



**LULU RETAIL HOLDINGS PLC AND
ITS SUBSIDIARIES**

**Review report and interim condensed
consolidated financial information
for the three-month period ended
31 March 2026**

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

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for the three-month period ended 31 March 2026**

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LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Directors' report for the three-month period ended 31 March 2026

The Directors present their report together with the unaudited interim condensed consolidated financial information of Lulu Retail Holdings PLC (the "Company") and its subsidiaries (together referred to as the "Group") for the three-month period ended 31 March 2026.

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 three-month period ended 31 March 2026, the Group generated total revenue of USD 2,020 million (31 March 2025: USD 2,080 million) and profit for the period of USD 47 million (31 March 2025: USD 70 million).

Review of Business Performance

During the three-month period ended 31 March 2026, the Group's revenue declined by 2.9% to USD 2,020 million (31 March 2025: USD 2,080 million). Trading conditions were impacted by geopolitical developments in the region. Retail performance was supported by resilient demand within the supermarket and fresh food categories; however, softer discretionary non-food demand amid a more cautious consumer environment in March weighed on overall performance. The supermarket and fresh food segments recorded growth of approximately 3% and 1%, respectively, in Q1 2026, supported by underlying consumption trends and incremental contributions from e-commerce channels.

E-commerce remains an important component of growth, with sales increase of 60.5% year-on-year and customer count increase of 61.1% year-on-year. E-commerce sales now represent 7.9% of total retail revenue, reflecting a 315 bps increase compared to Q1 2025.

Profit for the period amounted to USD 47 million (31 March 2025: USD 70 million), representing a net profit margin of 2.3%. The decline in profitability compared to the prior period was primarily driven by lower revenue and the resulting operating leverage impact, together with cost movements during the quarter associated with new store openings.

Continued Progress on Strategic Growth Pillars delivering resilient performance in Q1 2026

Lulu Retail continued to make steady progress against its strategic growth pillars during Q1 2026, supporting resilient business performance despite a challenging operating environment.

The Group's growth strategy remains focused on four key priorities: strengthening the existing store network, expanding the retail footprint, driving operational efficiencies leading to cost optimisations, and accelerating revenue growth through digital, loyalty and private label initiatives.

During the quarter, the Group opened 11 new stores, adding 20,153 sqm of retail space and further enhancing its presence across key markets. The Happiness loyalty programme continued to scale, with enrolments exceeding 9.0 million as at Q1 2026, reinforcing the Group's ability to deepen customer engagement and improve retention.

The Group also continued to advance operational efficiency initiatives, including increased adoption of technology and AI-enabled solutions, as well as ongoing process optimisation across key areas of the business.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Directors' report

for the three-month period ended 31 March 2026 (continued)

Continued Progress on Strategic Growth Pillars delivering resilient performance in Q1 2026 (continued)

Digital channels continued to perform strongly during the quarter, demonstrating the strength of the Company's operating model and continued customer adoption of its omnichannel offering. Private label penetration also increased during the quarter, reflecting growing customer acceptance of the Lulu brand and continued focus on improving sales mix.

The resilience of the Group's supply chain remained a key strength during the period, particularly against a backdrop of regional disruption. Lulu Retail's diversified sourcing network and supply chain capabilities enabled the Group to maintain continuity of product availability across its stores, supporting customer trust and business resilience.

Overall, while Q1 2026 performance was impacted by a challenging external environment and regional disruption, Lulu Retail continued to make progress across its strategic priorities. These initiatives supported business resilience during the quarter and provide a stronger foundation for sustainable growth over the medium term.

Directors

The Directors of the Company as of 31 March 2026 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

On behalf of the Board of Directors,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Yusuffali M.A.

Chairman

Lulu Retail Holdings PLC

Abu Dhabi, UAE

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Lulu Retail Holdings PLC (the “Company”) and its subsidiaries (together referred to as the “Group”) as of 31 March 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (‘IAS 34’). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

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

Deloitte & Touche (M.E.) LLP



Faeza Bibi Sohawon
11 May 2026
Abu Dhabi
United Arab Emirates

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Interim condensed consolidated statement of financial position

As at 31 March 2026

	Notes	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
ASSETS			
Non-current assets			
Property and equipment	6	1,397,546	1,411,939
Right-of-use assets	7	1,875,264	1,765,769
Investment properties		11,560	11,941
Deferred tax assets		26,924	27,061
Total non-current assets		3,311,294	3,216,710
Current assets			
Inventories	8	1,521,307	1,491,112
Trade and other receivables	9	446,541	399,122
Due from related parties	4	1,225	3,622
Cash and cash equivalents	10	414,196	329,543
Total current assets		2,383,269	2,223,399
Total assets		5,694,563	5,440,109



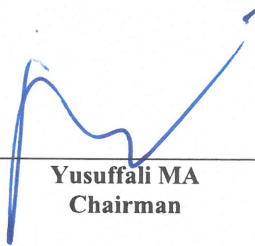

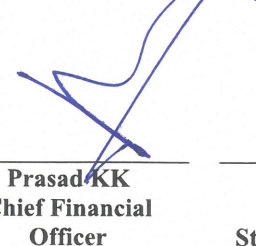
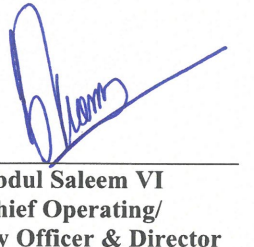
LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Interim condensed consolidated statement of financial position

As at 31 March 2026 (continued)

	Notes	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital		144,605	144,605
Other reserves		32,709	32,709
Other equity		(33,524)	(37,738)
Retained earnings		911,983	865,187
Total equity, net		1,055,773	1,004,763
Liabilities			
Non-current liabilities			
Bank borrowings	11	6,164	6,710
Employees' defined benefit obligations	12	195,458	205,557
Lease liabilities	13	1,897,989	1,790,443
Deferred tax liabilities		4,212	4,368
Total non-current liabilities		2,103,823	2,007,078
Current liabilities			
Trade and other payables	14	1,460,418	1,246,280
Bank borrowings	11	817,090	857,166
Lease liabilities	13	189,751	181,185
Due to related parties	4	24,730	99,991
Tax payable		42,978	43,646
Total current liabilities		2,534,967	2,428,268
Total liabilities		4,638,790	4,435,346
Total equity and liabilities		5,694,563	5,440,109

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

 Yusuffali MA Chairman	 Saifuddin Rupawala Chief Executive Officer & Director	 Prasad KK Chief Financial Officer	 Abdul Saleem VI Chief Operating/ Strategy Officer & Director
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The accompanying notes form an integral part of the interim condensed consolidated financial information.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

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

For the three-month period ended 31 March 2026

	Notes	<u>Three-month period ended</u>	
		<u>31 March</u>	
		2026 USD'000 (unaudited)	2025 USD'000 (unaudited)
Revenue	15	2,020,067	2,080,326
Cost of revenue	16	(1,570,894)	(1,615,805)
Gross profit		449,173	464,521
Other operating income		78,749	80,290
Operating expenses	17	(432,108)	(426,264)
Finance costs, net	18	(42,354)	(40,045)
Profit before tax		53,460	78,502
Income tax expense	19	(6,664)	(8,804)
Profit for the period		46,796	69,698
<i>Other comprehensive income</i>			
<i>Items that will not be reclassified subsequently to profit or loss (net of tax):</i>			
Re-measurement of employees' defined benefit obligations		6,969	(1,490)
Net fair value gain on equity investments at FVTOCI		-	94
<i>Item that may be reclassified subsequently to profit or loss (net of tax)</i>			
Exchange differences on translation of foreign operations		(2,755)	938
Other comprehensive income/(loss) for the period		4,214	(458)
Total comprehensive income for the period		51,010	69,240
Earnings per share	20		
Basic and diluted (USD cents per share)		0.45	0.67

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

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Interim condensed consolidated statement of changes in equity

For the three-month period ended 31 March 2026

	Share capital USD'000	Other reserves USD'000	Other equity USD'000	Retained earnings USD'000	Net equity USD'000
Balance at 1 January 2025 (audited)	144,605	32,709	(27,925)	843,467	992,856
Profit for the period	-	-	-	69,698	69,698
Other comprehensive loss for the period	-	-	(458)	-	(458)
Total comprehensive (loss)/income for the period	-	-	(458)	69,698	69,240
Balance at 31 March 2025 (unaudited)	144,605	32,709	(28,383)	913,165	1,062,096
Balance at 1 January 2026 (audited)	144,605	32,709	(37,738)	865,187	1,004,763
Profit for the period	-	-	-	46,796	46,796
Other comprehensive income for the period	-	-	4,214	-	4,214
Total comprehensive income for the period	-	-	4,214	46,796	51,010
Balance at 31 March 2026 (unaudited)	144,605	32,709	(33,524)	911,983	1,055,773

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

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES
Interim condensed consolidated statement of cash flows
For the three-month period ended 31 March 2026

	Notes	Three-month period ended 31 March	
		2026 USD'000 (unaudited)	2025 USD'000 (unaudited)
Cash flows from operating activities			
Profit before tax		53,460	78,502
<i>Adjustments to reconcile profit before tax to net cash flows</i>			
Depreciation of property and equipment	17(a)	41,453	40,808
Depreciation of right-of-use assets	17(a)	56,039	54,419
Depreciation of investment properties	17(a)	382	381
Gain on disposal of property and equipment		(480)	(18)
Gain arising from lease modifications, net		(47)	(65)
Gain arising from lease terminations		(1,677)	-
Interest expense on bank borrowings and lease liabilities	18	39,805	37,145
Interest income	18	(660)	(1,087)
Employees' defined benefit obligations	12	6,504	7,182
Operating cash flows before movement in working capital		194,779	217,267
Decrease in due from related parties		2,231	11,486
Increase in inventories		(30,195)	(62,600)
Increase in trade and other receivables		(47,451)	(20,580)
Increase in trade and other payables		207,550	150,092
(Decrease)/increase in due to related parties		(75,261)	13,854
Cash generated from operations		251,653	309,519
Employees' defined benefit obligations paid	12	(9,216)	(3,928)
Income tax paid		(763)	(1,870)
Interest paid		(39,805)	(37,145)
Net cash generated from operating activities		201,869	266,576
Cash flows from investing activities			
Purchase of property and equipment		(26,536)	(26,310)
Proceeds from disposal of property and equipment		723	31
Interest income		660	1,087
Net cash used in investing activities		(25,153)	(25,192)
Cash flows from financing activities			
Proceeds from bank borrowings		654,587	608,458
Payment towards bank borrowings		(695,209)	(661,814)
Repayment of principal portion of lease liabilities		(48,319)	(47,136)
Net cash used in financing activities		(88,941)	(100,492)
Net increase in cash and cash equivalents		87,775	140,892
Cash and cash equivalents at beginning of the period		329,543	346,208
Effects of foreign exchange changes		(3,122)	(22)
Cash and cash equivalents at end of the period	10	414,196	487,078

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

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

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026

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 and is listed on the Abu Dhabi Securities Exchange (ADX). 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 majorly 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). Also, refer to Appendix A to the interim condensed consolidated financial information for the list of subsidiaries and their principal business activities.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the three-month period ended 31 March 2026 has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last audited consolidated financial statements for the year ended 31 December 2025. In addition, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The interim condensed consolidated financial information has been prepared assuming that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. As at 31 March 2026, the Group has a working capital deficit (current liabilities exceed current assets) of USD 152 million (31 December 2025: USD 205 million). The Group has access to available bank facilities at its disposal, in the form of working capital facilities availed to enable it to meet its obligations as they fall due. Therefore, the interim condensed consolidated financial information does not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

Note 3.1 provides additional information about the basis of consolidation.

Functional and presentation currency

The functional currency of the Company is United Arab Emirates Dirhams (“AED”). Each of the Company’s subsidiaries determines its own functional currency and items included in the financial information of the subsidiary are measured using that functional currency. Management uses United States Dollars (“USD”) for controlling and monitoring the performance and financial position of the Group and, accordingly, the interim condensed consolidated financial information is presented in USD. All amounts are rounded to the nearest thousand except where otherwise indicated.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025.

3.1 Basis of consolidation

The interim condensed consolidated financial information incorporates the financial information of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.

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.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Changes in accounting policies and disclosures

Several amendments may apply for the first time in 2026 but do not have any material impact on the Group's interim condensed consolidated financial information. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

In the current period, the Group has applied the below amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods that begin on or after 1 January 2026. Their adoption has not had any material impact on the disclosures or on the amounts reported in the interim condensed consolidated financial information.

- 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.
- 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.
- 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

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

- IFRS 18 *Presentation and Disclosures in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)

IFRS Sustainability Disclosure Standards

- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information**
- IFRS S2 *Climate-related Disclosures**

* 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 interim condensed consolidated financial information. The Group is currently working to identify the impacts IFRS 18 will have on the interim condensed consolidated financial information and its notes.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Changes in accounting policies and disclosures (continued)

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 interim condensed consolidated financial information of the Group.

3.3 Significant accounting judgements, estimates and assumptions

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2025.

Impact of Geopolitical Developments in the Middle East

In late February and early March 2026, a significant regional and geopolitical conflict erupted in the Middle East. As at the date of authorisation of the interim condensed consolidated financial information, 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 significant operational disruptions have been experienced as of the date of authorisation of the interim condensed consolidated financial information, 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 interim condensed consolidated financial information as at the reporting date.

Given the evolving nature of the situation, the duration and full extent of the potential impact on the Group's financial performance and position cannot be reliably estimated at this stage. Management continues to closely monitor developments and will update its critical accounting judgements and estimates, as necessary.

4 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent associated companies, shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Note 1 and Appendix A provide information about the Group's structure including details of the holding company, parent, ultimate parent and subsidiaries. Pricing and terms of these related party transactions are mutually agreed amongst the related parties.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

4 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	31 March 2026	31 December 2025
	USD'000	USD'000
	(unaudited)	(audited)
(i) Due from related parties		
Other related parties	1,225	3,622
	<u>1,225</u>	<u>3,622</u>
(ii) Due to related parties		
Parent Company	20,774	72,219
Other related parties	3,956	27,772
	<u>24,730</u>	<u>99,991</u>

For the three-month period ended 31 March 2026, an agreement to net settle related party balances with its Parent Company and the related parties under common control of the Parent Company amounting to USD 51.49 million was implemented resulting in a net payable to the Parent Company of USD 20.77 million as at 31 March 2026.

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

	Three-month period ended	
	31 March	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
<u>Entities under common control of Parent Company:</u>		
Rent paid	45,711	57,295
Interest received (Note (a))	-	61
Services availed	5,350	4,182
Other transactions, net	305	500
<u>Other related parties:</u>		
Purchase of goods	80,256	80,194
Rent paid	-	12
Other transactions, net	(1,241)	7,431
<u>Parent Company:</u>		
Other transactions, net	(77)	5,395

Note (a):

The Group has historically entered into funding transactions with related parties on mutually agreed terms and are generally interest-free, except where agreed otherwise. During the three-month period ended 31 March 2026, the Group paid net funding (including payments made by related parties on behalf of the Group) amounting to USD 47 million (31 March 2025: USD Nil).

Terms and conditions:

Outstanding balances at the period/year end are unsecured and settlement generally occurs in cash, except as noted above. These balances are interest-free, except for certain related parties to whom the Group has charged/paid interest based on a mutually agreed rate.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

4 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The management of the Group estimates the allowance on amounts due from related parties at the end of the reporting period at an amount equal to lifetime ECL. None of the receivable balances from related parties at the end of the reporting period are past due, and taking into account the historical default experience, the future prospects of the industries in which the related parties operate and the personal guarantee of the Shareholder, management of the Group consider that no related party balances are impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for balances due from related parties.

The related party balances are receivable/repayable on demand, therefore these balances are classified as current assets and current liabilities.

Guarantees:

As at 31 March 2026, certain related parties have provided corporate guarantees towards the Group's banking facilities amounting to USD 29 million (31 December 2025: USD 455 million).

Compensation of key management personnel of the Group:

The remuneration of key members of management recognised as an expense during the three-month periods ended 31 March 2026 and 2025 are as follows:

	Three-month period ended	
	31 March	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
Short-term employee benefits	1,371	1,396
End of service benefits	90	103
Total compensation to key management personnel	1,461	1,499

5 SEGMENT INFORMATION

The Group's operating segments are determined based on its internal reporting to the Chief Operating Decision Maker (the "CODM"). The CODM has been determined to be the Chief Executive Officer (CEO), as all final decisions are made by the CEO in consultation with the executive committee and the function is primarily responsible for the allocation of resources to segments and assessment of performance of segments.

The Group is organized into operating segments based on geographical location. The results are reported to the board of directors of the Company. In addition, the revenue and profits are reported on a geographic basis and measured in accordance with the same accounting basis used for the preparation of the Group's consolidated financial statements for the year ended 31 December 2025. 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.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES



Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

5 SEGMENT INFORMATION (continued)

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

For three-month period ended 31 March 2026 (unaudited):

	Reportable segments					Total reportable segments USD'000	Other operating segments USD'000	Total USD'000
	UAE USD'000	Qatar USD'000	KSA USD'000	Oman USD'000	Kuwait USD'000			
External revenues (Note 15)	754,404	292,149	363,567	297,886	186,363	1,894,369	125,698	2,020,067
Inter-segment revenues	19,712	-	112	251	-	20,075	84,864	104,939
Segment revenue	<u>774,116</u>	<u>292,149</u>	<u>363,679</u>	<u>298,137</u>	<u>186,363</u>	<u>1,914,444</u>	<u>210,562</u>	<u>2,125,006</u>
Segment adjusted EBITDA	93,975	30,952	19,139	29,533	21,556	195,155	14,905	210,060
Interest income	1,530	217	-	-	-	1,747	163	1,910
Interest expense	17,616	4,943	4,916	5,927	5,289	38,691	3,152	41,843
Net interest expense	16,086	4,726	4,916	5,927	5,289	36,944	2,989	39,933
Depreciation and amortisation	35,717	13,792	13,065	15,540	12,411	90,525	6,438	96,963
Tax expense	3,337	1,081	623	828	-	5,869	826	6,695
Gain on lease modifications	-	-	47	-	-	47	-	47
Gain on lease terminations	-	1,677	-	-	-	1,677	-	1,677

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES



Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

5 SEGMENT INFORMATION (continued)

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

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

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

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES



Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

5 SEGMENT INFORMATION (continued)

5.2 The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets and liabilities are measured on the same basis as in the Group's consolidated financial statements for the year ended 31 December 2025. Segment assets are allocated based on operations of the segment and the physical location of the asset. Segment liabilities are allocated based on the operations of the segment.

As at 31 March 2026 (unaudited):

	UAE USD'000	Qatar USD'000	KSA USD'000	Oman USD'000	Kuwait USD'000	Total reportable segments USD'000	Other operating segments USD'000	Total USD'000
Segment assets	5,510,202	803,235	917,113	891,736	674,015	8,796,301	524,258	9,320,559
Segment liabilities	2,151,900	697,299	809,156	697,452	548,878	4,904,685	356,632	5,261,317

As at 31 December 2025 (audited):

	UAE USD'000	Qatar USD'000	KSA USD'000	Oman USD'000	Kuwait USD'000	Total reportable segments USD'000	Other operating segments USD'000	Total USD'000
Segment assets	5,405,221	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

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

5 SEGMENT INFORMATION (continued)

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

Reconciliation of revenues:

Particular	<u>Three-month period ended</u>	
	<u>31 March</u>	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
Total revenue for reportable segments	1,914,444	1,969,942
Revenue for other operating segments	210,562	240,850
Elimination of inter-segment revenue	(104,939)	(130,466)
Consolidated revenue	2,020,067	2,080,326

Reconciliation of adjusted EBITDA:

Particulars	<u>Three-month period ended</u>	
	<u>31 March</u>	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
Total adjusted EBITDA	210,060	231,650
Depreciation and amortisation*	(97,874)	(95,608)
Net finance costs	(41,104)	(40,045)
Gain on lease modifications	47	138
Gain on lease terminations	1,677	-
Head office Expenses**	(18,080)	(17,519)
Others	(1,266)	(114)
Profit before tax	53,460	78,502

*Depreciation and amortisation include unallocated depreciation of USD 911 thousand during the three-month period ended 31 March 2026 (31 March 2025: USD 886 thousand).

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

Reconciliation of assets

Particulars	31 March 2026	31 December 2025
	USD'000	USD'000
	(unaudited)	(audited)
Total assets for reportable segments	8,796,301	8,525,251
Assets for other operating segments	524,258	538,217
Corporate head office assets	9,908	10,410
Inter-segment eliminations	(3,635,904)	(3,633,769)
Consolidated total assets	5,694,563	5,440,109

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

5 SEGMENT INFORMATION (continued)

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

Reconciliation of liabilities

Particulars	31 March 2026	31 December 2025
	USD'000 (unaudited)	USD'000 (audited)
Total liabilities for reportable segments	4,904,685	4,684,806
Liabilities for other operating segments	356,632	370,728
Inter-segment eliminations	(622,527)	(620,188)
Consolidated total liabilities	4,638,790	4,435,346

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

5.4 Geography wise revenue

Particulars	<u>Three-month period ended</u>	
	<u>31 March</u>	
	2026	2025
	USD'000 (unaudited)	USD'000 (unaudited)
UAE	754,404	741,868
Oman	297,886	322,073
KSA	363,567	409,779
Qatar	292,149	304,233
Kuwait	186,363	171,030
Bahrain	109,572	113,430
Egypt	13,455	14,563
Other countries	2,671	3,350
Total	2,020,067	2,080,326

5.5 Geography wise non-current assets

Non-current assets*

Particulars	31 March 2026	31 December 2025
	USD'000 (unaudited)	USD'000 (audited)
UAE	1,048,880	1,046,709
Oman	575,891	577,060
KSA	462,867	470,509
Qatar	531,805	451,155
Kuwait	432,427	404,598
Bahrain	186,789	191,819
Egypt	49	50
Other countries	35,754	37,339
Total	3,274,462	3,179,239

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

5 SEGMENT INFORMATION (continued)

5.5 Geography wise non-current assets (continued)

Non-current assets* (continued)

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

6 PROPERTY AND EQUIPMENT

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Cost		
Balance at the beginning of the period/year	3,737,400	3,600,560
Additions during the period/year	27,098	143,322
Disposals during the period/year	(1,181)	(7,892)
Translation adjustment	1,044	1,410
Balance at the end of the period/year	3,764,361	3,737,400
Accumulated depreciation		
Balance at the beginning of the period/year	2,325,461	2,162,070
Charge for the period/year	41,453	167,018
Eliminated on disposal	(938)	(3,800)
Translation adjustments	839	173
Balance at the end of the period/year	2,366,815	2,325,461
Net carrying amount at the end of the period/year	1,397,546	1,411,939

Property and equipment include USD 86,368 thousand and USD 91,955 thousand relating to assets under construction as at 31 March 2026 and 31 December 2025 respectively.

7 RIGHT-OF-USE ASSETS

The Group as lessee

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Cost		
Balance at the beginning of the period/year	3,143,459	2,912,467
Additions during the period/year	163,472	269,893
Terminations during the period/year	(23,137)	(3,600)
Modifications during the period/year	5,086	(34,751)
Translation adjustment	2,056	(550)
Balance at the end of the period/year	3,290,936	3,143,459

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

7 RIGHT-OF-USE ASSETS (continued)

The Group as lessee (continued)

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Accumulated depreciation		
Balance at the beginning of the period/year	1,377,690	1,186,074
Depreciation charge for the period/year	56,039	219,381
Depreciation capitalised for the period/year	256	2,322
Terminations during the period/year	(15,820)	(1,560)
Modifications during the period/year	(3,223)	(28,392)
Translation adjustment	730	(135)
Balance at the end of the period/year	1,415,672	1,377,690
Net carrying amount at the end of the period/year	1,875,264	1,765,769

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

The following are the amounts recognised in the interim condensed consolidated statement of profit or loss:

	Three-month period ended 31 March 2026 USD'000 (unaudited)	Three-month period ended 31 March 2025 USD'000 (unaudited)
Depreciation expense on right-of-use assets	56,039	54,419
Expense relating to short-term leases	41,043	37,105
Gain on modifications of leases	47	65
Gain on terminations of leases	1,677	-

8 INVENTORIES

The cost of inventories recognised as an expense includes USD 19.14 million during the three-month period ended 31 March 2026 (31 March 2025: USD 19.17 million) in respect of write-downs of inventories to net realisable value.

9 TRADE AND OTHER RECEIVABLES

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Trade receivables	259,842	227,314
Less: expected credit loss allowance	(2,391)	(2,391)
	257,451	224,923
Deposits	27,507	27,008
Prepayments	95,957	87,191
Advances to suppliers	29,846	28,336
Tenants' receivables	13,683	12,493
Advances to employees	3,288	2,750
Other receivables	18,809	16,421
	446,541	399,122

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

10 CASH AND CASH EQUIVALENTS

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Cash on hand	34,479	36,051
Bank balances	353,305	276,551
Short term deposits	26,412	16,941
	<u>414,196</u>	<u>329,543</u>

11 BANK BORROWINGS

Bank borrowings comprise of:

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Long term loans (a)	8,312	8,861
Short term loans (b)	260,605	266,802
Bank trust receipts (c)	534,977	579,979
Bank overdrafts (d)	19,360	8,234
	<u>823,254</u>	<u>863,876</u>
Less: current portion		
- Long term loans	(2,148)	(2,151)
- Short term loans	(260,605)	(266,802)
- Bank trust receipts	(534,977)	(579,979)
- Bank overdrafts	(19,360)	(8,234)
	<u>(817,090)</u>	<u>(857,166)</u>
Non-current portion	<u>6,164</u>	<u>6,710</u>

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

Long-term loans were obtained from commercial banks in the jurisdictions from where the Group operates and are denominated in the local currency of the jurisdiction in which it is obtained. These loans carry interest of EIBOR or relevant rates in respective jurisdictions plus a margin of 1.75% to 2.5% for the three-month period ended 31 March 2026 (31 December 2025: a margin between 1.75% to 2.5%). These loans are repayable in various monthly/quarterly instalments.

b) Short term loans include (Sharia'h Compliant) Islamic bank facilities such as traditional Islamic "Istisna'a", "Mudarba", "Murabaha" and "Wakala" financing arrangements. The management believes that these facilities, in substance, provide the Group with funding on terms comparable to the commercial bank loans and therefore have been recognised as part of "bank borrowings" in the interim condensed consolidated financial information. As at 31 March 2026, the total short term loan facilities granted amounted to USD 760 million (31 December 2025: USD 755 million) and the total facilities utilised amounted to USD 261 million (31 December 2025: USD 267 million). These loans carry profit rate of EIBOR or relevant rates in respective jurisdictions plus a margin ranging between 0.45% to 2.0% for the three-month period ended 31 March 2026 (31 December 2025: 0.45% to 2.0%).

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 3.50% for the three-month period ended 31 March 2026 (31 December 2025: 0.25% to 3.50%). The outstanding balance as at 31 March 2026 amounted to USD 535 million (31 December 2025: USD 580 million) and is due for repayment within twelve months.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information For the three-month period ended 31 March 2026 (continued)

11 BANK BORROWINGS (continued)

- d) Bank overdrafts carry interest at EIBOR or relevant rates in respective jurisdictions plus a margin between 0.25% to 3.50% for the three-month period ended 31 March 2026 (31 December 2025: 0.25% to 3.50%).
- e) As at 31 March 2026, the terms and conditions under which the bank borrowings of the Group obtained under various facilities were secured remains the same as disclosed in the consolidated financial statements for the year ended 31 December 2025.
- f) 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 at year end under their respective lending arrangements.

12 EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Balance as at the beginning of the period/year	205,557	198,412
Current service cost	4,465	19,227
Interest cost (Note 18)	2,039	9,438
Total amount recognised in profit or loss	<u>6,504</u>	<u>28,665</u>
Re-measurement loss recognised in other comprehensive income	(7,274)	12,634
Benefits paid	(9,216)	(33,406)
Transferred to related parties	(166)	(754)
Translation adjustment	53	6
Balance as at the end of the period/year	<u>195,458</u>	<u>205,557</u>

- a) The average number of employees for the period ended 31 March 2026 is 50,524 (31 December 2025: 53,459).

13 LEASE LIABILITIES

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

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Balance as at the beginning of the period/year	1,971,628	1,899,674
Additions during the period/year	163,386	269,730
Terminations during the period/year	(8,984)	(1,873)
Accretion of interest	26,423	97,552
Interest capitalised	306	2,499
Payments during the period/year	(74,742)	(288,356)
Modifications during the period/year	8,306	(7,163)
Translation adjustment	1,417	(435)
Balance as at the end of the period/year	<u>2,087,740</u>	<u>1,971,628</u>
Of which are:		
Current	189,751	181,185
Non-current	1,897,989	1,790,443
	<u>2,087,740</u>	<u>1,971,628</u>

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

13 LEASE LIABILITIES (continued)

The maturity analysis of discounted lease liabilities is as follows:

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
<i>Maturity analysis</i>		
Not later than 1 year	189,751	181,185
Later than 1 year and not later than 5 years	728,054	683,660
Later than 5 years	1,169,935	1,106,783
	<u>2,087,740</u>	<u>1,971,628</u>

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

14 TRADE AND OTHER PAYABLES

	31 March 2026 USD'000 (unaudited)	31 December 2025 USD'000 (audited)
Trade payables	1,193,969	1,084,067
Accrued expenses	120,340	105,336
Advances received	125,034	39,932
Retention payable	660	483
Refundable deposits from tenants	5,659	5,464
Other payables	14,756	10,998
	<u>1,460,418</u>	<u>1,246,280</u>

15 REVENUE

Disaggregation of revenue

	<u>Three-month period ended</u> <u>31 March</u>	
	2026 USD'000 (unaudited)	2025 USD'000 (unaudited)
Revenue from sale of goods	<u>2,020,067</u>	<u>2,080,326</u>

Revenue by timing:

	<u>Three-month period ended</u> <u>31 March</u>	
	2026 USD'000 (unaudited)	2025 USD'000 (unaudited)
Goods transferred at a point in time	<u>2,020,067</u>	<u>2,080,326</u>

Revenue by region

For the region wise bifurcation of revenue, refer Note 5.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

16 COST OF REVENUE

	Three-month period ended	
	31 March	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
<i>Cost of revenue relating to sale of goods</i>		
Inventories, at the beginning of the period	1,491,112	1,473,636
Add: purchases (including direct expenses)	1,601,089	1,678,405
	<u>3,092,201</u>	<u>3,152,041</u>
Less: inventories, at the end of the period	<u>(1,521,307)</u>	<u>(1,536,236)</u>
Cost of revenue	<u><u>1,570,894</u></u>	<u><u>1,615,805</u></u>

17 OPERATING EXPENSES

	Three-month period ended	
	31 March	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
Employees' salaries and benefits	182,380	186,269
Depreciation expense (a)	97,874	95,608
Utilities	38,376	39,160
Rent expenses	41,043	37,105
Repairs and maintenance	11,227	10,985
Advertising and publicity expenses	5,446	7,028
Selling expenses	18,002	12,471
Credit card commission	11,846	11,657
Office expenses	5,631	5,487
Vehicle expenses	3,782	4,094
Travelling expenses	891	2,051
Professional and legal fees	5,998	5,438
Insurance charges	2,573	2,079
Sponsorship fees	1,355	1,561
Gifts and donations	1,156	552
Others	4,528	4,719
	<u>432,108</u>	<u>426,264</u>

a) The breakdown of depreciation expense is as follows

	Three-month period ended	
	31 March	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
Depreciation on property and equipment	41,453	40,808
Depreciation on right-of-use assets	56,039	54,419
Depreciation on investment properties	382	381
	<u>97,874</u>	<u>95,608</u>

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information
For the three-month period ended 31 March 2026 (continued)

18 FINANCE COSTS, NET

	Three-month period ended	
	31 March	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
Interest on bank borrowings	13,382	13,738
Bank charges	1,170	1,627
Interest on lease liabilities	26,423	23,407
Interest on employees defined benefit obligations	2,039	2,360
Interest income	(660)	(1,087)
	42,354	40,045

19 INCOME TAX EXPENSE

The breakdown of tax expense is as follows:

	Three-month period ended	
	31 March	
	2026	2025
	USD'000	USD'000
	(unaudited)	(unaudited)
Current income tax	6,700	10,314
Deferred tax	(36)	(1,510)
	6,664	8,804

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

	Three-month period ended	
	31 March	
	2026	2025
	(unaudited)	(unaudited)
UAE	9%	9%
Kingdom of Saudi Arabia	20%	20%
Qatar	10%	10%
Oman	15%	15%

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

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

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information For the three-month period ended 31 March 2026 (continued)

19 INCOME TAX EXPENSE (continued)

The Effective Tax Rate (ETR) for the period ending 31 March 2026 is 12.47%

As a result of the Group's assessment of the applicable requirements of the resolution, no QDMTT was recognized in the interim condensed consolidated statement of profit or loss during the three months ended 31 March 2026.

Furthermore, for the period ended 31 March 2026, the Group has applied the IASB amendment to IAS 12, Income Taxes, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

20 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 March 2026 and 31 March 2025, respectively, there were no shares which were dilutive in nature.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	Three-month period ended	
	31 March	
	2026	2025
	(unaudited)	(unaudited)
Profit attributable to ordinary equity holders of the Company (USD'000)	46,796	69,698
Weighted average number of ordinary shares - basic and diluted ('000)	10,328,905	10,328,905
Basic and diluted EPS (in USD cents per share)	0.45	0.67

21 COMMITMENTS AND CONTINGENT LIABILITIES

	31 March 2026	31 December 2025
	USD'000	USD'000
	(unaudited)	(audited)
<i>Capital commitments</i>		
Commitments for the purchase of property and equipment	7,283	11,584
<i>Contingent liabilities</i>		
Letters of guarantees and performance bonds	56,505	62,747
Letters of credit	2,130	3,508
Acceptances	3,625	3,582
	62,260	69,837

22 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial information For the three-month period ended 31 March 2026 (continued)

22 FAIR VALUE MEASUREMENT (continued)

Fair value for measurement and/or disclosure purposes in the interim condensed consolidated financial information is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group's management considers that the fair value of financial assets and financial liabilities approximates to their carrying amounts as stated in the interim condensed consolidated statement of financial position. There are no assets measured at fair value include investments at fair value through other comprehensive income as at 31 March 2026.

Management assessed no material change in the fair value of its investment properties as at 31 March 2026 since 31 December 2025. There has been no transfer between the levels during this period.

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

	Three-month period ended 31 March 2026 USD'000 (unaudited)	Three-month period ended 31 March 2025 USD'000 (unaudited)
Net increase in right-of-use assets	145,420	55,129
Net increase in lease liabilities	162,708	59,857
Depreciation on right-of-use assets capitalized (Note 7)	256	433
Interest on lease liabilities capitalized (Note 13)	306	409

24 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of profit or loss for the three-month period ended 31 March 2026 and 31 March 2025 and therefore, there is no material impact of seasonality on the Group's operating results.

25 DIVIDENDS

At the Annual General Meeting held on 23 April 2026, the shareholders approved the distribution of cash dividends of USD 98.44 million equating to 0.953 cents (3.5 fils) per share for the second half of the financial year ended 31 December 2025, as the final dividend of the year 2025.

No dividends were declared and paid during the reported periods.

26 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved by the Board of Directors and authorised for issue on 11 May 2026.

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES
DETAILS OF COMPANY'S SUBSIDIARIES AS AT 31 MARCH 2026
Appendix A

No.	Name of subsidiaries	31 Mar 2026	31 Dec 2025	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%	Kuwait	(i)
22	Lulu Kuwait Hypermarket Centre Company W.L.L Kuwait	100%	100%	Kuwait	(i)
23	Lulu Muscat Hypermarket LLC	100%	100%	Oman	(i)
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)

LULU RETAIL HOLDINGS PLC AND ITS SUBSIDIARIES

DETAILS OF COMPANY'S SUBSIDIARIES AS AT 31 MARCH 2026 (continued)

Appendix A (continued)

No.	Name of subsidiaries	31 Mar 2026	31 Dec 2025	Country of incorporation	Principal activities
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)
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)
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.