Lovisa

LOVISA HOLDINGS LIMITED

APPENDIX 4E PRELIMINARY FINAL REPORT 2026

APPENDIX 4E

Lovisa Holdings Limited
ACN 602 304 503
Level 1, 818 Glenferrie Road
Hawthorn VIC 3122

t +61 3 7042 6440
e info@lovisa.com

lovisa.com

Lovisa Holdings Limited
Appendix 4E
Preliminary Final Report
For the year ended 28 June 2026

The following sets out the requirements of Appendix 4E with the stipulated information either provided here or cross referenced to the 2026 Preliminary Final Report which is attached.

1. Company details

Company Name	Lovisa Holdings Limited
ACN	602 304 503
Reporting Period	52 weeks ended 28 June 2026
Prior Period	52 weeks ended 29 June 2025

2. Results for announcement to the market

Comparison to the prior period (Appendix 4E items 2.1 to 2.3)	Increase/ Decrease	Change %	To A$'000s
Revenue from ordinary activities	Increase	17.6%	938,763
Results from operating activities	Increase	14.1%	158,222
Profit before tax	Increase	13.5%	134,083
Profit after tax attributable to the members	Increase	10.7%	95,590

Dividends / distributions (Appendix 4E item 2.4)	Amount per security	Franked amount per security
Final dividend for the year ended 28 June 2026 to be paid on 15th October 2026	33.0 cents	16.5 cents

Record date for determining entitlement to the dividend (Appendix 4E item 2.5)	16th September 2026

Brief explanation of the figures reported above necessary to enable the figures to be understood (Appendix 4E item 2.6)

Please refer to the Review of Operations in the Directors' Report of the attached Preliminary Final Report for an explanation of the figures reported above.

3. Income statement with notes to the statement

Please refer to the attached Preliminary Final Report for the income statement for the 52 weeks ended 28 June 2026.

4. Balance sheet with notes to the statement

Please refer to the attached Preliminary Final Report for the balance sheet as at 28 June 2026.

5. Cash flow statement with notes to the statement

Please refer to the attached Preliminary Final Report for the cash flow statement for the 52 weeks ended 28 June 2026.

6. Dividends

Please refer to note A6 of the attached Preliminary Final Report for details of dividends paid in the reporting period and prior period.

7. Dividend reinvestment plans

Not applicable.

8. Statement of changes in equity

Please refer to the attached Preliminary Final Report for the statement of retained earnings for the period ended 28 June 2026.

9. Net tangible assets per security

	Current period	Previous period
Net tangible asset backing per ordinary share	**$0.66**	**$0.66**

10. Entities over which control has been gained or lost during the period

Not applicable.

11. Details of associates and joint ventures

Not applicable.

12. Other significant information

All significant information has been included within this Appendix, or the Preliminary Final Report which should be read in conjunction with this document.

13. For foreign entities, which set of accounting standards has been used in compiling the report

The results of all foreign entities have been compiled using International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

14. Commentary on the results

Please refer to the Directors' Report in the Preliminary Final Report for commentary on the results for the period.

15. Status of the audit

This report should be read in conjunction with the Preliminary Final Report. The financial statements in the Preliminary Final Report have been audited and an unqualified audit opinion has been issued.

16. Dispute or qualification arising from audit

Not applicable.

Signed on behalf of Lovisa Holdings Limited, on 26 August 2026

Chris Lauder
Chief Financial Officer and Company Secretary

DIRECTORS' REPORT

Details of the qualifications and experience of each Director in accordance with the requirements of the Corporations Act have been included below.


Brett Blundy


John Cheston


Tracey Blundy


Sei Jin Alt


Bruce Carter


John Charlton


Mark McInnes

Brett Blundy
Non-Executive Director & Chairman
Appointed 1 November 2018
Chairman of the Board

Along with being the Chairman, co-founder and substantial shareholder of Lovisa, Brett is also the Chairman and Founder of BB Retail Capital ("BBRC"), a private investment group with diverse global interests across retail, capital management, retail property, beef, and other innovative ventures and is one of Australia's most successful retailers. Brett is a former non-executive Director of Accent Group Limited (ASX:AX1).

John Cheston
Global Chief Executive Officer and Managing Director
Appointed 4 June 2025

John is an accomplished global retail CEO with over 30 years of experience across multiple retail formats, including department stores, speciality fashion retail and private label large formats. Prior to joining Lovisa, John held the position of Managing Director of Smiggle, the highly successful children's lifestyle brand where he led the company's expansion across Australia, New Zealand, Asia, Europe, and the Middle East. John was appointed Global CEO of Lovisa in June 2025.

Tracey Blundy
Non-Executive Director
Appointed 6 November 2014
Member of the Audit, Business Risk & Compliance Committee
Chair of the People, Leadership, Remuneration & Nomination Committee

Tracey joined BB Retail Capital in 1981 and is a nominated representative of BB Retail Capital on the Board of Lovisa. Tracey has held a number of senior executive positions across BB Retail Capital's brands, including Chief Executive Officer of Sanity Entertainment and Bras n Things. She is a Board-level advisor across the BB Retail Capital portfolio bringing in-depth knowledge and expertise on retail operations and roll-out strategy.

Tracey was a founding shareholder of Lovisa in 2010, and has since been a senior advisor to the Company's management team. Tracey is currently a Director of BB Retail Capital Pty Limited and BB Retail Property Pty Limited.

John Charlton
Independent Non-Executive Director
Appointed 26 August 2020
Member of the Audit, Business Risk & Compliance Committee
Member of the People, Leadership, Remuneration & Nomination Committee

John is a career retailer and brings over 38 years' experience in retailing operations in Australia. He was previously the founder and owner of Spendless Shoes Pty Ltd, a company he grew to 248 stores as well as a successful online site before selling to The Shoe Group in July 2019. He has served as a member of the Council of Wilderness School (7 years as Chair), Saint Peter's College, and the Council of the University of Adelaide, and is a Non-Executive Director of the Detmold Group Advisory Board.

Bruce Carter AO
Independent Non-Executive Director
Appointed 18 November 2022
Member of the People, Leadership, Remuneration & Nomination Committee
Chairman of the Audit, Business Risk & Compliance Committee

Bruce has spent over 30 years in corporate recovery and insolvency and was formerly managing partner at Ferrier Hodgson Adelaide for 19 years and prior to that a partner at Ernst & Young, Chair of the South Australian Economic Development Board and a member of the Executive Committee of Cabinet. He holds a Masters of Business Administration from Heriot-Watt University and a Bachelor of Economics from University of Adelaide. He is a Fellow of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors. Bruce is currently Chair of AIG Australia Ltd. Bruce is a former Chair of the Australian Submarine Corp and former director of Crown Resorts Limited, SkyCity Entertainment Group Ltd, Genesee and Wyoming Inc (NYSE), the Aventus Group and Bank of Queensland Limited.

Sei Jin Alt
Independent Non-Executive Director
Appointed 19 February 2019

Sei Jin brings to the Board broad merchandising, managerial, financial, and operational experience in multiple fashion categories as well as business leadership expertise gained over 20 years in the industry across a number of major US retailers including Francesca's, JC Penny, Nordstrom and Macy's along with advisory role experience for wholesale and retail brands.

Mark McInnes
Executive Deputy Chairman
Appointed 4 June 2025

Mark is a career retailer with a 30+ year track record of success in every role he has occupied. Mark has been directly responsible for some of Australia's greatest retail success stories.

Mark was appointed as Executive Deputy Chairman of the Company in June 2025 and is also the Global CEO – Retail & Consumer at BB Retail Capital ("BBRC"). Mark was CEO of David Jones (2002–2010) and created a fashion and financial powerhouse, delivering in excess of $2 billion in shareholder value.

Mark was then appointed CEO & Executive Director of Premier Investments in 2011 and held that position until 2021, globalising the company and creating in excess of $3.5 billion in shareholder value. Mark has an MBA from Melbourne University.

Nico van der Merwe
Alternate Director to Brett Blundy
Appointed 19 February 2019

Nico van der Merwe has over 30 years' experience in commercial roles across the retail, consumer and private equity sectors. Nico has held a number of senior financial roles in BBRC from 1997 to 2020 including 12 years as Group Chief Financial Officer and is currently an Advisor to the Group. He holds Bachelor of Accounting Science (Hons) and Bachelor of Commerce degrees and is a member of the Institute of Chartered Accountants in Australia. Nico was appointed alternate director for Brett Blundy on 19 February 2019.

1. DIRECTORS

The Directors of Lovisa Holdings Limited (the 'Company') present their report together with the Consolidated Financial Statements of the Company and its controlled entities (the 'Group' or 'Consolidated Entity') for the financial year ended 28 June 2026.

Director	Board		Audit and Risk		Remuneration & Nomination	
	Number attended	Number held	Number attended	Number held	Number attended	Number held
T Blundy	4	4	4	4	4	4
B Carter	4	4	4	4	4	4
J Cheston	4	4	4	4	4	4
M McInnes	4	4	4	4	4	4
B Blundy	4	4	-	-	4	4
J Charlton	4	4	4	4	4	4
S J Alt	4	4	4	4	4	4
N van der Merwe	-	-	4	4	-	-

1.1 Company Secretary

Chris Lauder was appointed Company Secretary on 15 September 2017. He is also the company's Chief Financial Officer. Mr Lauder is a Chartered Accountant.

1.2 Directors Interests in Shares

The relevant interest of each Director in the Company at the date of the report is as follows:

Director	Ordinary Shares in the Company
B Blundy (1)	43,802,500
T Blundy (2)	653,005
J Charlton	35,000
S J Alt	-
B Carter	60,000
N van der Merwe	-
J Cheston	-
M McInnes	-

(1) Shares held by BB Retail Capital Pty Ltd and BBFit Investments Pte Ltd
(2) Shares held by Coloskye Pty Ltd

2. PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was the retail sale of fashion jewellery and accessories. The business has 1,136 retail stores in operation at 28 June 2026 across more than 50 markets, including 47 franchise stores. There was no significant change in the nature of the activities of the Group during the period.

3. DIVIDENDS

Dividends paid to members during the financial year were as follows:

	2026	2025
	$000's	$000's
Final ordinary dividend for the year ended 29 June 2025 of 27.0 cents per fully paid share unfranked paid on 16 October 2025 (2025: 37.0 cents, unfranked)	29,897	40,965
Interim ordinary dividend for the year ended 28 June 2026 of 53.0 cents per fully paid share 50% franked paid on 26 March 2026 (2025: 50.0 cents, unfranked)	58,692	55,358
Total dividends paid	88,589	96,323

4. REVIEW OF OPERATIONS

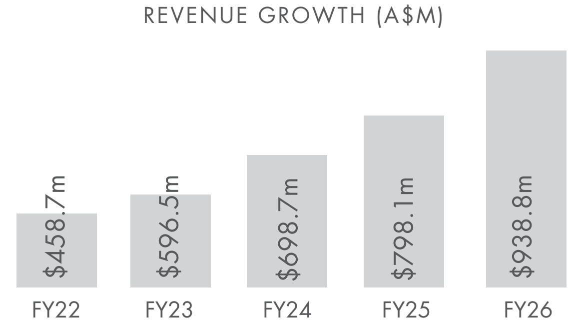
The following summary of operating results and operating metrics reflects the Group's performance for the year ended 28 June 2026:

4.1 Financial Performance

Revenue for the year ended 28 June 2026 was up 17.6% on FY25 reflecting growth in the store network and comparable store sales up 2.0% on FY25. This resulted in Earnings Before Interest and Tax of $158.2m, up 14.1% on FY25, and Net Profit after Tax up 10.7% on FY25.

Consolidated $'000	2026	2025	Change
Sales	938,763	798,133	17.6%
Gross profit	775,333	654,670	18.4%
Gross Margin	82.6%	82.0%	0.6%
EBIT	158,222	138,701	14.1%
Net profit after tax (NPAT)	95,590	86,332	10.7%
Basic Earnings per share	86.3	78.1	10.5%

4.1.1 Sales



Revenue was $938.8m up 17.6% on FY25 with comparable store sales up 2.0%.

The business was able to again deliver growth in the store network for the financial year, with 1,136 stores now trading globally across over 50 markets at financial year end, a net increase of 105 stores.

This included 160 new stores opened for the financial year, offset by 43 closures and 12 relocations reflecting our focus on profitable growth and ensuring we maintain a quality global store network. Pleasingly the store rollout was able to be delivered across all regions, with 19 new stores in APAC, 9 in Africa/Middle East, 76 in Europe and 44 in the Americas as well as 12 new franchise stores in Africa and the Middle East.

The growth in the store network has set a solid foundation for ongoing growth and helped to deliver sales growth in the Americas region of 29.6% and 29.5% growth in Europe.

4.1.2 Gross Profit Margin

Gross profit for the financial year was $775.3m, an increase of 18.4% on the prior year. Gross Margin was again a highlight at 82.6% compared to 82.0% in FY25.

4.1.3 Cost Of Doing Business, Depreciation and Net Finance Costs

We were able to continue to invest in expansion of the Lovisa store footprint globally, as well as the ongoing 7 store Jewells trial and the structures required to manage them effectively on an ongoing basis, including support teams, logistics and technology to drive a more efficient operating model.

Depreciation expense, including impairment expense and loss on disposal of property, plant and equipment, for the period was up 29.5% on the prior year, impacted by the continued growth in the store network over the current and recent years, ongoing investment into infrastructure and technology and increased impairment provisions and asset write-offs required as a result of higher store closures and relocations during the period as we continue our ongoing process of store network optimisation.

Net finance costs were up 17.7%, reflecting the interest charge associated with higher lease liabilities, combined with higher borrowings during the year.

4.1.4 Earnings

Statutory earnings before interest and tax (EBIT) was $158.2m being a 14.1% increase on EBIT from the prior year. Statutory net profit after tax increased 10.7% to $95.6m with EPS at 86.3 cents.

4.1.5 Cash Flow

The Group's net cash flow from operating activities before interest and tax was $294.5m. Capital expenditure of $58.5m relates predominately to new store openings and refurbishments of current stores upon lease renewal, as well as investment into the Group's IT systems and supply chain capability.

The Group closed the financial year with $40.3m in net debt, an increase of $5.9m on the prior year.

4.2 Financial Position

Consolidated	Actual 2026 $'000	Actual 2025 $'000	Change 2025/2026 %
Net debt	(40,265)	(34,367)	17.2%
Trade receivables and prepayments	29,682	27,090	9.6%
Inventories	70,733	81,137	(12.8%)
Trade payables and provisions	(95,157)	(105,117)	(9.5%)
Net lease liabilities	(62,149)	(62,904)	(1.2%)
Property, plant & equipment	159,763	157,150	1.7%
Intangible assets and goodwill	4,816	4,978	(3.3%)
Net derivative liability	(413)	(840)	(50.8%)
Net current tax liability	(11,125)	(9,167)	21.4%
Net deferred tax balances	22,076	20,591	7.2%
Net assets/equity	77,961	78,551	(0.8%)

*Represents total cash and cash equivalents less total loans and borrowings.

Working capital

The Group's net working capital position decreased slightly during the year with inventory levels decreasing from $81.1m to $70.7m, reflecting significant focus on optimising in store inventory levels, combined with the impact of movements in exchange rates year on year and the corresponding impact on year end translation of foreign currency balance sheets to AUD. This movement was offset by a corresponding decrease in payables during the period.

Property, plant and equipment

Capital expenditure during the year reflects fit out costs associated with new stores and refurbishment of existing stores, as well as investment into technology and supply chain capability. Store fit out costs are depreciated over the expected useful life.

Debt facilities

The Group currently has total committed term debt facilities of $120m, as well as $47m of uncommitted multi-option trade finance and contingent liability facilities and $3m of committed bank overdraft facilities.

As at the end of the financial year, $87m remained drawn on the term debt facility, which has been classified as a non-current liability due to the maturity date of the facility not being within the next 12 months.

5. BUSINESS STRATEGIES

Lovisa has achieved rapid growth since it was founded, with revenue growing from $25.5 million in FY2011 to $938.8 million in FY2026. The Group continues to focus on its key drivers to deliver growth in sales and profit.

Growth pillar	Business Strategy Section	Strategy	Risks	Achievements
Lead and pre-empt trends	5.1	• Stay on trend with shifts in jewellery and accessory market • Continue to provide a high quality and diverse product offering	• Prevailing fashions and consumer preferences may change (6.6)	• Continued strong performance being testament to an ability to identify trends • Buying teams in the UK and USA to complement central team in Australia
Global expansion	5.2	• Continue to leverage current global territories including continued rollout in newer territories and filling remaining gaps in other existing markets while continuing to rationalise underperforming stores • Expansion into new global markets • Leverage the Company's capital in large international markets • Continue to develop our digital capability and ensure that all markets we trade in have access to a digital sales channel • Expansion into new adjacent retail concepts	• Competition (6.1) • Retail environment and general economic conditions (6.2) • Failure to successfully implement growth strategies (6.4) • Availability of appropriately sized sites in good locations with satisfactory cost structures	• We continued to grow the store network during the financial year with net 105 new Lovisa stores (including 160 new and 55 closed/relocated stores). This included 6 new franchise markets opened during the year across Africa and the Middle East. • We now have dedicated e-commerce sites across all key markets in which we operate, as well as presence on a number of popular online marketplaces globally.
Streamline global supply chain	5.3	• Streamline and optimise supply base in Asia • Optimise air and sea freight whilst maintaining speed to market operating model • Ongoing review of size, location and number of warehouses globally to ensure most efficient movement of products to our stores	• Exchange rates (6.5) • Product sourcing or supply chain disruptions • Fluctuations in global freight costs as a result of market disruptions experienced by logistics providers	• Chinese warehouse operates to support our Asian and African stores, Australian warehouse to support Australia/New Zealand, Poland warehouse operates to support Europe and our new USA warehouse opened in Ohio in FY25 to support our Americas market. • Dedicated warehouses also operational in the UK, South Africa (3PL) and Malaysia to support e-commerce sales
Enhance existing store performance	5.4	• Optimise and improve existing store network • Continue to target high traffic shopping precincts • Judicious pricing	• Competition (6.1) • Retail environment and general economic conditions (6.2) • Prevailing fashions and consumer preferences may change (6.6)	• In-store piercing services, now including nose piercing and more premium piercing products such as 14 carat gold and diamond studs • We continue to close stores in sub-optimal locations • Investment in regional support team structures and learning and development to ensure consistent high quality retail execution
Brand proliferation	5.5	• Continue to leverage social media to connect with customers and increase brand loyalty • Continued global expansion of the physical store network to create a truly globally recognised brand	• Prevailing fashions and consumer preferences may change (6.6) • Privacy breaches	• Continued focus on online execution across all existing markets • Presence on online marketplaces in key markets • Increased social media engagement • Continued expansion of global store network

5.1 Lead and Pre-Empt Trends

Product innovation is a core component of Lovisa's competitive advantage. Our customers expect a broad range of fashionable products that are in line with the latest global fashion trends. In order to meet this expectation, Lovisa employs a large and experienced product team who are responsible for Lovisa's forward range planning, designs, product development, production, visual merchandising and merchandise planning, ensuring Lovisa is continually meeting market demand. Whilst the product team is primarily based in Melbourne, teams are also in place in London and Los Angeles to provide more constant localised intelligence to the global buying process, with the team also travelling the world to identify global trends as well as meeting with suppliers in China, India, Thailand and other parts of Asia frequently.

As Lovisa is frequently developing new products in response to evolving fashion trends, it does not register patents on its product designs. This is consistent with practices in the fast fashion industry.

5.2 New Store Rollouts & International Expansion

One of the key attributes of the Group's success has been the ability to identify and secure quality retail store sites in locations with high pedestrian traffic. This typically involves securing leases in AA, A or B grade rating shopping centres and malls as well as street sites. Lovisa has refined its global store model based on what it understands to be the optimal store size, location and format. The combination of a target 50-80 square metre floor space and a homogenised layout allows Lovisa to have strict criteria when identifying and securing potential store sites in new regions, facilitating the roll-out of stores quickly, at low cost. On average, it takes between 2-4 weeks to fit out a new Lovisa store depending on local conditions.

The key driver of future growth for Lovisa is the continued global store roll-out. Lovisa has proven it is capable of successfully operating profitably globally, having established a portfolio of stores in over 50 markets and supporting franchised stores across 22 markets in the Middle East, Africa and South America. Lovisa will continue to explore other markets, with our first stores opened during the year in franchise markets Reunion, Mauritius, Ghana, Kenya, Burkina Faso and Iraq.

The Group plans to remain nimble and opportunistic in expanding and moving into new markets, such that if opportunities arise, the Group may accelerate its plans to enter a new market or continue to grow an existing market. Likewise it will defer its entry into a new market if it considers that appropriate opportunities are not presented at the relevant time, or exit markets that are not delivering the required level of return.

The history of Lovisa stores is as follows:

Lovisa	2022	2023	2024	2025	2026
Australia	154	168	178	182	185
New Zealand	25	27	28	32	32
Singapore	17	16	16	16	12
South Africa	69	75	81	87	89
Malaysia	32	41	44	42	38
United Kingdom	42	44	50	81	111
Spain	-	1	2	4	7
France	59	68	86	92	92
Germany	40	47	53	64	80
Belgium	11	11	17	17	18
Netherlands	5	7	9	17	20
Austria	3	7	9	9	8
Luxembourg	2	2	2	3	3
Switzerland	6	9	8	8	9
Poland	1	18	19	22	19
USA	118	190	207	229	250
Canada	1	7	14	32	52
Hong Kong	-	8	9	8	8
Taiwan	-	1	1	1	1
Botswana	-	1	3	3	3
Namibia	-	2	3	4	4
Mexico	-	4	4	5	5
Hungary	-	2	2	2	2
Romania	-	1	1	1	1
Italy	-	7	9	13	12
UAE	-	1	5	5	5
China	-	-	1	2	2
Ireland	-	-	3	10	17
Vietnam	-	-	1	1	2
Zambia	-	-	-	1	2
Middle East/Africa Franchise	44	30	20	21	32
South America Franchise	-	6	15	17	15
Total Stores	**629**	**801**	**900**	**1031**	**1136**

5.3 Streamline Global Supply Chain

Lovisa's third party suppliers are currently located in mainland China, India and Thailand. Stock is inspected by Lovisa's quality control team in China. Once manufactured, stock is transported to Lovisa's company operated warehouses in Melbourne, Australia (for stock to be sold in Australia and New Zealand), Wroclaw, Poland (for stock to be sold in Europe), Columbus, Ohio, USA (for stock to be sold in the Americas), or our 3PL warehouse in Qingdao, China (for stock to be sold in all other countries).

Lovisa constantly reviews its supply chain process for potential efficiency gains and cost reductions in order to generate higher gross margins. This includes improvements in its global warehouse and logistics program and the consolidation and rationalisation of its supplier base. As a result of this constant review the company has implemented warehouses in South Africa (3PL), the UK and Malaysia to better support our online customers in these markets.

5.4 Enhance Existing Store Performance

Lovisa is constantly reviewing the efficiency of its existing store network to ensure that stores are run as profitably as possible, with stores closed if they are not performing to expectations and new sites continuing to be identified. Whilst some of the markets Lovisa operates in are mature and have less opportunities for new store openings, our leasing team continues to assess new sites as they arise. The global roll-out of piercing services into stores has been successful in driving enhanced customer loyalty and providing new customers an additional reason to choose to shop at Lovisa.

Also critically important in optimising store performance both in new and existing markets is the focus on operational execution at store level to ensure consistently high operational standards across all markets delivering the best experience for our customers. To ensure that we deliver on this, we continue to invest in people and localised support structures as well as enhancing our learning and development capabilities to ensure that we not only have the right team in place but that they are equipped to operate consistently to the level required.

5.5 Brand Proliferation

Lovisa supports the growth of its brand through social media and promotional activity that matches our customer base and our international footprint. Efforts are focused on social media, rather than traditional media, as we believe it connects us directly to our customers in a way that suits their lifestyle.

The brand is also developed through the customer in-store experience – on trend product, cleanly merchandised, focused imagery, and the store "look and feel". Stores are located in high foot traffic areas, in high performing centres, with significant global reach. The Group's online stores and presence on third party marketplaces operate to service the markets in which the Group operates company-owned stores.

6. MATERIAL BUSINESS RISKS

The business risks faced by the Group and how it manages these risks are set out below. Further information surrounding how the Group monitors, assesses, manages and responds to risks identified is included within Principle 7 of the Company's Corporate Governance statement.

6.1 Competition

The fast fashion jewellery sector in which Lovisa operates is highly competitive. While the costs and time that would be required to replicate Lovisa's business model, design team, IT systems, global store network, warehouse facilities and level of brand recognition would be substantial, the industry as a whole has relatively low barriers to entry. The industry is also subject to ever changing customer preferences.

Lovisa's current competitors include:

- specialty retailers selling predominately fashion jewellery;
- department stores;
- fashion apparel retailers with a fashion jewellery section; and
- smaller retailers (i.e. less than five stores) that specialise in the affordable jewellery segment.

Competition is based on a variety of factors including merchandise selection, price, advertising, new stores, store location, store appearance, online presence and execution, product presentation and customer service.

Lovisa's competitive position may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors or a failure by Lovisa to successfully respond to changes in the industry.

To mitigate this risk, Lovisa employs a large product team to meet market demands as described in section 5.1. Management believes it would take a number of years for a new entrant to establish a portfolio of leases comparable with Lovisa in premium store locations due to substantial barrier to entry costs as detailed above.

6.2 Retail Environment and General Economic Conditions

As Lovisa's products are typically viewed by consumers to be 'discretionary' items rather than 'necessities', Lovisa's financial performance is sensitive to the current state of, and future changes in, the retail environment in the countries in which it operates. However, with a low average retail spend per transaction, macro market performance is less likely to have a material impact on our business compared to other discretionary categories.

Lovisa's main strategy to overcome any downturn in the retail environment or economic conditions is to continue to offer our customers quality, affordable and on trend products.

6.3 Public health crises, political crises and other catastrophic events outside of our control affect our sales or supply of inventory

Natural disasters, such as hurricanes, earthquakes, tsunamis, power shortages or outages, or floods; public health crises, such as pandemics and epidemics; social unrest; political crises, such as terrorism, war, political instability or other conflict; or other events outside of our control, could damage or destroy our stores or our products, make it difficult for our employees or customers to travel to our stores, result in delays or disruptions in the production and/or delivery of merchandise to our distribution centres or our stores or in the fulfillment of e-commerce orders to our consumers, or require us to incur substantial additional costs to ensure timely delivery.

Moreover, these types of events could negatively impact consumer spending in the impacted regions or, depending upon the severity, globally, which could adversely impact our operating results.

Factors mitigating these risks include the significant geographical diversity of our operations, continued investment in e-commerce channels to offset temporary inability to trade from physical stores, and business continuity plans and experience developed during the COVID-19 pandemic.

6.4 Failure to Successfully Implement Growth Strategies

Lovisa's growth strategy is based on its ability to increase earnings contributions from existing stores and continue to open and operate new stores on a timely and profitable basis.

Lovisa's store roll-out program is dependent on securing stores in suitable locations on acceptable terms, and may be impacted by factors including delays, cost overruns and disputes with landlords.

The following risks apply to the roll-out program:

- new stores opened by Lovisa may be unprofitable;
- Lovisa may be unable to source new stores in preferred areas, and this could reduce Lovisa's ability to continue to expand its store footprint;
- new stores may reduce revenues of existing stores; and
- establishment costs may be greater than budgeted for.

Factors mitigating these risks are that fit-out costs are low with minimal standard deviation in set-up costs across sites and territories through our small store format and homogeneous store layout, minimising potential downside for new stores. The Group assesses store performance regularly and evaluates store proximity and likely impact on other Lovisa stores as part of its roll-out planning.

When entering new markets, Lovisa assesses the region, which involves building knowledge by leveraging a global network of industry contacts as well as our significantly globally experienced senior leadership team, and aims to secure a portfolio of stores in order to launch an operating footprint upon entry. The Group plans to remain nimble and opportunistic in expanding and moving into new markets, such that if opportunities arise, the Group may accelerate its plans to enter a new market or continue to grow an existing market. Likewise it will defer its entry into a new market if it considers that appropriate opportunities are not presented at the relevant time. Regular investigation and evaluation of new stores and territories is undertaken by management to ensure that the Group's store footprint continues to expand.

6.5 Exchange Rates

The majority of inventory purchases made by Lovisa are priced in USD. Lovisa is exposed to movements in the exchange rate in the markets it operates in. Adverse movements could have an adverse impact on Lovisa's gross profit margin and overall profitability of non-AUD denominated markets.

The Group's foreign exchange policy is aimed at managing its foreign currency exposure in order to protect profit margins by entering into forward exchange contracts against movements in currencies required to be converted to USD associated with payments for inventory. The Group does not currently hedge its foreign currency earnings and therefore is exposed to risk of unfavourable movements in exchange rates used to translate foreign currency earnings to AUD. The Group monitors its working capital in its foreign subsidiaries to ensure exposure to movements in currency is limited.

6.6 Prevailing Fashions and Consumer Preferences May Change

Lovisa's revenues are entirely generated from the retailing of jewellery and piercing services, which is subject to changes in prevailing fashions and consumer preferences. Failure to predict or respond to such changes could adversely impact the future financial performance of Lovisa. In addition, any failure by Lovisa to correctly judge customer preferences, or to convert market trends into appealing product offerings on a timely basis, may result in lower revenue and margins.

In addition, any unexpected change in prevailing fashions or customer preferences may lead to Lovisa carrying increased obsolete inventory.

To mitigate this risk, Lovisa employs an experienced global product team to meet market demands as described in section 5.1. As the Group responds to trends as they occur, this drives store visits by customers and significantly reduces the risk of obsolete stock.

7. EVENTS SUBSEQUENT TO REPORTING DATE

Other than the dividend determined to be paid as set out in note A6 to the Financial Statements, no matter or circumstance has arisen since 28 June 2026 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

8. LIKELY DEVELOPMENTS

Information on likely developments is contained within the Review of Operations section of this annual report.

9. REMUNERATION REPORT - AUDITED

9.1 Remuneration Overview

The Board recognises that the performance of the Group depends on the quality and motivation of its team members employed by the Group around the world.

The Group remuneration strategy therefore seeks to appropriately attract, reward and retain team members at all levels of the business, but in particular for management and key executives. The Board aims to achieve this by establishing executive remuneration packages that include a mix of fixed remuneration, short-term incentives and long-term incentives.

In performing this responsibility, the Committee must give appropriate consideration to the Group's performance and objectives, employment conditions and external remuneration relativities in the global market that Lovisa operates in.

Further information surrounding the responsibilities of the People, Leadership, Remuneration and Nomination Committee is included within Principle 8 of the Company's Corporate Governance statement.

9.2 Principles Used to Determine the Nature and Amount of Remuneration

Key Management Personnel

Key Management Personnel (KMP) have the authority and responsibility for planning, directing and controlling the activities of the consolidated entity, and comprise:

- Non-Executive Directors
- Executive Deputy Chairman
- Global Chief Executive Officer
- Group Chief Financial Officer

Non-Executive Director KMP

Brett Blundy	Chairman
Tracey Blundy	Director
John Charlton	Director
Sei Jin Alt	Director
Bruce Carter AO	Director
Nico van der Merwe	Alternate Director

Executive KMP

John Cheston	Global Chief Executive Officer and Managing Director
Mark McInnes	Executive Deputy Chairman
Chris Lauder	Group Chief Financial Officer

This report has been audited by the Company's Auditor KPMG as required by Section 308 (3C) of the Corporation Act 2001.

The People, Leadership, Remuneration and Nomination Committee is governed by its Charter which was developed in line with ASX Corporate Governance Principles and Recommendations. The Charter specifies the purpose, authority, membership and the activities of the Committee and the Charter is annually reviewed by the Committee to ensure it remains consistent with regulatory requirements.

A. Principles Used to Determine the Nature and Amount of Remuneration

(a) Non-Executive Directors KMP Remuneration

Non-executive Directors' fees are determined within an aggregate Non-executive Directors' pool limit of $1,200,000. Total Non-executive Directors' remuneration including non-monetary benefits and superannuation paid at the statutory prescribed rate for the year ended 28 June 2026 was $599,657. Brett Blundy, the Non-executive Chairman, is entitled to receive annual fees of $240,000. Other Non-executive Directors are entitled to receive annual fees between $77,000 to $98,000 inclusive of superannuation.

The Non-executive Directors' fees are reviewed annually to ensure that the fees reflect market rates. There are no guaranteed annual increases in any Directors' fees. None of the non-executive Directors participate in the short or long term incentive programs.

(b) Executive remuneration

Lovisa's remuneration strategy is to:

- Offer a remuneration structure that will attract, focus, retain and reward highly capable people;
- Have a clear and transparent link between performance and remuneration;
- Build employee engagement and align management and shareholder interest; and

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.2 Principles Used to Determine the Nature and Amount of Remuneration (continued)

A. Principles Used to Determine the Nature and Amount of Remuneration (continued)

- Ensure executive remuneration is set with regard to the size and nature of the position with reference to global market benchmarks (in the context of the Group operating in a global marketplace) and the performance of the individual.

Remuneration will incorporate at risk elements to:

- Link executive reward with the achievement of Lovisa's business objectives, continued growth and financial performance; and
- Ensure total remuneration is competitive by global market standards.

The Board believes that the remuneration structures in place for the executive team are appropriate. The Board were therefore disappointed to receive votes against the Remuneration Report at the 2025 Annual General Meeting totalling 76.7% of votes cast.

Lovisa is a global business competing for talent in the global market with significant global growth potential, which requires compensation packages competitive in this context to attract and retain the appropriate calibre of executive to deliver the Group's strategy and growth targets.

Whilst the Board understands the concerns of some shareholders in relation to the potential remuneration payable, it is of the view that the structure and at risk remuneration in place for the leadership of the Group is appropriate.

Global Chief Executive Officer Remuneration

John Cheston was appointed as Global Chief Executive Officer of the Company effective 4 June 2025. John's remuneration package comprised the following components for the 2026 financial year:

- Fixed Remuneration of A$2,350,000 per annum, including superannuation;
- Short-term Incentive Opportunity of A$2,350,000 per annum
- Participation in the Group's Long Term Incentive Plan (LTI) as amended and restated from time to time. During FY25 John was granted an initial 3-year LTI Grant vesting annually over its 3 year term to a maximum value of A$2,350,000 per annum, based on the following vesting schedule:
  - FY26: A$2,350,000
  - FY27: A$2,350,000
  - FY28: A$2,350,000
  - TOTAL: A$7,050,000

  Vested LTI will be satisfied by the issue of Rights over ordinary shares in the Company. Further details of the incentives noted above are included within this report.

Executive Deputy Chairman Remuneration

Mark McInnes was appointed as Executive Deputy Chairman ("EDC") with effect from 4 June 2025. Mark is employed by BB Retail Capital Pty Ltd ("BBRC") and provides services to the Company as EDC on behalf of BBRC under a consulting agreement ("the Agreement") between the Company and BBRC. BBRC is the investment vehicle of Lovisa Chairman Brett Blundy and currently owns 40% of the issued shares of the Company. Under the terms of the Agreement, the fee for Mark's services as EDC is $2,000,000 per annum, which reflects the arm's length value of the services provided. This fee is included as the remuneration Mark receives for his services for the purposes of the remuneration disclosures on page 69. Mark is not entitled to participate in any short or long term incentive programs of the Company.

Group Chief Financial Officer Remuneration

Chris Lauder has been employed as the Company's Group Chief Financial Officer since September 2017, with his FY26 remuneration package comprising the following components:

- Fixed Remuneration of $779,650 per annum including superannuation;
- Annual Short Term Incentive opportunity of 75% of fixed remuneration (FY26: $584,738);
- Annual Long Term Incentive opportunity of 75% of fixed remuneration (FY26: $584,738)

Further details of the incentives noted above are included within this report.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.2 Principles Used to Determine the Nature and Amount of Remuneration (continued)

B. Remuneration Structure

The current executive salary and reward framework consists of the following components:

- Base salary and benefits including superannuation
- Short-term incentive scheme comprising cash
- Long-term incentive scheme comprising cash and options or performance rights

The mix, quantum, terms and conditions associated with each of these components is determined annually by the Board using their discretion for each individual executive.

The mix of fixed and at risk components for each Senior Executive as a percentage of total actual remuneration for the 2026 financial year is as follows:

Senior Executive	Fixed remuneration	At risk remuneration
John Cheston	82%	18%
Mark McInnes	100%	0%
Chris Lauder	97%	3%

Base Salary and Benefits

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and non-cash benefits. Retirement benefits are delivered to the employee's choice of superannuation fund where relevant. The Group has no interest or ongoing liability to the fund or the employee in respect of retirement benefits.

Short Term Incentive plan

The Group operates a short-term incentive (STI) plan that rewards some Executives and Management on the achievement of pre-determined key performance indicators (KPIs) established for each financial year according to the accountabilities of his/her role and its impact on the organisation's performance. For the 2026 financial year, all Executives and Management participating in the STI plan received the same EBIT hurdle as the Global CEO, with cut-in for 18.5% growth on prior year and maximum at 30% growth. Using a profit target across all participants ensures variable reward is paid only when value is created for shareholders.

The STI plan structure in place for FY26 was as follows:

KMP	Opportunity	Performance Period	Performance Measures	FY26 Outcome
John Cheston Global Chief Executive Officer	$2,350,000	12 months, subject to continued employment until the date of payment	Delivery of 18.5% to 30% growth in FY26 EBIT vs FY25 (actual outcome 14.1% growth)	0%
Mark McInnes Executive Deputy Chairman	nil	n/a	n/a	n/a
Chris Lauder Group Chief Financial Officer	$584,738	12 months, subject to continued employment until the date of payment	Delivery of 18.5% to 30% growth in FY26 EBIT vs FY25 (actual outcome 14.1% growth)	0%

Mark McInnes was not entitled to participate in the STI program for FY26, with his remuneration not including any STI or LTI opportunity on an ongoing basis.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.2 Principles Used to Determine the Nature and Amount of Remuneration (continued)

B. Remuneration Structure (continued)

Long Term Incentive plan

The Company operates a long-term incentive (LTI) plan. The plan is designed to align the interests of the executives with the interest of the shareholders by providing an opportunity for the executives to receive an equity interest in Lovisa and in some cases a cash payment. The plan provides flexibility for the Company to grant performance rights and options as incentives, subject to the terms of the individual offers and the satisfaction of performance conditions determined by the Board from time to time.

The key terms associated with the LTI plan are:

- A Performance Right entitles the holder to acquire a share upon vesting at the end of the performance period, subject to meeting specific performance conditions (for Performance Rights, the exercise price is nil).
- Performance Rights will be granted for nil consideration.

Performance Conditions

The Board considers profit based performance measures to be the most appropriate performance conditions as they align the interests of shareholders with management.

FY2025 Global Chief Executive Officer LTI Plan

Following his appointment as Global Chief Executive Officer of the Group effective 4 June 2025, John Cheston was granted a 3-year LTI Grant in respect of each of the financial years FY26, FY27 and FY28 (LTI Offer) in the form of an annual LTI opportunity for each performance period of $2,350,000. The value of the vested LTI opportunity will be determined by the Board at the end of each performance period (in the range from nil to $2,350,000) depending on the extent to which the performance hurdle for each performance period has been satisfied.

To the extent that the vested LTI Opportunity in respect of a Performance Period is greater than nil, John will be granted performance rights calculated based on dividing the vested LTI Opportunity for the relevant performance period by the 30 day volume weighted average price (VWAP) of the Company's shares for the period up to and including 30 June of the relevant performance period. Rights granted will be granted shortly after announcement of the full-year results for the Performance Period ("Grant Date"), and will be granted as fully vested (which means they are not subject to any further service or performance conditions), however they will be subject to a 2-year holding period from the Grant Date ("Holding Period").

During the Holding Period, John will be entitled to receive dividend equivalent cash payments (Dividend Equivalents) calculated based on the cash amount plus franking credit (if any) of any dividends paid on shares during the Holding Period that would have been received had John been holding the shares rather than Rights. Rights can be exercised after the end of the Holding Period for a period of 10 years from the Grant Date. No amount is payable on grant or exercise of the Rights.

The table below sets out the maximum LTI opportunity for each performance period:

EBIT Growth threshold	LTI Opportunity FY26 Performance Period	LTI Opportunity FY27 Performance Period	LTI Opportunity FY28 Performance Period
Less than 18.5%	nil	nil	nil
18.5%	$188,000	$188,000	$188,000
19.5%	$376,000	$376,000	$376,000
20.5%	$564,000	$564,000	$564,000
21.5%	$752,000	$752,000	$752,000
22.5%	$940,000	$940,000	$940,000
23.5%	$1,128,000	$1,128,000	$1,128,000
24.5%	$1,316,000	$1,316,000	$1,316,000
25.5%	$1,504,000	$1,504,000	$1,504,000
26.5%	$1,692,000	$1,692,000	$1,692,000
27.5%	$1,880,000	$1,880,000	$1,880,000
28.5%	$2,068,000	$2,068,000	$2,068,000
29.5%	$2,256,000	$2,256,000	$2,256,000
Greater than or equal to 30.0%	$2,350,000	$2,350,000	$2,350,000

The terms of the FY25 Global CEO LTI Plan noted above were approved by shareholders at the 2025 Annual General Meeting, with the actual number of Performance Rights to be issued subject to confirmation based on the above description at each vesting date.

Performance against the FY26 EBIT Hurdle is calculated based on growth on FY25 Statutory EBIT. The actual EBIT for the financial year ended 28 June 2026 was $158.2m, representing growth of 14.1% on FY25. As a result, subsequent to the end of this financial year the Board have determined that none of the FY26 CEO LTI Opportunity has vested.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.2 Principles Used to Determine the Nature and Amount of Remuneration (continued)

B. Remuneration Structure (continued)

FY2026 Executive LTI Plan

On 12 December 2025 an LTI Award was made to certain Executives (including the Group Chief Financial Officer) as part of the FY2026 LTI, comprising Performance Rights and a Cash component. The key terms associated with the FY2026 Executive LTI Grant are:

- The performance period commences 30 June 2025 and ends 2 July 2028, with the LTI Award vesting evenly over the 3 year period.
- Upon vesting of the Performance Rights and conversion to shares, the shares will be subject to a 12-month holding restriction period (this does not apply to the Cash component).
- A total of 38,601 Performance Rights were granted, based on a total grant value of $1,178,544 divided by the 30 day VWAP of the Company's Shares to the start of the performance period of $30.53. The LTI Award also included a Cash component totalling $1,178,550, with the total LTI Award value $2,357,090. The cash component is paid out annually at equal tranches over the 3 year period. The LTI Award value was determined based on a percentage of the relevant executive's fixed remuneration as determined by the Board.

For the Performance Rights and Cash Award to vest, the Group needs to meet or exceed the following performance hurdles based on the Group's Earnings Before Interest and Tax for the FY26 financial year and continued employment with the Group as follows:

Tranche	End of Performance Period	Primary Performance Hurdle	Secondary Performance Hurdle
Tranche 1	28 June 2026	Growth in Company EBIT for FY26 of between 18.5% (8% vesting) to 30% (100% vesting) over FY25 (FY26 EBIT Hurdle)	Continued employment at the vesting date
Tranche 2	27 June 2027	Growth in Company EBIT for FY26 of between 18.5% (8% vesting) to 30% (100% vesting) over FY25 (FY26 EBIT Hurdle)	Continued employment at the vesting date
Tranche 3	2 July 2028	Growth in Company EBIT for FY26 of between 18.5% (8% vesting) to 30% (100% vesting) over FY25 (FY26 EBIT Hurdle)	Continued employment at the vesting date

The FY26 EBIT Hurdle is calculated based on growth on FY25 Statutory EBIT. Once the FY26 EBIT Hurdle performance has been determined and the resulting vesting percentage determined for Tranche 1, this vesting percentage will also be applied to Tranche 2 and 3 assuming continued employment at the vesting date for each of those tranches. The actual EBIT for the financial year ended 28 June 2026 was $158.2m, representing growth of 14.1% on FY25. As a result, subsequent to the end of this financial year the Board have determined that none of the LTI Award granted under Tranche 1 has vested, and accordingly all of the three tranches of this LTI Award have lapsed in full.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.2 Principles Used to Determine the Nature and Amount of Remuneration (continued)

B. Remuneration Structure (continued)

FY2025 Executive LTI Plan

On 12 December 2024 an LTI Award was made to certain Executives (including the Group Chief Financial Officer) as part of the FY2025 LTI, comprising Performance Rights and a Cash component. The key terms associated with the FY2025 Executive LTI Grant are:

- The performance period commenced 1 July 2024 and ends 27 June 2027, with the LTI Award vesting evenly over the 3 year period.
- Upon vesting of the Performance Rights and conversion to shares, the shares would be subject to a 12-month holding restriction period (this does not apply to the Cash component).
- A total of 26,331 Performance Rights were granted, based on a total grant value of $764,891 divided by the 30 day VWAP of the Company's Shares to the date of grant of $29.05. The LTI Award also included a Cash component totalling $764,891, with the total LTI Award value $1,529,782. The cash component is paid out annually at equal tranches over the 3 year period. The LTI Award value was determined based on a percentage of the relevant executive's fixed remuneration as determined by the Board.

For the Performance Rights and Cash Award to vest, the Group needed to meet or exceed the following performance hurdles based on the Group's Earnings Before Interest and Tax for the FY25 financial year and continued employment with the Group as follows:

Tranche	End of Performance Period	Primary Performance Hurdle	Secondary Performance Hurdle
Tranche 1	29 June 2025	Growth in Company EBIT for FY25 of between 18.5% (20% vesting) to 25% (100% vesting) over FY24 (FY25 EBIT Hurdle)	Continued employment at the vesting date
Tranche 2	28 June 2026	Growth in Company EBIT for FY25 of between 18.5% (20% vesting) to 25% (100% vesting) over FY24 (FY25 EBIT Hurdle)	Continued employment at the vesting date
Tranche 3	27 June 2027	Growth in Company EBIT for FY25 of between 18.5% (20% vesting) to 25% (100% vesting) over FY24 (FY25 EBIT Hurdle)	Continued employment at the vesting date

The FY25 EBIT Hurdle was calculated based on growth on FY24 Statutory EBIT. Once the FY25 EBIT Hurdle performance was determined and the resulting vesting percentage determined for Tranche 1, this vesting percentage would also be applied to Tranche 2 and 3 assuming continued employment at the vesting date for each of those tranches. The actual EBIT for the financial year ended 29 June 2025 was $138.7m, representing growth of 8.2% on FY24. As a result, during the current financial year the Board have determined that none of the LTI Award granted under Tranche 1 has vested, and accordingly all of the three tranches of this LTI Award have lapsed in full.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.2 Principles Used to Determine the Nature and Amount of Remuneration (continued)

B. Remuneration Structure (continued)

FY2024 Executive LTI Plan

On 6 September 2023 an LTI Award was made to certain Executives (including the Group Chief Financial Officer) as part of the FY2024 LTI, comprising Performance Rights and a Cash component. The key terms associated with the FY2024 Executive LTI Grant are:

- The performance period commences 3 July 2023 and ends 28 June 2026, with the LTI Award vesting evenly over the 3 year period.
- Upon vesting of the Performance Rights and conversion to shares, the shares will be subject to a 12-month holding restriction period (this does not apply to the Cash component).
- A total of 34,170 Performance Rights were granted, based on a total grant value of $670,758 divided by the 30 day VWAP of the Company's Shares to the date of grant of $19.63. The LTI Award also included a Cash component totalling $670,758, with the total LTI Award value $1,341,516. The cash component is paid out annually at equal tranches over the 3 year period. The LTI Award value was determined based on a percentage of the relevant executive's fixed remuneration as determined by the Board.

For the Performance Rights and Cash Award to vest, the Group needed to meet or exceed the following performance hurdles based on the Group's Earnings Before Interest and Tax for the FY24 financial year and continued employment with the Group as follows:

Tranche	End of Performance Period	Primary Performance Hurdle	Secondary Performance Hurdle
Tranche 1	30 June 2024	Growth in Company EBIT for FY24 of between 17.5% (20% vesting) to 30% (100% vesting) over FY23 (FY24 EBIT Hurdle)	Continued employment at the vesting date
Tranche 2	29 June 2025	Growth in Company EBIT for FY24 of between 17.5% (20% vesting) to 30% (100% vesting) over FY23 (FY24 EBIT Hurdle)	Continued employment at the vesting date
Tranche 3	28 June 2026	Growth in Company EBIT for FY24 of between 17.5% (20% vesting) to 30% (100% vesting) over FY23 (FY24 EBIT Hurdle)	Continued employment at the vesting date

The FY24 EBIT Hurdle was calculated based on growth on FY23 Statutory EBIT. The actual EBIT for the financial year ended 30 June 2024 was $128.2m, representing growth of 21.2% on FY23. As a result, during the current financial year the Board have determined that 43.8% of the LTI Award granted under Tranche 1 has vested, with an equivalent vesting percentage to be applied to the subsequent tranches and those LTI Awards also vesting should each executive remain employed at the subsequent vesting dates. As a result, 4,986 Tranche 2 rights vested (including 1,268 in relation to KMP) and were converted to shares for the relevant executives during FY26, with cash LTI payments made totalling $78,285 (including $24,911 in relation to KMP). Based on the continued employment of executives entitled to Tranche 3 above at 28 June 2026 a further 3,986 rights vested and were eligible to be issued to executives subsequent to financial year end (including 1,268 in relation to KMP), with the Tranche 3 cash LTI payment also eligible to be made subsequent to financial year end totalling $78,285 (including $24,911 in relation to KMP).

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.2 Principles Used to Determine the Nature and Amount of Remuneration (continued)

B. Remuneration Structure (continued)

FY2023 Executive LTI Plan

On 29 August 2022 an LTI Award was made to certain Executives (including the Group Chief Financial Officer) as part of the FY2023 LTI, comprising Performance Rights and a Cash component. The key terms associated with the FY2023 Executive LTI Grant are:

- The performance period commenced 4 July 2022 and ended 29 June 2025, with the LTI Award vesting evenly over the 3 year period.
- Upon vesting of the Performance Rights and conversion to shares, the shares will be subject to a 12-month holding restriction period (this does not apply to the Cash component).
- A total of 53,757 Performance Rights were granted, based on a total grant value of $752,645 divided by the 30 day VWAP of the Company's Shares to the date of grant of $14.00. The LTI Award also included a Cash component totalling $752,645, with the total LTI Award value $1,505,290. The cash component is paid out annually at equal tranches over the 3 year period. The LTI Award value was determined based on a percentage of the relevant executive's fixed remuneration as determined by the Board.

For the Performance Rights and Cash Award to vest, the Group needed to meet or exceed the following performance hurdles based on the Group's Earnings Before Interest and Tax for the FY23 financial year and continued employment with the Group as follows:

Tranche	End of Performance Period	Primary Performance Hurdle	Secondary Performance Hurdle
Tranche 1	2 July 2023	Growth in Company EBIT for FY23 of between 17.5% (20% vesting) to 30% (100% vesting) over FY22 (FY23 EBIT Hurdle)	Continued employment at the vesting date
Tranche 2	30 June 2024	Growth in Company EBIT for FY23 of between 17.5% (20% vesting) to 30% (100% vesting) over FY22 (FY23 EBIT Hurdle)	Continued employment at the vesting date
Tranche 3	29 June 2025	Growth in Company EBIT for FY23 of between 17.5% (20% vesting) to 30% (100% vesting) over FY22 (FY23 EBIT Hurdle)	Continued employment at the vesting date

The FY23 EBIT Hurdle was calculated based on growth on FY22 Statutory EBIT adjusted to remove the 53rd week of trading in FY22 to ensure comparability between periods. The actual EBIT for the financial year ended 2 July 2023 was $105.7m, representing growth of 31.5% on FY22 (on a 52 week basis). As a result, subsequent to the end of the 2023 financial year the Board determined that 100% of the LTI Award granted under Tranche 1 had vested, with an equivalent vesting percentage to be applied to the subsequent tranches and those LTI Awards also vesting should each executive remain employed at the subsequent vesting dates. As a result, 17,919 Tranche 3 rights vested (including 3,869 in relation to KMP) and were converted to shares for the relevant executives during FY26, with cash LTI payments made totalling $212,420 (including $54,167 in relation to KMP).

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.3 Equity Remuneration Analysis

Analysis of Performance Rights over Equity Instruments Granted as Compensation

Details of the vesting profile of performance rights awarded as remuneration to each key management person are detailed below.

	Performance Rights granted			Grant date	Included in Remuneration for the current year $	% vested in the period	% forfeited in the period	End of financial period in which grant vests	Maximum Value yet to vest (ii)
	Number	Value $	Performance period commences						
J Cheston									
FY25 CEO LTIP Tranche 1 (FY26 Vesting) (iii)	N/A	2,350,000	30-Jun-25	4-Jun-25	(64,845)	-	(iv)	27-Jun-27	-
FY25 CEO LTIP Tranche 2 (FY27 Vesting) (iii)	N/A	2,350,000	29-Jun-26	4-Jun-25	501,287	-	-	2-Jul-28	1,812,802
FY25 CEO LTIP Tranche 3 (FY28 Vesting) (iii)	N/A	2,350,000	28-Jun-27	4-Jun-25	346,472	-	-	1-Jul-29	1,978,718
C Lauder									
FY24 LTIP Tranche 3 (FY26 vesting)(i)	2,898	62,090	3-Jul-23	6-Sep-23	10,077	43.8%	56.2%	28-Jun-26	-
FY25 Exec LTIP Tranche 1 (FY25 vesting)(i)	2,154	62,563	1-Jul-24	12-Dec-24	-	-	100%	28-Jun-26	-
FY25 Exec LTIP Tranche 2 (FY26 vesting)(i)	2,154	62,563	1-Jul-24	12-Dec-24	-	-	100%	n/a	-
FY25 Exec LTIP Tranche 3 (FY27 vesting)(i)	2,154	62,563	1-Jul-24	12-Dec-24	-	-	100%	n/a	-
FY26 Exec LTIP Tranche 1 (FY26 vesting)(i)	3,192	97,456	30-Jun-25	12-Dec-25	-	-	(iv)	27-Jun-27	-
FY26 Exec LTIP Tranche 2 (FY27 vesting)(i)	3,192	97,456	30-Jun-25	12-Dec-25	-	-	(iv)	27-Jun-27	-
FY26 Exec LTIP Tranche 3 (FY28 vesting)(i)	3,192	97,456	30-Jun-25	12-Dec-25	-	-	(iv)	2-Jul-28	-

(i) During FY23, Mr Lauder was granted an LTI Award comprising 3 Tranches vesting over the period FY23 to FY25, to a total value of $325,000, comprising Performance Rights granted across the 3 tranches totalling $162,500 resulting in the grant of a total of 11,607 Performance Rights, and a cash component also totalling $162,500. During FY24, Mr Lauder was granted an LTI Award comprising 3 Tranches vesting over the period FY24 to FY26, to a total value of $341,250 at calculation date, comprising Performance Rights granted across the 3 tranches based on an allocation at calculation date of $170,625 resulting in the grant of a total of 8,692 Performance Rights (with a fair value at grant date of $186,271), and a cash component totalling $170,625. During FY25, Mr Lauder was granted an LTI Award comprising 3 Tranches vesting over the period FY25 to FY27, to a total value of $375,375 at calculation date, comprising Performance Rights granted across the 3 tranches based on an allocation at calculation date of $187,686 resulting in the grant of a total of 6,462 Performance Rights, and a cash component totalling $187,689. During FY26, Mr Lauder was granted an LTI Award comprising 3 Tranches vesting over the period FY26 to FY28, to a total value of $584,738 at calculation date, comprising Performance Rights granted across the 3 tranches based on an allocation at calculation date of $292,369 resulting in the grant of a total of 9,576 Performance Rights (with a fair value at grant date of $322,519), and a cash component totalling $292,369.

(ii) The maximum value of performance rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of share rights yet to vest is nil since the shares will be forfeited if the vesting conditions are not met.

(iii) During FY25, Mr Cheston was granted long term incentives as set out at 9.2 above, including LTI Opportunities vesting over the financial years 2026, 2027 and 2028. Whilst the vesting of these LTI Opportunities may result in the grant of Performance Rights at vesting date, the number of performance rights to be granted under each tranche of the grant cannot yet be determined, with the amount expensed in the current financial year based on an estimate of the value expected to vest over the life of the plan.

(iv) The vesting outcome of these rights is known at the date of this report for these tranches, as detailed in 9.2B above.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.3 Equity Remuneration Analysis (continued)

Analysis of Performance Rights over Equity Instruments Granted as Compensation (continued)

The value of performance rights or LTI Opportunities granted or exercised by each key management person during the financial year is detailed below:

Key Management Person	Granted in year $(i)	No. of shares issued on exercise	Value of rights exercised in year $
J Cheston	-	-	-
C Lauder	292,368	5,137	195,411

(i) The value of performance rights granted in the year is the fair value of the performance rights calculated at grant date. The total value of the performance rights granted is included in the table above. This amount is allocated to remuneration over the vesting period. For the LTI Opportunity granted to Mr Cheston during FY25 to a total value of $7,050,000, Performance Rights will only be granted at the time of vesting based on the achievement of the relevant performance hurdles set out in this report.

9.4 Performance Rights Over Equity Instruments

The movement during the reporting period in the number of performance right over ordinary shares in Lovisa Holdings Limited held directly or beneficially, by each key management person, including their related parties, is as follows:

Key Management Person	Held at 30 June 2025	Granted	Exercised	Forfeited	Held at 28 June 2026	Vested during the year	Vested and exercisable at 28 June 2026
Directors							
J Cheston							
- FY25 LTIP	-	-	-	-	-	-	-
Executives							
C Lauder							
- FY23 LTIP (Tranche 3)	3,869	-	(3,869)	-	-	(iii)	-
- FY24 LTIP (Tranche 2)	1,268	-	(1,268)	-	-	(iii)	-
- FY24 LTIP (Tranche 3)	1,269	-	-	-	1,269	43.8%	1,269
- FY25 LTIP (Tranche 1)	2,154	-	-	(2,154)	-	-	(i)
- FY25 LTIP (Tranche 2)	2,154	-	-	(2,154)	-	-	(i)
- FY25 LTIP (Tranche 3)	2,154	-	-	(2,154)	-	-	(i)
- FY26 LTIP (Tranche 1)	-	3,192	-	-	3,192	-	(ii)
- FY26 LTIP (Tranche 2)	-	3,192	-	-	3,192	-	(ii)
- FY26 LTIP (Tranche 3)	-	3,192	-	-	3,192	-	(ii)

(i) 0% vesting of FY25 Tranche 1 rights was determined during the financial year, with the remaining 100% of each of Tranche 1, 2 and 3 of the FY25 LTI therefore forfeited.

(ii) 0% vesting of FY26 Tranche 1 rights is known at the date of this report, with the remaining 100% of each of Tranche 1, 2 and 3 of the FY26 LTI therefore forfeited.

(iii) Performance rights vested as at 29 June 2025 and exercised during the current financial year.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.5 Details of Remuneration

Details of the remuneration of the Directors and Key Management Personnel (KMPs) is set out below.

	Year	Short Term Employment Benefits				Post-Employment Benefits	Long Term Benefits		Share Based Payments	
		Salary & Fees ($)	Other monetary benefits ($)	Performance based payment ($)	Annual Leave ($)	Super Contributions ($)	Long Service Leave ($)	Performance based payment ($)	Performance Rights ($)	Total ($)
NON-EXEC DIRECTORS										
B Blundy	**2026**	**240,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**240,000**
	2025	240,000	-	-	-	-	-	-	-	240,000
T Blundy	**2026**	**87,387**	**-**	**-**	**-**	**10,487**	**-**	**-**	**-**	**97,874**
	2025	87,387	-	-	-	10,066	-	-	-	97,453
B Carter	**2026**	**97,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**97,000**
	2025	97,000	-	-	-	-	-	-	-	97,000
J Charlton	**2026**	**78,378**	**-**	**-**	**-**	**9,405**	**-**	**-**	**-**	**87,783**
	2025	78,378	-	-	-	9,029	-	-	-	87,407
S J Alt	**2026**	**77,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**77,000**
	2025	77,000	-	-	-	-	-	-	-	77,000
N van der Merwe	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2025	-	-	-	-	-	-	-	-	-
TOTAL NON-EXEC DIRECTORS	**2026**	**579,765**	**-**	**-**	**-**	**19,892**	**-**	**-**	**-**	**599,657**
	2025	579,765	-	-	-	19,095	-	-	-	598,860
EXEC DIRECTORS										
J Cheston (i)	**2026**	**2,261,883**	**982,983**	**-**	**177,973**	**30,000**	**38,532**	**-**	**782,914**	**4,274,285**
	2025	356,787	626,302	-	12,713	8,637	2,752	-	125,566	1,132,757
M McInnes (ii)	**2026**	**2,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,000,000**
	2025	144,444	-	-	-	-	-	-	-	144,444
V Herrero (iii)	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2025	1,871,976	72,889	-	-	-	-	219,901	1,127,183	3,291,949
OTHER KMP										
C Lauder	**2026**	**715,127**	**-**	**-**	**62,199**	**30,000**	**16,278**	**12,794**	**10,077**	**846,475**
	2025	648,771	-	125,125	67,921	29,935	19,868	44,304	120,996	1,056,920
TOTAL EXEC	**2026**	**4,977,010**	**982,983**	**-**	**240,172**	**60,000**	**54,810**	**12,794**	**792,991**	**7,120,760**
	2025	3,021,978	699,191	125,125	80,634	38,572	22,620	264,205	1,373,745	5,626,070

(i) John Cheston commenced as Global Chief Executive Officer and Managing Director on 4 June 2025. Prior to that date, Mr Cheston provided services to the Company under a consultancy arrangement under which he was paid $195,834 for the period April to May 2025. Mr Cheston was also paid a sign-on bonus during FY25 of $400,000 which is included as Other Monetary Benefits above. He was also paid a further sign-on payment of $1,209,285 in October 2025, with the cost of that payment being recognised over the period from his commencement until its payment in October 2025, with $226,302 included in Other Monetary Benefits above in FY25 and $982,983 in FY26.

(ii) Mark McInnes commenced as an Executive Director and KMP on 4 June 2025.

(iii) Victor Herrero commenced as Chief Executive Officer on 9 November 2021 and ceased employment with the company on 31 May 2025. Included in Other Monetary Benefits is remuneration related to car allowance and reimbursement of personal costs related to life insurance and tax advice. Mr Herrero's LTI award included both cash and equity settled components subject to performance conditions over the performance periods ending 3 July 2022, 2 July 2023 and 30 June 2024, with the associated expense recognised over the relevant performance period.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.6 Details of KMP Employment Contracts

The remuneration and other terms of employment of the CEO and CFO are set out in individual employment contracts. Chris Lauder's employment contract is not subject to a fixed term. Notice periods under these employment contracts are as follows:

Name	Notice period/termination payment
John Cheston	12 months' notice by either party (or payment in lieu). Where Mr Cheston's employment is terminated due to serious misconduct or gross negligence, Mr Cheston's employment may be terminated immediately without any pay in lieu and the stated notice period will not apply.
Mark McInnes	The consulting agreement governing the engagement of Mark McInnes as Executive Deputy Chairman can be terminated at any time by either party.
Chris Lauder	6 months' notice by either party (or payment in lieu). Where Mr Lauder's employment is terminated due to serious misconduct or gross negligence, Mr Lauder's employment may be terminated immediately without any pay in lieu and the stated notice period will not apply.

9. REMUNERATION REPORT - AUDITED (CONTINUED)

9.7 Consequences of Performance on Shareholder Wealth

In considering the consolidated entity's performance and the benefits for shareholder wealth, the People, Remuneration and Nomination Committee has regard to a range of indicators in respect of senior executive remuneration and linked these to the previously described short and long term incentives.

The following table presents these indicators showing the impact of the Group's performance on shareholder wealth, during the financial years:

	2026	2025	2024	2023	2022
Earnings before interest and tax ($000)	158,222	138,701	128,177	105,742	82,684
Net profit after tax ($000)	95,590	86,332	82,411	68,164	58,387
Dividends paid	88,589	96,323	88,851	80,874	59,103
Share Price	$23.25	$30.91	$32.87	$19.30	$14.26
Earnings per share	86.3	78.1	75.4	63.3	54.3

KMP Shareholdings

The following table details the ordinary shareholdings and the movements in the shareholdings of KMP (including their personally related entities) for the financial year ended 28 June 2026.

No. of shares	Held at 30 June 2025	Shares Purchased	Shares Purchased from Options and Rights	Shares Sold	Other Movements	Held at 28 June 2026
Non-executive Directors						
B Blundy	43,207,500	595,000	-	-	-	43,802,500
T Blundy	653,005	-	-	-	-	653,005
B Carter	15,000	45,000	-	-	-	60,000
J Charlton	29,000	6,000	-	-	-	35,000
S J Alt	-	-	-	-	-	-
N van der Merwe (alternate)	-	-	-	-	-	-
Executive Directors						
J Cheston	-	-	-	-	-	-
M McInnes	-	-	-	-	-	-
Executive						
C Lauder	131,552	-	5,137	(37,738)	-	98,951

10. INSURANCE OF OFFICERS AND INDEMNITIES

During the financial year, Lovisa Holdings Limited paid a premium of $286,100 (2025: $325,000) to insure the Directors and officers of the Group.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

11. AUDIT SERVICES

11.1 Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 85 and forms part of this Directors' Report.

11.2 Audit and Non-Audit Services Provided by the External Auditor

During the financial year ended 28 June 2026 the following fees were paid or were due and payable for services provided by the external auditor, KPMG, of the Consolidated Entity:

Consolidated Entity	2026 ($)	2025 ($)
Audit services		
Audit and review of financial statements	795,866	898,869
Other services		
Sustainability assurance	70,000	-
Tax compliance services	529,626	600,505
Other services	135,388	150,426
	1,530,880	1,649,800

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board of Directors has considered the position and, in accordance with advice received from the Audit, Business Risk and Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit, Business Risk and Compliance Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

12. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

13. ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Directors believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the entity.

14. NON-IFRS FINANCIAL INFORMATION

This report contains certain non-IFRS financial measures of historical financial performance. The measures are used by management and the Directors for the purpose of assessing the financial performance of the Group and individual segments. The measures are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or controllable factors which affect IFRS measures, to aid the user in understanding the Group's performance. These measures are not subject to audit.

15. ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' Report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Directors

Brett

Brett Blundy
Non-Executive Chairman

John Cheston
Global Chief Executive Officer

Melbourne, 26 August 2026

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

SUSTAINABILITY REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 June 2026

	Note	28 June	29 June
Consolidated ($000s)		**2026**	**2025**
Assets			
Cash and cash equivalents	C5	46,735	42,633
Trade and other receivables	B1	29,682	27,090
Current tax receivables		4,223	3,404
Inventories	B2	70,733	81,137
Total current assets		151,373	154,264
Deferred tax assets	A7	23,239	22,302
Property, plant and equipment	B3	159,763	157,150
Right-of-use asset	B4	356,846	359,739
Intangible assets and goodwill	B5	4,816	4,978
Total non-current assets		544,664	544,169
Total assets		696,037	698,433
Liabilities			
Trade and other payables	B7	67,717	78,813
Employee benefits - current	B9	11,497	11,363
Provisions - current	B8	2,650	2,566
Lease liability - current	B10	87,829	82,869
Derivatives	C4	413	840
Current tax liabilities		15,348	12,571
Total current liabilities		185,454	189,022
Employee benefits - non current	B9	788	623
Lease liability - non current	B10	331,166	339,774
Provisions - non current	B8	12,505	11,752
Deferred tax liabilities	A7	1,163	1,711
Loans and borrowings - non current	C3	87,000	77,000
Total non-current liabilities		432,622	430,860
Total liabilities		618,076	619,882
Net assets		77,961	78,551
Equity			
Issued capital	C1	215,714	215,714
Common control reserve		(208,906)	(208,906)
Other reserves		(3,796)	4,307
Retained earnings		74,949	67,436
Total equity		77,961	78,551

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the financial year ended 28 June 2026

Consolidated ($000s)	Note	2026	2025
Revenue	A2	938,763	798,133
Cost of sales	B2	(163,430)	(143,463)
Gross profit		775,333	654,670
Salaries and employee benefits expense	A3	(280,394)	(237,447)
Property expenses	A3	(55,972)	(49,366)
Distribution costs	B2	(22,194)	(21,267)
Depreciation and amortisation expense		(131,289)	(108,571)
Loss on disposal of property, plant and equipment		(2,755)	(902)
Impairment expense	A4	(8,879)	(858)
Other income		992	204
Other expenses	A3	(116,620)	(97,762)
Operating profit		158,222	138,701
Finance income		650	443
Finance costs		(24,789)	(20,960)
Net finance costs		(24,139)	(20,517)
Profit before tax		134,083	118,184
Income tax expense	A7	(38,493)	(31,852)
Profit after tax		95,590	86,332
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Cash flow hedges		590	(557)
Foreign operations - foreign currency translation differences		(9,160)	2,324
		(8,570)	1,767
Other comprehensive income, net of tax		(8,570)	1,767
Total comprehensive income		87,020	88,099
Profit attributable to:			
Owners of the Company		95,590	86,332
		95,590	86,322
Total comprehensive income attributable to:			
Owners of the Company		87,020	88,099
Total comprehensive income for the year		87,020	88,099
Earnings per share			
Basic earnings per share (cents)	A5	86.32	78.12
Diluted earnings per share (cents)	A5	86.29	78.08

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 28 June 2026

Attributable to Equity Holders of the Company

Consolidated ($000s)	Note	Share Capital	Common Control Reserve	Retained Earnings	Share Based Payments Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Total Equity
Balance at 1 July 2024		214,852	(208,906)	54,100	18,228	10	2,002	80,286
Total comprehensive income for the year								
Profit		-	-	86,332	-	-	-	86,332
Cash flow hedges		-	-	-	-	(557)	-	(557)
Foreign operations - foreign currency translation differences		-	-	-	-	-	2,324	2,324
Total comprehensive income for the year		-	-	86,332	-	(557)	2,324	88,099
Capital contributions	C1	862	-	-	-	-	-	862
Employee share schemes	D3	-	-	-	5,627	-	-	5,627
Transfers from Reserves		-	-	23,327	(23,327)	-	-	-
Dividends	A6	-	-	(96,323)	-	-	-	(96,323)
Total transactions with owners of the company		862	-	(72,996)	(17,700)	-	-	(89,834)
Balance at 29 June 2025		215,714	(208,906)	67,436	528	(547)	4,326	78,551
Balance at 30 June 2025		215,714	(208,906)	67,436	528	(547)	4,326	78,551
Total comprehensive income for the year								
Profit		-	-	95,590	-	-	-	95,590
Cash flow hedges		-	-	-	-	590	-	590
Foreign operations - foreign currency translation differences		-	-	-	-	-	(9,160)	(9,160)
Total comprehensive income for the year		-	-	95,590	-	590	(9,160)	87,020
Capital contributions	C1	-	-	-	-	-	-	-
Employee share schemes	D3	-	-	-	979	-	-	979
Transfers from Reserves		-	-	512	(512)	-	-	-
Dividends	A6	-	-	(88,589)	-	-	-	(88,589)
Total transactions with owners of the company		-	-	(88,077)	467	-	-	(87,610)
Balance at 28 June 2026		215,714	(208,906)	74,949	995	43	(4,834)	77,961

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 28 June 2026

Consolidated ($000s)	Note	2026	2025
Cash flows from operating activities			
Cash receipts from customers		1,057,727	897,837
Cash paid to suppliers and employees		(763,231)	(654,553)
Cash generated from operating activities		294,496	243,284
Interest received		650	443
Interest paid		(24,789)	(20,960)
Income taxes paid		(37,593)	(14,854)
Net cash from operating activities	C5	232,764	207,913
Cash flows from investing activities			
Acquisition of fixed assets		(68,844)	(61,033)
Proceeds from fit out contributions		10,507	6,181
Acquisition of key money intangibles	B5	(141)	(317)
Net cash used in investing activities		(58,478)	(55,169)
Cash flows from financing activities			
Share options exercised		-	862
Facility proceeds	C3	10,000	23,000
Payment of lease liabilities	B10	(89,152)	(70,604)
Dividends paid	A6	(88,589)	(96,323)
Net cash used in financing activities		(167,741)	(143,065)
Net increase in cash and cash equivalents		6,545	9,679
Cash and cash equivalents at the beginning of the year	C5	42,633	30,520
Effect of movement in exchange rates on cash held		(2,443)	2,434
Cash and cash equivalents at the end of the year	C5	46,735	42,633

The notes on pages 35 to 74 are an integral part of these consolidated financial statements.

SETTING THE SCENE

Lovisa Holdings Limited (the "Company") is a for-profit company incorporated and domiciled in Australia with its registered office at Level 1, 818-820 Glenferrie Road, Hawthorn, Victoria 3122. The consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually the "Group companies"). The Group is primarily involved in the retail sale of fashion jewellery and accessories.

Lovisa Holdings Limited reports within a retail financial period. The current financial year represents a 52 week period ended on 28 June 2026 (2025: 52 week period ended 29 June 2025). This treatment is consistent with section 323D of Corporations Act 2001.

The consolidated financial statements of the Group for the financial year ended 28 June 2026 were authorised for issue by the Board of Directors on 26 August 2026.

Basis of accounting

The consolidated financial statements and supporting notes form a general purpose financial report. It:

- Has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards (AASBs) including Australian Accounting Interpretations, adopted by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) and Interpretations as issued by the International Accounting Standards Board;
- Has been prepared on a historical cost basis except for derivative financial instruments which are measured at fair value;
- Presents reclassified comparative information where required for consistency with the current year's presentation;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 30 June 2025. These do not result in significant impacts on the FY26 Consolidated Financial Statements;
- Does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective except as disclosed in note D9; and
- Has been prepared on a going concern basis of accounting. At 28 June 2026, the Group's statement of financial position is in a net current liability position of $34.1m, primarily due to current lease liabilities of $87.8m, with net assets of $78.0m. The Group's approach to managing liquidity risk is detailed in note C4 and the Group's undrawn credit facilities are detailed in note C3. The Group continues to be able to meet its financial obligations as and when they fall due and remains a going concern.

Use of judgements and estimates

In preparing these consolidated financial statements, management has made a number of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Judgements and estimates which are material to the financial statements are outlined below.

Assumptions and estimation uncertainties

In making estimates of future performance, key assumptions and judgements have been stress tested for the impacts of prevailing economic conditions.

Global economic conditions remain uncertain and with a number of our markets continuing to experience above average levels of inflation and associated high interest rates, this may slow demand and consumer spending across the broader global economy.

In respect of these financial statements, the impact of the uncertainties arising from these economic conditions is primarily relevant to estimates of future performance, which is in turn relevant to the areas of impairment of non-financial assets.

In all scenarios modelled, the liquidity requirements of the Group are within the available facilities and are forecast to meet financial covenants.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the financial year ended 28 June 2026 are included in the following notes:

- Note B2 - inventories: recognition and measurement of stock provisioning;
- Note B6 – impairment test: key assumptions underlying recoverable amounts, including the recoverability of goodwill and key money; and

- Note B10 - recognition and measurement of lease liabilities: key assumptions underlying the lease term including the exercise or not of options or break clauses.

Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note B6). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see note C1).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Acquisition of assets

The Group accounts for asset purchases by allocating the transaction price to the individual assets and liabilities acquired based on their relative fair values at the date of purchase.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct activities of the entity.

The financial results of subsidiaries are included in the consolidated financial information from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

Translation of foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Lovisa at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign currency operation is disposed of, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss on disposal of the entity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

About the Notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- The amount with respect to the information is significant because of its size or nature;
- The information is important for understanding the results of the Group;
- It helps to explain the impact of significant changes in the Group's business; or
- It relates to an aspect of the Group's operations that is important to its future performance.

Subsequent events

Other than the dividend determined to be paid as set out in note A6, no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial years.

BUSINESS PERFORMANCE

This section highlights key financial performance measures of the Lovisa Group's operating segments, as well as Group financial metrics incorporating revenue, earnings, taxation and dividends.

A1 OPERATING SEGMENTS

(a) Basis for segmentation

The Chief Operating Decision Maker (CODM) for Lovisa Holdings Limited and its controlled entities is the Global Chief Executive Officer (CEO). For management purposes, the Group is organised into geographic segments to review sales by territory as the CODM relies primarily on revenue to assess the performance of the segment and make decisions about resources to be allocated. All territories offer similar products and services and are managed by sales teams in each territory reporting to regional management, however overall company performance is managed on a global level by the Global CEO and the Group's management team. Store performance is typically assessed at an individual store level. The individual stores are reportable segments but meet the aggregation criteria to form reportable segments at a geographic level.

The Group's stores exhibit similar long-term financial performance and economic characteristics within each geography, which include:

a. Consistent products are offered;

b. All stock sold utilises common design processes and products are sourced from the same supplier base; and

c. Customer base is similar.

(b) Geographic information

The segments have been disclosed on a regional basis consisting of Australia and New Zealand, Asia (Singapore, Malaysia, Hong Kong, Taiwan, Vietnam, and China), Africa/Middle East (South Africa, Botswana, Namibia, Zambia and United Arab Emirates), Americas (United States of America, Canada, and Mexico), and Europe (United Kingdom, Spain, France, Luxembourg, Belgium, Germany, Netherlands, Austria, Switzerland, Poland, Italy, Hungary, Romania, and Ireland) and the Group's franchise stores in the Middle East, Africa, and South America. Geographic revenue information is included in note A2.

In presenting the following information, segment assets were based on the geographic location of the assets.

	2026	2025
($000s)	**Non-current assets (i)**	**Non-current assets (i)**
Australia / New Zealand (ii)	76,276	77,371
Asia	9,911	10,082
Africa / Middle East	14,695	12,181
Europe	244,617	238,912
Americas	171,110	178,343
Total	516,609	516,889

(i) Excluding financial instruments, deferred tax assets, employee benefit assets and intangible assets.

(ii) Australia's non-current assets as at 28 June 2026 are $68,469,000 (2025: $72,430,000).

A2 REVENUE

Revenue by nature and geography

The geographic information below analyses the Group's revenue by region. In presenting the following information, segment revenue has been based on the geographic location of customers.

($000s)	**2026**	**2025**
Sale of Goods		
Australia / New Zealand (i)	193,373	204,958
Asia	36,744	38,208
Africa / Middle East	65,747	58,286
Europe	364,261	281,208
Americas	275,932	212,968
Total Sale of Goods	936,057	795,628
Franchise Revenue		
South America	1,002	918
Middle East	779	1,028
Africa	925	559
Total Franchise Revenue	2,706	2,505
Total Revenue	938,763	798,133

(i) Australia's revenue for the year ended 28 June 2026 is $170,280,000 (2025: $180,190,000)

Revenue recognition and measurement

Revenue is recognised when the customer obtains control of the goods, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns and trade discounts. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Revenue from the sale of fashion jewellery is recognised when the customer obtains control of the goods. A right of return provision has been recognised in line with the Group's returns policy and in line with the requirements of AASB 15 along with a right to recover returned goods asset. The right of return provision decreases revenue and the right to recover returned goods decreases cost of sales.

Franchise income

Franchise income, earned as a percentage of franchisee sales, is recognised on an accrual basis.

A3 EXPENSES

Expenses by nature

Consolidated ($000s)	**2026**	**2025**
Property expenses		
Variable lease expenses	11,403	12,175
Outgoings	44,569	37,191
Total property expenses	55,972	49,366
Salaries and employee benefits expense		
Wages and salaries	254,245	214,873
Compulsory social security contributions	25,071	20,449
Increase in liability for long-service leave	280	426
LTI - Cash component	(27)	438
Share-based payment expense	825	1,261
Total salaries and employee benefits expense	280,394	237,447
Other expenses		
Administrative expenses	38,922	27,618
Banking expenses	16,750	13,231
Data and communication expenses	19,403	17,056
Legal and consulting expenses	9,217	9,711
Third party service providers	7,347	6,065
Other expenses	24,981	24,081
Total other expenses	116,620	97,762

A4 IMPAIRMENT

Amounts recognised in profit or loss

Consolidated ($000s)	2026	2025
Store impairment charges	8,878	1,582
Key money impairment charges	86	84
Reversal of store impairment charges	(85)	(808)
	8,879	858

During the year ended 28 June 2026, net impairment expense of $8,879,000 (2025: $858,000) was included within the consolidated statement of profit or loss and other comprehensive income. This impairment expense was in the Americas, Europe and Asian regions. Refer to note B6.

A5 EARNINGS PER SHARE (EPS)

Calculation methodology

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

EPS for profit attributable to ordinary shareholders of Lovisa Holdings Limited

	2026	2025
Basic EPS (cents)	86.32	78.12
Diluted EPS (cents)	86.29	78.08
Profit attributable to ordinary shareholders ($000s)	95,590	86,332
Weighted average number of ordinary shares for basic EPS (shares)	110,734,026	110,510,088
Weighted average number of ordinary shares and potential ordinary shares for diluted EPS (shares)	110,776,613	110,564,310

	2026	2025
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	110,734,026	110,510,088
Adjustments for calculation of diluted earnings per share:		
- Performance rights	42,587	54,222
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	110,776,613	110,564,310

Information concerning the classification of securities

i) Performance rights

Performance rights granted to employees under the Lovisa Holdings Long Term Incentive Plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required hurdles would have been met based on the Group's performance up to the reporting date, and to the extent to which they are dilutive. The options and performance rights have not been included in the determination of basic earnings per share. Details relating to the options and performance rights are set out in note D3.

At 28 June 2026, no performance rights (2025: nil) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

A6 DIVIDENDS

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and the timing and method of payment.

The following dividends were paid by the Company for the year.

Consolidated ($000s)	**2026**	**2025**
27.0 cents per qualifying ordinary share, unfranked (2025: 37.0 cents, unfranked)	29,897	40,965
53.0 cents per qualifying ordinary share, 50% franked (2025: 50.0 cents, unfranked)	58,692	55,358
	88,589	96,323

After the reporting date, the following dividends were proposed by the Board of Directors. The dividends have not been recognised as liabilities and there are no tax consequences.

Consolidated ($000s)	**2026**	**2025**
33.0 cents per qualifying ordinary share, 50% franked (2025: 27.0 cents, unfranked)	36,544	29,893
	36,544	29,893

Consolidated ($000s)	**2026**	**2025**
Dividend franking account		
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2025: 30%)	2,088	878

A7 INCOME TAXES

Recognition and measurement

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Excluded from the scope of the initial recognition exemption are single transactions that give rise to equal and offsetting temporary differences, such as leases. The associated deferred tax assets and liabilities are recognised at inception.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

A7 INCOME TAXES (CONTINUED)

(a) Amounts recognised in profit or loss

Consolidated ($000s)	2026	2025
Current tax expense		
Current period	41,990	31,346
Changes in estimates related to prior years	(74)	379
	41,916	31,725
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(2,908)	1,203
Changes in temporary differences related to prior years	(515)	(1,076)
	(3,423)	127
Total income tax expense	38,493	31,852

(b) Reconciliation of effective tax rate

Consolidated ($000s)	2026	2025
Profit before tax from continuing operations	134,083	118,184
Tax at the Australian tax rate of 30% (2025: 30%)	40,225	35,455
Effect of tax rates in foreign jurisdictions	(3,288)	(2,938)
Non-deductible expenses	688	382
Recognition of tax effect of previously unrecognised tax losses	(343)	(380)
Current year losses for which no deferred tax asset is recognised	4	1,258
Other movements	1,173	(1,341)
Changes in estimate related to prior years	(592)	(1,598)
Withholding tax payable	626	1,014
Total current period tax expense	38,493	31,852

Effective tax rates (ETR)

Bases of calculation of each ETR

Global operations – Total consolidated tax expense ETR: IFRS calculated total consolidated company income tax expense divided by total consolidated accounting profit on continuing operations.

Australian operations – Australian company income tax expense ETR: IFRS calculated company income tax expense for all Australian companies and Australian operations of overseas companies included in these consolidated financial statements, divided by accounting profit derived by all Australian companies included in these consolidated financial statements.

Percentage	2026	2025
ETR		
Global operations – Total consolidated tax expense	28.7%	27.0%
Australian operations – Australian company income tax expense	30.8%	27.9%

A7 INCOME TAXES (CONTINUED)

(c) Deferred tax assets and liabilities reconciliation

Unused tax losses for which no deferred tax asset has been recognised total $3,250,000 (2025: $3,880,000).

	Statement of financial position		Statement of profit or loss	
Consolidated ($000s)	**2026**	**2025**	**2026**	**2025**
Property, plant and equipment	(34)	3,727	3,402	(6,038)
Employee benefits	3,412	3,265	(116)	(637)
Long term incentives	148	214	34	10,641
Provisions	1,916	1,510	(442)	101
Other items	1,420	1,078	(609)	(65)
Lease liabilities	103,603	94,775	8,827	27,646
Right-of-use assets	(92,734)	(84,689)	(9,700)	(31,210)
Transaction costs	11	22	11	36
Carry forward tax losses	4,334	689	(4,830)	(347)
Deferred tax expense	-	-	(3,423)	127
Net deferred tax assets	22,076	20,591		
Presented in the Statement of financial position as follows:				
Deferred tax assets	23,239	22,302		
Deferred tax liability	1,163	1,711		

The amount of deferred tax charged to equity is $261,000 (2025: $10,054,000).

(d) Expected settlement of deferred tax balances

Consolidated ($000s)	**2026**	**2025**
Deferred tax assets expected to be settled within 12 months	41,927	34,253
Deferred tax assets expected to be settled after 12 months	77,683	76,256
	119,610	110,509
Deferred tax liabilities expected to be settled within 12 months	21,080	19,035
Deferred tax liabilities expected to be settled after 12 months	76,454	70,883
	97,534	89,918
Net deferred tax assets	22,076	20,591

Global minimum tax framework

The OECD Pillar Two global minimum tax rules introduce a 15% minimum effective tax rate for large multinational groups with annual consolidated revenue of €750 million or more.

As at 28 June 2026, the Group does not meet the €750 million revenue threshold required for the Pillar Two rules to apply and is therefore not within the scope of the legislation. Accordingly, no Pillar Two top-up tax liability has arisen and no current tax expense has been recognised in relation to Pillar Two during the year (2025: nil).

In accordance with AASB 112 Income Taxes, the Group has applied the mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

ASSET PLATFORM

This section outlines the key operating assets owned and liabilities incurred by the Group.

B1 TRADE AND OTHER RECEIVABLES

Recognition and measurement

Trade and other receivables are initially recognised at fair value and subsequently stated at their amortised cost using the effective interest method, less impairment losses.

Consolidated ($000s)	**Note**	**2026**	**2025**
Trade receivables		3,177	2,461
Deposits		4,397	6,475
Prepayments		13,953	10,140
Other receivables (i)		8,155	8,014
		29,682	27,090

(i) Other receivables include landlord fit-out contributions receivable.

Impairment of receivables

The Group applies the simplified approach under AASB 9 and recognises lifetime expected credit losses for trade receivables. Expected credit losses are measured based on historical loss experience, current conditions and forward-looking information. Receivables are written off when there is no reasonable expectation of recovery.

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables is disclosed in note C4.

B2 INVENTORIES

Recognition and measurement

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost includes the product purchase cost, import freight and duties together with other costs incurred in bringing inventory to its present location and condition using the weighted average cost method. All stock on hand relates to finished goods.

Costs of goods sold comprises purchase price from the supplier, cost of shipping product from supplier to warehouse, shrinkage and obsolescence. Warehouse and outbound freight costs are reported as distribution expenses. Inventories recognised as expenses during 2026 and included in cost of sales amount to $158,077,000 (2025: $138,017,000).

During 2026, inventories of $20,999,000 (2025: $14,929,000) were written down to net realisable value and included in cost of sales.

B3 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Owned Assets

Items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of acquired assets includes estimates of the costs of dismantling and removing the items and restoring the site on which they are located where it is probable that such costs will be incurred.

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

Depreciation and amortisation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life on all property, plant and equipment.

The residual value, the useful life and the depreciation method applied to an asset are re-assessed at least annually.

B3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing disposal proceeds with the carrying amount of the disposed asset and are recognised in the profit or loss in the year the disposal occurs.

Reconciliation of carrying amount

Consolidated ($000s)	Note	Leasehold improvements	Hardware and software	Fixtures and fittings	Total
Depreciation policy		Lease term	3 years	3 years	
Cost					
Balance at 1 July 2024		235,048	13,586	3,013	251,647
Additions		53,453	11,924	216	65,593
Disposals		(3,103)	(201)	-	(3,304)
Effect of movements in exchange rates		11,141	609	58	11,808
Balance at 29 June 2025		296,539	25,918	3,287	325,744
Balance at 30 June 2025		296,539	25,918	3,287	325,744
Additions		50,991	14,493	91	65,575
Disposals		(10,318)	(864)	-	(11,182)
Effect of movements in exchange rates		(16,355)	(894)	(60)	(17,309)
Balance at 28 June 2026		320,857	38,653	3,318	362,828

Consolidated ($000s)	Note	Leasehold improvements	Hardware and software	Fixtures and fittings	Total
Accumulated depreciation and impairment losses					
Balance at 1 July 2024		(113,628)	(11,703)	(2,728)	(128,059)
Depreciation		(31,356)	(4,320)	(253)	(35,929)
Impairment		(452)	-	-	(452)
Disposals		2,531	191	-	2,722
Effect of movements in exchange rates		(6,381)	(460)	(35)	(6,876)
Balance at 29 June 2025		(149,286)	(16,292)	(3,016)	(168,594)
Balance at 30 June 2025		(149,286)	(16,292)	(3,016)	(168,594)
Depreciation		(33,552)	(10,313)	(230)	(44,095)
Impairment		(8,676)	-	-	(8,676)
Disposals		7,756	565	-	8,321
Effect of movements in exchange rates		9,344	593	42	9,979
Balance at 28 June 2026		(174,414)	(25,447)	(3,204)	(203,065)
Carrying amounts					
At 30 June 2024		121,420	1,883	285	123,588
At 29 June 2025		147,253	9,626	271	157,150
At 28 June 2026		146,443	13,206	114	159,763

B4 RIGHT-OF-USE ASSET

The Group has leases for retail stores, offices and warehouse facilities. The leases run for a period of 3 to 10 years but may have extension options as described below.

Consolidated ($000s)	Note	Total
Cost		
Balance at 1 July 2024		482,082
Additions		118,682
Re-measurement of lease liabilities		42,236
Effect of movements in exchange rates		34,714
Balance at 29 June 2025		677,714
Balance at 30 June 2025		677,714
Additions		92,517
Re-measurement of lease liabilities		15,341
Effect of movements in exchange rates		(41,179)
Balance at 28 June 2026		744,393

Consolidated ($000s)	Note	Total
Accumulated depreciation and impairment losses		
Balance at 1 July 2024		(230,683)
Depreciation charges for the year		(72,619)
Impairments		(188)
Effect of movements in exchange rates		(14,485)
Balance at 29 June 2025		(317,975)
Balance at 30 June 2025		(317,975)
Depreciation charges for the year		(87,154)
Impairments		(117)
Effect of movements in exchange rates		17,699
Balance at 28 June 2026		(387,547)
Carrying amounts		
At 30 June 2024		251,399
At 29 June 2025		359,739
At 28 June 2026		356,846

Accounting policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. It may subsequently be reduced by impairment losses and adjusted for certain remeasurements of the lease liability.

B4 RIGHT-OF-USE ASSET (CONTINUED)

Accounting policy (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by adjusting its current borrowing rates with market specific interest rates obtained from external financing sources.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Variable lease payments: Leases may include variable lease payments, including payments that are variable based on a percentage of sales, depend on an index or rate, as well as variable payments for items such as property taxes, insurance, promotion spend, and other operating expenses associated with leased assets. Such variable lease payments are excluded from the calculation of the right-of-use asset and are recognised in the period in which the obligation is incurred.

Low value assets: The Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets, such as office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Recognition and measurement

Additions to right-of-use assets represent leases for new stores. Right-of-use assets have been adjusted for the re-measurement of lease liabilities due to changes to existing lease terms, including extensions to existing lease terms. As a result of re-measurement adjustments exceeding the carrying value of the right-of-use asset, a gain of $992,000 has been recognised in other income in the statement of profit or loss and other comprehensive income during the year ended 28 June 2026 (2025: $204,000).

At 28 June 2026, the Group has executed leases for which the lease commencement date has not yet occurred. These leases have a duration of up to 10 years and once commenced will result in an increase in lease liabilities and right-of-use assets, on a total basis, of approximately $12,265,000 (2025: $9,298,000).

Expenses relating to variable lease payments not included in lease liabilities of $11,403,000 have been recognised in the statement of profit or loss and other comprehensive income for the year ended 28 June 2026 (2025: $12,175,000).

B5 INTANGIBLE ASSETS AND GOODWILL

Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Key Money

Key money represents expenditure associated with acquiring existing operating lease agreements for company-operated stores in countries where there is an active market for key money (e.g. regularly published transaction prices), also referred to as 'rights of use'. Key money is not amortised but annually tested for impairment. Key money in countries where there is not an active market for key money is amortised over the contractual lease period.

B5 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Consolidated ($000s)	**Note**	**Key Money**	**Goodwill**
Balance at 1 July 2024		2,379	2,040
Additions		317	-
Disposals		-	-
Impairment		(84)	-
Amortisation		(24)	-
Effect of movements in exchange rates		282	68
Balance at 29 June 2025		2,870	2,108
Balance at 30 June 2025		2,870	2,108
Additions		141	-
Disposals		-	-
Impairment		(86)	-
Amortisation		(40)	-
Effect of movements in exchange rates		(218)	41
Balance at 28 June 2026		2,667	2,149

B6 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS AND GOODWILL

Recognition and measurement

Impairment

The carrying amounts of the Group's goodwill and indefinite life intangibles are tested for impairment at each reporting period. Property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in line with the calculation methodology listed below.

Cash-generating units

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Goodwill is tested at the level at which it is monitored, identified by the Group at the country level. Key money is tested at the store level. Property, plant and equipment and right-of-use assets are tested at the store level when there is an indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. The Group uses value in use for the purposes of impairment testing, with the estimated future cash flows discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Sensitivity analysis is performed on this modelling by using a range of discount rates reflecting the potential risk of variability in the underlying forecasts or regional or market specific risks.

Cash flow forecasts

Cash flow forecasts are based on the Group's most recent plans and are based on expectations of future outcomes having regard to market demand and past experience, incorporating individual trading environment and risks specific to the CGU. For store level tests, cash flow forecasts are modelled for the length of the lease, identified as the essential asset for store CGUs. No terminal value is reflected in store level tests.

Discount rates

The Group applies a post-tax discount rate to post-tax cash flows. The post-tax discount rates incorporate a risk adjustment relative to the risks associated with the specific CGU (geographic position or otherwise), with a high and low range used to apply sensitivity analysis to the cash flow modelling.

B6 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Key assumptions for the impairment testing carried out at 28 June 2026

Stores with indicators of impairment at 28 June 2026 were identified in certain of the Group's markets, requiring more detailed testing for certain stores. The following key assumptions were utilised for this impairment testing:

- Discount rate by country applied based on a high and low range to provide sensitivity analysis. The discount rates applied to store tests in these countries were in the range of 6% to 18% pre-tax (2025: 10% to 15% pre-tax).
- Growth rate based on expected sales profile by market with a longer term growth rate assumption of 3% in relation to sales and costs to allow for inflationary impacts until the end of the lease term which is considered to be the essential asset. No terminal value is included in discounted cash flow modelling at store level.

As a result of this testing, an impairment expense of $8,964,000 was recognised for store fit-out, lease right-of-use assets and key money (2025: $1,666,000 for store fit-out and lease right-of-use assets) for a number of stores in the Americas, Europe and Asian regions. The impairments are not material at an individual store level. Refer to notes B3, B4 and B5 for further detail.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in previous years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. Prior years' impairment losses totalling $85,000 were reversed during the current year (2025: $808,000).

B7 TRADE AND OTHER PAYABLES

Recognition and measurement

Liabilities for trade payables and other amounts are carried at their amortised cost. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Consolidated ($000s)	**2026**	**2025**
Trade payables	34,915	47,329
Accrued expenses	32,802	31,484
	67,717	78,813

Trade payables are unsecured and are usually paid within 30 days of recognition. Information about the Group's exposure to currency and liquidity risk is included in note C4.

B8 PROVISIONS

Recognition and measurement

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

In accordance with the Group's legal requirements, a provision for site restoration in respect of make good of leased premises is recognised when the premises are occupied. The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

Since the adoption of AASB 16 Leases from 1 July 2019, site restoration is now capitalised as part of the lease right-of-use asset and depreciated over the life of the lease term. For prior periods the amount of the provision for future restoration costs was capitalised as part of leasehold improvements and depreciated over the estimated useful life of the leasehold improvements.

B8 PROVISIONS (CONTINUED)

Consolidated ($000s)	**Site restoration**	**Return provision**	**Total**
Balance at 30 June 2025	13,550	768	14,318
Provisions made during the year	2,191	510	2,701
Provisions used during the year	(643)	(319)	(962)
Effect of movement in exchange rates	(852)	(50)	(902)
Balance at 28 June 2026	14,246	909	15,155
Current	1,741	909	2,650
Non-current	12,505	-	12,505
	14,246	909	15,155

B9 EMPLOYEE BENEFITS

Recognition and measurement

Long-term service benefits

The Group's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using high quality Australian corporate bond rates at the balance sheet date which have maturity dates approximating to the terms of the Group's obligations.

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Consolidated ($000s)	**2026**	**2025**
Current		
Liability for annual leave	10,532	10,450
Liability for long-service leave	965	913
Non-Current		
Liability for long-service leave	788	623
Total employee benefit liabilities	12,285	11,986

For details on the related employee benefit expenses, see note A3.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

B10 LEASE LIABILITIES

The Group has leases for retail stores, offices and warehouse facilities. The leases run for a period of 3 to 10 years but may have extension options as described below.

Consolidated ($000s)	Note	Total
Balance at 1 July 2024		305,067
Liability recognised during the period		122,675
Re-measurement of lease liabilities		42,949
Lease payments		(86,645)
Interest		16,040
Effect of movements in exchange rates		22,557
Balance at 29 June 2025		**422,643**
Balance at 30 June 2025		422,643
Liability recognised during the period		96,913
Re-measurement of lease liabilities		15,653
Lease payments		(108,866)
Interest		19,714
Effect of movements in exchange rates		(27,062)
Balance at 28 June 2026		**418,995**
Current lease liability		87,829
Non-current lease liability		331,166
		418,995

Accounting policy

Refer to note B4.

Recognition and measurement

Additions to lease liabilities represent leases for new stores. Lease liabilities have been re-measured due to changes to existing lease terms, including extensions to existing lease terms and exercise of break clauses.

The Group has executed leases for which the lease commencement date has not yet occurred and therefore the lease liability has not been recognised at 28 June 2026, refer to note B4.

The timing of the contractual cash flows for the lease liabilities are disclosed in note C4(b).

RISK & CAPITAL MANAGEMENT

This section discusses the Group's capital management practices, as well as the instruments and strategies utilised by the Group in minimising exposures to and impact of various financial risks on the financial position and performance of the Group.

C1 CAPITAL AND RESERVES

Recognition and measurement

Ordinary shares

Initially, share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(a) Share capital

	No. of Ordinary Shares		Value of Ordinary Shares	
	2026	**2025**	**2026**	**2025**
Share Capital	**'000's**	**'000's**	**'000's**	**'000's**
On issue at beginning of year	110,716	109,693	315,073	281,560
Shares issued to Employee Share Trust	23	1,023	871	33,513
On issue at end of year	110,739	110,716	315,944	315,073
Treasury Shares				
On issue at beginning of year	-	-	(99,359)	(66,708)
Shares issued to Employee Share Trust	(23)	(1,023)	(871)	(33,513)
Shares returned to Employee Share Trust	(8)	-	-	-
Shares allocated on option/rights exercise	23	1,023	-	862
	-	-	(100,230)	(99,359)
Share Capital After Treasury Shares	110,731	110,716	215,714	215,714

All ordinary shares rank equally with regard to the Company's residual assets.

(i) Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of these shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

(ii) Treasury shares

Treasury shares are shares in Lovisa Holdings Limited that are held by the Lovisa Holdings Limited Share Trust for the purposes of issuing shares under the Long Term Incentive Plans. When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share capital.

C1 CAPITAL AND RESERVES (CONTINUED)

(b) Nature and purpose of reserves

(i) Common control reserve

The Group's accounting policy is to use book value accounting for common control transactions. The book value used is the book value of the transferor of the investment. Book value accounting is applied on the basis that the entities are part of a larger economic group, and that the figures from the larger group are the relevant ones. In applying book value accounting, no entries are recognised in profit or loss; instead, the result of the transaction is recognised in equity as arising from a transaction with shareholders.

The book value (carry-over basis) is accounted for on the basis that the investment has simply been moved from one Group owner to a new Group Company. In applying book value accounting, an adjustment may be required in equity to reflect any difference between the consideration received and the aggregated capital of the transferee. The adjustment is reflected in the 'common control reserve' capital account.

(ii) Foreign currency translation reserve

The translation reserve reflects all foreign currency differences of the international entities upon translation to the Group's functional currency.

(iii) Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

(iv) Share-based payments reserve

The share-based payments reserve is used to recognise:
- the grant date fair value of options and performance rights issued to employees but not exercised
- the grant date fair value of shares issued to employees

C2 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

C3 LOANS AND BORROWINGS

Recognition and measurement

Loans and borrowings are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is included in note C4.

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

		28 June 2026				29 June 2025			
Consolidated ($000s)	Currency	Nominal interest rate	Year of maturity	Facility Limit	Amount Drawn	Nominal interest rate	Year of maturity	Facility Limit	Amount Drawn
Cash advance facility	AUD	5.5%	2029	120,000	87,000	5.8%	2026	100,000	77,000

The Group holds the following lines of credit with its lenders ("the facilities"):

- $120 million revolving cash advance facility (29 June 2025: $100 million)
- $47 million uncommitted multi-option trade finance and contingent liability facilities available for the issuance of global letters of credit and bank guarantees and import/trade finance (29 June 2025: $45 million).
- $3 million committed bank overdraft facility (29 June 2025: nil).

The above facilities are unsecured and are subject to customary covenants being a gearing ratio and fixed-charge coverage ratio, reported on every six months. The Group has been in compliance with these requirements through the year ended 28 June 2026 (29 June 2025: compliant). These facilities were amended and extended during the year ended 28 June 2026, extending the maturity date to 30 January 2029 and providing improved terms including the removal of security requirements previously in place.

In addition to the above facilities, the Group holds lines of credit in certain of its overseas markets which are solely for the purpose of providing bank guarantees as security for store lease agreements.

Credit facilities for bank guarantees in Belgium (EUR 600,000), Switzerland (CHF 550,000) and the UK (in relation to Jewells Retail Limited – GBP 1.5 million) are unsecured and subject to annual credit reviews.

Facilities with other banks are secured either by standby letters of credit or restricted savings accounts, that is they are cash collateralised.

Refer to note D2(a) for guarantees outstanding at 28 June 2026.

C4 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(a) Fair values

Recognition and measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has established a control framework with respect to the measurement of fair values. This includes overseeing all significant fair value measurements, including Level 3 fair values, by the CFO.

The Group periodically reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group Audit, Business Risk and Compliance Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the financial year during which the change has occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

28 June 2026		**Carrying Amount**				**Fair Value**			
Consolidated ($000s)	**Note**	**Hedging instruments**	**Loans and receivables**	**Other financial assets/ liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at fair value									
Derivatives		413	-	-	413	-	413	-	413
		413	-	-	413	-	413	-	413
Financial assets not measured at fair value									
Trade and other receivables	B1	-	29,682	-	29,682	-	-	-	-
Cash and cash equivalents	C5	-	46,735	-	46,735	-	-	-	-
		-	76,417	-	76,417	-	-	-	-
Financial liabilities not measured at fair value									
Bank loans	C3	-	87,000	-	87,000	-	-	-	-
Trade and other payables	B7	-	-	67,717	67,717	-	-	-	-
		-	87,000	67,717	154,717	-	-	-	-

C4 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

(a) Fair values (continued)
Recognition and measurement (continued)

29 June 2025		Carrying Amount				Fair Value			
Consolidated ($000s)	Note	Hedging instruments	Loans and receivables	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value									
Derivatives		840	-	-	840	-	840	-	840
		840	-	-	840	-	840	-	840
Financial assets not measured at fair value									
Trade and other receivables	B1	-	27,090	-	27,090	-	-	-	-
Cash and cash equivalents	C5	-	42,633	-	42,633	-	-	-	-
		-	69,723	-	69,723	-	-	-	-
Financial liabilities not measured at fair value									
Secured bank loans	C3	-	77,000	-	77,000	-	-	-	-
Trade and other payables	B7	-	-	78,813	78,813	-	-	-	-
		-	77,000	78,813	155,813	-	-	-	-

(i) Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Forward exchange contracts	Market comparison technique: Fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date. These over-the-counter derivatives utilise valuation techniques maximising the use of observable market data where it is available.	None	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Bank loans	Discounted cash flows.	Not applicable.

(ii) Transfers between Level 1 and 2

There were no transfers between Level 1 and Level 2 during the year.

(iii) Level 3 fair values

There were no Level 3 financial assets or liabilities during the year.

C4 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

(b) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (b)(ii))
- liquidity risk (see (b)(iii))
- market risk (see (b)(iv))

(i) Risk Management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Audit, Business Risk and Compliance Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit, Business Risk and Compliance Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Committee's specific function with respect to risk management is to review and report to the Board that:

a) the Group's ongoing risk management program effectively identifies all areas of potential risk;

b) adequate policies and procedures have been designed and implemented to manage identified risks;

c) a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and

d) proper remedial action is undertaken to redress areas of weakness.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and deposits placed for leased outlets.

The Group's credit risk on its receivables is recognised on the consolidated statement of financial position at the carrying amount of those receivable assets, net of any provisions for doubtful debts. Receivable balances and deposit balances are monitored on a monthly basis with the result that the Group's exposure to bad debts is not considered to be material.

Credit risk also arises from cash and cash equivalents, deposits and derivatives with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted by Lovisa.

At the reporting date, the carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses, represents the Group's maximum exposure to credit risk. There were no significant concentrations of credit risk.

Past due but not impaired

As at 28 June 2026, no trade receivables were past due but not impaired (2025: nil). The other classes within trade and other receivables do not contain impaired assets and are not past due.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Cash flow forecasts are updated and monitored weekly.

The Group holds the following lines of credit with its lenders ("the facilities"):

- $120 million committed revolving cash advance facilities; and
- $47 million uncommitted multi-option trade finance and contingent liability facilities available for the issuance of global letters of credit and bank guarantees and import/trade finance; and
- $3 million committed bank overdraft facility.

In addition to the above facilities, the Group holds lines of credit in certain of its overseas markets which are solely for the purpose of providing bank guarantees as security for store lease agreements.

C4 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

(b) Financial risk management (continued)

(iii) Liquidity risk (continued)

Exposure to liquidity risk

The amounts disclosed below are gross and undiscounted and exclude interest payments and netting arrangements relating to bank loans and forward contracts. Interest payments relating to bank loans have not been included in the contractual cash flows due to the nature of the facility, where loan balances fluctuate throughout the year, making such amounts difficult to determine reliably. Lease liability cash flows include the associated interest component.

28 June 2026			**Contractual cash flows**				
Consolidated ($000s)	**Carrying amount**	**Total**	**2 mths or less**	**2-12 mths**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Trade payables	34,915	34,915	25,766	9,149	-	-	-
Bank loans	87,000	87,000	-	-	-	87,000	-
Lease liabilities	418,995	498,948	18,548	91,397	97,134	187,919	103,950
	540,910	620,863	44,314	100,546	97,134	274,919	103,950
Derivative financial liabilities							
Forward exchange contracts used for hedging:							
- Outflow	67,888	67,888	10,046	57,842	-	-	-
- Inflow	(67,475)	(67,475)	(9,740)	(57,735)	-	-	-
Total	413	413	306	107	-	-	-

The gross (inflows)/outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are usually not closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

The future cash flows on trade payables may be different from the amount in the above table as exchange rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

29 June 2025			**Contractual cash flows**				
Consolidated ($000s)	**Carrying amount**	**Total**	**2 mths or less**	**2-12 mths**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Trade payables	47,329	47,329	40,926	6,403	-	-	-
Secured bank loans	77,000	77,000	-	-	77,000	-	-
Lease liabilities	422,643	486,872	17,011	84,387	93,729	187,701	104,044
	546,972	611,201	57,937	90,790	170,729	187,701	104,044
Derivative financial liabilities							
Forward exchange contracts used for hedging:							
- Outflow	34,747	34,747	7,627	27,120	-	-	-
- Inflow	(33,907)	(33,907)	(7,411)	(26,496)	-	-	-
Total	840	840	216	624	-	-	-

C4 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

(b) Financial risk management (continued)

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Audit, Business Risk and Compliance Committee. The Group also applies hedge accounting in order to manage volatility in profit or loss.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The presentation currency of the Group is the Australian dollar (AUD) which is the functional currency of the majority of Lovisa. The currencies in which transactions are primarily denominated are Australian dollars, Euro, US dollars, British pounds and South African Rand.

The Company's foreign exchange policy is aimed at managing its foreign currency exposure in order to protect profit margins by entering into forward exchange contracts and currency options, specifically against movements in the USD rate against the AUD because inventory purchases are in USD.

The following table defines the range of cover that has been authorised by the Board relating to purchases over a defined period:

Exposure	Minimum Hedge Position	Neutral Hedge Position	Maximum Hedge Position
Purchases 0 to 6 months	60%	80%	100%
Purchases 7 to 9 months	40%	50%	75%
Purchases 10 to 12 months	30%	40%	50%

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	28 June 2026		29 June 2025	
In thousands of	EUR	USD	EUR	USD
Cash and cash equivalents	345	2,409	124	1,391
Trade receivables	-	1,701	-	1,608
Trade payables	(120)	(16,705)	(300)	(23,106)
Net statement of financial position exposure	225	(12,595)	(176)	(20,107)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD or EUR against all other currencies would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The translation of the net assets in subsidiaries with a functional currency other than the Australian dollar has not been included in the sensitivity analysis as part of the equity movement.

There is no impact on reserves in equity as the foreign currency denominated assets and liabilities represent cash, receivables and payables.

C4 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

(b) Financial risk management (continued)

(iv) Market risk (continued)

Sensitivity Analysis (continued)

	Profit or (loss)	
Effect in thousands of dollars	**Strengthening**	**Weakening**
28 June 2026		
EUR (5 percent movement)	(11)	12
USD (5 percent movement)	(663)	600
29 June 2025		
EUR (5 percent movement)	(9)	9
USD (5 percent movement)	(1,005)	1,005

Interest rate risk

The Group is subject to exposure to interest rate risk as changes in interest rates will impact borrowings which bear interest at floating rates. Any increase in interest rates will impact Lovisa's costs of servicing these borrowings which may adversely impact its financial position. This impact is not assessed to be material.

Increases in interest rates may also affect consumer sentiment and the level of customer demand, potentially leading to a decrease in consumer spending.

Cash flow sensitivity analysis for variable rate instruments

The Group's debt facilities all have variable interest rates. At 28 June 2026, if interest rates had changed by +/- 100 basis points from the year end rates with all other variables held constant, there would have been +/- $92,000 impact on pre tax profit for the year (29 June 2025: $72,000), as a result of higher/lower interest expense from variable rate borrowings. There is no impact on equity.

(c) Derivative assets and liabilities

The Group holds derivative financial instruments to manage its foreign currency risk exposures.

Recognition and measurement

Derivative financial instruments are recognised initially at fair value; any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are generally recognised in profit or loss.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Forward rate contracts

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a credit-adjusted risk-free interest rate (based on government bonds).

C4 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

(c) Derivative assets and liabilities (continued)

Forward rate contracts (continued)

The following table provides details of the derivative financial assets and liabilities included on the balance sheet:

	2026	2025
Derivatives		
Forward exchange contracts	(413)	(840)
	(413)	(840)

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments.

		2026				2025		
		Expected Cash Flows				Expected Cash Flows		
Consolidated ($000s)	Carrying Amount	Total	12 mths of less	More than 1 year	Carrying Amount	Total	12 mths of less	More than 1 year
Forward exchange contracts:								
Assets	-	-	-	-	-	-	-	-
Liabilities	(413)	(413)	(413)	-	(840)	(840)	(840)	-
	(413)	(413)	(413)	-	(840)	(840)	(840)	-

A gain of $606,000 was included in other expenses on foreign currency derivatives not qualifying as hedges (2025: loss of $180,000).

C5 CASH FLOWS

Recognition and measurement

Cash and cash equivalents comprise cash balances, and cash in transit and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Consolidated ($000s)	2026	2025
Bank balances		
Cash and cash equivalents in the statement of financial position (i) (ii)	46,735	42,633
Bank overdrafts used for cash management purposes	-	-
Cash and cash equivalents in the statement of cash flows	46,735	42,633

(i) Includes $168,000 (2025: $219,000) of cash in savings accounts to collateralise bank guarantees.

(ii) Includes $12,697,000 (2025: $14,070,000) relating to receivables from credit card merchants for electronic funds transfers, credit card and debit card point of sale transactions.

C5 CASH FLOWS (CONTINUED)

Reconciliation of cash flows from operating activities

Consolidated ($000s)	**Note**	**2026**	**2025**
Cash flows from operating activities			
Profit after tax		95,590	86,332
Adjustments for:			
Depreciation		131,289	108,571
Impairment expense		8,879	858
Gain on remeasurement of lease liability		(992)	(204)
Loss on sale of property, plant and equipment		2,755	902
Share based payments		825	1,261
Fair value adjustment to derivatives	C4	606	(547)
Exchange differences		(3,282)	(3,208)
		235,670	193,965
Change in inventories		10,405	(12,515)
Change in trade and other receivables (i)		(5,211)	(6,366)
Change in tax receivables		(819)	8,117
Change in deferred tax assets / (liabilities) (i)		(1,332)	4,309
Change in trade and other payables (i)		(7,828)	13,114
Change in current tax liabilities		2,778	4,300
Change in provisions and employee benefits (i)		(899)	2,989
Net cash from operating activities		232,764	207,913

(i) Net of changes in balances for non-operating activities.

OTHER INFORMATION

This section includes mandatory disclosures to comply with Australian Accounting Standards, the Corporations Act 2001 and other regulatory pronouncements.

D1 LIST OF SUBSIDIARIES

Set out below is a list of subsidiaries of the Group. All subsidiaries are wholly owned, unless otherwise stated.

Name	Principal place of business
Lovisa Australia Pty Ltd	Australia
Lovisa Pty Ltd	Australia
Lovisa Employee Share Plan Pty Ltd	Australia
Lovisa International Pte Ltd	Singapore
Lovisa Singapore Pte Ltd	Singapore
Lovisa Accessories Pty Ltd	South Africa
DCK Jewellery South Africa (Pty) Ltd	South Africa
Lovisa New Zealand Pty Ltd	New Zealand
Lovisa Malaysia Sdn Bhd	Malaysia
Lovisa UK Ltd	United Kingdom
Lovisa Global Pte Ltd	Singapore
Lovisa Complementos España SL	Spain
Lovisa America, LLC	United States of America
Lovisa France SARL	France
Lovisa Hong Kong Ltd	Hong Kong
Lovisa Germany GmbH	Germany
Lovisa Retail Germany GmbH	Germany
Lovisa Austria GmbH	Austria
Lovisa Belgium BV	Belgium
Lovisa Netherlands BV	Netherlands
Lovisa Switzerland AG	Switzerland
Lovisa Retail France SARL	France
Lovisa Luxembourg SARL	Luxembourg
Lovisa Canada Ltd	Canada
Lovisa Poland sp. Z o.o.	Poland
Lovisa Retail Mexico S.A. DE C.V.	Mexico
Lovisa Retail Namibia (Pty) Ltd	Namibia
Lovisa Italy S.R.L.	Italy
Lovisa Hungary Kft.	Hungary
Lovisa Portugal, Unipessoal LDA	Portugal
Lovisa Retail S.R.L.	Romania
Lovisa Ireland Limited	Ireland
Lovisa Taiwan Limited	Taiwan

D1 LIST OF SUBSIDIARIES (CONTINUED)

Name	Principal place of business
Lovisa (Shenzhen) Retail Company Ltd	China
Lovisa Macau Limited	Macau
Lovisa Botswana Propietary Limited	Botswana
Lovisa Fashion Accesories L.L.C.	United Arab Emirates
Lovisa Vietnam Company Limited	Vietnam
Lovisa Retail Zambia Limited	Zambia
Jewells Retail Limited	United Kingdom

D2 COMMITMENTS AND CONTINGENCIES

(a) Guarantees

The Group has guarantees outstanding to landlords and other parties to the value of $23,036,000 at 28 June 2026 (2025: $20,017,000). These are drawn against the bank guarantee facilities described in note C3.

(b) Capital commitments

The Group is committed to incur capital expenditure of $463,000 at 28 June 2026 (2025: $679,000).

(c) Contingent liabilities

A Group company was served with a representative class action proceeding that was filed in the Federal Court of Australia on 23rd January 2025 on behalf of retail store team employed by the Group in Australia between from 23rd January 2019 to 23rd January 2025. The applicants are represented by Adero Law.

The premise of the proceeding is that the Lovisa Enterprise Agreement 2014 and the Lovisa Enterprise Agreement 2022 applied to the applicants and that there were alleged underpayments under those agreements together with alleged associated contraventions of the Fair Work Act 2009 (Cth).

The Group is defending the proceeding. It is not possible to determine the ultimate impact of this claim, if any, on the Group. No provision has been recognised in respect of the year ended 28 June 2026.

This same contingent liability existed at 29 June 2025.

D3 SHARE-BASED PAYMENT ARRANGEMENTS

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(a) Descriptions of the share-based payment arrangements and performance rights

The Board has issued performance rights programmes that entitle key management personnel and senior management to acquire shares in the Company. Under these programmes, holders of vested rights are entitled to purchase shares at the relevant exercise price at the grant date. Currently, these programmes are limited to key management personnel and senior management.

All performance rights are to be settled by physical delivery of shares.

At 28 June 2026 the Group has the following share-based payment arrangements:

(i) Performance rights programmes (equity-settled)

Long Term Incentives - CEO Programme (FY 2025)

Tranche	*Grant Date*	**Number of Instruments Remaining**
Tranche 1	28 June 2026	Growth in Company EBIT for FY26 of between 18.5% (8% vesting) to 30% (100% vesting) over FY25 (FY26 EBIT Hurdle)
Tranche 2	27 June 2027	Growth in Company EBIT for FY27 of between 18.5% (8% vesting) to 30% (100% vesting) over FY26 (FY27 EBIT Hurdle)
Tranche 3	2 July 2028	Growth in Company EBIT for FY28 of between 18.5% (8% vesting) to 30% (100% vesting) over FY27 (FY28 EBIT Hurdle)

Following his appointment as Global Chief Executive Officer of the Group effective 4 June 2025, John Cheston was granted a 3-year LTI Grant in respect of each of the financial years FY26, FY27 and FY28 (LTI Offer) in the form of an annual LTI opportunity for each performance period of $2,350,000. The value of the vested LTI opportunity will be determined by the Board at the end of each performance period (in the range from nil to $2,350,000) depending on the extent to which the performance hurdle for each performance period has been satisfied.

To the extent that the vested LTI Opportunity in respect of a Performance Period is greater than nil, John will be granted performance rights calculated based on dividing the vested LTI Opportunity for the relevant performance period by the 30 day volume weighted average price (VWAP) of the Company's shares for the period up to and including 30 June of the relevant performance period. Rights granted will be granted shortly after announcement of the full-year results for the Performance Period ("Grant Date"), and will be granted as fully vested (which means they are not subject to any further service or performance conditions), however they will be subject to a 2-year holding period from the Grant Date ("Holding Period").

Rights can be exercised after the end of the Holding Period for a period of 10 years from the Grant Date. No amount is payable on grant or exercise of the Rights. At the end of the current financial year there were no performance rights on issue under the LTI Offer. Subsequent to the end of the financial year it was determined that the performance hurdle in relation to Tranche 1 has not been delivered and as a result this tranche has lapsed unvested.

Long Term Incentives - Annual Programmes (FY 2026)

Performance Right Programme	*Grant Date*	**Number of Instruments Remaining**	**Exercise Price ($)**	**Contractual Life of Rights**	**Vesting Conditions**
Performance Rights Granted					
FY 2026 LTI (Executive Tranche 1)	December 2025	12,867	-	1 Year	Refer Performance Rights Granted table below
FY 2026 LTI (Executive Tranche 2)	December 2025	12,867	-	2 Years	Refer Performance Rights Granted table below
FY 2026 LTI (Executive Tranche 3)	December 2025	12,867	-	3 Years	Refer Performance Rights Granted table below
		38,601			

D3 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

(a) Descriptions of the share-based payment arrangements and performance rights (continued)

(i) Performance rights programmes (equity-settled) (continued)

Long Term Incentives - Annual Programmes (FY 2026) (continued)

Tranche	*End of Performance Period*	**Primary Performance Hurdle**	**Secondary Performance Hurdle**
Tranche 1	28 June 2026	Growth in Company EBIT for FY26 of between 18.5% (8% vesting) to 30% (100% vesting) over FY25 (FY26 EBIT Hurdle)	Continued employment at the vesting date
Tranche 2	27 June 2027	Growth in Company EBIT for FY26 of between 18.5% (8% vesting) to 30% (100% vesting) over FY25 (FY26 EBIT Hurdle)	Continued employment at the vesting date
Tranche 3	2 July 2028	Growth in Company EBIT for FY26 of between 18.5% (8% vesting) to 30% (100% vesting) over FY25 (FY26 EBIT Hurdle)	Continued employment at the vesting date

During the financial year, 38,601 performance rights were granted to Executives. Subsequent to the end of the financial year, the Board have determined that based on performance against the FY26 EBIT Hurdle noted above, none of the Tranche 1 Executive Performance Rights above have vested. As a result, the full balance of 12,867 Tranche 1 Performance Rights have lapsed unvested, and therefore the balance of Tranche 2 and Tranche 3 Performance Rights of 25,734 have also lapsed unvested subsequent to the end of the financial year.

Long Term Incentives - Annual Programmes (FY 2025)

Performance Right Programme	*Grant Date*	**Number of Instruments Remaining**	**Exercise Price ($)**	**Contractual Life of Rights**	**Vesting Conditions**
Performance Rights Granted					
FY 2025 LTI (Executive Tranche 1)	December 2024	-	-	1 Year	Refer Performance Rights Granted table below
FY 2025 LTI (Executive Tranche 2)	December 2024	-	-	2 Years	Refer Performance Rights Granted table below
FY 2025 LTI (Executive Tranche 3)	December 2024	-	-	3 Years	Refer Performance Rights Granted table below
		-			

Tranche	*End of Performance Period*	**Primary Performance Hurdle**	**Secondary Performance Hurdle**
Tranche 1	29 June 2025	Growth in Company EBIT for FY25 of between 18.5% (20% vesting) to 25% (100% vesting) over FY24 (FY25 EBIT Hurdle)	Continued employment at the vesting date
Tranche 2	28 June 2026	Growth in Company EBIT for FY25 of between 18.5% (20% vesting) to 25% (100% vesting) over FY24 (FY25 EBIT Hurdle)	Continued employment at the vesting date
Tranche 3	27 June 2027	Growth in Company EBIT for FY25 of between 18.5% (20% vesting) to 25% (100% vesting) over FY24 (FY25 EBIT Hurdle)	Continued employment at the vesting date

During the prior financial year, 26,331 performance rights were granted to Executives. Subsequent to the end of the 2025 financial year, the Board determined that based on performance against the FY25 EBIT Hurdle noted above, none of the Tranche 1 Executive Performance Rights vested. As a result, the full balance of 8,777 Tranche 1 Performance Rights lapsed unvested, and therefore the balance of Tranche 2 and Tranche 3 Performance Rights of 17,554 also lapsed unvested during the financial year.

D3 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

(a) Descriptions of the share-based payment arrangements and performance rights (continued)

(i) Performance rights programmes (equity-settled) (continued)

Long Term Incentives - Annual Programmes (FY 2024)

Performance Right Programme	*Grant Date*	**Number of Instruments Remaining**	**Exercise Price ($)**	**Contractual Life of Rights**	**Vesting Conditions**
Performance Rights Granted					
FY 2024 LTI (Executive Tranche 1)	September 2023	-	-	1 Year	4,986 Performance Rights vested during the 2025 financial year, with 6,404 lapsed
FY 2024 LTI (Executive Tranche 2)	September 2023	-	-	2 Years	4,986 Performance Rights vested during the financial year, with 6,404 lapsed during the 2025 financial year as a result of the outcome of Tranche 1
FY 2024 LTI (Executive Tranche 3)	September 2023	3,986	-	3 Years	Refer Performance Rights Granted table below. 6,404 Performance Rights lapsed during the 2025 financial year as a result of the outcome of Tranche 1.
		3,986			

Tranche	*End of Performance Period*	**Primary Performance Hurdle**	**Secondary Performance Hurdle**
Tranche 1	30 June 2024	Growth in Company EBIT for FY24 of between 17.5% (20% vesting) to 30% (100% vesting) over FY23 (FY24 EBIT Hurdle)	Continued employment at the vesting date
Tranche 2	29 June 2025	Growth in Company EBIT for FY24 of between 17.5% (20% vesting) to 30% (100% vesting) over FY23 (FY24 EBIT Hurdle)	Continued employment at the vesting date
Tranche 3	28 June 2026	Growth in Company EBIT for FY24 of between 17.5% (20% vesting) to 30% (100% vesting) over FY23 (FY24 EBIT Hurdle)	Continued employment at the vesting date

During the 2024 financial year, 34,170 performance rights were granted to Executives. During the 2025 financial year, the Board determined that based on performance against the FY24 EBIT Hurdle noted above, 43.8% of the Tranche 1 Executive Performance Rights above had vested, equal to 4,986 Rights, with the remaining 6,404 Performance Rights lapsing unvested. This vesting percentage was then also applied to Tranche 2 and 3 vesting, which is based on continued employment at the end of the relevant performance periods. As a result, a further 12,808 Tranche 2 and 3 Performance Rights also lapsed unvested during the 2025 financial year. During the current financial year a further 4,986 of Tranche 2 Performance Rights were determined to have vested based on the continued employment of the relevant Executives at vesting date, with 1,000 Tranche 3 Performance Rights lapsing unvested as a result of the continued employment hurdle not being met.

D3 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

(b) Measurement of fair values

(i) Equity-settled share-based payment arrangements

The share price reference value used in determining the number of Performance Rights granted was based on the 30 day volume weighted average price (VWAP) of the Lovisa shares up to and including the relevant grant date, as follows:

Programme	Fair Value at Grant Date
FY 2024 LTI (Exec FY24)	$19.63
FY 2025 LTI (Exec FY25)	$29.05
FY 2026 LTI (Exec FY26)	$30.53

(c) Reconciliation of outstanding share options/rights

The number and weighted average exercise prices of share options and performance rights under the share options and rights programmes were as follows.

	Performance Rights		Share Options		
	Number 000's	Weighted average remaining life	Number 000's	Weighted average exercise price $	Weighted average remaining life
Outstanding at 1 July 2024	1,313	0.2 years	60	14.37	0.2 years
Granted during the year	26	-	-	-	-
Forfeited during the year	(322)	-	-	-	-
Exercised during the year	(963)	-	(60)	14.37	-
Outstanding at 29 June 2025	54	0.8 years	-	-	-
Exercisable at 29 June 2025	23		-	-	-
Exercisable at release of the Group's full year results	-		-	-	
Outstanding at 30 June 2025	54	0.8 years	-	-	-
Granted during the year	39	-	-	-	-
Forfeited during the year	(27)	-	-	-	-
Exercised during the year	(23)	-	-	-	-
Outstanding at 28 June 2026	43	1.1 years	-	-	-
Exercisable at 28 June 2026	4		-	-	-
Exercisable at release of the Group's full year results	-		-	-	

D3 SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

(d) Expenses recognised in profit or loss

For details on the related employee benefit expenses, see note A3.

D4 RELATED PARTIES

(a) Parent and ultimate controlling party

Lovisa Holdings Limited is the parent entity and ultimate controlling party in the Group comprising itself and its subsidiaries. Subsidiaries of the Group are listed in note D1.

(b) Transactions with key management personnel

(i) Key management personnel compensation

The key management personnel compensation comprised the following:

Consolidated ($)	**2026**	**2025**
Short-term employee benefits	6,779,930	4,506,693
Post-employment benefits	79,892	57,667
Share based payment	792,991	1,373,745
Termination benefits	-	-
Other long term benefits	67,604	286,825
	7,720,417	6,224,930

Compensation of the Group's key management personnel includes salaries and non-cash benefits (see note A3).

Detailed remuneration disclosures are provided in the Remuneration report on pages 15 to 27.

(ii) Key management personnel and Director transactions

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or joint control over these companies. There were no transactions or balances outstanding from these related parties during the period or at 28 June 2026 except for those disclosed in note D4(c) (29 June 2025: nil).

(c) Other related party transactions

	Transaction values for the year ended		**Balance outstanding as at**	
Consolidated ($)	**28 June 2026**	**29 June 2025**	**28 June 2026**	**29 June 2025**
a) Expenses				
Expense recharges	2,621,130	1,042,511	-	-
b) Sales				
Recharges	-	-	-	-

Included in expenses in the period is $240,000 relating to Directors fees for Brett Blundy in his capacity as Director and Chairman of the Company and $2,000,000 relating to Directors fees for Mark McInnes in his capacity as Executive Deputy Chairman of the Company. Transactions between the Lovisa Group and BB Retail Capital (BBRC) and its related parties have been disclosed above due to BBRC continuing to be in a position of holding significant influence in relation to the Group, with representation on the Board of Directors. Lovisa has, and will continue to benefit from the relationships that its management team and BBRC have developed over many years of retail operating experience. During the year, BBRC has recharged expenses relating to travel and conferences attended by Lovisa executives. Expense recharges are priced on an arm's length basis. The Group will continue to utilise BBRC's retail operating experience on an arm's length basis.

All outstanding balances with other related parties are priced on an arm's length basis and are to be settled in cash within two months post the end of the reporting year. None of the balances are secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

D5 AUDITORS' REMUNERATION

Consolidated ($)	**2026**	**2025**
a) KPMG		
Audit and review services		
Auditors of the Company - KPMG Australia		
Audit and review of financial statements	632,000	743,870
Network firms of KPMG Australia		
Audit and review of financial statements	163,866	154,999
Total remuneration for audit and review services	795,866	898,869
Other services		
Auditors of the Company - KPMG Australia		
In relation to sustainability assurance services	70,000	-
In relation to other assurance, taxation and due diligence services	164,447	128,066
Network firms of KPMG Australia		
In relation to other assurance, taxation and due diligence services	500,567	622,865
Total remuneration for other services	735,014	750,931
Total remuneration of KPMG	1,530,880	1,649,800
b) Non-KPMG audit firms		
Audit and review services		
Audit and review of financial statements	192,046	194,967
Total remuneration for audit and review services	192,046	194,967
Other services		
In relation to other assurance, taxation and due diligence services	86,997	50,974
Total remuneration for other services	86,997	50,974
Total remuneration of non-KPMG audit firms	279,043	245,941
Total auditors remuneration	1,809,923	1,895,741

D6 DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investment Commission, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- Lovisa Australia Pty Ltd
- Lovisa Pty Ltd

Both of these companies became a party to the Deed on 18 June 2015, by virtue of a Deed of Assumption.

A consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 28 June 2026 is set out as follows.

Statement of profit or loss and other comprehensive income and retained earnings

Consolidated ($000s)	**2026**	**2025**
Revenue	192,502	206,932
Cost of sales	(56,133)	(61,577)
Gross profit	136,369	145,355
Salaries and employee benefits expense	(81,458)	(72,885)
Property expenses	(5,514)	(6,618)
Distribution costs	(1,895)	(1,236)
Depreciation	(12,264)	(21,961)
Gain / (loss) on disposal of property, plant and equipment	(449)	(65)
Other income and expenses	29,484	14,921
Dividend income	48,464	27,568
Finance income	220	93
Finance costs	(7,672)	(6,972)
Profit before tax	105,285	78,200
Tax expense	(17,644)	(14,143)
Profit after tax	87,641	64,057
Other comprehensive income for the year, net of tax	837	(557)
Total comprehensive income for the year, net of tax	88,478	63,500
Retained earnings at beginning of year	1,334	10,273
Profit for the year	87,641	64,057
Transfer from reserves	512	23,327
Impact of change in accounting policy	-	-
Dividends recognised during the year	(88,589)	(96,323)
Retained earnings at end of year	898	1,334

D6 DEED OF CROSS GUARANTEE (CONTINUED)

Statement of financial position

Consolidated ($000s)	**2026**	**2025**
Assets		
Cash and cash equivalents	6,703	5,418
Trade and other receivables	77,431	62,424
Inventories	14,994	16,056
Current tax receivables	120	1,329
Total current assets	99,248	85,227
Deferred tax assets	6,698	8,731
Property, plant and equipment	25,632	32,392
Right-of-use asset	42,979	40,107
Investments	210,119	210,119
Total non-current assets	285,428	291,349
Total assets	384,676	376,576
Liabilities		
Trade and other payables	19,823	25,748
Employee benefits - current	4,330	3,999
Derivatives	164	840
Lease liability - current	15,506	14,244
Provisions - current	561	593
Total current liabilities	40,384	45,424
Employee benefits - non-current	1,708	1,402
Lease liability - non-current	35,558	33,672
Loans and borrowings - non-current	87,000	77,000
Provisions - non current	1,204	1,124
Total non-current liabilities	125,470	113,198
Total liabilities	165,854	158,622
Net assets	218,822	217,954
Equity		
Issued capital	215,714	215,714
Common control reserve	925	925
Share based payments reserve	995	528
Cash flow hedge reserve	290	(547)
Retained earnings	898	1,334
Total equity	218,822	217,954

D7 PARENT ENTITY DISCLOSURES

($000s)	2026	2025
Result of parent entity		
Profit for the year	87,164	63,533
Other comprehensive income	-	-
Total comprehensive income for the year	87,164	63,533
Financial position of parent entity at year end		
Current assets	12,924	13,371
Non-current assets	210,905	210,905
Total assets	223,829	224,276
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	223,829	224,276
Total equity of parent entity comprising of:		
Share capital	217,188	217,188
Share based payments reserve	995	528
Accumulated profits	5,646	6,560
Total equity	223,829	224,276

(a) Parent entity accounting policies

The financial information for the parent entity, Lovisa Holdings Limited, has been prepared on the same basis as the consolidated financial report, except as set out below.

Investments in subsidiaries
Investments in subsidiaries are accounted for at cost.

(b) Parent entity contingent liabilities

The parent entity did not have any contingent liabilities as at 28 June 2026 (29 June 2025: none).

(c) Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in note D6.

D8 NEW STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

The Group has applied the following standards and amendments for the first time for the annual reporting year ending 28 June 2026:

- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability; and
- AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements

D9 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards are effective for annual periods beginning after 1 July 2026 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2024-3 Amendments to Australian Accounting Standards - Annual Improvements Volume 11;
- AASB 2025-1 Amendments to Australian Accounting Standards - Contracts Referencing Nature-dependent Electricity;
- AASB 18 Presentation and Disclosure in Financial Statements. This standard is not expected to have a material impact on the Group's reported profit, net assets or cash flows. The primary impacts are expected to relate to the presentation of the statement of profit or loss, enhanced expense disaggregation and additional disclosure requirements;
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; and
- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments. The Group has included $12,697,000 in cash and cash equivalents relating to receivables from credit card merchants for electronic funds transfers, and credit card and debit card point of sale transactions. Whilst the Group has not elected to early adopt this amendement, the amount will be reclassfied from cash and cash equivalents to receivables from the annual reporting period commencing 29 June 2026.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Section 295(3A) of the Corporations Act 2001 requires disclosure of the tax residency of each entity included in the Consolidated Entity Disclosure Statement (CEDS). In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as it is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency has been assessed based on current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.
- Foreign tax residency has been assessed based on applicable foreign legislation and where available judicial precedent.

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the *Corporations Act 2001* (s.295(3A)(a)).

As at 28 June 2026, no entities had a different or an additional tax residency from their country of incorporation.

For the year ended 28 June 2026:

Entity Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Lovisa Holdings Limited (the Company)	Body corporate	Australia		Australian	N/A
Lovisa Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Lovisa Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Lovisa Employee Share Plan Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Lovisa International Pte Ltd	Body corporate	Singapore	100%	Foreign	Singapore
Lovisa Singapore Pte Ltd	Body corporate	Singapore	100%	Foreign	Singapore
Lovisa Accessories Pty Ltd	Body corporate	South Africa	100%	Foreign	South Africa
DCK Jewellery South Africa (Pty) Ltd	Body corporate	South Africa	100%	Foreign	South Africa
Lovisa New Zealand Pty Ltd	Body corporate	New Zealand	100%	Foreign	New Zealand
Lovisa Malaysia Sdn Bhd	Body corporate	Malaysia	100%	Foreign	Malaysia
Lovisa UK Ltd	Body corporate	United Kingdom	100%	Foreign	United Kingdom
Lovisa Global Pte Ltd	Body corporate	Singapore	100%	Foreign	Singapore
Lovisa Complementos España SL	Body corporate	Spain	100%	Foreign	Spain
Lovisa America, LLC	Body corporate	United States of America	100%	Foreign	United States of America
Lovisa France SARL	Body corporate	France	100%	Foreign	France
Lovisa Hong Kong Ltd	Body corporate	Hong Kong	100%	Foreign	Hong Kong
Lovisa Germany GmbH	Body corporate	Germany	100%	Foreign	Germany
Lovisa Retail Germany GmbH	Body corporate	Germany	100%	Foreign	Germany
Lovisa Austria GmbH	Body corporate	Austria	100%	Foreign	Austria

Entity Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Lovisa Belgium BV	Body corporate	Belgium	100%	Foreign	Belgium
Lovisa Netherlands BV	Body corporate	Netherlands	100%	Foreign	Netherlands
Lovisa Switzerland AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Lovisa Retail France SARL	Body corporate	France	100%	Foreign	France
Lovisa Luxembourg SARL	Body corporate	Luxembourg	100%	Foreign	Luxembourg
Lovisa Canada Ltd	Body corporate	Canada	100%	Foreign	Canada
Lovisa Poland sp. Z o.o	Body corporate	Poland	100%	Foreign	Poland
Lovisa Retail Mexico S.A. DE C.V.	Body corporate	Mexico	100%	Foreign	Mexico
Lovisa Retail Namibia (Pty) Ltd	Body corporate	Namibia	100%	Foreign	Namibia
Lovisa Italy S.R.L.	Body corporate	Italy	100%	Foreign	Italy
Lovisa Hungary Kft.	Body corporate	Hungary	100%	Foreign	Hungary
Lovisa Portugal, Unipessoal LDA	Body corporate	Portugal	100%	Foreign	Portugal
Lovisa Retail S.R.L.	Body corporate	Romania	100%	Foreign	Romania
Lovisa Ireland Limited	Body corporate	Ireland	100%	Foreign	Ireland
Lovisa Taiwan Limited	Body corporate	Taiwan	100%	Foreign	Taiwan
Lovisa (Shenzhen) Retail Company Ltd	Body corporate	China	100%	Foreign	China
Lovisa Macau Limited	Body corporate	Macau	100%	Foreign	Macau
Lovisa Botswana Propietary Limited	Body corporate	Botswana	100%	Foreign	Botswana
Lovisa Fashion Accesories L.L.C.	Body corporate	United Arab Emirates	100%	Foreign	United Arab Emirates
Lovisa Vietnam Company Limited	Body corporate	Vietnam	100%	Foreign	Vietnam
Lovisa Retail Zambia Limited	Body corporate	Zambia	100%	Foreign	Zambia
Jewells Retail Limited	Body corporate	United Kingdom	100%	Foreign	United Kingdom


SIGNED REPORTS

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Lovisa Holdings Limited ('the Company'):

   (a) the consolidated financial statements and notes that are set out on pages 31 to 74 and the Remuneration report in the Directors' report, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 28 June 2026 and of its performance, for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the group entities identified in note D6 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785

3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 28 June 2026.

4. The Directors draw attention to the Basis of Accounting for the consolidated financial statements set out on page 35, which includes a statement of compliance with International Financial Reporting Standards.

5. In the Directors' opinion, the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 for the year ended 28 June 2026 is true and correct.

Signed in accordance with a resolution of the Directors.

John Cheston
Global Chief Executive Officer and Managing Director
Melbourne
26 August 2026

Independent Auditor's Report

To the shareholders of Lovisa Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Lovisa Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group's*** financial position as at 28 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 28 June 2026
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 28 June 2026
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Recoverability of property, plant and equipment ($159.8 million) and right-of-use assets ($356.8 million)

Refer to Notes B3, B4 and B6 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Recoverability of property, plant and equipment and right of use assets is a key audit matter due to the: • size of the balances (being 74% in aggregate of total assets). • judgment involved by us in assessing the Group's indicators of impairment and the recoverable amounts if such indicators exist. • Group preparing a large number of individual store cash generating units (CGU's) recoverable amount assessments. The discounted cashflow value in use models are largely manually developed, use adjusted historical performance and a range of internal and external inputs for assumptions. Complex modelling using forward-looking assumptions increases the risk of bias, error and inconsistent application. This required additional scrutiny by us, particularly the objectivity of assumption sources and their consistent application. • Group recording an impairment charge of $8,964,000 against its property plant and equipment and right-of-use assets in the Americas, Europe and Asian regions. This further increased our audit effort in this key area. For CGUs where there is an indicator of impairment identified and for which a value in use model was prepared, we focussed on the significant forward-looking assumptions the Group applied, including forecast operating cash	Our procedures included: • We assessed the Group's accounting policies against the accounting standard requirements, our business understanding and industry practice. • We tested the completeness and accuracy of key inputs and assumptions used in the Group's identification of stores with impairment indicators to underlying information/data. We checked the consistency of application of key assumptions to the Group's assessment of indicators of impairment. We used our understanding of the performance of individual stores and markets. For CGUs with indicators of impairment: • We considered the appropriateness of the value in use method applied by the Group to assess the recoverable amount of CGU's against the requirements of the accounting standards. • We assessed the integrity of the value in use models used, including the mathematical accuracy of the underlying calculation formulas. • We assessed the accuracy of previous Group forecasts to inform our evaluation of the forecasts incorporated in the models. • We challenged the Group's forecast cash flow and growth assumptions in light of the expected continuation of uncertain consumer spending in certain markets against internal and external sources, previous forecasts and

KPMG

flows, growth rates and discount rates. The Group operates in competitive market conditions, with current consumer spending patterns leading to an uncertain retail environment in certain markets. These conditions increase the possibility of property, plant and equipment and right-of-use assets being impaired. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	historical performance. We compared growth rates, including those implicit in the year 1 forecast cash flows, to published studies of industry trends and expectations, and considered differences for the Group's operations. We used our knowledge of the Group, its past performance, business and customers, and our industry experience. • We checked the consistency of the growth rates for the respective CGUs to external indices, past performance of the Group, and assessed the growth rates with reference to our experience regarding the feasibility of these in the industry and economic environment in which they operate. • Working with our valuation specialists, we independently developed a discount rate range for each CGU using publicly available market data for comparable entities, adjusted by risk factors specific to the individual CGUs and the retail sector they operate in, and compared them with the rates used by the Group. • We recalculated the impairment charge against the amount recorded by the Group. • We assessed the Group's disclosures in the financial report using our understanding obtained from our testing, against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Lovisa Holdings Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance opinion/conclusion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

KPMG

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Lovisa Holdings Limited for the year ended 28 June 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in section 9 of the Directors' report for the year ended 28 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Trent Duvall

Partner

Melbourne

26 August 2026

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Lovisa Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report and the review of specified sustainability disclosures in the sustainability report of Lovisa Holdings Limited for the financial year ended 28 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and review; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG	Trent Duvall Partner Melbourne 26 August 2026

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT

BASIS OF PREPARATION

The Lovisa Holdings Limited Sustainability Report 2026 has been prepared in accordance with the requirements of the Corporations Act 2001 and the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2), as set by the Australian Accounting Standards Board (AASB), for the year ended 28 June 2026.

As this is the Lovisa Holdings Limited Group's first reporting period, transitional relief provisions have been applied as permitted under AASB S2:

1) Comparative information has not been disclosed (AASB S2, Appendix C, C3)

2) Scope 3 greenhouse gas emissions have not been disclosed (AASB S2, Appendix C, C4(b))

This report has been prepared using information available at the reporting date, including internally generated data, management estimates and external data sources where applicable. Where data is incomplete or unavailable, reasonable and supportable estimation techniques have been applied. These estimates are based on the best available information at the reporting date and are subject to refinement in future reporting periods.

Climate-related risks and opportunities are disclosed where they could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium or long term.

The consolidated entity comprises the Company and its subsidiaries (together referred to as the "Group"). The sustainability report for the Group is for the same reporting entity and reporting period as the related financial statements. Disclosures therefore cover owned and controlled entities, including retail stores, support offices, warehouses and logistics operations. Value chain exposures are considered where relevant to the assessment of climate-related risks and opportunities.

Judgement and Measurement Uncertainties

In the preparation and presentation of this Sustainability Report, the Group has exercised judgement to determine the climate-related information that is relevant, reliable and useful to disclose.

This Sustainability Report includes forward-looking information regarding the anticipated financial effects of climate-related risks and opportunities (CRROs) and scenario analysis. Such information reflects the Group's assessment of climate-related risks and opportunities at the reporting date.

The preparation of climate-related disclosures requires the application of judgement and the use of estimates and assumptions. The disclosures include forward looking information, which is based on management's current expectations, assumptions and estimates. Due to the forward looking nature of certain climate-related disclosures actual outcomes may vary from those expressed in the statements contained in the Sustainability Report.

The most significant judgements and measurement and estimation uncertainty that could affect the information disclosed are described below.

Significant judgements that were applied in the Sustainability Report include:

- Identifying and assessing CRROs across the Group's value chain that could reasonably be expected to affect the Group's prospects.
- Selection of climate scenarios and the underlying key assumptions applied in modelling the impact on the Group. Scenario analysis has inherent limitations and is based on a wide range of assumptions, which may result in different outcomes.
- Defining and evaluating short, medium and long-term time horizons and associated impacts.
- Determining which sources of data to apply in modelling the impact of the CRROs on the Group.

Measurement and estimation uncertainty in the Sustainability Report arises in respect of measurement of the greenhouse gas (GHG) emissions in accordance with the GHG protocol and in respect of the qualitative disclosures relating to CRROs.

The disclosed GHG emissions metrics are unavoidably subject to inherent uncertainties arising from activity data and emissions factors, because of incomplete scientific knowledge and inherent limitations in the nature of, and methods used for, determining emissions factors and data. The selection by management of different measurement techniques could have resulted in materially different GHG emissions reported.

In respect of CRROs, forward-looking assumptions and resilience assessments are subject to significant uncertainty. Areas of uncertainty include, but are not limited to, regulatory developments, policy timing, carbon pricing mechanisms, market trends, demand conditions, future energy market changes, consumer preferences, and the timing and severity of climate outcomes. These uncertainties result in inherent limitations in climate modelling, scenario analysis and climate resilience assessments.

GOVERNANCE

Climate-related matters are overseen through Lovisa's existing governance architecture rather than a standalone ESG structure. The Board retains overall oversight of climate-related risks, opportunities and disclosures, supported by the Audit, Business Risk and Compliance Committee (ARCC).

Management is responsible for day-to-day assessment and management of climate-related risks and opportunities. During the year, the Board and ARCC Charters were updated to explicitly include climate-related reporting and oversight of climate-related risks. These updated charters can be found in the Company's Investor Centre on its website. Climate-related reporting was included as a discussion point at all four ARCC meetings during the period, as well as in the subsequent period prior to report issuance, where the Committee reviewed the climate-related risk and opportunity assessment undertaken, the outputs of the climate scenario analysis performed in the current year, and the statements included in this Report.

Current Governance Architecture

Body / role	Responsibilities	Climate-related governance role
Board	Overall governance and oversight of strategy and risk	Approving the Company's governance framework for climate-related disclosures and sustainability reporting, overseeing the integrity of any material climate-related disclosures and sustainability reporting made by the Company, and retaining ultimate accountability for oversight of climate-related risk management, disclosure controls and reporting
Audit Business Risk and Compliance Committee	Financial reporting, controls, risk identification and management	Oversee the governance, processes, controls and reporting framework for climate-related financial disclosures and the identification, assessment, management and monitoring of climate-related risks and opportunities, reporting to the Board
Chief Executive Officer and executive team	Operational delivery and strategic execution	Overall accountability for management of climate-related risks and opportunities, with the executive team reporting to the CEO and the CEO to the ARCC and Board
Finance function	External reporting and controls	Coordinate climate risk management process as part of enterprise risk management, climate metrics, financial impacts and report preparation, reporting to the CEO, ARCC and Board on a quarterly basis
Operations / sourcing / logistics	Store and supply-chain execution	Provide analysis of climate-related risks in the value chain and contribute to climate-related risk management processes as required to the Finance function

The Group does not currently have a separate formal process requiring climate-related risks and opportunities to be specifically considered in all strategic decisions, major transactions or trade-off assessments. However, climate-related matters are considered where they may give rise to broader enterprise risks, including cost inflation, supply chain disruption, regulatory compliance, store operations and logistics resilience. These matters are assessed through the Group's existing enterprise risk management and business planning processes. Based on the climate-related risks and opportunities identified for FY26, no material changes were made to the Group's strategy, business model, capital allocation priorities or major transaction assessments. The Group will continue to review the extent to which climate-related matters should be more explicitly embedded into relevant management and Board decision-making processes over time.

Skills, accountability and incentives

Climate-related capability is supported through a combination of executive accountability, functional ownership and access to specialist external expertise, with climate-related risk management and governance processes formalised during the current period. These governance arrangements support the Group's assessment of climate-related risks and opportunities, as outlined in the subsequent sections.

No formal climate-related education was undertaken by the Board during the financial year, however with support from management and external advisers, the Board was kept informed of climate-related reporting requirements and the climate-related risks and opportunities relevant to the business.

Within management, climate-related risk management is led by the Group's executive risk owners as part of their functional responsibilities (for example, the Group Chief Financial Officer (CFO) is the executive sponsor for climate risk integration within the enterprise risk framework). Accountability for specific climate-related risks aligns with existing risk owners across operations, supply chain, property, finance and other areas, as detailed in the Risk Management section of this Report. Climate-related metrics are not currently linked to remuneration in FY26. The Board will continue to consider how performance incentives and management KPIs may incorporate relevant climate-related objectives as the Group's climate strategy evolves.

STRATEGY

Entity profile

Lovisa is a fashion jewellery retailer operating a vertically integrated business model under which it develops, designs, sources and merchandises 100% own-branded products under the Lovisa and Jewells brands.

At FY26 year end, the Group operated 1,136 stores across more than 50 countries. The Group continues to expand its global footprint, reflecting a strategy focused on rapid store rollout and international growth.

The Group sources the majority of its products from a concentrated supplier base located primarily in Asia, with China representing the largest sourcing region.

Our distribution network includes an Australian warehouse in Melbourne for Australia and New Zealand, in Wroclaw, Poland for Europe, a USA warehouse in Ohio to support the Americas, and a Chinese 3PL warehouse in Qingdao to support the rest of the world. We also operate dedicated e-commerce warehouses in the UK, South Africa and Malaysia e-commerce channels.

This geographic spread creates climate-related exposures across the value chain, including:

- changes in manufacturing energy costs resulting from the energy transition
- potential disruption to logistics and freight networks from localised extreme weather events in regions where product sourcing and logistics is concentrated
- weather related port congestion and delays affecting inventory availability
- policy and regulatory changes impacting supplier cost structures

The Group's reliance on a relatively concentrated supplier base may amplify the financial impact of these risks where disruptions affect key sourcing regions or suppliers, however the geographically dispersed nature of the Group's retail operations helps diversify exposure to extreme weather events.

Strategy and business model resilience

Climate-related risks and opportunities that could reasonably be expected to affect Lovisa's business model, strategy and financial performance have been considered over the short, medium and long term.

Horizon	Period	Description
Short term	0-3 years	Consistent with Lovisa's 3 year strategic and business planning cycle
Medium term	3-10 years	Consistent with the average term of store leases for the Group
Long term	10+ years	Extends to 2050, consistent with global climate pathways and long-term policy objectives, including the Paris Agreement

Risk Management of Climate-Related Risks and Opportunities

The Board is responsible for ensuring that a robust risk management framework is in place for both financial and non-financial risks. This includes maintaining effective systems for risk management, audit, and compliance to safeguard assets and to ensure the Group operates ethically and prudently within a strong culture of compliance. Through the Board-approved enterprise risk management framework, risks—including climate-related risks and opportunities (CRROs) — are systematically identified, assessed, prioritised, and monitored.

The framework categorises risks based on both quantitative and qualitative aspects. During the current financial year, CRROs have been integrated into this process. Findings from climate risk assessments directly inform updates to the corporate risk profile. For climate-related risks specifically, management undertook a dedicated assessment to identify CRROs. The CRROs identified through this process have been mapped to and/or added to the Group's Risk Register and are managed in accordance with the Group's standard risk management practices.

Processes to Identify, Assess, Prioritise and Monitor Climate-Related Risks and Opportunities

Climate-related risks are primarily identified through the Group's Enterprise Risk Management (ERM) process, which incorporates:

- Internal operational data;
- Regulatory developments in markets in which the Group operates;
- Industry guidance and government-issued emissions factors;
- Supplier and logistics exposure assessments; and
- Climate scenario references and market developments.

The assessment covers all controlled operations, including retail stores, distribution centres and relevant value chain exposures while noting that much of the value chain exposure is not directly controlled.

Identified climate-related risks are assessed using the Group's risk matrix, which considers both qualitative and quantitative factors. Likelihood and impact are evaluated with reference to financial thresholds, operational disruption potential, regulatory exposure and reputational considerations to determine the CRROs that could reasonably be expected to affect the Group's financial performance, cash flows and cost of capital. Risks and opportunities are assessed across short, medium and long term time horizons, as described above.

Scenario analysis supports the identification and assessment of climate-related risks and opportunities, drawing on Network for Greening the Financial System (NGFS) aligned climate pathways, supply chain exposures, and projected cost impacts to assess potential transition and physical climate-related risks. Further details of the scenarios considered are provided in the Summary of Climate-Related Risks and Opportunities section of this Sustainability Report.

Climate-related risks and opportunities are monitored through the Group's existing risk management and governance processes and are reported through established management and Board reporting channels.

Summary of Climate-Related Risks and Opportunities

The Group has conducted a climate risk assessment to identify and evaluate the climate-related risks and opportunities (CRROs) relevant to its operations. The CRROs presented in the table below were identified through the Group's risk management processes, as detailed in the Risk Management section of this report, and are the CRROs that could reasonably be expected to impact the Group's prospects.

The table below provides an overview of potential impacts of the CRROs on the Group's business model and value chain and the Group's responses to these impacts. The potential financial impact prior to mitigation has been analysed using selected macroeconomic outputs from the Network for Greening the Financial System (NGFS) climate scenarios. The NGFS scenarios provide globally recognised reference pathways for assessing the potential macroeconomic effects of different climate transition and physical risk outcomes, including impacts on inflation and GDP. These outputs were applied as directional inputs to Lovisa's current financial data to assess the potential order of magnitude of climate-related cost and revenue impacts. This analysis did not identify any quantitative impacts on the short and medium term financial performance and position of the Group that are considered material for the purposes of disclosure in this report, and therefore the disclosures below are based on the potential qualitative impacts of the CRROs noted below. The Group will continue to monitor the financial significance of its identified CRROs and will disclose quantitative financial effects in future reporting periods if and when materiality thresholds are met.

Risk or Opportunity	Description and context	Time Horizon	Potential Financial Impact	Our Response
Increased disruption to our store operations and supply chain Risk Type: Physical	Increased frequency and severity of extreme weather events (eg. Flooding, storms, heatwaves) and chronic change to climate have the potential to: • Disrupt our store operations and supply chain; • Impact inventory availability as a result of disruptions to logistics and/or availability of production, and increase cost of goods sold; and • Impact health and wellbeing of team members	Medium to Long Term	No material financial impact on the current financial year. In the medium to long term time horizon this risk has the potential to result in increased temporary store closures due to weather events, however due to the wide geographical spread of our store network this is unlikely to result in a material impact on our business. A major disruption to production capacity due to a major localised weather event impacting on the regions in China contributing the majority of product supply has the potential to create disruption to product supply to stores, however the potential financial impact of this risk has not been disclosed due to the high degree of measurement uncertainty in its quantification.	We will continue to focus on our strategy of growing the store network globally which will continue to provide increased geographical spread to the network and therefore mitigation against localised physical risks at store level. We maintain warehouses across multiple jurisdictions which helps to reduce the risk of being unable to supply products to our stores. As a result of holding significant inventory in our stores and supply chain, any disruption to production capacity at our supplier factories can be mitigated for a reasonable period of time. We will continue to review our sourcing strategy to ensure the risk of supplier concentration is mitigated as far as is realistically possible.
Climate transition impacts may increase input costs, resulting in higher cost of goods sold and other operating costs. Risk Type: Transition	The company's cost of goods sold is exposed to climate driven increases through several transmission mechanisms: • Inventory supplier cost increases from decarbonisation impacts on manufacturing costs; • Logistics cost escalation from decarbonisation, both inbound into our warehouses and outbound to our stores; and • Increased cost of electricity and HVAC charges for our stores and warehouses	All time horizons	No material financial impact on the current financial year. The potential financial impact prior to mitigation has been analysed using NGFS climate scenario macroeconomic outputs, including forecast inflation impacts under the selected climate pathways, over the relevant time horizons. Forecast inflation rates from the selected climate scenarios have been used as a proxy to estimate the potential overall cost impact. Based on this analysis, the potential impact on our COGS is: • not considered material in the short and medium-term time horizon; and • subject to a high degree of measurement uncertainty in the long-term time horizon	We will continue to focus on our strategy of growing the store network globally which will continue to provide increased geographical spread to the network and therefore mitigation against localised physical risks at store level. We will continue our current strategy of managing inflationary pressures through a combination of the following: • Ongoing review and adjustment of retail selling prices to offset supply cost increases; • Management of product specifications and sourcing relationships to manage supplier cost prices; and • Regular review and tendering of logistics contracts and routes to mitigate cost increases.

Management assessed whether climate-related risks and opportunities identified in this report had a material impact on the assumptions used in preparing the Group's financial statements, including impairment assessments, useful lives of assets and provisions. No material adjustments were identified for FY26.

Based on the climate-related risks and opportunities identified, and the Group's current strategy for managing those matters, the Group does not currently expect a material change to its financial position over the short, medium or long term. In the short term, no material climate-related capital expenditure, asset impairment, additional provisions, lease adjustments or changes to working capital requirements have been identified. In the medium term, management expects that climate-related matters may influence operating cost assumptions, supplier engagement, logistics planning, store continuity planning and inventory management; however, these responses are expected to be managed through existing business processes and are not currently expected to require material dedicated capital investment or result in material changes to the carrying value of assets or liabilities. In the long term, the potential financial position effects of climate-related risks are subject to a high degree of measurement uncertainty, particularly in relation to physical climate impacts, policy developments and supply chain adaptation. The Group will reassess these potential effects in future reporting periods as required.

Climate-related risks and opportunities may influence the Group's medium-term financial planning processes, including operational budgeting, procurement decisions and supplier engagement strategies. Management considers potential impacts such as input cost volatility, logistics disruptions and regulatory developments when assessing future operating cost assumptions and capital allocation priorities.

Opportunities

Lovisa has assessed climate-related opportunities that could reasonably be expected to affect the Group's prospects. No climate-related opportunities have been identified that are currently expected to affect the Group's prospects.

Scenario analysis

The Group has considered the resilience of its strategy and business model to climate-related changes, developments and uncertainties using scenario analysis.

This is the first time the Group has performed scenario analysis, and in doing so, the Group has considered its exposure to climate-related risks and opportunities and its skills, capability and resources available and has used a combination of quantitative and qualitative analysis with the support of an external consultant in modelling the potential impacts of climate risks and opportunities. The Group will consider the approach, inputs and assumptions used in its scenario analysis in the next financial year and consider revisions.

The Group considered two climate scenarios to assess the resilience of its strategy and business model under different climate futures. The scenarios were selected to reflect contrasting global outcomes: one in which the long-term temperature goals of the Paris Agreement are achieved, and one in which current policy settings result in a higher-warming pathway. These scenarios provide a basis for assessing the potential implications of both transition risk and physical climate risk for the Group over the short, medium and long term (as defined earlier in this Report).

The two scenarios considered are:

Scenario	Physical and Transition Risk Assumptions
1. "Low Warming" - global temperature increase is limited to 1.5°C, consistent with the Paris Agreement. NGFS Net Zero 2050	In this scenario, governments, landlords, logistics providers and suppliers move earlier and more consistently toward decarbonisation. For Lovisa, this could lead to higher short-term cost pressure through greener fit-out expectations, energy transition charges, freight decarbonisation pass-throughs and more demanding supplier information requests. However, the long-run operating environment would be more stable than in a higher-warming world. Potential impacts for Lovisa include: moderate short-term margin pressure from energy, utilities and freight; greater need for supplier climate engagement and data; and lower long-run disruption risk than in a high-warming pathway.
2. "High Warming" - global temperatures increase by 3.0°C, goal of Paris Agreement is not met NGFS Current Policies	Under the NGFS Current Policies pathway, climate policy remains insufficient and warming continues to increase. For Lovisa, the early years may present less policy burden, but the medium- and long-term consequences are more pronounced: greater store outages, more volatile customer traffic due to climate-related disruptions, higher cooling demand, more warehouse and port disruption, and more frequent inventory flow disruptions. Potential impacts may include more regular store closures in selected markets, higher operating costs from weather and maintenance, more safety stock requirements, and higher insurance costs. This scenario is assessed as the worst long-term resilience outcome for Lovisa.

The NGFS scenarios were used as external reference scenarios to support the Group's assessment of climate resilience. The Group considered macroeconomic indicators from the selected NGFS pathways, including inflation and GDP impacts, and applied these indicators to relevant components of Lovisa's current financial profile. This approach was used to assess the potential direction and order of magnitude of financial impacts under different climate futures. The analysis is subject to inherent uncertainty and does not represent a forecast, budget or management expectation.

Resilience conclusion

Overall, the scenario analysis indicates that Lovisa's strategic resilience is strongest under a low warming scenario and weakest under a high warming scenario, however under no scenario is there considered to be a material variance from the potential financial impacts disclosed earlier in this report. Across all scenarios, physical risk impacts increase in the medium to long term, while transition risk impacts increase short to medium-term cost volatility. Based on this assessment, management has not identified any immediate material changes to the Group's strategy, business model or asset base. This reflects the Group's operating model, supplier base and geographically distributed retail footprint, which provide flexibility and reduce exposure to concentrated climate-related risks.

CLIMATE-RELATED METRICS

Metrics

FY26 represents the first full year of greenhouse gas (GHG) emission measurement for the Group in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol). Scope 1 and Scope 2 emissions were quantified across our global footprint from the Group's company-leased retail stores, distribution centres and support offices, applying the GHG Protocol's operational control approach to include emissions from facilities where the Group has the authority to introduce and implement operating policies.

GHG emissions quantification is unavoidably subject to inherent limitations. Key estimates within the reported metrics include:

- Extrapolation of electricity data where data sourced from utility invoices and related records are not available for the entire reporting period.
- Refrigerant leakage estimates are based on average leakage rates by coolant capacity.
- Emissions factors sourced from recognised government publications in Australia, New Zealand, USA, the United Kingdom, the European Union, Canada and other countries in which the Group operates.

Scope 1 GHG emissions refer to the direct GHG emissions that occur from sources owned or controlled by the Group. Emissions are calculated by applying relevant emissions factors to the underlying data, based on refrigerant leakage estimates using emissions factors for each refrigerant type. Key inputs include air conditioning unit specifications including capacity and maintenance records. Where complete information is unavailable, reasonable estimates are applied using comparable site data.

Scope 2 GHG emissions refer to the indirect GHG emissions from the electricity purchased from the grid by the Group. Emissions are calculated using the location-based method in accordance with the Greenhouse Gas Protocol. Key inputs include electricity invoices, landlord recoveries, utility statements and tenancy data. Where consumption data is not directly available, estimates have been based on the use of comparable store-level averages. The Group does not hold renewable energy certificates, power purchase agreements or other contractual instruments.

FY26 Climate Metrics

Metric	FY26 (t CO_2-e)	Emissions Source
Scope 1 – Direct Emissions	224	Refrigeration fugitive emissions
Scope 2 – Indirect Emissions	6,529	Purchased electricity across leased sites
Total Scope 1 and 2 emissions	**6,753**	

Emissions factors are sourced from relevant government publications in each operating jurisdiction, including the latest available factors from the following:

Country	Electricity emissions factor source
Australia	Australia DCCEEW National Greenhouse Accounts Factors 2025
New Zealand	New Zealand Ministry for the Environment Measuring Emissions Guide 2025 workbook
USA	US EPA eGRID2023 – eGRID Subregion Annual CO_2 Total Output Emission Rate
Germany	German Environment Agency (UBA) – Electricity Mix Emission Factor
Other EU Countries	European Commission JRC GHG emission factors for electricity consumption
United Kingdom	UK DESNZ Government GHG Conversion Factors 2025
Canada	Environment and Climate Change Canada (ECCC) – National Inventory Report 1990–2023, Part 3, Annex 13, Table A13-1
Other countries in which the Group operates	Relevant local official, regional or internationally recognised electricity emission factor sources were used based on the source hierarchy applied in the FY26 emissions factor register, including European Commission JRC GHG emission factors for electricity consumption and the UNFCCC IFI Harmonized Grid Emission Factor Dataset where local official sources were not available.

Climate-Related Targets

The Group has not yet set any climate-related targets or established a formal climate transition plan. FY26 represents a baseline year for climate metrics, as outlined in the Basis of Preparation. During FY26, the Group focused on establishing emissions baselines, strengthening data coverage and embedding governance processes to support future target setting.

Other Cross-Industry Metrics

In the current reporting period, there are no assets or business activities vulnerable to climate-related transition and physical risks. Addtiionally, we have not depoloyed any capital expenditure, financing, or investments towards climate-related risks and opportunities.

Carbon Pricing

The Group does not currently apply an internal carbon price in assessing climate-related risks and opportunities, capital allocation decisions, impairment assessments or other financial planning processes.


SIGNED REPORTS

DIRECTORS' DECLARATION

The directors of Lovisa Holdings Limited declare that, in their opinion, the Company and its controlled entities (the Group) have taken reasonable steps to ensure the substantive provisions of the Lovisa Holdings Limited Sustainability Report for the year ended 28 June 2026 set out on pages 87 to 94 are in accordance with Australian Sustainability Reporting Standards (AASB S2) and the Corporations Act 2001, including

a. Complying with the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and

b. Containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors.

John Cheston
Global Chief Executive Officer and Managing Director
Melbourne
26 August 2026

KPMG

Independent Auditor's Review Report

To the Shareholders of Lovisa Holdings Limited

Report on specified Sustainability Disclosures of Lovisa Holdings Limited (Lovisa) presented in the Sustainability Report prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of Lovisa for the year ended 28 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

specified Sustainability Disclosures	***Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)***	***Locations in Sustainability Report***
Governance disclosures	Paragraph 6	Section "Governance" on pages 88 and 89
Strategy (risk and opportunities) disclosures	Subparagraphs 9(a), 10(a) and 10(b)	Section "Strategy", subsection "Summary of Climate Related Risks and Opportunities" - *Risk or Opportunity* and *Description and context* on page 91
Scope 1 greenhouse gas emissions	Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)	Section "Climate-Related Metrics", subsections "Metrics" and "FY26 Climate Metrics" on pages 93 and 94
Scope 2 greenhouse gas emissions		

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

KPMG

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Our responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information

The Directors of Lovisa are responsible for the other information. The other information comprises the financial and non-financial information included in Lovisa's Annual Report, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and Remuneration Report, and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, 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.

Responsibilities for the specified Sustainability Disclosures

The Directors of Lovisa are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

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.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with relevant Lovisa personnel to understand the governance structures and reporting process of the specified Sustainability Disclosures;
- Enquired with relevant Lovisa personnel to understand the process for developing the climate governance, strategy and metrics disclosures;
- Obtained an understanding of relevant processes and information flows for key data sets related to the specified Sustainability Disclosures;

- Reviewed internal documentation including charters, minutes of meetings and basis of preparation documents;
- Reviewed Lovisa's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the specified Sustainability Disclosures;
- For Scope 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and
- Reconciled the specified Sustainability Disclosures to underlying source documents.

KPMG

Trent Duvall

Partner

Melbourne

26 August 2026