

Firstcry Retail DWC-LLC

Separate Financial Statements
For the year ended March 31, 2026

Firstcry Retail DWC-LLC
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For the year ended March 31, 2026

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Manager's report

The Manager submits his report along with the audited separate financial statements of Firstcry Retail DWC-LLC (the "Company") for the year ended March 31, 2026.

Main business and operations

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

The operating results and the financial position of the Company are fully set out in the attached separate financial statements. The Company reported a net loss of AED 15,607,011 for the year ended March 31, 2026 (2025: AED 16,628,492).

Manager

The Manager of the Company throughout the year and as of the date of this report is:

- Mr. Abhinav Sharma

Auditors

The Manager who held office at the date of the approval of this Manager's report confirms that, so far as he is aware, there is no relevant information of which the Company's auditors are unaware and the Manager has taken all the steps he ought to have taken as Manager to make himself aware of any relevant information and to establish that the Company's auditors are aware of that information.

Grant Thornton were appointed as auditors of the Company for the year ended March 31, 2026. The Manager resolved to release Grant Thornton from any liabilities on auditing the separate financial statements for the year ended March 31, 2026. Grant Thornton, being eligible, have offered themselves for re-appointment for the year ending March 31, 2027.

The separate financial statements for the year ended March 31, 2026 (including comparatives) were approved on May 25, 2026 by:



Mr. Abhinav Sharma
Manager
Dubai, United Arab Emirates

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Firstcry Retail DWC-LLC, which comprise the statement of financial position as at March 31, 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Information

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

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

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



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

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

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

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

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

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

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

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

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

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



Grant Thornton

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

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

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

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

GRANT THORNTON UAE

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



25 May 2026

Firstcry Retail DWC-LLC
Separate Financial Statements

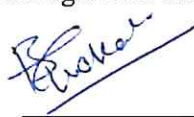
Statement of financial position
As at March 31, 2026

	Notes	2026 AED	2025 AED
ASSETS			
Non-current			
Property and equipment	5	309,579	446,280
Investment in a subsidiary	6	100,000	100,000
Deferred tax assets	17	3,188,127	1,644,576
Intangible assets	7	16,439	34,980
Right-of-use asset	8	4,377,822	7,707,564
Other financial assets		149,415	142,414
		8,141,382	10,075,814
Current			
Inventories	10	44,794,704	47,543,369
Trade and other receivables	11	8,403,302	11,433,880
Due from related parties	9	1,384,778	881,861
Cash and cash equivalents	12	2,740,292	13,647,794
		57,323,076	73,506,904
TOTAL ASSETS		65,464,458	83,582,718
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13.1	167,599,800	162,869,000
Additional capital contribution	13.2	44,259	44,259
Other reserve		6,314,697	4,223,344
Accumulated losses		(161,770,950)	(146,163,939)
TOTAL EQUITY		12,187,806	20,972,664
LIABILITIES			
Non-current			
Employees' end-of-service benefits	14	968,050	787,805
Finance lease liabilities	15	766,325	4,320,655
		1,734,375	5,108,460
Current			
Trade and other payables	16	21,571,045	28,089,651
Due to related parties	9	26,416,902	26,143,533
Finance lease liabilities	15	3,554,330	3,268,410
		51,542,277	57,501,594
TOTAL LIABILITIES		53,276,652	62,610,054
TOTAL EQUITY AND LIABILITIES		65,464,458	83,582,718

The separate financial statements for the year ended March 31, 2026 (including comparatives) were approved by the Board of Directors on May 25, 2026 and were signed on their behalf by:



Mr. Abhinav Sharma
Manager
Dubai, United Arab Emirates



Mr. Bhushan Kokate
Finance Manager
Dubai, United Arab Emirates

Firstcry Retail DWC-LLC
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Statement of comprehensive income
For the year ended March 31, 2026

	Notes	2026 AED	2025 AED
Revenue	18	251,081,100	245,039,873
Cost of goods sold	19	(197,973,477)	(197,528,197)
GROSS PROFIT		53,107,623	47,511,676
Selling, administrative and general expenses	21	(78,307,006)	(74,618,597)
Finance cost	15	(278,919)	(284,440)
Interest income		37,044	312,805
Other income	20	8,290,696	8,805,488
LOSS BEFORE TAX		(17,150,562)	(18,273,068)
Income tax credit	17	1,543,551	1,644,576
NET LOSS FOR THE YEAR		(15,607,011)	(16,628,492)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(15,607,011)	(16,628,492)

The accompanying notes from 1 to 24 form an integral part of the separate financial statements.

Firstcry Retail DWC-LLC
Separate Financial Statements

Statement of changes in equity
For the year ended March 31, 2026

	Share Capital AED	Additional Capital Contribution AED	Other Reserve AED	Accumulated Losses AED	Total AED
Balance at March 31, 2024	141,099,000	1,220,259	2,619,874	(129,535,447)	15,403,686
Share capital introduced (Note 13.1)	20,594,000	-	-	-	20,594,000
Transferred to share capital	1,176,000	(1,176,000)	-	-	-
Share options granted during the year (Note 13.3)	-	-	1,603,470	-	1,603,470
Net loss for the year	-	-	-	(16,628,492)	(16,628,492)
Balance at March 31, 2025	162,869,000	44,259	4,223,344	(146,163,939)	20,972,664
Share capital introduced (Note 13.1)	4,730,800	-	-	-	4,730,800
Share options granted during the year (Note 13.3)	-	-	2,091,353	-	2,091,353
Net loss for the year	-	-	-	(15,607,011)	(15,607,011)
Balance at March 31, 2026	167,599,800	44,259	6,314,697	(161,770,950)	12,187,806

The accompanying notes from 1 to 24 form an integral part of the separate financial statements.

Firstcry Retail DWC-LLC
Separate Financial Statements

Statement of cash flows
For the year ended March 31, 2026

	Notes	2026 AED	2025 AED
OPERATING ACTIVITIES			
Loss before tax		(17,150,562)	(18,273,068)
<i>Adjustments for:</i>			
Depreciation on property and equipment	5	228,207	317,257
Depreciation on right-of-use asset	8	3,329,742	3,062,774
Amortisation of intangible assets	7	18,541	123,273
Finance cost	15	278,919	284,440
Interest income		(37,044)	(312,805)
Provision for employees' end-of-service benefits	14	289,598	267,964
Share-based payment expense	21	2,617,795	1,866,959
		<u>(10,424,804)</u>	<u>(12,663,206)</u>
<i>Net changes in working capital</i>			
Inventories		2,748,665	(7,127,727)
Trade receivables and other financial assets		3,023,577	(7,070,865)
Trade and other payables		(6,518,606)	8,609,724
Due to related parties		(253,073)	(651,857)
Due from related parties		(502,917)	3,289,786
		<u>(11,927,158)</u>	<u>(15,614,145)</u>
Employees' end-of-service benefits paid	14	<u>(109,353)</u>	<u>(143,469)</u>
Net cash used in operating activities		<u>(12,036,511)</u>	<u>(15,757,614)</u>
INVESTING ACTIVITIES			
Purchase of property and equipment	5	(91,506)	(130,326)
Interest on bank deposits		37,044	312,805
Net cash (used in)/from investing activities		<u>(54,462)</u>	<u>182,479</u>
FINANCING ACTIVITIES			
Share capital introduced	13.1	4,730,800	20,594,000
Repayment of finance lease liabilities	15	<u>(3,547,329)</u>	<u>(3,452,972)</u>
Net cash from financing activities		<u>1,183,471</u>	<u>17,141,028</u>
Net change in cash and cash equivalents		(10,907,502)	1,565,893
Cash and cash equivalents, beginning of year		13,647,794	12,081,901
Cash and cash equivalents, end of year	12	<u>2,740,292</u>	<u>13,647,794</u>

The accompanying notes from 1 to 24 form an integral part of the separate financial statements.

Firstcry Retail DWC-LLC
Separate Financial Statements

Notes to the separate financial statements
For the year ended March 31, 2026

1 Legal status and nature of operations

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

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

2 Statement of compliance and basis of preparation

2.1 Statement of compliance

The Company's separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB.

These separate financial statements present the stand-alone financial position and performance of the Company and do not consolidate the results of its subsidiary. The Company separately prepares statutory consolidated financial statements in accordance with IFRSs for the year ended March 31, 2026, which are available at the Company's registered office.

2.2 Basis of preparation

These separate financial statements for the year ended March 31, 2026, have been prepared on a going concern basis, notwithstanding that the Company incurred a net loss of AED 15,607,011 during the year and had accumulated losses of AED 161,770,950 as at that date. Management has assessed the Company's ability to continue as a going concern, taking into consideration projected financial performance, actual financial and operating results up to the date of authorization of these separate financial statements, and the continued financial support of the Ultimate Parent Company. The Ultimate Parent Company has provided an undertaking to provide, or arrange, the necessary financial support to enable the Company to continue its operations and meet its obligations as and when they fall due. This support is further evidenced by the significant share capital and other capital contributions historically provided by the Ultimate Parent Company. In addition, the Ultimate Parent Company has represented that amounts due from the Company as at the reporting date will not be called upon in a manner that would jeopardize the Company's ability to continue as a going concern.

2.3 Significant events during the reporting period

During the reporting date, geopolitical tensions in the Middle East have continued to evolve, including ongoing regional conflicts and heightened political uncertainty. These developments have increased volatility in global and regional financial markets and may, over time, affect economic conditions in the region. The Company is closely monitoring these developments and has assessed their impact on its operations and financial position, where relevant.

3 Standards, interpretations, and amendments to existing standards

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

Standards, interpretations and amendments that are effective for the first time in 2026 (for entities with a March 31, 2026, year-end) are:

- Lack of Exchangeability (Amendments to IAS 21)

These amendments do not have a significant impact on the separate financial statements and therefore further disclosures have not been made.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

3 Standards, interpretations, and amendments to existing standards (continued)

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

Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards – Volume 11
- IFRS 19 ‘Subsidiaries without Public Accountability: Disclosure’
- Amendments to IFRS 19 ‘Subsidiaries without Public Accountability: Disclosure’

These amendments are not expected to have a significant impact on the separate financial statements in the period of initial application and therefore no disclosures have been made.

The adoption of IFRS 18 ‘Presentation and Disclosure in Financial Statements’, effective for periods commencing on or after January 1, 2027. The relevant disclosures have been made below.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 ‘Presentation of Financial Statements’. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure separate financial statements and to provide more detailed and useful information to investors, including:

- Two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes.
- The classification of all income and expenses within the statement of profit or loss in one of five categories.
- A new requirement to disclose performance measures defined by management.
- An improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 18 will be renamed ‘Basis of Preparation of Financial Statements’.

The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Company is currently assessing the impact that IFRS 18 will have on the separate financial statements.

4 Material accounting policies

4.1 Overall considerations

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

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

4.2 Functional currency

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

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

4.3 Foreign currency transactions and balances

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

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

4.4 Property and equipment

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

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

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

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

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

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

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

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

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

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

4.5 Intangible assets

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

Assets	Useful life (in years)
Software	5

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

4.5 Intangible assets (continued)

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

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

4.6 Financial instruments

Recognition, initial measurement, and de-recognition

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

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

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

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

Classification and subsequent measurement of financial assets

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

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

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

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

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

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

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

4.6 Financial instruments (continued)

Impairment of financial assets

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

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

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

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

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

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

Trade and other receivables

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

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

Classification and subsequent measurement of financial liabilities

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

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

Offsetting financial instruments

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

4.7 Cash and cash equivalents

Cash and cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents in the statement of financial position comprise cash on hand and cash at banks.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

4.8 Share capital and reserves

Share capital represents the nominal value of shares that have been issued and paid-up.

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

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

Accumulated losses include all current and prior period losses.

4.9 Employee benefits

Short-term employee benefits

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

Employees' end-of-service benefits

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

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

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

Share-Based Payments

The Ultimate Parent Company grants stock options (equity-settled share-based compensation) to certain employees of the Company. The fair value of the stock options granted is determined using the Black-Scholes Option Pricing model at the grant date. As per the features of these stock options, they vest in tranches as detailed in Note 13.3 to these separate financial statements.

The Company recognizes an expense and a corresponding increase to equity ("Other reserve") over the vesting period for each separately vesting tranche as though each tranche of the award is, in substance, a separate award. The cumulative expense recognized for equity-settled share-based compensation at each reporting date until the vesting date reflects the extent to which the vesting period has been completed.

4.10 Provisions and contingent liabilities

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

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

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

4.10 Provisions and contingent liabilities (continued)

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

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

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

4.11 Inventories

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

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

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

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

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

4.12 Value-Added Tax (VAT)

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

4.13 Leases

The Company as a lessee

The Company considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a year of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the year of use, considering its rights within the defined scope of the contract;
- the Company has the right to direct the use of the identified asset throughout the year of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the year of use.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

4.13 Leases (continued)

Measurement and recognition of leases as a lessee

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

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

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to the statement of profit or loss, as finance costs over the year of the lease.

4.14 Revenue

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

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

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

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

4.14 Revenue (continued)

- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

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

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

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

Revenue from baby and kids' products and maternity products is recognised at a point in time, upon completion and delivery of the product to the customer, when the related performance obligation has been satisfied and the right to consideration has been established.

4.15 Operating expenses

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

4.16 Investment in subsidiary

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

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

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

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

- The fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company, plus
- Any costs directly attributable to the purchase of the subsidiary.

4.17 Income tax

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

Current tax

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

Deferred tax

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

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

4.17 Income tax (continued)

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

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

4.18 Significant management judgments and estimates in applying accounting policies

The preparation of these separate financial statements requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following significant management judgements in applying the accounting policies of the Company that have the most significant effect on the separate financial statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The results may vary and cause significant adjustments to the Company's assets within the next financial year.

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

Impairment of financial assets

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

Useful lives of depreciable assets

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

Control assessment

The Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed in note 4.16. Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification of any of the Company's investee holdings during the year or comparative periods covered by or under the separate financial statements.

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

4 Material accounting policies (continued)

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

Allowance for slow-moving and obsolete inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. Factors influencing these provisions include changes in demand, product life cycle, product pricing, physical deterioration, and quality issues. Based on these factors, the entity determines the allowance for slow-moving and obsolete inventories. If these factors differ from the estimate, revisions of these adjustments would be required.

Share-based payments

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

Determination of the appropriate discount rate to measure finance lease liabilities

The Company enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Company uses its incremental borrowing rate as the discount rate for determining its lease liability at the lease commencement date.

The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

The Company consults with its main bankers to determine what interest rate they would expect to charge the Company to borrow money to purchase a similar asset to that which is being leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset.

Firstcry Retail DWC-LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

5 Property and equipment

	Furniture and fixtures AED	Computer hardware AED	Equipment AED	Total AED
Cost				
Balance at April 1, 2025	1,298,752	377,145	657,537	2,333,434
Additions	79,125	10,820	1,561	91,506
Balance at March 31, 2026	1,377,877	387,965	659,098	2,424,940
Accumulated depreciation				
Balance at April 1, 2025	1,008,760	352,099	526,295	1,887,154
Charge for the year (Note 21)	150,717	19,987	57,503	228,207
Balance at March 31, 2026	1,159,477	372,086	583,798	2,115,361
Net carrying amount at March 31, 2026	218,400	15,879	75,300	309,579
	Furniture and fixtures AED	Computer hardware AED	Equipment AED	Total AED
Cost				
Balance at April 1, 2024	1,226,465	352,645	623,998	2,203,108
Additions	72,287	24,500	33,539	130,326
Balance at March 31, 2025	1,298,752	377,145	657,537	2,333,434
Accumulated depreciation				
Balance at April 1, 2024	810,607	326,083	433,207	1,569,897
Charge for the year (Note 21)	198,153	26,016	93,088	317,257
Balance at March 31, 2025	1,008,760	352,099	526,295	1,887,154
Net carrying amount at March 31, 2025	289,992	25,046	131,242	446,280

6 Investment in a subsidiary

Name of subsidiary	Principal activity	2026 %	2026 AED	2025 %	2025 AED
Firstcry General Trading LLC	General trading	100	100,000	100	100,000

7 Intangible assets

	2026 AED	2025 AED
<i>Software</i>		
Cost		
Opening balance	213,984	213,984
Closing balance	213,984	213,984
Accumulated amortisation		
Opening balance	179,004	55,731
Amortisation for the year (Note 21)	18,541	123,273
Closing balance	197,545	179,004
Net carrying amount at March 31,	16,439	34,980

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

8 Right-of-use assets

	2026	2025
	AED	AED
<i>Storage facilities</i>		
Cost		
Opening balance	21,372,551	11,383,323
Addition	-	9,989,228
Balance at March 31,	21,372,551	21,372,551
Accumulated depreciation		
Balance at April 1,	13,664,987	10,602,213
Charge for the year (Note 21)	3,329,742	3,062,774
Balance at March 31,	16,994,729	13,664,987
Net carrying amount at March 31,	4,377,822	7,707,564

9 Related parties

The Company carries on transactions with other enterprises that fall within the definition of a related party in the normal course of business. The Company's related parties include Ultimate Parent Company, Parent Company, Subsidiary, and other affiliated entities under common control as described below. Transactions with related parties are as per terms agreed between the related parties. Management considers that such transactions are conducted on terms that are consistent with the arm's length principle, where applicable, in accordance with the requirements of the UAE Corporate Tax Law.

	2026	2025
	AED	AED
Due to related parties		
<i>Ultimate Parent Company</i>		
Brainbees Solutions Limited	17,100,051	19,112,905
<i>Parent Company</i>		
Firstcry Management DWC LLC	5,824,694	2,305,519
<i>Subsidiary</i>		
Firstcry General Trading LLC	3,402,098	4,461,816
<i>Entities under common control</i>		
Shenzhen Starbees Services LTD	90,059	143,191
Swara Baby Products Private Limited	-	120,102
	26,416,902	26,143,533
	2026	2025
	AED	AED
Due from related parties		
<i>Entities under common control</i>		
Firstcry Trading Company	1,346,386	881,861
Swara Baby Products Private Limited	38,392	-
	1,384,778	881,861

Significant transactions carried out with related parties are as follows:

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Notes to the separate financial statements (continued)
For the year ended March 31, 2026

9 Related parties (continued)

		2026 AED	2025 AED
Related Parties	Nature of transactions		
Brainbees Solutions Limited	Management recharge (Note 21)	2,945,606	3,485,072
	Royalty expense (Note 21)	6,950,651	6,803,489
	Expense recharge	150,829	33,490
	Purchase of goods	14,691,180	19,084,251
	Share-based payment expense (Note 21)	2,617,795	1,866,959
Firstcry Management DWC LLC	Management recharge (Note 21)	3,780,703	2,548,212
Shenzhen Starbees Services LTD	Service charges (Note 21)	364,822	241,165
Firstcry General Trading LLC	Sale of goods (Note 18)	181,324,493	202,389,393
	Logistics support services charge	12,502,660	12,670,795
Swara Baby Products Private Limited	Purchases	1,852,708	2,272,445
Firstcry Trading Company	Business support service (Note 20)	1,219,173	786,940
	Procurement commission (Note 20)	36,568	47,204
	Sale of goods	769,857	1,004,874

10 Inventories

	2026 AED	2025 AED
Goods held for trading	44,794,704	47,543,369

11 Trade and other receivables

	2026 AED	2025 AED
<i>Financial assets</i>		
Trade receivables	5,164,101	5,331,194
Other receivables	9,834	7,575
	5,173,935	5,338,769
<i>Non-financial assets</i>		
Advances to suppliers	2,195,044	5,250,949
VAT receivable, net	485,188	377,175
Prepayments	499,203	452,536
Employee advances	49,932	14,451
	3,229,367	6,095,111
	8,403,302	11,433,880

12 Cash and cash equivalents

	2026 AED	2025 AED
Cash at banks	2,722,914	5,807,716
Bank deposits*	-	7,832,378
Cash on hand	17,378	7,700
	2,740,292	13,647,794

*On March 27, 2025, and March 4, 2025, the Company placed two short-term bank deposits, amounting to AED 5,226,247 and AED 2,606,131, respectively, with a financial institution carrying an interest rate of 4.35% per annum. These deposits were classified as cash and cash equivalents, as their original maturities were three months or less from the respective dates of placement. These deposits matured during the current year.

Firstcry Retail DWC LLC
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Notes to the separate financial statements (continued)
For the year ended March 31, 2026

13 Equity

13.1 Share capital

	2026 AED	2025 AED
Authorized capital		
Authorized shares of AED 1 each	167,599,800	162,869,000
Issued and paid-up capital		
Opening balance	162,869,000	141,099,000
Transferred from capital contribution (Note 13.2)*	-	1,176,000
Proceeds from the issue of shares**	4,730,800	20,594,000
Closing balance	167,599,800	162,869,000

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

**During the year, the Parent Company infused additional share capital of AED 4,730,800 upon obtaining the necessary approvals from the relevant authorities (2025: AED 20,594,000).

13.2 Additional capital contribution

	2026 AED	2025 AED
Opening balance	44,259	1,220,259
Transfer to share capital (Note 13.1)	-	(1,176,000)
Closing balance	44,259	44,259

13.3 Other reserve

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

The fair value of the options granted are determined by reference to the fair value of the equity instruments at the grant date and calculated by management of the Ultimate Parent Company using a Black-Scholes Option Pricing model, subsequent to which, the Company recognizes the expense with a corresponding increase in equity ("Other reserve"), over the vesting period for each separately vesting tranche as though each tranche of the award is, in substance, a separate award. During the year, the expense recognized by the Company amounted to AED 2,091,353 (2025: AED 1,603,470).

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

	2026	2025
Stock price (per share)	INR 519.10 to 1,399.48	INR 519.10 to 1,399.48
Exercise price (per share)	INR 5 to 69.97	INR 5 to 69.97
Annual volatility	72.36%	72.36%
Risk-free rate	7.16%	7.16%
Time (years)	4	4
Expected forfeiture rate	0%	0%
Dividend yield	0%	0%

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Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

13 Equity (continued)

13.3 Other reserve (continued)

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

	2026 AED	2025 AED
Outstanding at the beginning of the year	512,317	244,445
Granted during the year	-	411,625
Exercised during the year	(44,872)	(131,943)
Expired during the year	(71,438)	(11,810)
Outstanding at March 31,	<u>396,007</u>	<u>512,317</u>

14 Employees' end-of-service benefits

	2026 AED	2025 AED
Opening balance	787,805	663,310
Charge for the year	289,598	267,964
Payments during the year	(109,353)	(143,469)
Ending balance	<u>968,050</u>	<u>787,805</u>

15 Finance lease liabilities

	2026 AED	2025 AED
Opening balance	7,589,065	768,369
Addition	-	9,989,228
Finance cost	278,919	284,440
Repaid during the year	(3,547,329)	(3,452,972)
Ending balance	<u>4,320,655</u>	<u>7,589,065</u>
<i>Non-current</i>	766,325	4,320,655
<i>Current</i>	<u>3,554,330</u>	<u>3,268,410</u>
	<u>4,320,655</u>	<u>7,589,065</u>

Finance lease liabilities are repayable as follows:

	Within a year AED	Over 1 year AED	Total AED
2026			
Finance lease liabilities	<u>3,554,330</u>	<u>766,325</u>	<u>4,320,655</u>
2025			
Finance lease liabilities	<u>3,268,410</u>	<u>4,320,655</u>	<u>7,589,065</u>

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

	Within a year AED	Over 1 year AED	Total AED
March 31, 2026			
Lease payments	3,666,804	771,618	4,438,422
Finance charges	(112,474)	(5,293)	(117,767)
Net present value	<u>3,554,330</u>	<u>766,325</u>	<u>4,320,655</u>

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

15 Finance lease liabilities (continued)

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

16 Trade and other payables

	2026 AED	2025 AED
<i>Financial liabilities</i>		
Trade payables	16,324,767	20,612,430
Accrued expense	4,688,709	7,350,805
Staff accruals	557,569	126,416
	<u>21,571,045</u>	<u>28,089,651</u>

17 Corporate tax

Corporate tax benefit comprises the following:

	2026 AED	2025 AED
Current tax expense	-	-
Deferred tax credit	1,543,551	1,644,576
Tax benefit	<u>1,543,551</u>	<u>1,644,576</u>

Reconciliation of tax benefit is as follows:

	2026 AED	2025 AED
Loss before tax	17,150,562	18,273,068
Corporate tax benefit using the domestic tax rate of 9%	<u>1,543,551</u>	<u>1,644,576</u>

Movement in deferred tax asset is as follows:

	2026 AED	2025 AED
Opening balance	1,644,576	-
Recognized during the year	1,543,551	1,644,576
Closing balance	<u>3,188,127</u>	<u>1,644,576</u>

18 Revenue

	2026 AED	2025 AED
Baby and kids' products	249,677,449	244,157,911
Maternity products	1,403,651	881,962
	<u>251,081,100</u>	<u>245,039,873</u>

Firstcry Retail DWC LLC
Separate Financial Statements

Notes to the separate financial statements (continued)
For the year ended March 31, 2026

18 Revenue (continued)

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

	2026 AED	2025 AED
United Arab Emirates	250,113,541	243,235,877
Kingdom of Saudi Arabia	862,790	1,710,662
Oman	33,119	93,334
Others	71,650	-
	<u>251,081,100</u>	<u>245,039,873</u>

19 Cost of goods sold

	2026 AED	2025 AED
Opening inventories (Note 10)	47,543,369	40,415,642
Purchases during the year	195,224,812	204,655,924
Closing inventories (Note 10)	(44,794,704)	(47,543,369)
	<u>197,973,477</u>	<u>197,528,197</u>

20 Other income

	2026 AED	2025 AED
Website display charges	6,835,273	7,660,126
Business support charges (Note 9)	1,219,173	786,940
Net foreign exchange gain	-	116,985
Procurement commission income (Note 9)	36,568	47,204
Other	199,682	194,233
	<u>8,290,696</u>	<u>8,805,488</u>

21 Selling, administrative and general expenses

	2026 AED	2025 AED
Advertising and sales promotion expenses	19,737,955	18,802,370
Logistics support services charge	12,630,344	12,670,795
Salaries, wages, bonuses, and other allowances	9,123,608	8,758,591
Royalty expense (Note 9)	6,950,651	6,803,489
Management recharge (Note 9)	6,726,309	6,033,284
Payment gateway expenses	6,003,475	6,001,733
Subcontractor expenses	3,814,656	3,756,028
Depreciation of right-of-use asset (Note 8)	3,329,742	3,062,774
Share-based payment expense*	2,617,795	1,866,959
Telephone and internet charges	2,006,435	2,302,489
Utilities	1,240,022	406,883
Packing expenses	818,124	932,862
Power and fuel	616,070	610,189
Insurance	559,430	452,135

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Notes to the separate financial statements (continued)
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21 Selling, administrative and general expenses (continued)

	2026	2025
	AED	AED
Repairs and maintenance	467,646	348,204
Service charges (Note 9)	364,822	241,165
Travelling and conveyance	243,691	208,370
Depreciation on property and equipment (Note 5)	228,207	317,257
Legal and professional expenses	118,365	374,717
Amortisation of intangible assets (Note 7)	18,541	123,273
Courier expenses	1,604	2,865
Other	689,514	542,165
	78,307,006	74,618,597

*The share-based payment expense includes AED 526,442 (2025: AED 263,489) associated with resources dedicated solely to Firstcry Retail DWC LLC. This expense has been allocated from Brainbees Solutions Limited and has not been processed through the other reserve account.

22 Financial instruments risk

Risk management objectives and policies

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

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

22.1 Market risk

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

Foreign currency risk

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

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

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

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

	Net exposure	
	2026	2025
	AED	AED
Indian Rupee (INR)	17,100,051	19,112,905
	17,100,051	19,112,905

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Notes to the separate financial statements (continued)
For the year ended March 31, 2026

22 Financial instruments risk (continued)

22.1 Market risk (continued)

Foreign currency risk (continued)

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

		Impact on (loss)/profit and equity			
		Net loss for the year		Equity	
		+5%	-5%	+5%	-5%
		AED	AED	AED	AED
March 31, 2026	Indian Rupee (INR)	855,003	(855,003)	855,003	(855,003)
		855,003	(855,003)	855,003	(855,003)

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

Interest rate risk

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

22.2 Credit risk analysis

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

	2026 AED	2025 AED
Trade and other receivables (Note 11)	5,173,935	5,338,769
Due from related parties (Note 9)	1,384,778	881,861
Cash at banks (Note 12)	2,722,914	13,640,094
	<u>9,281,627</u>	<u>19,860,724</u>

	Current AED	More than 30 days AED	More than 60 days AED	More than 180 days AED	More than 360 days AED	Total AED
2026						
Trade receivables (Note 11)	1,710,229	1,909,352	1,013,009	531,511	-	5,164,101
	<u>1,710,229</u>	<u>1,909,352</u>	<u>1,013,009</u>	<u>531,511</u>	<u>-</u>	<u>5,164,101</u>

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Notes to the separate financial statements (continued)
For the year ended March 31, 2026

22 Financial instruments risk (continued)

22.2 Credit risk analysis (continued)

	Current AED	More than 30 days AED	More than 60 days AED	More than 180 days AED	More than 360 days AED	Total AED
2025						
Trade receivables (Note 11)	5,009,510	161,059	90,538	70,087	-	5,331,194
	5,009,510	161,059	90,538	70,087	-	5,331,194

Trade and other receivables

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

Management evaluates credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal and external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or by the use of major credit cards. All of the Company's other receivables have been reviewed for indicators of impairment. Management has assessed the recoverability of these receivables and concluded that they are not impaired as at March 31, 2026; accordingly, no impairment allowance has been recognized.

Related parties

Management considers the amounts due from related parties to be recoverable. These balances are monitored on an ongoing basis, periodically reconciled with the respective related parties, and assessed for impairment at each reporting date.

Cash at banks

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

22.3 Liquidity risk analysis

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

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

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

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22 Financial instruments risk (continued)

22.3 Liquidity risk analysis (continued)

	Within 1 year AED	Over 1 year AED	Total AED
At March 31, 2026			
Trade and other payables (Note 16)	21,571,045	-	21,571,045
Due to related parties (Note 9)	26,416,902	-	26,416,902
Finance lease liabilities (Note 15)	3,666,804	771,618	4,438,422
	<u>51,654,751</u>	<u>771,618</u>	<u>52,426,369</u>
At March 31, 2025			
Trade and other payables (Note 16)	28,089,651	-	28,089,651
Due to related parties (Note 9)	26,143,533	-	26,143,533
Finance lease liabilities (Note 15)	3,580,410	5,290,655	8,871,065
	<u>57,813,594</u>	<u>5,290,655</u>	<u>63,104,249</u>

23 Fair value measurement

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

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

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

24 Capital management policies and procedures

The Company's capital management objectives are:

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

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

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

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