experiences.

There was strong demand in fresh food and electrical goods categories, and loyalty programme penetration reached 71% of total sales, a similar level to 2024, demonstrating a high level of customer loyalty.

We opened 11 new stores across the Emirates in 2025 and recorded an increase in e-commerce revenue of 43% year-one-year, confirming the success of our digital transformation initiatives.

In 2025, Lulu Retail successfully launched its revamped quick commerce capabilities, given that most stores across the UAE are now equipped for omnichannel fulfilment, with a strong emphasis on express format locations that serve as efficient hubs for rapid order processing and delivery. The Company also strengthened its presence on third-party aggregator platforms, expanding category offerings on platforms such as Talabat and Amazon, to capture a larger share of the e-commerce market.

Our continued focus on operational discipline delivered efficiency gains, supported by improvement in employee productivity and utility cost savings.

Focus Areas for 2026

Our strategy centres on consolidating market leadership while driving profitable growth through operational efficiency and digital and e-commerce expansion. Our local partnerships and collaborations will continue to support Lulu Retail's growth in the UAE.

116
Total no. of Lulu Retail stores in the UAE in 2025

531,427 sq mt
Total selling space, the largest in the UAE

USD **26** billion
Addressable market in the UAE by 2028

5.0%
The UAE's projected real GDP growth in 2026

Source: IMF

Ensuring Freshness from Farm to Shelf

The UAE, our home market, delivered stellar fresh food performance in 2025, with the category growing at approximately 14% year-on-year. Fruit and vegetables led the momentum, complemented by robust growth across meat, fish, delicatessen, bakery, and in-house kitchen categories. This performance reflects our strategic commitment to quality, underpinned by global sourcing capabilities and long-standing supplier relationships built over three decades.

Our vertically integrated supply chain, which integrates direct global sourcing, in-house central kitchens, cold chain logistics, and rapid store delivery, ensures freshness from farm to shelf. In parallel, the rapid scale-up of our e-commerce channels and the launch of quick commerce in UAE further extended the reach of fresh offerings for customers across the Emirates.

The Kingdom of Saudi Arabia (KSA)

Lulu Retail has a fast growing presence in this key GCC market and had 65 stores, express stores, mini markets and hypermarkets, as well as four distribution centres, across the country, as at the end of 2025. We continue to maintain our position as a leading player in the region.

The KSA is the largest market and the GCC and has considerable growth opportunities, although there are strong competitive pressures, both in store and online. Lulu Retail's proven ability to select locations, formats, product ranges and online services that are closest to customers' needs, is enabling the Group to increase its scale and reach in the Kingdom.

65
Total no. of Lulu Retail stores in the KSA in 2025

325,270 sq mt
Total selling space, the largest in the KSA

4.0%
The KSA's projected real GDP growth in 2026
Source: WIMF

Performance in 2025

During 2025, revenue was boosted by the addition of seven stores (four hypermarkets and three express stores) and increased customers visiting our online channels. New stores were opened in locations including Jeddah, Makkah, Madinah, Riyadh, Taif and Dammam.

We continued to grow the number of customers overall and ended the year with 3.3 million loyalty customers. There was particular sales growth in our fresh food departments and electrical goods, and we increased department-store sales volume.

The market landscape remains competitive, with a rapid rise in online and quick commerce, as well as a proliferation of value retailers. In response, the Company developed a dedicated strategic plan for KSA to accelerate customer acquisition through store expansion in high potential catchments and strengthening our own e-commerce platforms.

Leveraging the extensive Happiness programme loyalty data, we offered more value to customers by rolling out personalised, focused promotions. We also adopted margin improvement measures through better supplier negotiations and more effective pricing.

Focus Areas for 2026

The KSA market presents both significant opportunities and intensifying competitive pressures, requiring a multi-pronged strategic response. Store expansion remains central to our KSA strategy, and will include hypermarkets and express stores, based on catchment demographics.

The Kingdom continues to experience intense competition from quick commerce players and value-focused retailers, requiring aggressive digital investment and more value offers for consumers. The evolving consumer landscape is characterised by frequent shopping trips, smaller basket sizes, and heightened price sensitivity; this necessitates smarter promotions and an enhanced private label offering to deliver quality and value for customers.

We will continue to strengthen our own e-commerce platform, while simultaneously expanding partnerships with aggregators, to widen our reach.

USD 48 billion
Addressable market in the KSA by 2028

Opening Stores in the Holy Cities of Makkah and Al Madinah

In 2025, Lulu Retail developed its presence in Islam's two holiest cities, fulfilling Chairman Yusuff Ali's long-held vision to contribute to the development of amenities for pilgrims and residents in Makkah and Al Madinah. Following the Company's 250th store opening in Makkah in 2024, we opened a new 1,676 sq mt express store in Al Madinah to offer a cater to the diverse needs of customers by providing a well-curated selection of daily need essentials, fresh food, and departmental offerings.

The Company also opened a hypermarket in Al Rusayfah, Makkah. It has a total built-up area of 160,000 sq ft, with a 775 sq ft dining area for shoppers, providing more employment opportunities and boosting the local economy.

Oman

Lulu Retail is the largest retailer in Oman, having 32 stores with the highest market share in the region. The Group is contributing to the country's economic growth by investing in store improvements and providing fresh food and premium products, as well as value and private label items that meet the needs of local consumers. The successful Happiness loyalty programme, combined with an engaging store experience, boosts repeat store visits, while Lulu Retail's fast growing e-commerce activities, in partnership with Talabat, provide an increasingly important additional revenue stream.

32
Total no. of Lulu Retail stores in Oman in 2025

227,809 sq mt
Total selling space in Oman

4.0%
Oman's projected real GDP growth in 2026

Source: IMF

Performance in 2025

In 2025, Oman delivered 1.1% revenue growth, driven by increased customer footfall, which was partly offset by a marginal decline in basket value, reflecting a market trend of more value-conscious consumer behaviour. Electrical goods performed well during the year and there was consistent momentum in the wholesale segment.

While like-for-like growth was limited by customers increasingly gravitating towards more affordable product options, we maintained our market-leading position and we opened seven LOT formats, increased our range of private label offerings, and recorded over 590,000 loyalty programme members by the end of the year.

USD 6 billion
Addressable market in Oman by 2028

Focus Areas for 2026

In 2026, our focus in Oman will continue to be on delivering affordability and value for increasingly price-conscious consumers, while continuing to strengthen our margin performance through operational excellence. With Oman's economy poised for accelerated growth under the 11th Five-Year Development Plan, we are well-positioned to leverage our market-leading position to capture opportunities in electrical goods, fresh food, and e-commerce. Our priorities include expanding private label offerings, deepening customer loyalty through the Happiness programme, and extending our omnichannel presence through the development of the Lulu Retail app and website. As the largest retailer in Oman, we remain committed to supporting Vision 2040 through workforce development, local sourcing initiatives, and continued expansion, with a planned new store catering to premium customers.

Winning the Value Shopper in Oman

Oman's market is defined by a price sensitive consumer base of shoppers actively seeking quality at the right price. As new and existing value players intensified their presence and some competitors reviewed their strategies, the market landscape in Oman evolved rapidly during 2025.

Lulu Retail responded by widening our private label portfolio across everyday essentials and fresh categories, offering trusted quality at sharper price points. Simultaneously, we rolled out seven LOT store-in-store value formats to serve the growing demand for affordable home products, fashion, and lifestyle goods. Backed by direct import capabilities and an efficient supply chain in Oman, we continued to pass on the benefits of our sourcing efficiencies to consumers, fostering their loyalty and reinforcing our position as market leader.

Qatar

Lulu Retail has had a presence in Qatar since 2000 and is the largest retailer in the country and has benefited from Qatar's rapid economic development linked to LNG expansion and increases in tourism, most notably during the FIFA 2022 World Cup.

The Company has a network of 24 stores to serve the diverse indigenous, expat and immigrant community, as well as tourists, and offers a wide range of premium and value products, including private label. Providing career opportunities and employee training as well as sourcing from local suppliers, Lulu Retail aligns closely with Qatar's long term goals.

24
Total no. of Lulu Retail stores in Qatar in 2025

6.1%
Qatar's projected real GDP growth in 2026

128,621 sq mt
Total selling space in Qatar

USD 9 billion
Addressable market in Qatar by 2028

Source: IMF

Performance in 2025

Qatar's performance strengthened considerably in 2025, with yearly revenue growth recovering to 2.1% up from the prior year's modest levels. Strong life-for-like sales, driven by broad-based category growth, compensated for the absence of new store openings. Customer engagement deepened further, with the Happiness loyalty programme achieving a substantial annual increase of 29% in membership numbers to 827,981 registered members in 2025.

The Happiness loyalty programme, launched in March 2024, continued to drive engagement with over 75% of sales now linked to loyalty members. These initiatives collectively reinforced Lulu Retail's position as Qatar's preferred retailer, serving diverse customer needs.

Focus Areas for 2026

In 2026, our focus in Qatar will centre on driving like-for-like growth through category excellence, expanding our omnichannel capabilities, and deepening customer engagement through our loyalty programme. With the growth in Qatar's economy, we are well-positioned to leverage our established store network and market-leading position to deliver value. Our priorities align with Qatar National Vision 2030, supporting local sourcing initiatives while meeting evolving consumer demand for convenience, quality, and digital-enabled shopping experiences.

Multi segmented strategy in Qatar

In 2025, Lulu Retail consolidated its market leadership in Qatar through a differentiated multi segment strategy designed to serve customers across all spending tiers. Revenue performance was underpinned by strong LFL growth, with particularly strong contributions from fresh food, electrical goods, and the supermarket division.

To serve the value segment, the Company introduced three LOT store in store formats within existing locations, offering affordable home products, fashion, and lifestyle items. In parallel, Lulu elevated its premium proposition by drawing on its global sourcing capabilities and broadening its international brand offerings to meet the expectations of quality-driven, affluent consumers.

Recognising the increasing role of convenience in shaping customer behaviour, the Company also accelerated the development of its own e-commerce platforms, reinforcing its digital presence and extending accessibility beyond the physical store.

Kuwait

Lulu Retail is the leading retailer in Kuwait and has a successful track record of meeting the needs of consumers and working closely with local suppliers, providing opportunities for them to market their products, supporting local entrepreneurs in this dynamic city, a hub for trade and commerce. We have evolved our network of stores in Kuwait since 2002 and we are now growing online retail rapidly through the Lulu Retail app and third-party partners, including Talabat and Amazon.

17

Total no. of lulu retail stores in Kuwait in 2025

81,366 sq mt

Total selling space in Kuwait

3.9%

Kuwait's projected real GDP growth in 2026

Source: IMF

Performance in 2025

In 2025, Kuwait recorded 5.4% growth year-on-year, driven by a strong like-for-like performance, particularly in FMCG, fresh food, and electrical goods categories; the supermarket division was the main growth contributor. Lulu Retail added one express store during the year as part of its continued network expansion into newly developing residential areas, bringing the total store count to 17, and increasing the company's footprint across Kuwait's evolving retail landscape.

Gross margins remained stable during the year, further supported by enhanced supplier partnerships and diversified income streams.

The Happiness loyalty programme membership reached over 713,000 by year-end.

E-commerce sales in Kuwait have the highest penetration in the Group and surged significantly throughout 2025, supported by strong investments into the Lulu Retail app and website, combined with deepening relationships with key aggregator partners, including Talabat and Amazon.

Focus Areas for 2026

In 2026, our focus in Kuwait will be on scaling our market leadership by expanding into newly developing residential areas and strengthening our e-commerce capabilities.

Kuwait has a stable macroeconomic environment, and its GDP growth is accelerating; this provides a supportive backdrop for continued growth. We will capitalise on the strong demand for premium and imported products by Kuwait's affluent consumer base, while maintaining our position as a hypermarket leader

USD 8 billion

Addressable market in Kuwait by 2028

In September 2025, Lulu Retail introduced a new convenience-focused retail format to Kuwait with the launch of Lulu Daily Fresh at Al Bahar Centre in Tunis Street, Hawally. This marks one of the first Lulu Daily Fresh stores in Kuwait and is the 17th Lulu Retail outlet in the country, further expanding the brand's footprint. Positioning smaller-format, fresh-focused stores in densely populated commercial hubs such as Hawally demonstrates Lulu Retail's commitment to providing accessible and convenient shopping experiences in Kuwait.

Bahrain

Lulu Retail is Bahrain's leading grocery retailer and has a network of 13 stores, which include hypermarkets, express stores and mini markets. The Group has established its dominant position as a result of long-term investment and providing a customer experience that meets the varied needs of budget-conscious consumers. The Happiness loyalty programme, which provides data-driven insights, allows for highly targeted and effective promotions and has deepened engagement. Store offerings include Asian and other imported products, which differentiate Lulu Retail and resonate with Bahraini shoppers.

13
Total no. of Lulu retail stores in Bahrain in 2025

90,358 sq mt
Total selling space in Bahrain

3.3%
Bahrain's projected real GDP growth in 2026
Source: IMF

Performance in 2025

In 2025, Bahrain recorded significant growth, led by a strong performance in electrical goods, while the supermarket and fresh food categories grew at a moderate pace, reflecting sustained consumer demand across core product segments. Lifestyle and fashion category sales softened on account of heightened price sensitivity for customers.

Our e-commerce retail sales grew by 22.3% in 2025, driven by continued investment in Lulu Retail's digital platforms and strengthened partnerships with aggregators. Of particular significance was the successful launch we had of quick commerce operations in Bahrain, enhancing delivery speed and convenience for customers and positioning us well to capture growing demand for this service.

The Happiness loyalty programme continued to gain momentum, with members rising to 340,048 by year-end. Its personalised promotions and data-driven customer engagement served to deepen brand loyalty, particularly among Bahrain's young, tech-savvy demographic.

Focus Areas for 2026

In 2026, our focus in Bahrain will centre on scaling our quick commerce while optimising our existing store network to maximise returns. We will strengthen our express store and mini market formats to appeal to the young, tech-savvy demographic driving the e-grocery boom, while maintaining competitive pricing and expanding our private label range. Our sustainability initiatives in Bahrain, including solar energy installations and local sourcing partnerships, position us as a responsible retail leader aligned with the Kingdom's vision. With tourism driving significant retail demand, we are well-positioned to capture incremental spending while supporting Bahrain's Economic Vision 2030 objectives.

USD 3 billion
Addressable market in Bahrain by 2028

Opening Our Flagship Store in The Avenues Mall

In early 2025, at The Avenues Mall, Lulu Retail opened its thirteenth store, marking a significant milestone in our expansion strategy. The 4,500 sq mt flagship hypermarket is positioned within the Phase 2 expansion of the Kingdom's largest seafront shopping and entertainment destination, confirming Lulu Retail's leading position in Bahrain's dynamic retail landscape. The store offers an extensive selection of imported products, specialty items including vegan options, and health-conscious alternatives curated to cater to diverse tastes and preferences. In July 2025, the store hosted The World In Every Aisle festival, a vibrant celebration of global cuisines. The event was inaugurated by ambassadors and diplomats from over 13 countries, symbolising Lulu Retail's vast international reach.

Message from the CSO

Mr Mohamed Althaf
Group Director – Global Operations and Chief Sustainability Officer

Being a Leader, Serving Our Stakeholders and Growing Sustainably

Sustainability is a core driver of Lulu Retail's long-term resilience and competitiveness. It is embedded within our strategic planning and operational decision-making, ensuring adherence to well established principles of environmental stewardship, social responsibility, and ethical governance. Our sustainability objectives align closely with the region's vision for a sustainable future and the national goals of the GCC countries in which we operate.

Our Stakeholders

Understanding and responding to the needs of our stakeholders is fundamental to our progress. During 2025, we continued our programme of regular engagement with customers, employees, supply partners, and the new shareholders welcomed following our successful IPO in November 2024. This collaborative approach underpins the continuous improvement of our product range and customer service, employee recruitment and engagement, expansion of our global sourcing network, and adherence to best practice investor relations.

We also engage actively with the wider communities across the GCC through a range of CSR initiatives and locally relevant social programmes.

Environmental Management

During the year, we achieved ISO 14001:2015 certification for environmental management across operations in the UAE, Kuwait, and Thailand. We installed major solar plants in Saudi Arabia, as well as rooftop solar panels at five locations in the UAE. Building efficiency was enhanced through improved HVAC systems, LED upgrades, and targeted energy conservation training.

> Sustainability is a core driver of Lulu Retail's long-term resilience and competitiveness.

We prepared Lulu Retail for its Net Zero journey and aligned our climate risk assessment with international best practice. Our Reverse Vending Machines (RVMs) collected 55.5 million bottles and cans, and we continued converting used cooking oil into biodiesel. Water conservation initiatives included the installation of low-flow fixtures and grease interceptors.

Social Development

Our employees are central to our success. We remain committed to diversity, equity, and inclusion, supported by targeted nationalisation programmes that include pathways for young talent and promote equality of opportunity for all.

During the year, we expanded career opportunities for women through mentoring initiatives and supportive policies, contributing to increased female representation across our operations. We continued to deliver extensive training programmes covering technical skills, digital transformation, leadership development, governance, safety, product knowledge, and customer service.

The Company also introduced a leadership development programme incorporating a dedicated ESG module for senior management, strengthening organisational expertise in climate issues, ethical conduct, and responsible business practices.

Community initiatives included award-winning CSR partnerships in Qatar, grassroots community support across the GCC, and customer engagement programmes that promote responsible choices.

Exemplary Governance

Lulu Retail embeds ESG through strong board-level oversight and, in 2025, through the formation of the Sustainability, Strategy, and Investment Committee.

During the year, we strengthened cybersecurity controls, data privacy safeguards, and IT governance frameworks, improving the organisation's overall digital risk posture. Our Enterprise Risk Management system maintains a comprehensive risk register that incorporates ESG-related risks. We recorded zero corruption incidents across all operations, delivered human rights training to reinforce awareness of global standards and internal policies, and continued to promote responsible sourcing and local procurement.

A comprehensive set of policies and codes of conduct provides a clear framework for decision making and expected behaviours across the organisation.

These initiatives delivered tangible business value by enhancing efficiency, scalability, customer experience, and readiness for future growth and innovation.

Looking Ahead

In 2026, we will accelerate our environmental transition, deepen social impact, and maintain high standards of governance by empowering our teams, collaborating with partners, and leveraging innovation to create lasting value for our stakeholders and advance our sustainability goals.

ESG Summary

Accelerating Our Sustainability Journey

Across every region where we operate, sustainability continues to shape how we support our people, protect the environment, and build trusted relationships with customers and communities.

At Lulu Retail, we continue to embed sustainability into every part of our global operations, ensuring that responsible practices strengthen our resilience and enhance the value we create for customers, employees, suppliers, and communities. In 2025, we accelerated our efforts across climate action, workforce wellbeing, ethical governance, and responsible sourcing, supported by stronger data systems, enhanced regional capabilities, and deeper stakeholder engagement.

Through reducing our environmental footprint, empowering a diverse workforce, expanding community impact, and upholding robust governance standards, we are building a more sustainable retail ecosystem, one that grows responsibly, operates transparently, and supports the wellbeing and prosperity of the people and markets we serve.

Key Facts

E

55.5 million+
bottles and cans collected through RVMs in 2025

100%
of used cooking oil was recycled by third parties

4.9 million+
kWh generated using solar power[1]

S

52,437
total employees across global operations

18.5%
female employees across the workforce

1,206,051
total employee training hours delivered in 2025

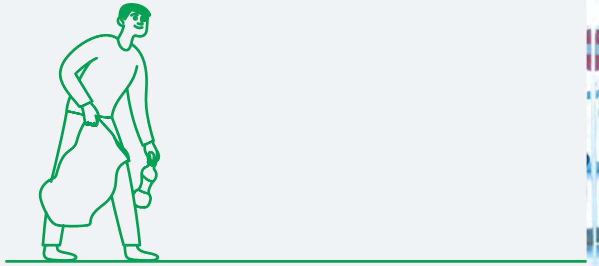
G

ZERO
corruption incidents
recorded for the third consecutive year

ZERO
substantiated data breaches
across all operations

[1] Includes energy generation from solar installations in Bahrain, Saudi Arabia, and the UAE.

Environment



Managing Our Environmental Impact

We continue to strengthen our environmental performance by accelerating clean-energy adoption, improving resource efficiency, and advancing responsible waste and water management across all markets. In 2025, we deepened our focus on data-driven environmental governance, expanded renewable-energy systems, and scaled circularity initiatives to ensure that our growing footprint is supported by resilient and responsible practices.

Key Areas

- Strengthening environmental management systems (EMS) and certifications.
- Accelerating energy efficiency, renewable-energy adoption, and climate action.
- Advancing circular economy and waste-reduction programmes.
- Enhancing responsible water use and conservation.

Management Approach

Environmental Governance and Monitoring

Supported by a global network of Sustainability Champions, we monitor key indicators such as energy use, GHG emissions, water consumption, and waste generation in our regions. Our ISO-aligned environmental management systems ensure compliance and strengthen performance oversight.

Decarbonisation and Energy Efficiency

We mitigate climate risks by improving energy efficiency and expanding renewable-energy integration across operations. Efforts include LED upgrades, solar-energy projects in multiple regions, and enhanced operational controls such as smart monitoring systems and HVAC optimisation. These measures support reductions in carbon emissions and align with national and international climate expectations.

Sustainability specifications, such as energy-efficient systems and resource-optimised layouts, were also incorporated into the design and development of new outlets, ensuring future expansion aligns with our environmental objectives.

Circularity, Waste and Water Management

Guided by circular economy principles, we are driving transformative waste-reduction efforts through the launch of an Extended Producer Responsibility (EPR) pilot in the UAE, electronics trade-in, used cooking oil recycling into biodiesel, and deploying reverse vending machines (RVMs), setting a new benchmark for sustainable resource management. Water stewardship is strengthened through efficient fixtures, monitoring systems, and region-specific conservation measures, promoting responsible resource use globally.

Progress in 2025

- ISO 14001:2015 certification in UAE, Kuwait and Thailand.
- Renewable-energy expansion advanced through:
  - Deployment of solar projects across multiple regions, including new active sites in Bahrain, Saudi Arabia, and the UAE.
  - Generation of 4,991,492 kWh of green energy from total active solar installations in the above regions.
- Energy management improvements delivered through Schneider EcoStruxure™, HVAC optimisation, BMS integration, LED upgrades, and energy-conservation trainings.
- Climate resilience preparedness and expanded climate-risk assessment aligned with IFRS S2 and TCFD.
- Circularity initiatives expanded, including:
  - 55.5 million+ bottles and cans collected through RVMs in 2025.
  - E-waste collection bins.
  - Cooking-oil recycling and textile-recovery programmes.
  - Used cooking oil converted into biodiesel under our waste-to-energy programme.
- Food-waste reduction measures enhanced through stock rotation, digital tools, temperature control, near-expiry discounting, and redistribution partnerships.
- Water conservation strengthened through low-flow fixtures, awareness campaigns, grease interceptors, and defined regional reduction measures.

Priorities for 2026

Looking ahead, Lulu Retail will continue strengthening its environmental performance by improving energy efficiency, expanding renewable energy adoption, and enhancing data-driven management across operations. We will advance our climate action efforts through stronger emissions measurement, broader value chain engagement, and ongoing development of long-term decarbonisation plans. At the same time, we will reinforce circular economy practices, reduce waste, and promote responsible resource use, including water conservation in key regions. Through these collective efforts, Lulu Retail aims to build a more resilient, efficient, and sustainable business for the future.

2025 KPIs

4,565,372 GJ
total energy consumption

0.306 GJ/sq ft
energy intensity

55.5 million+
bottles and cans collected through RVMs

172,109 tCO_2e
scope 1 GHG emissions

34,667 tonnes
total waste recycled

2,657,614 m^3
total water consumption

490,105 tCO_2e
scope 2 GHG emissions

136,144 tonnes
total waste generated

0.178 m^3/sq ft
water consumption intensity

0.044 tCO_2e/sq ft
GHG emission intensity

365,243 litres
used cooking oil recycled

1,043,291 MWh
grid electricity consumption

Case Study

New Solar Power for Key Facilities

In 2025, Lulu Retail implemented solar power systems across several key facilities in Dubai. The plants will be operated and maintained by a partnership with Positive Zero. This initiative underscores Lulu Retail's commitment to supporting the country's long-term sustainability goals and energy-saving initiatives. The rollout includes five selected locations: Lulu Hypermarket in Al Warqa, Lulu Hypermarket in Dubai Investment Park (DIP), Lulu Hypermarket in Rashidiya, Lulu Central Logistics in DIP, and the Lulu Regional Office in Dubai. These sites have been equipped with solar Photovoltaic (PV) systems designed to generate approximately 37 million kilowatt-hours of clean energy during the lease period.

By adopting solar power, Lulu Retail significantly reduces its reliance on conventional electricity sources. Over a 10-year period, this transition is expected to offset around 25,000 tonnes of GHG emissions, an environmental benefit equivalent to planting over 400,000 trees or removing nearly 6,000 gasoline-powered passenger vehicles from the roads annually. The clean energy generated with solar is the equivalent of almost 9,000 tons of waste recycled instead of landfilled, saving almost 58,000 barrels of oils.

Solar rooftops are being installed across multiple facilities, providing enough clean electricity to power over 3,300 homes annually.

Once fully operational, the project will deliver substantial environmental and operational benefits, marking it as one of Lulu Retail's most impactful green energy initiatives to date.

Social

Creating Value for People and Communities

We place our people and communities at the centre of our growth. Across all regions, we work to build an inclusive, supportive, and empowering environment where employees feel valued, equipped, and motivated to thrive. As our business expands, we continue to strengthen workforce resilience, diversity, safety, and community engagement, ensuring alignment with our Groupwide values.

Key Areas

- Building a resilient and empowered workforce.
- Fostering diversity, equity, and inclusion.
- Ensuring a safe and healthy workplace.
- Supporting local communities.
- Delivering high-quality, responsibly sourced products.
- Strengthening customer trust.

Management Approach

Workforce and Employment

We promote workforce stability through structured HR governance supported by SAP SuccessFactors, ISO-certified procedures, digital grievance channels, and standardised onboarding systems. While regional HR practices reflect local labour laws, all operations follow Group expectations for fairness, transparency, and compliance. Wellbeing programmes, medical insurance, engagement activities, and performance management further reinforce employee resilience and retention.

Lulu Retail is driving national talent development by partnering with GCC programmes like Nafis (UAE) and Tawteen (Oman) and hosting regular walk-in interviews to attract and retain young local professionals.

Diversity, Equity and Inclusion

Our global diversity commitment is implemented through inclusive hiring practices, gender-equity initiatives, anti-discrimination practices, and strong grievance mechanisms. Targeted nationalisation programmes in countries such as the UAE, Saudi Arabia, Bahrain, Qatar, Kuwait and Oman help broaden local talent pipelines, while the EU, Canada, the UK and the USA, as well as other geographies, operate within robust legal frameworks that safeguard equal opportunity.

Female Empowerment

Pathways for women's advancement were enhanced through inclusive practices, mentoring initiatives, structured development opportunities, and supportive workplace policies. Gender neutral practices contributed to increased female workforce representation and strengthened opportunities for women to advance in their careers.

Learning, Development and Capability Building

Continuous learning is supported through digital platforms and extensive training programmes covering technical skills, leadership development, governance, safety, product knowledge, and customer service. Training systems are shaped by regional requirements, from Abu Dhabi Occupational Safety and Health (ADOSH)-aligned Occupational Health and Safety (OHS) training in the UAE to Hazard Analysis and Critical Control Point (HACCP)-certified programmes in various other regions, ensuring global consistency with local relevance.

Health and Safety

We maintain strong OHS governance across all markets through ISO-aligned systems, safety committees, incident-prevention measures, mandatory training, regular inspections, and risk-assessment processes. Regions operate within robust regulatory frameworks (ADOSH SF 4.0, HACCP standards), ensuring safe operations and compliance.

Community Engagement

Through structured CSR governance, stakeholder engagement, and locally relevant social programmes, we support vulnerable communities, local suppliers, SMEs, youth initiatives, and nonprofit organisations. Our CSR initiatives demonstrate the broad social value we aim to create for our communities.

Progress in 2025

- Strengthened HR systems across regions through digital onboarding, performance management, and ISO-aligned HR governance.
- Advanced nationalisation programmes, enhancing learning and development opportunities for young national talent.
- Expanded employee wellbeing initiatives including health campaigns, medical support, fitness programmes, and mental-wellbeing activities.
- Delivered extensive training across all markets through LMS and instructor-led formats.
- Recorded zero discrimination incidents and maintained strong grievance mechanisms.
- Reinforced workplace safety through ADOSH SF, ISO 45001, OSHA-aligned programmes, mandatory safety training, daily inspections, and safety committees.
- Strengthened community partnerships, including award-winning CSR programmes in Qatar.

Priorities for 2026

Lulu Retail will continue prioritising its people, enhancing customer experience, and expanding its positive impact in the communities it serves. We remain committed to growing talent, fostering an inclusive and supportive workplace, advancing service quality through innovation, and strengthening community programmes that promote wellbeing and social progress across our regions.

2025 KPIs

52,437 total employees

10,637 new hires

9,698 female employees

42,739 male employees

15.8% GCC nationals

18.5% female employee representation

USD **1,138,679** donations and sponsorships

Training hours:
1,206,051 total,
and **23** average training hours per employee

Zero workplace fatalities

Zero discrimination cases

Case Study

Over 23,000 participants in Lulu Walkathon 2025

The Lulu Walkathon 2025, in collaboration with Mastercard, had an unprecedented turnout, with over 23,000 participants, of 127 nationalities, joining the movement for sustainability and wellness. Organised by Lulu Retail for the 13th consecutive year, the event took place at Mamzar Park, Dubai, in collaboration with various government entities and partners, and celebrated the UAE's "2025 Year of Community" initiative.

With the theme "Walk for Green", the walkathon underscored the importance of sustainability while promoting fitness and well-being. A key highlight of the event was the participation of People of Determination, reinforcing a powerful message of inclusivity and unity.

The event was officially inaugurated by Indian film star Asif Ali, joined by an impressive lineup of special guests, including Arab actor Ahmad Saif, Filipino celebrity OMG-Mark, and professional footballer Abdelfettah Bourzama, alongside popular social media influencers and sports personalities.

Registration for the event was free, with participants receiving complimentary T-shirts and hampers. Refreshment kiosks were also set up, along with various interactive activities to keep attendees engaged throughout the day.

Governance

Advancing Responsible Governance

We are guided by a well-established governance framework that strengthens risk management, compliance, and responsible business conduct across all operations. Through clear policies, strong Board oversight, and committed leadership, we embed integrity, accountability, and transparency into decision-making and maintain the trust of our stakeholders.

Key Areas

- Upholding responsible and effective governance.
- Fostering a culture of ethics, integrity, and respect for human rights.
- Building a responsible and resilient supply chain.
- Data privacy and security.

Management Approach

Governance and Risk Management

Our Board of Directors serves as the highest governing authority, supported by senior management and key Board committees including the Audit Committee and the Nomination and Remuneration Committee. In 2025, governance oversight was further strengthened through the establishment of the Sustainability, Strategy and Investment Committee, ensuring strategic alignment of ESG priorities. We are continuously strengthening our Enterprise Risk Management framework to better anticipate and manage ESG-related risks across environmental, social, and governance dimensions.

Business Ethics and Human Rights

We uphold strong ethical standards through key policies covering ESG, anti-bribery and corruption, supplier and employee conduct, insider trading, related-party transactions, AML and sanctions, whistleblowing, and Board remuneration. We maintain a zero-tolerance stance on corruption, with risk assessments conducted across operations and no incidents recorded over the past three years. Our Human Rights Policy aligns with the UN Global Compact and UN Guiding Principles, supported by dedicated training across all markets.

Responsible Sourcing

Responsible sourcing is guided by our Supplier Code of Conduct, which sets expectations on labour rights, environmental performance, ethical conduct, and anti-corruption. We continue to prioritise local procurement to support domestic economies and reduce transportation impacts. Our Supplier Quality Assurance programme and supplier screening on sustainability criteria continue to strengthen responsible sourcing practices, enhance ESG compliance, and drive continuous improvement across our supply chain.

Data Privacy and Cybersecurity

Data protection is anchored in a comprehensive Data Privacy Policy aligned with UAE PDPL requirements and informed by GDPR principles. Our IT Department oversees data centres, networks, cloud infrastructure, SAP systems, and retail and ecommerce platforms, ensuring security controls are embedded at every layer. Annual Payment Card Industry Data Security Standard (PCI-DSS audits, quarterly vulnerability assessments, penetration tests, and Approved Scanning Vendor (ASV) scans underpin our cybersecurity posture. In 2025, Lulu Retail recorded no substantiated data breaches or customer privacy violations.

Progress in 2025

- Established the Sustainability, Strategy and Investment Committee to enhance Board-level ESG oversight.
- Continued Enterprise Risk Management integration across ESG categories.
- Maintained zero corruption incidents, with 100% of operations assessed for corruption risk.
- Strengthened ethical culture through Codes of Conduct, Anti-Money Laundering (AML)/ sanctions procedures, whistleblowing. mechanisms, and conflict-of-interest controls.
- Delivered human-rights training to reinforce awareness of global standards and internal policy.
- Advanced responsible sourcing and local procurement, including In-Country Value (ICV) certification in Qatar.
- Reinforced cybersecurity through regular assessments and achieved zero data breaches or successful cyber-attacks.

Priorities for 2026

Lulu Retail will continue strengthening its governance framework by reinforcing ethical conduct, enhancing Board-level oversight, and advancing robust risk-management practices across the organisation. We remain committed to upholding human rights, building a responsible and resilient supply chain, and safeguarding data privacy and cybersecurity in line with evolving regulatory expectations. Through continuous improvement in compliance, transparency, and accountability, we aim to ensure strong governance that supports longterm resilience, stakeholder trust, and sustainable business performance.

"A key development during the year was the establishment of the Sustainability, Strategy and Investment Committee (SSIC), a significant step in embedding sustainability considerations and long-term value creation into our strategic decision-making processes."

Mr Yusuff Ali Musaliam Veettil Abdul Kader
Chairman
Lulu Retail Holdings PLC

Embedding ESG into Governance

Lulu Retail maintains a strong ESG governance framework that ensures accountability and responsible decision-making across the organisation.

Sustainability is overseen by our Board of Directors and, from 2025 onward, further strengthened through the newly established Sustainability, Strategy & Investment Committee, which enhances oversight of ESG risks, opportunities, and long-term value creation.

Our governance approach is guided by our ESG Policy to reflect, stakeholder expectations, and emerging market trends. The Chief Sustainability Officer (CSO), supported by the Sustainability Department, leads Groupwide ESG integration, with regular updates provided to the Board to ensure alignment with corporate priorities.

To reinforce capabilities across our global footprint, we strengthened our network of Sustainability Champions to cover all our regions and introduced a nine month Leadership Development Programme for senior management, featuring a dedicated ESG module that strengthens organisational expertise in climate, ethical conduct, and responsible business practices.

2025 KPIs

Zero incidents of corruption reported	**Zero** data breaches or privacy violations	**100%** of operations assessed for corruption risk	**82.7%** share of local procurement in total procurement

ESG Governance: Board and senior management oversight on ESG

Approach to ESG Reporting

This Annual Report presents a high-level summary of our sustainability progress, while our standalone ESG Report provides comprehensive disclosures on our performance, initiatives, and alignment with key ESG objectives. The 2025 edition marks our second ESG Report as a listed entity, and the fourth published by Lulu Retail, reflecting our continued commitment to transparency and responsible reporting.

▶ For full details on our ESG performance, please refer to the 2025 ESG report.

Building a Sustainable Future

In 2025, sustainability remained central to Lulu Retail's strategy, guiding progress in renewable energy expansion, resource efficiency, circularity, employee development, human rights, and ethical governance.

We advanced key initiatives across climate action, environmental management, and responsible business, while our Sustainability Champions supported data quality and implementation across all regions.

Our Stakeholders

We maintain an ongoing dialogue with customers, employees, suppliers, investors, and communities through structured communication channels. These interactions help us understand expectations, gather feedback, and integrate stakeholder insights into our sustainability planning and decision-making.

Defining What Matters Most

Our material topics continue to guide our sustainability planning and reporting. Since first defining these priorities in 2021, we have continued to assess their relevance in a changing operating environment, ensuring they reflect the issues most significant to our business and stakeholders.

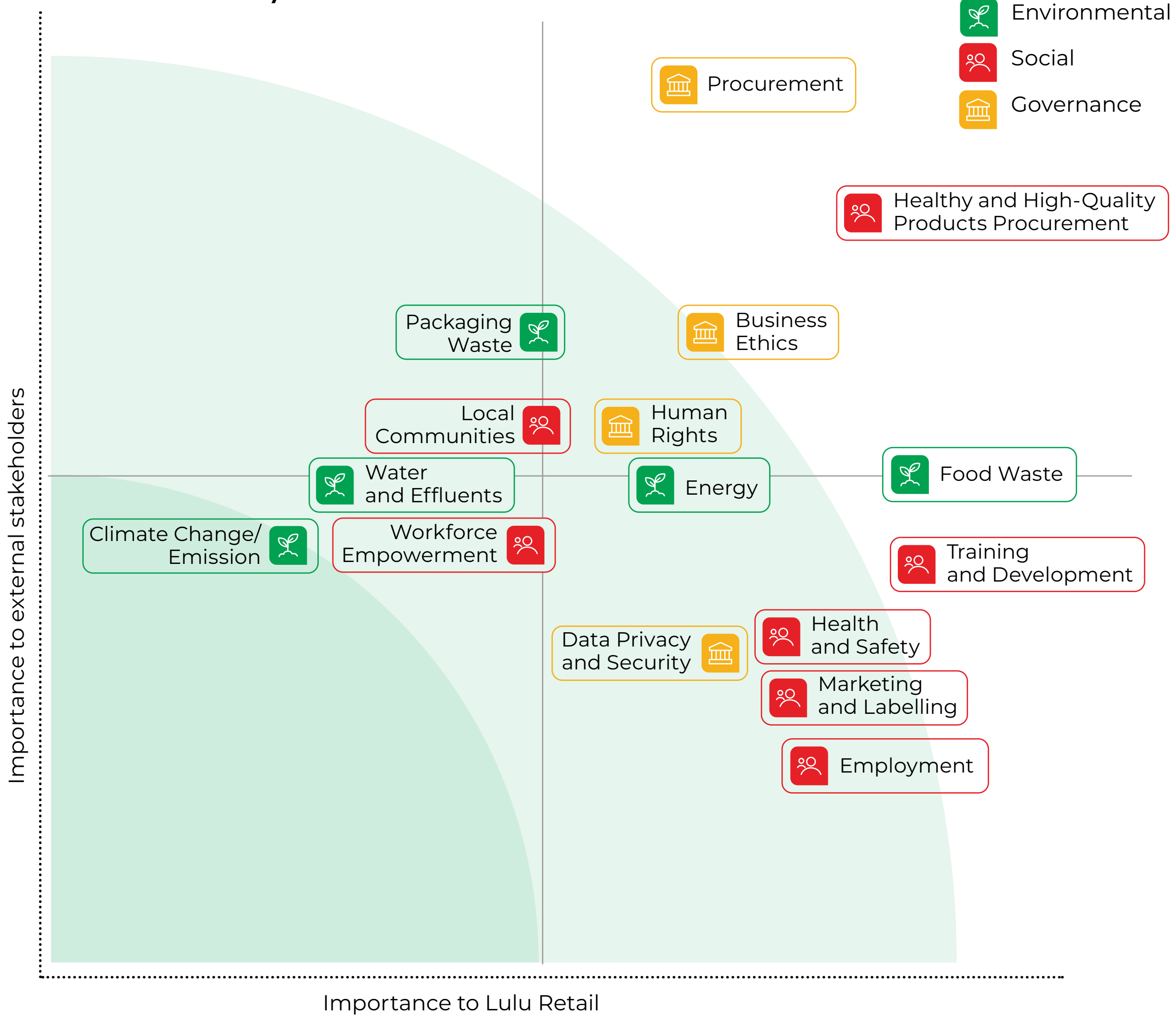
Material Topics

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

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

Driving Accountability through Governance
- Business Ethics
- Human Rights
- Procurement
- Data Privacy and Security

Lulu Retail's Materiality Matrix



Risk Management

Managing Risks Effectively as We Grow

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

Our Approach to Risk

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

Risk Governance Model and Framework

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

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

Risk Identification and Assessment

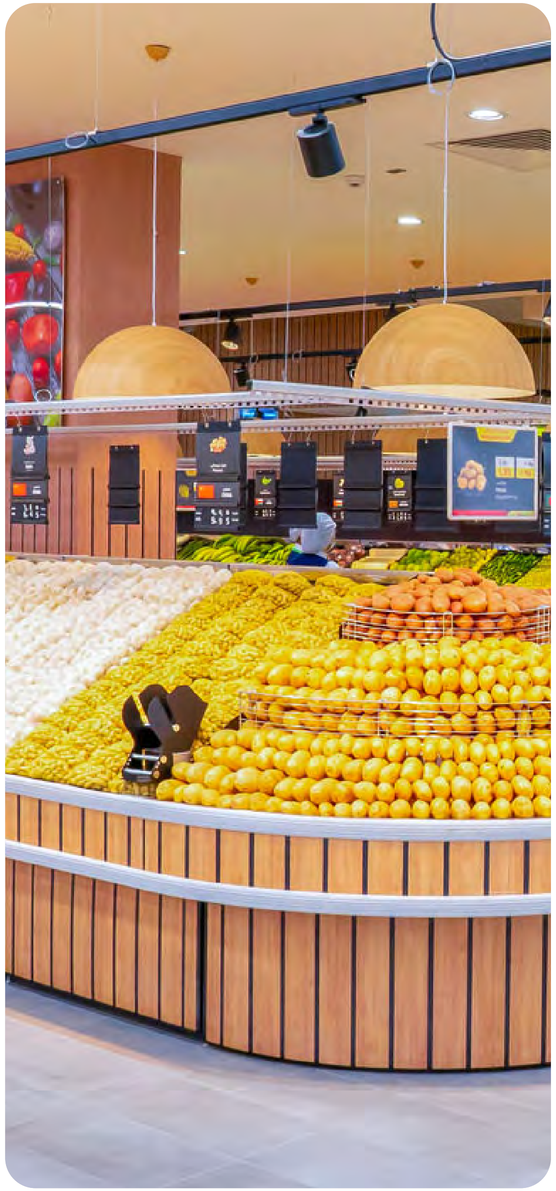
In alignment with our Enterprise Risk Management Policy, we have adopted a range of approaches to identify risks effectively.

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

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

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

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



Risk Management Process

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

Core Steps

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

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

Risk Treatment
Based on the evaluation, risks are managed using the four Ts – Treat, Tolerate, Transfer, or Terminate, with tailored mitigation plans to minimise impact.

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

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

Principal Risks and Uncertainties

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

Strategic Risks

Decline in Consumer Spending, or Shifting Demographics

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

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

E-commerce Transition Challenges

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

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

Compliance Risks

Regulatory Compliance Failures

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

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

Data Protection and Privacy Breaches

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

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

Operational Risks

Supply Chain Disruption

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

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

Payment Systems Risks

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

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

ESG and People Risks

Talent Recruitment and Retention

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

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

Sustainability and Climate Change Pressures

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

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

Risk Management Development in 2025

1. Expanded regional risk assessments were conducted across GCC markets, including Abu Dhabi, Al Ain, Dubai & Northern Emirates, Bahrain, KSA-Central Province, Eastern Province, Western Province, Kuwait, Oman, and Qatar using standardized scoring methodology, and validation criteria.

2. The Enterprise Risk Register was refreshed to enhance clarity and granularity, particularly in relation to:

I. Retail-specific operational risks (store operations, inventory shrinkage, supplier concentration, logistics disruptions);
II. Digital, cyber, and data-related risks;
III. Supply chain, sourcing country, and geopolitical risks aligned with the Group's international sourcing footprint;
IV. People risks, where the Talent Recruitment and Retention risk disclosed is redefined as:

'Niche-skill talent churn: elevated attrition in critical and specialised roles may result in capability gaps, impacting service quality, operational continuity, risk management effectiveness, and the delivery of strategic and transformation initiatives.'

The underlying mitigation strategy remains unchanged, with continued focus on enhancing employee engagement and development initiatives, supported by competitive compensation and retention programmes.

In 2025, corruption and ethical risk considerations were incorporated into the regional risk assessment process.

I. 100% of GCC retail operations were assessed through:
   - Regional risk registers;
   - Internal control and audit reviews.

II. Corruption-related risks were assessed as part of:
   - Regional procurement and sourcing activities;
   - Third-party and vendor relationships;
   - Cash handling, inventory, and store-level operations.

Risk Management Development in 2026

Lulu Retail plans to further strengthen its risk management system with a focus on consistency, analytics, and proactive risk intelligence.

Planned initiatives include:

1. Formalisation and expansion of ERM coverage:
   - Rollout of an enhanced Group ERM framework, including standardised risk taxonomy, scoring methodology, and alignment with risk appetite principles;
   - Extension of ERM implementation across all GCC regions and the Top 5 sourcing countries;
   - Improved consolidation of regional and sourcing-country risk registers into a unified enterprise risk view to support Board and Executive oversight.

2. Enhanced risk analytics and reporting:
   - Development of KRI dashboards, risk trend analysis;
   - Use of analytics to identify early warning signals and risk interdependencies.

3. Strengthened risk treatment and monitoring:
   - Risk ownership, treatment tracking, and escalation mechanisms were strengthened through structured Risk Treatment Plans (RTPs) and follow-up processes;
   - Improved tracking, escalation, and accountability for mitigation actions;
   - Integration of RCSA insights into enterprise-level risk monitoring and reporting.

4. Risk culture and capability building:
   - Risk awareness programs, risk champions network, and structured training;
   - Improved engagement with business and functional stakeholders.

These initiatives aim to move ERM from a primarily assessment-focused approach to a more forward-looking, decision-support and resilience-driven capability.

In this Section

Corporate Governance Report

01

Leading.

Lulu Retail is guided by the principles of transparency, accountability, fairness, and responsible stewardship.

02

Serving.

Our success is based on an enduring commitment to serving the needs of all our stakeholders.

03

Growing.

In 2025, we established the Sustainability, Strategy and Investment Committee (SSIC), to embed sustainability and value creation in our decision-making.

Introduction

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

We remain committed to delivering high quality products and exceptional customer experiences, in our position as a leading retailer across the GCC and beyond. Through our expanding network of physical stores and our growing e-commerce platform, the Company continues to reach millions of customers, confirming our role as a trusted and influential player in the region's retail landscape. As our operations grow, so does our commitment to upholding the highest standards of corporate governance, ensuring transparency, accountability, and integrity across all aspects of our business.

This Corporate Governance Report is issued in accordance with the Capital Market Authority (CMA)'s Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide (as amended from time to time) (the "Governance Guide").

During 2025, we further strengthened our governance practices through the establishment of the Sustainability, Strategy and Investment Committee in addition to the existing Audit Committee and Nomination and Remuneration Committee, the completion of a comprehensive Board Evaluation, enhancements to our risk management and internal control systems, supported by our continued compliance with applicable governance requirements and internal policies. Together, these developments reflect our ongoing commitment to responsible oversight, effective decision-making, and long-term value creation.

This report outlines the Company's governance structure and mechanisms, including the roles and responsibilities of the Board of Directors and senior management, our internal control and risk management frameworks, and the measures undertaken to create operational integrity, stakeholder confidence, and sustainable growth.

Chairman's Statement

Leading Responsibly, Serving Stakeholders, Growing Sustainably

I am pleased to present the 2025 Annual Corporate Governance Report of the Company. This year, we continued to strengthen our governance foundations. As a Board, we remain firmly committed to upholding the highest standards of governance, recognising that transparency, accountability, and ethical leadership are central to our strategic progress and operational excellence. Throughout the year, the Board has continued to reinforce governance practices that support disciplined decision-making, sustainable value creation, and the effective delivery of the Company's strategic priorities.

In 2025, our organisation continued to strengthen its corporate governance framework, guided by the principles of transparency, accountability, fairness, and responsible stewardship. This year marked an important milestone as we completed our first full year as a listed company, reaffirming our commitment to maintaining the highest standards of governance.

A key development during the year was the establishment of the Sustainability, Strategy and Investment Committee (SSIC), a significant step in embedding sustainability considerations and long-term value creation into our strategic decision-making processes. The SSIC now plays a pivotal role in evaluating strategy and investment opportunities through an environmental, social, and governance lens, ensuring that our growth remains responsible and future-focused. This addition complements the Audit Committee and the Nomination and Remuneration Committee, both of which continue to play a vital role in ensuring robust oversight. We remain prepared to constitute additional Board Committees according to the evolving needs of the business.

We also conducted a comprehensive Board Evaluation to assess the effectiveness of the Board and its committees. The insights gained have strengthened our oversight capabilities and reinforced our culture of continuous improvement. In parallel, we advanced our risk management framework by enhancing compliance and internal controls, bolstering risk assessment processes, and providing regular updates on risk, compliance, and internal controls to the relevant Board Committees.

Subsidiary governance was further improved through structured, periodic reporting from our subsidiaries, ensuring alignment with groupwide governance expectations. Across all regions and geographies where we operate, we continued to promote effective communication, focus on capability-building sessions and training, and conducted continuous improvement initiatives. These efforts have helped embed a consistent governance culture throughout the organisation and illustrate our commitment to ethical conduct and operational excellence.

As we look ahead, we remain dedicated to advancing our governance practices in line with global standards and stakeholder expectations. Our focus will continue to be on building a resilient, transparent, and sustainable organisation that delivers long-term value for all stakeholders.

I extend my sincere appreciation to our shareholders, employees, and stakeholders for their unwavering support and dedication. Together, we will continue to build on our achievements and strive for excellence in everything we pursue.

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

Mr. Yusuff Ali Musaliam Veettil Abdul Kader
Chairman
Lulu Retail Holdings PLC

"At Lulu, we remain committed to building our business by laying strong foundations, creating value for all stakeholders, and leading with integrity, accountability, and transparency to build enduring trust."

Governance Approach

We continue to develop our governance framework and policies to meet best international practice.

We recognise that a strong governance framework is only as effective as the people who implement it. This year, we continued to enhance our governance culture by reinforcing our commitment by not only complying with laws and regulations but upholding their spirit in every aspect of our operations. Our values remain the foundation which guides our conduct and forms the basis for our governance standards across our organisation.

We understand that effective governance extends far beyond regulatory obligations. It enables us to maintain the confidence of our shareholders, support our customers, empower our employees, and contribute positively to the communities we serve. The Board continues to play a central role in overseeing our governance practices, working closely with senior management to steer the Group's strategic direction and ensure alignment with our longterm objectives and stakeholder expectations.

Our commitment to transparency, accountability, and integrity remains unwavering. Throughout the year, we enhanced our governance practices through strengthened oversight, improved risk management, and continuous evaluation of our processes. By fostering a culture rooted in ethical behaviour and responsible decision making, we aim to build trust and deliver sustainable value for all stakeholders.

As we look ahead, we remain dedicated to maintaining a governance framework that goes beyond compliance, one that champions excellence, innovation, and integrity. We firmly believe that strong governance continues to be the cornerstone of our success and a key driver of our sustainable growth in the years to come.

> Corporate Governance witnessed an overwhelming attention and has become one of the substantial requirements for public companies.

Our values		Our process		Our outputs
Integrity		Robust Board oversight		Responsible leadership
Transparency	→	Disciplined management practices	→	Stakeholder service
Accountability		Risk management, internal control, compliance and internal audit		Sustainable growth

Corporate Governance Development in 2025

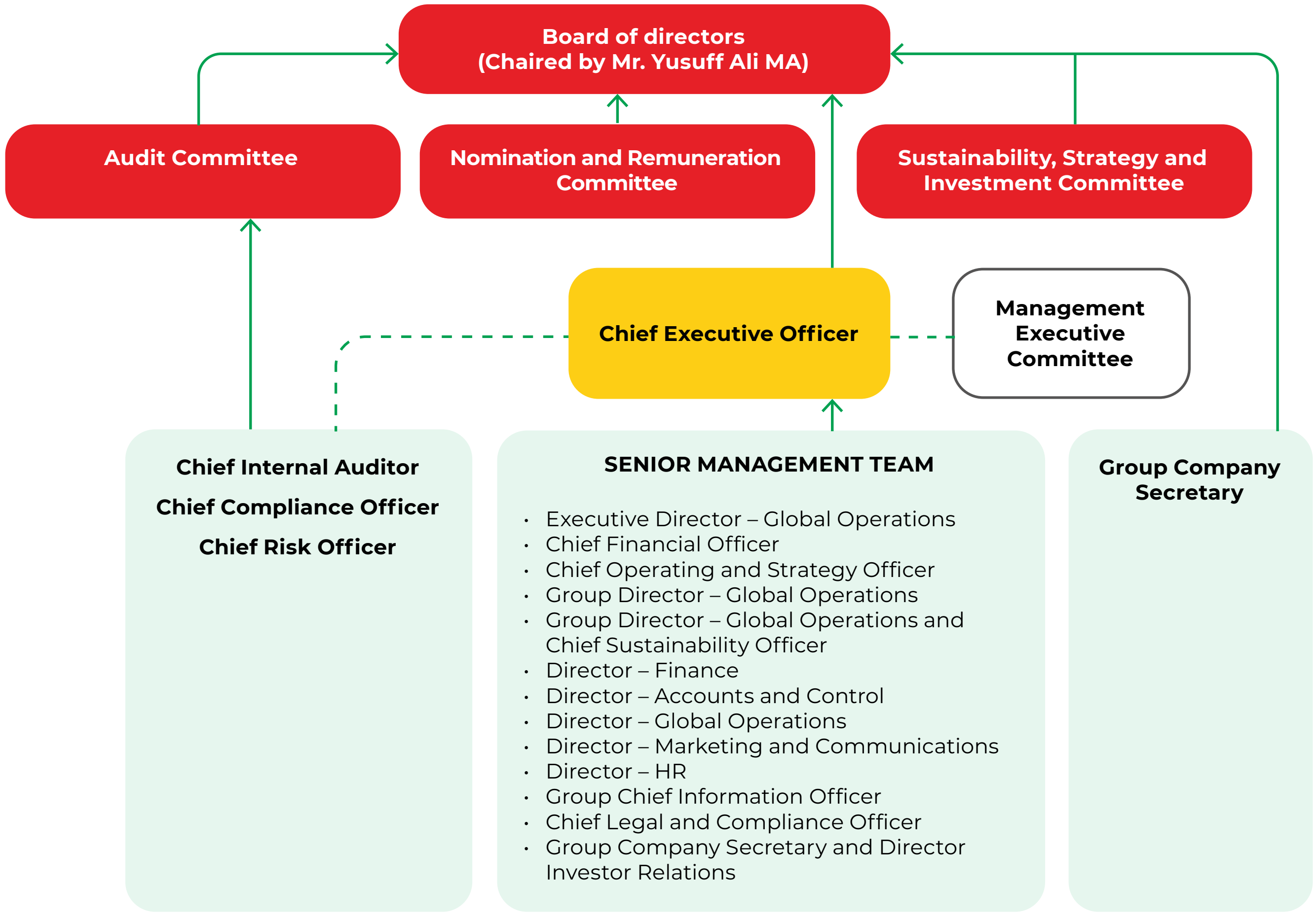
In 2025, our corporate governance framework continued to develop through a series of structured and strategic initiatives designed to enhance transparency, accountability, and long term value creation. One of the key milestones was the establishment of the Sustainability, Strategy and Investment Committee (SSIC), which reinforced the Company's commitment to responsible growth and improved the quality of strategic decision-making. The year also marked the successful completion of the Company's first full year as a listed entity and reaffirmed our focus on governance excellence and regulatory alignment.

A comprehensive Board Evaluation was conducted to assess the effectiveness of the Board, its committees and senior executive management, ensuring robust oversight and identifying areas for continuous improvement. The organisation further enhanced its risk management system by strengthening internal controls, refining risk assessment processes, and presenting periodic updates on risk, compliance, internal audit and internal controls to the relevant Board Committees. Subsidiary governance was also improved through structured, periodic updates from subsidiaries, ensuring alignment with Group-wide governance expectations, supporting informed oversight and enabling timely decision-making. In addition, the Company promoted communication, training, and continuous improvement across all regions and geographies where it operates, fostering a consistent governance culture and reinforcing accountability at every level. Collectively, these initiatives contributed to a more resilient, transparent, and future-ready corporate governance framework.

We confirm that the corporate governance framework adopted by the Company complies with all the applicable requirements and provisions of the Governance Guide.

> In 2025, our first full year as a listed PLC, we placed governance at the forefront, deliberately moving beyond compliance to foster greater transparency, accountability, and sustainability-driven choices.

Governance Structure



Board at a Glance

Guided by the Company's vision and values, the Board remains committed to act in the best interests of the Company and its shareholders, providing strategic oversight and supporting management in driving long-term value. Board members are elected by shareholders for a three year term.

The Company's Board composition reflects our commitment to the highest standards of corporate governance, including a clear and effective separation between the roles of the Chairman and the Chief Executive Officer. The Board is primarily made up of Non-Executive Directors and has a female director, ensuring alignment with recognised governance best practices.

The Chairman plays a central role in guiding the Board's work engaging with senior management, maintaining open communication with shareholders, and representing the Company before regulators. This governance structure reinforces our dedication to transparency, accountability, and the protection of shareholder interests, while enabling effective oversight and strategic guidance.

The Company's Board has an array of expertise, skills and qualifications in the following:

- Corporate Governance & Ethical Oversight
- Executive Leadership
- Accounting & Audit Expertise
- Finance & Investment
- Strategy & Business Planning
- Retail Operations & Supply Chain Management
- Digital Transformation & e-commerce
- Consumer Insight, Marketing & Brand Management
- Enterprise Risk Management & Internal Controls
- Legal & Compliance
- Human Capital, Remuneration & Culture
- Sustainability & ESG Stewardship
- Food & Agribusiness Expertise
- Regional (GCC / MENA) Market Experience
- M&A, Corporate Transactions & Expansion

Board Experience and Expertise

The current Board was reconstituted in July 2024 in accordance with the provisions of the Governance Guide. As of the end of 2025, the Board consists of nine members, including one female Director, constituting approximately 11 percent female representation. The Board's composition remained unchanged throughout 2025, reflecting stability in leadership and continuity in strategic oversight.

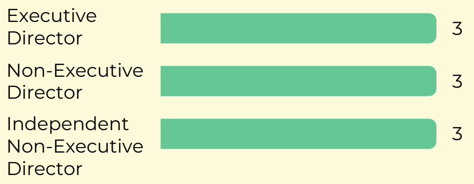
The Nomination and Remuneration Committee plays a central role in identifying and recommending candidates for Board appointment, ensuring that the Board maintains an effective balance of skills, experience, diversity, and expertise appropriate for the Company's scale and nature of business.

As part of this process, the Committee regularly reviews the Board skills matrix to assess the collective capabilities of the Directors and identify any areas where additional expertise may be beneficial. This ensures that the Board remains well-equipped to provide strategic oversight and respond to the evolving needs of the business. All Directors will undergo a structured evaluation to confirm that they possess the competence, knowledge, and experience required to fulfil their responsibilities effectively. This disciplined approach ensures that each Board member contributes meaningfully to the Company's governance and longterm strategic direction.

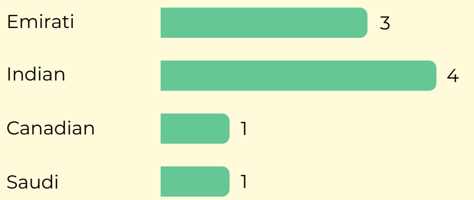
All Directors hold office for a term of three years and are eligible for re-appointment following the period, subject to the requirements of Governance Guide.

Lulu Group recognises that an effective Board supported by wellqualified, diverse, and experienced Directors is essential to fulfilling its primary responsibility of promoting the longterm success of the Company and safeguarding stakeholder interests.

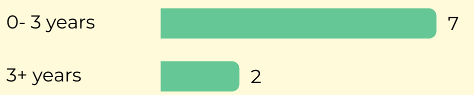
Category



Nationality



Tenure as a Board member in the Company



Board of Directors

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

- Non-Executive
- Executive
- Independent Non-Executive

Mr. Yusuff Ali Musaliam Veettil Abdul Kader

Chairman
Appointment to the Board: July 2024

Mr. Yusuff Ali M.A. has served as Chairman of Lulu Retail since July 2024. He is also the Chairman of Lulu Group, a role he has held since its founding, and he has played a central role in steering the organization's growth and global expansion. In addition, he sits on the boards of several group companies and has been Chairman and Managing Director of Lulu International Holdings Limited since May 2020. He is a member of the Board of Directors of the Abu Dhabi Chamber of Commerce and Industry (ADCCI), where he previously served as Second Vice Chairman. He also the Chairman of the Indian Business and Professional Group, which was established to promote commerce and investment between India and the UAE.

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

Other important regulatory, governmental, or commercial positions:

- Lulu Retail Holdings PLC and its subsidiaries – Director.
- Lulu International Holdings Ltd. and its subsidiaries/associate companies – Director.
- Lulu India and its group/associate companies.
- Y&S Properties Limited – Director.
- Y International Holdings Limited – Director.
- Cochin International Airport Ltd – Director.
- Kannur International Airport Ltd – Director.
- Lulu International Exchange LLC – Director.
- NORKA Roots India – Vice Chairman.
- UAE-India Business Council.

Mr. Saifee Rupawala

Chief Executive Officer and Director
Appointment to the Board: September 2019

Mr. Saifee has served as the Company's CEO since July 2024 and has been a member of the Board since September 2019. He began his career with Lulu Group in July 1982 and, over more than four decades, has played a pivotal role in driving the Group's expansion. In addition to his corporate responsibilities, he is actively involved in community and professional organisations. He is a board member of the Indian Business and Professional Group in Abu Dhabi and a member of the steering committee of the Indian Professional Business Council in Dubai.

In addition, he is a member of the India Social and Cultural Centre. He holds a Bachelor of Commerce degree from Mumbai University and a Master of Business Administration with specialisations in Financial Management and Human Resources from Vinayaka Mission University.

Other important regulatory, governmental, or commercial positions:

- Lulu Retail Holdings PLC and its subsidiaries – Director.
- Lulu International Holdings Limited – Director.
- Y&S Properties Limited – Director.
- Y International Holdings Limited – Director.
- Shoreline Impex Private Limited – Director.

Mr. Ashraf Ali Muslim Veettil Abdul Kader

Executive Director - Global Operations
Appointment to the Board: July 2024

Mr. Ashraf Ali has been associated with Lulu Group since 1981. Over the course of his tenure, he has been instrumental in the innovative development of Group's stores and streamlining operations across the GCC region. He currently leads the Group's retail operations, with a strong focus on innovation, including the expansion of Lulu Group's ecommerce platform and the growth of its private label portfolio. He holds a Bachelor of Science degree from the University of Calicut.

Other important regulatory, governmental, or commercial positions:

- Lulu Retail Holdings PLC and its subsidiaries – Director.
- Lulu International Holdings Limited – Director.
- Lulu India and its group/associate companies – Director.
- Y&S Properties Limited – Director.

Mr. Abdul Saleem Valiyakath Ibrahim Kutty

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

Mr. Saleem has served as the Chief Operating and Strategy Officer of the Company since July 2024 and has been a Director of the Company since September 2019. He first joined Lulu Group in 1986 and has held several key roles in Lulu Group throughout his career. He is responsible for the development, implementation, and supervision of the Group's operational policies, regulations, initiatives and objectives. He holds a Bachelor of Commerce degree and a Master of Commerce degree from the University of Calicut.

Other important regulatory, governmental, or commercial positions:

- Lulu Retail Holdings PLC and its subsidiaries – Director.
- Y&S Properties Limited – Director.
- Y International Holdings Limited – Director.
- Fair Exports (India) Pvt. Limited – Director.

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

- Non-Executive
- Executive
- Independent Non-Executive

Mr. Gil Adoteye Adotevi-Akue

Director
Appointment to the Board: July 2024

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

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

Memberships and positions in other joint stock companies:
- Agthia Group – Board Member.
- AD Ports Group – Board Member.
- Aramex PJSC – Board Member.

Other important regulatory, governmental, or commercial positions:
- ADQ – Chief Investment Officer.
- Lulu International Holdings Limited – Director.
- Unifrutti Group – Chairman.
- Al Dahra Holdings – Director.
- Louis Dreyfus Company – Director.

Mr. Salmeen Obaid Suwaid Alsembari Al Ameri

Director
Appointment to the Board: July 2024

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

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

Memberships and positions in other joint stock companies:
- Agthia Group – Managing Director and CEO.
- DSV – Board Member.

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

- Non-Executive
- Executive
- Independent Non-Executive

Mr. André George Sayegh

Director
Appointment to the Board: July 2024

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

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

Ms. Reed Hamad Khamis Al-Sheryani Al-Dhaheri

Director
Appointment to the Board: July 2024

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

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

Other important regulatory, governmental, or commercial positions:

- Mada'in Holding – Director.
- Omair bin Arar Sons Properties LLC – Board Member.
- Executive Investment – Board Member.
- Reed Law Firm – Partner.

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

- Non-Executive
- Executive
- Independent Non-Executive

Mr. Abdulrahman Ibrahim Hamad Abaalkhail

Director

Appointment to the Board: July 2024

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

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

Other important regulatory, governmental, or commercial positions:

- Al Fadhili Housing Co. – Chairman.
- Mumtalakt Property and Facility Management Company – Chairman.
- Al Rajhi Ekhwan – Board member/Vice Chairman.
- SARCC – Board Member.
- Awj Holding Company – Investment Committee Member.
- Dan (A PIF Subsidiary) – Chief Executive Officer.
- Saudi Downtown Company (a PIF company) – Board Member.

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

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

- Non-Executive
- Executive
- Independent Non-Executive

Governance Management

Board Duties

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

Key Responsibilities of the Board

Governance

- Ensuring compliance with laws, regulations, and supervisory authorities
- Promoting gender diversity and monitoring organisational structures
- Establishing a clear governance framework
- Approving the fundamental policies of the Company
- Enforcing policies on the Code of Conduct and Business Ethics
- Establishing and overseeing Board committees
- Overseeing subsidiary governance and endorsing the Board's remuneration policy
- Calling shareholder meetings and ensuring appropriate communication with shareholders
- Regulating stakeholder relationships and ensuring independence criteria are met

Strategy

- Formulating, reviewing, and monitoring strategic plans
- Setting risk appetite and reviewing strategic assumptions and rationale underlying the Company and Lulu Group's strategic plans
- Deciding on capital structure, dividend policy, and securities offerings

Financial, Administrative and Operational Responsibilities

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

Overall Goals

- Operating with the highest standards of governance, transparency, integrity and accountability
- Fostering sustainable growth and value creation for all stakeholders
- Delivering sustainable value to shareholders and maintaining effective control over the business
- Setting and adhering to corporate values, promoting risk awareness

Meetings of the Board of Directors

The Board of Directors held five meetings during 2025. The table below shows the Board members' attendance at these meetings:

Attendance

Members	Position	10-Feb-25	19-Mar-25	13-May-25	12-Aug-25	10-Nov-25
Yusuff Ali MA	Chairman	P	P	P	P	P
Saifee Rupawala	Chief Executive Officer/ Executive Director	P	P	P	P	P
Asharf Ali M. A	Executive Director – Global Operations	P	P	P	P	P
Saleem V.I.	Chief Operating and Strategy Officer/ Executive Director	P	P	P	P	P
Gil Adotevi	Director	P	P	P	P	P
Salmeen Al Ameri	Director	P	P	P	P	P
André Sayegh	Director	P	P	P	P	P
Reed Al-Dhaheri	Director	P	P	P	P	P
Abdulrahman Abaalkhail	Director	P	P	P	P	P

P – Present, A – Absent

Key Matters Discussed and Actions Taken

In February, the Board approved the unaudited 2024 preliminary results, endorsed the annual budget and long-term business plan, appointed the Chief Risk Officer, established the Sustainability, Strategy & Investment Committee, and recommended the dividend for the second half of 2024.

In March, the Board approved the Company's consolidated and standalone audited financial statements for the year ended 31 December 2024, together with the Auditor's Report thereon. Board also approved the Integrated Annual Report, Corporate Governance Report, and Sustainability Report, recommended the re-appointment of the external auditor for the financial year ending 31 December 2025, approved the calling of the Annual General Assembly Meeting and its agenda, and the Related Party Transactions.

In May, the Board approved the financial results for the first quarter of 2025, appointed the Board Management Solution Provider, and approved the Related Party Transactions.

In August, the Board recommended the dividend for the first half of 2025, reviewed subsidiaries' governance practices, assessed the Board Evaluation Framework, and approved the Related Party Transactions.

In November, the Board approved the financial results for nine months of 2025 and the Related Party Transactions, endorsed the annual budget and long-term business plan, reviewed subsidiaries' governance practices, assessed the Board Evaluation Report, and received an update on the Liquidity Provider (LP) arrangement.

The Board did not pass any written resolutions in 2025.

Board Induction

Board induction and ongoing awareness sessions are crucial for ensuring that Directors remain informed about key matters. These sessions equip Directors with the necessary skills and knowledge to effectively fulfil their responsibilities and provide constructive challenges to the business. During the year, there were no changes in the Board's composition; therefore, no induction sessions were required.

Assessment of the Board, its committees and senior executive management

The Board of Directors constantly considers the ways to develop its performance. In 2025, the Company carried out a comprehensive evaluation of the Board's performance. A Likertscale-based survey was conducted using the Nomination and Remuneration Committee (NRC) and Board approved questionnaire, with the process overseen by the NRC and the Chairman. This evaluation covered many matters including: composition and structure, roles and accountability, culture and dynamics, process and practices and the relation and interaction with the management and the important matters that need focus and enhancement. The Board reviewed the performance of the senior management team, Chief Executive Officer and Group Company Secretary.

In line with the Governance Guide, an external independent evaluation will be undertaken upon completion of three years. During the year, the NRC also conducted a detailed skills assessment and developed a Board skill matrix aligned with the Company's nature of business and scale of operations. Continuous development was supported through regular Board and committee discussions, which contributed to strengthening the capabilities and effectiveness of Board members and senior management.

Board Oversight of Corporate Culture and External Engagements

Lulu embraces a strong corporate culture that supports long-term, sustainable shareholder value. Throughout 2025, the Board and senior management worked collaboratively to reinforce this culture by upholding the Code of Conduct, Conflict of Interest Policy, and Whistleblowing mechanisms across the organization, promoting ethical leadership through the establishment and reinforcement of the Company's core values, and providing oversight and guidance on the Company's culture, reputation, and ethical standards.

The NRC ensures that any external directorships or other interests held by Directors comply with relevant regulations, are not excessive in number, do not demand an unreasonable amount of time that could detract from their responsibilities to the Company, and do not give rise to any conflict of interest. The Company and its Board are committed to corporate governance standards aligned with international best practice.

Directors strives to uphold a balanced consideration of the best interests of the Company and its shareholders, acting with professionalism, integrity, commitment, and independent judgment. They devote the time necessary to fulfil their responsibilities diligently and are expected to maintain the confidentiality of sensitive information and avoid any conflicts of interest. Directors are also subject to restrictions on securities trading, including prohibitions on trading based on insider information, and oversee the whistleblowing mechanism. The Board operates in accordance with its charter, which is aligned with the principles outlined in the Governance Guide.

Board Remuneration

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

The Board of Directors did not receive any remuneration in 2024. For 2025, the total proposed remuneration for Board of Directors (including sitting fees) amounts to AED 19,812,000 which will be presented at the upcoming Annual General Assembly meeting for shareholders' approval.

Allowances for attending Board committee meetings during 2025:

No.	Member Name	Board Committee Meeting Attendance Allowance		
		Committee Name	Allowance Amount (in AED)	Number of Meetings Attended
1.	Gil Adotevi	SSIC	48,000	4
		AC	50,000	5
2.	André Sayegh	SSIC	40,000	4
		AC	60,000	5
3.	Reed Al-Dhaheri	NRC	24,000	2
		AC	50,000	5
4.	Abdulrahman Abaalkhail	NRC	20,000	2
5.	Salmeen Al Ameri	NRC	20,000	2

The proposed Board remuneration consists of AED 7,500,000 for the Chairman and AED 1,500,000 for each Board member, excluding the Chairman, totalling AED 19,500,000. In addition, sitting fees are set at AED 12,000 for the Chairperson and AED 10,000 for each Board Committee meeting attended by a Director, amounting to AED 312,000 in aggregate.

Executive Directors shall not be entitled to sitting fees for attending the Board committee meetings. In addition to the Board remuneration, Executive Directors receive a monthly salary and other allowances in their executive capacity as per employment contract and such amounts are included in the senior management remuneration.

Statement of Ownership and Transactions of the Board

The following table shows the ownership and transactions of shares (both purchase and sale) of the Board together with their spouses and children, in the securities of the Company during the year ended 31 December 2025:

Statement of Ownership and Transactions of the Board

Members	Position	Shares held as on 31 December, 2024	Shares held as on 31 December, 2025	Shares owned by spouse and children as on 31 December, 2024	Shares owned by spouse and children as on 31 December, 2025	Total sale transaction	Total purchase transaction
Yusuff Ali MA	Chairman	Nil	Nil	35,537,255	35,537,255	Nil	Nil
Saifee Rupawala	Chief Executive Officer/ Executive Director	2,450,720	2,450,720	490,000	490,000	Nil	Nil
Asharf Ali M. A	Executive Director – Global Operations	4,901,441	4,901,441	735,072	985,072	Nil	250,000
Saleem V.I.	Chief Operating and Strategy Officer/Executive Director	6,901,979	6,901,979	1174	1174	Nil	Nil
Gil Adotevi	Director	367,647	367,647	Nil	Nil	Nil	Nil
Salmeen Al Ameri	Director	Nil	Nil	Nil	Nil	Nil	Nil
André Sayegh	Director	60,000	60,000	Nil	Nil	Nil	Nil
Reed Al-Dhaheri	Director	Nil	Nil	Nil	Nil	Nil	Nil
Abdulrahman Abaalkhail	Director	Nil	Nil	Nil	Nil	Nil	Nil

Board Committees

The Board has established an Audit Committee and a Nomination and Remuneration Committee, both of which adhere to the composition requirements outlined in the Governance Guide. Additionally, during 2025 the Board established Sustainability, Strategy and Investment Committee (SSIC), which reconfirmed the Company's commitment to responsible growth and improved the quality of strategic decision making in investments.
If necessary and in accordance with the Articles of Association, the Board may also create additional committees as deemed appropriate.

The AC held five meetings in 2025, as set forth in the following table:

Member	Position on the Committee	06-Feb-25	19-Mar-25	12-May-25	11-Aug-25	10-Nov-25
André Sayegh	Chairman	P	P	P	P	P
Gil Adotevi	Member	P	P	P	P	P
Reed Al-Dhaheri	Member	P	P	P	P	P

P – Present, A – Absent

Audit Committee

The Audit Committee ("AC") assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the external auditors, reviewing the effectiveness of the external audit process, reviewing the effectiveness of the internal control review function, and reviewing related party transactions and making appropriate recommendations to the Board in respect of any such matters. The Audit Committee ensures to take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the Abu Dhabi Global Market (ADGM), the Capital Market Authority (CMA) and the Abu Dhabi Securities Exchange (ADX). In addition, the Audit Committee provides oversight on strategic risk management, internal controls over financial reporting and compliance processes of Lulu Retail

In accordance with the approved Audit Committee Charter, Lulu Retail Audit Committee has been established with three Non-Executive Directors and members possess experience in finance, audit and statutory reporting. The Audit Committee is chaired by one of the independent members. The Audit Committee meets not less than four times per year. All members of the Audit Committee require to comply with the Company's insider trading policy which sets out guidelines on matters relating to the sharing of material non-public information and insider trading.

As part of his role as the Chairperson of the AC, Mr. Andre G. Sayegh acknowledges responsibility for implementing the Committee's charter by the Company, reviewing its methods of operation, and ensuring its effectiveness.

Statement from the Chairman of Audit Committee

1. Introduction

In my capacity as Chairman of the Committee I present the Audit Committee (AC) Report for the year ending 31 December 2025. This report outlines the Committee's mandate, operational framework, and key activities undertaken throughout the year, reflecting our continued dedication to safeguarding the integrity of the Company's financial reporting, risk management, internal controls, and compliance environment.

2. Committee Structure and Charter

The Audit Committee plays a crucial role in supporting the Board of Directors in fulfilling its oversight responsibilities as defined in the Committee's charter. The charter sets out the Committee's authority, duties, and operating procedures, ensuring that its work is conducted in accordance with applicable laws, regulations, and governance standards.

The Committee is composed of three Members, all of whom are Non-Executive Directors, and two of whom including the Chairman are Independent Directors. This composition ensures objectivity, independence, and a balanced range of expertise across financial, audit, risk, legal and governance disciplines. Each Member brings extensive experience and professional insight, enabling the Committee to effectively execute its mandate and provide robust oversight of the Company's financial and risk related matters.

3. Roles and Responsibilities

The Committee is responsible for maintaining financial oversight by monitoring the integrity and accuracy of the Company's financial statements, overseeing the policies that govern the appointment and independence of external auditors, and reviewing the effectiveness of risk management, internal audit, compliance, and internal control systems. Its role also extends to supervising both external and internal auditors, which includes evaluating the performance, independence, and qualifications of the external auditor, reviewing and approving internal audit plans while monitoring their execution, and ensuring that all audit activities align with regulatory requirements and Company objectives through periodic reviews of internal audit reports to maintain consistency and compliance. In addition, the Committee oversees ethics and compliance by ensuring adherence to the Company's Code of Conduct and compliance policies, as well as monitoring initiatives related to ethical conduct, whistleblowing, and regulatory compliance.

4. Oversight of Activities and Accomplishments

The AC convened five meetings during the year 2025, each supported by comprehensive agendas aligned with the Committee's responsibilities. Quorum was achieved for all meetings held during the year.

The Committee maintained a rigorous focus on financial integrity, risk management, internal control and compliance. The agenda for each meeting addressed a broad range of matters within the Committee's remit. In addition, the Committee evaluated the risks highlighted in enterprise risk management and internal audit reports and assessed the effectiveness of the Company's risk management and internal control systems. A structured quarterly tracking process is in place to verify the implementation status of management actions arising from internal audits including risk, compliance and internal control. The process involves confirming completed actions and actions are evaluated based on their associated risk exposure and reported to the AC, along with their risk ratings and aging.

The Committee took note of the quarterly compliance certificates and the various compliance and training initiatives implemented across regions, and it also reviewed matters relating to data privacy and cybersecurity.

Andre G. Sayegh
Chairman
Audit Committee of Lulu Retail Holdings PLC

During the year, the Audit Committee reviewed preliminary and periodic financial results, dividend recommendations, and the Company's annual budget, alongside deliberations on the long-term business plans. The Committee examined the audited consolidated and standalone financial statements for FY 2024, considered related party transactions, and recommended releasing the external auditors from liability for the prior year, subject to Board and shareholder approval. A comprehensive assessment of the re-appointment of the external auditor for FY 2025 was undertaken, covering qualifications, independence, audit scope, fees, and compliance with regulatory standards. To ensure auditor independence, the Audit Committee exercises stringent oversight, limiting external auditor's non-audit services in accordance with the CMA Governance Guide. The Committee also reviewed presentations from the external auditor throughout the year and noted the appointment of the Chief Risk Officer.

In fulfilling its oversight responsibilities, the Committee evaluated Enterprise Risk Management, Business Continuity, and the Group level risk matrix, while also reviewing key IT and cyber security matters. The Committee monitored financial performance through quarterly and half yearly updates, approving the periodic financial statements and recommended half yearly dividends. Treasury operations were also reviewed, including the implementation of the Treasury Management Solution. The Committee also considered whistleblower awareness initiatives and received regular updates on compliance, risk management, internal audit, and internal control functions.

5. Conclusion

The Audit Committee remains committed to upholding the highest standards of financial governance, transparency, and ethical conduct. Through diligent oversight and strategic guidance, the Committee ensures that the Company operates in full compliance with regulatory requirements while safeguarding the interests of shareholders and stakeholders.

As Chairman of the Audit Committee, I acknowledge my responsibility to discharge the Committee's duties in accordance with its terms of reference and to ensure its continued effectiveness.

Nomination and Remuneration Committee

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

In accordance with the approved NRC Charter, Lulu Retail NRC has been established with three Non-Executive Directors, two of whom are independent directors. The NRC is chaired by one of the independent members. Members possess expertise in financial, legal and administrative & executive management.

As part of her role as Chairperson of the NRC, Ms. Reed Al-Dhaheri acknowledges duty to discharge the responsibilities of the Committee under its terms of reference, including reviewing its methods of operation and ensuring its overall effectiveness.

The NRC held two meetings in 2025, as set forth in the following table:

Member	Position on the Committee	19-Mar-25	10-Nov-25
Reed Al-Dhaheri	Chairperson	P	P
Salmeen Al Ameri	Member	P	P
Abdulrahman Abaalkhail	Member	P	P

P – Present, A – Absent

During 2025, the NRC convened two meetings and fulfilled its responsibilities in full alignment with its terms of reference. Over the course of the year, it carried out periodic reviews of the Human Resources function, organizational culture, diversity, and related areas; assessed the proposed sitting fees of Board Committees along with the overall Board remuneration framework for 2025; and completed the annual performance evaluation of the Board, its committees, senior management, the CEO, and the Group Company Secretary.

Sustainability, Strategy & Investment Committee

The Sustainability, Strategy & Investment Committee ("SSIC") is responsible for guiding the organization's long-term direction and value creation by advising the Board on the Group's strategic priorities. SSIC reviews and recommends changes to the business strategy, evaluates growth opportunities and assesses major investments. The committee also reviews strategic planning processes, annual budgets, capital expenditures, and initiatives impacting operations, while ensuring alignment with corporate goals. On the sustainability front, it defines and implements ESG strategies aligned with business objectives, monitors key environmental, social, and governance metrics, and reviews the performance targets.

During 2025 the SSIC held four meetings and discharged its duties in accordance and in compliance with its terms of reference. SSIC conducted periodic reviews of strategic updates and organizational efficiency initiatives, evaluated the effectiveness and alignment of the Investor Relations function, assessed the long-term financial and operational outlook and comprehensive business plan across GCC markets and e-Commerce operations. The committee also evaluated and optimized banking relationships to advance long term financial objectives and operational resilience.

As Chairman of the SSIC, Mr. Gil Adotevi acknowledges duty to discharge the Committee's duties in accordance with its terms of reference, including reviewing its methods of operation and ensuring its overall effectiveness.

The SSIC held four meetings in 2025, as set forth in the following table:

Member	Position on the Committee	24-Feb-25	06-May-25	29-Aug-25	29-Oct-25
Gil Adotevi	Chairman	P	P	P	P
André Sayegh	Member	P	P	P	P
Saifee Rupawala	Member	P	P	P	P
Asharf Ali M. A	Member	P	P	P	P
Saleem V.I.	Member	P	P	P	P

P – Present, A – Absent

Insider Trading Monitoring and Oversight

The Company has established a strong governance framework for managing insider-trading risks. The in-house Compliance Team has established and oversees a comprehensive Insider Trading Policy implemented by robust monitoring, control, and reporting mechanisms designed to ensure full adherence to regulatory requirements.

Additionally, the Company operates a confidential whistleblower channel to facilitate the reporting of any concerns. All Board members, senior management, and employees are required to maintain strict confidentiality of inside information and ensure that such information is not misused under any circumstances. A dedicated Insider Trading Monitoring and Oversight Committee may be considered in the future as the governance framework evolves; in the meantime, the existing structure provides strong oversight and supports ongoing compliance efforts.

Group Company Secretary

Mr. Nidhin Jose, Group Company Secretary, serves as the rapporteur for all Board and committee meetings. He was appointed as the Company Secretary of Lulu Retail Holdings PLC on 2 October 2024.

Role of Group Company Secretary

The Group Company Secretary acts as secretary to the Board and Sub-Committees of the Board. The Company Secretary supports the effective functioning of the Board of Directors and its Committees. The role includes organizing and documenting Board and Committee meetings, preparing and maintaining minutes and records of resolutions, and ensuring proper documentation of discussions, voting outcomes, and attendance.

The Company Secretary also coordinates the timely circulation of meeting agendas, supporting materials, and relevant information to Directors, facilitates communication between the Board and Senior Management. In addition, the Company Secretary supports the Board evaluation process and maintains records of reports submitted to the Board.

The full brief profile is available in the Senior Management section.

Annual General Assembly Meeting (AGM)

Resolutions passed at the AGM held during 2025

The Company held its AGM on 24 April 2025, during which no special resolutions were proposed or passed. Abu Dhabi Commercial Bank PJSC was appointed to serve as the vote collector for the meeting.

The ordinary matters discussed and approved in meeting were:

1. Approved the Board of Directors' report on the Company's activities and its financial position for the financial year ended 31 December 2024.
2. Approved the external auditor's report for the financial year ended 31 December 2024.
3. Approved the standalone audited financial statements of the Company for the financial year ended 31 December 2024.
4. Approved the consolidated audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2024.
5. Approved the recommendation of the Board concerning a cash dividend distribution of USD 84,374,993 equating to c.0.82 cents per share (equivalent to approximately AED 309,867,160 amounting to 3 fils per share) for the second half of the financial year ended 31 December 2024.
6. Released the members of the Board of Directors from liability for the financial year ended 31 December 2024.
7. Released the external auditors from liability for the financial year ended 31 December 2024.
8. Appointed the external auditors of the Company for the financial year ending 31 December 2025 and determine their fees.

Senior Management Team

The Company's Senior Management Team brings together decades of diverse and highly relevant expertise across retail, supply chain and logistics, financial services, marketing, FMCG, and other key sectors. Reporting to the CEO, the team oversees all aspects of the Company's complex daytoday operations, ensures effective execution of the corporate strategy, and plays a central role in advancing the Company's vision of being the leading retail player across the GCC.

Senior Management Brief Profile

Mr. Saifee Rupawala

Chief Executive Officer

Experience at Lulu: 44 years

Please consult the 'Board of Directors' section page 72 for the biography of Mr. Saifee Rupawala.

Mr. Ashraf Ali Muslim Veettil Abdul Kader

Executive Director - Global Operations

Experience at Lulu: 44 years

Please consult the 'Board of Directors' section page 73 for the biography of Mr. Ashraf Ali M A

Mr. Abdul Saleem Valiyakath Ibrahim Kutty

Chief Operating and Strategy Officer

Experience at Lulu: 39 years

Please consult the 'Board of Directors' section page 73 for the biography of Mr. Saleem V. I.

Mr. Prasad KK

Chief Financial Officer

Experience at Lulu: 27 years

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

Mr. Salim MA

Group Director – Global Operations

Experience at Lulu: 37 years

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

Mr. Mohamed Althaf MM

Group Director – Global Operations, and Chief Sustainability Officer

Experience at Lulu: 25 years

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

Mr. Parameswaran Nampoothiri

Director – Finance

Experience at Lulu: 25 years

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

Mr. Santhoshkumar Raghavan Pillai

Director – Accounts and Control

Experience at Lulu: 25 years

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

Mr. Shabu Abdul Majeed

Director – Global Operations

Experience at Lulu: 30 years

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

Mr. Nandakumar V

Director – Marketing and Communications

Experience at Lulu: 25 years

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

Mr. Abdu Rasak CP

Director – HR

Experience at Lulu: 33 years

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

Mr. Mohamed Anish P

Group Chief Information Officer

Experience at Lulu: 21 years

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

Mr. Jeevan Krishna

Chief Legal and Compliance Officer

Experience at Lulu: 7 years

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

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

Mr. Nidhin Jose

Group Company Secretary
and Director Investor Relations

Experience at Lulu: 5 years

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

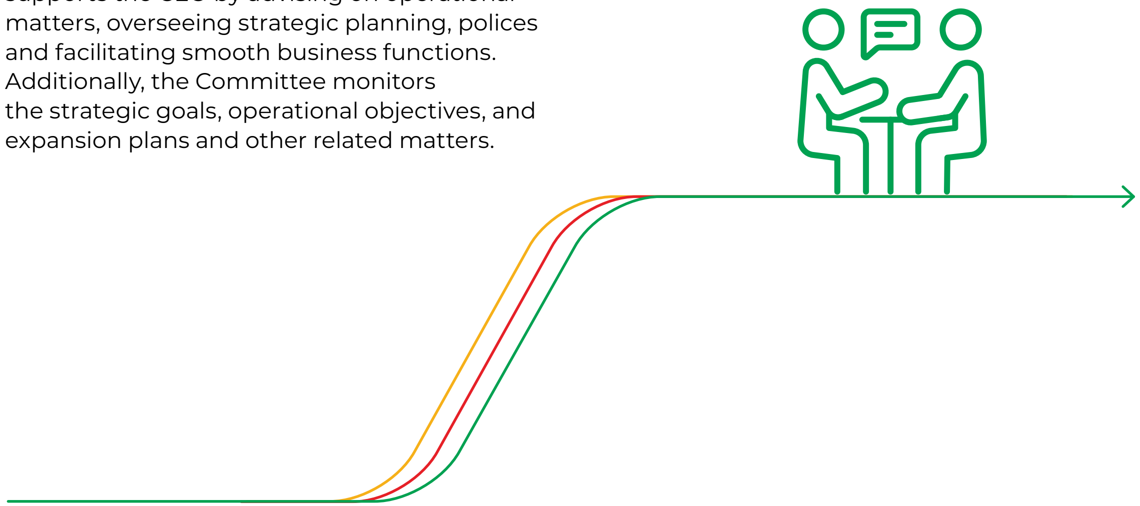
Remuneration of the Senior Management Team

The detailed breakdown of the total compensation paid to the Senior Management Team by the Company for the year ended 31 December 2025 is outlined in the table below:

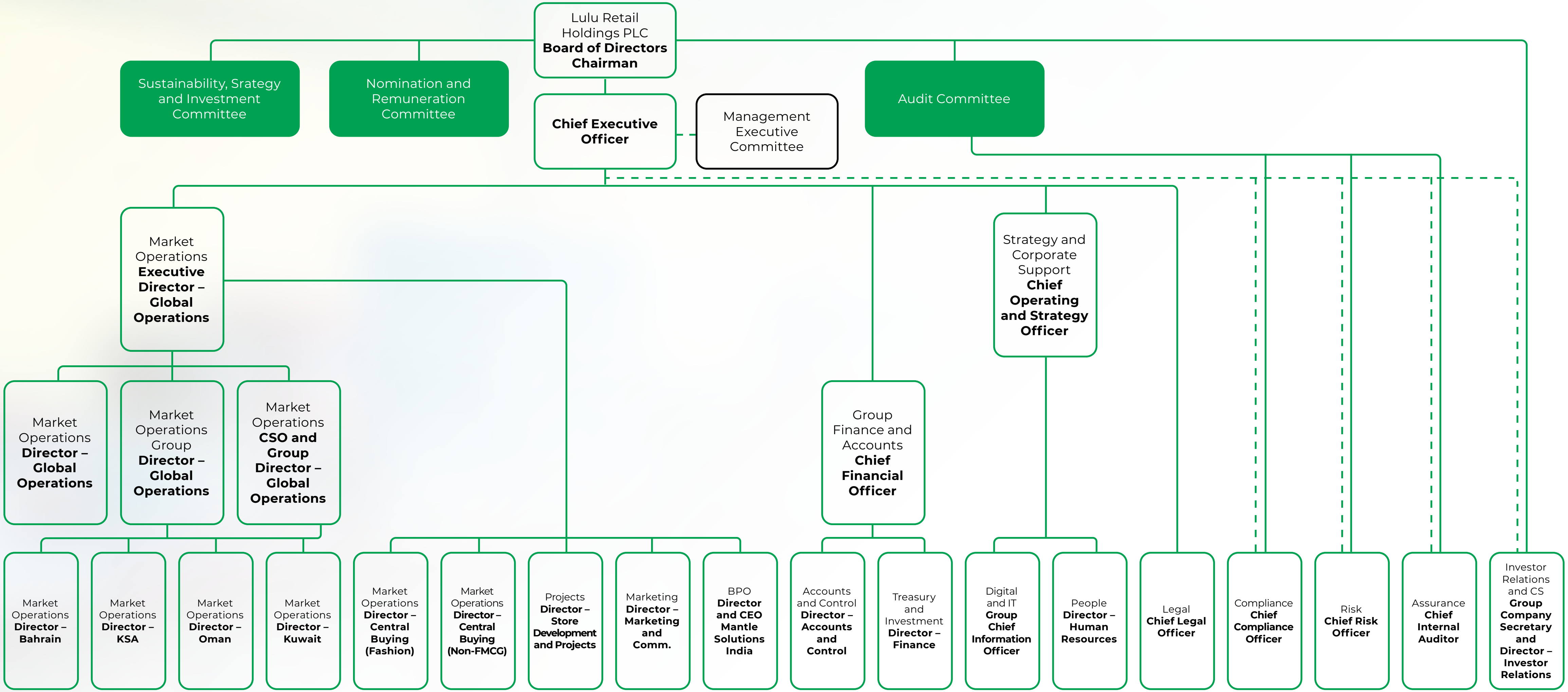
Particulars	Amount (USD)
Short-term employee benefits	5,617,000
End of service benefits	426,000
Total compensation paid to Senior Management Team	6,043,000

Management Executive Committee

The Management Executive Committee supports the CEO by advising on operational matters, overseeing strategic planning, polices and facilitating smooth business functions. Additionally, the Committee monitors the strategic goals, operational objectives, and expansion plans and other related matters.



Company's Framework and Structure



Key Policies

Board of Directors' Charter

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

Audit Committee Charter

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

Nomination and Remuneration Committee Charter

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

Sustainability, Strategy and Investment Committee Charter

The Sustainability, Strategy and Investment Committee Charter defines the Committee's purpose, composition, authority, and key responsibilities. It encompasses oversight of the Company's strategic direction, sustainability framework, and major investment initiatives. The Committee is responsible for reviewing and recommending longterm strategies, monitoring the implementation of sustainability objectives, evaluating significant capital expenditures and investment proposals, and ensuring alignment with the Company's vision and corporate governance principles.

Board Evaluation Criteria, Policy and Procedure

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

Market Disclosure and Transparency Policy

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

Board Remuneration Policy

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

Code of Conduct and Business Ethics Policy

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

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

Anti-Bribery and Corruption Policy

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

Whistleblowing Policy and Procedure

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

Insider Trading Policy

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

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

Key measures include:

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

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

By implementing this policy, Lulu Group safeguards sensitive and inside information about the Company, its subsidiaries, shareholders, and customers.

Conflict of Interest Policy

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

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

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

Related Party Transactions Policy

The Company is committed to maintaining the highest standards of transparency, accountability, and good governance in relation to related party transactions. To ensure compliance with applicable regulations, including those set by the Capital Market Authority (CMA) and the Abu Dhabi Global Market (ADGM), the Company has established a comprehensive framework to facilitate the disclosure and monitoring of related party transactions.

Dividend Policy

The Dividend Policy outlines the Company's ability to pay dividends, which depends on factors including available distributable reserves, capital expenditure plans, future cash requirements, and regulatory considerations. The Company endeavors to maintain a total dividend pay-out ratio of 75% of annual distributable profits after tax, paid semi-annually following the approval and publication of the results for the respective periods, subject to applicable financial parameters.

Managing Conflict of Interest and Related Party Transactions

Conflict of Interest

The Company is committed to fostering a culture of ethical conduct, and the Conflict of Interest Policy has supported this by helping ensure that decisions are made in the organisation's best interests. Directors, senior management and employees are obligated to disclose any actual, potential or perceived conflicts of interest to the Chief Legal and Compliance Officer. Directors, senior management and employees are expected to avoid situations that could compromise their impartiality or the integrity of their decisions. Through this approach, the Company has aimed to strengthen awareness of situations that may affect objectivity and to reinforce transparency, trust and confidence in its practices.

Related Party Transactions

Lulu Group maintains ongoing business relationships with several related parties.

A. Related Party Transactions as disclosed in the consolidated financial statement of the Company for the financial year ended 31 December 2025

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

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

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

Individuals:
1. Board members and their first-degree relatives
2. Senior management and their first-degree relatives

The Related Party Transactions, balances and remuneration to the key management personnel are disclosed in the consolidated financial statement of the Company for the financial year 2025. Please refer to Note 09 in the Financial Statement section of this report for the detailed Related Party disclosure.

B. Related Party Transactions under the Corporate Governance Guide

In accordance with the requirements of the Chairman of the Authority's Board of Directors' Decision No. (3/Chairman) of 2020 concerning the Approval of Joint Stock Companies Governance Guide, issued by the Capital Market Authority ("CMA") (the **"Governance Guide"**), the Company outlines below the related party transactions entered into during the financial year ended 31 December 2025.

Pursuant to the Governance Guide, transactions with related parties exceeding 5% of the Company's capital require approval from the shareholders, unless such transactions are entered in the ordinary course of business and do not give rise to a conflict of interest, as provided under Article 35 of the Governance Guide. All related party transactions were conducted on an arm's length basis, in the ordinary course of business, and were subject to review and oversight by the Board of Directors and the Audit Committee, in accordance with the Company's governance framework.

The Company confirms that, during the financial year ended 31 December 2025, it did not enter into any related party transactions requiring shareholder approval pursuant to the Governance Guide.

i. Related Party Transactions Undertaken During the Financial Year ended 31 December 2025.

The following related party transactions were entered into by the Company during the financial year and were below the 5% capital threshold prescribed under the Governance Guide.

Sl. No	Related Party Name	Nature of Relationship	Transaction Type	Transaction Value Amount in USD (000)
1	Lulu Centre – Sole Proprietorship LLC, Abu Dhabi	Wholly-owned subsidiary	Rent (Office) paid on behalf of the Company	34
2	Lulu Hypermarket LLC, Dubai	Wholly-owned subsidiary	Fund Received by the Company to maintain the required minimum bank balance	27
3	Lulu Group International Limited, Abu Dhabi	Wholly-owned subsidiary	Fund Transferred by the Company for the purpose of opening a bank account	10
4	Lulu Centre – Sole Proprietorship LLC, Abu Dhabi	Wholly-owned subsidiary	Legal Expenses paid on behalf of the Company	2
5	Lulu Centre – Sole Proprietorship LLC, Abu Dhabi	Wholly-owned subsidiary	Dividend distribution fees paid by the Company	78

ii. Transactions in the Ordinary Course of Business

The following transactions were entered into during in the ordinary course of business of the Company during the financial year ended 31 December 2025:

Sl. No	Related Party Name	Nature of Relationship	Transaction Type	Transaction Value Amount in USD (000)
1	Lulu Group International Limited, Abu Dhabi	Wholly-owned subsidiary	Amount received against dividend by the Company	40,844
2	Lulu Hypermarket LLC, Dubai	Wholly-owned subsidiary	Amount received against dividend by the Company	143,227
3	Lulu Hypermarket LLC, Dubai	Wholly-owned subsidiary	Dividend income	198,775

The Company's principal activity is to operate as a holding company for its subsidiaries, and its primary source of income consists of dividends received from its subsidiaries. Accordingly, the receipt of dividends from the subsidiaries, listed above constitutes, transactions entered into in the ordinary course of Company's business and therefore does not constitute related party transactions pursuant to Article 35 of the Governance Guide.

Risk Management

The Company takes a proactive and structured approach to risk management, ensuring risks are identified, assessed, and mitigated in alignment with our defined risk appetite.

We employ a blend of top-down and bottom-up strategies, integrating risk considerations across all levels, from operational teams to executive leadership. Our approach to risk encompasses all critical areas, including Strategic, Financial, Operational, Legal and Regulatory, ESG, Reputational, and HSE risks, ensuring a comprehensive view of our risk landscape.

Risk Management - Governance & Oversight

Lulu Retail maintains a structured Enterprise Risk Management ("ERM") governance framework to support the identification, assessment, monitoring, and reporting of key risks across the Group. The ERM governance framework is aligned to the Three Lines of Defence model, ensuring clear accountability for risk ownership, independent oversight, and assurance.

The Audit Committee maintains risk oversight and assurance, reviews the effectiveness of the ERM framework, the Group's risk profile, and adherence to the approved Risk Appetite and Tolerance.

During FY2025, the Risk Management function continued to operate as an independent Second Line of Defence, separate from revenue-generating and operational activities. The Risk function provides governance oversight, challenge, and consolidation of enterprise risk information for executive management and Audit Committee oversight.

In FY2025, the function provided quarterly ERM updates to the Audit Committee, covering key enterprise risks, retail sector top risk themes, changes in the risk profile, external and internal risk context, emerging risk themes, and progress against the Group-level ERM programme across GCC regions. Risk reporting included updates on the Group Key Risk Register, risk trends, and escalation of material exposures where applicable.

The Risk Management function has also supported the strengthening of risk monitoring and reporting by consolidating functional and regional risk registers into an enterprisewide view, enhancing the clarity and granularity of risk descriptions, root causes and control effectiveness assessments, and continuing the development of Key Risk Indicators ("KRIs") aligned with the Group's risk appetite and tolerance thresholds.

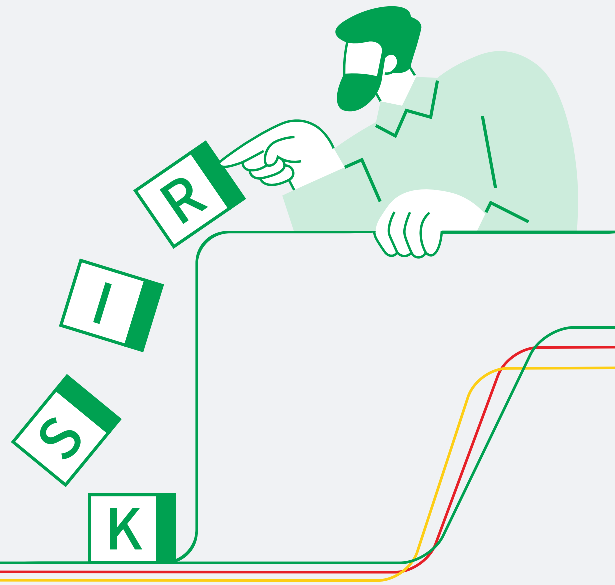
These enhancements reflect continued maturity progression in governance oversight and risk reporting, supporting consistent risk visibility across the Group and enabling timely escalation and management action.

Chief Risk Officer (CRO)
The CRO provides independent oversight of enterprise risk management across the Group and supports Management Executive Committee, Management and the Audit Committee through structured risk reporting, risk appetite monitoring, and governance of key risk exposures. The CRO also drives the continued enhancement of risk culture, KRIs, and enterprise risk consolidation across regions.

Role of the Risk Function

The Risk Management facilitates the Audit Committee and Management Executive Committee by maintaining the ERM framework and methodology, facilitating risk assessments, monitoring risk appetite and tolerance adherence, and reporting key and emerging risks through structured governance forums.

Please refer to the Risk Management chapter on page 62 of the Strategic Report for Risk Management Objectives, Model and Framework, Process, Principal risks and their management.

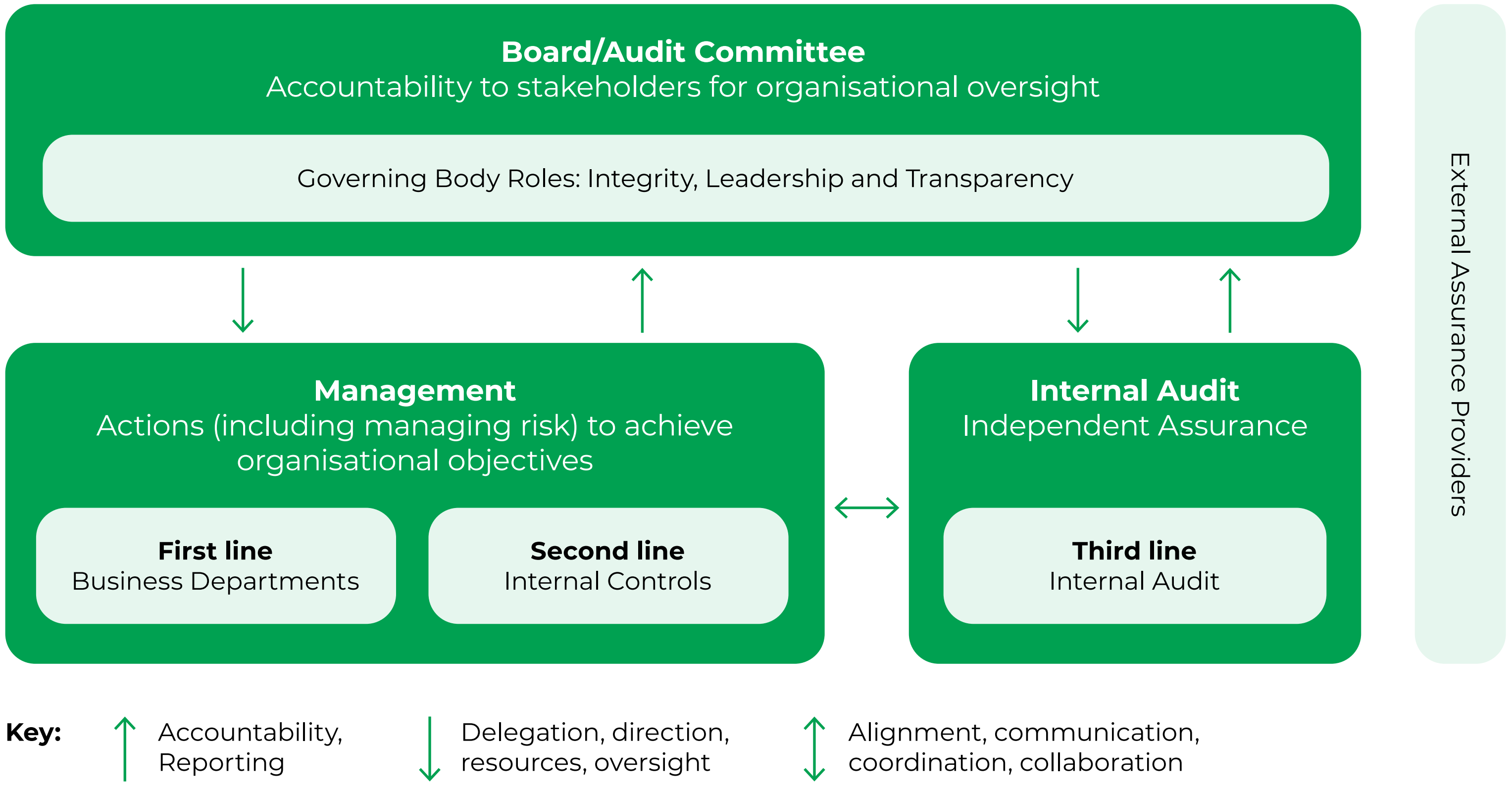


Internal Control

Internal Control Framework

The Board of Directors is responsible for the establishment, oversight, and effectiveness of the Group's internal control framework as part of its broader corporate governance responsibilities. The internal control system is designed to support the achievement of the Group's strategic and operational objectives, safeguard assets, protect shareholders' interests, ensure compliance with applicable laws and regulations, and maintain the integrity and reliability of financial and operational reporting.

The Group's internal control framework is embedded within its governance and risk-management structures and operates in alignment with the internationally recognised three lines of defence model. This approach promotes clear accountability for controls at the operational level, effective oversight by management, and structured reporting to the Board and its committees.



Governance and Oversight

In accordance with the Internal Control Framework, the Board oversees the implementation and ongoing maintenance of the internal control system. This oversight includes periodic reviews and regular reporting to the Board and the Audit Committee on the adequacy and effectiveness of the internal control framework. The Board also undertakes an annual review of the system's effectiveness, including assessments of compliance with internal policies, applicable laws, and regulatory requirements.

Under the authority of the Board, senior management is responsible for ensuring that appropriate internal controls, both financial and operational are implemented and functioning effectively across the Group. Management is accountable for engaging control responsibilities within business processes, ensuring consistency of application, and addressing identified control gaps in a timely manner.

Operating as part of the second line of defence, the Internal Controls Department supports management in maintaining a robust and sustainable control environment. The Department monitors the effectiveness of internal controls across key processes, facilitates remediation of identified issues, and supports continuous improvement initiatives. Quarterly reports are submitted to the Board and the Audit Committee, covering the status of the internal control framework, key observations, remediation progress, and emerging risk and control themes.

Oversight of the internal control framework is supported by senior leadership, including Mr. Santhoshkumar R Pillai, Director – Accounts and Control, and Mr. Jeevan Krishna, Chief Compliance Officer; they were appointed to their respective designations in the Company on 01 July 2024. Mr. Santhoshkumar holds a Bachelor of Commerce degree from Kerala University and is a Chartered Accountant from the Institute of Chartered Accountants of India. Mr. Jeevan Krishna holds a Bachelor of Law (LLB) degree from Mangalore University and a Master of Laws (LLM) degree from Kerala University.

Control Environment and Framework

The Group's internal control system is designed in line with the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). This framework provides reasonable assurance regarding the effectiveness and efficiency of operations, reliability of reporting, and compliance with applicable laws and regulations.

Internal controls are embedded across business processes and supported by documented policies, defined roles and responsibilities, and system enabled controls where appropriate. The framework is designed to mitigate, rather than eliminate, the risk of failure to achieve business objectives and therefore provides reasonable, but not absolute, assurance against material misstatement or loss.

Monitoring, Reviews, and Issue Management

The Internal Controls Department conducts reviews of selected key financial and operational processes based on risk assessments, materiality considerations, prior-year observations, operational changes, and management inputs. Observations arising from these reviews are evaluated for impact and severity, and remediation plans are agreed with management.

The Group maintains defined mechanisms to identify, assess, and respond to significant control issues. Where observations or process gaps are identified, these are addressed through structured corrective actions, including refinement of process steps, strengthening of review and approval controls, enhancement of documentation standards, targeted training, and implementation of system-enabled controls. Progress against remediation plans is monitored and reported to the Audit Committee.

Escalation protocols are in place to ensure that any significant control matters with potential implications for financial reporting, regulatory compliance, or disclosure are communicated promptly to senior management and the Board, enabling timely corrective action and appropriate disclosure where required.

Violations and Compliance

The Group maintains a robust compliance framework to ensure adherence to applicable laws, regulations, and internal policies. During the year, no material violations impacting the integrity of financial reporting or the overall internal control environment were identified. No reservations were noted by the external auditor for the 2025 financial year. The Internal Control Department identified no significant issues within the company; as a result, no reports were submitted to the Board throughout the year.

Continuous Improvement

The Group remains committed to the continuous enhancement of its internal control environment. Ongoing initiatives focus on further standardisation of processes across regions, increased reliance on automated and system-based controls, and alignment of control activities with system and process improvement programmes. Coordination between management, Internal Controls, and Internal Audit continues to ensure appropriate coverage, avoid duplication of effort, and promote a consistent understanding of control expectations across the organisation.

Overall Assessment

Based on the oversight activities performed, reports received from management, and monitoring of remediation actions, the Board and management consider the Group's internal control framework is adequate and effective. The framework in place provides reasonable assurance that key risks are identified, assessed, and managed in a structured and timely manner, supporting the Group's governance, risk-management, and compliance objectives.

Compliance

The Compliance Department of Lulu Retail operates within a broader legal and compliance framework and is responsible for overseeing compliance with applicable laws, regulations, regulatory standards, and internal policies across the Group.

The Department's primary objective is to ensure and maintain a strong compliance culture and effective governance framework that supports ethical business conduct and regulatory adherence across all operations.

Key responsibilities of the Compliance Department include:

- Designing, implementing and enhancing a comprehensive compliance programme to identify, assess, monitor, and mitigate regulatory and legal compliance risks.
- Developing, maintaining, and updating compliance policies, procedures, and frameworks in line with applicable regulatory requirements and best practices.
- Monitoring adherence to regulatory obligations and internal controls, including identification of compliance gaps and follow-up on remediation actions.
- Coordinating with business units and support functions to ensure consistent and effective implementation of compliance requirements across the Group.
- Advising senior management on the impact of new and evolving laws, regulations, and regulatory expectations.
- Conducting compliance training, awareness programmes and communication initiatives to embed a robust compliance culture throughout the organisation.

The Compliance Department is headed by Mr. Jeevan Krishna, Chief Compliance Officer, who provides strategic direction and independent oversight to ensure the effectiveness and continuous enhancement of the Group's compliance framework.

The Compliance Department provides regular assurance to the management and the Audit Committee regarding the adequacy and effectiveness of the Group's compliance controls and framework. This includes:

- Conducting periodic assessments and reviews of the compliance programme to evaluate its effectiveness.
- Reporting significant compliance risks, instances of non-compliance, control deficiencies and remediation efforts to senior management and the Audit Committee.
- Presenting regular reports to the Audit Committee, including quarterly compliance updates, annual summaries of compliance activities, the status of compliance programme implementation and key policy updates.

Through these structured processes and reporting mechanisms, the Compliance Department supports the Board and management in fulfilling their oversight responsibilities and maintaining high standards of governance, integrity, and regulatory compliance across the Group.

Internal Audit

Internal Audit serves as the third line of defence and provides independent and objective assurance to the Board and the Audit Committee on the effectiveness of the Company's risk management, internal control, and governance frameworks.

The Internal Audit function was established following the Company's listing, as part of strengthening its corporate governance environment. During the initial year of operations, focused efforts were undertaken to build awareness among key stakeholders regarding the role, mandate, and value of Internal Audit, and to embed the function within the organisation's governance structure.

Internal Audit activities are guided by a three-year risk-based internal audit plan approved by the Audit Committee, developed with reference to the enterprise Risk Register prepared and maintained by the Risk Management function. The audit plan is designed to provide appropriate coverage of key risks across the Group. Internal Audit maintains ongoing coordination with the Risk team to identify emerging and evolving risks and to adjust audit priorities and strategies accordingly.

Internal Audit delivers independent assurance and advisory services designed to add value and enhance operational effectiveness. The function adopts a risk-based approach to assess and report on the adequacy and effectiveness of internal controls, compliance practices, and risk mitigation measures across the Group.

For FY 2025, Internal Audit completed 72 audits, with coverage extending across all GCC regions, covering multiple functions, with a few among them including Retail Operations, E-Commerce Operations, Wholesale Operations, Finance , IT, sourcing units and the BPO office. Audit results, key observations, and implementation status updates were reported to the Audit Committee on a quarterly basis, enabling effective oversight and monitoring.

Internal Audit actively monitors the implementation of agreed management action plans and follows up on audit recommendations to support timely remediation. The function continues to receive strong cooperation and support from management, which has contributed to the effective execution of the audit plan.

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

Subsidiary Governance - Company Oversight of Global Subsidiaries

The Company has 85 Subsidiaries across 27 jurisdictions.

The Governance oversight of subsidiaries is maintained through a comprehensive and structured framework that ensures alignment with the Lulu Retail Holdings PLC's (Parent Company) strategic objectives and adherence to local regulatory requirements. This framework includes the establishment and enforcement of groupwide policies, charters, and codes of conduct applicable across all entities. Standardised governance practices such as consistent Board structures, manager appointments, meeting protocols, and reporting templates are implemented to promote uniformity and strong governance discipline.

The Compliance Department conducts periodic audits, monitors adherence to local laws, and ensures that subsidiaries operate in line with the Company's ethical and corporate governance standards. Regular engagement with subsidiary management teams, supported by centralised oversight, reinforces strategic alignment and accountability throughout the organisation. Additionally, the Parent Company periodically obtains structured reports from subsidiaries covering key personnel changes, significant resolutions, regulatory updates, audit observations, and other critical financial and operational matters.

The Company remains committed to ensuring effective oversight of its regional and global subsidiaries, requiring each entity to comply with corporate policies, standards, and ethical guidelines while meeting local regulatory obligations and adapting to marketspecific conditions.

For the entity chart that shows the subsidiaries of the Company, please refer to Note 08 in the Financial Statement section of the report.

Delegation of Authority (DoA)

Delegation of authority by the Board

In November 2024, the Board of Directors have issued a delegation of authority to Mr. Yusuffali Musaliam Veettil Abdul Kader (Chairman), Mr. Saifuddin Taher Bhai Rupawala (Chief Executive Officer / Executive Director), Mr. Ashraf Ali Muslim Veettil Abdul Kader (Executive Director – Global Operations) and Mr. Abdul Saleem Valiyakath Ibrahim Kutty (Chief Operating & Strategy Officer / Executive Director) authorizing them to:

- to handle all finance-related documents for obtaining or renewing financial/credit facilities for the Company and its subsidiaries (Group);
- to execute all security-related documents such as liens, charges, pledges, hypothecation, mortgages, guarantees, and assignments for the Company or any Group entity;
- to sign shareholder resolutions and other documents of Group companies or any company in which Lulu Retail is a shareholder/ beneficial owner and to represent, attend, vote, and appoint proxies at general meetings; and
- to open, close and operate bank accounts in all aspects, such as managing foreign payments, statutory payments and other operational banking matters; and modify authorization matrix and bank signatories; and avail internet banking, merchant services, payment gateways and cashmanagement services.

They are authorized to sign all agreements and documents necessary for all these above-mentioned actions, and the delegation remains valid for three years (i.e., until November 2027) unless revoked earlier by the Board.

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

Driving Sustainable Community Impact

Lulu Retail is committed to advancing the social, economic, and environmental wellbeing of the communities it serves through purposeful partnerships and inclusive programmes. In 2025, the Company focused on food security, health and wellness, education, and environmental stewardship, reinforcing its role as a responsible corporate citizen and creating value beyond business operations.

Through impactful CSR initiatives and collaborations with recognised charities, Lulu Retail addressed local community needs, supported vulnerable groups, and promoted longterm, sustainable development — strengthening resilient and inclusive communities across the region.

Indicator	Unit	2023	2024	2025
Donations and Sponsorships	USD (rounded)	2,269,756	961,936	1,138,679
	AED (rounded)	8,335,679	3,532,710	4,181,799

Empowering Communities

The Company remains deeply engaged with the communities it serves, supporting initiatives in healthcare, education, and economic upliftment in line with its ESG commitments. These efforts range from Ramadan Iftar programmes and farmer support to blood donation drives and breast cancer awareness campaigns. We take particular pride in encouraging local youth and SMEs, and we warmly welcome collaboration with charitable and nonprofit organisations seeking to create positive impact.

Human Rights

The Company upholds a strong commitment to protecting human rights across its operations and value chain, ensuring that the dignity of employees, workers, and all relevant stakeholders is respected. Lulu Group adheres to all applicable human rights regulations, including the UN Guiding Principles on Business and Human Rights and the United Nations Global Compact.

Environmental Management

The Company's approach to environmental responsibility is rooted in energy efficiency, resource conservation, and the expansion of solar energy solutions. By carefully tracking key environmental indicators such as energy use, greenhouse gas emissions, water consumption, and waste management we aim to make informed, responsible decisions that support both operational excellence and environmental wellbeing.

Emiratisation

At Lulu, Emirati colleagues are offered meaningful opportunities to grow their careers, benefit from exceptional professional development, and contribute to the continued progress of our nation's economy.

The Company remains dedicated to welcoming, nurturing, engaging, and retaining Emirati talent at every level. Our key initiatives focus on recognizing potential and providing the guidance and support our Emirati team members need to confidently advance into leadership roles; strengthening the future of both the Company and the UAE. Emiratisation percentage was 19.67% in 2024 and is 26.43% in 2025[1].

[1] The calculation of the percentage is based solely on the number of skilled workers employed as of 31 December 2025, in compliance with the applicable Emiratisation Regulations.

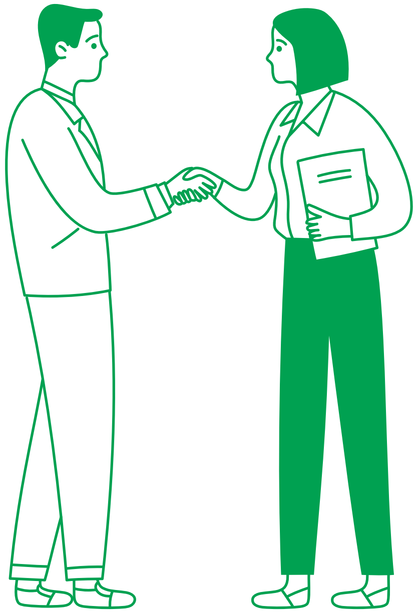
External Auditor

Deloitte & Touche (M.E.) LLP is the Deloitte member firm operating across the Middle East, providing audit, assurance, tax, consulting, and advisory services to public and private sector clients. It forms part of Deloitte's global network of legally separate and independent member firms and has maintained its presence in the region since 1926, contributing significantly to the development of the professional services industry.

Deloitte & Touche (M.E.) LLP was appointed as the External Auditor for the financial year ended 2025. In addition to the key responsibilities of the Audit Committee, it reviews and approves the external audit approach, to include the evaluation, independent appointment or re-appointment, and terms of engagement and rotation of the auditing firm and/or the principal partner in charge of the audit. The selection criteria include ensuring capacity of the audit firm to manage the audit effectively and competently, taking into account the scale and complexity of the Company, as well as ensuring independence, no conflicts of interest, and a strong and capable audit partner and team.

Below are the details and breakdowns of the external audit fees and other service fees incurred during 2025 for the Company:

Deloitte & Touche (M.E.) LLP issued an unqualified opinion on the annual financial statements for the year ended 31 December 2025, with no qualifications or reservations expressed.



Name of the audit firm	**Deloitte & Touche (M.E.) LLP**
Name of the partner auditor	Ms. Faeza Sohawon (this is the Second year after the Company got listed on ADX)
Number of years spent as the company's external auditor	Second year post listing
Number of years the partner auditor spent auditing the company's accounts	Second year post listing
Total value of audit fees for 2025 (in AED and USD)	USD 2,131,475 (equivalent to AED 7,827,842)
Details and nature of other services provided by the company's auditor (if any). In the event that there are no other services, this shall be stated explicitly.	Agreed upon procedures engagements, tax compliance services and subject matter experts' audit support engagements
The value of fees and costs incurred for other special services other than auditing the financial statements for 2025 (in AED and USD), if any.	USD 261,073 (equivalent to AED 958,791)
Statement of other services that any external auditor other than the company auditor provided during 2025 (if any).	Nil

Investor Relations and Company Performance

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

It follows an annual investor relations plan that outlines key engagement guidelines, enabling effective communication with investors and efficient handling of market inquiries. The Board is committed to providing shareholders and stakeholders with access to accurate, clear, and up-to-date information about the Company. Lulu Group ensures timely disclosures of all material information, including financial performance, governance, and share ownership, in a manner accessible to all relevant parties. Additionally, during the Company's quarterly earnings calls, shareholders receive updates and can provide feedback on the Company's performance. Mr. Samuel Hart heads the Investor Relations Department, and the team is responsible for overseeing engagement with key external stakeholders such as shareholders and the wider professional investment community, and he reports to the Director – Investor Relations.

The Investor Relations function is led by:

Mr. Samuel Hart, Head – Investor Relations

Email: investor.relations@ae.lulumea.com

Telephone No.: +971 24182000

Website Link: www.luluretail.com/investors/

Shareholder types as of 31 December, 2025

Shareholder Classification	Percentage of Owned Shares		
	Companies (%)	Individuals (%)	Total (%)
Local	8.28	5.88	14.16
Arab	7.85	2.19	10.04
Foreign	73.38	2.42	75.80
Total	89.51	10.49	100.00

Shareholder distribution according to the volume of ownership as of 31 December 2025

Shares Owned	No. of Shareholders	No. of Shares Held	% of Shares Held
Less than 50,000	66,240	147,639,287	1.43
From 50,000 to less than 500,000	1,580	229,023,783	2.22
From 500,000 to less than 5,000,000	321	476,135,782	4.61
More than 5,000,000	71	9,476,106,498	91.74

Shareholders who held 5% or more of the Company's shares as of 31 December 2025

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

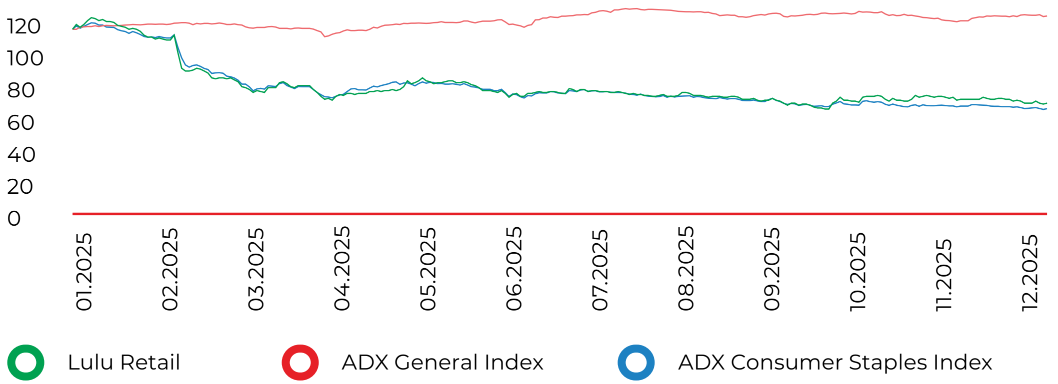
Share price (AED) in 2025

Month	Monthly High	Monthly Low	Monthly Close
January	2.02	1.82	1.82
February	1.84	1.39	1.39
March	1.40	1.25	1.32
April	1.28	1.17	1.27
May	1.40	1.27	1.33
June	1.32	1.20	1.26
July	1.29	1.23	1.23
August	1.25	1.20	1.21
September	1.21	1.12	1.12
October	1.22	1.08	1.18
November	1.22	1.16	1.18
December	1.20	1.13	1.14
2025	**2.02**	**1.08**	**1.14**

The Company's comparative performance with the general market in 2025

Month	Company	FTSE ADX General Index (FADGI)	ADX Consumer Staples Index
January	(4.2%)	2.8%	(4.1%)
February	(23.6%)	(0.2%)	(22.2%)
March	(5.0%)	(2.0%)	(7.7%)
April	(3.8%)	1.8%	2.3%
May	4.7%	1.6%	(0.9%)
June	(5.3%)	2.8%	(5.2%)
July	(2.4%)	4.1%	(2.8%)
August	(1.6%)	(2.7%)	(2.9%)
September	(7.4%)	(0.8%)	(5.8%)
October	5.4%	0.9%	1.0%
November	0.0%	(3.5%)	(1.6%)
December	(3.4%)	2.5%	(2.5%)
2025	**(40%)**	**7.2%**	**(43.0%)**

Share price performance in 2025 (Rebased to 100)



Innovative Projects and Initiatives Implemented by the Company in 2025

- Transformation of supply chain: In 2025, We took a significant step in transforming Our supply chain operations through the deployment of advanced artificial intelligence and machine learning capabilities across Our store and distribution network. This initiative leverages AI-powered demand forecasting and intelligent replenishment systems that automate routine ordering processes for both external vendors and warehouse replenishment. We are continuing the transformation in 2026 and aim at reducing excess stock, minimizing waste, and improving planning efficiency across the entire supply chain.
- System upgrades for data security and efficiency: During the reporting period, the Group continued to enhance its technology landscape to support operational efficiency, resilience, and scalability, while maintaining alignment with its corporate governance and risk-management frameworks. Key initiatives included the modernisation of core systems, increased use of data and analytics to support decision-making, and the controlled adoption of automation and artificial intelligence in selected business processes. All technology initiatives operate within established IT governance, data governance, cybersecurity, and vendor-risk management controls, with defined accountability and human oversight.
- Digitalisation of Board Processes through a board management platform: The Company adopted a board management platform that enables directors and management to access and review meeting materials, as well as annotate and sign documents digitally. This supports streamlined information flow, enhances board communication, and advances digitalisation by replacing manual, paper based board processes.

Use of Artificial Intelligence in Core Business Operations

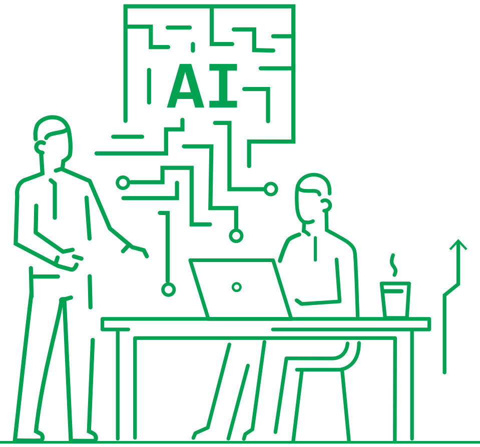
In alignment with the Group's corporate governance framework and digital transformation strategy, Lulu has implemented AI-driven demand forecasting and replenishment solution to strengthen inventory planning and supply-chain efficiency. The solution is currently operational in the UAE, with phased deployment underway across other countries.

The AI platform leverages advanced analytics and machine-learning techniques to evaluate historical sales trends, seasonality, promotional activity, and store-level demand patterns, enabling the generation of forecast and replenishment recommendations. The system is integrated with the Group's core enterprise and supply-chain platforms and functions within predefined business rules and authorization controls.

Robust safeguards are in place to ensure appropriate human oversight and accountability. Planning teams retain responsibility for reviewing system-generated outputs, managing exceptions, and approving recommendations. Automated processes operate within defined thresholds and are subject to structured approval workflows and periodic review.

Data utilised by the AI models is governed by established data-quality, access-control, and information-security policies. The solution is managed in accordance with the Group's vendor governance and risk-assessment frameworks, with forecast accuracy, inventory performance, and exception levels monitored through management-level KPIs and reporting mechanisms.

The controlled implementation of AI-driven demand forecasting and replenishment has supported improved product availability, reduced excess inventory and wastage, enhanced operational efficiency, and optimized working-capital utilization.



Material Events and Disclosures Concerning the Company in 2025

During 2025, the Company announced the opening of new stores, its inclusion in the FTSE Global Equity Index Series (FTSE GEIS), winning sustainability awards, the appointment of Al Ramz Capital as liquidity provider, and the expiration of the of Liquidity Provision Agreement with BHM Capital Financial Services PSC.

For more information on material events, please refer to the Strategic Review.

- The Company's investor announcements are available at luluretail.com/investors/announcements/

Andre' Sayegh

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

André George Sayegh
Chairman Audit Committee
of Lulu Retail Holdings PLC

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

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

In this Section

Financial Statements

01

Leading.

The year ended with 20 new store openings, taking our total to 267 stores and delivering record revenue of almost USD 8 billion.

02

Serving.

Our high cash generation and confidence in the outlook allows us to propose a H2 dividend of 3.5 fils per share, taking the total to 7 fils per share for 2025.

03

Growing.

Our existing portfolio and growing e-commerce positions us well for further expansion across the GCC.

Directors' Report

For the year ended 31 December 2025.

The Directors present their report together with the audited consolidated financial statements of Lulu Retail Holdings PLC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2025.

Principal activities

The Company acts as a Head Office and holding company for the entities within the Group. The principal activities of the Company's subsidiaries comprise of retail and wholesale businesses (hypermarkets, supermarkets, and similar) in the GCC and associated businesses (global sourcing operations which supply to the retail businesses, support services and intellectual property).

Financial Results

During the year ended 31 December 2025, the Group generated total revenue of USD 7,934 million (2024: USD 7,621 million) and reported a profit from continuing operations of USD 205 million (2024: USD 216 million) and profit for the year of USD 205 million (2024: USD 249 million including USD 33 million of profit after tax from discontinued operations).

Review of Business Performance

The Group's revenue had a strong growth of 4.1% year on year reaching USD 7,934 million in FY 2025 driven by Like-for-like sales growth of 2.3% with continued growth across physical stores and e-commerce platforms. The growth was further supported by sales from new store openings. FY 2025 saw strong growth in the fresh food and electrical goods categories. The fresh food business grew at 6.4% for FY 2025 driven by consumption trends and contribution through e-commercechannels.

E-commerce remains an important growth lever, with sales increase of 38.6% year-on-year. E-commerce sales now represent 6.0% of total retail revenue, reflecting a 150-bps increase compared to FY 2024.

In 2025, Net Profit from Continuing Operations decreased by 5.4% YoY to USD 205 million, primarily due to lower margins and the planned increase in operating costs from the expansion of our store network, such expansion will result in revenue growth and higher profits in the years to come.

Dividend

The Company's Board of Directors at their meeting held on 13 February 2026, proposed a cash dividend distribution of USD 98,437,491 equating to c.0.953 cents per share (equivalent to AED 361,511,687 amounting to approximately 3.5 fils per share) for the second half of the financial year ended 31 December 2025 as the final dividend for the year 2025, subject to the approval of the shareholders at the upcoming Annual General Meeting (AGM), in accordance with the dividend policy approved by the shareholders. For the full year, this aggregates to an annual dividend of USD 196,874,982 equating to c. 1.906 cents per share (equivalent to AED 723,023,374 amounting to approximately 7 fils per share).

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

The Group delivered robust performance in FY 2025, driven by disciplined execution across its four strategic growth pillars: strengthening existing stores, expanding the retail network, driving operational efficiencies, and accelerating revenue growth through digital initiatives, including e-commerce and the loyalty ecosystem.

Performance across the existing store portfolio remained strong, supported by sharper assortment curation, competitive pricing, and targeted promotional execution. Customer engagement continued to deepen, with the "Happiness" loyalty program surpassing 8.3 million enrolments, reinforcing brand affinity and repeat visitation.

The Group continued to expand its footprint, opening 20 new stores and adding 72,926 sqm of retail space during the year. Alongside network expansion, sustained focus on operational efficiency enhanced performance resilience across markets.

Digital channels and private labels remained key growth levers, with private label contribution increasing to 29.8% of retail sales, up 18 bps year-on-year, reflecting strong customer acceptance and margin accretion.

These results underscore Lulu's continued progress across its strategic priorities and reaffirm the strength and scalability of its operating model. The Company remains confident in its ability to deliver sustainable, profitable growth, underpinned by customer-centricity and commercial excellence, while maintaining its position as the largest full-line pan-GCC retailer.

Directors

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

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

Statement of disclosure to auditors

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

On behalf of the Board of Directors,

Yusuffali M.A.

Chairman

Lulu Retail Holdings PLC
Abu Dhabi, UAE

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

Deloitte.

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Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Lulu Retail Holdings PLC (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Global Market (ADGM). Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** section of our report. We are independent of the Group in accordance with the **International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)** (IESBA Code) as applicable to audits of consolidated financial statements of public interest entities together with the ethical requirements that are relevant to audits of consolidated financial statements of public interest entities in the Abu Dhabi Global Market (ADGM), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were discussed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from retail operations	
The Group reported revenue from retail operations of USD 7.9 billion during the year ended 31 December 2025. Revenue is derived from the sale of goods and is recognised when the customer takes physical possession of the goods. The Group focuses on revenue as a key performance measure and as a driver for growth and expansion. The Group's measurement and recording of revenue is highly dependent on IT systems and related controls due to the extensive volume and variety of transactions which are processed daily by the Group. The accurate measurement and recording of revenue depend on the automated accounting procedures and related controls being appropriately designed and operating effectively. These automated controls are essential to limit the potential for fraud and error as a result of an unauthorised or incorrect change to an application or underlying data. The potential errors in the timing and accuracy of revenue recognition could result in material misstatements in the consolidated financial statements of the Group when it recognises revenue. ISAs also require us to consider the risk of fraud in revenue recognition. There is an inherent risk of fraud given the high number of transactions and price fluctuations of the products, affecting the revenue recognized for the year. We identified revenue recognition from retail operations as a key audit matter due to the significance of the revenue amount to the consolidated financial statements, the significant reliance on IT, as all revenue transactions are processed through the point of sales systems which interface with the Group's accounting system on a daily basis and the level of audit effort required. Refer to note 3.8 to the consolidated financial statements for the accounting policy and note 23 for more details about the revenue recognized during the year.	Our audit procedures included, inter alia, the following: • Understanding the significant revenue processes used to measure and record revenue and identifying the relevant controls, IT systems, interfaces and reports, including performance of end-to-end walkthroughs of the revenue processes. • Evaluating the design and implementation and testing the operating effectiveness of relevant controls related to the revenue processes. • Utilising our internal IT specialists to test IT general controls, system interfaces, data/information reporting and application specific controls surrounding relevant revenue systems. • Performing revenue three-way match test of manual controls on a sample basis, by reconciling the system-generated daily sales reports to the daily manual cash reconciliation summaries and bank statements. • Reconciling, on a sample basis, the daily point of sales reports to the amount deposited in banks and the revenue recorded on those days. • Assessing whether the revenue recognition criteria adopted by the Group are in accordance with the requirements of IFRS Accounting Standards. • Assessing the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the applicable provisions of the Articles of Association of the Company, ADGM Companies Regulations 2020, Companies Regulations (International Accounting Standards) Rules 2015, and ADGM Market Rules, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- the consolidated financial statements of the Group have been prepared, in all material respect, in accordance with the requirements of the said Rules and Regulations;
- the information included in the Directors' report is consistent with the Group's consolidated financial statements for the year ended 31 December 2025;
- adequate accounting records have been kept by the Group; and
- the Group's consolidated financial statements are in agreement with the accounting records of the Group.

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

Deloitte & Touche (M.E.) LLP

Faeza Sohawon
18 March 2026
Abu Dhabi
United Arab Emirates

Consolidated statement of financial position

As at 31 December.

	Notes	2025	2024
		USD'000	USD'000
Assets			
Non-current assets			
Property and equipment	10	1,411,939	1,438,490
Right-of-use assets	11	1,765,769	1,726,393
Investment properties	12	11,941	13,471
Deferred tax assets	13	27,061	24,726
Investments at fair value through other comprehensive income (FVTOCI)		-	1,201
Total non-current assets		3,216,710	3,204,281
Current assets			
Inventories	14	1,491,112	1,473,636
Trade and other receivables	15	399,122	411,605
Due from related parties	9	3,622	14,782
Cash and cash equivalents	16	329,543	346,208
Total current assets		2,223,399	2,246,231
Total assets		**5,440,109**	**5,450,512**

	Notes	2025	2024
		USD'000	USD'000
Equity and liabilities			
Equity			
Share capital	17	144,605	144,605
Other reserves	17	32,709	32,709
Other equity	17	(37,738)	(27,925)
Retained earnings	17	865,187	843,467
Total equity, net		1,004,763	992,856
Liabilities			
Non-current liabilities			
Bank borrowings	18	6,710	8,394
Employees' defined benefit obligations	19	205,557	198,412
Lease liabilities	20	1,790,443	1,724,018
Deferred tax liabilities	13	4,368	4,902
Total non-current liabilities		2,007,078	1,935,726
Current liabilities			
Trade and other payables	21	1,246,280	1,310,081
Bank borrowings	18	857,166	965,957
Lease liabilities	20	181,185	175,656
Due to related parties	9	99,991	33,560
Tax payable	22	43,646	36,676
Total current liabilities		2,428,268	2,521,930
Total liabilities		4,435,346	4,457,656
Total equity and liabilities		**5,440,109**	**5,450,512**

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

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

Yusuffali MA
Chairman

Saifuddin Rupawala
Chief Executive Officer & Director

Prasad KK
Chief Financial Officer

Abdul Saleem VI
Chief Operating/Strategy Officer & Director

Consolidated statements of profit or loss and other comprehensive income

For the year ended 31 December.

	Notes	2025	2024
		USD'000	USD'000
Continuing operations			
Revenue	23	7,933,970	7,620,802
Cost of revenue	24	(6,111,134)	(5,855,917)
Gross profit		1,822,836	1,764,885
Other operating income	25	302,553	299,869
Operating expenses	26	(1,731,157)	(1,656,799)
Finance costs, net	27	(162,201)	(169,375)
Profit before tax		232,031	238,580
Income tax expenses	28	(27,499)	(22,300)
Profit for the year from continuing operations		204,532	216,280
Discontinued operations			
Profit after tax for the year from discontinued operations	6	-	32,916
Profit for the year		204,532	249,196
Other comprehensive loss *Items that will not be reclassified subsequently to profit or loss (net of tax):*			
Re-measurement of employees' defined benefit obligations liabilities		(11,541)	(13,289)
Net fair value gain/(loss) on equity investments at FVTOCI		274	(11)
Item that may be reclassified subsequently to profit or loss (net of tax):			
Exchange differences on translation of foreign operations		1,454	(3,727)
Other comprehensive loss for the year		(9,813)	(17,027)
Total comprehensive income for the year		**194,719**	**232,169**
Earnings per share			
Basic and diluted (USD cents per share)	29	1.98	2.41
Earnings per share for continuing operations:			
Basic and diluted (USD cents per share)		1.98	2.09

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

Consolidated statements of changes in equity

For the year ended 31 December 2025.

	Share capital	Merger reserve	Capital reserve	Other reserves	Other equity	Retained earnings	Net equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 January 2024[1]	-	-	65,282	20,405	(10,898)	692,118	766,907
Profit for the year	-	-	-	-	-	249,196	249,196
Other comprehensive loss for the year	-	-	-	-	(17,027)	-	(17,027)
Total comprehensive (loss)/income for the year	-	-	-	-	(17,027)	249,196	232,169
Issuance of shares and deemed distribution on reorganisation (Note 2)	5,164,453	(5,105,391)	(65,282)	-	-	-	(6,220)
Capital reduction (Note 2)	(5,019,848)	5,019,848	-	-	-	-	-
Adjustment of merger reserve (Note 17)	-	85,543	-	-	-	(85,543)	-
Transfer to other reserves (Note 17)	-	-	-	12,304	-	(12,304)	-
Balance at 1 January 2025	144,605	-	-	32,709	(27,925)	843,467	992,856
Profit for the year	-	-	-	-	-	204,532	204,532
Other comprehensive loss for the year	-	-	-	-	(9,813)	-	(9,813)
Total comprehensive (loss)/income for the year	-	-	-	-	(9,813)	204,532	194,719
Dividend paid during the year (Note 36)	-	-	-	-	-	(182,812)	(182,812)
Balance at 31 December 2025	**144,605**	**-**	**-**	**32,709**	**(37,738)**	**865,187**	**1,004,763**

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

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

Consolidated statement of cash flows

For the year ended 31 December 2025.

	Notes	2025	2024
		USD'000	USD'000
Cash flows from operating activities			
Profit before tax from continuing operations		232,031	238,580
Profit before tax from discontinued operations	6	-	32,976
Profit before tax		232,031	271,556
Adjustments to reconcile profit before tax to net cash flows			
Depreciation of property and equipment	10	167,018	162,240
Depreciation of right-of-use assets	11	219,381	219,653
Depreciation of investment properties	12	1,547	2,087
Gain on disposal of property and equipment ,net		(290)	(172)
Gain arising from lease modifications, net		(909)	(137)
Gain arising from lease terminations		-	(33,625)
Loss allowance on trade receivables	15	54	-
Write-off of property and equipment	10	-	3,563
Interest expense		149,421	159,844
Interest income	27	(2,426)	(294)
Employees' defined benefit obligations	19	28,665	28,023
Operating cash flows before movement in working capital		794,492	812,738
Decrease/(increase) in due from related parties		10,406	(34,601)
Increase in inventories		(17,476)	(99,029)
Decrease/(increase) in trade and other receivables		12,537	(49,745)
Decrease in other receivables – non-current		-	62
Decrease in trade and other payables		(58,080)	(89,482)
Increase in due to related parties		66,430	10,583
Cash generated from operations		808,309	550,526
Employees' defined benefit obligations paid	19	(33,406)	(18,085)
Income tax paid	22	(29,120)	(14,468)
Interest paid		(149,421)	(159,844)
Net cash generated from operating activities		596,362	358,129
Cash flow from investing activities			
Purchase of property and equipment		(138,501)	(141,712)
Purchase of investment properties		(17)	(26)
Proceeds from disposal of property and equipment		4,382	4,985
Proceeds from disposal of investments at fair value through other comprehensive income		1,475	-
Interest received		2,426	-
Net cash used in investing activities		(130,235)	(136,753)
Cash flows from financing activities			
Proceeds from bank borrowings		2,341,278	2,330,791
Payment towards bank borrowings		(2,451,753)	(1,951,747)
Net funds paid to related parties		-	(343,950)
Repayment of principal portion of lease liabilities		(190,804)	(186,480)
Dividends paid during the year		(182,812)	-
Net cash used in financing activities		(484,091)	(151,386)
Net (decrease)/increase in cash and cash equivalents		(17,964)	69,990
Cash and cash equivalents at beginning of the year	16	346,208	278,870
Effects of foreign exchange rate changes		1,299	(2,652)
Cash and cash equivalents at end of the year	**16**	**329,543**	**346,208**

Refer to Note 34 to the consolidated financial statements for disclosure of non-cash transactions.

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

Notes to the consolidated financial statements

For the year ended 31 December 2025.

1 General information

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

The Company is 70.44% owned by Lulu International Holdings Limited (the "Parent Company", together with its subsidiaries referred to as "Lulu Group"), an entity registered with Abu Dhabi Global Market ("ADGM"), under the license number 000000988, as a Private Company Limited by Shares. The registered address of the Parent Company is PO Box 2454, 24, Al Sila Tower, Abu Dhabi Global Market Square (ADGM), Al Maryah Island, Abu Dhabi, U.A.E. The Parent Company is ultimately controlled by Mr. Yusuffali Musaliam Veettil Abdul Kader (the "Ultimate Controlling Party"). The Company and its subsidiaries are collectively referred to as the Group (the "Group").

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

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

2 Basis of preparation

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

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

As per the resolution of the shareholders of the Parent Company dated 17 May 2023, the Parent Company transferred its GCC Retail Business to the Company (the "reorganisation").

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

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

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

- The assets and liabilities of the subsidiaries or businesses, transferred to the Company, are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the acquisition date that would otherwise be recognised under the acquisition method.

- No goodwill is recognised as a result of the consolidation, except to the extent that existing goodwill was previously recognised in one of the combining entities.
- Any difference between the consideration transferred and the equity of the entity acquired as at the date of the combination is reflected within equity.
- The income statement reflects the results of the consolidated GCC Retail Business.
- The Group adopted an accounting policy to report the comparative information as if the Group always owned the businesses acquired under common control from the date when such businesses were part of the Group;
- The comparative information presented in the consolidated financial statements represent consolidation of all assets, liabilities, revenues and expenses of the subsidiaries at their carrying values by applying the principles underlying the consolidation procedures of IFRS 10 “Consolidated Financial Statements”.

The comparative information presented in the consolidated financial statements were prepared as if the Group was always combined including the transfer of the identifiable assets and liabilities of the GCC Retail Business.

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

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

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

Note 3.1 provides additional information about the basis of consolidation.

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. As at 31 December 2025, the Group has a working capital deficit (current liabilities exceed current assets) of USD 205 million (31 December 2024: USD 276 million). The Group has access to available bank facilities at its disposal, in the form working capital facilities availed to enable it to meet its obligations as they fall due. Therefore, these consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

3 Material accounting policy information

3.1 Basis of consolidation

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

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

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amount of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.2 Leases

The Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group as lessor

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

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

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

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

3.3 Sale and leaseback

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

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

3.4 Inventories

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

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

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

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

3.5 Property and equipment

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

The useful lives of property and equipment are as follows:

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

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

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

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

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

3.6 Investment properties

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

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

3.7 Impairment of tangible assets

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

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

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

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

3.8 Revenue recognition

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

Retail operations - Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in a contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide customers with a right of return. The rights of return give rise to variable consideration.

Loyalty points programme

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

Other operating income

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

3.9 Cost of sales

Cost of sales primarily consists of the cost of purchases net of the rebates and supplier benefits, changes in inventories (including impairments), exchange gains and losses on goods purchases and inbound shipping costs.

Rebates and other supplier benefits

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

3.10 Foreign currency transactions

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

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

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

3.11 Borrowing costs

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

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

3.12 Financial instruments

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

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

Financial assets

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

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

Classification of financial assets

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

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

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

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

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

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

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

Amortised cost and effective interest rate method

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

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

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

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

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

Equity instruments designated as at FVTOCI

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

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

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

Financial assets at FVTPL

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

Write-off policy

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

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

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

Financial liabilities and equity instruments

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

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

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

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

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

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

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

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

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

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

3.13 Cash and cash equivalents

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

3.14 Provisions

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

3.15 Non-current assets held for sale

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

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

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

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

3.16 Current tax

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

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

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

3.17 Withholding tax

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

3.18 Deferred tax

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

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

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

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

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

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

Current tax and deferred tax for the year

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

3.19 Value added tax (VAT)

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

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

3.20 Employees' defined benefit obligations

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

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

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

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

3.21 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

3.22 Dividend

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

4 Critical accounting judgements and key sources of estimation uncertainty

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

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

- Capital management (Note 33)
- Financial instruments risk management and policies (Note 32)
- Sensitivity analyses disclosures (Notes 19)

4.1 Critical judgements in applying the Group's accounting policies

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

Inventory valuation

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

Vendor rebates and allowances

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

Determining the lease term

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

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

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

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and key source of estimation uncertainty as at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Discounting of lease payments

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

Useful lives of property and equipment and investment properties

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

Impairment of assets

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

The Group bases its impairment calculation on most recent budgets and forecast assumptions, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Defined benefit obligations

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates which are reviewed at each reporting date. Due to the complexities involved in the valuation and its long-term nature, defined benefit obligations are sensitive to changes in these assumptions. A sensitivity analysis of changes in defined benefit obligations due to a reasonably possible change in these assumptions are set out in Note 19.

Calculation of loss allowance

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

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

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

5 Application of new and revised IFRS accounting standards ("IFRSs")

5.1 New and revised IFRSs applied with no material effect on the consolidated financial statements of the Group

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

5.2 New and revised IFRS Accounting Standards in issue but not yet effective and have not been early adopted

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.	1 January 2026
Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11 The pronouncement comprises the following amendments: · IFRS 1: Hedge accounting by a first-time adopter · IFRS 7: Gain or loss on derecognition · IFRS 7: Disclosure of deferred difference between fair value and transaction price · IFRS 7: Introduction and credit risk disclosures · IFRS 9: Lessee derecognition of lease liabilities · IFRS 9: Transaction price · IFRS 10: Determination of a 'de facto agent' · IAS 7: Cost method	1 January 2026

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to: • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. An entity is only permitted to apply IFRS 19 if, at the end of the reporting period: • it is a subsidiary (this includes an intermediate parent) • it does not have public accountability, and • its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards A subsidiary has public accountability if: • its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or • it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion). Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	1 January 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity	Effective date not yet decided by the regulator in the United Arab Emirates)
IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	Effective date not yet decided by the regulator in the United Arab Emirates)

The above stated new standards and amendments are not expected to have any significant impact, other than IFRS 18, which will have a material impact on the consolidated financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the consolidated financial statements and its notes.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

6 Discontinued operations

The disposed non-retail businesses disposed of, are reported as discontinued operations for the year ended 31 December 2024 up to the respective dates of disposal.

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

	2024
	USD'000
Revenue	7,275
Other operating income	34,080
Operating expense	(6,380)
Interest expense, net	(1,999)
Profit before tax	32,976
Income tax expense	(60)
Profit relating to discontinued operations	32,916
Total comprehensive income relating to discontinued operations	**32,916**

Cash flows relating to discontinued operations:

	2024
	USD'000
Net cash from operating activities	11,306
Net cash outflow from investing activities	(78)
Net cash outflow from financing activities	(12,394)
Earnings per share for discontinued operations:	
Basic and diluted (USD cents per share)	0.32

7 Segment information

The Group's operating segments are determined based on its internal reporting to the Chief Operating Decision Maker (the "CODM"). The CODM has been determined to be the Chief Executive Officer (CEO), as all final decisions are made by the CEO in consultation with the executive committee and the function is primarily responsible for the allocation of resources to segments and assessment of performance of segments.

The Group is organized into operating segments based on geographical location. The results are reported to the board of directors of the Company. In addition, the revenue and profits are reported on a geographic basis and measured in accordance with the same accounting basis used for the preparation of the Group's consolidated financial statements. The CODM primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (Segment Adjusted EBITDA, see below) to assess performance of the operating segments and excludes discontinued operations, gain or loss on lease modification and termination, inter-segment management fee income/ charge and corporate head office expenses. There are 5 major reportable segments: United Arab Emirates (UAE), State of Qatar (Qatar), Kingdom of Saudi Arabia (KSA), Sultanate of Oman (Oman) and State of Kuwait (Kuwait).

All other operating segments that are not reportable segments are combined under "Other operating segments" (other countries). This presentation reflects how the Group's operating performance is reviewed internally by management.

The segments are concentrated in the retail sector which includes the supply of foodstuff, meats, groceries, fruits, electrical appliances, readymade garments, perfumes & stationery and the distribution of meat and other grocery/frozen items. The associated businesses (wholesale, sourcing operations and support services) primarily support the retail operations and are reported within the respective geographical operating segment.

The reporting segments do not include the results of the discontinued operations and the assets and directly associated liabilities held for sale.

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

31 December 2025

	Reportable segments							
	UAE	Qatar	KSA	Oman	Kuwait	Total reportable segments	Other operating segments	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
External revenues (Note 23)	2,919,813	1,121,815	1,518,260	1,188,543	696,495	7,444,926	489,044	7,933,970
Inter-segment revenues	66,526	376	40	605	221	67,768	479,928	547,696
Segment revenue	2,986,339	1,122,191	1,518,300	1,189,148	696,716	7,512,694	968,972	8,481,666
Segment adjusted EBITDA	357,485	133,033	70,713	132,373	98,889	792,493	62,886	855,379
Interest income	7,699	193	-	-	-	7,892	488	8,380
Interest expense	69,620	16,868	17,774	25,009	22,302	151,573	13,240	164,813
Net interest expense	61,921	16,675	17,774	25,009	22,302	143,681	12,752	156,433
Depreciation and amortisation	140,667	56,080	49,246	63,319	49,163	358,475	25,871	384,346
Tax expense/(income)	13,911	5,023	(917)	5,038	-	23,055	4,444	27,499
Tax rate	9%	10%	20%	15%	-	-	-	-
Gain on lease modifications	876	-	8	-	98	982	-	982

31 December 2024

	Reportable segments							
	UAE	Qatar	KSA	Oman	Kuwait	Total reportable segments	Other operating segments	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
External revenues (Note 23)	2,745,407	1,098,609	1,478,122	1,176,125	660,589	7,158,852	461,950	7,620,802
Inter-segment revenues	54,967	-	-	-	-	54,967	473,096	528,063
Segment revenue	2,800,374	1,098,609	1,478,122	1,176,125	660,589	7,213,819	935,046	8,148,865
Segment adjusted EBITDA	346,678	138,167	74,111	131,715	98,857	789,528	69,312	858,840
Interest income	6	23	-	-	-	29	265	294
Interest expense	71,002	17,900	10,536	21,876	23,122	144,436	13,408	157,844
Net interest expense	70,996	17,877	10,536	21,876	23,122	144,407	13,143	157,550
Depreciation and amortisation	137,477	56,670	42,854	62,437	49,913	349,351	26,419	375,770
Tax expense/(income)	11,852	4,870	(6,995)	8,077	-	17,804	4,496	22,300
Tax rate	9%	10%	20%	15%	-	-	-	-
(Loss)/gain on lease modifications	(403)	512	-	(1)	49	157	(20)	137

7.2 The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets and liabilities are measured on the same basis as in the consolidated financial statements. Segment assets are allocated based on operations of the segment and the physical location of the asset. Segment liabilities are allocated based on the operations of the segment.

As at 31 December 2025:

	UAE	Qatar	KSA	Oman	Kuwait	Total reportable segments	Other operating segments	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Segment assets	5,405,221	695,593	904,891	879,734	639,812	8,525,251	538,217	**9,063,468**
Segment liabilities	2,081,120	600,480	794,655	690,281	518,270	4,684,806	370,728	**5,055,534**

As at 31 December 2024:

	UAE	Qatar	KSA	Oman	Kuwait	Total reportable segments	Other operating segments	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Segment assets	5,450,946	691,832	856,895	883,692	683,797	8,567,162	530,559	**9,097,721**
Segment liabilities	2,048,672	639,776	733,709	719,212	582,587	4,723,956	378,841	**5,102,797**

7.3 Reconciliations of information on reportable segments to the amounts reported in the financial statements:

Reconciliation of revenues:

Particulars	2025	2024
	USD'000	USD'000
Total revenue for reportable segments	7,512,694	7,213,819
Revenue for other operating segments	968,972	935,046
Elimination of inter-segment revenue	(547,696)	(528,063)
Consolidated revenue	**7,933,970**	**7,620,802**

Reconciliation of adjusted EBITDA:

Particulars	2025	2024
	USD'000	USD'000
Total adjusted EBITDA	855,379	858,840
Depreciation and amortisation[1]	(387,946)	(378,773)
Net finance cost	(162,201)	(169,375)
Gain on lease modification	982	137
HO expenses[2]	(73,214)	(72,495)
Others	(969)	246
Profit before tax and discontinued operations	**232,031**	**238,580**

Reconciliation of assets

Particulars	2025	2024
	USD'000	USD'000
Total assets for reportable segments	8,525,251	8,567,162
Assets for other operating segments	538,217	530,559
Corporate head office assets	10,410	11,466
Inter-segment eliminations	(3,633,769)	(3,658,675)
Consolidated total assets	**5,440,109**	**5,450,512**

Reconciliation of liabilities

Particulars	2025	2024
	USD'000	USD'000
Total liabilities for reportable segments	4,684,806	4,723,956
Liabilities for other operating segments	370,728	378,841
Inter-segment eliminations	(620,188)	(645,141)
Consolidated total liabilities	**4,435,346**	**4,457,656**

1 Depreciation and amortisation include unallocated depreciation of USD 3,600 thousand during the year ended 31 December 2025 (31 December 2024: USD 3,002 thousand).
2 The head office expenses include other unallocated operating expenses.

7.4 Geography wise revenue

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

Revenue from external customers

	2025	2024
	USD'000	USD'000
UAE	2,919,813	2,745,407
KSA	1,518,260	1,478,122
Qatar	1,121,815	1,098,609
Oman	1,188,543	1,176,125
Kuwait	696,495	660,589
Bahrain	432,757	426,078
Egypt	41,755	14,212
Other countries	14,532	21,660
Total	**7,933,970**	**7,620,802**

7.5 Geography wise non-current assets

Non-current assets

	2025	2024
	USD'000	USD'000
UAE	1,046,709	1,008,279
Oman	577,060	579,125
KSA	470,509	418,414
Qatar	451,155	487,570
Kuwait	404,598	442,375
Bahrain	191,819	201,247
Egypt	50	46
Other countries	37,339	29,832
Total	**3,179,239**	**3,166,888**

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

8 List of subsidiaries

No	Name of subsidiaries	31 Dec 2025	31 Dec 2024	Country of incorporation	Principal activities
1	Lulu Express Supermarket - Sole Proprietorship LLC	100%	100%	UAE	(i)
2	Emirates General Market Co.- Sole Proprietorship LLC	100%	100%	UAE	(i)
3	Lulu Express Fresh Supermarket - Sole Proprietorship LLC	100%	100%	UAE	(i)
4	Lulu Logistics General Trading - Sole Proprietorship LLC	100%	100%	UAE	(i)
5	Lulu Centre - Sole Proprietorship LLC	100%	100%	UAE	(i)
6	Lulu Express Fresh Market Sole Proprietorship LLC	100%	100%	UAE	(i)
7	Lulu Hypermarket LLC, Dubai	100%	100%	UAE	(i)
8	Lulu Supermarket LLC, Dubai	100%	100%	UAE	(i)
9	Lulu Centre LLC, Dubai	100%	100%	UAE	(i)
10	Lulu Shopping LLC	100%	100%	UAE	(i)
11	Lulu Central Warehouse LLC -Single Owner (Dubai)	100%	100%	UAE	(i)
12	Lulu Logistics LLC, Dubai	100%	100%	UAE	(i)
13	Lulu International FZE, JAFZA	100%	100%	UAE	(i)
14	Lulu Hypermarket LLC, Sharjah	100%	100%	UAE	(i)
15	Lulu Hypermarket Sole Proprietorship LLC, Abu Dhabi	100%	100%	UAE	(i)
16	Lulu Center LLC, Umm Al Quwain	100%	100%	UAE	(i)
17	Lulu Hypermarket LLC (One Person) - (RAK)	100%	100%	UAE	(i)
18	Lulu Center LLC (One Person) - (RAK)	100%	100%	UAE	(i)
19	Lulu Express Trading - Sole Proprietorship LLC (Al Ain)	100%	100%	UAE	(i)
20	Lulu Centre International General Trading and Contracting Company W.L.L Kuwait	100%	100%	Kuwait	(i)
21	Lulu Hypermarket General Trading & Contracting Co. W.L.L Kuwait	100%	100%		(i)
22	Lulu Kuwait Hypermarket Centre Company W.L.L Kuwait	100%	100%	Kuwait	(i)
23	Lulu Muscat Hypermarket LLC	100%	100%	Oman	(i)

No	Name of subsidiaries	31 Dec 2025	31 Dec 2024	Country of incorporation	Principal activities
24	Lulu Saudi Hypermarket (Single Shareholder) LLC	100%	100%	Saudi Arabia	(i)
25	Lulu Bahrain Hypermarket WLL	100%	100%	Bahrain	(i)
26	Lulu Hypermarket Trading Company WLL	100%	100%	Qatar	(i)
27	Lulu Center Trading Company WLL	100%	100%	Qatar	(i)
28	Lulu Hypermarket - Sole Proprietorship L.L.C, Fujairah	100%	100%	UAE	(i)
29	Gulf Star Commodities Co.- Sole Proprietorship LLC	100%	100%	UAE	(ii)
30	Al Tayeb Distribution Sole Proprietorship LLC	100%	100%	UAE	(ii)
31	Al Tayeb Meat Sole Proprietorship LLC	100%	100%	UAE	(ii)
32	Al Tayeb International General Trading LLC, Dubai	100%	100%	UAE	(ii)
33	Y International (Australia) Pty Ltd	100%	100%	Australia	(ii)
34	Y International Canada Inc.	100%	100%	Canada	(ii)
35	Y International Polskal Sp Z.o.o.	100%	100%	Poland	(ii)
36	Al Tayeb International Import & Export Company SPC	100%	100%	Kuwait	(ii)
37	Al Tayeb Lisla Al Istalakiya and Business SPC	100%	100%	Oman	(ii)
38	Al Shurouq Al Tayeb Trading Company (Single Person)LLC	100%	100%	Saudi Arabia	(ii)
39	Al Tayeb International Trading WLL	100%	100%	Qatar	(ii)
40	Emmay Commodities Kenya Limited	100%	100%	Kenya	(ii)
41	Emmay Commodities SA Proprietary Limited	100%	100%	South Africa	(ii)
42	YMA Commodities Uganda Limited	100%	100%	Uganda	(ii)
43	E.K. Prima Exports Hong Kong Limited	100%	100%	Hong Kong	(ii)
44	Yiwu E.K.Prima Trading Limited Company	100%	100%	China	(ii)
45	Guangzhou EK Prima Trading Company	100%	100%	China	(ii)
46	YAS Exports Hong Kong Ltd	100%	100%	Hong Kong	(ii)
47	Y International Egypt (LLC)	100%	100%	Egypt	(ii)
48	Al Tayeb Import & Export General Trading (LLC)	100%	100%	Egypt	(ii)
49	May Exports (Malaysia) SDN. BHD.	100%	100%	Malaysia	(ii)
50	PT. Indo Agro International	100%	100%	Indonesia	(ii)

No	Name of subsidiaries	31 Dec 2025	31 Dec 2024	Country of incorporation	Principal activities
51	PT YAS Exports International	100%	100%	Indonesia	(ii)
52	May Exports (Thailand) Co. Ltd	100%	100%	Thailand	(ii)
53	EMKE Exports (Thailand) Co. Ltd	100%	100%	Thailand	(ii)
54	May Exports Phil. Inc.	100%	100%	Philippines	(ii)
55	Y International España	100%	100%	Spain	(ii)
56	May Exports (Vietnam) Company Limited	100%	100%	Vietnam	(ii)
57	Y International (UK) Limited	100%	100%	United Kingdom	(ii)
58	Y International USA, Inc.	100%	100%	United States	(ii)
59	Yas Lanka (Private) Limited	100%	100%	Sri Lanka	(ii)
60	YMA Ithalat Ve Ihracat Limited Sirketi	100%	100%	Turkey	(ii)
61	Y International Italia S.R.L	100%	100%	Italy	(ii)
62	Al Tayeb Fresh Market Sole Proprietorship LLC, Abu Dhabi	100%	100%	UAE	(ii)
63	Lulu International Travel & Tourism-Sole Proprietorship LLC	100%	100%	UAE	(iii)
64	Lulu City Travels Single Owner LLC, Dubai	100%	100%	UAE	(iii)
65	Lulu Group International - Sole Proprietorship LLC	100%	100%	UAE	(iv)
66	Lulu Group - Sole Proprietorship LLC	100%	100%	UAE	(v)
67	Emke Group Sole Proprietorship LLC	100%	100%	UAE	(v)
68	Lulu Shopping Mall LLC – Single owner, Dubai	100%	100%	UAE	(v)
69	Lulu 2 SPV Ltd	100%	100%	UAE	(v)
70	Lulu 3 SPV Ltd	100%	100%	UAE	(v)
71	Lulu 4 SPV Ltd	100%	100%	UAE	(v)
72	Lulu 6 SPV Ltd	100%	100%	UAE	(v)
73	Lulu BPO SPV Ltd	100%	100%	UAE	(v)
74	Hamad Rashed SPV Ltd	100%	100%	UAE	(v)
75	Hamad Rashed SPV 1 Ltd	100%	100%	UAE	(v)
76	Hamad Rashed Co 1 SPV Ltd	100%	100%	UAE	(v)
77	Mariam Ismaeil SPV Ltd	100%	100%	UAE	(v)
78	Meshari Abdullah SPV Ltd	100%	100%	UAE	(v)
79	Lulu Six SPV Regional Headquarters Company (One Person)	100%	100%	Saudi Arabia	(v)

No	Name of subsidiaries	31 Dec 2025	31 Dec 2024	Country of incorporation	Principal activities
80	Al Tayeb Holding Company LLC Sole Proprietorship LLC	100%	100%	UAE	(v)
81	Lulu Group International Limited	100%	100%	UAE	(v)
82	Oyoon Lulu Eyexpress Optical	100%	100%	UAE	(vi)
83	Huda Shipping International Sole Proprietorship LLC	100%	100%	UAE	(vii)
84	Al Tayeb Food Industries Sole Proprietorship LLC	100%	100%	UAE	(viii)
85	Mantle Solutions Private Limited	100%	100%	India	(ix)

The principal activities of the Company's subsidiaries are as follows:

i) trading in foodstuff, meats, groceries, fruits, electrical appliances, readymade garments, perfumes and stationery through its showrooms;
ii) wholesale distribution, retail, trading in groceries, readymade garments, electrical appliances, perfumes;
iii) organising tourism trips, travel ticket reservations and ticket sales;
iv) real estate leasing and management service, commercial enterprises investment and management and managing and operating shopping malls and commercial properties;
v) business activities of holding companies, management services and/or special purpose vehicles;
vi) optics centre and retail sale of sunglasses, non-medical contact lenses, medical glasses and lenses;
vii) air, sea and marine shipping services for goods and custom clearance;
viii) production and packaging of food items; and
ix) outsourcing services.

9 Related party transactions and balances

Note 1 and Note 8 provide information about the Group's structure including details of the holding company, parent, ultimate parent and subsidiaries. Related parties represent associated companies, shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing and terms of these related party transactions are mutually agreed amongst the related parties.

At the reporting dates, balances with the related parties are as follows:

	2025	2024
	USD'000	USD'000
(i) Due from related parties		
Other related parties:		
Lulu International Shopping Mall Pvt Ltd	3,622	4,336
Lulu Convention Center Calicut Private Limited	-	206
Lulu International Convention Center Private Limited	-	6
	3,622	4,548
Parent company		
Lulu International Holdings Limited	-	10,234
Total	**3,622**	**14,782**
(ii) Due to related parties		
Other related parties:		
Fair Exports (India) Pvt Ltd	27,566	32,701
Silal Food & Technology	-	641
Speed Track Garage LLC	-	1
Lulu International Exchange LLC	206	217
	27,772	33,560
Parent company		
Lulu International Holdings Limited	72,219	-
Total	**99,991**	**33,560**

For the year ended 31 December 2025, an agreement to net settle related party balances with the Parent Company and related parties under common control of Parent Company amounting to USD 80.69 million was implemented resulting in a net payable to the Parent Company of USD 72.22 million as at 31 December 2025.

Significant transactions with the related parties during the year are as follows:

	2025	2024
	USD'000	USD'000
Entities under common control of Parent Company:		
Rent paid	186,085	161,641
Interest received (note (a))	80	5,159
Sale of property and equipment	408	43,837
Transfer of investment properties	-	21,331
Purchase/transfer of assets	31	43
Services availed	25,052	18,421
Other transactions, net	8,160	(25,182)
Other related parties:		
Purchase of goods	255,735	240,426
Rent paid	4,032	3,813
Other transactions, net	2,409	(530)
Parent Company:		
Bank borrowings novated to the Parent Company	-	533,696
Payable on account of reorganisation	-	757,689
Issue of share capital (note 17)	-	751,469
Other transactions, net	7,769	(104)

Note (a):

The Group has historically entered into funding transactions with related parties on mutually agreed terms and are generally interest-free, except where agreed otherwise. During the year ended 31 December 2025, the Group received net funding amounting to USD 47 million (31 December 2024: received net funds amounting to USD 821 million).

Terms and conditions:

Outstanding balances at the year end are unsecured and settlement generally occurs in cash, except as noted above. These balances are interest-free, except for certain related parties to whom the Group has charged paid interest based on a mutually agreed rate.

The management of the Group estimate the allowance on amounts due from related parties at the end of the reporting period at an amount equal to lifetime ECL. None of the receivable balances from related parties at the end of the reporting period are past due, and taking into account the historical default experience, the future prospects of the industries in which the related parties operate and management of the Group consider that no related party balances are impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for balances due from related parties.

The related party balances are receivable/repayable on demand therefore, these balances are classified as current assets and current liabilities.

Guarantees:

As at 31 December 2025, certain related parties have provided corporate guarantees towards the Group's banking facilities amounting to USD 455 million (31 December 2024: USD 1,615 million).

Compensation of key management personnel of the Group:

The remuneration of key members of management recognised as an expense during the year are as follows:

	2025	2024
	USD'000	USD'000
Short-term employee benefits	5,617	5,225
End of service benefits	426	257
Total compensation to key management personnel	**6,043**	**5,482**

Director's remuneration paid during the year ended 31 December 2025 amounted to USD 47 thousand (31 December 2024: USD Nil).

During the previous year, the Company appointed BHM Capital Financial Services PSC (the "Liquidity Provider") through an Agreement dated 12 November 2024 to provide liquidity provision services in connection with its shares, where the Liquidity Provider will trade (i.e., purchase and/or sell) shares of the Company on the Abu Dhabi Securities Exchange ("ADX"). Subsequently, this Agreement was revised on 13 November 2024 to include the Parent Company as one of the contracting parties. The revised Agreement was entered into for an initial term of twelve months. During the term of the Agreement, the Liquidity Provider will receive funds from the Parent Company to purchase and/or sell the Company's shares on ADX and the Parent Company bears the risks and rewards of the trades executed by the Liquidity Provider. The Liquidity Provider trades and operates within the predetermined parameters approved by the Parent Company. The fees for the services performed by the Liquidity Provider are paid by the Company and charged back to the Parent Company. The Agreement ended on 14 November 2025.

10 Property and equipment

	Land	Buildings and leasehold improvements	Machinery and equipment	Computers and accessories	Furniture and fixtures	Motor vehicles	Capital work-in-progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:								
At 1 January 2024	33,842	1,390,860	1,279,538	76,700	421,411	132,509	137,087	3,471,947
Additions	-	3,055	5,644	2,650	4,578	3,788	128,959	148,674
Transfer from capital work-in-progress	260	51,470	49,042	10,048	19,777	6,854	(137,451)	-
Transfer from/(to) related parties, net	-	(16)	133	(10)	2	80	(231)	(42)
Write offs	-	-	-	-	-	-	(3,563)	(3,563)
Disposals	-	(3,477)	(1,241)	(331)	(4,570)	(4,579)	(129)	(14,327)
Translation adjustment	-	(743)	(645)	(97)	(380)	(116)	(148)	(2,129)
At 1 January 2025	34,102	1,441,149	1,332,471	88,960	440,818	138,536	124,524	3,600,560
Additions	-	8,539	7,141	3,529	6,637	2,734	114,742	143,322
Transfer from capital work-in-progress	-	76,073	32,910	7,193	23,928	4,416	(144,520)	-
Disposals	-	-	(865)	(1)	(79)	(4,065)	(2,882)	(7,892)
Translation adjustment	1	1,415	(376)	18	203	58	91	1,410
At 31 December 2025	**34,103**	**1,527,176**	**1,371,281**	**99,699**	**471,507**	**141,679**	**91,955**	**3,737,400**

	Land	Buildings and leasehold improvements	Machinery and equipment	Computers and accessories	Furniture and fixtures	Motor vehicles	Capital work-in-progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Accumulated depreciation:								
At 1 January 2024	-	652,865	919,675	56,777	288,111	93,089	-	2,010,517
Charge for the year	-	64,635	59,536	8,399	21,570	7,797	-	161,937
Transfer from/(to) related parties, net	-	9	8	-	-	(3)	-	14
Eliminated on disposals	-	(1,418)	(1,079)	(303)	(3,077)	(3,637)	-	(9,514)
Translation adjustment	-	(177)	(387)	(61)	(196)	(63)	-	(884)
At 1 January 2025	-	715,914	977,753	64,812	306,408	97,183	-	2,162,070
Charge for the year	-	67,063	60,076	9,226	22,414	8,239	-	167,018
Eliminated on disposals	-	-	(394)	-	(32)	(3,374)	-	(3,800)
Translation adjustment	-	197	(227)	33	129	41	-	173
At 31 December 2025	**-**	**783,174**	**1,037,208**	**74,071**	**328,919**	**102,089**	**-**	**2,325,461**
Carrying amount								
At 31 December 2025	**34,103**	**744,002**	**334,073**	**25,628**	**142,588**	**39,590**	**91,955**	**1,411,939**
At 31 December 2024	34,102	725,235	354,718	24,148	134,410	41,353	124,524	1,438,490

a) Additions to property and equipment include borrowing costs capitalised during the year ended 31 December 2025 amounting to USD 2.9 million (31 December 2024: USD 3.6 million). The rate of capitalisation is equivalent to the average bank borrowing rate of the Group.
b) The depreciation charge is allocated as follows, for the years ended 31 December:

	2025	2024
	USD'000	USD'000
Operating expenses (Note 26(a))	167,018	161,937
Related to discontinued operations	-	303
	167,018	**162,240**

11 Right-of-use assets

The Group has lease contracts for land and buildings. These leases generally have terms between 15 and 40 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is not restricted from assigning and subleasing the leased assets. Several lease contracts include extension and termination options, as well as variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the years ended 31 December:

	2025	2024
	USD'000	USD'000
Cost		
Balance at the beginning of the year	2,912,467	2,916,130
Additions during the year	269,893	222,180
Terminations during the year	(3,600)	(79,266)
Modifications	(34,751)	(144,568)
Translation adjustment	(550)	(2,009)
Balance at the end of the year	3,143,459	2,912,467
Accumulated depreciation		
Balance at the beginning of the year	1,186,074	1,047,735
Depreciation charge for the year	219,381	215,289
Depreciation capitalised	2,322	2,795
Terminations during the year	(1,560)	(66,648)
Modifications	(28,392)	(12,396)
Translation adjustment	(135)	(701)
Balance at the end of the year	1,377,690	1,186,074
Net carrying amount at the end of the year	**1,765,769**	**1,726,393**

Depreciation charges include amount of USD 2,322 thousand during the year ended 31 December 2025 (31 December 2024: USD 2,795 thousand) capitalised to capital work in progress related to the lands and building that qualify during the period of construction.

The maturity analysis of lease liabilities is disclosed in note 20.

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

	2025	2024
	USD'000	USD'000
Depreciation expense on right-of-use assets (a)	219,381	219,653
Expense relating to short-term leases	144,513	136,117
Gain on termination of leases (b)	-	33,625
Gain on modification of leases	982	137

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

	2025	2024
	USD'000	USD'000
-Operating expenses (Note 26(a))	219,381	215,289
-Related to discontinued operations	-	4,364
	219,381	**219,653**

b) There was no gain on termination of leases related to discontinued operations during the year ended 31 December 2025 (31 December 2024: USD 33.6 million)

The total cash outflow for leases amounted to USD 288.36 million during the year ended 31 December 2025 (31 December 2024: USD 266.8 million) (Note 20). The Group also had non-cash additions to right-of-use assets and lease liabilities which are disclosed in note 34.

12 Investment properties

	2025	2024
	USD'000	USD'000
Cost		
Balance at the beginning of the year	40,847	40,836
Additions during the year	17	7
Transfers to related parties	-	4
Translation adjustments	(1)	-
Balance at the end of the year	40,863	40,847
Accumulated depreciation		
At the beginning of the year	27,376	25,826
Charge for the year	1,547	1,547
Transfers to related parties	-	3
Translation adjustments	(1)	-
Balance at the end of the year	28,922	27,376
Net carrying amount at end of the year	**11,941**	**13,471**

The details of the depreciation expense on investment properties are as follows:

	2025	2024
	USD'000	USD'000
-Operating expenses (Note 26(a))	1,547	1,547
-Related to discontinued operations	-	540
	1,547	**2,087**

Investment properties represent residential and commercial buildings in Oman and the United Arab Emirates. As permitted by IAS 40 Investment Property, the Group has chosen to carry investment properties under the cost model. The fair value of the investment properties as at 31 December 2025 is estimated to be USD 28.7 million (31 December 2024: USD 29.3 million). The valuations in Oman are performed by Cavendish Maxwell and Al Habib & Co LLC. The valuations in UAE are performed by Cavendish Maxwell. All are accredited independent valuers and specialists in valuing these types of investment properties. The other investment properties are valued by applying the income approach or market approach as recommended by the International Valuation Standards Committee.

The income earned by the Group from its investment properties, all of which is leased out under operating leases, amounted to USD 3.63 million during the year ended 31 December 2025 (31 December 2024: USD 3.54 million). Direct operating expenses (excluding depreciation expense) arising on the investment properties, amounted to USD 496.27 thousand during the year ended 31 December 2025 (31 December 2024: USD 501.88 thousand).

Fair value hierarchy disclosures for investment properties are included in Note 31.

13 Deferred tax

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation	Leases	Accrued and other liabilities	Retirement benefit obligations	Fair Value Adjustment Reserve	Tax losses	Forex difference	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January 2024	(6,951)	11,327	116	4,774	-	39	-	**9,305**
Charge/(credit) to profit or loss	7,621	(1,032)	(7)	1,514	-	1,386	-	**9,482**
Charge to other comprehensive income	-	-	-	666	1	-	-	**667**
Charge to equity	377	-	-	-	-	-		**377**
Exchange differences	-	-	-	-	-	-	(7)	**(7)**
At 1 January 2025	1,047	10,295	109	6,954	1	1,425	(7)	**19,824**
Charge/(credit) to profit or loss	1,333	1,691	1	580	-	(53)	3	**3,555**
Charge to other comprehensive income	-	-	-	(583)	(1)	-	-	**(584)**
Charge to equity	(3)	-	-	4	-	(145)		**(144)**
Exchange differences	-	-	-	-	-	-	42	**42**
At 31 December 2025	**2,377**	**11,986**	**110**	**6,955**	**-**	**1,227**	**38**	**22,693**

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

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2025	2024
	USD'000	USD'000
Deferred tax liabilities	(4,368)	(4,902)
Deferred tax assets	27,061	24,726
	22,693	**19,824**

At the reporting date, the group has unused tax losses of USD 16.85 million (2024: USD 15.74 million) available for offset against future profits. A deferred tax asset has been recognised in respect of USD 14.38 million (2024: USD 14.17 million) of such losses. No deferred tax asset has been recognised in respect of the remaining USD 2.47 million (2024: USD 1.57 million) as it is not considered probable that there will be future taxable profit available.

14 Inventories

	2025	2024
	USD'000	USD'000
Goods for resale	1,491,112	1,473,636
	1,491,112	**1,473,636**

The cost of inventories recognised as an expense during the year in respect of continuing operations was USD 6,030 million during the year ended 31 December 2025 (31 December 2024: USD 5,769 million) is charged to cost of revenue.

The cost of inventories recognised as an expense includes USD 81 million during the year ended 31 December 2025 (31 December 2024: USD 87 million) in respect of write-downs of inventory to net realisable value.

15 Trade and other receivables

	2025	2024
	USD'000	USD'000
Trade receivables	227,314	249,819
Less: expected credit loss allowance	(2,391)	(2,337)
	224,923	247,482
Deposits	27,008	27,783
Prepayments	87,191	72,428
Advances to suppliers	28,336	24,854
Tenants' receivables	12,493	9,737
Advances to employees	2,750	4,507
Other receivables	16,421	24,814
	399,122	**411,605**

Substantially all of the sales of the Group entities in the retail trading business are made on a cash basis to their customers. The balance in trade receivables represents the receivables in respect of credit sales made to certain customers.

The Group makes sales on a credit basis to a few customers with a limited credit period which would not normally extend beyond a period of one month and is pre-approved by the management. No interest is charged on the past due trade receivables. At the end of the reporting period, there were no customer that accounts for more than 5% of the total amount of trade receivables.

Collectively assessed	Gross carrying amount at default	Expected credit loss allowance	Not impaired receivables
	USD'000	USD'000	USD'000
31 December 2025			
Current	49,154	14	49,140
Past due by:			
1 to 30 days	58,133	12	58,121
31 – 60 days	40,712	22	40,690
61- 90 days	30,278	7	30,271
More than 90 days	49,037	2,336	46,701
	227,314	**2,391**	**224,923**

31 December 2024			
Current	45,955	14	45,941
Past due by:			
1 to 30 days	53,456	12	53,444
31 – 60 days	39,794	22	39,772
61- 90 days	30,841	7	30,834
More than 90 days	79,773	2,282	77,491
	249,819	**2,337**	**247,482**

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Movement in loss allowance:

	2025	2024
	USD'000	USD'000
Balance at beginning of the year	2,337	2,337
Impairment loss recognised on trade receivables	54	-
Balance at the end of the year	**2,391**	**2,337**

Trade receivables are secured against bank borrowings to the extent disclosed in Note 18 to the consolidated financial statements.

16 Cash and cash equivalents

	2025	2024
	USD'000	USD'000
Cash on hand	36,051	36,676
Bank balances	276,551	235,990
Short term deposits	16,941	73,542
	329,543	**346,208**

Bank balances are assessed to have low credit risk of default since these banks are highly regulated by the respective central banks. Accordingly, the management estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. After taking into account the historical default experience and the current credit ratings of the banks, the management has assessed that loss allowance on cash balances is immaterial, hence, no loss allowance was recognised for the year ended 31 December 2025 and 2024.

Bank balances include credit card transactions that are under process and are restricted against the bank borrowings as at reporting date as disclosed in Note 18.

Short term deposits represent bank deposits with maturity periods of less than three months. These deposits carry interest rates, variable according to their respective jurisdiction's central bank rates and the carrying amounts of these assets approximate to their fair value.

17 Equity

Share capital

The authorised share capital of the Company is 12 billion shares of USD 0.014 each. The issued share capital of the Company is 10,328,905,350 shares of USD 0.014 each.

During the previous year, pursuant to the reorganisation the Company issued 4,412,983,345 shares of par value USD 1 each and converted a payable of USD 751,469,230 into 751,469,230 shares of par value USD 1 each.

On 29 March 2024, the Board of directors of the Company decided to reduce the par value of the Company's shares from USD 1 to USD 0.028. Accordingly, an amount of USD 5,019,848 thousand was transferred from share capital to merger reserve.

On 13 June 2024, the Company undertook a share split, resulting in the Company's share capital being USD 144,605 thousand divided into 10,328,905,350 shares with a nominal value of USD 0.014 each (equivalent to AED 0.051).

On 4 October 2024, the Company was re-registered as a public company limited by shares.

Capital reserves

Capital reserve represents the share capital of the entities within the Group prior to the reorganisation.

Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital of acquiree entities resulting from the reorganisation. Pursuant to the resolution of the Board in March 2024, the merger reserve has been fully adjusted against the share capital and retained earnings.

Other equity

Other equity comprises of the cumulative net fair value gain/loss on the investments at fair value through other comprehensive income, the remeasurement of employees' defined benefit obligations and the cumulative foreign exchange differences arising on the translation of overseas operations.

Other reserves

Other reserves include:

Statutory reserve

In accordance with local requirements, certain subsidiaries within the Group are required to establish a statutory reserve. This reserve is not available for distribution except as stipulated by the companies' laws in the respective countries. The Group's statutory reserve represents the sum total of statutory reserves of all limited liability companies consolidated in these consolidated financial statements.

Voluntary reserve

In accordance with certain subsidiaries' articles of association, 10% of net profit for the year can be transferred to voluntary reserve.

18 Bank borrowings

Bank borrowings comprise of:

	2025	2024
	USD'000	USD'000
Long term loans (a)	8,861	9,988
Short term loans (b)	266,802	394,520
Bank trust receipts (c)	579,979	493,375
Bank overdrafts (d)	8,234	76,074
Vehicle loans	-	394
	863,876	974,351
Less: current portion		
· Long term loans	(2,151)	(1,657)
· Short term loans	(266,802)	(394,520)
· Trust receipts	(579,979)	(493,375)
· Bank overdrafts	(8,234)	(76,074)
· Vehicle loans	-	(331)
	(857,166)	(965,957)
Non-current portion	**6,710**	**8,394**

a) Long-term loans were obtained from commercial banks in the jurisdictions from where the Group operates and are denominated in the local currency of the jurisdiction in which it is obtained. These loans carry interest of EIBOR or relevant rates in respective jurisdictions plus a margin of 1.75% to 2.5% for the year ended 31 December 2025 (31 December 2024: a margin between 2% to 2.5%). These loans are repayable in various monthly/quarterly instalments.

b) Short term loans include (Sharia'h Compliant) Islamic bank facilities such as traditional Islamic "Istisna'a", "Mudaraba", "Murabaha" and "Wakala" financing arrangements. The management believes that these facilities, in substance, provide the Group with funding on terms comparable to the commercial bank loans and therefore have been recognised as part of "bank borrowings" in these consolidated financial statements. As at 31 December 2025, the total short term loan facilities granted amounted to USD 755 million (31 December 2024: USD 728 million) and the total facilities utilised amounted to USD 267 million (31 December 2024: USD 395 million). These loans carry profit rate of EIBOR or relevant rates in respective jurisdictions plus a margin ranging between 0.45% to 2% for the year ended 31 December 2025 (31 December 2024: 1% to 2.5%).

c) Bank trust receipts are obtained from local banks and carries interest at EIBOR or relevant rates in respective jurisdictions plus a margin between 0.25% to 3.5% for the year ended 31 December 2025 (31 December 2024: 0.70% to 2.75%). The outstanding balance as at 31 December 2025 amounted to USD 580 million (31 December 2024: USD 493 million) and is due for repayment within twelve months.

d) Bank overdrafts carry interest at EIBOR or relevant rates in respective jurisdictions plus a margin between 0.25% to 3.50% for the year ended 31 December 2025 (31 December 2024: 1% to 2.75%).

e) As at 31 December 2025 and 31 December 2024, bank borrowings of the Group obtained under various facilities were secured by the following:

UAE Operations

- Assignment of card receivables, assignment of insurance policy over inventories and property and equipment of certain Group entities and certain entities under common control of the Parent Company (hereinafter referred to as Lulu Group entities" in this note) in favor of the banks.
- Personal guarantees of the Ultimate Controlling Party.
- Mortgage and hypothecation of movable property and equipment of certain Group entities and Lulu Group entities and inventories of the Group.
- Joint and several corporate guarantees from certain Group entities and Lulu Group entities
- Documentary promissory note with different limits for each type of loan.
- Assignment of fire and burglary policies of certain Group entities and Lulu Group entities.
- Negative pledge over the property and equipment of certain Group entities and Lulu Group entities.

Kuwait Operations (Combined)

- Joint corporate guarantees of certain Group entities and Lulu Group entities and personal guarantee of the Ultimate Controlling Party.

Lulu Muscat Hypermarket LLC, Oman

- Personal guarantee of the Ultimate Controlling Party.
- Corporate guarantees from certain Group entities and Lulu Group entities
- Assignment of insurance policies of this entity

Lulu Hypermarket Trading Company WLL, Qatar

- The bank borrowings are secured by joint and several personal guarantees of the Ultimate Controlling Party and corporate guarantees of certain Group entities and Lulu Group entities covering the entire facilities.

Lulu Saudi Hypermarkets Company

- Personal guarantee of the Ultimate Controlling Party.
- Corporate guarantee of certain Group entities and Lulu Group entities.

Lulu Bahrain Hypermarket WLL

- Personal guarantee of the Ultimate Controlling Party.
- Corporate guarantee of certain Group entities and Lulu Group entities.

Y International (UK) Limited)

- The bank borrowings are secured by joint and several personal guarantee of the Ultimate Controlling Party, each covering the entire facilities and corporate guarantees of certain Group entities and Lulu Group entities covering the entire facilities.

Bank borrowings are subject to certain financial covenants which are required to be met at the Group level and these covenants have been met as at 31 December 2025. Certain of the Group's subsidiaries are subject to financial covenants under their respective lending arrangements and are in compliance as of all periods presented

a) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2025	Cash flows net	Currency exchange impact	Other non cash items	31 December 2025
	USD'000	USD'000	USD'000	USD'000	USD'000
Bank borrowings	974,351	(110,475)	-	-	863,876
Lease liabilities	1,899,674	(288,356)	(435)	360,745	1,971,628

	1 January 2024	Cash flows net	Currency exchange impact	Other non cash items	31 December 2024
	USD'000	USD'000	USD'000	USD'000	USD'000
Bank borrowings	1,129,003	379,044	-	(533,696)	974,351
Lease liabilities	2,001,102	(266,843)	(1,374)	166,789	1,899,674

19 Employees' defined benefit obligations

In accordance with the provisions of IAS 19 Employee Benefits, the Group has carried out an exercise to assess the present value of its defined benefit obligation at 31 December 2025 and 31 December 2024 in respect of retirement benefit obligations under relevant local regulations and contractual arrangements.

The end of service benefits for employees follows relevant local regulations, which are mainly based on periods of cumulative service and levels of employees' final basic salary. The liability recognised in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period.

The amounts recognised in the consolidated statement of financial position and the movements in the employees' defined benefit obligations are as follows:

	2025	2024
	USD'000	USD'000
Balance as at the beginning of the year	198,412	176,785
Current service cost	19,227	18,849
Interest cost (Note 27)	9,438	9,174
Total amount recognised in profit or loss	28,665	28,023
Re-measurement loss recognised in other comprehensive income	12,634	13,955
Benefits paid	(33,406)	(18,085)
Employees' receivable adjusted, net	-	(1)
Transferred to related parties	(754)	(1,330)
Translation adjustment	6	(935)
Balance as at the end of the year	**205,557**	**198,412**

a) In presenting the above, the present value of employees' defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the employees' defined benefit obligations recognised in the consolidated statement of financial position.

b) The average duration of benefit obligations as at 31 December 2025 is 5 years (31 December 2024: 5 years).

c) The average number of employees for the year ended 31 December 2025 is 53,459 (31 December 2024: 54,440).

The principal assumptions used for the purpose of actuarial valuations are as follows:

	2025	2024
Discount rate	2.85%-30.91%	2.87-30.71%
Salary increases rate	3-25%	3-25%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Rate of employee turnover	10-15%	1-15%

A quantitative sensitivity analysis for significant assumptions as at reporting date is, as shown below:

Assumptions	2025	2024
	USD'000	USD'000
Discount rate:		
1% increase	(9,060)	(8,363)
1% decrease	10,008	9,240
Salary increase:		
1% increase	10,002	9,311
1% decrease	(9,224)	(8,578)
Employee turnover rate:		
Increase by 5% of base	167	2,035
Decrease by 5% of base	(814)	(3,744)

Impact on defined benefit obligations:

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The plans typically expose the Group to actuarial risks such as interest rate risk, longevity risk and salary risk.

The following are the expected payments or contributions to the defined benefit plan in future years:

	2025	2024
	USD'000	USD'000
Within next 12 months (next annual reporting period)	38,683	38,076
Between 2 and 5 years	94,455	93,693
Beyond 5 years	122,444	123,267

20 Lease liabilities

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

	2025	2024
	USD'000	USD'000
Balance as at the beginning of the year	1,899,674	2,001,102
Additions during the year	269,730	221,877
Terminations during the year	(1,873)	(16,737)
Accretion of interest	97,552	90,758
Interest capitalized	2,499	2,655
Payments	(288,356)	(266,843)
Modifications	(7,163)	(131,764)
Translation adjustment	(435)	(1,374)
Balance as at the end of the year	1,971,628	1,899,674
Of which are:		
Current	181,185	175,656
Non-current	1,790,443	1,724,018
	1,971,628	**1,899,674**

During the year ended 31 December 2025, income from subleasing right-of-use assets amounted to USD 59 million (31 December 2024: USD 57 million).

The interest expense includes an amount of USD 2.5 million during the year ended 31 December 2025 (31 December 2024: USD 2.6 million) capitalized to capital work in progress related to land and building that qualify during the period of construction.

The details of the interest expense on lease liabilities:

	2025	2024
	USD'000	USD'000
Interest cost (Note 27)	97,552	90,758
Related to discontinued operations	-	1,999
	97,552	**92,757**

The maturity analysis of discounted lease liabilities is as follows:

	2025	2024
Maturity analysis:	USD'000	USD'000
Not later than 1 year	181,185	175,656
Later than 1 year and not later than 5 years	683,660	588,348
Later than 5 years	1,106,783	1,135,670
	1,971,628	**1,899,674**

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

21 Trade and other payables

	2025	2024
	USD'000	USD'000
Trade payables	1,084,067	1,146,839
Accrued expenses	105,336	109,956
Advances from customers and tenants	39,932	30,666
Retention payable	483	745
Refundable deposits from tenants	5,464	6,101
Other payables	10,998	15,774
	1,246,280	**1,310,081**

The average credit period with the suppliers is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within credit time frame.

22 Tax payable

	2025	2024
	USD'000	USD'000
Balance at the beginning of the year	22,697	7,406
Add: expenses incurred during the year	31,054	29,761
Less: tax paid during the year	(29,120)	(14,468)
Other adjustments, net	(1,233)	(2)
Corporate tax payable at the end of the year	23,398	22,697
Other tax payables, net	20,248	13,979
Balance at the end of the year	**43,646**	**36,676**

23 Revenue

Disaggregation of revenue

	2025	2024
	USD'000	USD'000
Revenue from sale of goods	7,933,970	7,620,802
	7,933,970	**7,620,802**

Revenue by timing:

	2025	2024
	USD'000	USD'000
Goods transferred at a point in time	7,933,970	7,620,802
	7,933,970	**7,620,802**

Revenue by region

For the region wise bifurcation of revenue, refer Note 7.

24 Cost of revenue

	2025	2024
	USD'000	USD'000
Cost of revenue relating to sale of goods		
Inventories, at the beginning of the year	1,473,636	1,374,607
Add: Purchases (including direct expenses)	6,128,610	5,954,946
	7,602,246	7,329,553
Less: Inventories, at the end of the year	(1,491,112)	(1,473,636)
Cost of revenue	**6,111,134**	**5,855,917**

25 Other operating income

	2025	2024
	USD'000	USD'000
Contribution from vendors (Note 25(a))	199,703	189,077
Tenant rentals and commissions (Note 25(b))	62,182	59,685
Gain on disposal of property and equipment	438	636
Gain on lease modifications	982	137
Others	39,248	50,334
	302,553	**299,869**

a) Contribution from vendors includes the following:

(i) income received from the suppliers for the display of their products in the showroom

(ii) store opening contribution and income from other services provided; and

(iii) listing fee which represents income received from the suppliers for new products.

b) Tenant rentals represent rental income from the tenants for the space utilized by them in the showroom. Tenant commission represents commission on sales made by the tenants.

26 Operating expenses

	2025	2024
	USD'000	USD'000
Employees' salaries and benefits	737,756	725,004
Depreciation expense (a)	387,946	378,773
Utilities	181,286	176,576
Rent expenses	144,513	137,285
Selling and advertising expenses	72,663	49,050
Repairs and maintenance	42,798	42,659
Credit card commission	47,853	38,637
Office expenses	22,581	23,108
Professional and legal fees	25,042	21,205
Travelling expenses	6,438	5,773
Vehicle expenses	17,612	19,108
Insurance charges	8,569	8,812
Sponsorship fees	5,916	6,933
Gifts and donations	3,127	2,423
Loss allowance on trade receivables	54	-
Others	27,003	21,453
	1,731,157	**1,656,799**

a) The breakdown of depreciation expense is as follows:

	2025	2024
	USD'000	USD'000
Depreciation on property and equipment (Note 10(b))	167,018	161,937
Depreciation on right-of-use assets (Note 11(a))	219,381	215,289
Depreciation on investment properties (Note 12)	1,547	1,547
	387,946	**378,773**

27 Finance costs, net

	2025	2024
	USD'000	USD'000
Interest on bank borrowings	51,869	57,912
Bank charges	5,768	11,825
Interest on lease liabilities (Note 20)	97,552	90,758
Interest on employees defined benefit obligations (Note 19)	9,438	9,174
Interest income	(2,426)	(294)
	162,201	**169,375**

28 Tax expense

The breakdown of tax expense is as follows:

	2025	2024
	USD'000	USD'000
Corporation income tax:		
Current income tax charge	30,380	31,991
Adjustment in respect of current income tax of previous year	674	(204)
	31,054	31,787
Deferred tax	(3,555)	(9,482)
Others	-	(5)
	27,499	**22,300**

The charge for the year can be reconciled to the profit before tax as follows:

	2025	2024
	USD'000	USD'000
Profit before tax related to:		
· Continuing operations	232,031	238,580
· Discontinued operations	-	32,976
	232,031	271,556
Tax rate @9%	**20,883**	**24,440**
Effects of different tax rates of subsidiaries operating in other jurisdictions	4,490	13,619
Tax effect of expenses that are not deductible in determining taxable profit	21,524	18,703
Adjustment in respect of current income tax of previous years	674	(204)
Utilisation of previously unrecognised tax balance	(36)	(4)
Tax effect of expenses not taxable in determining taxable profit	(16,409)	(24,381)
Tax effect of utilisation of tax losses not previously recognised	(72)	
Change in deferred tax assets/liabilities	(3,555)	(8,211)
Others	-	(1,602)
	27,499	22,360
Income taxes related to:		
· Continuing operations	27,499	22,300
· Discontinued operations	-	60
	27,499	**22,360**

In addition to the amount charged to profit or loss, the following amounts related to tax have been recognised in other comprehensive income.

	2025	2024
	USD'000	USD'000
Current tax		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit liability	(1,685)	-
Deferred tax		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit liability	591	(666)
Fair value gain on investments in equity/debt instruments measured at FVTOCI	1	
Items that will be reclassified subsequently to profit or loss:		
Fair value loss on investments in equity/debt instruments measured at FVTOCI	-	(1)
Total income tax recognised in other comprehensive income	**(1,093)**	**(667)**

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

	2025 USD'000	2024 USD'000
UAE	9%	9%
Kingdom of Saudi Arabia	20%	20%
Qatar	10%	10%
Oman	15%	15%

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Group.

The Group is subject to the provisions of the UAE CT Law with effect from 1 July 2023, and current taxes have been accounted for as appropriate in the financial statements for the financial year beginning 1 January 2024.

On 6 February 2025, the UAE released the legislation introducing a Domestic Minimum Top-up Tax ("DMTT") for multinational enterprises ("MNEs"), through the publication of Cases, Provisions, Conditions, Rules, Controls, and Procedures on the Imposition of Top-up Tax on Multinational Enterprises which is applicable from 1 January 2025. For the current year, the taxable income of the Group for UAE CT Purposes will be subject to the rate of 9% corporate tax. Based on the management's assessment, it is not currently foreseen that the Group's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% for the financial year ended 31 December 2025.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Company is not the Ultimate Parent Entity of the Group and is instead part of a larger multinational enterprise and has ownership interests in subsidiaries in other non-UAE jurisdictions that have also enacted Pillar Two legislation in effect for the year ended 31 December 2025.

Based on the management's assessment, as a result of meeting the Transitional CbCR Safe Harbours ("TCSH") in all jurisdictions in which the Group operates, no Pillar Two top-up tax expense has been recorded in the consolidated financial statements of the Group for the year ended 31 December 2025.

29 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 December 2025 and 31 December 2024, respectively, there were no shares which were dilutive in nature.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2025 USD'000	2024 USD'000
Profit attributable to ordinary equity holders of the Company:		
· Continuing operations (USD '000)	204,532	216,280
· Discontinuing operations (USD '000)	-	32,916
Profit attributable to ordinary equity holders of the Company	**204,532**	**249,196**
Weighted average number of ordinary shares[1] · basic and diluted ('000)	**10,328,905**	**10,328,905**
Basic and diluted EPS (in USD cents per share)	1.98	2.41
Basic and diluted EPS for continuing operations (in USD cents per share)	1.98	2.09

[1] The weighted average number of ordinary shares for the prior year presented have been adjusted for the effects of capitalisation arising from the reorganisation which resulted in the issuance of 5,164,452,575 ordinary shares in March 2024. Further the earnings per share calculations for the prior year have been adjusted for the share split on 13 June 2024 where the number of ordinary shares of 5,164,452,675 with a par value of USD 0.028 each was split to 10,328,905,350 ordinary shares with a par value of USD 0.014 each.

30 Commitments and contingent liabilities

	2025	2024
	USD'000	USD'000
Capital commitments		
Commitments for the purchase of property and equipment	11,584	8,528
Contingent liabilities		
Letters of guarantees and performance bonds	62,747	63,368
Letters of credit	3,508	13,787
Acceptances	3,582	6,473
	69,837	**83,628**

a) Guarantees issued by the bank on behalf of the group entities, guaranteeing that the group entities will meet their financial or contractual obligations to a third party. If the group entities fail to fulfil these obligations, the bank will cover the losses or pay the amount specified in the guarantee.

Bonds issued by the bank on behalf of the group entities to guarantee the Landlord/Municipality for satisfactory completion of the project/contract.

b) A financial document issued by a bank that guarantees payment to the vendor of the company or beneficiary subject to specific conditions, to ensure that the seller receives payment from the bank once the terms and conditions stipulated in the letter of credit are fulfilled.

c) Acceptances are a time draft or bill of exchange that has been accepted by the company authorizing payment on or after specified date.

31 Financial instruments

a) Material accounting policy information

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

a) Categories of financial instruments

	2025	2024
	USD'000	USD'000
Financial assets		
At amortised cost:		
Trade receivables (Note 15)	224,923	247,482
Other receivables (Note 15)	16,421	24,814
Tenants' receivable (Note 15)	12,493	9,737
Due from related parties (Note 9)	3,622	14,782
Cash and cash equivalents (Note 16)	329,543	346,208
At fair value through OCI:		
Investments at fair value through other comprehensive income	-	1,201
	587,002	**644,224**
Financial liabilities		
At amortised cost:		
Bank borrowings (Note 18)	863,876	974,351
Lease liabilities (Note 20)	1,971,628	1,899,674
Due to related parties (Note 9)	99,991	33,560
Trade payables (Note 21)	1,084,067	1,146,839
Retention payable (Note 21)	483	745
Refundable deposits from tenants (Note 21)	5,464	6,101
Accrued expenses (Note 21)	105,336	109,956
Other payables (Note 21)	10,998	15,774
	4,141,843	**4,187,000**

b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group's management considers that the fair value of financial assets and financial liabilities approximates to their carrying amounts as stated in the consolidated statement of financial position. There is no asset measured at fair value as at 31 December 2025 (31 December 2024: investments at fair value through other comprehensive income of USD 1.2 million which were grouped into level 1 at each reporting date).

Description of valuation techniques used and key inputs to valuation of investment properties:

Properties valued using the Income Approach:

	2025	2024
	USD'000	USD'000
Capitalisation rate		
· Term rent	8% to 9.50%	8% to 9.75%
· Reversion rent	8.16% to 10.50%	8.19% to 10.75%
Void rate	5% to 15%	5% to 15%
Non recoverable operating costs (on market rent)	10% to 15.50%	10% to 13%
Leasing rate	3%-5%	3% to 5%

Management assessed no material change in the fair value of investment properties as at 31 December 2025.

32 Financial risk management

The Group has set financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management program seeks to minimise potential adverse effects of financial performance of the Group. The management provides principles for overall financial risk management and policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), credit risk, liquidity risk, use of derivative financial instruments and investing excess cash. Reviews are undertaken to ensure that the Group's policy guidelines are complied with.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. As the main currencies the Group deals with are pegged to the US Dollars, the Group is not exposed to significant foreign currency risk.

Interest rate risk

The Group is exposed to interest rate risk as the Group borrows funds at floating interest rates. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would decrease/increase by USD 4.32 million (for the year ended 31 December 2024: decrease/increase by USD 4.87 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the decrease in its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from credit exposure to outstanding trade receivables and related party receivables. The management of the Group has implemented centralised procedures for credit control. Credit risk is minimised through a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy. The Group's exposure to credit risk is closely monitored and the aggregate value of transactions concluded is spread amongst counter-parties.

Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Group operates, management, based on past experience and level of risk associated with these transactions, makes an allowance for losses on such transactions should they consider it necessary.

Ongoing credit evaluation is performed on the financial condition of trade receivable. Further details of credit risk on trade receivables are discussed in Note 15 to the consolidated financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is more than 30 days past due or these has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is more than 90 days past due or there is evidence indicating the asset is credit- impaired	Lifetime ECL - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group's maximum exposure to the credit risk arising out of financial assets is the net carrying amounts of the respective financial assets disclosed in the consolidated financial statements.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has built liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining reserves, banking facilities and reserve borrowing facilities, by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its interest-bearing financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes principal cashflows:

31 December 2025	Balance as at reporting date	Total undiscounted contractual cash flow	0 to 12 months	1 to 5 Years	>5 Years
	USD'000	USD'000	USD'000	USD'000	USD'000
Interest bearing instruments					
Lease liabilities (Note 20)	1,971,628	2,655,427	276,998	1,020,525	1,357,904
Bank borrowings (Note 18)	863,876	868,033	857,761	10,272	-
Non- interest-bearing instruments					
Due to related parties (Note 9)	99,991	99,991	99,991	-	-
Trade payables (Note 21)	1,084,067	1,084,067	1,084,067	-	-
Accrued expenses (Note 21)	105,336	105,336	105,336	-	-
Retention payable (Note 21)	483	483	483	-	-
Refundable deposits from tenants (Note 21)	5,464	5,464	5,464	-	-
Other payables (Note 21)	10,998	10,998	10,998	-	-

31 December 2024	Balance as at reporting date	Total undiscounted contractual cash flow	0 to 12 months	1 to 5 Years	>5 Years
Interest bearing instruments					
Lease liabilities (Note 20)	1,899,674	2,538,617	265,625	966,449	1,306,543
Bank borrowings (Note 18)	974,351	976,601	966,742	9,859	-
Non- interest-bearing instruments					
Due to related parties (Note 9)	33,560	33,560	33,560	-	-
Trade payables (Note 21)	1,146,839	1,146,839	1,146,839	-	-
Accrued expenses (Note 21)	109,956	109,956	109,956	-	-
Retention payable (Note 21)	745	745	745	-	-
Refundable deposits from tenants (Note 21)	6,101	6,101	6,101	-	-
Other payables (Note 21)	15,774	15,774	15,774	-	-

33 Capital management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to its shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged over the reporting periods.

The Group also provides funds to and receives funds from related parties as and when required for trading or non-trading purpose. Interest, whenever applicable, is charged or paid at commercial rates.

Debt-equity ratio

The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The debt-to-equity ratio at the year-end was as follows:

	2025	2024
	USD'000	USD'000
Debt (i)	**2,835,504**	**2,874,025**
Less: Cash and cash equivalents (Note 16)	(329,543)	(346,208)
Net debt	2,505,961	2,527,817
Equity (ii)	**1,004,763**	**992,856**
Debt to equity ratio	**2.49**	**2.55**

i) Debt includes as bank borrowings (Note 18) and lease liabilities (Note 20).
ii) Equity includes share capital, other reserves, other equity and retained earnings (accumulated profits net of dividends paid).

34 Disclosure of significant non-cash transactions for the purpose of consolidated statement of cash flows

	2025	2024
	USD'000	USD'000
Issuance of share capital pursuant to the reorganisation	-	5,164,453
Bank borrowings novated to the Parent Company	-	533,696
Property and equipment transferred (to)/ from related parties, net	-	43,394
Investment properties transferred (to)/ from related parties, net	-	21,331
Net increase/(decrease) in right of use assets	231,542	(1,654)
Net increase/(decrease) in lease liabilities	260,694	73,376
Depreciation on right-of use assets capitalized (Note 8)	2,322	2,795
Interest on lease liabilities capitalized (Note 14)	2,499	2,655

35 Climate related matters

The Group assesses climate – related factors to track physical and transition risks. Even though climate – related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, which may directly or indirectly impact the consolidated financial statements of the Group.

36 Dividend

At the Annual General Meeting held on 24 April 2025, the shareholders approved the distribution of cash dividends of USD 84.40 million equating to 0.82 cents (3 fils) per share for the second half of the financial year ended 31 December 2024 and which was paid on 23 May 2025.

The Board of Directors, at its meeting held on 12 August 2025, approved an interim cash dividend of USD 98.44 million equating to 0.953 cents (3.5 fils) per share for the first half (H1-2025) of the current financial year and which was paid on 4 September 2025.

37 Subsequent events

Dividends

The Board of Directors, in their meeting held on 13 February 2026, proposed a dividend of 0.953 cents (3.5 fils) per share amounting to USD 98.44 million for the second half of the financial year ended 31 December 2025, subject to shareholders' approval at the Annual General Meeting.

Geopolitical Developments

Subsequent to the reporting period, geopolitical tensions in the Middle East region have escalated. As at the date of authorisation of these financial statements, Management is closely monitoring the situation and assessing potential impacts on the Group's operations, including:

- disruption to regional supply chains and logistics
- volatility in energy and commodity prices
- potential economic slowdown in the region
- counterparty and credit risk exposure
- possible regulatory or sanctions-related restrictions

The Group has operations, customers, and suppliers located within the Middle East region. While no operational disruptions have been experienced as of the date of authorisation of these consolidated financial statements, the evolving geopolitical situation may impact future economic conditions, including trade flows, energy markets, and regional financial stability. Management has performed a preliminary assessment of the potential implications on its liquidity, supply chain continuity, and customer demand, and given the rapidly changing circumstances, it is currently not possible to reliably estimate any potential financial impact. Accordingly, no adjustments have been made to the consolidated financial statements as at the reporting date, as these events are considered non-adjusting subsequent events. The Group continues to monitor the evolving situation and will take appropriate actions as necessary to mitigate potential risks.

38 Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 18 March 2026.