THE WAREHOUSE GROUP

ANNUAL REPORT 2025

the warehouse

warehouse stationery

noel leeming

2025
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The Warehouse Group Board and Executive Leadership Team are pleased to present our FY25 Integrated Annual Report

Dame Joan Withers
Board Chair
1 October 2025

Dean Hamilton
Audit and Risk Committee Chair
1 October 2025

2025 AT A GLANCE

FINANCIAL PERFORMANCE

$3.1b
Group sales
(up 1.6% compared to FY24)
(flat on a 52-week same store sales basis[1])

$1.3m
Operating Profit
(FY24: $28.9m)

32.2%
Group gross profit margin
(FY24: 33.6%)

$(2.8)m
Reported Net Loss After Tax
(FY24: $(54.2)m)

CUSTOMER AND COMMUNITY

$207.6m
Group online sales
(6.7% of total sales)

$2.4m
raised for NZ charities and communities in FY25

76.0pts
Group in-store NPS
down 3.7pts from FY24

1. FY25 comprised of 53 weeks compared to 52 weeks in FY24. 52-week same store sales removes the 53rd week of FY25, excludes online sales and excludes the impact of opening and closing of stores during the reported and comparable year, to enable 52-week sales comparison.

GENDER EQUALITY

100%
Gender pay equity
(FY24: 100%)

45.2%
of senior leaders are female
(FY24: 46.9%)

eNPS 36.0pts
(FY24: 18.2pts)[2]

2. eNPS score in FY25 and FY24 excludes DC team members as these were not surveyed in FY25, so have been excluded in both years. FY24 reported eNPS was 19.6 including all team members.

SUSTAINABILITY

Diverted
79%
of operational waste from landfill
(FY24: 78%)

45%
SCOPE 1 & 2 EMISSIONS (Market-based)
compared to FY23 base year and decreased 23% compared to FY24

66%
private-label sales with sustainable packaging
(FY24: 55%)

MORE THAN
150
STORES & SITES POWERED BY SOLAR

63%
OF OUR ELECTRICITY
matched with electricity produced by Lodestone Energy's solar farms

CHAIR'S REPORT

DAME JOAN WITHERS

"The Board remains firmly committed to supporting the work needed to restore performance and deliver long-term value for shareholders."

FY25 has been another very difficult year for the company and while some meaningful progress has been made, there is still much work to do. Economic conditions remain challenging and consumer confidence subdued, however, the Group continues to take decisive action in deploying the brand-led strategy we outlined last year and responding to the issues we are facing with discipline and determination.

We're seeing signs of improvement with foot traffic conversion, units sold increasing and better cost management across all three brands, however, gross profit margin degradation, particularly in The Warehouse, underscores the challenges of a weak and highly competitive market. The Board remains firmly committed to supporting the work needed to restore performance and deliver long-term value for shareholders.

Under Interim CEO John Journee's leadership, we made important changes, including removing Agile and reshaping the organisational structure and the operating model to better support our core brands. This is starting to make a significant impact, particularly in The Warehouse, in improving product, range and value. These were necessary steps to stabilise the business and begin the turnaround.

John stepped into the role at a difficult time and brought clarity, pace and a renewed focus on execution. His commitment to implementing much needed change has been relentless, and I am delighted to be succeeded by John as Chair. His appointment, effective after this year's Annual Shareholders' Meeting on 28 November 2025, ensures strong continuity of leadership as the Group enters its next phase of growth.

The appointment of Mark Stirton as Group Chief Executive Officer marks a pivotal moment for the business. Mark stepped into the role on 1 August and is already leading with intent and accelerating progress, including bringing disciplined control to operating costs and capital expenditure, and focus on the retail fundamentals required to turn the business around.

The Board undertook a comprehensive global search and was unanimous in its view that Mark, who at that stage had spent over a year as our Group CFO, is the right choice to take the company forward. His decade at Mr Price Group, one of South Africa's largest retailers, including as their Group Chief Financial Officer, along with his Chartered Accountancy qualifications and MBA in business transformation, give him the commercial strength and strategic insight needed to lead our next phase and deliver value to our shareholders.

I wish to acknowledge the retirement of Tony Balfour from the Board in November 2024 after 12 years of exceptional service. On behalf of the Board, I thank Tony for his contribution and commitment to our team and our purpose. The Board will continue its assessment of skill requirements to inform our ongoing succession planning. This year we are also pleased to release our 2025 Sustainability Report, building on our inaugural Climate-Related Disclosure Report last year. This report discusses all things Environmental, Social and Sustainability, including our people and our communities, as well as our 2025 Climate-Related Disclosures, and we welcome you to refer to this report online at www.thewarehousegroup.co.nz/sustainability

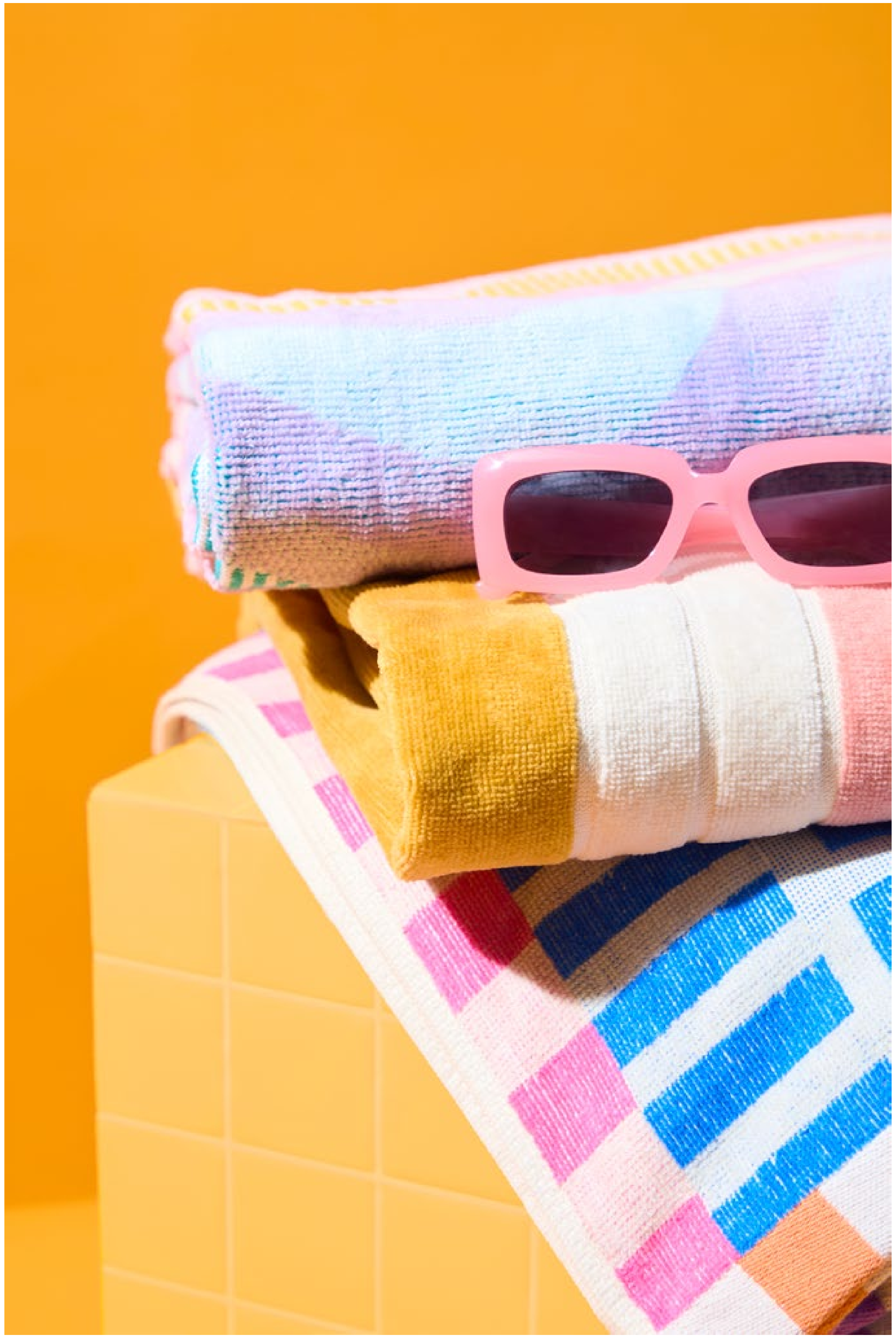
As I prepare to step down as Chair, I reflect on the significant change we have faced during my tenure. We have enjoyed periods where we have delivered significant growth and record results, but we have also experienced substantial challenges. It has been an extremely difficult last few years and I am deeply saddened that shareholders have been profoundly impacted, and the Board have elected not to declare a dividend for FY25.

I am however proud of the resilience this company has shown. The Warehouse Group remains an iconic New Zealand business, and while we are not yet where we want to be, we are well on the journey. I leave confident in the leadership, the direction, and the determination of our people.

My very sincere thanks to my fellow directors and all The Warehouse Group team members, who have been remarkable in the resilience they have shown and the support they have provided in my nine years as Chair.

Ngā mihi,

Dame Joan Withers – Chair



CEO'S REPORT

MARK STIRTON

"Our purpose is to build exceptional retail brands that customers love, our team take pride in, and deliver sustainable shareholder returns. Our strategy will be anchored in restoring profitability and positioning the business for sustainable growth."

This Annual Report marks my first as Group CEO of The Warehouse Group, and the beginning of a new chapter for our business.

While our FY25 financial results reflect the intense economic challenges facing New Zealand and the operational pressures within our organisation, this has been a year of discipline and reset. We have laid the groundwork to deliver long-term value for our shareholders, customers, team members, and communities.

Under John Journee's leadership as Interim CEO, we made swift and necessary decisions to simplify our structure, refocus on our core brands, and stabilise performance. These actions have built momentum across FY25, driving improvements in product and pricing, customer engagement, and resulted in higher conversion, increased units sold, and reduced costs.

Group Direction

Our purpose is to build exceptional retail brands that customers love, our team take pride in, and deliver sustainable shareholder returns. We have a bold ambition to be a highly desired retail stock, and our strategy will be anchored in restoring profitability and positioning the business for sustainable growth.

The role of the Group is to strengthen and grow our three New Zealand retail brands, enabling each to lead in its market while leveraging shared services, platforms, and capital efficiencies.

Our values: Think Customer, Do Good, Own It – continue to guide our culture and decision-making. We are driving clarity and alignment across the organisation, strengthening leadership capability, and embedding a culture of high performance. Initiatives to improve strategic and operational execution are already under way.

First Steps as CEO

Since stepping into the CEO role in August, I've focused on setting the playing field. In my first two months, I've aligned the organisation around clear goals and performance expectations, appointed an experienced leadership team to improve execution, and spent time in stores, distribution centres, and sourcing offices to hear directly from our teams. I've pushed our brands to show up strongly over our most important trading period and begun shaping a longer-term strategy to be shared later in FY26. These early actions are about building momentum and ensuring we move at speed into FY26.

CEO Priorities

As CEO, my attention is focused on three key areas that will define our success:

- **Brand:** Building brand love and value
- **Culture:** Creating engaged teams with a high-performance mindset
- **Performance:** Delivering sustained growth in revenue, profit, and shareholder value

Operational excellence will be critical, including driving cost efficiencies, embedding disciplined capital investment, and ensuring measurable returns.

Financial Performance

We delivered steady top line sales in a very tough economic environment and have made progress controlling our costs. Gross profit margins came under significant pressure, particularly in The Warehouse, and this decline ultimately resulted in an operating profit well below where it should be.

Group sales were up 1.6% year on year – the FY25 financial year includes 53 weeks compared to 52 weeks in FY24. On a 52-week like-for-like same store sales basis, Group sales were flat.

Group gross profit margin decreased from 33.6% to 32.2% as we reset our everyday low prices and reduced prices to meet the market in a highly promotional environment. Gross profit margin particularly came under pressure in The Warehouse, with category mix leaning towards higher sales in lower-margin categories, and lower inventory sell-through, particularly in apparel, resulting in increased clearance activity during the year.

The flat sales and decline in gross profit resulted in Operating Profit decline to $1.3 million, compared to $28.9 million in FY24.

Cost of Doing Business held flat in dollar value, even with 53 weeks, and decreased to 32.2% of sales. We are controlling what we can on costs. While store rents, wages and utilities have increased above inflation, we've reduced head office costs by 7.8%, and tightly managed capital expenditure to $12.4 million, down from $39.0 million last year.

We are focused on improving financial performance and total shareholder return through better sourcing, category management, disciplined stock management, cost control and capital management, whilst investing only in areas that drive margin and growth over the long term.

Reinforced Leadership

To improve execution across the organisation, we have made several key appointments to the Executive Leadership Team:

- Stefan Knight, Group Chief Financial Officer, joined from Spark NZ after the financial year end in August 2025. He brings deep expertise in finance and performance, sharpening our focus on cost control, margin improvement, and operational discipline.
- Shayne Tong, Group Chief Digital and Transformation Officer, joined from Foodstuffs South Island, also in August 2025. He will lead our digital transformation and systems modernisation.
- We also welcomed two strong internal leaders: Carrie Fairley as Chief Merchandise Officer – The Warehouse and Warehouse Stationery (Acting) and Silv Roest as Group Chief Legal and Corporate Affairs Officer.

During FY25, we farewelled Anna Shipley, Chief Corporate Affairs Officer, and Tania Benyon, Executive GM – Merchandise. We thank them for their contributions.

Our Team

I'm proud of our team. They've fought hard for our customers and adapted to significant change over the past year. What stands out most is the cultural momentum building across the organisation. From stores and distribution centres to our leadership group, there's a renewed sense of purpose and pride. Our over 10,000 strong team members are better aligned, executing faster, collaborating more deeply, and delivering better products and pricing for our customers.

Looking Ahead

New Zealand's economic recovery remains uncertain, and consumer spending continues to be affected. Despite these headwinds, we are focused on the things that we can control, and making solid progress tightening financial discipline, streamlining operations, and executing with greater speed and clarity.

The year ahead will be defined by disciplined delivery and improving financial performance.

To our shareholders, thank you for your support and patience. To our teams, thank you for your resilience and commitment. And to our customers, thank you for continuing to choose us.

Our momentum is building. Together, we are not just turning around performance – we are reigniting our place as New Zealand's most loved retailer.

Ngā mihi,

Mark Stirton
Group Chief Executive Officer

$3.1b
Group sales
(up 1.6% compared to FY24)

(flat sales on a 52-week same store sales basis compared to FY24)

$1.3m
Operating Profit
(FY24: $28.9m)

32.2%
Group gross profit margin
(FY24: 33.6%)

FINANCIAL REVIEW

Introduction

The 2025 financial year was another tough year for the New Zealand economy and retail sector, with an economic slowdown, subdued consumer and business confidence, and continued elevated cost of living all contributing to lower consumer and business spending.

The year of uncertainty has impacted many retailers throughout New Zealand, and The Warehouse Group of brands is no exception. Sales are steady and margins are under pressure as retailers fight for every consumer dollar spent. We do not expect a material shift in the New Zealand economic outlook, and customer and business confidence, until the end of calendar year 2025.

We are righting the ship and focusing on what we can control – we are investing in better products and prices for our customers, and we have structured the business around what we need to be – a low-cost retailer. This means lower operating costs and disciplined capital expenditure so we can continue to pass on lower everyday prices to our customers.

Financial Performance

FY25 was a 53-week financial year ending Sunday 3 August 2025, compared to 52 weeks in FY24. Where appropriate, revenue analysis compares FY25 on a 52-week same store sales basis with FY24 (removing the final 53rd week of FY25, excluding online and excluding the impact of opening and closing of stores in each period). All other financial commentary is unadjusted and compares 53 weeks in FY25 with 52 weeks in FY24.

Revenue

Group revenue for the year was $3.1 billion, delivering sales growth of 1.6% on a reported year and flat sales growth on a 52-week same store sales basis[1] compared to FY24.

Overall, the year was a story of two halves – with a challenging retail environment in the first half of the financial year, resulting in Group sales decline of 1.6% compared to FY24 H1. However, this rebounded in the second half with Group sales growth of 1.6% for 26 weeks compared to FY24 H2 – driven by strong second half growth in The Warehouse and Noel Leeming who both reported 26-week sales growth of 2.0% in FY25 H2 compared to FY24 H2.

Entering the financial year, we knew our own product offering and pricing was not meeting customers' expectations. We reset our everyday low prices and have been bringing in more on trend product which our customers are looking for. Our turnaround plan began to deliver results in FY25 Q3.

Group weighted average selling price (ASP) decreased 4.4% in FY25, due to resetting our everyday low prices combined with increased clearance and promotional activity. This, along with our refreshed product ranges across key categories, resulted in the number of units sold increasing 4.6% across the Group.

The Group's sales density increased 2.1% on a total sales revenue per square metre basis, demonstrating positive productivity of space utilisation.

Gross Profit Margin

Our intentional pricing reset strategy in The Warehouse, the highly competitive and promotional retail environment, category mix, combined with lower winter inventory sell-through and subsequent clearance activity, has significantly impacted margins this financial year.

Group gross profit margin decreased considerably in the first half from 34.3% in FY24 H1 to 32.5% in FY25 H1, a decline of 180 basis points, while the gross profit margin decline decreased in the second half down 80 basis points, from 32.8% in FY24 H2 to 32.0% in FY25 H2. Full year gross profit decreased from $1,020.9 million in FY24 to $995.1 million in FY25, with margin down 140 basis points to 32.2% in FY25.

The impact on Group gross profit, has been driven by two main factors.

Firstly, at a Group level the sales growth in lower margin brand Noel Leeming combined with the sales decline in our higher margin brand Warehouse Stationery has contributed to a lower overall Group gross profit margin.

Secondly, at a brand level, margin has been impacted by our strategic reset of everyday low prices, combined with higher sales in lower margin categories. The Warehouse saw sales growth in Fast Moving Consumer Goods (FMCG), while home and apparel sales declined. In Noel Leeming, customers continue to make very considered purchases in higher ticket items such as whiteware and televisions, while categories such as small appliances experienced sales growth in the year. Customers experiencing cost of living challenges and lower propensity to spend, combined with a late winter in 2025, have resulted in longer sell-through and higher clearance activity to clear excess inventory, impacting margins.

Brand Performance

A strength for the Group remains our store footprint and prominent locations throughout New Zealand. Customers are undertaking more purposeful shopping missions – resulting in relatively flat store foot traffic, however we have seen growth in conversion and propensity to buy when they are in store across all our brands.

The Warehouse foot traffic was up 0.3%, Warehouse Stationery stand-alone stores experienced a decline in foot traffic of 1.8% and Noel Leeming was down 0.9%. However, pleasingly, foot traffic conversion was up against the prior year across all brands, with The Warehouse up 2.5%, Warehouse Stationery up 5.8% and Noel Leeming up 3.7%.

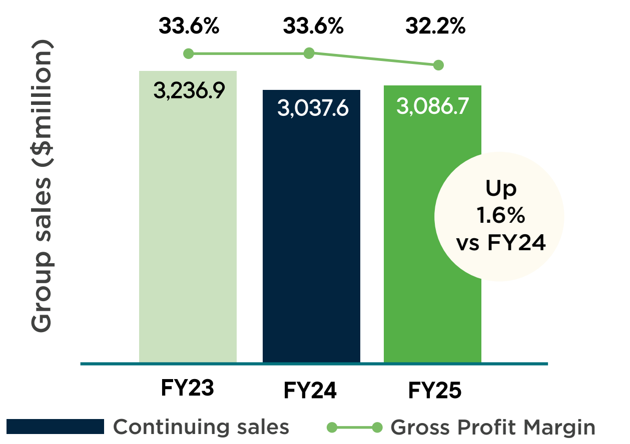
The Warehouse

The Warehouse sales for the year were $1,816.5 million (53 weeks), with sales growth of 1.4% on a reported year and sales growth of 1.2% on a 52-week same store sales basis compared to FY24.

Sales growth significantly improved in the second half. While sales declined 2.2% in the first half, sales delivered growth of 2.0% in the second half on a comparable 26-week period. Our transformation to brand-led strategies, a focus on core retail functions, and the move from Agile to a Retail operating model have all started to deliver results in the second half. Our new, invigorated, on-trend products and our reset of everyday low prices are resonating well with customers and meeting their expectations – and we are slowly starting to see results.

While sales are stable, margins remain extremely challenged – a result of our own pricing reset strategy, category mix with sales growth in grocery and sales declines in apparel and home, and slower inventory sell-

[1] 52-week same store sales removes the 53rd week of FY25, excludes online and excludes the impact of opening and closing of stores during the reported and comparable year, to enable 52-week sales comparison.

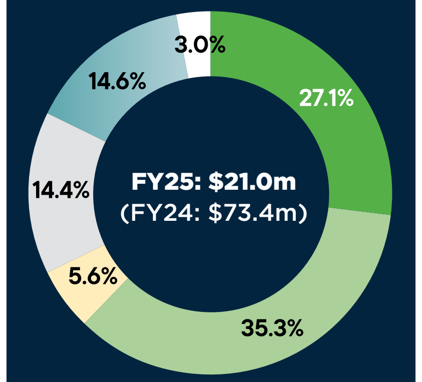


32.2%
GROUP GROSS PROFIT MARGIN
(FY24: 33.6%)

$1.3m
OPERATING PROFIT
(FY24: $28.9m)

$96.1m
NET DEBT
(FY24: $50.7m)

TOTAL CAPITAL PROJECTS SPEND



through requiring higher clearance activity. Gross profit margin was down 180bps in FY25 to 35.7%.

Our online channel has stabilised at 4.6% of The Warehouse sales. Online visits were up on last year and are key to driving store traffic, and through our customers' insights we know that 70% of our customers in store have researched product online before coming into store.

Despite growth in sales, and cost of doing business being tightly controlled, the significantly constrained gross profit margins have resulted in The Warehouse reporting an Operating Loss of $12.2 million in FY25, compared to Operating Profit of $17.7 million in FY24.

Warehouse Stationery

Warehouse Stationery sales for the year was $226.0 million (53 weeks), with sales decline of 2.5% on a reported year and sales decline of 3.2% on a 52-week same store sales basis compared to FY24.

Warehouse Stationery Print & Copy Centre products and service continue to be our highest growth categories, up 7.2% in FY25, at strong margins, while the brand saw customers decrease spending in other categories including Office Furniture and Technology equipment.

New Zealand small-medium businesses are still finding it tough, and we have a role to play as the office stationery and equipment provider of choice for our business customers.

Back to school stationery is another key target market for Warehouse Stationery and we are making fundamental progress in onboarding more schools to provide them with the best quality and best value student stationery and school supplies.

Warehouse Stationery reported Operating Profit of $8.2 million, compared to Operating Profit of $12.9 million in FY24.

Noel Leeming

Noel Leeming has recovered sales momentum after a decline in FY24, with revenue for the FY25 year at $1,038.1 million, delivering sales growth of 3.3% on a reported 53-week year, and sales growth of 1.4% on a 52-week comparable period. Noel Leeming Commercial experienced significant growth in the year, up 40% on prior year. 52-week same store sales, excluding commerical, which are not transacted in store, declined 1.6% compared to FY24.

Noel Leeming sales were impacted by customers' reduced discretionary income spending on high ticket items, combined with higher promotional and markdown activity as competitors chased market share.

With near flat sales growth of 0.8% in FY25 H1, Noel Leeming sales rebounded in the second half as customer sentiment improved to deliver sales growth of 2.0% in the second half on a comparable 26-week period driven by exceptional growth in Noel Leeming Commercial, but offset by declines in other big ticket consumer categories, particularly television.

Gross profit margin held up well at 21.6% in the face of increased competition in a constrained market.

Online sales increased slightly to 10.5%, driven by our competitive 1-hour click and collect delivery fulfilment and customer tech service offering.

Noel Leeming reported Operating Profit of $11.7 million, compared to Operating Profit of $17.3 million in FY24.

Group Operating Profit

Operating Profit[2] (EBIT pre-IFRS16) from continuing operations was disappointing at $1.3 million, compared to $28.9 million in FY24.

While sales were positive, the decrease of 140 basis points in Group gross profit margin significantly impacted operating profit, particularly through the decline in margins in The Warehouse and Warehouse Stationery as mentioned above.

Group Cost of Doing Business (CODB) increased 0.2% to $993.8 million, primarily due to the 53rd week in FY25, and CODB pleasingly decreased 40bps as a percentage of sales from 32.6% in FY24 to 32.2% in FY25. We said last year that cost control would be a huge focus going forward and we have seen some improvement in FY25. While not enough to counter the decline in margins, we are heading in the right direction towards our target of bringing CODB down to below 31% of sales.

Employee expenses increased 2.8% in line with inflation and wage rates, redundancies paid, and an extra reporting week, offset by a reduction in employee head count year on year.

Depreciation and amortisation decreased 7.4% and will continue to slow as recent investment in large capital projects roll off.

Other Expenses decreased 3.9% due to a reduction in SaaS opex reflecting reduced project spend and increased other income from supplier rebates, offset by increased customer payment commission costs and technology running costs as core systems come online.

We are controlling our central operating costs, with SSO costs (including employee expenses and other expenses) decreasing 7.8% in FY25.

Net Profit

Adjusted Net Profit After Tax (NPAT)[3] was a net loss of $4.5 million, compared to a net profit of $18.9 million in FY24.

Cash Flow

Operating cash flows were $72.3 million for the 53 weeks ending 3 August 2025, down $113.6 million from $185.9 million in the prior year.

Trading EBITDA from continuing operations was $197.0 million, compared to $226.4 million in FY24.

Working Capital increased $81.1 million from FY24, primarily due to the timing of year end cash flows in the 53rd week, including month end supplier payments, which significantly reduced the balance of trade payables at year end.

Interest paid during the year was $43.8 million, compared to $44.1 million in FY24, comprising interest on bank debt and lease liabilities.

Lease principal payments were $104.9 million in FY25 compared to $99.5 million in FY24.

Capital expenditure was curtailed in FY25 to $12.4 million out of total project spend of $21.0 million, compared to $39.0 million capital expenditure out of project spend of $73.4 million in FY24.

Due to the timing discussed above, cash conversion ratio[4] was (50.5%) (FY24: 102.4%) and free cash flow[5] was $(45.2) million (FY24: $47.0 million). Adjusting for the net cash outflows in the 53rd week, cash conversion ratio would have been approximately 80% and free cash flow would have been approximately $38 million.

Balance Sheet and Funding

The above cash flows, particularly the movement in working capital, resulted in net debt of $96.1 million compared to $50.7 million at FY24 year-end. Due to the timing of year end, and net cash flows in the 53rd week including month end supplier payments, if year end had been at the same time as FY24, net debt would have been approximately $13.0 million.

The Group continues to have good access to funding and has met all its debt covenant obligations throughout the period.

[2] Operating Profit (EBIT pre-IFRS16) excludes the impact of NZ IFRS16 and unusual items and is a non-GAAP measure.
[3] Adjusted NPAT is from continuing operations before unusual items and is a non-GAAP measure. A reconciliation between Adjusted and Statutory NPAT is located in Note 5.0 of the financial statements for the 53 weeks ending 3 August 2025.
[4] Cash conversion is calculated as Operating cash flow / EBITDA on a pre-IFRS16 basis.
[5] Free cash flow is calculated as Operating cash flow less lease payments and capital expenditure.

OUR GROUP DIRECTION

The Warehouse Group will strengthen and grow its three New Zealand retail brands, enabling each to lead in its market while leveraging shared services, platforms, and capital efficiencies.

OUR PURPOSE

To build exceptional retail brands
that customers love, our team take 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 2025 Integrated Annual Report. Our Integrated Report is designed to report on how our resources contribute through our retail value creation model to deliver our purpose to build exceptional retail brands. These are demonstrated through our six capitals – Financial Capital, Our Store and Distribution Network, Our Brand and Customers, Human Capital, Social and Relationship Capital and Our Environment – to support the long-term sustainable value for all our stakeholders, including:

- Our customers
- Our team members
- Our suppliers
- Our communities
- Our shareholders

Materiality

Materiality in the six capitals is different from financial materiality in the financial statements. It is driven by the risk appetite settings, and the specific outcomes and strategies in each capital. A material improvement in our environmental reduction outcomes, for example, may be different this year compared to other years depending on the starting position and default trajectory of performance.

Building on an improvement may mean we have a higher appetite for change than if we were attempting to arrest a declining performance.

Materiality is therefore relative to every strategy and metric in each capital and is used to filter what is reported and what is not. The Integrated Report is not the definitive or last word that the organisation has to say on a given topic, it is the material performance report against those elements in the capitals that we are trying to influence or improve.

INPUTS

FINANCIAL CAPITAL

NZX listing, shareholders' equity, available facilities.

Ensure financial resilience, free cashflow and available liquidity to implement strategy and provide a sustainable return to shareholders.

OUR STORE AND DISTRIBUTION NETWORK

216 stores, 2 distribution centres, and 3 international sourcing offices.

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

3 brands, private label brands, and digital platforms

Build a world-class customer retail experience, enabled by our portfolio of brands.

HUMAN CAPITAL

10,000 team members

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

Our communities and suppliers

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

The energy we use and products we sell.

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

RETAIL VALUE CREATION

FY25 OUTCOMES

READ MORE HERE

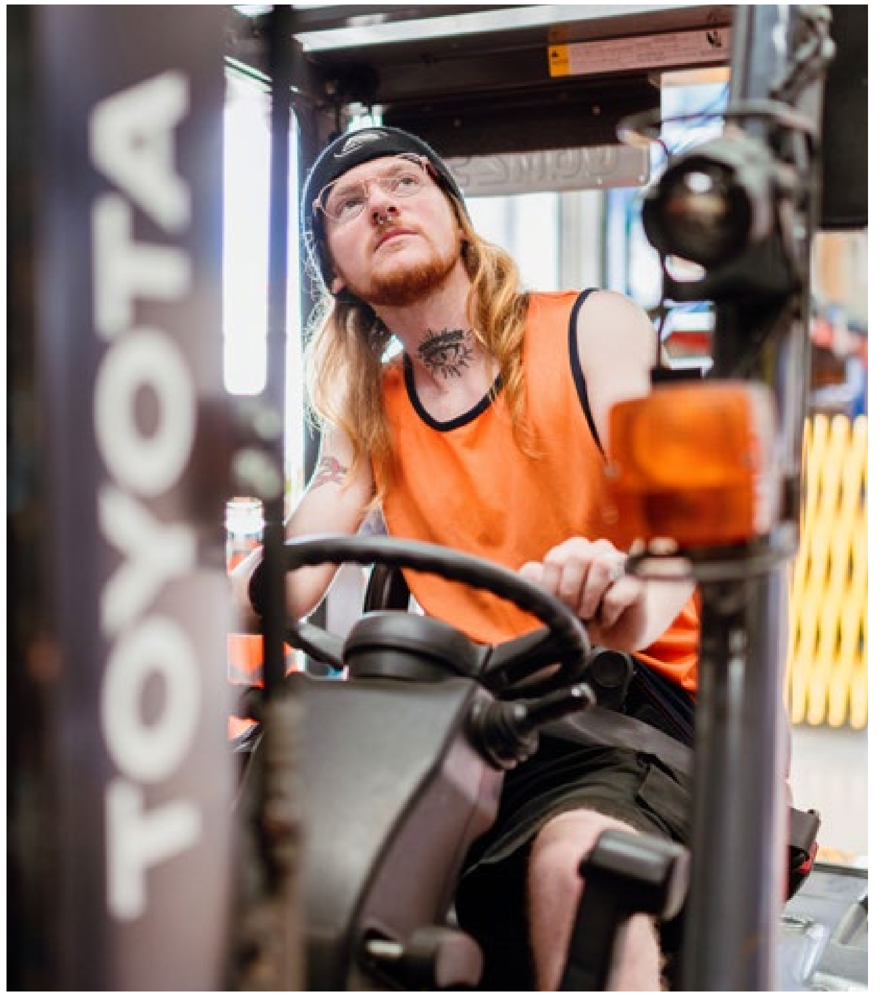
Capital					Read more
FINANCIAL CAPITAL	**$72.3M** Operating cashflow (FY24: $185.9m)	**$197.0M** Trading EBITDA (FY24: $226.4m)	**$353.9M** Available liquidity (FY24: $419.3m)		ANNUAL REPORT page 10–13
OUR STORE AND DISTRIBUTION NETWORK	**1.7M** Foot traffic People through our stores each week	**4.6x** Stock turn (FY24: 4.6x)	**23.1%** Aged inventory (FY24: 19.9%)		ANNUAL REPORT page 20–23
OUR BRAND AND CUSTOMERS	**76.0** NPS (FY24: 79.7)	**27** Number of private label brands	**6.7%** Online sales (FY24: 7.1%)		ANNUAL REPORT page 24–33
HUMAN CAPITAL	**36.0pts** eNPS (FY24: 18.2)	**45.2%** Women in senior leadership roles (FY24: 46.9%)	**100%** Gender pay equity (FY24: 100%)	**30.2** Per million hours worked TRIFR (FY24: 23.0)	SUSTAINABILITY REPORT page 14–16
SOCIAL AND RELATIONSHIP CAPITAL	**$2.4M** Raised for NZ charities and communities	**489** Supplier ethical assessments			SUSTAINABILITY REPORT page 18–23
OUR ENVIRONMENT	**66%** Private label sales with sustainable packaging (FY24: 55%)	**79%** Operational waste to landfill (FY24: 78%)	**45%** Scope 1 & 2 emissions decrease compared to FY23 base year		SUSTAINABILITY REPORT page 9–11

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 and goals.

The Group recognises four main categories of risk:

- **Strategic risk** – the consequence of an event occurring which will damage the Group's business model, undermining its value proposition which attracts customers and generates revenue.
- **Financial risk** – referring to the Group's ability to manage its debt and financial obligations and includes credit, liquidity, market, and capital project risk.
- **Operational risk** – summarising the risks the Group undertakes when it operates within the retail environment which includes people, health and safety, legal, compliance, business continuity, data, and security.
- **Business risk** – risk to earnings arising from developing consumer trends, supply chain risk, pricing volatility and product risk.



Risk management framework

Our risk management framework allows the Group to identify and manage risk, and provides it with a mechanism to adapt and respond to the dynamic environment retail operates within.

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

Identified risks are assessed regularly and 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.

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

Key enterprise risks

In the fourth quarter of FY25, the Group undertook a Dynamic Risk Assessment of its key enterprise risks. In addition to evaluating risks likelihoods and impacts, Dynamic Risk Assessment considers both the interconnectedness and velocity of risks to better understand their contagion consequences.

RISK	DESCRIPTION	CATEGORY	INFLUENCE ON OTHER RISKS	CUMULATIVE EFFECT FROM OTHER RISKS
Leadership	The Group may not consistently provide clear strategic direction, or foster a culture of empowerment and trust.	Strategic	Very high	Medium
Merchandising and product mix	Insufficient responsiveness to evolving category trends and adjacent income opportunities.	Business	High	Very High
Profit margins and costs	Trading margins may become unsustainable. Misalignment between operating costs and trading conditions.	Financial	Medium – High	Very High
Business and brand proposition	Unclear positioning of the Group and its brands, or lack of distinct value propositions.	Strategic	High	Medium-High
Store and shopping experience	Retail environments may not consistently deliver engaging and differentiated customer experiences.	Business	Medium-High	High
Agility and responsiveness	Delayed recognition or implementation of necessary changes.	Operational	Medium	Very High
Talent capacity and capability	Challenges attracting, retaining, and developing high-calibre talent, including succession gaps in key roles.	Operational	Medium-High	Medium-High
Culture	Misalignment or ineffective communication around strategic objectives and execution.	Strategic	Medium-High	Medium-High
Process and systems complexity	Complex or fragmented systems and processes may hinder operational efficiency, collaboration, and performance measurement.	Operational	Medium	High

The Group's Dynamic Risk Assessment has identified its:

- **Most influential risks** – those enterprise risks which have the most effect on other risks when they occur.
- **Most cumulative risks** – those enterprise risks which 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 key influential and cumulative risks are summarised in the above table.

The most expected risk cluster is comprised of **Leadership, Talent capacity and capability,** and **Culture.**

Health and safety is an important operational risk for which the Group has a very low risk appetite. It remains a top priority, with continued focus on the four pillars of wellbeing – physical, mental, financial, and ways of working.

OUR STORE AND DISTRIBUTION NETWORK

ONLINE STORES

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

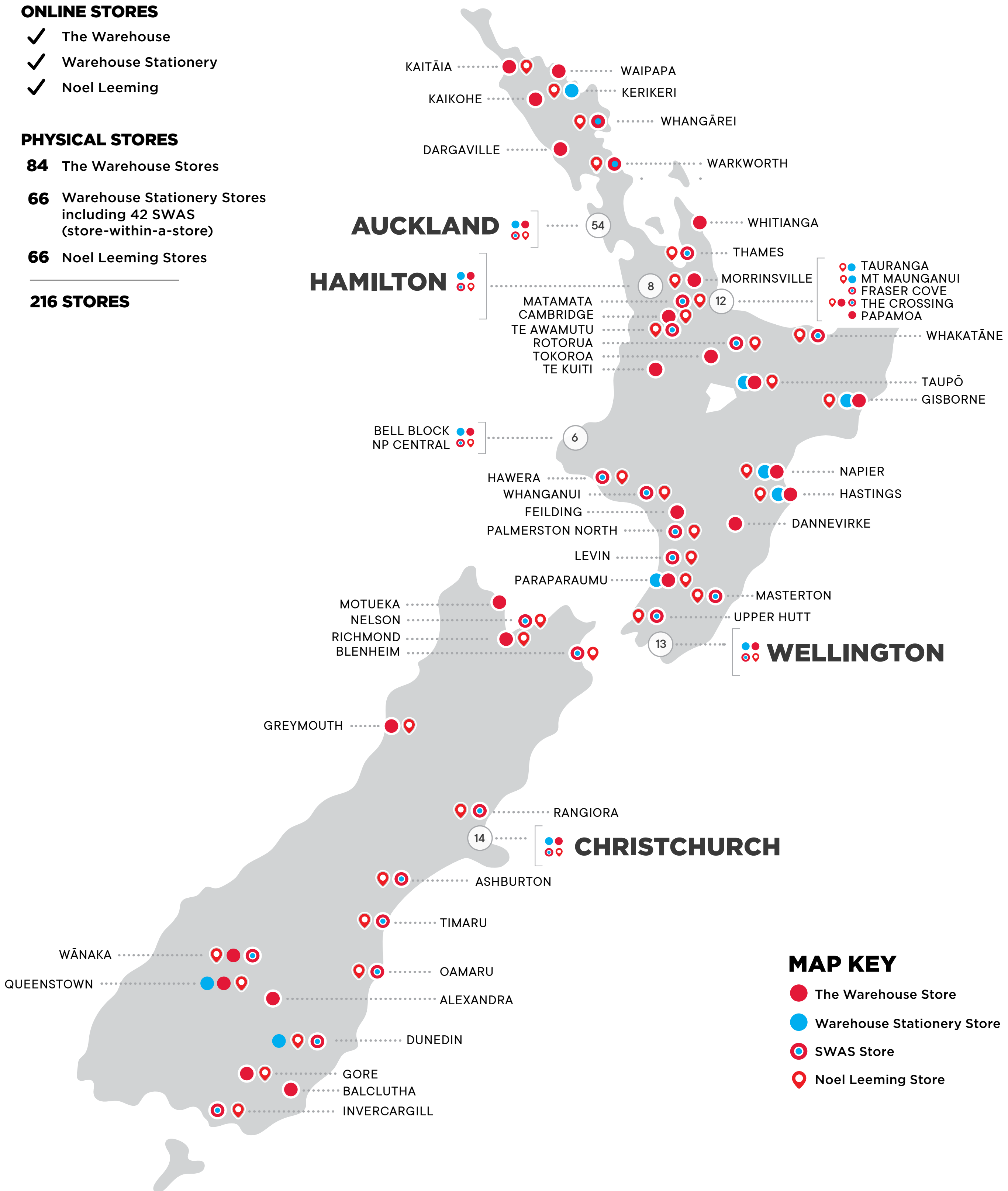
PHYSICAL STORES

84 The Warehouse Stores

66 Warehouse Stationery Stores including 42 SWAS (store-within-a-store)

66 Noel Leeming Stores

216 STORES



The Warehouse Group owns and operates three iconic New Zealand retail brands: The Warehouse, Warehouse Stationery and Noel Leeming. Together, they offer a wide range of products and services, from homeware, apparel, toys and grocery, to stationery, office supplies, and electronics.

The Warehouse, founded by Sir Stephen Tindall in 1982, has one of the most extensive retail footprints in the country, with 84 stores serving 85% of New Zealanders within a 20-minute drive. Each week, 1.7 million people walk through our doors. The Warehouse is New Zealand's leading everyday low-price general retailer.

Warehouse Stationery has been serving New Zealanders for over 30 years and now operates 66 stores, including 24 stand alone stores and 42 store-within-a-store (SWAS) locations. It supports small and medium-sized businesses across Aotearoa and is a key provider of school supplies, printing services and creative materials.

Noel Leeming is New Zealand's leading electronics and appliance retailer, with 66 stores nationwide. It offers a wide range of products from top brands, backed by expert advice and services to help customers get the most out of their technology.

Store Development

Our store strategy focuses on having the right stores, in the right locations, with the right footprint to meet customer needs. Our property and store development teams use population and demographic data to guide new store decisions and regularly review performance across the network.

In FY25, all three brands saw some consolidation as we continued to optimise our store network.

We closed The Warehouse Pakuranga store due to major infrastructure works around the shopping centre and Auckland Transport's Eastern Busway project. We also closed The Warehouse Tory Street store in Wellington after the landlord declined to renew the lease.

We relocated the Noel Leeming Blenheim store from the central business district to the growing Westwood retail centre, offering a larger range of technology, appliances and display kitchens from brands including Westinghouse, Haier, Fisher and Paykel and Samsung.

At Sylvia Park, we transitioned the stand alone Warehouse Stationery store into a SWAS format within The Warehouse store next door. This move has worked well, with no negative impact on sales or customer experience.

We will continue to develop our store network in commercially viable locations.

In the year ahead, Noel Leeming Palmerston North will relocate to Featherston Street, with a refreshed layout and premium aesthetic. In October 2025, we will open a new stand alone Warehouse Stationery store in Wellington.

Distribution Centres

The reliability and efficiency of our supply chain is essential to keeping products moving from suppliers to stores and into customers' hands.

We are actively shifting more containers via rail, reducing road congestion and lowering our carbon footprint. Our sea freight partners are adopting low-emission fuels and green shipping corridors, while our rail strategy ensures that the majority of containers are moved by rail into our distribution centres.

In FY25, we went live with RELEX software across our business, our new forecasting and replenishment software. RELEX uses AI-driven demand planning to improve forecast accuracy, reduce stock-outs and inventory costs, and increase product availability. It helps balance availability with cost, streamline operations and improve customer satisfaction.

With the majority of local supplier purchases now processed via Electronic Data Interchange (EDI), we have significantly reduced manual effort and accelerated procurement cycles. Combined with RELEX's automation, we are seeing smarter replenishment decisions, improved stock accuracy and better product availability across our network.

While these improvements are delivering clear benefits, we know there is much more to do. Work is under way to simplify our technology stack, remove legacy systems and unlock greater value from our existing technology investments. These efforts

216
STORES ACROSS NZ
The largest retail group footprint in NZ

2
DISTRIBUTION CENTRES
Getting goods to store and customers when and where they need to be

3
INTERNATIONAL SOURCING OFFICES
China, India, and Bangladesh

are focused on improving efficiency, reducing complexity and ensuring our infrastructure can better support the needs of our customers and teams into the future.

Sourcing Offices

The Warehouse Group operates sourcing offices in China, India and Bangladesh to support private label product design and production. These teams manage relationships with a wide network of suppliers and play a key role in ensuring ethical and sustainable sourcing practices.

In our Shanghai office we have 118 team members, managing 62% of The Warehouse's sourced products, in our Delhi office we have 11 team members, managing 1.8% of sourced products, and the Dhaka office has 12 team members, managing 5.8% of sourced products.

These offices provide greater control over our supply chain and help ensure fair labour and environmental standards in partner factories. Their work is central to our strategy for private label growth and responsible sourcing.

OUR BRANDS

thewarehouse

For more than 40 years, The Warehouse has been part of everyday life in New Zealand. FY25 was a year of continued economic pressure for many households, but our focus on relevance, affordability and experience helped us stay connected to our customers.

Reported sales were $1,816.5 million, up 1.4%, while 52-week same store sales increased 1.2%, a positive result in a challenging retail environment and a reflection of our continued focus on delivering value. The Warehouse sales momentum is showing signs of improvement, with store traffic growth of 0.3%, conversion up 2.5%, and our focus on everyday low prices bringing value to customers resulting in average basket sizes down 1.6%.

Gross profit margin remains under pressure, declining by 180 basis points in FY25. The strategic decision to reset everyday low prices, combined with a competitive retail landscape led to increased promotional activity across the sector and placed further strain on margins.

While sales delivered small growth, and CODB held steady, the decline in gross profit margin resulted in a significant impact on Operating Profit, declining from $17.7 million in FY24 to an Operating Loss of $12.2 million in FY25.

Customers are showing a preference for shopping in store with online sales representing 4.6% of total sales, down from 5.1% in FY24. However, our website and app are a critically important channel for inspiration, with at least 60% of our known store sales coming from customers that engage with our digital channels in the six weeks prior to purchase.

Toys had a record-breaking year at The Warehouse, up 8.0% on last year on a 52-week basis, and a standout

> **"We saw steady growth in sales, stronger customer engagement and an uplift in conversion. Our focus on value and experience is starting to resonate, and while there's much more to do, the progress is encouraging."**
>
> *Ian Carter, Chief Store Operations Officer –The Warehouse & Warehouse Stationery*

Mega Toy Sale. Apparel and footwear sales declined 5.4%, and home and garden was down 3.3%, on a 52-week basis, impacted by unseasonable weather and elevated promotional activity. Sales growth in home was seen in gardening and core textiles, with momentum building across both categories through improved product drops, stronger marketing, and trend-led merchandising.

Fast Moving Consumer Goods (FMCG) (grocery food and non-food) delivered their most profitable year yet, with sales up 7.7% on a 52-week basis and improved margins. Key drivers included confectionery, chilled and fresh, beverages, cosmetics and health and wellbeing. We now have 34 stores with Beauty Zones, introducing well-loved brands like MCoBeauty and Poppi, a significant step forward in a fast-growing category.

In-store experience remains a key focus. Our in-store Net Promoter Score (NPS) was a disappointing 73.9 in FY25, down from 80.5 in FY24 following a change in how we collect feedback. Work is under way to reinvigorate our in-store customer experience and bring more excitement into our stores. We trialled a new Apparel department layout in three stores, designed to improve navigation and inspire customers by merchandising by outfit rather than product type. Early feedback has been positive, and we're continuing to refine the concept.

We continued to evolve our store footprint to reflect changing customer needs. In FY25, we closed our Tory Street Wellington and Pakuranga stores, and completed a full store-within-a-store conversion at Sylvia Park Auckland, integrating our Warehouse Stationery offer into the existing The Warehouse store. This location is now performing strongly and delivering a more seamless experience for customers.

We continued to support Kiwi communities through our Red Bag fund, raising $1.4 million for local community groups and national charity partners in FY25. The Warm Fuzzies campaign was a standout community initiative in FY25, delivered in partnership with The Kindness Collective. Together, our brands raised $229,460, helping reach 17,000 children with new winter pyjamas and supporting 250 families with Winter Bundles that included duvets, hot water bottles and heaters. Customers also donated 10,089 pairs of pyjamas and blankets in-store, making a meaningful difference for Kiwi families.

$1.8b Sales[1]
(up 1.4% on FY24)

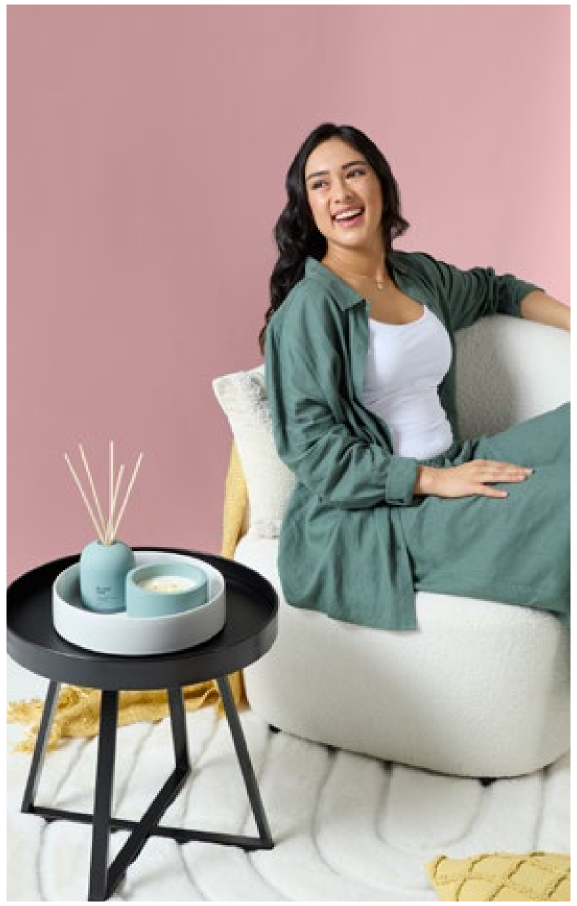
[1]Sales up 1.2% on a 52-week same store sales basis (excluding online)

84 Stores

4.6% Online sales
(FY24: 5.1%)

0.3% FOOT TRAFFIC

$12.2m Operating Loss
(FY24: $17.7m Operating Profit)



OUR BRANDS

For more than 30 years, Warehouse Stationery has helped New Zealanders work, study, create and connect. In FY25, we focused on strengthening our core offer and reconnecting with customers, laying the groundwork for future growth.

“We’ve spent the year strengthening our offer, reconnecting with customers and we are building solid foundations for what comes next.”

Jonathan Smith, General Manager – Warehouse Stationery

Reported sales were $226.0 million, down 2.5%, while Warehouse Stationery 52-week same store sales decreased 3.2%, reflecting ongoing pressure on discretionary spending and the need to sharpen our value proposition. Gross margin was under pressure in Warehouse Stationery also, as we offered lower prices across the range, with margin decreasing 120 basis points in FY25.

Warehouse Stationery stand-alone store traffic softened slightly, down 1.8%, while customers took more purposeful shopping journeys with conversion up 5.8%, demonstrating that our efforts to improve in-store experience and product relevance are beginning to resonate.

Online sales represented 7.0% of total sales, down from 8.0% in FY24.

In FY25, we re-established a dedicated Warehouse Stationery team, bringing renewed focus to our range and offer. For our business customers, we prioritised availability and value across everyday essentials. BizRewards remains a valuable channel for engaging business customers at Warehouse Stationery. In FY25, the number of active BizRewards customers increased 2.8% on last year, reflecting the continued strength of this programme in driving sales and loyalty. For consumers, we expanded our art and craft ranges, supported by our growing ‘Get New Zealand Creating’ campaign, which continues to gain popularity.

Print & Create was a standout category, with sales up 7.2% last year, on a 52-week basis, driven by our expansion of personalised gifting options and increasing customer demand for digital printing. This category reflects our commitment to offering relevant, high-margin services that meet evolving customer needs. We also responded to customer feedback by reintroducing Reflex copy paper as a premium alternative to our popular Warehouse Stationery paper range.

Back to School in 2025 delivered sharper value ranging and improved in-store service driving stronger school engagement and working with 80 new schools. Customers responded well to compelling offers, including gaming chairs for $149 and school items from just 50 cents.

Warehouse Stationery now has a strong service-led proposition for our customers, and our in-store Net Promoter Score (NPS) pleasingly increased 2.8 points to 88.8 in FY25. We continued to evolve our store footprint. In FY25, we completed a full SWAS conversion at Sylvia Park Auckland, integrating our Warehouse Stationery offer into The Warehouse store. This location is now performing strongly. We are also preparing to open a new Warehouse Stationery store in Wellington CBD in October 2025.

Warehouse Stationery proudly supported the Be the Joy community campaign, to help bring joy to families at Christmas through partner charities including the Kindness Collective, the Salvation Army, Variety–the Children’s Charity, and Women’s Refuge.

$226m
Sales[2]
(down 2.5% on FY24)

[2]Sales down 3.2% on a 52-week same store sales basis (excluding online)

66
Stores
(42 store within a store stores)

7.0%
Online sales
(FY24: 8.0%)

1.8%
FOOT TRAFFIC

$8.2m
Operating Profit
(FY24: $12.9m)

OUR BRANDS

noel leeming

Noel Leeming is New Zealand's leading electronics and appliance retailer. We offer a wide range of products from the top brands with expert advice and services to help Kiwis get the most out of technology.

Noel Leeming is New Zealand's destination for appliances and consumer electronics, offering trusted advice, leading brands and services that support everyday life. FY25 was a challenging year for the appliance and consumer electronics market, with discretionary spending under pressure and customers more selective in their purchases. Despite this, Noel Leeming achieved top line revenue growth and grew share in key categories, and is well positioned for future growth as the market recovers.

Noel Leeming reported revenue of $1,038.1 million in FY25, delivering growth of 3.3% on a 53–week reported year, and sales growth of 1.4% on a 52–week comparable period.

Noel Leeming Commercial sales experienced signficant growth in the year, up 40% on prior year. Sales declined 1.6% on a 52–week same store sales basis compared to FY24, excluding commercial which are not transacted in store.

Gross profit margin held up well, declining only 20 basis points in FY25, as customers prioritised value and made more deliberate purchasing decisions.

Total store traffic remained resilient, declining just 0.9%, while store conversion increased 3.7%. However, as customers prioritised everyday electrical essentials over big ticket items, overall basket size decreased 4.3%.

Online sales represented 10.5% of total sales, a small increase from 10.2% of total sales in FY24.

Noel Leeming grew sales in key categories, supported by a sharper focus on value, service, and brand strength. Gaming delivered a stand-out result up 21.0% on a 52–week basis, on the back of strong PS5 and Nintendo launches, and small appliance sales grew 10.2% on a 52–week basis. Growth in post-pay mobile connections highlighted the strength of the services business, as more customers sought end-to-end support.

Team development remained a priority. More than 600 team members participated in 12 Noel Leeming product category specific learning academies during the year, deepening their knowledge across computing, whiteware, audio and smart home categories. These academies, delivered in partnership with suppliers, are a key part of the brand's commitment to building capability and delivering expert service.

In-store Net Promoter Score (NPS) remained at 76.9, reflecting the expertise and service delivered by passionate team members.

Noel Leeming continued to invest in its store network, opening a new location in Blenheim at Westwood Business Park. The upgraded store replaces the long-standing Charles Street site and features a modern layout with expanded ranges in technology, appliances and whiteware, including display kitchens and a live demonstration island. The opening drew strong community interest, with locals queuing to be among the first inside.

Investment in sustainability continued, with 168 tonnes of e-waste collected through the TechCollect NZ partnership, a year-on-year increase of over 25.9% that helped divert thousands of devices from landfill.

> "With customers more cautious in their discretionary spending, we have given trusted advice, great value, and expert service. Our approach drove growth in the areas that mattered most."
>
> *Jason Bell, Chief Executive Officer – Noel Leeming*

$1.0b
Sales[3]
(up 3.3% on FY24)

[3]Sales down 1.6% on a 52-week same store sales basis (excluding online and NLG Commercial)

66
Stores

10.5%
Online sales
(FY24: 10.2%)

0.9%
FOOT TRAFFIC

$11.7m
Operating Profit
(FY24: $17.3m)

OUR CUSTOMERS

In FY25, we began making changes to how we engage with customers across The Warehouse Group's three brands. Our focus has been on improving the store experience, evolving our marketing approach, and growing our private label offer.

These are early steps, and we know there is much more to do. The Warehouse Group NPS decreased 3.7 points to 76.0 points in FY25. This was largely due to a change in how the data is collected in store, with more rigour introduced. Feedback included difficulty finding products and pricing in store.
As a value retailer, it's important we improve this experience. The improvements we are making in inventory management to get the right products in the right place at the right time, combined with better signage and development of our apps, which allows customers to locate products in store, will help customers self-serve more easily.

We are working to improve our experience and the way we engage with our customers. The following highlights show how we are beginning to connect better with customers and lay the foundations for stronger brand performance, particularly at The Warehouse, our most important brand to improve.

Switching gears in marketing across our brands

In FY25, we shifted our marketing approach across The Warehouse, Noel Leeming and Warehouse Stationery.
A key enabler of this change was our new operating model, with each brand now supported by its own dedicated marketing team. This structure has helped ensure the right focus, resource and expertise are in place to drive more targeted and effective activity.

We've used data more effectively to reach relevant audiences, attract new customers and support growth in higher-margin categories. There has been a clear shift in how we show up in social channels, with more personality, humour and engaging content. Influencers and user-generated content have played a bigger role, helping build positive conversation around our products and brands.

Engagement has improved steadily month by month from FY24, and across all three brands we are seeing stronger relevance and reach to our audiences.

At The Warehouse, this shift has contributed to improved brand perception. We've regained the number one spot in brand preference for toys and seen positive movement in several core categories in FY25 H2 compared to FY25 H1: Home is up 5%, Apparel up 2%, Petcare up 5%, Party Supplies up 6% and Sport and Outdoors up 5%. These gains reflect the combined impact of clearer messaging, better media investment and a renewed focus on both brand and performance marketing.

This is an early step in a broader effort to build stronger brand connections and drive commercial outcomes through more targeted, engaging marketing.

Store experience: bringing the excitement back

In FY25, The Warehouse began making changes to bring more excitement and inspiration into our stores. We know our environments had become too clinical, and we're taking steps to reintroduce elements that make shopping more engaging and fun for customers.

We now have 34 stores with Beauty Zones. These colourful areas showcase trending and affordable brands like MCoBeauty, Mermade, Poppi, Rimmel and The Crème Shop. The zones are designed to attract new customers and support growth in beauty sales.

We also trialled a new apparel layout in three stores. Instead of grouping products by type, the new layout presents complete outfits with accessories and footwear, helping customers shop by look and trend. Early results suggest the approach is helping customers engage more with the range.

Our refreshed apparel, footwear and accessory ranges are hitting the mark with our customers – with a 5.4% increase in units sold, driven by improved exciting ranges, customer focused store layouts, and a 10.2% decrease in average selling prices within this category.

During our Mega Toy Sale, we partnered with Universal and Mattel to bring Jurassic Rebirth into stores. Stores featured dinosaur standees, floor decals, aerial displays and themed content on screens. Customers could win Jurassic merchandise and movie passes, and shop the exclusive toy range. The activation helped drive engagement and supported our position as the number one toy destination.

These initiatives are early steps in a broader effort to make our stores more exciting and customer focused. There's more to do, but we're starting to see how small changes can make a meaningful difference.

Connecting online and in store: how customers engage digitally

In FY25, The Warehouse saw strong engagement across its digital platforms, with 120 million online sessions and 280,000 app downloads. While online sales represented 4.6% of total sales, down from 5.1% in FY24,

No.1
THE WAREHOUSE
Brand preference in TOYS

THE WAREHOUSE
120m
ONLINE SESSIONS

280,000
APP DOWNLOADS
IN FY25

BEAUTY ZONES
introduced in
34
STORES

NOEL LEEMING
38m
ONLINE SESSIONS
(Up 2.1% YoY)

47,800
APP DOWNLOADS
IN FY25

our website and app continue to play a critical role in the customer journey.

We've seen at least 60% of known store sales come from customers who engage with our digital channels including web, email and app in the six weeks prior to purchase. This shows how customers are using online platforms for inspiration and research before shopping in store.

Conversion on The Warehouse website increased 11.7% in FY25, reflecting improvements in relevance and experience, like same day click and collect.

Our Marketplace platform continues to offer third-party products, with 31 merchants live and contributing $12.9 million in Gross Merchandise Value (GMV). This represents 15.8% of total online sales for The Warehouse. We'll continue to explore opportunities to expand our range in areas where we don't currently have a first party offer, focusing on missions we know matter to customers.

Noel Leeming experienced 38 million online sessions and 47,800 app downloads. Online sales represented 10.5% of total sales, a small increase from 10.2% of total sales in FY24, with one hour click and collect a popular choice for our customers.

These results show that while customers are choosing to shop in store, our digital channels remain an essential part of how they discover, plan and engage with our brand.

Trading events: the biggest Mega Toy Sale in our history

FY25 marked a strong year for toys at The Warehouse, with sales up 8.0% year on year on a 52-week basis. The Warehouse regained the number one position in consumer preference for toys, supported by the success of our annual Mega Toy Sale, which delivered the strongest toy sales performance in over a decade.

Held during the school holidays, the three week Mega Toy Sale has become a key event for families, offering value and the opportunity to shop well ahead of Christmas. This year's campaign featured new ranges, trending toys and Allie the Alien, our playful mascot who brought excitement to stores and online. Customers could hunt for Allie in store to win one of 40,000 prizes, while an interactive online game extended the experience digitally.

The campaign also included a toys influencer event. Store teams embraced the fun, dressing up as toys to create memorable experiences for customers.

The Mega Toy Sale highlights the strength of our toy category, which continues to deliver growth and value for Kiwi families, and what happens when we get our experience, marketing and range right.

Make sustainability easy and affordable

We know sustainability matters to our customers, and in FY25 we continued to embed it across our product ranges and store network.

Across The Warehouse and Warehouse Stationery, 40% of private label sales came from products with one or more approved sustainability features. This accounted for over 43,555 product lines and $392 million in sales. Packaging also improved, with 66% of private label sales coming from products with sustainable packaging, up from 55% in FY24.

We also expanded our in-store circularity solutions. The Soft Plastics Recycling Scheme is now hosted in 53 The Warehouse stores, covering 73% of the population and collecting 104 tonnes of plastic in FY25. Our appliance delivery service recycles bulky polystyrene packaging.

Across 34 Noel Leeming and Warehouse Stationery stores, TechCollect NZ collected 168 tonnes of e-waste. We also supported nationwide take-back programmes for mobile phones (RE:MOBILE) and ink and toner cartridges (Brother). In FY25, these initiatives diverted over 283 tonnes of material from landfill.

We are committed to continuing this work, making it easier for customers to make better choices every day.

Growing our private label brands: meet Poppi

The Warehouse Group's investment in private label brands continues to deliver results, particularly in the fast-growing health and beauty category. These brands are central to our strategy to offer differentiated value, combining quality, affordability and better margin control.

In FY24, The Warehouse launched Good One, its first private label body and hair care brand. The range quickly gained traction for its accessible price points and strong social impact.

Building on this success, FY25 saw the launch and expansion of Poppi, a new private label beauty brand appealing to the teen market. Designed to bring fun and simplicity to everyday routines, Poppi features aesthetic pastel packaging and affordable pricing from $4 to $15. The range includes trending products such as vitamin C serums, hair oils, under-eye gel pads and pimple patches.

Poppi reflects the Group's ability to identify emerging trends and respond with speed and scale. Together, Good One and Poppi helped drive a record year for the FMCG division, which delivered its most profitable year to date. Sales rose by 7.7% on a 52-week basis, supported by strong growth in cosmetics, health and wellbeing. These brands demonstrate how The Warehouse is redefining value in the beauty category through private label innovation that meets customer needs and supports commercial performance.

NET PROMOTER SCORE (NPS)

THE WAREHOUSE

73.9
(down 6.6)

WAREHOUSE STATIONERY

88.8
(up 2.8)

NOEL LEEMING

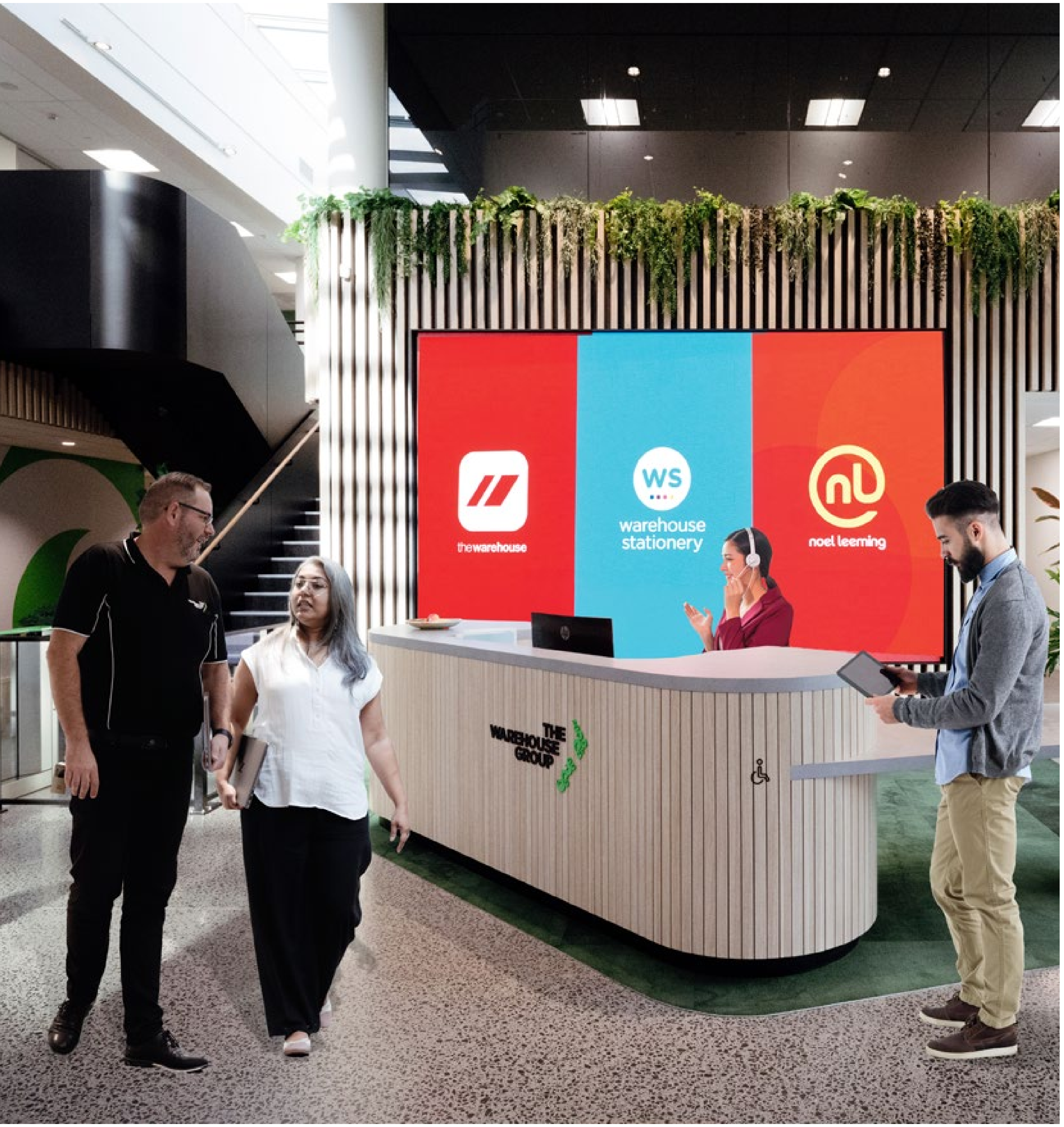
76.9
(up 0.1)

GROUP weighted average

76.0
(down 3.7)

2025 THE WAREHOUSE GROUP

FINANCIAL STATEMENTS



Financial Statements

For the 53 week period ended 3 August 2025

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 1 October 2025.

Dame Joan Withers
Board Chair
1 October 2025

Dean Hamilton
Audit and Risk Committee Chair
1 October 2025

CONTENTS

The Warehouse Group Limited is a limited liability company incorporated and domiciled in New Zealand.
The address of its registered office is Level 4, 4 Graham Street, Auckland.

Consolidated Income Statement

For the 53 week period ended 3 August 2025

	Note	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Continuing operations			
Retail sales	2.1	3,086,725	3,037,597
Cost of retail goods sold	8.1	(2,091,643)	(2,016,731)
Gross profit		995,082	1,020,866
Other income	3.1	14,314	7,943
Employee expense	3.2	(526,520)	(512,146)
Depreciation and amortisation expense	3.3	(156,524)	(158,558)
Other operating expenses	3.4	(285,836)	(290,284)
Operating profit from continuing operations	2.1	40,516	67,821
Unusual items	5.0	-	(8,883)
Earnings before interest and tax from continuing operations		40,516	58,938
Interest on leases	10.2	(36,847)	(36,527)
Other net interest	3.6	(6,668)	(1,850)
Profit/(loss) before tax from continuing operations		(2,999)	20,561
Income tax benefit/(expense)	4.1	572	(14,021)
Net profit/(loss) for the period from continuing operations		(2,427)	6,540
Discontinued operations			
Loss from discontinued operations (net of tax)	17.0	-	(60,304)
Net loss for the period		(2,427)	(53,764)
Attributable to:			
Shareholders of the parent		(2,764)	(54,181)
Minority interests	11.5	337	417
		(2,427)	(53,764)
Profit/(loss) attributable to shareholders of the parent relates to:			
Profit/(loss) from continuing operations		(2,764)	6,123
Loss from discontinued operations		-	(60,304)
		(2,764)	(54,181)
Basic and diluted earnings per share attributable to shareholders of the parent:			
Earnings per share	6.0	(0.8) cents	(15.7) cents
Earnings per share from continuing operations	6.0	(0.8) cents	1.8 cents
Earnings per share from discontinued operations	6.0	-	(17.5) cents

Consolidated Statement of Comprehensive Income

For the 53 week period ended 3 August 2025

	Note	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Net loss for the period		(2,427)	(53,764)
Items that may be reclassified subsequently to the income statement			
Movement in foreign currency translation reserve		-	247
Movement in derivative cash flow hedges		(10,301)	9,900
Tax relating to movement in hedge reserve		2,884	(2,772)
Other comprehensive income/(loss)		(7,417)	7,375
Total comprehensive loss		(9,844)	(46,389)
Attributable to:			
Shareholders of the parent		(10,181)	(46,806)
Minority interest	11.5	337	417
Total comprehensive loss		(9,844)	(46,389)

Consolidated Balance Sheet

As at 3 August 2025

	Note	2025	2024
		$000	$000
ASSETS			
Current assets			
Cash and cash equivalents	11.2	39,206	32,204
Trade and other receivables	8.2	69,871	72,901
Inventory	8.1	476,718	472,128
Derivative financial instruments	12.2	3,908	10,786
Current taxation	4.2	2,473	2,779
Total current assets		592,176	590,798
Non current assets			
Trade and other receivables	8.2	22,088	26,321
Property, plant and equipment	9.1	155,078	187,208
Intangible assets	9.2	140,090	159,112
Right of use assets	10.1	590,187	601,610
Deferred taxation	4.3	94,278	89,824
Total non current assets		1,001,721	1,064,075
Total assets		1,593,897	1,654,873
LIABILITIES			
Current liabilities			
Borrowings	11.2	135,300	82,900
Trade and other payables	8.3	376,758	461,453
Derivative financial instruments	12.2	3,768	78
Lease liabilities	10.3	92,522	100,098
Provisions	8.4	42,926	42,553
Total current liabilities		651,274	687,082
Non current liabilities			
Lease liabilities	10.3	621,317	636,714
Provisions	8.4	20,810	20,342
Total non current liabilities		642,127	657,056
Total liabilities		1,293,401	1,344,138
Net assets		300,496	310,735
EQUITY			
Contributed equity	11.3	360,235	360,235
Reserves	11.4	(836)	6,581
Retained earnings		(60,029)	(57,265)
Total equity attributable to shareholders		299,370	309,551
Minority interest	11.5	1,126	1,184
Total equity		300,496	310,735

Consolidated Statement of Cash Flows

For the 53 week period ended 3 August 2025

	Note	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Cash flows from operating activities			
Cash received from customers		3,099,203	3,137,910
Payments to suppliers and employees		(2,982,438)	(2,911,346)
Income tax paid	4.2	(692)	(4,582)
Income tax refunded	4.2	-	7,995
Interest paid		(43,750)	(44,107)
Net cash flows from operating activities		72,323	185,870
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		160	355
Purchase of property, plant and equipment and computer software		(12,604)	(39,284)
Torpedo7 disposal costs		-	(4,720)
Net cash flows from investing activities		(12,444)	(43,649)
Cash flows from financing activities			
Proceeds from borrowings		52,400	6,500
Lease principal repayments		(104,882)	(99,532)
Treasury stock dividends received		-	180
Dividends paid to parent shareholders		-	(45,312)
Dividends paid to minority shareholders		(395)	(183)
Net cash flows from financing activities		(52,877)	(138,347)
Net cash inflow		7,002	3,874
Opening cash position		32,204	28,330
Closing cash position	11.2	39,206	32,204

Reconciliation of Operating Cash Flows

For the 53 week period ended 3 August 2025

	Note	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Net loss for the period		(2,427)	(53,764)
Non cash items			
Depreciation and amortisation expense - continuing operations	3.3	156,524	158,558
Depreciation and amortisation expense - discontinued operations		-	5,423
Share based payment expense	3.2	-	(804)
Movement in deferred taxation	4.1	(1,570)	(4,119)
Total non cash items		154,954	159,058
Items classified as investing or financing activities			
Loss on disposal of plant, equipment and software		187	4,027
Loss on disposal of Torpedo7 business assets	17.0	-	60,547
Gain on lease terminations	2.2	-	(160)
Supplementary dividend tax credit	4.2	-	223
Total investing and financing adjustments		187	64,637
Changes in assets and liabilities			
Trade and other receivables		7,263	(3,567)
Inventory		(4,590)	(28,034)
Trade and other payables		(84,211)	54,083
Provisions		841	(8,802)
Current tax		306	2,259
Total changes in assets and liabilities		(80,391)	15,939
Net cash flows from operating activities		72,323	185,870

Consolidated Statement of Changes in Equity

For the 53 week period ended 3 August 2025

	Note	Share Capital	Treasury Shares	Hedge Reserves	Foreign Currency Translation Reserve	Employee Share Benefits Reserve	Retained Earnings	Minority Interest	Total Equity
		$000	$000	$000	$000	$000	$000	$000	$000
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)	
For the 52 week period ended 28 July 2024									
Balance at the beginning of the period		365,517	(5,282)	(767)	(27)	804	41,825	950	403,020
Profit/(loss) for the period		-	-	-	-	-	(54,181)	417	(53,764)
Movement in foreign currency translation reserve		-	-	-	247	-	-	-	247
Movement in derivative cash flow hedges		-	-	9,900	-	-	-	-	9,900
Tax relating to movement in hedge reserve		-	-	(2,772)	-	-	-	-	(2,772)
Total comprehensive income/(loss)		-	-	7,128	247	-	(54,181)	417	(46,389)
Contributions by and distributions to owners									
Share rights charged to the income statement		-	-	-	-	(804)	-	-	(804)
Dividends paid	7.1,11.5	-	-	-	-	-	(45,089)	(183)	(45,272)
Treasury stock dividends received		-	-	-	-	-	180	-	180
Balance at the end of the period		365,517	(5,282)	6,361	220	-	(57,265)	1,184	310,735
		(note: 11.3)	(note: 11.3)	(note: 11.4)	(note: 11.4)	(note: 13.0)		(note: 11.5)	

Notes to the Financial Statements - Basis of Preparation

For the 53 week period ended 3 August 2025

1.0 BASIS OF PREPARATION

1.1 Reporting entity

The Warehouse Group Limited (the Company) and its subsidiaries (together the Group) trade 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 (FMCA) 2013. The address of its registered office is Level 4, 4 Graham Street, PO Box 2219, Auckland. The Company is listed on the New Zealand Exchange (NZX).

1.2 Compliance statement

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice (GAAP), FMCA 2013 and NZX listing rules. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), other applicable Financial Reporting Standards, and authoritative notes as appropriate for a for-profit entity. The financial statements also comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

1.3 Basis of preparation

The measurement basis adopted in the preparation of these financial statements is historic cost, as modified by the revaluation of certain assets and liabilities at fair value. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand, unless otherwise stated. The 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 choice is provided by NZ IFRS, is new or has changed, is specific to the Group's operations or is material. Where NZ IFRS does not provide any accounting policy choice, the Group has applied the requirements of NZ IFRS but a detailed accounting policy has not been specifically included.

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	2025	2024
The Warehouse Limited	Retail	100	100
Eldamos Investments Limited	Property	100	100
The Warehouse Nominees Limited	Investment	100	100

Group structure

The Group sold the business assets of Torpedo7 Limited (refer note 17) and transferred control of the business to Tahua Partners last year. The results of this business are disclosed as discontinued operations in the 2024 comparatives and presented separately as a single amount in the income statement.
The former Torpedo7 Limited company is now a shell company and has been renamed (Altitude NZ Limited). Following the closure of TheMarket.com business in June 2024, the Group amalgamated TheMarket.com Limited non trading legal entity with The Warehouse Limited from the commencement of the current financial year.

1.4 Changes in accounting policies and interpretations

The Group applied the following new amended standards in this year's financial statements.
(a) Amendments to NZIAS 7 and NZIFRS 7 on Supplier finance arrangements (refer note 8.3)
(b) Amendment to NZIAS 1 – Non-current liabilities with covenants (refer note 11.1)
(c) Amendments to FRS 44 for disclosure of fees paid to the audit firms (refer note 3.5)
The application of the new amendments did not impact any amounts recognised in the financial statements, but required the Group to provide some enhanced disclosures.

There are no new accounting standards, amended standards or interpretations that become effective after balance date that would have a material impact on the Group's financial statements or likely to affect recognition or measurement principles. In May 2024 International Accounting Standards Board issued a new accounting standard NZ IFRS 18 'Presentation and Disclosure in Financial Statements' as a replacement for NZ IAS 1. This new standard which is mandatory for the Group in the 2028 financial year may change the presentation of the Group's primary financial statements. The Group is currently assessing the impact of this new standard and will disclose more detailed assessments in the future.

Climate change

The Group also considered the impact of climate change on the amounts recognised in the financial statements as part of the work undertaken this year to complete the Group's Climate-related Disclosure Report. On the basis of the work undertaken to date, the Group concluded that there was no material effect on the recognition and measurement of its assets and liabilities or any items that would require specific disclosure in the financial statements. The Group reported under the Aotearoa New Zealand Climate Standards for the second time this year and a separate Sustainability Report released with the Annual Report.

1.5 Reporting period

These financial statements are for the 53 week period 29 July 2024 to 3 August 2025. The comparative period is for the 52 week period 31 July 2023 to 28 July 2024. The Group operates on a weekly trading and reporting cycle which means most financial years represent a 52 week period. A 53 week catchup period occurs once every 5 to 6 years and occurred in the current 2025 financial year.

1.6 Material accounting judgements, estimates and assumptions

The preparation of the financial statements requires the Group to make judgements, estimates and assumptions that affect 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) Derivative financial instruments (note 12.2)

The Group has also considered the impact of climate change on the amounts recognised in the financial statements as part of the work undertaken this year to complete the Groups Climate-related Disclosure Report. On the basis of the work undertaken to date, the Group concluded that there was no material effect on the recognition and measurement of its assets and liabilities or any items that would require specific disclosure in the financial statements.

1.7 Non-GAAP financial information

The Group uses operating profit, earnings before interest and tax, unusual items and adjusted net profit to describe financial performance as it considers these line items provide a better measure of underlying business performance. These non-GAAP measures are not prepared in accordance with NZ IFRS and may not be comparable to similarly titled amounts reported by other companies. The Group's policy regarding unusual items and adjusted net profit are detailed in note 5.0.

Notes to the Financial Statements - Financial Performance

For the 53 week period ended 3 August 2025

2.0 SEGMENT INFORMATION

		(53 Weeks)	(52 Weeks)	(53 Weeks)	(52 Weeks)		
2.1 Operating performance		Retail Sales		Operating Profit		Retail Operating Margin	
	Note	2025	2024	2025	2024	2025	2024
		$ 000	$ 000	$ 000	$ 000		
The Warehouse		1,816,475	1,792,254	(12,247)	17,672	-0.7%	1.0%
Warehouse Stationery		226,036	231,907	8,217	12,886	3.6%	5.6%
TheMarket.com		-	4,061	-	(8,513)		
Warehouse segment		2,042,511	2,028,222	(4,030)	22,045	-0.2%	1.1%
Noel Leeming		1,038,058	1,005,217	11,667	17,342	1.1%	1.7%
Other Group operations		11,578	11,164	(6,326)	(10,453)		
Inter-segment eliminations		(5,422)	(7,006)	-	-		
Group		3,086,725	3,037,597	1,311	28,934	0.0%	1.0%
Adjustments for NZ IFRS 16 (Leases)	2.2			39,205	38,887		
Operating profit from continuing operations				40,516	67,821		
Unusual items	5.0			-	(8,883)		
Earnings before interest and tax from continuing operations				40,516	58,938		

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, and previously had an online marketplace which was wound up last year. 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 product 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, 66 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.

The Torpedo7 business was previously included as a separate retail brand, but has been reclassified as a discontinued operation last year. The Torpedo7 results and cash flows are found in note 17. Other Group operations include a property company, a chocolate factory and the residual cost of unallocated support office functions.

		(53 Weeks)	(52 Weeks)
2.2 Adjustment for NZ IFRS 16 (Leases)	Note	2025	2024
		$ 000	$ 000
Pre NZ IFRS 16 rent expense		132,538	129,060
Right of use asset amortisation	10.1	(93,333)	(90,333)
Gain on lease terminations		-	160
Impact on operating profit from continuing operations	2.1	39,205	38,887
Lease liability interest	10.2	(36,847)	(36,527)
Impact on net profit before tax from continuing operations	5.0	2,358	2,360

3.0 INCOME AND EXPENSES

3.1 Other income	Note	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Tenancy rents received		2,328	1,847
Retail media		8,702	2,090
Other		3,284	4,006
Other income from continuing operations		14,314	7,943

3.2 Employee expense	Note	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Wages and salaries		522,103	511,318
Directors' fees	13.0	772	930
Performance based compensation		3,645	702
Equity settled share based payments expense		-	(804)
Employee expense from continuing operations		526,520	512,146

3.3 Depreciation and amortisation expense	Note	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Property, plant and equipment	9.1	40,325	43,586
Computer software	9.2	22,866	24,639
Right of use assets	10.1	93,333	90,333
Depreciation and amortisation expense from continuing operations		156,524	158,558

3.4 Other operating expenses	(53 Weeks) 2025	(52 Weeks) 2024
	$000	$000
Other operating expenses from continuing operations include:		
Bad debt and movement in provision for doubtful debts expense	(304)	1,633
Loss on disposal of plant and equipment	187	1,381
Net foreign currency exchange loss	273	64

3.5 Auditors' fees	(53 Weeks) 2025	(52 Weeks) 2024
	$000	$000
Auditing the Group financial statements		
Auditing the Group financial statements	803	858
Reviewing the half year financial statements	118	140
Audit of overseas subsidiary financial statements	19	12
	940	1,010
Other agreed-upon procedure engagements		
Annual shareholder meeting voting	10	10
Negative Pledge compliance certificate	12	11
	22	21
Total fees paid to PricewaterhouseCoopers (PwC)	962	1,031

All fees are paid to PwC New Zealand, with the exception of $19,000 (2024: $12,000) 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 Other net interest	(53 Weeks) 2025	(52 Weeks) 2024
	$000	$000
Interest on deposits and use of money interest received	(319)	(1,001)
Interest on borrowings	6,987	2,851
Net interest expense from continuing operations	6,668	1,850

Notes to the Financial Statements - Financial Performance
For the 53 week period ended 3 August 2025

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	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Profit/(loss) before tax from continuing operations		(2,999)	20,561
Loss before tax from discontinued operations		-	(79,375)
Loss before taxation		(2,999)	(58,814)
Taxation calculated at 28%		(840)	(16,468)
Adjusted for the tax effect of:			
Non deductible building depreciation expense	5.0	-	8,046
Non deductible Torpedo7 asset disposal costs		-	3,139
Other non deductible expenditure		230	242
Income tax under/(over) provided in prior year		38	(9)
Income tax benefit		(572)	(5,050)
Reclassify income tax benefit attributable to discontinued operations	17.0	-	19,071
Income tax (benefit)/expense from continuing operations		(572)	14,021
Income tax (benefit)/expense comprises:			
Current year income tax payable/(recoverable)	4.2	998	(931)
Deferred taxation	4.3	(1,570)	(4,119)
Income tax benefit		(572)	(5,050)

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.

Building depreciation (2024)
Last year (April 2024), the New Zealand government passed legislation to remove the ability to claim a tax deduction for depreciation on commercial buildings. The result of the legislation change created a one-off, non-cash accounting adjustment to increase both last year's tax expense and deferred tax liabilities by $8.0 million, as the tax base of the Group's buildings reduced to zero as a consequence of future tax depreciation deductions not being available.

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	2025	2024
		$000	$000
Opening balance		2,779	5,038
Current year income tax (payable)/recoverable	4.1	(998)	931
Income tax paid		692	4,582
Income tax refunded		-	(7,995)
Supplementary dividend tax credit		-	223
Closing balance		2,473	2,779

4.3 Taxation – balance sheet deferred taxation asset	Note	Gross deferred tax assets		Gross deferred tax liabilities		Total	
		2025	2024	2025	2024	2025	2024
		$000	$000	$000	$000	$000	$000
Opening balance		269,428	281,751	(179,604)	(193,275)	89,824	88,476
Charged/(credited) to the income statement	4.1	(365)	(12,025)	1,935	16,144	1,570	4,119
Net charged to other comprehensive income		411	(298)	2,473	(2,473)	2,884	(2,771)
Closing balance		269,474	269,428	(175,196)	(179,604)	94,278	89,824
		(note: 4.4)	(note: 4.4)	(note: 4.5)	(note: 4.5)		

The following table details the major gross deferred income tax assets recognised by the Group and the movements during the current and prior year.

4.4 Taxation - balance sheet gross deferred taxation asset	Note	Lease liabilities	Inventory	Property, plant equipment and software	Employee provisions	Derivatives	Other	Total
		$000	$000	$000	$000	$000	$000	$000
For the 53 week period ended 3 August 2025								
Opening balance		205,838	10,967	6,873	14,074	-	31,676	269,428
Charged/(credited) to the income statement	4.3	(3,859)	(473)	(4,099)	(232)	-	8,298	(365)
Net charged to other comprehensive income		-	-	-	-	411	-	411
Closing balance		201,979	10,494	2,774	13,842	411	39,974	269,474
For the 52 week period ended 28 July 2024								
Opening balance		224,142	12,306	22,332	15,075	299	7,597	281,751
Charged/(credited) to the income statement	4.3	(18,304)	(1,339)	(15,459)	(1,001)	-	24,078	(12,025)
Net charged to other comprehensive income		-	-	-	-	(299)	1	(298)
Closing balance		205,838	10,967	6,873	14,074	-	31,676	269,428

Other deferred taxation assets include carried forward taxation losses of $34.0 million (2024: $24.5 million), mainly arising from the Torpedo7 asset disposal (refer note 17), which are not expected to be fully recovered until after the next financial year.

The following table details the major gross deferred income tax assets recognised by the Group and the movements during the current and prior year.

4.5 Taxation - balance sheet gross deferred taxation liabilities	Note	Right of use asset	Brand	Derivatives	Other	Total
		$000	$000	$000	$000	$000
For the 53 week period ended 3 August 2025						
Opening balance		168,451	4,340	2,473	4,340	179,604
Charged/(credited) to the income statement	4.3	(3,199)	-	-	1,264	(1,935)
Net charged to other comprehensive income		-	-	(2,473)	-	(2,473)
Closing balance		165,252	4,340	-	5,604	175,196
For the 52 week period ended 28 July 2024						
Opening balance		185,087	4,340	-	3,848	193,275
Charged/(credited) to the income statement	4.3	(16,636)	-	-	492	(16,144)
Net charged to other comprehensive income		-	-	2,473	-	2,473
Closing balance		168,451	4,340	2,473	4,340	179,604

5.0 ADJUSTED NET PROFIT

Adjusted net profit reconciliation	Note	(53 Weeks) 2025	(52 Weeks) 2024
		$000	$000
Net profit/(loss) from continuing operations attributable to shareholders of the parent		(2,764)	6,123
Add back:			
Unusual items: Restructuring costs		-	8,883
Adjustments for NZ IFRS 16 (Leases)	2.2	(2,358)	(2,360)
Income tax relating to above items		660	(1,826)
Income tax effect of removing ability to claim tax deductions for building depreciation	4.1	-	8,046
Adjusted net profit/(loss)		(4,462)	18,866

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.

6.0 EARNINGS PER SHARE

Earnings per share calculation	Note	2025	2024
Net profit attributable to shareholders of the parent ($000s)		(2,764)	(54,181)
Net profit/(loss) from continuing operations attributable to shareholders of the parent ($000s)		(2,764)	6,123
Net loss from discontinued operations attributable to shareholders of the parent ($000s)		-	(60,304)
Adjusted net profit/(loss) ($000s)	5.0	(4,462)	18,866
Basic and diluted			
Weighted average number of ordinary shares (net of treasury shares) on issue (000s)		345,354	345,354
Earnings per share (cents)		(0.8)	(15.7)
Earnings per share from continuing operations (cents)		(0.8)	1.8
Earnings per share from discontinued operations (cents)		-	(17.5)
Adjusted basic earnings per share (cents)		(1.3)	5.5

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

7.1 Dividends paid	2025	2024	2025	2024
	$000	$000	Cents per share	Cents per share
Prior year final dividend	-	27,747	-	8.0
Interim dividend	-	17,342	-	5.0
Total dividends paid	-	45,089	-	13.0

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. The Group incurred a full year adjusted net loss (refer note 5.0) and in accordance with the dividend policy, a final dividend was not declared.

7.2 Imputation credit account	2025	2024
	$000	$000
Imputation credits at balance date available for future distribution	107,729	107,795

8.0 WORKING CAPITAL

8.1 Inventory	2025	2024
	$000	$000
Finished goods	412,409	428,340
Inventory provisions	(15,210)	(13,276)
Retail stock	397,199	415,064
Goods in transit from overseas	79,519	57,064
Inventory	476,718	472,128

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 from overseas are recognised when title to the goods is passed to the Group. Title to the goods is passed when valid documents (which usually include a 'bill of lading') are received, and terms, as set out in a supplier's letter of credit or in the supplier's terms of trade, are met.

8.2 Trade and other receivables	2025	2024
	$000	$000
Trade receivables	29,512	35,014
Prepayments	39,760	44,679
Rebate accruals and other debtors	22,687	19,529
Trade and other receivables	91,959	99,222
Less non current prepayments	(22,088)	(26,321)
Current trade and other receivables	69,871	72,901

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	2025	2024
	$000	$000
Local trade creditors and accruals	224,514	289,361
Foreign currency trade creditors	75,223	88,423
Goods in transit creditors	35,236	17,069
Capital expenditure creditors	1,028	1,247
Goods and services tax	17,404	28,395
Reward schemes and gift vouchers	13,589	17,991
Payroll accruals	9,764	18,967
Trade and other payables	376,758	461,453

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 typically settled within 60 days and foreign creditors up to 120 days of recognition. Due to the short-term nature of these payables, their carrying value is assumed to approximate 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 receivable's 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 $64.0 million (2024: $73.3 million) of foreign currency trade creditors were part of a supplier financing arrangement.

Notes to the Financial Statements - Operating Assets and Liabilities
For the 53 week period ended 3 August 2025

8.4 Provisions	Current		Non current		Total	
	2025	2024	2025	2024	2025	2024
	$000	$000	$000	$000	$000	$000
Employee entitlements	38,274	37,973	14,252	13,776	52,526	51,749
Make good provision	937	807	6,558	6,566	7,495	7,373
Sales return provision	3,715	3,773	-	-	3,715	3,773
Provisions	42,926	42,553	20,810	20,342	63,736	62,895

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

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 sale return rates.

9.0 NON CURRENT ASSETS

9.1 Property, plant and equipment	Note	Land and buildings		Plant and equipment		Work in progress		Total	
		2025	2024	2025	2024	2025	2024	2025	2024
		$000	$000	$000	$000	$000	$000	$000	$000
Cost		60,590	60,590	716,526	734,908	11,278	28,325	788,394	823,823
Accumulated depreciation		(12,780)	(12,312)	(588,406)	(589,222)	-	-	(601,186)	(601,534)
Opening carrying amount		47,810	48,278	128,120	145,686	11,278	28,325	187,208	222,289
Additions		-	-	10,150	37,436	(1,711)	(17,047)	8,439	20,389
Disposals		-	-	(244)	(10,589)	-	-	(244)	(10,589)
Depreciation - continuing operations	3.3	(434)	(468)	(39,891)	(43,118)	-	-	(40,325)	(43,586)
Depreciation - discontinued operations		-	-	-	(1,295)	-	-	-	(1,295)
Closing carrying amount		47,376	47,810	98,135	128,120	9,567	11,278	155,078	187,208
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)
Closing carrying amount		47,376	47,810	98,135	128,120	9,567	11,278	155,078	187,208

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.

9.2 Intangible assets	Note	Goodwill 2025	Goodwill 2024	Brand names 2025	Brand names 2024	Computer software 2025	Computer software 2024	Total 2025	Total 2024
		$000	$000	$000	$000	$000	$000	$000	$000
Cost		57,456	94,380	15,500	23,523	147,155	151,367	220,111	269,270
Impairment and accumulated amortisation		-	(36,924)	-	(8,023)	(60,999)	(56,084)	(60,999)	(101,031)
Opening carrying amount		57,456	57,456	15,500	15,500	86,156	95,283	159,112	168,239
Additions		-	-	-	-	3,948	18,629	3,948	18,629
Disposals		-	-	-	-	(104)	(3,101)	(104)	(3,101)
Amortisation - continuing operations	3.3	-	-	-	-	(22,866)	(24,639)	(22,866)	(24,639)
Amortisation - discontinued operations		-	-	-	-	-	(16)	-	(16)
Closing carrying amount		57,456	57,456	15,500	15,500	67,134	86,156	140,090	159,112
Cost		57,456	57,456	15,500	15,500	147,578	147,155	220,534	220,111
Impairment and accumulated amortisation		-	-	-	-	(80,444)	(60,999)	(80,444)	(60,999)
Closing carrying amount		57,456	57,456	15,500	15,500	67,134	86,156	140,090	159,112

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 have 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 which involves comparing the recoverable amount of the assets to the carrying values. The recoverable amounts are calculated using the 'fair value less costs to sell' method. The discounted cash flow valuation method is based on projections regarding future operating performance. The Group considers a wide range of factors including the Group's financial budgets, strategic plans, external benchmarks and historical performance to formulate the future cash flow projections. The cash flow forecasts reflect the anticipated benefits from ongoing initiatives to lower costs through the forecast period. However, these initiatives carry execution risk, and the valuations have been scaled to account for the uncertainty surrounding their full realisation along with the time required to achieve the expected cost reductions. The Group also engages external advisors to determine appropriate discount rates and long term growth rates, integral to the valuations.

The Group's goodwill and brand assets are allocated to cash generating units and form the basis for impairment testing. Cash generating units represent the lowest level within the Group at which the assets are monitored for internal management purposes. Details of the carrying amounts of goodwill and brand assets and the allocation to cash generating units along with the key assumptions used in the impairment tests to extrapolate cash flows beyond the 5 year projection period are set out in the table below.

Impairment testing	Noel Leeming 2025	Noel Leeming 2024	The Warehouse 2025	The Warehouse 2024
	$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 (%)	3.2	3.0	4.0	4.1
Terminal growth rate (%)	2.0	2.1	2.0	2.1
Pre-tax discount rate (%)	15.9	16.2	15.4	14.5
Post-tax discount rate (%)	11.5	11.7	11.1	10.5

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 for both Noel Leeming and The Warehouse cash generating units indicated sufficient headroom and that the carrying amounts of the attributed goodwill and brand assets were not impaired.

10.0 LEASE LIABILITIES AND RIGHT OF USE ASSETS

10.1 Right of use assets	Note	Cost 2025	Cost 2024	Accumulated depreciation 2025	Accumulated depreciation 2024	Carrying amount 2025	Carrying amount 2024
		$000	$000	$000	$000	$000	$000
Opening balance		1,454,639	1,523,537	(853,029)	(862,512)	601,610	661,025
Foreign exchange movement		40	130	(18)	(85)	22	45
Additions	10.2	54,621	51,891	-	-	54,621	51,891
Depreciation - continuing operations	3.3	-	-	(93,333)	(90,333)	(93,333)	(90,333)
Depreciation - discontinued operations		-	-	-	(4,112)	-	(4,112)
Reassessment of lease terms	10.2	27,267	7,026	-	-	27,267	7,026
Leases assigned as part of the Torpedo7 sale		-	(70,216)	-	47,787	-	(22,429)
Lease surrenders and terminations		(50,290)	(57,729)	50,290	56,226	-	(1,503)
Closing balance		1,486,277	1,454,639	(896,090)	(853,029)	590,187	601,610

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 represents 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 adjust for contractual fixed rate lease payment adjustments but no adjustment is 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 99% 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	2025	2024
		$000	$000
Opening balance		736,812	803,158
Foreign exchange movement		21	49
Additions	10.1	54,621	51,891
Interest - continuing operations		36,847	36,527
Interest - discontinued operations		-	958
Reassessment of lease terms	10.1	27,267	7,026
Lease repayments		(141,729)	(137,017)
Leases assigned as part of the Torpedo7 sale		-	(24,117)
Lease surrenders and terminations		-	(1,663)
Closing balance	10.3	713,839	736,812

10.3 Lease liability maturity analysis	Note	Gross lease payments 2025	Gross lease payments 2024	Interest 2025	Interest 2024	Carrying amount 2025	Carrying amount 2024
		$000	$000	$000	$000	$000	$000
Within one year		126,919	136,715	(34,397)	(36,617)	92,522	100,098
One to two years		122,399	118,180	(30,155)	(27,577)	92,244	90,603
Two to five years		319,951	296,956	(61,235)	(64,353)	258,716	232,603
Beyond five years		302,258	352,179	(31,901)	(38,671)	270,357	313,508
Lease liability		871,527	904,030	(157,688)	(167,218)	713,839	736,812
Current lease liability						92,522	100,098
Non current lease liability						621,317	636,714
Lease liability	10.2					713,839	736,812

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 the 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 5.23% (2024: 5.02%).

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 two 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 5.0 times operating profit plus depreciation.

Depreciation for the purposes of the cover ratio calculations (above and below) 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. On the basis that next year's economic outlook and financial performance continues to remain uncertain, the Group, with the support of its funding providers, negotiated a further 12 month extension to the amended covenants agreed last year. The new amendment has reset the interest cover ratio of the next 21 months as follows:

1) Interest cover will not be less than 6.5 times operating profit plus depreciation, for the 2026 financial year.
2) Interest cover will not be less than 7.5 times operating profit plus depreciation, for the first 3 quarters of 2027 financial year.

The interest cover ratio will revert back to the pre-amendment interest cover ratio (based on operating profit exceeding net interest by at least 2 times) after 21 months, or earlier if operating profit exceeds net interest by more than 4 times for any two consecutive quarterly balance dates. Depreciation for the purposes of the cover ratio calculation includes software amortisation, but excludes 'right of use asset' amortisation.

11.2 Bank and debt facilities	2025	2024
	$000	$000
Cash and cash equivalents	39,206	32,204
Borrowings	(135,300)	(82,900)
Net debt	(96,094)	(50,696)
Committed bank credit facilities	450,000	470,000
Liquidity buffer	353,906	419,304

The Group lowered its liquidity policy limits in July 2025 by $150 million following a policy review, that considered the Group's response to the COVID-19 pandemic, facility utlisation and how the Group could react to future liquidity events. The Group's revised liquidity policy is to have a minimum liquidity buffer of $100 million (2024: $250 million) and a target of more than $150 million (2024: $300 million to $400 million).

The Group restructured its committed bank credit facilities after balance date, lowering the facilities from $450 million to $340 million by the end of October 2025. The Group intends to reduce facilities further to $300 million by the end of November 2025, consistent with the am ended liquidity policy. Following both restructures the Group will have facilities of $225 million that mature 12 months beyond balance date. The restructured bank credit facilities are conventional facilities, as the Group chose not to renew its Sustainability Linked Loans facilities ($145 million) that were scheduled to mature in October 2025. The Group continues to report climate-related risks and opportunities as a part of a separate Sustainability Report released with the annual report.

11.3 Contributed equity	Contributed equity		Ordinary shares	
	2025	2024	2025	2024
	$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	2025	2024
	$000	$000
Cash flow hedge reserve	(1,056)	6,361
Foreign currency translation reserve	220	220
Reserves	(836)	6,581

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	2025	2024
	$000	$000
Opening balance	1,184	950
Net profit attributable to minority interest	337	417
Dividends paid to minority shareholders	(395)	(183)
Closing balance	1,126	1,184

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 shareholder's proportionate share of the net asset value of the subsidiary.

At balance date minority shareholders held a 50% (2024: 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	2025	2024
	$000	$000
Forward exchange contract assets	3,908	10,786
Forward exchange contract liabilities	(3,768)	(78)
Derivative financial instruments	140	10,708
Classified as:		
Cash flow hedges	(1,467)	8,834
Fair value hedges	1,607	1,874
Derivative financial instruments	140	10,708

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 hedges

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 hedges

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

Valuation

The Group's derivatives are not traded in an active market, which means quoted prices are not available to determine the fair value. To determine the fair value, the Group uses valuation techniques which rely on observable market data. For accounting purposes (NZ IFRS 13) these valuations are deemed to be Level 2 fair value measurements as they are not derived from a quoted price in an active market but rather, a valuation technique that relies on other observable market data.

Hedge effectiveness

When calculating the hedge effectiveness of the Group's currency derivatives the Group is required to forecast the next 18 months overseas purchases to test if the hedged transactions are still highly probable to occur. The method of testing adopted is based on matching the critical terms of the hedged transaction to those of the derivative. The results of this testing demonstrated an expectation of high hedge effectiveness.

Notes to the Financial Statements - Financial Risk Management
For the 53 week period ended 3 August 2025

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 maintaining 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)		0 - 6 Months		7 - 12 Months		Total	
	Note	2025	2024	2025	2024	2025	2024
		$000	$000	$000	$000	$000	$000
Borrowings	11.2	135,300	82,900	-	-	135,300	82,900
Trade and other payables	8.3	376,758	461,453	-	-	376,758	461,453
Derivatives - gross settled (currency exchange contracts)							
- outflow	12.5	230,713	220,883	89,641	146,322	320,354	367,205
- inflow		(231,903)	(227,221)	(89,922)	(151,052)	(321,825)	(378,273)
Financial liabilities and derivatives		510,868	538,015	(281)	(4,730)	510,587	533,285

12.4 Credit risk

Credit risk arises from the financial assets of the Group which are exposed to potential counter-party 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 counter-parties to have a minimum Standard & Poor's credit rating of at least A (2024: 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.

	Carrying value		Notional amount (NZD)		Average exchange rate		12 month hedge level	
Currency position at balance date	2025	2024	2025	2024	2025	2024	2025	2024
	$000	$000	$000	$000	Cents	Cents	Percentage	Percentage
Forward exchange contracts								
Buy US dollars/Sell New Zealand dollars	140	10,708	320,354	367,205	0.5921	0.6070	63.2	69.6

The spot rate used to determine the mark-to-market carrying value of the US dollar forward contracts at balance date was $0.5894 (2024: $0.5892).

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.

			+ 10 percent		- 10 percent	
Foreign currency sensitivity table	Note	Amount	Profit	Equity	Profit	Equity
At 3 August 2025		$000	$000	$000	$000	$000
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
Currency forward 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
At 28 July 2024						
Foreign currency trade creditors	8.3	(88,423)	5,788	5,788	(7,074)	(7,074)
Derivative financial instruments						
Currency forward contracts - cash flow hedges	12.2	8,834	-	(18,476)	-	22,583
Currency forward contracts - fair value hedges	12.2	1,874	(5,740)	(5,740)	7,016	7,016
Total increase/(decrease)			48	(18,428)	(58)	22,525

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 6 (2024: 7) direct reports at balance date. Compensation made to Directors and other members of key management of the Group is set out in the two tables below:

Directors' fees	2025	2024
	$000	$000
Dame J Withers (Chair)	183	183
A J Balfour (retired November 2024)	39	119
A J Carter (appointed May 2024)	118	27
D R Hamilton	114	114
J W M Journee (appointed as interim Group CEO from May 2024 to July 2025)	-	82
C M Rainsford	94	94
J M Raue (resigned May 2024)	-	103
R E Taulelei	117	114
R J Tindall	107	94
Total	772	930

The non-executive Director fees for J W M Journee ceased in May 2024, when he was appointed as the interim Group CEO. The salary paid to J W M Journee as both Group CEO and executive Director was $1,747,936 (2024: $323,624) and is included in the 'Key Management' remuneration table below.

Key Management	2025	2024
	$000	$000
Base salary	5,691	7,752
Retention (cash settled)	120	(575)
Annual performance based compensation	375	-
Three year performance based compensation (cash settled)	437	(1,758)
Share based compensation	-	(804)
Termination benefits	564	4,145
Total	7,187	8,760

The benefit last year for the three-year incentive plan and long-term retention plans (share and cash settled) arose when the vesting criteria for these plans (based on internal performance hurdles and shareholder return targets) were not achieved and the cumulative expense previously recognised was reversed. The Group currently has no share settled incentive plans.

14.0 COMMITMENTS

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

Capital commitments	2025	2024
	$000	$000
Within one year	1,957	903

15.0 CONTINGENT LIABILITIES

	2025	2024
	$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.

17.0 DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group that represents a separate major line of business that is part of a disposal plan. The results of discontinued operations are presented separately as a single amount in the income statement.

Last year (2024) the Group owned and operated Torpedo7 (an outdoor and sporting equipment retailer) for eight months, ending in March 2024. The Group then sold the Torpedo7 business and specified business assets to Tahua Partners for a consideration of $1, incurring a pre tax loss on disposal of $60.5 million. The Torpedo7 business results were previously reported as a separate retail brand (as part of note 2), but were reclassified as a discontinued operation in last year's financial statements following the sale of the business. The Torpedo7 results and cash flows for last year were as follows.

Torpedo7 results and cash flow	Note	2024
		$000
Retail sales		94,545
Operating loss		(13,184)
Loss on business and asset disposal		(60,547)
Interest espense		(5,644)
Income tax benefit	4.1	19,071
Loss from discontinued operations		(60,304)
Cash flows from discontinued operations		
Net cash flows from operating activities		(7,100)
Net cash flows from investing activities		(5,120)
Net cash flows from financing activities		11,826

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 3 August 2025, its financial performance, and its cash flows for the 53 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 3 August 2025;
- the consolidated income statement for the 53 week period then ended;
- the consolidated statement of comprehensive income for the 53 week period then ended;
- the consolidated statement of changes in equity for the 53 week period then ended;
- the consolidated statement of cash flows for the 53 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)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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pwc.co.nz

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 The carrying value of the Group's inventory as at 3 August 2025 was $476.7 million with inventory provisions of $15.2 million. 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. Determining the appropriate level of provisions involves judgement, including management's expectations of future sales levels and pricing. 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. 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. Our procedures to audit the inventory provisions included the following: • observing and inspecting management's stocktake procedures throughout the period, at a sample of selected locations, to confirm existence of inventory and that aged and clearance items were identified and accounted for; • 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; • holding discussions with management to understand and corroborate the assumptions used to estimate inventory provisions; • 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; • on a sample basis, testing that finished goods were valued at the lower of cost or net realisable value by comparing the recorded value to the most recent retail price less the cost to sell; • on a sample basis, testing inventory ageing schedules and checking whether provisions were recorded for aged stock in accordance with Group policy; and • performing a reasonableness test of the shrinkage provisions by comparing the provision against the actual shrinkage for the 53 week period.

Description of the key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment – The Warehouse Goodwill, an indefinite life intangible asset, allocated to the Group's The Warehouse cash generating unit (CGU) as at 3 August 2025, amounted to $25.7 million. Our audit focused on this CGU as its financial performance has been most adversely impacted by challenging trading conditions, as reflected in the CGU's operating loss disclosed in note 2 of the financial statements. Management performed an annual impairment assessment to determine the recoverable amount using a discounted cash flow model under a fair value less cost of disposal (FVLCOD) basis. 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 the inherent judgements involved in estimating future business performance. Key estimates and assumptions included in the impairment assessment are: • forecast future cash flows, which include estimates and assumptions around operating margin in the terminal year; • discount rate; and • terminal growth rate. Based on the assumptions above, no impairment of goodwill has been recognised. The CGU's recoverable amount reflects the uncertainty surrounding the realisation of ongoing cost initiatives. Management concluded that there were no reasonably possible adverse changes in the key assumptions that would result in material impairment. Refer to note 9.2 of the financial statements for further information.	Our procedures to audit The Warehouse CGU's management impairment test include the following: • understanding the processes undertaken by management in performing the impairment test; • 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; • considering the appropriateness of management's CGU assessment; • testing the basis of allocation of the Group's assets, liabilities and cost of doing business to the CGU; • reviewing prior year actual sales and profitability against the original budgeted performance to assess management's ability to accurately forecast; • gaining an understanding of the forecast outlook for the industry, the strategic direction of the business and ongoing cost initiatives; • agreeing forecast future performance included in the FVLCOD impairment assessment to the model endorsed by the Board; • 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; • engaging our auditor's valuation expert to test the mathematical accuracy of the impairment model and evaluate the reasonableness of the discount rate and terminal growth rate; • evaluating management's sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions; and • 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. We also considered the appropriateness of disclosures made.

Our audit approach

Overview

Overall group materiality: $11,500,000, which represents approximately 0.4% 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 and/or analytical review 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 Auckland
1 October 2025

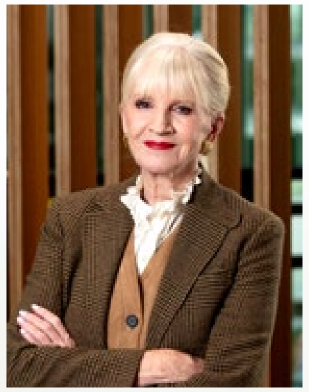
GOVERNANCE REPORT

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 January 2025 (NZX Code). This statement follows the structure of the NZX Code and addresses its recommendations. As at the date of the publication of this Annual Report, the Company considers its governance practices are compliant with the NZX Code. 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



Dame Joan Withers

DNZM, MBA, CFInstD
Chair
Independent Non-Executive Director

Dame Joan has been a professional director for more than 20 years and spent over 25 years working in the media industry, previously holding CEO positions at The Radio Network and Fairfax Media. In addition to her Chair role with The Warehouse Group, Dame Joan is also a director of ANZ Bank New Zealand Limited, Origin Energy Limited and Sky Network Television Limited. She has previously held Chair positions at Television New Zealand Limited and Auckland International Airport Limited. Dame Joan is a Trustee of the Sweet Louise Foundation. She is also co-founder and a director of On Being Bold Limited, a group of senior businesswomen working to help New Zealand women fulfil their career potential in tandem with enjoying a fulfilling personal life. Dame Joan has indicated that she will resign as Director and Chair effective from the close of the 2025 Annual Shareholders' Meeting.

COMMITTEES
- Corporate Governance and Nomination Committee (Chair)
- Audit and Risk Committee
- Disclosure Committee
- People and Remuneration Committee
- Health, Safety and Wellbeing Committee
- Environmental and Social Sustainability Committee

OTHER DIRECTORSHIPS
- Sky Network Television Limited
- ANZ Bank New Zealand Limited
- Sweet Louise Foundation (Trustee)
- Origin Energy Limited
- On Being Bold Limited

John Journee

BCom, CFInstD, MAICD
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
- Environmental and Social Sustainability Committee
- Disclosure Committee

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

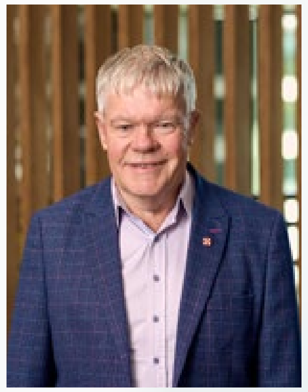
Rachel Taulelei LLB

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, values-based business models, and New Zealand's food and beverage industry. 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, with a particular expertise in primary industries. She presently chairs Wellington Regional Stadium Trust, serves as a director on the board of ANZCO Foods Limited, Wellington Airport, and Mercury NZ Limited, is a member of the APEC Business Advisory Council and acts as an advisor to venture capital firm Movac.

COMMITTEES
- People and Remuneration Committee (Chair)
- Environmental and Social Sustainability Committee
- Health, Safety and Wellbeing Committee

OTHER DIRECTORSHIPS
- Wellington Regional Stadium Trust (Chair)
- ANZCO Foods Limited
- Wellington International Airport Limited
- Mercury NZ Limited
- Huia Publishing 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. 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

Robert (Robbie) Tindall

BA, BSc
Non-Executive Director

Robbie was elected as a Director of the Group in November 2020, having previously been Sir Stephen Tindall's alternate Director since 2017. He studied Arts and Science at the University of Auckland before spending eight years at The Warehouse in various merchandise and buying roles. Since 2011 Robbie has been an investment director at K One W One Limited, a family-owned investment company, where his involvement in some of New Zealand's most exciting technology and innovation companies sees him uniquely placed in understanding a broad range of technology trends as they come to market. Robbie is also a Trustee of The Tindall Foundation and the Finn Lowery Foundation.

COMMITTEES
- Environmental and Social Sustainability Committee (Chair)
- Corporate Governance and Nominations Committee
- People and Remuneration Committee
- Health, Safety and Wellbeing Committee

OTHER DIRECTORSHIPS
- K One W One Limited
- Foundation Services Limited
- The Tindall Foundation (Trustee)
- Finn Lowery Foundation (Trustee)

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)
- Health, Safety and Wellbeing Committee
- Corporate Governance and Nomination 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
- Auckland Art Gallery Toi o Tāmaki Advisory Committtee

EXECUTIVE LEADERSHIP TEAM

Mark Stirton
Group Chief Executive Officer

Mark joined The Warehouse Group as Group Chief Financial Officer in April 2024 and was appointed Group Chief Executive Officer on 1 August 2025. He is responsible for leading the Group's strategy and performance across all brands.

Before joining The Warehouse Group, Mark was Group Chief Financial Officer at Mr Price Group, one of South Africa's largest retailers. He held senior roles there for nearly a decade, following earlier leadership positions at Aspen Pharmacare and Eurotap Investments. He began his career at PwC.

Mark is a qualified Chartered Accountant and Fellow Certified Management Accountant. He holds an MBA Global Digital Business and Transformation from University of Barcelona.

Ian Carter
Chief Store Operations Officer – The Warehouse & Warehouse Stationery

Ian brings over two decades of international retail leadership to The Warehouse Group, where he was appointed Executive General Manager – Operations (now Chief Store Operations Officer) in 2024. Since joining the business in 2019, Ian has been instrumental in driving operational improvements across The Warehouse and Warehouse Stationery, with a focus on enhancing efficiency, refining operating models, improving customer experience, and developing store formats.

He began his career as a management trainee with B&Q, progressing through store and head office roles that included finance, profit protection, new store openings and property. He then returned to store operations, leading several of their highest turnover regions.

Before joining The Warehouse Group, Ian held a number of senior retail operations roles in the UK, including Director of Operations at McKesson UK, Group Retail and Property Director at Halfords, and divisional management at B&Q.

Carrie Fairley
Acting Chief Merchandise Officer The Warehouse & Warehouse Stationery

Carrie was appointed Acting Chief Merchandise Officer in August 2025. She is responsible for leading The Warehouse Group's merchandise strategy, supporting product development and commercial performance across the Group's brands.

She joined The Warehouse Group in 2011 and has held senior roles across merchandise and planning. Earlier in her career, she held merchandise and planning roles at Number One Shoes, Truworths and Edcon in New Zealand and South Africa.

Carrie holds a Bachelor of Science (Hons) in Business Management from Birmingham City University.

Jason Bell
Chief Executive Officer - Noel Leeming

Jason has spent three decades working at Noel Leeming in a variety of roles, starting in the Merchandise Team as an Appliance Buyer. He held various buying roles across Noel Leeming before being appointed to Executive General Manager of Merchandise in 2002. In June 2024, Jason stepped into the newly formed role of Chief Operating Officer of Noel Leeming (and is now Chief Executive Officer of Noel Leeming), leading the team of over 1,500 people, and sitting on our executive leadership team.

He has a strong retail background, also working for Farmers Trading Company Limited before joining Noel Leeming. Jason is proud to continue the legacy of enriching Kiwis' lives with exceptional products and services, through our team of passionate experts.

Jason holds a Postgraduate Diploma in Business Administration from the University of Auckland.

Mark Anderton
Group Chief Sourcing and Supply Chain Officer

Mark joined The Warehouse Group's executive leadership team in October 2023 as Chief Sustainability and Sourcing Officer and was appointed Executive General Manager Sourcing and Supply Chain (now Chief Sourcing and Supply Chain Officer) in June 2024. He is responsible for leading The Warehouse Group's sourcing, supply chain and sustainability functions across global operations.

He began his career at The Warehouse Hastings before progressing through store and head office roles, including Buyer and General Manager of Home. After a period outside the Group, he returned to lead hardgoods and global sourcing teams.

Mark holds a Bachelor's degree in Accounting and Law from Unitec and is based in The Warehouse Group's Shanghai sourcing office.

Stefan Knight
Group Chief Financial Officer

Stefan joined The Warehouse Group in August 2025 as Chief Financial Officer. He is responsible for the Group's financial strategy including performance, capital management and risk oversight.

Stefan joined The Warehouse Group from Spark NZ, where he held the role of Financial Director. Over more than two decades at Spark, he held a range of senior finance and business performance roles. He began his career at Deloitte in Audit and Corporate Finance.

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

Richard Parker
Group Chief People Officer

Richard joined The Warehouse Group in March 2019 as General Manager, People Experience, Remuneration and Employee Relations, and was appointed Chief Human Resources Officer (now Chief People Officer) in August 2020. He is responsible for leading The Warehouse Group's people strategy, including talent, culture and employee experience.

He began his career as a litigation lawyer at Chapman Tripp before moving to Fletcher Challenge as corporate legal counsel. He later held senior HR roles at Telecom (now Spark NZ) and TVNZ.

Richard holds an LLB (Hons) and MPhil (Hons) from the University of Auckland.

Shayne Tong
Group Chief Digital and Transformation Officer

Shayne joined The Warehouse Group in August 2025 to lead its digital transformation and modernisation strategy. He is responsible for enhancing digital capability, streamlining operations, and delivering scalable, customer-focused technology solutions. His remit includes managed services, systems modernisation, and operational excellence through innovation.

Before joining The Warehouse Group, Shayne was Chief Digital Officer at Foodstuffs South Island and held senior roles at Auckland District Health Board, Genesis Energy, Fletcher Building, and global banks including ANZ, Deutsche Bank, Goldman Sachs and Barclays Capital.

Shayne is a Chartered Accountant and holds a degree in Accounting and Finance from the Auckland University of Technology.

Silv Roest
Group Chief Legal and Corporate Affairs Officer

Silv joined The Warehouse Group in July 2024 as General Counsel and Company Secretary and was appointed Group Chief Legal and Corporate Affairs Officer in August 2025. She is responsible for leading The Warehouse Group's legal, compliance and corporate affairs functions, and continues to serve as Company Secretary.

Before joining The Warehouse Group, Silv held senior legal and governance roles at Spark NZ. She began her career at Russell McVeagh, working across commercial and corporate law.

Silv holds a Bachelor of Law (LLB) and a Bachelor of Commerce in International Business from the University of Otago.

The Warehouse Group has determined that its 'senior managers' (for the purposes of the Financial Markets Conduct Act 2013) are the Group Chief Executive Officer and the Group Chief Financial Officer.

CORPORATE GOVERNANCE

This governance statement was approved by the Board on 1 October 2025 and is current as at that date.

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 November 2024, with the next review due in November 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. More information can be found in the Remuneration section on page 73.

The Board

The Board comprises seven Directors: Dame Joan Withers (Chair), John Journee, Tony Carter, Dean Hamilton, Caroline Rainsford, Rachel Taulelei and Robbie Tindall. Director profiles are available on pages 64 to 65.

Chair

Dame Joan Withers is the Chair of The Warehouse Group Board. She was first appointed in 2016 and is an independent, non-executive Director. Dame Joan will step down as a director and as Chair, and be replaced by John Journee as Chair, effective as of the close of the 2025 Annual Shareholders' Meeting.

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.

Board Responsibilities

Strategy and Planning	• Set strategic direction and appropriate operating frameworks • 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 • Ensure there are adequate resources available to meet the Company's objectives • Appoint and remove the Group CEO and oversee succession plans for the executive leadership team • Set criteria for, and evaluate the performance of, the Group CEO and approve their remuneration • Annually review, approve and adopt the Diversity and Inclusion Policy and diversity objectives, and measure achievement against the objectives
Financial Performance and Risk	• Approve and monitor financial reporting and capital management including the payment of dividends • Monitor the financial solvency of the Company • Subject to shareholder approval being granted, approve the appointment and retention of the external auditor, and fix the fees and expenses • 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 • Ensure the Company has appropriate corporate governance structures in place including standards of ethical behaviour • Approve timely and balanced communication to shareholders • Regularly review, approve and adopt the environmental and social sustainability strategy, and measure achievement against agreed key performance indicators

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 seven Directors, Dame Joan Withers (Chair), Tony Carter, Dean Hamilton, Caroline Rainsford and Rachel Taulelei 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. Robbie Tindall was determined to be not independent, by virtue of his association with various shareholdings in the Company. 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 returned to the Board as a non-executive Director and remains not independent due to his recent responsibilities as Interim Group CEO.

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 below, and qualifications and experience of individual Directors are detailed on pages 64 to 65.

Takeover Protocols

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

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

Primary skills

Secondary skills

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 review is being undertaken in October 2025.

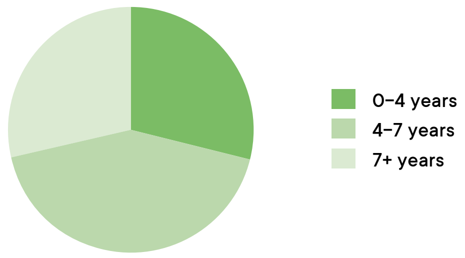
Board Tenure

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 appointed to the Board in 2020, 2021, 2022 and 2024, and the Board considers that it has an appropriate balance of tenure.

Name of Director	Originally Appointed	Last Reappointed/Elected
Dame Joan Withers	23 September 2016	25 November 2022
John Journee	17 October 2013	22 November 2024
Dean Hamilton	20 April 2020	24 November 2023
Robbie Tindall	27 November 2020	24 November 2023
Rachel Taulelei	12 February 2021	22 November 2024
Caroline Rainsford	30 August 2022	25 November 2022
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 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 of independent Directors. Current members: • Rachel Taulelei (Chair) • Dame Joan Withers • Robbie Tindall • Caroline Rainsford	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. 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. Current members: • Dame Joan Withers (Chair) • Dean Hamilton • Robbie Tindall	At least twice 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. Current members: • Dean Hamilton (Chair) • Dame Joan Withers • 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.	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. Current members: • Dean Hamilton (Chair) • Dame Joan Withers • Tony Carter	At least quarterly
Health, Safety and Wellbeing Committee	Assist the Board to govern health, safety and wellbeing.	Comprised of all Directors. Chair: Tony Carter	At the discretion of the committee Chair or if requested by any committee member or the Group Chief Executive Officer
Environmental and Social Sustainability Committee	Assist the Board to govern the Company's environmental, social and sustainability responsibilities.	Comprised of at least three non-executive Directors, with the Chair of the Board and the Group Chief Executive Officer, as ex-officio members if not formal members. Current members: • Robbie Tindall (Chair) • Rachel Taulelei • John Journee • Dame Joan Withers • Group CEO	At least quarterly

BOARD MEETINGS AND ATTENDANCE

The table below outlines the number of meetings of the Board and Board committees during the year ended 3 August 2025 and Director attendance at these meetings.

	Board	Audit and Risk Committee	People and Remuneration Committee	Corporate Governance and Nomination Committee	Health, Safety and Wellbeing Committee	Disclosure Committee	Environmental and Social Sustainability Committee
Number of Meetings	**12**	**7**	**4**	**1**	**3**	**8**	**5**
Dame Joan Withers	12	6	3	1	3	8	5
Tony Carter	11	7			3		1
Dean Hamilton	11	7		1	1	8	
John Journee	12				3	6	3
Rachel Taulelei	12		4		3		5
Robbie Tindall	12		4	1	3	2	4
Caroline Rainsford	12		4		2		
Tony Balfour[1]	4		1	1			3

[1] Resigned effective 22 November 2024

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 3 August 2025, 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 and 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 incentives based on the Group's financial targets and individual performance targets
- Long-term incentives based on Total Shareholder Return with cost of equity plus 1% being used as the 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% 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 and to recognise participants' individual contribution to the Group's success. The targets are reviewed and set each year. In FY25, Group Earnings Before Interest and Tax (EBIT) was set as the financial measure, to ensure that the Group linked its planned operational profit growth to incentive payments. The financial component was weighted at a total of 100% of the total on-target incentive with no apportionment in the FY25 STI scheme to individual key performance indicators. 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 this year was 120% of the on-target dollar value. In FY25, no STI payments were made as the EBIT target was not achieved. However, one executive had previously been granted a retention incentive of 50% of their STI and that will be paid out in FY26 and a second executive will receive 100% of their STI as a retention payment. For FY26 there will be a financial component weighted at a total of 70% of the total on-target incentive and an individual component weighted at 30% with each participant set a number of objectives and key results.

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 the eligible ELT members' contribution to the future success of the Group

The FY25 LTI scheme 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. The LTI on-target dollar value for each ELT participant was 40% of base salary and the Chief Executive Officer's was 50% of base salary. However, the Interim Group CEO's remuneration did not include an STI or LTI component. Payment under the scheme is capped and that cap is reviewed each year. The current cap is 150% of the on-target dollar value. The hurdle rate for the three-year period ending in FY25 was not achieved and accordingly no LTI is payable for this latest tranche. However, one executive had previously been granted a long-term retention incentive of 100% of their LTI target amount subject to assessment against a performance hurdle. If the performance hurdle is satisfied, they will be paid in FY26.

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[1]	$182,600[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	–
Environmental and Social Sustainability Committee	Chair	$20,000
	Member	$6,600
Corporate Governance and Nomination Committee	Chair	–
	Member	–
Disclosure Committee	Chair	–
	Member	–

[1] Includes attendances at committee meetings

DIRECTORS' REMUNERATION FY25

The fees paid to non-executive Directors for services in their capacity as Directors during the year ended 3 August 2025, totalling $771,724, 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	Shares and Other Payments or Benefits	Total Individual Remuneration
Dame Joan Withers (Chair)	$182,600 (Chair)	- (member)	- (member)	- (Chair)	- (member)	- (member)	- (member)	-	$182,600
Tony Carter	$87,500	$10,000 (member)	-	-	-	$20,000 (Chair)	-	-	$117,500
John Journee[2]	-	-	-	-	- (member)	- (member)	(member)	-	-
Dean Hamilton	$87,000	$27,500 (Chair)	-	- (member)	- (Chair)	- (member)	-	-	$114,500
Caroline Rainsford	$87,000	-	$6,600 (member)	-	-	- (member)	-	-	$93,600
Rachel Taulelei[1]	$87,000	-	$18,991 (member until 22 November 2024, then Chair)	-	-	- (member)	$11,067 (Chair until 22 November 2024, then member)	-	$117,058
Robbie Tindall[1]	$87,000	-	$6,600	-	(member until 22 November 2024)	- (member)	$13,333 (Chair from 22 November 2024)	-	$106,933
Tony Balfour[1]	$29,000	-	$8,333 (Chair until 22 November 2024)	(member until 24 November 2024)	-	- (member)	$2,200 (member until 24 November 2024)	-	$39,533

[1] On 22 November 2024, Tony Balfour resigned as a Director, Rachel Taulelei stepped down as Chair of the Environmental and Social Sustainability Committee to become a member only and was appointed Chair of the People and Remuneration Committee, and Robbie Tindall was appointed Chair of the Environmental and Social Sustainability Committee and ceased to be a member of the Disclosure Committee. The Directors were paid in full for November on the basis of their positions as at the start of that month, and were paid under the new structure from December 2024.

[2] John Journee was not paid Director fees during FY25 as he was Interim Chief Executive Officer until 31 July 2025.

REMUNERATION REPORT

1. CEO Remuneration ($ 000s)

John Journee	Base Package: Salary	Base Package: Taxable Benefits	Base Package: Subtotal	Pay for Performance: STI	Pay for Performance: LTI	Pay for Performance: Subtotal	Total Remuneration
2025	1,687	60	1,747	n/a	n/a	n/a	1,747
2024	323	9	332	n/a	n/a	n/a	332

2. Five-year Summary of CEO Remuneration ($ 000s)

Year	Group CEO	Total Earnings Paid	Base	Taxable Benefits	STI	STI as % of Maximum	LTI	Additional Payment
2025	John Journee	1,747	1,603	60	n/a	n/a	n/a	84
2024	John Journee	332	323	9	n/a	n/a	n/a	-
2024	Nick Grayston	4,220	1,354	123	567	-	-	2,176
2023	Nick Grayston	2,793	1,588	81	189	20%	935	189
2022	Nick Grayston	3,568	1,513	103	877	97%	1,075	-
2021	Nick Grayston	2,378	1,461	69	-	-	848	-

Explanation of the above items:

1. John Journee joined the Group in May 2024 as Interim Group Chief Executive Officer. John Journee's remuneration is 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 in FY25 was the payout of holiday pay at the end of John Journee's employment.
5. In FY25 Nick Grayston received a reimbursement of relocation expenses of $100,000, which was agreed at the time of his departure.

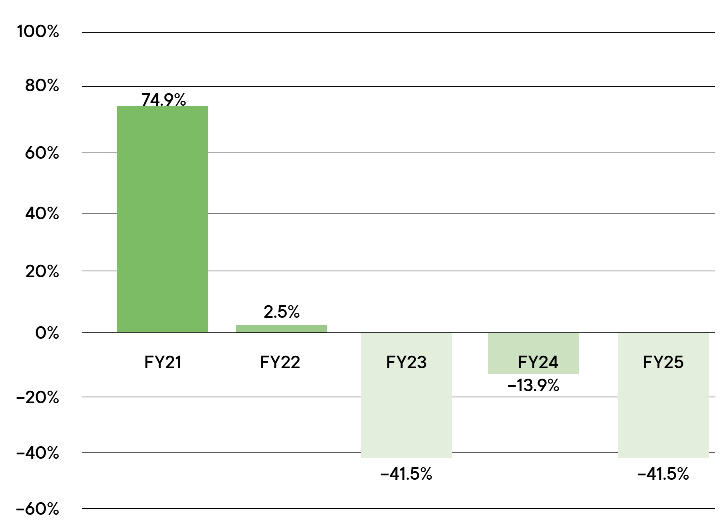
3. Breakdown of John Journee's Interim Group Chief Executive Officer Remuneration Package Structure (2025) ($000s)

Remuneration Component	Description	Target Value
Fixed Remuneration*	Annual Base Salary	1,600
	KiwiSaver annualised	48
Short-term Incentives (STI)	Target value of STI	Not included in remuneration package
Long-term Incentives (LTI)	Target value of LTI	Not included in remuneration package
Annual Total Package	**Annual Total Package at Target**	**1,648**

*The $1,687,000 shown in Section 1 includes holiday pay paid out to John Journee.

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

Five-year summary TSR percentage



CORPORATE GOVERNANCE

5. Breakdown of Mark Stirton's Group Chief Executive Officer's Potential Remuneration and Pay for Performance (2026) ($000s)

Remuneration Component	Description	Value with Incentives at On-Target Payout	Value with Incentives at Maximum Payout
Fixed Remuneration*	Annual Base Salary	1,200	1,200
	KiwiSaver annualised	36	36
Short-Term Incentive (STI)	Cash-based STI shown at on-target and at maxiumum (120%)	600	720
Long-Term Incentive (LTI)	Cash-based LTI shown at on-target and at maximum (150%)	600	900
Annual Total Package	**Annual Total Fixed plus Incentive Remuneration**	**2,436**	**2,856**

*For FY26 Mark Stirton will be guaranteed 50% of his on-target STI dollar amount. Half of the FY26 STI guarantee, on an after-tax basis, must be invested in Company shares and held for the duration of Mark Stirton's tenure as Group Chief Executive Officer. Further investment in Company shares will be required in FY27 and FY28.

6. Mark Stirton's LTI Schemes

Year Invited	% of Salary	Settlement	Performance Period	Measure
FY24	40%	Cash	August 2023 to July 2026	Absolute TSR against the Company's cost of equity plus 1% over a three-year performance period
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

* These LTI grants were awarded while Mark Stirton was the Group Chief Financial Officer.

7. Required Disclosures per Guidelines

Description	Performance Measures
1. TSR Methodology	Total Shareholder Return has been calculated as the movement in the share price during the period plus any dividends paid.
2. Board Discretion	None exercised.
3. Omissions	No information has been omitted relating to CEO remuneration.
4. Any Other Items	There are no other items payable to the CEO that have not been disclosed.
5. Benefits	There are no benefits attributable to the CEO due to any loans made.
6. Withholdings	No part of the CEO remuneration has been withheld for any purpose.
7. Related Parties	No related parties are involved with the CEO remuneration.

The ratio of CEO total remuneration to the median The Warehouse Group employee total remuneration paid in FY25 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.

The CEO's total remuneration decreased by 21.5% while the median employee remuneration increased 6.6% in FY25, resulting in a compensation ratio of −3.3, being the ratio of percentage decrease in CEO total compensation to the percentage increase in median total compensation for all employees.

The above numbers have been calculated using CEO remuneration paid to John Journee in FY25 compared to the annualised CEO remuneration paid to Nick Grayston in FY24, excluding termination payments paid in FY24.

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 29 Team Members, 10 of which would not otherwise have been included in the table reported below.

Remuneration ($ 000)	Number of Team Members
100 – 110	119
110 – 120	104
120 – 130	81
130 – 140	74
140 – 150	65
150 – 160	40
160 – 170	26
170 – 180	33
180 – 190	37
190 – 200	18
200 – 210	13
210 – 220	19
220 – 230	12
230 – 240	7

Remuneration ($ 000)	Number of Team Members
240 – 250	7
250 – 260	6
260 – 270	4
270 – 280	5
280 – 290	3
290 – 300	1
300 – 310	1
310 – 320	3
320 – 330	4
330 – 340	2
360 – 370	1
370 – 380	4
380 – 390	2
400 – 410	1

Remuneration ($ 000)	Number of Team Members
410 – 420	2
420 – 430	2
450 – 460	1
460 – 480	2
480 – 490	1
490 – 500	1
500 – 510	2
510 – 520	3
540 – 550	1
710 – 720	1
750 – 760	1
770 – 780	1
1,130 – 1,140	1

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 18 to 19 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 quarterly reports on internal audit findings.

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 2025 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.

CORPORATE GOVERNANCE

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 replaced Ernst & Young as the Company's co-source internal audit partner during the 2025 financial year. 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 a link to 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
- Climate-related disclosure/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.

Website

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

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 2024 ASM was held on 22 November 2024. The Notice of Annual Shareholders' Meeting was published on 24 October 2024. The 2025 ASM will be held on 28 November 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

CELEBRATING DIVERSITY AND INCLUSION

Diversity of gender, skill, age, experience and beliefs are valued 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 3 August 2025 the Board is satisfied that the Company achieved its gender diversity objectives and other measurable objectives, with the exception of senior leadership which was 5% below the objective. Details regarding the Company's Diversity and Inclusion Policy, goals and performance criteria are detailed below.

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. For further commentary on diversity and inclusion, refer to the Our People section of The Warehouse Group Sustainablility Report.

Actual as at 3 August 2025 (based on employee headcount)

AREA OF FOCUS	GENDER										
Objective	Improve representation of women at senior levels of the business										
Target		2024					2025				
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	5	–	8	37.5%	3	4	–	7	42.9%
	Executives	2	5	–	7	28.6%	2	5	–	7	28.6%
	Direct report to executive leadership team	21	21	–	42	50.0%	17	18	–	35	48.6%
	Total leadership	23	26	–	49	46.9%	19	23	–	42	45.2%
	Other	5,523	4,130	3	9,656	57.2%	5,485	4,052	10	9,547	57.5%
	Total employees (excluding Board)	5,546	4,156	3	9,705	57.1%	5,504	4,075	10	9,589	57.4%
	Female representation by employee status	**Female**	**Male**	**Gender diverse/ not disclosed**	**Total**	**% of female**	**Female**	**Male**	**Gender diverse/ not disclosed**	**Total**	**% of female**
	Permanent	4,646	3,436	2	8,084	57.5%	4,566	3,4349	8	7,923	57.6%
	Fixed term	60	36	–	96	62.5%	72	37	–	109	66.1%
	Casual	840	684	1	1,525	55.1%	866	689	2	1,557	55.6%
	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	2,670	2,309	–	4,979	53.6%	2,579	2,199	3	4,781	53.9%
	Part-time	2,036	1,163	2	3,201	63.6%	2,059	1,187	5	3,251	63.3%
	Casual	840	684	1	1,525	55.1%	866	689	2	1,557	55.6%
100% Gender pay equity (undisclosed gender data is not included)	**Category**		**Number of employees in each category**		**Median pay ratio**	**Median pay gap**		**Number of employees in each category**		**Median pay ratio**	**Median pay gap**
	The Warehouse Group – Total		**9,703**		**100%**	**0.0%**		**9,578**		**100%**	**0.0%**
	Leadership		49		103%	–3.0%		34		83.0%	17.0%
	SSO		1,014		84.0%	16.0%		874		85.0%	15.0%
	Stores		7,899		100%	0.0%		8,212		100%	0.0%
	Distribution Centres		741		93.0%	7.0%		458		97.0%	3.0%

AREA OF FOCUS: AGE	2024						2025					
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%	–	–	3	42.9%	4	57.1%
Executives	–	–	4	40.0%	6	60.0%	–	–	4	57.1%	3	42.9%
Direct report to executive leadership team	–	–	26	66.7%	13	33.3%	–	–	21	60.0%	14	40.0%
Other	4,472	46.3%	3,227	33.4%	1,936	20.1%	4,427	46.4%	3,207	33.6%	1,908	20.0%
Total (106 were non-disclosed in FY25)	**4,472**	**46.1%**	**3,260**	**33.6%**	**1,960**	**20.2%**	**4,427**	**46.2%**	**3,235**	**33.7%**	**1,929**	**20.1%**

Stefan Knight (Group Chief Financial Officer) and Shayne Tong (Group Chief Digital and Transformation Officer) are members of the Executive Leadership Team at the date of this Report, but were employed after the year end of 3 August 2025.

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 FY25.

Director	Entity	Interest
Dame Joan Withers	ANZ Bank New Zealand Limited On Being Bold Limited Sky Network Television Limited Sweet Louise Foundation Origin Energy Limited	Director Director Director Trustee Director
Antony Carter	The Interiors Group HoldCo Limited Skin Institute Holding Company Limited Datacom Group Limited TR Group Limited My Food Bag Group Limited Ravensdown Limited Capital Solutions Limited Capital Training Limited Loughborough Investments Limited Maurice Carter Charitable Trust Tony and Frances Carter Family Trust Antony Carter Family Trust No 2	Chair Chair Chair Chair Chair Director Board Advisor Advisor Director and shareholder Trustee Trustee Trustee
John Journee	Farmlands Society Colonial Motor Company Limited CMC Workplace Savings Scheme Trustee Limited Vanishing Point Limited Data Insights Group Limited	Director Director Director Director Advisory Board Member
Dean Hamilton	Fulton Hogan Limited Auckland International Airport Limited Tappenden Holdings Limited Ryman Healthcare Limited	Chair and shareholder Director and shareholder Director Chair and shareholder
Caroline Rainsford	Google New Zealand Otereti Limited Auckland Art Gallery Toi o Tāmaki	Country Director New Zealand Director Advisory Committee Member
Rachel Taulelei	Wellington Regional Stadium Trust Wellington International Airport Limited Oho 2021 Limited ANZCO Foods Limited Aotearoa Fisheries Limited t/a Moana New Zealand Kura Limited Sealord Group Limited CWBG Limited Fonterra Sustainability Panel Tokomanawa Queens Foundation Huia Publishing	Chair Appointed a Director Director and shareholder Director Director and Chair Director Director Director and shareholder Chair Chair Advisory Board Member
Robert Tindall	The Tindall Foundation Finn Lowery Foundation Foundation Services Limited K One W One Limited and related companies	Trustee Trustee Director Director
Antony Balfour[1]	Les Mills International Limited RealNZ Limited Pioneer Energy Limited Ravensdown Ventures Limited Pulse Energy	Director and shareholder Director Director Director Advisory Board Member

[1] Ceased to be a Director on 22 November 2024. Disclosures detailed are as at this date.

As at 3 August 2025 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
	2025	2024	2025	2024
Dame J Withers[1]	115,419	115,419	2,508,932	1,493,057
A Carter	40,000	20,000		
D Hamilton[1]	23,500	23,500	1,493,057	1,493,057
J Journee	172,000	172,000		
R Tindall[2]	4,800	4,800	73,920,496	73,920,496

[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 trustee of The Tindall Foundation Inc.

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
A Carter	Beneficial owner	7 October 2024	20,000	On-market purchase of ordinary shares at a price of $1.18 per share
A Balfour	Non-beneficial owner	23 November 2024	(1,015,875)	Off-market transfer of 34% 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[1]	Non-beneficial owner	23 November 2024	1,015,875	Off market transfer of 34% of the shares in The Warehouse Management Trustee Company Limited (which holds shares in the Company for the purpose of the employee incentive scheme)

[1] Dame J Withers held 33% of the shares in The Warehouse Management Trustee Company Limited prior to this acquisition of an additional 34% of the shares. She now holds 67% of the shares in that company. As such, prior to this acquisition she already had a relevant interest in the 1,015,875 shares in the Company that The Warehouse Management Trustee Company Limited holds. As a result of this acquisition, she has increased that relevant interest.

TWENTY LARGEST REGISTERED SHAREHOLDERS AS AT 3 AUGUST 2025

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
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited - NZCSD	12,006,776	3.46
New Zealand Depository Nominee Limited	8,633,918	2.49
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
Accident Compensation Corporation - NZCSD	3,287,169	0.95
ASB Nominees Limited	2,650,000	0.76
Forsyth Barr Custodians Limited	2,282,223	0.66
Citibank Nominees (New Zealand) Limited - NZCSD	2,046,081	0.59
Custodial Services Limited	1,863,970	0.54
David George Harper & Karen Elizabeth Harper	1,070,000	0.31
Rainer Huebner & Shanti Huebner	915,000	0.26
Paul Hughes & Tajrena Alexi & Cr Trustees Limited	800,000	0.23
Stephen Robert Tindall & John Richard Avery & Brian Mayo-Smith	752,798	0.22
The Warehouse Management Trustee Company Limited	667,174	0.19
James Raymond Holdings Limited	600,000	0.17
FNZ Custodians Limited	584,366	0.17
Masfen Securities Limited	575,000	0.17
Total	**282,909,259**	**81.57**

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

DISTRIBUTION OF SHAREHOLDINGS AS AT 3 AUGUST 2025

Size of Shareholding	Number of Shareholders	Percentage	Number of Shares	Percentage
1 – 1,000	4,015	42.13%	2,096,929	0.60%
1,001 – 5,000	3,340	35.04%	8,722,189	2.51%
5,001 – 10,000	996	10.45%	7,649,058	2.21%
10,001 – 100,000	1,073	11.26%	27,578,704	7.95%
100,001 – 500,000	85	0.89%	16,814,818	4.85%
500,001 and over	22	0.23%	283,981,422	81.88%
	9,531	100%	346,843,120	100%

SUBSTANTIAL PRODUCT HOLDERS

According to notices given to the Company under the Financial Markets Conduct Act 2013, as at 3 August 2025, the substantial product holders in the Company and their relevant interests are noted below:

	Relevant Interest (Ordinary Shares)	Percentage
Sir Stephen 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 3 August 2025. Those who retired during the year are indicated with an (R).

Company	Directors
1-Day Liquor Limited	M Stirton
Altitude NZ Limited (previously Torpedo7 Limited)	J Journee, M Stirton
Bond and Bond Limited	M Stirton, B Moors
Boye Developments Limited	M Stirton, B Moors
Chocolateworks NZ Limited	A Razey, J Andersen, C Cole, J Hempstead, S Roest, K McKenzie (R)
Eldamos Investments Limited	M Stirton, B Moors
Eldamos Nominees Limited	M Stirton
Farran (Nine) Limited	M Stirton, M Davey, G Helsby, G Lane
Lincoln West Limited	M Stirton, M Davey, G Helsby, G Lane
Noel Leeming Finance Limited	B Moors
Noel Leeming Financial Services Limited	M Stirton, B Moors
Noel Leeming Furniture Limited	M Stirton, B Moors
Noel Leeming Limited	M Stirton, B Moors
The Book Depot Limited	M Stirton
The Warehouse Card Limited	M Stirton
The Warehouse Group Support Services Limited	M Stirton
The Warehouse Investments Limited	M Stirton
The Warehouse Limited	J Journee, M Stirton
The Warehouse Management Trustee Company Limited	Dame J Withers, D Hamilton, A Balfour (R)
The Warehouse Management Trustee Company No.2 Limited	Dame J Withers, D Hamilton, A Balfour (R)
The Warehouse Nominees Limited	M Stirton, B Moors
The Warehouse Planit Trustees Limited	Dame J Withers
The Warehouse (Shanghai) Trading Company Limited	T Benyon, M Anderton, B Moors, K Kramer (R)
TWGI Operations Limited	M Stirton
TWGA Pty Ltd	I McGill, B Moors
TW House Sourcing Private Limited (India)	M Anderton, C Srinivasan, B Moors, T Benyon (R), K Kramer (R)
TWL Australia Pty Limited	I McGill, B Moors
TWP No.1 Limited	M Stirton
TWP No.4 Limited	M Stirton, B Moors
TWP No.5 Limited	M Stirton, B Moors
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 3 August 2025 was 346,843,120 fully paid ordinary shares.

Holders of each class of equity security as at 3 August 2025

Class of Equity Security	Number of Holders	Number of Shares or Rights
Ordinary shares	9,531	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 $18,000 (2024: $40,000) to various charities during the year. In line with Board policy, no political contributions were made during the year.

DIVIDENDS ON ORDINARY SHARES

The Warehouse Group Limited has paid dividends on its ordinary shares most years since listing on the NZX in 1994, with the exception of 2020 due to the COVID-19 disruption to business. 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 3 August 2025.

Dividends	2025	2024	2023	2022	2021
Interim	-	5.0	-	10.0	13.0
Special	-	-	-	-	5.0
Final	-	-	8.0	10.0	17.5
Total	-	5.0	80	20.0	35.5

AUDITOR

PricewaterhouseCoopers has continued to act as auditor of the Company and has undertaken the audit of the financial statements for the year ended 3 August 2025.

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
Dame Joan Withers
John Journee
Rachel Taulelei
Antony (Tony) Carter
Robert (Robbie) Tindall
Dean Hamilton
Caroline Rainsford

Group Chief Executive Officer
Mark Stirton

Group Chief Financial Officer
Stefan Knight

Company Secretary
Silv Roest

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26 The Warehouse Way
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Website: www.thewarehousegroup.co.nz

Registered Office
C/ – BDO
Level 4, 4 Graham Street
PO Box 2219
Auckland 1140, 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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exceptional retail brands
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