

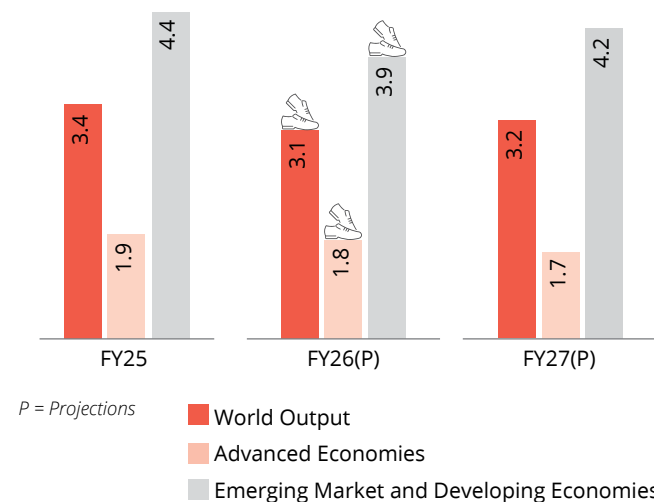
Management Discussion & Analysis

Global Economy

The global economy exhibited sustained buoyancy throughout 2025, despite an increasingly complex operating environment. Economic growth was supported by resilient consumer spending, continued investment in technology and digital infrastructure, easing inflationary pressures and relatively strong labour market conditions across major economies. At the same time, geopolitical tensions, evolving tariff measures and trade policy uncertainties continued to influence global economic activity and business sentiment.

World GDP expanded by 3.4%, with advanced economies growing by 1.9%, while emerging market and developing economies outperformed with growth of 4.4%, led by India and China.

Global Real GDP Growth



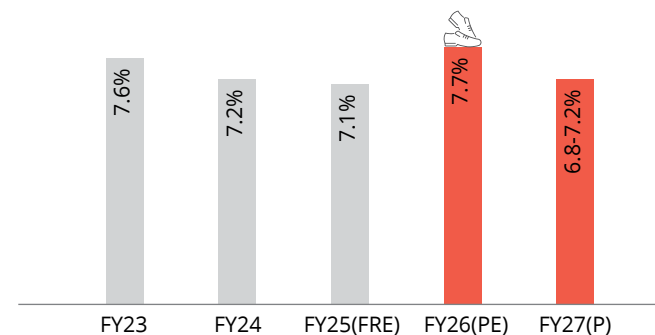
(Source: World Economic Outlook (IMF), WEO (IMF)-April)

Indian Economy

India remained among the world's fastest-growing major economies during FY 2025-26, supported by resilient domestic demand, robust investment activity and continued structural reforms. With a nominal GDP of approximately US\$ 3.92 trillion in 2025, the country continues to rank among the world's largest economies despite a moderation in its global ranking from fourth to sixth position. Inflation remained relatively benign, with average headline Consumer Price Index (CPI) inflation at 1.7% during the first nine months of FY 2025-26 and 3.4% as of March 2026, as estimated by the Ministry of Statistics and Programme Implementation (MoSPI). Stable domestic demand, fiscal discipline and continued expansion in bank credit further supported the country's macroeconomic stability.

According to the MoSPI's Provisional Estimates (PE), real GDP is projected to grow by 7.7% respectively, reflecting the strength of the country's domestic demand-driven growth model.

India's GDP Growth Rate



FRE = First Revised Estimate; PE = Provisional Estimates; P = Projections

Supported by a stable macroeconomic environment, improving consumer sentiment and ongoing structural reforms, India remains well-positioned to navigate external uncertainties while sustaining long-term economic growth. Continued progress in infrastructure development, industrial expansion and domestic consumption is expected to support broad-based economic activity across sectors. Rising disposable incomes, increasing urbanisation and continued premiumisation trends are expected to support consumer demand across discretionary spending categories.

(Source: PIB, Worldometer- IMF, MoSPI)

Indian Footwear Industry Overview

The Indian footwear industry is one of the largest segments of the country's retail market and remains among the leading employment-generating industries. Valued between US\$ 17-18 billion in 2024, the industry is projected to grow at a CAGR of 10.1% during 2025-2033. Growth in the organised sector is expected to outpace the broader market, supported by increasing demand for branded products, premiumisation, expansion of modern retail formats, deeper penetration into Tier II and Tier III cities, and the continued growth of omni-channel retailing.

Consumer preferences continue to evolve, with rising demand for footwear that combines comfort, functionality and style across formal, casual, ethnic, sports and athleisure categories. Increasing brand consciousness and higher discretionary spending are further supporting the shift towards organised retail and branded offerings.

The Sports & Athleisure category continues to be one of the key growth drivers of the Indian footwear industry. Rising health awareness, increasing participation in fitness and recreational sports, government initiatives promoting sports, and evolving lifestyle preferences are driving demand for performance and lifestyle footwear. The athleisure trend, blending comfort, style

and functionality, continues to witness strong double-digit growth and is expected to remain a standout segment in the years ahead. India's branded Sports & Athleisure footwear market is projected to grow at a 13% CAGR between FY 2024-25 and FY 2044-45, positioning organised multi-brand footwear retailers to benefit from this expanding opportunity.

Opportunities and Threats

Opportunities

- **Premiumisation of Consumer Demand:** Rising disposable incomes, increasing brand consciousness and evolving lifestyle preferences are creating significant opportunities for organised players to strengthen their premium product portfolio and cater to growing demand for branded, comfort-led and aspirational footwear categories. The increasing preference for higher-value products is also expected to support margin expansion and improve profitability.
- **Expansion of Organised Retail and Omni-channel Ecosystem:** The continued shift from unorganised to organised retail, supported by the expansion of Exclusive Brand Outlets, Multi-Brand Outlets and digital platforms, presents significant opportunities to expand market penetration and enhance customer engagement. The increasing integration of online and offline channels is expected to improve accessibility and provide a seamless consumer experience across touchpoints.
- **Growing Demand for Sports and Athleisure Footwear:** Rising health awareness, increasing participation in fitness activities and the growing acceptance of athleisure as an everyday lifestyle category are creating opportunities for companies to expand their presence across sports-inspired and casual footwear segments. The broadening consumer base beyond traditional sports users is expected to support long-term category growth.
- **Demographic Advantage and Urbanisation-led Consumption:** India's favourable demographic profile, rapid urbanisation and rising aspirations across emerging cities provide a significant long-term opportunity for organised footwear players to deepen market penetration. Increasing workforce participation and changing consumption patterns in Tier II and Tier III markets are expected to support sustained demand across multiple footwear categories.
- **Emerging Markets in Tier II and Tier III Cities:** Rising incomes, increasing brand consciousness and greater digital penetration are driving demand for branded footwear across Tier II and Tier III cities. The expansion of organised retail infrastructure and improved accessibility through omni-channel platforms present significant opportunities for footwear retailers to deepen market penetration and tap into new consumer segments.

Threats

- **Intensifying Market Competition:** The Indian footwear industry continues to witness increasing competition from organised domestic brands, international players, digital-first retailers and e-commerce platforms, resulting in heightened pressure on pricing, customer acquisition and market share.

MBL continues to strengthen its competitive positioning through its diversified brand portfolio and family-oriented retail proposition catering to multiple consumer segments. The Company is expanding its omni-channel presence, strengthening its footprint across B2C and B2B marketplaces and enhancing customer engagement through its digitised loyalty programmes. Its extensive customer data and analytics capabilities enable targeted marketing initiatives, optimised product offerings and improved customer retention.

- **Volatility in Raw Material Costs and Supply Chains:** Disruptions in global supply chains, fluctuations in sourcing costs and pricing pressures arising from increased online discounting may impact product availability, inventory planning and profitability across the organised footwear industry.

The Company continues to focus on maintaining operational efficiency through prudent inventory management, diversified sourcing strategies and disciplined pricing practices. MBL also adopts a calibrated promotional approach and controlled discounting across digital channels to protect margins while maintaining competitiveness.

- **Vendor Concentration Risk:** Dependence on a limited number of suppliers and brand partners for certain product categories may expose the Company to supply disruptions, procurement challenges and potential constraints in product availability.

The Company continues to diversify its sourcing base and strengthen relationships with multiple vendors and strategic partners across product categories. Its broad supplier network and long-standing industry relationships help mitigate supply risks and ensure continuity of operations.

- **Changing Consumer Preferences and Fashion Trends:** Rapidly evolving fashion trends, changing consumer expectations and shorter product life cycles require continuous product innovation and agile merchandising strategies. Failure to respond effectively to these shifts may result in inventory obsolescence and reduced consumer relevance.

MBL continuously refreshes its product portfolio to align with evolving fashion trends and changing consumer preferences across age groups and customer segments. Its diversified brand portfolio, regular assortment updates and extensive use of digital marketing and e-commerce platforms enable the Company to respond swiftly to emerging trends and strengthen customer engagement.

- **Counterfeit Products and Intellectual Property Infringement:** The prevalence of counterfeit products and unauthorised use of trademarks may adversely affect brand reputation, consumer confidence and legitimate sales.

The Company continues to actively protect its intellectual property rights through trademark registrations, monitoring mechanisms and appropriate legal actions against infringement wherever necessary. Continuous efforts towards brand protection and consumer awareness help safeguard brand equity and maintain customer trust.

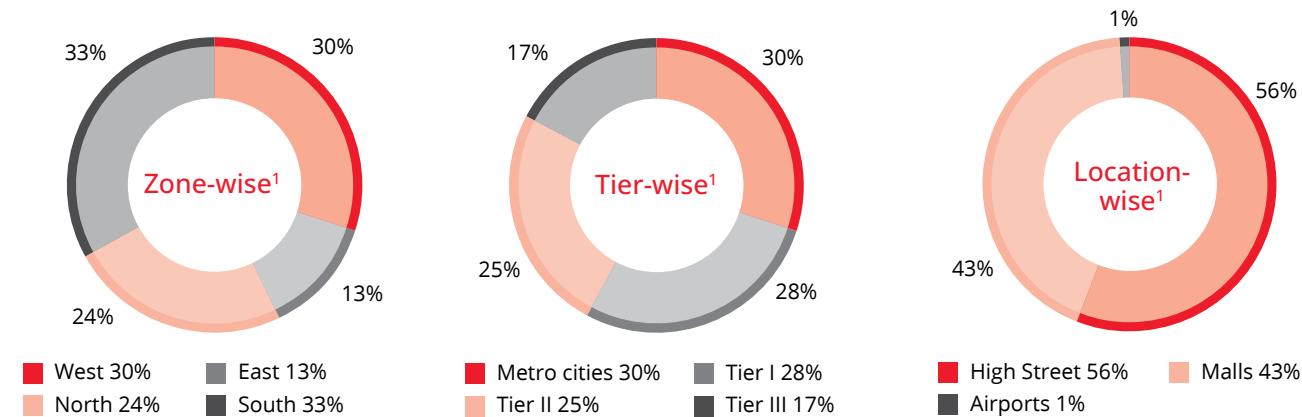
Company Overview

Since 1955, Metro Brands Ltd. (referred to as “MBL” or “the Company”) is one of the India’s largest organised footwear and lifestyle retailers, offering a diversified portfolio of owned and international brands across multiple price points, serving the entire family, and spanning formal, casual, sports and athleisure categories. Through an integrated retail ecosystem comprising Exclusive Brand Outlets (EBOs), Multi-Brand Outlets (MBOs), digital platforms and omni-channel capabilities, the Company serves a broad and evolving consumer base across the country. During FY 2025-26, Metro Brands crossed the milestone of 1,000 stores, expanding its network to 1,032 stores in 221 cities across 31 states & union territories and further strengthening its position in the organised footwear retail market.

The Company’s portfolio comprises well-established in-house brands including Metro, Mochi, Walkway complemented by strategic partnerships with leading global brands such as Crocs, FitFlop, FILA, Foot Locker, New Era and Clarks. During the year, Metro Brands further expanded its growth platform with the launch of MetroActiv, a dedicated multi-brand retail format focused on sports performance and athletic footwear, while continuing to strengthen its digital commerce capabilities and omni-channel presence to enhance customer engagement across multiple touchpoints.

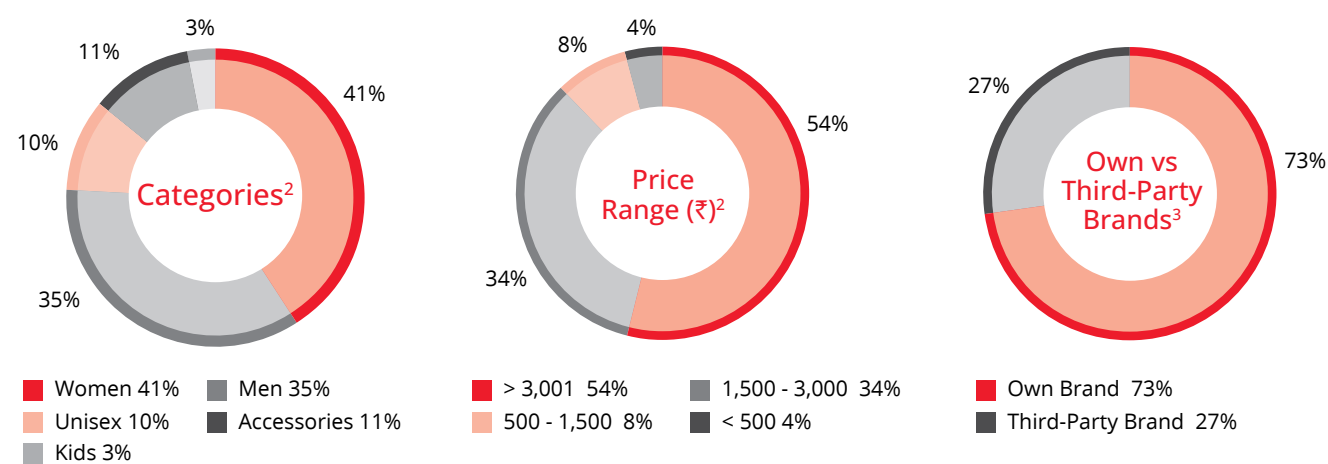
Supported by an asset-light business model, a strong sourcing ecosystem, technology-enabled retail operations and disciplined capital allocation, Metro Brands continues to focus on profitable growth while adapting to evolving consumer preferences. The Company remains well positioned to capitalise on the increasing formalisation of India’s footwear market through sustained retail expansion, portfolio diversification and customer-centric innovation.

PAN India Presence with 1032 Stores | 221 Cities | 31 States and UTs (As of March 2026)



Primarily follows “Company Owned and Company Operated” (COCO) model of Retailing

Products for entire family with focus on Mid and Premium Segments (FY 2025-26)



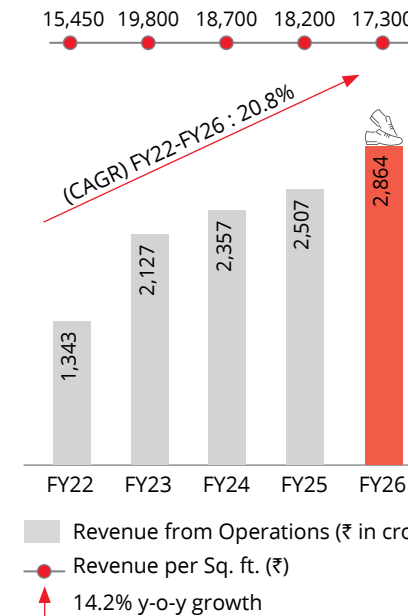
Note: Numbers / Percentages are rounded off

¹ Total Store Split as of March 2026; ² Split of Total Store Product Sales for FY 2025-26 on standalone basis; ³ Split of Total Store Product Sales on standalone basis for FY 2025-26 at Metro, Mochi and Walkway. Third-party brands include Crocs, FitFlop, Fila and Clarks.

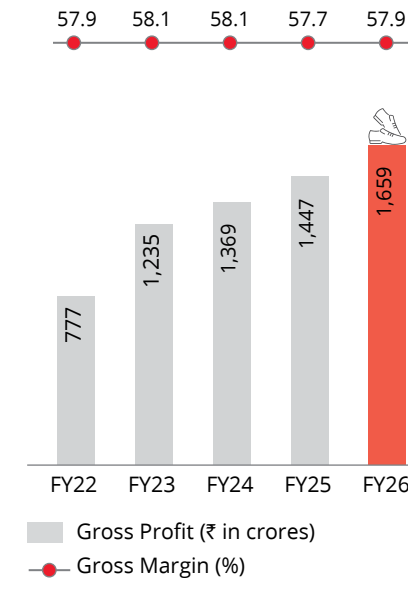
Financial Performance

The Company delivered another year of healthy financial performance during FY 2025-26. Total income stood at ₹ 2,968 crores, registering a growth of 14.1% over ₹ 2,600 crores in FY 2024-25, while net profit increased by 17.3% to ₹ 416 crores from ₹ 354 crores in the previous year. Gross margin improved marginally to 57.9%, compared with 57.7% in FY 2024-25.

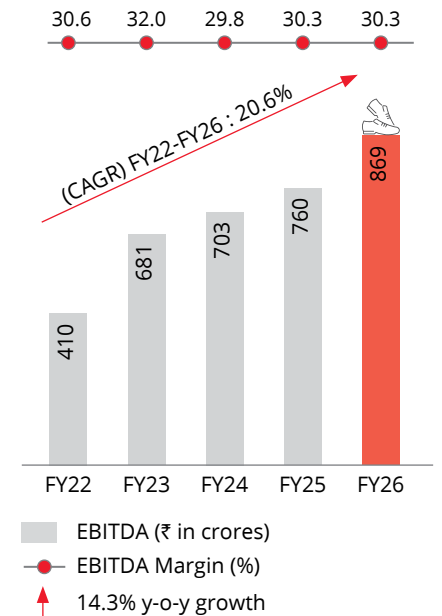
Revenue from Operations



Gross Profit and Gross Margins



EBITDA and EBITDA Margins



Key Business and Operational Developments (FY 2025-26)

During FY 2025-26, Metro Brands achieved a significant milestone by expanding its retail network beyond 1,000 stores, further reinforcing its position as one of India’s leading footwear and lifestyle retailers. As of March 31, 2026, the Company operated 1,032 stores across 221 cities nationwide, reflecting its sustained focus on strengthening market penetration and enhancing customer accessibility. The expanding retail footprint provides a strong platform to serve a wider consumer base while supporting the Company’s long-term growth strategy across metro, Tier I, Tier II and Tier III markets.

Strengthening Premium Brand Portfolio through Clarks Partnership

Metro Brands entered into a strategic agreement with Clarks in June 2025, marking the introduction of another globally recognised footwear brand within its portfolio. The partnership further strengthens the Company’s presence in the premium footwear segment and supports its strategy of offering differentiated international brands to Indian consumers. During the year, the Company strengthened Clarks’ omnichannel presence by launching the brand on its D2C platform and leading marketplaces, while expanding the distribution of the Clarks Cloudsteppers women’s range across a broad network of multi-brand outlets. The addition of Clarks reinforces Metro Brands’ commitment towards expanding its premium brand portfolio and enhancing its presence across multiple consumer segments.

Strengthening the International Brand Portfolio

Metro Brands continued to strengthen its portfolio of international and lifestyle brands during the year. The Company further expanded the presence of Foot Locker® in India while continuing to scale the FILA business through initiatives focused on improving product assortment, strengthening sourcing capabilities, enhancing retail execution and expanding distribution reach. The Company also accelerated the growth of New Era and strengthened its direct-to-consumer capabilities through dedicated digital platforms, further reinforcing its omni-channel presence and customer engagement initiatives.

Expanding the Walkway Retail Format

The Company continued to accelerate the expansion of its Walkway retail format, strengthening its presence within the value footwear segment. With a strategic focus on value-conscious consumers and emerging markets, the expansion supports deeper penetration across Tier II and Tier III cities while improving access to affordable and aspirational footwear. This initiative further complements Metro Brands’ diversified retail portfolio by enabling the Company to address a broader spectrum of consumer needs across multiple price points.

Launch of MetroActiv

Metro Brands launched MetroActiv, a dynamic multi-brand retail destination, marking its entry into the sports performance and athletic retail segment. The format brings together leading global brands including Nike, adidas, Puma, ASICS, Skechers, New

Balance, FILA and New Era under one roof, offering consumers a comprehensive destination for performance footwear, sportswear and related categories.

During FY 2025-26, the Company launched its first MetroActiv store in Indore, followed by additional stores in Dehradun and Jodhpur. The Company also launched the dedicated e-commerce platform, metroactiv.com, further strengthening its digital capabilities and expanding customer access across channels. Through MetroActiv, Metro Brands aims to establish itself as a trusted name in athletic sportswear retail while reinforcing its leadership position within the footwear and athleisure segments.

Advancing Omni-channel and Digital Capabilities

Metro Brands continued to strengthen its omni-channel ecosystem by further integrating its physical store network with digital platforms to deliver a seamless customer experience across channels. The Company's digital business recorded healthy growth during the year, supported by continued investments in technology, customer engagement initiatives and integrated fulfilment capabilities. The increasing contribution from digital and omni-channel sales reflects evolving consumer shopping preferences while reinforcing the Company's ability to provide a consistent and convenient shopping experience across both online and offline touchpoints.

Strengthening Brand Equity and Protecting Intellectual Property

Recognising its brands as valuable strategic assets, the Company continued to strengthen its intellectual property protection framework through a comprehensive brand protection and enforcement programme. During the year, Metro Brands undertook multiple enforcement actions against trademark infringement, passing off, counterfeiting and unauthorised commercial use of its brands across physical and digital channels. These initiatives included legal proceedings before various High Courts and judicial forums, issuance of cease-and-desist notices, coordinated market investigations and enforcement actions against infringing entities.

The Company also conducted targeted anti-counterfeiting initiatives and market enforcement activities in collaboration with relevant authorities, leading to the identification and removal of infringing products and unauthorised use of its trademarks from the marketplace. A significant milestone during the year was the grant of interim relief by the Hon'ble Bombay High Court in proceedings initiated to protect the Company's "METRO" trademarks against deceptively similar marks. The order reinforces the distinctiveness and goodwill associated with the Company's brands and underscores Metro Brands' continued commitment to safeguarding its intellectual property, preserving consumer trust and protecting long-term brand value.

Competitive Strengths

- **Established Strong Brand and Customer Loyalty:** Metro Brands has built a strong brand recall over decades, anchored by trusted in-house brands and a deep understanding of evolving consumer preferences. The Company's strong

customer connect is reflected in its high proportion of repeat customers, which continue to contribute a significant share of its revenue, demonstrating enduring brand loyalty and sustained customer trust.

- **Preferred Partner for Leading Global Brands:** Metro Brands has established itself as a preferred partner for several leading international footwear and lifestyle brands seeking expansion in the Indian market. The Company's extensive retail network, deep consumer understanding, strong execution capabilities and proven track record of brand building have enabled it to successfully partner with globally recognised brands such as FitFlop, Crocs, Foot Locker, FILA, New Era and Clarks. These partnerships strengthen the Company's premium positioning and provide access to differentiated product offerings across consumer segments.
- **Focus on Product Premiumisation:** Metro Brands continues to focus on premiumisation by increasing the contribution of premium and aspirational product categories across its portfolio. The Company's strategy of strengthening international partnerships, introducing differentiated product offerings and enhancing premium customer experiences positions it favourably to benefit from evolving consumer preferences towards branded and higher-value footwear and lifestyle products.
- **One of India's Largest Speciality Footwear Retail Networks:** With a retail network of over 1,000 stores across diverse formats, Metro Brands has established one of the largest specialty footwear retail platforms in the country. Its extensive pan-India presence across metropolitan, Tier I, Tier II and Tier III markets enables the Company to effectively cater to a wide customer base while strengthening brand visibility and market reach.
- **Diversified Brand and Product Portfolio:** The Company offers a well-diversified portfolio comprising owned, licensed and international brands that address a broad spectrum of consumer preferences across genders, age groups, occasions and price points. Its balanced product mix, spanning formal, casual, athleisure, sports and accessories, enables Metro Brands to serve multiple customer segments while reducing dependence on any single category.
- **Integrated Omni-channel Retail Platform:** Metro Brands has established an integrated omni-channel ecosystem that seamlessly connects its physical retail network with its digital platforms and online marketplaces. This enables a consistent customer experience across channels while enhancing convenience, improving customer engagement and strengthening brand accessibility.
- **Scalable Asset-light Operating Model:** Metro Brands operates an asset-light business model through outsourced manufacturing, enabling the Company to focus on merchandising, brand building and retail execution. Its Company-Owned Company-Operated (COCO) retail model provides greater control over customer experience,

merchandising and store operations, while a disciplined approach to expansion and site selection supports sustainable growth and healthy store economics.

- **Robust Sourcing and Vendor Ecosystem:** Metro Brands benefits from long-standing relationships with an extensive network of manufacturing and sourcing partners developed over several decades. The diversified vendor ecosystem supports product quality, sourcing flexibility, efficient inventory management and faster response to changing fashion trends while reducing dependence on any single supplier or manufacturing partner.
- **Strong Financial Position and Disciplined Capital Allocation:** A healthy balance sheet, strong cash generation and prudent financial management provide Metro Brands with the flexibility to invest in growth opportunities while maintaining financial resilience. The Company's disciplined approach to capital allocation continues to support sustainable value creation and long-term business stability.
- **Experienced Leadership and Proven Execution Capabilities:** Metro Brands is led by an experienced promoter group and a seasoned professional management team with a proven track record of executing growth strategies, building brands, maintaining operational discipline and creating long-term shareholder value. Their deep industry expertise and execution capabilities continue to provide a strong foundation for the Company's sustained success.

Key Business Strategies

Metro Brands continues to pursue a balanced and sustainable growth strategy focused on expanding its retail presence, strengthening its brand portfolio, enhancing customer experience, accelerating digital capabilities and driving operational excellence, while maintaining financial discipline and creating long-term stakeholder value.

- **Expanding the retail footprint:** Having crossed the milestone of 1,000 stores, the Company will continue to pursue a calibrated pan-India expansion strategy across multiple retail formats. The focus remains on strengthening its presence in existing markets while expanding into Tier II and Tier III cities through disciplined store additions, guided by location viability, consumer demand and profitability.
- **Strengthening the brand portfolio through strategic partnerships:** The Company continues to broaden its premium and lifestyle offerings through long-term strategic partnerships with leading international brands. Following the addition of Clarks to its portfolio, alongside partnerships with Crocs, FitFlop, Foot Locker, FILA and New Era, Metro Brands aims to strengthen its presence across multiple footwear and lifestyle categories while enhancing customer choice and reinforcing its position as a preferred platform for global brands in India.
- **Capitalising on Growth Opportunities in Sports and Athleisure:** Metro Brands is strengthening its presence in the

rapidly expanding sports and athleisure segment through strategic partnerships and focused brand initiatives. The Company has entered into alliances with leading global brands, including Foot Locker, FILA and New Era, while also launching MetroActiv, its dedicated multi-brand retail format for sports performance and athletic categories. These initiatives are intended to diversify the Company's product portfolio, enhance customer choice, broaden its addressable market and strengthen its participation in one of the fastest-growing segments of the footwear industry.

- **Strengthening omni-channel capabilities:** The Company continues to enhance its omni-channel ecosystem by seamlessly integrating its physical store network with its digital platforms and online marketplaces. This strategy is aimed at providing customers with a consistent shopping experience across channels while improving convenience, accessibility and customer engagement.
- **Expanding digital commerce:** Metro Brands remains focused on strengthening its digital commerce business by enhancing its e-commerce platforms and increasing omni-channel participation. The Company is also leveraging AI-enabled search, digital discovery platforms and data-driven customer engagement initiatives to improve online visibility, strengthen customer acquisition and drive incremental revenue through digital channels.
- **Advancing technology and digital transformation:** The Company continues to invest in technology to enhance business agility and operational efficiency across its value chain. Ongoing investments in advanced analytics, machine learning, Generative AI and Robotic Process Automation (RPA) are expected to strengthen merchandising, demand forecasting, inventory planning, sales processes, supply chain management and customer engagement, while supporting informed decision-making and scalable growth.

Human Resources

Metro Brands continued to strengthen its people-centric culture during FY 2025-26, with its workforce increasing to 6,854 employees. The year was marked by a significant organisational milestone with the Company surpassing 1,000 stores, an achievement celebrated across the organisation and reflective of the collective efforts of its employees.

Employee engagement remained a key priority through various initiatives, including festive celebrations, wellness programmes and employee connect campaigns, fostering collaboration and strengthening organisational culture. The Company's Employee Engagement Survey reflected strong employee sentiment, with scores of 7.9 at the Head Office and 9.4 across retail operations, underscoring the effectiveness of continuous employee dialogue and engagement initiatives.

A key strategic focus during the year was strengthening the Company's leadership capability through the onboarding of CXO and senior leadership talent, reinforcing organisational capabilities,

accelerating business transformation and building a strong leadership bench to support long-term growth.

The Company continued to invest significantly in talent development and leadership pipeline creation through structured internal and external programmes, including the Potential Manager Programme (PMP), Potential Area Manager Programme (PAMP), Store Operations Management Trainee (SOMT) programme and Area Operations Management Trainee (AOMT) programme. During the year, the SOMT programme expanded significantly, onboarding 89 candidates from 25 hospitality institutes, while the Company's partnership with BIMTECH continued to support management talent development.

Learning and development initiatives remained an important focus area, with 67 training sessions conducted across behavioural, functional, technical and compliance domains. Training programmes reached employees across organisational levels, including induction programmes for new joiners and KPI awareness initiatives covering over 1,190 participants.

The Company also implemented initiatives such as Project Shine to strengthen grooming and customer service standards and continued seasonal merchandising capability building across retail teams.

Metro Brands remains committed to building an agile, inclusive and future-ready organisation by continuously investing in employee capabilities, strengthening workplace experiences and fostering a culture of collaboration, recognition and continuous improvement.

Internal Control System

The Company has well-established internal control systems commensurate with its business size, scale, and complexity, implemented across all functions. These controls, based on defined policies and procedures, ensure effective operations, asset protection, financial accuracy, fraud prevention, and compliance. They are periodically reviewed and monitored by the internal controls team, with independent evaluations by internal auditors. Significant findings are reported to management and the Audit Committee, which also reviews the adequacy and effectiveness of the controls and guides improvements.

Cautionary Statement

This Management Discussion and Analysis includes statements that outline the Company's objectives, projections, estimates, expectations, and predictions. These are considered forward-looking statements under applicable securities laws and regulations. The Company has conducted various assessments and analyses to form assumptions regarding future business developments. However, actual outcomes may differ from these expectations due to a range of risks and unforeseen factors.

Key factors that could influence the Company's operations include macroeconomic developments within the country and improvements in capital market conditions. Changes in government regulations, taxes, laws, and other statutes, as well as other incidental factors, could also affect results. The Company is not obligated to publicly update or revise any forward-looking statements to account for future or probable events or circumstances.