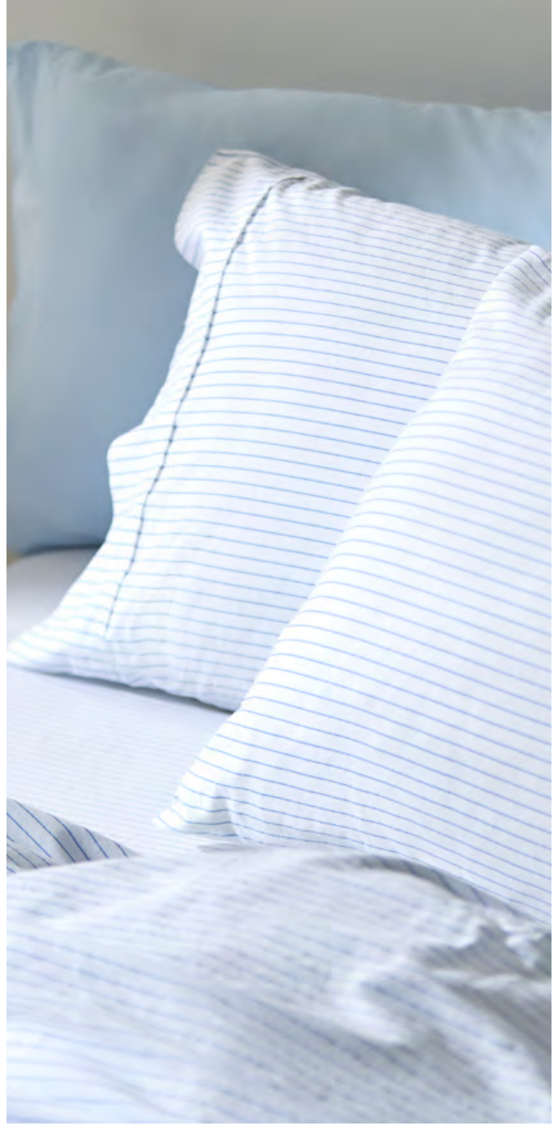
THE WAREHOUSE GROUP

# Annual Report 2026







# Table of Contents

The Warehouse Group Board and Executive Leadership Team are pleased to present our FY26 Integrated Annual Report.

**John Journee**
Chair
30 September 2026

**Dean Hamilton**
Audit and Risk Committee Chair
30 September 2026

# 2026 at a Glance

## Group performance

**$3.0b**
**Group sales**
Down 1.9% on a 53-week FY25

**0.4%**
**52-week same-store sales**[1]

**32.6%**
**Group gross profit margin**
FY25: 32.2%

**31.8%**
**Cost of doing business % of sales**[2]
FY25: 32.2%

**$22.6m**
**Group operating profit**[3]
FY25: $1.3m

## Our impact

**25.0pts**
**eNPS**
(FY25: 36.0pts)

**$1.9m**
**contributed to NZ charities and communities in FY26**

**74%**
**Reduction in scope 1 & 2 emissions**
Market-based (compared to FY23 base year)

1. Same-store sales removes the 53rd week of FY25, excludes online, NLG Commercial, and the impact of opening and closing of stores during the reported and comparable year.
2. Cost of doing business (CODB) excludes the impact of NZ IFRS 16, unusual items, and is a non-GAAP measure.
3. Operating profit (EBIT pre-IFRS 16) excludes the impact of NZ IFRS 16 and unusual items and is a non-GAAP measure.



# Chair's Report

John Journee | Chair

> **The Board is pleased with the progress made during FY26, with improvement initiatives gaining traction.**

It has been another challenging year for New Zealand consumers. There were early signs that consumer confidence was beginning to improve around summer, before international conflict created renewed uncertainty and increased pressure on fuel, freight, inflation and global supply chains.

Despite this backdrop, the Group delivered improved performance. Sales remained steady on a comparable basis, and operating profit materially improved on FY25, supported by disciplined cost management, margin expansion, and operational improvements across the business. While these are positive indicators of the turnaround underway, there is still significant work ahead to restore sustainable returns for shareholders.

The Board is pleased with the progress made during FY26. Margin improvement initiatives gained traction in Noel Leeming and Warehouse Stationery, and positive signs emerged in The Warehouse during the fourth quarter. However, the turnaround of The Warehouse remains critical to improving overall Group performance.

Throughout FY26, the Board supported the business through considerable change and uncertainty. This included the turnaround initiatives, cost reset programme, responding to the impacts of geopolitical disruption and rising fuel and freight costs, and initiating the strategic partnership with Tata Consultancy Services. The Board has supported management in creating a clear brand focused retail-led strategy.

We welcomed Hamish Rumbold to the Board in November 2025. Hamish has brought valuable governance and commercial experience that further strengthens the Board. Also in November 2025, Dame Joan Withers and Robbie Tindall retired from the Board. On behalf of the Board, we sincerely thank Dame Joan



and Robbie for their longstanding and valuable contributions and service to The Warehouse Group.

FY26 marked Mark Stirton's first full year as Group Chief Executive Officer, and he has wasted no time getting stuck into the work at hand. Mark and his leadership team have brought focus, passion, pace and discipline to the business. They have aligned on a clear strategic direction, acted decisively, strengthened execution and rallied the organisation around its customers and brands. I thank them for their leadership and commitment.

The Board has carefully considered the payment of a dividend for FY26.

While performance improved during the year, the Board has decided not to declare a final dividend for FY26. Our priority remains restoring financial performance and ensuring the Group can continue investing in the actions required to support the turnaround. The Board retains its intention to resume dividend payments in the future.

Looking ahead, the Group continues to take decisive action. We will maintain cost and capital discipline, strengthen retail fundamentals, improve customer experience and implement a retail strategy that builds brand equity and delivers sustainable returns.

Economic recovery in New Zealand continues to be slow, consumers remain cautious with their spending, with market conditions likely to remain challenging in the near term. The Group's path forward will take time, however the Board is confident in the calibre of management, the direction being taken, the actions underway and the progress being made.

This is my first Annual Report as Chair of The Warehouse Group, and I would like to thank Dame Joan for her guidance during my transition to the role and my fellow directors for their support during the year. Having served on the Board and in executive roles across the business, including as Interim Group Chief Executive Officer, it is a privilege to continue serving this iconic New Zealand business as we work to restore its performance and realise its potential.

Finally, a heartfelt thank you to our leadership team and our team members across New Zealand. Over the past year, they have continued to serve customers, adapt to significant change and support one another through a demanding period, all while making steady progress.

To our shareholders, thank you for your ongoing support. We know there is more work to do, and we remain determined to improve performance.

Ngā mihi,

**John Journee**
Chair

# CEO's Report

Mark Stirton | Group CEO

> **Progress has been made, but our ambitions are much bigger.**

FY26 was a year of progress for The Warehouse Group and the first full financial year of a brand-led operating model.

The Group focused on what it could control to improve performance and store experience in a tough environment where customers remained cautious in a volatile economy.

Financial performance improved, costs were reduced and the work to strengthen retail fundamentals began to show through across the business. These are positive signs, but profitability remains below our ambitions and there is much more work ahead.

## Financial performance

The Group delivered sales of $3.0 billion, down 1.9% on FY25 and up 0.4% on a 52-week same-store sales basis.

Group gross profit margin was 32.6%, an improvement of 40 basis points. Noel Leeming and Warehouse Stationery delivered solid margin growth through the year. The Warehouse's margin was broadly flat for the full year and improved in the second half, supported by more full-price sales and margin growth in the key areas of Home and Apparel.

Group operating profit increased to $22.6 million, compared with $1.3 million in FY25. This improvement reflected gross margin growth and sustained cost discipline across the Group.

All three brands contributed to the improvement in profitability. Warehouse Stationery nearly doubled profit and Noel Leeming made the largest contribution to the Group's earnings recovery.


The Warehouse reduced its operating loss from FY25 and ended the year in a better position.

In November 2025 the Group announced a cost reset programme and its intention to reduce cost of doing business to below 31% of sales. Group cost of doing business was $964.0 million, or 31.8% of sales, compared with 32.2% in FY25. This was achieved by reducing Store Support Office costs and simplifying the operating model.

The balance sheet was rebuilt during FY26, with $79.4 million of free cash flow generated and net debt reduced to $17.0 million from $96.1 million in FY25. Inventory was $438.8 million, down 7.9%, with improved stock health, better stock turn and lower aged inventory. The majority of remaining aged inventory is made up of everyday continuity products that continue to have ongoing sales demand.

Although an important improvement on FY25, our performance is not yet at an acceptable level of return. Further margin recovery at The Warehouse, continued cost discipline and stronger inventory performance remain critical to lifting Group profitability.

## Strengthening the retail fundamentals

The Group has made headway strengthening the retail fundamentals required to improve performance.

As signalled at the end of the first half, the Group began work to improve supply chain performance. An independent review identified significant opportunities to improve product availability and reduce cost to serve. Changes are underway to unlock trapped value.

The Group's partnership with Tata Consultancy Services is helping simplify our technology and managed services, reduce costs and provide access to digital and AI capability.

At The Warehouse, work to improve merchandise planning, ranging and inventory management began to show through in the second half, particularly in our priority categories Home and Apparel. While there is more work to do, the second half provided early signs that these changes are gaining traction.

The Warehouse completed significant customer segmentation during the year. Built on real spending data, behavioural insights and research, this work has created a much clearer understanding of our customers and will shape future decisions across merchandise, marketing, stores and customer experience.


## Investing in our stores

Cost reduction has been balanced with selective investment in areas that support customers, margin and growth.

Noel Leeming has returned to central Auckland with a new flagship store designed around modern, experience-led retail. Noel Leeming also relocated its Palmerston North store. Warehouse Stationery opened a standalone store in Wellington Central and began FY27 opening a new store in Whitianga.

Investment in The Warehouse continues across store presentation, from lifting the basics like lighting, racking and flooring, to stronger visual merchandising of higher-margin categories including Home, Apparel and Health & Beauty.

## Leadership and capability

In FY26 we intentionally rebuilt the Executive Leadership Team to support the turnaround. These changes reflect the areas most important to improving performance and support clearer priorities.

Carrie Fairley was permanently appointed Chief Merchandise Officer, with sourcing brought under merchandise to create end-to-end ownership of our product ranges. Lyle Brady was appointed Group Chief Supply Chain Officer and Deric Fairley appointed Acting Chief Planning Officer. Frankie Coulter joined the business as Chief Marketing Officer for The Warehouse and Warehouse Stationery, and Ankit Gupta was appointed Group Chief Data and AI Officer.

## Looking ahead to FY27

The Group enters FY27 with clear priorities. Cost and capital discipline will continue alongside improvements in merchandise planning, inventory management and supply chain performance. Margin recovery at The Warehouse remains central, supported by continued investment in product, stores and customer experience.

The brand relaunch *This Is Warehouse Country* at the start of FY27 marks an important next phase for The Warehouse and our ambition to be New Zealand's number one retailer again. It reflects our confidence in the strength of the brand and the opportunity ahead of us.

Over the past year, we have asked a great deal of our people. Teams have worked through significant change, and I thank our team members for their commitment and the pride they bring to serving customers every day.

I thank our Chair, John Journee and the Board for their support as we have strengthened the business and developed our strategy.

To our customers, thank you for continuing to choose us. To our shareholders, thank you for your patience and support. Progress has been made, but our ambitions are much bigger.

Ngā mihi,

**Mark Stirton**
Group Chief Executive Officer

# Financial Review

## Financial performance

FY26 was a standard 52-week financial year ending 2 August 2026, compared with a 53-week financial year in FY25. Revenue commentary is shown on both a reported basis and a comparable 52-week or 52-week same-store basis. Unless stated otherwise, all commentary compares FY26 with the reported 53-week FY25 result.

## Sales revenue

Against a backdrop of cautious consumer sentiment, group sales were $3,027.6 million, down 1.9% on FY25.

The prior year included an additional trading week worth $51.9 million of sales, which accounted for most of the reported decline. On a comparable 52-week basis, group sales were broadly flat, down 0.2%, while same-store sales increased 0.4%.

**$22.6m**
**Group operating profit[1]**
**+$21.3m year-on-year improvement**
(FY25: $1.3m)

**32.6%**
**Group gross profit margin**
**+40 basis points year-on-year**
(FY25: 32.2%)

**31.8%**
**Cost of doing business as a percentage of sales[2]**
**-40 basis points year-on-year**
(FY25: 32.2%)

**0.7%**
**Operating margin**
**+0.7 percentage points year-on-year**
(FY25: 0.0%)

Customers remained value conscious throughout the year. Across the Group, customers bought more items at lower average prices. Customers consolidated their shopping trips: although store traffic eased by 0.2%, customers purchased more on each visit, lifting average basket value, while conversion remained stable.

Online sales represented 7.5% of sales, up from 7.0% in FY25, with Noel Leeming making the largest contribution to growth.

## Gross profit margin

Group gross profit margin increased 40 basis points to 32.6%, with Noel Leeming and Warehouse Stationery ahead for the full year and all three brands ahead in the second half. Margin recovery accelerated in the second half, with gross profit margin increasing 90 basis points compared with the prior corresponding period.

Noel Leeming and Warehouse Stationery delivered solid margin growth through the year. The Warehouse's full-year margin was 20 basis points below FY25, but it recovered through the second half and finished the fourth quarter strongly and ahead of the prior year.

Gross profit was $986.6 million compared with $995.1 million in FY25. The difference reflects the additional trading week included in FY25.

## Cost of doing business

Cost of doing business reduced by $29.8 million to $964.0 million and fell to 31.8% of sales from 32.2% in FY25. The result reflects the Group's cost reset programme and the additional trading week included in FY25.

Employee costs were $6.9 million lower, with savings from the support office restructure partly offset by higher wages across stores and distribution centres.

IT costs reduced by $12.6 million through lower support charges and better control of project spending. Depreciation and amortisation reduced by $9.1 million as earlier technology and previous store investment programmes became fully depreciated or amortised.

## Operating profit

FY26 was the first year since FY21 that the Group lifted gross margin while reducing cost of doing business as a percentage of sales, contributing to operating profit increasing to $22.6 million from $1.3 million in FY25.

The first half of the year focused on reducing costs. The second half delivered stronger margins, generating around two-thirds of the full-year increase in operating profit.

All three brands contributed to the increase in operating profit. Noel Leeming made the largest contribution to the Group's earnings recovery, with operating profit increasing to $21.8 million from $11.7 million in FY25. Warehouse Stationery nearly doubled operating profit to $15.9 million from $8.2 million, while The Warehouse reduced its operating loss to $7.5 million from $12.2 million in FY25.

1. Operating profit (EBIT pre-IFRS 16) excludes the impact of NZ IFRS 16 and unusual items and is a non-GAAP measure.
2. Cost of doing business (CODB) excludes the impact of NZ IFRS 16, unusual items, and is a non-GAAP measure.

## Net profit

Adjusted net profit after tax[3] was $13.5 million, compared with a loss of $4.5 million in FY25. Reported net profit after tax was $11.2 million, compared with a loss of $2.8 million in FY25. Adjusted net profit after tax excludes restructuring costs of $5.7 million ($4.3 million after tax) relating to the support office restructure and Tata Consulting Services partnership, and the effect of NZ IFRS 16; a reconciliation is provided in note 5 to the financial statements.

## Brand performance

### The Warehouse

The Warehouse made meaningful progress during FY26, particularly in the second half of the year.

Sales were $1,774.9 million, down 2.3% on FY25. Sales increased 0.6% on a comparative 52-week same-store basis. Customers purchased more items at lower average prices in a highly value-conscious market. Online sales represented 4.4% of sales, compared with 4.6% in FY25.

Gross margin for the full year was 20 basis points below FY25 but recovered through the second half and finished the fourth quarter strongly and ahead of the prior year with the recovery led by Home and Apparel. These categories are central to The Warehouse's profitability, and in both, cash gross margin improved through stronger trading execution rather than changes in sales mix.

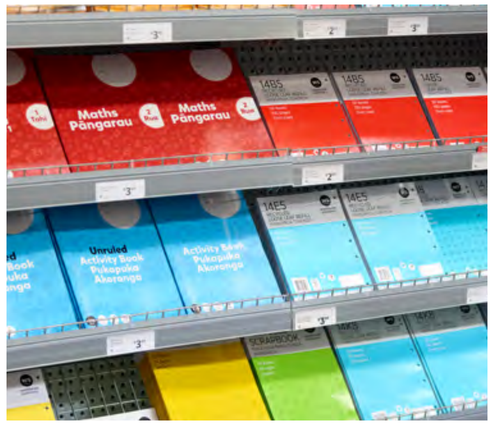
The operating loss reduced to $7.5 million from $12.2 million in FY25, with most of the improvement occurring in the second half.

### Warehouse Stationery

FY26 was a standout year for Warehouse Stationery. Sales returned to growth, operating profit nearly doubled, and the brand recorded the highest operating margin in the Group.

Sales were $227.6 million, up 0.7% on FY25. Sales increased 2.0% on a comparative 52-week same-store basis. Growth was driven by both standalone stores and stores operating within The Warehouse network. Online sales represented 7.1% of sales, broadly in line with FY25.

Margin performance strengthened through the second half. Disciplined pricing and stock management supported gross profit growth across every category, contributing to operating profit increasing to $15.9 million from $8.2 million in FY25.




3. Adjusted NPAT is from continuing operations before unusual items and is a non-GAAP measure.



**$79.4m**
**Free cash flow**
+$124.6m year-on-year improvement
(FY25: $(45.2)m)

**$17.0m**
**Net debt**
-$79.1m year-on-year reduction
(FY25: $96.1m)

**$21.1m**
**Capital expenditure**
(FY25: $12.4m)

**$438.8m**
**Closing inventory**
-$37.9m year-on-year reduction
(FY25: $476.7m)

### Noel Leeming

Noel Leeming made the largest contribution to the Group's earnings recovery during FY26. Operating profit increased significantly despite continuing competitive pressure across key technology categories.

Sales were $1,017.4 million, down 2.0% on FY25. On a comparable 52-week basis, sales declined 0.2%, reflecting non-repeatable commercial sales in the prior year. Excluding commercial sales, the retail business grew. Same-store sales declined 0.5% as customers made fewer but larger purchases. Online sales grew and represented 13.1% of sales, up from 11.3% in FY25.

Noel Leeming maintained pricing discipline, with margin growth across both halves supported by higher average selling prices. Appliances was the brand's strongest category this year and made a positive contribution to margin growth. Together, these factors helped lift operating profit to $21.8 million from $11.7 million in FY25.

## Balance sheet

The balance sheet was significantly stronger at the end of FY26 than a year earlier, reflecting stronger cash generation, lower inventory and reduced debt.

Operating cash flow increased to $193.5 million from $72.3 million in FY25. Operating cash flow is stated after interest on leases but before lease principal payments of $94.7 million, which are included in financing activities. Free cash flow increased to $79.4 million from an outflow of $45.2 million after capital expenditure and lease payments.

Working capital reduced by $22.9 million during the year, driven by a $37.9 million reduction in inventory, partly offset by lower trade payables. Bank interest paid was $2.7 million compared with $6.7 million in FY25, a 60% reduction, while lease principal payments reduced to $94.7 million from $104.9 million.

Inventory reduced to $438.8 million from $476.7 million in FY25. Aged inventory reduced to 21.8% from 23.1%, while stock turn improved to 4.7 times from 4.6 times. The reduction was driven primarily by The Warehouse and Warehouse Stationery and included lower goods in transit holdings.

Net debt decreased to $17.0 million from $96.1 million in FY25, with average daily borrowings reducing by 45%. The Group met all debt covenant obligations throughout the year.

Project expenditure increased to $27.8 million from $21.0 million in FY25, while capital expenditure increased to $21.1 million from $12.4 million. Investment was directed towards stores, operations, property, digital and supply chain initiatives, reflecting a shift from major systems investment to improving and expanding the store network.

# THE WAREHOUSE GROUP

## Purpose, Ambition and Values

### Purpose

To build exceptional retail brands that customers love, our team takes pride in, and deliver sustainable shareholder returns

### Ambition

Be a highly desired retail stock

### Values

Think Customer • Do Good • Own it

# Integrated Report

Welcome to The Warehouse Group's 2026 Integrated Annual Report.

This report explains how our resources contributed to value creation in FY26 through our retail value creation model and purpose. We describe this through six capitals: Financial Capital, Our Store and Distribution Network, Our Brand and Customers, Human Capital, Social and Relationship Capital, and Our Environment.

Together, these capitals underpin long-term value for our customers, team members, suppliers, communities and shareholders.

Materiality within our six capitals differs from the financial materiality applied to our financial statements. It reflects the areas that were most important to improving, influencing or protecting outcomes during FY26, guided by our strategy, risk appetite and performance objectives.

Materiality changes over time as our circumstances, progress and priorities evolve.

This report focuses on the matters that were most material to long-term value creation in FY26. It is not intended to cover every aspect of our performance, but rather the areas where we focused our efforts to improve outcomes, manage risks and create value for our stakeholders.

## Inputs

**Financial Capital**
Ensure financial resilience, free cash flow and available liquidity to implement strategy and provide a sustainable return to shareholders.

**Our Store and Distribution Network**
Ensure we have the right products, at the right price, in the right place, at the right time for our customers.

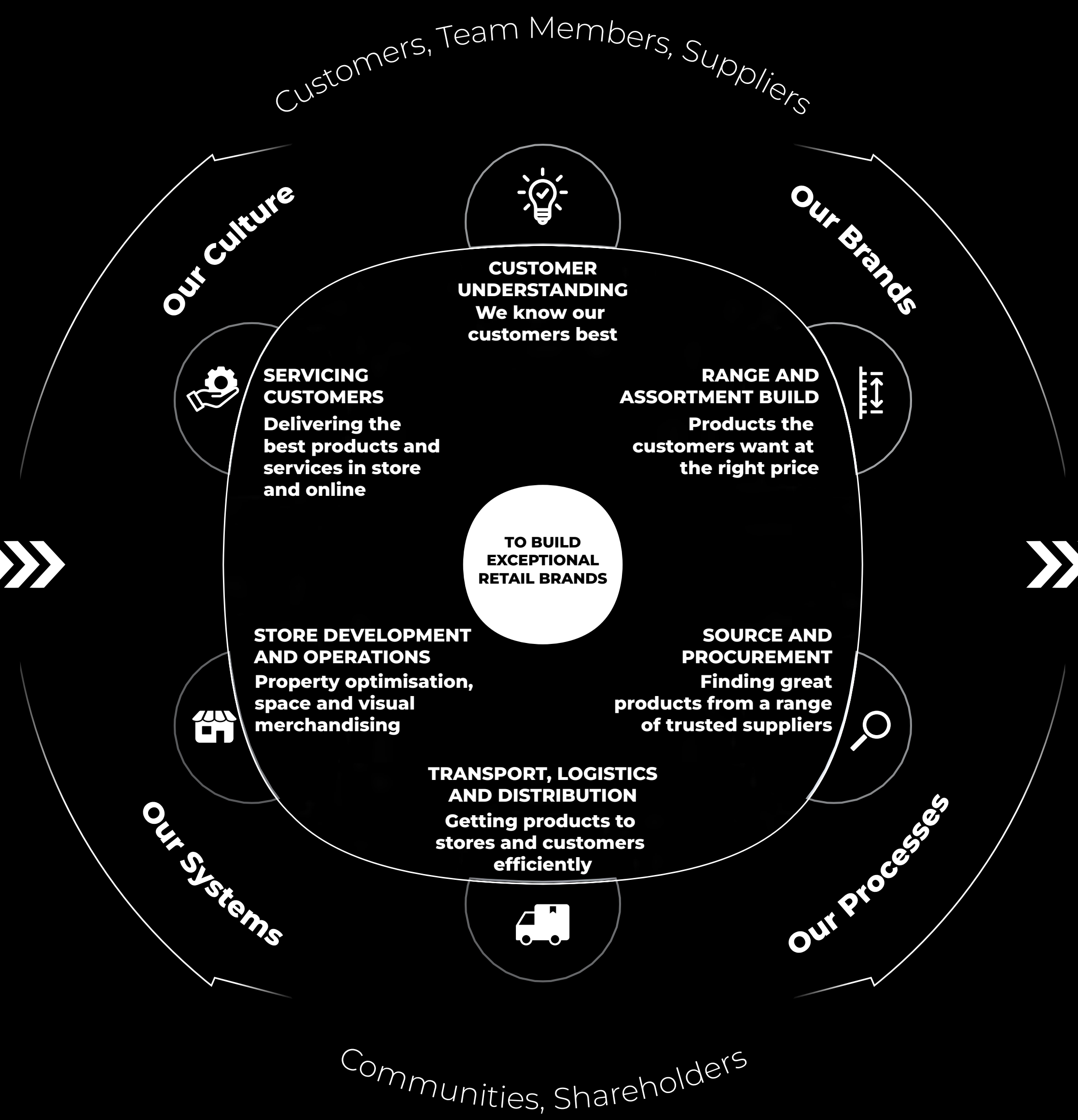
**Our Brand and Customers**
Build a world-class customer retail experience, enabled by our portfolio of brands.

**Human Capital**
Foster connection, inclusion & impact; empower all team members to thrive; and ensure everyone gets home safe at the end of the day.

**Social and Relationship Capital**
Support the communities in which we serve and ensure the basic human and labour rights of workers in our supply chain are respected.

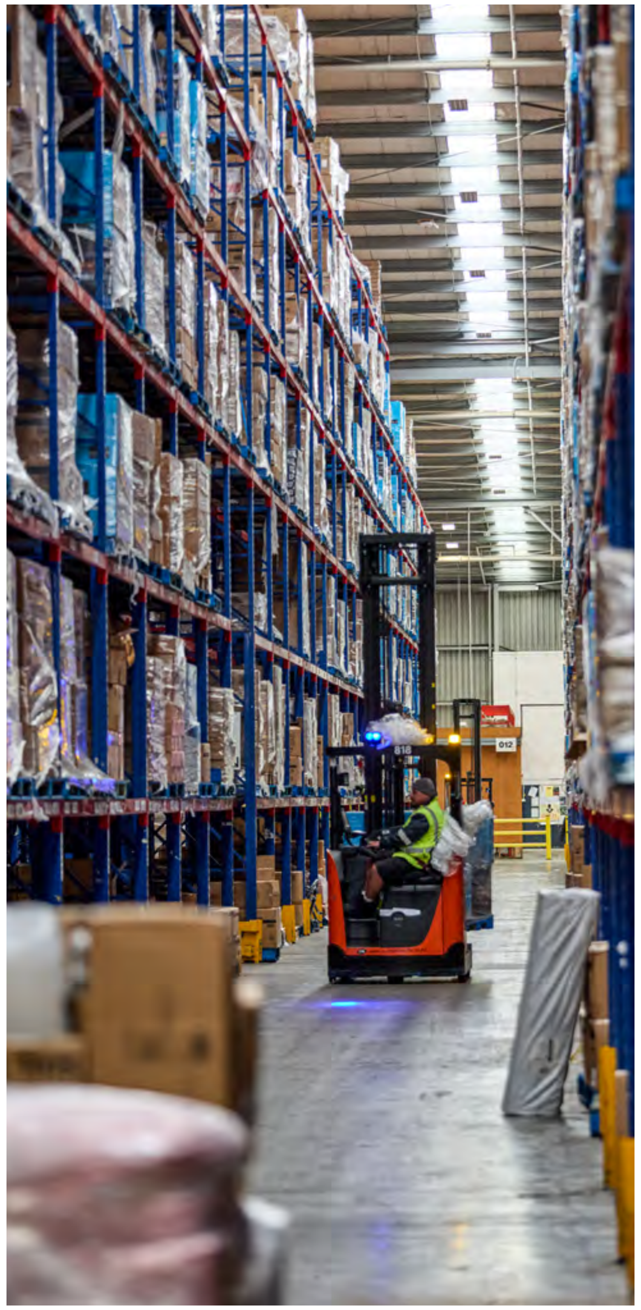
**Our Environment**
Improve the sustainability of our products; provide solutions to reduce post-consumer waste, and improve the sustainable performance of our operations.

## Retail value creation




## FY26 Outcomes

| | | | |
|---|---|---|---|
| **Financial Capital** | **$193.5m** Operating cash flow (FY25: $72.3m) | **$209.2m** Trading EBITDA (FY25: $197.0m) | **$79.4m** Free cash flow (FY25: $(45.2)m) |
| **Our Store and Distribution Network** | **217** Stores (FY25: 216) | **4.7x** Stock turn (FY25: 4.6x) | **21.8%** Aged inventory (FY25: 23.1%) |
| **Our Brand and Customers** | **77.6** NPS (FY25: 79.7) | **+0.4%** 52-week same-store sales | **7.5%** Online sales (FY25: 7.0%) |
| **Human Capital** | **25.0pts** eNPS (FY25: 36.0pts) | **0%** Median gender pay gap (FY25: 0%) | **28.3** TRIFR (Total Recorded Injury Frequency Rate) per million hours worked (FY25: 30.2) |
| **Social and Relationship Capital** | **$1.9m** Raised for NZ charities and communities | **492** Factory ethical assessments | **284 tonnes** Of post-consumer waste collected for reuse or recycling (FY25: 283 tonnes) |
| **Our Environment** | **66%** Private label sales with sustainable packaging (FY25: 66%) | **79%** Operational waste from landfill (FY25: 79%) | **74%** Reduction in scope 1 & 2 emissions (market-based) compared to FY23 base year |



# Risk Management

The Group's risk management framework has been designed to identify, assess, control, and monitor its key risks. The identification and ongoing management of these key risks assists the business in achieving its objectives.

The Group recognises four main categories of risk:

**Strategic risk** – risks that could affect the Group's long-term direction, business model, competitive position, or ability to deliver its value proposition to customers.

**Financial risk** – risks that could affect the Group's financial strength, including its ability to manage debt, liquidity, funding, market exposures, capital investment, and other financial obligations.

**Operational risk** – risks arising from the day-to-day operation of the Group, including people, health and safety, legal and regulatory compliance, technology, data, cybersecurity, business continuity, and internal processes and controls.

**Business risk** – risks arising from operating in the retail market, including changes in customer demand, consumer behaviour, product relevance, pricing and margin decisions, supply chain performance, and the effectiveness of the Group's retail channels and propositions.

## Risk management framework

Responsibility for risk management sits with the Group's Leadership Team, assisted by specialised risk functions and other functional teams within the Group.

Rapid change and increased technological innovation within the retail sector provide challenges for the Group to compete effectively. To remain resilient in the Group's constantly evolving environment, the Leadership Team promotes a proactive and decentralised approach to risk management. Team members at all levels are empowered and expected to take ownership of risk in the work they do and the decisions they make. This includes adhering to Group-wide policies and procedures, identifying emerging risks, escalating concerns where necessary, and implementing appropriate mitigations.

Key enterprise risks are addressed through tailored mitigation strategies embedded across strategic planning, financial management, operational execution, and business processes. These mitigation strategies may include accepting certain risks where appropriate, avoiding exposure where possible, reducing risk through internal controls and process improvements, sharing risk through partnerships or insurance, or transferring risk via contractual arrangements. All risk responses are designed to align with the Group's appetite for risk, ensuring that risk-taking supports long-term value creation while protecting the interests of shareholders and other stakeholders.

## Key enterprise risks

The Group's assessment of its key enterprise risks has been undertaken using a Dynamic Risk Assessment approach. In addition to evaluating risks' inherent and residual likelihoods and impacts, Dynamic Risk Assessment considers both the interconnectedness and velocity of risks to better understand their contagion consequences. Those factors, along with the indicated proximity of a given risk, help the Group prioritise responses to high-impact active and emerging risks.

The Group's Dynamic Risk Assessment identified its:

**Most influential risks** – those enterprise risks that have the most effect on other risks when they occur.

**Most cumulative risks** – those enterprise risks that are most affected by the occurrence of other risks.

**Most expected risk scenarios** – clusters of enterprise risks with strong links that cause their effects to aggregate. Clusters allow other less influential risks to have a greater effect.

The Group's top key enterprise risks are summarised in the adjacent table.

## Key Enterprise Risks

| Risk | Category | Inherent Risk | Primary Mitigation Strategies | Residual Risk |
|---|---|---|---|---|
| **Leadership** | Strategic | Very High | A consistent enterprise-wide leadership framework, targeted development pathways, coaching, mentoring, leadership assessment and talent review processes. | Medium |
| **Business and brand proposition** | Strategic | Very High | Activities that connect clearly defined brand propositions to our markets and customers, coupled with measurement and reporting to monitor effectiveness. | Medium |
| **Competitive threats** | Strategic | Very High | Market share tracking using independent card-spend data, with sustained movements reviewed by management and the Board and reflected in category, pricing and network decisions. | High |
| **Culture** | Strategic | High | Aligned performance practices, targeted engagement and wellbeing initiatives, and culture activation programmes that strengthen connection, accountability and performance outcomes. | Medium |
| **Customer targeting** | Strategic | High | Defined customer segments, growth segment strategies, and segmentation review activities that maintain customer clarity and tactical relevance. | Medium |
| **Socio-economic** | Strategic | High | Ownership of a portfolio of different businesses with different value propositions in different retail markets, including adopting an Everyday Low Price architecture within The Warehouse. | Medium |
| **Profit margins and costs** | Financial | Very High | Margin discipline, demand-aligned inventory buying, cash and margin monitoring, centralised cost governance, and defined intervention triggers. | High |
| **Process and systems** | Operational | Very High | A comprehensive operational governance and oversight framework, architecture and technology standards, and initiatives aligned with target-state architecture and strategic objectives. | High |
| **Talent and capability** | Operational | High | Strategic workforce planning, succession and talent management, market-responsive reward and employee value proposition strategies, and leadership, capability and culture programmes. | High |
| **Cybersecurity** | Operational | High | Proactive threat detection and response, continuous security monitoring, security awareness training, identity and data protection, and ongoing evolution of controls and tools to address current and emerging threats. | Medium |
| **Health and safety** | Operational | High | A health safety and welfare framework that includes robust risk management practices, assurance programmes, critical risk controls, and a centralised approach to injury management and recovery. | Low |
| **Product offering** | Business | Very High | Dedicated buyers and planners operating within a structured merchandise governance framework, supported by category strategies, range reviews, supplier oversight, and performance monitoring. | High |
| **Supply chain and global instability** | Business | Very High | Multi-source strategies, structured supplier management processes, freight contractor and lane diversification, proactive disruption management, and network management. | High |
| **In-store experience** | Business | High | Investment in store environment enhancements, customer experience improvements, merchandising innovation, and store format development to improve customer engagement, relevance and ease of shopping. | Medium |
| **Merchandise agility** | Business | High | Fit for purpose merchandising processes and systems that support timely responses to market trends and demand changes, targeted clearance and promotional activity, and ongoing monitoring of stock performance. | Medium |

# Our Stores and Supply Chain

**ONLINE STORES**

- ✓ The Warehouse
- ✓ Warehouse Stationery
- ✓ Noel Leeming

**PHYSICAL STORES**

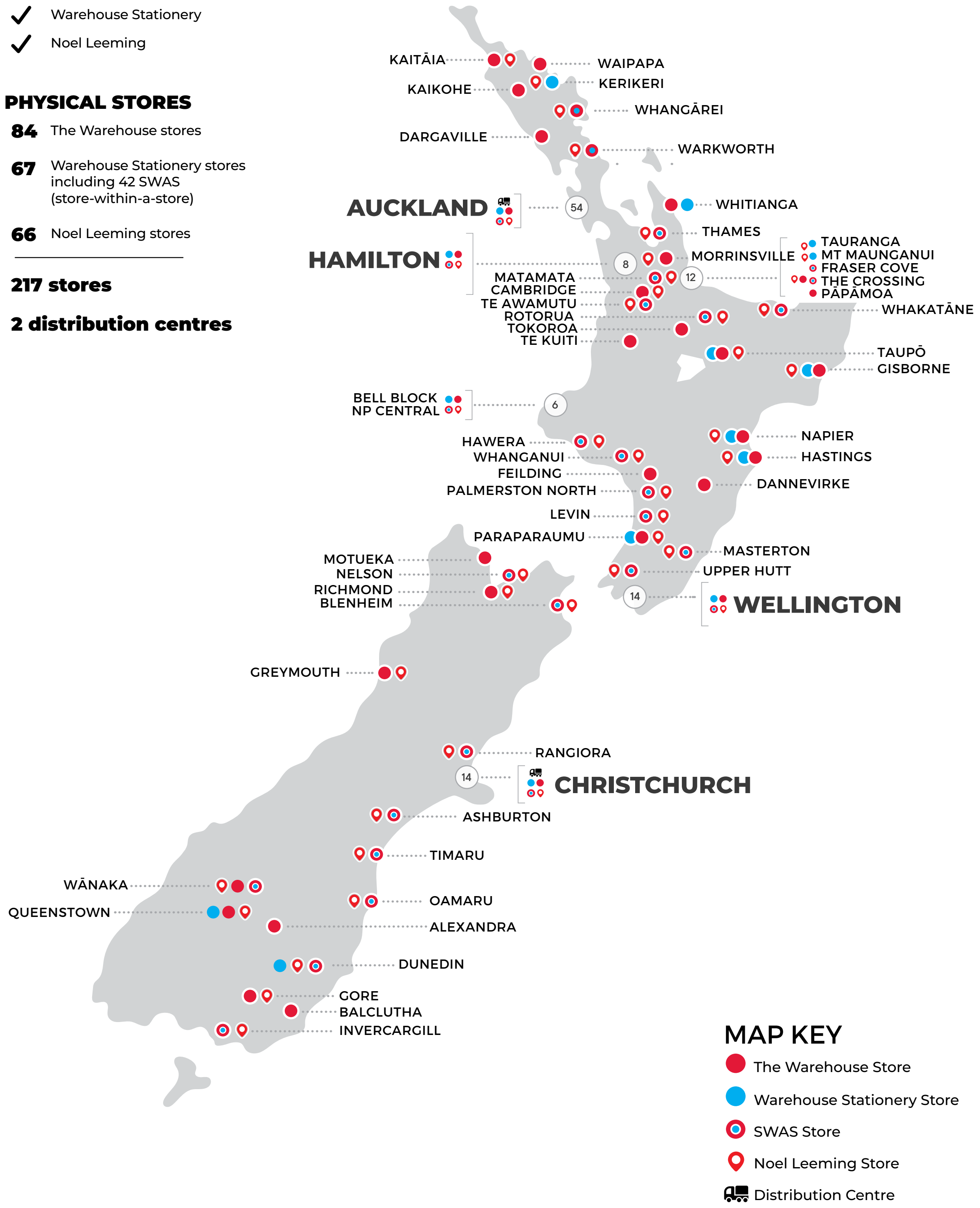
**84** The Warehouse stores

**67** Warehouse Stationery stores including 42 SWAS (store-within-a-store)

**66** Noel Leeming stores

**217 stores**

**2 distribution centres**





## Our stores and supply chain

The Warehouse Group operates some of New Zealand's best-known retail brands and one of the country's largest retail footprints, with 217 stores across The Warehouse, Warehouse Stationery and Noel Leeming, supported by two large-scale distribution centres and international sourcing hubs.

With 85% of New Zealanders within a 20-minute drive of one of our stores, our nationwide reach is a key strength that helps us serve customers and communities throughout New Zealand.

## Investing in store experience and footprint

FY26 marked a return to selective investment in the in-store experience and footprint growth.

Warehouse Stationery opened a new store in Wellington Central during the year, increasing its network to 67 stores. The brand expanded further with a new store opening in Whitianga at the beginning of FY27.

Noel Leeming opened a new store in Palmerston North, relocating to a more modern site. The brand announced its return to Auckland's Queen Street with a new concept store format that opened in September 2026.

In March, the Group announced plans for new The Warehouse and Noel Leeming stores in Mangawhai, scheduled to open in late-2027.

At The Warehouse, investment focused on improving the in-store experience. Priority stores are receiving upgrades to lighting, flooring and racking, alongside improvements to visual merchandising in Home, Apparel and Health & Beauty. These categories are a key part of margin recovery and improving performance at The Warehouse.

Work is underway on a future The Warehouse flagship store concept to help shape the next phase of store investment.

## Improving supply chain performance

Having the right product, on the right shelf, at the right time is critical to delivering value for customers.

As signalled at the end of the first half, the Group is undertaking a broad programme of work to improve cost to serve and product availability across the supply chain.

In FY26, the Group established a dedicated supply chain role on the Executive Leadership Team to bring greater accountability for the end-to-end movement of products across the business.

During the year, the Group undertook an independent review of inventory flow and operating processes. The review highlighted significant opportunities to improve supply chain performance and several changes are now underway.

These include changing international freight partners to improve visibility and control across inbound freight and simplify the flow of containers into New Zealand. The Group is continuing to optimise RELEX, its forecasting and replenishment platform introduced in FY25.

Early progress can be seen in lower inventory levels and improved working capital performance. However, significant opportunities remain and improving supply chain performance will continue to be a priority.

## International sourcing

The Warehouse Group maintains sourcing hubs in China, Bangladesh and India, supporting the development and supply of private-label products across its retail brands.

These hubs work closely with suppliers on product development, quality and production, providing visibility across the supply chain and supporting ethical sourcing standards. Their local expertise helps the Group deliver quality products, value and reliability for customers.

## Global freight management

Global freight markets remained volatile throughout the year. Higher fuel costs, geopolitical instability and pressure across key shipping routes created uncertainty across international supply chains.

The Group continues to work closely with suppliers and logistics partners as conditions evolve, to maintain product availability and manage disruption and cost.


# Our Brands

## thewarehouse

**For 44 years, The Warehouse has helped make the desirable affordable for all New Zealanders.**

The Warehouse recorded sales of $1,774.9 million in FY26, down 2.3% on FY25, which included an additional trading week. Sales increased 0.6% on a comparative 52-week same-store basis.

In FY26, economic recovery remained slow and higher fuel prices continued to impact household budgets and shopping habits. On a comparable 52-week basis store traffic declined slightly by 0.3% during the year as customers shopped with more intention, with units sold increasing 1.7% and basket value increasing 0.8%.

The Warehouse's operating margin improved 30 basis points for the full year, with category gains led by Home and Apparel. Stronger product ranges supported more full-price sales and less clearance activity, reducing the operating loss from $12.2 million in FY25 to $7.5 million in FY26.

On a 52-week basis Apparel returned to growth with sales increasing 0.4%, driven by growth in children's essentials, seasonal womenswear and footwear, and men's essentials. Beauty gained significant momentum at The Warehouse in FY26, with sales increasing 5.2% as customers responded to broader ranges and better presentation in stores.

Toys delivered another record-breaking year, with sales up 3.2% and units sold up 5.7%. The Warehouse remains New Zealand's number one preferred toy retailer for a second year in a row.

Work began on a future flagship store approach, while selective store investment focused on getting the basics right, including lighting, flooring and racking upgrades in priority locations, alongside improvements to visual merchandising in Home, Apparel and Health & Beauty.

More family fun and experiences were brought back into stores during the year, from the return of children's shopping trolleys and much-loved mascots The Warehouse Kiwi and Allie the Alien, to Santa in larger stores at Christmas.

In-store Net Promoter Score was 71.3, down 2.6 points from FY25, showing there is more to do to make The Warehouse a more exciting and easier place to shop.

In March, plans were announced for a new store in Mangawhai, opening in late-2027. Now a fast-growing, year-round community, Mangawhai will become home to the first new The Warehouse store since Wānaka opened in 2023.

The website and app remained important sources of inspiration. Online sales represented 4.4% of sales, down from 4.6% in FY25. The website recorded 54 million visits and The Warehouse app had around 440,000 downloads during the year. In June, The Warehouse partnered with DoorDash to make thousands of products available on the platform for same-day delivery.

In FY26, focus shifted to The Warehouse brand. A customer segmentation review used spending data and research to identify opportunities to grow, protect and regain share. Paid media investment was paused while channel effectiveness was reviewed and a longer-term brand strategy developed, leading to the launch of *This Is Warehouse Country* at the beginning of FY27. The new platform celebrates The Warehouse's place in Kiwi life since 1982. Community remains central to the brand, with Red Bag sales generating $1.35 million for national charity partners and local community groups.



**$1.8b**
**Sales**
↓ Down 2.3% on FY25

**↑ 0.6%**
**52-week same-store sales**

**$(7.5)m**
**Operating loss**
↑ FY25: $(12.2)m

**84 Stores**

**↓ 0.3%**
**Foot traffic**[1]

**4.4%**
**Online sales**
↓ FY25: 4.6%

**↑ 1.7%**
**Units sold**

**↑ 0.8%**
**Basket value**

1. Foot traffic is calculated on a 52 week same-store basis


# Our Brands

warehouse stationery

**For more than 30 years, Warehouse Stationery has helped New Zealanders work, study, create and connect.**

FY26 marked a strong step forward for Warehouse Stationery, with the brand returning to sales growth and almost doubling operating profit.

Warehouse Stationery recorded sales of $227.6 million in FY26, up 0.7% on FY25. Sales increased by 2.0% on a comparative 52-week same-store basis. Online sales represented 7.1% of Warehouse Stationery sales in FY26, broadly in line with FY25. Customers responded positively to the offer, with units sold increasing 3.4% and average basket value increasing 0.5%. Growth was driven by both standalone stores and stores operating within The Warehouse network.

Lower clearance and more disciplined pricing contributed to an operating profit improvement of 340 basis points compared with FY25, making Warehouse Stationery the Group's strongest-performing retail brand by operating margin.

Margins strengthened through the second half, contributing to an operating profit of $15.9 million up 93.4% on FY25.

Growth was supported by strong performances across Warehouse Stationery's key categories. Print & Create sales increased 13.8% on a comparable 52-week basis, Art & Craft sales increased 6.7%, and Office Furniture sales increased 5.5%. Together, these categories reinforce Warehouse Stationery's position as a destination for creativity, education and business services.

The Warehouse Stationery store network expanded during the year. A new standalone store opened in central Wellington in October, featuring self-service print kiosks and an e-waste recycling service.

At the beginning of FY27, Warehouse Stationery opened a new standalone store in Whitianga, bringing the brand's full range of products and services to the local community and wider Coromandel region.

Warehouse Stationery recorded an in-store Net Promoter Score of 85.3 in FY26. While below the 88.8 achieved in FY25, it remains an excellent result and demonstrates consistently high levels of service across the store network.

Connecting with local communities is an important part of the Warehouse Stationery brand. Through *Get Creating New Zealand*, stores across the country hosted a range of creative challenges and hands-on craft activities during the school holidays for children and families.

*Back to School* is one of Warehouse Stationery's key annual campaigns, engaging schools and parents across New Zealand and helping them prepare for the new school year with great value and convenience during a busy time.

Supporting New Zealand's small and medium-sized businesses is an important part of the Warehouse Stationery offer. BizRewards provides business customers with access to exclusive offers and benefits when shopping with Warehouse Stationery.



**$227.6m**
**Sales**
↑ Up 0.7% on FY25

**↑ 2.0%**
**52-week same-store sales**

**$15.9m**
**Operating profit**
↑ FY25: $8.2m

**67 Stores**
42 stores within a The Warehouse

**↑ 0.2%**
**Foot traffic**[1]

**7.1%**
**Online sales**
↑ FY25: 7.0%

**↑ 3.4%**
**Units sold**

**↑ 0.5%**
**Basket value**

1. Foot traffic is calculated on a 52 week same-store basis

# Our Brands


**For 53 years, Noel Leeming has helped Kiwis get the most out of technology and appliances.**

Sales were $1,017.4 million, down 2.0% on FY25. On a comparable 52-week basis, sales declined 0.2% and same-store sales declined 0.5%. Customers purchased fewer items during the year, but spent more when they did, with store traffic down slightly by 0.5%, units sold decreasing 3.9% and basket value increasing 4.2%.

Operating margin improved 100 basis points during the year, reflecting a disciplined approach to pricing and promotional activity. This contributed to operating profit increasing to $21.8 million, up $10.1 million on FY25, and the largest contribution from any of the Group's brands to the improvement in Group operating profit.

Appliances delivered the strongest growth during the year, with sales increasing 11.2% on a 52-week basis, led by whiteware and small appliances. Cellular sales increased 4.7% and computers and storage increased 10.6%, supported by new brands and customer demand linked to the Windows 10 and 3G transitions. Services, including delivery, installation and Tech Solutions, grew 10.1% during the year.

Major campaigns including Black Friday and Christmas performed well, while Boxing Day was softer, in line with broader retail conditions. The brand continued to build personality and engagement through its marketing, helping grow Noel Leeming's digital channels, with online sales increasing to 13.1% of sales, up from 11.3% in FY25. The website recorded 118.8 million visits up from 38 million in FY25, and the Noel Leeming app had 86,600 downloads during the year compared to 47,800 in FY25.

Noel Leeming continued to invest in its store network and customer experience. The brand relocated its Palmerston North store to more modern site. Fixtures and materials from the previous store were reused, and e-waste and mobile phone recycling services were introduced for the local community. Plans were announced for a new store in Mangawhai, opening in late-2027 to serve the growing community there.

In May 2026, Noel Leeming announced its return to Queen Street in Auckland. Opening in September 2026, the new concept store offers demonstrations, events, product launches and hands-on experiences.

Expert advice and service remain at the heart of the Noel Leeming customer experience. Team members strengthened their product and service knowledge through NOELedge Academies, supplier training and the Passionate Promoters programme, helping Noel Leeming maintain a solid in-store Net Promoter Score of 76.1 in FY26, compared with 76.9 in FY25.

Noel Leeming helps customers extend the life of technology and appliances through trade-in and recycling programmes. Customers can trade in eligible smartphones, laptops, tablets and smartwatches in exchange for a Noel Leeming gift card, and can now purchase refurbished devices.

Through its partnership with TechCollect NZ, Noel Leeming offers e-waste recycling. Customers recycled approximately 169 tonnes of e-waste through the programme during FY26, with Hastings, Gore and Porirua joining the network and increasing the number of participating stores from 29 to 32.

**$1.02b**
**Sales**
↓ Down 2.0% on a 53-week FY25

**↓ 0.5%**
**52-week same-store sales**

**$21.8m**
**Operating profit**
↑ FY25: $11.7m

**66 Stores**

**↓ 0.5%**
**Foot traffic**[1]

**13.1%**
**Online sales**
↑ FY25: 11.3%

**↓ 3.9%**
**Units sold**

**↑ 4.2%**
**Basket value**

1. Foot traffic is calculated on a 52 week same-store basis


## Financial Statements

For the 52 week period ended 2 August 2026

The financial statements have been presented in a style which makes them less complex and more relevant to shareholders. The note disclosures have been grouped into six sections: 'basis of preparation', 'financial performance', 'operating assets and liabilities', 'financing and capital structure', 'financial risk management' and 'other disclosures'. Each section sets out the material accounting policy information in grey text boxes applied in producing the relevant notes, along with details of any key judgements and estimates used. The purpose of this format is to provide readers with a clearer understanding of what drives financial performance of the Group.

These financial statements have been approved for issue by the Board of Directors on 29 September 2026.

**John Journee**
Board Chair
29 September 2026

**Dean Hamilton**
Audit and Risk Committee Chair
29 September 2026

## Contents



**The Warehouse Group Limited is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 26 The Warehouse Way, Northcote, Auckland 0627, New Zealand.**

## Consolidated Income Statement

For the 52 week period ended 2 August 2026

| | Note | (52 Weeks) 2026 $ 000 | (53 Weeks) 2025 $ 000 |
|---|---|---|---|
| Retail sales | 2.1 | 3,027,587 | 3,086,725 |
| Cost of retail goods sold | 8.1 | (2,041,000) | (2,091,643) |
| **Gross profit** | | 986,587 | 995,082 |
| Other income | 3.1 | 14,680 | 14,314 |
| Employee expense | 3.2 | (519,641) | (526,520) |
| Depreciation and amortisation expense | 3.3 | (146,896) | (156,524) |
| Other operating expense | 3.4 | (272,421) | (285,836) |
| **Operating profit** | 2.1 | 62,309 | 40,516 |
| Unusual items | 5.0 | (5,716) | - |
| **Earnings before interest and tax** | | 56,593 | 40,516 |
| Interest on leases | 10.2 | (36,945) | (36,847) |
| Net other interest expense | 3.6 | (2,659) | (6,668) |
| **Profit/(loss) before tax** | | 16,989 | (2,999) |
| Income tax benefit/(expense) | 4.1 | (5,463) | 572 |
| **Net profit/(loss) for the period** | | 11,526 | (2,427) |
| **Attributable to:** | | | |
| Shareholders of the parent | | 11,234 | (2,764) |
| Minority interests | 11.5 | 292 | 337 |
| | | 11,526 | (2,427) |
| Basic and diluted earnings per share attributable to shareholders of the parent | 6.0 | 3.3 cents | (0.8) cents |

## Consolidated Statement of Comprehensive Income

For the 52 week period ended 2 August 2026

| | Note | (52 Weeks) 2026 $ 000 | (53 Weeks) 2025 $ 000 |
|---|---|---|---|
| **Net profit/(loss) for the period** | | 11,526 | (2,427) |
| **Items that may be reclassified subsequently to the income statement** | | | |
| Movement in foreign currency translation reserve | | 265 | - |
| Movement in derivative cash flow hedges | | 1,641 | (10,301) |
| Tax relating to movement in hedge reserve | | (459) | 2,884 |
| **Other comprehensive income/(loss)** | | 1,447 | (7,417) |
| **Total comprehensive income/(loss)** | | 12,973 | (9,844) |
| **Attributable to:** | | | |
| Shareholders of the parent | | 12,681 | (10,181) |
| Minority interest | 11.5 | 292 | 337 |
| **Total comprehensive income/(loss)** | | 12,973 | (9,844) |

## Consolidated Balance Sheet

As at 2 August 2026

| | Note | 2026 $ 000 | 2025 $ 000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 11.2 | 41,883 | 39,206 |
| Trade and other receivables | 8.2 | 77,505 | 69,871 |
| Inventory | 8.1 | 438,819 | 476,718 |
| Derivative financial instruments | 12.2 | 2,618 | 3,908 |
| Current taxation | 4.2 | 2,329 | 2,473 |
| **Total current assets** | | 563,154 | 592,176 |
| **Non current assets** | | | |
| Trade and other receivables | 8.2 | 17,754 | 22,088 |
| Property, plant and equipment | 9.1 | 135,286 | 155,078 |
| Intangible assets | 9.2 | 119,605 | 140,090 |
| Right of use assets | 10.1 | 583,551 | 590,187 |
| Deferred taxation | 4.3 | 89,020 | 94,278 |
| **Total non current assets** | | 945,216 | 1,001,721 |
| **Total assets** | | 1,508,370 | 1,593,897 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Borrowings | 11.2 | 58,900 | 135,300 |
| Trade and other payables | 8.3 | 362,362 | 376,758 |
| Derivative financial instruments | 12.2 | 2,672 | 3,768 |
| Lease liabilities | 10.3 | 97,485 | 92,522 |
| Provisions | 8.4 | 45,707 | 42,926 |
| **Total current liabilities** | | 567,126 | 651,274 |
| **Non current liabilities** | | | |
| Lease liabilities | 10.3 | 607,843 | 621,317 |
| Provisions | 8.4 | 20,260 | 20,810 |
| **Total non current liabilities** | | 628,103 | 642,127 |
| **Total liabilities** | | 1,195,229 | 1,293,401 |
| **Net assets** | | 313,141 | 300,496 |
| **EQUITY** | | | |
| Contributed equity | 11.3 | 360,235 | 360,235 |
| Reserves | 11.4 | 611 | (836) |
| Retained earnings | | (48,795) | (60,029) |
| **Total equity attributable to shareholders** | | 312,051 | 299,370 |
| Minority interest | 11.5 | 1,090 | 1,126 |
| **Total equity** | | 313,141 | 300,496 |

## Consolidated Statement of Cash Flows

For the 52 week period ended 2 August 2026

| | Note | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|---|
| | | $ 000 | $ 000 |
| **Cash flows from operating activities** | | | |
| Cash received from customers | | 3,039,467 | 3,099,203 |
| Payments to suppliers and employees | | (2,805,717) | (2,982,438) |
| Income tax paid | 4.2 | (532) | (692) |
| Interest paid | | (39,705) | (43,750) |
| **Net cash flows from operating activities** | | 193,513 | 72,323 |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of property, plant & equipment | | 43 | 160 |
| Purchase of property, plant & equipment and computer software | | (19,446) | (12,604) |
| **Net cash flows from investing activities** | | (19,403) | (12,444) |
| **Cash flows from financing activities** | | | |
| Proceeds/(repayments) from borrowings | | (76,400) | 52,400 |
| Lease principal repayments | | (94,705) | (104,882) |
| Dividends paid to minority shareholders | | (328) | (395) |
| **Net cash flows from financing activities** | | (171,433) | (52,877) |
| Net cash inflow | | 2,677 | 7,002 |
| Opening cash position | | 39,206 | 32,204 |
| **Closing cash position** | 11.2 | 41,883 | 39,206 |

## Reconciliation of Operating Cash Flows

For the 52 week period ended 2 August 2026

| | Note | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|---|
| | | $ 000 | $ 000 |
| **Net profit/(loss) for the period** | | 11,526 | (2,427) |
| **Non cash items** | | | |
| Depreciation and amortisation expense | 3.3 | 146,896 | 156,524 |
| Work in progress written off | | 4,973 | - |
| Movement in deferred taxation | 4.1 | 4,795 | (1,570) |
| **Total non cash items** | | 156,664 | 154,954 |
| **Items classified as investing or financing activities** | | | |
| Loss on disposal/impairment of plant, equipment and software | | 2,272 | 187 |
| Gain on lease terminations | 2.2 | (12) | - |
| **Total investing and financing adjustments** | | 2,260 | 187 |
| **Changes in assets and liabilities** | | | |
| Trade and other receivables | | (3,300) | 7,263 |
| Inventory | | 37,899 | (4,590) |
| Trade and other payables | | (13,911) | (84,211) |
| Provisions | | 2,231 | 841 |
| Current tax | | 144 | 306 |
| **Total changes in assets and liabilities** | | 23,063 | (80,391) |
| **Net cash flows from operating activities** | | 193,513 | 72,323 |

## Consolidated Statement of Changes in Equity

For the 52 week period ended 2 August 2026

| | Note | Share Capital | Treasury Shares | Hedge Reserves | Foreign Currency Translation Reserve | Retained Earnings | Minority Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| **For the 52 week period ended 2 August 2026** | | | | | | | | |
| Balance at the beginning of the period | | 365,517 | (5,282) | (1,056) | 220 | (60,029) | 1,126 | 300,496 |
| Profit for the period | | - | - | - | - | 11,234 | 292 | 11,526 |
| Movement in foreign currency translation reserve | | - | - | - | 265 | - | - | 265 |
| Movement in derivative cash flow hedges | | - | - | 1,641 | - | - | - | 1,641 |
| Tax relating to movement in hedge reserve | | - | - | (459) | - | - | - | (459) |
| Total comprehensive income | | - | - | 1,182 | 265 | 11,234 | 292 | 12,973 |
| **Contributions by and distributions to owners** | | | | | | | | |
| Dividends paid | 11.5 | - | - | - | - | - | (328) | (328) |
| Balance at the end of the period | | 365,517 | (5,282) | 126 | 485 | (48,795) | 1,090 | 313,141 |
| | | (note: 11.3) | (note: 11.3) | (note: 11.4) | (note: 11.4) | | (note: 11.5) | |
| **For the 53 week period ended 3 August 2025** | | | | | | | | |
| Balance at the beginning of the period | | 365,517 | (5,282) | 6,361 | 220 | (57,265) | 1,184 | 310,735 |
| Profit/(loss) for the period | | - | - | - | - | (2,764) | 337 | (2,427) |
| Movement in foreign currency translation reserve | | - | - | - | - | - | - | - |
| Movement in derivative cash flow hedges | | - | - | (10,301) | - | - | - | (10,301) |
| Tax relating to movement in hedge reserve | | - | - | 2,884 | - | - | - | 2,884 |
| Total comprehensive income/(loss) | | - | - | (7,417) | - | (2,764) | 337 | (9,844) |
| **Contributions by and distributions to owners** | | | | | | | | |
| Dividends paid | 11.5 | - | - | - | - | - | (395) | (395) |
| **Balance at the end of the period** | | 365,517 | (5,282) | (1,056) | 220 | (60,029) | 1,126 | 300,496 |
| | | (note: 11.3) | (note: 11.3) | (note: 11.4) | (note: 11.4) | | (note: 11.5) | |

# Notes to the Financial Statements - Basis of Preparation

For the 52 week period ended 2 August 2026

## 1.0 BASIS OF PREPARATION

### 1.1 Reporting entity

The Warehouse Group Limited (the Company) and its subsidiaries (together the Group) operate in the New Zealand retail sector. The Company is a limited liability company incorporated and domiciled in New Zealand. The Group is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The address of the Company's registered office is 26 The Warehouse Way, Northcote, Auckland 0627, New Zealand. The Company is listed on the New Zealand Exchange (NZX).

### 1.2 Compliance statement

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the Financial Markets Conduct Act 2013 and the NZX Listing Rules. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), other applicable Financial Reporting Standards and authoritative pronouncements of the External Reporting Board, as appropriate for for-profit entities. The financial statements also comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB).

### 1.3 Basis of preparation

The measurement basis adopted in the preparation of these financial statements is historical cost, as modified by the remeasurement of certain assets and liabilities at fair value. The financial statements are presented in New Zealand dollars and all amounts are rounded to the nearest thousand dollars, unless otherwise stated.

Material accounting policy information and other explanatory information applied in the preparation of these financial statements are set out in the accompanying notes where an accounting policy choice exists under NZ IFRS, where the policy is new or has changed, where the policy is specific to the Group's operations, or where the information is considered material to an understanding of the financial statements. Where NZ IFRS does not permit an accounting policy choice, the Group has applied the requirements of the relevant standards and has not separately disclosed the accounting policy.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Material subsidiaries at balance date are listed below.

| | | Percentage ownership | |
|---|---|---|---|
| **Name of entity** | **Principal activity** | **2026** | **2025** |
| The Warehouse Limited | Retail | 100 | 100 |
| Eldamos Investments Limited | Property | 100 | 100 |
| The Warehouse Nominees Limited | Investment | 100 | 100 |

### Group structure

There were no changes to the Group's legal structure during 2026. Subsequent to balance date, the Group commenced the process of liquidating TWHouse Sourcing Private Limited in India following the cessation of its sourcing operations as part of the Group restructuring programme (refer note 5). The liquidation is not expected to have a material impact on the Group's financial position or performance.

### 1.4 Changes in accounting policy information and interpretations

There were no new accounting standards, amendments or interpretations that became effective for the Group during 2026 that had a material impact on the Group's accounting policies, recognition, measurement, financial position or financial performance.

The Group has not early adopted any standards, amendments or interpretations that have been issued but are not yet effective.

In May 2024, the IASB issued NZ IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces NZ IAS 1 *Presentation of Financial Statements*. NZ IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and will therefore be mandatory for the Group from 2028. The standard introduces new presentation and disclosure requirements for the primary financial statements and management-defined performance measures. The Group is currently assessing the impact of the standard and does not currently expect a material impact on the recognition or measurement of assets, liabilities, income or expenses.

### Climate change

The Group considered the potential financial statement impacts of climate-related risks and opportunities as part of the preparation of its sustainability reporting. This assessment included consideration of whether climate-related matters affected key accounting estimates and judgements, including impairment testing, useful economic lives of assets, provisions, asset valuations and the recoverability of assets.

Based on the assessment performed, the Group concluded that climate-related matters did not have a material impact on the recognition or measurement of assets and liabilities at balance date, nor did they result in any material adjustments to the judgements, estimates and assumptions used in preparing the financial statements. Accordingly, no climate-related matters were identified that required specific disclosure beyond those included in the Group's Sustainability Report.

### 1.5 Reporting period

These financial statements cover the 52 week period from 4 August 2025 to 2 August 2026. Comparative information relates to the 53 week period from 29 July 2024 to 3 August 2025. The Group operates on a weekly reporting cycle, resulting in a 53 week reporting period approximately every five to six years.

### 1.6 Material accounting judgements, estimates and assumptions

The preparation of the financial statements requires the Group to make judgements, estimates and assumptions that effect the reported amounts of assets and liabilities at balance date and the reported amounts of revenues and expenses during the year. Judgements and estimates which are material to the financial statements are found in the following notes:

(a) Lease liabilities and right of use assets (notes 10.1 and 10.2)
(b) Inventory (note 8.1)
(c) Property, plant and equipment (note 9.1)
(d) Intangible assets and tax losses (note 9.2)

### 1.7 Non-GAAP financial information

The Group uses operating profit, EBIT, unusual items and adjusted net profit to describe financial performance, as these measures provide useful information on the underlying performance of the business. These non-GAAP measures are not defined by NZ IFRS and may not be comparable with similarly titled measures reported by other entities. The Group's policies for unusual items and adjusted net profit are set out in note 5.0.



# Notes to the Financial Statements - Financial Performance

For the 52 week period ended 2 August 2026

## 2.0 SEGMENT INFORMATION

| **2.1 Operating performance** | Note | Retail sales (52 Weeks) 2026 $ 000 | Retail sales (53 Weeks) 2025 $ 000 | Operating profit/(loss) (52 Weeks) 2026 $ 000 | Operating profit/(loss) (53 Weeks) 2025 $ 000 | Retail operating margin 2026 | Retail operating margin 2025 |
|---|---|---|---|---|---|---|---|
| The Warehouse | | 1,774,873 | 1,816,475 | (7,529) | (12,247) | -0.4% | -0.7% |
| Warehouse Stationery | | 227,630 | 226,036 | 15,903 | 8,217 | 7.0% | 3.6% |
| **Warehouse segment** | | 2,002,503 | 2,042,511 | 8,374 | (4,030) | 0.4% | -0.2% |
| Noel Leeming | | 1,017,353 | 1,038,058 | 21,758 | 11,667 | 2.1% | 1.1% |
| Other Group operations | | 12,464 | 11,578 | (7,567) | (6,326) | | |
| Inter-segment eliminations | | (4,733) | (5,422) | - | - | | |
| **Group** | | 3,027,587 | 3,086,725 | 22,565 | 1,311 | 0.7% | 0.0% |
| Adjustments for NZ IFRS 16 (Leases) | 2.2 | | | 39,744 | 39,205 | | |
| **Operating profit** | | | | 62,309 | 40,516 | | |
| Unusual items | 5.0 | | | (5,716) | - | | |
| **Earnings before interest and tax** | | | | 56,593 | 40,516 | | |

**Retail sales**
Retail sales are recognised when the customer receives the goods which typically occurs at the point of sale for instore sales, or where the goods are purchased online, when the goods have been delivered to the customer. Revenue from the sale of goods is recognised at the amount of the transaction price when all performance obligations have been met and the customer obtains control of the goods.

**Operating segments**
The Group has three retail brands trading in the New Zealand retail sector. These brands form the basis of internal reporting used by senior management and the Board of Directors to monitor and assess performance and assist with strategy decisions. Brand trading performance is assessed using operating profit, which is a non-GAAP measure that excludes the impacts of NZ IFRS 16 Leases, and is considered a better measure of underlying brand performance. Assets are not allocated to operating segments and the balance sheet is managed and internally reported on a consolidated basis to the senior management and the Board of Directors.

Customers can purchase products from the three main retail chains either online or through the Group's physical retail store network. At year end the Group's physical store network consists of 84 The Warehouse stores, 67 Warehouse Stationery stores (including 42 stores trading within The Warehouse stores), and 66 Noel Leeming stores. The Warehouse predominantly sells general merchandise and apparel, Noel Leeming sells technology and appliance products and Warehouse Stationery sells stationery products.

Other Group operations include a property company, a chocolate factory and the residual cost of unallocated support office functions.

| **2.2 Adjustment for NZ IFRS 16 (Leases)** | Note | (52 Weeks) 2026 $ 000 | (53 Weeks) 2025 $ 000 |
|---|---|---|---|
| Pre NZ IFRS 16 lease expense | | 132,580 | 132,538 |
| Right of use asset amortisation | 10.1 | (92,848) | (93,333) |
| Gain on lease terminations | | 12 | - |
| **Impact on operating profit** | 2.1 | 39,744 | 39,205 |
| Lease liability interest | 10.2 | (36,945) | (36,847) |
| **Impact on net profit before tax** | 5.0 | 2,799 | 2,358 |

## 3.0 INCOME AND EXPENSES

| 3.1 Other income | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Tenancy rents received | 2,079 | 2,328 |
| Retail media | 9,133 | 8,702 |
| Other | 3,468 | 3,284 |
| **Other income** | 14,680 | 14,314 |

| 3.2 Employee expense | Note | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|---|
| | | $ 000 | $ 000 |
| Wages and salaries | | 509,112 | 522,103 |
| Directors' fees | 13.0 | 767 | 772 |
| Performance based compensation | | 9,762 | 3,645 |
| **Employee expense** | | 519,641 | 526,520 |

| 3.3 Depreciation and amortisation expense | Note | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|---|
| | | $ 000 | $ 000 |
| Property, plant and equipment | 9.1 | 32,826 | 40,325 |
| Computer software | 9.2 | 21,222 | 22,866 |
| Right of use assets | 10.1 | 92,848 | 93,333 |
| **Depreciation and amortisation expense** | | 146,896 | 156,524 |

| 3.4 Other operating expense | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| **Other operating expenses include:** | | |
| Bad debt and movement in provision for doubtful debts expense | 1,155 | (304) |
| Loss on disposal/impairment of plant, equipment and software | 2,272 | 187 |
| Net foreign currency exchange loss/(profit) | (3) | 273 |

| 3.5 Auditors' fees | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| **Audit and review of the financial statements** | | |
| Auditing the Group financial statements | 810 | 803 |
| Reviewing the half year financial statements | 180 | 118 |
| Audit of overseas subsidiary financial statements | 18 | 19 |
| | 1,008 | 940 |
| **Other agreed-upon procedure engagements** | | |
| Annual shareholder meeting voting | 12 | 10 |
| Negative Pledge compliance certificate | 12 | 12 |
| | 24 | 22 |
| **Total fees paid to PricewaterhouseCoopers (PwC)** | 1,032 | 962 |

All fees are paid to PwC New Zealand, with the exception of $18,000 (2025: $19,000) paid to PwC India for the audit of the Group's subsidiary in India.

**Audit fees - corporate governance**
In accordance with the Group's policies regarding audit governance and independence, other non-audit services are approved by the Group's Audit and Risk Committee. The Group's policy permits the audit firm to provide non-audit services that are not considered to be in conflict with the preservation of the independence of the auditor, subject to Audit and Risk Committee approval.

| 3.6 Net other interest expense | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Interest on deposits and use of money interest received | (142) | (319) |
| Interest on borrowings | 2,801 | 6,987 |
| **Net other interest expense** | 2,659 | 6,668 |





## 4.0 TAXATION

A reconciliation between the tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate is detailed below.

| 4.1 Taxation - income statement | Note | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|---|
| | | $ 000 | $ 000 |
| **Profit/(loss) before tax** | | 16,989 | (2,999) |
| Taxation calculated at 28% | | 4,757 | (840) |
| **Adjusted for the tax effect of:** | | | |
| Other non deductible expenditure | | 603 | 230 |
| Income tax under provided in prior year | | 103 | 38 |
| **Income tax (benefit)/expense** | | 5,463 | (572) |
| **Income tax (benefit)/expense comprises:** | | | |
| Current year income tax payable | 4.2 | 668 | 998 |
| Deferred taxation | 4.3 | 4,795 | (1,570) |
| **Income tax (benefit)/expense** | | 5,463 | (572) |

**Income taxation**
The income tax expense for the period is the tax payable on the current year's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised in equity are similarly recognised in equity.

**Goods and services tax (GST)**
The income statement and statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST with the exception of receivables and payables which include GST invoiced.

**Organisation for Economic Co-operation and Development's Pillar Two**
The Organisation for Economic Co-operation and Development (OECD) has introduced GloBE Pillar Two model rules which aim to implement a minimum global tax rate of 15 per cent across all jurisdictions.

The New Zealand Government has enacted legislation to implement the OECD Pillar Two Rules which are effective for the Group from August 2025. The Group also operates in other countries which apply the Pillar Two Rules with effect for the Group from August 2024. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has undertaken a high-level assessment to determine the Group's potential exposure to Pillar Two top-up taxes. Based on the assessment, it is expected that the Group will satisfy the relevant criteria to rely on the Pillar Two transitional safe harbour rules and is not expected to have exposure to Pillar Two top up taxes. The Group is continuing to monitor the developments of the Pillar Two legislation in countries that the Group operates in and assess the impact of Pillar Two legislation on its future financial performance.

The following table details the movement in the current income tax asset during the current and prior year.

| 4.2 Taxation - balance sheet current taxation asset | Note | 2026 | 2025 |
|---|---|---|---|
| | | $ 000 | $ 000 |
| Opening balance | | 2,473 | 2,779 |
| Foreign exchange movement | | (8) | - |
| Current year income tax payable | 4.1 | (668) | (998) |
| Income tax paid | | 532 | 692 |
| **Closing balance** | | 2,329 | 2,473 |

| 4.3 Taxation - balance sheet deferred taxation | Note | Opening Balance 2026 | Opening Balance 2025 | Credited/(expensed) to the income statement 2026 | Credited/(expensed) to the income statement 2025 | Credited/(expensed) to equity 2026 | Credited/(expensed) to equity 2025 | Closing Balance 2026 | Closing Balance 2025 |
|---|---|---|---|---|---|---|---|---|---|
| | | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| Lease liabilities | | 201,979 | 205,838 | (2,643) | (3,859) | - | - | 199,336 | 201,979 |
| Inventory | | 10,494 | 10,967 | 2,042 | (473) | - | - | 12,536 | 10,494 |
| Property, plant, equipment & software | | 2,774 | 6,873 | 1,806 | (4,099) | - | - | 4,580 | 2,774 |
| Employee provisions | | 13,842 | 14,074 | (499) | (232) | - | - | 13,343 | 13,842 |
| Tax losses | 9.2 | 34,617 | 25,349 | (7,534) | 9,268 | - | - | 27,083 | 34,617 |
| Derivatives | | 411 | - | - | - | (411) | 411 | - | 411 |
| Other | | 5,357 | 6,327 | 853 | (970) | (4) | - | 6,206 | 5,357 |
| **Gross deferred tax asset** | | 269,474 | 269,428 | (5,975) | (365) | (415) | 411 | 263,084 | 269,474 |
| Right of use assets | | (165,252) | (168,451) | 1,858 | 3,199 | - | - | (163,394) | (165,252) |
| Brand | | (4,340) | (4,340) | - | - | - | - | (4,340) | (4,340) |
| Derivatives | | - | (2,473) | - | - | (48) | 2,473 | (48) | - |
| Other | | (5,604) | (4,340) | (678) | (1,264) | - | - | (6,282) | (5,604) |
| **Gross deferred tax liability** | | (175,196) | (179,604) | 1,180 | 1,935 | (48) | 2,473 | (174,064) | (175,196) |
| **Net deferred tax asset** | | 94,278 | 89,824 | (4,795) | 1,570 | (463) | 2,884 | 89,020 | 94,278 |
| | | | | (note: 4.1) | (note: 4.1) | | | | |

## Notes to the Financial Statements - Financial Performance

For the 52 week period ended 2 August 2026

### 5.0 ADJUSTED NET PROFIT

| Adjusted net profit reconciliation | Note | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|---|
| | | $ 000 | $ 000 |
| **Net profit/(loss) attributable to shareholders of the parent** | | 11,234 | (2,764) |
| **Add back:** | | | |
| Unusual items: Restructure costs | | 5,716 | - |
| Adjustments for NZ IFRS 16 (Leases) | 2.2 | (2,799) | (2,358) |
| Income tax relating to above items | | (620) | 660 |
| **Adjusted net profit/(loss)** | | 13,531 | (4,462) |

Certain transactions can make the comparison of profits between years difficult. The Group uses adjusted net profit as a key indicator of performance and considers it a better measure of underlying business performance. Adjusted net profit makes allowance for the after tax effect of unusual items which are not directly connected with the Group's normal trading activities. The Group defines unusual items as any gains or losses from property disposals, goodwill and brand impairment, costs relating to business acquisitions or disposals, ineffective hedge derivatives and costs connected with restructuring the Group. Following the adoption of NZ IFRS 16 the non-cash impact relating to the lease accounting standard is also excluded from adjusted net profit.

**Restructure costs**
In November 2025, the Group commenced a cost reset programme aimed at improving profitability and reducing operating costs. Restructure costs comprise head office redundancy costs associated with the co-sourcing of selected corporate and administrative functions with Tata Consultancy Services, as well as the closure of TWHouse Sourcing Private Limited, the Group's Indian subsidiary.

### 6.0 EARNINGS PER SHARE

| Earnings per share calculation | Note | (52 Weeks) 2026 | (53 Weeks) 2025 |
|---|---|---|---|
| Net profit/(loss) attributable to shareholders of the parent ($000s) | | 11,234 | (2,764) |
| Adjusted net profit/(loss) ($000s) | 5.0 | 13,531 | (4,462) |
| **Basic and diluted** | | | |
| Weighted average number of ordinary shares (net of treasury shares) on issue (000s) | | 345,354 | 345,354 |
| Earnings per share (cents) | | 3.3 | (0.8) |
| Adjusted earnings per share (cents) | | 3.9 | (1.3) |

Earnings per share (EPS) is the amount of post tax profit attributable to each share. Basic EPS is calculated by dividing net profit attributable to shareholders by the weighted average number of ordinary shares (net of treasury shares) outstanding during the year. Adjusted basic EPS is similarly calculated using adjusted net profit as the numerator.

The Group did not hold any potentially dilutive share rights throughout the current financial year or at balance date last year.

### 7.0 DIVIDENDS

#### Dividend policy

The Group declares two dividends in a typical year, the first in respect of the half year (interim dividend) and second in respect of the full year result (final dividend). Dividends are declared at the discretion of the Board and subject to trading performance, market conditions and liquidity requirements. The Group's dividend policy is to distribute at least 70% of the Group's full year adjusted net profit. Notwithstanding the Group's adjusted net profit of $13.5 million (refer note 5.0), the Board did not declare a final dividend for 2026. While the performance improved during the year, the Board determined that retaining capital to support the Group's financial recovery and strategic investment priorities was appropriate in the circumstances.

| Imputation credit account | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Imputation credits at balance date available for future distribution | 107,856 | 107,729 |

## Notes to the Financial Statements - Operating Assets and Liabilities

For the 52 week period ended 2 August 2026

### 8.0 WORKING CAPITAL

| 8.1 Inventory | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Finished goods | 397,891 | 412,409 |
| Inventory provisions | (18,883) | (15,210) |
| Retail stock | 379,008 | 397,199 |
| Goods in transit from overseas | 59,811 | 79,519 |
| **Inventory** | 438,819 | 476,718 |

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using a weighted average method and includes expenditure incurred to purchase the inventory and transport it to its current location. Net realisable value is the estimated selling price of the inventory in the ordinary course of business less costs necessary to make the sale. The cost of inventories consumed during the period are recognised as an expense and included in cost of goods sold in the income statement.

**Material accounting judgements, estimates and assumptions**
Assessing provisions for inventory obsolescence, net realisable value and shrinkage involves making estimates and judgements in relation to future selling prices and expected shrinkage rates between the most recent store stock counts and balance date. Shrinkage is a reduction in inventory due to shoplifting, employee theft, record keeping errors and supplier fraud. The Group considers a wide range of factors including historical data, current trends and product information from buyers as part of the process to determine the appropriate value of these provisions.

**Goods in transit from overseas**
Goods in transit are recognised when control of the goods passes to the Group. Control is determined based on the Group's substantive rights over the inventory, including its ability to direct the use and movement of the goods and obtain the associated economic benefits.

| 8.2 Trade and other receivables | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Trade receivables | 34,207 | 29,512 |
| Prepayments | 39,618 | 39,760 |
| Rebate accruals and other debtors | 21,434 | 22,687 |
| **Trade and other receivables** | 95,259 | 91,959 |
| Less non current prepayments | (17,754) | (22,088) |
| **Current trade and other receivables** | 77,505 | 69,871 |

Trade receivables arise from sales made to customers on credit or through the collection of rebates from suppliers not otherwise deducted from suppliers' payable accounts. Trade receivables are non-interest bearing and are generally on 30 to 60 day terms. Trade receivables are recognised based on the value of the invoice sent to the customer and adjusted for expected credit losses to provide for future unrecovered debts. The expected collectability of trade and other receivables is reviewed on an ongoing basis.

| 8.3 Trade and other payables | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Local trade creditors and accruals | 205,475 | 224,514 |
| Foreign currency trade creditors | 71,588 | 75,223 |
| Goods in transit creditors | 33,378 | 35,236 |
| Capital expenditure creditors | 2,629 | 1,028 |
| Goods and services tax | 26,815 | 17,404 |
| Reward schemes and gift vouchers | 13,572 | 13,589 |
| Payroll accruals | 8,905 | 9,764 |
| **Trade and other payables** | 362,362 | 376,758 |

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are normally unsecured and local creditors are typically settled within 60 days and foreign creditors up to 120 days of recognition. Due to the short term nature of these payables, the carrying value approximates their fair value.

**Foreign currency trade creditors**
The Group has a supplier financing arrangement for foreign currency trade creditors with one of its banks. The Group provides the bank and the supplier with visibility of invoices it has approved for payment, which allows suppliers choosing to enter the financing arrangement to factor selected invoices and accelerate settlement from the bank before the invoice due date. The Group is not party to the financing leg of the arrangement and are not aware of the exact terms and conditions negotiated between the bank and our suppliers. The payment terms of the Group's foreign currency trade creditors do not exceed 120 days from the invoice date and invoice payment terms (including security) do not vary between those where suppliers have factored their receivables from those who have not.

The Group classifies the amounts factored by suppliers as foreign currency trade creditors because the characteristics of the amounts payable by the Group are the same as its other foreign currency trade creditors. At balance date $58.5 million (2025: $64.0 million) of foreign currency trade creditors were part of a supplier financing arrangement.

| 8.4 Provisions | Current | | Non current | | Total | |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| Employee entitlements | 40,474 | 38,274 | 13,783 | 14,252 | 54,257 | 52,526 |
| Make good provision | 1,465 | 937 | 6,477 | 6,558 | 7,942 | 7,495 |
| Sales return provision | 3,768 | 3,715 | - | - | 3,768 | 3,715 |
| **Provisions** | 45,707 | 42,926 | 20,260 | 20,810 | 65,967 | 63,736 |

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.

**Employee entitlements**

**(i) Annual leave and sick leave**

Liabilities for annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

**(ii) Performance based compensation**

The Group recognises a liability and expense for incentives payable to employees where either a contractual or constructive obligation arises to pay an employee based on achieving an agreed level of individual and company performance.

**(iii) Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on New Zealand government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**Make good provision**

The Group has an obligation to restore certain leasehold sites to their original condition when the lease expires. This provision represents the present value of the expected future make good commitment. Amounts charged to the provision represent both make good costs incurred and costs incurred which mitigate the final liability prior to the lease expiry.

**Sales return provision**

The Group provides various guarantees and warranties to replace, repair or refund customers for faulty or defective products sold. This provision represents the estimated sales return obligation at balance date based on historical sales return rates.

## 9.0 NON CURRENT ASSETS

| 9.1 Property, plant and equipment | Note | Land and buildings | | Plant and equipment | | Work in progress | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| Cost | | 60,590 | 60,590 | 695,211 | 716,526 | 9,567 | 11,278 | 765,368 | 788,394 |
| Accumulated depreciation | | (13,214) | (12,780) | (597,076) | (588,406) | - | - | (610,290) | (601,186) |
| **Opening carrying amount** | | 47,376 | 47,810 | 98,135 | 128,120 | 9,567 | 11,278 | 155,078 | 187,208 |
| Additions | | - | - | 15,768 | 10,150 | 3,144 | (1,711) | 18,912 | 8,439 |
| Disposals, write offs & impairment | | - | - | (905) | (244) | (4,973) | - | (5,878) | (244) |
| Depreciation | 3.3 | (403) | (434) | (32,423) | (39,891) | - | - | (32,826) | (40,325) |
| **Closing carrying amount** | | 46,973 | 47,376 | 80,575 | 98,135 | 7,738 | 9,567 | 135,286 | 155,078 |
| Cost | | 60,590 | 60,590 | 701,144 | 695,211 | 7,738 | 9,567 | 769,472 | 765,368 |
| Impairment & accumulated depreciation | | (13,617) | (13,214) | (620,569) | (597,076) | - | - | (634,186) | (610,290) |
| **Closing carrying amount** | | 46,973 | 47,376 | 80,575 | 98,135 | 7,738 | 9,567 | 135,286 | 155,078 |

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets inclusive of directly attributable costs incurred to bring the assets to the location and condition necessary for their intended use.

Property, plant and equipment are depreciated on a straight line basis to allocate the cost, less any residual value, over their useful life. The estimated useful lives of property, plant and equipment are as follows:

| | |
|---|---|
| Freehold land | indefinite |
| Freehold buildings | 50 - 100 years |
| Plant and equipment | 3 - 15 years |
| Work in progress | not depreciated |

The Group annually reviews the carrying amounts of property, plant and equipment for impairment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. In assessing whether an asset is impaired, reference is made to individual store profitability and any other known events or circumstances that may indicate that the carrying amount of an asset may be impaired.

Gains and losses on disposals of assets are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. Costs incurred on repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**Material accounting judgements, estimates and assumptions**

The Group assesses store assets, software (refer note 9.2) and store development work in progress for indicators of impairment and, where indicators exist, estimates their recoverable amount. This assessment requires judgement in assessing the future economic benefits expected to be derived from the assets, including expected store performance, future utilisation and alternative deployment opportunities. Where assets are no longer expected to generate sufficient future economic benefits, the recoverable amount is based on the most appropriate measure of value, including disposal or scrap value where applicable.





| 9.2 Intangible assets | Note | Goodwill | | Brand names | | Computer software | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| Cost | | 57,456 | 57,456 | 15,500 | 15,500 | 147,578 | 147,155 | 220,534 | 220,111 |
| Impairment & accumulated amortisation | | - | - | - | - | (80,444) | (60,999) | (80,444) | (60,999) |
| **Opening carrying amount** | | 57,456 | 57,456 | 15,500 | 15,500 | 67,134 | 86,156 | 140,090 | 159,112 |
| Additions | | - | - | - | - | 2,146 | 3,948 | 2,146 | 3,948 |
| Disposals, write offs & impairment | | - | - | - | - | (1,409) | (104) | (1,409) | (104) |
| Amortisation | 3.3 | - | - | - | - | (21,222) | (22,866) | (21,222) | (22,866) |
| **Closing carrying amount** | | 57,456 | 57,456 | 15,500 | 15,500 | 46,649 | 67,134 | 119,605 | 140,090 |
| Cost | | 57,456 | 57,456 | 15,500 | 15,500 | 147,479 | 147,578 | 220,435 | 220,534 |
| Impairment & accumulated amortisation | | - | - | - | - | (100,830) | (80,444) | (100,830) | (80,444) |
| **Closing carrying amount** | | 57,456 | 57,456 | 15,500 | 15,500 | 46,649 | 67,134 | 119,605 | 140,090 |

**Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration paid above the fair value of the net identifiable assets, liabilities and contingent liabilities acquired.

**Brand names**

Brand names acquired in a business combination are recognised at fair value at the acquisition date. Brand names are considered to have indefinite useful lives as the Group has rights to use these names in perpetuity.

**Impairment of goodwill and brand names**

Assets that have an indefinite useful life are reviewed annually for impairment or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

**Computer software** (excluding cloud computing arrangements)

Internal and external costs directly incurred in the purchase or development of software controlled by the Group are recognised as intangible assets, including subsequent improvements, when it is probable that they will generate a future economic benefit. Computer software is amortised using the straight-line method over periods ranging from two to ten years.

**Cloud computing arrangements**

Cloud computing arrangements provide the Group with the right to access a supplier's cloud based software for a specified contract period. If the Group does not control the cloud based software, the related development costs (external and internal) are recognised as either:

(a) an expense when they are incurred for internal costs and the costs of an integrator not related to the software provider, or

(b) as a prepayment and then expensed over the term of the cloud computing arrangement for the costs of the software provider or its subcontractor.

**Brand and goodwill impairment testing**

The Group performs an annual impairment test of its brand and goodwill intangible assets by comparing their recoverable amounts with their carrying amounts. Recoverable amounts are determined using the fair value less costs of disposal methodology.

The valuations are based on discounted cash flow projections that reflect management's assessment of future operating performance. In determining the cash flow forecasts, the Group considers a range of factors including Board-approved budgets, strategic plans, external market evidence, historical forecast accuracy and current trading performance. The forecasts incorporate management's best estimate of future economic conditions and expected earnings recovery, giving appropriate weight to external evidence where available. The Group also engages external advisers to determine appropriate discount rates and long-term growth rates, which are key assumptions used in the valuations.

The Group's goodwill and brand assets are allocated to cash-generating units (CGUs), which represent the lowest level within the Group at which the assets are monitored for internal management purposes. Details of these carrying amounts allocated to each CGU, together with the key assumptions used in the impairment tests, including the assumptions applied to extrapolate cash flows beyond the five-year forecast period, are set out below.

| Impairment testing | Noel Leeming | | The Warehouse | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | $ 000 | $ 000 | $ 000 | $ 000 |
| Goodwill | 31,776 | 31,776 | 25,680 | 25,680 |
| Brand names | 15,500 | 15,500 | - | - |
| **Closing carrying amount** | 47,276 | 47,276 | 25,680 | 25,680 |
| **Key assumptions** | | | | |
| Terminal operating margin (%) | 3.4 | 3.2 | 2.3 | 4.0 |
| Terminal growth rate (%) | 2.1 | 2.0 | 2.1 | 2.0 |
| Pre-tax discount rate (%) | 16.4 | 15.9 | 15.3 | 15.4 |
| Post-tax discount rate (%) | 11.8 | 11.5 | 11.1 | 11.1 |

Operating margin represents earnings before interest, taxation, unusual items and the impact of NZ IFRS 16. The Warehouse segment includes the Warehouse Stationery business and Support Office functions. The annual impairment testing of the Noel Leeming and The Warehouse CGU indicated that recoverable amounts exceeded carrying amounts and that sufficient headroom existed within each CGU. Accordingly, the attributed goodwill and brand assets were not impaired.

**Material accounting judgements, estimates and assumptions**

The impairment assessment of goodwill and brand assets, and the recoverability assessment of carried-forward tax losses (refer note 4.3), involve estimation uncertainty because both rely on forecasts of future financial performance. Management assesses the reasonableness of these forecasts through consideration of historical forecasting accuracy, external market evidence and sensitivity analysis of key assumptions. Based on this assessment, management concluded that the recoverable amounts of both the Noel Leeming and The Warehouse CGU exceeded their carrying amounts and that sufficient future taxable profits are expected to be available to support recognition of deferred tax assets arising from carried-forward tax losses.

## Notes to the Financial Statements - Operating Assets and Liabilities

For the 52 week period ended 2 August 2026

### 10.0 LEASE LIABILITIES AND RIGHT OF USE ASSETS

| 10.1 Rights of use assets | | Cost | | Accumulated depreciation | | Carrying amount | |
|---|---|---|---|---|---|---|---|
| | Note | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| Opening balance | | 1,486,277 | 1,454,639 | (896,090) | (853,029) | 590,187 | 601,610 |
| Foreign exchange movement | | 425 | 40 | (170) | (18) | 255 | 22 |
| Additions | 10.2 | 49,922 | 54,621 | - | - | 49,922 | 54,621 |
| Depreciation | 3.3 | - | - | (92,848) | (93,333) | (92,848) | (93,333) |
| Reassessment of lease terms | 10.2 | 36,292 | 27,267 | - | - | 36,292 | 27,267 |
| Lease surrenders and terminations | | (22,953) | (50,290) | 22,696 | 50,290 | (257) | - |
| **Closing balance** | | 1,549,963 | 1,486,277 | (966,412) | (896,090) | 583,551 | 590,187 |

A 'lease liability' and a corresponding 'right of use' asset is recognised when the Group commences a lease with a term exceeding 12 months and has sufficient value to not be characterised as a low value lease. The initial lease liability and corresponding 'right of use' asset represent the present value of future lease payments discounted using the Group's incremental borrowing rate over the lease term including any contractual lease extension options considered reasonably certain to be exercised. The future lease payments recognise contractual fixed rate lease payment adjustments but not adjustments made for inflation-indexed lease payment increases.

Lease payments are allocated between the lease liability and the finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

The Group leases various warehouses, retail stores, equipment and vehicles. Property leases represent around 98% of the carrying value of the Group's 'right of use assets'. The property leases are negotiated on an individual basis, typically for an initial period of 6 to 10 years and usually include extension options, but may also contain a wide variety of other terms and conditions. Extension options provide the Group with operational flexibility in terms of managing the Group's retail intensity within different catchment areas. The majority of extension and termination options may only be exercised by the Group and not by the landlord.

| 10.2 Lease liabilities | Note | 2026 | 2025 |
|---|---|---|---|
| | | $ 000 | $ 000 |
| Opening balance | | 713,839 | 736,812 |
| Foreign exchange movement | | 248 | 21 |
| Additions | 10.1 | 49,922 | 54,621 |
| Interest | | 36,945 | 36,847 |
| Reassessment of lease terms | 10.1 | 36,292 | 27,267 |
| Lease repayments | | (131,650) | (141,729) |
| Lease surrenders and terminations | | (268) | - |
| **Closing balance** | 10.3 | 705,328 | 713,839 |

| 10.3 Lease liability maturity analysis | | Gross lease payments | | Interest | | Carrying amount | |
|---|---|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| Within one year | | 132,775 | 126,919 | (35,290) | (34,397) | 97,485 | 92,522 |
| One to two years | | 115,788 | 122,399 | (28,230) | (30,155) | 87,558 | 92,244 |
| Two to five years | | 335,657 | 319,951 | (63,312) | (61,235) | 272,345 | 258,716 |
| Beyond five years | | 280,774 | 302,258 | (32,834) | (31,901) | 247,940 | 270,357 |
| **Lease liability** | | 864,994 | 871,527 | (159,666) | (157,688) | 705,328 | 713,839 |
| Current lease liability | | | | | | 97,485 | 92,522 |
| Non current lease liability | | | | | | 607,843 | 621,317 |
| **Lease liability** | 10.2 | | | | | 705,328 | 713,839 |

**Material accounting judgements, estimates and assumptions**
To quantify lease liabilities and 'right of use' carrying values requires the Group to use judgement to assess the appropriate lease term and estimates to determine the incremental borrowing rate applied to calculate these amounts. These judgements and estimates can significantly impact the carrying value of both the right of use asset and lease liabilities recognised in the balance sheet and corresponding expenses recorded in the income statement.

The Group uses the judgement of experts within its property department to assess the lease term at the inception of a lease and to reassess a lease term when a significant event or significant change in circumstances within the control of Group affects the prospect that a right of renewal contained in a lease will be exercised.

The Group engages an independent valuation expert to establish the incremental borrowing rates applied to new and modified leases during the year. The average incremental borrowing rate used to calculate the value of lease liabilities at balance date was 5.44% (2025: 5.23%).



## Notes to the Financial Statements - Financing and Capital Structure

For the 52 week period ended 2 August 2026

### 11.0 EQUITY

#### 11.1 Capital management

Capital is defined by the Group to be the total equity as shown in the balance sheet. The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern, to provide an appropriate rate of return to shareholders, optimise the Group's cost of capital and maintain a liquidity buffer (refer note 11.2).

The Group reviews its capital structure annually, unless there is a material change requiring an earlier response and may make adjustments by means including changes to the Group's dividend pay-out ratio, issue of new shares, debt issuance, sale of assets or a combination of these.

**Externally imposed capital requirements**
The Group has a negative pledge arrangement with its funding providers that requires the parent and its guaranteeing Group companies to comply with certain quarterly debt ratios and restrictive covenants. The calculation of these ratios is adjusted to exclude the impact of the NZ IFRS 16 Leases accounting standard. The principal covenants at balance date were:

1) The gearing ratio will not exceed 60% during the first quarter ending October or exceed 50% in each of the remaining quarters of the year;
2) Interest cover will not be less than 6.5 times operating profit plus depreciation, for the 2026 financial year; and
3) Interest cover will not be less than 2.0 times operating profit, for subsequent years.

Depreciation for the purposes of the cover ratio calculations (above) includes software amortisation, but excludes 'right of use asset' amortisation. The Group was in compliance with all aspects of the negative pledge covenants throughout the current and previous financial year.

| 11.2 Bank and debt facilities | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Cash and cash equivalents | 41,883 | 39,206 |
| Borrowings | (58,900) | (135,300) |
| **Net debt** | (17,017) | (96,094) |
| Committed bank credit facilities | 345,000 | 450,000 |
| **Liquidity buffer** | 327,983 | 353,906 |

The Group's liquidity policy requires a minimum liquidity buffer of $100 million, with a target above $150 million.

| 11.3 Contributed equity | Contributed equity | | Ordinary shares | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | $ 000 | $ 000 | $ 000 | $ 000 |
| Share capital | 365,517 | 365,517 | 346,843 | 346,843 |
| Treasury shares | (5,282) | (5,282) | (1,489) | (1,489) |
| **Contributed equity** | 360,235 | 360,235 | 345,354 | 345,354 |

There were no changes to the Group's contributed equity during the current year and previous year.

Ordinary shares are classified as equity. Incremental costs, directly attributable to the issue of new shares, are shown in equity as a deduction from the proceeds of the share issue.

Where the Group purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the shareholders until the shares are cancelled or reissued. Where such shares are reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to shareholders.

Ordinary shares on issue are fully paid and carry one vote per share and participate equally in dividends, other distributions from equity and any surplus on a winding up of the Group. The Group retains its own ordinary shares which are used for employee share based payment arrangements. Voting rights attached to the shares are held by the trustees of the employee share plans, and dividends paid on the shares are retained by the trustee for the benefit of the Group.

| 11.4 Reserves | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Cash flow hedge reserve | 126 | (1,056) |
| Foreign currency translation reserve | 485 | 220 |
| **Reserves** | 611 | (836) |

**Cash flow hedge reserve**
This reserve records the portion of the gain or loss on a hedging derivative in a cash flow hedge that is determined to be an effective hedge. The cumulative deferred gain or loss on the hedge is recognised in the income statement when the hedged transaction impacts the income statement, or depending on the nature of the hedge, is included in a non-financial hedged item when the hedged event occurs. (Refer to the consolidated statement of changes in equity and accounting policies detailed in note 12.2).

**Foreign currency translation**
Exchange differences arising on translation of the Group's subsidiaries in India and China are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the income statement when the net investment is sold.

| 11.5 Minority interest | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Opening balance | 1,126 | 1,184 |
| Net profit attributable to minority interest | 292 | 337 |
| Dividends paid to minority shareholders | (328) | (395) |
| **Closing balance** | 1,090 | 1,126 |

**Minority interest reserve**
A minority interest is an ownership position in a Group subsidiary where the minority shareholder owns less than 50% of outstanding shares and has no control over decisions. Minority interests are measured based on the minority shareholders' proportionate share of the net asset value of the subsidiary.

At balance date minority shareholders held a 50% (2025: 50%) shareholding in ChocolateWorks, a manufacturer of chocolate confectionery located in Waikato.



## 12.0 FINANCIAL RISK MANAGEMENT

### 12.1 Financial risk factors

The Group's activities expose it to various financial risks including liquidity risk, credit risk and market risk. The Group's overall risk management programme focuses on the uncertainty of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group enters into forward currency contracts to manage the currency fluctuation risks arising from the Group's overseas purchases.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess cash.

| 12.2 Derivative financial instruments | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Forward exchange contract assets | 2,618 | 3,908 |
| Forward exchange contract liabilities | (2,672) | (3,768) |
| **Derivative financial instruments** | (54) | 140 |
| | | |
| **Classified as:** | | |
| Cash flow hedges | 174 | (1,467) |
| Fair value hedges | (228) | 1,607 |
| **Derivative financial instruments** | (54) | 140 |

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. For the purposes of hedge accounting, hedges are classified as:

- Cash flow hedges when they hedge an exposure to a highly probable forecast transaction; or
- Fair value hedges when they hedge the exposure to changes in fair value of a recognised asset or liability.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge transactions. An assessment, both at hedge inception and on an ongoing basis is also documented, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

**Cash flow hedge**
The Group applies cash flow hedge accounting to manage the currency risk associated with purchasing inventory in foreign currencies. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

**Fair value hedge**
The Group applies fair value hedge accounting for hedging to manage the currency risk associated with foreign currency trade creditors. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributed to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, or the hedge is not fully effective, then the hedge or portion of the hedge which is not effective is recognised immediately in the income statement as a foreign exchange gain or loss.

**Derivatives that do not qualify for hedge accounting**
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

**Material accounting judgements, estimates and assumptions**

**Hedge effectiveness**
To assess hedge effectiveness for the Group's currency derivatives, the Group forecasts overseas purchases for the next 18 months to confirm that the hedged transactions remain highly probable. The testing method compares the critical terms of the hedged transactions with those of the related derivatives. The results indicated that a high level of hedge effectiveness was expected.

**Valuation**
The Group's derivatives are not traded in an active market, so quoted prices are not available to determine fair value. The Group therefore applies valuation techniques based on observable market data. For accounting purposes under NZ IFRS 13, these valuations are classified as Level 2 fair value measurements because they are derived from observable market inputs rather than quoted prices in an active market.

# Notes to the Financial Statements - Financial Risk Management

For the 52 week period ended 2 August 2026

### 12.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities to meet financial obligations when they are due and being able to close out market positions if necessary. The Group monitors rolling forecasts of the Group's liquidity position based on expected cash flows to ensure a liquidity buffer is maintained in accordance with policy limits approved by the Board. The Group maintains funding flexibility by ensuring availability using committed credit lines. The Group's liquidity policy and committed credit facilities at balance date are detailed in note 11.1.

The table below details the Group's derivatives and other financial liabilities (excluding lease liabilities - refer note 10.3).

| Liabilities/(assets) | Note | 0 - 6 Months 2026 | 0 - 6 Months 2025 | 7 - 12 Months 2026 | 7 - 12 Months 2025 | Total 2026 | Total 2025 |
|---|---|---|---|---|---|---|---|
| | | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| Borrowings | 11.2 | 58,900 | 135,300 | - | - | 58,900 | 135,300 |
| Trade and other payables | 8.3 | 362,362 | 376,758 | - | - | 362,362 | 376,758 |
| Derivatives - gross settled (forward exchange contracts) | | | | | | | |
| - outflow | 12.5 | 218,235 | 230,713 | 109,201 | 89,641 | 327,436 | 320,354 |
| - inflow | | (218,335) | (231,903) | (110,364) | (89,922) | (328,699) | (321,825) |
| **Financial liabilities and derivatives** | | 421,162 | 510,868 | (1,163) | (281) | 419,999 | 510,587 |

### 12.4 Credit risk

Credit risk arises from the financial assets of the Group which are exposed to potential counterparty default, with a maximum exposure equal to the carrying amount of these assets. In the normal course of business the Group incurs credit risk from trade and other receivables, derivatives and transactions with financial institutions.

The Group places its cash and short-term investments and derivatives with high credit quality financial institutions approved by the Board and in accordance with specified treasury policy limits. The Group's treasury policy requires bank counterparties to have a minimum Standard & Poor's credit rating of at least A (2025: A).

The Group controls its credit risk from trade and other receivables by the application of credit approval, limits and monitoring procedures. Receivable balances are monitored on an ongoing basis to ensure the Group's bad debt exposure is not significant. Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. As the Group transacts with a diversity of counterparties it does not have any significant exposure to any individual customers, industry or economic sector.

### 12.5 Market risk

**Foreign exchange risk**

The Group purchases inventory directly from overseas suppliers, primarily priced in US dollars. To protect against exchange rate movements and manage the inventory costing process, the Group enters into forward exchange contracts to purchase foreign currencies. These contracts hedge highly probable forecast purchases and are timed to mature when the payments are scheduled to be settled. Management work to a Board approved Treasury Policy to manage this foreign exchange risk. The policy parameters for hedging forecast currency exposures are:

- to hedge 80% to 100% of US dollar commitments expected in the next 0 to 4 months
- to hedge 50% to 90% of US dollar commitments expected in the next 5 to 12 months
- where exposures to other currencies arise, the Group hedges these risks once a firm commitment is in place
- specific approval is required to hedge foreign currency commitments extending beyond a 12-month time horizon.

| Currency position at balance date | Carrying value 2026 | Carrying value 2025 | Notional amount (NZD) 2026 | Notional amount (NZD) 2025 | Average exchange rate 2026 | Average exchange rate 2025 | 0 to 12 month hedge level 2026 | 0 to 12 month hedge level 2025 |
|---|---|---|---|---|---|---|---|---|
| | $ 000 | $ 000 | $ 000 | $ 000 | Cents | Cents | Percentage | Percentage |
| Forward exchange contracts | | | | | | | | |
| Buy US dollars/Sell New Zealand dollars | (54) | 140 | 327,436 | 320,354 | 0.5912 | 0.5921 | 66.9 | 63.2 |

The spot rate used to determine the mark-to-market carrying value of the US dollar forward contracts at balance date was $0.5890 (2025: $0.5894).

The following sensitivity table, based on currency contracts and foreign currency trade creditors in existence at balance date, shows the positive/(negative) impact of reasonably possible exchange rate movements on after tax profit and equity, with all other variables held constant.

| Foreign currency sensitivity table | Note | Amount | + 10 percent Profit | + 10 percent Equity | - 10 percent Profit | - 10 percent Equity |
|---|---|---|---|---|---|---|
| | | $ 000 | $ 000 | $ 000 | $ 000 | $ 000 |
| **At 2 August 2026** | | | | | | |
| Foreign currency trade creditors | 8.3 | (71,588) | 4,686 | 4,686 | (5,727) | (5,727) |
| **Derivative financial instruments** | | | | | | |
| Forward exchange contracts - cash flow hedges | 12.2 | 174 | - | (16,504) | - | 20,171 |
| Currency forward contracts - fair value hedges | 12.2 | (228) | (4,658) | (4,658) | 5,693 | 5,693 |
| **Total increase/(decrease)** | | | 28 | (16,476) | (34) | 20,137 |
| | | | | | | |
| **At 3 August 2025** | | | | | | |
| Foreign currency trade creditors | 8.3 | (75,223) | 4,924 | 4,924 | (6,018) | (6,018) |
| **Derivative financial instruments** | | | | | | |
| Forward exchange contracts - cash flow hedges | 12.2 | (1,467) | - | (15,852) | - | 19,375 |
| Forward exchange contracts - fair value hedges | 12.2 | 1,607 | (4,890) | (4,890) | 5,977 | 5,977 |
| **Total increase/(decrease)** | | | 34 | (15,818) | (41) | 19,334 |



# Notes to the Financial Statements - Other Disclosures

For the 52 week period ended 2 August 2026

## 13.0 KEY MANAGEMENT

Key management includes the Directors of the Company and the members of the Group's Leadership Team during the year, comprising the Group Chief Executive Officer and his 11 (2025: 6) direct reports at balance date. Compensation paid to Directors and other members of key management of the Group is set out in the two tables below:

| Directors' fees | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| J W M Journee (appointed as interim Group CEO from May 2024 to July 2025, appointed Chair November 2025) | 165 | - |
| A J Balfour (retired November 2024) | - | 39 |
| A J Carter | 117 | 118 |
| D R Hamilton | 114 | 114 |
| C M Rainsford | 94 | 94 |
| H J Rumbold (appointed November 2025) | 63 | - |
| R E Taulelei | 115 | 117 |
| R J Tindall (resigned November 2025) | 38 | 107 |
| J Withers (Chair until retired in November 2025) | 61 | 183 |
| **Total** | 767 | 772 |

During the 2026 financial year, J W M Journee received $148,000 for advisory services provided to the Group in addition to his director services. His role as interim Group CEO ended in July 2025, and remuneration of $1,747,936 for the 2025 financial year, in his capacity as Group CEO and Executive Director, is included in the key management remuneration table below.

| Key management | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Base salary | 6,877 | 5,691 |
| Retention (cash settled) | 240 | 120 |
| Annual performance based compensation | 2,508 | 375 |
| Three year performance based compensation (cash settled) | 533 | 437 |
| Termination benefits | 357 | 564 |
| **Total** | 10,515 | 7,187 |

## 14.0 COMMITMENTS

Capital expenditure contracted for at balance date, but not recognised as liabilities, is set out below

| Capital commitments | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Within one year | 1,261 | 1,957 |

## 15.0 CONTINGENT LIABILITIES

| | 2026 | 2025 |
|---|---|---|
| | $ 000 | $ 000 |
| Standby letter of credit | 17,500 | 17,500 |
| Bank guarantees provided to landlords and the New Zealand Exchange Limited | 315 | 315 |
| **Contingent liabilities** | 17,815 | 17,815 |

## 16.0 RELATED PARTIES

During the period, the Group has not entered into any material contracts involving related parties or Directors' interests which are not disclosed. No amounts owed by related parties have been written off or forgiven during the period.

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# Independent auditor's report

**To the shareholders of The Warehouse Group Limited**

## Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of The Warehouse Group Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 2 August 2026, its financial performance, and its cash flows for the 52 week period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

### What we have audited

The Group's financial statements comprise:

- the consolidated balance sheet as at 2 August 2026;
- the consolidated income statement for the 52 week period then ended;
- the consolidated statement of comprehensive income for the 52 week period then ended;
- the consolidated statement of changes in equity for the 52 week period then ended;
- the consolidated statement of cash flows for the 52 week period then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

### Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

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In our capacity as auditor, our firm also provides review and agreed-upon procedures services. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

## Key audit matters

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

| Description of the key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Inventory valuation**<br>The carrying value of the Group's inventory as at 2 August 2026 was $438.8 million with inventory provisions of $18.9 million.<br>To value inventory, the Group measures inventory at the lower of cost and net realisable value by deducting provisions from the cost of inventory which are determined based on various factors including historical data, current selling trends, and product information from buyers within the business.<br>Determining the appropriate level of provisions involves judgement, including management's expectations of future sales levels and future selling prices. Due to the judgements involved in estimating the inventory provisions, and the significance of the inventory balance, this is an area of focus for the audit and a key audit matter. The assessment was particularly relevant in FY26 given the reduction in total inventory, while inventory provisions increased.<br>Note 8.1 of the financial statements describes the accounting policy for inventory and the judgements and estimates applied by management to determine the inventory provisions. | We have updated our understanding of the key processes and controls surrounding inventory provisioning and assessed the design and implementation of relevant controls, in particular controls over the cyclical count process.<br>Our procedures to audit the inventory provisions included the following:<br>• observing and inspecting management's stocktake procedures throughout the period, at a sample of selected locations, to confirm that aged and clearance items were identified and accounted for;<br>• performing risk assessment analytics at an inventory category level by assessing how the provisions as a percentage of total stock on hand for this period compare to the prior period, and understanding the rationale for material or unexpected changes;<br>• holding discussions with management to understand the assumptions used to estimate inventory provisions;<br>• assessing management's ability to forecast accurately by comparing inventory provisions in the prior period against actual inventory write-offs and sales below cost in the current period;<br>• on a sample basis, testing that finished goods were valued at the lower of cost or net realisable value by comparing the recorded cost with recent or expected selling prices, less the costs necessary to make the sale;<br>• on a sample basis, testing inventory ageing schedules and checking whether provisions were recorded for aged stock in accordance with the Group policy; and<br>• performing a reasonableness test of the shrinkage provisions by comparing the provision against the actual shrinkage for the 52 week period. |
| **Goodwill impairment assessment – The Warehouse**<br>Goodwill, an indefinite life intangible asset, allocated to the Group's The Warehouse cash generating unit (CGU) as at 2 August 2026, amounted to $25.7 million.<br>Our audit focused on this CGU as it remained the area of greatest impairment judgement within the Group. While FY26 performance showed some improvement, the Warehouse segment continued to be adversely impacted by challenging trading conditions, as reflected in the CGU's operating performance disclosed in note 2 of the financial statements.<br>Management performed an annual impairment assessment to determine the recoverable amount using a discounted cash flow model under a fair value less costs of disposal (FVLCOD) basis. | Our procedures to audit The Warehouse CGU's management impairment test included the following:<br>• understanding the processes undertaken by management in performing the impairment test;<br>• evaluating the design of controls relevant to management's process to assess impairment, considering if they are designed effectively, and confirming that they have been implemented;<br>• considering the appropriateness of management's CGU assessment;<br>• testing the basis of allocation of the Group's assets, liabilities and cost of doing business to the CGU;<br>• reviewing prior year actual sales and profitability against the original budgeted performance to assess management's ability to accurately forecast;<br>• gaining an understanding of the forecast outlook for the industry, the strategic direction of the business and ongoing earnings recovery expectations; |

| Description of the key audit matter | How our audit addressed the key audit matter |
| --- | --- |
| The Warehouse's impairment assessment is considered a key audit matter due to the significance of the carrying value of the goodwill and other assets allocated to the CGU as well as significant judgement involved in estimating future business performance, particularly the timing and extent of the forecast earnings recovery. This judgement is heightened by the uncertainty associated with achieving forecast improvement in operating margins.<br><br>Key assumptions included in the impairment assessment are:<br>• forecast future cash flows, which include estimates and assumptions around operating margin in the terminal year;<br>• discount rate; and<br>• terminal growth rate.<br><br>The CGU's recoverable amount reflects the uncertainty surrounding the timing and extent of the expected earnings recovery. Based on the assumptions above, management concluded that sufficient headroom exists within each CGU and no impairment of goodwill has been recognised.<br><br>Refer to note 9.2 of the financial statements for further information. | • agreeing forecast future performance included in the FVLCOD impairment assessment to the model approved by the Board;<br>• assessing and challenging the reasonableness of the forecast cash flows, including management's estimates and assumptions around the terminal operating margin, with reference to historical performance and external market evidence;<br>• assessing, with the assistance of our auditor's expert, the reasonableness of the discount rate and terminal growth rate used within the impairment assessment;<br>• evaluating management's sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions;<br>• performing our own sensitivity analysis and stress testing the cash flow forecasts to determine whether reasonably possible adverse changes in the key assumptions would result in a material impairment; and<br>• assessing the disclosures in note 9.2 relating to the impairment methodology and key assumptions used in The Warehouse CGU impairment assessment. |

## Our audit approach

### Overview


Overall group materiality: $11,500,000, which represents approximately 0.38% of total revenues.

We chose total revenues as the benchmark because, in our view, it is a key financial statement metric used in assessing the performance of the Group and it is a generally accepted benchmark.

Full scope audits were performed for the Group's two trading entities based on their financial significance.

Specified audit procedures were performed over certain remaining entities.

As reported above, we have two key audit matters, being:

- Inventory valuation
- Goodwill impairment assessment – The Warehouse

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to 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 statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

### How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report (which includes the Sustainability Report by way of cross-reference), but does not include the financial statements and our auditor's report thereon.

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

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

## Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

## Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Philippa (Pip) Cameron.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers
29 September 2026

Auckland

PwC - Independent auditor's report

# Governance Report

At The Warehouse Group, we are committed to the highest standards of corporate governance and ethical conduct.

We believe that these values help to create sustainable long-term value for our shareholders, build a strong team, improve the experience we offer our customers and contribute to our place within the wider community.

This corporate governance statement provides an overview of the policies and processes that are in place at The Warehouse Group Limited (the Company) which ensure that the highest standards of corporate governance are maintained. The Company notes and supports the updated NZX Corporate Governance Code dated 31 March 2026 (NZX Code).

This statement follows the structure of the NZX Code and addresses its recommendations. The Company's Constitution, the Board and committee charters, codes and policies referred to in this statement are available at www.thewarehousegroup.co.nz/about-us/corporate-governance.

# Our Board

## John Journee

BCom, CFinstD, MAICD

Chair and Non-Executive Director

John was Interim CEO and Executive Director of the Company from May 2024 to July 2025, during which time he was considered to be non-independent. From August 2025, John returned to the Board as a non-independent, non-executive Director. He has been appointed Chair effective from the close of the 2025 Annual Shareholders' Meeting. John has had an extensive retail career, including executive experience across sectors that span general merchandise, fashion apparel, FMCG, consumer electronics, telecommunications, hospitality and electricity retailing. His career has included 15 years with The Warehouse Group, starting as a joint-venture partner in 1990 and progressing through senior roles in operations, marketing, merchandise, international sourcing and business development. John has also held CEO roles with Noel Leeming and foodservice distributor Southern Hospitality.

Committees:

- Health, Safety and Wellbeing Committee
- Disclosure Committee
- People and Remuneration Committee
- Audit and Risk Committee
- Corporate Governance and Nominations Committee
- Environmental and Social Sustainability Committee (until dissolution of the Committee effective 1 December 2025)

Other Directorships:

- Farmlands Society
- Colonial Motor Company Limited
- Data Insights Group Advisory Board

## Antony (Tony) Carter

CNZM, BE (Hons), ME, MPhil

Independent Non-Executive Director

Tony has a broad range of experience in governance across the consumer, industrial services, infrastructure and energy sectors. Tony currently chairs the boards of My Food Bag Group Limited, Skin Institute Holding Company Limited, Datacom Group Limited, TR Group Limited and The Interiors Group Holdco Limited and is a director of Ravensdown Limited and Sanford Limited. His previous directorships include roles at Fisher & Paykel Healthcare, Air New Zealand Limited, Fletcher Building Limited, ANZ Bank New Zealand Limited and Vector Limited. He has previously served as managing director of supermarket operator Foodstuffs Auckland and Foodstuffs New Zealand. In 2020 he was made a Companion of the New Zealand Order of Merit for Services to Business Governance.

Committees:

- Health, Safety and Wellbeing Committee (Chair)
- Audit and Risk Committee

Other Directorships:

- My Food Bag Group Limited (Chair)
- Skin Institute Holding Company Limited (Chair)
- Datacom Group Limited (Chair)
- TR Group Limited (Chair)
- The Interiors Group Holdco Limited (Chair)
- Ravensdown Limited
- Sanford Limited

## Dean Hamilton

BCA

Independent Non-Executive Director

Dean has significant CEO and financial markets experience. Most recently he was CEO of Silver Fern Farms Limited, where he led the business successfully through a period of significant change and improvement in financial performance, staff and supplier engagement, sustainability, and consumer trust in brand. Dean's prior experience includes 12 years at global investment bank Deutsche Bank, working in both Australia and New Zealand, where he advised a wide range of companies on mergers and acquisitions, capital management, corporate restructuring and capital raising.

Committees:

- Audit and Risk Committee (Chair)
- Disclosure Committee (Chair)
- Corporate Governance and Nominations Committee (Chair)
- Health, Safety and Wellbeing Committee

Other Directorships:

- Fulton Hogan Limited (Chair)
- Auckland International Airport Limited
- Tappenden Holdings Limited
- Ryman Healthcare Limited (Chair)

## Caroline Rainsford

BCom (Hons)

Independent Non-Executive Director

Caroline is the Country Director for Google NZ, where she is responsible for driving the overall revenue and business strategy for New Zealand. Partnering with government, policy teams and New Zealand business leaders, she is focused on helping New Zealand businesses grow and transform in the digital age. Prior to joining Google in 2017, Caroline was the Marketing and Product Director for the Latitude NZ (previously GE Capital) business as well as the Brand Director for the Australian and New Zealand regions. Her earlier career included roles with Philips Royal Electronics in the Middle East, Turkey and Africa. Caroline holds a Bachelor of Commerce (Hons) from the University of Auckland.

Committees:

- Health, Safety and Wellbeing Committee
- People and Remuneration Committee

Other Directorships:

- Otereti Limited
- Tech NZ (Board Member)

## Rachel Taulelei

CNZM, LLB

Ngāti Raukawa ki te Tonga, Ngāti Rārua

Independent Non-Executive Director

Rachel is a prominent business leader and a strong advocate for the Māori economy and values-based business models. Her commitment to kaitiakitanga has been evident throughout her career, as founder of sustainable seafood company Yellow Brick Road in 2006, to her time as CEO of Māori-owned food and beverage company Kono, and now in her current role as co-founder of business design and brand strategy firm Oho. Rachel has held a number of governance roles and presently serves as a director on the board of Mercury NZ Limited, ANZCO Foods Limited, and Wellington International Airport Limited. She is Chair of NZ Rugby's Appointments and Remuneration Panel, co-owner of professional women's basketball team the Tokomanawa Queens, and acts as an advisor to the Centre for Strategic Philanthropy, venture capital firm Movac, and Huia Publishing.

Committees:

- People and Remuneration Committee (Chair)
- Health, Safety and Wellbeing Committee
- Corporate Governance and Nominations Committee
- Environmental and Social Sustainability Committee (until dissolution of the Committee effective 1 December 2025)

Other Directorships:

- ANZCO Foods Limited
- Wellington International Airport Limited
- Mercury NZ Limited

## Hamish Rumbold

BCom/BProp

Independent Non-Executive Director

Hamish is a Non-Executive Director with multi-sector expertise across key governance domains: customer experience, digital and data strategy, technology transformation, cybersecurity, and risk and compliance. He is a governance professional and a graduate of the Australian Institute of Company Directors (AICD). Hamish currently serves as a Non-Executive Director for House of Travel Holdings, Ryman Healthcare, and Livestock Improvement Corporation (LIC). He is also the Non-Executive Director and Chair of Perigee HoldCo Limited, a majority private equity-owned FX remittance business trading as OrbitRemit. Hamish previously held general management and executive roles with Air New Zealand and Kiwibank.

Committees:

- Health, Safety and Wellbeing Committee
- People and Remuneration Committee

Other Directorships:

- Livestock Improvement Corporation Limited (LIC)
- Ryman Healthcare Limited
- House of Travel Holdings Limited
- Perigee HoldCo Limited

# Executive Leadership Team

**Mark Stirton**
Group Chief Executive Officer

Mark joined the business as Chief Financial Officer in 2024 and was appointed Group Chief Executive Officer in August 2025.

Mark spent a decade with South African retailer Mr Price Group, where he held several senior leadership roles, including Group Chief Financial Officer. Before that, he held leadership roles at Aspen Pharmacare and Eurotap Investments and began his career with PwC. Mark is a Chartered Accountant, Fellow Certified Management Accountant and holds an MBA in Global Digital Business and Transformation from the University of Barcelona.

**Stefan Knight**
Group Chief Financial Officer

Stefan joined the business in August 2025 after more than twenty years with Spark New Zealand, where he most recently served as Financial Director. He began his career in audit and corporate finance with Deloitte.

A Chartered Accountant, Stefan holds a Bachelor of Commerce in Accounting and Finance from the University of Auckland and has completed the CFO Leadership Program at Harvard Business School.

**Richard Parker**
Group Chief People Officer

Richard joined the business in 2019 as General Manager, People Experience, Remuneration and Employee Relations and was appointed Group Chief People Officer in 2020.

He began his career as a litigation lawyer with Chapman Tripp before moving to Fletcher Challenge as corporate legal counsel. He later held senior people leadership roles at Spark New Zealand and TVNZ. Richard holds an LLB (Hons) and MPhil (Hons) from the University of Auckland.

**Silv Roest**
Group Chief Legal, Corporate Affairs and Sustainability Officer

Silv joined the business in 2024 as General Counsel and Company Secretary and was appointed Group Chief Legal, Corporate Affairs and Sustainability Officer in August 2025, while continuing in her role as Company Secretary.

Before joining the business, Silv held senior legal and governance roles at Spark New Zealand and began her legal career at Russell McVeagh. Silv holds degrees in Law and Commerce from the University of Otago.

**Shayne Tong**
Group Chief Digital and Transformation Officer

Shayne Tong joined The Warehouse Group in August 2025 as Group Chief Digital and Transformation Officer, leading the Group's enterprise technology, digital and business transformation agenda. He brings more than 20 years' experience leading large-scale transformation, including senior executive roles with Foodstuffs South Island, Auckland District Health Board, Genesis Energy and Fletcher Building. Shayne is a Chartered Accountant and holds a Bachelor of Business degree in Accounting from Auckland University of Technology.

**Lyle Brady**
Group Chief Supply Chain Officer

Lyle joined the business in 2023 as General Manager Supply Chain and was appointed Group Chief Supply Chain Officer in November 2025.

Before moving to New Zealand, he held senior supply chain leadership roles with Massmart (Walmart Africa). Lyle began his career in audit with Deloitte and McGladrey and holds a BCompt Honours degree in Auditing and Tax. He is also a Member of the Chartered Institute of Procurement & Supply.

**Ankit Gupta**
Group Chief Data and AI Officer

Ankit was appointed Group Chief Data and AI Officer in January 2026.

He joined the business in 2022 and has held several senior technology leadership roles, most recently leading Group Technology. Prior to joining The Warehouse Group, he held technology leadership positions at Spark New Zealand and One NZ. Ankit holds a Bachelor's degree in Computer Science from SRM Institute of Science and Technology and an MBA in Digital Transformation, AI and Blockchain from the University of Barcelona.

**Jason Bell**
Chief Executive Officer - Noel Leeming

Jason Bell has more than 30 years' experience with Noel Leeming and serves as Chief Executive Officer. Since joining the business as an Appliance Buyer, he has held a range of senior leadership roles across merchandise and operations, including Executive General Manager Merchandise and Chief Operating Officer. Jason holds a Postgraduate Diploma in Business Administration from the University of Auckland.

**Carrie Fairley**
Chief Merchandise Officer – The Warehouse / Warehouse Stationery

Carrie joined the business in 2011 and was appointed Chief Merchandise Officer in August 2025.

She has held a range of senior merchandise and planning leadership roles and brings extensive retail experience from New Zealand and South Africa, including roles with Number One Shoes, Truworths and Edcon. Carrie holds a Bachelor of Science (Honours) in Business Management from Birmingham City University.

**Ian Carter**
Chief Operations Officer – The Warehouse / Warehouse Stationery

Ian joined The Warehouse Group in 2019 and was appointed Chief Operations Officer in 2021, leading store operations, experience and development, Warehouse Stationery, and property.

Ian brings over 25 years of international retail leadership experience delivering operational transformation and improving customer experience at scale. Prior to joining The Warehouse Group, he held senior leadership roles with McKesson UK, Halfords and B&Q.

**Frankie Coulter**
Chief Marketing Officer – The Warehouse / Warehouse Stationery

Frankie joined the business in January 2026 as Chief Marketing Officer.

He brings more than 25 years of marketing and brand leadership experience across New Zealand and international markets. Before joining The Warehouse Group, he held senior marketing leadership roles with a range of well-known consumer brands, including Goodman Fielder, Wattie's, Kellogg's, Boots and Durex. Frankie was named New Zealand Marketer of the Year in 2024 and became a fellow of the Global Marketing Academy in March 2025.

**Deric Fairley**
Acting Chief Planning Officer – The Warehouse / Warehouse Stationery

Deric was appointed Acting Chief Planning Officer in December 2025.

He brings more than 25 years of merchandise planning and retail experience across New Zealand and South Africa, including senior leadership roles with The Warehouse Group, EziBuy, Billabong, Edcon and Truworths. Deric holds a Bachelor of Technology in Retail and Business Management from Cape Peninsula University of Technology.

# Corporate Governance

This governance statement was approved by the Board on 29 September 2026 and is current as at that date.

As at the date of the publication of this Annual Report, the Company considers its governance practices are compliant with the NZX Code, but for Recommendation 2.9 to have an independent chair of the board (further explanation can be found on page 65).

## Principle 1 – Ethical Standards

*"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."*

The Company is committed to fostering the highest standards of ethical behaviour and good conduct. We believe this is at the heart of having a reputation as a trusted and respected company that promotes honesty, integrity and ethical conduct across the organisation in decision-making and day-to-day behaviour.

### Code of Ethics

The Company's Code of Ethics sets out the standards of conduct expected of everyone working at The Warehouse Group, including Directors, team members, contractors and any other person engaged by the Company. The Code of Ethics sets out the principles that guide decision-making and sets expectations of the conduct that is consistent with the Company's values and behaviours, business goals and legal obligations. An introduction to the Code of Ethics forms part of the induction and training process of new employees.

The Company has an external hotline and web address (managed by an independent third party), which any employee can contact confidentially if they wish to report any misconduct or other concerning behaviour at The Warehouse Group, including breaches of the Code of Ethics.

The Code of Ethics also outlines the potential consequences of, and internal reporting procedures for, any breaches. Sanctions for breaches may include serious disciplinary action, removal from office and dismissal, to the extent permitted by law and as appropriate given the specific circumstances.

The Code of Ethics is available in the Corporate Governance section of the Company's website.

### Financial Products Trading Policy

The Company is committed to transparency and fairness in dealing with all its stakeholders and to ensuring adherence to all applicable laws and regulations. The Financial Products Trading Policy governs trading in the Company's securities by Directors, team members and other associated persons. The policy and timing of black-out periods is set out in the Financial Products Trading Policy, which is available in the Corporate Governance section of our website.

## Principle 2 – Board Composition and Performance

*"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."*

### Responsibilities of the Board

The central role of the Board is to set the strategic direction of the Company, to select and appoint the Company's Group Chief Executive Officer (CEO) and to oversee the Company's management and business activities, with the primary objective to create and continue to build sustainable value for shareholders. This requires consideration of, and regular engagement with, all stakeholders that are critical to our success, including shareholders, employees, customers, suppliers and communities, as determined by the Company and the Board.

The Board Charter, which is available in the Corporate Governance section of the Company's website, sets out how the Board will achieve its purpose. The Charter is reviewed at least every two years and it was last reviewed in September 2026. The Board's responsibilities, as described in the Charter, are set out in the adjacent table.

Management and administration of the Company is undertaken by the Group CEO, who is assisted by the executive leadership team, in accordance with the strategy, plans and delegations approved by the Board. The Board has implemented appropriate procedures to enable Management to undertake its delegated duties and for performance to be assessed.

### Board Responsibilities

| | |
|---|---|
| Strategy and Planning | • Set strategic direction and appropriate operating frameworks<br>• Monitor Management's performance within those frameworks |
| People Resources | • Ensure that the Board is, and remains appropriately skilled, to meet the changing needs of the Company<br>• Ensure there are adequate resources available to meet the Company's objectives<br>• Appoint and remove the Group CEO and oversee succession plans for the executive leadership team<br>• Set criteria for, and evaluate the performance of, the Group CEO and approve their remuneration<br>• Regularly review, approve and adopt the Diversity and Inclusion Policy and diversity objectives, and annually measure achievement against the objectives |
| Financial Performance and Risk | • Approve and monitor financial reporting and capital management including the payment of dividends<br>• Approve the Company's operating budgets and any major capital expenditures by the Company<br>• Monitor the financial solvency of the Company<br>• Approve the appointment and retention of the external auditor, and, subject to shareholder approval being granted, fix the fees and expenses<br>• Ensure that effective risk management procedures are in place and are being used |
| Health and Safety | • Ensure, so far as is reasonably practicable, a safe and healthy working environment is provided and maintained for all employees, customers, contractors and visitors |
| Ethical Behaviour and Corporate Governance | • Promote and authorise ethical and responsible decision-making by the Company<br>• Ensure the Company has appropriate corporate governance structures in place including standards of ethical behaviour<br>• Approve timely and balanced communication to shareholders<br>• Oversee and approve the Company's environmental and social sustainability strategy, ensuring it is aspirational, aligned with the Company's purpose and long-term value creation, supported by appropriate policies, resourcing and organisational design, complies with applicable legal and regulatory requirements, and is monitored against clear objectives, metrics and targets |

### The Board

The Board comprises six Directors: John Journee (Chair), Tony Carter, Dean Hamilton, Caroline Rainsford, Rachel Taulelei, and Hamish Rumbold. Director profiles are available on pages 60 and 61.

### Chair

John Journee is the Chair of The Warehouse Group Board. He was first appointed in 2025 and is a non-independent, non-executive Director.

The Chair's responsibilities include:

- Providing leadership to the Board and to the Company
- Ensuring the efficient organisation and conduct of the Board
- Monitoring Board performance annually
- Facilitating Board discussions to ensure core issues facing the Company are addressed
- Briefing all Directors in relation to issues arising at Board meetings
- Facilitating the effective contribution and ongoing development of all Directors
- Promoting consultative and respectful relations between Board members and between the Board and Management
- Chairing Board and shareholder meetings

The Warehouse Group Board Charter states that the Board Chair must not also be the Company's Chief Executive Officer.

### Director Appointments

Procedures for the appointment and removal of Directors are governed by the Company's Constitution and the NZX Listing Rules. The Corporate Governance and Nominations Committee is delegated responsibility for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

In doing so the Committee will seek to identify the necessary and desirable competencies which will ensure that any candidate it puts forward will enable the Board to:

- Fulfil its responsibilities
- Represent a variety of skills, expertise and experience (including commercial and/or industry experience and diversity of background and thought)
- Competently address accounting, finance and legal matters

The terms and conditions of appointment are set out in a letter of appointment that details the Director's duties, term of appointment (subject to shareholder approval), expectations of the role and remuneration. A copy of the standard letter is available in the Corporate Governance section of the Company's website.

The Company indemnifies and provides insurance to Directors in accordance with the Companies Act 1993, for certain claims that may be brought against them as Directors.

### Director Induction and Development

When appointed to the Board, all new Directors undergo a detailed induction programme to familiarise them with the Company's businesses and strategy. Ongoing training includes briefings by senior management and guest speakers on relevant industry and competitive issues and site visits.

### Director Independence and Conflicts

The factors that the Board considers when determining the independence of a Director, including the requirements of the NZX Corporate Governance Code, are set out in full in the Board Charter. The Board assesses the independence of each Director on their appointment and at least annually thereafter.

Of the Board's six Directors, Tony Carter, Dean Hamilton, Caroline Rainsford, Rachel Taulelei and Hamish Rumbold have been determined to be independent non-executive Directors. In making this determination, consideration was given to whether any Director had a disqualifying relationship (as defined in the NZX Listing Rules), the factors detailed in the NZX Corporate Governance Code, and any other matters that might be relevant to Directors' independence.

Consideration was given to Caroline Rainsford's role as Country Director of Google, a provider of material professional services to the Company, in the context of one of the factors in the NZX Corporate Governance Code. The Board has formed the view that, given that:

- advertising and marketing spend and activity is typically a management decision rather than a matter which comes to the Board for consideration; and
- Caroline Rainsford does not have any direct involvement with the Company's business with Google; and
- any conflicts that may arise from time to time can be effectively managed;

Caroline Rainsford's role will not interfere with her capacity to bring an independent judgement to bear on issues before the Board, and to act in the best interests of the Company and its shareholders.

John Journee was Interim Group CEO from 20 May 2024 to 31 July 2025 during which time he was considered to be not independent. On 1 August 2025, John Journee ceased to be Interim Group CEO and remains not independent due to his recent responsibilities as Interim Group CEO and tenure on the Board.

John Journee was appointed Chair effective from the end of the 2025 Annual Shareholders' Meeting following Dame Joan Withers' resignation from the Board, and is a non-independent director. Recommendation 2.9 of the NZX Corporate Governance Code recommends that the Chair be independent. The commentary to the recommendation notes that an independent Chair can contribute to a culture of openness and constructive challenge that allows a diversity of views to be considered by the Board, and can promote constructive and respectful relations between the Board and management. While John Journee is not considered an independent Chair under the NZX Corporate Governance Code, the Board believes his governance and leadership experience, together with his recent service as Interim Group CEO, provide important continuity of leadership as the Group continues its turnaround. The Board considers Mr Journee's extensive retail experience, knowledge of the Group and diverse perspectives from his other governance roles, positions him well to stimulate balanced Board discussion.

The Board is conscious of its obligation to ensure that Directors avoid conflicts of interest between their duty to the Company and their own interests. Where potential conflicts of interest arise then the Director must disclose their interest. Directors and team members are required to minimise any potential conflicts, in accordance with the Company's Code of Ethics.

### Board Structure, Skills and Composition

The Board comprises Directors with a mix of qualifications, skills and experience appropriate to the Company's existing operations and strategic direction. A comprehensive matrix of Director skills is set out on page 66, and qualifications and experience of individual Directors are detailed on pages 60 and 61.

| Relevant Board Skills to Execute Group Strategy | John Journee | Dean Hamilton | Rachel Taulelei | Caroline Rainsford | Tony Carter | Hamish Rumbold |
|---|---|---|---|---|---|---|
| **Industry Specific** | | | | | | |
| Operational experience in the retail industry | Primary | Secondary | Secondary | Secondary | Primary | |
| Brand, marketing and customer experience | Primary | Secondary | Primary | Primary | Secondary | Primary |
| Integrated retail experience | Primary | | Secondary | Secondary | Primary | |
| Digital and technology experience | Secondary | | | Primary | Secondary | Primary |
| Direct sourcing experience | Primary | | | | Primary | |
| Logistics experience | Secondary | Secondary | Secondary | | Secondary | |
| **Specific to Group Strategy** | | | | | | |
| Development of a high-performance culture | Secondary | Primary | Primary | Primary | Primary | Primary |
| Senior leadership of change management at scale | Primary | Primary | Primary | Primary | Primary | Primary |
| Transformation and business disruption experience | Primary | Primary | Primary | Primary | Primary | Primary |
| Innovation and entrepreneurism | Secondary | | Primary | Primary | Secondary | Primary |
| Government relations | | Secondary | Primary | Primary | Primary | Secondary |
| Union relations | | Secondary | Secondary | | Secondary | |
| Environment and Corporate Social Responsibility experience | Secondary | Primary | Primary | | | Secondary |
| **Subject-matter Expertise** | | | | | | |
| Development and execution of business strategy | Primary | Primary | Primary | Primary | Primary | Primary |
| Governance experience | Primary | Primary | Primary | Secondary | Primary | Primary |
| Large-company leadership experience | Primary | Primary | Primary | Primary | Primary | Primary |
| Finance/accounting expertise | Secondary | Primary | Secondary | Secondary | Secondary | Secondary |
| Audit committee/risk management experience | Primary | Primary | Secondary | Secondary | Primary | Primary |
| Regulatory knowledge and experience | | Secondary | | Primary | Primary | Primary |
| Health and safety experience | Secondary | Primary | Primary | Secondary | Primary | Secondary |
| HR Learning and development experience | Secondary | Secondary | Primary | Primary | Secondary | Secondary |
| Financial markets experience | | Primary | | | Secondary | |
| Community and iwi relationships | | | Primary | | | |
| Shareholder and investor relations experience | Secondary | Primary | Secondary | Secondary | Secondary | |

Primary Skill    Secondary Skill

## Takeover Protocols

The Company has takeover protocols in place that meet the requirements of the NZX Corporate Governance Code.

## Board Evaluation

The Chair, from time to time, with the assistance of appropriate external advisors, regularly assesses the performance of individual Directors, while Directors also assess the collective performance of the Board and the performance of the Chair. A Board evaluation was undertaken in October 2025 and an independent review will be undertaken in FY27.

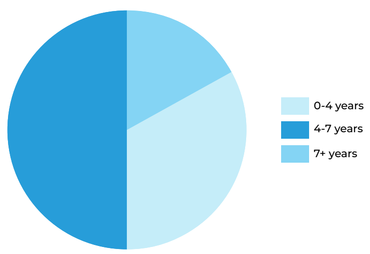
## Board Tenure

The Constitution provides that the minimum size of the Board shall not at any time be fewer than five and the Board has fixed the maximum number of Directors to be 10. Each year, any Director who is required by the NZX Listing Rules or the Company's Constitution to retire will retire from office and may offer themselves for re-election at the Annual Shareholders' Meeting.

The Board does not believe that any Director has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company. New Directors were most recently appointed to the Board in 2024 and 2025, and the Board considers that it has an appropriate balance of tenure.

| Name of Director | Original Appointment | Last Reappointed/ Elected |
|---|---|---|
| John Journee | 17 October 2013 | 22 November 2024 |
| Dean Hamilton | 20 April 2020 | 24 November 2023 |
| Hamish Rumbold | 19 November 2025 | 28 November 2025 |
| Rachel Taulelei | 12 February 2021 | 22 November 2024 |
| Caroline Rainsford | 30 August 2022 | 28 November 2025 |
| Tony Carter | 1 May 2024 | 22 November 2024 |

**Director Tenure**




## Principle 3 – Board Committees

*"The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."*

The Board has established committees that focus on particular areas of the Board's responsibilities and together ensure the efficient performance of the Board, and the achievement of corporate governance outcomes. The committees report to the Board on all material matters and issues requiring Board decisions. From time to time, the Board may create ad hoc committees to examine specific issues on its behalf. The Environmental and Social Sustainability Committee was disestablished effective 1 December 2025. The current committee structure is set out in the table below.

| Committee | Roles and Responsibilities | Membership | Meetings |
|---|---|---|---|
| People and Remuneration Committee | Review and make recommendations in relation to the human resources strategy, the Company's remuneration policies and practices, and the remuneration and performance of the Group Chief Executive Officer. | Comprised of at least three non-executive directors, and at least a majority independent Directors.<br><br>**Current members:**<br>Rachel Taulelei (Chair), Caroline Rainsford, John Journee, Hamish Rumbold | At least twice a year |
| Corporate Governance and Nominations Committee | Ensure a high level of corporate governance through continuous monitoring of international corporate governance best practice as promulgated by the relevant authoritative bodies.<br><br>Ensure that the Board is populated with an appropriate mix of skills and experience among its members, who collectively provide the diversity of thought and judgement required. | Comprised of at least three members, at least a majority of whom are independent Directors.<br><br>**Current members:**<br>Dean Hamilton (Chair), John Journee, Rachel Taulelei | At least once a year |
| Disclosure Committee | Support the Company in meeting its disclosure obligations as set out in the NZX Listing Rules, the Companies Act 1993 and any other applicable regulations. | Comprised of the Board Chair, Chair of the Audit and Risk Committee, Group Chief Executive Officer, Chief Financial Officer, Disclosure Officer and any other Director appointed by the Board as a member.<br><br>**Current members:**<br>Dean Hamilton (Chair), John Journee, Group CEO, CFO and Company Secretary | Held as required |
| Audit and Risk Committee | Assist the Board to fulfil its audit and risk responsibilities.<br><br>Review the Company's annual Sustainability Report and sustainability-related risks. | Comprised of at least three non-executive Directors, the majority of whom must be independent. The Chair will be independent and may not be the Chair of the Company.<br><br>**Current members:**<br>Dean Hamilton (Chair), Tony Carter, John Journee | At least quarterly |
| Health, Safety and Wellbeing Committee | Assist the Board to govern health, safety and wellbeing. | Comprised of all Directors<br><br>Chair: Tony Carter | At the discretion of the committee Chair or if requested by any committee member or the Group Chief Executive Officer |

## Board Meetings and Attendance

The table below outlines the number of meetings of the Board and Board committees during the year ended 2 August 2026 and Director attendance at those meetings.

| Director | Board | Audit and Risk Committee | People and Remuneration Committee | Corporate Governance and Nominations Committee | Health, Safety and Wellbeing Committee | Disclosure Committee | Environmental and Social Sustainability Committee[1] |
|---|---|---|---|---|---|---|---|
| Number of Meetings | 14 | 6 | 4 | 1 | 4 | 7 | 3 |
| John Journee[2] | 14 | 6 | 2 | - | 4 | 7 | 3 |
| Tony Carter | 14 | 6 | - | - | 4 | 1[3] | - |
| Dean Hamilton[4] | 12 | 6 | - | 1 | 3 | 7 | - |
| Rachel Taulelei | 13 | 2[3] | 4 | -[5] | 4 | 3[3] | 3 |
| Caroline Rainsford | 12 | - | 4 | - | 4 | - | - |
| Hamish Rumbold[6] | 5 | 1[3] | 2 | - | 3 | - | - |
| Dame Joan Withers[7] | 7 | 3 | 2 | 1 | 1 | 3 | 2 |
| Robbie Tindall[7] | 5 | - | 1 | 1 | - | - | 3 |

1. *The Environmental and Social Sustainability Committee was disestablished effective 1 December 2025*
2. *Appointed as member of Audit and Risk Committee, People and Remuneration Committee, and Corporate Governance and Nominations Committee, all effective 28 November 2025*
3. *Non-committee member in attendance*
4. *Appointed as Chair of Corporate Governance and Nominations Committee effective 18 March 2026*
5. *Appointed as member of Corporate Governance and Nominations Committee effective 18 March 2026*
6. *Appointed to the Board effective 19 November 2025 and as member of the People and Remuneration Committee effective 20 February 2026*
7. *Resigned from the Board effective 28 November 2025*

## Principle 4 – Reporting and Disclosure

*"The Board should demand integrity in financial and non-financial reporting and in the timeliness and balance of corporate disclosures."*

The Board is committed to providing full and timely financial and non-financial information that is accurate, balanced, meaningful and consistent. As a listed company, keeping the market informed is a key component to ensuring that its securities are valued fairly.

### Market Disclosure Policy

The Company has a Market Disclosure Policy that describes the processes designed to ensure that the Company meets its reporting and disclosure objectives and all disclosure obligations under the NZX Listing Rules.

To assist the Company with its Market Disclosure Policy, the Board has appointed a Disclosure Committee. The Committee is responsible for making decisions on what should be disclosed publicly under the Market Disclosure Policy. The Company Secretary is the Disclosure Officer of the Company and has responsibility for ensuring compliance with the continuous disclosure requirements and overseeing and co-ordinating disclosure to the market.

### Publication of Key Governance Documents

The Company publishes its Code of Ethics, Board and Committee Charters, Director Letter of Appointment and key Company policies in the Corporate Governance section of its website, www.thewarehousegroup.co.nz

### Financial Reporting

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements and is committed to providing balanced, clear and objective financial reporting. It reviews half-yearly and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external and internal audit.

Management accountability for the integrity of the Company's financial reporting is reinforced by certification from the Group CEO and the Group CFO. The Group CEO and CFO have provided the Board with written confirmation that the Company's financial report presents a true and fair view, in all material respects, of the Company's financial position for the year ended 2 August 2026, and that operational results are in accordance with relevant accounting standards.

### Non-financial Reporting

Under the Group's integrated reporting framework, we recognise that our networks, customers, communities, suppliers, people and our environment all contribute to our retail value creation – and our own culture and values.

The Group reports its financial and non-financial results and outcomes annually, including our contribution to the community, key people metrics including gender and health and safety, as well as our impact on the environment. This year we have reported these results and outcomes across our Annual Integrated Report and Sustainability Report.

## Principle 5 – Remuneration Report

*"The remuneration of directors and executives should be transparent, fair and reasonable."*

### Group Remuneration Philosophy

The Group's remuneration policy supports the Group in attracting, retaining and motivating high-calibre diverse team members to achieve the Company's business objectives and create shareholder value.

The Group's remuneration policy is guided by the principles that remuneration practice should::

- Be clearly aligned with the Group's vision, values and corporate strategy
- Support the attraction, retention and engagement of team members
- Appropriately reflect market practice and conditions
- Recognise individual performance and competency
- Recognise team and company performance in the creation of shareholder value

### Executive Leadership Team Remuneration

The Chief Executive Officer and direct reports to the Chief Executive Officer (Executive Leadership Team or ELT) have their remuneration reviewed annually by the People and Remuneration Committee and from time to time a third-party remuneration consultant is also used to benchmark the total remuneration packages of the ELT against a peer group of companies. The People and Remuneration Committee recommends any proposed changes to the Board for approval. The ELT's remuneration is made up of the following components:

- Fixed annual base salary
- Short-term incentive based on the Group's financial targets
- Long-term incentive based on a performance measure over a three-year period.

ELT members are also eligible to receive an employer KiwiSaver contribution of up to a maximum of 3.5% of gross taxable earnings if they belong to KiwiSaver.

### Short-Term Incentives

The Group's short-term incentive (STI) scheme for the ELT is designed to link at-risk incentive payments to the achievement of the Group's desired financial outcomes. The targets are reviewed and set each year. The STI on-target dollar value for each ELT participant ranges from 40-50% of base salary. The maximum payment under the STI scheme is reviewed and set each year and in FY26 was 120% of the on-target dollar value. For FY27 the maximum will also be set at 120%.

In FY26, after FY25's disappointing operating profit of $1.3m, the Group adopted Group Earnings Before Interest and Tax (EBIT) as its single performance measure for STI to drive a greater focus on operational profit growth. In May 2026, the Board reviewed and adjusted the Group EBIT target to $20m, to reflect changing market conditions. After payment of STI, the Group EBIT achieved was $22.6m which entitled STI participants to 120% of their on-target dollar amount. The Board, however, exercised its discretion to pay 100% rather than 120%.

For FY27 the Group has again adopted purely financial performance measures as part of its ongoing focus on operational profit with the weighting of each measure dependent on the participant's role. For ELT members whose role has a group focus their performance measure is weighted 100% to Group EBIT. For ELT members whose role has a brand focus 80% of their STI will be weighted to Brand EBIT and 20% to Group EBIT. For those roles with a merchandise focus 40% of their STI will be weighted to Gross Margin Return on Inventory Investment (GMROI) targets, 40% on Brand EBIT and 20% on Group EBIT. There is a gate opener to payment in the FY27 scheme of achieving 90% of the Group NPAT budget.

### Long-Term Incentives

Members of the ELT are eligible to participate in the Group's long-term incentive (LTI) scheme. The objective of the LTI scheme is to:

- Ensure the LTIs of the eligible ELT members are closely aligned with shareholder outcomes
- Provide an incentive to eligible ELT members who are considered to be key to the future success of the Group, to retain the services of those eligible ELT members in the future
- Provide a longer-term recognition and reward for eligible ELT members' contribution to the future success of the Group.

The LTI on-target dollar value for each ELT participant is 40% of base salary and for the Chief Executive Officer it is 50% of base salary. Payments under the cash-based schemes have been capped and that cap is reviewed each year and for the FY26 scheme the cap was 150% of the on-target dollar value.

The FY24 LTI scheme's performance period ended on 31 July 2026 and was a cash-settled scheme, and the performance target was absolute Total Shareholder Return (TSR) against the Group's cost of equity plus 1% over a three-year performance period. There were only three participants from the existing ELT in that scheme, and the performance hurdle was not achieved and no payment was made. One other executive had previously been granted a long-term retention incentive equivalent to 100% of their LTI target amount and was awarded the payment which will be paid in FY27.

### Directors' Remuneration

The current Directors' fee pool limit is $990,000, which was approved by the shareholders at the 26 November 2021 Annual Shareholders' Meeting. Fees are paid for Board and committee roles as indicated below. Directors are reimbursed for reasonable travel and other costs associated with fulfilling their role. The Chair does not receive additional fees for membership of Board committees.

| Board/Committee Name | Position | Fees (Per Annum) |
|---|---|---|
| Board of Directors | Chair | $200,000[1] |
| | Member | $87,000 |
| Audit and Risk Committee | Chair | $27,500 |
| | Member | $10,000 |
| People and Remuneration Committee | Chair | $25,000 |
| | Member | $6,600 |
| Health, Safety and Wellbeing Committee | Chair | $20,000 |
| | Member | - |
| Corporate Governance and Nominations Committee | Chair | - |
| | Member | - |
| Disclosure Committee | Chair | - |
| | Member | - |
| Environmental and Social Sustainability Committee[2] | Chair | $20,000 |
| | Member | $6,000 |

1. *Includes attendance at committee meetings. Chair fee was $182,600 per annum until 28 November 2025*
2. *The Environmental and Social Sustainability Committee was disestablished effective 1 December 2025*

## Directors' Remuneration FY26

**The fees paid to non-executive Directors for services in their capacity as Directors during the year ended 2 August 2026, totalling $914,709, were paid as set out below.**

| Name of Director | Board Fees | Audit and Risk Committee | People and Remuneration Committee | Corporate Governance and Nominations Committee | Disclosure Committee | Health, Safety and Wellbeing Committee | Environmental and Social Sustainability Committee[3] | Shares and Other Payments or Benefits | Total Individual Remuneration |
|---|---|---|---|---|---|---|---|---|---|
| John Journee[1] *(Director until 28 November 2025, then Chair)* | $162,333 | - *(member from 28 November 2025)* | - *(member from 28 November 2025)* | - *(member from 28 November 2025)* | - *(member)* | - *(member)* | $2,200 *(member)* | $148,000[4] | $312,533 |
| Tony Carter | $87,000 | $10,000 *(member)* | - | - | - | $20,000 *(Chair)* | - | - | $117,000 |
| Dean Hamilton | $87,000 | $27,500 *(Chair)* | - | - *(member until 18 March 2026, then Chair)* | - *(Chair)* | - *(member)* | - | - | $114,500 |
| Caroline Rainsford | $87,000 | - | $6,600 *(member)* | - | - | - *(member)* | - | - | $93,600 |
| Rachel Taulelei | $87,000 | - | $25,000 *(Chair)* | - *(member from 18 March 2026)* | - | - *(member)* | $2,750 *(member)* | - | $114,750 |
| Hamish Rumbold[2] | $60,292 | - | $3,300 *(member from 20 February 2026)* | - | - | - *(member)* | - | - | $63,592 |
| Dame Joan Withers[1] *(Chair until 28 November 2025)* | $60,867 | - *(member until 28 November 2025)* | - *(member until 28 November 2025)* | - *(Chair until 28 November 2025)* | - *(member until 28 November 2025)* | - *(member until 28 November 2025)* | - *(member until 28 November 2025)* | - | $60,867 |
| Robbie Tindall[1] | $29,000 | - | $2,200 *(member until 28 November 2025)* | - *(member until 28 November 2025)* | - | - *(member until 28 November 2025)* | $6,667 *(Chair until 28 November 2025)* | - | $37,867 |

1. *On 28 November 2025, Dame Joan Withers and Robbie Tindall resigned as Directors, John Journee succeeded Dame Joan Withers as Chair of the Board, and John Journee became a member of the Audit and Risk Committee, the People and Remuneration Committee, the Corporate Governance and Nominations Committee and the Health, Safety and Wellbeing Committee. These Directors were paid in full for November on the basis of their positions at the start of that month, and were paid under the new structure from December 2025.*
2. *Hamish Rumbold was appointed as a Director as of 19 November 2025 and as a member of the People and Remuneration Committee as of 20 February 2026. Mr Rumbold was paid in full for these positions for November 2025 and February 2026.*
3. *The Environmental and Social Sustainability Committee was disestablished effective 1 December 2025.*
4. *John Journee received additional fees of $20,000 (excl. GST) in relation to supporting the transition to Mark Stirton as incoming CEO, and additional fees of $128,000 (excl. GST) for consultancy services in relation to a project being considered by the Company.*

## Remuneration Report

### 1. Chief Executive Officer remuneration ($000s)

| | Base Package | | | Pay for Performance | | | |
|---|---|---|---|---|---|---|---|
| Mark Stirton | Salary | Taxable Benefits | Subtotal | STI | LTI | Subtotal | Total Remuneration |
| Paid in FY26 | 1,200 | 49 | 1,249 | 375 | - | - | 1,624 |
| Earned in FY26 | 1,200 | 54 | 1,254 | 600 | - | - | 1,854 |

**Explanation of the above remuneration packages:**

1. The $375,000 STI paid to Mark Stirton in FY26 related to the FY25 financial year and to his role as Group Chief Financial Officer and was a guaranteed short-term retention incentive.
2. The $600,000 STI earned by Mark Stirton in FY26 in his role as Group Chief Executive Officer will be paid in FY27 and represented a 100% payment of his on-target dollar amount for achieving the Group EBIT performance measure for FY26. For FY26 Mark Stirton was guaranteed 50% of his on target STI dollar amount and half of the FY26 STI guarantee, on an after-tax basis, was required to be invested in Company shares and held for the duration of Mark Stirton's tenure as Group Chief Executive Officer.
3. No LTI vested in FY26.

### 2. Five-year summary of CEO remuneration ($000s) paid in the financial year

| Year | Group CEO | Total Earnings Paid | Base | Taxable Benefits | STI | STI as % of Maximum | LTI | Additional Payment |
|---|---|---|---|---|---|---|---|---|
| 2026 | Mark Stirton | 1,624 | 1,200 | 49 | 375 | | | |
| 2025 | John Journee | 1,737 | 1,603 | 50 | - | - | - | 84 |
| 2024 | John Journee | 332 | 323 | 9 | - | - | - | - |
| 2024 | Nick Grayston | 4,220 | 1,354 | 123 | 567 | - | - | 2,176 |
| 2023 | Nick Grayston | 2,793 | 1,588 | 81 | 189 | 20% | 935 | 189 |

**Explanation of the above items:**

1. John Journee joined the Group in May 2024 as Interim Group Chief Executive Officer. John Journee's remuneration was solely fixed remuneration with no STI or LTI available. John Journee stepped down on 31 July 2025, and Mark Stirton commenced as the new Group Chief Executive Officer on 1 August 2025.
2. The actual remuneration paid includes holiday pay paid as per New Zealand legislation.
3. Taxable benefits are the value of employer KiwiSaver contributions.
4. The $84,000 additional payment to John Journee in FY25 was the payout of holiday pay at the end of John Journee's employment.

### 3. Breakdown of Mark Stirton's Group Chief Executive Officer Remuneration Package Structure (2026) ($000s)

| Remuneration Component | Description | Target Value |
|---|---|---|
| Fixed Remuneration | Annual Base Salary | 1,200 |
| | KiwiSaver annualised on base | 36 |
| Short-Term Incentives (STI) | Target value of STI | 600 |
| Long-term Incentives (LTI) | Target value of LTI | 600 |
| **Annual Total Package** | **Annual Total Package at Target** | **2,436** |

### 4. Breakdown of Mark Stirton's Group Chief Executive Officer's Potential Remuneration and Pay for Performance (2027) ($000s)

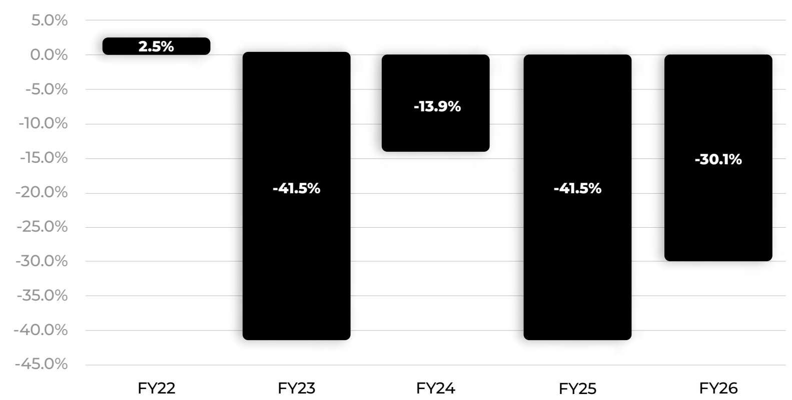
| Remuneration Component | Description | At Target | At Maximum |
|---|---|---|---|
| Fixed Remuneration | Annual Base Salary | 1,300 | 1,300 |
| | KiwiSaver annualised | 45.5 | 45.5 |
| Short-Term Incentives (STI) | Cash-based STI shown at on target and at maximum (120%) | 650 | 780 |
| Long-term Incentives (LTI) | Under review for FY27, but based on FY26 would be a maximum of 150% | 650 | 975 |
| **Annual Total Package** | **Annual Total Fixed plus Incentive Remuneration** | **2,646** | **3,101** |

### 5. Mark Stirton's LTI Schemes

| Year Invited | % of salary | Settlement | Performance Period | Measure |
|---|---|---|---|---|
| FY25* | 40% | Cash | August 2024 to July 2027 | Absolute TSR against the Company's cost of equity plus 1% over a three-year performance period |
| FY26 | 50% | Cash | August 2025 to July 2028 | Absolute TSR against the Company's cost of equity plus 1% over a three-year performance period |
| FY27 | 50% | Under Review | August 2026 to July 2029 | Under Review |

** This LTI grant was awarded while Mark Stirton was the Group Chief Financial Officer*

### 6. Five-year summary of Total Shareholder Return (TSR) Performance




### 7. Required disclosures per guidelines

| Description | Performance Measures |
|---|---|
| TSR Methodology | Total Shareholder Return has been calculated as the movement in the share price during the period plus any dividends paid. |
| Board Discretion | Discretion exercised in reduction of STI payout for FY26 from 120% to 100%. |
| Omissions | No information has been omitted relating to CEO remuneration. |
| Any other items | There are no other items payable to the CEO that have not been disclosed. |
| Benefits | There are no benefits attributable to the CEO due to any loans made. |
| Withholdings | No part of the CEO remuneration has been withheld for any purpose. |
| Related Parties | No related parties are involved with the CEO remuneration. |

**The ratio of CEO total remuneration to the median of The Warehouse Group employee total remuneration paid in FY26 is 29:1. This ratio reflects the fact that approximately 80% of The Warehouse Group's 10,000 team members are employed in its stores and distribution centres and are paid retail market rates for those roles.**

### Team Members' Remuneration

Grouped below, in accordance with section 211(1)(g) of the Companies Act 1993, are the number of Team Members or former Team Members, not being Directors or former Directors, who received remuneration and other benefits valued at, or exceeding $100,000, during the accounting period. Remuneration includes redundancy payments and termination payments made during the year to Team Members whose remuneration would not otherwise have been included in the table reported below.

| Remuneration ($000) | Number of Team Members | Remuneration ($000) | Number of Team Members | Remuneration ($000) | Number of Team Members |
|---|---|---|---|---|---|
| 100 - 110 | 122 | 230 - 240 | 8 | 410 - 420 | 2 |
| 110 - 120 | 82 | 240 - 250 | 8 | 420 - 430 | 1 |
| 120 - 130 | 92 | 250 - 260 | 4 | 440 - 450 | 1 |
| 130 - 140 | 78 | 260 - 270 | 3 | 500 - 510 | 1 |
| 140 - 150 | 74 | 270 - 280 | 3 | 510 - 520 | 1 |
| 150 - 160 | 36 | 280 - 290 | 5 | 520 - 530 | 3 |
| 160 - 170 | 22 | 300 - 310 | 2 | 580 - 590 | 1 |
| 170 - 180 | 26 | 310 - 320 | 3 | 670 - 680 | 1 |
| 180 - 190 | 30 | 330 - 340 | 2 | 1,000 - 1,010 | 1 |
| 190 - 200 | 24 | 350 - 360 | 1 | 1,160 - 1,170 | 1 |
| 200 - 210 | 19 | 370 - 380 | 1 | 1,620 - 1,630 | 1 |
| 210 - 220 | 14 | 380 - 390 | 1 | | |
| 220 - 230 | 8 | 400 - 410 | 2 | | |

## Principle 6 – Risk Management

*"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."*

### Risk Management Framework

Risk is the chance of something happening that will have an impact on business objectives. Having established an acceptable risk tolerance, the Company's approach is to identify, analyse, evaluate and appropriately manage risk in the business.

#### Material Risks Identified

Information on material risks the Company faces and how they are managed is set out on pages 20 to 22 of this Annual Report.

### Risk Management Roles and Responsibilities

The Board is responsible for reviewing and approving the Company's risk management strategy. The Board delegates day-to-day management of risk to the Group CEO, who may further delegate such responsibilities to executive and other officers. Inherent in this delegation is the belief that responsibility for managing risks in the business is the domain of the business unit.

### Risk Monitoring and Evaluation

While the Board is ultimately responsible for the risk management of the Company, the Audit and Risk Committee reviews the reports of Management and the external and internal auditors on the effectiveness of systems for internal control, financial reporting and risk management. To assist in discharging this responsibility, the Board has in place a number of strategies designed to safeguard the Company's assets and interests and ensure the integrity of reporting. These reports include quarterly reviews of store audit results and non-store internal audit findings, and half-yearly reviews of key enterprise risks.

### Health and Safety

The Company's approach and process on health and safety matters are set out on page 16 of The Warehouse Group Sustainability Report which can be found on its website www.thewarehousegroup.co.nz

### Indemnity and Insurance

In accordance with section 162 of the Companies Act 1993 and the Constitution of the Company, the Company has provided insurance for, and indemnities to, Directors and certain employees of the Company and its subsidiaries for losses from actions undertaken in the course of their legitimate duties.

## Principle 7 – Auditors

*"The Board should ensure the quality and independence of the external audit process."*

### Approach to Audit Governance

The independence of the external auditor is of particular importance to shareholders and the Board. The Audit and Risk Committee is responsible for overseeing the external audit of the Company. Accordingly, it monitors developments in the areas of audit to ensure its policies and practices are consistent with best practice in these areas.

The Board has adopted a policy on audit independence, the key elements of which are:

- The external auditor must remain independent of the Company at all times and must comply with all relevant ethical requirements and professional standards regarding independence
- The external auditor must monitor its independence and annually report to the Board that it has remained independent
- The audit firm is permitted to provide certain non-audit services, set out in the Audit and Risk Committee Charter, that are not considered to be in conflict with the preservation of the independence of the auditor
- The Audit and Risk Committee must approve all non-audit work assignments that are awarded to an external auditor, and the value of non-audit work must be reported at every Board meeting.

### Engagement of the External Auditor

PwC was appointed by the Company's shareholders at the 2004 Annual Shareholders' Meeting in accordance with the provisions of the Companies Act 1993 (Act). PwC is automatically reappointed as auditor under section 207T of the Act.

#### Attendance at the Annual Shareholders' Meeting

PwC, as auditor of the 2026 Financial Statements, has been invited to attend this year's Annual Shareholders' Meeting and will be available to answer questions about the conduct of the audit, preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The Company's corporate legal advisors, Russell McVeagh, will also attend the Annual Shareholders' Meeting.

### Internal Audit

The Company has an internal audit function that is independent of the Company's external auditors. The internal audit function of the Company is undertaken by the Company's own internal audit team with the assistance of a co-source internal audit partner, KPMG. The internal audit team reports to, and is directed by, the Audit and Risk Committee.

Each year, the internal audit programme is approved by the Audit and Risk Committee. The programme of audit work considers significant areas of business risk in the Company and is developed following discussions with Management, review of business changes and major projects that are planned or currently under way, and consideration of strategic risks relevant to the Company.

The role of internal audit is to:

- Evaluate the design and operating effectiveness of controls governing key operations, processes and business risks
- Provide the Board with an assessment, independent of Management, as to the adequacy of those internal operating and financial controls
- Assist the Board in meeting its corporate governance and regulatory responsibilities.

## Principle 8 – Shareholder Rights and Relations

*"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."*

The Company's website contains a comprehensive set of investor-related material and data, including key NZX disclosures and media releases, interim and annual reports, shareholder meeting materials and the Company's governance charters and policies.

The Company has an investor relations programme which includes communication through:

- Periodic and continuous disclosure to the NZX
- Annual reports
- Sustainability reports
- The Annual Shareholders' Meeting
- The Company's website, which includes financial and operational information, and key corporate governance information
- Analyst and investor briefings and roadshows.

### Engagement with Investors

The Company values its dialogue with strategic stakeholders, institutional and retail investors, and research analysts, and believes effective engagement benefits both the Company and investors. Annual Shareholders' Meetings, analyst and investor briefings and roadshows provide an important opportunity for this dialogue. Shareholders also have the opportunity to submit questions and comments through investors@thewarehouse.co.nz.

### Annual Shareholders' Meeting (ASM)

The ASM provides an opportunity for Directors, the Group CEO, the executive leadership team, and the Company's external auditor to meet shareholders and answer any questions they may have. The ASM is held at a convenient time and location. The 2025 ASM was held on 28 November 2025. The Notice of Annual Shareholders' Meeting was published on 31 October 2025.

In accordance with the Companies Act 1993 and NZX Listing Rules, the Company refers any significant matters to shareholders for approval at the ASM, and shareholders are given the opportunity to vote by proxy ahead of the meeting or by polling if attending the meeting in person or online.

### Electronic Communication

The Company continues to prioritise electronic reporting as part of its commitment to cost effectiveness and minimising environmental impact. Shareholders can request a copy of the Annual Report to be sent to them free of charge by contacting MUFG Pension & Market Services, the Company's share registrar. Shareholders are encouraged to provide their email addresses to MUFG Pension & Market Services to enable them to receive all shareholder materials electronically.

MUFG Pension & Market Services
Telephone: +64 9 375 5998
Email: enquiries.nz@cm.mpms.mufg.com

# Corporate Governance

## Celebrating Diversity and Inclusion

The Company values diversity, and the provision of equal opportunities for all employees and those looking to join the Company is fundamental to the way we operate as a business.

For the year ended 2 August 2026 the Board is satisfied that the Company achieved its objective in relation to gender pay equity. The Company did not achieve its objective of female representation in senior leadership. The Company intends to undertake a review of its diversity and inclusion objectives in FY27, including initiatives required to achieve those objectives.

The Group strives to create a workplace where our people can bring their whole selves to work. Not only is this the right thing to do for our team members, we also believe that a diverse team and an inclusive workplace leads to more innovation, better decision-making, more opportunities for all our people and the communities in which we operate, and better performance outcomes for the Company. That is why we're committed to continuously identifying ways we can improve diversity and inclusivity.

### Actual as at 2 August 2026 (based on employee headcount)

**Focus Area: Gender**

| Objective | Improve representation of women at senior levels of business | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Target | | 2025 | | | | | 2026 | | | | |
| 50% of senior leadership roles held by women | Female representation by role | Female | Male | Gender diverse/ not disclosed | Total | % of female | Female | Male | Gender diverse/ not disclosed | Total | % of female |
| | Board | 3 | 4 | - | 7 | 42.9% | 2 | 4 | | 6 | 33.3% |
| | Executives | 2 | 5 | - | 7 | 28.6% | 2 | 10 | | 12 | 16.7% |
| | Direct report to executive team | 17 | 18 | - | 35 | 48.6% | 22 | 30 | | 52 | 42.3% |
| | **Total Leadership** | **19** | **23** | **-** | **42** | **45.2%** | **24** | **40** | **-** | **64** | **37.5%** |
| | Other | 5,485 | 4,052 | 10 | 9,547 | 57.5% | 5,367 | 3,860 | 9 | 9,236 | 58.1% |
| | **Total Employees (excluding Board)** | **5,504** | **4,075** | **10** | **9,589** | **57.4%** | **5,391** | **3,900** | **9** | **9,300** | **58.0%** |
| | Female representation by employee status | Female | Male | Gender diverse/ not disclosed | Total | % of female | Female | Male | Gender diverse/ not disclosed | Total | % of female |
| | Permanent | 4,566 | 3,349 | 8 | 7,923 | 57.6% | 4,340 | 3,171 | 6 | 7,517 | 57.7% |
| | Fixed Term | 72 | 37 | | 109 | 66.1% | 67 | 53 | 1 | 121 | 55.4% |
| | Casual | 866 | 689 | 2 | 1,557 | 55.6% | 984 | 676 | 2 | 1,662 | 59.2% |
| | Female representation by full/part-time employment | Female | Male | Gender diverse/ not disclosed | Total | % of female | Female | Male | Gender diverse/ not disclosed | Total | % of female |
| | Full-time | 2,579 | 2,199 | 3 | 4,781 | 53.9% | 2,371 | 2,104 | 4 | 4,479 | 52.9% |
| | Part-time | 2,059 | 1,187 | 5 | 3,251 | 63.3% | 2,036 | 1,120 | 3 | 3,159 | 64.5% |
| | Casual | 866 | 689 | 2 | 1,557 | 55.6% | 984 | 676 | 2 | 1,662 | 59.2% |
| 100% Gender pay equity (undisclosed gender data is not included) | Category | | Number of employees in each category | | Median pay ratio | Median gender pay gap | | Number of employees in each category | | Median pay ratio | Median gender pay gap |
| | **The Warehouse Group - Total** | | **9,578** | | **100.0%** | **0.0%** | | **9,291** | | **100.0%** | **0.0%** |
| | Leadership | | 34 | | 83.0% | 17.0% | | 64 | | 73.4% | 26.6% |
| | SSO | | 874 | | 85.0% | 15.0% | | 743 | | 95.4% | 4.6% |
| | Stores | | 8,212 | | 100.0% | 0.0% | | 7,829 | | 100.0% | 0.0% |
| | Distribution Centres | | 458 | | 97.0% | 3.0% | | 655 | | 96.1% | 3.9% |

**Focus Area: Age**

| | 2025 | | | | | | 2026 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Age Representation | Under 30 years old | | 30-50 years old | | Over 50 years old | | Under 30 years old | | 30-50 years old | | Over 50 years old | |
| | # | % | # | % | # | % | # | % | # | % | # | % |
| Board | - | - | 3 | 37.5% | 5 | 62.5% | | | 2 | 33.3% | 4 | 66.7% |
| Executives | - | - | 4 | 57.1% | 3 | 42.9% | | | 7 | 58.3% | 5 | 41.7% |
| Direct report to executive team | - | - | 21 | 60.0% | 14 | 40.0% | 1 | 1.9% | 33 | 63.5% | 18 | 34.6% |
| Other | 4,427 | 46.4% | 3,207 | 33.6% | 1,908 | 20.0% | 4,166 | 45.1% | 3,254 | 35.2% | 1,814 | 19.6% |
| **Total (106 were non-disclosed)** | **4,427** | **46.2%** | **3,235** | **33.7%** | **1,930** | **20.1%** | **4,167** | **44.8%** | **3,296** | **35.4%** | **1,841** | **19.8%** |

# Statutory Disclosures

## Disclosures of Interests by Directors

### General disclosures

**The following are particulars of general disclosures of interest given by the Directors of The Warehouse Group Limited pursuant to section 140(2) of the Companies Act 1993 during FY26.**

| Director | Entity | Interest |
|---|---|---|
| John Journee | Farmlands Society<br>Colonial Motor Company Limited<br>CMC Workplace Savings Scheme Trustee Limited<br>Vanishing Point Limited<br>Data Insights Group Limited | Director and Shareholder<br>Director and Shareholder<br>Director<br>Director and Shareholder<br>Advisory Board Member and Shareholder |
| Dean Hamilton | Fulton Hogan Limited<br>Auckland International Airport Limited<br>Tappenden Holdings Limited<br>Ryman Healthcare Limited | Chair and Shareholder<br>Director and Shareholder<br>Director<br>Chair and Shareholder |
| Antony Carter | The Interiors Group HoldCo Limited<br>Skin Institute Holding Company Limited<br>Datacom Group Limited<br>TR Group Limited<br>My Food Bag Group Limited<br>Ravensdown Limited<br>Sanford Limited<br>Capital Solutions Limited<br>Capital Training Limited<br>Loughborough Investments Limited<br>Maurice Carter Charitable Trust<br>Tony and Frances Carter Family Trust<br>Antony Carter Family Trust No 2 | Chair<br>Chair<br>Chair<br>Chair<br>Chair<br>Director<br>Director<br>Board Advisor<br>Advisor<br>Director and Shareholder<br>Trustee<br>Trustee<br>Trustee |
| Caroline Rainsford | Google New Zealand<br>Otereti Limited<br>Auckland Art Gallery Toi o Tāmaki[2] | Country Director New Zealand<br>Director<br>Advisory Committee Member |
| Hamish Rumbold | Ryman Healthcare Limited<br>Perigee HoldCo Limited (trading as OrbitRemit)<br>Livestock Improvement Corporation Limited<br>House of Travel Holdings Limited<br>Capio(b) Limited<br>Antler Trust<br>Antler Investment Trust<br>Evolution Healthcare<br>New Zealand Superfund<br>Constantinople | Director<br>Chair<br>Director<br>Director<br>Director and Shareholder<br>Trustee<br>Trustee<br>Advisor<br>Technology Advisor<br>Advisor |
| Rachel Taulelei | Wellington International Airport Limited<br>Oho 2021 Limited<br>ANZCO Foods Limited<br>CWBG Limited<br>Tokomanawa Queens Foundation<br>NZ Rugby Appointments and Remuneration Panel<br>Huia Publishing<br>Mercury NZ Limited<br>Fonterra Sustainability Panel[2]<br>Sealord Group Limited[2]<br>Kura Limited[2]<br>Aotearoa Fisheries Limited t/a Moana New Zealand[2]<br>Wellington Regional Stadium Trust[2] | Director<br>Director and Shareholder<br>Director<br>Director and Shareholder<br>Chair<br>Chair<br>Advisory Board Member<br>Director<br>Chair<br>Director<br>Director<br>Director and Chair<br>Chair |
| Dame Joan Withers[1] | ANZ Bank New Zealand Limited<br>On Being Bold Limited<br>Sky Network Television Limited<br>Sweet Louise Foundation<br>Origin Energy Limited | Director<br>Director<br>Director<br>Trustee<br>Director |
| Robert Tindall[1] | The Tindall Foundation<br>Finn Lowery Foundation<br>Foundation Services Limited<br>K One W One Limited and related companies | Trustee<br>Trustee<br>Director<br>Director |

1. *Ceased to be a director on 28 November 2025. Disclosures detailed are as at this date.*
2. *No longer an interest as at 2 August 2026.*

**As at 2 August 2026 Directors, or entities related to them, held relevant interests (as defined in the Financial Markets Conduct Act 2013) in the Company shares as follows:**

| | Beneficial Interest | Beneficial Interest | Non-beneficial Interest | Non-beneficial Interest |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| A Carter | 70,000 | 40,000 | | |
| D Hamilton[1] | 23,500 | 23,500 | 1,493,057 | 1,493,057 |
| J Journee[2] | 172,000 | 172,000 | 1,493,057 | |

1. *Relevant interest as shareholder of The Warehouse Management Trustee Company Limited and The Warehouse Management Trustee Company No. 2 Limited, which each hold shares for the purposes of employee incentive schemes.*
2. *Relevant interest (as shareholder of The Warehouse Management Trustee Company Limited and The Warehouse Management Trustee Company No. 2 Limited, which each hold shares for the purposes of employee incentive schemes) transferred from Dame Joan Withers to John Journee on 28 November 2025.*



## Share Dealings by Directors

During the financial year, the Directors disclosed in respect of section 148(2) of the Companies Act 1993 that they acquired or disposed of a relevant interest in shares as follows:

| Share Transaction | Nature of relevant interest | Date of Transaction | Number of Ordinary Shares Acquired/(Disposed of) | Consideration |
|---|---|---|---|---|
| Dame J Withers | Non-beneficial owner | 28 November 2025 | (1,015,875) | Off-market transfer of 67% of the shares in The Warehouse Management Trustee Company Limited (which holds shares in the Company for the purpose of the employee incentive scheme) |
| J Journee | Non-beneficial owner | 28 November 2025 | 1,015,875 | Off-market acquisition of 67% of the shares in The Warehouse Management Trustee Company Limited (which holds shares in the Company for the purpose of the employee incentive scheme) |
| Dame J Withers | Non-beneficial owner | 28 November 2025 | (477,182) | Off-market transfer of 66% of the shares in The Warehouse Management Trustee Company No. 2 Limited (which holds shares in the Company for the purpose of the employee incentive scheme) |
| J Journee | Non-beneficial owner | 28 November 2025 | 477,182 | Off-market acquisition of 66% of the shares in The Warehouse Management Trustee Company No. 2 Limited (which holds shares in the Company for the purpose of the employee incentive scheme) |
| A Carter | Beneficial owner | 31 March 2026 | 9,492 | On-market purchase of ordinary shares at a price of $0.6567 per share |
| A Carter | Beneficial owner | 1 April 2026 | 20,508 | On-market purchase of ordinary shares at a price of $0.6609 per share |

## Twenty Largest Registered Shareholders as at 2 August 2026

| Name | Number of Ordinary Shares | Percentage of Ordinary Shares |
|---|---|---|
| Sir Stephen Robert Tindall | 93,687,096 | 27.01 |
| The Tindall Foundation Inc | 73,920,496 | 21.31 |
| James Pascoe Investments Limited | 69,333,940 | 19.99 |
| New Zealand Superannuation Fund Nominees Limited | 11,892,186 | 3.43 |
| New Zealand Depository Nominee | 8,867,789 | 2.56 |
| Stephen Robert Tindall & John Richard Avery & Brian Mayo Smith | 3,778,149 | 1.09 |
| Robert George Tindall & Stephen Robert Tindall & Pupuke Trustee Limited | 3,455,103 | 1.00 |
| ASB Nominees Limited | 3,094,100 | 0.89 |
| Forsyth Barr Custodians Limited | 2,284,672 | 0.66 |
| David George Harper & Karen Elizabeth Harper | 2,070,000 | 0.60 |
| Accident Compensation Corporation | 1,806,087 | 0.52 |
| Paul Hughes & Tajrena Alexi & CR Trustees Limited | 1,750,000 | 0.50 |
| Custodial Services Limited | 1,648,978 | 0.48 |
| Citibank Nominees (NZ) Ltd | 1,539,628 | 0.44 |
| Rainer Huebner & Shanti Huebner | 1,215,000 | 0.35 |
| Peter Duncan Garvan | 925,549 | 0.27 |
| Hsu Cheng Yang | 850,000 | 0.25 |
| Stephen Robert Tindall & John Richard Avery & Brian Mayo Smith | 752,798 | 0.22 |
| The Warehouse Management Trustee Company Limited | 667,174 | 0.19 |
| Guobang Liu | 641,321 | 0.18 |
| **Total** | **284,180,066** | **81.94** |

*Note: The shareholding of New Zealand Central Securities Depository Limited (NZCSD) has been reallocated to the applicable members of NZCSD.*

# Statutory Disclosures

## Distribution of Shareholders as at 2 August 2026

| Size of Shareholding | Number of Shareholders | Percentage | Number of Shares | Percentage |
|---|---|---|---|---|
| 1 to 1,000 | 3,878 | 43.54% | 2,012,603 | 0.58% |
| 1,001 to 5,000 | 3,042 | 34.15% | 7,865,737 | 2.27% |
| 5,001 to 10,000 | 887 | 9.96% | 6,806,911 | 1.96% |
| 10,001 to 100,000 | 993 | 11.15% | 26,192,202 | 7.55% |
| 100,001 to 500,000 | 85 | 0.95% | 16,695,169 | 4.81% |
| 500,001 and Over | 22 | 0.25% | 287,270,498 | 82.83% |
| **Total** | **8,907** | **100%** | **346,843,120** | **100%** |

## Substantial Product Holders

**According to notices given to the Company under the Financial Markets Conduct Act 2013, as at 2 August 2026, the substantial product holders in the Company and their relevant interests are noted below:**

| | Relevant Interest (Ordinary Shares) | Percentage |
|---|---|---|
| Stephen Robert Tindall | 93,687,096 | 27.01 |
| The Tindall Foundation Inc | 73,920,496 | 21.31 |
| James Pascoe Investments Limited | 69,333,940 | 19.99 |

## Subsidiary Company Directors

**The following people held office as Directors of subsidiary companies at 2 August 2026. Those who retired during the year are indicated with an (R).**

| Company | Directors |
|---|---|
| 1-Day Liquor Limited | S Knight, M Stirton (R) |
| Altitude NZ Limited (previously Torpedo 7 Limited) | M Stirton, S Knight, J Journee (R) |
| Bond and Bond Limited | S Knight, B Moors, M Stirton (R) |
| Boye Developments Limited | S Knight, B Moors, M Stirton (R) |
| Chocolateworks NZ Limited | A Razey, J Andersen, C Cole, S Roest, D Watts, J Hempstead (R) |
| Eldamos Investments Limited | S Knight, B Moors, M Stirton (R) |
| Eldamos Nominees Limited | S Knight, M Stirton (R) |
| Farran (Nine) Limited | S Knight, M Davey, G Helsby, G Lane, M Stirton (R) |
| Lincoln West Limited | S Knight, M Davey, G Helsby, G Lane, M Stirton (R) |
| Noel Leeming Finance Limited | B Moors |
| Noel Leeming Financial Services Limited | S Knight, B Moors, M Stirton (R) |
| Noel Leeming Furniture Limited | S Knight, B Moors, M Stirton (R) |
| Noel Leeming Limited | S Knight, B Moors, M Stirton (R) |
| The Book Depot Limited | S Knight, M Stirton (R) |
| The Warehouse Card Limited | S Knight, M Stirton (R) |
| The Warehouse Group Support Services Limited | S Knight, M Stirton (R) |
| The Warehouse Investments Limited | S Knight, M Stirton (R) |
| The Warehouse Limited | M Stirton, S Knight, J Journee (R) |
| The Warehouse Management Trustee Company Limited | D Hamilton, J Journee, Dame J Withers (R) |
| The Warehouse Management Trustee Company No.2 Limited | D Hamilton, J Journee, Dame J Withers (R) |
| The Warehouse Nominees Limited | S Knight, B Moors, M Stirton (R) |
| The Warehouse Planit Trustees Limited | Dame J Withers, J Journee |
| The Warehouse (Shanghai) Trading Company Limited | S Knight, B Moors, M Pook, T Benyon (R), M Anderton (R) |
| TWGI Operations Limited | S Knight, M Stirton (R) |
| TWGA Pty Ltd | I McGill, B Moors |
| TW House Sourcing Private Limited (India) | C Srinivasan, B Moors, P Gupta, M Anderton (R) |
| TWL Australia Pty Limited | I McGill, B Moors |
| TWP No.1 Limited | S Knight, M Stirton (R) |
| TWP No.4 Limited | S Knight, B Moors, M Stirton (R) |
| TWP No.5 Limited | S Knight, B Moors, M Stirton (R) |
| Warehouse Stationery Limited | B Moors |

## Stock Exchange Listing

The ordinary shares of The Warehouse Group Limited are listed on the New Zealand Exchange (NZX).

## Ordinary Shares

The total number of voting securities of the Company on issue on 2 August 2026 was 346,843,120 fully paid ordinary shares.

**Holders of each class of equity security as at 2 August 2026**

| Class of Equity Security | Number of Holders | Number of Shares or Rights |
|---|---|---|
| Ordinary Shares | 8,907 | 346,843,120 |

## Rights Attaching To Shares

Clauses 20-22 of the Company's Constitution set out the voting rights of shareholders. Ordinary shares in the Company each carry a right to vote on a poll at any general meeting of shareholders on any resolution. Holders of ordinary shares may vote at a meeting in person, or by proxy, representative or attorney. Voting may be conducted by voice, a show of hands or a poll. Each of the Company's ordinary shares entitles the holder to one vote.

## Escrow

Apart from the shares held under the Staff Purchase Plan, the Company has no securities subject to an escrow agreement.

## Donations

In accordance with section 211(1)(h) of the Companies Act 1993, the Company records that it donated $46,000 (2025: $18,000) to various charities during the year. In line with Board policy, no political contributions were made during the year.

## Dividends on Ordinary Shares

The Group's current Dividend Policy was approved by the Board in March 2021. The Group's Dividend Policy is to distribute at least 70% of the Group's full-year adjusted net profit, at the discretion of the Board and subject to trading performance, market conditions and liquidity requirements.

The Board did not declare a final dividend for the financial year ended 2 August 2026.

| Dividends | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Interim | - | - | 5.0 | - | 10.0 |
| Special | - | - | - | - | - |
| Final | - | - | - | 8.0 | 10.0 |
| **Total** | **-** | **-** | **5.0** | **8.0** | **20.0** |

## Auditor

PricewaterhouseCoopers has continued to act as auditor of the Company and has undertaken the audit of the financial statements for the year ended 2 August 2026.

## Disciplinary Action

NZX has not taken any disciplinary action against the Company during the period under review.

## NZX Waivers

No waivers have been granted and published by NZX or relied upon by the Company in the 12 months immediately preceding The Warehouse Group Limited's balance date.


# Directory

## Board of Directors

John Journee (Chair)

Rachel Taulelei

Antony (Tony) Carter

Dean Hamilton

Caroline Rainsford

Hamish Rumbold

## Group Chief Executive Officer

Mark Stirton

## Group Chief Financial Officer

Stefan Knight

## Company Secretary

Silv Roest

## Place of Business

26 The Warehouse Way

Northcote, Auckland 0627

PO Box 33470, Takapuna

Auckland 0740, New Zealand

Telephone: +64 9 489 7000

Facsimile: +64 9 489 7444

Website: www.thewarehousegroup.co.nz

## Registered Office

26 The Warehouse Way

Northcote, Auckland 0627

New Zealand

## New Zealand Business Number (NZBN)

**New Zealand Incorporation:**

9429038766633

## Auditor

**PricewaterhouseCoopers**

Private Bag 92162

Auckland 1142, New Zealand

## Stock Exchange Listing

NZX trading code: WHS

## Share Registrar

**MUFG Pension & Market Services (MPMS)**

Level 30, PwC Tower, 15 Customs Street West

Auckland 1010

Phone: +64 (09) 375 5998

Email: enquiries.nz@cm.mpms.mufg.com

Website: nz.investorcentre.mpms.mufg.com

## Shareholder Enquiries

If you have any general shareholder enquiries, including questions or comments on this Report, please contact investors@thewarehouse.co.nz.

Shareholders with enquiries regarding share transactions, change of address, or dividend payments should contact the Share Registrar, per contact details above. Shareholdings can be managed electronically by using MUFG's secure website, www.nz.investorcentre.mpms.mufg.com

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