



2026 ANNUAL REPORT

HALLNSTEIN
GLASSON HOLDINGS
LIMITED



CONTENTS

HIGHLIGHTS 4

CHAIRMAN'S REPORT 6

GLASSONS 8

HALLENSTEINS 9

SUSTAINABILITY MATTERS 10

INDEPENDENT AUDITOR'S REPORT 16

FINANCIAL STATEMENTS 20

GENERAL DISCLOSURES 51

CORPORATE GOVERNANCE STATEMENT 57

SHAREHOLDER INFORMATION 65

DIRECTORY & CALENDAR 67

SALES

\$563.02_M UP 19.6%

PROFIT AFTER TAX

\$59.16_M UP 49.9%

TOTAL EQUITY

\$141.58_M

TOTAL ASSETS

\$312.67_M

BASIC EARNINGS PER ORDINARY SHARE

99.2 CENTS

Highlights



TEAM MEMBERS

3,023

TOTAL STORES

122

Chairman's Report

Group Sales

\$563.0_M

Online Sales

19.0%

OF GROUP TURNOVER



THE COMPANY ADVISES THAT GROUP SALES FOR THE 12 MONTHS TO 1 AUGUST 2026 WERE \$563.0 MILLION, AN INCREASE OF 19.6% ON THE PRIOR YEAR (\$470.7 MILLION).

The Directors note the result has benefited from a stronger Australian Dollar and on a constant currency basis, sales were up +15.6% on the prior year.

Gross margin at 61.7% was +240 basis points above the 59.3% realised in the prior year despite a continued challenging foreign exchange rate for inventory purchases, which was lower than the prior corresponding period. The improved margin reflects stronger sales at full price, and working closely with suppliers and freight forwarders to secure best possible rates.

The audited net profit before tax for the 12 months was \$83.9 million, an increase of +43.8% on the prior corresponding period (\$58.4 million).

Group audited net profit after tax was \$59.2 million, an increase of +49.9% on the prior corresponding period (\$39.5 million).

The Group maintains a strong balance sheet and working capital position.

GLASSONS — AUSTRALIA

Sales in Australia were \$324.4 million which was an increase of +29.0% on the prior corresponding period (\$251.5 million) inclusive of sales from new and refurbished stores. On a constant currency basis, Australian sales were up +21.4% on the prior corresponding period. Net profit before tax was \$43.5 million, an increase of +27.0% on the prior year (\$34.2 million).

During the year, a new store opened in Burwood, NSW, taking the Australian store network to 41 stores at year end. The Parramatta store relocated to a larger site in November, the Castle Towers store was refurbished, and the Highpoint store in Victoria was expanded and reopened in June.

The Group continues to assess further store opportunities in Australia as suitable locations become available. Post year end, a new store opened in Miranda, NSW, in August, with a further NSW store scheduled to open in October ahead of the peak trading period.

Construction of the Group's new purpose-built Sydney warehouse was completed during the year. The new warehouse, located in leased premises, incorporates company owned increased automation and additional capacity to support the Australian business. It commenced operations in the first week of the 2027 financial year.

GLASSONS — NEW ZEALAND

Sales in New Zealand for the year were \$124.8 million, an increase of +11.5% on the prior corresponding period (\$111.9 million). Net profit before tax was \$29.1 million, an increase of +51.9% on the prior corresponding period (\$19.2 million), continuing the strong momentum from the first half.

During the year, the Hamilton Central store was refurbished and reopened in August, while the Porirua store was expanded and refurbished to bring it in line with current brand standards. The Frankton, Queenstown store, which opened in July 2025, has now completed its first full year of trading.

Post year end, the New Plymouth store has undergone refurbishment and has reopened in September.

HALLENSTEINS

Sales for the 2026 financial year of \$113.8 million (including Australia), represent an increase of +6.1% on the prior corresponding period (\$107.3 million). On a constant currency basis, total Hallensteins sales were up +5.4% on the prior corresponding period. Net profit before tax was \$10.9 million, an increase of +129.5% on the prior corresponding period (\$4.8 million). The business has worked hard to improve profitability over the last 12 months, and the result achieved demonstrates the effort.

During the year, the Hamilton Central store was refurbished and reopened in September 2025, while Lynn Mall was expanded and refurbished in December 2025 to align with current brand standards. Smaller upgrades were also completed at St Lukes, New Plymouth and Albany to improve the presentation of those stores.

In Australia, the Robina pop-up store closed and was replaced by a larger permanent store in November 2025. In March 2026, the Harbour Town store on the Gold Coast relocated to a significantly larger site, providing greater capacity for full-price product and supporting improved store profitability.

Post year end, a new store opened at Indooroopilly, QLD, taking the total number of Hallensteins stores in Australia to six. The Group will continue to assess the performance of the Australian store network and consider further expansion opportunities where appropriate.

E-COMMERCE AND DIGITAL

Digital sales represented 19.0% of Group revenue for the year, an increase from 18.0% in the prior corresponding period. Online sales grew overall by +26.2% compared to the prior corresponding period.

DIVIDEND

The Directors have declared a final dividend of 40.0 cents per share (partially imputed at 91.6%) (30.5 cents per share partially imputed at 56.5% last year) to be paid on 9th December 2026. Together with the interim dividend of 29.0 cents per share that was paid on 24th April 2026, the full year dividend is 69.0 cents per share. The dividend payment has grown as the Company's balance sheet continues to remain strong, and inventory levels are well controlled.

FUTURE OUTLOOK

For the first eight weeks of the new financial year, Group sales were 18.4% ahead of the same period last year on a constant currency basis. Sales were ahead of the prior corresponding period across both brands, with the result also reflecting the contribution from recently opened and refurbished stores.

While trading to date has been ahead of the prior year, the period represents a relatively small part of the financial year and precedes the important Black Friday and Christmas trading periods. The rate of sales growth achieved in the opening weeks is not expected to continue at the same level through the remainder of the first half.

The Group continues to operate against an uncertain economic and geopolitical backdrop. Changes in consumer spending, foreign exchange rates, freight and logistics costs, and other operating costs may affect trading and profitability over the remainder of the financial year. The Group will continue to monitor these factors and respond as appropriate.

A further trading update will be provided at the Annual Meeting of Shareholders in December 2026.



**WARREN BELL
CHAIRMAN**

A woman with long dark hair, wearing a white spaghetti-strap dress with a red and pink floral pattern, stands in front of a rustic stone wall. The scene is lit with warm, golden-hour light.

GLASSONS

NEW ZEALAND SALES

35 STORES

NEW ZEALAND

\$124.81 M

UP 12%

AUSTRALIAN SALES

41 STORES

AUSTRALIA

\$324.37 M

UP 29%



HALLENSTEINS

41 STORES

NEW ZEALAND

5 STORES

AUSTRALIA

TOTAL SALES

\$113.85M

UP 6%



HGH SUSTAINABILITY REPORT 2026

SUSTAINABILITY MATTERS

Our Brands

Looking Forward

With more than 100 years of New Zealand heritage, Glassons and Hallensteins have earned a place in wardrobes across New Zealand and Australia. While fashion continues to evolve across generations, our purpose remains the same: creating quality, affordable fashion that people love to wear, guided by our Made with Care commitment.

Since coming together as Hallenstein Glasson Holdings in 1985, our two brands have continued to grow with purpose. Different in personality, united in values. Connected by a shared ambition to create products our customers love and wear for longer. Today, our business spans across New Zealand and Australia with 122 combined stores and an expanding global digital presence that connects us with more and more customers every year. While fashion continues to evolve at pace, our focus remains constant: delivering quality, value and fashion without compromising who we are.

We're proud of where we've come from, but we're equally excited about where we are going. While our heritage has shaped who we are, we continue to evolve and define our next chapter.

ESG Leadership

Guiding Governance

Good governance is the foundation of a responsible business. For us, that comes from a shared commitment to doing the right thing for our customers, our people, our partners and the communities we are part of.

Our Sustainability Committee brings together board members, executive leaders and team members from across the business, each contributing different perspectives and expertise to help shape our approach to sustainability and ethical business practices. By working across functions, the Committee ensures these priorities are considered in the decisions we make each and every day, while keeping an eye on the opportunities and challenges of tomorrow.

The Committee meets regularly to review progress, monitor emerging issues and guide the actions that support our long-term strategy. When ESG issues have a wider impact on the company, major decisions are escalated to the full Board for review and approval.

Our Vision

Our vision is grounded on a firm foundation of integrity. Every sustainability journey needs a framework to work to and measure progress against. Ours is based around three broad pillars (Product, Planet and People) and under those we have developed areas of focus with the important issues for us to address. Materiality assessments help us understand what is most important to our stakeholders. The materiality results provide insights that feed into our framework. Our sustainability framework communicates our strategy to staff, customers and shareholders

PILLARS	FOCUS AREA	GOAL	IMPORTANT ISSUES
 Product	Sourcing Materials	Source materials that minimise the environmental impact.	Availability and traceability of sustainable raw materials
	Product Stewardship	Support a considered transition from a linear to a circular model.	End of life
	Ethical Factories	Partnering with supplier factories that uphold international labour rights.	Worker welfare
 Planet	Carbon Footprint	Provide meaningful change by reducing our carbon footprint.	Reduction roadmap
	Climate Change Preparation	Tackle climate change and build a globally climate resilient business.	Mitigate for future scenarios Minimising risk to people, communities and property
	Environmental Impact	Minimise the environmental impacts of our operations.	Reduce waste Energy efficiency Cruelty free fashion
 People	Diverse Workforce	To create an inclusive workplace culture.	Diversity & Inclusion
	Safe Working Environment	Deliver a workplace where employees feel secure.	Worker wellbeing
	Career Development	Provide opportunity to further development of career aspirations and goals.	Investing in people Training & Education

Climate Resilience

Building a resilient business means understanding not only the impact we have on the environment, but also the impact a changing climate may have on our people, our operations and our supply chain.

Over recent years, we've continued to develop our understanding of our carbon footprint and climate-related risks and opportunities, while identifying opportunities to improve our environmental performance. This work provides useful insights to help inform our decision-making and our approach to managing environmental impacts.

By considering climate-related risks and opportunities across our operations and supply chain, we are continuing to develop our understanding of how these factors may affect our business over time.

Our Supply Chain

Behind every product is a network of skilled manufacturers who help transform ideas into finished products.

While we don't own or operate the factories that make our products, we are thoughtful about who we choose to work with. Today, our products are sourced from trusted suppliers across China, India, Bangladesh and Vietnam. Many of these relationships have grown over years of working together, creating a foundation of trust, consistency and mutual respect.

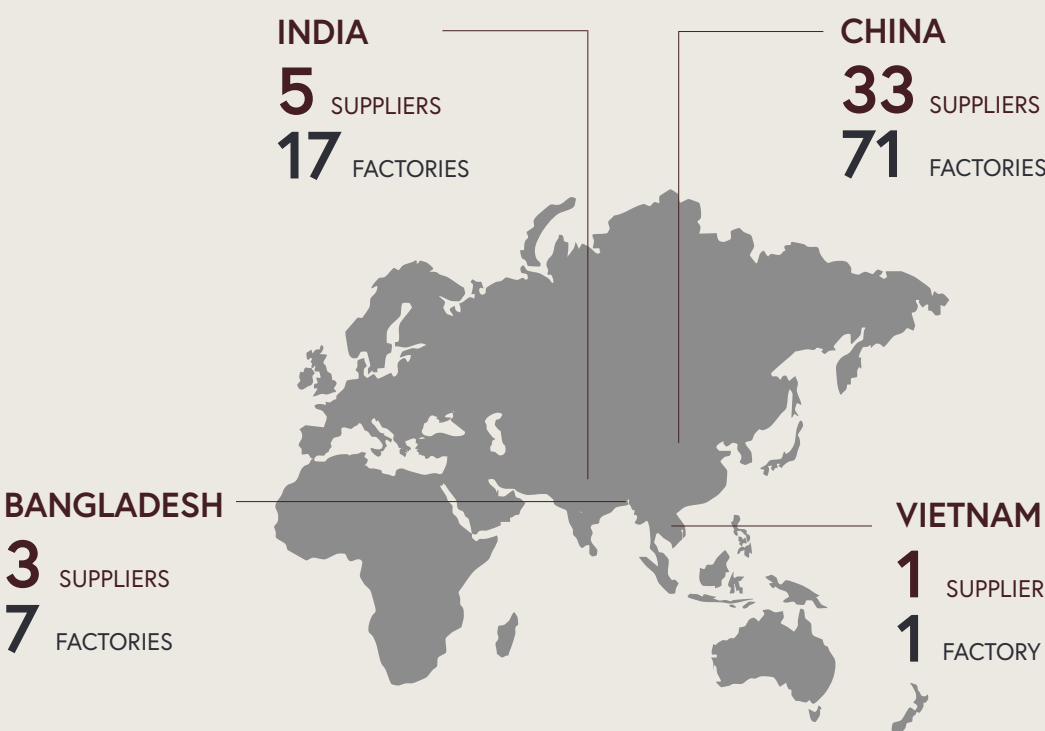
As our business evolves, so does our supply chain. We're continually strengthening the way we understand, monitor and engage with our supplier network, helping us make informed decisions and support responsible business practices throughout our operations.

Average worker earnings in our producer factories (by country)	% Above minimum wage	Representation
Bangladesh	4.8%	One factory is unionised with collective bargaining agreements. 6 factories have worker representatives. (No collective agreements).
China	32.5%	All factories have worker representatives.
India	9%	All factories have worker representatives.
Vietnam	21.8%	Our 1 factory is unionised and has a collective bargaining agreement in place.

Where In The World

Across Asia, we're privileged to work with suppliers who have helped shape our business for many years. Together, we've built partnerships founded on trust, mutual respect and a shared commitment to producing quality products.

Our suppliers are more than manufacturers, they're partners, an extension of our team. Through open conversations, shared experiences and a willingness to learn from one another, we've created relationships that continue to grow stronger with time.



Our Progress

TIER 1
99%

These factories make the products we import and sell.

FY26

Tier 1 FY26 transparency is at 99%, as we continue our due-diligence ensuring all factories are disclosed to us and onboarded. While we believe all Tier 1 factories are disclosed, we report 99% to acknowledge the possibility of unidentified facilities and maintain transparency in our reporting.

TIER 2
5 Audits

These suppliers are the textile processing facilities: mills, dye houses and laundries.

We achieved our target of 5 audits in FY26 on Tier 2 facilities.

TIER 3

These suppliers provide the raw materials.

Tier 3 continues to be challenging to get the visibility we would ideally like to have. We continue to review textile certification programmes that could provide further verification of raw material origins.

Note:
Visibility: Means we have traced to the facility that is involved in the harvesting, processing and/or manufacturing within our supply chain. We have as a minimum their name and address on file and any certifications they may hold.
Transparency: Means we know who they are, we have visited their facilities and / or conducted our own audits. As a minimum, we must hold a valid audit on file for the facility, either our own or a globally recognised audit (Smeta, BSCI etc.)

Audit, Assessment & Remediation

Our Social & Ethical Compliance Programme plays an important role in helping us understand what's happening across our supply chain. It gives us confidence in what's working well, while highlighting where improvements can be made.

Working with our long-standing independent audit partner, Qualspec SgT, we conduct a programme of announced and unannounced ethical audits across our Tier 1 and 2 supplier network. Together, these assessments provide a balanced view of day to day operations and help us build a deeper understanding of the people and practices behind our products.

Our audits look beyond compliance. They provide insight into working hours, wages, health and safety, management systems, worker wellbeing and broader workplace practices. They also help us identify emerging risks and opportunities to strengthen performance over time. When issues are identified, our focus is on remediation. We work alongside our suppliers to understand the root cause, agree on practical corrective actions and monitor progress through to completion. We believe lasting improvements are achieved through partnership, transparency and a shared commitment to doing better.

THE NUMBERS IN TIER 1 (FY26)

HGH managers visit our Tier 1 suppliers, and we monitor factories by engaging Qualspec audits to measure compliance against our HGH Code of Conduct.

- 27 Independent new audits
- 7.3 Average number of non-compliances
- 131 Compliances checked in each audit

TIER 2 AUDITS FY26

Beyond our Tier 1 garment manufacturers are the fabric mills, dye houses and laundries that play a vital role in bringing our products to life. These Tier 2 facilities remain an important focus as we continue to strengthen visibility across our supply chain.

- The numbers in Tier 2 (FY26)
- 5 mills audited (China)
 - 6.2 Average number of non-compliances

2026 Ethical Fashion Report

The Ethical Fashion Report (EFR) published by Baptist World Aid Australia, continues to provide us with a valuable tool to independently measure and evaluate our performance relating to two of our pillars, People and Planet.

Hallenstein Glasson Holdings received a score of 46 out of 100 in Baptist World Aid Australia's 2026 Ethical Fashion Report, exceeding the industry average of 31.5. The report assessed 138 companies representing 543 brands across key areas including ethical governance, supply chain transparency, human rights monitoring, worker empowerment and environmental sustainability. We recognise there are opportunities for further improvement, particularly in supply chain traceability and worker empowerment, and remain focused on strengthening our due diligence and supporting positive outcomes across our supply chain.

Fibre Architecture

Our Fibre Architecture helps guide the materials we use across our collections, providing a clear framework for selecting fibres that align with our product standards and long-term direction. While performance, durability and availability remain important, we also consider how material choices can contribute to reducing impacts across our supply chain.

There is no single perfect fibre. By continually evaluating the options available, we're making informed choices that support better products today while helping shape a more responsible future.

Premium fibres (preferred)	Certified fibres	Do not use
Linen	Recycled Polyester	Angora
Cotton	Recycled Nylon	Silk
Wool	Recycled Cotton	Fur
Merino Wool	Organic Cotton	Mohair
Alpaca	Eco Linen	Exotic skins
Cashmere	Eco Viscose	



Reducing Textile Waste

Reducing textile waste isn't about one solution, it's about making better decisions at every stage. Thoughtful planning is where it begins. By carefully forecasting demand and managing inventory across our retail and online channels, we aim to purchase the right products, in the right quantities, helping to reduce excess stock before it occurs. Quality is equally important. Working closely with our suppliers, we strive to identify and resolve issues early, ensuring more products reach our customers as intended.

When products can't be sold through our regular retail channels, we look for the most responsible outcome available. Depending on the condition of the garment, this may include:

- Offering products through our clearance stores
- Donating wearable garments to our community partners, or
- Working with specialist recycling partners to recover materials from products that have reached the end of their wearable life.



UPPAREL AUSTRALIA

Our partnership with UPPAREL underscores our commitment to sustainability in the fashion industry. UPPAREL is a leader in textile recovery and recycling in Australia. UPPAREL Australia takes many of our textiles not fit for wear and repurpose them, often creating a new material called UPTex, which can be used for packaging, homewares and more. Take a look at how we work with UPPAREL.

GLASSONS AUSTRALIA IMPACT STATEMENT

02/08/2025 - 01/08/2026



4,164.5 KG
TEXTILES DIVERTED FROM LANDFILL



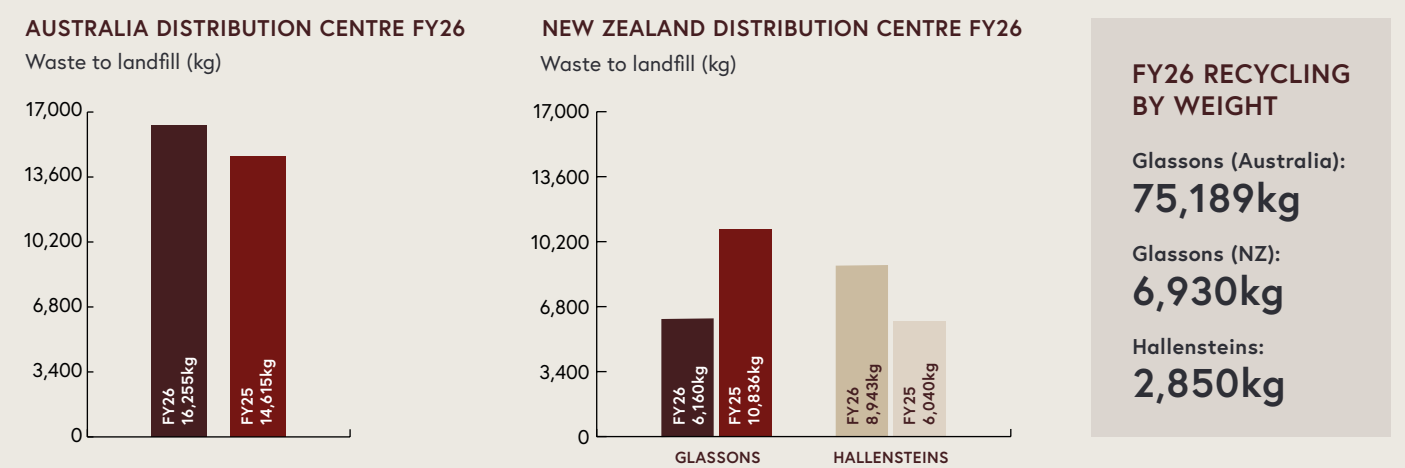
14,576 KG
GREENHOUSE GASES PREVENTED

Managing Waste At Our Distribution Centres

Addressing waste remains an important part of our work. We continue to work with key partners to strengthen our approach around the three Rs: Reduce, Reuse and Recycle. Our collaborations with Better Packaging, EnviroWaste and Waste Pro continue to play an important role in helping us identify opportunities to reduce waste and improve recycling outcomes.

We continue to look for practical opportunities to eliminate unnecessary materials, reuse where possible and increase recycling. Waste reduction continues to be an area of focus at our Distribution Centres. During FY26, we continued to review our waste streams and work with our waste and recycling partners to identify practical opportunities to reduce the amount of material sent to landfill. While landfill waste volumes have varied across our Distribution Centres, the total amount of waste sent to landfill has remained broadly consistent with the previous year, despite continued growth in business operations. This represents a reduction in landfill waste relative to sales, as we continue to focus on reducing waste and increasing recycling across our operations.

See how our waste and recycling results across our Distribution Centres are tracking for 2026.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HALLENSTEIN GLASSON HOLDINGS LIMITED



Independent auditor's report

To the shareholders of Hallenstein Glasson Holdings Limited

Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Hallenstein Glasson Holdings Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 1 August 2026, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

- the consolidated statement of financial position as at 1 August 2026;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

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

Certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. Other than in our capacity as auditor we have no other relationship with, or interests in, the Group.

PricewaterhouseCoopers, PwC Tower, 15 Customs Street West,
Private Bag 92162, Auckland 1142, New Zealand
+64 9 355 8000

pwc.co.nz

Key audit matters

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

Description of the key audit matter	How our audit addressed the key audit matter
<p>Inventory valuation</p> <p>As at 1 August 2026, the Group held \$30.4 million of finished goods, net of inventory provision of \$1.2 million. Given the size of the inventory balance, and the estimates and judgements described below, the valuation of inventory required significant audit attention and is a key audit matter.</p> <p>As disclosed in note 3.2, inventories are held at the lower of cost and net realisable value. At year end, the valuation of inventory is reviewed by management and its cost is reduced where inventory is forecasted to be sold below cost.</p> <p>The inventory provision is determined based on various factors including historical data, inventory ageing, current trends and specific product information from buyers. Determining the appropriate level of provisioning involves judgement and the application of assumptions including management's estimation of future selling prices.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • gaining an understanding of management's processes and relevant controls in place over the valuation process; • testing, on a sample basis, the accuracy of inventory costing to supporting documentation and calculations; • considering the level of aged inventory, inventory turnover levels and enquiries with management; • performing analytical procedures on balances supporting inventory provisions to assess their reasonableness and that the provision amounts were within expectations; • considering the results of our testing and in conjunction with management enquiries determined whether any specific write downs were required; and • assessing the appropriateness of disclosures in the financial statements.

Our audit approach

Overview

<p>Materiality</p> <p>Group Scoping</p> <p>Key Audit Matters</p>	<p>Overall group materiality: \$4.0 million, which represents approximately 5% of Group profit before tax.</p> <p>We chose Group profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.</p>
	<p>Our Group audit scoping focussed on those components that are financially significant to the Group. Specified audit and/or analytical procedures were performed over certain residual components.</p>
	<p>As reported above, we have one key audit matter being, inventory valuation.</p>

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

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HALLENSTEIN GLASSON HOLDINGS LIMITED

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

How we tailored our group audit scope

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HALLENSTEIN GLASSON HOLDINGS LIMITED

Who we report to

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

The engagement partner on the audit resulting in this independent auditor's report is John (Jolly) Morgan.

For and on behalf of:



PricewaterhouseCoopers
29 September 2026

Auckland

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 1 AUGUST 2026**

\$'000	NOTE	2026	2025
Sales revenue	2.1	563,022	470,740
Cost of sales	2.1	(215,413)	(191,476)
Gross profit		347,609	279,264
Other operating income	2.2	605	475
Selling expenses		(186,000)	(161,183)
Distribution expenses		(23,004)	(16,959)
Administration expenses		(51,797)	(40,565)
Total expenses		(260,801)	(218,707)
Operating profit		87,413	61,032
Finance income	2.1	2,063	2,035
Finance expense	2.1, 2.2	(5,557)	(4,689)
Profit before income tax		83,919	58,378
Income tax expense	6.1	(24,756)	(18,917)
Net profit after tax attributable to the shareholders of the Holding Company	2.1	59,163	39,461
Other comprehensive income			
– Items that will not be reclassified to profit or loss			
Fair value Gain/(Loss) (net of tax) on revaluation of land and buildings	6.1	2,419	(20)
– Items that may be subsequently reclassified to profit or loss			
Fair value (Loss) (net of tax) in cash flow hedge reserve	6.1	(462)	(635)
Movement in foreign currency translation reserve		3,954	265
Total comprehensive income for the year attributable to the shareholders of the Holding Company		65,074	39,071
Earnings per share			
Basic earnings per share	2.4	99.2	66.2
Diluted earnings per share	2.4	99.1	66.1

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AS AT 1 AUGUST 2026**

\$'000	NOTE	2026	2025
Equity			
Contributed equity	5.1	29,279	29,279
Asset revaluation reserve		28,504	26,085
Cash flow hedge reserve		(161)	301
Foreign currency translation reserve		4,219	265
Share option reserve		99	37
Retained earnings		79,637	55,928
Total Equity		141,577	111,895
Represented by			
Current assets			
Cash and cash equivalents	3.1	78,205	58,333
Short-term deposits	3.1	10,000	-
Trade and other receivables		641	366
Advances to employees		553	732
Prepayments		1,757	3,646
Inventories	3.2	30,444	31,274
Derivative financial instruments	7.5	499	1,062
Total current assets		122,099	95,413
Non-current assets			
Property, plant and equipment	4.2	79,582	62,155
Right-of-use assets	4.1	98,050	63,785
Investment property	4.3	2,960	3,020
Intangible assets		1,969	1,273
Deferred tax	6.2	8,013	5,570
Total non-current assets		190,574	135,803
Total assets		312,673	231,216
Current liabilities			
Trade payables		13,952	11,341
Employee benefits	7.1	12,749	9,877
Other payables		24,223	18,448
Lease liabilities	4.1	29,256	26,680
Derivative financial instruments	7.5	730	639
Taxation payable		7,884	2,376
Total current liabilities		88,794	69,361
Non-current liabilities			
Lease liabilities	4.1	81,357	49,960
Non-current provisions		945	-
Total non-current liabilities		82,302	49,960
Total liabilities		171,096	119,321
Net assets		141,577	111,895

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

The Consolidated Financial Statements are signed for and on behalf of the Board and were authorised for issue on 29 September 2026.



PETER STEENSON
 Director



WARREN BELL
 Director

Date 29 September 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 1 AUGUST 2026**

\$'000	NOTE	SHARE CAPITAL	ASSET REVALUATION RESERVE	CASH FLOW HEDGE RESERVE	SHARE OPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 August 2024		29,279	26,105	936	-	-	46,887	103,207
Comprehensive income								
Profit for year		-	-	-	-	-	39,461	39,461
Revaluation net of tax	6.1	-	(20)	-	-	-	-	(20)
Cash flow hedges net of tax	6.1	-	-	(635)	-	-	-	(635)
Foreign currency translation reserve		-	-	-	-	265	-	265
Total comprehensive income		-	(20)	(635)	-	265	39,461	39,071
Transactions with owners								
Dividends	2.3	-	-	-	-	-	(30,420)	(30,420)
Increase in share option reserve		-	-	-	37	-	-	37
Total transactions with owners		-	-	-	37	-	(30,420)	(30,383)
Balance at 1 August 2025		29,279	26,085	301	37	265	55,928	111,895
Comprehensive income								
Profit for year		-	-	-	-	-	59,163	59,163
Revaluation net of tax	6.1	-	2,419	-	-	-	-	2,419
Cash flow hedges net of tax	6.1	-	-	(462)	-	-	-	(462)
Foreign currency translation reserve		-	-	-	-	3,954	-	3,954
Total comprehensive income		-	2,419	(462)	-	3,954	59,163	65,074
Transactions with owners								
Dividends	2.3	-	-	-	-	-	(35,491)	(35,491)
Increase in share option reserve		-	-	-	99	-	-	99
Transfer of share option reserve to retained earnings		-	-	-	(37)	-	37	-
Total transactions with owners		-	-	-	62	-	(35,454)	(35,392)
Balance at 1 August 2026		29,279	28,504	(161)	99	4,219	79,637	141,577

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 1 AUGUST 2026

\$'000	NOTE	2026	2025
Cash flows from operating activities			
Cash was provided from:			
Sales to customers		563,528	471,282
Rent received	2.2	223	231
Interest income	2.1	2,063	2,031
Interest on debtors	2.1	-	4
		565,814	473,548
Cash was applied to:			
Payments to suppliers		317,942	278,908
Payments to employees		98,147	84,356
Interest paid on leases	2.2	5,530	4,689
Taxation paid		21,954	16,990
		443,573	384,943
Net cash flows from operating activities		122,241	88,605
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment and intangible assets		138	89
Repayment of employee advances		179	115
		317	204
Cash was applied to:			
Purchase of property, plant and equipment and intangible assets	4.2	29,351	15,830
Short-term deposits	3.1	10,000	-
		39,351	15,830
Net cash flows applied to investing activities		(39,034)	(15,626)
Cash flows from financing activities			
Cash was applied to:			
Dividend paid	2.3	35,491	30,420
Lease liability payments	4.1	30,619	30,141
		66,110	60,561
Net cash flows applied to financing activities		(66,110)	(60,561)
Net increase in funds held		17,097	12,418
Cash and cash equivalents at the beginning of the year		58,333	45,915
Effect of foreign exchange differences		2,775	-
Cash and cash equivalents at the end of the year	3.1	78,205	58,333

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 1 AUGUST 2026

RECONCILIATION OF PROFIT AFTER TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES

\$'000	NOTE	2026	2025
Net profit after taxation		59,163	39,461
Add/(deduct) items classified as investing or financing activities			
Loss/(Gain) on sale of plant and equipment	2.2	334	2
Add/(deduct) non cash items			
Depreciation and amortisation	2.2	44,570	40,629
Gain on termination of lease	2.2	(64)	-
Net fair value loss on investment property	2.2	60	60
Deferred taxation	6.2	(2,706)	2,017
Share option expense		99	37
Foreign currency translation reserve		2,419	265
Add/(deduct) movements in working capital items			
Taxation payable		5,508	(90)
Trade and other receivables and prepayments		1,614	2,236
Trade and other payables, employee benefits and other working capital		10,414	7,778
Inventories		830	(3,790)
Net cash flows from operating activities		122,241	88,605

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

1. BASIS OF PREPARATION

This section presents a summary of information considered relevant and material to assist the reader in understanding the foundations on which the financial statements as a whole have been compiled. Material accounting policies specific to notes shown in other sections are disclosed in a shaded box and are included as part of that particular note.

1.1 GENERAL INFORMATION

Reporting entity

Hallenstein Glasson Holdings Limited ("Company" or "Parent") together with its subsidiaries (the "Group") is a retailer of men's and women's clothing primarily in New Zealand and Australia.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Level 3, 235-237 Broadway, Newmarket, Auckland.

Statutory base

Hallenstein Glasson Holdings Limited is a company registered under the Companies Act 1993 and is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The Company is also listed on the New Zealand Stock Exchange (NZX). The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

The financial statements were approved for issue by the Board of Directors on 29 September 2026.

1.2 GENERAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements for the year ended 1 August 2026 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards").

Basis of preparation of financial statements

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The reporting currency used in the preparation of these financial statements is New Zealand dollars, rounded where necessary to the nearest thousand dollars.

Entities reporting

The financial statements are the Consolidated Financial Statements of the Group comprising Hallenstein Glasson Holdings Limited and its subsidiaries, together they are referred to in these financial statements as 'the Group'. The parent and its subsidiaries are designated as for-profit entities for financial reporting purposes.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

INVESTMENTS IN SUBSIDIARIES

PRINCIPAL SUBSIDIARIES	INTEREST HELD BY PARENT AND GROUP		PRINCIPAL ACTIVITIES
	2026	2025	
Hallenstein Bros Limited	100%	100%	Retail of menswear in New Zealand
Hallensteins Australia Pty Limited	100%	100%	Retail of menswear in Australia
Glassons Limited	100%	100%	Retail of womenswear in New Zealand
Glassons Australia Pty Limited	100%	100%	Retail of womenswear in Australia
Hallenstein Properties Limited	100%	100%	Property ownership in New Zealand

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

1. BASIS OF PREPARATION (CONTINUED)

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, land and buildings and certain financial assets and liabilities (including derivative instruments) measured at fair value.

Climate related risks

Transactions and balances

As part of its risk management framework, the Group continues to monitor its exposure to risk, including climate related risks and regulatory related reporting requirements. The Group has not identified any climate-related risks or opportunities that have a material impact on the financial statements.

Critical accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with NZ IFRS and IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Property, plant and equipment/Right-of-use assets: The Group has assessed whether the carrying value of its property, plant and equipment and right-of-use assets have suffered any impairment since they were acquired. The recoverable amounts of cash generating units (at a store level) have been determined based on value-in-use calculations. These calculations require the use of estimates and projections of future operating performance.

Inventory provision: The Group assessed the inventory provision using management judgement which considers a range of factors including the review of historical data, the age of inventory and current selling price trends to determine the appropriateness of the provision.

Revaluation of Land and Buildings: The fair value of the Group's land and buildings is determined by the Board following an independent valuation undertaken. Independent valuations are undertaken with sufficient regularity to ensure the carrying value does not differ materially from the fair value at the end of the reporting period. The basis of the valuation is assessed within a range indicated by two valuation approaches: discounted cash flow analysis and an income capitalisation approach. The key assumptions are disclosed in note 4.2.

Revaluation of Investment Property: The fair value of the Group's investment property is determined by the Board following an independent valuation undertaken annually. The basis of the valuation is assessed within a range indicated by two valuation approaches: discounted cash flow analysis and an income capitalisation approach. The key assumptions are disclosed in note 4.3.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements for each of the Group's operations are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in New Zealand dollars, which is the Group's presentational currency.

Effective 2 August 2024, Glassons Australia and Hallensteins Australia, previously registered as branches in Australia, became separate companies registered with the Australian Securities and Investments Commission (ASIC) under Part 5B.1 of the Corporations Act 2001 (Cth) (Australia). As a result, the Group has two operating subsidiaries in Australia.

As part of the domiciliation of these companies, the functional currency of the Australian branches/subsidiaries was reassessed. Over time there has been a gradual change in operations in Australia which has culminated in converting the branches to subsidiaries as noted above. Management has further determined that a change in functional currency from New Zealand Dollars (NZD) to Australian Dollars (AUD) upon the restructuring of the Australian branches on the 2 August 2024 was appropriate.

The results and financial position of all the Group entities 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 that balance sheet;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and other currency instruments designated as hedges of such investments, are taken to other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

2. PERFORMANCE

2.1 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Board of Directors is the chief operating decision maker and is responsible for allocating resources and assessing performance of the operating segments and they delegate that authority through the Executive team.

The Board of Directors considers the business from both a product and geographic perspective as follows:

- Hallensteins (Hallenstein Bros Limited (New Zealand) and Hallensteins Australia Pty Limited (Australia))
- Glassons New Zealand (Glassons Limited (New Zealand))
- Glassons Australia (Glassons Australia Pty Limited (Australia))
- Property (Hallenstein Properties Limited (New Zealand))
- Parent (Hallenstein Glasson Holdings Limited (New Zealand))

The reportable segments derive their revenues primarily from the retail sale of clothing. The revenues from external parties reported to the Board of Directors are measured in a manner consistent with that in the consolidated statement of comprehensive income. The Group does not derive a material amount of revenue from any single external customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

2.PERFORMANCE (CONTINUED)

SEGMENT RESULTS

FOR THE YEAR ENDED 1 AUGUST 2026

\$'000	GLASSONS NEW ZEALAND	GLASSONS AUSTRALIA	HALLENSTEINS	PROPERTY	PARENT	TOTAL GROUP
INCOME STATEMENT						
Segment revenue	139,226	326,304	115,240	-	1,152	581,922
Intercompany segment revenue	(14,421)	(1,933)	(1,394)	-	(1,152)	(18,900)
Sales revenue from external customers	124,805	324,371	113,846	-	-	563,022
Cost of sales	(51,406)	(119,974)	(44,033)	-	-	(215,413)
Finance income	456	1,145	369	-	93	2,063
Finance expense	(1,321)	(2,741)	(1,463)	-	(32)	(5,557)
Depreciation and amortisation	(10,962)	(23,090)	(9,979)	(539)	-	(44,570)
Profit/(loss) before income tax	29,103	43,457	10,912	360	87	83,919
Income tax (expense)/benefit	(8,203)	(13,389)	(3,077)	(59)	(28)	(24,756)
Net profit/(loss) after income tax	20,900	30,068	7,835	301	59	59,163
STATEMENT OF FINANCIAL POSITION						
Current assets	40,606	45,881	24,662	7,326	3,624	122,099
Non-current assets	43,217	91,009	35,882	20,453	13	190,574
Current liabilities	21,214	49,129	18,143	222	86	88,794
Non-current liabilities	18,018	45,696	18,588	-	-	82,302
Purchase of property, plant and equipment and intangible assets	2,870	20,136	6,318	27	-	29,351

FOR THE YEAR ENDED 1 AUGUST 2025

\$'000	GLASSONS NEW ZEALAND	GLASSONS AUSTRALIA	HALLENSTEINS	PROPERTY	PARENT	TOTAL GROUP
INCOME STATEMENT						
Segment revenue	123,487	252,849	108,632	-	1,142	486,110
Intercompany segment revenue	(11,575)	(1,325)	(1,328)	-	(1,142)	(15,370)
Sales revenue from external customers	111,912	251,524	107,304	-	-	470,740
Cost of sales	(48,679)	(96,839)	(45,958)	-	-	(191,476)
Finance income	379	946	564	-	146	2,035
Finance expense	(1,360)	(2,058)	(1,242)	-	(29)	(4,689)
Depreciation and amortisation	(11,338)	(19,127)	(9,527)	(525)	(112)	(40,629)
Profit/(loss) before income tax	19,162	34,217	4,755	324	(80)	58,378
Income tax expense	(5,719)	(11,742)	(1,451)	(23)	18	(18,917)
Net profit/(loss) after income tax	13,443	22,475	3,304	301	(62)	39,461
STATEMENT OF FINANCIAL POSITION						
Current assets	27,998	35,834	21,090	6,659	3,832	95,413
Non-current assets	40,427	46,943	28,144	20,289	-	135,803
Current liabilities	18,328	34,876	15,499	316	342	69,361
Non-current Liabilities	15,773	19,946	14,241	-	-	49,960
Purchase of property, plant and equipment and intangible assets	4,509	7,037	4,214	70	-	15,830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

2.PERFORMANCE (CONTINUED)

2.2 INCOME AND EXPENSES

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, net of rebates and discounts and after eliminating sales within the Group.

Revenue is recognised as follows:

Sales of goods - retail

Sales of goods are recognised when a Group entity has delivered a product to the customer. For in-store sales, control passes to the customer at the point of sale. For online sales, the order and the delivery to the customer are considered to comprise a single performance obligation, therefore control passes to the customer when the goods are delivered. Retail sales are usually in cash, credit card, debit card or by various pay later services. The recorded revenue is the gross amount of sale (excluding GST), including credit card fees and service fees payable for the transaction. Such fees are included in selling expenses.

The Group offers customers the option of purchasing gift cards. This is considered deferred revenue until such time where the customer redeems the gift card on future purchases. A contract liability for the purchase of a gift card is recognised at the time of the sale. Revenue is recognised when the gift card is redeemed, or, for the portion not expected to be redeemed (breakage), in line with expected redemption patterns, with any remaining balance recognised when they expire. As at 1 August 2026, the gift card liability balance recognised under "Other payables" was \$2.88M (2025: \$2.47M, 2024: \$2.22M).

Interest income

Interest income is recognised using the effective interest method.

Rental income

Rental income from operating leases (net of any incentives) is recognised on a straight-line basis over the lease term.

Profit before income tax includes the following specific income and expenses:

\$'000	2026	2025
Other operating income		
Rental income	223	231
Insurance proceeds	382	244
Expenses		
Occupancy costs ¹	15,250	9,514
Auditor's Remuneration - PwC New Zealand		
Audit of Financial Statements	345	337
Directors' fees	836	718
Wages, salaries and other short term benefits	101,019	87,128
Depreciation of property, plant and equipment	14,827	11,504
Depreciation of right-of-use assets	28,966	28,526
Amortisation of software	777	599
Total depreciation and amortisation	44,570	40,629
Net fair value loss on investment property	60	60
Interest on leases	5,530	4,689
Gain on termination of lease	(64)	-
Loss/(gain) on disposal of property, plant and equipment	334	2

¹ Occupancy costs include rental expense on short term leases and turnover rent expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

2. PERFORMANCE (CONTINUED)

2.3 DIVIDENDS

Provision is made for the amount of any dividend declared on or before the balance date but not distributed at balance date.

Dividends	2026	2025	2026	2025
	Cents per share	Cents per share	\$'000	\$'000
Final dividend for the year ended 1 August 2025	30.50		18,193	
Interim dividend for the year ended 1 August 2026	29.00		17,298	
Final dividend for the year ended 1 August 2024		26.50		15,806
Interim dividend for the year ended 1 August 2025		24.50		14,614
Total	59.50	51.00	35,491	30,420

Dividends paid were partially imputed. Supplementary dividends of \$218,716 (2025: \$244,972) were paid to shareholders not resident in New Zealand for tax purposes for which the Group received a foreign investor tax credit.

2.4 EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

Basic

Basic earnings per share is calculated by dividing the profit after tax of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted

Diluted earnings per share is calculated by adjusting profit after tax and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has awarded performance rights under a Long-Term Incentive Plan (LTIP) during the financial year. These are considered potential ordinary shares and included in the calculation of diluted earnings per share. The impact of these potential shares is to increase the weighted average number of shares outstanding by 28,374 in 2026 (2025: 36,873).

Earnings per share

\$'000	2026	2025
Profit after tax	59,163	39,461
Weighted average number of ordinary shares outstanding	59,649	59,649
Basic earnings per share (cents per share)	99.2	66.2
Effect of LTIP share scheme diluted weighted average number of shares	28	37
Diluted earnings per share (cents per share)	99.1	66.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

3. WORKING CAPITAL

3.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash on hand, EFTPOS (electronic funds transfer point of sale) transactions which have not been cleared by the bank at balance date, 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.

Short-term deposits

Short-term deposits represent cash held on deposit for a term of greater than three months and less than 12 months.

Consolidated statement of cash flows

The following are the definitions of the terms used in the consolidated statement of cash flows:

- (I.) Cash comprises cash and cash equivalents.
- (II.) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, investments and employee advances.
- (III.) Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes lease payments, equity and debt not falling within the definition of cash. Dividends paid are included in financing activities.
- (IV.) Operating activities include all transactions and other events that are not investing or financing activities.

Cash and cash equivalents

\$'000	2026	2025
Cash at bank	67,353	56,641
Deposits with bank	10,735	1,604
Cash on hand	117	88
Total cash and cash equivalents	78,205	58,333

The carrying amount of cash and cash equivalents equals the fair value.

Term deposits

\$'000	2026	2025
Short-term deposits	10,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

3. WORKING CAPITAL (CONTINUED)

3.2 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Cost of sales comprises the purchase price of goods, import duties and inbound freight to the Group's distribution centre. Costs of operating the Group's distribution network including distribution centre costs are recognised in distribution expenses as incurred. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses, excluding borrowing costs. The Group assesses the likely net residual value of inventory. A provision is recognised for inventory which is older than two years and for inventory which is expected to sell for less than cost. Management will also use their judgement to assess whether any further provisions are required based on style performance, current trends and specific product information from buyers.

Inventories		
\$'000	2026	2025
Finished goods	31,693	31,479
Inventory provision	(1,249)	(205)
Net inventories	30,444	31,274

Inventory provisions are provided at year end for stock obsolescence within cost of sales in the Consolidated Statement of Comprehensive Income. The cost of inventories recognised as an expense and included in cost of sales amounted to \$214,264,774 (2025: \$189,677,388).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

4. NON-CURRENT ASSETS

4.1 LEASES

Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the remaining lease payments.

Right-of-use assets are initially recognised on commencement of lease at cost, comprising the initial amount of the lease liabilities less any lease incentives received. Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Group leases retail stores under non-cancellable operating leases expiring within one to six years. There is a small portion of lease contracts which contain renewal rights. In considering the lease term for these contracts, the Group has determined that rights of renewals are not reasonably certain to be exercised due to the nature and location of the stores and the changing retail environment. It is the Group's strategy to renegotiate the terms of all leases at their expiry instead of exercising renewal rights. This agile strategy is enabled by having stores relatively small in size and not highly customised, and therefore relatively straight forward to move locations. In addition, with the current retail market uncertainty the Group needs to maintain a degree of flexibility.

Both right-of-use assets and lease liabilities are discounted applying the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Short term leases where the Group is the lessee

The Group applies the short-term lease recognition exemption to leases with a term of 12 months or less from the commencement date. For these leases, the Group recognises the lease payments (net of any incentives received from the lessor) within the profit or loss in the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the lease.

The Group is the lessor

Assets leased to third parties under operating leases are included in Investment Property in the Consolidated Statement of Financial Position. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term. Lease receivables are disclosed under Note 4.3.

The following tables show the movements and analysis in relation to the right-of-use assets and lease liabilities.

Right-of-use assets

\$'000	2026	2025
Opening net book value	63,785	67,029
Depreciation	(28,966)	(28,526)
Modifications and additions	60,638	25,267
Lease terminations	(808)	-
FX impact	3,401	15
Carrying amount	98,050	63,785

Lease liabilities

\$'000	2026	2025
Opening lease liabilities	76,640	79,184
Lease modifications and additions	61,621	27,619
Interest for the period	5,530	4,689
Lease payments made	(36,149)	(34,830)
Lease terminations	(872)	-
FX impact	3,843	(22)
Closing lease liabilities	110,613	76,640

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

4. NON-CURRENT ASSETS (CONTINUED)

Lease liabilities maturity analysis for the year ended 1 August 2026

\$'000	MINIMUM LEASE PAYMENTS	INTEREST	PRESENT VALUE
Due within one year	35,100	(5,844)	29,256
One to two years	28,294	(4,247)	24,047
Two to five years	52,493	(5,458)	47,035
Later than five years	10,861	(586)	10,275
Total	126,748	(16,135)	110,613
Current			29,256
Non-current			81,357
Total			110,613

Lease liabilities maturity analysis for the year ended 1 August 2025

\$'000	MINIMUM LEASE PAYMENTS	INTEREST	PRESENT VALUE
Due within one year	30,427	(3,747)	26,680
One to two years	22,309	(2,446)	19,863
Two to five years	30,014	(2,368)	27,646
Later than five years	2,737	(286)	2,451
Total	85,487	(8,847)	76,640
Current			26,680
Non-current			49,960
Total			76,640

Lease related expenses included in the consolidated statement of comprehensive income:

\$'000	2026	2025
Depreciation	28,966	28,526
Rent on short-term leases and turnover rent expenses	15,250	9,514
Gain on lease termination	(64)	-
Interest on leases	5,530	4,689
Total	49,682	42,729

Lease payments included in the consolidated statement of cash flows:

\$'000	2026	2025
Interest paid on leases (operating activities)	5,530	4,689
Payments for lease liabilities principal (financing activities)	30,619	30,141
Total cash outflows from leases	36,149	34,830

Lease commitments

The Group currently has no non-cancellable short-term operating lease agreements as at 1 August 2026 (2025: \$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

4. NON-CURRENT ASSETS (CONTINUED)

4.2 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Land and buildings were valued on 1 August 2026 by CBRE Limited, FordBaker Valuation Limited and CVAS (NZ) Limited (collectively "the valuers"), who are independent registered valuers and associates of The New Zealand Institute of Valuers. The valuers have recent experience in the location and category of the item being valued. The fair values of the assets represent the estimated price for which a property could be sold on the date of valuation in an orderly transaction between market participants.

The adopted valuations have been assessed within a range indicated by two valuation approaches: Income capitalisation approach and discounted cash flow analysis.

The following table summarises the valuation approach and key assumptions used by the valuers to arrive at fair value.

Valuation approach	Description of the valuation approach
Income capitalisation approach	<p>A valuation methodology which determines fair value by capitalising a property's sustainable net income at an appropriate, market derived capitalisation rate (yield). Unobservable inputs within the income capitalisation approach include:</p> <p>a) Net Market Rent which is the annual amount for which a tenancy within a property is expected to achieve under a new arm's length leasing transaction after deducting a fair share of property operating expenses.</p> <p>b) Capitalisation Rate (yield) which is the rate of return, determined through analysis of comparable, market related sales transactions which is applied to a property's sustainable net income to derive value.</p>
Discounted cash flow analysis	<p>With the discounted cash flow analysis, a cash flow budget is established for the property over a ten-year time horizon. Within the cash flow an allowance is made for rental growth as well as deducting costs associated with property ownership. A terminal value is also estimated and the cash flows are discounted at a market rate to arrive at a net present value.</p> <p>Unobservable inputs within the discounted cash flow analysis include:</p> <p>a) The discount rate which is the rate determined through analysis of comparable market related sales transactions which is applied to a property's future net cash flows to convert those cash flows into a present value.</p> <p>b) The terminal capitalisation rate which is the rate which is applied to a property's sustainable net income at the end of an assumed holding period to derive an estimated market value.</p> <p>c) Rental growth rate which is the annual growth rate applied to market rent over an assumed holding period.</p> <p>d) Expenses growth rate which is the annual growth rate applied to property operating expenses over an assumed holding period.</p>

Land and building measurements are categorised as Level 3 in the fair value hierarchy. During the year there were no transfers between levels of the fair value hierarchy. Both the income capitalisation approach and discounted cash flow analysis contained unobservable inputs in determining fair value.

These are summarised in the table below:

RANGE OF SIGNIFICANT UNOBSERVABLE INPUTS

Class of property	Inputs used to measure fair value	2026	Sensitivity
Land and Buildings - Warehouse	Net Market Rent	\$130 - \$190	The higher the market rent and growth rate, the higher the fair value.
	Rental growth rate	2.80% - 3.00%	
	Capitalisation rate (yield)	5.64% - 5.70%	
	Discount Rate	7.50% - 7.75%	The higher the capitalisation rates and discount rate, the lower the fair value.
	Terminal Capitalisation Rate	5.88% - 6.75%	
	Expenses growth	0.00% - 1.96%	The higher the expenses, the lower the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

4. NON-CURRENT ASSETS (CONTINUED)

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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as an asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the asset revaluation reserve directly in equity; all other decreases are charged to the profit or loss in the consolidated statement of comprehensive income.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. This cost includes labour attributable to bringing the assets to the location and working condition for its intended use.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Buildings	67 years
Plant & equipment	2 - 5 years
Furniture & fittings	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each balance date.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, for example a planned store closure, withdrawal from a business segment, or assessment of loss-making stores. Assets are grouped at the lowest levels for which there are separately identifiable cash flows; a store's assets is the relevant cash generating unit. If, in a subsequent period, the amount of the impairment loss decreases and it can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

The value-in-use calculation evaluates recoverability based on the stores' forecasted discounted cash flows, which incorporate estimated sales, margin & expense growth based upon current plans for the store. Key assumptions in the determination of recoverable amount are:

- the estimate of future cash flows of the store incorporating reasonable sales growth and margin improvement; and
- the discount rate incorporating the rates of return based on the risk and uncertainty inherent in the forecast cash flows.

The Group has performed an assessment to determine whether there is any sensitivity to changes in key assumptions. As a result of the sensitivity analysis and impairment testing performed, it was determined that no material risks of impairment existed as at 1 August 2026 (2025: \$Nil).

Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Consolidated Statement of Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

4. NON-CURRENT ASSETS (CONTINUED)

YEAR ENDED 1 AUGUST 2026

\$'000	LAND AT FAIR VALUE	BUILDINGS AT FAIR VALUE	FIXTURES & FITTINGS	PLANT & EQUIPMENT	TOTAL
Opening NBV	11,235	18,063	24,387	8,470	62,155
Additions	-	-	15,019	12,843	27,862
Disposals	-	-	(250)	(210)	(460)
Depreciation	-	(627)	(9,393)	(4,807)	(14,827)
Revaluations	1,245	1,630	-	-	2,875
FX Impact	-	-	1,329	648	1,977
Closing NBV	12,480	19,066	31,092	16,944	79,582
Cost/Valuation	12,480	19,081	95,257	47,048	173,866
Accumulated depreciation	-	(15)	(64,165)	(30,104)	(94,284)
Closing NBV	12,480	19,066	31,092	16,944	79,582

YEAR ENDED 1 AUGUST 2025

\$'000	LAND AT FAIR VALUE	BUILDINGS AT FAIR VALUE	FIXTURES & FITTINGS	PLANT & EQUIPMENT	TOTAL
Opening NBV	11,235	18,636	22,353	6,555	58,779
Additions	-	70	9,735	5,108	14,913
Disposals	-	-	(65)	(60)	(125)
Depreciation	-	(615)	(7,725)	(3,164)	(11,504)
Revaluations	-	(28)	-	-	(28)
FX Impact	-	-	89	31	120
Closing NBV	11,235	18,063	24,387	8,470	62,155
Cost/Valuation	11,235	18,616	82,769	33,922	146,542
Accumulated depreciation	-	(553)	(58,382)	(25,452)	(84,387)
Closing NBV	11,235	18,063	24,387	8,470	62,155

If land and buildings were stated on a historical cost basis, the amounts would be as follows:

\$'000	2026	2025
Land	4,270	4,270
Buildings	12,862	12,862
Cost	17,132	17,132
Accumulated depreciation	(3,507)	(3,250)
Net book value	13,625	13,882

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

4. NON-CURRENT ASSETS (CONTINUED)

4.3 INVESTMENT PROPERTY

Recognition and measurement

Investment property consists of a portion of land and buildings for the purpose of retail. Land and buildings were valued on 1 August 2026 by CBRE Limited ("the valuer") who is an independent registered valuer and associate of The New Zealand Institute of Valuers. The valuer has recent experience in the location and category of the item being valued. The fair value of the assets represents the estimated price for which a property could be sold on the date of valuation in an orderly transaction between market participants.

The adopted valuation has been assessed within a range indicated by two valuation approaches: Income capitalisation approach and discounted cash flow analysis.

The following table summarises the valuation approach and key assumptions used by the valuer to arrive at fair value:

Valuation approach	Description of the valuation approach
Income capitalisation approach	<p>A valuation methodology which determines fair value by capitalising a property's sustainable net income at an appropriate, market derived capitalisation rate (yield). Unobservable inputs within the income capitalisation approach include:</p> <ul style="list-style-type: none"> a) Net Market Rent which is the annual amount for which a tenancy within a property is expected to achieve under a new arm's length leasing transaction after deducting a fair share of property operating expenses. b) Capitalisation Rate (yield) which is the rate of return, determined through analysis of comparable, market related sales transactions which is applied to a property's sustainable net income to derive value.
Discounted cash flow analysis	<p>With the discounted cash flow analysis, a cash flow budget is established for the property over a ten-year time horizon. Within the cash flow an allowance is made for rental growth as well as deducting costs associated with property ownership. A terminal value is also estimated and the cash flows are discounted at a market rate to arrive at a net present value.</p> <p>Unobservable inputs within the discounted cash flow analysis include:</p> <ul style="list-style-type: none"> a) The discount rate which is the rate determined through analysis of comparable market related sales transactions which is applied to a property's future net cash flows to convert those cash flows into a present value. b) The terminal capitalisation rate which is the rate which is applied to a property's sustainable net income at the end of an assumed holding period to derive an estimated market value. c) Rental growth rate which is the annual growth rate applied to market rent over an assumed holding period. d) Expenses growth rate which is the annual growth rate applied to property operating expenses over an assumed holding period.

The loss of \$60,000 on the fair value revaluation of Investment Property was recognised as an operating expense in the Consolidated Statement of Comprehensive Income (2025: \$60,000). Subsequent revaluation surpluses or losses will be recognised through the Consolidated Statement of Comprehensive Income.

Land and building measurements are categorised as Level 3 in the fair value hierarchy. During the year there were no transfers between levels of the fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

4. NON-CURRENT ASSETS (CONTINUED)

Both the income capitalisation approach and discounted cash flow analysis contained unobservable inputs in determining fair value. These are summarised in the table below:

RANGE OF SIGNIFICANT UNOBSERVABLE INPUTS

Class of property	Inputs used to measure fair value	2026	2025	Sensitivity
Land and Buildings – Retail and Investment Property	Net Market Rent	\$327 per m ²	\$327 per m ²	The higher the market rent and growth rate, the higher the fair value
	Rental growth rate	1.86% - 2.00%	1.50% - 2.00%	
	Capitalisation rate (yield)	7.28%	6.97%	
	Discount Rate	7.20%	7.92%	The higher the capitalisation rates and discount rate, the lower the fair value.
	Terminal Capitalisation Rate	7.35%	6.72%	
	Expenses growth	1.86% - 2.00%	1.80% - 2.00%	The higher the expenses, the lower the fair value.

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.

Investment Property

\$'000	2026	2025
Opening Balance	3,020	3,080
Net loss from fair value revaluation	(60)	(60)
Closing Balance	2,960	3,020

Lease receivables:

The Group owns rental property that it leases under non-cancellable operating lease agreements to external parties. Leases reflect normal commercial arrangements with varying terms and renewal rights.

The future minimum rental payments receivable under these leases is as follows:

\$'000	2026	2025
Due within one year	176	150
One to two years	176	150
Two to five years	239	374
Total lease receivables	591	674

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

5. EQUITY

5.1 SHARE CAPITAL

Ordinary shares are classified as capital, net of treasury stock.

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

Reserves

The asset revaluation reserve records revaluations of land and buildings classified as property, plant and equipment, net of tax. The cash flow hedge reserve records the fair value of derivative financial instruments, net of tax that meet the hedge accounting criteria. The Share Option reserve is used to record the accumulated value of unvested share rights arising from the executive share scheme which have been recognised in the consolidated statement of changes in equity. The Foreign currency translation reserve is used to record foreign currency translation differences arising on the translation of the Group entities results and financial position. The amounts are accumulated in other comprehensive income until disposal of the foreign operation.

Contributed Equity	2026 SHARES	2025 SHARES	2026 \$'000	2025 \$'000
Representing:				
Share Capital	59,649,061	59,649,061	29,279	29,279

All shares are fully paid and rank equally.

5.2 EXECUTIVE SHARE SCHEME

Long-Term Incentive Plan (LTIP)

The Group's Long-Term Incentive Plan provides for both cash-settled phantom shares and equity-settled awards:

Phantom shares are cash-settled, with entitlements determined by the Company's share price at vesting, based on the volume weighted average price over a chosen period.

Equity-settled awards are measured at grant-date fair value and recognised as an expense on a straight-line basis over the vesting period. The awards are satisfied through a capital issue of new shares after a three-year vesting period, subject to performance and service conditions. The issue of new shares results in potential dilution for existing shareholders.

The LTIP is accounted for in accordance with NZ IFRS 2 Share-based Payment.

Cash-settled awards are recognised as a liability and remeasured to fair value at each reporting date, with changes recognised in the profit or loss in the Consolidated Statement of Comprehensive Income. Equity-settled awards are measured at grant date fair value and expensed over the vesting period, with a corresponding credit to the Share Option Reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

5. EQUITY (CONTINUED)

In accordance with NZ IFRS 2 Share-based Payment, the below amount represents the fair value of equity instruments granted, measured at the grant date. The total long-term performance rights of \$297,497 have been determined based on 37,421 shares granted at a grant date fair value of \$7.95 per share. The grant date fair value was determined by reference to the Company's share price at the grant date, adjusted for the present value of expected dividends that participants are not entitled to receive during the vesting period. Performance and service conditions are not reflected in the grant-date fair value and are instead reflected in the number of awards expected to vest.

Long-Term Performance Rights

GRANT DATE	OPENING BALANCE (\$)	GRANTED DURING THE YEAR (\$)	VESTED DURING THE YEAR (\$)	LAPSED DURING THE YEAR (\$)	CLOSING BALANCE (\$)
2/08/2024	222,344	-	-	(222,344)	-
29/10/2025	-	297,497	-	-	297,497

For the year ended 1 August 2026, the Group recognised costs in relation to the Long-Term Incentive Plan (LTIP) in accordance with NZ IFRS 2 Share-based Payment.

An amount of \$185,000 has been recognised as a provision for incentive with a corresponding charge to employee benefits in respect of cash-settled awards. The carrying amount of the liability recognised in respect of cash-settled awards at 1 August 2026 was \$222,000. No cash-settled awards had vested at year end.

In addition, \$99,000 has been recognised as a credit to the Share Option Reserve in respect of equity-settled awards, with a corresponding charge to employee benefits. This reflects the expected settlement of awards through the issue of new shares, subject to vesting conditions.

An amount of \$37,000 has been recognised as a debit to the Share Option Reserve, with a corresponding transfer to Retained Earnings. This reflects awards which have lapsed in the current financial year.

6. TAXATION

6.1 INCOME TAX EXPENSE

The income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on the notional income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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 operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Goods and Services Tax (GST)

The Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Consolidated Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

6. TAXATION (CONTINUED)

Income Tax Expense

\$'000	2026	2025
The tax expense comprises:		
Current tax expense	26,234	16,920
Prior period adjustment	858	(67)
Deferred tax expense (note 6.2)		
- Future tax expense current year	(1,369)	128
- Prior period adjustment	(967)	1,936
Total income tax expense	24,756	18,917
Reconciliation of income tax expense to tax rate applicable to profits		
Profit before income tax expense	83,919	58,378
Tax at 28% (2025: 28%)	23,497	16,346
Tax effect of:		
- Expenses not deductible for tax	137	247
- Adjustment due to different rate in different jurisdictions	1,231	614
- Utilisation of tax losses by group companies	-	(159)
- Prior period adjustment	(109)	1,869
Total income tax expense	24,756	18,917

The effective tax rate for the year was 29.5% (2025: 32.4%).

The tax (charge)/credit relating to components of other comprehensive income are as follows:

\$'000	2026			2025		
	BEFORE TAX	TAX EFFECT	AFTER TAX	BEFORE TAX	TAX EFFECT	AFTER TAX
Fair value (loss)/gains (net of tax) on revaluation of land and buildings	2,875	(456)	2,419	(28)	8	(20)
Fair value (loss)/gain (net of tax) in cash flow hedge reserve	(655)	193	(462)	(892)	257	(635)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

6. TAXATION (CONTINUED)

6.2 DEFERRED TAX

\$'000	2026	2025
Amounts recognised in profit or loss		
Depreciation	623	349
Provisions and accruals	4,800	3,376
Right-of-use assets	(29,292)	(20,179)
Lease liabilities	32,269	22,139
	8,400	5,685
Amounts recognised directly in equity		
Asset revaluation reserve	(456)	8
Cash flow hedges	69	(123)
Total amount recognised	8,013	5,570
Movements		
Balance at beginning of year	5,570	7,323
Credited/(Charged) to the Income Statement	1,369	(128)
Prior period adjustment	967	(1,936)
Charged to equity	(263)	265
FX impact	370	46
Balance at end of the year	8,013	5,570

6.3 IMPUTATION CREDITS

\$'000	2026	2025
Imputation credits available for subsequent reporting periods	8,521	3,592

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

- Imputation credits that will arise from the payment of the provision for income tax;
- Imputation debits that will arise from the payment of dividends recognised as liabilities at the reporting date; and
- Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

7. OTHER

7.1 EMPLOYEE BENEFITS

Wages and salaries, annual leave and sick leave

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

Employee benefits

\$'000	2026	2025
Holiday pay accrual and other benefits	12,749	9,877

7.2 CONTINGENCIES

Contingent liabilities under contracts, guarantees and other agreements arising in the ordinary course of business on which no loss is anticipated are as follows:

Employee benefits

\$'000	2026	2025
Bank guarantee provided to the New Zealand Stock Exchange (NZX)	75	75

Letters of Credit

Bank letters of credit issued to secure future purchasing requirements are matched to a contingent asset of the same value representing inventories purchased.

7.3 CAPITAL EXPENDITURE COMMITMENTS

\$'000	2026	2025
Commitments in relation to store and distribution centre fitouts	1,349	1,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

7. OTHER (CONTINUED)

7.4 RELATED PARTY TRANSACTIONS

During the year, the Company recorded loan advances, loan repayments and management fees with its subsidiaries through internal current accounts. In presenting the financial statements of the Group, the effect of transactions and balances between fellow subsidiaries and those with the Parent have been eliminated.

The Group undertook transactions with the related interests of the majority shareholder as detailed below:

\$'000	2026	2025
T C Glasson		
Rent payments on retail premises	1,525	1,478
Balance as at year end - lease liabilities	3,842	4,955

The following Directors received Directors' fees and dividends in relation to shares held personally as follows:

\$'000	DIRECTORS' FEES		DIVIDENDS	
	2026	2025	2026	2025
Ms J Appleyard	89	86	-	-
Mr W J Bell	150	145	-	-
Ms K Bycroft	108	102	-	-
Mr M Ford	110	112	6	5
Mr J C Glasson	-	-	392	224
Mr T C Glasson	89	86	5,015	4,789
Mr G Popplewell	104	101	95	85
Ms S Vincent	89	86	28	24
Mr P Steenson	97	-	-	-
	836	718	5,536	5,127

During the financial year, consulting fees of \$19,000 (2025: \$14,000) were paid to Karen Bycroft. There was no balance outstanding as at 1 August 2026 (2025: \$Nil).

During the financial year, consulting fees of \$150,000 (2025: \$Nil) were paid to Graeme Popplewell. There was no balance outstanding as at 1 August 2026 (2025: \$Nil).

Total remuneration of \$1,014,482 was paid by the Company to close family members of the Board of Directors for individuals that were either employed or engaged as consultants by the Company in the year ended 1 August 2026 (2025: \$988,000). In addition, total dividends of \$113,443 were paid by the Company to close family members of the Board of Directors in their capacity as shareholders in the year ended 1 August 2026 (2025: \$Nil).

Key management compensation was as follows:

\$'000	2026	2025
Short term employee benefits	4,364	3,667
Post employment benefits	165	112
Termination benefits	553	-
Share scheme benefit	284	74

The Company operates a long-term incentive scheme for certain senior executives as outlined in Note 5.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

7. OTHER (CONTINUED)

7.5 FINANCIAL RISK MANAGEMENT

Fair value estimation

Fair value estimates are classified in a hierarchy based on the inputs to valuation techniques used to measure fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The Group has financial instruments that are classified as Level 2 within the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all material inputs required to fair value an instrument are observable, the instrument is included within Level 2. Under Level 2 the Group holds forward foreign exchange contracts. The fair value of these forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value. Refer to note 7.5.4.

The Group's land and buildings within property, plant and equipment and investment property are classified as Level 3 in the fair value hierarchy as one or more of the material inputs into the valuation are not based on observable market data. Refer to notes 4.2 and 4.3 for more information.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

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

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss in the Consolidated Statement of Comprehensive Income.

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

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

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the profit or loss in the Consolidated Statement of Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

7. OTHER (CONTINUED)

7.5.1 FINANCIAL RISK FACTORS

The Group's activities expose it to various financial risks including, liquidity risk, credit risk, and market risk (including currency risk and cash flow interest rate risk). The Group's risk management strategy is to minimise adverse effects on the Consolidated Statement of Comprehensive Income. Derivative financial instruments are used to hedge currency risk.

7.5.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves, and by regularly monitoring cash flow. At balance date, the Group had \$88.205 million (2025: \$58.333 million) in cash reserves and accordingly, management consider liquidity risk to be relatively low.

The table below analyses the Group's financial liabilities and gross-settled derivatives into relevant maturity groupings based on the remaining period from the Consolidated Statement of Financial Position to the contractual maturity date. The cash flow hedge "outflow" amounts disclosed in the table are the contractual undiscounted cash flows liable for payment by the Group in relation to all forward foreign exchange contracts in place at balance date. The cash flow hedge "inflow" amounts represent the corresponding inflow of foreign currency back to the Group as a result of the gross settlement on those contracts, converted using the spot rate at balance date. The carrying value shown is the net amount of derivative financial liabilities and assets as shown in the Consolidated Statement of Financial Position. Trade payables are shown at carrying value in the table. No discounting has been applied as the impact of discounting is not material.

AS AT 1 AUGUST 2026

\$'000	LESS THAN 3 MONTHS	3-12 MONTHS	TOTAL	CARRYING VALUE
Trade and other payables	38,175	-	38,175	38,175
	38,175	-	38,175	38,175
Forward foreign exchange contracts				
Cash flow hedges:				
— Outflow	(41,777)	(32,807)	(74,584)	(74,584)
— Inflow	41,760	32,664	74,424	74,353
Net	(17)	(143)	(160)	(231)

AS AT 1 AUGUST 2025

\$'000	LESS THAN 3 MONTHS	3-12 MONTHS	TOTAL	CARRYING VALUE
Trade and other payables	29,789	-	29,789	29,789
	29,789	-	29,789	29,789
Forward foreign exchange contracts				
Cash flow hedges:				
— Outflow	(34,983)	(49,675)	(84,658)	(84,658)
— Inflow	35,198	50,162	85,360	85,081
Net	215	487	702	423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

7. OTHER (CONTINUED)

7.5.3 CREDIT RISK

Credit risk is the risk of the failure of a debtor or counterparty to honour its contractual obligations resulting in financial loss to the Group. The Group incurs credit risk from trade receivables and transactions with financial institutions. The Group places its cash, short-term investments, and derivative financial instruments with high credit quality financial institutions. Retail sales are predominantly settled in cash or by using major credit cards. 0.1% (2025: 0.1%) of sales give rise to trade receivables. This maximum exposure to credit risk is the carrying amount of trade receivables.

Concentration of credit risk with respect to debtors is limited due to the large number of customers included in the Group's customer base.

The Group does not require collateral or other security to support financial instruments with credit risk.

7.5.4 MARKET RISK

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from currency exposure predominantly with the US dollar with the purchase of inventory from overseas suppliers.

The Board has established a Treasury Risk Policy to manage the foreign exchange risk. The policy is reviewed on a regular basis, and management report monthly to the Board to confirm policy is adhered to. All committed foreign currency requirements are fully hedged, and approximately 50% (2025: 50%) of anticipated foreign currency requirements are hedged on a rolling twelve month basis.

The Group uses forward exchange contracts with major retail banks only to hedge its foreign exchange risk arising from future purchases.

Forward exchange contracts – cash flow hedges

These contracts are used for hedging committed or highly probable forecast purchases of inventory. The contracts are timed to mature during the month the inventory is shipped and the liability settled. The cash flows are expected to occur at various dates within one year from balance date.

When forward exchange contracts have been designated and tested as an effective hedge the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. These gains or losses will be released in the profit or loss in the Consolidated Statement of Comprehensive Income at various dates over the following year as the hedged risk crystallises.

At balance date the Group had entered into forward exchange contracts to sell the equivalent of NZ\$74.584 million (2025: NZ\$84.658 million), primarily in USD and AUD. At balance date these contracts are represented by net liability of \$0.231 million (2025: assets of \$0.423 million). When foreign exchange contracts are not designated and tested as an effective hedge, the gain or loss on the foreign exchange contract is recognised in the profit or loss in the Consolidated Statement of Comprehensive Income.

At balance date there are no such contracts in place (2025: Nil).

Interest rate risk

The Group has no interest-bearing borrowings. Exposure to interest rate risk arises only from the impact on income from operating cash flows as a result of interest-bearing assets, such as cash deposits.

Sensitivity analysis

Based on historical movements and volatilities and management's knowledge and experience, management believes that the following movements are 'reasonably possible' over a 12-month period:

- Proportional foreign exchange movement of -10% (depreciation of NZD) and +10% (appreciation of NZD) against the USD, from the year end rate of \$0.5868 (2025: \$0.5881).
- Proportional foreign exchange movement of -10% (depreciation of NZD) and +10% (appreciation of NZD) against the AUD, from the year end rate of \$0.835 (2025: \$0.9139).
- A parallel shift of +2% / -2% in the market interest rates from the year end deposit rate of 2.5% (2025: 3.0%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

7. OTHER (CONTINUED)

If these movements were to occur, the post-tax impact on profit or loss and equity for each category of financial investment:

AS AT 1 AUGUST 2026		INTEREST RATE				FOREIGN EXCHANGE RATE			
\$'000	CARRYING AMOUNT	-2%		+2%		-10%		+10%	
		PROFIT	EQUITY	PROFIT	EQUITY	PROFIT	EQUITY	PROFIT	EQUITY
FINANCIAL ASSETS									
Financial assets at amortised cost									
Cash and cash equivalents	78,205	(1,564)	(1,564)	1,564	1,564	5,057	5,057	(4,138)	(4,138)
Short-term deposits	10,000	(200)	(200)	200	200	-	-	-	-
Accounts receivable	641	-	-	-	-	-	-	-	-
Advances to employees	553	-	-	-	-	-	-	-	-
FINANCIAL LIABILITIES									
Liabilities at amortised cost									
Trade and other payables	38,175	-	-	-	-	(3,732)	(3,732)	3,054	3,054
Derivatives used for hedging									
Derivatives designated as cash flow hedges (forward foreign exchange contracts)	(231)	-	-	-	-	-	6,074	-	(4,773)
Total increase / decrease		(1,764)	(1,764)	1,764	1,764	1,325	7,399	(1,084)	(5,857)

AS AT 1 AUGUST 2025		INTEREST RATE				FOREIGN EXCHANGE RATE			
\$'000	CARRYING AMOUNT	-2%		+2%		-10%		+10%	
		PROFIT	EQUITY	PROFIT	EQUITY	PROFIT	EQUITY	PROFIT	EQUITY
FINANCIAL ASSETS									
Financial assets at amortised cost									
Cash and cash equivalents	58,333	(1,167)	(1,167)	1,167	1,167	3,473	3,473	(2,841)	(2,841)
Accounts receivable	366	-	-	-	-	-	-	-	-
Advances to employees	732	-	-	-	-	-	-	-	-
Derivatives used for hedging									
Derivatives designated as cash flow hedges (forward foreign exchange contracts)	423	-	-	-	-	-	6,829	-	(5,587)
FINANCIAL LIABILITIES									
Liabilities at amortised cost									
Trade and other payables	29,789	-	-	-	-	(1,997)	(1,997)	1,634	1,634
Total increase / decrease		(1,167)	(1,167)	1,167	1,167	1,476	8,305	(1,207)	(6,794)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2026

7. OTHER (CONTINUED)

7.5.5 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to maximise the value of shareholder equity and ensure that the Group continues to safeguard its ability to continue as a going concern. Group capital consists of share capital, reserves and retained earnings. In order to meet these objectives, the Group may adjust the amount of dividend payment made to shareholders. The Group has no specific banking or other arrangements which require that the Group maintain specific equity levels.

7.6 EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end, the Board has resolved to pay a final dividend of 40 cents per share totalling \$23,859,624 (partially imputed at 91.6%) (2025: 30.5 cents totalling \$18,192,964 partially imputed at 56.5%). The dividend will be paid on 9 December 2026 to all shareholders on the Company's register as at 5:00pm, 2 December 2026.

7.7 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

Certain amendments to accounting standards that are mandatory for the 1 August 2026 reporting period have been adopted by the Group and have no material impact. There were also certain new accounting standards, amendments to accounting standards and interpretations that have been published which are not mandatory for the 1 August 2026 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations are yet to be assessed for the disclosure and measurement impacts for the future reporting periods.

BOARD OF DIRECTORS

Directors of the Company in office as at 1 August 2026 or who ceased to hold office during the year ended 1 August 2026.

Director	Qualifications / Experience	Special Responsibilities
Warren Bell	M Com FCA. Appointed December 1986. Mr Bell holds appointments on a number of boards of both public and private companies and is a professional director.	Chairman of the Board Non-executive Non-independent Director
Timothy Glasson	Appointment November 1985 on merger with Hallensteins. Tim is the founder of Glassons womenswear retail chain and has a wealth of experience in retail previously holding the CEO role within the business for a number of years.	Non-executive Non-independent Director
Graeme Popplewell	B Com FCA. Appointed March 1985. Graeme has a wealth of experience in finance and retail previously holding CFO and CEO roles within the business for a number of years.	Non-executive Non-independent Director
Malcolm Ford	Appointed June 2010. Background includes 20 years with experience in direct sourcing particularly in Asia. Mr Ford also has experience in brand management across wholesale and retail markets.	Non-executive Independent Director
Karen Bycroft	BSC, Postgrad Marketing. Appointed November 2014. Background includes more than 35 years in Retail in the UK and Australia with Marks and Spencer, Sears, Woolworths, Spotlight and Country Road. Experience in Strategy, Marketing, and Leadership. Also a Leadership Facilitator and Executive Coach.	Non-executive Independent Director
Sandra Vincent	Appointed October 2020. Background includes 40 years of experience in the wholesale and retail fashion industry. Sandra is also a beneficial Owner and Managing Director of Harper's Fashions Ltd trading as Hartleys which has 15 retail stores across New Zealand.	Non-executive Independent Director
James Glasson	Appointed April 2021. James joined Glassons Australia in 2013, after completing a Master of Arts; Fashion Retail at the London College of Fashion (University of Arts), Master of Science; Real Estate at the University of Reading, Bachelor of Arts; Art History at the University of Canterbury. Taking on various roles within the business over the last 13 years, including Brand Manager, General Manager, Acting National Retail Manager, James was appointed as CEO of Glassons Australia in October 2017.	CEO — Glassons Australia Non-independent executive Director
Joanne Appleyard	Appointed November 2022. Jo is a partner at Anderson Lloyd and is a well-regarded senior practitioner with over 30 years' experience. Jo specialises in employment, commercial and resource management law. Jo was a member of the NZ Markets Disciplinary Tribunal between 2011 and 2020.	Non-executive Independent Director
Peter Steenson	M Com; B Com FCA. Appointed August 2025. Peter has over 30 years' experience in accounting, finance and tax matters particularly relating to property, construction and financing. In his role at EY Peter provided a full range of reporting, financial, tax and strategic advice to domestic and international businesses.	Non-executive Independent Director

GENERAL DISCLOSURES

PRINCIPAL ACTIVITIES OF THE GROUP

Hallenstein Glasson Holdings Limited is a non-trading holding company. The Company's principal trading subsidiaries are Glassons Australia Pty Ltd and Glassons Limited (involved in the retail of women's apparel) and Hallensteins Australia Pty Ltd and Hallenstein Bros Limited (retail of men's apparel). The subsidiaries are 100% owned by Hallenstein Glasson Holdings Limited.

REVIEW OF OPERATIONS

(a) Consolidated results for the Year Ended 1 August 2026

\$'000	2026	2025
Operating revenue	563,022	470,740
Profit before income tax	83,919	58,378
Income tax	(24,756)	(18,917)
Profit for the year	59,163	39,461

(b) Dividend

Subsequent to the balance date the Directors have declared a final dividend of 40.0 cents per share payable 9 December 2026 (partially imputed at 91.6%).

(c) Donations

During the financial year ended 1 August 2026, the Group made no donations (2025: Nil).

DIRECTORS

(a) Remuneration and all other benefits

The table below sets out the total of the remuneration and the value of other benefits received by each Director during the financial year ended 1 August 2026.

Remuneration of Directors	2026			2025		
\$'000	DIRECTORS FEES	OTHER PAYMENTS/BENEFITS	TOTAL REMUNERATION	DIRECTORS FEES	OTHER PAYMENTS/BENEFITS	TOTAL REMUNERATION
Ms J Appleyard	89	-	89	86	-	86
Mr W J Bell	150	-	150	145	-	145
Ms K Bycroft	108	19	127	102	14	116
Mr M Ford	110	-	110	112	-	112
Mr J Glasson*	-	1,179	1,179	-	934	934
Mr T C Glasson	89	-	89	86	-	86
Mr G Popplewell**	104	150	254	101	-	101
Ms S Vincent	89	-	89	86	-	86
Mr P Steenson	97	-	97	-	-	-
	836	1,348	2,184	718	947	1,666

*Other Payments/Benefits for Mr J Glasson comprise a base salary, short-term incentives, company car and contributions to superannuation as remuneration for his role as CEO of Glassons Australia.

**Other Payments/Benefits for Graeme Popplewell comprise consultancy fees for his part-time role as a consultant to Hallensteins New Zealand and Australia.

Directors do not receive any additional remuneration for acting as a director of any subsidiary of the Company.

DIRECTORS**(b) Shareholdings**

As at 1 August 2026 the Directors of the Company had the following relevant interests in the Company's shares.

Beneficially Held	2026	2025
M Ford	10,000	10,000
J Glasson	873,291	812,991
T C Glasson	10,578,628	10,709,278
G J Popplewell	203,604	203,604
S Vincent	50,000	29,600

(c) Interests in share dealing

In accordance with the Companies Act 1993, between 2 August 2025 and 1 August 2026 the Board received the following disclosures from Directors of acquisitions and dispositions of relevant interests in shares issued by the Company and details of such dealings were entered in the Company's interests register.

	DATE	PURCHASE / (SALE) NUMBER OF SHARES	\$
Mr W Bell*			
On Market Sale	4 - 5 November 2025	(30,000)	(301,164)
Mr T Glasson**			
Off Market Sale	26 June 2026	(130,650)	(1,299,968)
Mr J Glasson**			
Off Market Purchase	26 June 2026	60,300	599,985
Mrs S Vincent			
Off Market Purchase	3 November 2025	20,400	201,472

*The share disposals related to Warren Bell's relevant interest in shares as an independent director of Hickman Family Trustees Limited (as trustee of the Hickman Family Trust).

** The share disposals related to Tim Glasson's sale of shares to various family members (or their trusts), including to James Glasson's trust.

GENERAL DISCLOSURES

(d) Disclosures of Interests by Directors

In accordance with section 140(2) of the Companies Act 1993 the Company maintains an interests register in which Directors' interests are recorded. The following are particulars of general disclosures of interest by Directors holding office at 1 August 2026.

Warren Bell

Director	New North Holdings Limited
Director	Waiwetu Trustees Limited
Director	Sabina Ltd
Director	Glasson Trustee Limited
Director	152 Hereford Limited
Director	CHC Properties Ltd
Director	Warren Bell Ltd
Director	Poraka Ltd
Director	Hickman Family Trustees Limited
Trustee	Emerald Trust

Sandra Vincent

Director	Harpers Fashions Ltd
Trustee	The Harpers No.2 Family Trust

Joanne Appleyard

Partner	Anderson Lloyd
Trustee	Community Law Canterbury

James Glasson

Director	Glasson Trustee Limited
Director	JCG Trustee Limited

Timothy Glasson

Director	Sabina Ltd
Director	Glasson Trustee Limited
Director	CHC Properties Limited
Director	JCG Trustee Limited
Director	152 Hereford Limited
Director	SIG Trustee Limited
Director	New North Holdings Limited
Director	847 New North Road Limited
Trustee	Hallenstein Glasson Staff Benefit Trust

Malcolm Ford

Trustee	Hallenstein Glasson Staff Benefit Trust
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Karen Bycroft

None

Graeme Popplewell

Trustee	Hallenstein Glasson Staff Benefit Trust
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Peter Steenson

None

(e) Subsidiary Companies

The persons who held office as Directors of subsidiary companies at 1 August 2026 are as follows:

Hallenstein Bros Limited

Warren Bell, Malcolm Ford, Timothy Glasson and Graeme Popplewell

Hallensteins Australia Pty Limited

Warren Bell, James Glasson, Timothy Glasson and Graeme Popplewell

Glassons Limited

Warren Bell, Timothy Glasson and Graeme Popplewell

Glassons Australia Pty Limited

Warren Bell, James Glasson, Timothy Glasson and Graeme Popplewell

Hallenstein Properties Limited

Warren Bell, Timothy Glasson and Graeme Popplewell

(f) Directors' Insurance and Indemnity

As provided by the Company's Constitution and in accordance with Section 162 of the Companies Act 1993 the Company has:

- arranged Directors' and Officers' Liability Insurance that ensures Directors will incur no monetary loss as a result of actions undertaken by them as Directors provided they act within the law; and
- indemnified its directors, and those directors who are directors of subsidiaries, against potential liabilities and costs they may incur for acts or omissions in their capacity as directors.

(g) Directors' and Officers' Use of Company Information

During the period the Board received no notices pursuant to Section 145 of the Companies Act 1993 relating to use of Company information.

STATE OF AFFAIRS

The Directors are of the opinion that the state of affairs of the Company is satisfactory. Details of the period under review are included in the Chairman's Report and the audited Consolidated Statement of Comprehensive Income.

EMPLOYEE REMUNERATION

The number of employees with the Group (other than Directors) receiving remuneration and benefits above \$100,000 in relation to the year ended 1 August 2026 was:

Employee Remuneration	2026	2025
100,000-109,999	13	16
110,000-119,999	14	11
120,000-129,999	11	12
130,000-139,999	13	12
140,000-149,999	12	6
150,000-159,999	3	3
160,000-169,999	4	8
170,000-179,999	8	2
180,000-189,999	3	3
190,000-199,999	2	1
200,000-209,999	3	2
210,000-219,999	1	3
220,000-229,999	2	3
230,000-239,999	1	-
260,000-269,999	1	1
270,000-279,999	2	2
280,000-289,999	3	1
310,000-319,999	2	-
350,000-359,999	1	-
360,000-369,999	-	1
370,000-379,999	1	-
380,000-389,999	3	3
400,000-409,999	1	1
410,000-419,999	-	1
430,000-439,999	1	1
440,000-449,999	-	1
470,000-479,999	-	1
480,000-489,999	1	-
530,000-539,999	2	2
580,000-589,999	1	-
590,000-599,999	-	1
630,000-639,999	-	1
690,000-699,999	1	-
720,000-729,999	1	-
840,000-849,999	1	-
940,000-949,999	-	1

GENERAL DISCLOSURES

CHIEF EXECUTIVE REMUNERATION

Chris Kinraid resigned from his role as Chief Executive Officer with effect from 5 September 2025. The total remuneration paid to Chris during the financial year was as follows:

	SALARY	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE	OTHER BENEFITS	TOTAL REMUNERATION
Group Chief Executive Officer - Chris Kinraid	74,359	145,000	-	630,350	849,709

Other benefits include contributions to KiwiSaver, health insurance, a car park and payments made on Chris' resignation taking effect. The STI payment was approved by the Board and linked to the Group's financial performance against set targets for the period from 2 February 2025 to 1 August 2025.

Since 6 September 2025 the Company has had no CEO for the purpose of Code recommendation 5.3.

The Board has delegated the authority to manage the business and affairs of the Group, in respect of the areas of the Group outlined below, to the persons holding the following roles:

- Glassons Australia – CEO Glassons Australia;
- Glassons New Zealand – CEO Glassons New Zealand;
- Hallensteins New Zealand/Australia – CEO Hallensteins New Zealand and Australia;

Total remuneration paid to the three individuals holding these roles during the financial year was as follows:

	SALARY	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE	OTHER BENEFITS	TOTAL REMUNERATION
Subsidiary CEOs	1,707,322	563,922	-	169,927	2,441,171

Other benefits include contributions to KiwiSaver, health insurance, vehicle entitlement and a car park. The STI payment was approved by the Board and linked to the Group's financial performance against set targets for the period from 2 February 2025 to 1 February 2026.

REMUNERATION TO AUDITORS

The fee for the audit of the Company and its subsidiaries, paid to PricewaterhouseCoopers, was \$345,000.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the **Board**) of Hallenstein Glasson Holdings Limited (**HGHL**) is committed to maintaining best-practice standards of corporate governance. This corporate governance statement provides an overview of HGHL's key corporate governance arrangements and the policies and practices that HGHL and its subsidiaries (the **Group**) have developed and implemented, in line with the NZX Corporate Governance Code dated 31 March 2026 (the **Code**) and the NZX Listing Rules.

This corporate governance statement outlines each principle contained in the Code and how HGHL is applying the corresponding Code recommendations. Where HGHL is not currently following a particular Code recommendation, the reason for HGHL not following the Code recommendation and a description of the alternative governance practice adopted by HGHL (and approved by the Board) is provided (refer to the table on page 64 of this report).

This corporate governance statement is current as at 29 September 2026 (except where specified otherwise) and has been approved by the Board.

The key HGHL corporate governance policy documents (including the Board charter and other relevant charters and policies) are available at www.hallensteinglasson.co.nz/investment-centre.

PRINCIPLE 1 – ETHICAL STANDARDS

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

Code of Ethics

HGHL is committed to ensuring the highest standards of conduct and ethical behaviour are followed in respect of all business activities of the Group. The Board has adopted a code of ethics (the **Code of Ethics**) to promote and support a culture of integrity, transparency, honest and ethical behaviour, corporate compliance and good corporate governance.

The Code of Ethics sets out the minimum standards of conduct expected of the directors, senior management and employees of the Group in carrying out their day-to-day duties. The Code of Ethics provides a guide to the conduct that is consistent with HGHL's values, business goals and legal obligations.

The Code of Ethics also sets out the internal reporting procedures for any wrongdoing or breaches of the Code of Ethics (or any other HGHL policy) or legal obligations, and HGHL's expectations around how such wrongdoing and breaches will be investigated and/or escalated to the Board (if necessary). HGHL is committed to standing behind any Group employee who, acting in good faith, reports a breach, serious problem or wrongdoing.

All new directors, senior managers and employees of the Group are directed to the Code of Ethics as part of their induction. The Code of Ethics is also available on HGHL's website. The Board reviews the Code of Ethics periodically.

Financial Product Trading policy

The Board has adopted a Financial Product Trading Policy which details HGHL's policy in relation to directors and employees of the Group trading HGHL shares, including certain prohibitions and restrictions on, and procedures for, directors and employees of the Group.

The Financial Product Trading Policy sets out applicable insider trading laws and guidance around material information and the trading of HGHL shares. This policy also details the procedure which must be followed by directors, senior managers and certain other Group employees (or their related parties) who wish to trade in HGHL's shares. All directors and senior managers (and other applicable Group employees) must notify HGHL and obtain consent prior to trading in HGHL shares, and are only permitted to trade in HGHL's shares within the periods of two trading windows under the policy.

These trading windows are:

- between the date on which HGHL's half year results are released (during March) and 1 July; and
- between the date on which HGHL's full year results are released (during September) and 1 January.

Trading by an individual holding non-public material information about HGHL is prohibited. All directors and senior managers (and other applicable Group employees) are required to confirm to HGHL that they do not hold material information prior to trading in HGHL shares during a trading window.

Directors and senior managers must advise the NZX if they trade in HGHL's shares within the timeframes required by law.

The Financial Product Trading Policy is available on HGHL's website.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

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

The Board

The Board is elected by shareholders to govern and oversee the management of HGHL and is responsible for all corporate governance matters and reporting to shareholders. The Board has adopted a board charter (the **Board Charter**) which sets out the roles and responsibilities of the Board and outlines how these roles and responsibilities interact with the roles and responsibilities of the Group's management. The Board Charter is available on HGHL's website.

The Board establishes HGHL's objectives, determines the strategies for achieving those objectives, and monitors management's performance in respect of implementing those strategies. It also establishes delegated authority limits for capital expenditure, treasury, and remuneration.

Glassons New Zealand, Glassons Australia and Hallensteins operate as separate subsidiaries, each with its own management team. The Board delegates the responsibility for the day-to-day management of HGHL and each subsidiary to the executive team in the manner described in the Board Charter. The Board is responsible for the appointment of, and assessment of the performance of, the executive team.

The Board meets no less than 10 times each year. Directors receive monthly reporting including profit and loss and balance sheets for each operating subsidiary, together with operations reports from the senior executive from each operating subsidiary.

Board composition and independence

The Board comprises eight non-executive directors and one executive director (being James Glasson, the Chief Executive Officer of Glassons Australia). The Chairperson is a non-executive director and is not the CEO of HGHL for the purposes of Code Recommendation 2.10.

The Board has determined the independence of its directors as follows.

INDEPENDENT DIRECTORS:

- Karen Bycroft
- Sandra Vincent
- Joanne Appleyard
- Peter Steenson
- Malcolm Ford

NON INDEPENDENT DIRECTORS:

- Warren Bell (Chairman)
- Timothy Glasson
- Graeme Popplewell
- James Glasson

In determining director independence, the Board considers the definition of disqualifying relationship set out in the NZX Listing Rules and has regard to the factors that may affect the independence of a director set out in the Code.

- Timothy Glasson is not an independent director because of his substantial shareholding in HGHL (refer to the shareholder information section on page 66 of this report).
- Warren Bell is not an independent director because of his close business connections with Timothy Glasson.
- Graeme Popplewell is not an independent director because of his part-time consultancy role with Hallensteins New Zealand and Australia.
- James Glasson is not an independent director because he is also an executive of the Group.

The Board considers that several factors set out in table 2.4 of the Code apply to various independent directors as follows.

Malcolm Ford has been a director of HGHL for longer than 12 years and Karen Bycroft will have been a director of HGHL for longer than 12 years from 17 November 2026. The Board has determined that Malcolm's and Karen's tenure does not affect their ability to exercise independent judgement or to act in the best interests of HGHL and its shareholders. Malcolm and Karen continue to approach board matters with professionalism, challenge and hold management to account and bring the same high level of diligence and enquiry as directors who have a shorter tenure.

The Board also recognises that several of its independent directors may derive a substantial portion of their annual revenue from HGHL. The Board does not consider this factor materially affects any such director's capacity to bring an independent view to decisions, including having regard to each director's broader financial position and circumstances and the professional nature of the role of a director. The Board is currently comprised of a majority of independent directors (Code Recommendation 2.8) and is of the view it has an optimal mix of skills and experience to govern the Group effectively. The Board is satisfied that it operates in an effective and independent manner notwithstanding a number of its directors are technically considered to be non-independent directors for the purpose of the NZX Listing Rules.

Under the NZX Listing Rules, a director must not hold office past the later of three years and the third annual meeting after their appointment without being re-elected by shareholders.

The Board may at any time appoint a person to be a director either as an additional director or to fill a casual vacancy. Any person who is appointed a director by the Board will retire from office at the next annual meeting of HGHL but will be eligible for election by shareholders at that next meeting.

A list of the directors and their profiles, experience and qualifications is on page 51 of this report. A list of their relevant ownership interests is on page 54 of this report.

Nomination and appointment of directors

The Nominations Committee identifies suitably qualified people who could be considered for nomination or appointment as a director in the event of a vacancy on the Board. The Nominations Committee Charter includes guidelines relating to Board composition, considerations for new director appointments and the procedure by which potential directors are nominated and assessed. All new directors enter into a written agreement with HGHL setting out the terms of their appointment.

Diversity

HGHL believes that all eligible people should get an equal opportunity and be treated fairly regardless of their background, views, experiences and capabilities as well as their beliefs, physical differences, ethnicity, gender, age, thinking style or preferences. The Board has adopted a Diversity and Inclusion Policy that ensures HGHL is continually developing a work environment that supports equality and inclusion regardless of difference. The Diversity and Inclusion Policy applies to all HGHL's practices and policies relating to, but not limited to, recruitment, pay and benefits, training and development, promotions, restructures and terminations.

The Diversity and Inclusion Policy includes a requirement that the Board establish and separately record measurable objectives and assess performance against the objectives on an annual basis. The Board is responsible for implementing, reviewing, reporting and overseeing the Diversity and Inclusion Policy.

Details of gender composition of HGHL's directors, officers* and senior leaders** as at 1 August 2026 (being HGHL's most recent balance date) are as follows:

Gender diversity as at 1 August	2026	2025
Directors		
Female	3	3
Male	6	5
Officers*		
Female	1	1
Male	5	5
Senior Leaders**		
Female	8	8
Male	4	4

*Officers means those persons who are concerned or take part in the management of HGHL's business and who report directly to the Board or to a person who reports to the Board.

**Senior Leaders means those persons who are members of the senior leadership team of an HGHL subsidiary and who assist the chief executive officer of that HGHL subsidiary in the management of the relevant subsidiary's business.

Education, training and performance

The Board ensures that new directors are appropriately inducted to their role. Directors are also expected to undertake continuous education and training as appropriate to ensure that their skills and knowledge remain relevant and current, and that allow them to perform their role as directors of a listed issuer.

The Board evaluates its own performance and that of its committees annually. The Chairperson also meets with directors individually to discuss their individual performance during the year.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 3 – BOARD COMMITTEES

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

Overview of Board Committees

At the date of this report, the Board has established the Remuneration Committee, the Audit & Risk Committee, the Nominations Committee and the Sustainability Committee (each a Committee). The Board has considered whether any other standing Board committees are appropriate and has determined that no other Board committees are necessary at this time. Each Board committee operates under a charter which is available on HGHL's website. Board Committee members are appointed solely from members of the Board (except for the Sustainability Committee which also includes senior employees of the Group) and committee membership is reviewed on an annual basis. Any recommendations made by the committees are submitted to the full Board for formal consideration and approval (if appropriate).

HGHL has also established a Health and Safety Committee to ensure appropriate governance, performance and compliance is carried out in this key area. The Committee's membership includes HGHL directors and employees of the Group. The Health and Safety Committee is not a Board committee.

Director attendance at Board and Committee meetings for the year ended 1 August 2026

	Board	Remuneration	Audit & Risk	Nominations	Sustainability
Number of meetings held	11	2	2	2	3
	Attended	Attended	Attended	Attended	Attended
Warren Bell	11	2	2	2	-
Timothy Glasson	11	-	-	-	-
Graeme Popplewell	10	2	2	2	-
Malcolm Ford	10	-	1	-	-
Karen Bycroft	11	2	1	2	3
Sandra Vincent	8	2	-	2	-
James Glasson	11	-	-	-	3
Joanne Appleyard	11	2	1	2	3
Peter Steenson	10	-	2	-	-

Remuneration Committee

The Remuneration Committee is comprised of non-executive members of the Board and is chaired by Graeme Popplewell. The other members of the Remuneration Committee are Warren Bell, Sandra Vincent, Karen Bycroft and Joanne Appleyard. The Remuneration Committee comprises a majority of independent directors.

The Remuneration Committee's primary function is to make specific recommendations to the Board on remuneration packages and other terms of employment for directors and senior managers. HGHL's senior management may only attend Remuneration Committee meetings at the Committee's invitation. The Remuneration Committee utilises independent advice from industry experts where necessary to ensure remuneration practices are appropriate for HGHL, and to ensure the best possible people are recruited and retained.

The Remuneration Committee Charter is available on HGHL's website.

Audit & Risk Committee

The Audit & Risk Committee is comprised of non-executive members of the Board and is chaired by Peter Steenson. The other members of the Audit & Risk Committee are Warren Bell, Graeme Popplewell, Joanne Appleyard and Malcolm Ford. Warren, Graeme and Peter are each Fellows of Chartered Accountants Australia New Zealand (CAANZ) with an extensive accounting and financial background. The Audit & Risk Committee comprises a majority of independent directors. HGHL therefore complies with Code Recommendation 3.1.

The Board believes the Audit & Risk Committee's current membership has an optimal mix of skills and experience to ensure the Committee achieves its objectives. The Audit & Risk Committee meets directly with HGHL's external auditors and receives and reviews all correspondence between HGHL and its auditors. The main responsibility of the Committee is to ensure internal controls are effective, financial reporting is reliable, and applicable laws and regulations are complied with. HGHL's senior management may only attend Audit & Risk Committee meetings at the Committee's invitation.

The Audit & Risk Committee Charter is available on HGHL's website.

Nominations Committee

The Nominations Committee is comprised of non-executive members of the Board and is chaired by Graeme Popplewell. The other members of the Nominations Committee are Warren Bell, Sandra Vincent, Karen Bycroft and Joanne Appleyard. The Nominations Committee comprises a majority of independent directors. Where appropriate, the Nominations Committee will make recommendations to the Board on the appointment of directors.

The Nominations Committee Charter is available on HGHL's website.

Sustainability Committee

The Sustainability Committee is comprised of HGHL directors and senior employees of the Group, including directors Karen Bycroft, Joanne Appleyard and James Glasson (also Chief Executive Officer of Glassons Australia) and senior employees Cameron Alderton (Group Chief Financial Officer) and April Ward (Chief Executive Officer of Glassons New Zealand).

The Sustainability Committee is chaired by Karen Bycroft. The Sustainability Committee guides HGHL's sustainability strategy, monitors how HGHL is tracking against its sustainability goals and makes recommendations to the Board. The Committee meets three times each year to review performance and provide strategic input and governance to the Board where appropriate. The establishment of the Sustainability Committee reflects the importance HGHL (and the Board) places on sustainability initiatives and helps to ensure that sustainability-related matters are given due regard at the Board level.

The Sustainability Committee Charter is available on HGHL's website.

Health and Safety Committee

HGHL has established a Health and Safety Committee. The Health and Safety Committee is not a committee of the Board, although its members include directors alongside employees of the Group. The Health and Safety Committee is chaired by Malcolm Ford.

The Health and Safety Committee oversees:

- The Group's existing health and safety systems and processes.
- Approval of health & safety policies and procedures for the Group.
- Monitoring of any incidents, hazards and risks within the Group's business.
- Communication to the Board on health and safety matters and ensures the Board is informed on matters relating to health and safety governance, performance and compliance.
- Regular assessments on health and safety systems.

The Health and Safety Committee met three times during the year ended 1 August 2026.

Takeover response

The Board has implemented protocols that set out the procedures to be followed if a 'control transaction' for HGHL arises, including a takeover offer being received by HGHL.

PRINCIPLE 4 – REPORTING AND DISCLOSURE

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

Financial reporting to shareholders and the market is in accordance with generally accepted accounting principles applied in New Zealand, and in compliance with relevant legislation and NZX requirements.

The Board has adopted a Market Disclosure Policy which outlines the obligations of HGHL and relevant HGHL personnel in satisfying HGHL's continuous disclosure requirements. A copy of the Market Disclosure Policy is available on HGHL's website.

HGHL is responsible for ensuring it meets its continuous disclosure obligations under the NZX Listing Rules and acknowledges that the intent of these rules is to enable shareholders and the investment market generally to be promptly informed of any events that may be price sensitive in regard to HGHL's share price.

Sustainability

The Group prepares a sustainability report on an annual basis (refer to the Group's sustainability report on page 10 of this report). The Sustainability Committee appointed by the Board has to date developed the following key areas of focus for the Group in relation to environmental, social and governance factors:

- environmentally sustainable certified fabrics and product stewardship;
- supplier partnerships and ethical factories;
- the Group's carbon footprint, climate change preparations and environmental impact;
- diverse workforce and safe working environment for all; and
- team career development.

CORPORATE GOVERNANCE STATEMENT

Climate-related disclosures

The Government has previously announced changes which would remove listed issuers with market capitalisation below \$1 billion from the climate reporting regime through the Financial Markets Conduct Amendment Bill. As at the date of this corporate governance statement, the Financial Markets Conduct Amendment Bill has not yet been passed into law. Given this uncertainty, the Financial Markets Authority (FMA) has extended its existing 'no action' relief from relevant requirements under Part 7A of the Financial Markets Conduct Act 2013 for reporting periods up to and including 31 January 2028. This 'no action' approach means that the FMA will not take action against a person for breach of a statutory or regulatory obligation.

While HGHL is currently a Climate Reporting Entity for the purposes of Part 7A of the Financial Markets Conduct Act 2013, HGHL would not be a Climate Reporting Entity under the changes proposed by the Financial Markets Conduct Amendment Bill. As a result, HGHL will not lodge climate statements or publicly report on the Group's climate-related risks and opportunities in accordance with the Aotearoa New Zealand Climate Standards for the period ended 1 August 2026, in reliance on the FMA's 'no action' relief.

PRINCIPLE 5 – REMUNERATION

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

Details of the remuneration of directors, the former Group CEO and the subsidiary CEOs during the year ended 1 August 2026 are shown on page 52 and 56 of this report.

Shareholders are asked to approve any increases to the pool of directors' fees from time to time as required by the NZX Listing Rules. Fees are generally established using independent surveys covering organisations of a similar scope and size to HGHL operating in the same jurisdictions.

Key executive remuneration comprises a base salary together with short term and long term incentives. Key executives are eligible for short term incentives each season based on internal profit before tax targets. HGHL entered into long term incentive arrangements with key executives in the 2026 financial year. The Remuneration Committee seeks independent advice where appropriate when setting key executive remuneration.

HGHL has adopted a Remuneration Policy which outlines the principles that apply to the remuneration of all non-executive directors and senior management with the aim to ensure that remuneration is fair and appropriate. A copy of the Remuneration Policy is available on HGHL's website.

PRINCIPLE 6 – RISK MANAGEMENT

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

Risk management framework

The Board is responsible for reviewing and approving HGHL's risk management strategy. The Board has adopted a robust risk management framework that identifies and seeks to proactively manage risks throughout the Group, including climate-related risks.

HGHL's risk management framework is structured to identify, assess and manage the Group's key risks identified and prioritised by HGHL's risk matrix and set out in HGHL's risk register. The risk matrix assesses both the likelihood and consequence of each key risk concerning the Group. HGHL's key risks include supply chain, brand and reputational, cyber and financial risks. The Board regularly reviews risks concerning the Group in line with the risk management framework.

As part of the risk management framework, the Board has also adopted a risk appetite statement which sets out HGHL's risk tolerance and allows HGHL to manage reported risks effectively. Any risks that are classed outside HGHL's current risk appetite (as set out in the risk appetite statement) are escalated and prioritised for action. The Board regularly monitors the risk appetite statement and has categorised the different risks concerning the Group into the following four categories:

- strategic risk;
- financial risk;
- operational risk (people, technology, property and process); and
- operational risk (environment).

Formal reviews of any key risks to HGHL are integrated into the Audit & Risk Committee meetings. The applicable risk reporting that supports the identified risks are referred to at each Audit and Risk Committee meeting where necessary.

Responsibility for risk management

While the Board is ultimately responsible for oversight of the risk management of the Group, the Audit & Risk Committee reviews the reports of management and the external auditors on the effectiveness of systems for internal control, financial reporting and risk management. Significant risks are discussed at Board meetings as required. To assist in discharging this responsibility, the Board has in place a number of strategies designed to safeguard HGHL's assets and interests and to ensure the integrity of reporting.

Insurance

HGHL maintains insurance cover with reputable insurers for most types of insurance risk. All Group directors and senior managers have the benefit of an indemnity as permitted by the Companies Act 1993 and HGHL's constitution. HGHL has also implemented Director and Officer (D&O) insurance cover at HGHL's cost. Details of these indemnities and insurance are disclosed in HGHL's interests register as required.

Health & Safety

HGHL has health and safety systems and processes in place that include training employees and recording any incidents, hazards and risks. These systems help ensure HGHL continues to provide a safe working environment for staff, contractors and customers. HGHL has also established a Health and Safety Committee as part of its commitment to protecting the health, safety and wellbeing of Group employees – see details of the Committee and its role above.

The Health and Safety Committee, along with senior management, is responsible for ensuring that health and safety has appropriate focus and is sufficiently resourced within the Group. Senior management work in conjunction with the Health and Safety Committee to investigate incidents, analyse hazard/incident trends to identify and mitigate potential health and safety risks and review, develop and monitor compliance with health and safety processes and procedures. Health and safety is a consistent item on the Board's meeting agendas to keep all directors informed of the Group's performance across a range of measures.

The Board and the Health and Safety Committee receive detailed reporting on health and safety performance including health and safety incidents, injury rates by severity, identified hazards and outputs from the workers' health and safety forum meetings. There has been minimal lost time due to incidents or injuries over the last financial year. HGHL continues to work to mitigate risk both in store and in its distribution centres.

All staff are trained on health and safety procedures as part of their induction, including training on working from height, manual lifting and personal safety. Registers are kept of potential hazards at each store and regular reviews/audits of compliance with health and safety processes and procedures are carried out. The Group also provides an Employee Assistance Programme to support with employee wellbeing.

HGHL places particular focus on safety in its distribution centres and regular risk assessments are carried out. Risks identified by HGHL in its distribution centres include material handling equipment (forklifts), heavy/light vehicles, working at height, falling objects, manual handling strains/injuries and fatigue; slips, trips and falls. HGHL ensures that all forklift and heavy machinery operators are licensed accordingly and have completed appropriate certified training. Daily equipment inspections are performed, site inductions are carried out with all visitors, staff and contractors, and controls are implemented where risks are identified as part of hazard risk assessments.

HGHL has implemented a digital reporting system that records injuries, hazards, aggressive behaviour incidents and overt theft. This digital reporting system continues to inform HGHL's understanding of the nature and number of incidents that impact its teams and allows HGHL to respond with solutions tailored to suit individual circumstances. This digital reporting system also directs HGHL toward any improvement needed in equipment available for use in its stores and distribution centres.

HGHL encourages its staff to report all injuries including minor scrapes, tweaks, and scratches so that HGHL can ensure it is providing a safe working environment and as a check that the training HGHL provides stays relevant to the work environment. HGHL's statistics include customers who may have suffered a medical event or similar incident while visiting its premises.

HGHL engages Raise, an employee assistance programme (EAP) provider, to offer counselling to support all team members across the Group. Access to the counselling support offered by Raise is not limited to only helping address work related challenges that an employee may be experiencing.

During the 2026 financial year the Group recorded 181 injuries, 24 near misses and 160 sessions initiated by Group employees with Raise. There were no instances of fatalities from work related ill health or injury.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 7 – AUDITORS

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

The Audit & Risk Committee is responsible for overseeing HGHL's external audit arrangements. Ensuring that external audit independence is maintained is one of the key aspects in discharging this responsibility. The Audit & Risk Committee has adopted an Audit Independence Policy to assist the Committee in meeting this responsibility. The Audit Independence Policy covers the following areas:

- Provision of related assurance services by the external auditors.
- Audit partner rotation.
- Relationships between the auditor and HGHL.
- Approval of auditor.

The Audit & Risk Committee will only recommend the appointment of a firm to be auditor if that firm would be regarded by a reasonable investor with full knowledge of all relevant facts and circumstances as capable of exercising objective and impartial judgement on all issues encompassed within the auditor's engagement. The Audit & Risk Committee must recommend the approval of any significant permissible non-audit work assignments that are awarded to an external auditor. A copy of the Audit Independence Policy is available on HGHL's website.

HGHL's external auditors are required to be available at each annual shareholders' meeting.

Internal Audit

HGHL does not have an internal audit function. The Board is confident the key risks of the business are being adequately managed without an internal audit function and that the internal control framework is operating effectively, including through the risk identification and management processes outlined above.

PRINCIPLE 8 – SHAREHOLDER RIGHTS AND RELATIONS

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

HGHL releases all material information to the NZX as required by the NZX Listing Rules, and also posts any key announcements to HGHL's website at www.hallensteinglasson.co.nz. Other key information, including annual reports, HGHL's constitution and key corporate governance documents are also posted on HGHL's website for ease of reference. Consistent with best practice and HGHL's continuous disclosure obligations under the NZX Listing Rules, external communications that may contain market sensitive data are released through NZX in the first instance. The Board approves all communications with shareholders.

HGHL shareholders are provided with the option of receiving communications from HGHL electronically. HGHL's website also includes a section on investor communications and HGHL welcomes investor enquiries.

HGHL ensures notices of annual (and any special) meetings of shareholders are posted on HGHL's website at least 20 working days prior to the meeting, in line with Code Recommendation 8.5.

HGHL refers any significant matters, as required by the Companies Act 1993 and the NZX Listing Rules, to shareholders for approval at the AGM, and shareholders are given the opportunity to vote by proxy ahead of the meeting or by poll if attending the meeting in person.

AREAS OF DIVERGENCE FROM THE NZX CORPORATE GOVERNANCE CODE DATED 31 MARCH 2026

NZX Code Principle	NZX Code Recommendations	Key Difference	Status
To ensure an effective board there should be a balance of independence, skills, knowledge, experience and perspectives.	2.9 An issuer should have an independent chair of the board.	During the reporting period, the chair of the Board was not an independent director.	<p>The Board has determined that the chair of the Board, Warren Bell, is not independent because of his close business connections with HGHL's largest shareholder, Timothy Glasson. HGHL does not follow Code Recommendation 2.9 because:</p> <p>(a) the benefit of Mr Bell's skills and experience as Board chair outweigh any actual or perceived conflict of interest arising from his relationship with the major shareholder; and</p> <p>(b) the Board as a whole comprises a majority of independent directors.</p> <p>In lieu of not following Code Recommendation 2.9, the Board ensures that Mr Bell also recuses himself from deliberations and decision-making around matters where an actual or perceived conflict of interest might arise over something that relates to Timothy Glasson's interests. The Board has approved this alternative governance practice.</p>

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDING AS AT 29 SEPTEMBER 2026

RANGE	HOLDER COUNT	HOLDER COUNT %	HOLDING QUANTITY	HOLDING QUANTITY %
1 to 499	580	12.3	120,496	0.2
500 to 999	456	9.6	313,359	0.5
1,000 to 1,999	896	19.0	1,182,056	2.0
2,000 to 4,999	1,242	26.3	3,721,318	6.2
5,000 to 9,999	751	15.9	4,947,994	8.3
10,000 to 49,999	694	14.7	12,493,719	21.0
50,000 to 99,999	66	1.4	4,368,932	7.3
100,000 to 499,999	27	0.6	4,711,216	7.9
500,000 to 999,999	6	0.1	4,011,132	6.7
1,000,000 Over	8	0.1	23,778,839	39.9
Total	4,726	100	59,649,061	100

SHAREHOLDER INFORMATION

TOP 20 SHAREHOLDING AS AT 29 SEPTEMBER 2026

RANK	NAME	UNITS	% OF UNITS
1	TIMOTHY CHARLES GLASSON	10,578,628	17.73
2	ACCIDENT COMPENSATION CORPORATION	2,296,596	3.85
3	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	2,256,085	3.78
4	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	1,964,739	3.29
5	NEW ZEALAND DEPOSITORY NOMINEE LIMITED	1,945,389	3.26
6	CUSTODIAL SERVICES LIMITED	1,681,105	2.82
7	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	1,599,644	2.68
8	FORSYTH BARR CUSTODIANS LIMITED	1,456,653	2.44
9	FNZ CUSTODIANS LIMITED	896,703	1.51
10	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET -NZCSD	795,666	1.33
11	JCG TRUSTEE LIMITED	732,058	1.23
12	PT (BOOSTER INVESTMENTS) NOMINEES LIMITED	580,467	0.97
13	NZX WT NOMINEES LIMITED	506,238	0.85
14	JOANNA BECKETT	500,000	0.84
15	HSBC NOMINEES A/C NZ SUPERANNUATION FUND NOMINEES LIMITED - NZCSD	468,920	0.79
16	APEX CUSTODIAN NOMINEES (NZ) LIMITED CPTA FOR HARBOUR ASSET MANAGEMENT	438,732	0.74
17	JBWERE (NZ) NOMINEES LIMITED	401,401	0.67
18	GMH 38 INVESTMENTS LIMITED	230,000	0.39
19	SIG TRUSTEE LIMITED	223,210	0.37
20	APEX CUSTODIAN NOMINEES (NZ) LIMITED - NZCSD	208,095	0.35
Totals: Top 20 holders of ORDINARY SHARES (Total)		29,760,329	49.89
Total Remaining Holders Balance		29,888,732	50.11

SUBSTANTIAL PRODUCT HOLDERS

As at 1 August 2026, HGHL's only substantial product holder was Timothy Charles Glasson. Mr Glasson held 10,578,628 ordinary shares in HGHL at that date according to both disclosures made by Mr Glasson and HGHL's records. The total number of voting securities (fully paid ordinary shares) of HGHL as at 1 August 2026 was 59,649,061.



Directory

AUDITORS

PRICEWATERHOUSECOOPERS

BANKERS

ANZ BANK
NEW ZEALAND LTD

REGISTERED OFFICE

LEVEL 3
235 – 237 BROADWAY
NEWMARKET
AUCKLAND 1023
TEL +64 9 306 2500

POSTAL ADDRESS

PO BOX 91 – 148
AUCKLAND MAIL CENTRE AUCKLAND 1141

SHARE REGISTRAR

COMPUTERSHARE INVESTOR SERVICES LIMITED
PRIVATE BAG 92119
AUCKLAND 1142
TEL +64 9 488 8700

WEBSITES

HALLENSTEINGLASSON.CO.NZ
GLASSONS.COM
HALLENSTEINS.COM

Calendar

ANNUAL BALANCE DATE	01 AUGUST
PRELIMINARY PROFIT ANNOUNCEMENT	SEPTEMBER
REPORTS AND ACCOUNTS PUBLISHED	OCTOBER
HALF YEAR RESULTS	MARCH
INTERIM DIVIDEND	APRIL
ANNUAL GENERAL MEETING	DECEMBER

HALLNSTEIN GLASSON

HOLDINGS
LIMITED



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