

# RESULTS FOR ANNOUNCEMENT TO THE MARKET

## REPORTING PERIOD

|                            |                             |
|----------------------------|-----------------------------|
| Reporting period:          | 52 weeks ended 28 June 2026 |
| Previous reporting period: | 52 weeks ended 29 June 2025 |

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

|                                                                      |    |        |    | \$'000  |
|----------------------------------------------------------------------|----|--------|----|---------|
| Revenue from contracts with customers                                | Up | 1.9%   | to | 655,679 |
| Comparable earnings before interest and taxation (EBIT) <sup>1</sup> | Up | 56.7%  | to | 24,043  |
| Net profit after tax for the period attributable to members          | Up | 376.1% | to | 9,995   |

<sup>1</sup> Comparable EBIT is unaudited non-IFRS information. Please refer to unaudited non-IFRS information in the Directors' Report for an explanation of unaudited non-IFRS information and a reconciliation of Comparable EBIT.

## BRIEF EXPLANATION OF FIGURES REPORTED ABOVE TO ENABLE THE FIGURES TO BE UNDERSTOOD

This report is based on the consolidated financial statements which have been audited and an unqualified opinion given. For commentary on the results, please refer to the attached full financial report for all other disclosures in respect of the Appendix 4E.

## DIVIDENDS

|                                                                  | Amount per security | Franked amount per security |
|------------------------------------------------------------------|---------------------|-----------------------------|
|                                                                  | cents per share     | cents per share             |
| No interim dividend was declared for the year ended 28 June 2026 | -                   | -                           |
| Final dividend for the year ended 28 June 2026 declared          | 2.0                 | 1.0                         |

## NET TANGIBLE ASSETS

|                                                               | 2026 | 2025 |
|---------------------------------------------------------------|------|------|
|                                                               | \$   | \$   |
| Net tangible asset <sup>2</sup> backing per ordinary security | 0.20 | 0.17 |

<sup>2</sup>Net tangible assets were calculated including the Group's right-of-use assets and lease liabilities recognised under AASB16 Leases.



R I Fyfe  
Chair

Brisbane  
28 August 2026

Webcast scheduled to take place at 8.00am (Brisbane, Qld) on Monday, 31 August 2026. Please use the following link to register.  
<https://meetings.lumiconnect.com/300-037-987-913>

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# DIRECTORS' REPORT AND ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 28 JUNE 2026

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# DISCLAIMER

Certain statements in this report constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the anticipated or planned financial and operational performance of Michael Hill International Limited and its related bodies corporate (the Group). The words “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “may”, “might”, “anticipates”, “projects”, “assumes”, “forecast”, “likely”, “outlook”, “would”, “could”, “should”, “continues”, “estimates” or similar expressions or the negatives thereof, generally identify these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements include, among other things, statements addressing matters such as the Group’s future results of operations; financial condition; working capital, cash flows and capital expenditures; and business strategy, plans and objectives for future operations and events, including those relating to ongoing operational and strategic reviews, sustainability targets, expansion into new markets, future product launches, points of sale and production facilities.

Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, they are not guarantees or predictions of future performance or statements of fact. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Group’s actual results, performance, operations or achievements or industry results, to differ materially from any future results, performance, operations or achievements expressed or implied by such forward-looking statements.

Such risks, uncertainties and other important factors include, among others: global and local economic conditions; changes in market trends and end-consumer preferences; fluctuations in the prices of raw materials, currency exchange rates, and interest rates; the Group’s plans or objectives for future operations or products, including the ability to introduce new jewellery and non-jewellery products; the ability to expand in existing and new markets and risks associated with doing business globally and, in particular, in emerging markets; competition from local, national and international companies in the markets in which the Group operates; the protection and strengthening of the Group’s intellectual property rights, including patents and trademarks; the future adequacy of the Group’s current warehousing, logistics and information technology operations; changes in laws and regulations or any interpretation thereof, applicable to the Group’s business; increases to the Group’s effective tax rate or other harm to the Group’s business as a result of governmental review of the Group’s transfer pricing policies, conflicting taxation claims or changes in tax laws; and other factors referenced to in this report.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company’s actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected. Accordingly, you are cautioned not to place undue reliance on any forward-looking statements, as there can be no assurance the actual outcomes will not differ materially from the forward-looking statements in this report.

Except as required by applicable laws or regulations (including the ASX Listing Rules), the Group does not intend, and does not assume any obligation, to update any forward-looking statements contained herein. All subsequent written and oral forward-looking statements attributable to us or to persons acting on the Group’s behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.

# TERMINOLOGY

In this report, unless otherwise specified or appropriate in the context, the term “Company” refers to Michael Hill International Limited, the term “Group” or “Michael Hill Group” refer to the Company and its subsidiaries (as appropriate), and the use of “Michael Hill”, “Bevilles”, “TenSevenSeven” and “Medley” is reference to the relevant brand within the Michael Hill Group.

# CORPORATE DIRECTORY

## DIRECTORS

R I Fyfe B.Eng, F.E.N.Z., C.N.Z.M. *Chair*  
C Batten LLB (Hons), B.Com, *Deputy Chair*  
E J Hill B.Com., M.B.A.  
G W Smith B.Com., F.C.A., F.A.I.C.D.  
D Whittle B.A., B.Com  
A Slingsby B.A., PPL (HBS)

## COMPANY SECRETARY

C Hoyle LLB (Hons) MA (Merit) G.A.I.C.D

## PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

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## AUDITOR

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Brisbane QLD 4000

## SOLICITOR

Allens Linklaters  
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480 Queen Street  
Brisbane QLD 4000

## BANKERS

ANZ Australia  
ANZ New Zealand  
Bank of Montreal  
Commonwealth Bank of Australia  
Royal Bank of Canada

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# DIRECTORS' REPORT

The Directors present their report on the consolidated entity (referred to hereafter as the 'Group') consisting of Michael Hill International Limited ACN 610 937 598 ('Michael Hill International' or the 'Company') and all controlled subsidiaries for the 52 week period ended 28 June 2026.

## PRINCIPAL ACTIVITIES

The Group operates predominately in the retail sale of jewellery and related services sector in Australia, Canada and New Zealand. There were no significant changes in the nature of the Group's activities during the year.

## DIVIDENDS

As a result of the improvement in operating performance and the strength of the Company's balance sheet, the Board has decided to declare a final dividend of AU2.0 cents per share, partially franked (50%) for Australian purposes, with partial New Zealand imputation credits (50%) and with conduit foreign income. This decision reflects the Board's increased confidence in the progress of the turnaround and the Group's focus on building a simpler, stronger, and more sustainable business.

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

|                                                                                                       | 2026   | 2025   |
|-------------------------------------------------------------------------------------------------------|--------|--------|
|                                                                                                       | \$'000 | \$'000 |
| No final dividend was declared for the year ended 29 June 2025 (2024: no final dividend declared)     | -      | -      |
| No interim dividend was declared for the year ended 28 June 2026 (2025: no interim dividend declared) | -      | -      |
| Final dividend was declared for the year ended 28 June 2026 (2025: nil)                               | 7,697  | -      |

## KEY FINANCIAL RESULTS

- Group revenue reached a record \$655.7m (FY25: \$643.7m), up +1.9% on prior year, and up +4.1% on a constant currency basis.
- Same store sales<sup>1</sup> (SSS) growth of +3.0% on prior year, and +5.2% on a constant currency basis with the first half momentum continuing through the second half:
  - Canada delivered another record performance, with SSS up +7.0% on prior year.
  - Australia delivered a strong performance, with SSS up +4.8% on prior year.
  - New Zealand delivered a marked acceleration from Q2, with SSS up +3.6% on prior year.
- Online sales grew to 8.7% of total sales.
- Gross margin<sup>2</sup> held flat at 60.5%, demonstrating the Group's ability to offset elevated precious metal costs while consumers continue to navigate cost-of-living pressures.
- Cost of Doing Business<sup>3</sup> % (CODB) as a percentage of revenue is down 70 bps to 57.1% (FY25: 57.8%).
- Comparable Earnings Before Interest and Tax (EBIT)<sup>4</sup> of \$24.0m (FY25: \$15.3m), up 57% on prior year.
- Statutory Net Profit After Tax (NPAT) of \$10.0m (FY25: \$2.1m), up 376% on prior year.
- Group inventory levels reduced by \$9.4m to \$189.7m, a reduction of 4.7% on prior year.
- Group net debt position of \$5.5m (FY25: \$41.9m), a \$36.3m improvement on prior year.
- Final dividend declared of 2.0cps (FY25: nil).

<sup>1</sup> Same store sales reflect sales through store and online channels on a comparable trading day basis and are unaudited.

<sup>2</sup> Excludes relevant one-off normalisations.

<sup>3</sup> Cost of Doing Business is an unaudited non-IFRS measure calculated on a normalised basis and excludes foreign exchange gains/losses.

<sup>4</sup> Comparable EBIT is an unaudited non-IFRS measure prepared on a normalised basis. Further information on the reconciliation of comparable to the statutory result is contained in the Directors' report and investor presentation.

## FY26 – GROUP BUSINESS & FINANCIAL PERFORMANCE

FY26 marked the beginning of a significant strategic and operational turnaround for the Michael Hill Group. Under new leadership, the Group has undertaken a strategic simplification of the business, sharpening its focus on its two core brands, Michael Hill and Bevilles. Building on this simplification, the Group has strengthened retail operating discipline and decision-making, refined its go-to-market strategies and strengthened its focus on customer outcomes. Together, these initiatives have generated meaningful momentum across the business and underpinned the improved performance delivered in FY26.

The Group delivered a materially stronger operating performance in FY26, with Comparable EBIT increasing 57% to \$24.0m (FY25: \$15.3m) against a challenging macroeconomic environment. The result reflected stronger sales, resilient gross margins despite elevated gold input costs, and disciplined management of operating expenses in an inflationary environment. These factors combined to improve operating leverage, increase cash generation and strengthen returns.

Group revenue grew to a record \$655.7m (FY25: \$643.7m), up 1.9% on the prior year and 4.1% on a constant currency basis. Same store sales grew 3.0%, and 5.2% on a constant currency basis, with the positive momentum of the first half continuing through the second half, and every market delivering same store sales growth.

Online is a key growth engine, and grew 10% in Michael Hill on a constant currency basis, materially ahead of the physical network and with Canada again the standout with 22% growth. Our digital channel is now by far the largest store in the Michael Hill brand and is increasingly where customers discover and buy. For the Group, online now represents 8.7% of total revenue, growth was driven by improvements to the digital experience, which uplifted both conversion and average transaction sales. With penetration still below that of many comparable peers, management believes there is significant runway for further growth.

Gross margin of 60.5% was in line with the prior year, demonstrating the Group's ability to offset elevated precious metal costs, including gold achieving multiple record highs, through a stronger product mix and disciplined pricing execution.

As a percentage of revenue, Group Cost of Doing Business (CODB) reduced by 70bps to 57.1% (FY25: 57.8%). The improvement reflected disciplined cost management across the Group, which enabled reinvestment in team while supporting stronger sales performance. Our proprietary Retail Assist AI now powers over 50% of all retail support enquiries, providing instant knowledge to teams to better focus on customers.

As part of the strategic simplification announced at our Investor Day on 14 April 2026, the Group undertook decisive action to focus on its two core brands, Michael Hill and Bevilles. As a result, the Group recognised non-cash write-offs of \$6.1m, largely relating to the closure of Medley and TenSevenSeven which has been excluded from Comparable EBIT. This simplifies the Group's operating model and allows management to concentrate resources and attention on driving profitable growth across its core brands.

Group inventory reduced by \$9.4m to \$189.7m, down 4.7% on the prior year, reflecting a deliberate plan to improve stock productivity. Group Gross Margin Return On Investment (GMROI) improved 13% over the year, meaning the reduction was driven by better inventory management and stronger clearance sell-thru. The Group activated a partnership with Impact Analytics to build AI-driven demand forecasting and planning, further improving inventory productivity and allocation across the network.

The Group ended the year with closing net debt of \$5.5m (FY25: \$41.9m), a material improvement of \$36.3m on the prior year, reflecting disciplined cash and working capital management through the year, including successful negotiation of new supplier terms with a key partner.

The year saw the successful opening of four MH flagship stores: Rundle Mall, Adelaide (refurbishment), Bondi Junction, Sydney (new store), Yorkdale, Toronto (refurbishment), and Pacific Centre, Vancouver (new store); with all stores incorporating our new brand design and a modernised in-store customer experience, with the refit programme delivering improvements in average transaction values and conversion rates above the network average. During the year, the store network reduced by a net total of six stores, taking the network to 281 across all markets (FY25: 287).

During the year, the business successfully refinanced its existing debt facility on improved margins for an additional two years, with its long-term banking partner, ANZ and introduced a new lender, CBA. In addition, the business remained committed to a reduced capital expenditure profile relative to historical levels, reducing the inventory profile across the business and implementing working capital efficiencies.

## SEGMENT RESULTS

The results below are expressed in local currency.

### AUSTRALIAN RETAIL PERFORMANCE

| OPERATING RESULTS (AU \$'000)     | 2026    | 2025    | 2024    | 2023    | 2022    |
|-----------------------------------|---------|---------|---------|---------|---------|
| Revenue                           | 371,787 | 362,646 | 359,102 | 331,007 | 303,409 |
| Gross profit                      | 225,826 | 215,446 | 217,074 | 211,823 | 196,936 |
| Gross margin                      | 60.7%   | 59.4%   | 60.4%   | 64.0%   | 64.9%   |
| Comparable EBIT                   | 36,270  | 26,987  | 29,568  | 53,549  | 51,750  |
| Comparable EBIT as a % of revenue | 9.8%    | 7.4%    | 8.2%    | 16.2%   | 17.1%   |
| Number of stores                  | 157     | 160     | 171     | 172     | 147     |

Retail segment revenue increased by 2.5% to \$371.8m (FY25: \$362.6), and same store sales increased by 4.8% for the year, with second half same store sales up by 4.4% on the prior comparable period.

Gross margin increased by 130 bps to 60.7% (FY25: 59.4%), driven by disciplined pricing, an improved product mix and a continued focus on profitable growth, demonstrating the ability to increase sales without compromising margin. Higher sales and gross margin drove a healthy uplift in gross profit, largely underpinning the improvement in Australian Comparable EBIT.

Within this result, the Bevilles business gained traction with a clear inflection between the halves, demonstrating the effectiveness of the brand's turnaround strategy. After year-on-year declines in the first half, same store sales, gross margin, and gross profit dollars all returned to growth in the second half, with same store sales up 5.8% in FY26H2 against a 4.6% decline in FY26H1, gross margin grew by 660 basis points in FY26H2 vs FY26H1.

The Australian store network finished the year with 157 stores, including 36 Bevilles stores (FY25: 160 including 37 Bevilles stores), with 4 store closures (Michael Hill: 3, Bevilles: 1) and one new store for Michael Hill.

## CANADA RETAIL PERFORMANCE

| OPERATING RESULTS (CA \$'000)     | 2026    | 2025    | 2024    | 2023    | 2022    |
|-----------------------------------|---------|---------|---------|---------|---------|
| Revenue                           | 174,229 | 162,368 | 157,094 | 158,894 | 159,661 |
| Gross profit                      | 105,131 | 97,583  | 95,222  | 100,531 | 103,623 |
| Gross margin                      | 60.3%   | 60.1%   | 60.6%   | 63.3%   | 64.9%   |
| Comparable EBIT                   | 21,929  | 18,853  | 18,775  | 27,110  | 28,785  |
| Comparable EBIT as a % of revenue | 12.6%   | 11.6%   | 12.0%   | 17.1%   | 18.0%   |
| Number of stores                  | 81      | 82      | 85      | 86      | 85      |

Retail segment revenue increased by 7.3% to CA\$174.2m (FY25: CA\$162.4m), and same store sales increased by 7.0% for the year, with second half same store sales up by 7.6% on the prior comparable period. This segment delivered another year of record sales, reflecting the effectiveness of our strategy, the strength of the proposition and the commitment of our team members.

Gross margin improved by 20 bps to 60.3% (FY25: 60.1%), achieved through targeted country-specific go-to-market initiatives. The Canadian segment delivered particularly strong growth in bridal sales, outpacing other segments and supporting the acquisition of higher-value customers. This performance is strategically important, as bridal customers typically generate higher lifetime value and support future purchasing across multiple categories, contributing to sustained profitable growth over time.

It remains our fastest-growing market and our clearest growth opportunity. During the year we opened a new flagship store at Pacific Centre in Vancouver, our second Canadian flagship, reflecting the confidence we have to invest in growth with a focus on extending this momentum.

During the year, one store opened and two stores closed, resulting in 81 stores at year end (FY25: 82).

## NEW ZEALAND RETAIL PERFORMANCE

| OPERATING RESULTS (NZ \$'000)     | 2026    | 2025    | 2024    | 2023    | 2022    |
|-----------------------------------|---------|---------|---------|---------|---------|
| Revenue                           | 112,435 | 109,047 | 114,785 | 132,359 | 125,090 |
| Gross profit                      | 65,265  | 63,566  | 68,453  | 81,961  | 79,288  |
| Gross margin                      | 58.0%   | 58.3%   | 59.6%   | 61.9%   | 63.4%   |
| Comparable EBIT                   | 14,047  | 13,714  | 14,538  | 25,622  | 30,130  |
| Comparable EBIT as a % of revenue | 12.5%   | 12.6%   | 12.7%   | 19.4%   | 24.1%   |
| Number of stores                  | 43      | 45      | 44      | 46      | 48      |

Retail segment revenue increased by 3.1% to NZ\$112.4m (FY25: NZ\$109.0m), and same store sales increased by 3.6% for the year. The second half delivered marked acceleration in growth, with same store sales up by 5.6% on the prior comparable period. The performance reflects the decision to fund investment into teams and customer-facing initiatives enhancing the customer experience and supporting sales growth.

Gross margin was 58.0% (FY25: 58.3%), reflecting a deliberate focus on adapting our offer to the trading environment. This was balanced with a higher contribution from bridal, which delivered strong growth in both sales and gross profit.

During the year, two stores closed, resulting in 43 stores at year end (FY25: 45).

## CHAIR SUCCESSION

As part of our broader reset, we are also refreshing skills and capability across both the Executive team and the Board, with succession planning a key focus.

Rob Fyfe has advised the Board of his intention to retire as a Director and Chair of the Company, effective 28 November 2026. The Board has appointed current Non-Executive Director Claudia Batten to succeed Mr Fyfe as Chair from 28 November 2026.

## RISK MANAGEMENT

The Board believes that a strong risk management framework supports the Group's growth and success. The Group regularly reviews its risk environment and has identified the following at risk areas and mitigating strategies:

| Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Strategies and mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Group continues to operate in a volatile, dynamic and uncertain global environment. Ongoing disparity in the timing of economic recovery in the countries we operate in, coupled with shifting geopolitical risks, may adversely affect consumer confidence, discretionary spending and margin resilience across the Group's markets.</p> <p>Within the jewellery sector, several external pressures are intensifying.</p> <p>Collectively, these factors may impact the Group's ability to execute its strategic initiatives effectively.</p> | <p>The Group monitors trading conditions and financial impacts of country performance through executive governance and Board reporting.</p> <p>The Group has a growth strategy that embraces omni-channel expansion in markets that limit cannibalisation of sales and focusses on improving the customer experience.</p> <p>Furthermore, there is executive oversight of all drivers, both internal and external, and prudent policy execution and governance mechanisms to respond accordingly.</p>                                                                                                                                                                                                   |
| <p>Increase in cyber-attacks disrupting operations and increased reliance on third-party platform providers to have robust cyber controls.</p>                                                                                                                                                                                                                                                                                                                                                                                                        | <p>The Group has tasked the Technology Governance Committee to oversee its response to cyber risk and the maturing of our cyber resilience. The Group continues to invest in new technologies and remove vulnerable points of attack throughout its digital network.</p> <p>External partners have been engaged to uplift our capabilities, including both proactive and reactive responses to cyber-attacks.</p> <p>Penetration testing and disaster recovery planning are built into our operating rhythm to further prepare and respond to attacks.</p>                                                                                                                                              |
| <p>The rapid evolution of artificial intelligence creates governance, data management, and internal and external experience and benefits realisation risks if adoption is not appropriately controlled and aligned to strategy.</p>                                                                                                                                                                                                                                                                                                                   | <p>The Group has tasked the Technology Governance Committee to oversee its governance and management of artificial intelligence. Artificial intelligence is an enabler of business growth and maturity and risks are managed in line with achieving our strategic objectives whilst having appropriate governance mechanisms in place, including centre of excellence and use of third party tools.</p>                                                                                                                                                                                                                                                                                                 |
| <p>Theft appeal of our product increases during periods of financial hardship and uncertainty. The high-impact nature of these crimes may place team members and customers at risk and result in financial loss, operational disruption and damage to property.</p>                                                                                                                                                                                                                                                                                   | <p>The safety and security of our staff and customers is our most important priority. We are investing in initiatives and processes which improve the overall security of our stores and contribute to the safety of our staff and customers. We are working with both local and national law enforcement bodies and other external parties to better the overall retail environment for our staff and customers.</p> <p>The Group continues to operate a dedicated executive led taskforce responding to the increasing escalation of theft and violence in all operating environments, with the remit of developing tailored and appropriate actions to keep our team members and customers safe.</p> |
| <p>Competition between mined and laboratory created diamonds, vendor consolidation and changing market perceptions may impact pricing of our range and could influence consumer behaviours to the detriment of one or both precious stones.</p>                                                                                                                                                                                                                                                                                                       | <p>The Group regularly reviews its product range to ensure it satisfies consumer demand and offers choices in the markets we operate. This is supported by a long-standing vendor relationships with key jewellery manufacturers and buyers who have global insights and can advise on market trends. Further the Group has vendor and product strategies focused on market demand, margin management and product education. Both mined and laboratory created diamonds feature in our core range and collections targeted to specific consumer preferences.</p>                                                                                                                                        |
| <p>Breach of regulation or law in one of our jurisdictions in an increasingly complex compliance environment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>The Group has in-house legal and compliance teams who are focused on compliance in our three markets and utilise external firms for specialised advice when required. Any new legislative requirements or rectification initiatives have dedicated teams focused on ensuring our compliance and training our teams appropriately.</p>                                                                                                                                                                                                                                                                                                                                                                |
| <p>Ability to respond to rapidly changing customer demographics, requirements and behaviours.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>The Group regularly conducts range reviews to ensure product mix is on trend and meets customer demands and customer demographics. We are investing in customer and product analytic platforms to better understand our current and future customers and tailoring our channels and product mix to meet the desired customer demands.</p>                                                                                                                                                                                                                                                                                                                                                            |

## NON-IFRS FINANCIAL INFORMATION

This report contains certain non-IFRS financial measures of historical financial performance. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards. The measures therefore may not be directly comparable with other companies' measures. Many of the measures used are common practice in the industry in which the Group operates. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures. The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by Australian Securities and Investments Commission (ASIC) to promote full and clear disclosure for investors and other users of financial information, and minimise the possibility of those users being misled by such information.

The measures are used by management and directors for the purpose of assessing the financial performance of the Group and individual segments. The directors also believe that these non-IFRS measures assist in providing additional meaningful information on the drivers of the business, performance and trends, as well as the position of the Group. Non-IFRS financial measures are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or controllable factors which affect IFRS measures, to aid the user in understanding the Group's performance. Consequently, non-IFRS measures are used by the directors and management for performance analysis, planning, reporting and incentive setting. These measures are not subject to audit.

The non-IFRS measures used in describing the business performance include:

- Comparable EBIT
- Cost Of Doing Business (CODB)
- Gross Margin
- Gross Margin Return On Investment (GMROI)

## COMPARABLE EBIT

Comparable EBIT has been calculated as follows:

|                                                            | 2026          | 2025          |
|------------------------------------------------------------|---------------|---------------|
|                                                            | \$'000        | \$'000        |
| <b>Profit before income tax</b>                            | 17,692        | 2,193         |
| Finance expenses (excluding interest on lease liabilities) | 3,979         | 5,739         |
| Interest income                                            | (296)         | (243)         |
| Impact of AASB16 <i>Leases</i>                             | (2,322)       | (264)         |
| Impact of IFRIC SaaS-related guidance                      | (2,488)       | 929           |
| Litigation judgement                                       | (313)         | (3,031)       |
| Strategic review and simplification                        | 6,128         | -             |
| Brand impairment                                           | -             | 7,400         |
| Bevilles integration costs                                 | -             | 1,029         |
| Transition costs                                           | 1,088         | 436           |
| Employee restructure costs                                 | 575           | 1,157         |
| <b>Comparable EBIT</b>                                     | <b>24,043</b> | <b>15,345</b> |

## ENVIRONMENTAL REGULATIONS AND CLIMATE REPORTING

The Group has determined that its operations are not subject to any particular and significant environmental regulation requiring disclosure in this Directors' Report. The Directors continue to monitor the Group's compliance with applicable environmental laws and regulatory requirements. The Group's FY26 Sustainability Report contains the Group's climate statements prepared in accordance with the Corporations Act 2001 (Cth) and Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures*. The Sustainability Report has been separately released and lodged in accordance with applicable requirements and is available at <https://investor.michaelhill.com/financial-reports/annual-reports>. It includes the directors' declaration and the auditor's report in respect of the Sustainability Report.

Under the Financial Markets Conduct (Climate-related Disclosures for Overseas Climate Reporting Entities) Exemption Notice 2026 (New Zealand) (Notice), Michael Hill International Limited relies on the exemption in clause 6 of the Notice for FY26. The effect of the exemption is that the Company is not required to prepare climate statements under the New Zealand climate-related disclosure regime for FY26. The Group's FY26 Sustainability Report, prepared under the Australian reporting regime, is available at <https://investor.michaelhill.com/financial-reports/annual-reports>.

# INFORMATION ON DIRECTORS

Information on the directors of Michael Hill International Limited in office during the financial year and until the date of this report (unless otherwise noted) are set out below.

| Director                                                  | Experience and Directorships                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Special Responsibilities                                                                               | Director's Interests in shares and options |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <b>Robert Fyfe</b><br>CNZM, BE(Hons), Dcom,<br>DistFEngNZ | <p>Rob was appointed as a director of the Company on 9 June 2016 having previously served as director of Michael Hill's listed entity in New Zealand commencing 6 January 2014. He was appointed Chair of the Board in June 2021. Prior to joining the Company, Rob served as CEO of Air New Zealand between 2005 and 2012, a period that saw a resurgence of Air New Zealand to become one of the most recognised and awarded airlines in the world and one of the best performers in a tough industry. Rob also has extensive general management and board experience in various retail businesses operating in New Zealand, Australia and Great Britain, across sectors including retail banking, telecommunications, pay television, sport, manufacturing and outdoor apparel. In 2015 Rob was awarded an Honorary Doctor of Commerce from University of Canterbury and on New Year's Eve 2020, Rob was appointed as a Companion of the New Zealand Order of Merit for services to business and tourism.</p> <p>Rob is also a director of Air Canada. He has not had any other directorships of listed entities in the last three years.</p>                                                                                                                                                             | <p>Chair</p> <p>Non-Executive and independent Director</p> <p>Member of ARMC</p> <p>Member of PDRC</p> | <p>1,953,578<br/>Ordinary Shares</p>       |
| <b>Sir Richard (Michael) Hill</b><br>K.N.Z.M.             | <p>Sir Michael was the founder of Michael Hill, and his visionary leadership was the foundation for the Company's listing on the New Zealand Stock Exchange (NZX) in 1987 and successful international expansion. Sir Michael's dedication to the jewellery retailing industry and his commitment to excellence was evident throughout his career. He had 23 years of jewellery retailing experience before establishing Michael Hill in 1979, and his strategic decisions and innovative approaches have played a significant role in the growth and success of Michael Hill. Sir Michael led the Group as Chairman from when it listed on NZX in 1987 until 2015, and was appointed a director of the Company on 9 June 2016 until his passing on 29 July 2025. Sir Michael's contribution to both business and the arts has been widely recognised and celebrated. In 2008, he was recognised as Ernst &amp; Young's 'Entrepreneur of the Year' and in 2011 was appointed a Knight Companion of the New Zealand Order of Merit for services to business and the arts. His leadership inspired those within the company and the industry as a whole.</p> <p>Sir Michael was not a director of any other listed entities and did not have any directorships of listed entities in the last three years.</p> | <p>Non-Executive Director</p>                                                                          | <p>Nil Ordinary Shares</p>                 |

| Director                                       | Experience and Directorships                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Special Responsibilities                                                                 | Director's Interests in shares and options |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------|
| <b>Emma Hill</b><br>B.Com, M.B.A               | <p>Emma was appointed as a director of the Company on 9 June 2016 having previously served as director of Michael Hill's listed entity in New Zealand commencing 22 February 2007. She served as Deputy Chair of the Group from 2011 until 2015 and as Chair from 2015 until June 2021. Emma has over 30 years' experience working in various roles within the Group, commencing on the shop floor in Whangarei, New Zealand. She held a number of management positions in the Australian company before successfully leading the expansion of the Group into Canada as Retail General Manager in 2002. Emma holds a Bachelor of Commerce degree and an MBA from Bond University.</p> <p>Emma is not a director of any other listed entities and has not had any directorships of listed entities in the last three years.</p>                                                                                                                                                                                                                                   | <p>Non-Executive Director</p> <p>Chair of PDRC</p>                                       | <p>167,487,526<br/>Ordinary Shares</p>     |
| <b>Gary Smith</b><br>B.Com, F.C.A., F.A.I.C.D. | <p>Gary was appointed as a director of the Company on 24 February 2016 having previously served as director of Michael Hill's listed entity in New Zealand commencing 2 November 2012. Gary has extensive director experience across a range of boards and tourism related industry bodies. He is Chairman of Flight Centre Travel Group Ltd, one of Australia's top public companies and is a member of their Audit and Remuneration sub-committees. He is also a director of the National Roads and Motorists' Association (NRMA) and is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.</p> <p>Gary is a director of Flight Centre Travel Group Limited (ASX: FLT). He has not had any other directorships of listed entities in the last three years.</p>                                                                                                                                                                                                                                                              | <p>Non-Executive and independent Director</p> <p>Chair of ARMC</p> <p>Member of PDRC</p> | <p>102,000<br/>Ordinary Shares</p>         |
| <b>David Whittle</b><br>B.A., B.Com            | <p>Dave was appointed as a director of the Company on 2 August 2023. Dave has considerable brand, data, technology, omni-channel retail and digital transformation experience. He is a founder of Lexer, a global AI led software company helping brands and retailers genuinely understand and engage their customers. In 2015, Dave became the youngest ASX 200 non-executive director when he joined the board of Myer (ASX: MYR). Previously, Dave spent 10 years with global advertising group M&amp;C Saatchi in several local and international leadership roles, culminating in three years as Managing Director in Australia. He is currently a non-executive director of Metcash Limited (ASX: MTS) and Challenger Limited (ASX: CGF), and has held several directorships and advisory roles for private, Government and not-for-profit organisations. Dave served as a non-executive director of MYER Holdings Limited from November 2015 until December 2024. He has not had any other directorships of listed entities in the last three years.</p> | <p>Non-Executive and independent Director</p> <p>Member of ARMC</p>                      | <p>70,431<br/>Ordinary Shares</p>          |

| Director                                   | Experience and Directorships                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Special Responsibilities                                                                                                               | Director's Interests in shares and options |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <b>Claudia Batten</b><br>LLB (Hons), B.Com | <p>Claudia was appointed as a director of the Company on 30 August 2024. Claudia started her professional career at law firm Russell McVeagh specialising in contract, IP, and technology law before moving to New York in 2002. Claudia was a member of the founding team of Massive Incorporated, a network for advertising in video games which helped pioneer "digital" as a media buy. Massive was sold to Microsoft in 2006, where Claudia spent 3 years scaling the in-game network. In 2009 she co-founded Victors &amp; Spoils, the first advertising agency built on the principles of crowdsourcing which was acquired by French holding company Havas Worldwide just two years later.</p> <p>Claudia has been widely recognised for her work supporting the technology and start up scene in New Zealand and spent three years running North American operations for NZTE, supporting disruptive thinking for the growth of NZ exports in North America. Claudia is a graduate of Victoria University of Wellington with degrees in Law (Hons) and</p> <p>Claudia is currently a director of Air New Zealand Limited (ASX/NZX: AIZ), Vista Group International Limited (NZX: VGL) and is Chair of Serko Limited (ASX/NZX: SKO). She has not had any other directorships of listed entities in the last three years.</p> | <p>Deputy Chair</p> <p>Non-Executive and independent Director</p> <p>Member of PDRC</p>                                                | Nil Ordinary Shares                        |
| <b>Andrea Slingsby</b><br>B.A., PPL (HBS)  | <p>Andrea was appointed as an alternate director of the Company on 14 April 2025 and ceased as alternate director on 29 July 2025. Andrea was then appointed as a director of the Company on 8 September 2025. Andrea has extensive Board governance, C-Suite executive, consulting and advisory experience across a range of industry sectors including global retail. Andrea brings expertise in both domestic and international growth and sustainable scaling of Australian brands such as Flight Centre and Blackmores. Andrea's previous executive roles with the Company include Interim Chief People Office from August 2018 to December 2018 and Chief Operating Officer from January 2019 to January 2021.</p> <p>Andrea is currently a director of Prime Financial Group (ASX: PFG). She has not had any other directorships of listed entities in the last three years.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Alternate director to Sir Richard Michael Hill from 14 April 2025 to 29 July 2025</p> <p>Non-Executive and independent Director</p> | Nil Ordinary Shares                        |

# COMPANY SECRETARY

Kate Palethorpe, who was also the General Counsel of the Group, was appointed to the position of Company Secretary on 18 March 2024 and resigned as Company Secretary on 17 March 2026. Kate is an experienced ASX company secretary and governance professional, starting her career at top-tier law firm Minter Ellison before moving to in-house roles including Aesop, Aussie Farmers Direct and Australian Dairy Nutritionals. Kate holds a Bachelor of Laws (Hons), Bachelor of Science (Biochemistry) (Hons), Graduate Diploma in Legal Practice, and Graduate Diploma of Applied Corporate Governance and Risk Management.

Matthew Kremastos, who also holds the position of Senior Legal Counsel for the Group, was appointed to the position of Company Secretary on 17 March 2026 and resigned as Company Secretary on 2 July 2026. Matthew has been a part of the Michael Hill team since March 2023 and is an experienced senior lawyer. Matthew Holds a Bachelor of Laws, Bachelor of Justice (Policing) (Dist), and Graduate Diploma of Legal Practice.

Catherine (Cathy) Hoyle, who also holds the role of General Counsel of the Group, was appointed Company Secretary of the Company on 2 July 2026. Cathy is an experienced General Counsel and Company Secretary with extensive expertise supporting ASX-listed and international organisations. She brings deep capability in ASX Listing Rules compliance, continuous disclosure, board and shareholder governance. Cathy is a practicing Solicitor in New South Wales Australia, a Graduate of the Australian Institute of Company Directors, and holds several degrees including a Master of Laws from the Australian National University.

## MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors and of each Board committee held during the year ended 28 June 2026, and the numbers of meetings attended by each director were:

|               | Full meetings of directors |   | Meeting of committees     |   |                                     |   |
|---------------|----------------------------|---|---------------------------|---|-------------------------------------|---|
|               |                            |   | Audit and Risk Management |   | People Development and Remuneration |   |
|               | A                          | B | A                         | B | A                                   | B |
| R I Fyfe      | 8                          | 8 | 3                         | 4 | 4                                   | 5 |
| Sir R M Hill^ | 1                          | 1 | -                         | - | -                                   | - |
| E J Hill      | 8                          | 8 | -                         | - | 5                                   | 5 |
| G W Smith     | 7                          | 8 | 4                         | 4 | 5                                   | 5 |
| D Whittle     | 8                          | 8 | 4                         | 4 | -                                   | - |
| C Batten      | 8                          | 8 | -                         | - | 5                                   | 5 |
| A Slingsby^   | 6                          | 7 | -                         | - | -                                   | - |

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

^A Slingsby appointed as an alternate director to Sir Richard Michael Hill on 14 April 2025 and attended the relevant meeting as his alternate director. A Slingsby was then appointed as a director effective 8 September 2025.

## COMMITTEE MEMBERSHIP

As at the date of this report, Michael Hill International Limited has an Audit and Risk Management Committee and a People Development and Remuneration Committee.

### AUDIT AND RISK MANAGEMENT COMMITTEE

Gary Smith (Chair)

Robert Fyfe

David Whittle

### PEOPLE DEVELOPMENT AND REMUNERATION COMMITTEE

Emma Hill (Chair)

Robert Fyfe

Gary Smith

Claudia Batten

# AUDITED REMUNERATION REPORT

The Directors present the 2026 Michael Hill International Limited remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded during FY26. The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

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| Section 5 | FY26 Executive Key Management Personnel (KMP) Remuneration                 |
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## SECTION 1 LETTER FROM THE CHAIR OF THE PEOPLE DEVELOPMENT AND REMUNERATION COMMITTEE

Dear Shareholders,

On behalf of the Board and the People Development and Remuneration Committee (PDRC), I am pleased to present Michael Hill International's FY26 Remuneration Report.

FY26 was shaped by significant leadership and organisational change. The year began with the Board continuing the Chief Executive Officer succession process following the sudden passing of Daniel Bracken in February 2025. In July 2025, the Group also mourned the passing of its Founder and Director, Sir Michael Hill. Their respective contributions and legacies continue to be deeply felt across Michael Hill.

Jonathan Waecker commenced as Chief Executive Officer in August 2025, with a mandate to accelerate performance, simplify execution, and position the group for its next phase of growth. This marked the beginning of a new chapter for the Group.

Following Jonathan's commencement, we reviewed the Group's organisational structure and leadership requirements. This resulted in several changes to the Executive Leadership Team, including the removal of the Chief Retail Officer role and a reduction in the size of the Executive team to sharpen operational focus, clarify accountability, improve transparency and accelerate decision-making across our markets. During the year Elodie Guillaumond joined the Executive as Chief Financial Officer, Tonia Zehrer joined as Chief Product Officer and Tanya Atkinson joined as Executive General Manager Bevilles, all appointments bringing elevated experience and expertise to the Group. With this refreshed Executive team, led by Jonathan, the Board believes the Group has the leadership experience, commercial discipline and customer focus required to improve business performance and deliver sustainable value for shareholders.

These leadership and organisational changes took place against a challenging external backdrop. Across our markets, consumers continued to experience cost-of-living pressures and the lingering effects of elevated inflation and higher interest rates. Geopolitical uncertainty and volatile commodity markets also affected consumer confidence and discretionary spending, creating difficult trading conditions for many retailers, including Michael Hill.

In this environment, the Board remained focused on maintaining financial discipline and ensuring that Executive remuneration continued to be closely linked to company performance, individual accountability and the creation of sustainable long-term shareholder value. In determining remuneration outcomes, the Board considered both the results achieved and the broader experience of shareholders during the year.

FY26 also saw meaningful progress in strengthening our organisational culture and leadership capability throughout the company. Despite the extent of leadership and organisational change, team member engagement increased to 84%. This result demonstrates positive momentum in employee experience, leadership effectiveness, and organisational alignment.

During the year, the PDRC also reviewed the way we communicate remuneration outcomes to shareholders. Following engagement with shareholders and proxy advisors, we have enhanced the transparency of this report by providing greater disclosure of performance measures, incentive outcomes and the relationship between Executive remuneration and company performance. We believe these changes improve the readability of the report and provide shareholders with a clearer understanding of how remuneration decisions are made.

Our remuneration philosophy remains unchanged. We seek to attract and retain talented leaders, reward the achievement of strategic and financial objectives, and ensure a meaningful proportion of Executive remuneration is linked to the delivery of sustainable long-term shareholder value. The Board believes the remuneration outcomes outlined in this report appropriately reflect company performance, Executive accountability, and the broader operating environment experienced during FY26.

On behalf of the PDRC, I extend gratitude to our team members across Australia, New Zealand and Canada for their dedication, resilience and commitment throughout another year of change and opportunity. Their passion for serving our customers and supporting one another continues to be a defining strength of Michael Hill.

Regards,



**Emma Hill**

Chair of the People Development and Remuneration Committee

Michael Hill International Limited

## SECTION 2 REMUNERATION OVERVIEW

This report sets out the remuneration arrangements for Michael Hill International's key management personnel (KMP). Our KMP have the authority and responsibility for planning, directing and controlling the activities of the entity. All KMP listed below have held their positions for the entire reporting period unless indicated otherwise underneath each chart.

Jonathan Waecker commenced as CEO on 27 August 2025. Prior to that time, Andrew Lowe served as the only Executive KMP, holding the roles of Interim CEO and Group CFO. Upon the commencement of Mr. Waecker, Mr. Lowe reverted to his substantive role as Chief Financial and Supply Chain Officer. On the resignation of Mr. Lowe, a thorough search was conducted to find a suitable replacement, with Elodie Guillaumond commencing with the business on 2 February 2026 as Chief Financial Officer.

| Name                                  | Position                                         | Commencement as KMP |
|---------------------------------------|--------------------------------------------------|---------------------|
| <b>Non-Executive Directors</b>        |                                                  |                     |
| Robert Fyfe                           | Chair and Non-Executive Director                 | 2016                |
| Claudia Batten                        | Deputy Chair and Non-Executive Director          | 2025                |
| Andrea Slingsby <sup>1</sup>          | Non-Executive Director                           | 2025                |
| David Whittle                         | Non-Executive Director                           | 2024                |
| Emma Hill                             | Non-Executive Director                           | 2016                |
| Gary Smith                            | Non-Executive Director                           | 2016                |
| Sir Richard Michael Hill <sup>2</sup> | Founder and Non-Executive Director               | 2016                |
| <b>CEO</b>                            |                                                  |                     |
| Jonathan Waecker <sup>5</sup>         | Chief Executive Officer                          | 2025                |
| Andrew Lowe                           | Interim CEO and Group CFO                        | 2025                |
| Daniel Bracken <sup>3</sup>           | Managing Director and Chief Executive Officer    | 2019                |
| <b>Executive</b>                      |                                                  |                     |
| Elodie Guillaumond <sup>6</sup>       | Chief Financial Officer                          | 2026                |
| Andrew Lowe <sup>4</sup>              | Interim CEO                                      | 2025                |
|                                       | Chief Financial Officer and Supply Chain Officer | 2017                |

<sup>1</sup> Andrea Slingsby was appointed as Non-Executive Director on 8 September 2025.

<sup>2</sup> Sir Richard Michael Hill ceased as a Director on 29 July 2025.

<sup>3</sup> Daniel Bracken ceased as a Director on 26 February 2025.

<sup>4</sup> Andrew Lowe has held the position of CFO since 2017 and was appointed Interim CEO on 6 March 2025 until 26 August 2025. Mr Lowe resigned the position of Chief Financial and Supply Chain Officer, leaving the business in February 2026.

<sup>5</sup> Jonathan Waecker commenced as CEO on 27 August 2025.

<sup>6</sup> Elodie Guillaumond commenced as CFO on 2 February 2026.

### People Development and Remuneration Committee (PDRC)

The primary objective of the People Development and Remuneration Committee (PDRC) is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to the Company's people strategy including remuneration components, performance measurements and accountability frameworks, recruitment, engagement, retention, talent management and succession planning.

The following Non-Executive Directors are members of the PDRC for the 2026 reporting period:

- Emma Hill - Chair of the PDRC
- Robert Fyfe - Chair of the Board of Directors
- Gary Smith - Chair of the Audit and Risk Committee
- Claudia Batten - Deputy Chair and Committee member

### Use of Remuneration Consultants

The PDRC obtains independent advice every three years to assess the appropriateness of the Group's remuneration practices, having regard to market trends, comparable companies and the objectives of the Group's remuneration strategy. In FY25, the Chair of PDRC engaged PayIQ to benchmark Executive team remuneration and review Short Term and Long Term bonus frameworks compared to market peers. Following this review, the Board approved changes to the Executive KMP remuneration framework for FY26 to more closely align with market practice and the Company's pay-for-performance philosophy.

The revised framework increased the proportion of remuneration delivered through at-risk and deferred incentives while reducing the proportion of fixed remuneration. STI design changes included a modest increase in target incentive opportunity and a reduction in the maximum STI payout from 200% to 150% of target for CEO and CFO. To strengthen alignment with business financial performance, the weighting of Financial KPIs increased from 60% to 70% of the STI scorecard.

Consistent with the objective of increasing executive alignment with long-term shareholder outcomes, LTI opportunity was increased to 105% of fixed remuneration for CEO and to 50% for CFO. Collectively, these changes ensured that KMP reward was aligned with company performance and shareholder value creation.

The engagement of PayIQ was done directly with the Chair of PDRC, providing assurance to the Board that the advice provided by PayIQ was provided free from undue influence by the members of the key management personnel to whom the recommendation relates.

## SECTION 3 REMUNERATION FRAMEWORK

Our remuneration philosophy is guided by our vision to make modern luxury accessible. The structure of compensation is designed with a mix of market competitive fixed remuneration, short-term incentives (STIs) which reward annual performance and long-term incentives (LTIs) to align financial performance and shareholder value creation.

### Our Values

We care

We are professional

We are inclusive and diverse

We create outstanding experiences

### Our Remuneration Philosophy

Attract, motivate and retain high quality and high performing executive talent

Reward annual performance and achievement of strategic objectives

Align to shareholder value creation

### Our Remuneration Framework - FY26 Framework

|                        | Fixed Remuneration                                                                                                                                                                                                  | Short Term Incentive (STI)                                                                                                                                       | Long Term Incentive (LTI)                                                                                                                                                                                                                                                                                          |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| How is it set?         | Fixed Remuneration is set with reference to market competitive rates in comparative companies for similar positions, adjusted to account for the experience, ability and effectiveness of the individual Executive. | Executives participate in the Group's STI program prioritising Board approved On-Target and Outperformance Targets.                                              | The Company has established an LTI plan as deferred compensation.                                                                                                                                                                                                                                                  |
| How was it delivered?  | Base salary plus any fixed elements including superannuation and leave entitlements.                                                                                                                                | Cash for On-Target performance and for Outperformance.                                                                                                           | An annual issue of share rights is made to Executive KMP. The rights vest at the end of the relevant performance period if certain performance hurdles and vesting conditions are met. Under the LTI Plan Rules, the Board also has discretion to settle an issue of vested shares via an equivalent cash payment. |
| What is the objective? | Attract and retain key Executive talent.                                                                                                                                                                            | Drive annual profit growth and align Executive reward with achievement of performance targets that underpin Group strategy and drive shareholder value creation. | Reward Executives for sustainable long term growth aligned to shareholders' interests.                                                                                                                                                                                                                             |

## SECTION 4 RELATIONSHIP OF REMUNERATION TO GROUP PERFORMANCE

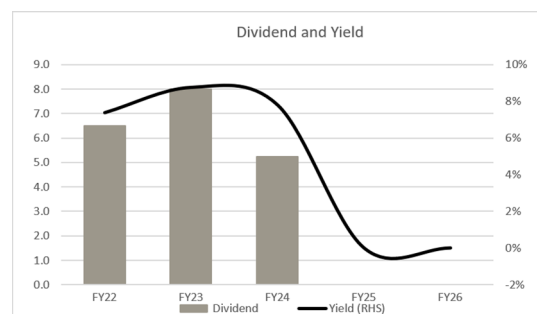
The remuneration framework operates to create a clear link between Executive remuneration and the Group's performance. The overall level of remuneration takes into consideration the performance of the Group over several years. The performance of the Group over the past five years is summarised below:

|                                                                    | 2026    | 2025    | 2024    | 2023    | 2022    |
|--------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Revenue (\$'000)                                                   | 655,679 | 643,655 | 644,929 | 629,562 | 595,210 |
| Comparable EBIT* (\$'000)                                          | 24,043  | 15,345  | 15,898  | 58,889  | 62,870  |
| Profit for the year attributable to owners of the Company (\$'000) | 9,995   | 2,099   | (479)   | 35,182  | 46,712  |
| Earnings per share (cents)                                         | 2.60c   | 0.55c   | (0.12c) | 9.20c   | 12.03c  |
| Dividends paid during the financial year <sup>1</sup> (\$'000)     | -       | -       | 20,195  | 30,719  | 25,239  |
| Market capitalisation (\$'000)                                     | 126,998 | 159,700 | 173,081 | 339,822 | 361,105 |
| Share price at year end (\$)                                       | 0.33    | 0.42    | 0.45    | 0.90    | 0.93    |
| Compound annual growth rate                                        | (28.4)% | (23.3)% | (18.5)% | (2.2)%  | 13.9%   |
| Return on average total assets                                     | 2.0%    | 0.4%    | (0.1)%  | 6.7%    | 9.3%    |

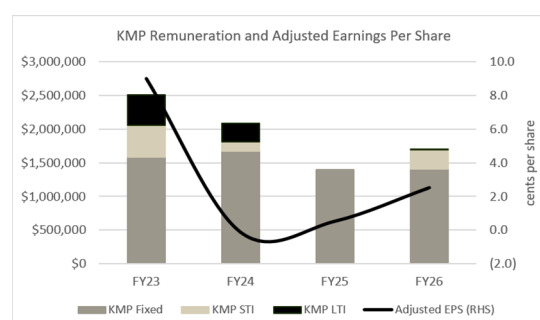
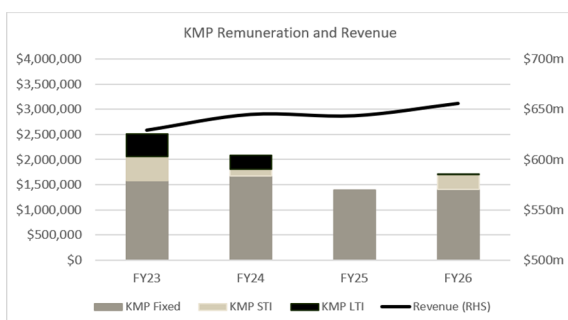
\*Comparable EBIT is unaudited Non-IFRS Information. Please refer to unaudited Non-IFRS Information in the Directors' Report for an explanation of unaudited Non-IFRS information and a reconciliation of Comparable EBIT.

<sup>1</sup> The dividends paid in FY22 are the postponed interim dividend for FY21 and the interim dividend for FY22.

The first graph below shows the share price movement compared to the ASX300 whilst the second graph shows the dividend paid and yield per financial year.



The graphs below show the relationship of KMP remuneration to revenue and Adjusted Earnings Per Share<sup>1</sup> for the last four financial years.



<sup>1</sup> Adjusted Earnings Per Share is calculated similarly to statutory Earnings Per Share except EBIT is adjusted to Comparable EBIT as set out in the Directors' Report.

## SECTION 5 FY26 EXECUTIVE KEY MANAGEMENT PERSONNEL (KMP) REMUNERATION

As per our Remuneration Policy, formal benchmarking of KMP remuneration is conducted every three years. As noted above, at the end of FY25 PayIQ were engaged to conduct a market review of the Executive remuneration framework including fixed remuneration and the STI and LTI framework. The findings from this activity were used to inform the FY26 KMP remuneration framework.

### CEO Remuneration

The following table details the nature and amount of CEO remuneration paid over a 5 year period.

| Year | CEO                         | Fixed Pay | STI Earned | LTI Accrued <sup>3</sup> | Total Remuneration |
|------|-----------------------------|-----------|------------|--------------------------|--------------------|
| FY26 | Jonathan Waecker            | 717,337   | 192,606    | 15,410                   | 925,353            |
|      | Andrew Lowe <sup>1</sup>    | 150,714   | -          | -                        | 150,714            |
|      | Daniel Bracken <sup>2</sup> | 34,435    | -          | -                        | 34,435             |
| FY25 | Andrew Lowe <sup>1</sup>    | 252,788   | -          | -                        | 252,788            |
|      | Daniel Bracken <sup>2</sup> | 756,859   | -          | (75,076)                 | 681,783            |
| FY24 | Daniel Bracken              | 1,176,765 | 100,160    | 150,822                  | 1,427,747          |
| FY23 | Daniel Bracken              | 1,090,437 | 342,850    | 290,033                  | 1,723,320          |
| FY22 | Daniel Bracken              | 1,077,552 | 535,544    | 156,176                  | 1,769,272          |

<sup>1</sup> Mr Lowe was Interim CEO from 6 March 2025 to 26 August 2025.

<sup>2</sup> Personal leave paid to the Estate of Daniel Bracken, paid on probate September 2025. Note the lapsing of FY25 LTIs on a pro rata basis, due to the passing of Daniel the previous year.

<sup>3</sup> LTI vests on satisfaction of conditions.

### Company Performance

| Year | Total Shareholder Return (TSR) | Earnings Per Share (EPS) | Dividend Per Share | Share Price |
|------|--------------------------------|--------------------------|--------------------|-------------|
| FY26 | (0.09)                         | 2.60c                    | AUD 2.00c          | 0.33        |
| FY25 | (0.04)                         | 0.55c                    | -                  | 0.42        |
| FY24 | (0.39)                         | (0.12c)                  | AUD 1.75c          | 0.45        |
| FY23 | 0.05                           | 9.20c                    | AUD 7.50c          | 0.90        |
| FY22 | 0.17                           | 12.03c                   | AUD 7.50c          | 0.93        |

### Remuneration Mix

The total remuneration for Executive KMPs comprises both fixed remuneration and at-risk components in the form of an On-Target and Outperformance STI as well as an LTI opportunity. Maximum STI and LTI incentives are calculated as a percentage of the relevant Executive KMPs fixed remuneration component, with the actual amount awarded to the KMP being subject to the satisfaction of clear and measurable performance conditions. The remuneration mix is designed to compensate KMP in a way that strongly correlates to Group performance. The Outperformance STI gives the KMPs the ability to earn an additional 50% of On-Target STI value, paid in cash. The table below shows how the Executive remuneration is structured, noting ineligibility for Elodie Guillaumond and Andrew Lowe for 2026.

| KMP                      | Fixed Remuneration | Maximum STI | LTI   | Total  |
|--------------------------|--------------------|-------------|-------|--------|
| Jonathan Waecker         | 35.7%              | 26.8%       | 37.5% | 100.0% |
| Elodie Guillaumond       | 45.5%              | 27.2%       | 27.3% | 100.0% |
| Andrew Lowe <sup>2</sup> | 45.5%              | 27.2%       | 27.3% | 100.0% |

<sup>1</sup> Ms. Guillaumond is only eligible to participate in the FY27 STI and FY28 LTI programs.

<sup>2</sup> Mr Lowe held the role of Interim CEO and CFO from 6th March 2025, returning to his substantive role of Chief Financial and Supply Chain Officer (CFSCO) on 27 August 2025. Mr Lowe subsequently resigned from the business, departing on 17 February 2026. Ms Guillaumond stepped into the CFO role on 2 February 2026.

### Fixed Remuneration

Fixed remuneration is reviewed annually, and our policy is to consider the consumer price index (CPI), wage price index (WPI) and the Mercer retail increase report in the annual remuneration review. In addition, base remuneration is set with reference to market competitive rates in comparable companies for similar positions adjusted for experience, capability, and effectiveness of the individual KMP. Fixed remuneration includes base salary and superannuation contributions at the rate of the concessional contributions cap.

For the FY26 financial year, the Board approved an uplift of 3% to base remuneration, following a full executive remuneration market review conducted by PayIQ the prior financial year. This increase has been applied effectively from 7 July 2025.

## Short Term Incentive (STI) Scheme

The Group's STI program is designed to reward delivery of annual profit targets and ensure achievement of strategic and operational objectives. The maximum STI is calculated as a percentage of the relevant KMP's fixed remuneration component and detailed in performance scorecards set by the PDRC. The scorecards detail the performance targets, indicators, and weightings for each Executive across the key performance areas of Financial, Strategic and Customer. The CEO's scorecard is comprised of core objectives to drive the business forward, and aligned with relevant Executives, who further cascade the STIs throughout the business to drive focused performance.

The STI program is supported by a performance management system giving visibility and transparency of progress by each Executive. Performance against key performance indicators (KPIs) is measured annually but reviewed on an informal basis, in regular meetings and at half-year end.

The STI program in FY26 for KMP was structured as follows:

|                                                  |                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Performance period                               | Annual award for Financial, Strategic and Customer KPIs, subject to the Group meeting an annual financial performance hurdle.                                                                                                                                                                                                |
| Opportunity                                      | CEO – Maximum 75% of Fixed Remuneration comprised of 50% for On-Target performance, and maximum of 75% for Outperformance.<br>CFO and Interim CEO – Maximum 60% of Fixed Remuneration comprised of 40% for On-Target performance, and 60% for Outperformance.                                                                |
| How the STI is paid?                             | In cash for both On-Target performance and Outperformance.                                                                                                                                                                                                                                                                   |
| On-Target performance measures                   | All On-Target performance subject to financial performance hurdle.<br>Financial KPI 70% weighting.<br>Strategic and Customer KPIs 30% weighting.                                                                                                                                                                             |
| Performance measure for Outperformance component | The Incentive payout begins once 90% of Comparable EBIT is achieved, with 100% of the At Target payout made upon reaching Comparable EBIT. For performance exceeding the target, an additional incentive (Outperformance STI) is paid on a linear scale for Comparable EBIT performance between 100% and 150% of the target. |
| How is STI assessed?                             | The PDRC reviews the CEO's performance against the performance targets set for that year. The CEO assesses the performance of his direct reports, including the CFO. The PDRC reviews assessed performance for Board endorsement.                                                                                            |

## STI Outcomes

The following tables detail the FY26 scorecard KPIs applied to the current CEO. Note: Ms Guillaumond, current CFO, was not entitled to participate in the FY26 STI program. Ms Guillaumond is eligible to receive a sign-on bonus of \$120,000, payable in August 2026 on completion of 6-months service.

| CEO Opportunity               | KPI                                     | Threshold                  | Target  | Achieved     | Incentive Award              |
|-------------------------------|-----------------------------------------|----------------------------|---------|--------------|------------------------------|
| Financial 70%                 | Group Comparable EBIT                   | \$24.4m                    | \$27.1m | \$24.0m      | 35% Awarded                  |
| Strategic 10%                 | Online Sales growth                     | Gate opened for KPI awards | + 10%   | + 10.9%      | 10% Awarded                  |
| Strategic 10%                 | Bevilles Performance                    |                            | Budget  | Not Achieved | 0%                           |
| Customer 10%                  | Brilliance Profit Growth (all segments) |                            | + 8.4%  | + 14%        | 10% Awarded                  |
| <b>Total 100% opportunity</b> |                                         |                            |         |              | <b>55% of target awarded</b> |

The FY26 result has delivered a 57% uplift in Comparable EBIT compared to prior year, with increased sales and profit across all markets. The Board consider that the Comparable EBIT outcome, alongside the strong cost management focus, delivery of key strategic enablers and the decrease in net debt by 85%, place MHJ in a strong financial position moving into FY27. This result is supported further by the Bevilles delivery during the second half. The Board was accordingly satisfied that the Group's underlying trajectory supported the exercise of discretion to open the gate for eligible Executives, resulting in 55% of STI awarded.

The former Interim CEO and CFO, whose scorecard was comprised of 60% Group Comparable EBIT Target and 40% successful conclusion of the Group's bank refinancing arrangements was not awarded STI as the Comparable EBIT hurdle gate of 90% was not met.

Andrew took carriage of both the CEO and Interim CEO duties during a very difficult time for the business. Prior to his departure Andrew supported the leadership transition and renegotiated the company refinance. In recognition of Andrew's significant contribution, the Board have awarded Mr Lowe with a one-off discretionary payment of \$68,022.

## FY26 Short Term Incentive Outcomes

| Executive         | STI at Target |         | STI Stretch Opportunity |         | STI Awarded |         | % of Base Target Awarded | STI forfeited |         |
|-------------------|---------------|---------|-------------------------|---------|-------------|---------|--------------------------|---------------|---------|
|                   | %*            | \$      | %*                      | \$      | %*          | \$      | %                        | %*            | \$      |
| Jonathan Waecker* | 50.0%         | 350,192 | 75.0%                   | 525,288 | 27.5%       | 192,606 | 55.0%                    | 47.5%         | 338,682 |

\* Pro-rata

\*\* of Fixed Pay

## FY26 Long Term Incentive (LTI) Framework

The Board has simplified LTI disclosures to clearly show performance hurdles, actual outcomes, and vesting results. This approach improves transparency and readability for shareholders while maintaining all required disclosures.

| Feature            | Description                                                                                                                                                                                                                                                                                                                                            |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instrument         | Performance Rights                                                                                                                                                                                                                                                                                                                                     |
| Performance period | 3 years                                                                                                                                                                                                                                                                                                                                                |
| Measures           | Total Shareholder Return (TSR) and Earnings per Share (EPS) – 50% equally                                                                                                                                                                                                                                                                              |
| Vesting            | Sliding scale between threshold and stretch                                                                                                                                                                                                                                                                                                            |
| Service condition  | Participants are required to remain employed by the business in order for Rights to vest to Shares. Where a participant has died, becomes totally and permanently disabled, is retrenched or retires, the number of Rights retained by the participant will be reduced pro-rata (at the Board's discretion) and will be tested in the ordinary course. |
| Absolute TSR       | The Absolute TSR condition requires the Company to achieve a specified level of total shareholder return over the performance period, measured independently of other companies. It is designed to align executive rewards with shareholder outcomes by focusing on absolute value creation through share price growth and dividends.                  |
| Normalised EPS     | The Normalised EPS condition requires the Company to achieve specified EPS growth over the 3-year performance period. This measure focuses on executives delivering sustainable earnings growth from the underlying business and supports alignment between executive rewards and long-term shareholder value creation.                                |

| Absolute TSR 50% Eligibility           |                                                          | Normalised EPS 50% Eligibility         |                                                          |
|----------------------------------------|----------------------------------------------------------|----------------------------------------|----------------------------------------------------------|
| TSR compound annual growth rate (CAGR) | % Share Rights Vesting                                   | EPS compound annual growth rate (CAGR) | % Share Rights Vesting                                   |
| Less than 10% TSR CAGR                 | Nil                                                      | Less than 20% EPS CAGR                 | Nil                                                      |
| Between 10% TSR CAGR and 20% TSR CAGR  | 10% vesting for each 1% increase in TSR CAGR performance | Between 20% EPS CAGR and 30% EPS CAGR  | 10% vesting for each 1% increase in EPS CAGR performance |
| Equal to or above 20% TSR CAGR         | 100%                                                     | Equal to or above 30% EPS CAGR         | 100%                                                     |

## LTI Outcomes

### FY26 LTI

Only the CEO was eligible to participate in the FY26 LTI program in accordance with the LTI program detailed in the preceding table. The new CFO, as per her contract of employment, is entitled to a guaranteed LTI grant (in the form of Share Rights) after 18 months of service. For the CEO, the grant of share rights under the FY26 LTI plan was approved by shareholders at the 2025 Annual General Meeting held on 22 October 2025.

#### *FY23 LTI Grant (assessed in FY26)*

| Performance Measure | Weighting | Threshold | Target   | Actual | Vesting Outcome |
|---------------------|-----------|-----------|----------|--------|-----------------|
| TSR CAGR            | 50%       | 10% CAGR  | 20% CAGR | (27%)  | 0%              |
| EPS CAGR            | 50%       | 5% CAGR   | 10% CAGR | (37%)  | 0%              |
| <b>Total</b>        | 100%      |           |          | (64%)  | 0%              |

#### *FY23 LTI Vesting Summary*

| Executive                   | Rights Granted | % of Rights Vested | Rights Vested | Rights Forfeited |
|-----------------------------|----------------|--------------------|---------------|------------------|
| Daniel Bracken <sup>1</sup> | 906,699        | 0%                 | -             | 750,956          |
| Andrew Lowe                 | 195,411        | 0%                 | -             | 195,411          |
| <b>Total</b>                | 1,102,110      | 0%                 | -             | 946,367          |

<sup>1</sup>155,743 rights were not retained on Daniel's passing, due to a pro-rata of outstanding amounts as per LTI policy.

#### **Other benefits**

Executive KMP does not receive any additional benefits, such as non-cash benefits, other than superannuation and leave entitlements, as part of the terms and conditions of their appointment. Loans are not provided.

#### **Service contracts**

It is the Group's policy that service contracts for KMP are unlimited but can terminate on six months' notice. Noting that the Group retains the right to terminate a KMP contract immediately, by making payment equal to six months' pay in lieu of notice. KMP are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

### **SECTION 6 FY26 NON-EXECUTIVE DIRECTOR REMUNERATION**

Total compensation for all Non-Executive Directors, voted upon by shareholders on 14 November 2023, is not to exceed \$1,200,000 per annum. Directors' base fees for FY26 were \$114,118 per annum. The Board Chair receives the base fee twice. The Deputy Board Chair receives a premium on the base fee. Additional fees are paid where a Director is Chair of a committee.

#### **Committee Chair fees**

|                                     | \$     |
|-------------------------------------|--------|
| People Development and Remuneration | 23,576 |
| Audit and Risk                      | 35,366 |

It is the Company's policy to undertake an annual review of Non-Executive Director fees, taking into consideration internal market benchmarking, movements in the Consumer Price Index (CPI), and the Wage Price Index (WPI). Following this review, the Board approved an increase of 3% to Non-Executive Director fees for FY26, consistent with the annualised CPI increase for the March 2025 quarter. The fee increase became effective on 7 July 2025.

All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter contains Board policies and terms, including remuneration, relevant to the office of director. Non-executive directors do not receive performance-related compensation. Directors' fees cover all main Board activities and membership of committees. Non-executive directors are not provided with retirement benefits apart from statutory superannuation.

# DIRECTOR AND EXECUTIVE REMUNERATION OUTCOMES FOR FY26

Details of the nature and amount of each major element of remuneration of each Director of the Company and other KMP of the consolidated entity are:

| Name                                                                                                                                                       | Short-term     |                |         | Long-term          | Post-employment         | Termination benefits | Share-based payments (share rights) | Total   | Proportion remuneration performance related | Value of rights as proportion of remuneration |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------|--------------------|-------------------------|----------------------|-------------------------------------|---------|---------------------------------------------|-----------------------------------------------|
|                                                                                                                                                            | Salary & fees* | STI cash bonus | Total   | Long service leave | Superannuation benefits |                      |                                     |         |                                             |                                               |
|                                                                                                                                                            | \$             | \$             | \$      | \$                 | \$                      | \$                   | \$                                  | \$      | %                                           | %                                             |
| <b>NON-EXECUTIVE DIRECTORS</b>                                                                                                                             |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| Robert Ian Fyfe                                                                                                                                            |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| 2026                                                                                                                                                       | 228,238        | -              | 228,238 | -                  | -                       | -                    | -                                   | 228,238 | -                                           | -                                             |
| 2025                                                                                                                                                       | 225,189        | -              | 225,189 | -                  | -                       | -                    | -                                   | 225,189 | -                                           | -                                             |
| Claudia Batten                                                                                                                                             |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| 2026                                                                                                                                                       | 149,485        | -              | 149,485 | -                  | -                       | -                    | -                                   | 149,485 | -                                           | -                                             |
| 2025**                                                                                                                                                     | 161,202        | -              | 161,202 | -                  | -                       | -                    | -                                   | 161,202 | -                                           | -                                             |
| Emma Jane Hill                                                                                                                                             |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| 2026                                                                                                                                                       | 137,696        | -              | 137,696 | -                  | -                       | -                    | -                                   | 137,696 | -                                           | -                                             |
| 2025                                                                                                                                                       | 135,856        | -              | 135,856 | -                  | -                       | -                    | -                                   | 135,856 | -                                           | -                                             |
| Sir Richard Michael Hill (until his passing on 29 July 2025)                                                                                               |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| 2026                                                                                                                                                       | 9,067          | -              | 9,067   | -                  | -                       | -                    | -                                   | 9,067   | -                                           | -                                             |
| 2025                                                                                                                                                       | 112,594        | -              | 112,594 | -                  | -                       | -                    | -                                   | 112,594 | -                                           | -                                             |
| Gary Warwick Smith                                                                                                                                         |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| 2026                                                                                                                                                       | 133,469        | -              | 133,469 | -                  | 16,016                  | -                    | -                                   | 149,485 | -                                           | -                                             |
| 2025                                                                                                                                                       | 130,017        | -              | 130,017 | -                  | 15,114                  | -                    | -                                   | 145,131 | -                                           | -                                             |
| David Whittle                                                                                                                                              |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| 2026                                                                                                                                                       | 111,062        | -              | 111,062 | -                  | 3,057                   | -                    | -                                   | 114,119 | -                                           | -                                             |
| 2025                                                                                                                                                       | 99,257         | -              | 99,257  | -                  | 11,538                  | -                    | -                                   | 110,795 | -                                           | -                                             |
| Andrea Slingsby (appointed 14 April 2025 and resigned 29 July 2025 as Alternative Director and and reappointed to Non-Executive Director 8 September 2025) |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| 2026                                                                                                                                                       | 101,331        | -              | 101,331 | -                  | 12,160                  | -                    | -                                   | 113,491 | -                                           | -                                             |
| 2025                                                                                                                                                       | 20,880         | -              | 20,880  | -                  | 2,442                   | -                    | -                                   | 23,322  | -                                           | -                                             |
| <b>TOTAL NON-EXECUTIVE DIRECTOR REMUNERATION</b>                                                                                                           |                |                |         |                    |                         |                      |                                     |         |                                             |                                               |
| 2026                                                                                                                                                       | 870,348        | -              | 870,348 | -                  | 31,233                  | -                    | -                                   | 901,581 | -                                           | -                                             |
| 2025                                                                                                                                                       | 884,995        | -              | 884,995 | -                  | 29,094                  | -                    | -                                   | 914,089 | -                                           | -                                             |

\*Salary and fees include the net leave entitlement accrual, calculated as leave accrued less leave taken

\*\*Includes consulting fees

| Name | Short-term     |                |       | Long-term          | Post-employment         | Termination benefits | Share-based payments (share rights) | Total | Proportion remuneration performance related | Value of rights as proportion of remuneration |
|------|----------------|----------------|-------|--------------------|-------------------------|----------------------|-------------------------------------|-------|---------------------------------------------|-----------------------------------------------|
|      | Salary & fees* | STI cash bonus | Total | Long service leave | Superannuation benefits |                      |                                     |       |                                             |                                               |
|      | \$             | \$             | \$    | \$                 | \$                      | \$                   | \$                                  | \$    | %                                           | %                                             |

#### EXECUTIVE DIRECTOR

Daniel Bracken\*\*, CEO (until his passing on 26 February 2025)

|                             |           |   |           |   |         |   |   |           |   |         |
|-----------------------------|-----------|---|-----------|---|---------|---|---|-----------|---|---------|
| 2026                        | 33,511    | - | 33,511    | - | 924     | - | - | 34,435    | - | -       |
| 2025                        | 737,244   | - | 737,244   | - | 101,906 | - | - | 579,877   | - | -12.95% |
| TOTAL DIRECTOR REMUNERATION |           |   |           |   |         |   |   |           |   |         |
| 2026                        | 903,859   | - | 903,859   | - | 32,157  | - | - | 936,016   | - | -       |
| 2025                        | 1,622,239 | - | 1,622,239 | - | 101,906 | - | - | 1,493,966 | - | -5.03%  |

#### EXECUTIVE KMP

Jonathan Waecker, CEO (commenced 27 August 2025)

|      |         |         |         |        |        |   |        |         |       |       |
|------|---------|---------|---------|--------|--------|---|--------|---------|-------|-------|
| 2026 | 687,337 | 192,606 | 879,943 | 10,923 | 30,000 | - | 15,410 | 936,276 | 20.6% | 1.65% |
| 2025 | -       | -       | -       | -      | -      | - | -      | -       | -     | -     |

Elodie Guillaumond#, CFO (commenced 2 February 2026)

|      |         |        |         |       |        |   |   |         |       |   |
|------|---------|--------|---------|-------|--------|---|---|---------|-------|---|
| 2026 | 233,228 | 97,702 | 330,930 | 3,508 | 26,308 | - | - | 360,746 | 27.1% | - |
| 2025 | -       | -      | -       | -     | -      | - | - | -       | -     | - |

Andrew Lowe, CFO (resigned 17 February 2026)\*\*\*

|      |         |   |         |   |         |        |        |   |        |         |   |        |
|------|---------|---|---------|---|---------|--------|--------|---|--------|---------|---|--------|
| 2026 | 391,704 | - | 391,704 | - | 100,833 | 19,615 | 68,022 | - | 14,797 | 363,711 | - | -4.07% |
| 2025 | 656,217 | - | 656,217 | - | 41,398  | 30,000 | -      | - | 38,251 | 765,866 | - | 4.99%  |

#### TOTAL EXECUTIVE KMP REMUNERATION

|      |           |         |           |   |        |        |        |        |           |       |       |
|------|-----------|---------|-----------|---|--------|--------|--------|--------|-----------|-------|-------|
| 2026 | 1,312,269 | 290,308 | 1,602,577 | - | 86,402 | 75,923 | 68,022 | 613    | 1,660,733 | 17.5% | 0.04% |
| 2025 | 656,217   | -       | 656,217   | - | 41,398 | 30,000 | -      | 38,251 | 765,866   | -     | 4.99% |

#### TOTAL DIRECTOR AND EXECUTIVE KMP REMUNERATION

|      |           |         |           |   |        |         |        |     |           |           |       |        |
|------|-----------|---------|-----------|---|--------|---------|--------|-----|-----------|-----------|-------|--------|
| 2026 | 2,216,128 | 290,308 | 2,506,436 | - | 86,402 | 108,080 | 68,022 | 613 | 2,596,749 | 11.2%     | 0.02% |        |
| 2025 | 2,278,456 | -       | 2,278,456 | - | 60,508 | 78,709  | -      | -   | 36,825    | 2,259,832 | -     | -1.63% |

\*Salary and fees include the net leave entitlement accrual, calculated as leave accrued less leave taken

# CFO Elodie Guillaumond is not eligible for the FY26 LTI share offer.

\*\*Paid to the Estate of Daniel Bracken in September 2025 upon finalisation of probate.

\*\*\* Andrew Lowe was paid a one-off discretionary payment in recognition of past service. Andrew was entitled to retain a pro-rata portion of unvested share rights, as approved by the Board.

# ADDITIONAL STATUTORY INFORMATION

## EQUITY INSTRUMENTS

All options or rights refer to options or rights over ordinary shares of Michael Hill International Limited, which are exercisable on a one-for-one basis under the Company's Equity Incentive Plan (Plan).

## MODIFICATION OF TERMS OF EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The terms of the Plan were approved by shareholders at the Company's 2023 Annual General Meeting held on 14 November 2023. The Plan replaced the Group's previous incentive scheme approved by shareholders to address significant changes to the Corporations Act covering employee share schemes. No changes were otherwise made to the terms of the Plan during the reporting period.

The Plan applies to any rights or shares issued after 14 November 2023 as part of the Company's LTI remuneration strategy.

The terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a KMP) entered into prior to 14 November 2023 have not been altered or modified by the Company during the reporting period or the prior period. Upon exercise of any option previously granted with a NZ\$ exercise price, the exercise price will be converted to AU\$ with reference to the Reserve Bank of Australia foreign exchange rate on that date. The exercise price of any future option grants will be set by using the same method, with reference to the Australian Securities Exchange ('ASX').

## ANALYSIS OF OPTIONS AND RIGHTS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

No options were granted to KMP as compensation for the financial year.

## SHARE RIGHTS

The number of share rights issued to KMP and senior management during FY26 was 2,664,527 share rights. Of these, share rights issued to KMP are set out below. Refer to note D3 of the accompanying financial report for further details.

|                  | Issued during the year | Fair value per share right |
|------------------|------------------------|----------------------------|
|                  | Number                 | \$                         |
| <b>KMP</b>       |                        |                            |
| Jonathan Waecker | 2,664,527              | 0.18                       |

## RECONCILIATION OF OPTIONS AND SHARE RIGHTS HELD BY KMP

No options are held by KMP. The number of rights over ordinary shares held during the financial year by KMP, including the number issued, vested, exercised and forfeited is set out below.

|                                | Balance at start of the year |          |        |           |        |           |               | Balance at end of the year |          |
|--------------------------------|------------------------------|----------|--------|-----------|--------|-----------|---------------|----------------------------|----------|
|                                | Vested and Exercisable       | Unvested | Issued | Forfeited | Vested | Exercised | Other changes | Vested and Exercisable     | Unvested |
| <b>Andrew Lowe<sup>1</sup></b> |                              |          |        |           |        |           |               |                            |          |
| <b>FY20 LTI Plan</b>           |                              |          |        |           |        |           |               |                            |          |
| Tranche three                  | -                            | 12,847   | -      | -         | 12,847 | (12,847)  | -             | -                          | -        |
| <b>FY23 LTI Plan</b>           |                              |          |        |           |        |           |               |                            |          |
| Single Issue                   | -                            | 195,411  | -      | (195,411) | -      | -         | -             | -                          | -        |
| <b>FY24 LTI Plan</b>           |                              |          |        |           |        |           |               |                            |          |
| Single Issue                   | -                            | 241,871  | -      | (43,412)  | -      | -         | (198,459)     | -                          | -        |
| <b>FY25 LTI Plan</b>           |                              |          |        |           |        |           |               |                            |          |
| Single Issue                   | -                            | 452,168  | -      | (222,030) | -      | -         | (230,138)     | -                          | -        |

|                          | Balance at start of the year |                |                  |                  |               |                 |                  | Balance at end of the year |                  |
|--------------------------|------------------------------|----------------|------------------|------------------|---------------|-----------------|------------------|----------------------------|------------------|
|                          | Vested and Exercisable       | Unvested       | Issued           | Forfeited        | Vested        | Exercised       | Other changes    | Vested and Exercisable     | Unvested         |
| <b>Jonathan Waecker*</b> |                              |                |                  |                  |               |                 |                  |                            |                  |
| <b>FY26 LTI Plan</b>     |                              |                |                  |                  |               |                 |                  |                            |                  |
| Single Issue             | -                            | -              | 2,664,527        | -                | -             | -               | -                | -                          | 2,664,527        |
| <b>Total</b>             | <b>-</b>                     | <b>902,297</b> | <b>2,664,527</b> | <b>(460,853)</b> | <b>12,847</b> | <b>(12,847)</b> | <b>(428,597)</b> | <b>-</b>                   | <b>2,664,527</b> |

<sup>1</sup> Ceased as KMP on his resignation on 17 February 2026. Andrew was entitled to retain a pro-rata portion of unvested share rights (FY24 LTI Plan: 198,458, FY25 LTI Plan: 230,138), as approved by the Board.

\*Share rights granted to Jonathan Waecker during the reporting period were approved by shareholders at the Company's 2025 AGM as required by ASX Listing Rule 10.14.

## SHAREHOLDINGS

The number of ordinary shares held during the financial year by KMP is set out below:

|                                         | Balance at start of the year | Received on exercise of rights | Other changes | Balance at end of the year |
|-----------------------------------------|------------------------------|--------------------------------|---------------|----------------------------|
|                                         | Number                       | Number                         | Number        | Number                     |
| <b>NON-EXECUTIVE DIRECTORS</b>          |                              |                                |               |                            |
| Emma Hill                               | 167,487,526                  | -                              | -             | 167,487,526                |
| Sir Richard (Michael) Hill <sup>1</sup> | 148,330,600                  | -                              | (148,330,600) | -                          |
| Gary Smith                              | 102,000                      | -                              | -             | 102,000                    |
| Robert Fyfe                             | 1,953,578                    | -                              | -             | 1,953,578                  |
| David Whittle                           | 70,431                       | -                              | -             | 70,431                     |
| Claudia Batten                          | -                            | -                              | -             | -                          |
| Andrea Slingsby                         | -                            | -                              | -             | -                          |
| <b>NON-DIRECTOR</b>                     |                              |                                |               |                            |
| Andrew Lowe <sup>2</sup>                | 818,377                      | 12,847                         | (831,224)     | -                          |
| Jonathan Waecker                        | -                            | -                              | -             | -                          |
| Elodie Guillaumond                      | -                            | -                              | -             | -                          |

\*Includes common shareholding.

<sup>1</sup> Ceased as KMP on his passing on 29 July 2025.

<sup>2</sup> Ceased as KMP on his resignation on 17 February 2026.

## VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

The Company received 98.37% of "For" votes on its remuneration report for FY25. The Company did not otherwise receive any specific feedback at the AGM or throughout the year on its remuneration practices.

*End of remuneration report.*

## INSURANCE OF OFFICERS AND INDEMNITIES

The Company's Constitution provides that it may indemnify any person who is, or has been, an officer of the Group, including the directors, the Secretaries and other officers, against liabilities incurred whilst acting as such officers to the extent permitted by law. The Company has entered into a Deed of Indemnity, Insurance and Access with each of the Company's directors, Company Secretaries and certain other officers. No director or officer of the Company has received benefits under an indemnity from the Company during or since the end of the year.

The Company has paid a premium for insurance for officers of the Group. This insurance is against a liability for costs and expenses incurred by officers in defending civil or criminal proceedings involving them as such officers, with some exceptions. The contract of insurance prohibits disclosure of the nature of the liability insured against and the amount of the premium paid.

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

## NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, Ernst & Young (Australia).

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is included in this report.

## ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made on 28 August 2026 in accordance with a resolution of directors as required by section 298 of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Rob Fyfe', with a stylized flourish at the end.

R I Fyfe

Chair

Brisbane

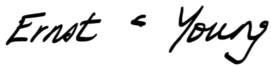
28 August 2026

## **Auditor's independence declaration to the directors of Michael Hill International Limited**

As lead auditor for the audit of the financial report of Michael Hill International Limited and for the review of the selective sustainability information in the sustainability report for the financial year ended 28 June 2026, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of *the Corporations Act 2001* in relation to the audit and review;
- b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

This declaration is in respect of Michael Hill International Limited and the entities it controlled during the financial year.



Ernst & Young



Rebecca Burrows  
Partner  
28 August 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|                                                                   | NOTES | 2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------------------------------------|-------|----------------|----------------|
| Revenue from contracts with customers                             | A2    | 655,679        | 643,655        |
| Other income                                                      |       | 3,130          | 1,901          |
| Cost of goods sold                                                |       | (259,338)      | (254,217)      |
| Employee benefits expense                                         | D1    | (183,163)      | (179,707)      |
| Occupancy costs                                                   |       | (16,111)       | (15,055)       |
| Marketing expenses                                                |       | (35,991)       | (37,455)       |
| Selling expenses                                                  |       | (25,333)       | (24,796)       |
| Impairment of property, plant and equipment and other assets      |       | (2,347)        | (2,841)        |
| Impairment of intangible assets                                   | F5    | -              | (7,400)        |
| Depreciation and amortisation expense                             | F1    | (63,006)       | (65,536)       |
| Loss on disposal of property, plant and equipment and intangibles |       | (3,642)        | (518)          |
| Administrative expenses                                           |       | (17,728)       | (18,596)       |
| Other expenses                                                    |       | (20,753)       | (20,335)       |
| Finance expenses                                                  | F1    | (13,705)       | (16,907)       |
| <b>Profit before income tax</b>                                   |       | <b>17,692</b>  | <b>2,193</b>   |
| Income tax expense                                                | F8    | (7,697)        | (94)           |
| <b>Profit for the year</b>                                        |       | <b>9,995</b>   | <b>2,099</b>   |

|                                                                    | NOTES | 2026<br>\$'000 | 2025<br>\$'000 |
|--------------------------------------------------------------------|-------|----------------|----------------|
| <b>Other comprehensive income</b>                                  |       |                |                |
| Item that may be reclassified subsequently to profit or loss:      |       |                |                |
| Currency translation differences arising during the year           |       | (7,353)        | 1,301          |
| Other comprehensive income for the year, net of tax                |       | (7,353)        | 1,301          |
| <b>Total comprehensive income for the year</b>                     |       | <b>2,642</b>   | <b>3,400</b>   |
| <b>Total comprehensive income for the year is attributable to:</b> |       |                |                |
| Owners of Michael Hill International Limited                       |       | <b>2,642</b>   | <b>3,400</b>   |

| Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company: | NOTES | 2026<br>cents | 2025<br>cents |
|--------------------------------------------------------------------------------------------------|-------|---------------|---------------|
| Basic earnings per share                                                                         | F2    | 2.60          | 0.55          |
| Diluted earnings per share                                                                       | F2    | 2.52          | 0.53          |

*The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|                                      | NOTES | 2026<br>\$'000 | 2025<br>\$'000 |
|--------------------------------------|-------|----------------|----------------|
| <b>ASSETS</b>                        |       |                |                |
| <b>Current assets</b>                |       |                |                |
| Cash and cash equivalents            | B1    | 14,461         | 10,248         |
| Trade and other receivables          | F3    | 14,669         | 14,653         |
| Inventories                          | A3    | 189,742        | 199,099        |
| Current tax receivables              |       | 2,014          | 7,419          |
| Contract assets                      | A2    | 436            | 438            |
| Other current assets                 |       | 6,981          | 6,217          |
| <b>Total current assets</b>          |       | <b>228,303</b> | <b>238,074</b> |
| <b>Non-current assets</b>            |       |                |                |
| Trade and other receivables          | F3    | 1,471          | 1,232          |
| Right-of-use assets                  | A4    | 109,800        | 121,470        |
| Property, plant and equipment        | F4    | 50,995         | 52,938         |
| Intangible assets                    | F5    | 41,262         | 47,463         |
| Deferred tax assets                  | F8    | 53,149         | 56,911         |
| Contract assets                      | A2    | 61             | 123            |
| Other non-current assets             |       | 190            | 184            |
| <b>Total non-current assets</b>      |       | <b>256,928</b> | <b>280,321</b> |
| <b>Total assets</b>                  |       | <b>485,231</b> | <b>518,395</b> |
| <b>LIABILITIES</b>                   |       |                |                |
| <b>Current liabilities</b>           |       |                |                |
| Trade and other payables             | F6    | 81,497         | 68,685         |
| Lease liabilities                    | A4    | 35,901         | 38,784         |
| Contract liabilities                 | A2    | 14,980         | 16,785         |
| Provisions                           | F7    | 10,127         | 10,215         |
| Current tax liabilities              |       | 172            | 827            |
| Deferred revenue                     |       | 322            | 270            |
| <b>Total current liabilities</b>     |       | <b>142,999</b> | <b>135,566</b> |
| <b>Non-current liabilities</b>       |       |                |                |
| Lease liabilities                    | A4    | 90,568         | 102,601        |
| Contract liabilities                 | A2    | 49,150         | 49,984         |
| Borrowings                           | B2    | 20,000         | 52,100         |
| Provisions                           | F7    | 9,398          | 7,525          |
| <b>Total non-current liabilities</b> |       | <b>169,116</b> | <b>212,210</b> |
| <b>Total liabilities</b>             |       | <b>312,115</b> | <b>347,776</b> |
| <b>Net assets</b>                    |       | <b>173,116</b> | <b>170,619</b> |
| <b>EQUITY</b>                        |       |                |                |
| Contributed equity                   | F10   | 12,858         | 12,850         |
| Reserves                             |       | (6,056)        | 1,450          |
| Retained profits                     |       | 166,314        | 156,319        |
| <b>Total equity</b>                  |       | <b>173,116</b> | <b>170,619</b> |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                                                 | NOTES | CONTRIBUTED<br>EQUITY | SHARE BASED<br>PAYMENTS<br>RESERVE | FOREIGN<br>CURRENCY<br>TRANSLATION<br>RESERVE | RETAINED<br>PROFITS | TOTAL<br>EQUITY |
|-----------------------------------------------------------------|-------|-----------------------|------------------------------------|-----------------------------------------------|---------------------|-----------------|
| Attributable to owners of<br>Michael Hill International Limited |       | \$'000                | \$'000                             | \$'000                                        | \$'000              | \$'000          |
| Balance at 30 June 2024                                         |       | 12,763                | 1,078                              | (1,180)                                       | 154,220             | 166,881         |
| Profit for the year                                             |       | -                     | -                                  | -                                             | 2,099               | 2,099           |
| Currency translation differences                                |       | -                     | -                                  | 1,301                                         | -                   | 1,301           |
| Total comprehensive income/(loss) for the year                  |       | -                     | -                                  | 1,301                                         | 2,099               | 3,400           |
| Transactions with members in their capacity as owners:          |       |                       |                                    |                                               |                     |                 |
| Issue of share capital on exercise of share rights              | F10   | 87                    | (87)                               | -                                             | -                   | -               |
| Share-based payments expense                                    | D1    | -                     | 338                                | -                                             | -                   | 338             |
|                                                                 |       | 87                    | 251                                | -                                             | -                   | 338             |
| Balance at 29 June 2025                                         |       | 12,850                | 1,329                              | 121                                           | 156,319             | 170,619         |
| Profit for the year                                             |       | -                     | -                                  | -                                             | 9,995               | 9,995           |
| Currency translation differences                                |       | -                     | -                                  | (7,353)                                       | -                   | (7,353)         |
| Total comprehensive income/(loss) for the year                  |       | -                     | -                                  | (7,353)                                       | 9,995               | 2,642           |
| Transactions with members in their capacity as owners:          |       |                       |                                    |                                               |                     |                 |
| Issue of share capital on exercise of share rights              | F10   | 8                     | (8)                                | -                                             | -                   | -               |
| Share-based payments expense                                    | D1    | -                     | (145)                              | -                                             | -                   | (145)           |
|                                                                 |       | 8                     | (153)                              | -                                             | -                   | (145)           |
| Balance at 28 June 2026                                         |       | 12,858                | 1,176                              | (7,232)                                       | 166,314             | 173,116         |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

|                                                                        | NOTES     | 2026<br>\$'000  | 2025<br>\$'000  |
|------------------------------------------------------------------------|-----------|-----------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |           |                 |                 |
| Receipts from customers (inclusive of GST and sales taxes)             |           | 741,243         | 726,427         |
| Payments to suppliers and employees (inclusive of GST and sales taxes) |           | (588,862)       | (603,363)       |
|                                                                        |           | <b>152,381</b>  | <b>123,064</b>  |
| Interest received                                                      |           | 296             | 243             |
| Other revenue received                                                 |           | 177             | 647             |
| Interest paid                                                          |           | (3,584)         | (5,247)         |
| Leasing interest paid                                                  |           | (9,726)         | (11,167)        |
| Income tax received/(paid)                                             |           | 324             | (11,699)        |
| Net GST and sales taxes paid                                           |           | (40,743)        | (40,770)        |
| <b>Net cash inflow from operating activities</b>                       | <b>B1</b> | <b>99,125</b>   | <b>55,071</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |           |                 |                 |
| Payments for property, plant and equipment                             |           | (12,853)        | (8,787)         |
| Payments for intangible assets                                         |           | (1,328)         | (1,343)         |
| <b>Net cash (outflow) from investing activities</b>                    |           | <b>(14,181)</b> | <b>(10,130)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |           |                 |                 |
| Proceeds from borrowings                                               |           | 100,500         | 69,400          |
| Repayment of borrowings                                                |           | (132,600)       | (76,200)        |
| Principal portion of lease payments                                    |           | (47,965)        | (48,067)        |
| <b>Net cash (outflow) from financing activities</b>                    |           | <b>(80,065)</b> | <b>(54,867)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>            |           | <b>4,879</b>    | <b>(9,926)</b>  |
| Cash and cash equivalents at the beginning of the financial year       |           | 10,248          | 20,174          |
| Effects of exchange rate changes on cash and cash equivalents          |           | (666)           | -               |
| <b>Cash and cash equivalents at the end of the financial year</b>      | <b>B1</b> | <b>14,461</b>   | <b>10,248</b>   |

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

|          |                                  |           |          |                                                                                |           |
|----------|----------------------------------|-----------|----------|--------------------------------------------------------------------------------|-----------|
|          | <b>CORPORATE INFORMATION</b>     | <b>30</b> | <b>F</b> | <b>OTHER INFORMATION</b>                                                       | <b>44</b> |
|          |                                  |           | F1       | Expenses                                                                       | 44        |
| <b>A</b> | <b>FINANCIAL OVERVIEW</b>        | <b>30</b> | F2       | Earnings per share                                                             | 44        |
| A1       | Segment information              | 30        | F3       | Trade and other receivables                                                    | 45        |
| A2       | Revenue                          | 32        | F4       | Property, plant and equipment                                                  | 46        |
| A3       | Inventories                      | 33        | F5       | Intangible assets                                                              | 47        |
| A4       | Leases                           | 33        | F6       | Trade and other payables                                                       | 49        |
|          |                                  |           | F7       | Provisions                                                                     | 49        |
| <b>B</b> | <b>CASH MANAGEMENT</b>           | <b>35</b> | F8       | Tax                                                                            | 50        |
| B1       | Cash and cash equivalents        | 35        | F9       | Auditors' remuneration                                                         | 51        |
| B2       | Borrowings                       | 35        | F10      | Contributed equity                                                             | 51        |
| B3       | Dividends                        | 36        | F11      | Reserves                                                                       | 52        |
| <b>C</b> | <b>FINANCIAL RISK MANAGEMENT</b> | <b>37</b> | <b>G</b> | <b>GROUP STRUCTURE</b>                                                         | <b>53</b> |
| C1       | Financial risk management        | 37        | G1       | Interests in other entities                                                    | 53        |
| C2       | Derivative financial instruments | 39        | G2       | Deed of cross guarantee                                                        | 53        |
| C3       | Capital management               | 40        | G3       | Parent entity financial information                                            | 56        |
| <b>D</b> | <b>REWARD AND RECOGNITION</b>    | <b>41</b> | <b>H</b> | <b>UNRECOGNISED ITEMS</b>                                                      | <b>57</b> |
| D1       | Employee benefits                | 41        | H1       | Contingencies and commitments                                                  | 57        |
| D2       | Key management personnel         | 41        | H2       | Events occurring after the end of the reporting period                         | 57        |
| D3       | Share-based payments             | 41        |          |                                                                                |           |
| <b>E</b> | <b>RELATED PARTIES</b>           | <b>43</b> | <b>I</b> | <b>SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES AND JUDGEMENTS</b> | <b>58</b> |
|          |                                  |           | I1       | Summary of material accounting policy information                              | 58        |
|          |                                  |           | I2       | Significant estimates and judgements                                           | 65        |

# NOTES TO THE FINANCIAL STATEMENTS

## CORPORATE INFORMATION

The consolidated financial statements of Michael Hill International Limited and its subsidiaries (collectively, the Group) for the 52 weeks ended 28 June 2026 were authorised for issue in accordance with a resolution of the directors on 28 August 2026. Michael Hill International Limited (the Company or Parent) is a for profit company limited by shares incorporated in Australia. The Company is listed on the Australian Securities Exchange ('ASX') as its primary listing, and maintains a secondary listing on the New Zealand Stock Exchange ('NZX').

## A FINANCIAL OVERVIEW

|    |                     |
|----|---------------------|
| A1 | Segment information |
| A2 | Revenue             |
| A3 | Inventories         |
| A4 | Leases              |

## A1 SEGMENT INFORMATION

Management have determined the operating segments based on the reports reviewed by the Board and Executive Management team (Chief Operating Decision Makers (CODM)) that are used to make strategic decisions. The Board and Executive Management team consider, organise and manage the business primarily from a geographic perspective, being the country of origin where the sale and service was performed.

The amounts provided to the Board and Executive Management team in respect of total assets and liabilities are measured in a manner consistent with the financial statements. These reports do not allocate total assets or total liabilities based on the operations of each segment or by geographical location.

The Group's operations are in three geographical segments: Australia, Canada and New Zealand.

The Corporate segment includes revenue and expenses that do not relate directly to the relevant Michael Hill Group retail segments. These predominately relate to refining income, head office staff sales, corporate costs and Australian based support costs, but also include manufacturing activities, warehouse and distribution, interest and company tax. Inter-segment pricing is at arm's length or market value and inter-segment revenue is eliminated on consolidation.

## TYPES OF PRODUCTS AND SERVICES

Michael Hill International Limited and its controlled entities operate predominately in the sale of jewellery and related services.

## MAJOR CUSTOMERS

Michael Hill International Limited and its controlled entities sell goods and provide services to a number of customers from which revenue is derived. There is no single customer from which the Group derives more than 10% of total consolidated revenue.

## SEGMENT RESULTS

The CODM assesses the performance of the Group's operating segments based on Comparable EBIT.

|                                 | Reportable Segments |               |               | Corporate       | Group         |
|---------------------------------|---------------------|---------------|---------------|-----------------|---------------|
|                                 | Australia           | Canada        | New Zealand   |                 |               |
|                                 | \$'000              | \$'000        | \$'000        | \$'000          | \$'000        |
| <b>Year ended 28 June 2026</b>  |                     |               |               |                 |               |
| Revenue from external customers | 371,787             | 186,337       | 97,125        | 430             | 655,679       |
| Gross Profit                    | 225,826             | 112,523       | 56,389        | 2,240           | 396,978       |
| Operating expenses              | (176,563)           | (82,113)      | (41,002)      | (47,066)        | (346,744)     |
| Depreciation and amortisation   | (12,993)            | (6,848)       | (3,220)       | (3,130)         | (26,191)      |
| <b>Comparable EBIT</b>          | <b>36,270</b>       | <b>23,562</b> | <b>12,167</b> | <b>(47,956)</b> | <b>24,043</b> |

### Adjusted for:

|                                                            |               |
|------------------------------------------------------------|---------------|
| Employee restructure costs                                 | (575)         |
| Transition costs                                           | (1,088)       |
| Strategic review & simplification                          | (6,128)       |
| Litigation judgement                                       | 313           |
| Impact of IFRIC SaaS guidance                              | 2,488         |
| Impact of AASB 16 Leases                                   | 2,322         |
| Interest income                                            | 296           |
| Finance expenses (excluding interest on lease liabilities) | (3,979)       |
| <b>Group net profit before tax</b>                         | <b>17,692</b> |

### Year ended 29 June 2025\*

|                                 |               |               |               |                 |               |
|---------------------------------|---------------|---------------|---------------|-----------------|---------------|
| Revenue from external customers | 362,646       | 179,798       | 99,429        | 1,782           | 643,655       |
| Gross Profit                    | 215,446       | 108,034       | 57,954        | 8,004           | 389,438       |
| Operating expenses              | (175,072)     | (80,064)      | (41,748)      | (50,161)        | (347,045)     |
| Depreciation and amortisation   | (13,387)      | (7,102)       | (3,710)       | (2,849)         | (27,048)      |
| <b>Comparable EBIT</b>          | <b>26,987</b> | <b>20,868</b> | <b>12,496</b> | <b>(45,006)</b> | <b>15,345</b> |

### Adjusted for:

|                                                            |              |
|------------------------------------------------------------|--------------|
| Employee restructure costs                                 | (1,157)      |
| Transition costs                                           | (436)        |
| Bevilles integration costs                                 | (1,029)      |
| Bevilles brand impairment                                  | (7,400)      |
| Litigation judgement                                       | 3,031        |
| Impact of IFRIC SaaS guidance                              | (929)        |
| Impact of AASB 16 Leases                                   | 264          |
| Interest income                                            | 243          |
| Finance expenses (excluding interest on lease liabilities) | (5,739)      |
| <b>Group net profit before tax</b>                         | <b>2,193</b> |

\* The measures disclosed in the prior year have been re-presented in the table above on a consistent basis with the current period.

## A2 REVENUE

|                                                                   | 2026           | 2025           |
|-------------------------------------------------------------------|----------------|----------------|
|                                                                   | \$'000         | \$'000         |
| Revenue from sale of goods and repair services                    | 626,561        | 609,597        |
| Revenue from Professional Care Plans (PCP)                        | 27,144         | 32,030         |
| Interest and other revenue from in-house customer finance program | 644            | 590            |
| Revenue from Lifetime Diamond Warranty (LTDW)                     | 1,330          | 1,438          |
| <b>Total revenue from contracts with customers</b>                | <b>655,679</b> | <b>643,655</b> |

### DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions:

| 2026                          | Australia      | Canada         | New Zealand   | Corporate & other | Total          |
|-------------------------------|----------------|----------------|---------------|-------------------|----------------|
| Timing of revenue recognition | \$'000         | \$'000         | \$'000        | \$'000            | \$'000         |
| At a point in time            | 355,896        | 177,484        | 92,752        | 429               | 626,561        |
| Over time                     | 15,891         | 8,853          | 4,373         | 1                 | 29,118         |
|                               | <b>371,787</b> | <b>186,337</b> | <b>97,125</b> | <b>430</b>        | <b>655,679</b> |

| 2025                          | Australia      | Canada         | New Zealand   | Corporate & other | Total          |
|-------------------------------|----------------|----------------|---------------|-------------------|----------------|
| Timing of revenue recognition | \$'000         | \$'000         | \$'000        | \$'000            | \$'000         |
| At a point in time            | 344,392        | 169,631        | 93,793        | 1,780             | 609,596        |
| Over time                     | 18,254         | 10,167         | 5,636         | 2                 | 34,059         |
|                               | <b>362,646</b> | <b>179,798</b> | <b>99,429</b> | <b>1,782</b>      | <b>643,655</b> |

### ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

|                              | 2026       | 2025       |
|------------------------------|------------|------------|
|                              | \$'000     | \$'000     |
| Right of return assets       | 379        | 347        |
| Deferred PCP bonuses         | 118        | 214        |
| <b>Total contract assets</b> | <b>497</b> | <b>561</b> |

|                                                      |               |               |
|------------------------------------------------------|---------------|---------------|
| Deferred service revenue - PCP                       | 57,301        | 60,146        |
| Deferred service revenue - Lifetime Diamond Warranty | 6,127         | 5,968         |
| Rights of return liabilities                         | 702           | 655           |
| <b>Total contract liabilities</b>                    | <b>64,130</b> | <b>66,769</b> |

### REVENUE RECOGNISED IN RELATION TO CONTRACT LIABILITIES

The following table shows how much of the revenue recognised in the current reporting year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied or partially satisfied in a prior year:

|                                                                                                     | 2026    | 2025   |
|-----------------------------------------------------------------------------------------------------|---------|--------|
|                                                                                                     | \$'000  | \$'000 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | 21,575  | 22,404 |
| Impact on revenue recognised relating to performance obligations satisfied in previous years        | (1,345) | 2,676  |

Revenue recognition patterns are regularly reassessed based on new and historical trends resulting in remeasurement of revenue recognised in previous years.

## ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

### (i) Sale of goods

Sales of goods are recognised when a Group entity delivers a product to the customer. Retail sales are usually by cash, payment and instalment plans or debit and credit cards. The recorded revenue is the gross amount of sale (excluding taxes), including any fees payable for the transaction and net amounts deferred under AASB15 *Revenue from Contracts with Customers* such as significant financing components and potential customer returns.

### (ii) Repair services

Sales of services for repair work performed is recognised in the accounting period in which the services are performed.

### (iii) Deferred service revenue and expenses

The Group offers a PCP product which is considered deferred revenue until such time that service has been provided. A PCP is a plan under which the Group offers future services, such as cleaning, repairs and resizing, to customers based on the type of plan purchased. The Group subsequently recognises the income in revenue in the Consolidated Statement of Profit or Loss and Other Comprehensive Income once these services are performed. An estimate based on the timing and quantum of expected services under the plans is used as a basis to establish the amount of service revenue to recognise in the Consolidated Statement of Profit or Loss and Comprehensive Income.

### (iv) Lifetime Diamond Warranty

LTDW is a warranty provided to customers with the purchase of jewellery items set with a diamond (excluding watches). This has been deemed a service-type warranty and is calculated with reference to the estimated value of service provided to customers and the stand-alone value of customers obtaining the service independently. Income in relation to the LTDW is recognised in line with the estimated pattern of customers utilising this service-type warranty.

## A3 INVENTORIES

|                                 | 2026           | 2025           |
|---------------------------------|----------------|----------------|
|                                 | \$'000         | \$'000         |
| Raw materials                   | 5,243          | 5,839          |
| Finished goods                  | 179,002        | 186,775        |
| Packaging and other consumables | 5,497          | 6,485          |
|                                 | <b>189,742</b> | <b>199,099</b> |

Finished goods are held at the lower of cost and net realisable value (NRV). During the year, finished goods have been reduced by \$1,382,000 (2025: \$474,000) as a result of the write-down to NRV. This is recognised in cost of goods sold in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. During the year, packaging and other consumables have been reduced by \$1,275,000 (2025: \$553,000) to reflect obsolescence. This is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in impairment of other assets.

## A4 LEASES

|                                                                                |  | 2026      | 2025      |
|--------------------------------------------------------------------------------|--|-----------|-----------|
|                                                                                |  | \$'000    | \$'000    |
| RIGHT-OF-USE ASSETS                                                            |  |           |           |
| Right-of-use assets                                                            |  | 400,573   | 374,163   |
| Less: Accumulated depreciation                                                 |  | (290,773) | (252,693) |
|                                                                                |  | 109,800   | 121,470   |
|                                                                                |  |           |           |
|                                                                                |  | NOTES     |           |
| RECONCILIATION OF RIGHT-OF-USE ASSETS                                          |  | 2026      | 2025      |
|                                                                                |  | \$'000    | \$'000    |
| Opening carrying value                                                         |  | 121,470   | 133,988   |
| Additional right-of-use assets relating to leases entered into during the year |  | 29,379    | 28,386    |
| Lease modifications agreed during the year                                     |  | 9,034     | 6,458     |
| Depreciation expense                                                           |  | F1        | (46,317)  |
| Foreign currency translation                                                   |  | (3,766)   | 626       |
| Closing carrying value                                                         |  | 109,800   | 121,470   |
|                                                                                |  |           |           |
|                                                                                |  | 2026      | 2025      |
| LEASE LIABILITIES                                                              |  | \$'000    | \$'000    |
| Current                                                                        |  | 35,901    | 38,784    |
| Non-current                                                                    |  | 90,568    | 102,601   |
|                                                                                |  | 126,469   | 141,385   |

|                                                           | NOTES | 2026     | 2025     |
|-----------------------------------------------------------|-------|----------|----------|
| RECONCILIATION OF LEASE LIABILITIES                       |       | \$'000   | \$'000   |
| Opening carrying value                                    |       | 141,385  | 154,581  |
| Additional lease liabilities entered into during the year |       | 29,503   | 28,749   |
| Lease modifications agreed during the year                |       | 7,665    | 5,508    |
| Interest expense                                          | F1    | 9,726    | 11,167   |
| Lease repayments                                          |       | (57,815) | (59,234) |
| Foreign currency translation                              |       | (3,995)  | 614      |
| Closing carrying value                                    |       | 126,469  | 141,385  |

The incremental borrowing rate used in determining the lease liability ranged between 3.04% and 9.59% (2025: 2.52% and 10.06%).

## ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENTS

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

### *Group as a lessee*

The Group leases property, as well as machinery and office equipment. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets which are recognised in the profit or loss. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 11(F).

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### *Lease liabilities*

At commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payment (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (refer to note 11).

### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of property, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

The expense related to short-term property leases was \$4,084,000 in the current year (2025: \$3,057,000).

## B CASH MANAGEMENT

|    |                           |
|----|---------------------------|
| B1 | Cash and cash equivalents |
| B2 | Borrowings                |
| B3 | Dividends                 |

## B1 CASH AND CASH EQUIVALENTS

|                                                                                               |              | 2026          | 2025          |
|-----------------------------------------------------------------------------------------------|--------------|---------------|---------------|
|                                                                                               |              | \$'000        | \$'000        |
| Cash at bank and on hand                                                                      |              | 14,461        | 10,248        |
| <b>RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> | <b>NOTES</b> | <b>2026</b>   | <b>2025</b>   |
|                                                                                               |              | \$'000        | \$'000        |
| Profit/(loss) for the year                                                                    |              | 9,995         | 2,099         |
| Adjustment for:                                                                               |              |               |               |
| Depreciation of property, plant and equipment                                                 | F4           | 12,907        | 13,363        |
| Depreciation of right-of-use assets                                                           | A4           | 46,317        | 47,988        |
| Amortisation of intangible assets                                                             | F5           | 4,096         | 4,185         |
| Impairment of property, plant and equipment and other assets                                  |              | 2,347         | 2,066         |
| Impairment of other intangible assets                                                         | F5           | -             | (97)          |
| Impairment of Bevilles brand intangibles assets                                               | F5           | -             | 7,400         |
| Non-cash employee benefits expense - share-based payments                                     | D3           | (145)         | 338           |
| Make good interest                                                                            |              | 392           | 149           |
| Net loss on disposal of non-current assets                                                    |              | 3,642         | 518           |
| Gain on lease modification                                                                    |              | (1,369)       | -             |
| Net exchange differences                                                                      |              | (4,283)       | (2,065)       |
| Change in operating assets and liabilities                                                    |              |               |               |
| (Increase)/decrease in trade and other receivables                                            |              | (334)         | 8             |
| (Increase)/decrease in inventories                                                            |              | 8,494         | (3,274)       |
| (Increase)/decrease in deferred tax assets                                                    |              | 3,762         | (4,405)       |
| (Increase)/decrease in other non-current assets                                               |              | 53            | 343           |
| (Increase)/decrease in other current assets                                                   |              | (727)         | 1,867         |
| Decrease in current tax receivable/(decrease) in current tax liability                        |              | 4,750         | (6,700)       |
| (Decrease)/increase in trade and other payables                                               |              | 12,622        | 2,445         |
| (Decrease)/increase in provisions                                                             |              | (708)         | (5,612)       |
| (Decrease)/increase in contract liabilities                                                   |              | (2,686)       | (5,545)       |
| <b>Net cash inflow from operating activities</b>                                              |              | <b>99,125</b> | <b>55,071</b> |

## B2 BORROWINGS

|                                 | 2026     |               |               | 2025     |               |               |
|---------------------------------|----------|---------------|---------------|----------|---------------|---------------|
|                                 | Current  | Non-current   | Total         | Current  | Non-current   | Total         |
|                                 | \$'000   | \$'000        | \$'000        | \$'000   | \$'000        | \$'000        |
| Bank loans                      | -        | 20,000        | 20,000        | -        | 52,100        | 52,100        |
| <b>Total secured borrowings</b> | <b>-</b> | <b>20,000</b> | <b>20,000</b> | <b>-</b> | <b>52,100</b> | <b>52,100</b> |

In December 2025, the Company refinanced its debt facility for an additional availability period of two years, maturing on 31 August 2028. This facility is funded by ANZ Banking Group and Commonwealth Bank of Australia. The financial arrangement is a \$90m core working capital facility that temporarily increases to \$110m each year from 15 September to 14 January, in line with the prior financial year. The CBA facility agreement includes a \$3m contingent liability facility. Each subsidiary of the Group guarantees the Company's obligations under the facility.

The facility also contains terms that are typical for a transaction of this nature including conditions for repayment, financial covenants, guarantee provisions, representations and warranties made by the borrowers, information undertakings, cancellation and termination of the facility and events of default. Refer Note C3 Capital Management.

**B3 DIVIDENDS**

|                                                                                                                           | 2026   | 2025   |
|---------------------------------------------------------------------------------------------------------------------------|--------|--------|
|                                                                                                                           | \$'000 | \$'000 |
| <b>Ordinary shares</b>                                                                                                    |        |        |
| No final dividend was declared for the year ended 29 June 2025 (2024: no final dividend declared)                         | -      | -      |
| No interim dividend was declared for the year ended 28 June 2026 (2025: no interim dividend declared)                     | -      | -      |
|                                                                                                                           | 2026   | 2025   |
|                                                                                                                           | \$'000 | \$'000 |
| <b>Dividends not recognised at the end of the reporting period</b>                                                        |        |        |
| Since year-end, the Directors have recommended a 2.0 cents (2025: nil) per fully paid share final dividend.               | 7,697  | -      |
|                                                                                                                           | 2026   | 2025   |
|                                                                                                                           | \$'000 | \$'000 |
| <b>Franking and imputation credits</b>                                                                                    |        |        |
| Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2025: 30.0%)                    | 9,194  | 16,613 |
| Imputation credits (NZ\$) available for subsequent reporting periods based on New Zealand tax rate of 28.0% (2025: 28.0%) | 6,483  | 4,597  |

The franking credit amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the payment and refund of income tax payable.

The above imputation credit amounts represent the balance of the imputation account as at the end of the financial year, adjusted for imputation credits that will arise from the payment and refund of income tax payable.

The dividend recommended by the Directors since year-end, but not recognised as a liability at year-end, will be partially franked and partially imputed. The impact of this is estimated to be a reduction in the franking credit account of \$1.6m (2025: Nil) and a reduction in the imputation credit of NZ\$1.5m (2025: Nil).

## C FINANCIAL RISK MANAGEMENT

|    |                                  |
|----|----------------------------------|
| C1 | Financial risk management        |
| C2 | Derivative financial instruments |
| C3 | Capital management               |

### C1 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a range of financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's risk management framework is designed to manage financial market volatility and minimise potential adverse effects on the Group's financial performance.

The Group manages its financial risks in accordance with its Treasury Policy. Any derivatives are used exclusively for risk management purposes and not for trading or speculative purposes.

| Risk               | Exposure arising from                                                                                | Measurement                                    | Management may include:                                               |
|--------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------|
| Market risk        |                                                                                                      |                                                |                                                                       |
| - foreign exchange | Future commercial transactions<br>Recognised financial assets and liabilities not denominated in AUD | Cash flow forecasting and sensitivity analysis | Forward exchange contracts (FEC)                                      |
| - interest rate    | Long-term borrowings at variable rates                                                               | Sensitivity analysis                           | Interest rate swaps                                                   |
| Credit risk        | Cash and cash equivalents and trade receivables                                                      | Ageing analysis                                | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk     | Borrowings and other liabilities                                                                     | Rolling cash flow forecasts                    | Availability of committed credit lines and borrowing facilities       |

The Group's overall risk management program includes a focus on financial risk including the unpredictability of financial markets and foreign exchange risk.

The policies are overseen by the Board and executed by management who undertake regular reviews to enable prompt identification of financial risks so that appropriate actions may be taken.

### FOREIGN EXCHANGE RISK

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, including the purchase of inventory. Where it is considered appropriate, the Group enters into forward foreign exchange contracts to buy specified amounts of various foreign currencies in the future at a pre-determined exchange rate.

The Group currently does not use derivative financial instruments to hedge its exposures to foreign currency risk arising from intercompany loans. Exchange rates and the carrying amounts of the loan are monitored to assess the ongoing impact on the Group's financial performance.

#### Exposure

The Group's exposure to foreign currency risk at the end of the reporting year, expressed in the presentation currency, was as follows:

|                               | 2026     |         |        |         |        | 2025     |         |        |         |         |
|-------------------------------|----------|---------|--------|---------|--------|----------|---------|--------|---------|---------|
|                               | USD      | NZD     | CAD    | EUR     | SGD    | USD      | NZD     | CAD    | EUR     | THB     |
|                               | \$'000   | \$'000  | \$'000 | \$'000  | \$'000 | \$'000   | \$'000  | \$'000 | \$'000  | \$'000  |
| Cash and cash equivalents     | 385      | -       | 5      | 1       | -      | 26       | 5       | 10     | 27      | -       |
| Trade receivables             | 87       | 24      | 13     | -       | -      | 117      | 4       | 30     | 6       | -       |
| Trade payables                | (17,273) | (1,888) | -      | (1,497) | (256)  | (11,495) | (1,455) | (139)  | (1,194) | (6,522) |
| Forward exchange contracts:   |          |         |        |         |        |          |         |        |         |         |
| Buy foreign currency          | 12,090   | -       | -      | 2,260   | -      | 6,000    | -       | -      | -       | -       |
| Net foreign currency exposure | (4,711)  | (1,864) | 18     | 764     | (256)  | (5,352)  | (1,446) | (99)   | (1,161) | (6,522) |

### Sensitivity

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to foreign currency risk. The foreign exchange sensitivities are based on the Group's exposure existing at balance date. Sensitivity figures are pre-tax.

|                                            | Impact on pre-tax profit |         | Impact on other components of equity |         |
|--------------------------------------------|--------------------------|---------|--------------------------------------|---------|
|                                            | 2026                     | 2025    | 2026                                 | 2025    |
|                                            | \$'000                   | \$'000  | \$'000                               | \$'000  |
| <b>Foreign exchange rate sensitivities</b> |                          |         |                                      |         |
| AUD increases 10%                          | 667                      | 1,064   | -                                    | 2,561   |
| AUD decreases 10%                          | (815)                    | (1,300) | -                                    | (3,130) |

### INTEREST RATE RISK

The Group is exposed to interest rate risk principally through cash balances and variable-rate borrowings. Variable-rate borrowings expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. 100% (2025: 100%) of the Group's borrowings are variable rate borrowings.

The Group's current external funding arrangement is a working capital facility domiciled in and denominated in Australian dollars, and there is no corporate long-term debt. The Group does not currently use interest rate swaps. At 28 June 2026, the Group had no corporate long-term debt and no interest rate swaps in place (2025: no corporate long-term debt and no interest rate swaps in place). If additional debt facilities are established, including in Canada or New Zealand, the Group may consider the use of interest rate swaps or other appropriate derivative instruments to manage the associated interest rate risk, in accordance with its Treasury Policy.

To manage variable interest rate borrowings risk, the Group may enter into interest rate swaps in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 28 June 2026, the Group had no corporate long term debt and there were no swaps in place (2025: no corporate long term debt and no swaps in place).

The details of the variable rate borrowings outstanding are outlined below.

|                                                     | 28 June 2026                   |               | 29 June 2025                   |               |
|-----------------------------------------------------|--------------------------------|---------------|--------------------------------|---------------|
|                                                     | Weighted average interest rate | Balance       | Weighted average interest rate | Balance       |
|                                                     | %                              | \$'000        | %                              | \$'000        |
| Bank overdrafts and bank loans                      | 5.53%                          | 20,000        | 6.48%                          | 52,100        |
| <b>Net exposure to cash flow interest rate risk</b> |                                | <b>20,000</b> |                                | <b>52,100</b> |

### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. All other non-derivative financial liabilities have a contractual maturity of less than 6 months.

|                                               | Impact on pre-tax profit |        | Impact on other components of equity |        |
|-----------------------------------------------|--------------------------|--------|--------------------------------------|--------|
|                                               | 2026                     | 2025   | 2026                                 | 2025   |
|                                               | \$'000                   | \$'000 | \$'000                               | \$'000 |
| Interest rates - increase by 100 basis points | (55)                     | (419)  | -                                    | -      |
| Interest rates - decrease by 100 basis points | 55                       | 419    | -                                    | -      |

### CREDIT RISK

Credit risk is managed on a Group basis and refers to the risk of a counterparty failing to discharge an obligation. In the normal course of business, the Group incurs credit risk from trade receivables and transactions with financial institutions. The Group places its cash and short term deposits with only high credit quality financial institutions. Sales to retail customers are required to be settled via cash, major credit cards or passed onto various credit providers in each country.

At the reporting date, no material credit risk exposure existed in relation to potential counterparty failure on financial instruments. The Group provides interest-free consumer credit in Canada as a secondary product and the credit risk exposure which exists against this financial instrument is detailed in note F3. Other than the loss allowance recognised in trade and other receivables in note F3, no financial assets were impaired or past due. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets disclosed in note F3.

### LIQUIDITY RISK

The Group maintains prudent liquidity risk management with sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

## Financing arrangements

The Group's objectives when managing capital are to ensure sufficient liquidity to support its financial obligations and execute the Group's operational and strategic plans. The Group continually assesses its capital structure and makes adjustments to it with reference to changes in economic conditions and risk characteristics associated with its underlying assets.

In FY26, the Group had access to an overdraft facility and a \$90m core working capital facility that temporarily increases to \$110m each year from 15 September to 14 January, in line with the prior financial year. The following were undrawn from these facilities at the end of the reporting year:

|                                              | 2026          | 2025          |
|----------------------------------------------|---------------|---------------|
| Floating rate                                | \$'000        | \$'000        |
| - Expiring beyond one year (bank overdrafts) | 1,818         | 1,925         |
| - Expiring beyond one year (bank loans)      | 70,000        | 37,900        |
|                                              | <b>71,818</b> | <b>39,825</b> |

The maturity date of the financing facilities provided to the Group by both Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited is 31 August 2028.

## Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

|                                                        | Less than 6 months | 6-12 months   | Between 1 and 2 years | Between 2 and 5 years | Over 5 years  | Total contractual cash flow |
|--------------------------------------------------------|--------------------|---------------|-----------------------|-----------------------|---------------|-----------------------------|
|                                                        | \$'000             | \$'000        | \$'000                | \$'000                | \$'000        | \$'000                      |
| <b>Contractual maturities of financial liabilities</b> |                    |               |                       |                       |               |                             |
| <b>At 28 June 2026</b>                                 |                    |               |                       |                       |               |                             |
| <b>Non-derivatives</b>                                 |                    |               |                       |                       |               |                             |
| Lease liabilities                                      | 22,796             | 20,570        | 32,536                | 49,132                | 36,095        | 161,129                     |
| Trade payables                                         | 81,497             | -             | -                     | -                     | -             | 81,497                      |
| Borrowings                                             | 553                | 553           | 1,106                 | 20,184                | -             | 22,396                      |
| <b>Total non-derivatives</b>                           | <b>104,846</b>     | <b>21,123</b> | <b>33,642</b>         | <b>69,316</b>         | <b>36,095</b> | <b>265,022</b>              |
| <b>Derivatives</b>                                     |                    |               |                       |                       |               |                             |
| Outward payments FECs                                  | 20,792             | -             | -                     | -                     | -             | 20,792                      |
| Inward receipts FECs                                   | (21,238)           | -             | -                     | -                     | -             | (21,238)                    |
| <b>Net FECs</b>                                        | <b>(446)</b>       | <b>-</b>      | <b>-</b>              | <b>-</b>              | <b>-</b>      | <b>(446)</b>                |
| <b>At 29 June 2025</b>                                 |                    |               |                       |                       |               |                             |
| <b>Non-derivatives</b>                                 |                    |               |                       |                       |               |                             |
| Lease liabilities                                      | 25,275             | 22,173        | 36,572                | 54,526                | 43,285        | 181,831                     |
| Trade payables                                         | 68,685             | -             | -                     | -                     | -             | 68,685                      |
| Borrowings                                             | 1,688              | 1,688         | 52,663                | -                     | -             | 56,039                      |
| <b>Total non-derivatives</b>                           | <b>95,648</b>      | <b>23,861</b> | <b>89,235</b>         | <b>54,526</b>         | <b>43,285</b> | <b>306,555</b>              |
| <b>Derivatives</b>                                     |                    |               |                       |                       |               |                             |
| Outward payments FECs                                  | 9,188              | -             | -                     | -                     | -             | 9,188                       |
| Inward receipts FECs                                   | (9,166)            | -             | -                     | -                     | -             | (9,166)                     |
|                                                        | <b>22</b>          | <b>-</b>      | <b>-</b>              | <b>-</b>              | <b>-</b>      | <b>22</b>                   |

The Group did not hold any derivatives at financial year end.

## C2 DERIVATIVE FINANCIAL INSTRUMENTS

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group does not apply hedge accounting.

### C3 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, and all equity reserves attributable to the equity holders of the parent.

The Group actively manages its capital structure, taking account of changes in economic conditions, operational requirements and the financial covenant requirements of its debt facilities.

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, thereby enabling it to provide returns to shareholders and benefits to other stakeholders, and to maintain an appropriate capital structure that supports an efficient cost of capital.

To maintain or adjust its capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce debt.

The Group's debt facilities, including its working capital facility, are subject to external bank financial covenants. Compliance with these covenants is calculated and reported to the relevant lenders quarterly on a pre-AASB 16 *Leases* basis. The principal covenants relevant to capital management comprise the fixed charge cover ratio, debt-to-EBITDA ratio, gross debt-to-capitalisation ratio and borrowing base ratio. For the purposes of the covenant calculations, net debt comprises interest-bearing loans and borrowings less cash and short-term deposits.

Non-compliance with financial covenants may, unless remedied or waived in accordance with the facility documentation, constitute an event of default. In those circumstances, the lenders may be entitled to declare loans and borrowings immediately due and payable. The Group complied with its financial covenants for all applicable quarterly testing periods up to and including 28 June 2026.

## D REWARD AND RECOGNITION

|    |                          |
|----|--------------------------|
| D1 | Employee benefits        |
| D2 | Key management personnel |
| D3 | Share-based payments     |

### D1 EMPLOYEE BENEFITS

|                                                      | 2026           | 2025           |
|------------------------------------------------------|----------------|----------------|
|                                                      | \$'000         | \$'000         |
| EMPLOYEE BENEFITS                                    |                |                |
| Employee wages                                       | 159,720        | 156,046        |
| Employee wages on-costs and post-retirement benefits | 23,588         | 23,323         |
| Employee share-based payments expense                | (145)          | 338            |
|                                                      | <b>183,163</b> | <b>179,707</b> |

### D2 KEY MANAGEMENT PERSONNEL

|                              | 2026             | 2025             |
|------------------------------|------------------|------------------|
|                              | \$               | \$               |
| Short-term employee benefits | 2,506,436        | 2,278,456        |
| Long-term benefits           | (86,402)         | (60,508)         |
| Post-employment benefits     | 108,080          | 78,709           |
| Termination benefits         | 68,022           | -                |
| Share-based payments         | 613              | (36,825)         |
|                              | <b>2,596,749</b> | <b>2,259,832</b> |

### D3 SHARE-BASED PAYMENTS

#### OPTIONS

Options are granted from time to time at the discretion of Directors to senior executives within the Group. Motions to issue options to related parties of Michael Hill International Limited are subject to the approval of shareholders at the Annual General Meeting in accordance with the Company's constitution.

Options are granted under the plan for no consideration. Options expire ten years after granted, vest over five years, are exercisable at any time during the final five years and vesting is subject to remaining employed by the Group.

Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

|                                                                       | 2026                              |                   | 2025                              |                   |
|-----------------------------------------------------------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
|                                                                       | Average exercise price per option | Number of options | Average exercise price per option | Number of options |
| <b>Set out below are summaries of options granted under the plan:</b> |                                   |                   |                                   |                   |
| Opening balance NZD options                                           | 1.17                              | 100,000           | 1.40                              | 200,000           |
| Expired during the year                                               | 1.14                              | (100,000)         | 1.63                              | (100,000)         |
| Closing balance NZD options                                           | -                                 | -                 | 1.17                              | 100,000           |
| Opening balance AUD options                                           | 1.56                              | 300,000           | 1.56                              | 300,000           |
| Closing balance AUD options                                           | 1.56                              | 300,000           | 1.56                              | 300,000           |

Options outstanding at the end of the year have the following expiry dates and exercise prices:

| Grant date        | Expiry date       | Exercise price | 2026           | 2025           |
|-------------------|-------------------|----------------|----------------|----------------|
| 22 January 2016   | 30 September 2025 | NZ\$1.14       | -              | 100,000        |
| 22 September 2016 | 30 September 2026 | AU\$2.12       | 100,000        | 100,000        |
| 5 October 2017    | 30 September 2027 | AU\$1.44       | 100,000        | 100,000        |
| 22 September 2018 | 30 September 2028 | AU\$1.11       | 100,000        | 100,000        |
|                   |                   |                | <b>300,000</b> | <b>400,000</b> |

The weighted average remaining contractual life of share options outstanding at the end of the period was 1.3 years (2025: 1.8 years).

## SHARE RIGHTS

The Company's Equity Incentive Plan was approved by shareholders at the 2023 Annual General Meeting held on 14 November 2023 (Plan). The Plan allows the Board to issue share rights to executive directors, executives and other senior leaders eligible to participate in the Plan.

Each share right represents a right to receive on ordinary share in the Company, subject to the terms and conditions of the Plan including satisfaction of certain performance metrics. An allocation of share rights is made to an eligible participant on an annual basis typically calculated as a percent of the value of their total fixed remuneration. 50% of a participants share rights are allocated to an earnings per share (EPS) performance hurdle and 50% of share rights are allocated to a total shareholder return (TSR) performance hurdle. Vesting of the share rights is subject to the Company achieving a minimum compound annual growth rate (CAGR) in EPS or TSR (as the case requires) over three years (Performance Period). Subject to the participant remaining an employee of the Group at the end of the Performance Period, the share rights vest based on the following vesting schedule:

| EPS CAGR                          | TSR CAGR                          | Vesting outcome                                                                                                          |
|-----------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| 2023 issue                        |                                   |                                                                                                                          |
| Less than 5% CAGR                 | Less than 10% CAGR                | No share rights vest                                                                                                     |
| Between 5% CAGR and <10% CAGR     | Between 10% CAGR and <20% CAGR    | EPS: 10% of share rights vest for each 1% increase in CAGR<br>TSR: 10% of share rights vest for each 1% increase in CAGR |
| Equal to or greater than 10% CAGR | Equal to or greater than 20% CAGR | 100% of share rights vest                                                                                                |
| 2024 issue                        |                                   |                                                                                                                          |
| Less than 5% CAGR                 | Less than 10% CAGR                | No share rights vest                                                                                                     |
| Between 5% CAGR and <10% CAGR     | Between 10% CAGR and <20% CAGR    | EPS: 20% of share rights vest for each 1% increase in CAGR<br>TSR: 10% of share rights vest for each 1% increase in CAGR |
| Equal to or greater than 10% CAGR | Equal to or greater than 20% CAGR | 100% of share rights vest                                                                                                |
| 2025 and 2026 issue               |                                   |                                                                                                                          |
| Less than 20% CAGR                | Less than 10% CAGR                | No share rights vest                                                                                                     |
| Between 20% CAGR and <30% CAGR    | Between 10% CAGR and <20% CAGR    | EPS: 10% of share rights vest for each 1% increase in CAGR<br>TSR: 10% of share rights vest for each 1% increase in CAGR |
| Equal to or greater than 30% CAGR | Equal to or greater than 20% CAGR | 100% of share rights vest                                                                                                |

During the year, the Board agreed to grant 8,325,263 share rights to eligible participants.

|                 | 2026                               |                        | 2025                               |                        |
|-----------------|------------------------------------|------------------------|------------------------------------|------------------------|
|                 | Average fair value per share right | Number of share rights | Average fair value per share right | Number of share rights |
| Opening balance | 1.35                               | 8,926,315              | 1.09                               | 7,434,253              |
| Granted         | 0.17                               | 8,325,263              | 0.39                               | 5,943,791              |
| Exercised       | 0.74                               | (23,326)               | 0.44                               | (195,313)              |
| Forfeited       | 0.54                               | (4,308,656)            | 0.37                               | (4,256,416)            |
| Closing balance | 1.23                               | 12,919,596             | 1.35                               | 8,926,315              |

The number of share rights in each tranche is based on the prescribed dollar value for each tranche divided by the volume weighted average share price ('VWAP') of Michael Hill International Limited shares over ten trading days following the shares trading subsequent to the final Annual results announcement.

Share rights issued during the current financial year used the Monte Carlo model to determine the fair value of share rights using the following inputs:

|                                                        | 2026      | 2025      |
|--------------------------------------------------------|-----------|-----------|
| Number of rights                                       | 8,325,263 | 5,943,791 |
| Share price                                            | \$0.33    | \$0.59    |
| Annualised volatility                                  | 40%       | 40%       |
| Expected dividend yield                                | 8.5%      | 5.7%      |
| Risk free rate                                         | 3.87%     | 3.95%     |
| Fair value of share right                              | \$0.17    | \$0.39    |
|                                                        | 2026      | 2025      |
|                                                        | \$        | \$        |
| Expenses arising from share-based payment transactions | (144,550) | 338,479   |

## ACCOUNTING POLICY

### Options

The fair value was measured at grant date and is recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date for options issued during prior financial years was independently determined using a Binomial option pricing model, which is an iterative model for options that can be exercised at times prior to expiry. The model takes into account the grant date, exercise price, market performance conditions, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. It also assumes the options will be exercised at the mid-point of the exercise period.

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each year, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

### Share rights

The fair value of rights granted is recognised as an employee benefit expense with a corresponding increase in equity.

The fair value was measured at grant date and is recognised over the period during which the employees become unconditionally entitled to the rights.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each year, the entity revises its estimates of the number of share rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Upon the exercise of the share rights, the balance of the share-based payments reserve relating to those rights is transferred to share capital.

## E RELATED PARTIES

|                                                                   | 2026 | 2025   |
|-------------------------------------------------------------------|------|--------|
| Related party transactions                                        | \$   | \$     |
| Contribution to Michael Hill Violin Charitable Trust <sup>1</sup> | -    | 36,544 |

<sup>1</sup> Ceased to be a related party in the current reporting period.

## F OTHER INFORMATION

|     |                               |
|-----|-------------------------------|
| F1  | Expenses                      |
| F2  | Earnings per share            |
| F3  | Trade and other receivables   |
| F4  | Property, plant and equipment |
| F5  | Intangible assets             |
| F6  | Trade and other payables      |
| F7  | Provisions                    |
| F8  | Tax                           |
| F9  | Auditors' remuneration        |
| F10 | Contributed equity            |
| F11 | Reserves                      |

## F1 EXPENSES

|                                               | NOTES | 2026<br>\$'000 | 2025<br>\$'000 |
|-----------------------------------------------|-------|----------------|----------------|
| <b>DEPRECIATION AND AMORTISATION</b>          |       |                |                |
| Depreciation on property, plant and equipment |       | 12,593         | 13,363         |
| Depreciation on right-of-use assets           | A4    | 46,317         | 47,988         |
| <b>Total depreciation</b>                     |       | <b>58,910</b>  | <b>61,351</b>  |
| Amortisation on software                      | F5    | 4,096          | 4,185          |
| <b>Total amortisation</b>                     |       | <b>4,096</b>   | <b>4,185</b>   |
| <b>Total depreciation and amortisation</b>    |       | <b>63,006</b>  | <b>65,536</b>  |
|                                               |       |                |                |
|                                               | NOTES | 2026<br>\$'000 | 2025<br>\$'000 |
| <b>FINANCE COSTS</b>                          |       |                |                |
| Interest on lease liabilities                 | A4    | 9,726          | 11,167         |
| Bank and interest charges                     |       | 3,587          | 5,591          |
| Interest on make good provision               |       | 392            | 149            |
|                                               |       | <b>13,705</b>  | <b>16,907</b>  |

## F2 EARNINGS PER SHARE

|                                                                                                                                            |  |                    |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------|--------------------|
| <b>RECONCILIATION OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE</b>                                                                   |  | 2026               | 2025               |
| <b>Basic earnings per share</b>                                                                                                            |  | \$'000             | \$'000             |
| Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share                             |  | 9,995              | 2,099              |
| <b>Diluted earnings per share</b>                                                                                                          |  |                    |                    |
| Profit from continuing operations attributable to the ordinary equity holders of the Company                                               |  | 9,995              | 2,099              |
|                                                                                                                                            |  | 2026               | 2025               |
| <b>WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR</b>                                                                           |  | Number             | Number             |
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share                                 |  | 384,837,668        | 384,744,855        |
| Adjustments for calculation of diluted earnings per share:                                                                                 |  |                    |                    |
| Share rights                                                                                                                               |  | 11,187,240         | 8,471,976          |
| <b>Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share</b> |  | <b>396,024,908</b> | <b>393,216,831</b> |

Options and share rights granted to employees under the Michael Hill International Limited Employee Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. All options outstanding at financial year end were considered to be anti-dilutive. The options and share rights have been excluded in the determination of basic earnings per share. Details are set out in note D3.

### F3 TRADE AND OTHER RECEIVABLES

|                                    | 2026          |              |               | 2025          |              |               |
|------------------------------------|---------------|--------------|---------------|---------------|--------------|---------------|
|                                    | Current       | Non-current  | Total         | Current       | Non-current  | Total         |
|                                    | \$'000        | \$'000       | \$'000        | \$'000        | \$'000       | \$'000        |
| Trade receivables                  | 3,618         | -            | 3,618         | 3,446         | -            | 3,446         |
| Provision for expected credit loss | (21)          | -            | (21)          | (57)          | -            | (57)          |
|                                    | <b>3,597</b>  | <b>-</b>     | <b>3,597</b>  | <b>3,389</b>  | <b>-</b>     | <b>3,389</b>  |
| Canadian in-house customer finance | 5,767         | 1,579        | 7,346         | 5,401         | 1,279        | 6,680         |
| Provision for expected credit loss | (387)         | (107)        | (494)         | (207)         | (47)         | (254)         |
|                                    | <b>5,380</b>  | <b>1,472</b> | <b>6,852</b>  | <b>5,194</b>  | <b>1,232</b> | <b>6,426</b>  |
| Sundry debtors                     | 5,692         | (1)          | 5,691         | 6,070         | -            | 6,070         |
|                                    | <b>14,669</b> | <b>1,471</b> | <b>16,140</b> | <b>14,653</b> | <b>1,232</b> | <b>15,885</b> |

#### Trade receivables

Trade receivables from sales made to customers through third party credit providers are non-interest bearing and are generally on 0 - 30 day terms.

#### Canadian in-house customer finance

Canadian in-house customer finance debtors represent amounts receivable under the Michael Hill Canadian in-house credit programme, which offers customers interest-free instalment payment plans over terms of 6, 12, 18, or 24 months. The outstanding balance includes both accrued interest and annual fee components, with interest charged only on expiry of the promotional period or instances of customer delinquency.

#### Sundry debtors

Sundry debtors relates to supplier credits, security deposits, insurance recoveries and other sundry receivables. Based on the credit history of these debtors, it is expected that these amounts will be received when due and no impairment is recognised.

#### Effective interest rates

All receivables are non-interest bearing except for a small portion of in-house customer finance receivables. In-house customer finance receivables are recognised net of significant financing components determined in accordance with AASB15 *Revenue from Contracts with Customers*.

#### ECL and risk exposure

An ECL analysis is performed at each reporting date. The maximum exposure to credit risk is the carrying value of in-house customer finance program and trade receivables. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to these receivables as low. For further details refer to note C1.

|                                                                                | 2026         | 2025         |
|--------------------------------------------------------------------------------|--------------|--------------|
|                                                                                | \$'000       | \$'000       |
| <b>Ageing of trade receivables</b>                                             |              |              |
| Current                                                                        | 3,527        | 3,248        |
| < 30 days past due                                                             | 69           | 129          |
| 30 - 60 days past due                                                          | 15           | 35           |
| 60+ days past due                                                              | 7            | 34           |
|                                                                                | <b>3,618</b> | <b>3,446</b> |
|                                                                                |              |              |
|                                                                                | 2026         | 2025         |
|                                                                                | \$'000       | \$'000       |
| <b>Movements in the provision for ECL of trade receivables are as follows:</b> |              |              |
| Opening balance                                                                | 57           | 127          |
| Additional provisions recognised                                               | 21           | 57           |
| Net amounts written off                                                        | (57)         | (127)        |
| <b>Closing balance</b>                                                         | <b>21</b>    | <b>57</b>    |
|                                                                                |              |              |
|                                                                                | 2026         | 2025         |
|                                                                                | \$'000       | \$'000       |
| <b>Ageing of Canadian in-house customer debtor finance</b>                     |              |              |
| Current, aged 0 - 30 days                                                      | 6,713        | 6,153        |
| Past due, aged 31 - 90 days                                                    | 278          | 244          |
| Past due, aged more than 90 days                                               | 355          | 283          |
|                                                                                | <b>7,346</b> | <b>6,680</b> |

|                                                                                                        | 2026       | 2025       |
|--------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                        | \$'000     | \$'000     |
| <b>Movements in the provision for ECL of Canadian in-house customer debtor finance are as follows:</b> |            |            |
| Opening balance                                                                                        | 254        | 217        |
| Additional provisions recognised                                                                       | 896        | 895        |
| Net amounts written off                                                                                | (656)      | (858)      |
| <b>Closing balance</b>                                                                                 | <b>494</b> | <b>254</b> |

#### F4 PROPERTY, PLANT AND EQUIPMENT

|                                         | NOTES | Plant and equipment | Fixtures and fittings | Leasehold improvements | Display materials | Total         |
|-----------------------------------------|-------|---------------------|-----------------------|------------------------|-------------------|---------------|
|                                         |       | \$'000              | \$'000                | \$'000                 | \$'000            | \$'000        |
| <b>At 30 June 2024</b>                  |       |                     |                       |                        |                   |               |
| Cost                                    |       | 45,104              | 41,086                | 102,283                | 10,527            | 199,000       |
| Accumulated depreciation and impairment |       | (32,335)            | (31,747)              | (68,622)               | (6,589)           | (139,293)     |
| <b>Net book amount</b>                  |       | <b>12,769</b>       | <b>9,339</b>          | <b>33,661</b>          | <b>3,938</b>      | <b>59,707</b> |
| <b>Year ended 29 June 2025</b>          |       |                     |                       |                        |                   |               |
| Opening net book amount                 |       | 12,769              | 9,339                 | 33,661                 | 3,938             | 59,707        |
| Exchange difference                     |       | 57                  | 67                    | 199                    | 20                | 343           |
| Additions                               |       | 1,547               | 3,167                 | 3,858                  | 557               | 9,129         |
| Disposals                               |       | (293)               | (167)                 | (338)                  | (14)              | (812)         |
| Depreciation charge                     |       | (3,184)             | (2,411)               | (6,672)                | (1,096)           | (13,363)      |
| Impairment write-back/(loss)            |       | (249)               | (244)                 | (1,566)                | (7)               | (2,066)       |
| <b>Closing net book amount</b>          |       | <b>10,647</b>       | <b>9,751</b>          | <b>29,142</b>          | <b>3,398</b>      | <b>52,938</b> |
| <b>At 29 June 2025</b>                  |       |                     |                       |                        |                   |               |
| Cost                                    |       | 44,634              | 41,991                | 102,343                | 10,778            | 199,746       |
| Accumulated depreciation and impairment |       | (33,987)            | (32,240)              | (73,201)               | (7,380)           | (146,808)     |
| <b>Net book amount</b>                  |       | <b>10,647</b>       | <b>9,751</b>          | <b>29,142</b>          | <b>3,398</b>      | <b>52,938</b> |
| <b>At 28 June 2026</b>                  |       |                     |                       |                        |                   |               |
| Opening net book amount                 |       | 10,647              | 9,751                 | 29,142                 | 3,398             | 52,938        |
| Exchange difference                     |       | (455)               | (470)                 | (1,011)                | (149)             | (2,085)       |
| Additions                               |       | 4,826               | 2,431                 | 5,916                  | 1,732             | 14,905        |
| Disposals                               |       | (553)               | (269)                 | (223)                  | (401)             | (1,446)       |
| Depreciation charge                     |       | (3,300)             | (2,428)               | (6,315)                | (864)             | (12,907)      |
| Impairment loss                         |       | (70)                | (50)                  | (288)                  | (2)               | (410)         |
| <b>Closing net book amount</b>          |       | <b>11,095</b>       | <b>8,965</b>          | <b>27,221</b>          | <b>3,714</b>      | <b>50,995</b> |
| <b>At 28 June 2026</b>                  |       |                     |                       |                        |                   |               |
| Cost                                    |       | 42,980              | 39,147                | 98,521                 | 10,226            | 190,874       |
| Accumulated depreciation and impairment |       | (31,885)            | (30,182)              | (71,300)               | (6,512)           | (139,879)     |
| <b>Net book amount</b>                  |       | <b>11,095</b>       | <b>8,965</b>          | <b>27,221</b>          | <b>3,714</b>      | <b>50,995</b> |

#### Impairment testing

As per the Group's accounting policies, the Group impairs assets where the recoverable amount is less than the carrying amount and reverses the impairment if no longer applicable. This also includes assets held at stores facing closure. Any assets held at an impaired store that are able to be redeployed throughout the Group are not impaired.

The Group treats each store as a separate cash-generating unit for impairment testing of property, plant and equipment and right-of-use assets. A review of impairment indicators was performed. Where an indicator was identified a Value in Use "VIU" assessment was performed resulting in an impairment loss being recorded. The accounting policy for this is disclosed in note 11(F).

#### Current year

The recoverable amount of each store has been determined based on the value-in-use approach. As a result of the annual impairment assessment performed, a total impairment expense of \$410,000 was recognised in relation to the stores within the Group.

|                        | Australia | Canada | New Zealand | Michael Hill Group |
|------------------------|-----------|--------|-------------|--------------------|
| Impairment loss - 2026 | 306       | -      | 104         | 410                |
| Impairment loss - 2025 | 1,296     | 525    | 82          | 1,903              |

#### Key assumptions used for value-in-use

The pre-tax discount rates used in determining the recoverable amount ranged between 7.45% and 14.25%, depending on both the geographical segment of the assets and the underlying brand to which the assets are deployed. These assumptions have been used for the analysis of each CGU, in line with the expected long-term inflation of each geographical location and store EBIT with no terminal value.

#### Impact of possible changes in key assumptions

A reasonably possible change in key assumptions will not lead to a further impairment.

#### Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Plant and equipment 4 - 7 years
- Motor vehicles 3 - 5 years
- Fixtures and fittings 6 - 10 years
- Leasehold improvements 6 - 10 years
- Display materials 2 - 5 years

### F5 INTANGIBLE ASSETS

|                                         | NOTES | Goodwill      | Brand, Loyalty Programs & Trademarks | Computer software | Total         |
|-----------------------------------------|-------|---------------|--------------------------------------|-------------------|---------------|
|                                         |       | \$'000        | \$'000                               | \$'000            | \$'000        |
| <b>At 30 June 2024</b>                  |       |               |                                      |                   |               |
| Cost                                    |       | 19,223        | 20,500                               | 40,001            | 79,724        |
| Accumulated amortisation and impairment |       | -             | -                                    | (21,921)          | (21,921)      |
| <b>Net book amount</b>                  |       | <b>19,223</b> | <b>20,500</b>                        | <b>18,080</b>     | <b>57,803</b> |
| <b>Year ended 29 June 2025</b>          |       |               |                                      |                   |               |
| Opening net book amount                 |       | 19,223        | 20,500                               | 18,080            | 57,803        |
| Exchange difference                     |       | -             | -                                    | (1)               | (1)           |
| Additions                               |       | -             | -                                    | 1,343             | 1,343         |
| Impairment                              |       | -             | (7,400)                              | (97)              | (7,497)       |
| Amortisation charge                     |       | -             | -                                    | (4,185)           | (4,185)       |
| <b>Closing net book amount</b>          |       | <b>19,223</b> | <b>13,100</b>                        | <b>15,140</b>     | <b>47,463</b> |
| <b>At 29 June 2025</b>                  |       |               |                                      |                   |               |
| Cost                                    |       | 19,223        | 20,500                               | 41,326            | 81,049        |
| Accumulated amortisation                |       | -             | (7,400)                              | (26,186)          | (33,586)      |
| <b>Net book amount</b>                  |       | <b>19,223</b> | <b>13,100</b>                        | <b>15,140</b>     | <b>47,463</b> |
| <b>Year ended 28 June 2026</b>          |       |               |                                      |                   |               |
| Opening net book amount                 |       | 19,223        | 13,100                               | 15,140            | 47,463        |
| Additions                               |       | -             | -                                    | 1,328             | 1,328         |
| Disposals                               |       | -             | -                                    | (3,433)           | (3,433)       |
| Amortisation charge                     |       | -             | (336)                                | (3,760)           | (4,096)       |
| <b>Closing net book amount</b>          |       | <b>19,223</b> | <b>12,764</b>                        | <b>9,275</b>      | <b>41,262</b> |
| <b>At 28 June 2026</b>                  |       |               |                                      |                   |               |
| Cost                                    |       | 19,223        | 20,500                               | 37,720            | 77,443        |
| Accumulated amortisation and impairment |       | -             | (7,736)                              | (28,445)          | (36,181)      |
| <b>Net book amount</b>                  |       | <b>19,223</b> | <b>12,764</b>                        | <b>9,275</b>      | <b>41,262</b> |

### *Impairment testing of goodwill and indefinite life intangibles (brand names)*

The Group tests goodwill and indefinite life intangibles (brand names) annually for impairment, in accordance with the accounting policy stated in note 11(K). For all cash-generating units (CGUs) which contain goodwill or indefinite life intangibles and all other CGUs which show an indicator of impairment, the recoverable amounts have been determined based on the higher of fair value less costs of disposal or value-in-use calculations.

Goodwill acquired through business combinations is allocated to the group of stores operating in Australia (group of CGUs). The brand intangible asset with an indefinite useful life is allocated to the group of stores operating in Australia (group of CGUs) for which the brand operates.

### *Current year*

#### **Goodwill**

There was no impairment of goodwill in the current year.

#### **Indefinite life brand names**

The recoverable amount of the Bevilles brand has been determined based on a fair value less costs of disposal, using the income approach (specifically the relief from royalty method), to fair value the brand. As a result of the annual assessment performed, no impairment loss is recognised in relation to the Bevilles brand name. The carrying value of the Bevilles brand remains unchanged at \$11.9m.

|                                                     | Brand, Loyalty Programs & Trademarks |               |
|-----------------------------------------------------|--------------------------------------|---------------|
|                                                     | 2026                                 | 2025          |
|                                                     | \$'000                               | \$'000        |
| Bevilles brand                                      | 11,929                               | 11,929        |
| Loyalty Programs and Trademarks                     | 1,171                                | 1,171         |
| <b>Total Brand, Loyalty Programs and Trademarks</b> | <b>13,100</b>                        | <b>13,100</b> |

### *Key assumptions used for value-in-use / fair value less cost to sell calculations*

#### **Goodwill**

The recoverable amount has been calculated using the value-in-use method. This is a level 3 estimate. A pre-tax discount rate of 10.61% (2025: 7.58%) was applied. For the purposes of impairment testing, a long-term growth rate of 2.5% (2025: 2.4%) was used to extrapolate cash flows beyond the budget period and calculate a terminal value, in line with the Australian expected long-term inflation.

The basis of estimation of the five-year cash flows uses the following key operating assumptions:

- Five-year budgeted EBITDA is based on management's forecasts of revenue;
- Revenue forecasts take into account historical revenue and consider external factors such as market sector and geography; and
- Costs are calculated taking into account historical margins, forecast increases and estimated inflation rates over the period.

#### **Indefinite life brand names**

The recoverable amount has been calculated using the fair value less cost of disposal, using the income approach, specifically the relief from royalty method. This is a level 3 estimate. The basis of estimation of the ten-year cash flows uses the following key operating assumptions:

- EBITDA within the assessment period is based on management's forthcoming year budget and subsequent years forecasts of revenue, taking into account the expected growth in the business in the coming years as a result of operational effectiveness and market sentiment of both retail and online operations;
- Revenue forecasts take into account historical revenue and consider external factors such as market sector and geography. These financial revenue estimates are projected for a further nine years based on an average growth rate of 4.97%;
- Costs are calculated taking into account historical margins, forecast increases and estimated inflation rates over the period, consistent with the locations in which Bevilles operate;
- Long-term EBIT margins have been applied to forecasts beyond FY30 ranging from 7.07% to 8.49%;
- A long-term growth rate of 2.50% (2025: 2.50%) has been used to calculate a terminal value; and
- The royalty rate has been applied at 2.20% (2025: 2.4%), indicating the hypothetical royalties the Group would have to pay for the use of the brand asset if it did not own it.

A post-tax discount rate of 14.25% (2025: 13.75%) was applied. The discount rate is based on available market data and data from comparable listed companies within the jewellery industry and is determined using the weighted average cost of capital.

### *Impact of reasonably possible changes in key assumptions*

#### **Goodwill**

The carrying value of goodwill is not sensitive to changes in key assumptions.

#### **Indefinite life brand names**

The carrying value of the brand approximates its recoverable value. Any adverse change in key assumptions will lead to a further impairment.

## F6 TRADE AND OTHER PAYABLES

|                           | 2026          | 2025          |
|---------------------------|---------------|---------------|
|                           | \$'000        | \$'000        |
| Trade payables            | 48,128        | 40,763        |
| Annual leave liability    | 8,469         | 8,718         |
| Accrued expenses          | 3,982         | 1,527         |
| Consumption taxes payable | 4,296         | 3,174         |
| Other payables            | 16,622        | 14,503        |
|                           | <b>81,497</b> | <b>68,685</b> |

## F7 PROVISIONS

|                           | 2026          |              |               | 2025          |              |               |
|---------------------------|---------------|--------------|---------------|---------------|--------------|---------------|
|                           | Current       | Non-current  | Total         | Current       | Non-current  | Total         |
|                           | \$'000        | \$'000       | \$'000        | \$'000        | \$'000       | \$'000        |
| Employee benefits         | 7,794         | 1,873        | 9,667         | 7,801         | 2,127        | 9,928         |
| Assurance-type warranties | 1,871         | -            | 1,871         | 1,678         | -            | 1,678         |
| Make good provision       | 163           | 7,525        | 7,688         | 244           | 5,398        | 5,642         |
| Restructuring costs       | 299           | -            | 299           | 492           | -            | 492           |
|                           | <b>10,127</b> | <b>9,398</b> | <b>19,525</b> | <b>10,215</b> | <b>7,525</b> | <b>17,740</b> |

|                                  | Employee benefits | Assurance-type warranties | Make good provision | Restructuring costs | Total         |
|----------------------------------|-------------------|---------------------------|---------------------|---------------------|---------------|
|                                  | \$'000            | \$'000                    | \$'000              | \$'000              | \$'000        |
| <b>Movements in provisions</b>   |                   |                           |                     |                     |               |
| Opening carrying amount          | 9,928             | 1,678                     | 5,642               | 492                 | 17,740        |
| Changes in provisions recognised | 848               | 194                       | 2,417               | 300                 | 3,759         |
| Amounts incurred and charged     | (950)             | -                         | (228)               | (492)               | (1,670)       |
| Exchange differences             | (159)             | (1)                       | (143)               | (1)                 | (304)         |
| Closing carrying amount          | <b>9,667</b>      | <b>1,871</b>              | <b>7,688</b>        | <b>299</b>          | <b>19,525</b> |

## ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

### *Employee benefits*

Employee benefits includes provision for long service leave and the provision for remediation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year.

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

### *Make good provision*

The Group has an obligation to restore certain leasehold sites to their original condition upon store closure or relocation. This provision represents the present value of the expected future make good commitment. Amounts charged to the provision represent both the cost of make good costs incurred and the costs incurred which mitigate the final liability prior to the closure or relocation.

## F8 TAX

|                                                                                         | 2026         | 2025           |
|-----------------------------------------------------------------------------------------|--------------|----------------|
|                                                                                         | \$'000       | \$'000         |
| <b>INCOME TAX EXPENSE</b>                                                               |              |                |
| <b>Current tax</b>                                                                      |              |                |
| Current tax on profits for the year                                                     | 4,831        | 4,669          |
| Adjustments for current tax of prior periods                                            | 34           | (185)          |
| <b>Total current tax expense</b>                                                        | <b>4,865</b> | <b>4,484</b>   |
| <b>Deferred income tax</b>                                                              |              |                |
| (Increase)/decrease in deferred tax assets                                              | 2,846        | (4,348)        |
| Adjustments for deferred tax of prior periods                                           | (35)         | 185            |
| Rerecognised tax losses utilised during the year                                        | 21           | (227)          |
| <b>Total deferred tax expense/(benefit)</b>                                             | <b>2,832</b> | <b>(4,390)</b> |
| <b>Income tax expense</b>                                                               | <b>7,697</b> | <b>94</b>      |
|                                                                                         | 2026         | 2025           |
|                                                                                         | \$'000       | \$'000         |
| <b>NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE</b>        |              |                |
| Profit before income tax expense                                                        | 17,692       | 2,193          |
| Tax at the Australian tax rate of 30.0% (2025: 30.0%)                                   | 5,308        | 658            |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: |              |                |
| Non-deductible expenditure/non-assessable income                                        | 821          | 403            |
| Assessable income                                                                       | 2,094        | -              |
|                                                                                         | <b>8,223</b> | <b>1,061</b>   |
| Difference in overseas tax rates                                                        | (545)        | (774)          |
| Adjustments for current tax of prior periods                                            | 33           | (187)          |
| Adjustments for deferred tax of prior periods                                           | (35)         | 185            |
| Utilisation of tax losses not recognised                                                | -            | (191)          |
| Tax losses not recognised                                                               | 21           | -              |
| <b>Income tax expense at the effective tax rate of 44% (2025: 4%)</b>                   | <b>7,697</b> | <b>94</b>      |
|                                                                                         | 2026         | 2025           |
|                                                                                         | \$'000       | \$'000         |
| <b>UNRECOGNISED POTENTIAL DEFERRED TAX ASSETS</b>                                       |              |                |
| Unused United States tax losses for which no deferred tax asset has been recognised     | 35,860       | 37,922         |
| Potential tax benefit @ 21.0% (2025: 25%)                                               | 7,531        | 9,481          |
| Unused New Zealand tax losses for which no deferred tax asset has been recognised       | 1,405        | 1,574          |
| Potential tax benefit @ 28.0% (2025: 28%)                                               | 393          | 441            |

The unused tax losses incurred in the United States and New Zealand are available indefinitely for offsetting against future taxable profits of the countries in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is unknown when the New Zealand losses may be used to offset taxable profits and the United States losses are not expected to be used.

|                                                                        | 2026          | 2025          |
|------------------------------------------------------------------------|---------------|---------------|
|                                                                        | \$'000        | \$'000        |
| <b>DEFERRED TAX BALANCES</b>                                           |               |               |
| The balance comprises temporary differences attributable to:           |               |               |
| Expected credit loss provision                                         | 135           | 78            |
| Fixed assets and intangibles                                           | 11,328        | 12,935        |
| Intangible assets from intellectual property transfer                  | 12,256        | 13,837        |
| Deferred expenditure                                                   | (34)          | (61)          |
| Prepayments                                                            | -             | 16            |
| Deferred service revenue                                               | 21            | 859           |
| Right-of-use assets                                                    | (31,842)      | (35,363)      |
| Lease liabilities                                                      | 39,155        | 44,178        |
| Provisions                                                             | 13,720        | 14,343        |
| Unrealised foreign exchange losses                                     | 101           | (20)          |
| Sundry items                                                           | (33)          | (26)          |
| Inventories                                                            | 38            | 42            |
| Tax losses recognised                                                  | 8,304         | 6,093         |
| <b>Net deferred tax assets</b>                                         | <b>53,149</b> | <b>56,911</b> |
| <b>Expected settlement:</b>                                            |               |               |
| Deferred tax assets expected to be recovered within 12 months          | 28,219        | 32,138        |
| Deferred tax assets expected to be recovered after more than 12 months | 24,930        | 24,773        |
|                                                                        | <b>53,149</b> | <b>56,911</b> |
| <b>Movements:</b>                                                      |               |               |
| Opening balance at 30 June 2025                                        | 56,911        | 52,507        |
| Credited/(charged) to the income statement                             | (2,846)       | 4,348         |
| Prior year adjustment                                                  | 35            | (185)         |
| Foreign exchange differences                                           | (930)         | 241           |
| Derecognised tax losses                                                | (21)          | -             |
| <b>Closing balance at 28 June 2026</b>                                 | <b>53,149</b> | <b>56,911</b> |

## F9 AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Michael Hill International Limited, its related practices and non-related audit firms:

|                                                                                       | 2026           | 2025           |
|---------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                       | \$             | \$             |
| <b>ERNST &amp; YOUNG (AUSTRALIA)</b>                                                  |                |                |
| Fees for auditing the statutory financial report of the Company and its subsidiaries* | 676,636        | 549,581        |
| Fees for other services:                                                              |                |                |
| Regulatory sustainability report assurance                                            | 30,000         | -              |
|                                                                                       | <b>706,636</b> | <b>549,581</b> |

\* Inclusive of the December half-year review

## F10 CONTRIBUTED EQUITY

|                                     | 2026               | 2025               | 2026               | 2025          |
|-------------------------------------|--------------------|--------------------|--------------------|---------------|
|                                     | Shares             | Shares             | \$'000             | \$'000        |
| <b>SHARE CAPITAL</b>                |                    |                    |                    |               |
| Ordinary shares - fully paid        | 384,842,602        | 384,819,276        | 12,858             | 12,850        |
| <b>Total share capital</b>          | <b>384,842,602</b> | <b>384,819,276</b> | <b>12,858</b>      | <b>12,850</b> |
|                                     |                    |                    | Number of shares   | Total \$'000  |
| <b>MOVEMENTS IN ORDINARY SHARES</b> |                    |                    |                    |               |
| Opening balance at 1 July 2024      |                    |                    | 384,623,963        | 12,763        |
| Rights converted                    |                    |                    | 195,313            | 87            |
| <b>Balance at 29 June 2025</b>      |                    |                    | <b>384,819,276</b> | <b>12,850</b> |
| Rights converted                    |                    |                    | 23,326             | 8             |
| <b>Balance at 28 June 2026</b>      |                    |                    | <b>384,842,602</b> | <b>12,858</b> |

#### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

#### *Options*

Information relating to the Michael Hill International Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note D3.

#### *Rights issue*

Information relating to share rights issued under the Company's deferred compensation plan, including details of rights issued, exercised and lapsed during the financial year and rights outstanding at the end of the financial year, is set out in note D3.

### **F11 RESERVES**

#### **NATURE AND PURPOSES OF OTHER RESERVES**

##### *Share-based payments*

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remunerations. Refer to note D3 for further details of these plans.

##### *Foreign currency translation*

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income as described in note I1(C) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## G GROUP STRUCTURE

|    |                                     |
|----|-------------------------------------|
| G1 | Interests in other entities         |
| G2 | Deed of cross guarantee             |
| G3 | Parent entity financial information |

### G1 INTERESTS IN OTHER ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 11(B):

|                                           | Country of incorporation | Ownership interest held by the group |      |
|-------------------------------------------|--------------------------|--------------------------------------|------|
|                                           |                          | 2026                                 | 2025 |
|                                           |                          | %                                    | %    |
| Michael Hill Jeweller (Australia) Pty Ltd | Australia                | 100                                  | 100  |
| Michael Hill Wholesale Pty Ltd            | Australia                | 100                                  | 100  |
| Michael Hill Manufacturing Pty Ltd        | Australia                | 100                                  | 100  |
| Michael Hill Franchise Pty Ltd            | Australia                | 100                                  | 100  |
| Michael Hill Franchise Services Pty Ltd   | Australia                | 100                                  | 100  |
| Michael Hill Finance A Ltd Partnership    | Australia                | 100                                  | 100  |
| Michael Hill Group Services Pty Ltd       | Australia                | 100                                  | 100  |
| Michael Hill Charms Pty Ltd               | Australia                | 100                                  | 100  |
| MH Bespoke Diamonds AU Pty Ltd            | Australia                | 100                                  | 100  |
| Fine Jewellery Retail AU Pty Ltd          | Australia                | 100                                  | 100  |
| Medley Jewellery Pty Ltd                  | Australia                | 100                                  | 100  |
| Durante Holdings Pty Ltd                  | Australia                | 100                                  | 100  |
| Michael Hill New Zealand Ltd              | New Zealand              | 100                                  | 100  |
| Michael Hill Jeweller Ltd                 | New Zealand              | 100                                  | 100  |
| Michael Hill Finance (NZ) Ltd             | New Zealand              | 100                                  | 100  |
| MHJ (US) Ltd                              | New Zealand              | 100                                  | 100  |
| Michael Hill Wholesale NZ Ltd             | New Zealand              | 100                                  | 100  |
| Michael Hill Jeweller (Canada) Ltd        | Canada                   | 100                                  | 100  |
| Michael Hill LLC                          | United States            | 100                                  | 100  |

### G2 DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 2016/785, the Australian wholly-owned subsidiaries included in the list below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' report in Australia.

The subsidiaries subject to the deed are: Durante Holdings Pty Ltd, Michael Hill Group Services Pty Ltd, Michael Hill Jeweller (Australia) Pty Ltd, Michael Hill Manufacturing Pty Ltd, Michael Hill Wholesale Pty Ltd, Michael Hill Franchise Services Pty Ltd, Michael Hill Franchise Pty Ltd, Michael Hill New Zealand Ltd, Michael Hill Jeweller Ltd, Michael Hill Finance (NZ) Ltd, MH Bespoke Diamonds AU Pty Ltd, Michael Hill Charms Pty Ltd, Fine Jewellery Retail AU Pty Ltd, Medley Jewellery Pty Ltd, Michael Hill Online Holdings Ltd and Michael Hill Wholesale NZ Limited.

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

The above companies represent a Closed Group for the purposes of the Class Order and, as there are no other parties to the Deed of Cross Guarantee that are controlled by Michael Hill International Limited, they also represent the Extended Closed Group.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS, STATEMENT OF COMPREHENSIVE INCOME AND SUMMARY OF MOVEMENTS IN CONSOLIDATED RETAINED EARNINGS

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 28 June 2026 of the closed group consisting of Michael Hill International Limited and the entities noted above.

|                                                                     | 2026           | 2025           |
|---------------------------------------------------------------------|----------------|----------------|
|                                                                     | \$'000         | \$'000         |
| <b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>                     |                |                |
| Revenue from sales of goods and services                            | 469,341        | 463,867        |
| Other income                                                        | 17,942         | 14,056         |
| Cost of goods sold                                                  | (188,373)      | (184,452)      |
| Employee benefits expense                                           | (144,790)      | (141,275)      |
| Occupancy costs                                                     | (10,270)       | (9,765)        |
| Marketing expenses                                                  | (25,692)       | (27,459)       |
| Selling expenses                                                    | (15,336)       | (15,889)       |
| Administrative expenses                                             | (13,390)       | (14,237)       |
| Impairment of intangible assets                                     | -              | (7,400)        |
| Depreciation and amortisation expense                               | (51,104)       | (52,701)       |
| Loss in disposal of property, plant and equipment                   | (3,591)        | (188)          |
| Other expenses                                                      | (17,589)       | (19,481)       |
| Finance costs                                                       | (10,741)       | (13,563)       |
| <b>Profit/(loss) before income tax</b>                              | <b>6,407</b>   | <b>(8,487)</b> |
| Income tax expense                                                  | (4,118)        | 2,683          |
| <b>Profit/(loss) for the year</b>                                   | <b>2,289</b>   | <b>(5,804)</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>                                   | <b>2026</b>    | <b>2025</b>    |
|                                                                     | \$'000         | \$'000         |
| Items that may be reclassified to profit or loss                    |                |                |
| Exchange differences on translation of foreign operations           | (6,365)        | 1,784          |
| <b>Other comprehensive income/(loss) for the period, net of tax</b> | <b>(6,365)</b> | <b>1,784</b>   |
| <b>Total comprehensive income/(loss) for the year</b>               | <b>(4,076)</b> | <b>(4,020)</b> |
|                                                                     | <b>2026</b>    | <b>2025</b>    |
|                                                                     | \$'000         | \$'000         |
| <b>STATEMENT OF CHANGES IN EQUITY</b>                               |                |                |
| Equity at the beginning of the financial year                       | 407,346        | 411,028        |
| Total comprehensive income/(loss)                                   | (4,076)        | (4,020)        |
| Share rights through share-based payments reserve                   | (145)          | 338            |
| <b>Total equity at the end of the financial year</b>                | <b>403,125</b> | <b>407,346</b> |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Set out below is a consolidated statement of financial position as at 28 June 2026 of the Closed Group consisting of Michael Hill International Limited and the entities noted above.

|                                      | 2026           | 2025           |
|--------------------------------------|----------------|----------------|
|                                      | \$'000         | \$'000         |
| <b>CURRENT ASSETS</b>                |                |                |
| Cash and cash equivalents            | 8,321          | 6,264          |
| Trade receivables                    | 7,474          | 7,964          |
| Inventories                          | 139,905        | 148,674        |
| Other current assets                 | 5,863          | 5,630          |
| Current tax asset                    | 1,790          | 7,238          |
| <b>Total current assets</b>          | <b>163,353</b> | <b>175,770</b> |
| <b>NON-CURRENT ASSETS</b>            |                |                |
| Property, plant and equipment        | 37,639         | 40,327         |
| Right-of-use assets                  | 89,239         | 98,623         |
| Investments in subsidiaries          | 23,651         | 44,521         |
| Loans to related parties             | 249,243        | 234,166        |
| Other non-current assets             | 237            | 271            |
| Intangible assets                    | 41,262         | 47,463         |
| Deferred tax assets                  | 48,172         | 50,665         |
| <b>Total non-current assets</b>      | <b>489,443</b> | <b>516,036</b> |
| <b>Total assets</b>                  | <b>652,796</b> | <b>691,806</b> |
| <b>CURRENT LIABILITIES</b>           |                |                |
| Trade and other payables             | 60,308         | 52,903         |
| Lease liabilities                    | 26,749         | 28,495         |
| Contract liabilities                 | 10,443         | 11,742         |
| Provisions                           | 9,517          | 9,603          |
| <b>Total current liabilities</b>     | <b>107,017</b> | <b>102,743</b> |
| <b>NON-CURRENT LIABILITIES</b>       |                |                |
| Lease liabilities                    | 76,626         | 85,477         |
| Contract liabilities                 | 36,630         | 36,615         |
| Provisions                           | 9,398          | 7,525          |
| Borrowings                           | 20,000         | 52,100         |
| <b>Total non-current liabilities</b> | <b>142,654</b> | <b>181,717</b> |
| <b>Total liabilities</b>             | <b>249,671</b> | <b>284,460</b> |
| <b>Net assets</b>                    | <b>403,125</b> | <b>407,346</b> |
| <b>EQUITY</b>                        |                |                |
| Contributed equity                   | 297,318        | 297,310        |
| Reserves                             | 7,927          | 14,443         |
| Retained profits                     | 97,880         | 95,593         |
| <b>Total equity</b>                  | <b>403,125</b> | <b>407,346</b> |

### G3 PARENT ENTITY FINANCIAL INFORMATION

#### SUMMARY FINANCIAL INFORMATION

The individual financial statements for Michael Hill International Limited (the Parent) show the following aggregate amounts.

|                                                                   | 2026           | 2025           |
|-------------------------------------------------------------------|----------------|----------------|
|                                                                   | \$'000         | \$'000         |
| <b>STATEMENT OF FINANCIAL POSITION</b>                            |                |                |
| Current assets                                                    | 144            | 158            |
| Non-current assets                                                | 369,015        | 349,603        |
| <b>Total assets</b>                                               | <b>369,159</b> | <b>349,761</b> |
| <b>Net assets</b>                                                 | <b>369,159</b> | <b>349,761</b> |
| Issued capital                                                    | 293,070        | 292,993        |
| Reserves                                                          | 32,050         | 32,272         |
| Retained earnings                                                 | 44,039         | 24,496         |
| <b>Total equity</b>                                               | <b>369,159</b> | <b>349,761</b> |
|                                                                   | 2026           | 2025           |
|                                                                   | \$'000         | \$'000         |
| <b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b> |                |                |
| Profit/(loss) for the year                                        | 19,543         | (4,332)        |
| <b>Total comprehensive profit/(loss)</b>                          | <b>19,543</b>  | <b>(4,332)</b> |

#### GUARANTEES ENTERED INTO BY THE PARENT ENTITY

The Parent has issued the following guarantees in relation to the debts of its subsidiaries:

- (i) Pursuant to Class Order 2016/785, Michael Hill International Limited and the subsidiaries listed below entered into a deed of cross guarantee on 30 June 2016. The effect of the deed is that Michael Hill International Limited has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that Michael Hill International Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.
- (ii) Refer to Note G2 for subsidiaries subject to the deed.

#### CONTINGENT LIABILITIES OF THE PARENT ENTITY

The Parent entity had no material contingent liabilities as at balance date.

## H UNRECOGNISED ITEMS

|    |                                                        |
|----|--------------------------------------------------------|
| H1 | Contingencies and commitments                          |
| H2 | Events occurring after the end of the reporting period |

## H1 CONTINGENCIES AND COMMITMENTS

### CONTINGENT LIABILITIES

From time to time, Companies within the Group are party to various legal actions as well as inquiries from regulators and government bodies that have arisen in the normal course of business. The Directors have given consideration to such matters which are or may be subject to claims or litigation at year end and are of the opinion that that any liabilities arising over and above already provided in the financial statements from such action would not have a material effect on the Group's financial performance.

The Group had no material contingent liabilities as at balance date (2025: Nil).

### CONTINGENT ASSETS

The Group has no material contingent assets existing as at balance date (2025: Nil).

### COMMITMENTS

The following sets out the various lease contracts that the Group has entered into and have yet to commence as at 28 June 2026.

|                                                                 | Within one<br>year | One to five<br>years | Greater than<br>five years | Total  |
|-----------------------------------------------------------------|--------------------|----------------------|----------------------------|--------|
|                                                                 | \$'000             | \$'000               | \$'000                     | \$'000 |
| Future lease payments for these non-cancellable lease contracts | 658                | 2,805                | 1,541                      | 5,004  |

## H2 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Except for the dividend declared (Note B3), no matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

## I SUMMARY OF ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES AND JUDGEMENTS

|    |                                                   |
|----|---------------------------------------------------|
| I1 | Summary of material accounting policy information |
| I2 | Significant estimates and judgements              |

### I1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

#### (A) BASIS OF PREPARATION

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The consolidated financial statements provide comparative information in respect of the previous period.

For reporting purposes, the Group adopts a weekly 'retail calendar' closing each Sunday. The current 52 week reporting period ended on 28 June 2026.

The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (B) PRINCIPLES OF CONSOLIDATION

Subsidiaries are all entities (including special purpose) over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the activities of the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Michael Hill International Limited.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset.

#### (C) FOREIGN CURRENCY TRANSLATION

##### *Functional currency translation*

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group financial statements are presented in Australian dollars, which is the Group's presentation currency.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Net foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end of monetary assets and liabilities denominated in foreign currencies are recognised as other income or other expenses, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

##### *Group companies*

The results and financial position of all the Group entities (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

## (D) TAXES

### *Current income tax*

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets and liabilities are classified as non-current assets and liabilities. 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 controlled entities 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.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### *Tax consolidation group*

Michael Hill International Limited and its wholly-owned Australian controlled entities form a tax consolidation group. As a consequence, one income tax return is completed for the Australian tax group and is treated for income tax purposes as one taxpayer.

The tax balances have been attributed for reporting purposes to each of the entities on the basis of their individual results. Amounts of tax due to and receivable from the Australian Taxation Office are made by Michael Hill International Limited as nominated member of the Australian tax consolidated group. The current tax balance for the Australian tax group has been allocated between the members based on each entity's current tax movement for the period. Where tax losses are incurred by Australian tax group members, these are offset within the group.

## (E) GOODS AND SERVICES TAX (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; or
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

## (F) IMPAIRMENT OF ASSETS

At each annual reporting date (or more frequently if events or changes in circumstances indicate that they might be impaired), the Group assesses whether there is any indication that an asset may be impaired. Where such an indication is identified, the Group estimates the recoverable amount of the asset and recognises an impairment loss where the recoverable amount is less than the carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

Where the recoverable amount exceeds the carrying amount of an asset, an impairment loss is recognised. Right-of-use assets are also incorporated into the calculation. Subsequent to an impairment occurring, if the recoverable amount from assets exceeds the carrying value, the impairment loss is reversed to the extent that it has been recognised.

## (G) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position when utilised. All uncleared balances from EFT, credit card and debit card point of sales transactions at period end are classified as cash and cash equivalents. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

## (H) INVENTORIES

Raw materials and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure (including depreciation), the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Management review stock holdings based on recoverability at a product level and write-down as appropriate.

## (I) FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

### (i) Financial assets

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under AASB15 *Revenue from Contracts with Customers*. Refer to the accounting policies in note A2.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'Solely Payments of Principal and Interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### *Subsequent measurement*

Whilst there are four categories, two are relevant in the current reporting period for the Group, being:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

#### *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables included under current and non-current financial assets.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### *Impairment of financial assets*

Further disclosures relating to impairment of financial assets are also provided in note F3.

The Group recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **(ii) Financial liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below.

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB9 *Financial Instruments*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB9 *Financial Instruments* are satisfied. The Group has not designated any financial liability as at fair value through profit and loss.

#### *Loans and borrowings at amortised cost*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to note C1.

#### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **(J) PROPERTY PLANT AND EQUIPMENT**

All property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives (note F4).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

### **(K) INTANGIBLE ASSETS AND GOODWILL**

#### *Goodwill*

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

#### *Brand*

Brand names are acquired as part of business combinations and are recognised initially at fair value. Where they have an indefinite useful life, they are not subject to amortisation but are tested annually for impairment or more frequently if events or changes in circumstances indicate they may be impaired. Key factors taken into account in assessing useful life of brands are:

- The brands are well established and protected by trademarks; and
- There are currently no legal, technical or commercial obsolescence factors applying to the brands which indicate that the life should be considered limited.

### *Loyalty program*

Loyalty programs associated to brands operate a customer loyalty program which attributes value to the business by offering a returning customer base. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

### *Software*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with developing or maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available;
- it can be demonstrated how the software will generate probable future economic benefits; and
- the expenditure attributable to the software during its development can be reliably measured.

In respect to cloud computing arrangements, the Group assesses whether the arrangement contains a lease and if not, whether the arrangement provides the Group with a resource that it can control. Costs associated with implementation are then assessed as to whether they can be capitalised in accordance with relevant accounting standards.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding ten years).

### *Useful life*

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life i.e. three years for customer loyalty program and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

## **(L) PROVISIONS**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## **(M) EMPLOYEE ENTITLEMENTS**

### *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled.

### *Other long-term employee benefit obligations*

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the Milliman G100 discount rates at the end of the reporting period. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting year, regardless of when the actual settlement is expected to occur.

### *Profit-sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### *Retirement benefit obligations*

The Group provides retirement benefits to employees through a defined contribution superannuation fund. Contributions are recognised as expenses as they become payable.

## **(N) CONTRIBUTED EQUITY**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **(O) DIVIDENDS**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting year but not distributed at the end of the reporting year.

## **(P) EARNINGS PER SHARE**

### *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note F2).

### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (note F2).

## (Q) ROUNDING OF AMOUNTS AND COMPARATIVES

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

The comparative for the measure of segment profit has been updated to Comparable EBIT in line with the current year disclosure.

## (R) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

### *New and amended standards and interpretations*

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2025:

#### *AASB 2026-1 Amendments to Australian Accounting Standards - Disclosures about Uncertainties in the Financial Statements*

This Standard amends AASB 136 to add additional examples to illustrate how an entity discloses information about the key assumptions it uses to determine the recoverable amount of assets. This amendment did not have a material impact on the Group's financial statements.

### *Standards and Interpretations issued that are not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory or effective for the 28 June 2026 year end. The Group is in the process of determining the impact of these new standards and amendments, which are summarised below:

#### *AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments (effective for annual reporting periods commencing 1 January 2026)*

The amendment:

- provides clarification of the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they are settled using electronic payment systems. The amendment also provides an exception if certain criteria are met, for the timing of derecognition of certain financial liabilities settled using an electronic payment system;
- provides further guidance about specific types of financial assets, specifically contractually linked instruments (CLIs);
- provides clarification of the classification of financial assets that are linked to environmental, social and governance (ESG) and similar characteristics; and
- requires additional disclosure requirements with regard to investments in equity instruments measured at fair value through other comprehensive income and financial instruments with contingent features.

#### *AASB 18 Presentation and Disclosure in Financial Statements (effective for annual reporting periods commencing 1 January 2027)*

AASB 18 *Presentation and Disclosure in Financial Statements* aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.

The standard will change how companies present their results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures – management performance measures (MPMs) – will now form part of the audited financial statements.

There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

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

## 12 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are incorporated within the relevant note.

The significant accounting judgements relate to the pattern of PCP revenue recognition (note A2), the calculation of the net realisable value of inventory (note A3) and brand intangible impairment (note F5) testing.

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

| Entity name                               | Entity type    | Trustee,<br>Partner or JV<br>Participant | Bodies corporate                |                                | Tax residency            |                         |
|-------------------------------------------|----------------|------------------------------------------|---------------------------------|--------------------------------|--------------------------|-------------------------|
|                                           |                |                                          | Place formed or<br>incorporated | % of share<br>capital held (i) | Australian or<br>foreign | Foreign<br>jurisdiction |
| Michael Hill International Limited        | Body corporate | No                                       | Queensland                      | N/A                            | Australian               | N/A                     |
| Durante Holdings Pty Ltd                  | Body corporate | Yes - partner                            | Queensland                      | 100%                           | Australian               | N/A                     |
| MH Bespoke Diamonds AU Pty Ltd            | Body corporate | No                                       | Queensland                      | 100%                           | Australian               | N/A                     |
| Michael Hill Franchise Pty Ltd            | Body corporate | No                                       | Queensland                      | 100%                           | Australian               | N/A                     |
| Michael Hill Franchise Services Pty Ltd   | Body corporate | No                                       | Queensland                      | 100%                           | Australian               | N/A                     |
| Michael Hill Jeweller (Canada) Ltd        | Body corporate | No                                       | Canada                          | 100%                           | Foreign                  | Canada                  |
| Michael Hill Charms Pty Ltd               | Body corporate | No                                       | Queensland                      | 100%                           | Australian               | N/A                     |
| Fine Jewellery Retail AU Pty Ltd          | Body corporate | No                                       | Queensland                      | 100%                           | Australian               | N/A                     |
| Medley Jewellery Pty Ltd                  | Body corporate | No                                       | Queensland                      | 100%                           | Australian               | N/A                     |
| Michael Hill Group Services Pty Ltd       | Body corporate | No                                       | Queensland                      | 100%                           | Australian               | N/A                     |
| Michael Hill Manufacturing Pty Ltd        | Body corporate | No                                       | Queensland                      | 100%                           | Australian               | N/A                     |
| Michael Hill Wholesale Pty Ltd            | Body corporate | No                                       | New South Wales                 | 100%                           | Australian               | N/A                     |
| Michael Hill Jeweller (Australia) Pty Ltd | Body corporate | Yes - partner                            | New South Wales                 | 100%                           | Australian               | N/A                     |
| Michael Hill Finance A Ltd Partnership    | Partnership    | N/A                                      | Queensland                      | N/A                            | Australian               | N/A                     |
| Michael Hill New Zealand Ltd              | Body corporate | No                                       | New Zealand                     | 100%                           | Foreign                  | New Zealand             |
| Michael Hill Jeweller Ltd                 | Body corporate | No                                       | New Zealand                     | 100%                           | Foreign                  | New Zealand             |
| Michael Hill Finance (NZ) Ltd             | Body corporate | No                                       | New Zealand                     | 100%                           | Foreign                  | New Zealand             |
| Michael Hill Wholesale NZ Ltd             | Body corporate | No                                       | New Zealand                     | 100%                           | Foreign                  | New Zealand             |
| MHJ (US) Ltd                              | Body corporate | No                                       | New Zealand                     | 100%                           | Foreign                  | New Zealand             |
| Michael Hill LLC                          | Body corporate | No                                       | Delaware, US                    | 100%                           | Foreign                  | Delaware, US            |

*The above Consolidated Entity Disclosure Statement should be read in conjunction with the accompanying notes.*

## BASIS OF PREPARATION

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are Michael Hill International Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

The percentage of share capital disclosed for bodies corporate included in the statement represents the economic interest consolidated in the consolidated financial statements controlled by Michael Hill International Limited either directly or indirectly.

In relation to the tax residency information included in the statement, judgement may be required in the determination of residency of the entities listed.

# DIRECTORS' DECLARATION

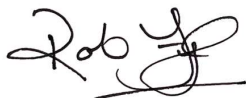
In the directors' opinion:

- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) the financial statements and notes of the Group for the financial year ended 28 June 2026, are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements,
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 28 June 2026 and of its performance for the financial year ended on that date, and
  - (iii) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct;
- (c) as at the date of this declaration, there are reasonable grounds to believe that the members of the extended group identified in note G1 will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee described in note G2.

Note I1(A) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.



**R I Fyfe**  
Chair

Brisbane  
28 August 2026

## Independent auditor's report to the members of Michael Hill International Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Michael Hill International Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 28 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 28 June 2026 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



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## Existence of inventories

| Why significant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As at 28 June 2026 the Group's inventories balance totals \$190 million which represents 39% of the Group's total assets.</p> <p>Inventories are primarily kept in the Group's 281 retail stores located in Australia, New Zealand and Canada and the distribution and manufacturing centres. Inventories comprise a large number of physically small but high value items which are subject to misappropriation and loss.</p> <p>The Group accounts for inventories in accordance with the policy disclosed in Note I1(H) and further disclosure is included in Note A4 of the financial report.</p> <p>Inventory is considered a key audit matter due to the nature, size and geographic spread of locations where items are held.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Attended a sample of stocktakes conducted at retail stores across Australia, New Zealand and Canada.</li><li>• In addition to the retail stores, we attended the stocktakes completed at each of the distribution and manufacturing centres in June 2026 prior to year end.</li><li>• Tested the operating effectiveness of key controls relevant to the conduct of physical stocktakes, the review and evaluation of inventory variances, and the approval of adjustments made to inventory quantities.</li><li>• Where stocktakes were attended across the retail stores, distribution and manufacturing centres, we observed compliance with the stocktake instructions and selected a sample of items to re-count to assess the accuracy and completeness of the counts performed by the Group.</li><li>• Where stocktakes were completed prior to balance date, we performed a roll forward and completed risk assessment analytics across retail store inventory by location and geographical segment to identify stock levels outside of expectation. Where contrary evidence was identified, the variances were assessed and supporting documentation obtained.</li><li>• Analytics were performed across stores inventory over each geographical segment to identify stores where stock on hand is outside of our expectation.</li><li>• Assessed the adequacy and appropriateness of the disclosures included in the Notes to the financial statements.</li></ul> |



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## Professional Care Plan (PCP) revenue recognition

| Why significant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The balance of the deferred PCP revenue liability at 28 June 2026 was \$57 million, and PCP revenue recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 28 June 2026 was \$27 million as disclosed in Note A2.</p> <p>The recognition of PCP revenue involves a significant degree of estimation in determining the appropriate revenue recognition pattern for lifetime, 10 year and three year plans offered to the Group's customers. Under these plans, revenue is deferred on receipt of the payment from the customer and recognised over time in a manner that reflects the proportion of actual services used by customers relative to the total amount of expected services to be provided under the PCPs.</p> <p>The estimation process for PCP revenue is based on an analysis of actual services performed under these plans since inception, with management judgement applied to take account of emerging trends in customer behaviour, industry data and exceptional circumstances.</p> <p>The result of the estimation process is reviewed by the Group on at least an annual basis. As circumstances change over time, the Group updates its measure of progress, and any adjustments are recognised as a cumulative catch up in revenue recognition (or reversal) in the current year results.</p> <p>Accordingly, this is considered a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Assessed the Group's PCP revenue recognition accounting policies and compliance in accordance with the requirements of Australian Accounting Standards.</li><li>• Assessed the accuracy of the data used in the PCP revenue estimation calculation and challenged the reasonableness of the key judgements including:<ul style="list-style-type: none"><li>• Obtained details of the sales of PCP products to customers during the year, and on a sample basis, we vouched the cash receipts to bank statements and assessed that the revenue was appropriately deferred.</li><li>• Obtained details of the actual repair services during the year and tested a sample of transactions to understand if repairs are accurately tagged to the associated PCP plan date.</li><li>• Performed analysis over the historic repairs data, to assess whether the assumptions made by the Group were supportable.</li></ul></li><li>• Tested the mathematical accuracy of the PCP revenue estimation model and re-performed the Group's calculation supporting the estimate relating to PCP revenue recognition.</li><li>• Assessed the adequacy and appropriateness of disclosures included in the Notes to the financial statements.</li></ul> |



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## Impairment assessment of Brand Intangible

| Why significant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As detailed in Note F5, at 28 June 2026, the Group reported a brand intangible of \$11.9m for the Bevilles business.</p> <p>In accordance with the Group's accounting policy and the requirements of AASB 136 <i>Impairment of Assets</i>, an impairment test is required to be performed at least annually for cash generating units ("CGUs") to which brand intangible has been allocated.</p> <p>Management use a relief from royalty method for measuring the recoverable amount of the brand intangibles for their impairment testing.</p> <p>Impairment assessments are complex and involve judgements and estimation relating to sales and gross margin forecasts and the discount rate applied.</p> <p>Accordingly, impairment testing of brand intangible was considered to be a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Evaluated the method and associated model used by management to test impairment of brand intangibles for consistency with the requirements of Australian Accounting Standards</li><li>• Agreed the cash flow forecasts used in the impairment models to Board-approved budgets and assessed the historical accuracy of forecasting.</li><li>• Assessed the reasonableness of future cash flow assumptions and estimates detailed in Note F5 through comparison with current trading performance, and inquiry of management.</li><li>• Assessed revenue and margin forecasts discount rate and other key assumptions with involvement from EY valuation specialists.</li><li>• Reviewed the competency, capabilities and objectivity of management's specialist, including the nature and scope of their engagement.</li><li>• Tested the mathematical accuracy of the impairment model, including recalculating the recoverable amount.</li><li>• Performed independent sensitivity analysis of key impairment model assumptions.</li><li>• Assessed the adequacy and appropriateness of disclosure included in the Notes to the financial statements.</li></ul> |

## Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 annual report, but does not include the financial report and our auditor's report thereon and the Company's Sustainability Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion. We have issued a separate auditor's report on selective sustainability information included in the Sustainability Report.



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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the audit of the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 11 to 23 of the directors' report for the year ended 28 June 2026.

In our opinion, the Remuneration Report of Michael Hill International Limited for the year ended 28 June 2026, complies with section 300A of the *Corporations Act 2001*.



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### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Ernst & Young*

Ernst & Young

*Rebecca Burrows*

Rebecca Burrows  
Partner  
Brisbane  
28 August 2026